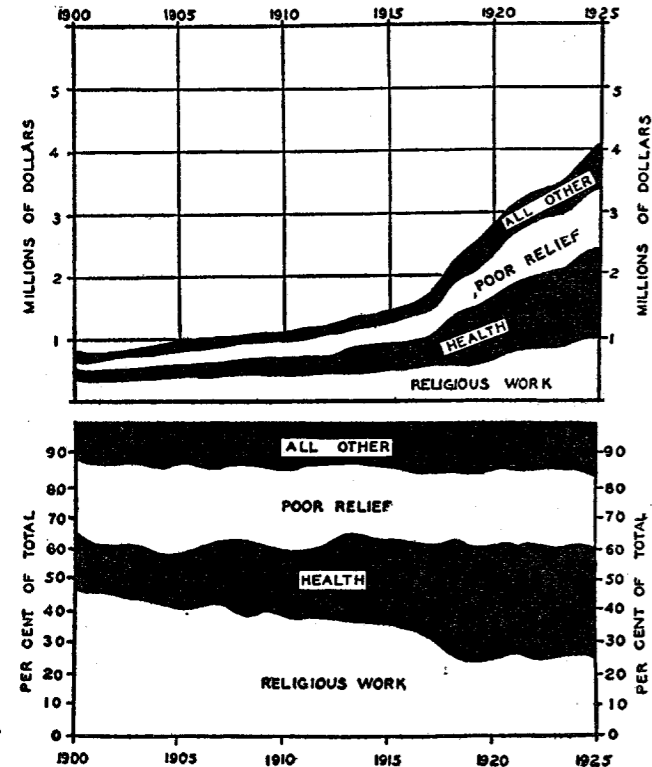


CHART 3—DIRECT EXPENDITURES OF ALL ORGANIZATIONS TAKEN AS A UNIT CLASSIFIED ACCORDING TO PURPOSE



have very marked cyclical movements, the cycles averaging about four years in length. In this chart, the effects of the changing purchasing power of the dollar have been eliminated, all amounts being expressed in terms of dollars having command over direct or consumers' goods equal to that which they possessed in 1913. Even when the changing value of money has been allowed for, we see that the total amount contributed in 1925 to organized philanthropy in New Haven was twice as great as the aggregate of gifts for 1900. However, the population also increased greatly during that period. When this population change is allowed for, the upward trend in contributions practically disappears, and the conclusion seems justified that the per capita degree of generosity remained about the same during the quarter century covered.

Earnings Supplement Contributions

The chart indicates that, in recent years, expenditures have been steadily outgrowing contributions. Does this mean that the philanthropic organizations have been running more and more deeply into debt? Fortunately, this is not the case. The true explanation of the phenomenon is that, to a greater and greater extent, many organizations are coming to depend upon earnings rather than upon contributions. Thus they are enabled to expend amounts much larger than the aggregate of gifts received.

What, on the whole, did the philanthropic organizations of New Haven do with the money which they received? Some of the principal facts are brought out by the second chart here presented. (Chart 3). It shows that each class of philanthropic organizations steadily increased its volume of expenditures, the total for all organizations being about five times as great in 1925 as in 1900. The lower part of the chart in which all quantities are reduced to percentages of the total shows clearly, however, that the different types of philanthropy have been enabled to expand these activities at very different rates. Expenditures for health have been steadily encroaching upon those made with the intent of furthering religion, while throughout the period poor relief and miscellaneous expenditures have respectively absorbed about the same proportions of the aggregate.

Reports of the National Bureau of Economic Research

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NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

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Recent Changes In The Cost Of Living

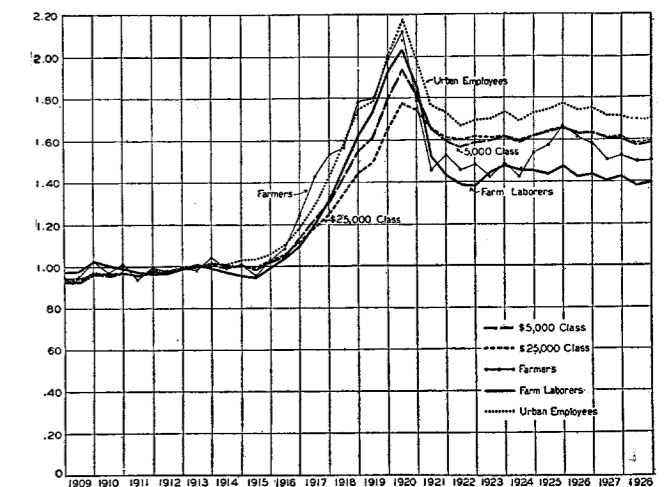
Prices of Goods Consumed by All Classes Moved Very Slightly in 1928

FOR all classes of the population of the United States the prices of goods which they consumed moved downward during the first half of 1928 and remained stationary or rose slightly during the second half of 1928.

Such are the facts brought out by the index numbers compiled by Dr. Willford I. King of the research staff of the National Bureau of Economic Research under the general direction of Dr. Edwin F. Gay and Dr. Wesley C. Mitchell, directors of research, and approved for publication by the Executive Committee of the National Bureau.

This Chart Shows Indexes of the Prices of the Goods Used Respectively by Five Classes of Consumers

Indexes — Average for 1913 = 1.00



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The downward movements during the first half of 1928 were moderate in extent, declining in no case more than four points, or something less than 3 per cent of the preceding high point. Dr. King's report follows:

Five Indexes Compiled

Those familiar with the work of the National Bureau will remember that for a number of years this Bureau has been publishing from time to time five different index numbers. Each of these indexes records the changes occurring in the average price of the goods used by a certain section of the population. For this purpose the population of the United States has been divided roughly into five classes.

1. Families spending for direct or consumers' goods around \$25,000 per annum.

(Please turn the page)

Report of President Hoover's Committee just off the Press

THE first copies of *Recent Economic Changes in the United States* have just come off the press. This is a report in two volumes giving the full details of a special investigation made by the National Bureau of Economic Research for a Committee headed by President Herbert Hoover.

The principal divisions of the fact-finding survey and the names of those responsible for the chapters are as follows:

Consumption and the Standard of Living—Leo Wolman.

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The National Income and its Distribution—Morris A. Copeland.

Review—Wesley C. Mitchell.

The fact-finding report approved for publication by the Directors of the National Bureau of Economic Research and the practical recommendations of the sponsoring Committee are printed in the same set of two volumes, but of course the Directors of the National Bureau take responsibility solely for the factual material.

Copies of this report are now going to the National Bureau's contributing subscribers. Additional copies may be obtained directly of the Bureau at a price of \$7.50 per set of two volumes.

Contributing subscribers to the research work of the National Bureau of Economic Research who pay the minimum of \$25.00 receive advance copies of all the Bureau's publications, including bound volumes, monographs, news bulletins, during the period of their subscription.

Contributing subscribers enrolling for the twelve months beginning June 1st, 1929 and ending May 30, 1930 will receive a complimentary set of *Recent Economic Changes* as well as all the other publications to be issued during the period.

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Changes in the "Cost of Living"
1909-1928

(Continued from page 1)

2. Families spending for direct or consumers' goods around \$5,000 per annum.
3. Urban employees.
4. Farmers.
5. Agricultural laborers.

The third index number in this group represents the United States Bureau of Labor index of the cost of living adjusted slightly to bring it to the first of January or the first of July as the case may be. The other four index numbers are compiled by the National Bureau of Economic Research. Obviously the four classes of persons mentioned do not include the entire population of the country. They are taken merely as representative classes. It is believed that changes in the prices of goods used by these classes are indicative of changes in the prices of consumers' goods in general.

What is being Measured

The system of weighting used in making up these index numbers and the list of commodities and services for which price data are collected are given in Table D on page 26 of *Income in the Various States*. What is attempted is to find the changes occurring each half year in the value of a fixed aggregate or "basketful" of commodities, this basketful being supposed to represent the typical yearly consumption of goods and services by the class in question. Index numbers constructed in this manner do not allow for the changes in consumption which are necessarily occurring in a dynamic system. Such index numbers however have the merit of giving a comparison which is definite. Changes in the index numbers result wholly from changes in price and not from changes in the quantities of commodities for which prices are given. A more detailed discussion of these five index numbers is found in the News-Bulletin of the National Bureau of Economic Research for September 10, 1928.

It will be observed that certain of the figures for January 1, 1929 are marked as preliminary. This is because complete data concerning movements in the wages of servants are not yet available. The Bureau has found it necessary to collect these figures from employers of servants throughout the country and it takes some little time to get in the reports, verify them, and have them tabulated. The probabilities are however that these preliminary figures will not be changed materially by the final estimates.

Birdseye View Of Situation

A study of the accompanying chart shows that the years since 1909 may well be divided into five periods. Between January 1, 1909 and July 1, 1915 the general movement of the prices of consumers' goods was almost horizontal but with a slightly upward trend. From the middle of 1915 until the middle of 1920 prices of these direct goods ascended rapidly and persistently. The period from the middle of 1920 to the first of 1922 was one of decline, the downward movement being especially precipitous during the latter half of 1920 and the first half of 1921. In the case of farm laborers the decline did not terminate until the end of 1922 and the low point for farmers was reached in the middle of 1923. In general, prices of goods used by all classes show a tendency to rise between the middle of 1922 or the early part of 1923 and the end of 1925. Since 1925 there has been a downward drift.

On January 1, 1929 the prices of direct or consumers' goods were slightly higher than during the post-war depression for every class of consumers except those spending \$25,000 a year for direct goods. For this class the price average on January 1, 1929 was just a shade lower than it was at the low point reached at the beginning of 1922. It can be said in general that the difference between the price level now and the price level at

INDEXES OF THE PRICES OF CONSUMPTION GOODS

(Base 1913 = 1.00)

Date	Families Spending \$5,000 Annually	Families Spending \$25,000 Annually	Farmers	Farm Laborers	Urban Employees
1909 Jan. 1	.929	.944	.946	.976	.938
1909 July 1	.927	.945	.951	.980	.933
1910 Jan. 1	.961	.969	1.024	1.022	.975
1910 July 1	.959	.969	.971	1.006	.965
1911 Jan. 1	.970	.971	1.012	.991	.972
1911 July 1	.958	.960	.939	.974	.957
1912 Jan. 1	.980	.975	1.000	.967	.991
1912 July 1	.971	.971	.978	.967	.976
1913 Jan. 1	.992	.993	.992	.988	.988
1913 July 1	.997	.999	.983	1.009	.999
1914 Jan. 1	1.013	1.008	1.042	.995	1.015
1914 July 1	1.006	1.000	.993	.974	1.009
1915 Jan. 1	1.001	1.002	1.006	.960	1.030
1915 July 1	.983	.995	.954	.949	1.031
1916 Jan. 1	1.019	1.029	1.024	.993	1.057
1916 July 1	1.050	1.056	1.083	1.036	1.100
1917 Jan. 1	1.139	1.118	1.242	1.094	1.183
1917 July 1	1.223	1.180	1.430	1.197	1.292
1918 Jan. 1	1.301	1.245	1.533	1.316	1.428
1918 July 1	1.419	1.348	1.565	1.474	1.589
1919 Jan. 1	1.550	1.442	1.789	1.622	1.750
1919 July 1	1.611	1.497	1.801	1.733	1.785
1920 Jan. 1	1.791	1.654	1.988	1.926	2.003
1920 July 1	1.940	1.779	2.115	2.032	2.172
1921 Jan. 1	1.816	1.745	1.787	1.861	1.980
1921 July 1	1.657	1.655	1.457	1.522	1.766
1922 Jan. 1	1.593	1.611	1.528	1.432	1.733
1922 July 1	1.567	1.601	1.458	1.392	1.670
1923 Jan. 1	1.587	1.620	1.481	1.376	1.693
1923 July 1	1.596	1.611	1.421	1.447	1.700
1924 Jan. 1	1.612	1.616	1.485	1.476	1.732
1924 July 1	1.585	1.598	1.420	1.456	1.691
1925 Jan. 1	1.621	1.620	1.540	1.452	1.730
1925 July 1	1.635	1.642	1.573	1.438	1.745
1926 Jan. 1	1.657	1.659	1.667	1.477	1.774
1926 July 1	1.632	1.630	1.617	1.423	1.743
1927 Jan. 1	1.632	1.632	1.583	1.437	1.751
1927 July 1	1.605	1.608	1.501	1.403	1.718
1928 Jan. 1	1.603	1.619	1.524	1.422	1.715
1928 July 1	1.577	1.586	1.495	1.395	1.700
1929 Jan. 1	1.588*	1.599*	1.498	1.398	1.708

*Preliminary

the close of the 1920-22 decline is negligible except in the case of farmers. The prices of goods used by farmers are now noticeably higher than they were at the end of the period of deflation.

Farm Products

In using the index of the prices of goods consumed by farmers it is well to keep in mind that a considerable proportion of these goods are produced on the farm. Farm products are necessarily valued at farm prices. It follows then that when prices of farm products rise there is a definite tendency for the index number of the prices of goods used by farmers to rise also.

It is impossible at this time to say whether the decline since the beginning of 1926 represents a downward trend or whether the fall in prices is merely cyclical in nature. One cannot attach great significance to the flattening out, or in some instances, slight increase during the last half of 1928, for it will be noticed that in three out of the five index numbers the same tendency appeared in the latter half of 1927, but this tendency was followed by a decline in the first half of 1928.

Financial Workings of
Organized Philanthropy

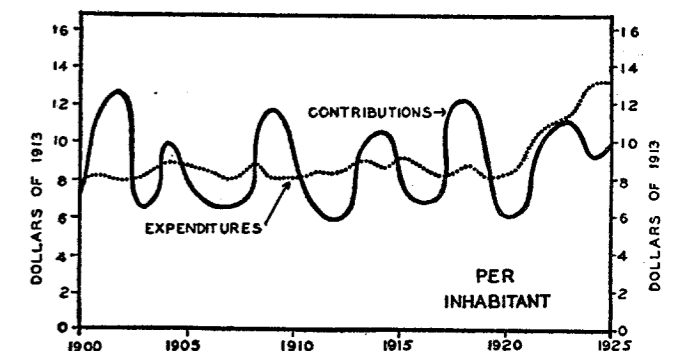
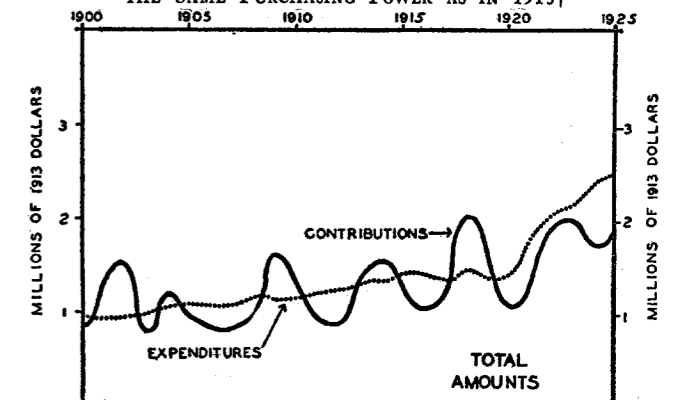
TRENDS IN PHILANTHROPY recently published by the National Bureau of Economic Research, Inc., is arousing widespread interest, for it records the results of the first attempt to gain a complete picture of the financial workings of organized philanthropy in any community. The study was made under the general supervision of Dr. Edwin F. Gay and Dr. Wesley C. Mitchell, Directors of Research, and was immediately directed by Dr. Willford I. King.

The fact that the study covers a period of twenty five years greatly enhances its value, for this period is long enough to reveal clearly the trends that are the results of shifting public opinion as to what is most worth while in this field.

The study applies to New Haven—a city which is believed in many respects to have been typical of American urban life during the past quarter century.

For purposes of this study only those philanthropic organizations were considered, contributions to which are exempt from the Federal Income Tax. Organizations devoted primarily to education were not included in the study. The investigation covered churches and other religious organizations, the Y.M.C.A., Y.W.C.A., Knights of Columbus, Y.M.H.A., hospitals and other secular philanthropic organizations, whether public or private, and the Community Chest. Care has been taken to exclude from the consolidated totals, all inter-organization payments and to distinguish between funds expended locally and money sent out of New Haven.

CHART 5—CONTRIBUTIONS* AND DIRECT EXPENDITURES FOR ORGANIZED PHILANTHROPY MEASURED IN DOLLARS HAVING THE SAME PURCHASING POWER AS IN 1913†



*Includes Bequests. †Data derived from Tables XXII and XXIII.

The two charts here presented (Charts 3¹ and 5¹) illustrate some of the interesting facts which the study has revealed. The upper half of the first chart (Chart 5) shows that total contributions to organized philanthropy

¹ Reproduced from *Trends in Philanthropy*, a copyrighted publication of the National Bureau of Economic Research, Inc. The numbers of the charts correspond with those in the book.