

Size of Income and Personal Characteristics of the Aged*

THE economic status of aged persons has been a subject of national concern since at least 1935, the year the Social Security Act became law, but only recently have comprehensive data become available permitting meaningful description of their income characteristics. The new information confirms the general impression that the aged are by and large a low-income group. It goes beyond this, however, in permitting a more precise delineation than could hitherto be made of differences between aged persons and other age groups with respect to the relative number with income, sources of income, and the size of income, and also of the effect on receipt, size, and sources of income of such characteristics as age, sex, marital status, labor-force participation, and living arrangements.

The present article deals with the personal characteristics influencing the size of aged persons' income. Attention is focused on the income of individuals as opposed to family income, since income usually accrues to individuals rather than to families. It is sometimes argued that this approach ignores the fact that many aged persons live in families whose members, in theory at least, share their income. This is an essential consideration, to be sure, in the analysis of consumption patterns among the aged. Knowledge of the income of aged individuals is nevertheless significant, particularly in view of society's increasing recognition of the importance, in terms of morale and status, that receipt of money income has for aged persons.

Age Cycle and Income

Receipt of Income

In recent years between 8 and 12 men out of every 100 aged 65 and

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over in the noninstitutional population have had no money income.¹ All but 4 or 5 percent of the men aged 55-64 have some money income, and 1 or 2 percent of those aged 25-54 (table 1). The shift reflects both the drop with advancing age in the relative number of earners and the lack, thus far, of an income substitute for earnings for all persons forced out of the labor force by age or disability.

There is some evidence that in recent years the relative number of income recipients among the aged has increased, largely as a result of the old-age and survivors insurance program. If this trend continues and if protection against permanent disability becomes more widespread, it

¹All data in the first two sections of this article refer to the noninstitutional population, unless otherwise stated. The proportion with no money income rises to 10-14 percent if aged persons in institutions are taken into account.

Income for the purposes of this article is money income as defined by the Bureau of the Census in its annual surveys of consumer income. It includes wages or salary, net earnings from self-employment, interest, dividends, net income from rents and royalties, receipts from roomers or boarders, periodic income from estates and trust funds, benefit payments under social insurance and related programs, public assistance, Armed Forces allotments for dependents, industrial pensions and other benefit payments under private auspices, assistance from voluntary agencies, contributions from friends or relatives, and periodic receipts from insurance policies or annuities. Excluded from the definition are money received from the sale of property, withdrawals of bank deposits, money borrowed, tax refunds, gifts, lump-sum inheritances and insurance payments, and income in kind—for example, home-grown or contributed food, contributed clothing, and "free" shelter.

The income estimates presented in this article are based on sample surveys and are therefore subject to sampling variability, which may be large for small groups. They are subject also to errors of response and nonreporting. Since a respondent tends to forget minor or irregular sources of income, such errors tend to result in an underestimate of income. Measures of sampling variability have been developed by the Bureau of the Census, but not measures of error in response due to faulty memory, misunderstanding, or misrepresentation.

is conceivable that there would no longer be the decrease after age 54 in the proportion of men with income.

Median Income

While nearly all aged men have some income, it is likely to be smaller than it was in their more vigorous years. Men aged 65 and over comprised 11 percent of all male income recipients in 1952 but received only 7 percent of the aggregate income.

There is an age cycle in income, determined largely by the age cycle in earnings, and it appears that income is at its peak for most men when they are in the age group 35-44 (table 2). Thereafter median income decreases, but only moderately, holding up fairly well until the seventh decade of life. In this decade, the data indicate, a rather marked drop in average income takes place, related to a parallel decline in the labor-force participation rate.

Table 1.—Percent of men aged 25 and over with income, by age, 1947-52¹

Age	1947	1948	1949	1950	1951	1952
65 and over.....	84.5	89.1	88.0	89.9	88.9	92.1
55-64.....	96.0	95.6	94.9	96.3	95.4	96.4
45-54.....	98.1	97.8	98.6	98.4	98.2	97.9
35-44.....	98.7	98.5	98.5	98.6	98.8	98.5
25-34.....	97.9	97.5	98.6	98.8	98.8	98.5

¹ Excludes institutional population.

Source: Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60.

In recent years the average aged man with income has had an income approximately one-third that of the average man in the age group with the highest median—35-44 years—and about 40 percent of the income of the average man in the age group 55-64. Since family responsibilities also tend to diminish after age 45, the reduction in income does not necessarily involve a corresponding reduction in living standards. It has often been said that the aged have less but that they also need less. This statement is true, but whether and by how much the decrease in income exceeds the decline in family requirements has yet to be fully explored.

Table 2.—Median income of men aged 20 and over with income, by age, 1947-52¹

Age	1947	1948	1949	1950	1951	1952
	Amount					
65 and over.....	\$956	\$998	\$1,016	\$986	\$1,008	\$1,247
55-64.....	2,344	2,412	2,366	2,494	2,840	3,009
45-54.....	2,081	2,828	2,751	3,091	3,280	3,486
35-44.....	2,845	3,046	2,951	3,254	3,617	3,709
25-34.....	2,449	2,724	2,754	2,961	3,288	3,493
20-24.....	1,560	1,849	1,726	1,933	2,259	2,137
	Median income of men aged 65 and over as percent of median income of men in specified age group					
35-44.....	34	33	34	30	28	34
55-64.....	41	41	43	40	35	41

¹ Excludes institutional population.

Source: Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60.

Income Distribution

One of the most characteristic features of aged persons' income is its highly uneven distribution. Inequality of income may be observed in all age groups, but it is most pronounced among the aged. In 1952, one-fifth of the men aged 65 and over at the lower end of the income array accounted for only 3 percent of the aggregate income received by all aged men, whereas the one-fifth at the upper end of the array received 57 percent. Among men aged 25-34, by contrast, these proportions were 8 percent and 35 percent (table 3).²

These data seem to run counter to the general impression that the aged are rather homogeneous with respect to income—that all or nearly all have either no income or a small income. It is true that substantial numbers are without money income and that there is a fairly large concentration of income recipients at the lower end of the income scale. In 1952, for example, 43 percent of the men aged 65 and over with money income had incomes of less than \$1,000; 58 percent had incomes of less than \$1,500.

² Age differences in the extent of inequality of income are also reflected in standard measures of dispersion. Computed from data for 1952 (source cited for table 3), the coefficient of variation in the interquartile range was 27 for men aged 25-34, 34 for men aged 45-54, and 59 for men aged 65 and over; the coefficient of variation in the total distribution was 51, 110, and 186, respectively, for the same three age groups.

Generally overlooked, however, are the presence of aged persons in higher income groups and their greater-than-average representation among men with incomes of \$25,000 or more.

The distribution of the relative number of persons in each income class who are aged 65 and over tends to assume a reverse J shape—very high at the low end of the income scale, low in the middle ranges, and moderately high at the upper end (chart 1). Men aged 65 and over comprised 11 percent of all male income recipients in 1952 who were aged 14 or over but 21 percent of those with incomes under \$500 and 39 percent of those with incomes of \$500-\$999. In the income groups \$1,000-\$1,499 and \$1,500-\$1,999 the aged were still in proportions in excess of their representation among income recipients as a whole, but thereafter the percentage fell below this level, declining to 3-4 percent in the group with incomes from \$3,500 to \$6,999. At \$7,000 the percentage began to rise again, reaching 10 percent in the class \$15,000-\$24,999 and 18 percent in the class \$25,000 and over (table 4). Data from Federal income-tax returns for 1948 suggest that this proportion rose to about one-fourth for persons with incomes in that year of \$100,000-\$499,999 and to three-eighths for persons with incomes of \$500,000 or more.³

The factors underlying age differences in the relative concentration of income have not been fully explored. Income analysts are inclined to believe that these differences reflect in large measure changes in the homogeneity of the income-receiving group with age. The relatively large inequality to be observed in table 3 among boys aged 14-19, for example, is the result of the presence in this age class of such unlike groups as full-time workers and students with occasional earnings. Income dispersion is much less evident among men aged 20-24, largely because of a marked increase in the relative number of full-time workers, and is lowest among men aged 25-34, when the labor-force participation rate is at its peak. Thereafter inequality in income in-

³ *Social Security Bulletin*, July 1951, page 11, table 2.

creases, partly because there is an increase with age in the proportion of men who rely on income other than earnings and partly because the differential effects of such factors as education and skill on size of earned income become more pronounced with age. The proportions of earners among men aged 65 and over and of full-time earners in this group both drop appreciably. The relative number of persons with income from sources other than employment is greater in this age group than in others, and the average amount of income provided by these sources varies widely. Taken separately, each of the groups into which the aged could be divided on the basis of principal income source may exhibit a certain uniformity in income distribution. In the aggregate, however, the aged present the maximum in income heterogeneity.

Characteristics of the Aged Affecting Income

Of the factors that influence size of income among the aged, perhaps the most important is labor-force status. Differences in income that are associated with age, sex, marital status, and living arrangements are all associated to some extent with the labor-force participation rate. In recent years about 4 in every 10 men aged 65 and over have been members of the labor force. These workers, as a group, tend to have larger incomes than those who have retired, for the

Table 3.—Percent of aggregate money income received by male income recipients aged 14 and over, ranked by income, by age, 1952¹

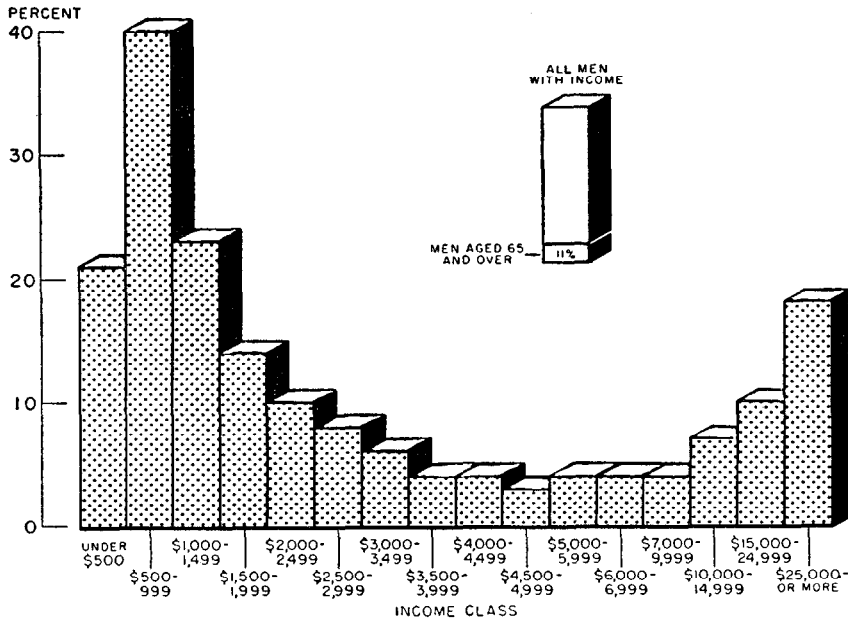
Quintiles of male income recipients ²	Age						
	65 and over	55-64	45-54	35-44	25-34	20-24	14-19
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lowest fifth.....	3.3	3.8	5.5	6.7	8.1	5.9	6.6
Second fifth.....	6.9	10.6	12.8	14.0	15.3	12.6	6.7
Middle fifth.....	11.4	16.9	16.6	17.8	18.9	18.2	8.6
Fourth fifth.....	21.1	21.6	21.5	22.7	23.2	25.8	21.0
Highest fifth.....	57.4	47.2	43.6	38.8	34.6	37.4	57.1

¹ Based on aggregate income computed by method described on page 8 of source release. Excludes institutional population.

² Arrayed by size of income within each age group.

Source: Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60, No. 14, table 3.

Chart 1.—Men aged 65 and over as percent of all men in each income class, 1952



simple reason that earnings yield in general a higher income than do pensions, benefits, annuities, or assistance. In 1951, persons without money income were relatively eight times as numerous among men aged 65 and over who were not in the labor force as among aged men who were in the labor force, while the median income of the retired group was only a little more than one-third that of the working group.⁴

Age

The inverse association between age and income holds true also in the advanced ages. The progressive decline in the labor-force participation rate for men past age 65, from 60 percent among men aged 65-69 to less than 20 percent among those aged 75 and over,⁵ and the replace-

ment of earnings by sources yielding, on the whole, lower incomes are reflected both in higher ratios of aged persons with no money income and in a measurable diminution in the average of those with income. Special tabulations based on the Bureau of the Census Post-Enumeration Survey made in connection with the 1950 Census suggest that the men without money income in 1949 represented approximately 1 in 10 among those aged 65-69 and about 1 in 3 among those aged 80 and over.⁶ Median income among aged income recipients in that year was about \$1,700 for men

⁴ These figures and the corresponding medians are not directly comparable with those for broader age groups from the 1950 Census shown in tables 5 and 6, owing both to sampling variations and differences in enumeration techniques. In general, it was found that the Post-Enumeration Survey yielded, in comparison with the Census data, (1) a smaller proportion of persons receiving no income and (2) lower median incomes for those with income. For the population as a whole the number of income recipients in every income group below \$2,000 was larger in the Post-Enumeration Survey, probably because the more intensive questioning in the survey reduced the proportion of no-income recipients. (See A. Ross Eckler, "Extent and Character of Errors in the 1950 Census," *American Statistician*, December 1953, page 19.)

aged 65-69, about \$900 for men aged 70-74, and about \$700 for men 75 years of age and over.

Sex

Measures of sex differences in income are difficult to develop because of the special problem presented by married women. In 1952 approximately 4 in every 10 women aged 65 and over had no money income.⁷ Data from the 1950 Census suggest that 45-46 percent of such women were married and living with a husband.⁸ Since all but 8 percent of the aged men in 1952 had some income and since married men tend to be a little better off in this respect than other men, it is probable that the relative number of aged women receiving income either directly or as the wives of income recipients was higher than 6 in 10 and that it may have been as high as 7 or 8 in 10. Even with this adjustment, it is evident that lack of money income is much more common among aged women than among aged men.

This difference seems to be related to the economic pattern of married life. Despite the remarkable postwar gain in the proportion of married women at work, most wives—which means most women, since 4 out of 5 women aged 25-44 are married—are wholly dependent on the husband's earnings during the greater part of their adult years. When account is taken of income from this source, relatively few women in the younger and middle years of adult life can be said to be without income. The proportion lacking money income becomes significant only in late middle age, when mortality takes an increasing toll of married men, and it is highest among women past age 65, more than half of whom are widows. Although the relative number of women with direct income is at its peak in these ages, the proportion with indirect income from a husband's employment is at a minimum. If every widow qualified for a social insurance benefit or for a privately pur-

⁷ Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60, No. 11, table 4.

⁸ Bureau of the Census, *U. S. Census of Population: 1950*, vol. IV, part 2, chapter D, *Marital Status*, table 6.

chased annuity on her husband's death, few changes would occur in the relative number of women with money income, direct or indirect. Because, however, of past gaps in social insurance protection and of inadequacies in individual and family provision for income in widowhood, the economic loss resulting from the death of the family earner is not always made up, even in part. The result is a considerable increase in the number of older women with no income, exceeding by far the comparable ratio among aged men.

In addition, aged women have lower incomes than do aged men. In 1952 the median income of aged women with income was \$650, or about half that of aged men.⁹ If account were

⁹ Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60, No. 14, table 3.

taken of the husband's income available to married women, this median would, of course, be somewhat higher; by how much is not known in the absence of data on age of wife in relation to size of husband's income.

Marital Status

Married men past age 65 tend to have higher incomes than aged non-married men; fewer married men have no income. According to the 1950 Census, married aged men had a median income in 1949 of \$1,440, while the median for single, widowed, and divorced men aged 65 and over was about \$830. One in 7 married and divorced men had no money income, 1 in 5 single men, and 1 in 4 widowers (table 5).

Aged married men have higher incomes, in part because they are somewhat younger than other aged men.

Table 5.—Receipt of money income and median income, 1949, for men aged 65 and over, by marital status, 1950¹

Marital status	Percent with no money income, 1949	Median income of men with income, 1949
Total.....	18	\$1,150
Married, wife present.....	14	1,440
Other marital status.....	25	830
Single.....	22	830
Married, wife absent.....	20	1,375
Widowed.....	27	815
Divorced.....	14	870

¹ Excludes institutional population.

Source: Bureau of the Census, *U. S. Census of Population: 1950*, vol. IV, part 2, chapter D, *Marital Status*, table 6.

Table 4.—Men aged 14 and over with income, by age and income class, 1952¹

Income class	Age							
	Total	65 and over	55-64	45-54	35-44	25-34	20-24	14-19
Percentage distribution by specified age								
Total.....	100.0	11.4	13.3	17.6	21.5	22.9	7.2	6.0
\$1-499.....	100.0	21.0	8.9	7.4	6.2	5.4	5.7	45.3
500-999.....	100.0	38.6	14.1	9.0	7.1	6.7	8.8	15.7
1,000-1,499.....	100.0	23.3	14.8	10.8	13.8	15.3	16.0	5.8
1,500-1,999.....	100.0	14.4	16.9	15.7	16.3	16.6	15.6	4.5
2,000-2,499.....	100.0	9.6	13.6	17.9	18.7	25.6	11.2	3.5
2,500-2,999.....	100.0	8.3	15.0	17.0	22.3	26.9	9.7	.8
3,000-3,499.....	100.0	5.8	13.8	20.4	22.8	29.1	6.8	1.2
3,500-3,999.....	100.0	3.5	12.6	22.0	24.8	31.8	4.9	.4
4,000-4,499.....	100.0	3.5	12.9	18.5	30.3	31.6	3.3	-----
4,500-4,999.....	100.0	3.4	11.4	18.9	31.4	32.1	2.8	.1
5,000-5,999.....	100.0	4.4	11.5	23.2	29.7	27.8	3.3	-----
6,000-6,999.....	100.0	3.5	9.3	23.2	35.6	26.6	1.7	-----
7,000-9,999.....	100.0	4.5	10.2	28.7	34.3	21.7	.2	.4
10,000-14,999.....	100.0	6.8	21.0	24.4	34.1	13.6	-----	-----
15,000-24,999.....	100.0	10.2	18.9	31.6	30.9	8.4	-----	-----
25,000 and over.....	100.0	17.9	29.5	39.1	13.5	-----	-----	-----
Percentage distribution by amount of money income								
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Loss.....	.6	.8	1.3	.7	.7	.3	.2	.2
\$1-499.....	7.7	14.1	5.1	3.2	2.2	1.8	6.0	57.1
500-999.....	8.2	27.9	8.7	4.2	2.7	2.4	10.0	21.3
1,000-1,499.....	7.2	14.7	8.0	4.4	4.6	4.8	15.8	6.9
1,500-1,999.....	6.7	8.5	8.6	6.0	5.1	4.9	14.5	5.0
2,000-2,499.....	8.3	7.0	8.5	8.4	7.2	9.3	12.8	4.8
2,500-2,999.....	8.5	6.2	9.6	8.2	8.8	10.0	11.4	1.1
3,000-3,499.....	13.2	6.7	13.7	15.3	14.0	16.8	12.4	2.7
3,500-3,999.....	9.7	3.0	9.2	12.1	11.2	13.5	6.6	.6
4,000-4,499.....	7.8	2.4	7.6	8.2	11.0	10.8	3.6	-----
4,500-4,999.....	5.7	1.7	4.9	6.1	8.3	8.0	2.2	.1
5,000-5,999.....	8.0	3.1	6.9	10.5	11.0	9.7	3.6	-----
6,000-6,999.....	3.2	1.0	2.3	4.3	5.4	3.8	.8	-----
7,000-9,999.....	3.2	1.3	2.5	5.3	5.2	3.1	.1	.2
10,000-14,999.....	1.0	.6	1.6	1.4	1.6	.6	-----	-----
15,000-24,999.....	.6	.5	.8	1.0	.8	.2	-----	-----
25,000 and over.....	.3	.5	.7	.7	.2	-----	-----	-----
Median income.....	\$3,105	\$1,247	\$3,009	\$3,486	\$3,709	\$3,493	\$2,137	\$437

¹ Excludes institutional population.

Source: Bureau of the Census, *Current Population Reports, Consumer Income*, Series P-60, No. 14, table 3.

In 1950 the median age of married men aged 65 and over was 70.5 years; the median for nonmarried men was 73.2 years.¹⁰ When age is held constant, the more advantageous economic position of the married man is reduced somewhat, but he is still considerably better off than the single man and the widower, and this finding is as true for men under age 65 as for those above it. At every age the married man has a higher labor-force participation rate: 57 percent compared with 39 percent for others among men aged 65-74 and 25 percent against 13 percent among those aged 75 and over.¹¹ Married men also have greater regularity of employment, and—when working—higher earnings.¹² Whether this is the situation because the better earner is the better catch in the marriage market or because marriage is a spur to more strenuous economic effort is a nice problem, but the differences are unmistakable.

¹⁰ Bureau of the Census, *U. S. Census of Population: 1950*, vol. II, part 1, *U. S. Summary*, chapter C, table 104.

¹¹ *Ibid.*, vol. IV, part 1, chapter A, *Employment and Personal Characteristics*, table 10.

¹² Unpublished data, from a special survey of the economic status of aged persons made by the Bureau of the Census in April 1952 for the Institute of Industrial Relations, University of California, show that there are more married aged men than nonmarried aged men among professional and technical workers, and among managers, officials, and proprietors, and fewer among service workers, farm laborers and foremen, and laborers (except on farms and in mines).

Available information on aged women suggests that for them also there are economic advantages in marriage. When allowance is made for the husband's income, married women show the lowest percentage of women without money income. Single and divorced women seem to be in an intermediate position, while widows are at the bottom of the economic scale. In 1949 about one-third of all nonmarried women aged 65 and over had no money income; of the remaining two-thirds, single women had a median income of about \$1,100 and widows about \$600.¹³ Part of the explanation is, again, an age difference: aged widows tend to be older than single aged women. Within the same age bracket, however, an income spread persists, reflecting in part a difference in the proportions in the labor force.¹⁴

Living Arrangements

When health and income permit, older persons generally prefer independent living arrangements, be it a house they own or a rented house or apartment. It is therefore not surprising that, among men aged 65 and over, those who head their households are better off financially than men living in the homes of relatives or living with others as roomers or boarders. The proportion of aged men without money income is less than half as large among household heads as among those not in their own households. For men with income, median income is half again as high. In the best position with respect to income are married men in their own households, and least well off are men living in their children's homes; those living in the homes of nonrelatives as roomers or boarders occupy an intermediate position (table 6). The differences among these groups are associated with differences in age, in labor-force status, and probably in earnings as well. Among men aged 65 and over in 1950 almost half the household heads were in the labor force (56 percent of those

¹³ Bureau of the Census, Post-Enumeration Survey, unpublished data.

¹⁴ Bureau of the Census, *U. S. Census of Population: 1950*, vol. IV, part 1, chapter A, *Employment and Personal Characteristics*, table 10.

Table 6.—Receipt of money income and median income, 1949, for persons aged 65 and over, by age, sex, and living arrangements, 1950¹

Sex and living arrangements	Percent with no money income, 1949			Median income of persons with income, 1949		
	Total	Aged 65-74	Aged 75 and over	Total	Aged 65-74	Aged 75 and over
Men	18	14	27	\$1,150	\$1,440	\$770
In own household	14	12	20	1,290	1,540	810
Head of primary family ²	14	12	21	1,420	1,640	850
Married, wife present	13	11	19	1,460	1,680	860
Other	22	17	29	1,000	1,290	800
Primary individual ³	15	13	19	790	860	690
Not in own household	33	26	42	810	920	650
Living in home of relatives	38	32	46	770	870	630
Parent of head	42	34	48	730	870	630
Other	30	29	39	850	870	640
Living with nonrelatives	21	17	28	890	1,000	700
Women ⁴	42	39	47	680	720	620
In own household	31	29	33	720	750	660
Head of primary family ²	41	40	42	720	740	680
Primary individual ³	23	22	26	720	750	660
Not in own household	54	51	58	640	680	580
Living in home of relatives	58	56	61	610	630	570
Parent of head	62	60	63	570	590	560
Other	49	47	53	680	730	600
Living with nonrelatives	33	29	39	750	810	640

¹ Excludes institutional population.

² One or more related persons present.

³ Living alone, or with nonrelatives present.

⁴ Excludes married women living with husband.

Source: Bureau of the Census, *U. S. Census of Population: 1950*, vol. IV, part 2, chapter D, *Marital Status*, table 6.

aged 65-74 and 24 percent of the older men), whereas only 1 in 5 of those living in the home of a relative was in the labor force (31 percent of those aged 65-74 and 8 percent of those aged 75 and over). The labor-force participation rate was somewhat higher for aged men living with nonrelatives but still far lower than among household heads.¹⁵

For the aged women, receipt of income is least common among those living with relatives, as among aged men. The differences between those living with nonrelatives and the relatively small number who are household heads, however, appears to be insignificant. (Married women living with their husbands are excluded from the comparison since available income statistics for this group are not meaningful, in the absence of data on income of husband.) Aged women living with nonrelatives, moreover, appear to have a somewhat higher median income than other women aged 65 and over.

Relatively more persons under age 75 live in their own households than do persons past age 75, but that this factor alone does not account for the higher income of household heads is clear from an inspection of table 6.

¹⁵ *Ibid.*, table 6.

The differences are significant in both age groups.

Aged Persons at Different Income Levels

Examination of data on the income of the aged in a recent year (1951) shows how the characteristics just discussed affect the number and kinds of persons in each income class. To eliminate the distortion caused by the fact that most married women are dependent on their husbands for support, data will be used that combine the income of the husband aged 65 or over and his wife in the case of married couples but are limited to the income of the aged individual in all other cases.

The 13.0 million persons aged 65 and over in April 1952 may be grouped into 10.5 million units, consisting of 4.0 million aged couples,¹⁶ 2.1 million nonmarried men (widowers, by and large), and 4.4 million nonmarried women (most of them widows).

The special survey conducted by the Bureau of the Census for the In-

¹⁶ Both partners were aged 65 or over in a little more than half the married couples, while in perhaps 1.8 million couples the wife was under age 65. About 0.2 million couples in which the wife was aged 65 or over but the husband was under age 65 are excluded.

stitute of Industrial Relations, University of California, provided information on the distribution by income in 1951 of couples with head aged 65 and over and all other aged persons not in institutions. The sample results were inflated to independent estimates of the civilian noninstitutional population consistent with the 1950 Census. To these figures were added the institutional population in 1950, to yield the distribution below.

Income class	Number of units (in millions)	Percent of total
No money income.....	2.4	23
Money income:		
Under \$500.....	2.1	20
\$500-\$999.....	2.4	24
\$1,000-\$1,999.....	1.7	16
\$2,000-\$2,999.....	.8	7
\$3,000-\$4,999.....	.7	7
\$5,000-\$9,999.....	.3	2
\$10,000 or more.....	.1	1

The tendency to forget minor or irregular sources of income—a common error of survey response—probably resulted in some overestimate of the number of aged units without income and in the lowest money income groups. There is no basis, however, for making the appropriate adjustments for understatement of income, and the data are presented as derived from the survey.

Married couples were in the best position, in terms of money income, and nonmarried women in the poorest, while nonmarried men occupied an intermediate place. Only about 1 in every 14 couples had no money income, but this ratio among nonmarried men was more than 1 in 5 and among nonmarried women more than 1 in 3. Thirty-five percent of the couples had incomes of \$2,000 or more, but only 12 percent of the nonmarried men and 5 percent of the nonmarried women had that much.

Estimates based upon the application of the survey findings of data on age, sex, marital status, labor-force participation, and living arrangements permit a more detailed examination of the probable composition of the units in each income class (table 7).

No Money Income

Seven out of every 10 units in the group with no money income in 1951

Table 7.—Married couples with head aged 65 and over and all other persons aged 65 and over, by money income in 1951 and by sex, age, marital status, living arrangements, and labor-force status, April 1952

Type of unit	Total	No money income in 1951	With money income in 1951, by amount						
			Total	Under \$500	\$500-\$999	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$4,999	\$5,000 or more
Percentage distribution, by type of unit									
Total.....	100	100	100	100	100	100	100	100	100
Married couples.....	37	12	44	21	32	60	72	77	75
Nonmarried men.....	19	18	20	23	23	17	14	12	16
Nonmarried women.....	44	70	36	56	45	23	14	11	9
Aged 65-74 ¹	64	52	68	56	63	75	82	85	75
Aged 75 and over ¹	36	48	32	44	37	25	18	15	25
In own household ²	66	37	74	58	73	81	87	88	94
Living in home of relatives.....	23	43	17	32	16	11	7	7	2
Other ³	11	20	9	10	11	8	6	5	4
In labor force ⁴	26	7	32	14	16	36	65	76	78
Not in labor force ⁴	74	93	68	86	84	64	35	24	22
Percentage distribution, by amount of money income									
Total.....	100	23	100	26	30	21	10	9	4
Married couples.....	100	7	100	12	22	28	15	16	7
Nonmarried men.....	100	22	100	31	35	18	7	6	3
Nonmarried women.....	100	37	100	40	39	13	4	3	1
Aged 65-74 ¹	100	19	100	22	28	23	11	12	4
Aged 75 and over ¹	100	31	100	35	36	17	5	4	3
In own household ²	100	13	100	20	30	23	11	11	5
Living in home of relatives.....	100	43	100	49	30	13	4	4	(5)
Other ³	100	41	100	30	37	19	7	5	2
In labor force ⁴	100	6	100	11	15	23	19	22	10
Not in labor force ⁴	100	29	100	33	38	20	5	3	1

¹ Age of husbands, for married couples.
² Household heads, whether or not relatives are present.
³ Living as roomer or boarder in household of nonrelative or in roominghouse, hotel, or institution.
⁴ Status of husband, for married couples.
⁵ Less than 0.5 percent.

Sources: Estimated from special tabulations made by the Bureau of the Census for the Institute of Industrial Relations, University of California, and based on special supplement to the schedule used in

the Current Population Survey for April 1952. U. S. Census of Population: 1950, vol. IV—part 1, chapter A, *Employment and Personal Characteristics*, table 6; part 2, chapter C, *Institutional Population*, tables 3 and 18; part 2, chapter D, *Marital Status*, table 6. *Current Population Reports, Population Characteristics*, Series P-20, No. 44. *Current Population Reports, Labor Force*, Series P-50, No. 44. Special tabulations made by the Social Security Administration from the results of the Bureau of the Census Post-Enumeration Survey.

were nonmarried women, and almost 20 percent were nonmarried men. Married couples were relatively infrequent.

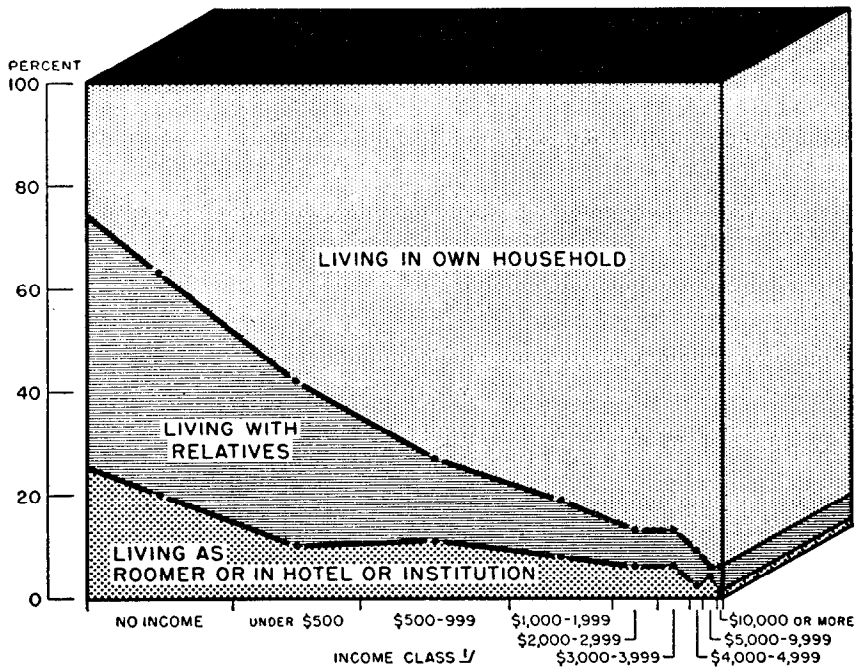
Nine of every 10 units had no member in the labor force. The presence of workers in about 7 percent of the units with no income seems paradoxical but may be explained by the fact that the labor-force data refer to April 1952 while the money-income data relate to the year 1951. Aged labor-force members in April 1952 included some persons who were not working in 1951 because of a temporary disability or who were unemployed throughout the year and therefore had no earnings.

Persons with no money income in 1951 were older on the average than those with income; half were aged 75

and over, compared with a little more than one-third in the total aged population. Fewer lived in their own households—a little more than 1 in 3 as against 2 in 3 among the aged as a whole. More than 40 percent lived in the homes of relatives (almost twice the ratio among all units); the other 20 percent lived as roomers or boarders in the home of nonrelatives or in roominghouses, dormitories, or institutions, and more than half of them were in institutions.

Without money income as defined in this article, how did these men and women manage? Some of them undoubtedly met their needs by depleting their assets. A few may have borrowed. Many—particularly those on farms—raised part of their own food. Contributed food, clothing, and

Chart 2.—Living arrangements of couples with head aged 65 and over and all other aged persons, by money income, 1951



¹ Width of income class approximates relative number of aged economic units.

shelter were important resources for a considerable number. About a million lived in the homes of relatives, usually their married children, and were presumably supported in whole or part by them. A considerable number were in tax-supported institutions. Since none of the 2.4 million received old-age assistance, it may be presumed that their resources in most instances rendered them ineligible for assistance under standards prevailing in the community in 1951.

Money Income

Less than \$500.—Nonmarried women also comprised more than half the 2.1 million economic units with money incomes of less than \$500. The others were divided almost equally between married couples and nonmarried men. Perhaps 1 in 7 units had a member in the labor force, or relatively twice as many as among the units with no money income. The proportion aged 65-74 was also higher—about 56 percent, compared with 52 percent in the no-income group. With money income of their own, relatively more were able to afford independent living arrange-

ments (chart 2). Almost 6 in 10 lived in their own households, while 3 in 10 lived in the homes of relatives. Approximately the same proportions of the two groups lived in the homes of nonrelatives, in hotels, and in roominghouses, but probably less than 2 percent of those with income of \$1-499 lived in institutions.

There are few places in the country where an annual income of \$499 will purchase even the barest essentials for existence. It may therefore be presumed that, as in the case of the group with no income, the 2.1 million units with money incomes of less than \$500 had access to other resources and that many, if not most, supplemented their meager money income by drawing on savings, by selling assets, by borrowing, or by raising part of their own food. Partial dependence on relatives may be assumed for most of the 0.7 million units living in the homes of married children and other relatives and for those who were living in their own household and had adult children staying with them. Such supplementary resources are frequently encountered in studies of the income and living arrangements

of old-age assistance recipients and old-age and survivors insurance beneficiaries, who accounted for more than half the units with incomes of less than \$500 in 1951.

\$500-\$999.—Nonmarried women were, again, the largest group among the 2.4 million units with incomes in 1951 of \$500-\$999, but they constituted less than half the total. Married couples accounted for almost one-third, and nonmarried men for almost one-fourth.

Membership in the labor force was at approximately the same level as among units with income of less than \$500, but the proportion aged 65-74 increased from 56 percent to 63 percent and persons living in their own household from 58 percent to 73 percent. Persons living in the homes of nonrelatives and in roominghouses or hotels made up about the same proportion in both groups; the number living with relatives, on the other hand, dropped from about 1 in 3 to 1 in 6.

Studies conducted among old-age and survivors insurance beneficiaries and old-age assistance recipients—who made up most of the units with incomes of \$500-\$999—suggest that there were aged persons who somehow managed to meet their minimum requirements on monthly money incomes varying from \$42 to \$83 in 1951. These studies also indicate, however, that contributions in kind and withdrawals from savings were frequently necessary and that many were able to make ends meet only by sharing their expenditures with the relatives in whose homes they live or who live with them.

\$1,000-\$1,999.—Units with money incomes of \$1,000-\$1,999 differ significantly from those with smaller incomes in the preponderance of married couples and in the higher proportions with members in the labor force and living in their own households. Six in every 10 such units in 1951 consisted of married couples. One-sixth were nonmarried men, and somewhat less than one-fourth were nonmarried women. More than 1 in 3 units had members in the labor force, or relatively twice as many as were present in units with incomes of \$500-\$999. Three-fourths were in the age group 65-74. Four out of 5 units

lived in households of their own, 1 in 10 lived with relatives, and 1 in 12 with nonrelatives.

This group may be considered largely self-supporting on the basis of its money income and without reference to other types of money receipts, to assets converted into cash, or to shared living arrangements. The dollar cost in large cities of an elderly couple's total budget sufficient to provide a modest but adequate level of living has been estimated at \$1,600-\$1,900 at October 1950 prices.¹⁷ Prices in 1951 were somewhat higher, but in either year the cost would have been a little less, of course, for the 0.7 million units consisting of one person and for the many couples and non-married individuals who lived in small towns and rural areas, where shelter costs are lower.

\$2,000 and over.—Examination of the higher income classes shows shifts in group composition that reflect an accelerated development of the patterns already noted. The higher the income the higher, with some exceptions, the proportion of married couples, the labor-force participation rate, and the relative numbers living in their own households. In 1951, married couples accounted for about three-fourths of the units with incomes of \$2,000 or more; all but 6 percent of those with incomes of \$5,000 or more were living in their own households; a mere 2 percent lived in the home of relatives. The "younger" aged (persons aged 65-

74) were most frequently found among units with incomes of \$2,000-\$4,999.

Summary

In recent years between 8 and 12 men per 100 aged 65 and over had no money income, compared with 1-2 percent among men aged 25-54 and 4-5 percent among men aged 55-64. The increase with age in the proportion of men without money income reflects the decline in the relative number of earners and the incomplete provision for a money substitute for earnings in disability and old age.

Average income is smaller among older persons. In 1952, men aged 65 and over comprised 11 percent of all male income recipients 14 years of age and over but received only 7 percent of the aggregate income of the group. The median income of men aged 65 and over was one-third that of men in the age group with the highest median income—35-44 years—and about 40 percent of the median income of men aged 55-64.

Income distribution is more unequal among the aged than in other age groups. Aged persons represent larger proportions of the groups at the lower and upper ends of the income scale and a smaller proportion of the middle-income group than they do of the total adult population. This difference may be due to the heterogeneity of income sources among the aged.

Individual characteristics influencing size of income among the aged relate to labor-force status, age, sex, marital status, and living arrange-

ments. Persons in the labor force, in general, have higher incomes than persons not in the labor force. Persons under age 75 tend to be better off than older persons, and aged men, by and large, have higher incomes than aged women. Married men are at an economic advantage in comparison with single, widowed, and divorced men, as are men living in their own homes in comparison with those living with relatives or as roomers or boarders. These are interrelated factors, since among men past age 65 the married men tend to be younger than single, widowed, and divorced men; the younger men are more likely to be in the labor force; and earners are more likely than non-earners to be able to afford independent living arrangements. Possibly the least well-off group among the aged, in terms of money income, are widowed women living with relatives.

The 13 million persons aged 65 and over in the population in April 1952 may be grouped into 10.5 million units, consisting of 4 million couples, 2.1 million nonmarried men, and 4.4 million nonmarried women. Of the total, two-thirds had no money income or less than \$1,000 in 1951, and one-sixth had \$2,000 and over. Non-married women were concentrated at the lower end of this distribution and married couples at the upper end, while nonmarried men occupied an intermediate position. Generally speaking, the proportions of those with membership in the labor force, of those living in their own households, and of those under age 75 increased with income.

¹⁷ *Monthly Labor Review*, September 1951.