Consumer Expectations, Plans, and Purchases: a Progress Report

F. THOMAS JUSTER

OCCASIONAL PAPER 70

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.
1959
OFFICERS
George B. Roberts, Chairman
Arthur F. Burns, President
Theodore W. Schultz, Vice-President
Murray Shields, Treasurer
Solomon Fabricant, Director of Research
Geoffrey H. Moore, Associate Director of Research
William J. Carson, Executive Director

DIRECTORS AT LARGE
Wallace J. Campbell, Director, Cooperative League of the USA
Solomon Fabricant, New York University
Gabriel Hauge, Chairman, Finance Committee, Manufacturers Trust Company
Albert J. Hettinger, Jr., Lazard Frères and Company
Oswald W. Knauth, Beaufort, South Carolina
H. W. Laidler, Executive Director Emeritus, League for Industrial Democracy
Shepard Morgan, Norfolk, Connecticut
George B. Roberts, Larchmont, New York
Beardsley Ruml, New York City
Harry Scherman, Chairman, Book-of-the-Month Club
Boris Shishkin, American Federation of Labor and Congress of Industrial Organizations
George Soule, Professor Emeritus, Bennington College
N. I. Stone, Consulting Economist
J. Raymond Walsh, New York City
Joseph H. Willis, Director, The Educational Survey, University of Pennsylvania
Leo Wolman, Columbia University
Donald B. Woodward, Vick Chemical Company
Theodore O. Yntema, Vice-President—Finance, Ford Motor Company

DIRECTORS BY UNIVERSITY APPOINTMENT
V. W. Bladen, Toronto
Arthur F. Burns, Columbia
Melvin G. de Chazeau, Cornell
Frank W. Fetter, Northwestern
H. M. Groves, Wisconsin
Gottfried Haberler, Harvard
Walter W. Heller, Minnesota
Maurice W. Lee, North Carolina
Lloyd G. Reynolds, Yale
T. W. Schultz, Chicago
Jacob Viner, Princeton
Willis J. Winn, Pennsylvania

DIRECTORS APPOINTED BY OTHER ORGANIZATIONS
Percival F. Brundage, American Institute of Certified Public Accountants
Harold G. Halcrow, American Farm Economic Association
Theodore V. Houser, Committee for Economic Development
Stanley H. Ruttenberg, American Federation of Labor and Congress of Industrial Organizations
Murray Shields, American Management Association
Willard L. Thorp, American Economic Association
W. Allen Wallis, American Statistical Association
Harold F. Williamson, Economic History Association

RESEARCH STAFF
Moses Abramovitz
Gary S. Becker
Gerhard Bry
Arthur F. Burns
Morris A. Copeland
Frank G. Dickinson
James S. Earley
Richard A. Easterlin
Solomon Fabricant
Milton Friedman
Raymond W. Goldsmith
Leo Grebler
Millard Hastay
W. Braddock Hickman
Daniel M. Holland
C. Harry Kahn
John W. Kendrick
Simon Kuznets
Clarence D. Long
Ruth P. Mack
Ilse Mintz
Geoffrey H. Moore
Roger F. Murray
G. Warren Nutter
Lawrence H. Seltzer
Robert P. Shay
George J. Stigler
Leo Wolman
Herbert B. Woolley
RELATION OF THE DIRECTORS
TO THE WORK AND PUBLICATIONS
OF THE NATIONAL BUREAU OF ECONOMIC RESEARCH

1. The object of the National Bureau of Economic Research is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner. The Board of Directors is charged with the responsibility of ensuring that the work of the National Bureau is carried on in strict conformity with this object.

2. To this end the Board of Directors shall appoint one or more Directors of Research.

3. The Director or Directors of Research shall submit to the members of the Board, or to its Executive Committee, for their formal adoption, all specific proposals concerning researches to be instituted.

4. No report shall be published until the Director or Directors of Research shall have submitted to the Board a summary drawing attention to the character of the data and their utilization in the report, the nature and treatment of the problems involved, the main conclusions, and such other information as in their opinion would serve to determine the suitability of the report for publication in accordance with the principles of the National Bureau.

5. A copy of any manuscript proposed for publication shall also be submitted to each member of the Board. For each manuscript to be so submitted a special committee shall be appointed by the President, or at his designation by the Executive Director, consisting of three Directors selected as nearly as may be one from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when the summary and report described in paragraph (4) are sent to him. It shall be the duty of each member of the committee to read the manuscript. If each member of the special committee signifies his approval within thirty days, the manuscript may be published. If each member of the special committee has not signified his approval within thirty days of the transmittal of the report and manuscript, the Director of Research shall then notify each member of the Board, requesting approval or disapproval of publication, and thirty additional days shall be granted for this purpose. The manuscript shall then not be published unless at least a majority of the entire Board and a two-thirds majority of those members of the Board who shall have voted on the proposal within the time fixed for the receipt of votes on the publication proposed shall have approved.

6. No manuscript may be published, though approved by each member of the special committee, until forty-five days have elapsed from the transmittal of the summary and report. The interval is allowed for the receipt of any memorandum of dissent or reservation, together with a brief statement of his reasons, that any member may wish to express; and such memorandum of dissent or reservation shall be published with the manuscript if he so desires. Publication does not, however, imply that each member of the Board has read the manuscript, or that either members of the Board in general, or of the special committee, have passed upon its validity in every detail.

7. A copy of this resolution shall, unless otherwise determined by the Board, be printed in each copy of every National Bureau book.

(Resolution adopted October 25, 1926
and revised February 6, 1933 and February 24, 1941)
National Bureau of Economic Research, Inc.

Juster, Francis Thomas, 1926—


174 p. illus. 23 cm. (National Bureau of Economic Research. Occasional paper 70)


H11.N2432 no. 70 339.4 59-12555 *

MATERIAL SUBMITTED BY PUBLISHER.
Juster, Francis Thomas, 1926—


H11.N2432 no. 70 339.4 59-12555

MATERIAL SUBMITTED BY PUBLISHER.
PREFACE

This report covers the first phase of a study of the role played by consumer intentions, expectations, and attitudes in the formation of spending decisions. The study is designed to advance knowledge of relationships between these “forward looking” variables and purchases of major durable goods, especially of the way in which contingent actions (intentions) depend for their fulfillment on contingent events (for example, income developments). The present report is confined to an intensive examination of relationships of both household intentions and purchases to a large number of financial, demographic, and expectational variables, and to presentation of other basic information on the historical behavior of the rather special sample of families used by us. The information is of sufficient interest and importance to warrant making it available to research workers and the general public, even though our conclusions are still tentative and quantitatively imprecise. Information on the fulfillment of individual purchase intentions is not yet available. A subsequent report will deal with this problem, and with the associated problem of relationships between the fulfillment of expectations and the fulfillment of purchase intentions.

This study has been aided by generous grants to the National Bureau by the Kelm Foundation of Ann Arbor, Michigan; Consumers Union of the United States; the Automobile Manufacturers Association, and other sources. It was begun when the writer was a Carnegie Research Associate at the National Bureau.

The project would not have been possible without the continuing cooperation of the staff and the Board of Directors of Consumers Union of the United States, especially Colston E. Warne, Dexter Masters, George Goss, Arthur Kallet, and Jean Whitehill. Special thanks are due the many thousands of Consumers Union subscribers whose responses to several long and complicated questionnaires gave us the detailed information for analysis.

It is a pleasure to acknowledge my indebtedness also to Geoffrey H. Moore for his constant supervision, constructive criticism, and demand for clarity; to Albert G. Hart for arousing my interest in expectational economics and for his continued guidance and counsel; to Andrew Court for
visualizing the potentialities in the rather unique body of data used for the analysis; to Solomon Fabricant, Ruth P. Mack and Gary S. Becker, for helpful comments on sections of the report; to James Morgan, George Katona, and Eva Mueller of the Survey Research Center at the University of Michigan for their useful comments on the manuscript; to the members of the Project Advisory Committee, Milton Friedman, Millard Hastay, and Homer Jones, as well as Hart and Mack; and to William J. Carson for smoothing the way through many problems. Acknowledgement is also due a small army of research assistants—Stanley Besen, Cora Diamond, Anne Picker, and George Stein—who served at various stages of the report; Martha Jones, who prepared the tabulations on which the results are based; H. Irving Forman who drew the charts; and Margaret T. Edgar for editorial assistance.