

THE COST OF LIVING

A recent newspaper article noted that we could expect a 1 ½% increase in our social security in 2014. I'm always thankful for an increase no matter how miniscule. What really upsets me is the claim that inflation is under control. Let me explain one little game the manufacturer's play that makes it look like prices are stable.

I recently picked up a couple of boxes of my favorite crackers at \$2.99 each. For the past fifty years this product has been packaged in a one pound box. When I got home I was surprised to see my favorite cracker was now labeled 13.3 ounces, a 16.9% decrease in net weight and the box was still about the same size and price.

Now the package did contain 13.3 ounces of product so this is not a case of short weight fraud. No, this is far more subtle because when you reduce the net weight by 2.7 ounces (16.9%) and charge the same price (\$2.99) that amounts to a 21% increase in product price. Actually, it's not very subtle at all and it's really an insult to the intelligence of the average shopper.

You can walk through any grocery store and identify dozens of products that have been down sized, ice cream; coffee and tuna fish being some of the prominent ones. One that is not an everyday product, but never the less used in almost every home, is the venerable twenty (20) pound LP Propane gas tank. This tank is manufactured to very high standards and is made to hold 20 pounds of product safely and comfortably. Never the less the purveyors of this packaged product decided to downsize and now it contains only fifteen (15) pounds, a reduction of 25%. This fifteen pound tank, which still sells for about \$18.00 represents a 33% increase in product cost and certainly more frequent trips to the exchange center.

Recently, our legislature, in what I'm sure they thought was a really liberating move, altered standing Pennsylvania law which requires staples like milk, flour and potatoes to be sold in standardized package sizes which in the case of potatoes were five, ten, twenty, fifty and 100 pounds. The new law allows potatoes to be sold in any size package which in most cases will make value comparison far more difficult for the consumer and provide little advantage to the packager other than to promote package size proliferation. If Pennsylvania had adopted the national model unit pricing regulation, which requires stores to include a price per uniform unit on each shelf price label, price comparisons would be made more meaningful for the consumer. Once again the consumer is left out in the cold while the marketplace gets more challenging.

Making packages smaller and smaller serves no practical purpose other than to create a hidden price increase and cause more frequent trips to the store. Just raise the darn price and be honest about it! My next article will expand upon the use of **price per unit aids** utilized by some stores.

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