

Our Changing Economy

Housing Survey Results Held Causing Skepticism

By Philip Stoddard Brown

IT HAS long been said that the cost of living in Washington is higher than anywhere else in the United States, with the possible exception of a few cities in California.

Surveys of rental housing, made in 1935-37 and 1949-50, showed rates in Washington to be the highest. For some types of housing, rents were highest by a wide margin.

The 1951 survey of the cost of a "modest but adequate" level of living for a family of four persons indicated that the cost of food and other goods and services were also a little higher in Washington than in many other cities. The differences, however, were small and unimportant compared with the disparity in housing costs.



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My reaction to the results of past surveys is one of puzzlement and skepticism. It is hard to believe that rental housing costs, including utilities and heat, are a quarter to a third higher in Washington than in New York, Philadelphia, Pittsburgh, Detroit and Cleveland for an exactly comparable 5-room dwelling unit. Yet, this is what the post-war surveys, after adjustments for subsequent changes in the rent index, indicate.

Residential rates for electricity are well below the average for 20 large cities. Fuel oil is less expensive than in most cities. Real estate taxes are moderate. Building costs are not excessive. Union wage scales in some building trades are high, but wage rates for building laborers are well below average. More important, most residential building in the area is performed by non-union men.

No Barriers to Expansion

There is no scarcity of land. Unlike most cities, there are no physical barriers to expansion in all directions. The area of Washington can be quadrupled by doubling the distance of development from the Capitol.

There has never been a survey of non-rental housing, to compare all the carrying charges and running expenses of comparable owner-occupied houses. Moreover, a lot of things don't get into the modest "worker's family" budget that is drawn up for the purpose of comparative pricing. My impression is that expenses outside such a budget may be lower in Washington than elsewhere.

Taxi rates in the District are probably the lowest in the country, except for short trips, for which rates in Baltimore are less. Also, liquor prices are the lowest in the country. Electrical household appliances and many other goods can be bought at very substantial discounts, because the District has no Fair Trade Law.

On the other hand, some goods and services which do get compared, are higher undoubtedly in Washington. Perhaps the following reasons partly explain why this is so.

- There has been more nearly full employment in Washington than in other cities over the past 25 years. This has enabled landlords, merchants and professional people to push some prices a little higher than the prices of the same goods and services elsewhere.

- Restrictive practices of a few labor and professional groups appear to be greater in Washington than elsewhere. Surveys indicate that the prices charged by physicians (for office visits), dentists (for fillings), obstetricians and barbers—and the union pay scales of electricians, painters and plumbers—are higher in Washington than in all but a handful of other cities.

- Restrictive practices under the guise of health and other regulations may also be greater in Washington than in most cities. For example, in July, the price of delivered milk was higher in only two other big cities; the price in grocery stores, higher in only four other cities.

- The cost of 100 therms of natural gas for heating is far higher than in twelve other cities where it is used for residential heating.

- Meat tends to cost more. Comparing prices in 20 large cities in July, Washington ranked third highest in the case of round steak; fourth for hamburger and veal cutlets; fifth, for pork chops and sixth, for rib roast. In only two other cities was the price of eggs higher.

- Finally, the rates of Federal pay for some custodial and clerical jobs may be a factor.

Another Survey This Fall

Another survey similar to that made in 1951 is being conducted this fall. The results, which will be available next spring, may provide some surprises. But this survey will compare only one type of rental housing and exclude many items that are significant expenses to area residents. We shall continue to be without a comprehensive measure of comparative living costs. Yet such information is needed not just to satisfy an almost universal curiosity but to make intelligent job decisions. It would be useful to employers too.

The expense of living in Washington is often exaggerated by persons who confuse "cost of living" with "standard of living."

Washington residents have higher incomes, on the average, than the residents of any other large city. They carry bigger mortgages and their housing expenses generally are higher. But this doesn't prove anything about the cost of comparative housing.

It may be that construction costs are less in Washington than in many other cities. FHA estimates of the cost of building a standard 3-bedroom frame house in 75 cities shows Washington to be well below average. (These estimates exclude land and certain other costs to make them comparable.)

The fact that Washington-area residents spend more for housing than people in any other city doesn't even prove there are more "house-conscious status seekers," as is often alleged. Other cities too have their Georgetown, where people pay crazy prices for land and houses. Actually, the percentage of personal income spent for housing is probably less in Washington than in other cities, except in the South and California. This is true certainly of the large group of applicants for FHA-insured mortgages.