

Assets and Net Worth of Old-Age and Survivors Insurance Beneficiaries: Highlights From Preliminary Data, 1957 Survey*

INFORMATION on the assets and net worth of aged beneficiaries and widowed mothers with entitled children was obtained in the national sample survey of beneficiaries conducted by the Bureau of Old-Age and Survivors Insurance in the fall of 1957. The survey also provided data on the amount of the beneficiaries' equity in their homes and the face value of the life insurance they held. The following highlights

are from the preliminary tabulations of the data from this survey.

Aged Beneficiaries Net Worth

Half of all aged beneficiary groups had assets exceeding their liabilities by more than \$4,920 in 1957; half had a net worth of less than that amount. Almost one-fourth had zero or minus net worth, and one-fourth had a net worth of more than \$13,700.

The net worth of a beneficiary group (married couple, single retired

worker, or aged widow) was obtained by subtracting its liabilities from its assets. The assets of the groups were classified as liquid and nonliquid. The liquid assets were: reserve money at home, bank checking and savings accounts, postal savings, shares in savings and loan associations and credit unions, mortgages and other money on loan, and all types of stocks and bonds. Nonliquid assets included: equity in an owner-occupied home and other real estate, including farms; farm stock, produce, and equipment; equity in a nonfarm un-

* Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

Table 1.—Net worth, equity in nonfarm home, and liquid assets: Percentage distribution of beneficiary groups, by value at end of 1957 survey year¹

(Preliminary figures)

Value	Total aged beneficiary groups			Married couples, wife entitled all year			Single retired workers			Aged widows			Widowed mothers with entitled children		
	Net worth	Equity in non-farm homes	Liquid assets	Net worth	Equity in non-farm homes	Liquid assets	Net worth	Equity in non-farm homes	Liquid assets	Net worth	Equity in non-farm homes	Liquid assets	Net worth	Equity in non-farm homes	Liquid assets
Number of groups in sample	4,082	4,082	4,082	1,088	1,088	1,088	1,613	1,613	1,613	629	629	629	889	889	889
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
None	22.6	51.2	35.9	10.4	33.3	24.4	33.2	68.3	43.9	27.2	55.2	39.7	31.8	50.8	51.1
\$1-499	6.3		12.1	3.6		11.7	9.4	13.1	5.6		11.0	5.1		5.1	18.1
500-999	4.0	1.4	7.4	2.6	1.0	7.3	5.6	2.1	7.6	3.7	.5	6.7	3.4	1.1	5.2
1,000-1,999	5.0		8.9	4.4		10.6	5.4		7.4	5.1		8.4	5.7		6.4
2,000-2,999	3.8	5.1	6.4	3.4	5.1	7.9	4.2	5.0	4.8	3.0	3.3	6.4	5.8	8.4	4.0
3,000-3,999	4.5		4.7	3.7		4.5	4.7		5.3	4.5		4.5	4.4		2.2
4,000-4,999	3.7	7.6	3.8	4.0	9.2	4.7	3.5	6.2	3.3	2.1	6.5	4.0	4.3	8.5	2.0
5,000-9,999	16.4	19.2	8.8	19.1	26.9	11.6	13.8	11.1	6.9	16.5	19.6	7.3	15.3	15.9	5.4
10,000-14,999	11.1	9.3		15.4	14.2		6.9	4.9		10.7	9.2		9.4	8.3	
15,000-19,999	6.8	3.5		8.5	5.3		4.5	1.4		6.5	2.7		6.2	4.6	
20,000-24,999	4.6	1.1		7.1	2.0		2.7	.4		4.9	1.9		3.0	1.3	
25,000-29,999	2.6	.6		3.8	1.1		1.7	.2		2.4	.5		1.6	.4	
30,000-39,999	2.5	.5	11.1	4.0	1.5	16.4	1.2		6.9	2.9		11.6	1.0		5.1
40,000-49,999	1.6	.2		2.0	.1		.6	.1		1.7	.3		.8		
50,000-99,999	2.7			5.1	.4		1.4	.1		1.9			1.5		
100,000 or more	1.2	.2		2.3			.6			1.0			.2		
Not ascertained	.6	(5)	.9	.6			.6	.1	.8	.5		.5	.4		.4
First quartile	\$177	\$0	\$0	\$3,138	\$0	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Median	4,918	0	606	9,616	5,273	1,578	1,270	0	219	4,385	0	457	2,644	0	0
Third quartile	13,698	7,484	3,780	19,701	9,914	6,379	8,091	1,892	2,513	13,321	7,429	3,554	9,623	6,906	1,048

¹ Net worth: Difference between value of selected assets and total reported debt. Assets represent money at home (except amounts held for current operating expenses), bank deposits, all types of stocks and bonds, loans to others equity in an owner-occupied home and other real estate, full or part interest in an unincorporated business or privately held corporation, and the market value of a professional practice, patents, and copyrights. Liabilities represent balances owed on installment purchases; bills past due on open accounts and for rent, taxes, interest on mortgages, and medical care; and borrowings on securities and unsecured borrowings.

Equity in nonfarm home: Owner's estimate of current value of home, less any mortgage or other debt on home.

Liquid assets: Money at home (except amounts held for current operating

expenses), checking accounts, savings accounts in banks, postal savings, shares in savings and loan associations and credit unions, all types of stocks and bonds, mortgages on real estate, and loans to others.

Beneficiary group: For single retired workers and aged widows, 1 person; for married couples, 2 persons (whether or not the spouse was entitled to benefits); for widowed mothers with entitled children, 2 or more persons.

Survey year: A period of 12 consecutive calendar months ended in September, October, or November 1957, depending on the date of the interview.

² Includes negative and zero net worth.

³ No nonfarm home owned.

⁴ No liquid assets.

⁵ Less than one-tenth of 1 percent.

incorporated business or privately held corporation; and the market value of a professional practice, patents, copyrights, and other marketable rights. Liabilities were balances owed on installment purchases; bills past due on open accounts for rent, taxes, interest on mortgages, medical care, and so forth; and secured and unsecured borrowings.

Retired workers with a wife entitled all year (referred to as "beneficiary couples") had a median net worth of \$9,620. For single retired men the median net worth was \$800; for single retired women, \$2,080. The aged widows receiving survivor benefits had a median net worth of \$4,380. More than a third of the single retired men (37 percent) and more than a fourth of the single retired women (29 percent) and aged widows (27 percent), compared with only 12 percent of the aged couples, had zero or negative net worth.

	Beneficiary couples	Single retired workers	Aged widows
Lowest fourth had no net worth or less than.....	\$3,140	\$0	\$0
Half had more and half had less than.....	9,620	1,270	4,380
Top fourth had more than.....	19,700	8,090	13,320

Liquid Assets

Liquid assets accounted for only a small part of the net worth of most aged beneficiary groups. The median amount of liquid assets held was \$1,580 for beneficiary couples, \$220 for single retired workers, and \$460 for aged widows.

	Beneficiary couples	Single retired workers	Aged widows
Lowest fourth had no liquid assets or less than.....	\$14	\$0	\$0
Half had more and half had less than.....	1,580	220	460
Top fourth had more than.....	6,380	2,510	3,550

One in every 4 beneficiary couples (24 percent) and 2 in every 5 single retired workers (44 percent) and aged widows (40 percent) had no liquid assets. On the other hand, a fourth of the couples had more than

\$6,380 in liquid assets, a fourth of the single retired workers had more than \$2,510, and a fourth of the aged widows had more than \$3,550. One in 10 of all the aged beneficiary groups combined had \$10,000 or more in liquid assets.

Equity in Nonfarm Homes

Half the aged beneficiary groups owned their homes. The median equity in nonfarm homes for all aged beneficiaries owning such homes was \$7,640.

Seventy-two percent of the beneficiary couples, 32 percent of the single retired workers, and 46 percent of the aged widows owned the homes in which they lived. For beneficiary groups owning nonfarm homes, the median equity of the couples and aged widows in these homes was a little more than \$8,000, and the median equity of the single retired workers was a little more than \$6,000. It can be expected that future

tabulations will show, as in earlier surveys, that equity in their homes accounted, on the whole, for the greater part of the net worth of these homeowners.

Although data on the proportion of these homes that were mortgaged are not yet available, it is likely that a substantial majority were mortgage-free. In a similar survey in 1951, which showed 46 percent of the aged beneficiaries at the time to be homeowners, more than four-fifths of the homes were clear of mortgage.

	Beneficiary couples	Single retired workers	Aged widows
Percent owning homes.....	72	32	46
Percent owning nonfarm homes.....	67	32	45
Median equity in nonfarm homes, all beneficiary groups.....	\$5,270	\$0	\$0
Median equity in nonfarm homes, homeownership beneficiary groups.....	\$8,360	\$6,100	\$8,090

Table 2.—Net worth: Percentage distribution of beneficiary groups, by value at end of 1957 survey year ¹

[Preliminary figures]

Net worth	Married couples				Single retired workers			Aged widows	Widowed mothers with entitled children	
	Total	Husband the retired worker		Wife the retired worker ²	Total	Men	Women			
		Wife entitled all year	Wife became entitled in year							Wife not entitled
Number of groups in sample.....	1,840	1,088	235	441	73	1,613	824	789	629	889
Total.....	100.0	100.0	100.0	100.0	*100.0	100.0	100.0	100.0	100.0	100.0
Negative.....	3.5	2.6	3.4	5.4	*5.5	4.6	4.7	4.6	3.8	18.1
Zero ³	8.3	7.8	10.1	7.7	*13.7	28.6	32.5	24.5	23.4	13.7
Positive.....	88.2	89.6	86.6	86.8	*80.8	66.8	62.7	71.0	72.8	68.2
Less than \$500.....	3.9	3.6	5.0	3.9	*5.5	9.4	9.2	9.5	5.6	5.1
500-999.....	2.7	2.6	2.1	2.5	*6.8	5.6	5.7	5.6	3.7	3.4
1,000-1,999.....	4.7	4.4	2.5	7.0	*2.7	5.4	5.8	4.9	5.1	5.7
2,000-2,999.....	3.7	3.4	5.9	3.9	-----	4.2	3.4	4.9	3.0	5.8
3,000-3,999.....	4.3	3.7	4.6	5.9	*4.1	4.7	4.4	5.1	4.5	4.4
4,000-4,999.....	4.5	4.0	5.0	5.7	*2.7	3.5	3.8	3.3	2.1	4.3
5,000-9,999.....	18.6	19.1	16.8	18.4	*17.8	13.8	12.3	15.3	16.5	15.3
10,000-14,999.....	14.9	15.4	13.4	13.2	*21.9	6.9	5.8	8.0	10.7	9.4
15,000-19,999.....	8.9	8.5	12.2	9.3	*2.7	4.5	3.9	5.1	6.5	6.2
20,000-24,999.....	6.0	7.1	4.6	4.3	*5.5	2.7	2.3	3.2	4.9	3.0
25,000-29,999.....	3.5	3.8	3.4	2.7	*4.1	1.7	1.6	1.9	2.4	1.6
30,000-39,999.....	3.5	4.0	1.7	2.9	*4.1	1.2	1.3	1.1	2.9	1.0
40,000-49,999.....	2.3	2.0	3.8	2.5	*1.4	.6	.7	.5	1.7	.8
50,000-99,999.....	4.2	5.1	4.2	2.5	*1.4	1.4	1.6	1.1	1.9	1.5
100,000 or more.....	1.8	2.3	1.3	1.4	-----	.6	.8	.3	1.0	.2
Not ascertained.....	.5	.6	-----	.9	-----	.6	.1	1.1	.5	.4
Median, all groups.....	\$8,786	\$9,616	\$8,375	\$7,068	*\$7,500	\$1,270	\$803	\$2,077	\$4,385	\$2,644
Median, groups with positive net worth.....	10,466	11,206	10,469	8,858	*10,156	5,102	4,742	5,516	8,726	6,691

* Percentage and median computed on small base and therefore subject to large sampling variation.
¹ See footnote 1, table 1.

² Husband not entitled to benefits.
³ Includes a few beneficiary groups whose assets and liabilities balanced.

The value of farm homes was included as part of the total value of the farms and therefore is not shown here.

Face Value of Life Insurance

Seven of every 10 beneficiary couples and half the single retired workers and aged widows carried some life insurance. For those with life insurance, the median face value was \$1,810 for beneficiary couples, \$930 for single retired workers, and \$740 for aged widows.

Life insurance with a face value of \$5,000 or more was carried by 10 percent of all the aged couples, 2 percent of the single retired workers, and 1 percent of the aged widows. Forty-four percent of the aged couples, 77 percent of the single retired workers, and 85 percent of the aged widows either had no life insurance or had policies with a face value of less than \$1,000.

In computing the net worth of beneficiary groups, the cash surrender values of life insurance policies were not included as assets because of the problems involved in determining such values.

Widowed Mothers With Entitled Children

Net Worth

The mother-child beneficiary groups had a median net worth of \$2,640. Thirty-two percent of them had no positive net worth. The fourth with the largest net worth had more than \$9,620.

Liquid Assets

Half the mother-child groups (51 percent) had no liquid assets; 69 percent had none or less than \$500. Eleven percent had \$5,000 or more in liquid assets.

Equity in Nonfarm Homes

About half the widowed mothers (49 percent) owned nonfarm homes; 2 percent more owned farm homes. The mothers owning nonfarm homes had a median equity of \$7,040 in these homes. The equity in farm homes is included in the equity of the farms.

Face Value of Life Insurance

Almost four-fifths of the mother-child beneficiary groups carried life

insurance on one or more of its members. For the groups with life insurance, the median face value of all

the life insurance carried was \$2,590. Among all the mother-child groups, 30 percent had no life insurance or

Table 3.—Liquid assets: Percentage distribution of beneficiary groups, by value of liquid assets at end of 1957 survey year ¹

[Preliminary figures]

Value of liquid assets	Married couples					Single retired workers			Aged widows	Widowed mothers with entitled children
	Total	Husband the retired worker				Total	Men	Women		
		Wife entitled all year	Wife became entitled in year	Wife not entitled	Wife the retired worker ²					
Total.....	100.0	100.0	100.0	100.0	*100.0	100.0	100.0	100.0	100.0	
No liquid assets.....	27.6	24.4	32.8	31.7	*32.9	43.9	48.9	38.7	39.7	
Some liquid assets.....	72.4	75.6	67.2	68.3	*67.1	56.1	51.1	61.3	60.3	
Less than \$500.....	11.6	11.7	10.9	12.2	*9.6	13.1	11.7	14.6	11.0	
500-999.....	7.4	7.3	7.1	7.7	*9.6	7.6	7.2	8.0	6.7	
1,000-1,999.....	10.3	10.6	10.5	9.8	*9.6	7.4	6.8	8.0	8.4	
2,000-2,999.....	7.8	7.9	8.8	7.3	*5.5	4.8	3.3	6.5	6.4	
3,000-3,999.....	4.3	4.5	4.2	4.5	*1.4	5.3	5.0	5.7	4.5	
4,000-4,999.....	4.1	4.7	2.1	3.9	*4.1	3.3	3.2	3.4	4.0	
5,000-9,999.....	11.0	11.6	8.4	10.9	*12.3	6.9	6.7	7.1	7.3	
10,000 or more.....	14.7	16.4	14.3	10.9	*13.7	6.9	6.9	7.0	11.6	
Value not ascertained.....	1.0	1.0	.8	1.1	*1.4	.8	.5	1.1	.5	
Median, all groups.....	\$1,271	\$1,578	\$912	\$853	*\$857	\$219	\$37	\$371	\$457	
Median, groups with liquid assets.....	2,808	2,983	2,524	2,531	*2,760	1,950	1,955	1,944	2,600	

* Percentage and median computed on small base and therefore subject to large sampling variation.

¹ See footnote 1, table 1.

² Husband not entitled to benefits.

Table 4.—Equity in nonfarm homes owned: Percentage distribution of beneficiary groups by value of equity at end of 1957 survey year ¹

[Preliminary figures]

Value of equity in nonfarm home	Married couples					Single retired workers			Aged widows	Widowed mothers with entitled children
	Total	Husband the retired worker				Total	Men	Women		
		Wife entitled all year	Wife became entitled in year	Wife not entitled	Wife the retired worker ²					
Total.....	100.0	100.0	100.0	100.0	*100.0	100.0	100.0	100.0	100.0	
No nonfarm home owned.....	34.8	33.3	35.3	37.4	*41.1	68.3	69.3	67.3	55.2	
Nonfarm home owned ³	65.2	66.7	64.7	62.6	*58.9	31.7	30.7	32.7	44.8	
Less than \$1,000.....	1.1	1.0	1.7	1.1	*1.4	2.1	3.2	1.0	.5	
1,000-2,999.....	5.9	5.1	7.1	7.7	*2.7	5.0	5.2	4.8	3.3	
3,000-4,999.....	9.3	9.2	11.3	8.6	*8.2	6.2	6.1	6.3	6.5	
5,000-9,999.....	26.2	26.9	25.2	24.0	*32.9	11.1	10.0	12.3	19.6	
10,000-14,999.....	13.2	14.2	10.5	13.2	*8.2	4.9	4.6	5.2	9.2	
15,000-19,999.....	5.5	5.3	5.0	6.1	*5.5	1.4	1.1	1.8	2.7	
20,000-24,999.....	1.4	2.0	.4	.5	.....	.4	.2	.5	1.9
25,000-29,999.....	1.0	1.1	2.1	.5	.....	.2	.1	.4	.5
30,000-39,999.....	1.0	1.5	.8	.2	.....	.....	.....	.....	.3
40,000-49,999.....	.2	.1	.4	.5	.....	.1	.....	.1	.3
50,000 or more.....	.3	.4	.....	.2	.....	.1	.2	.....	.....
Not ascertained.....	.....	.....	.....	.....	.....	.....	.....	.3	.....
Median equity, groups owning nonfarm homes.....	\$8,100	\$8,362	\$7,416	\$7,878	*\$7,604	\$6,104	\$5,458	\$6,850	\$8,090	

* Percentage and median computed on small base and therefore subject to large sampling variation.

¹ See footnote 1, table 1.

² Husband not entitled to benefits.

³ Percentages of beneficiary groups owning homes including farm homes: married couples, 70, 72, 71, 67, 60; single retired workers, 32, 32, 33; aged widows, 46; widowed mothers, 51.

less than \$1,000 in face value, and 14 percent carried life insurance policies with a face value of \$5,000 or more.

Scope and Method of the Survey

The 1957 survey of the resources of beneficiaries was the second national survey of its kind made by the Bureau of Old-Age and Survivors Insurance. The previous national survey made in 1951 had been preceded by eight spot surveys in 20 large and medium-sized cities between 1941 and 1949.

The 1957 survey covered a cross-section sample of the major types of beneficiaries on the rolls in December 1956: nonmarried men and women retired-worker beneficiaries; married couples with the husband the retired-worker beneficiary and with the wife either a beneficiary or a nonbeneficiary; married couples with the wife the retired-worker beneficiary and the husband a nonbeneficiary; aged-widow beneficiaries; and widowed mothers with entitled minor children. Because they were relatively few in number and would have created difficulties in statistical analysis if combined with the types selected for the study, the following beneficiary types were excluded from the survey sample: retired-worker and aged-widow beneficiaries with entitled children; women retired-workers with husband receiving benefits based on his wife's earnings record; parents; widowers receiving benefits based on the deceased wife's earnings record; and children not living with their mothers. The aged beneficiaries in the types included in the sample com-

Table 5.—Face value of life insurance carried: Percentage distribution of beneficiary groups, by amount at end of 1957 survey year ¹

[Preliminary figures]

Face value of life insurance	Married couples					Single retired workers			Aged widows	Widowed mothers with entitled children
	Total	Husband the retired worker			Wife the retired worker ²	Total	Men	Women		
		Wife entitled all year	Wife became entitled in year	Wife not entitled						
Total.....	100.0	100.0	100.0	100.0	*100.0	100.0	100.0	100.0	100.0	100.0
No life insurance.....	29.3	30.1	33.2	25.9	*27.4	50.2	52.4	47.8	50.2	21.3
Life insurance.....	70.7	70.0	66.8	74.1	*72.6	49.8	47.6	52.2	49.8	78.7
Less than \$500.....	5.2	5.5	4.2	5.2	*4.1	11.3	8.9	13.8	14.9	2.6
500-999.....	9.7	9.0	7.1	11.6	*16.4	15.9	11.0	21.0	20.3	6.2
1,000-1,999.....	24.0	25.1	23.5	22.0	*20.5	14.8	15.0	14.4	11.9	21.0
2,000-2,999.....	13.3	11.6	14.3	16.3	17.8	3.7	5.2	2.2	1.7	16.1
3,000-3,999.....	6.0	5.7	8.0	6.1	*4.1	1.2	2.1	.4	.1	12.1
4,000-4,999.....	2.8	2.8	1.7	3.2	*4.1	.7	1.2	.1	.2	6.2
5,000-9,999.....	5.8	6.2	5.5	5.4	*4.1	1.3	2.4	.1	.5	11.0
10,000 or more.....	3.6	3.7	2.5	4.3	*1.4	.9	1.6	.1	.2	3.4
Not ascertained.....	.2	.4				.1	.1			.1
Median, all groups.....	\$1,236	\$1,209	\$1,232	\$1,335	*\$1,100	\$0	\$0	\$81	\$0	\$1,946
Median, groups with life insurance.....	1,848	1,808	1,938	1,923	*1,767	927	1,254	792	744	2,591
Percent with borrowings on life insurance, all groups.....	1.6	1.6	1.7	1.8	1.4	0.6	0.9	0.4	0.6	1.2
Percent with borrowings on life insurance, groups with life insurance.....	2.3	2.2	2.5	2.4	1.9	1.2	1.8	.7	1.3	1.6

* Percentage and median computed on small base and therefore subject to large sampling variation.

¹ See footnote 1, table 1.
² Husband not entitled to benefits.

prised 98 percent of all aged beneficiaries in current-payment status in December 1956.

The sample was drawn from 70 sampling areas that were selected in such a way as to produce a national probability sample when combined. It is a cross section of beneficiaries who became entitled to benefits from 1940 through September 1956 and represents different races, cultures, and types of communities in the United States.

The data were obtained in personal

interviews in the homes of the beneficiaries by district office staff of the Bureau of Old-Age and Survivors Insurance. In addition to assets and net worth, information was obtained on the source and amount of beneficiary group income, health status of the beneficiaries at the time of the interview, health insurance coverage, medical care costs during the survey year and means of meeting these costs, longest and last regular occupation, and employment during the survey year.