## TABLE 3–1.—CATEGORY WEIGHTS EXPRESSED AS A PERCENTAGE OF GOODS AND SERVICES EXPENDITURES BY INCOME LEVEL

0.1	Income levels		
Category		Middle	Upper
Food at Home	26.40	23.49	20.65
Food Away from Home	14.42	14.73	15.04
Tobacco	3.15	2.59	2.05
Alcohol	2.77	2.73	2.69
Furnishings and Hsld. Op.	14.71	15.79	16.85
Clothing	13.97	14.65	15.30
Domestic Service	1.76	1.90	2.04
Professional Services	6.48	6.65	6.82
Personal Care	3.62	3.52	3.43
Recreation	12.72	13.94	15.14
Totals	100.00	100.00	100.00

(Note: Values may not total because of rounding.)

## 3.2 Goods and Services Data **Collection**—Special Considerations

3.2.1 Exchange and Commissary Expenditure Research

Executive Order 10000, as amended, requires OPM to adjust COLA rates when employees have special purchasing privileges, such as unlimited access to commissaries and exchanges. In Guam, employees have such access, so OPM directed JFA to price the same marketbasket of Goods and Services items at the commissaries and exchanges in Guam as it used for the local retail pricing. One price quote was obtained for each marketbasket item found in these facilities.

It was not assumed that people with access to military facilities made all purchases in these facilities. Instead, the results of an OPM survey of Federal employees was used to determine the percentage of purchases that families typically make in military facilities versus local outlets. For example, as the following table shows, it is estimated that employees with commissary/ exchange access in Guam, purchase approximately 70% of their Food at Home items at a commissary and purchase the remaining 30% of such items in local retail outlets.

TABLE 3-2.-PERCENTAGES OF PUR-MADE AT THE Сом-CHASES MISSARIES EXCHANGES AND IN GUAM

Category	Per- cent- age
Food at Home	70.0 0.0
Food Away	
Tobacco	64.0
Alcohol	76.0
Furnishings. and Hsld. Op	64.5
Clothing	43.7

TABLE 3-2	–Perce	ENTAC	GES OF	Pur-
CHASES	Made	AT	THE	Сом-
MISSARIES	AND	Exc	CHANGE	S IN
GUAM—Co	ontinued	k		

Category	Per- cent- age
Domestic Service	0.0
Professional Services	0.0
Personal Care	49.3
Recreation	49.7

These percentages were used to aggregate the local retail and commissary/exchange prices into one set of appropriate, blended prices, hereinafter referred to as the Commissary/PX prices. The blended prices were compared to the local retail prices in the Washington, DC, area to compute Commissary/PX Goods and Services Category indexes, which were then combined using CES weights to derive an overall Commissary/PX Goods and Services Component index. Just as with the Guam Local Retail Goods and Services Component index, the Guam Commissary/PX Goods and Services Component index was combined with the indexes for the Housing, Transportation and Miscellaneous Expense Components to derive a single, overall Commissary/PX index for the Guam allowance area.

## 3.2.2 Restaurant Pricing

To ensure comparison of prices at comparable restaurants among areas, OPM asked JFA to classify the restaurants it surveyed into two groups: family dining and fine dining. JFA used such characteristics as menu selections, atmosphere, table setting, seating, reservations, and American Automobile Association rating to make these distinctions. In addition, OPM also directed JFA to survey 100% of selected

family restaurants for breakfast, approximately 75% for lunch, and about 67% for dinner. This allowed comparison of meal prices at a comparable mix of restaurants in all areas.

3.3 Goods and Services Survey Results

Section 2.6 of this report provides a detailed explanation of the economic model used to analyze the price data. As it applies to Goods and Services, the approach involved comparing the average prices of marketbasket items in each allowance area with those in the Washington, DC, area. The resulting price ratios were aggregated into subcategory and then category indexes using the moving-average expenditure weights derived from the CES data.

Appendix 8 shows for each allowance area ten category indexes, the weights used at each of the three income levels, and the overall Goods and Services indexes. The Washington, DC, area is not shown because it is, by definition, the reference area. Therefore, the DC indexes are 100.

## 4. Housing

4.1 Component Overview

The Housing component consists of expenses related to owning or renting a dwelling. These are—

- -mortgage or rent payments,
- -utilities.
- -real estate taxes,
- -homeowner's or renter's insurance,
- -home maintenance, and
- —telephone.

At each of the three income levels, JFA measured separately the annual housing costs for homeowners and renters. The results were then combined using as weights the percentages of owners and renters reported by the CES.