

ECONOMICS, LABOR & BUSINESS

Little Spenders

"Children as Consumers" by Horst H. Stipp, in *American Demographics* (Feb. 1988), 108 North Cayuga St., Ithaca, N.Y. 14850.

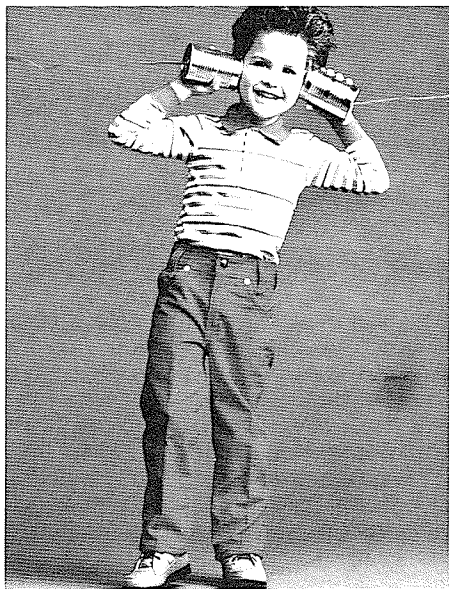
Advertisers are slowly discovering an untapped market: pre-teens.

Stipp, director of social research at NBC, reports that U.S. children "buy and influence" many more products than advertisers (and parents) suspect. According to James McNeal, author of *Children as Consumers* (1987), the average weekly allowance for four- to 12-year-olds is \$3 a week, or \$157 a year. Thus, the more than 20 million such youngsters have a combined disposable income of \$4.7 billion a year.

A 1987 survey by the research firm of Yankelovich, Skelly, and White/Clancy, Shulman found that the chief income sources remain allowances from parents and birthday cash. But 10 percent of those aged nine to 11 are employed, working, on average, four hours a week for \$8.

The pre-teens are thriftier than their elders, saving \$500 million a year. As for spending, 58 percent purchase candy with their money; 30 percent get toys. Nearly one in four are magazine subscribers, more than one in five buy books, and one in 10 puts down cash for clothes, records, and fast food. The big spenders tend to come from single-parent or two-income households; moms and dads in traditional two-parent, one-breadwinner families are more tight-fisted.

The companies catering to pre-teens are becoming more specialized. A bank for children has opened in Denver; Los Angeles has a "children's



Levi Strauss is a major advertiser of apparel for children. Thirteen percent of six- to 11-year-olds buy their own clothes with their allowances. Another 53 percent choose what they wear but have their parents foot the bill.

Comfortable cords from Levi's® in a variety of fashion colors. These cords have the easy-care qualities of shrinkage control and wrinkle resistance, featuring the fit and styling you've come to expect.

LEVI'S

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Yellow Pages." Among products recently created for the age group: Procter and Gamble's Crest "Super Cool Gel" toothpaste, the "My First Sony" radio, General Electric's "Kidcorder" cassette recorder.

Although some prime-time programs, such as *The Cosby Show*, are popular with children, the Saturday morning cartoon series still carry most of the television ads aimed at them; the candy, cereal, and toy purveyors are being joined by such newcomers as Heinz, which has discovered that pre-teens regard ketchup as "fun food." By standing aloof from TV, says Stipp, other marketers of pre-teen favorites—peanut butter, records, watches—are still failing to profit from the social changes that have made U.S. children important independent consumers.

 SOCIETY

Even More Divided

"Black Demographics" by Karl Zinsmeister, in *Public Opinion* (Jan.-Feb. 1988), American Enterprise Institute, 1150 17th St. N.W., Washington, D.C. 20036.

Twenty years ago, a presidential commission chaired by Illinois governor Otto Kerner warned that, among other things, the U.S. black population was dividing into a "small but steadily increasing Negro middle class" and a larger number of riot-prone "have-nots" who were "stagnating economically." Zinsmeister, a demographer, finds a widening gap between the "two black nations."

Black America has made many advances since the Kerner Report. The proportion of blacks above age 24 who have completed a high school education climbed from 30 percent in 1968 to 60 percent in 1987; the proportion who finished four years of college rose even more dramatically, from four percent to 11 percent. And black families with two parents who hold down jobs earn, on average, 85 percent as much as two-income white families, up from 73 percent in 1968. The earning power of young, married, black high school graduates is now on a par with that of comparable white couples.

Yet, while two-thirds of the nation's 29 million blacks earn \$10,000 or more annually, roughly eight million remain in the "underclass," dependent on government payments and/or illegal activity for much of their income. These blacks are far more likely than their brethren to live in inner-city single-parent households, to bear illegitimate children, and to get in trouble with the police: 27 percent of the black inner-city males in the 16-24 age group surveyed by the National Bureau of Economic Research in 1986 admitted to being involved in crime, and 32 percent contended they could earn more from street crime than from honest work.

Ghetto violence is increasing; during the first four months of 1987 in Detroit, 102 blacks under age 16 suffered gunshot wounds, most in gang and drug wars. Half of the nation's convicted felons, Zinsmeister observes,