

## A Budget for an Elderly Couple

*The preparation of the budget for an elderly couple which is described in this article was a cooperative undertaking. The methods and procedures used were those developed by the Bureau of Labor Statistics for its city worker's family budget, with such modifications as were appropriate because of the differences in family type. The Bureau of Labor Statistics and the Bureau of Human Nutrition and Home Economics contributed generously in technical advice, in access to price and other information, and in preparation of some sections of the budget. Within the Social Security Administration, an interbureau committee guided and reviewed the work on the budget. Mrs. Marjorie Weber, of the Division of Coordination Studies of the Bureau of Research and Statistics, carried technical responsibility for preparation of the budget.*

AGENCIES CONCERNED with the administration of social security programs have a direct interest in the problem of measuring living costs, since the adequacy of the level of payments provided by these programs cannot be appraised without reference to some measure of what it costs families or individuals to live. Many other factors may influence or determine the judgment of the community as to the appropriate size of social insurance benefits or of assistance payments. But underlying such judgments there is always a more or less explicitly formulated concept of what a family needs to live at an acceptable level.

The measurement of living costs involves a prior determination of the level of living to be measured and the content of that living; hence it involves the formulation of a budget or budgets, listing the items and their quantities that comprise the level chosen, together with the pricing of these items and computations of aggregate costs.

Although many budgets for families of different composition have been devised at one time or another, and for one purpose or another, the nature of the problems involved calls for frequent reconsideration of existing budgets and reexamination of the bases on which they rest. Most of the standard family budgets relate to a 4-person family consisting of an employed man, his wife, and two children. Such budgets are applicable to some unemployment insurance beneficiaries, but not to the cir-

cumstances of most social insurance beneficiaries or assistance recipients. The widely used WPA maintenance budget was priced for only a single family type—a workingman, his wife, and two children. A similar budget for an elderly couple was developed by the Social Security Administration and priced in three Pennsylvania cities as of March 1938 and September 1942.<sup>1</sup>

A technique for adjusting the WPA 4-person maintenance budget to derive budgets for other family types has also been developed for use in appraising the adequacy of the resources of old-age and survivors insurance beneficiaries.<sup>2</sup> Those techniques are applied in another article in this issue, which presents an analysis of the economic status of beneficiary families in a series of surveys conducted by the Bureau of Old-Age and Survivors Insurance in 1941-42. Current prices for the WPA budget have not been available since 1943, however, when the Bureau of Labor Statistics decided that it was no longer technically sound or feasible to estimate, from prices gathered for the consumers' price index, the current costs of a list of items developed in 1935.

Accordingly, when the Seventy-

<sup>1</sup> Florence A. Armstrong, *Cost of Living for Aged Persons*, Bureau of Research and Statistics Memorandum No. 53, 1943.

<sup>2</sup> Lelia M. Easson and Edna C. Wentworth, "Techniques for Estimating the Cost of Living at the WPA Maintenance Level for Families of Differing Composition," *Social Security Bulletin*, March 1947, pp. 9-13.

ninth Congress asked the Bureau of Labor Statistics "to find out what it costs a worker's family to live in the large cities of the United States," the Social Security Administration was greatly interested in the Bureau's project to set up and price a budget for a worker's family of four. It inaugurated a parallel project covering the preparation of budgets for families of other types that are common among groups covered under social security programs—such as aged persons and widow-and-children families—and worked in close cooperation with the Bureau of Labor Statistics to maintain comparability in level of living represented and procedures employed.

The first product of this undertaking by the Social Security Administration is a budget for an elderly couple living by themselves in an urban area.<sup>3</sup> This particular family type was selected for the first study primarily because of the availability of survey data from which the budget quantities could be derived. The elderly couple is generally representative of many of the persons now receiving or potentially eligible for old-age insurance benefits or old-age assistance. The husband is assumed to be about 65 years of age or over and the wife only a few years, if at all, younger. No fixed assumption was made as to the employment status of the husband; it was assumed that in most cases he would be retired or have only occasional employment. Both husband and wife are assumed to be able to get about and to care for themselves.

This budget has been completed and its March 1946 and June 1947 cost computed for 8 of the 34 large cities in which the Bureau of Labor Statistics collects price data regularly for the consumers' price index. The 8 cities were selected to include all regions of the country. They also represent reasonably well the full range of cost levels for the 34 cities as indicated by the cost of the Bureau of

<sup>3</sup> A more detailed description of the techniques used in developing the budget may be found in a forthcoming report, *A Budget for an Elderly Couple*, Bureau of Research and Statistics Memorandum No. 67, Social Security Administration.

## The Budget Quantities

### Food budget

Item	Quantity	
	Per week	Per year
<b>Meat, poultry, and fish:</b>		
Meats, low cost <sup>1</sup> .....Pound..	2.36	122.8
Meats, medium cost <sup>1</sup> .....Pound..	1.22	63.6
Meats, high cost <sup>1</sup> .....Pound..	.42	21.6
Bacon, sliced.....Pound..	.26	13.7
Salt pork.....Pound..	.14	7.3
<b>Milk, cream, and cheese:</b>		
Milk, fresh.....Quart..	11.73	609.9
Milk, canned.....Pound..	1.34	69.5
Cream.....Pint..	.06	3.3
Ice cream.....Pint..	.05	2.5
Cheese.....Pound..	.42	21.8
<b>Fats and oils:</b>		
Table fats.....Pound..	.53	27.7
Peanut butter.....Pound..	.06	3.2
Lard.....Pound..	.38	19.6
Vegetable shortening.....Pound..	.09	4.6
Mayonnaise and other salad dressings.....Pint..	.10	5.2
Eggs.....Dozen..	.83	43.3
<b>Baked goods and cereal products:</b>		
Bread, white.....Pound..	2.82	146.8
Bread, whole wheat.....Pound..	.15	7.7
Bread, rye.....Pound..	.25	12.9
Other bakery products.....Pound..	1.63	84.8
Flour.....Pound..	2.02	104.8
Ready-to-eat cereal.....Pound..	.28	14.5
Other cereal (uncooked).....Pound..	.97	50.5
<b>Vegetables, fresh:</b>		
Potatoes.....Pound..	4.72	245.6
Sweet potatoes.....Pound..	.44	22.8
Tomatoes.....Pound..	1.23	63.8
Green vegetables, high cost <sup>4</sup> .....Pound..	1.48	76.8
Green vegetables, low cost <sup>4</sup> .....Pound..	2.81	146.2
Other vegetables, high cost <sup>4</sup> .....Pound..	.58	30.0
Other vegetables, low cost <sup>4</sup> .....Pound..	.62	32.2
Vegetables, dried.....Pound..	.20	10.3
<b>Vegetables, canned:</b>		
Tomatoes.....Pound..	.39	20.1
Green vegetables.....Pound..	.17	8.8
Other vegetables.....Pound..	.94	49.1
<b>Fruits, fresh:</b>		
Citrus fruit.....Pound..	2.61	135.6
Other fruits.....Pound..	2.90	150.7
<b>Fruits, canned:</b>		
Citrus fruit.....Pound..	.14	7.1
Other fruits.....Pound..	.39	20.2
Fruits, dried.....Pound..	.16	8.1
<b>Sugar, sweets, and desserts:</b>		
Sugar <sup>5</sup> .....Pound..	1.47	76.5
Other sweets <sup>5</sup> .....Pound..	.24	12.7
Nuts.....Pound..	.01	.4
<b>Beverages:</b>		
Coffee.....Pound..	.56	29.0
Tea.....Pound..	.25	12.9
Cocoa.....Pound..	.10	.5
Cocomalt, etc.....Pound..	.04	2.1
<b>Condiments (1947 dollar allocation)</b>		
Dollar.....	.04	2.0
Other miscellaneous.....Pound..	.07	3.4
<b>Meals purchased away from home:</b>		
Breakfast.....Meal..	.09	4.8
Lunch.....Meal..	.70	36.5
Dinner.....Meal..	.16	8.3
Net number of guest meals provided.....		(9)

<sup>1</sup> Includes boiling and stewing beef and lamb, short ribs of beef, canned corned beef, liver, fresh fish, other canned fish, etc.  
<sup>2</sup> Includes round steak, roast beef, leg of lamb, pork chops, canned or cooked meat, dried beef, cured fish, etc.  
<sup>3</sup> Includes lamb chops, poultry, canned sea food.  
<sup>4</sup> Includes lima beans, lettuce, green peas, asparagus, and peppers.  
<sup>5</sup> Includes cabbage, turnip greens, string beans, carrots, swiss chard, collard greens, okra, spinach, etc.  
<sup>6</sup> Includes cucumbers, celery, cauliflower, corn, radishes.  
<sup>7</sup> Includes onions, turnips, beets, kohlrabi.  
<sup>8</sup> Since the quantity of sugar shown exceeded the 946 ration of 5 pounds per person every 4 months,

### Rent, fuel, and utilities budget

Item	Quantity per year
Contract rent <sup>1</sup> .....Month..	12
Unfurnished dwelling of 2 or 3 rooms, having the equipment and meeting the standards described below.	
Water.....cu. ft..	4,800.0
Electricity <sup>2</sup> .....kw.-hr..	300.0
For lighting, refrigeration, and appliances.	
Gas <sup>3</sup> .....B. t. u..	127.2
For cooking and hot-water heating.	
Heating fuel.....	
Allowances for each city based on normal annual degree days (as published by the U. S. Weather Bureau) and type of fuel used.	

<sup>1</sup> Allowances specified for fuel and utilities are omitted when the cost of these items is included in the contract rent. If mechanical refrigerator is not furnished in the dwelling, the amortized cost, calculated as 6 percent of the purchase price, is added to the annual cost of rent.  
<sup>2</sup> In cities where electricity is the predominant fuel used for cooking and hot-water heating, adjustments in allowances are made accordingly.

### HOUSING STANDARDS

**Room space.**—A 2 or 3-room unfurnished housekeeping unit, with a kitchen (or kitchenette) and bathroom, both for the exclusive use of the family. A room was defined as a living space completely separate, with four walls to the ceiling, exclusive of such spaces as bathroom, hall, closet, foyer, open porch, pantry, laundry, storage room, or other space not completely finished and not regularly used as living quarters. A kitchenette and dinette were together counted as one room.

**Sanitation.**—Pure water supply, adequate in quantity for personal and household cleanliness, and piped under pressure to kitchen sink, washbowl, toilet, bathtub, or shower. Doors and windows screened where necessary; structure protected against contamination from sewage; neighborhood free from accumulations of refuse that harbors disease-carrying vermin.

**Heating and ventilation.**—Installed heating equipment and the necessary fuel for maintaining a temperature of 70 degrees F. in the dwelling during the winter months. The amount of fuel and type of heating equipment vary from city to city in accordance with the length and severity of the cold season. One or more windows in each room is a minimum requirement for ventilation.

**Lighting.**—Daylight illumination and installed electric-lighting equipment in each room.

**Other equipment.**—Kitchen sink with drain; gas or electric cookstove; hot-water

heater with storage tank. Adequate supply of gas or electric power to operate this equipment.  
**Safety precautions.**—Dwelling of sound construction, with foundation, roof, walls, porches, and stairs repaired as necessary to prevent any danger of collapse; adequate provision for escape in case of fire; safety precautions in electric, plumbing, and heating installations as required by municipal authorities.  
**Community facilities.**—Churches, shopping centers, facilities for recreation, entertainment, and medical care easily accessible by public transportation; food stores within walking distance of the home.

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### Household operations budget

Item	Quantity per year
<b>Commodities:</b>	
Laundry soap.....Bar..	26
Laundry soap, flakes, powder.....Box..	26
Stationery, postage.....Dollar..	3.50
Miscellaneous household operation.....Dollar..	(1)
<b>Services:</b>	
Paid help.....Dollar..	(2)
Laundry sent out.....Dollar..	(3)
Telephone.....Minimum service.....	(4)

<sup>1</sup> Allowance of \$3.20 at 1941 prices, adjusted for price change; same allowance, all cities.  
<sup>2</sup> Allowance of \$1.08 per month (\$13 per year) at 1941 prices, all cities combined, adjusted for price change and intercity price differences.  
<sup>3</sup> Allowance of \$1 per month (\$12) at 1941 prices, all cities combined, adjusted for price change and intercity price differences.  
<sup>4</sup> 45 percent of the families were assumed to have telephone service.

### Household furnishings and equipment budget

Item	Quantity per year
<b>Furniture and equipment <sup>1</sup>.....Dollar..</b>	(2)
<b>Household textiles:</b>	
Sheet.....Number..	1.50
Pillowcase.....Number..	1.95
Bedspread.....Number..	.05
Blanket, 50 percent or more wool.....Number..	.10
Mattress.....Number..	.05
Bath towel.....Number..	1.50
Hand towel.....Number..	.75
Lunch cloth with napkins.....Number..	.15
Dish towel.....Number..	1.70
Curtains and draperies (pair).....Number..	.35
Miscellaneous textiles.....Number..	(3)

<sup>1</sup> Excluding refrigerator.  
<sup>2</sup> Flat-sum allowance of \$20.89 at 1941 prices, all cities combined, adjusted for price changes and intercity price differences. Very few purchases of furniture and equipment are made by elderly couples. As a result, available expenditure records did not yield data adequate for the derivation of satisfactory allowances for the individual items. Accordingly, these data were used as a basis for determining a flat dollar allowance.  
<sup>3</sup> Allowance for this item is 5 percent of total annual cost of all other textiles.

**Clothing budget<sup>1</sup>**

Elderly woman	
Item	Quantity per year
<b>Hats:</b>	
Felt.....Number.....	0.48
Fabric and straw.....Number.....	.37
Cap or beret.....Number.....	.05
<b>Coats:</b>	
Heavy, with fur.....Number.....	.06
Heavy, no fur.....Number.....	.08
Light wool.....Number.....	.08
<b>Sweaters:</b>	
Wool.....Number.....	.18
<b>Suits:</b>	
Wool, no fur.....Number.....	.03
<b>Dresses:</b>	
Cotton, street.....Number.....	.21
House dress.....Number.....	.51
Rayon.....Number.....	.69
Wool.....Number.....	.09
<b>Blouses:</b>	
Cotton.....Number.....	.05
Rayon.....Number.....	.05
<b>Housewear, sportswear:</b>	
Apron.....Number.....	.40
Bathing suit.....Number.....	.05
<b>Underwear:</b>	
Slip, cotton.....Number.....	.43
Slip, rayon.....Number.....	.32
Panties, cotton.....Number.....	.36
Panties, rayon.....Number.....	.67
Panties, part wool.....Number.....	.07
Unionsuit, cotton.....Number.....	.25
Unionsuit, rayon.....Number.....	.08
Undershirt.....Number.....	.35
Brassiere.....Number.....	.17
Corset or girdle.....Number.....	.20
<b>Nightwear:</b>	
Nightgown, cotton.....Number.....	.22
Nightgown, rayon.....Number.....	.11
Nightgown, flannel.....Number.....	.23
Robe, cotton.....Number.....	.04
Robe, rayon.....Number.....	.04
<b>Hosiery:</b>	
Cotton.....Pair.....	1.30
Rayon.....Pair.....	2.52
Cotton and wool.....Pair.....	.05
Nylon.....Pair.....	.63
<b>Shoes:</b>	
Fabric.....Pair.....	.10
Leather.....Pair.....	.97
House slippers.....Pair.....	.21
<b>Rubbers, arctics:</b>	
Rubbers.....Pair.....	.03
Galoshes.....Pair.....	.07
<b>Accessories:</b>	
Gloves, cotton.....Pair.....	.22
Gloves, rayon.....Pair.....	.03
Gloves, wool.....Pair.....	.04
Gloves, leather.....Pair.....	.02
Handbag.....Number.....	.21
Handkerchief.....Number.....	.85
Umbrella.....Number.....	.05
<b>Yard goods:</b>	
Cotton.....Yard.....	1.66
Rayon.....Yard.....	.14
Cleaning, repair, miscellaneous accessories.....Dollar.....	(*)

<sup>1</sup> In pricing the budget for the 8 cities, account was taken of differences in clothing purchases arising from climatic differences by assigning adjustment factors to selected items of heavy and light clothing, shown by analysis of expenditure data to vary in rate of purchase in warmer and colder climates.  
<sup>2</sup> Allowance for these items is 3.5 percent of annual cost of all other items.

**Clothing budget—Continued**

Elderly man—Continued	
Item	Quantity per year
<b>Sweaters, jackets:</b>	
Sweater, wool.....Number.....	0.05
Sweater, cotton.....Number.....	.07
Jacket, wool.....Number.....	.12
<b>Suits:</b>	
Wool, heavy.....Number.....	.22
Wool, light.....Number.....	.04
Cotton.....Number.....	.02
Tropical worsted.....Number.....	.04
<b>Trousers, overalls:</b>	
Trousers, wool.....Number.....	.15
Trousers, cotton.....Number.....	.25
Trousers, rayon.....Number.....	.02
Overalls.....Number.....	.52
<b>Shirts:</b>	
Cotton, work.....Number.....	.96
Cotton, other.....Number.....	1.29
Rayon.....Number.....	.05
<b>Sportswear:</b>	
Slack suit, rayon.....Number.....	.04
Bathing suit.....Number.....	.05
<b>Underwear:</b>	
Undershirts, cotton.....Number.....	.29
Undershirts, part wool.....Number.....	.11
Underdrawers, cotton woven.....Number.....	.07
<b>Underdrawers, cotton knit:</b>	
.....Number.....	.23
Underdrawers, part wool.....Number.....	.10
Unionsuit, cotton.....Number.....	1.16
Unionsuit, part wool.....Number.....	.19
<b>Nightwear:</b>	
Fajamas, cotton.....Number.....	.24
<b>Socks:</b>	
Cotton, heavy.....Pair.....	1.76
Cotton, dress.....Pair.....	2.02
Rayon.....Pair.....	.21
Wool.....Pair.....	.21
<b>Shoes:</b>	
Leather, work.....Pair.....	.40
Leather, other.....Pair.....	.49
Fabric.....Pair.....	.02
House slippers.....Pair.....	.14
<b>Rubbers, arctics:</b>	
Rubbers.....Pair.....	.17
Arctics.....Pair.....	.03
Boots.....Pair.....	.05
<b>Accessories:</b>	
Gloves, cotton.....Pair.....	1.10
Handkerchiefs.....Number.....	.92
Tie.....Number.....	1.09
Cleaning, repair, miscellaneous accessories.....Dollar.....	( <sup>1</sup> )

<sup>1</sup> Allowance for these items is 8.5 percent of annual cost of all other items.

**Personal care budget**

Item	Quantity per year
<b>Services:</b>	
Haircut, man.....Number.....	14.50
Shampoo.....Number.....	4.17
Permanent wave.....Number.....	.37
<b>Commodities:</b>	
Toilet soap.....Cake.....	40.00
Cosmetics.....Dollar.....	( <sup>1</sup> )
Shaving cream.....5-oz. tube.....	3.00
<b>Toothpaste and powder:</b>	
Paste.....3-oz. tube.....	5.00
Powder.....4.5-oz. can.....	1.00
Miscellaneous toilet articles and preparations.....Dollar.....	( <sup>2</sup> )

<sup>1</sup> Allowance of \$1.05 at 1941 prices, adjusted for price change; same allowance, all cities.  
<sup>2</sup> Allowance for this item is 7 percent of annual cost of all other items.

**Medical and dental care budget**

Item	Services per 1,000 persons per year	
	Man	Woman
<b>Medical:</b>		
Physician's calls:		
Home.....Each.....	1,996	2,981
Office.....Each.....	3,211	3,802
<b>Operations:</b>		
Abdominal.....Each.....	21	14
Tumors and cancer.....Each.....	8	8
Operations on injuries.....Each.....	10	15
Other operations.....Each.....	19	25
Anesthesia.....Each.....	58	62
<b>Private duty nursing:</b>		
Graduate.....Day.....	446	866
Practical.....Day.....	561	1,064
<b>Eye refractions:</b>		
Without lenses.....Each.....	15	7
With lenses.....Each.....	58	98
Lenses.....Pair.....	58	98
Frames.....Pair.....	23	39
Prescriptions.....Each.....	365	478
X-ray.....Case.....	41	42
Laboratory.....Case.....	58	91
Physiotherapy.....Case.....	28	36
<b>Dental:</b>		
Examinations and prophylaxis		
.....Case.....	35	40
Fillings.....Each.....	180	183
Extractions.....Each.....	249	101
Crowns.....Each.....	10	10
Dentures and bridges.....Case.....	65	43
X-ray.....Case.....	17	54
<b>Medical supplies (at June 1947 prices)</b>		
Dollar.....	18	18

<sup>1</sup> Per couple per year.

**Reading, recreation, and tobacco budget**

Item	Quantity per year
<b>Reading:</b>	
Newspapers, delivered.....Number.....	365.0
Magazines.....Number.....	52.0
<b>Recreation:</b>	
Movies.....Number.....	22.0
Radio purchase.....Number.....	.11
Radio upkeep.....Dollar.....	( <sup>1</sup> )
Social dues.....Dollar.....	( <sup>2</sup> )
Other recreation.....Dollar.....	( <sup>3</sup> )
<b>Tobacco:</b>	
Cigarettes.....Pack.....	52.0
Cigars.....Number.....	56.0
Pipe tobacco.....1¼-oz. tin.....	78.0
Other, including supplies.....Dollar.....	( <sup>4</sup> )

<sup>1</sup> Allowance for this item is 25 percent of annual cost of radio purchase.  
<sup>2</sup> Allowance for this item is 14.7 percent of annual cost of movies, radio purchase, and reading.  
<sup>3</sup> Allowance for this item is 44.1 percent of annual cost of movies, radio purchase, and reading.  
<sup>4</sup> Allowance for this item is 16 percent of annual cost of cigarettes, cigars, and pipe tobacco.

**Transportation budget**

Item	Quantity per year
Local public transportation.....Ride.....	485
Taxi.....Dollar.....	3
Railway travel.....Mile.....	1,100

<sup>1</sup> Based on trip of 500 miles for 20 percent of families.

**Gifts and contributions budget**

Allowance is 3 percent of total cost of all other categories.

Elderly man	
Item	Quantity per year
<b>Hats:</b>	
Felt.....Number.....	0.51
Straw.....Number.....	.16
Cap.....Number.....	.08
<b>Coats:</b>	
Overcoat.....Number.....	.12
Raincoat.....Number.....	.04

Labor Statistics 4-person family budget.<sup>4</sup>

### *The Level of Living*

The budgets for an elderly couple and for a city worker's family may be described as representing a modest but adequate level of living. They are intended to include those goods and services that are necessary for a healthful, self-respecting mode of living that allows normal participation in the life of the community in accordance with current American standards. Social and conventional, as well as physiological, needs are taken into account. This level is definitely above the subsistence level in that it provides for more than physical needs or what would be necessary to carry families through a limited period of stringency. On the other hand, it is not a luxury budget and it does not represent an American "ideal" way of living.

The level of living represented by the budget is discussed in some detail in the report of the Technical Advisory Committee appointed by the Bureau of Labor Statistics to recommend general concepts and principles on which the city worker's family budget should be based.<sup>5</sup>

In part, the Committee says: "Unfortunately, there is no single descriptive word or phrase that clearly and unequivocally carries to everyone the same concept of the level of living aimed at, or furnishes a 'yardstick' by which what should or should not be included in the budget can immediately be determined . . . To say that the recommended budget covers the 'necessary minimum' to some may mean that it includes only the least necessary for physical survival. But that is far from being the case. If it were said that it is designed to

<sup>4</sup>For the Bureau of Labor Statistics city worker's family budget, see *Monthly Labor Review*, February 1948. The rank order of the cost of the budget for an elderly couple for the 8 cities differs somewhat from the rank order of the cost of the city worker's family budget for the same 8 cities, although the high and low cities are the same. These differences result from the different proportions of the two budgets which are accounted for by the cost of food, housing, and other major segments of the total.

<sup>5</sup>See *Monthly Labor Review*, February 1948.

represent an 'adequate minimum' some would assume that no more or no better is to be desired; and that also is far from being the case. If the budget were described as one providing for health and decency, the word 'decency' would require definition and amplification. Although the level of living represented by the budget cannot be briefly described by words having scientific precision, yet the concept of a necessary minimum is a reality. Judgments are constantly being expressed as to what is necessary not only for one's self and one's family, but for others. These judgments are expressed in public policy as well as in the management of private affairs. The task of the Committee may be described as expressing in precise, measurable form the social judgment as to what is necessary for acceptable living. Those who say it is impossible to define human needs must, if consistent, refrain from judgments on the matter, a virtual impossibility. . . . [The budget] represents what men commonly expect to enjoy, feel that they have lost status and are experiencing privation if they cannot enjoy, and what they insist upon having."

The concept of such a level is equally applicable to any period, but its content—the list of goods and services that it comprises—is clearly subject to change, as developments in scientific knowledge of human needs, in industrial technology, in productive power, and in social values affect prevailing standards of the necessary or desirable. While all budgets, even those representing levels of living at or near subsistence, become out of date, the present budget, by the very terms of its definition, emphasizes the fact that it comprises a changing set of values, and hence that its composition must be reconsidered with relative frequency, depending on the tempo of economic and social change.

### *The Budget Content*

The principles and procedures governing the construction of the current budgets represent something of a departure from those on which earlier budgets were based. The Technical Advisory Committee appointed by the Bureau of Labor Sta-

tistics adopted as a basic principle the desirability of using methods that were as free as possible from the element of individual judgment, which has entered so largely into earlier budgets. To achieve this objective it recommended the use of two kinds of data in deriving budgetary allowances: those based on scientific experiment or observation; and records of family expenditures, showing how families of the type covered by the budget have chosen to allocate their spendable funds. The use of such data was designed to avoid assumptions regarding family requirements or tastes and the wisdom and economy exercised in the purchase and use of goods.

The use of scientific standards of requirements was confined to two segments of the budget—food and shelter. In the case of food, recommendations of the Committee on Nutrition of the National Research Council provided the basic standards of nutritional adequacy, while records of the foods actually purchased by elderly couples determined the specific foods included in the budget to meet these standards.<sup>6</sup> For shelter, standards were derived from those adopted by the Committee on the Hygiene of Housing of the American Public Health Association and by the Federal Public Housing Authority. These standards relate to structure, sanitation, heating and lighting, character of the neighborhood, and availability of community facilities.

In the medical care field, no comparable standards have yet been established or generally accepted by

<sup>6</sup>The food budget was prepared by the Bureau of Human Nutrition and Home Economics of the Department of Agriculture. The quantities of food in 11 major groups as suggested in the Bureau of Human Nutrition and Home Economics Low-Cost Food Plan (January 1946) for a sedentary man and woman were used as a basis, with quantities adjusted to provide for the special needs of elderly persons. Food records for elderly 2-person families from the Study of Consumer Purchases (1935-36), adjusted to take account of increases in the past decade in consumption of certain foods, especially citrus fruits, were used for the break-down of the group quantities into food items for pricing. Allowances for meals purchased away from home and for the excess of meals furnished to guests above those received as guests were made on the basis of these records.

the medical profession. On any basis of determination, however, the necessary minimum of medical and dental care varies widely from family to family and from year to year, and hence those categories cannot be budgeted in the same sense as can other segments of family spending. The allowances for these services that have been included in the budget for elderly couples therefore represent averages, prorated over a considerable number of years or a large group of families, to equalize the burden on a family between years of light and heavy medical or dental expenses. These averages are based mainly on records of expenditures for medical care at income levels high enough to warrant the assumption that the economic barrier to adequate care did not operate. These records were obtained by the Committee on the Costs of Medical Care, covering the period 1928-31.

For most of the other parts of the budget the "standards" followed were those set by the judgment of society as expressed in consumption patterns, and by the families themselves as determined from their buying practices, shown in records of yearly expenditures obtained by the Bureau of Labor Statistics from families of the type represented by the budget. These records were analyzed to determine the average quantities of a given category purchased at successively higher income levels, and the rate of change in such purchases as the income level changed. The amount purchased at a point on the income scale where the rate of increase in purchases started to decline relative to the rate of increase in income was taken to be the point of minimum satisfaction for purposes of this budget.<sup>1</sup> The direction in which this ratio is moving reflects the comparative strength of competing desires for more of the category in ques-

<sup>1</sup>The ratio between the rates of increase in purchases and in income is known as the income elasticity of purchases, and the turning point is the point of maximum income elasticity, which has been selected in the present instance to represent the desired budget level. For more detail, see *A Budget for an Elderly Couple*, Bureau of Research and Statistics Memorandum No. 67, and the *Monthly Labor Review*, February 1948.

tion against more of something else at successive levels of income. As income increases beyond the turning point of this ratio, families tend to increase their savings or buy higher-quality goods rather than more goods, or devote a larger share of their income to some other consumption category. As income decreases below this level, families tend to reduce their expenditures for other goods or services, or to reduce their savings or go into debt rather than reduce their level of consumption for the category in question.

The procedures used in determining the items and quantities of the several categories on the basis of family buying practices result in a budget that represents combinations of choices. The level of purchases specified in the budget allowance for each category is an average of what the families whose expenditure records were analyzed chose to buy. Back of each average is the fact that some choose to buy little or none of a given item, while others buy a good deal. Close economizing in one area makes possible greater purchases in another. Individual family outlay for the different items thus varies around the allowances in accordance with individual tastes and preferences or special family needs.

The methods evolved for the use of family-expenditure data in budget construction represent not so much the adoption of entirely new bases for deriving allowances as the employment of more systematic methods by which these allowances shall be determined. What is new is the direct, systematic use of expenditure records, whereas, for the most part, earlier budget making was guided only indirectly by family practices, through the influence that these practices exerted on the individual judgments of the budget makers.

The manner of living represented by the budget for an elderly couple is modest. The couple is assumed to live alone in a 2 or 3-room apartment. The food budget assumes a major reliance on low-cost foods. The clothing budget allows in any year for the purchase of a new coat by one elderly woman in five, of a new house dress by one woman in two, and of one new street dress by every elderly woman.

Table 1.—Total annual cost of budget for elderly couple, eight selected cities, at March 1946 and June 1947 prices

City	Total annual cost of budget	
	June 1947	March 1946
Washington, D. C. ....	\$1,767	\$1,573
Boston, Mass. ....	1,638	1,455
Indianapolis, Ind. ....	1,553	1,378
Portland, Oreg. ....	1,539	1,387
Denver, Colo. ....	1,519	1,336
Minneapolis, Minn. ....	1,476	1,291
Mobile, Ala. ....	1,444	1,265
Houston, Tex. ....	1,365	1,169

Only one old man in eight can purchase a new overcoat in any year. Old people usually do not spend much on new furniture, and the budget reflects such choices. Allowance is made, on the other hand, for replacement of such items as sheets, towels, and the like. The budget would allow the couple to purchase a daily newspaper and one magazine a week and to pay for 22 movie admissions a year. There is a small allowance for gifts and contributions to church or other groups. The couple does not own a car and takes only brief, infrequent trips out of town. No allowance is made for savings, insurance, or personal taxes.

### *The Cost of the Budget*

The total cost of the budget in eight selected cities for March 1946 and for June 1947 is shown in table 1. Tables 2 and 3 show the cost of the several major segments of the budget.

All price data that were used to compute the cost of the budget for an elderly couple were obtained from the Bureau of Labor Statistics. To a considerable extent the goods and services priced regularly by that Bureau for its consumers' price index correspond in character and quality to those included in both the city worker's family budget and the budget for an elderly couple, so that only a moderate amount of special pricing and very little price estimating were necessary.

For food, allowances of the different items were calculated on both a weekly and a yearly basis. For foods having a considerable seasonal variation in consumption, the weekly figures represent a yearly average that is not necessarily characteristic of actual weekly consumption at any

Table 2.—Annual cost of budget for elderly couple, eight selected cities, at March 1946 prices

Item	Wash- ington, D. C.	Boston, Mass.	Indian- apolis, Ind.	Port- land, Oreg.	Den- ver, Colo.	Minne- apolis, Minn.	Mobile, Ala.	Hous- ton, Tex.
Total.....	\$1,573	\$1,455	\$1,378	\$1,387	\$1,336	\$1,291	\$1,265	\$1,169
Food, total.....	400	415	396	408	405	398	418	393
Family food at home <sup>1</sup> .....	362	377	358	370	367	360	380	356
Guest meals served.....	22	22	22	22	21	22	22	21
Meals purchased (net additional cost).....	16	16	16	16	17	16	16	16
Housing, total.....	799	685	646	606	583	556	536	452
Rent, heat, and utilities <sup>2</sup> .....	683	572	530	470	472	432	435	348
Household operations.....	76	71	77	94	71	83	57	65
Household furnishings.....	40	42	39	42	40	41	41	39
Clothing, total <sup>3</sup> .....	92	84	82	87	86	92	77	76
Man.....	49	45	44	48	46	47	40	42
Woman.....	43	39	38	39	40	45	37	34
Medical care, total.....	95	76	77	98	83	75	75	85
Man.....	37	30	30	39	32	29	29	33
Woman.....	51	39	40	52	44	39	39	45
Medical supplies.....	7	7	7	7	7	7	7	7
Other, total.....	187	195	177	188	179	170	159	163
Personal care.....	28	24	25	26	24	24	23	21
Recreation and reading.....	47	52	56	56	50	47	45	48
Tobacco.....	20	23	18	20	20	19	24	21
Transportation.....	46	54	38	46	46	42	30	39
Gifts and contributions <sup>3</sup> .....	46	42	40	40	39	38	37	34

<sup>1</sup> Provides for 2,190 meals (3 meals per day per person, 365 days per year).

<sup>2</sup> Includes adjustments for differences in require-

ments due to climate.

<sup>3</sup> Allowance for this category is 3 percent of all other expenditures.

season. The quantities and cost of family food at home provide for 3 meals a day per person, every day in the year. The cost of meals purchased away from home, shown in tables 2 and 3, is the net additional cost (as compared with the average cost per meal of meals at home) of the 50 meals a year assumed to be purchased by the couple. The allowances for meals purchased and for guest meals are based on the practices of elderly couples as shown in expenditure records; the average cost per guest meal is assumed to be the same as the average cost per meal for the couple's family food at home (21 or 22 cents at June 1947 prices). Elderly couples do not apparently feel the same need as do younger families with children for occasional outlays for ice-cream cones, soft drinks, and so on; consequently such items are not included in this budget.

For housing costs the rental surveys conducted by the Bureau of Labor Statistics as a part of the regular study of rents for the consumers' price index were used. Rents for unfurnished dwellings of 2 and 3 rooms that met the accepted standards of repair, facilities, and neighborhood were averaged. Since the average monthly contract rent sometimes includes shelter only, and sometimes covers one or more of the utilities—water, gas, electricity, heat, and re-

frigeration—the housing budget included these items, which were also priced, and which were added to the average contract rent in accordance with the proportions of the dwelling units not having these several facilities included in the rent.

The budget has been priced as of the two periods, mid-March and mid-June, except for a few winter items that were priced in the preceding December or in intervening months as appropriate. Since families incur expenses throughout the

year, the aggregate annual cost as of a particular date has validity only to the extent that seasonal variations in consumption and price for the different items subject to seasonal variations cancel each other out. At the present time, the problem of pricing a budget is made considerably more difficult by the instability of prices and price relationships.

In the total budget cost as derived, the combined cost of rent, heat, and utilities in seven of the eight cities at March 1946 prices and in three of the cities at June 1947 prices was greater than the cost of any other category, even food, and accounted for one-third or more of the aggregate cost of the budget. There are several explanations for the relatively high cost of this rental category. The dwelling specified in the budget for an elderly couple is a 2 or 3-room unfurnished housekeeping unit that meets prescribed standards as to construction, repair, and location. It must have a kitchen (or kitchenette) and a bathroom, both for the exclusive use of the family, and a hot-water heater with a storage tank. These standards are not available in many of the dwelling units provided for small families at modest income levels, and hence they represent, on the average, somewhat better housing than is in fact obtained by many 2-person families at that level.

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Table 3.—Annual cost of budget for elderly couple, eight selected cities, at June 1947 prices

Item	Wash- ington, D. C.	Boston, Mass.	Indian- apolis, Ind.	Port- land, Oreg.	Den- ver, Colo.	Minne- apolis, Minn.	Mobile, Ala.	Hous- ton, Tex.
Total.....	\$1,767	\$1,638	\$1,553	\$1,539	\$1,519	\$1,476	\$1,444	\$1,365
Food, total.....	524	533	512	510	524	518	529	515
Family food at home <sup>1</sup> .....	475	484	464	463	474	470	480	467
Guest meals served.....	28	28	27	27	28	27	28	27
Meals purchased (net additional cost).....	21	21	21	20	22	21	21	21
Housing, total.....	811	700	653	612	597	575	562	469
Rent, heat, and utilities <sup>2</sup> .....	686	578	529	467	476	440	455	355
Household operations.....	53	78	83	101	78	91	63	71
Household furnishings.....	42	44	41	44	43	44	44	43
Clothing, total <sup>3</sup> .....	105	95	97	100	101	108	93	92
Man.....	59	52	57	61	58	63	52	53
Woman.....	46	43	40	39	43	45	41	39
Medical care, total.....	111	93	87	107	101	86	82	104
Man.....	45	37	34	42	40	34	32	41
Woman.....	58	48	45	57	53	44	42	55
Medical supplies.....	5	8	8	8	8	8	8	8
Other, total.....	218	217	204	210	196	189	178	185
Personal care.....	36	29	32	34	29	29	27	26
Recreation and reading.....	55	60	58	61	55	55	54	56
Tobacco.....	21	26	21	24	22	20	25	24
Transportation.....	53	54	48	46	46	42	30	39
Gifts and contributions <sup>3</sup> .....	51	48	45	45	44	43	42	40

<sup>1</sup> Provides for 2,190 meals (3 meals per day per person, 365 days per year).

<sup>2</sup> Includes adjustments for differences in require-

ments due to climate.

<sup>3</sup> Allowance for this category is 3 percent of all other expenditures.

cost of rental housing at this standard, a complicating factor presented itself. While the sample of rental dwellings of this size obtained by the Bureau of Labor Statistics excluded all dwellings that fell short of the prescribed standards, it did not exclude those that were significantly above standard. Since budget housing costs were based on average rents for the sample as a whole, these costs are higher by an undetermined amount than would characterize rents for dwellings that just met the standards.<sup>8</sup> It is hoped that it will be possible to exclude above-standard units when the budget is repriced.

Another element exerting an upward influence on the figures for housing cost is the fact that allowances were based solely on costs of rented dwellings, although many elderly couples occupy owned homes. For the home-owning couples, records show that their average yearly out-of-pocket costs for housing are below those of renters at the same income level, although the difference would undoubtedly be much less or even nonexistent if interest on the owner's equity and depreciation were taken into account. Nevertheless, from the standpoint of the actual yearly money outlay for housing characteristic of elderly couples at a moderate income level, cost figures derived from rental data are necessarily somewhat high.<sup>9</sup> If the budget were priced in small cities, it would be necessary to take account of the costs of home ownership, since the proportion of home owners is so much larger in small towns. We know also that, in general, the cost of housing, whether in owned or rented dwellings, would be considerably lower, and would represent a smaller proportion of the total cost in small cities than in the larger cities for which the budget has been priced.

The percent of the total budget cost

<sup>8</sup> Experiment with the data indicates that the inclusion of superstandard units may have increased average monthly rents by as much as \$4 or \$5 (at June 1947 prices) for Washington, D. C., and by less than half this amount for all the other cities.

<sup>9</sup> A partial offset is found in the fact that heat allowances in the budget cover only 2 and 3-room dwellings, whereas home-owning couples generally live in houses of 5 or more rooms.

Table 4.—Distribution of cost of budget for elderly couple in Indianapolis, Indiana, at March 1946 and June 1947 prices

Item	March 1946		June 1947	
	Amount	Percentage distribution	Amount	Percentage distribution
Total.....	\$1,378	100.0	\$1,553	100.0
Food.....	396	28.7	512	33.0
Housing <sup>1</sup> .....	646	46.9	653	42.0
Clothing.....	82	6.0	97	6.2
Medical care.....	77	5.6	87	5.6
Other.....	177	12.8	204	13.1

<sup>1</sup> Includes rent, heat, utilities, household operations, and house furnishings.

that was accounted for by food, housing, and the other major categories of expenditure is shown in table 4 for Indianapolis, in which costs were at about the middle of the range for the eight cities. Twenty-nine percent of the total cost, at March 1946 prices, and 33 percent at June 1947 prices, was for food. Housing costs, including rent, heat, utilities, house furnishings, and household operations, accounted for 47 percent in March 1946 and 42 percent in June 1947. In all eight cities except Washington, D. C., where the cost of housing was higher than in any other city, the cost of food at June 1947 prices accounted for one-third or more of the total costs of the budget. Housing costs, at June 1947 prices, ranged from 46 percent of the total in Washington, D. C., to 34 percent in Houston, Texas. Clothing accounted for 6 or 7 percent of total annual costs in all eight cities; medical care, for 6 to 8 percent; and all other costs, for 12 to 14 percent. In the Bureau of Labor Statistics 4-person city worker's family budget for the same cities at June 1947 prices, food accounted for a slightly larger proportion of the total cost of goods and services (from 1 to 3 percentage points difference) in all but the three cities with lowest aggregate costs, and in all eight cities housing accounted for a considerably smaller proportion (from 28 percent in Washington to 23 percent in Houston). Clothing and transportation also took a larger share of the total (about 15 and 9 percent, respectively) in the 4-person family budget than in the case of the elderly couple.

These differences are in general what would be expected.

In connection with the development of its 4-person family budget, the Bureau of Labor Statistics devised a method for estimating the approximate costs of a comparable budget for families of other sizes. On the average, according to this estimate, the cost of a budget for a family of two persons will be about 65 percent of the cost for a family of four. The 2-person families in this average will include young new families, middle-aged couples without children, and elderly couples, among others. It is of interest to compare the cost of the budget for an elderly couple with the estimated approximate average cost for a 2-person family. In the eight cities for which costs were computed, the cost of the budget for an elderly couple in June 1947 was from 13 percent (in Washington) to 24 percent (in Mobile) less than the estimated average cost for a 2-person family in the same cities. This result is not unreasonable. Elderly couples have in general less need to purchase household equipment, less need for new clothes, fewer or no occupational expenses, less inclination or need to travel. The size of the difference is partly the result of omitting automobile expenses from the elderly couple's budget; it is also an indication that this method of constructing a budget gives effect to differences that age makes in consumption habits.

For some segments of the budget for an elderly couple, the costs can also be compared with the amounts allowed for the same category of expenditures in assistance budgets. Data on which to base such a comparison were available for two of the eight cities for which the budget for an elderly couple was priced.

The Council of Social Agencies of the District of Columbia issues regularly a minimum adequate budget guide for the metropolitan area of Washington. At June 1947 prices the annual food allowance for an elderly couple in that budget was \$515, as compared with the \$524 total cost of food in the budget for an elderly couple in the same city. For other items than food the most recent allowances that the Council of Social Agencies has prepared are at Decem-

ber 1946 prices. The allowance for an elderly couple for clothing and personal upkeep at December 1946 prices amounted to \$142 a year; in the budget for an elderly couple, clothing and personal care cost \$120 a year in Washington at March 1946 prices and \$141 a year at June 1947 prices. The costs of household furnishings and of household supplies (including laundry sent out) in the budget for an elderly couple were, respectively, about twice and a little less than three times the allowances in the Council of Social Agencies budget. The allowances for recreation, church contributions, and newspapers in the latter budget amounted to \$61 to \$93 a year (stated as a range in the budget); the cost of recreation and reading and gifts and contributions in the elderly couple's budget was \$93 at March 1946 prices and \$106 at June 1947 prices.

The Council of Social Agencies allowed \$43.80 a year for predictable health needs; since it is assumed that additional amounts will be provided to cover the cost of needed medical care, this amount is not really comparable with the medical care costs of \$95 at March 1946 prices and \$111 at June 1947 prices in the budget for an elderly couple. The allowance for rent in the Council of Social Agencies budget is whatever amount the assistance recipient must pay. It can safely be assumed that most recipients would spend considerably less on rent—and have less desirable housing—than in the case of the budget for an elderly couple. The Council of Social Agencies budget provides for a transportation allowance according to the family needs, and an allowance for life insurance when the family has a policy.

Comparison is also possible with the Massachusetts State Standard Budget for old-age assistance families, prepared by the Massachusetts Department of Public Welfare. Costs of this budget at June 1947 prices became effective in the determination of assistance payments in September 1947. On the basis of this budget the food allowance for an elderly couple receiving old-age assistance was \$520 a year, compared with the food cost in the elderly couple's budget for Boston of \$533 at June 1947 prices. The old-age assistance allowance for

clothing for a couple was \$143 a year; at June 1947 prices the clothing costs in the elderly couple's budget were \$95. The assistance budget included an allowance of up to \$51.60 a year for life insurance, an item not included in the budget for an elderly couple. On the other hand, the assistance budget made no allowance for recreation, reading, or transportation and very small allowances for household supplies and for church contributions. The most significant difference between the two budgets again was in the cost of housing. The maximum allowance for rent, fuel, and light for old-age assistance recipients was \$463 a year, as compared with \$578 in the elderly couple's budget. The maximum total allowance (exclusive of medical care costs, which are otherwise provided) for a couple receiving old-age assistance in Boston was \$1,255 a year as compared with the total cost of the budget for an elderly couple, exclusive of medical care costs, of \$1,545 at June 1947 prices.

#### *Summary and Appraisal*

An appraisal of the budget for an elderly couple calls for consideration of the relative importance of its several categories and the extent to which the allowances derived for each rest on satisfactory bases.

Food and rent, including heat and utilities, together account for between 63 and 68 percent of the aggregate cost of the budget in all eight cities. As the budgetary allowances for these categories were derived on the basis of established standards, this part of the budget has the general support that these standards provide. In the case of food, this support is subject to few reservations within the limits of present knowledge of nutritional requirements. The standards used for housing have a less precise basis in scientific observation, and in addition the allowances as derived, and the costs as computed, are subject to the qualifications noted above.

For parts of the budget derived solely from family-expenditure records, other factors must be considered. The number of available expenditure records for elderly couples, and the factors other than income that may be presumed to affect spend-

ing, clearly influence the validity of the averages on which the budgetary allowances are based. In these respects the records available at this time for the budget for elderly couples are somewhat meager. Reports for 1941 of the study, *Spending and Saving in Wartime*, which furnished the primary material for analysis, were compared wherever possible with records from earlier and later studies. For clothing, at least, these comparisons gave good support to the results derived from the 1941 records, both in over-all level of purchase and in the constituent items. For most of the minor categories, results were less satisfactory, so that the allowances derived lack the verification that would be desirable. There is no evidence, however, to suggest that these allowances are subject to any consistent bias, so that the net dollar effect of any shortcomings would be small.

The use of the budget for measurement and evaluation of the status of particular groups in the population is subject to individual judgment. Some adaptation of the budget for special analysis is possible. Thus for some purposes one might look at the cost of the food budget alone or calculate the cost of the budget for an elderly couple for all items other than rent and medical care. Unless rent and medical care are otherwise available to a family, however, it must be recognized that they will spend income for those purposes. Within the budget as presented there is provision for individual choice of expenditures as among and within categories. Omission of any major segment, however, means the acceptance of a lower level of living than that represented by this budget.

For some purposes, also, it might be desirable to substitute a lower figure for housing costs than the amounts in the budget. Such substitution would permit the computation of a total cost figure, while reflecting the fact that many families are not able to find housing that meets the standards adopted for the budget. Any use of the budget totals should also give adequate recognition to the fact that many elderly couples live with others and share household expenses, and many own their own homes and, for housing of the same standard, have



lower out-of-pocket expenses than the rental costs in this budget.

The level of living represented by this budget and the city worker's family budget is intended to represent a modest but adequate mode of living, which allows normal participation in the life of the community in accordance with current American standards. This level, of course, does not necessarily and in itself determine the goal, in terms of size of payments, toward which those responsible for social security programs should work. Social insurance benefits represent a substitute for earnings which are interrupted or cease; it is generally agreed that a man's benefits should be less than what he earned when

working. Many individuals will have supplementary income from savings, private annuities, and other sources. The purpose of public assistance payments is to supplement the other income and resources of the needy individual in accordance with the public assistance agency's standards of assistance.

However, a measure of the over-all cost of such a level of living in different communities and for families of different sizes does provide a highly useful tool for appraising the several social security programs in operation throughout the Nation. For old-age and survivors insurance, and for unemployment insurance, the budgets make possible an evaluation of the

extent to which the specified level of living is attained by one type of beneficiary as compared with another. The part that benefits play in enabling the beneficiary to meet the total cost of living at this level, or at a level modified to take account of usually accepted housing standards, can also be estimated. For public assistance programs, the budgets furnish a basis for appraising the adequacy of the assistance standards set by the public assistance agency and should be helpful in community interpretation of such standards. For the several programs, the budgets provide some measure of variations from city to city in the cost of living at the specified level.

## Adequacy of the Income of Beneficiaries Under Old-Age and Survivors Insurance

By Lelia M. Easson\*

FACTS ABOUT THE resources of 3,529 beneficiaries of various types who were interviewed by representatives of the Bureau of Old-Age and Survivors Insurance in seven large cities in 1941-42 have been summarized in previous BULLETIN articles.<sup>1</sup> In those earlier analyses, there was no evaluation of the beneficiaries' level of living. This article attempts to show how far the incomes and other spendable funds of those same beneficiary groups would go toward satisfying their basic economic requirements. An answer will be sought to the question, Did these beneficiaries actually enjoy a reasonable degree of economic security?

In presenting these data in 1948, it is recognized that among the beneficiaries interviewed in the early surveys, most of those still living are probably in a worse financial situation now than they were in 1940-42. From the time the data were collected to the end of 1947, consumers' prices rose by about 60 percent; and despite the postwar opportunities for employ-

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<sup>1</sup> See the *Bulletin*, July and September 1943; January, April, May, September, and November 1945; January 1946; and August and October 1947.

ment, old age and sickness must have forced the complete retirement of most of the aged beneficiaries. The analysis, nevertheless, will have value as an approach to the problem of measuring economic security. It also furnishes significant comparisons of the level of living among beneficiary types and among the various survey areas. These surveys provided a relatively large group for analysis, consisting of beneficiaries who were fairly homogeneous as to the length of time they had been entitled to benefits and

who lived in large cities in different parts of the country.

The analysis shows, in brief, that nearly half of the aged beneficiary groups<sup>2</sup> included in the surveys did not have enough income from all sources to provide a maintenance living in the survey year even though nearly half the groups shared a household with relatives. Variations existed, of course, with type of beneficiary and with survey area. To improve their levels of living, some beneficiaries used their savings, which were usually small, or borrowed. If

<sup>2</sup> The "beneficiary group" includes the primary beneficiary, his or her spouse, and unmarried children under age 18, or the widow and unmarried children under age 18.

Table 1.—Estimated<sup>1</sup> cost of living for a 4-person manual worker's family at the WPA maintenance level, selected cities and dates

Date and city	Total	Food	Clothing	Housing	Fuel, electricity, and ice	House furnishings	Miscellaneous
Dec. 15, 1940:							
Philadelphia.....	\$1,336.10	\$473.46	\$168.90	\$257.07	\$101.04	\$33.19	\$302.44
Baltimore.....	1,329.72	468.87	166.35	251.51	103.40	35.81	303.78
June 15, 1941:							
St. Louis.....	1,440.39	517.39	165.13	284.20	110.13	36.94	326.60
Sept. 15, 1941:							
Birmingham.....	1,402.05	532.76	192.22	247.04	73.10	35.40	321.53
Memphis.....	1,425.48	516.81	190.20	277.39	85.88	39.28	315.92
Atlanta.....	1,429.74	535.21	179.37	287.62	91.73	33.89	301.92
Dec. 15, 1941:							
Los Angeles.....	1,471.57	535.19	191.60	246.92	71.07	40.03	386.76

<sup>1</sup> A description of the method of estimating is given in *Changes in Cost of Living in Large Cities, 1913-41*, Bureau of Labor Statistics Bulletin No. 699, pp. 12-13.

Source: Bureau of Labor Statistics, *Changes in Cost of Living*, Serial Nos. R. 1254, p. 17; R. 1346, p. 18; and R. 1391, p. 18; and *Cost of Living in 1941*, Bulletin No. 710, p. 36.