The Ledger

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spotlight on standard of living

The Ledger

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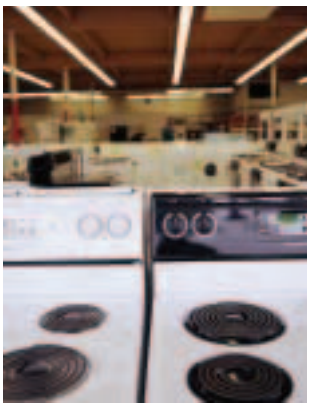
in this issue



standard of living

This issue of The Ledger *looks at "standard of living." What is it? How do we measure it? How has it changed?*

Walk into a historic New England house, and you're almost tempted to think: "Yes, I could live like this." A cozy hearth, tidy living space, painstakingly restored furniture, well-tended gardens — what's not to like?

Well, in fact, there was quite a bit not to like.

On any given day, the inhabitants of an early 19th century New England farmhouse would have been choking on the smoke from their fireplace, juggling a chamber pot, hauling water from a polluted well, or chopping wood until their arms were ready to fall off. And on a *really* bad day, someone — a family member, friend, or neighbor — would have been dying prematurely from typhoid, cholera, food poisoning, or simple infection.

Even in 1900, after a century of extraordinary economic and scientific progress, daily life remained uncomfortable, exhausting, and short. Average life expectancy was barely 50 years, and all too often those years were spent at hard labor, either in the workplace or at home. The average work week was 55 to 60 hours, and the average weekly wage was $9 to $12, most of which went towards food and shelter. Housework was a life sentence with no time off for good behavior; doing laundry was a daylong ordeal. And as for creature comforts and personal hygiene, well . . . let's just say you probably wouldn't have been happy. Hot water was a luxury, baths were infrequent, and the quality of toilet tissue left much to be desired.

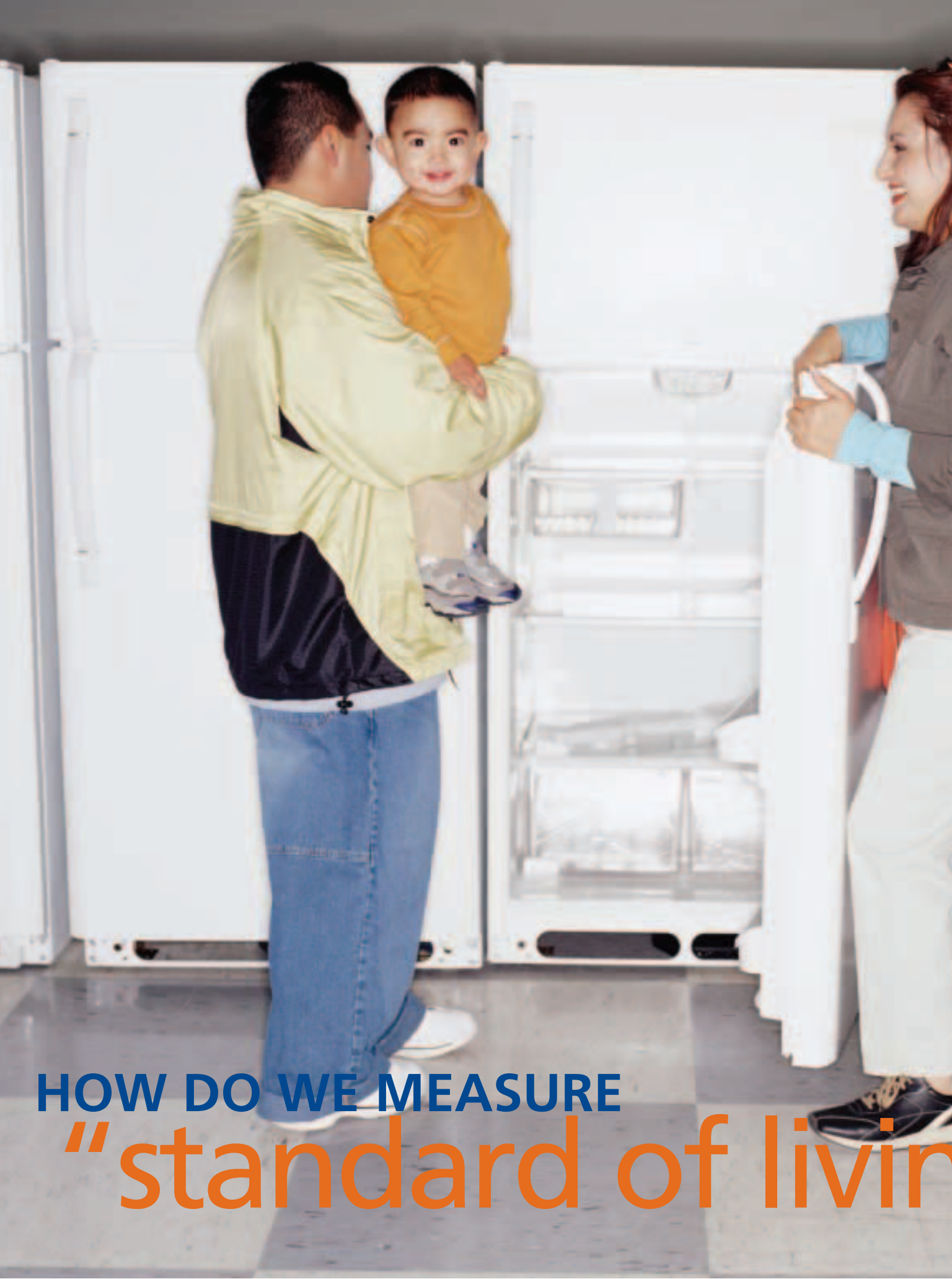
Not that there's a direct correlation between the quality of toilet tissue and the quality of life. Nor is it clear that material prosperity has made our lives happier or emotionally richer than the lives of our ancestors. Happiness and emotional fulfillment are, after all, difficult concepts to measure.

But one thing is certain: The rise in our standard of living has been remarkable. Technology and increased productivity have freed us from the back-breaking labor and never-ending drudgery that was so much a part of everyday life in 1800, or even 1900.

Life is also less limiting — and far more varied — than it used to be. Not only do we have more choices at the supermarket and the shopping mall, but we also have access to a much wider range of ideas, information, and amusements.

Which isn't to say that everything about the present is better than everything about the past. Anyone who's ever survived a vein-popping two-hour commute or raced to beat the 6:00 p.m. surcharge at a day care center knows a thing or two about the ambiguities of modern life; so does any kid who agonizes over getting into the "right" college or wearing the "right" designer label. And if you've just been "downsized," or if your job was recently "exported," we're not trying to convince you that having 150 cable channels will offset the pain you're going through.

All we're saying is this: Our overall material standard of living has risen steadily since the early 1800s, and although we're still a long way from utopia, maybe it's okay to stop for a minute to look back at how far we've come.



HOW DO WE MEASURE

"standard of livi

For most of us, standard of living is a know-it-when-I-see-it concept. We might not be able to express it in precise terms, but we think we know it when we see it.

Ask us to define it, and we'll reel off a list of things we associate with living well: a nice car, a pleasant place to live, clothes, furniture, appliances, food, vacations, maybe even education. Ask us to measure it, and we'll probably look at whether or not we're "doing better" than our parents.

Yet there is a generally accepted measure for standard of living: *average real gross domestic product (GDP) per capita.* Let's break it down piece by piece:

- **GDP** measures annual economic output — the total value of new goods and services produced within a country's borders.

- **Real GDP** is the inflation-adjusted value.

- **Average GDP per capita** tells us how big each person's share of GDP would be if we were to divide the total into equal portions.

In effect, we take the value of all goods and services produced within a country's borders, adjust for inflation, and divide by the total population.

If average real GDP per capita is increasing, there's a strong likelihood that: (a) more goods and services are available to consumers, and (b) consumers are in a better position to buy them. And while buying more things won't necessarily help us find true happiness, true love, or true enlightenment, it is a pretty good indicator of our material standard of living.

But as a tool for measuring how *well* we live, GDP per capita has its shortcomings. There are lots of things it doesn't take into account, including:

Unpaid work — Real GDP per capita doesn't acknowledge the value of housework, in-home child care, in-home elder care, volunteer work, and community service.

Distribution of wealth — There's always the possibility that a large share of the gains in real GDP per capita will go to a relatively small percentage of the population. And, in the bad old days, gains were also more likely to be skewed along gender, racial, and ethnic lines.

Changes in the quality of life — Real GDP per capita doesn't fully account for the value of things like clean air, clean water, more leisure time, and increased life expectancy; nor does it fully account for the cost of such undesirable changes as increased traffic congestion or loss of open space.

Changes in the quality of goods — Real GDP per capita doesn't fully reflect the fact that your new furnace is far more efficient than your old one or that the components on your low-end mountain bike were considered state-of-the-art five years ago. (But GDP figures make some adjustments for quality improvements to cars, computers, and a few other items.)

So, if it leaves so much out, why do we persist in using average real GDP per capita to measure standard of living? Two reasons: (1) We have a fairly accurate idea of what it is, and (2) It's tough to come up with quantitative measures for things like well-being, quality of life, and happiness.

Don't tell me how I feel!

Standard of living can be a touchy subject. Try to convince people that they're better off than they think, and they'll give you half a dozen reasons why they're not. Or try to tell them that their standard of living isn't as high as they think, and . . . well . . . they might react the way Catherine Hennessey did.

Ms. Hennessey lives on Prince Edward Island, one of the pleasantest spots in North America. In the summer of 2000 she was not pleased when a Canadian government study reported that all 50 U.S. states and every Canadian province except Newfoundland enjoyed a higher standard of living than her island home. Here's some of what she had to say:

Last week the media announced a news item released by Industry Canada. It was a grading of Standard of Living in the country and comparing it to the USA. All I can say is if our country takes serious note of this item we are in trouble. We are probably in trouble anyway, if we have economists sitting somewhere collecting this data and making decisions based on it. The news item begs the question "What makes a Standard of Living"? Oh, I forgot to say the lead story in this issue was that Prince Edward Island has the lowest Standard of Living in all of Canada and The USA!!!! You can lose confidence in yourself with that kind of headline . . . if you believed it.

This summer Prince Edward Island looks magnificent. I have had the pleasure of touring some first-visit-to-the-island people around, and they simply can't believe it. Houses well maintained, gardens glorious, safe place, clean, friendly, rich in history, etc., etc. What more can you ask for, and this from the place with the lowest standard of living?

. . . Add value of life and beauty and quietness to that equation and you make those statisticians look even worse. Please, God, don't let Government and Hotshots make decisions based on news items like this and spoil what is truly a Standard of Living. **http://www.catherinehennessey.com**

Anyone who's ever been to Prince Edward Island, or read *Anne of Green Gables*, can understand Ms. Hennessey's passionate defense of her home province. How, she wonders, could anyone seriously contend that her standard of living is lower than that of someone living in Mississippi (the lowest ranked U.S. state) or even Delaware (the highest ranked state)?

But the study that triggered Ms. Hennessey's reaction was based on well-established economic principles. It noted that "standard of living is best measured through real GDP per capita as it encompasses all earnings accruing to residents of a country." It also emphasized that increased productivity is the key to boosting real GDP per capita (See sidebar, "Productivity is the key"):

> *Over long periods of time productivity is the single most important determinant of a nation's living standard or its level of real income. A more productive Canada would be a wealthier Canada. Increasing our collective wealth would give us greater scope and flexibility to make the public and private choices that would keep improving our quality of life.*

The report also pointed out that " trade, investment, and human capital formation are the main drivers of productivity growth." (Out of 50 U.S. states and 10 Canadian provinces, Prince Edward Island ranked

Productivity is the key.

We tend to equate a higher standard of living with a higher level of consumption, but the key to long-term prosperity is **productivity**. Increased productivity is what makes increased consumption possible.

But what exactly is productivity? The answer depends on what you look at.

Labor productivity measures the value of goods and services produced per unit of labor time — the value of goods and services produced in a given period of time, divided by the amount of labor used to produce them. Often expressed as "output per hour" or "output per worker," it usually focuses on manufacturing rather than services because manufacturing output is easier to quantify. When news accounts mention "productivity," they are almost always referring to labor productivity.

Total factor productivity (or multi-factor productivity) looks at all three factors of production: labor, materials, and capital. It measures "the efficiency with which people, capital, resources, and ideas are combined in the economy."[1] Total factor productivity is more comprehensive than labor productivity, but it is also more difficult to measure.

If you want to know more about productivity, the Industry Canada web site has *A Primer on Productivity* **http://strategis.ic.gc.ca/SSG/pr00016e.html**. It will enlighten you without telling you more than you ever wanted to know.

[1] *Productivity: A Policy Challenge for a Higher Standard of Living*, Andrei Sulzenko and James Kalwarowsky, Industry Canada, Spring 2000.

60th — dead last — in productivity.)

Yet when all is said and done, people living in a place that ranks low in standard of living may firmly believe they live better than people in higher ranking places. Standard of living numbers don't necessarily define how well we live — or how well we think we live.

So, does that mean standard of living and real GDP per capita aren't valid measures? Not all. But it does underscore the fact that standard of living, quality of life, and social well-being are not interchangeable terms.

Alternative measures

There are other standard-of-living yardsticks besides real GDP per capita. We're not endorsing these alternatives, nor are we dismissing them. We just thought readers might want to know something about them. Here are three such alternative indicators:

1. GPI: The Genuine Progress Indicator

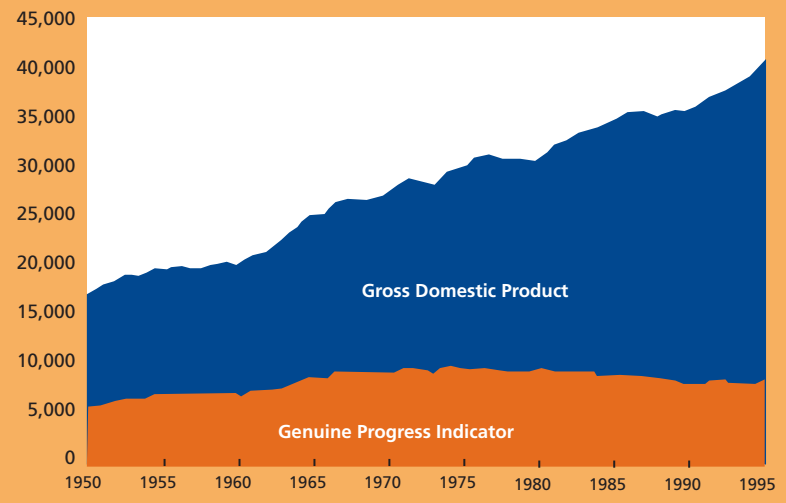
The people at Redefining Progress, a nonprofit public policy organization based in northern California, maintain that GDP was never intended as "the primary scorecard of a nation's economic health and well-being." It is, they say, "merely a gross tally of products and services bought and sold, with no distinctions between transactions that add to well-being, and those that diminish it." So in 1995, they developed the Genuine Progress Indicator (GPI), which they believe is "a more accurate measure of progress."

The Redefining Progress web site, **http://www.rprogress.org,** gives a ten-point comparison between GDP and GPI. Here are some of the points it covers:

• **Crime and family breakdown** — "Social breakdown imposes large economic costs on individuals and society, in the form of legal fees, medical expenses, damage to property, and the like. The GDP treats such expenses as additions to well-being. By contrast, the GPI subtracts the costs arising from crime and divorce."

• **Household and volunteer work** — "Much of the most important work in society is done in household and community settings: child care, home repairs, volunteer work, and so on. These contributions are ignored in GDP because no money changes hands. To correct this omission, the GPI includes, among other things, the value of household work figured at the approximate cost of hiring someone to do it."

GDP and GPI, 1950-1995, in 1996 Dollars



Source: Redefining Progress.

• **Income distribution** — "A rising tide does not necessarily lift all boats — not if the gap between the very rich and everyone else increases. Both economic theory and common sense tell us that the poor benefit more from a given increase in their income than do the rich. Accordingly, the GPI rises when the poor receive a larger percentage of national income, and falls when their share decreases."

• **Pollution** — "The GDP often counts pollution as a double gain; once when it's created, and then again when it is cleaned up. By contrast, the GPI subtracts the costs of air and water pollution as measured by actual damage to human health and the environment."

2. HDI: The Human Development Index

The Human Development Index (HDI) offers a global perspective on the question of how well people are living. Devised by the United Nations in the 1990s, the HDI is a composite of three different indicators: (1) life expectancy at birth, (2) education as measured by a combination of school enrollment and adult literacy, and (3) standard of living as measured by a variation on GDP per capita that adjusts for price differences between countries (purchasing power parity in U.S. dollars).

The United Nations *Human Development Report 2002* (**http://www.undp.org/hdro**) lists HDI rankings for 173 countries. It notes some alarming facts:

• Nearly one billion of the world's people don't have

Human Development Index
10 Highest-Ranked Countries

Norway
Sweden
Canada
Belgium
Australia
United States
Iceland
Netherlands
Japan
Finland

Source: Human Development Report 2002, United Nations Development Programme

access to improved water sources; 2.4 billion lack access to basic sanitation.

• Eleven million children under the age of five die each year from preventable causes. That's equivalent to more than 30,000 deaths a day.

• Approximately 1.2 billion people live on less than $1 a day; 2.8 billion live on less than $2 a day.

But there were also some encouraging trends:

• A child born in 2002 could expect to live eight years longer than one born in the early 1970s.

• The share of rural families with access to safe water has grown more than fivefold since the early 1970s.

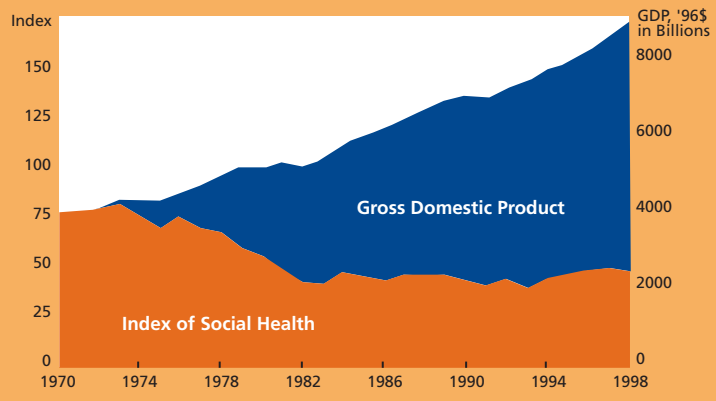
• Between 1975 and 1998, average incomes in developing countries nearly doubled in real terms, from $1,300 to $2,500.

3. Index of Social Health

Marc Miringoff is director of the Fordham University Institute for Innovation in Social Policy. Marque-Luisa Miringoff is a professor of sociology at Vassar College. Together, they developed the Index of Social Health, which they describe as "a broad-based gauge of the social well-being of the nation, similar in concept to the Dow Jones Average or the Gross Domestic Product." Published annually since 1987, the index uses government data for 16 social indicators to create profiles and rankings for all 50 states. In 2001, Iowa ranked number one with a score of 73 out of 100. New Mexico finished at the bottom with a score of 21.4.

Marc Miringoff places particular emphasis on three of the indicators — child poverty, health care coverage, and high school completion. In an interview with *The New York Times* he observed that, "A state does not do well without doing well in these three indicators, and a state doesn't do badly without performing poorly in these areas. . . . [I]f you want to get more bang for your buck, or you don't want to monitor all 16 indicators, concentrate on these things to improve life in your state."

Index of Social Health and Gross Domestic Product, 1970-1998



Source: Fordham Institute for Innovation in Social Policy.

The Sixteen Indicators in the Index of Social Health

1. Affordable housing
2. Alcohol-related traffic fatalities
3. Child poverty
4. High school completion
5. Infant mortality
6. Teenage births
7. Unemployment
8. Wages
9. Age 65-plus poverty
10. Child abuse
11. Health care coverage
12. Inequality in family income
13. Life expectancy
14. Teenage drug use
15. Violent crime
16. Youth suicide

the luxury of reconnecting with nature

Meriwether Lewis and William Clark had little way of knowing what lay ahead when they left St. Louis in 1804. Over the next two years and four months, they and their Corps of Discovery would trek across some 7,000 miles of uncharted wilderness. Along the way, they would experience hardships that tested their limits of endurance: frostbite, heat stroke, chronic fatigue, malnutrition, debilitating intestinal ailments, plagues of insects, loneliness, isolation, and the constant stress of dealing with the unknown.

Some of their gear was the best that money could buy — fifteen of the newest rifles from the federal arsenal at Harpers Ferry and a $250 chronometer for calculating longitude — but most of it was standard early 19th century stuff that was heavy and hard to carry. Their tools and implements were made of metal, wood, or leather. Their clothes were made from fabrics that retained moisture, which meant that hypothermia was an ever-present danger and skin irritations were a common affliction. Tents made of oiled cloth were hot in the summer, cold in the winter, and not always impervious to the elements.

The want of provisions, together with the difficulty of passing those emence mountains has dampened the Spirits of the party.

William Clark
September 17, 1805

Think about it! Today, we wouldn't let kids sleep out in the backyard with equipment like that.

Which got us to thinking: What if Lewis and Clark had been able to order their supplies from a 21st century "outdoor adventure" catalog?

Every page of those catalogs offers up a minor technological marvel: raingear that's waterproof *and* breathable; sleeping bags rated to 40 degrees below zero; high-performance fabrics that help prevent hypothermia by wicking moisture away from the body. There are even items that would have amazed people in the 1960s, let alone the 19th century — things like a $100 wristwatch that's also an altimeter, a barometer, a thermometer, a digital compass, and a chronograph; or the $200 GPS device with an integrated, waterproof, two-way radio.

And if the variety of products is astounding, so too is the range of choices. Take sleeping bags, for example. You can buy one insulated with goose down or Thermolite® or Polarguard® or Hollofil® or Quallofil® or . . . well you get the idea. If one bag doesn't have the features you want at a price you can afford, there are at least a dozen others to choose from.

But here's the truly remarkable thing: Almost all the stuff in the pages of those catalogs is for recreational use. We've reached the point where a sizable number of people have the time and money for frills.

So, the next time you see catalogs spilling out of your mailbox, don't think of them as junk mail. Think of them as tools for measuring changes in the material standard of living.

"outfits sold separately"

Does Barbie ever tire of shopping? Probably not. Which is why we thought of using her as a yardstick for measuring the change in America's standard of living since the mid-20th century — a sort of Benchmark Barbie. Our hunch was that contemporary Barbie must have way more stuff, and better stuff, than she did in the early 1960s.

But we hit a snag. As it turns out, Barbie always had a lot of stuff, and some of it was pretty darn nice.

In her debut year, 1959, Barbie's wardrobe included a Roman Holiday Separates collection, complete with a very stylish pair of Italian sunglasses. Then there was the stunning White Magic ensemble in 1964: a white satin coat, pillbox hat, white gloves, and silver clutch purse. And it wasn't just the clothes that set Barbie apart. Her first car — a coral-colored 1962 Austin-Healy convertible — was a thing of beauty.

No, Barbie was not your average girl. Clearly, we couldn't hold her up as an example of how the material standard of living has improved for middle-class Americans.

But on another level, Barbie's experience reflects the fact that Americans — especially American women — have a much broader range of choices than they had in the early 1960s. Back then, one of the few professional-level career options open to Barbie was student teaching, but by the mid-1990s she was a firefighter, a policewoman, and a pilot in the Air Force's elite Flying Thunderbirds.

Anything seemed possible. She could stand next to Ken in her "Rendezvous with Destiny" desert camouflage fatigues and red beret inspired by Operation Desert Storm. Or she could be Madame du Barbie, glamorous as ever in an outfit that recalls Marie Antoinette. The choice was hers.

Of course, we don't want to take this Barbie theme too far, nor do we want to be cheerleaders for contemporary life. We're not saying that any woman — or any man, for that matter — can now live the life of her or his dreams. In fact, if we wanted to extend our Barbie theme to round out the picture of 21st century economic life, we'd also need to include a bunch of tough, tiring, low-wage jobs — maybe Chambermaid Barbie, who cleans motel rooms for $6 an hour, or Bedpan Barbie, who works 10-hour shifts in a nursing home, or Associate Barbie, who makes minimum wage for standing on her feet all day behind the cash register at an off-price warehouse store.

No, things aren't as good as they ought to be. But for a sizable number of people, contemporary life offers a much wider range of possibilities. And that's a good thing. The fact that more of us have the option to do things we couldn't do 50 years ago is an indication that, overall, we're living better.

Government economic reports don't make good poolside reading. Their language is temperate; their tone is noncommittal.

The unhappy experience of Henry K. Oliver might help to explain why.

Oliver was founding director of the Massachusetts Bureau of Statistics of Labor, the world's first labor statistics bureau, established in 1869. He was also a social activist, who believed in using government statistics to help improve the lives of working-class families.

Oliver's activism met with strong disapproval from Massachusetts business interests, and that led to his undoing. In 1873, the governor appointed a new director, whose more technocratic approach helped to quiet the bureau's critics. The entire story is chronicled in *Their Lives & Numbers*, edited by Henry F. Bedford.

At the heart of the book are interviews with people who worked in the mills and factories of Massachusetts during the late 19th century. Most of the interviews originally appeared in annual reports issued by the Massachusetts Bureau of Statistics of Labor, and not only do they provide a good baseline for measuring the improvement in our material standard of living, but they also serve as a perfect antidote to nostalgia. If you've ever fantasized about living in the 1870s, the workers' descriptions of their living conditions will bring you back to reality.

don't set the time machine for 1873!

Not convinced? Here's how a Taunton, Massachusetts factory worker described his family's apartment in 1873:

I have two rooms with fire, four sleeping rooms, a pantry, and sink-room. It is an upstairs tenement. Two families in the house. Rent $180 per year. Sleeping rooms miserably small, about 9 feet square. One window in each sleeping room; ventilation of these rooms is impossible without exposing the occupant. The fire rooms are about 12 x 12. Pantry and sink-room very small. When the tenement was engaged, [I] was informed that the water was brought up [piped in], but its impurities were carefully concealed from my knowledge. I soon found that the drainage of [the outdoor] privy affected the water badly, and that it could not be passed through the pump without filling the house with a disagreeable odor. . . . [We] have no cistern and are obliged to bring all the water for family use from the well across the street, up a hard flight of winding stairs, except what we catch in tubs when it storms. In winter the sink-pipes freeze, and all the slops have to be removed in a pail. The coal and wood must be brought from the cellar up two flights of stairs.

An outdoor toilet! No central heat! Bedrooms the size of a modern-day office cube! A contaminated water supply that makes your apartment smell like sewage! It's enough to make you wonder where the phrase "good old days" ever came from.

things to think about

How could they live like that?

Early nineteenth century Americans lived in a world of dirt, insects and pungent smells. Farmyards were strewn with animal wastes, and farmers wore manure-spattered boots and trousers everywhere. Men's and women's working clothes alike were often stiff with dirt and dried sweat, and men's shirts were often stained with yellow rivulets of tobacco juice. The location of privies was all too obvious on warm or windy days, and unemptied chamber pots advertised their presence. Wet baby "napkins," today's diapers, were not immediately washed but simply put by the fire to dry.

The Reshaping of Everyday Life
Jack Larkin

It's hard to read that passage without wondering how people could have lived like that. But maybe we shouldn't be too smug because 200 years from now people will almost certainly wonder how we could have lived the way we do.

So here's the question: When people look back at us from some distant point in the future, what will cause them to be thankful they didn't live in the 21st century? What aspect of 21st century life will be the most repulsive to them?

Near and Far

If you'd lived in New England during the early 1800s, most of your possessions and almost all the food on your table would have been homemade, homegrown, or locally produced by people you knew. But by the end of the century, you would have been able to choose from a much wider variety of products and foodstuffs, many of which were mass-produced by other people in factories outside your local area. And today, of

continued on page 20

standard of living shorts

Life for most Americans is measurably longer, less physically demanding, and more comfortable than it used to be. And if there are days when you have your doubts — days when the past seems more appealing than the present — here are a few things to remember.

Longer Lives

Average life expectancy for an American born in 1900: 47.3 years.

Average life expectancy for an American born in 2000: 76.9 years.

Source: National Center for Health Statistics

Less Drudgery

"[In the early 20th century] the urban working-class family tended to live in cramped, dark apartments; ate large amounts of bread with little jam or butter; wore remade and mended clothing; stayed mostly within walking distance of home except perhaps for going to work; attended church or temple as their main social activity; and had little money to spend on treats or gifts. Severe economizing was required to attain even this austere life-style. Any economic mistakes, such as buying uncomfortable shoes or a cut of spoiled meat, meant temporary deprivation for the family since their budgets could not accommodate the replacement of these items. The bleakness of everyday material life provided little relief from the difficult physical labor of husbands and the exhausting housework of wives."

Source: *American Standards of Living 1918-1988*, Clair Brown, Blackwell Publishers, 1994

Greater Comfort

In 1890, 24 percent of U.S. households had running water, and 13 percent had flush toilets. And "without running water, housewives had to haul 10,000 gallons a year into the kitchen, laundry, or bath."

In 1900, 3 percent of U.S. households had electric lighting.

In 1920, 8 percent of U.S. households had a washing machine. One percent had a mechanical refrigerator; 48 percent had an icebox.

Source: *Pursuing Happiness*, Stanley Lebergott, Princeton University Press, 1993

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"By comparison with the conveniences and comforts widely available in developed economies at the end of the 20th century, everyday life two centuries ago was most akin to what we know today as 'camping out.'"

Source: "The Worldwide Standard of Living Since 1800" *Journal of Economic Perspectives*, Winter 2000, Richard A. Easterlin

More Variety

"Of 30,000 new products introduced in grocery stores after 1960, some 25,000 did not survive to 1980. Of 84,933 introduced between 1980 and 1990, 86 percent did not survive to 1990."

Source: *Pursuing Happiness*, Stanley Lebergott Princeton University Press, 1993

The Smell Test

At the start of the 20th century, New York City had close to 150,000 horses, each of which produced 20-25 pounds of manure a day.

Source: *The Good Old Days — They Were Terrible*, Otto Bettmann, Random House, 1974

•

The world's first underarm antiperspirant, Mum, hit the market in 1888. The term "B.O." (short for "body odor") first appeared in a 1919 advertisement for Odo-Ro-No, an underarm deodorant cream for women.

Source: *Jane & Michael Stern's Encyclopedia of Pop Culture*, Jane and Michael Stern, Harper Collins, 1992

Courtesy of the Boston Public Library, Print Department.

Range

It's hard to find anyone who still thinks communism is a good idea. The notion of a government-run economy has little credibility these days.

Yet there was a time, not so long ago, when the Soviet Union and the United States vied with one another in a global competition to determine which economic system could provide a better life for its people. And every U.S./Soviet encounter, no matter how minor, took on a symbolic importance that seemed to reflect on the merits of one system or the other.

One of the more curious Cold War confrontations — the Kitchen Debate — took place in 1959 at the American National Exhibit in Moscow, where Vice President Richard Nixon and Soviet Premier Nikita Khrushchev engaged in a bit of (surprisingly good-natured) ideological jousting. The two Cold Warriors bantered nonstop as they made their way past displays that showcased the latest American consumer goods, and at one point Khrushchev turned to ask Nixon a question:

Wars:

Khrushchev: How long has America existed? Three hundred years?

Nixon: One hundred and fifty years.

Khrushchev: One hundred and fifty years? Well then we will say America has been in existence for 150 years and this is the level she has reached. We have existed not quite 42 years and in another seven years we will be on the same level as America. When we catch you up, in passing you by, we will wave to you.

Well, that never came to pass. By the end of the 20th century the Soviet Union had disintegrated; communism had all but disappeared; and Nikita Khrushchev's son, Sergei, had emigrated to the United States, where he taught international relations at Brown University.

Note: The CNN web site has a complete transcript of the Kitchen Debate, and it's definitely worth looking at — if for no other reason than to get a sense of how much Nixon and Khrushchev enjoyed sparring with each another. http://www.cnn.com/SPECIALS/cold.war/episodes/14/documents/debate/

go to the source

Books

American Standard of Living 1918-1988
by Clair Brown
Not an easy book to find, but it's worth the effort. According to Brown, the economic forces behind improved living standards include: mass production of goods with continuous automation of production; introduction of new goods and services as a result of technological innovation; development of credit and mass marketing systems; development of worldwide communication and information systems; and integration of the global economy.

The Good Old Days — They Were Terrible!
by Otto L. Bettmann
Filled with compelling images and fascinating facts, this book is an instant cure for nostalgia.

Material World: A Global Family Portrait
by Peter Menzel
Profiles of 30 "statistically average" families from different nations. The large family portraits are unforgettable. They show families outside their houses, surrounded by all their material possessions.

More Work for Mother: The Ironies of Household Technology from the Open Hearth to the Microwave
by Ruth Schwartz Cowan
Cowan argues that even after industrialization and the introduction of "labor-saving" devices, women were still spending as much time as ever keeping house.

Never Done: A History of American Housework
by Susan Strasser
The reaction of an online reviewer: "I dreamt life 100 years ago was so much better than today. So simple, so lovely . . . but Strasser's book blew that theory out of the water."

Nickel and Dimed
by Barbara Ehrenreich
Essayist and social critic Barbara Ehrenreich worked at a variety of low-wage jobs to get a feel for what people go through when they try to make ends meet on $6 to $7 an hour.

Pursuing Happiness
by Stanley Lebergott
Here's what Washington Post book critic Jonathan Yardley said about *Pursuing Happiness*: "Writing with lucidity, wit, and forthrightness . . . Lebergott argues that the great American shopping spree is not mere self-indulgence but an essential part of what has been a remarkably successful pursuit of happiness."

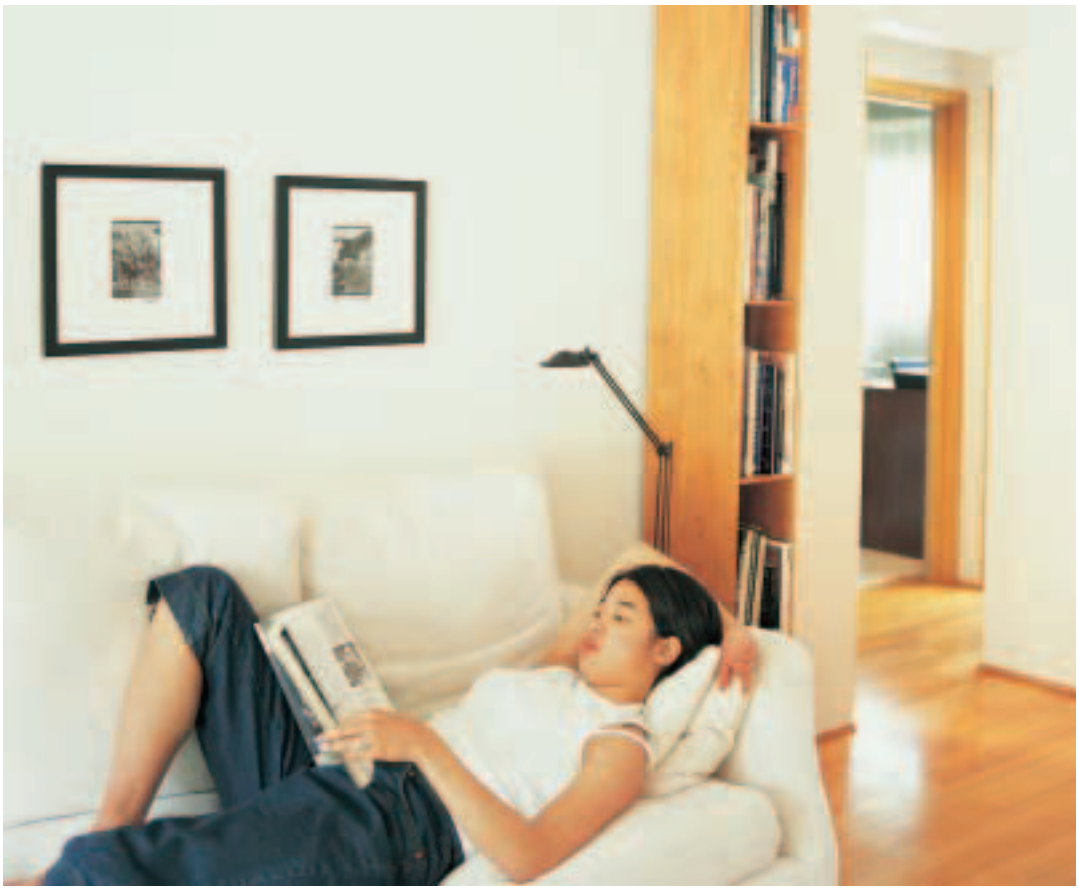
Their Lives & Numbers: The Condition of Working People in Massachusetts, 1870-1900
edited by Henry F. Bedford
Interviews with people who worked in the mills and factories of Massachusetts during the late 19th century. Most of the interviews originally appeared in annual reports issued by the Massachusetts Bureau of Statistics of Labor, and they provide a good baseline for measuring the improvement in our material standard of living.

The Transportation Revolution, 1815-1860
by George R. Taylor
Historians consider Taylor's book a classic. Here's an excerpt that will bring you back to reality when you're "exhausted" after a seven-hour drive on the interstate: In 1812, a wagon loaded with cotton cards and drawn by four horses took 75 days to travel from Worcester, MA to Charleston, SC.

Everyday Life in America Series
Sights, sounds, and smells of daily life instead of dates, battles, and "great men." The Everyday Life Series gives you a feel for what it would have been like to be you in a different time period.
- *The Reshaping of Everyday Life, 1790-1840* by Jack Larkin
- *The Expansion of Everyday Life, 1860-1876* by Donald E, Sutherland
- *Victorian America: Transformations in Everyday Life, 1876-1915* by Thomas J. Schlereth
- *The Uncertainty of Everyday Life, 1915-1945* by Harvey Green

Articles

"Eliminating Child Labor," Miriam Wasserman, *Regional Review*, Quarter 2 2000 - Vol. 10, No. 2
http://www.bos.frb.org/economic/nerr/rr2000/q2/kidlabor.htm
"Today's debates on child labor and international trade echo arguments heard in the United States less than a century ago." (Note: If you're not on the mailing list for *Regional Review*, visit our web site and sign up. There's no charge.)



"Last 100 Years Show Growth of Luxury, Greed," Cynthia Crossen, *The Wall Street Journal*, November 27, 2000
The evolution of holiday gift-giving, 1900 to 2000.

"Lessons Learned from the History of Social Indicators," Clifford W. Cobb and Craig Rixford, *Redefining Progress*, November 1998 **http://www.rprogress.org/publications/pdf/SocIndHist.pdf** A highly readable piece on the use and gathering of social statistics.

"Living with a Computer," James Fallows, *The Atlantic*, July 1982 **http://www.theatlantic.com/issues/82jul/fallows.htm** Talk about changes in the quality of goods! In 1982, James Fallows was absolutely euphoric over his Processor Technology SOL-20 with its 48k RAM and 12-inch monitor.

"A (Mild) Defense of Luxury," James B. Twitchell, *The Chronicle of Higher Education*, March 15, 2002 **http://chronicle.com/free/v48/i27/27b00701.htm** Twitchell has fun making the case that "consuming the unnecessary" can be "liberating and democratic."

"Whose Standard of Living?" Robert Fresco, *Newsday*, September 19, 2001
http://future.newsday.com/9/ftopo919.htm
This article looks at Long Island families and comes to the conclusion that "prices rise, prices fall, but the gap between rich and poor is only likely to grow."

"The Worldwide Standard of Living Since 1800," Richard A. Easterlin, *Journal of Economic Perspectives*, Winter 2000
Access to the *Journal of Economic Perspectives* online archive is limited to members, but you might be able to find this article elsewhere on the web if you run a search.

"Standard of Living," Catherine Hennessey **http://www.catherinehennessey.com/onestory.php3?number=66** (See **How do we measure "standard of living"?**)

Web Resources

America's Housing: 1900-2010, Housing Facts, Figures and Trends, The National Association of Home Builders, **http://www.nahb.com/housing_issues/facts.htm** Includes a concise comparison of American housing in 1900, 1950, and 2000.

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"How Much Is That?" **http://www.eh.net/hmit/**
Two highlights:
• What is the Relative Value? Five Ways to Compare the Worth of a United States Dollar, 1789 - Present.
• Purchasing Power of the United States Dollar, 1665-2001

•

Historical Atlas of Massachusetts by Richard W. Wilkie and Jack Tager, 1991
http://www.geo.umass.edu/faculty/wilkie/Wilkie/maps.html
Nice collection of maps and charts (in color!) — population distribution, transportation, communication, and much more.

•

Human Development Report 2002, United Nations, **http://www.undp.org/hdro** (See **How do we measure "standard of living"?**)

•

"Kitchen Debate" transcript, **http://www.cnn.com/SPECIALS/cold.war/episodes/14/documents/debate/**

"A Letter From the Future" **http://www2.jun.alaska.edu/edtech/tat/creating/creatop.html** A fun exercise, complete with guidelines for writing a good letter. (Part of an online course offered by the Educational Technology Program of the University of Alaska Southeast)

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PBS: Public Broadcasting System
Three resources on the PBS web site:

• *The First Measured Century: An Illustrated Guide to Trends in America, 1900-2000*, **http://www.pbs.org/fmc/** The 20th century was the first to produce an extensive statistical record, and The First Measured Century uses that record to survey the extraordinary changes that took place in American life between 1900 and 2000. The web site features an online teachers guide, and, for those with time and patience, there's a free download of *The First Measured Century* book

• *Frontier House*, **http://www.pbs.org/wnet/frontierhouse/** PBS cameras recorded the experiences of three contemporary American families as they tried to live as Montana homesteaders did in the 1880s. It wasn't always pretty. (Be sure to click on the Resources section.)

• *The 1900 House*, **http://www.pbs.org/wnet/1900house/** A British family volunteered to live the way middle-class Londoners did in 1900: No shampoo, very little hot water, a temperamental oven, and corsets. It didn't look like fun. (The web site has online lesson plans.)

•

Primer on Productivity, Industry Canada, **http://strategis.ic.gc.ca/SSG/pro0016e.html** (See **How do we measure "standard of living"?**)

•

Redefining Progress, **http://www.rprogress.org** (See **How do we measure "standard of living"?**)

•

Teaching With Documents Lesson Plan — Photographs of Lewis Hine: Documentation of Child Labor, National Archives, **http://www.archives.gov/digital_classroom/lessons/hinephotographs/hine_photographs.html** The National Archives web site uses the photos of Lewis Hine as the basis for a lesson plan on child labor.

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Worksheet on GDP and Standard of Living,
StudentVersion: **http://www.bized.ac.uk/stafsup/options/works1.htm**
Teacher Version: **http://www.bized.ac.uk/stafsup/options/works2.htm**
Online worksheets that cover standard of living variables and serve as a basis for making comparisons between countries. The worksheets are straightforward and easy to use.

things to think about

continued from page 13

course, everything we use seems to come from someplace far away; not just outside New England, but outside the United States.

To get an idea of how much less local our lives have become, try this exercise: Go through your home and try to find ten consumer goods, apparel items, and foods that were produced within 50 miles of where you live. Not ten of each, but ten altogether. Chances are, you'll have a tough time finding five.

A Reality Check

Are you one of those romantics who thinks it would have been fun to live "back in the day"? Well, then this exercise is for you. You don't actually have to do these things; just think about them.

Task One: When you wake in the morning, reach under your bed and remove the chamber pot brimming with "night soil." Grasp it in both hands, take it outside, and dump it.

Task Two: Share a crowded trolley car with dozens of other people who bathe once a week and don't use deodorant. (Be sure to try this one on a humid summer day.)

Task Three: Spend an hour in an iron lung so that you can recall the days when people were terrified of polio.

Task Four: Take all the screens off your windows so that mosquitoes and flies can easily find their way into your house.

Task Five: If you live in the North, turn off your heat and hot water for the month of February. If you live in the South, try to make it through August without air conditioning.

Task Six: Ask your legislators to roll back the clean air laws so that we can once again see the air we breathe.

Task Seven: If you're an older person, give up your Social Security and rely on your children for financial support.

Task Eight: Kids, limit your television viewing to ABC, CBS, and NBC and listen only to AM radio.

We could go on and on, but you get the point.