

THE MEASURE OF POVERTY

Technical Paper I

Documentation of Background Information
and Rationale for Current Poverty Matrix

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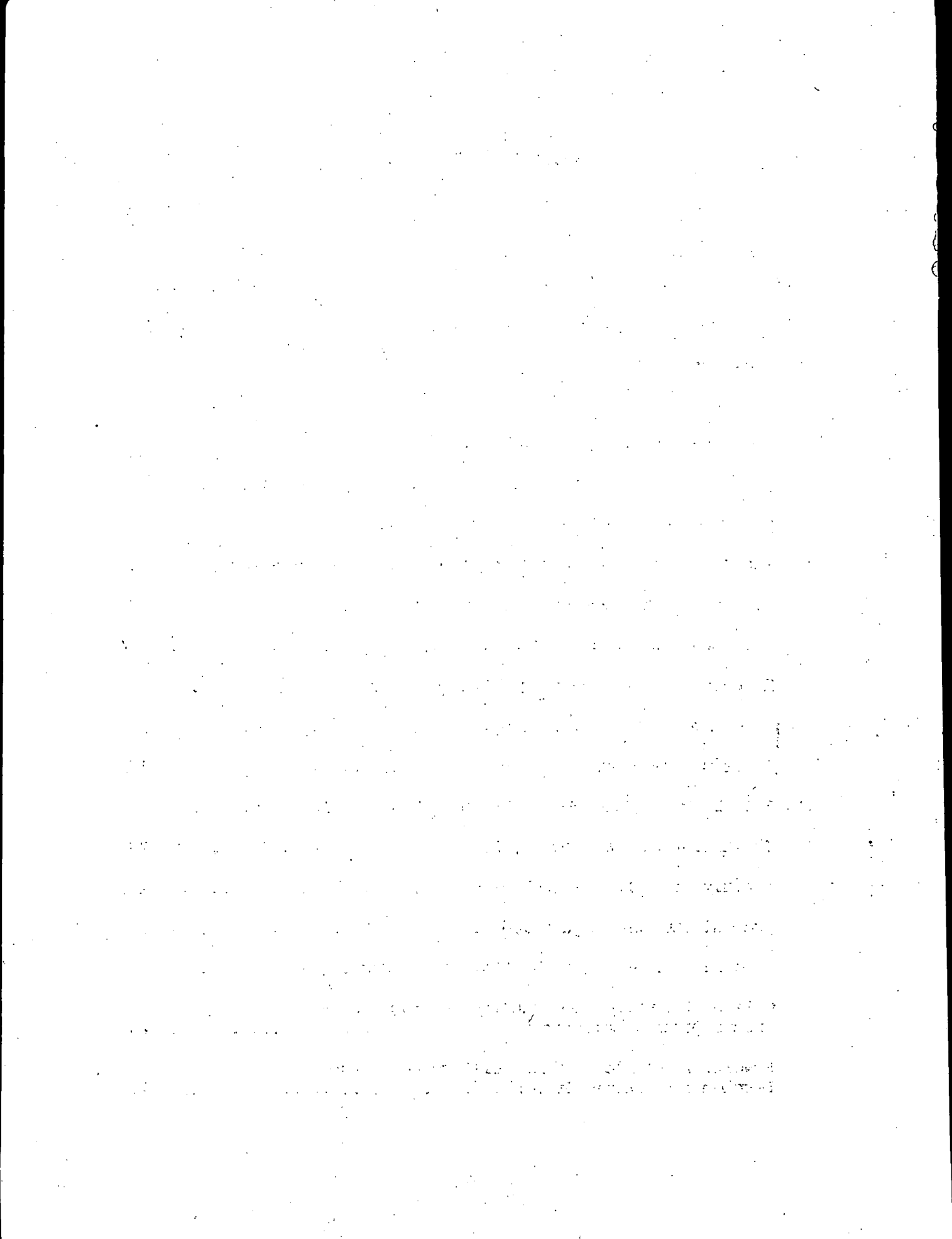


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PREFACE

Section 823 of the Education Amendments of 1974 (PL 93-380) requires a thorough study of the manner in which the relative measure of poverty for use in the financial assistance program, authorized by Title I of the Elementary and Secondary Education Act of 1965, may be more accurately and currently developed.

That financial assistance program is administered by the Commissioner of Education, through the Office of Education, Department of Health, Education, and Welfare. An important feature is the use of a formula prescribed by Section 103 of the Elementary and Secondary Education Act for the annual distribution of Federal funds to school districts. A significant factor in the formula is the number of school-aged children 5 to 17 in poor families within each school district. The measure of poverty which is used, and which is the subject of the study mandated by Section 823, is the Federal government's official statistical definition of poverty (also known as the Orshansky, OMB, Census Bureau, or Social Security poverty lines).

Other work related to poverty measurement has been called for in recent legislative acts. In the Comprehensive Employment and Training Act, the Secretary of Labor is directed to develop and maintain comprehensive household budget data at different levels of living, including a "level of adequacy." Any such review of the level of adequacy must necessarily be closely related to measures of poverty. The Housing and Community Development Act of 1974 gives the Secretary of HUD authority to adjust the poverty measure to reflect local variations in the cost of living. The Conference Report accompanying it directs the Secretary to develop or obtain data with respect to the "extent of poverty" by metropolitan areas and to submit such data to the Congress as part of a March 31, 1977, report.

Because of the broad scope of the subject matter, coverage of the study of the measure of poverty mandated by Section 823 of the Education Amendments of 1974 was extended to include implications of the study findings for the poverty-related programs of all affected Federal departments and agencies. The Title I program of the Elementary and Secondary Education Act was given the most detailed treatment to meet the legislatively-mandated specifications for the study as well as to serve as a primary example of application of the concepts of poverty measurement to Federal programs. The findings of the study are published in a report entitled, "The Measure of Poverty." An important objective of the study was full discussion and documentation of the major elements of currently applied and potentially usable poverty measures. Material containing essential supporting documentation for the study was assembled as technical papers. These have been written to stand alone as complete technical treatments of specific subjects.

The study was performed under the direct guidance of a Poverty Studies Task Force of the Subcommittee on the Education of the Disadvantaged and Minorities, Federal Interagency Committee on Education. Technical papers were prepared at the request of, under the direction of, and subject to review by the Task Force members. Some papers are primarily the work of one or two persons; these are attributed to their authors. Others result from the collective input of Task Force members or advisors and no specific attribution is given except to the Task Force, as a whole.

The following listings show members of the Poverty Studies Task Force by appropriate Federal departments and agencies, and the titles and authors of the technical papers.

This report contains Technical Paper I, Documentation of Background Information and Rationale for Current Poverty Matrix. It was prepared by Mollie Orshansky, Office of Research and Statistics, Social Security Administration.

To obtain copies of the report, "The Measure of Poverty," or any of the technical papers, please write to:

Office of the Assistant Secretary for Planning and Evaluation
Department of Health, Education, and Welfare
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Room 443D - South Portal Building
Washington, D.C. 20201

Federal Interagency Committee on Education
Subcommittee on Education for the Disadvantaged and Minorities

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TECHNICAL PAPERS

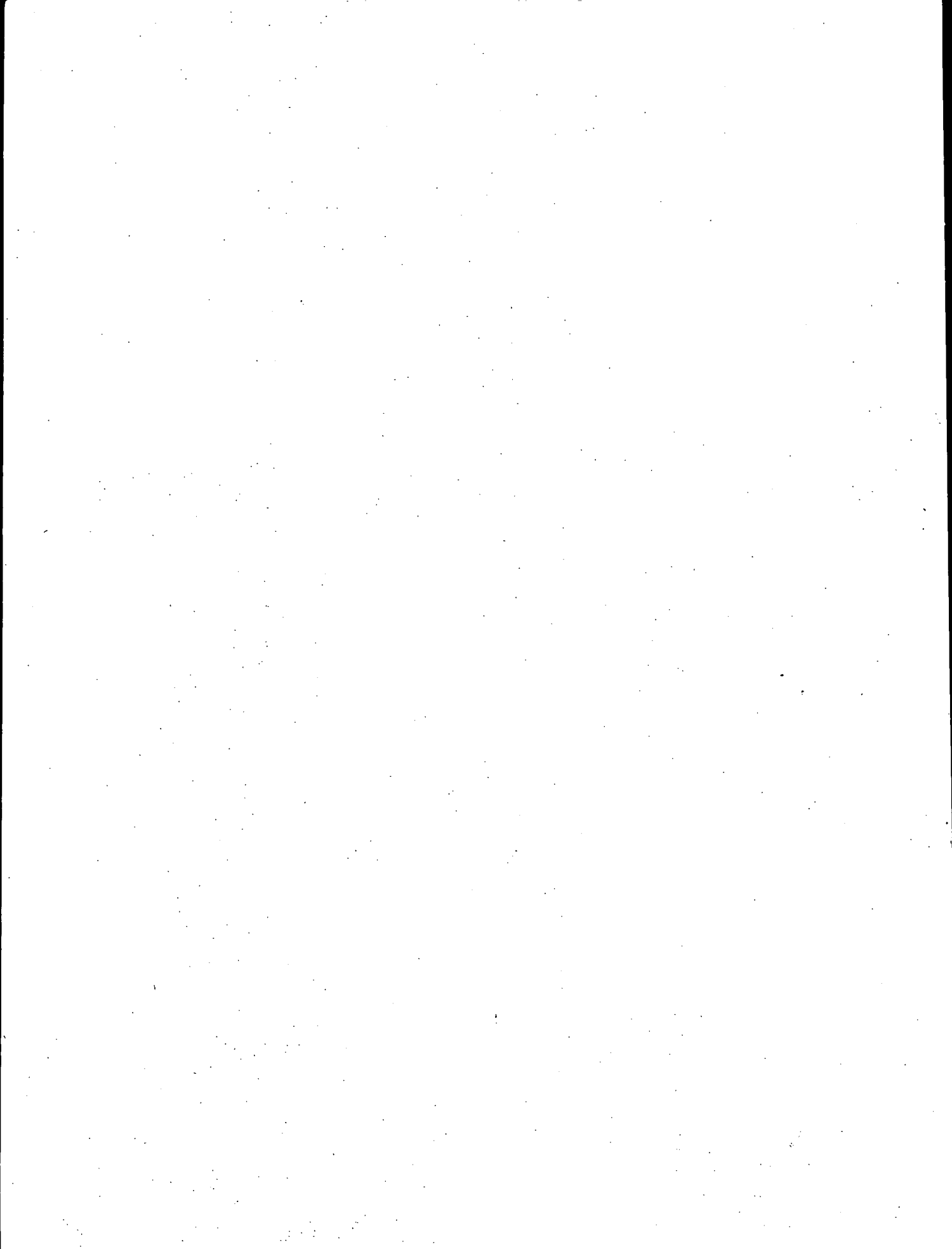
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| II. | Administrative and Legislative Usages of the Terms "Poverty," "Low Income," and Other Related Terms | Poverty Studies Task Force
with assistance from Ellen Kraus |
| III. | A Review of the Definition and Measurement of Poverty | Urban Systems Research
and Engineering, Inc. |
| IV. | Bureau of Labor Statistics Family Budgets Program | Mark Sherwood
Bureau of Labor Statistics |
| V. | The Consumer Price Index | Jill King
Mathematica, Inc. |
| VI. | Wealth and the Accounting Period in the Measurement of Means | Nelson McClung and Eugene Steuerle
Department of the Treasury |
| VII. | In-Kind Income and the Measurement of Poverty | Janice Peskin
Health, Education, and Welfare |
| VIII. | The 1972-73 Consumer Expenditure Survey | Jill King
Mathematica, Inc. |
| IX. | Inventory of Federal Data Bases Related to the Measurement of Poverty
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(b) Census Data Bases | Connie Citro, Mathematica, Inc.
Bureau of the Census |
| X. | Effect of Using a Poverty Definition Based on Household Income | Jack McNeil, Doug Sater, Arno Winard
Bureau of the Census |
| XI. | Update of the Orshansky Index | Mollie Orshansky
Social Security Administration |
| XII. | Food Plans for Poverty Measurement | Betty Peterkin
Department of Agriculture |
| XIII. | Relative Poverty | Jack McNeil
Bureau of the Census |
| XIV. | Relative Measure of Poverty | Stanley Stephenson
Health, Education, and Welfare |
| XV. | Analytic Support for Cost-of-Living Differentials in the Poverty Thresholds | Thomas Carlin
Department of Agriculture |
| XVI. | Implications of Alternative Measures of Poverty on Title I of the Elementary and Secondary Education Act | Abdul Khan and Herman Miller
Health, Education, and Welfare |
| XVII. | The Sensitivity of the Incidence of Poverty to Different Measures of Income: School-Age Children and Families | Survey Research Center
University of Michigan |
| XVIII. | Characteristics of Low-Income Populations Under Alternative Poverty Definitions | Lawrence Brown
Health, Education, and Welfare |

INTRODUCTION

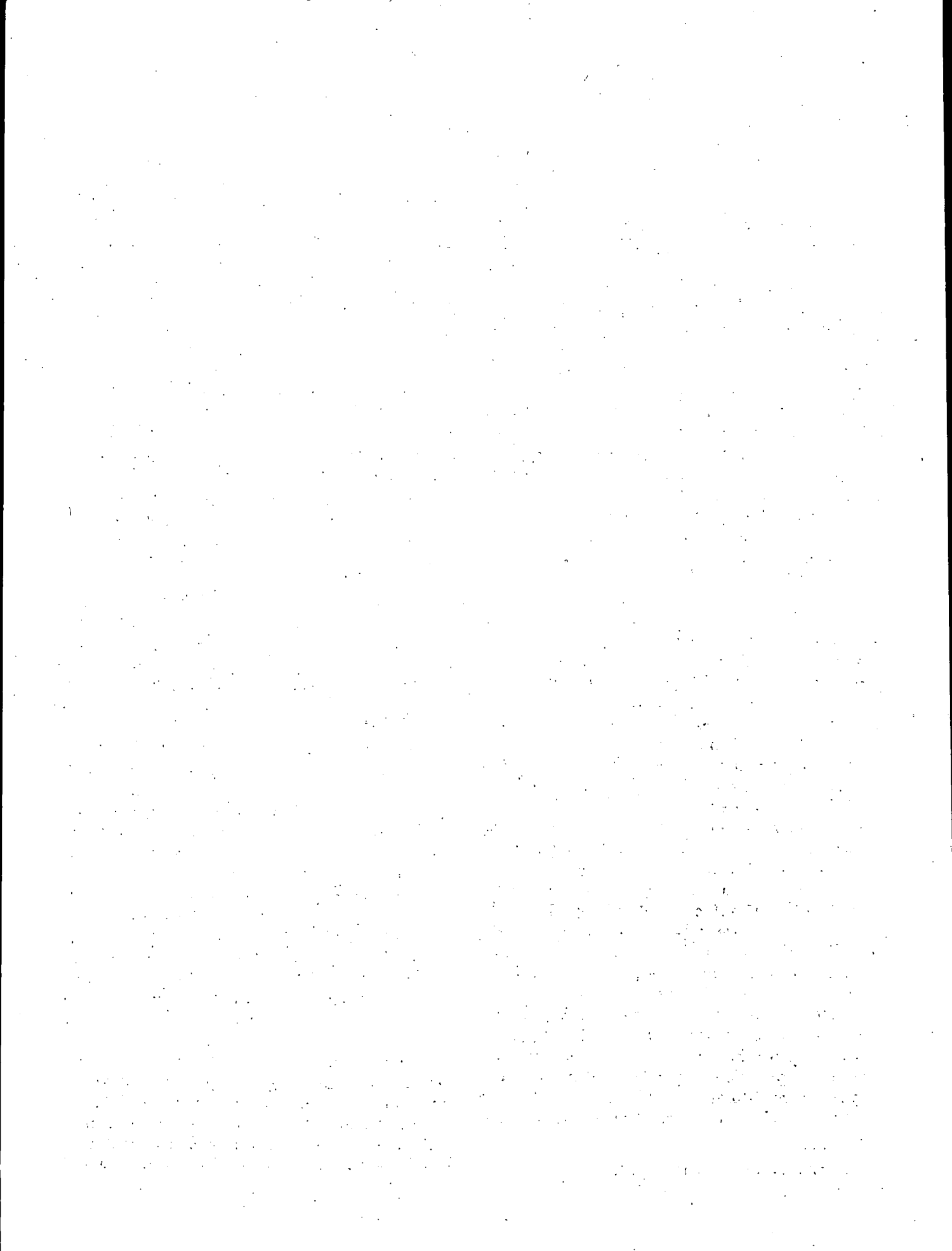
The current official measure of poverty used by the Federal government was originally developed by Mollie Orshansky of the Social Security Administration in the early sixties. Her study, "Children of the Poor", first appeared in the July 1963 Social Security Bulletin, describing a methodology for developing income criteria of need by family size, for families with children. In January 1965 the Social Security Bulletin contained another article by her entitled "Counting the Poor", which updated and extended the criteria to all types of households, she used as before, a concept of poverty based on budgets centering around cost of a diet which can sustain an adequate nutritional level at minimal cost using a sliding scale of income requirements for different family sizes and compositions. An additional refinement was the specification of a lower income level as the threshold for farm families. This refinement reflected the assumption that farm families customarily obtain housing and food as part of the farm business operation, rather than by direct expenditure.

The Orshansky statistical definition appeared at a time when the need for a poverty measure was great: the Economic Opportunity Act of 1964 had recently been enacted. The Research Division of the Office of Economic Opportunity (OEO) adopted the Orshansky poverty measure not only as a working tool for budget and planning purposes but also as an administrative guideline for program purposes. The poverty matrix, and the poverty population delineated by it, remained quasi-official numbers until August 1969 when the Budget Bureau designated them as the official statistical series to be published regularly, by the Census Bureau.

At present, the measure is built around the Department of Agriculture's economy food plan of 1961 and the national average ratio of family food expenditures to total family after-tax income as measured by the 1955 Household Food Consumption Survey. It consists of 124 separate poverty cutoffs differentiating families by size, number of children, age and sex of head, and farm or nonfarm residence. The cutoffs are updated annually by changes in the Consumer Price Index. Originally developed to apply to income and prices of 1963, the poverty cutoffs were then backdated by the Consumer Price Index to the year 1959, the earliest year for which a usable statistical data base was still available from the Bureau of the Census. This paper is a compilation of key articles and papers which document the historical development of the poverty matrix, as well as the rationale underlying its statistical construction.



BACKGROUND ARTICLES



Children of the Poor

by MOLLIE ORSHANSKY*

There is a growing awareness that as the Nation grows richer the dollar gap between average income and the income of our poorest citizens widens. Because prices and standards tend to move with prevailing income, families remaining at the bottom of the heap will be outbid and outspent. When such poverty befalls families rearing children—the citizens of the future—the social consequences reach far beyond the present deprivation. By one crude index of poverty it can be shown that every fourth or fifth family with children under age 18 may have to choose between an adequate diet at minimum cost and some other necessity—they cannot afford both. All told, some 17-23 million youngsters, or from a fourth to a third of all our children, are growing up in the gray shadow of poverty.

WE LIVE in a time of rapid change. The wonders of science and technology applied to a generous endowment of natural resources have wrought a way of life our grandfathers never knew. Creature comforts once the hallmark of luxury have descended to the realm of the commonplace, and the marvels of modern industry find their way into the home of the American worker as well as that of his boss. Yet there is an underlying disquietude reflected in our current social literature, an uncomfortable realization that an expanding economy has not brought gains to all in equal measure. It is reflected in the preoccupation with counting the poor—do they number 30 million, 40 million, or 50 million? Is it still, as in the 1930's, one-third of a nation that is ill-fed, ill-clothed, and ill-housed, or is it now only a fourth or fifth? Shall one point with pride or view with alarm?

There is, of course, no single, simple, answer. The mere fact of income inequality alone need not disturb us, but how to distinguish between the absolute deprivation of poverty and mere lower-than-average income status is still a matter of controversy if not a matter of taste. As the gen-

eral level of living moves upward and expands beyond necessities, the standards of what constitutes an irreducible minimum also change. Furthermore, with the great revolution in expectations and our historic heritage of equal opportunity as a goal, there is concern that the boons of prosperity are withheld from some.

It would be one thing if poverty hit at random, and no one group were singled out. It is another thing to realize that some seem destined to poverty almost from birth—by their color or by the economic status or occupation of their parents. It has become a truism that, in good times and in bad, certain groups lag behind in the long-term upswing of our economy. Prominent among these are the aged, the families headed by a woman, and minority groups—particularly the Negro.

Year after year the same kinds of people continually appear at the bottom of the income pyramid. In 1961, for example, of the families in the lowest income group (the lowest 20 percent) almost a third were aged families, a fourth were broken families (usually headed by a woman) and a fifth were nonwhite—proportions identical with those in 1951.

When yet another measure is used, the perennial plight of the disadvantaged is seen as even more severe. It has always been true in our society that economic well-being rests on earning power. Public support programs are generally for those unable to work or deprived of the earnings of the relative on whom they could expect to rely. But opportunities for work are no longer what they were. In yesterday's world, jobs paid better if one was trained, but even an untrained worker could find a place and expect that in time his earnings would improve along with his skill. The highly educated man did better, but his numbers were few and even for him the starting salary was often low.

Today in large measure an automated economy demands an increasingly productive and skilled labor force. Jobs ask more and pay more from the outset, and the unskilled worker cannot hope to better himself much: He will remain, as he started, in a low-paid job, if indeed he has a job at all.

* Division of Research and Statistics.

As a result, the composition of the group we call our poor is changing too. Once it included not only those able to earn little or nothing but a fair number who would eventually improve their lot. As the higher education and the increased skills called for in many modern-day jobs upgrade our labor force more and more, the ranks of the poor seem to be reserved for those families with heads not able or not permitted to qualify for the better-paying jobs—the retired, the women, and the nonwhites.

More and more, such families will see themselves and their counterparts comprising the dwindling number with low dollar income while the general average climbs farther out of their reach. This segregation of the pocketbook can be illustrated by comparing families having less than \$3,000 today and those of a decade ago, bearing in mind that this amount now is about half the average for all families but in 1951 represented four-fifths of average income. Only 1 out of every 5 families now has income this low, compared with 1 in every 3 then. Yet today more of these families are headed by a nonwhite or an aged person or by a woman, as the following figures show.

Type of head	Families with less than \$3,000			
	Number (in millions)		Percent	
	1961	1951	1961	1951
Total.....	9.9	14.5	100	100
Aged head.....	3.3	3.3	33	23
Female head.....	2.3	2.5	23	17
Nonwhite head.....	2.1	2.5	21	17

Some families, of course, bear more than one of these stigmas. The low incomes of the aged are receiving much attention in existing and proposed programs. The broken families and nonwhite poor harbor a disadvantaged group from the other end of the age spectrum—children under age 18. By almost any standard of adequacy the number of children underprivileged by too low income is as large as or larger than the total aged population. And many of the children are not subject to help from existing programs to combat poverty.

Our population today includes about 66 million children under age 18, distributed among some 27.5 million families. In 1961 the median income for these families ranged from \$5,905 for those

TABLE 1.—Median money income in 1961 of families with own children under age 18 and families with related children under age 18

Number of children	Families with 1 or more—			
	Own children ¹		Related children ¹	
	Number (in thousands)	Median income	Number (in thousands)	Median income
Families, total.....	26,224	\$6,010	27,600	\$5,950
1 child.....	8,321	6,000	8,896	5,905
2 children.....	8,010	6,235	8,353	6,185
3 children.....	5,049	6,260	5,227	6,235
4 children.....	2,679	5,835	2,775	5,760
5 children.....	1,072	5,195	1,149	5,240
6 or more.....	1,093	4,855	1,200	4,745
Children, total.....	62,655		65,805	

¹ Own children under age 18 include never-married sons, daughters, stepchildren, or adopted children of the family head; related children include these and any other never-married family members under age 18 and related to the head by blood, marriage, or adoption.

Source: Data for families with own children derived from tabulations from the *Current Population Survey*, March 1962, made by the Bureau of the Census for the Social Security Administration; for families with related children, from *Current Population Reports: Consumer Income*, P-60, No. 39, February 1963. The figures in this and the following tables are estimated from a sample survey and therefore are subject to sampling variability. For discussion of nature and extent of variability, see the publication cited.

with one child to \$4,745 among the million or so with six or more children.¹

Some of these families, and significantly more of the larger ones, live on farms; their housing and a considerable portion of their food are thus obtained as part of an ongoing business operation and need not be met out of net money income. Farm families, however, like those in cities, purchase much of their family living. In both places the wherewithal to do so decreases rather than increases with additional family members to support.

The Bureau of the Census data on income by number of children customarily refer to all children who are related to the family head—that is, all “related” children under age 18, regardless of their relationship to the head. Much of the discussion in this article centers on “own” children only—that is, never-married sons, daughters, adopted children, or stepchildren of the family head. Table 1 compares the incomes of the families of the “own” children with those of all families with “related” children. For most purposes, the two sets of figures are interchangeable.

Today’s average incomes represent one more step in the continuing uptrend in real income of the American population since the end of World

¹ Bureau of the Census, *Current Population Reports*, Series P-60, No. 39, February 1963.

War II. But even in the midst of plenty many children are growing up in families with incomes too low to provide for them properly. The estimated number of such families can be varied almost at will, but if there is no consensus on the standard, there can be no doubt that, whatever the definition of income inadequacy, a large number of families will be below it. We can also predict with high degree of certainty what kinds of families they will be. Current Census data suggest, for example, that low-income status is unduly concentrated among the relatively small number of families with a mother and children but no father in the home. These families are seldom found on farms where they would benefit from home-produced food and farm-furnished housing (tables 2 and 3).

The children in nonwhite families are also over-represented in the roster of the poor, and, as would

TABLE 2.—Income in 1961 of husband-wife families with own children under age 18 among all families in the United States and among families living on farms

Total money income	Families with specified number of own children						
	Any	1	2	3	4	5	6 or more
	All families						
Total number (in thousands).....	23,748	7,313	7,362	4,637	2,478	975	983
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	2.5	2.5	2.1	2.4	2.5	4.6	5.4
\$1,000-\$1,999.....	3.5	3.5	2.7	2.8	3.8	5.8	8.4
\$2,000-\$2,999.....	6.1	6.7	4.9	5.0	6.6	9.7	10.8
\$3,000-\$3,999.....	8.5	8.5	8.1	7.7	10.1	9.8	10.3
\$4,000-\$4,999.....	11.1	10.7	11.1	10.9	10.9	13.5	12.1
\$5,000-\$5,999.....	14.4	13.4	14.7	14.5	15.2	14.5	17.4
\$6,000-\$6,999.....	12.3	11.3	13.5	12.7	11.5	12.3	10.0
\$7,000-\$7,999.....	11.2	11.2	10.8	12.0	13.8	6.2	8.0
\$8,000-\$9,999.....	13.5	14.1	15.0	12.5	11.9	11.2	8.0
\$10,000 and over.....	17.0	18.2	16.9	19.4	13.6	12.5	9.5
Median income.....	\$6,315	\$6,415	\$6,475	\$6,530	\$6,090	\$5,455	\$5,170
Families with head year-round full-time worker:							
Percent of total.....	75.5	73.9	77.6	77.3	75.3	69.2	70.6
Median income.....	\$6,890	\$7,115	\$6,925	\$6,985	\$6,785	\$6,035	\$5,620
	Rural-farm families						
Total number (in thousands).....	1,798	479	482	329	201	129	175
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	13.4	12.6	13.6	11.4	11.7	17.6	17.4
\$1,000-\$1,999.....	13.1	13.1	10.6	11.5	20.0	13.9	15.9
\$2,000-\$2,999.....	15.1	18.3	12.8	14.5	13.7	15.8	18.2
\$3,000-\$3,999.....	14.4	16.0	13.6	12.2	18.6	9.3	15.9
\$4,000-\$4,999.....	10.0	7.1	12.6	12.2	7.5	6.5	12.9
\$5,000-\$5,999.....	11.4	10.7	12.5	9.5	9.0	20.4	9.1
\$6,000-\$6,999.....	6.8	6.8	7.2	9.2	4.8	5.6	3.8
\$7,000-\$7,999.....	5.2	5.8	5.6	6.9	2.1	2.8	4.5
\$8,000-\$9,999.....	4.3	3.1	6.1	5.0	6.9	2.8	.....
\$10,000 and over.....	6.2	6.5	5.3	7.6	5.5	6.5	5.3
Median income.....	\$3,550	\$3,395	\$3,940	\$4,050	\$3,300	\$3,285	\$3,110

Source: Tabulations from the Current Population Survey, March 1962, made by the Bureau of the Census for the Social Security Administration.

be expected, children in a family whose head is not employed the year round must get along on far lower incomes than children in other families.

THE CHILD POPULATION

In 1962, if the same relationship held as at the time of the Decennial Census 2 years earlier, 87 percent of the 66 million children under age 18 were living with both their parents, about 10 percent with only one parent, usually the mother, and the remaining few with other relatives, in institutions, or in foster homes. Nonwhite children were much less likely to have the benefit—both economic and otherwise—of a normal parental home, with 1 in every 3 living with only one parent, in contrast to only 1 in 10 of the white children. Nonwhite women are more than three times as likely to have their marriages disrupted as white women, and more often by separation than by divorce.²

TABLE 3.—Income in 1961 of all families with female head with own children under age 18

Total money income	Families with specified number of own children				
	Any	1	2	3	4 or more
	All families				
Total number (in thousands).....	2,225	871	577	386	391
Percent.....	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	22.2	18.7	23.1	22.7	23.4
\$1,000-\$1,999.....	21.7	20.7	21.1	22.1	24.8
\$2,000-\$2,999.....	18.1	19.0	15.3	20.2	17.7
\$3,000-\$3,999.....	12.3	11.0	10.2	17.3	13.7
\$4,000-\$4,999.....	10.6	11.9	11.1	9.0	8.3
\$5,000-\$5,999.....	5.5	7.1	7.0	1.8	3.2
\$6,000-\$6,999.....	3.2	3.2	5.1	1.8	1.8
\$7,000-\$7,999.....	2.3	2.8	1.9	2.2	1.8
\$8,000-\$9,999.....	1.9	1.8	3.2	1.4	.....
\$10,000 and over.....	2.2	3.7	1.9	1.4	.....
Median income.....	\$2,320	\$2,535	\$2,385	\$2,255	\$1,860
Families with head year-round full-time worker:					
Percent of total.....	25.8	33.7	25.8	18.7	14.3
Median income.....	\$3,875	\$3,970	\$4,385	(¹)	(¹)

¹ Median not shown where base is less than 100,000.

Source: Tabulations from the Current Population Survey, March 1962, made by the Bureau of the Census for the Social Security Administration.

The divorced or widowed mother is more likely to have formal financial support arrangements for herself and the children than the mother in a family that breaks up for other reasons. In the

² Paul C. Glick, *Marriage Patterns by Size of Place* (presented at the annual meeting of the Population Association of America, May 1962).

TABLE 4.—Income in 1961 of husband-wife families with own children under age 18, by race

Total money income	Families with specified number of own children				
	Any	1	2	3	4 or more
White families					
Total number (in thousands)	21,815	6,792	6,925	4,310	3,788
Percent	100.0	100.0	100.0	100.0	100.0
Under \$1,000	2.1	2.1	1.7	2.2	2.7
\$1,000-\$1,999	2.7	3.0	2.3	2.2	3.8
\$2,000-\$2,999	5.0	6.0	4.0	4.0	6.0
\$3,000-\$3,999	7.9	7.9	8.0	6.7	9.2
\$4,000-\$4,999	10.9	10.6	11.2	10.6	11.2
\$5,000-\$5,999	14.8	13.9	14.8	15.1	16.4
\$6,000-\$6,999	12.9	11.7	13.9	13.2	12.6
\$7,000-\$7,999	11.6	11.4	11.2	12.4	11.7
\$8,000-\$9,999	14.1	14.5	15.3	13.2	12.3
\$10,000 and over	17.9	18.9	17.5	20.3	14.0
Median income	\$6,510	\$6,555	\$6,575	\$6,695	\$6,055
Families with head year-round full-time worker:					
Percent of total	77.1	75.1	78.7	78.5	76.3
Median income	\$7,000	\$7,190	\$8,995	\$7,100	\$6,600
Nonwhite families					
Total number (in thousands)	1,933	521	437	327	648
Percent	100.0	100.0	100.0	100.0	100.0
Under \$1,000	6.8	7.0	6.6	4.4	8.3
\$1,000-\$1,999	11.2	9.9	9.6	10.4	13.8
\$2,000-\$2,999	18.4	15.9	17.7	17.8	21.2
\$3,000-\$3,999	15.1	15.0	11.4	21.1	14.8
\$4,000-\$4,999	13.2	12.9	8.4	16.6	15.1
\$5,000-\$5,999	9.9	7.5	14.3	5.6	10.9
\$6,000-\$6,999	5.9	5.4	8.1	6.7	4.3
\$7,000-\$7,999	6.2	8.0	4.8	6.3	5.6
\$8,000-\$9,999	6.4	9.1	10.7	3.2	2.9
\$10,000 and over	6.9	9.4	8.7	7.9	3.3
Median income	\$3,895	\$4,140	\$4,560	\$3,670	\$3,540
Families with head year-round full-time worker:					
Percent of total	58.4	58.0	60.7	62.7	54.9
Median income	\$4,510	\$5,200	\$5,485	\$4,250	\$4,195

Source: Tabulations from the *Current Population Survey*, March 1962, made by the Bureau of the Census for the Social Security Administration.

1960 Census, three-fifths of the white mothers with children under age 18 and no father in the home were divorced or widowed; only 2 percent said they had never been married. By contrast, only one-third of the nonwhite mothers without a husband claimed that they were divorced or widowed, and 1 in 8 said they were never married to the father of their children.

These figures include the large number of mother-child groups counted in the Census as subfamilies (rather than families) because they lived in the home of a related family rather than in their own household. More than 1 in 5 of all mother-child units in 1960 lived as a subfamily.³

³ U. S. Census of Population: 1960, Final Report, PC(1)-1D, table 185.

TABLE 5.—Income in 1961 of families with female head with own children under age 18, by race

Total money income	Families with specified number of own children				
	Any	1	2	3	4 or more
White families					
Total number (in thousands)	1,634	704	443	282	225
Percent	100.0	100.0	100.0	100.0	100.0
Under \$1,000	22.2	16.1	22.9	23.5	39.1
\$1,000-\$1,999	16.3	16.7	17.1	14.9	14.9
\$2,000-\$2,999	17.5	19.6	13.3	21.5	14.3
\$3,000-\$3,999	12.8	11.8	12.1	17.4	11.8
\$4,000-\$4,999	14.3	14.5	13.9	11.8	9.9
\$5,000-\$5,999	7.1	8.7	8.6	2.6	4.3
\$6,000-\$6,999	3.5	3.5	5.1	2.6	1.9
\$7,000-\$7,999	2.9	3.5	2.5	1.5	3.1
\$8,000-\$9,999	2.2	2.3	2.9	2.1	.6
\$10,000 and over	2.3	3.5	1.6	2.1	.....
Median income	\$2,675	\$2,875	\$2,815	\$2,580	\$1,750
Families with head year-round full-time worker:					
Percent of total	27.5	35.4	26.9	20.1	12.4
Median income	\$4,285	\$4,310	\$4,590	(1)	(1)
Nonwhite families					
Total number (in thousands)	571	167	134	104	166
Percent	100.0	100.0	100.0	100.0	100.0
Under \$1,000	22.2	28.7	23.5	22.2	13.8
\$1,000-\$1,999	37.1	36.0	34.7	39.5	38.8
\$2,000-\$2,999	19.5	17.6	21.4	17.3	21.6
\$3,000-\$3,999	11.4	8.0	5.1	17.2	16.3
\$4,000-\$4,999	3.0	2.2	2.0	1.2	6.0
\$5,000-\$5,999	.9	.7	1.0	.....	1.7
\$6,000-\$6,999	2.3	2.2	6.1	.....	1.7
\$7,000-\$7,999	.5	.....	.....	2.5	.....
\$8,000-\$9,999	.9	.....	4.1	.....	.....
\$10,000 and over	2.1	4.4	3.1	.....	.....
Median income	\$1,665	\$1,465	\$1,730	\$1,470	\$1,920
Families with head year-round full-time worker:					
Percent of total	22.1	27.6	.....	.....	17.9
Median income ¹	\$2,338	.....	.....	.....	.....

¹ Median not shown where base is less than 100,000.
Source: Tabulations from the *Current Population Survey*, March 1962, by the Bureau of the Census for the Social Security Administration.

A rise in the marriage disruption rate could signify a breakdown in family stability or an increase in the emancipation of women. In any case it is likely to be accompanied by lower family income. Despite the resulting economic disadvantage, among both white and nonwhite families there is a growing number headed only by a mother. By 1960 the total was 7½ percent of all families with own children rather than the 6 percent of 10 years earlier. By March 1962 the mother-child families represented 8½ percent of all families with own children.

Judged by the 1960 Census, young mothers who are themselves family heads may have more children than young women living with a husband. Nearly one-third of all nonwhite women under

age 35 who were family heads had four or more children, compared with a fourth of the wives of men under age 35. For white women in this age group, 1 in 7 of the family heads had at least four children but only 1 in 9 of the women married to a family head under age 35.⁴ Until additional information is available, one can only speculate on the possible relationship between too many children, too little family income, and marriage disruption. Among broken families as among two-parent families, the larger ones are more often found among those with lower incomes.

INCOME OF FAMILIES WITH CHILDREN

On the average, in 1962 the mother raising her children alone had the same number to look after as the mother sharing family responsibility with a husband, although she usually had about 40 percent as much income to do it on. The nonwhite family, though larger, had lower income than the white, as the figures below (from tables 4 and 5) show:

Family status	Median income, 1961	Children per family
White:		
Husband-wife.....	\$6,510	2.4
Mother only.....	2,675	2.1
Nonwhite:		
Husband-wife.....	3,895	3.0
Mother only.....	1,665	2.8

Only 1 in 13 of the husband-wife families with children, and even fewer of the broken families (3 percent) had the advantage, in terms of income, of living on a farm. The 2.2 million non-farm families composed of a mother and her children under age 18 included 5 million "own" children in 1961. Half of these units had less than \$2,340 to live on for the year. Four out of every 10 had less than \$2,000. What is even more significant is the consistent drop in income as the number of children increased:

⁴ In a paper entitled "Characteristics of Other Families," given at the Population Association of America meeting in April 1963, John C. Beresford and Alice Rivlin reported a cumulative fertility rate one-fourth greater among women who were mothers in 1960 but no longer living with a husband than among those still living with a husband.

Number of own children	Mother-child families	Husband-wife families
1.....	\$2,550	\$6,025
2.....	2,390	6,615
3.....	2,345	6,630
4.....		6,305
5.....	1,860	5,740
6+.....		5,515

Families headed by a woman include on the average one more person in addition to the mother and her own children (0.8 adult and 0.2 child), and it is likely that the relatively few units with incomes of \$5,000 or more include other adults who contribute their income to swell the family exchequer. By contrast, husband-wife families include on the average only 0.04 related children in addition to their own, and only 0.2 additional adults.⁵

There is no information on the income of the more than one-half million mother-child units living as a subfamily in a household headed by a relative. Judged by the data for 1956, these family units have even less money of their own than the mother-child groups who do not share a relative's home. At that time the subfamilies of mothers and children reported median income of \$995 for the year, less than three-fifths the median (\$1,770) for the other mother-child groups. The subfamilies average only one-half child less per unit, hardly enough to make up for the difference in income. In some cases, to be sure, the subfamily may share in the income of the family with whom it makes its home, and in others it is the subfamily income that helps out the family.

The difference in income between husband-wife families with children and similar subfamilies is also great (medians for 1956 of \$5,025 and \$3,650, respectively), but the number of such subfamilies is small. The chances are 16 times as high for a mother-child unit as for a unit including a mother and father to live as a subfamily in the home of relatives; this fact in itself denotes the disadvantages faced by a mother raising her children alone.⁶

⁵ Unpublished tabulations purchased by the Social Security Administration from the Bureau of the Census show that 3 in every 10 mother-child families in 1956 had relatives in the home, ranging from 32 percent when there was only one child to 21 percent when there were five or more children. Among families with both father and mother present, only 2 in every 10 included relatives.

⁶ U. S. Census of Population: 1960, Final Report, PC(1)-1D, table 185.

Of the nearly 1 million subfamilies with own children in 1960, more than half were headed by a mother. All told, 1.7 percent of all family groups consisting of both parents and their children under age 18 were subfamilies, compared with 27.2 percent of the units consisting of a mother and her children under age 18.

Estimated Incidence of Poverty

A crude criterion of income adequacy—that the low-cost food plan priced by the Department of Agriculture in January 1962 represents no more than one-third of total income—consigns about 71 percent of the mother-child families to low-income status. Even the use of the Department's economy plan, estimated to cost about 20 percent less than the low-cost plan, leaves at 61 percent the proportion of the mother-child families who must devote to food more than \$1 out of \$3 to get a nutritious diet.

TABLE 6.—Number of families with own children under age 18 in low-income status and number of children in these families, by poverty status¹

(In thousands)

Residence and presence of parents	Families with own children ¹			Own children in families ²		
	Total	Poor by low-cost diet	Poor by economy diet	Total	Poor by low-cost diet	Poor by economy diet
Total number.....	26,227	6,936	4,805	62,655	21,996	15,859
Mother and father.....	23,748	5,256	3,375	57,109	17,481	11,725
Mother only.....	2,225	1,578	1,355	5,108	4,333	4,012
Father only.....	254	102	75	438	182	122
Nonfarm, number.....	24,349	6,237	4,239	57,425	19,634	13,932
Mother and father.....	21,953	4,610	2,854	52,072	15,202	9,866
Mother only.....	2,163	1,536	1,320	4,951	4,268	3,962
Father only.....	233	91	65	402	164	104
Farm, number.....	1,878	699	566	5,230	2,362	1,927

¹ Families designated poor if total money income in 1961 was less than three times the cost of an adequate diet in terms of (1) a low-cost food plan and (2) an economy plan. For the low-cost criterion, cost of an adequate diet was estimated for each family size on the basis of food quantities for adults and children at January 1962 prices as suggested by the Department of Agriculture for obtaining an adequate diet at low cost. A dollar total of four-fifths of this low-cost estimate was taken as the cost of the more restricted but still adequate diet suggested in the economy plan to estimate the number of families for whom the purchase of even the less expensive economy diet would require over one-third of money income.

For farm families, who raise some of their own food, the purchased portion of an adequate diet was assumed to be 60 percent of that of a nonfarm family of similar composition. See Department of Agriculture, Agricultural Research Service, *Family Food Plans and Food Costs*, Home Economics Research Report No. 20, November 1962, and Household Food Consumption Service, *Food Consumption and Dietary Levels of Households in the U.S.*, Spring 1955, ARS 62-6, August 1957.

² Sons, daughters, stepchildren or adopted children of the family head only; excludes children otherwise related to family head and all children living in subfamilies.

Source: Estimates derived from special tabulations of the *Current Population Survey*, March 1962, made by the Bureau of the Census for the Social Security Administration, and from food plans and food costs published by the Agricultural Research Service of the Department of Agriculture.

The proportion of income that must be used for food has long been regarded as an indicator of the standard of living. Commonly, high-income families spend more dollars for their food than low-income families but nevertheless use up a smaller share of total income in doing so; they thus have relatively more money free for other things. Recent studies of food consumed by families in the United States showed that, on an average, the expenditures for food came to one-third of family money income (after taxes) for both farm and nonfarm families. Poorer families generally devoted more than one-third of income to food, and those better off used less of their income in this way.⁷

The food plans of the Department of Agriculture suggest quantities and types of food that meet desirable nutritional goals and at the same time conform to the common food preferences of American families. Their low-cost food plan has long been used as a guide for families who must watch food expenses because of low income or who choose to do so for other reasons. The economy plan at even lower cost, recently issued by the Department, still will provide adequate nutrition. Though not every family spending as much as these plans will automatically choose the foods that make up an adequate diet, a family spending less is not likely to end up with food meeting recommended nutritional goals. The economy and low-cost food plans are by no means subsistence diets, but they do assume that the housewife will be a careful shopper, a skillful cook, and a good manager who will prepare all the family's meals at home. There is no additional allowance for snacks or the higher cost of meals away from home or meals served to guests. Nor is there extra allowance for the ice-cream vendor or the soda pop so often a part of our children's daily diet. According to recent surveys, the average family, unless restricted by lack of income, is likely to spend considerably more than the low-cost plan or the economy plan suggests.

Having a father in the home by no means guarantees income adequacy. Among nonfarm husband-wife families the proportion bringing up their children on income too low to permit ade-

⁷ The Census distributions relate to income before rather than after taxes. This timing should not affect the relationship for low-income families, many of whom are not subject to tax.

quate living ranges from 13 percent to 21 percent—3-5 million families in all. The exact number depends on whether one chooses the low-cost or the economy food plan as the frame of reference.

There are few farm families composed of a mother and her children under age 18. But of the 1¾ million farm families in which young children live with both parents, a food-income relationship similar to that for the nonfarm families⁸ designates 29-36 percent as being in low-income status. In sum, for all families with one or more own children under age 18, irrespective of where they lived, it is estimated that at least 4¾ million, and perhaps as many as 7 million—18-26 percent—had incomes so low in 1961 that to buy the food needed for an inexpensive but adequate diet might well mean doing without other necessities (table 6).

Because larger families tend to have incomes less nearly adequate for their needs than other families, the proportion of children in poverty status is even higher than the proportion of families. It ranges from 25 percent to 35 percent, depending on whether one uses the economy diet or the low-cost food plan as the criterion. As of March 1962, if allowance is made not only for own children but for related children, most of whom are in subfamilies,⁹ it is found that 17-23 million children are subject to the hazards of insufficient family funds. Even with the minimum estimate of 17 million, there would be 1 poor child under age 18 for nearly every person aged 65 or older.

The criteria used for classification are admittedly crude. Some persons will deem them too generous, others too stringent. Other criteria could be applied with much the same result. The income cut-off point at which no Federal income tax is required, for example, yielded an estimate for 1959 of 16 million children in low-income

⁸ The 1955 Department of Agriculture Food Consumption Survey found that, in terms of what it would cost to buy, 40 percent of the food used by farm families came from the home farm or garden. The purchased food, like that of the nonfarm families, averaged one-third of money income.

⁹ As a working approximation, in the absence of current income data, the same proportion of children in subfamilies have been assumed in poverty status as the proportion of own children in families. The total number of children in subfamilies was estimated at 1.8 million, of whom 895,000 were living with the mother only, 725,000 with both parents, and close to 125,000 with the father only.

status, or 1 in every 4.¹⁰ Recent estimates of the number of persons of all ages with inadequate income have varied from 1 in every 5 to nearly 1 in 3.

Because of the diversity of conditions in this large country, and in acknowledgment of the differences in needs even among families similar in composition, one usually must select a procedure to maximize either specificity or validity. The method chosen may fail to do either, it will almost never do both. Thus one may elect to be so conservative that any family identified as poor will be unquestioningly acknowledged as such but others almost as bad off will not be counted. Or one can set such standards that no one truly poor will be missed in the screening process, but a number of others not truly in low-income status will be caught in the sieve as well. In the present instance the two estimates may well typify the two extremes, ranging from those undeniably in poverty status to those who risk deprivation because income is uncomfortably low.

By way of suggesting the level of living implied by the present approximation, the income required for a husband, wife, and two children not on a farm would be \$3,165 by the more conservative measure, or \$3,955 by the more liberal. The mother-and-two-child family, with allowance for the additional relative assumed to be living with the family, would require \$2,945 or \$3,680.

Some Factors Associated with Low Incomes

The 2¼ million families composed of a mother and her children today represent only one-twelfth of all families with children, yet they make up more than a fourth of all families classified as poor. Together with the 510,000 mothers who are currently living with their children as a subfamily in the home of a relative and who are even poorer, they are raising more than 6 million children. More than a fourth of these families are nonwhite, —a reflection of the fact already cited that nonwhite children are more likely than white children to be brought up without a father. Of the families

¹⁰ Lenore A. Epstein, "Some Effects of Low Income on Children and Their Families," *Social Security Bulletin*, February 1961.

of children with both parents present, only 1 in every 12 is nonwhite.

When the statistics for white and nonwhite families are taken separately, they show, as expected, that the nonwhite families fare worse. Even the white mother raising her children without a father in the home usually does so, however, on a limited income. The median income was \$2,675 for the white families and \$1,665 for the nonwhite, but the nonwhite mothers had, on the average, nearly three children each and the white mothers slightly more than two.

Nonwhite families in general, despite their smaller incomes, are considerably larger. Three out of every 5 mother-child families with six or more children are nonwhite, but only 1 out of 5 among those with one child. A fourth of the husband-wife families with six or more children are nonwhite, in contrast to 7 percent of those with a single child.

The figures suggest, for both white and nonwhite families, that it is the poor who have more children—not that the family is poor because it has children.

Despite recent advances in school enrollment, in 1960 the mothers in broken families generally reported little education. Nonwhite mothers had considerably less; more than one-third had not

finished the eighth grade, twice the proportion among the white mothers.

Finally, the nonwhite mother is somewhat less likely to work year round and full time, and when she does she earns much less than the white mother who works all year. The difficulty a mother has in raising children alone if she cannot hold down a regular full-time job is poignantly suggested by the figures in table 7. Women's earnings generally average less than men's, and those who must adapt their work schedule to the demands of child care find income markedly reduced. Two-fifths of the white mothers who did not work year round in 1961 and one-half of the nonwhite mothers had weekly incomes of less than \$30.00 in 1961. As though to compound this handicap, the mothers without a full-time job were likely to have larger families to care for.

INCOME-SUPPORT PROGRAMS

Some of the mother-child families may be receiving aid from public programs, but those who must depend on them exclusively are likely to find themselves in low-income status. The public programs specifically designed to aid families that can no longer count on a father's earnings are old-age, survivors, and disability insurance and aid to families with dependent children. (A number of mothers and children also receive payments under Veterans Administration programs.)

The old-age, survivors, and disability insurance program cares for children with father dead or permanently disabled. It pays benefits without a means test, in amounts related to the father's previous earnings. Currently 2½ million children and their mothers are receiving payments under this program. In December 1961, benefits went to about 55 percent of all family groups consisting of a widowed mother and children and to 70 percent of all paternal orphans under age 18. An additional 80,000 widowed mothers could have been receiving benefits were it not for their earnings. The children of a deceased worker continue to receive their benefits even if their mother, through remarriage or because of her own earning capacity, no longer needs her benefit.

The amounts paid are not large, but they are, on the average, substantially better than those payable under public assistance in many States.

TABLE 7.—Income in 1961 of families with own children under age 18, by race and work status of family head

Total money income	Husband-wife families				Families with female head			
	White		Nonwhite		White		Nonwhite	
	Head year-round full-time worker	Other	Head year-round full-time worker	Other	Head year-round full-time worker	Other	Head year-round full-time worker	Other
Total number of families (in thousands)	16,819	4,996	1,129	804	455	1,199	126	445
Number of own children per family	2.4	2.4	2.9	3.0	1.7	2.3	2.3	3.0
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000	1.4	4.7	4.6	10.9	.7	29.2	6.7	26.4
\$1,000-\$1,999	1.5	7.1	6.8	17.9	5.3	21.3	30.3	37.6
\$2,000-\$2,999	2.9	11.1	12.8	24.4	17.0	17.4	23.6	18.6
\$3,000-\$3,999	5.9	12.9	15.5	15.1	21.7	10.7	20.2	9.6
\$4,000-\$4,999	9.3	14.6	15.0	10.8	20.0	9.7	2.2	3.4
\$5,000-\$5,999	15.1	14.2	12.0	7.2	12.3	4.7	1.1	.9
\$6,000-\$6,999	13.9	10.5	8.1	3.2	8.3	1.8	4.5	1.9
\$7,000 and over	50.0	24.3	25.3	10.6	14.7	5.2	11.2	1.6
Median income	\$7,005	\$4,975	\$4,610	\$2,850	\$1,285	\$1,980	\$2,340	\$1,540

Source: Derived from tabulations of Current Population Survey, March 1962, by the Bureau of the Census for the Social Security Administration.

A widowed mother and two or more children currently receive family benefits that average between \$180 and \$190 a month. Survivor families of three or more children, when the mother is not herself drawing benefits, receive an average of \$160; the average is \$125 when there are only two children. These amounts would hardly provide gracious living if they were the sole source of income.

With 9 out of 10 workers now covered by the Federal insurance program, the chances are almost that high that, when a father dies today (or becomes disabled), his child will be able to count on some regular income until he reaches age 18. On the other hand, for children bereft of support because the father and mother separate, divorce, or were never married—a much more common family crisis—the possibility of support under a public program is much more limited.

The program of aid to families with dependent children, which is the most applicable to this group, currently makes payments on behalf of children in nearly a million families. Three out of every 4 of these families have no father in the home. At the end of 1961, payments were going to some 625,000 families with no father in the home—less than half the total estimated to be in need, and possibly not more than 4 in 10. To the extent that eligibility for participation in surplus-food-distribution or food-stamp programs is related to eligibility for public assistance, many of the needy mother-child families who receive no assistance may be barred from these also.

A recent University of Michigan study, with a more complex definition of poverty, arrived at a similar estimate.¹¹ The authors calculated that public assistance went to less than a fourth of all families defined as poor during 1959, and to 38 percent of those poor families composed of one parent and young children.

It may be worth noting that, although only 625,000 mother-child families were receiving aid to families with dependent children at the end of 1961, there were then about 900,000 mother-child families in which the mother did not work full time throughout the year and family income totaled less than \$2,000 (table 7).

¹¹ James N. Morgan and others, *Income and Welfare in the United States*, McGraw-Hill Book Company, 1962, page 216.

With the low standards for aid to families with dependent children prevailing in many States, dependence on that program for support is in itself likely to put the recipient family in low-income status. Fifty percent of all payments of aid to families with dependent children go to family units of four or more, but only 29 percent of all the recipient families in the country draw \$150 or more a month. Many States have limits on the maximum payment under aid to families with dependent children, and nine States will pay no more than \$155 a month regardless of need. The average payment per family as reported in a study late in 1961 was only \$112.¹²

Admittedly, some families have income from other sources besides aid to families with dependent children—income usually taken into account in figuring the size of their monthly assistance payment. The 1961 study indicates that the assistance payments represent four-fifths of the aggregate income of all recipient families. About every other family on the assistance rolls (45 percent) had some additional income (including income in kind); the average for all families amounted to \$27, bringing total income per family—to support on the average one adult and three children—to \$140 a month.

The overall poverty of the recipient families is suggested by the fact that, according to the standards set up in their own State, half of them are still in financial need even with the assistance payment. The average amount of such unmet need was \$40 a month per family and ranged from a deficit of less than \$20 in 13 percent of those whose requirements were not fully met to \$75 or more in 6 percent.¹³

Inadequacy of Existing Programs

The data outlined for mother-child families as a group suggest how few of the benefits of our existing social programs, as administered, are likely to trickle down to them. In terms of eco-

¹² Robert H. Mugge, "Aid to Families with Dependent Children: Initial Findings of the 1961 Report on the Characteristics of Recipients," *Social Security Bulletin*, March 1963.

¹³ Welfare Administration, Bureau of Family Services, Division of Program Statistics and Analysis, *Characteristics of Families Receiving Aid to Families with Dependent Children, November-December 1961, April 1963.*

conomic progress, we may be well on the way to establishing a "caste of untouchables," with mother-child families as the nucleus. (Since most of the mothers in these families are separated, divorced from, or never married to the father of their children—rather than widowed—social insurance benefits to dependents of retired, deceased, or disabled workers are not available to them.

Many of these mothers work in private households, in retail stores, and in laundries and other service establishments not covered by Federal minimum wage laws or unemployment insurance. Three out of every 5 of the nonwhite mothers who are employed are working at service jobs, including domestic work in private households. Two out of 5 of the employed white mothers are clerical, sales, or kindred workers.

A number of these mothers work intermittently, with the result that their future old-age benefits will undoubtedly be minimal. Thus we may already be creating the old-age assistance caseload of the 1980's.

Although more than half the mothers are employed in the course of a year, often they do not hold down a regular full-time job. (Fifty-four percent of the mothers heading broken families were reported at work by the Bureau of the Census in April 1960, but only 1 in 4 of those interviewed in the Census sample for March 1962 had worked full time throughout 1961.)

With day care of young children largely unavailable or in any event beyond their means, the mothers' employment opportunities will be severely limited or children must be left unattended. Manpower and retraining programs up to now have offered little to the woman with as little formal education as most of these mothers have. Rehabilitation programs have seldom provided for child care while the mother is being trained.

Many of the same difficulties characterize the father in husband-wife families with inadequate income. Such families as a group can look to even less help from public programs than broken families can. It is perhaps the inability of the man to earn—particularly among nonwhites—that is conducive to the marriage disruption or the failure ever to undertake legal marriage that leaves so many mothers to bring up children without a father. Research now under way suggests that families with the father an unskilled laborer, as well as broken families, contribute much more

than their proportionate share of high school freshmen who rank low in aptitude.

There are more children deprived by low family income of their rightful chance at making their way in society who live with both a father and mother than there are similarly deprived children living with the mother only. One of the ways to abate the problem of the low-income mother-child family is to take appropriate action while the family is still intact.

LEGACY OF POVERTY

A considerable body of data is being accumulated on the subject of transmission of poverty. Some of the results of current study are conflicting and difficult to interpret, and much research is still needed. There seems sufficient basis, however, for adopting as a working hypothesis that perhaps the single medium most conducive to the growth of poverty and dependency is poverty itself. The corollary might be that, although adequate family income alone is not a sufficient condition to guarantee that children will escape low-income status as adults, it is usually a necessary one. There are people whose only legacy to their children is the same one of poverty and deprivation that they received from their own parents.

A recently released study of cases assisted by aid to families with dependent children shows that, for a nationwide sample of such families whose cases were closed early in 1961, "more than 40 percent of the mothers and/or fathers were raised in homes where some form of assistance had been received at some time."¹⁴ Nearly half these cases had received aid to families with dependent children. This estimated proportion that received some type of aid is more than four times the almost 10 percent estimated for the total United States population. With education so important these days for any chance at a well-paying job, the educational attainment of children formerly receiving aid to families with dependent children fell well below that of the same age group in the general population. Thirteen percent of the total population aged 18-24 had not gone beyond the eighth grade, but in the sample of

¹⁴ M. Elaine Burgess and Daniel O. Price, *An American Dependency Challenge*, American Public Welfare Association, 1963, page 21.

families receiving aid the corresponding proportion was twice as high.¹⁵

Similarly, the University of Michigan study reported that among all families with children no longer in school the children had gone through high school or beyond in 65 percent, but that in only 45 percent of the families defined as poor was this true.¹⁶

Poor families have been found in various studies not only to have less resources but much less often to have aspirations toward providing a college education for their children, despite the fact that education today is the key not only to a better job but to any job at all. A recent study of young people aged 16-24 in the labor force and no longer in school reported the relationship of unemployment to educational attainment, as shown below.¹⁷

Educational attainment	Percent unemployed
Not high school graduate	14
High school graduate, no college	7
Some college, not graduate	6
College graduate	3

Despite recent advances, it is still expected that almost 3 out of every 10 youths entering the labor force during the years ahead will not have completed high school and that a third of these—about 250,000 a year—will not even have gone through elementary school.¹⁸ Almost surely, they will have to live out their lives and support their own children on only a minimum wage.

Children from the broken families who represent so large a proportion of the poor undoubtedly will often fall in the same unskilled category. The mothers with no education or cultural expectation for themselves, with little money to provide a home environment conducive to study, and needing the help of their older children's earnings to satisfy the bread-and-butter needs of the younger ones, often are in no position to encourage even gifted children to stay in school, though scholarships are available. The fact that schools in poor neighborhoods are likely to be short on

counselors, books, and other tools needed by the student will serve to compound rather than mitigate the home deficiency.¹⁹

The deleterious effects of poverty on health, nutrition, and other living conditions have also been noted.²⁰ There is, to be sure, no unanimity on the question of inherited deprivation. Some feel that it is lack of motivation or an innate lack of ability that is transmitted rather than lack of opportunity. For some children an overlay of discrimination combines with low-income status to perpetuate the deprivation. In his Civil Rights Message of February 1963, President Kennedy said:

The Negro baby born in America today—regardless of the section or State in which he is born—has about one-half as much chance of completing high school as a white baby born in the same place on the same day, one-third as much chance of becoming a professional man, twice as much chance of becoming unemployed, about one-seventh as much chance of earning \$10,000 per year, a life expectancy which is 7 years less, and the prospects of earning only half as much.

There is need for considerable refinement of the definition or standards by which poverty is to be measured, if we are to trace its course with assurance. Nevertheless, compelling evidence already suggests a lingering reservoir of self-perpetuating low-income status among particular population groups—toils the individual often is powerless to escape and a deprivation that falls in large part outside the scope of existing remedial programs. Along with the basic research into the cause and long-range cure for chronic low income, there is need for more thoroughgoing inquiry into the characteristics of those currently affected and a means of counteracting some of the more dire social consequences, at least for children.

If it be true that the children of the poor today are themselves destined to be the impoverished parents of tomorrow, then some social intervention is needed to break the cycle, to interrupt the circuits of hunger and hopelessness that link generation to generation. For the common benefit of all we must assure the security and well-being of all our children—at the same time the Nation's most precious and most perishable resource.

¹⁵ *Ibid.*, page 108.

¹⁶ James Morgan, *op. cit.*, page 211.

¹⁷ Bureau of the Census, *Farm Population*, ERS(P-27), No. 30, August 1961, page 28.

¹⁸ Sar A. Levitan, *Youth Employment Act*, The W. E. Upjohn Institute for Employment Research, February 1963, page 5.

¹⁹ James Bryant Conant, *Slums and Suburbs*, McGraw-Hill Book Co., Inc., 1961.

²⁰ Lenore A. Epstein, *op. cit.*

Counting the Poor: Another Look at the Poverty Profile

by MOLLIE ORSHANSKY

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Counting the Poor:

Another Look at the Poverty Profile

by MOLLIE ORSHANSKY*

When the Council of Economic Advisors used annual income of less than \$3,000 to define families living in poverty, it noted that this was a crude and approximate measure. Obviously the amount of cash income required to maintain any given level of living will be different for the family of two and the family of eight, for the person living in a large metropolitan area and a person of the same age and sex living on a farm.

An article published in the July 1963 issue of the Bulletin, "Children of the Poor," suggested one way of deriving rough measures of the amounts needed by families of different size. This analysis has now been carried considerably further to define equivalent incomes at a poverty level for a large number of different family types. The Social Security Administration obtained from the Bureau of the Census special tabulations from the March 1964 Current Population Survey classifying families and unrelated individuals as above or below these poverty cutoff points.

The method used to derive this variable poverty line is described in the following article, which also gives a summary picture of the groups who fell below the line on the basis of their 1963 incomes. The total number of poor remains about the same as when the cruder measure of income is used, but the composition of the group is notably different.

This article deals primarily with families of two or more persons. A subsequent article will analyze the situation of unrelated individuals and of aged persons living in families headed by younger persons. The differences between Negro and white families and individuals will also be examined in more detail.

The method of measuring equivalent levels of living that is presented here is still relatively crude. The Division of Research and Statistics is attempting to develop more refined measures based on the relationship of income and consump-

tion. Such studies will take time. Until they can be completed, the indexes used here provide a more sensitive method than has hitherto been available of delineating the profile of poverty in this country and of measuring changes in that profile over time.

A REVOLUTION of expectations has taken place in this country as well as abroad. There is now a conviction that everyone has the right to share in the good things of life. Yet there are still many who must watch America's parade of progress from the sidelines, as they wait for their turn—a turn that does not come. The legacy of poverty awaiting many of our children is the same that has been handed down to their parents, but in a time when the boon of prosperity is more general the taste of poverty is more bitter.

Now, however, the Nation is committed to a battle against poverty. And as part of planning the how, there is the task of identifying the whom. The initiation of corrective measures need not wait upon final determination of the most suitable criterion of poverty, but the interim standard adopted and the characteristics of the population thus described will be important in evaluating the effectiveness of the steps taken.

There is not, and indeed in a rapidly changing pluralistic society there cannot be, one standard universally accepted and uniformly applicable by which it can be decided who is poor. Almost inevitably a single criterion applied across the board must either leave out of the count some who should be there or include some who, all things considered, ought not be classed as indigent. There can be, however, agreement on some of the considerations to be taken into account in arriving at a standard. And if it is not possible to state unequivocally "how much is enough," it should be possible to assert with confidence how much, on an average, is too little. Whatever the level at

* Division of Research and Statistics.

which we peg the concept of "too little," the measure of income used should reflect at least roughly an equivalent level of living for individuals and families of different size and composition.

In such terms, it is the purpose of this paper to sketch a profile of poverty based on a particular income standard that makes allowance for the different needs of families with varying numbers of adults and children to support. It recognizes, too, that a family on a farm normally is able to manage on somewhat less cash income than a family living in a city. As an example, a family of father, mother, two young children, and no other relatives is assumed on the average to need a minimum of \$1,860 today if living on a farm and \$3,100 elsewhere. It should go without saying that, although such cutoff points have their place when the economic well-being of the population at large is being assessed, they do not necessarily apply with equal validity to each individual family in its own special setting.

The standard itself is admittedly arbitrary, but not unreasonable. It is based essentially on the amount of income remaining after allowance for an adequate diet at minimum cost. Under the criteria adopted, it is estimated that in 1963 a total of 7.2 million families and 5 million individuals living alone or with nonrelatives (excluding persons in institutions) lacked the wherewithal to live at anywhere near a tolerable level. Literally, for the 34½ million persons involved—15 million of them children under age 18 and 5 million persons aged 65 or older—everyday living implied choosing between an adequate diet of the most economical sort and some other necessity because there was not money enough to have both.

There are others in need not included in this count. Were one to add in the hidden poor, the 1.7 million elderly and the 1.1 million members of subfamilies—including 600,000 children—whose own income does not permit independent living at a minimum standard but who escape poverty by living in a household with relatives whose combined income is adequate for all, the number of poor rises to nearly 37.5 million persons.

The aggregate income available to the 7.2 million families and 5 million individuals in 1963 was only 60 percent as much as they needed, or about \$11½ billion less than their estimated minimum requirements.

THE POVERTY PROFILE

From data reported to the Bureau of the Census in March 1964, it can be inferred that 1 in 7 of all families of two or more and almost half of all persons living alone or with nonrelatives had incomes too low in 1963 to enable them to eat even the minimal diet that could be expected to provide adequate nutrition and still have enough left over to pay for all other living essentials. Such a judgment is predicated on the assumption that, at current prices and current standards, an average family of four can achieve an adequate diet on about 70 cents a day per person for all food and an additional \$1.40 for all other items—from housing and medical care to clothing and carfare.¹ For those dependent on a regular pay check, such a budget would mean, for the family of four, total family earnings of \$60 a week.

By almost any realistic definition, individuals and families with such income—who include more than a fifth of all our children—must be counted among our undoubted poor. A somewhat less conservative but by no means generous standard, calling for about 90 cents a day for food per person and a total weekly income of \$77, would add 8.8 million adults and 6.8 million children to the roster. There is thus a total of 50 million persons—of whom 22 million are young children—who live within the bleak circle of poverty or at least hover around its edge. In these terms, though progress has been made, there are still from a fifth to a fourth of our citizens whose situation reminds us that all is not yet well in America.

Who are these people who tug at the national conscience? Are they all social casualties, visited by personal misfortune, like the woman left alone to raise a family? Are they persons who find little opportunity to earn their living, like the aged and the unemployed? Or are they perhaps mainly Negroes and members of other minority groups, living out the destiny of their years of discrimination? These groups, to be sure, are among the poorest of the poor, but they are not alone.

The population groups most vulnerable to the risk of inadequate income have long been identi-

¹ Estimates are based on a per capita average for all 4-person nonfarm families. Costs will average slightly more in small households and less in larger ones. A member of a 2-person family, for example, would need 74 cents a day for food and \$2 a day for other items.

fied and of late much publicized, but they make up only a small part of all the Nation's poor.

Families headed by a woman are subject to a risk of poverty three times that of units headed by a man, but they represent only a fourth of all persons in families classed as poor. Indeed, almost three-fourths of the poor families have a man as the head.

Children growing up without a father must get along on less than they need far more often than children living with both parents. In fact, two-thirds of them are in families with inadequate income. But two-thirds of all the children in the families called poor do live in a home with a man at the head.

Many of our aged have inadequate incomes, but almost four-fifths of the poor families have someone under age 65 at the head. Even among persons who live alone, as do so many aged women, nearly half of all individuals classified as poor have not yet reached old age.

Nonwhite families suffer a poverty risk three times as great as white families do, but 7 out of 10 poor families are white.

And finally, in our work-oriented society, those who cannot or do not work must expect to be poorer than those who do. Yet more than half of all poor families report that the head currently has a job. Moreover, half of these employed family heads, representing almost 30 percent of all the families called poor, have been holding down a full-time job for a whole year. In fact, of the 7.2 million poor families in 1963, 1 in every 6 (1.3 million) is the family of a white male worker who worked full time throughout the year. Yet this is the kind of family that in our present society has the best chance of escaping poverty.

All told, of the 15 million children under age 18 counted as poor, about 5¾ million were in the family of a man or woman who had a full-time job all during 1963.

DEFINING THE POVERTY LINE

Poverty has many facets, not all reducible to money. Even in such terms alone, it will not be possible to obtain unanimous consent to a list of goods and services that make up the *sine qua non* and the dollars it takes to buy them. The dif-

ficulty is compounded in a country such as ours, which has long since passed the stage of struggle for sheer survival.

In many parts of the world, the overriding concern for a majority of the populace every day is still "Can I live?" For the United States as a society, it is no longer whether but how. Although by the levels of living prevailing elsewhere, some of the poor in this country might be well-to-do, no one here today would settle for mere subsistence as the just due for himself or his neighbor, and even the poorest may claim more than bread. Yet as yesterday's luxuries become tomorrow's necessities, who can define for today how much is enough? And in a society that equates economic well-being with earnings, what is the floor for those whose earning capacity is limited or absent altogether, as it is for aged persons and children?

Available Standards for Food Adequacy

Despite the Nation's technological and social advance, or perhaps because of it, there is no generally accepted standard of adequacy for essentials of living except food. Even for food, social conscience and custom dictate that there be not only sufficient quantity but sufficient variety to meet recommended nutritional goals and conform to customary eating patterns. Calories alone will not be enough.

Food plans prepared by the Department of Agriculture have for more than 30 years served as a guide for estimating costs of food needed by families of different composition. The plans represent a translation of the criteria of nutritional adequacy set forth by the National Research Council into quantities and types of food compatible with the preference of United States families, as revealed in food consumption studies. Plans are developed at varying levels of cost to suit the needs of families with different amounts to spend. All the plans, if strictly followed, can provide an acceptable and adequate diet, but—generally speaking—the lower the level of cost, the more restricted the kinds and qualities of food must be and the more the skill in marketing and food preparation that is required.²

² See U.S. Department of Agriculture, *Family Food Plans and Food Costs*, Home Economics Research Report No. 20, November 1962.

Each plan specifies the required weekly quantities of foods in particular food groups for individuals of varying age and sex. The Department regularly publishes cost estimates at United States average prices based on the assumption that all meals are prepared at home from foods purchased at retail. Because no allowance is made for using any food from the home farm or garden, the cost estimates are not applicable to farm families without some adjustment, although the quantities presumably could be.

The low-cost plan, adapted to the food patterns of families in the lowest third of the income range, has for many years been used by welfare agencies as a basis for food allotments for needy families and others who wished to keep food costs down. Often, however, the actual food allowance for families receiving public assistance was less than that in the low-cost plan. Although spending as much as this food plan recommends by no means guarantees that diets will be adequate, families spending less are more likely to have diets falling below the recommended allowances for some important nutrients.

Recently the Department of Agriculture began to issue an "economy" food plan, costing only 75-80 percent as much as the basic low-cost plan, for "temporary or emergency use when funds are low." In January 1964, this plan suggested foods costing \$4.60 a week per person, an average of only 22 cents a meal per person in a 4-person family.³ For some family members, such as men and teen-age boys, the cost was higher; for others—young children and women, for example—it was less.

The food plan as such includes no additional allowance for meals eaten out or other food eaten

³ With recommended adjustments for family size, small families are allowed somewhat more and larger families somewhat less, and for all families the actual amounts of food suggested will vary with the sex and age of the members. Even in a 4-person family, the per capita cost will vary slightly from the figure cited, depending upon whether it includes teen-agers with high food requirements or a younger child or an aged member with food needs less than average.

Recent revisions in suggested food quantities to allow for changes in the Recommended Dietary Allowances result in almost no change in the costs of the plans on the average. Foods for men of all ages and girls aged 9-12 cost slightly less than before, and foods for women under age 55 cost slightly more. (See *Family Economics Review* (U.S. Department of Agriculture), October 1964.)

away from home. Meals eaten by family members at school or on the job, whether purchased or carried from home, must still come out of the same household food allowance.

The food costs for individuals according to this economy plan, at January 1964 prices, were used as the point of departure for determining the minimum total income requirement for families of different types. An additional set of poverty income points was computed, using the low-cost plan with its average per capita weekly cost of \$5.90.

Choosing Representative Family Types

Moving from the cost of food for a family to the total income required entailed three basic steps. First, since the food plans show estimated costs separately for individuals in 19 age-sex classes, and since it is suggested that these be further adjusted for family size, it was necessary to define the family size and composition prototypes for which food costs would be computed. It was then necessary to decide how much additional income to allow for items other than food, and finally how to relate the cash needs of farm families to those of their comparable nonfarm cousins.

In view of the special interest in the economic status of families with children, and because logic suggests that income requirements are related to the number in the family, estimates were made separately for nonfarm families varying in size from two members to seven or more, further classified by sex of head and number of related children under age 18. To allow for the special interest in the aged, the majority of whom live alone or in couples, 2-person families were further classified by age of head as those under age 65 or aged 65 and older, for a total of 58 nonfarm family types. Four additional income cutoffs for male and female unrelated individuals—classified as under age 65 or aged 65 or older—were derived from the standards for 2-person families. With the matching set of economy level incomes for farm residents and, finally, the replication of the entire matrix at the low-cost level, a total of 248 separate income points was derived by which families could be classified.

For obvious reasons, only one age-sex composition grouping could be assumed for each of the

separate family types, but even with this restriction there was still much left to decide. There was no existing cross-tabulation showing family size by number of minor children, let alone by their age. And correspondingly little information was available on the age and sex of adults other than the family head and spouse. The Decennial Census of 1960 does include distributions of families with specified numbers of own children, by ages of youngest and oldest child.⁴ For families with more than two children, ages were arbitrarily assigned to the intermediate children, and corresponding food costs for all of them computed from the food plan. Families with a given number of children, who in the original table were arrayed in order of age of youngest child by age of oldest child, were then rearranged in order of ascending cost of food for all their children.

The age constellation chosen for the budget prototype of families with a specified number of children marked the two-thirds point in the distribution of families arrayed by the estimated total food cost for the children. Because food requirements for children increase rapidly with advancing age and the food plan cost is already critically low, this protection was deemed necessary to ensure adequate allowance for growing youngsters. Children tended to be older in families with a female head than in families with a male head, and the larger the family the younger the average age of the children. The average costs as computed therefore vary accordingly.

For example, the per capita weekly food cost for all family members combined, after adjustment for family size, was \$6.00 per person for a 2-person family consisting of a man and a child; it was \$4.30 for a 6-person family of a mother and five children.

Since no data were available to indicate the age and sex of persons in the family other than the head and spouse and own children under age 18, arbitrary assumptions were made. Related children were considered the same as own children for computing food costs, but an additional estimating procedure was devised for other adults. The Decennial Census age and sex distributions of all persons in families classified by number of children were used to derive a composite that would be representative of adult relatives other

⁴ Bureau of the Census, *U.S. Census of Population: 1960—Families*, Final Report, PC(2)—4A, 1963.

than the head or wife, and the most suitable individual food costs from the plan were weighted together accordingly.⁵

Generally speaking, in families with both a husband and wife present, the "other" adults tended to be younger than those in families headed by a woman.⁶ Male heads tended to be younger than female heads of families of the same size, and the "extra" adults were also younger. Nearly half of all the persons aged 18 or over in the husband-wife families were sons or daughters aged 18–24; only a fifth of the adults in the families with a female head were sons or daughters in this age group.

The family still headed by a husband and wife, if it shares the home, is more likely to have a married child and his or her family living with them. The female head is more likely to be sharing the home with an older person—possibly a parent—or a subfamily consisting of a daughter and her children but no husband. To some extent the data may reflect the fact that a man in the house tends to be designated as the head regardless of age or relationship, but in a mother-daughter combination the mother may be reported as the head, whether in fact it is she who is living with the daughter or the other way around.

The data on family composition are summarized in tables A and B. (Lettered tables on pages 27–29.)

Income-Food Expenditure Relationship

The food costs computed, the task of translating them into total income requirements still remained. It has long been accepted for individuals as for nations that the proportion of income allocated to the "necessaries," and in particular to food, is an indicator of economic well-being. A declining percentage has been associated with prosperity and higher income, and the rising percentage associated with lower income has been taken as an indicator of stringency.

The fact that larger households tend to spend a larger share of their income for food has not been so readily recognized as an indicator of eco-

⁵ See Bureau of the Census, *U.S. Census of Population: 1960—Persons by Family Characteristics*, Final Report, PC(2)—4b, 1964.

⁶ In deriving income standards for families with a male head and other adults, the first adult in addition to the head was considered a wife.

conomic pressure because of the assumed economy of scale. Yet, on the whole, larger families are less likely to have diets that satisfy the recommended allowances in essential nutrients. The dearth of data on expenditures of families classified by both size and income has made it difficult to assay the situation, and the fact that as families increase in size the age and sex distribution of the members changes too further obscures the picture.

In its 1955 study of household food consumption, the Department of Agriculture found that the diets of almost a fourth of the 2-person households but about half of the households with six or more members had less than the recommended amounts of calcium—a nutrient found mainly in milk products. Similarly, large households were twice as likely as small households to have diets lacking in ascorbic acid and two and a half times as likely to have diets short in protein. The latter situation is particularly striking because, though lack of protein is far less common in this country than deficiency in other nutrients, it is more telling: Diets too low in protein are more likely than other diets to have deficiencies in other essential nutrients also.⁷

It thus appears that what passes for "economy of scale" in the large family may in part reflect a lowering of dietary standards enforced by insufficient funds. Support for this thesis may be gained from the fact, illustrated later in this report, that families with large numbers of children do indeed have lower incomes than smaller families. Moreover, analysis of recent consumption data suggests that large families, given the opportunity, prefer to devote no larger a share of their income to food than do smaller families with the same per capita income.

The Agriculture Department evaluated family food consumption and dietary adequacy in a 1955 survey week and reported for all families of two or more—farm and nonfarm—an expenditure for food approximating one-third of money income after taxes.⁸ Two-person nonfarm families used

about 27 percent of their income for food, and families with three or more persons about 35 percent. A later study made in 1960–61 by the Bureau of Labor Statistics found for urban families that nearly a fourth of the family's income (after taxes) went for food. There is less variation by size of family than might have been anticipated, ranging between 22 percent and 28 percent, as the following figures indicate:

Family size	USDA 1955, nonfarm ¹		BLS 1960-61, urban ²	
	Average per capita income	Percent spent for food	Average per capita income	Percent spent for food
1.....	(³)	(³)	\$2,967	23
2 or more, total.....	\$1,328	33	1,886	22
2.....	2,038	27	2,750	22
3.....	1,603	31	2,302	22
4.....	1,299	35	1,854	24
5.....	1,067	36	1,512	26
6.....	837	40	1,944	28
7 or more.....	616	46		

¹ Derived from U.S. Department of Agriculture, Food Consumption Survey, 1955, Report No. 1, December 1956.

² Derived from Bureau of Labor Statistics, *Consumer Expenditures and Income*, Supplement 3, Part A, to BLS Report No. 237-38, July 1964.

³ Because of the housekeeping eligibility requirement for this study, the single individuals included are not representative of all persons living alone.

The data suggest that the declining income per person in the larger families may have been responsible for the different rate of spending as well as possibly more efficient utilization of food. Indeed, on more critical examination of the complete income-size distributions, it would appear that, given the same per capita income, the spending patterns appear to converge considerably (tables C and D). Urban families in 1960–61, for example, spending on the average approximately every third of their available dollars for food, are estimated to have had incomes of approximately \$1,000 per person when there were two in the family, \$900 when there were three, \$910 when there were four, \$915 for five, and \$800 for six or more.

Some of the difference in the results of the two studies cited may be attributed to differences in methodology. The questions employed by the Bureau of Labor Statistics to obtain the data on annual food outlays usually have yielded lower average expenditures than the more detailed item-by-item checklist of foods used in a week that serves as a questionnaire for the Agriculture Department. Moreover, since the Department studies are limited to families who have 10 or more meals at home during the survey week, they

⁷ U.S. Department of Agriculture, Household Food Consumption Survey, 1955, *Dietary Evaluation of Food Used in Households in the United States*, Report No. 16, November 1961, and *Food Consumption and Dietary Levels of Households of Different Size, United States, by Region*, Report No. 17, January 1963.

⁸ See U.S. Department of Agriculture, *Food Consumption and Dietary Levels of Households in the United States* (ARS626), August 1957.

leave out some high food spenders represented in the BLS figures. On the other hand, the decreases undoubtedly reflect in part the general improvement in real income achieved by the Nation as a whole in the 6 years elapsed between the two studies.

For the present analysis, the earlier relationship was adopted as the basis for defining poverty—that is, an income less than three times the cost of the economy food plan (or alternatively the low-cost plan)—for families of three or more persons. For families with two members the ratio of 27 percent observed in that study was applied partly because it is generally acknowledged that a straight per capita income measure does not allow for the relatively larger fixed costs that small households face. Moreover, the more recent consumption curves themselves indicate that the 1- or 2-person families, who as a group are less homogeneous in composition, seem to be “out of line” with larger families with respect to the spending pattern.

For 1-person units, for whom the consumption data are hard to interpret because of the heavy representation of aged individuals not shown separately, the income cutoff at the low-cost level was taken at 72 percent of the estimated \$2,480 for a couple, following BLS recent practice.⁹ For the economy level, the income cutoff was assumed at 80 percent of the couple's requirement, on the premise that the lower the income the more difficult it would be for one person to cut expenses such as housing and utilities below the minimum for a couple.¹⁰

As stated earlier, for each family size several income points were developed in relation to the sex of the head and different combinations of adults and children. When weighted together in accordance with the distribution of families of these types in the current population (table F), they yield a set of assumed food expenditures and income that can be compared with the income of families of the same size who spend that amount per person for food, as estimated roughly from the 1960-61 consumption study.

⁹ Willard Wirtz, statement in *Hearings Before the Ways and Means Committee, House of Representatives, Eighty-eighth Congress, on Medical Care for the Aged, November 18-22, 1963 and January 20-24, 1963.*

¹⁰ See Mollie Orshansky, “Budget for an Elderly Couple,” *Social Security Bulletin*, December 1960.

Family size	SSA poverty index— economy level (nonfarm)		BLS 1960-61 average (urban) ¹ — estimated income corresponding to economy food expenditure
	Per capita food expense	Income	
1.....	(?)	\$1,540	(?)
2.....	\$240	1,990	\$1,560
3.....	270	2,440	2,475
4.....	260	3,130	3,120
5.....	245	3,685	3,600
6.....	230	4,135	4,020
7 or more.....	210	5,090	(?)

¹ Derived from BLS Report 237-38, July 1964.

² Not estimated.

It may be mentioned that the low-cost food plan criterion, derived correspondingly, can be taken as a rough measure of the results that would obtain if the income-food ratios in the BLS study were accepted as the guideline and applied to the lower food standard. Inasmuch as the economy plan for many families requires roughly three-fourths as much to buy as does the low-cost plan, multiplying by three the purchase requirement in the low-cost food plan yields approximately the same income point as multiplying the economy-plan cost by four.

The Farm-Nonfarm Adjustment

One additional adjustment was made to allow in some degree for the lesser needs of farm families for cash income. Farm families today buy much of their food, in contrast to the situation 40 or 50 years ago when they depended almost entirely on their own production. Yet it was still true in 1955 that about 40 percent of the food items consumed by all farm families—valued at prices paid by any families who did buy them—came from their home farm or garden. On the other hand, the food purchased represented—as it did for nonfarm families—a third of total cash income for the year after deductions for operating expenses.¹¹

Farm families generally can count not only some of their food but most of their housing as part of the farm operation. Thus, it was assumed that a farm family would need 40 percent less net

¹¹ See U.S. Department of Agriculture, *Household Food Consumption Survey, 1955, Food Production for Home Use by Households in the United States, by Region, Report No. 12, January 1958, and Farm Family Spending in the United States, Agriculture Information Bulletin No. 192, June 1958.*

cash than a nonfarm family of the same size and composition.

The Resultant Standard

The poverty lines thus developed served to classify a representative Bureau of the Census population sample as of March 1964 for comparison of characteristics of poor and nonpoor units in terms of 1963 money income.¹² That is, for the farm and nonfarm population separately, unrelated individuals were classified by age and sex, and families by sex of head, total number of members, and number of related children under age 18. The income of each unit was then compared with the appropriate minimum. The households thus classified as poor and nonpoor were then analyzed for characteristics other than income.¹³

With the information on how the population is divided into units by size and number of children, it is possible to condense the 248 separate criteria into an abbreviated set for families of different size. As table E indicates, the income cutoff points in the economy food plan for nonfarm units would range from \$1,580 for a single person under age 65 to \$5,090 for a family averaging eight members—that is, seven or more persons. At the low-cost level, the corresponding income range runs from \$1,885 to \$6,395. A nonfarm family of husband, wife, and two young children would need \$3,100 or \$3,980.

When applied to the Census income distributions the cutoff points are being related to income before income taxes, although they were derived on an after-tax basis. At the economy level the incomes are so low that for most families of more than two persons and for aged unrelated individuals no tax would be required. By contrast, the

¹² An earlier analysis related to 1961 income, along the same lines but restricted to families with children, was reported in the *Bulletin* for July 1963. For that earlier estimate, since family income data were available only by number of own children, not crossed with total number of persons, it was necessary to make arbitrary assumptions about the additional relatives. The present figures, based on a more refined income grid and incorporating 1960 Census data not previously available on characteristics of families and persons, represent not only an updating but, it is hoped, a refinement.

¹³ Acknowledgement is made of the helpful assistance of Bureau of the Census staff in the preparation of the special tabulations for this purpose.

BLS "modest but adequate" budget for a similar family of four in autumn 1959 in 20 large cities ranged from \$4,880 to \$5,870, not including taxes, and from \$5,370 to \$6,570 with taxes included.¹⁴

HOW ADEQUATE IS THE STANDARD

The measure of poverty thus developed is arbitrary. Few could call it too high. Many might find it too low. Assuming the homemaker is a good manager and has the time and skill to shop wisely, she must prepare nutritious, palatable meals on a budget that for herself, a husband, and two young children—an average family—would come to about 70 cents a day per person.

For a meal all four of them ate together, she could spend on the average only 95 cents, and to stay within her budget she must allow no more a day than a pound of meat, poultry, or fish altogether; barely enough for one small serving for each family member at one of the three meals. Eggs could fill out her family fare only to a limited degree because the plan allows less than 2 dozen a week for all uses in cooking and at the table, not even one to a person a day. And any food extras, such as milk at school for the children, or the coffee her husband might buy to supplement the lunch he carries to work, have to come out of the same food money or compete with the limited funds available for rent, clothing, medical care, and all other expenses. Studies indicate that, on the average, family members eating a meal away from home spend twice as much as the homemaker would spend for preparing one for them at home. The 20-25 cents allowed for a meal at home in the economy plan would not buy much even in the way of supplementation.

There is some evidence that families with very low income, particularly large families, cut their food bills below the economy plan level—a level at which a nutritionally good diet, though possible, is hard to achieve. Indeed, a study of beneficiaries of old-age, survivors, and disability insurance—limited to 1- or 2-person families—found that only about 10 percent of those spending less than the low-cost plan (priced about a

¹⁴ Helen H. Lamale and Margaret S. Stotz, "The Interim City Worker's Family Budget," *Monthly Labor Review*, August 1960.

third higher than the economy plan) had meals furnishing the full recommended amounts of essential nutrients. Not more than 40 percent had even as much as two-thirds the amounts recommended. Only when food expenditures were as high as those in the low-cost plan, or better, did 90 percent of the diets include two-thirds of the recommended allowance of the nutrients, and 60 percent meet them in full.¹⁵ Few housewives with greater resources—income and other—than most poor families have at their disposal could do better. Many might not do as well.

VARYING THE REFERENCE POINT

Much of the recent discussion of the poor has centered about an ad hoc definition adopted in 1963. Under this definition a family of two persons or more with income of less than \$3,000 and one person alone with less than \$1,500 were considered poor. At the time, a more refined poverty income test was believed to be desirable. The hope was expressed that, although the statistical magnitude of the problem would undoubtedly be altered by a different measure, "the analysis of the sources of poverty, and of the programs needed to cope with it, would remain substantially unchanged."¹⁶ Since programs are selected on other than purely statistical considerations, this part of the statement is unchallenged. But at least the relative importance of various phases of the poverty question does depend on the criterion used.

The present analysis pivots about a standard of roughly \$3,130 for a family of four persons (all types combined) and \$1,540 for an unrelated individual—a level in itself not materially different from the earlier one. The standard assumes in addition that families with fewer than four persons will, on the average, require less and that larger families will need more, despite the fact that in actuality they do not always have incomes to correspond. The resulting count of the poor therefore includes fewer small families and more large ones, many of them with children. More-

¹⁵ U.S. Department of Agriculture, *Food Consumption and Dietary Levels of Older Households in Rochester, New York*, by C. LeBovit and D. A. Baker (Home Economics Research Report No. 25), 1964.

¹⁶ Council of Economic Advisors, *Annual Report 1964*, chapter 2.

over, the preceding standard treats farm and nonfarm families alike, but the one discussed here assumes a lower cash requirement for families receiving some food and housing without direct outlay, as part of a farming operation. Accordingly, farm families, despite their low cash income, have a somewhat smaller representation in the current count of the poor for 1963 than in the earlier statistic.

The gross number of the population counted as poor will reflect, in the main, the level of living used as the basis. In this respect the old definition and the present one are much alike: Twenty-eight and one-half million persons in families would be called poor today because their families have income less than \$3,000; 29¾ million persons in families would be poor because their family income is considered too low in relation to the number it must support. What is more telling, however, is the composition of the groups selected, for in considerable measure they are not the same.

To the extent that families differing in composition tend also to differ in income, the power of the poverty line to approximate an equivalent measure of need determines how accurately the selected group reflects the economic well-being of families of different composition. It may be that the consistency of the measure of economic well-being applied to different types of families is even more important than the level itself.

TABLE 1.—Persons in poverty status in 1963, by alternative definitions

Type of unit	[In millions]				Total U.S. population
	A ¹	B ²	C ³	D ⁴	
Total number of persons.....	33.4	34.0	34.5	34.6	187.2
Farm.....	4.9	6.4	5.1	3.2	12.6
Nonfarm.....	28.5	27.6	29.3	31.4	174.6
Unrelated individuals.....	4.9	4.0	4.9	4.9	11.2
Farm.....	.2	1.4	.2	.1	.4
Nonfarm.....	4.7	2.6	4.7	4.8	10.8
Members of family units.....	28.5	30.0	29.6	29.7	176.0
Farm.....	4.7	5.0	4.9	3.1	12.2
Nonfarm.....	23.8	25.0	24.6	26.6	163.8
Children under age 18.....	10.8	15.7	14.1	15.0	68.8
Farm.....	1.8	2.4	2.1	1.5	4.8
Nonfarm.....	9.0	13.3	12.0	13.5	64.0

¹ Under \$3,000 for family; under \$1,500 for unrelated individuals (interim measure used by Council of Economic Advisers).

² Level below which no income tax is required, beginning in 1965.

³ \$1,500 for first person plus \$500 for each additional person, up to \$4,500. See testimony by Walter Heller on the Economic Opportunity Act, *Hearings Before the Subcommittee on the War on Poverty Program of the Committee on Education and Labor, House of Representatives, Eighty-eighth Congress, Second Session, Part 1*, page 30.

⁴ Economy level of the poverty index developed by the Social Security Administration, by family size and farm-nonfarm residence, centering around \$3,100 for 4 persons.

⁵ Estimated; income-tax cutoff is \$900; Census 1963 income data available only for total less than \$1,000; this figure has been broken into less than \$500 and \$500-999 on basis of 1962 proportions.

Though one may question the merits of a food-income relationship alone as a poverty index, it

TABLE 2.—Incidence of poverty by two measures: Families with 1963 incomes below \$3,000 and below the economy level of the SSA poverty index, by specified characteristics

(Numbers in millions)

Characteristic	Total number of families	Poor— with incomes under \$3,000 ¹		Poor—with incomes below economy level ²		
		Number	Percent of total	Number	Percent of total	Percent-age distribution of all poor families
All families.....	47.4	8.8	19	7.2	15	100
Residence:						
Farm.....	3.1	1.3	43	.7	23	10
Nonfarm.....	44.3	7.5	17	6.5	15	90
Race of head:						
White.....	42.7	6.8	16	5.2	12	72
Nonwhite.....	4.7	2.0	43	2.0	42	28
Age of head:						
14-24.....	2.7	.8	30	.7	26	10
25-54.....	30.6	3.6	12	4.0	13	54
55-64.....	7.4	1.3	18	1.0	13	14
65 and over.....	6.7	3.1	45	1.5	24	22
Type of family:						
Husband-wife.....	41.3	6.2	15	5.0	12	70
Wife in paid labor force.....	13.4	1.0	8	.9	7	13
Wife not in paid labor force.....	27.9	5.2	19	4.1	15	57
Other male head.....	1.2	.3	23	.2	17	3
Female head.....	4.9	2.3	47	2.0	40	27
Number of persons in family:						
2.....	15.3	4.6	30	2.5	16	34
3.....	9.8	1.5	16	1.0	11	14
4.....	9.4	1.0	10	1.0	10	14
5.....	6.3	.7	11	.9	14	13
6.....	3.3	.4	12	.6	19	9
7 or more.....	3.3	.6	18	1.2	35	16
Number of related children under age 18:						
None.....	19.1	4.7	25	2.4	13	34
1.....	8.7	1.4	16	1.1	12	15
2.....	8.6	1.0	11	1.0	11	13
3.....	5.5	.7	14	1.0	17	14
4.....	2.9	.4	15	.6	23	9
5.....	1.4	.3	18	.5	38	7
6.....	1.2	.3	30	.6	49	8
Number of earners:						
None.....	3.7	2.8	76	2.0	53	27
1.....	20.8	3.9	19	3.3	16	46
2.....	17.3	1.8	10	1.5	9	21
3 or more.....	5.6	.3	6	.4	7	0
Employment status and occupation of head:						
Not in labor force ³	8.8	4.3	49	3.0	34	42
Unemployed.....	1.4	.4	28	.4	28	6
Employed.....	37.2	4.1	11	3.7	10	52
Professional, technical, and kindred workers.....	4.7	.1	3	.1	3	2
Farmers and farm managers.....	1.8	.9	48	.5	29	8
Managers, officials, and proprietors (except farm).....	6.0	.4	6	.3	5	4
Clerical, sales, and kindred workers.....	4.9	.2	6	.2	4	3
Craftsmen, operatives, and kindred workers.....	14.5	1.1	8	1.2	8	17
Service workers, including private household.....	3.0	.7	23	.6	20	8
Laborers (except mine).....	2.3	.7	33	.7	30	10
Work experience of head in 1963: ⁴						
Worked in 1963.....	40.7	5.1	13	4.6	11	64
Worked at full-time jobs.....	37.9	3.8	10	3.6	10	50
50-52 weeks.....	30.7	2.1	7	2.0	7	28
Worked at part-time jobs.....	2.8	1.4	49	1.0	36	14
Did not work in 1963.....	6.7	3.7	54	2.6	38	36

¹ Prepared by the Bureau of the Census from P-60, No. 43, *Income of Families and Persons in the U.S., 1963*.

² Derived from special tabulations by the Bureau of the Census for the Social Security Administration. For definition of poverty criteria, see text.

³ Includes approximately 900,000 family heads in the Armed Forces, of whom about 100,000 have incomes under \$3,000.

⁴ All work-experience data, including data for year-round, full-time workers, limited to civilian workers.

probably does serve as an interim guide to equivalent levels of living among families in different situations. Additional variables could improve it, as, for example, allowance for geographic variables of community size and region, and indeed further study of the income-consumption patterns themselves. Even as it stands, however, this index is undoubtedly a better leveler than a single income applied across the board.

As a comparison of four different measures of poverty illustrates (table 1), the flat sum of \$3,000 for a family and \$1,500 for an individual would indicate that 33.4 million persons were living in poverty in 1963. One in 7 of them would be a farm resident, and 1 in 3 a child under age 18. The modification of this scale to allow \$1,500 for the first person and \$500 for every additional family member raises the number of the poor to 34.5 million, and the percent who are children to more than 40, but the ratio of 1 in 7 on a farm remains unchanged. Under the economy plan definition, the most complex and differentiated of

TABLE 3.—Incidence of poverty by two measures: Unrelated individuals with 1963 incomes below \$1,500 and below the economy level of the SSA poverty index, by specified characteristics

(Numbers in millions)

Characteristic	Total number	Poor—with incomes under \$1,500 ¹		Poor—with incomes below economy level ²		
		Number	Percent of total	Number	Percent of total	Percent-age distribution of all poor unrelated individuals
All unrelated individuals.....	11.2	4.9	44	4.9	44	100
Residence:						
Nonfarm.....	10.8	4.7	43	4.7	44	97
Farm.....	.4	.2	67	.2	40	3
Race:						
White.....	9.7	4.1	42	4.1	42	83
Nonwhite.....	1.5	.8	56	.8	58	17
Age:						
14-24.....	1.0	.5	47	.5	48	10
25-64.....	5.9	1.8	31	1.9	56	38
65 and over.....	4.3	2.6	62	2.5	59	32
Sex:						
Male.....	4.3	1.4	33	1.4	34	30
Female.....	6.9	3.5	51	3.5	50	70
Earnar status:						
Earner.....	7.0	1.8	26	1.8	26	37
Nonearner.....	4.2	3.1	75	3.1	74	63
Work experience in 1963: ³						
Worked in 1963.....	6.7	1.8	26	1.8	26	36
Worked at full-time jobs.....	5.5	1.1	20	1.2	21	23
50-52 weeks.....	3.7	.5	12	.5	13	10
Worked at part-time jobs.....	1.2	.7	55	.6	54	13
Did not work in 1963.....	4.5	3.1	72	3.9	80	64

¹ Prepared by Bureau of the Census from P-60, No. 43, *Income of Families and Persons in the U.S., 1963*.

² Derived from special tabulations by the Bureau of the Census for the Social Security Administration. For definition of poverty criteria, see text.

³ All work-experience data, including data for year-round, full-time workers, limited to civilian workers.

the standards compared, there are 34.6 million poor—almost the same number as under the \$500 per person modification of the single \$3,000 standard—but the number of poor children, who now represent 43 percent of the population living in poverty, is 1 million greater. As would be expected, the proportion of the poor who live on farms is considerably lower, or only 1 in 11.

Of particular significance is the incidence of poverty among different kinds of families. The uniform \$3,000 test, which designated 9.3 million families as poor in 1962, by 1963 counted 8.8 million, or about 1 out of 5. By contrast, in 1963 the economy plan standard would tag only 1 in 7 families as poor, or 7.2 million all told. Although half the families poor by the \$3,000 income test include no more than two members, 2-person units represent only a third of the families poor according to the economy level definition. In corresponding fashion, only 1 in 8 of the families with less than \$3,000 had four or more children, but among those poor according to the economy level every fourth family had at least four children. Families with an aged head represented more than a third of all the families with less than \$3,000 but only a fifth of those with incomes below the economy plan standard (table 2).

Clearly a profile of the poor that includes large numbers of farm families and aged couples may raise different questions and evoke different answers than when the group is characterized by relatively more young nonfarm families—many of them with several children. Nonwhite families, generally larger than white families, account for about 2 million of the poor units by either defini-

TABLE 4.—Income deficit of families and unrelated individuals below the economy level of the SSA poverty index, 1963¹

Type of unit	Dollar deficit (in billions)			Percentage distribution		
	Total	Male head	Female head	Total	Male head	Female head
Total.....	\$11.5	\$8.4	\$5.1	100.0	56.1	43.9
Unrelated individuals.....	3.1	1.0	2.1	27.2	8.5	18.7
Families with 2 or more members.....	8.4	5.4	3.0	72.8	47.6	25.2
With no children under age 18.....	1.8	1.4	.4	15.1	12.4	2.7
With children under age 18.....	6.6	4.0	2.6	57.7	35.2	22.5
1.....	1.0	.6	.4	8.5	4.9	3.6
2.....	1.0	.6	.4	8.9	5.2	3.7
3.....	1.3	.7	.6	11.7	6.2	5.5
4.....	1.0	.6	.4	9.1	5.8	3.3
5.....	1.0	.6	.3	8.5	5.6	2.9
6 or more.....	1.3	.9	.4	11.0	7.5	3.5

¹ For definition of poverty criteria, see text.

TABLE 5.—Income and family size: Median money income of nonfarm families, 1963, by number of members, number of children, and sex of head

Number of family members	Total	Number of related children under age 18						
		None	1	2	3	4	5	6 or more
Male head								
Total.....	\$6,745	\$6,045	\$6,960	\$7,290	\$7,095	\$7,080	\$6,590	\$5,765
2.....	5,400	5,415	(1)	(1)	(1)	(1)	(1)	(1)
3.....	6,901	8,260	6,450	(1)	(1)	(1)	(1)	(1)
4.....	7,490	11,410	8,810	7,000	(1)	(1)	(1)	(1)
5.....	7,390	12,570	9,640	8,680	6,900	(1)	(1)	(1)
6.....	7,290	(1)	(1)	9,860	8,365	6,865	(1)	(1)
7 or more.....	6,870	(1)	(1)	(1)	10,770	8,430	6,590	5,765
Female head								
Total.....	\$3,245	\$4,585	\$3,080	\$2,940	\$2,160	\$2,260	\$1,660	\$2,230
2.....	3,340	3,955	2,115	(1)	(1)	(1)	(1)	(1)
3.....	3,885	6,480	4,225	2,335	(1)	(1)	(1)	(1)
4.....	3,151	(1)	2 8,000	3,230	1,940	(1)	(1)	(1)
5.....	2,625	(1)	(1)	(1)	(1)	2,050	(1)	(1)
6.....	2,120	(1)	(1)	(1)	(1)	(1)	1,575	(1)
7 or more.....	2,575	(1)	(1)	(1)	(1)	(1)	(1)	2,230

¹ Not shown for fewer than 100,000 families.
² Base between 100,000 and 200,000.

tion. Because the total number of families counted among the poor by the economy standard is smaller, however, the nonwhite families make up a larger part of them.

Because the measure of poverty for nonfarm unrelated individuals is almost the same under the economy level definition as under the earlier one—and 1-person households seldom live on a farm—characteristics of the 4.9 million unrelated persons now labeled poor are almost the same as those thus identified earlier (table 3).

THE INCOME DEFICIT

Before elaborating further on who is poor and who is not, it may be well to assess the magnitude of the poverty complex in dollar terms. Just how much less than the aggregate estimated need is the actual income of the poor? Does it fall short by much or by little?

In the very rough terms that the selected income standard permits, it can be estimated that the 34.6 million persons identified as poor needed an aggregate money income of \$28.8 billion in 1963 to cover their basic requirements. Their current income actually totaled about \$17.3 billion, or only 60 percent of their estimated needs. Some of the deficit could have been—and no doubt was—offset by use of savings. By and large, how-

ever, it has been well documented that the low-income persons who could benefit most from such additions to their meager resources are least likely to have the advantage of them. And it is not usually the poor who have the rich relatives.

Unquestionably the income of the poor included the \$4.7 billion paid under public assistance programs from Federal, State, and local funds during 1963. In December of that year such payments were going to a total of 7¾ million recipients. Not all persons who are poor receive assistance, but all persons receiving assistance are unquestionably poor. It cannot be said for sure how many of the poor were benefiting from other public income-support programs such as old-age, survivors, and disability insurance, unemployment insurance, veterans' payments, and the like.

Of the total deficit, about \$5 billion represented

TABLE 6.—Persons in poverty in 1963: Total number of persons in units with income below the economy level of the SSA poverty index, by sex of head and farm-nonfarm residence¹

[In millions]					
Type of unit	Total	Sex of head		Residence	
		Male	Female	Farm	Non-farm
Number of persons					
Total.....	34.6	23.5	11.1	3.2	31.4
Unrelated individuals.....	4.9	1.4	3.5	.1	4.8
Under age 65.....	2.4	.9	1.4	.1	2.3
Aged 65 or over.....	2.5	.5	2.1	(?)	2.5
Persons in families.....	29.7	22.1	7.6	3.1	26.6
With no children.....	5.3	4.4	.9	.6	4.7
With children.....	24.4	17.7	6.7	2.5	21.9
Adults.....	9.4	7.3	2.1	1.0	8.4
Children under age 18.....	15.0	10.4	4.6	1.5	13.5
Head year-round, full-time worker ²	5.7	5.2	.5	(?)	(?)
Other.....	9.3	5.2	4.1	(?)	(?)
Number of family units					
Total.....	12.1	6.7	5.4	0.9	11.2
Unrelated individuals.....	4.9	1.4	3.5	.2	4.7
Year-round, full-time workers.....	.5	.2	.3	(?)	(?)
Under age 65.....	.4	.2	.2	(?)	(?)
Aged 65 or over.....	.1	.2	.1	(?)	(?)
Other.....	4.4	1.2	3.2	(?)	(?)
Under age 65.....	1.9	.7	1.2	(?)	(?)
Aged 65 or over.....	2.5	.5	2.0	(?)	(?)
Families.....	7.2	5.2	2.0	.7	6.5
With no children.....	2.5	2.1	.4	.3	2.2
Head year-round, full-time worker ².....	.4	.4	(?)	(?)	(?)
Other.....	2.1	1.7	.4	(?)	(?)
With children.....	4.7	3.2	1.5	.4	4.3
Head year-round, full-time worker ²	1.6	1.5	.1	(?)	(?)
Other.....	3.1	1.7	1.4	(?)	(?)

¹ For definition of poverty criteria, see text.

² Less than 50,000.

³ One who worked primarily at full-time civilian jobs (35 hours or more a week) for 50 weeks or more during 1963. Year-round, full-time workers exclude all members of the Armed Forces. "Other" workers include members of the Armed Forces living off post or with their families on post.

⁴ Not available.

the unmet needs of families headed by a woman. About three-fifths of the total (\$6.6 billion) represented the shortage in income of families with children under age 18 and about 60 percent of this shortage was in the income of families with a man at the head (table 4). It is estimated that \$600 million represented the deficit of poor persons on farms.

Even among the needy, there are some who are worse off than others, and in dollar terms the families consisting of a mother and young children must rank among the poorest. Such families as a group had less than half the money they needed, and the greater the number of children the greater the unmet need: Poor families with a female head and five or more children, including altogether about 1,650,000 children, as a group were living on income less by 59 percent than their minimum requirement. Of the total family units of this type in the population—that is, of all families with female head and five or more children—9 out of 10 were poor. As the following tabulation shows, for both male and female units, those families with the highest poverty rate—the families with several children—tended also to include the poorest poor.

[Percent]				
Type of unit	Male head		Female head	
	Incidence of poverty at economy level	Income of poor as proportion of required income	Incidence of poverty at economy level	Income of poor as proportion of required income
Total.....	14	64	46	53
Unrelated individual.....	34	57	50	58
Family.....	12	65	40	49
With no children.....	12	64	19	62
With children.....	12	65	55	47
1 or 2.....	8	68	42	53
3 or 4.....	14	66	72	45
5 or more.....	36	62	92	41

For unrelated individuals, among whom are many aged persons, poverty rates are high too, and their income deficits substantial (table 7).

CHILDREN AND POVERTY

Of all the persons in family units with income below the economy level (that is, disregarding for the moment persons living alone), half were children under age 18. These 15 million youngsters represented more than 1 in 5 of all children living

TABLE 7.—The poverty matrix: Number of families and unrelated individuals (and total number of persons) below the economy level of the SSA poverty index,¹ by sex of head, number of children, and work experience of head in 1963

[Numbers in thousands]

Type of unit	U.S. population		The poor						
			Units				Number of persons		
	Number of units	Percent	Number	Percent	Poverty rate (percent)	Head year-round full-time worker ²	Other head	Total	Children
All units.....	58,620	100.0	12,100	100.0	21	2,510	9,590	34,580	14,970
Unrelated individuals, total.....	11,180	19.1	4,890	40.4	44	480	4,410	4,890	-----
Under age 65.....	6,910	11.8	2,360	19.5	34	400	1,960	2,360	-----
Aged 65 or over.....	4,270	7.3	2,540	21.0	59	80	2,460	2,540	-----
Families, total.....	47,440	80.9	7,210	59.6	15	2,030	5,180	29,690	14,970
With no children.....	19,120	32.6	2,460	20.3	13	370	2,090	5,340	-----
With children.....	28,320	48.3	4,750	39.3	17	1,660	3,090	24,340	14,970
1.....	8,680	14.8	1,050	8.6	12	270	780	3,060	-----
2.....	8,580	14.6	980	7.9	11	320	660	3,830	1,950
3.....	5,550	9.5	960	7.9	17	340	620	4,770	2,880
4.....	2,860	4.9	520	5.4	23	290	360	3,960	2,600
5.....	1,430	2.4	320	4.3	36	200	310	3,910	2,580
6 or more.....	1,210	2.1	600	5.0	49	240	370	4,810	3,910
Units with male head.....	46,830	79.9	6,670	55.1	14	2,090	4,580	23,500	10,420
Unrelated individuals.....	4,280	7.3	1,440	11.9	34	240	1,200	1,440	-----
Under age 65.....	3,110	5.3	940	7.8	30	220	720	940	-----
Aged 65 or over.....	1,170	2.0	500	4.2	43	20	480	500	-----
Families.....	42,550	72.6	5,220	43.2	12	1,850	3,370	22,060	10,420
With no children.....	17,070	29.1	2,040	16.9	12	350	1,690	4,400	-----
With children.....	25,480	43.5	3,180	26.3	12	1,500	1,680	17,660	10,420
1.....	7,650	13.0	650	5.4	9	240	420	2,160	650
2.....	7,830	13.4	620	5.1	8	260	340	2,630	1,230
3.....	5,070	8.6	620	5.2	12	300	320	3,280	1,870
4.....	2,500	4.4	460	3.8	18	270	180	2,920	1,820
5.....	1,280	2.2	390	3.2	30	180	200	3,070	1,920
6 or more.....	1,050	1.8	450	3.7	43	220	220	3,590	2,920
Units with female head.....	11,790	20.1	5,430	44.9	46	410	5,020	11,080	4,540
Unrelated individuals.....	6,910	11.8	3,450	28.5	50	240	3,210	3,450	-----
Under age 65.....	3,800	6.5	1,410	11.7	37	180	1,240	1,410	-----
Aged 65 or over.....	3,110	5.3	2,030	16.8	65	60	1,970	2,030	-----
Families.....	4,880	8.3	1,980	16.4	41	180	1,800	7,630	4,540
With no children.....	2,050	3.5	420	3.4	19	20	390	940	-----
With children.....	2,830	4.8	1,570	13.0	55	160	1,410	6,690	4,540
1.....	1,030	1.8	390	3.3	38	30	360	910	390
2.....	750	1.2	360	3.0	48	40	320	1,210	720
3.....	490	.8	340	2.8	70	40	300	1,490	1,010
4.....	260	.4	190	1.6	74	20	170	1,040	770
5.....	140	.2	130	1.1	91	20	110	840	650
6 or more.....	160	.3	150	1.3	93	10	140	1,220	990

¹ For definition of poverty criteria, see text.

² See footnote 3, table 6.

in families. Because poor families sometimes find it necessary to "double up" in order to cut down their living expenses, about 9 percent of the children in the poor families were designated as "related" rather than "own" children. In other words, they were not the children of the head of the family but the children of other relatives making their home with the family. Among the poor families with a woman at the head, one-seventh of the children were "related" rather than "own," and nearly a third of these related children were part of a subfamily consisting of a mother and children. Among poor families with a male head, 6 percent of the children in the households were children of a relative of the head.

A considerable number of subfamilies that include children are poor—a third of those with a father present and nearly three-fourths of those

with only a mother. But from 50 percent to 60 percent of all subfamilies with inadequate income manage to escape poverty by living with relatives. Counting as poor the children in subfamilies whose own income is inadequate but who live as part of a larger family with a combined income above the poverty level would add 580,000 to the number of children whose parents are too poor to support them even at the economy level. Together with their parents, these children are part of a group of 1.1 million persons under age 65 not included in the current count of the poor, although they would be if they had to rely solely on their own income.

In contrast to this total of 15.6 million needy children, in December 1963 only 3.1 million children were receiving assistance in the form of aid to families with dependent children, the public

program designed especially for them. Because some families stay on the assistance rolls less than a full year, 4 million to 4½ million children received aid during 1963.

Many children receive benefits from other public programs, such as old-age, survivors, and disability insurance and veterans' programs. It is not known at this writing how many of them are numbered among the poor or how many are in families with total income from all sources below the public assistance standards for their State.

Children in poor families with a man at the head are less likely than others to receive help. Such children number more than 10 million, but today the number of children with a father in the home who receive assistance in the form of aid to families with dependent children is less than 1 million, a ratio of not even 1 in 10.

Many of the families with children receiving public assistance undoubtedly swell the ranks of our poorest poor, because even by the limited standards of assistance of their own States—almost all of which allow less than the economy level of income—nearly half of the recipients have some unmet need. For a fourth of the families, according to a recent study, the unmet need came to much as \$30 a month or more.¹⁷

As would be expected—the larger the family, the more likely it is to include children. Indeed, among families of five or more, almost all have some children, and three-fourths have at least three (table F). The fewer adults in the family, the less opportunity there will be for additional earnings.

The statistics on family income that are generally available do not show detail by both family size and number of children. The figures presented in table 5 do show such data for 1963 for nonfarm families. It is readily apparent that no matter what the family size, the income decreases with increasing number of children at a rate that is not likely to be offset by the fact that children have lower income needs.

Accordingly not only do poverty rates among families vary with family size, but among families of a given size the chances of being poor vary in accordance with the number of children under

age 18. The percentages below show the incidence of poverty—as defined by the Social Security Administration criterion at the economy level—among nonfarm families with specified number of children.

Total number of family members	Children under age 18						
	None	1	2	3	4	5	6 or more
Families with male head:							
3.....	6	8	(1)				
4.....	3	6	7	(1)			
5.....	2	9	9	11	(1)		
6.....	(1)	(1)	4	14	16	(1)	
7 or more.....	(1)	(1)	4	10	22	30	42
Families with female head:							
2.....	14	47					
3.....	9	21	54				
4.....	(1)	18	43	73			

¹ Percentage not shown for base less than 100,000.

² Head under age 65.

The sorry plight of the families with female head and children is also evident. It needs no poverty line to explain why two-thirds of the children in such families must be considered poor.

An earlier report cited evidence that women in families without a husband present had more children than in those where the husband was still present.¹⁸ Some of the poor families with children and a female head may well, at an earlier stage, have been members of a large household with a male head and inadequate income.

Finally, since the data both on income and on incidence of poverty relate to the number now in the family, there is an understatement of the relationship between large families and low income: Some of the families currently listed as having only one or two children undoubtedly will have more in the future or have others who are now past age 18 and may no longer be in the home. It is not likely that family income adjusts in equal measure. If anything, it may decline rather than increase as the family grows because it will be more difficult for the mother to work, and many of the families can escape poverty only by having the wife as well as the head in the labor force (table 8).

AGE AND POVERTY

The figures in table 6 summarize the number of individuals and family units judged to be in pov-

¹⁸ See Mollie Orshansky, "Children of the Poor," *Social Security Bulletin*, July 1963.

¹⁷ Gerald Kahn and Ellen J. Perkins, "Families Receiving AFDC: What Do They Have To Live On?" *Welfare in Review* (Welfare Administration), October 1964.

erty status in accordance with the economy level.

The total number of aged persons among the 34.6 million poor is about 5.2 million, or 1 in 7. A later BULLETIN article will present additional detail, with information on those who are perhaps the poorest of the aged—elderly relatives living in the home of a younger family. Such elderly persons living in a family of which they were neither the head nor the wife of the head in March 1964 numbered about 2.5 million. There probably were a variety of reasons for their choice of living arrangements, but that financial stringency was a major factor is obvious: four-fifths of these elderly relatives had less than \$1,500 in income of their own during 1963, the minimum required for an aged person to live alone. The vast majority of elderly persons designated as “other relatives” were living in a family with income above the poverty level.

Every second person living alone (or with non-relatives) and classified as poor was aged 65 or older, and four-fifths of the aged poor were women. The low resources generally prevailing among this group mean that those who, by choice or necessity, live independently are likely to do so only at the most meager level, even if allowance is made for their using up any savings.¹⁹

The present analysis indicates that more than 40 percent of all aged men and nearly two-thirds of the aged women living by themselves in 1963 had income below the economy level. Only 1 in 4 of the aged women living alone had income above the low-cost level.

In summary, if to the 2.5 million aged persons living alone in poverty and the 2.7 million living in poor families as aged head, spouse, or relative are added the 1.7 million aged relatives too poor to get by on their own, but not included in the current count of the poor because the families they live with are above the economy level of the poverty index, the number of impoverished aged would rise to almost 7 million. Two-fifths of the population aged 65 or older (not in institutions) are thus presently subject to poverty, or escaping it only by virtue of living with more fortunate relatives.

Among poor individuals under age 65, poverty

¹⁹ See Lenore A. Epstein, “Income of the Aged in 1962: First Findings of the 1963 Survey of the Aged,” *Social Security Bulletin*, March 1964, and Janet Murray, “Potential Income From Assets . . .,” *Social Security Bulletin*, December 1964.

for some undoubtedly represented only a stage through which they were passing. The poverty rate was high among persons under age 25, half having incomes below the economy level, and dropped to about 1 in 4 for those aged 25–34 (table 8).

Among 2-person families, 16 percent of whom were poor by the economy level criterion, there was also a difference between the situation of those units approaching the last stage in the family cycle and those who were younger. Of all 2-person units, a third had a head aged 65 or older, but of those 2-person units called poor, half had an aged head. Presumably, some of the other units who were currently poor represented young couples who had decided not to delay marriage until they attained the better job status—and income—that they one day hoped to enjoy. But others consisted of a mother with a child, who were suffering the poverty that is likely to be the lot of the family with no man to provide support. The following figures show the rates of poverty, according to the economy level, among the different types of 2-person families.

Family type	Male head		Female head	
	Total number of units (in thousands)	Per-cent poor	Total number of units (in thousands)	Per-cent poor
Two adults.....	13,026	14	1,557	22
Head under age 65.....	8,769	10	876	14
Head aged 65 or older.....	4,257	22	681	32
One adult, one child.....	87	(¹)	618	50

¹ Percentage not shown for base less than 100,000.

WORK AND POVERTY

The greater overall vulnerability of families headed by a woman is evidenced by the fact that such families, who number only 1 in 10 of all families in the country, account for nearly 1 in 3 of the Nation's poor. Although the inadequate income of the poor families with a female head may be attributed to the fact that few of the family heads are employed, this is not the reason among the families headed by a man. A majority of the men are working, but at jobs that do not pay enough to provide for their family needs. Moreover, of those not at work, most report themselves as out of the labor force altogether rather than unemployed. Yet the rate of unemployment

reported by the poor was more than three times that among the heads of families above the poverty level (tables 8 and 9).

Current Employment Status

The employment status of the family heads in March 1964, when the income data were collected, was recorded as shown in the following tabulation.

Employment status of head, March 1964	Male head		Female head	
	Poor family	Nonpoor family	Poor family	Nonpoor family
Total.....	100	100	100	100
In labor force.....	67	88	33	60
Employed.....	60	85	29	57
Unemployed.....	6	3	4	3
Not in labor force.....	33	12	67	40

Detailed analysis of the data for white and nonwhite families will be reserved for a subsequent report, but some highlights seem pertinent here.

Despite the fact that unemployment generally is more prevalent among the nonwhite population than the white, among families whose income marked them as poor there was no difference by race in the total proportion of the men currently looking for work. Among white and nonwhite male heads alike, 6 percent said they were out of a job. Indeed, since fewer among the white heads of families who are poor were in the labor force than was true among nonwhite heads of poor families, the rate of unemployment among those actually available for work was noticeably higher for the former group. What is more significant is that 73 percent of the nonwhite male heads of poor families were currently employed, and more than half of them—42 percent of all the poor—had been employed full time throughout 1963. Among male heads in white families with incomes below the economy level, only 56 percent were currently working, and no more than a third had been year-round full-time workers in 1963.

Unemployment for nonwhite workers is undeniably serious. But the concentration of nonwhite men in low-paying jobs at which any worker—white or nonwhite—is apt to earn too little to support a large family may be even more crucial in consigning their families to poverty at

a rate three times that of their white fellow citizens.

In point of fact, the family of a nonwhite male is somewhat worse off in relation to that of a white male when both are working than when both are not, as the following figures suggest.

Employment status of head, March 1964	Percent of families with male head with income below the economy level	
	White	Nonwhite
All families.....	10	34
Not in labor force.....	25	50
Unemployed.....	22	47
Employed.....	7	31
Year-round, full-time in 1963.....	5	23

This difference does not come as a complete surprise. Earlier analysis of the income life cycle of the nonwhite man suggested that it is only when he and his white counterpart exchange their weekly pay envelope for a check from a public income-maintenance program that they begin to approach economic equality.²⁰ For most white families, retirement or other type of withdrawal from the labor force brings with it a marked decline in income. Some nonwhite families, however, are then actually not much worse off than when working.

Work Experience in 1963

Since it was the annual income for 1963 that determined whether the family would be ranked as poor, the work experience of the head in 1963 is even more relevant to the poverty profile than the employment status at the time of the Current Population Survey.

Among the male heads, only 1 in 3 of those in poor families was a full-time worker all during the year, compared with 3 in 4 of the heads in nonpoor families. Among the female heads, as would be expected, the proportion working full time was much smaller—a tenth among poor families and not a full four-tenths among the nonpoor. All told, the poor families headed by a man fully employed throughout 1963 included 5.2 million children under age 18 and those headed by a fully employed woman worker had half a million. Thus 2 in 5 of all the children growing up in poverty-

²⁰ Mollie Orshansky, "The Aged Negro and His Income," *Social Security Bulletin*, February 1964.

TABLE 8.—Incidence of poverty in 1963, according to SSA poverty index: Percent of families and unrelated individuals with 1963 income below specified level,¹ by specified characteristics and race of head

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting]

Characteristic	All units			White			Nonwhite		
	Total number	Percent with incomes below—		Total number	Percent with incomes below—		Total number	Percent with incomes below—	
		Economy level	Low-cost level		Economy level	Low-cost level		Economy level	Low-cost level
Families									
Total.....	47,436	15.1	23.0	42,663	12.0	19.3	4,773	42.5	55.6
Residence:									
Nonfarm.....	44,343	14.6	22.4	39,854	11.6	18.7	4,489	41.2	54.3
Farm.....	3,093	23.0	31.8	2,809	18.9	27.2	284	62.3	75.5
Race of head:									
White.....	42,663	12.0	19.3						
Nonwhite.....	4,773	42.5	55.6						
Age of head:									
14-24.....	2,744	25.8	35.3	2,391	20.7	29.9	353	59.8	71.0
25-34.....	9,128	14.7	23.8	8,109	11.1	19.1	1,019	43.2	59.2
35-44.....	11,437	13.7	20.7	10,220	10.5	17.0	1,217	40.2	52.2
45-54.....	9,986	9.8	15.2	9,012	7.0	11.8	974	35.4	48.9
55-64.....	7,382	13.3	18.5	6,717	10.9	15.7	665	38.0	48.5
65 and over.....	6,759	23.5	36.9	6,214	20.9	33.9	545	52.6	70.4
Number of persons in family:									
2.....	15,287	16.1	24.3	13,917	14.4	22.3	1,370	33.0	44.7
3.....	9,808	10.6	16.5	8,906	8.7	13.6	902	29.0	44.8
4.....	9,435	10.3	15.9	8,678	7.6	12.6	757	41.9	53.9
5.....	6,268	14.5	22.1	5,718	11.4	18.2	550	45.2	59.9
6.....	3,324	19.1	30.9	2,908	14.2	26.1	416	33.8	65.0
7 or more.....	3,314	34.8	49.6	2,536	24.9	39.9	778	68.4	82.2
Number of related children under age 18:									
None.....	19,119	12.7	20.1	17,607	11.5	18.5	1,512	26.8	39.3
1.....	8,682	12.1	17.7	7,771	9.6	18.4	911	32.8	45.6
2.....	8,579	11.3	17.5	7,824	8.3	13.8	755	42.5	56.1
3.....	5,554	17.4	26.8	5,030	14.0	22.5	524	48.2	66.2
4.....	2,863	22.8	34.8	2,476	16.8	29.1	387	60.7	70.5
5.....	1,429	35.8	53.0	1,145	27.2	44.7	284	73.6	89.6
6 or more.....	1,210	49.3	63.5	810	35.3	51.2	400	77.3	87.7
Region:									
Northeast.....	11,902	9.8	16.5	11,017	8.4	14.6	885	26.6	39.5
North Central.....	13,358	11.5	18.7	12,472	10.3	17.0	886	29.7	43.5
South.....	14,389	24.6	34.6	12,005	17.9	27.1	2,384	58.3	71.9
West.....	7,787	11.7	18.5	7,169	11.0	17.4	618	20.7	31.4
Type of family:									
Male head.....	42,554	12.3	20.0	38,866	10.2	17.3	3,688	34.1	48.2
Married, wife present.....	41,310	12.1	19.9	37,799	10.1	17.2	3,511	34.3	48.5
Wife in paid labor force.....	13,398	6.8	11.9	11,851	4.3	8.7	1,547	25.5	36.5
Wife not in paid labor force.....	27,912	14.6	23.6	25,948	12.6	21.0	1,964	41.3	58.0
Other marital status.....	1,243	17.0	23.4	1,067	14.5	20.1	177	31.2	42.6
Female head.....	4,882	40.1	49.3	3,797	31.2	40.1	1,085	70.8	80.5
Number of earners:									
None.....	3,695	53.4	70.2	3,242	49.2	66.9	453	83.9	93.9
1.....	20,832	15.7	24.7	18,976	12.5	20.7	1,856	48.5	64.5
2.....	17,306	8.7	14.4	15,484	6.3	11.3	1,822	28.8	39.8
3 or more.....	5,603	7.4	12.3	4,961	3.9	7.7	642	34.8	48.0
Employment status and occupation of head:									
Not in labor force ²	8,757	34.4	47.9	7,673	30.0	43.7	1,084	65.4	77.6
Unemployed.....	1,427	28.3	39.9	1,190	23.8	34.5	237	53.4	70.2
Employed.....	37,252	16.0	16.4	33,800	7.5	13.1	3,452	34.5	47.8
Professional and technical workers.....	4,688	2.8	5.5	4,479	2.4	5.1	209	10.9	14.7
Farmers and farm managers.....	1,846	29.3	37.3	1,739	26.5	34.1	107	77.0	93.2
Managers, officials, and proprietors (except farm).....	5,981	5.4	9.9	5,860	5.0	9.5	121	22.2	30.0
Clerical and sales workers.....	4,865	4.3	9.1	4,637	3.7	8.1	228	16.6	28.7
Craftsmen and foremen.....	7,102	5.5	11.1	6,704	4.5	9.7	398	21.3	32.3
Operatives.....	7,430	11.2	19.1	6,572	8.9	15.9	858	29.8	44.8
Service workers, including private household.....	2,996	20.1	29.8	2,184	12.1	19.9	812	40.2	54.8
Private household workers.....	285	63.8	70.0	95	(¹)	(¹)	190	77.5	83.1
Laborers (except mine).....	2,344	29.9	43.2	1,825	21.1	33.8	719	50.0	64.4
Work experience of head: ³									
Worked in 1963.....	40,733	11.3	18.2	36,791	8.6	14.8	3,962	36.9	50.4
Worked at full-time jobs.....	37,913	9.5	16.0	34,505	7.2	13.1	3,408	31.7	45.7
50-52 weeks.....	30,689	6.6	12.2	28,210	4.9	9.8	2,479	25.8	38.7
40-49 weeks.....	3,515	14.2	23.5	3,128	10.9	19.4	387	39.4	55.8
39 weeks or less.....	3,709	28.6	40.3	3,167	24.5	35.4	542	52.9	69.8
Worked at part-time jobs.....	2,840	36.2	47.9	2,286	28.5	40.7	554	67.9	79.2
50-52 weeks.....	1,065	30.0	40.6	868	22.4	32.0	197	63.6	78.8
49 weeks or less.....	1,775	39.9	52.3	1,418	32.3	46.0	357	70.3	79.3
Did not work in 1963.....	6,683	38.3	51.9	5,872	33.9	47.7	811	69.8	81.1
Ill or disabled.....	1,745	46.5	59.9	1,441	41.4	54.4	304	68.2	83.7
Keeping house.....	1,603	49.7	57.8	1,329	42.8	51.7	274	83.2	86.5
Going to school.....	77			68			9		
Could not find work.....	202	49.3	60.5	154	41.9	53.8	49		
Other.....	3,056	26.8	43.7	2,880	25.3	42.0	176	52.7	70.5

See footnotes at end of table.

TABLE 8.—Incidence of poverty in 1963, according to the SSA poverty index: Percent of families and unrelated individuals with 1963 income below specified level,¹ by specified characteristics and race of head—*Continued*

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting]

Characteristic	All units			White			Nonwhite		
	Total number	Percent with incomes below—		Total number	Percent with incomes below—		Total number	Percent with incomes below—	
		Economy level	Low-cost level		Economy level	Low-cost level		Economy level	Low-cost level
Unrelated individuals									
Total.....	11,182	43.9	49.8	9,719	41.8	48.0	1,463	57.5	61.7
Residence:									
Nonfarm.....	10,820	44.0	49.8	9,379	42.0	48.0	1,441	57.4	61.7
Farm.....	362	40.4	49.3	340	38.6	48.0	22	(⁴)	(⁴)
Race:									
White.....	9,719	41.8	48.0						
Nonwhite.....	1,463	57.6	61.8						
Age:									
14-24.....	989	47.6	49.9	873	45.5	47.6	116	62.5	65.9
25-34.....	995	26.3	28.6	792	23.3	25.2	203	38.7	42.7
35-44.....	1,000	23.6	25.4	785	19.9	21.8	215	37.1	39.6
45-54.....	1,575	30.5	35.3	1,308	25.9	30.2	267	52.0	59.5
55-64.....	2,332	39.3	43.4	2,024	34.9	39.3	308	67.8	70.4
65 and over.....	4,291	59.3	69.2	3,937	58.0	68.3	354	73.8	78.3
Sex:									
Male.....	4,275	33.7	39.4	3,591	31.3	37.3	684	46.1	50.0
Female.....	6,907	50.3	56.3	6,128	48.1	54.3	779	67.6	72.1
Region:									
Northeast.....	3,119	42.1	47.7	2,778	41.8	47.8	341	44.1	46.5
North Central.....	2,974	45.5	52.7	2,720	44.3	51.6	254	58.9	64.7
South.....	2,830	52.7	57.5	2,184	46.6	51.9	666	72.5	75.7
West.....	2,259	33.3	39.1	2,057	33.8	39.3	202	28.7	37.3
Earners status:									
Earner.....	6,978	26.0	30.4	5,992	23.0	27.4	986	43.8	49.0
Nonearner.....	4,204	73.8	82.0	3,727	72.2	81.2	477	85.7	88.0
Employment status and occupation:									
Not in labor force ²	4,809	66.9	75.5	4,289	65.0	74.4	520	82.0	85.3
Unemployed.....	460	44.5	49.4	387	40.5	45.3	93	60.6	66.2
Employed.....	5,913	25.2	28.9	5,063	22.3	25.9	850	42.2	46.8
Professional and technical workers.....	1,234	28.5	30.8	1,159	28.4	30.7	75	35.6	40.0
Farmers and farm managers.....	131	42.9	46.9	121	39.6	44.0	10	(⁴)	(⁴)
Managers, officials, and proprietors (except farm).....	445	18.9	23.1	425	17.0	21.5	20	50.0	50.0
Clerical and sales workers.....	1,367	11.8	14.6	1,270	11.2	14.4	97	17.1	17.1
Craftsmen and foremen.....	301	5.8	7.5	289	6.0	7.8	12		
Operatives.....	866	14.4	17.6	727	11.4	14.0	139	29.8	36.5
Service workers, including private household.....	1,171	44.9	51.5	803	40.4	47.4	368	55.6	60.7
Private household workers.....	421	70.2	78.5	223	70.9	79.4	198	69.4	78.2
Laborers (except mine).....	398	43.5	47.5	289	42.4	45.3	129	45.8	52.1
Work experience: ³									
Worked in 1963.....	6,729	26.4	30.8	5,788	23.7	28.0	941	43.7	48.9
Worked at full-time jobs.....	5,564	20.8	23.9	4,864	19.2	22.1	700	32.4	38.0
50-52 weeks.....	3,719	12.8	15.6	3,294	11.5	13.9	425	22.3	29.1
40-49 weeks.....	744	22.9	25.9	650	21.6	24.5	94	(⁴)	(⁴)
39 weeks or less.....	1,101	46.1	50.6	920	44.9	50.0	181	53.9	55.3
Worked at part-time jobs.....	1,163	53.5	63.9	924	47.2	58.9	241	75.3	79.6
50-52 weeks.....	396	49.3	57.1	307	45.9	54.1	89	57.8	64.1
49 weeks or less.....	769	55.7	67.4	617	47.9	61.2	152	84.4	87.7
Did not work in 1963.....	4,453	70.4	78.5	3,931	68.7	77.5	522	82.7	85.0
Ill or disabled.....	974	79.8	86.4	747	78.6	84.9	227	87.2	88.4
Keeping house.....	2,078	71.5	79.8	1,941	70.8	79.5	135	84.8	84.8
Going to school.....	106	88.6	88.6	83	(⁴)	(⁴)	23	(⁴)	(⁴)
Could not find work.....	128	83.3	87.5	89	(⁴)	(⁴)	39	(⁴)	(⁴)
Other.....	1,169	57.6	68.0	1,071	56.8	67.0	98		
Source of income:									
Earnings only.....	3,838	29.7	32.7	3,111	26.5	29.2	727	43.5	47.5
Earnings and other income.....	3,138	21.3	27.6	2,882	19.2	25.3	256	44.5	52.9
Other income only or no income.....	4,206	73.8	82.0	3,726	72.2	81.2	480	85.8	88.0

¹ For definition of poverty criteria, see text.

² Base between 100,000 and 200,000.

³ Includes members of the Armed Forces.

⁴ Not shown for fewer than 100,000 units.

⁵ All work-experience data, including data for year-round, full-time workers, limited to civilian workers.

Source: Derived from tabulation of the *Current Population Survey*, March 1964, by the Bureau of the Census for the Social Security Administration.

were in a family of a worker with a regular full-time job.

It is difficult to say which is the more striking statistic: that 6 percent of the families headed by a male year-round full-time worker were nevertheless poor, or that 25 percent of the families

with a male head who did not have a full-time job all year were poor.

That a man risks poverty for his family when he does not or cannot work all the time might be expected, but to end the year with so inadequate an income, even when he has worked all week

every week, must make his efforts seem hopeless.

Yet, with minimum wage provisions guaranteeing an annual income of only \$2,600, and many workers entitled to not even this amount, it should not be too surprising that in 1963 there were 2 million families in poverty despite the fact that the head never was out of a job, as shown below.

[In millions]

Type of family	All families	Male head	Female head
Total number of poor families.....	7.2	5.2	2.0
With head a year-round, full-time worker..	2.0	1.8	.2
White.....	1.4	1.3	.1
Nonwhite.....	.6	.5	.1
Other.....	5.2	3.4	1.8
White.....	2.7	2.6	1.1
Nonwhite.....	1.5	.8	.7

Almost all the male heads who had worked full-time all year in 1963 were also currently employed in March 1964 in poor and nonpoor families alike. Among the women year-round full-time workers, only 80 percent of those at the head of families who were poor in terms of their 1963 income were still employed in the spring of the following year, compared with 96 percent of those not poor. Among 1.8 million male heads of families who were poor despite their year-round full-time employment, more than a fifth gave their current occupation as farmers, an equal number were operatives, and nearly a fifth were laborers. Only 3 percent were professional or technical workers. By contrast, among the nonpoor, 1 in 7 of the male family heads working the year around at full-time jobs were currently employed as professional or technical workers and only 4 percent each were farmers or laborers.

Notwithstanding the current stress on more jobs, it is clear that at least for poor families headed by a full-time year-round worker—more than a fourth of the total—it is not so much that more jobs are required but better ones, if it is presumed that the head of the family will continue to be the main source of support and that there will continue to be as many large families. In less than a fifth of the poor families headed by a man working full time the year around was the wife in the paid labor force, and in only about two-fifths was there more than one earner. By contrast, in the corresponding group of nonpoor families, one-third of the wives were working or

in the market for a job, and 55 percent of the families in all had at least one earner in addition to the head (table 9).

Not even for the 5.2 million poor families with a head who worked less than a full year can jobs alone provide an answer. Among the poor, about two-thirds of the male heads who had worked part of the year or not at all in 1963 gave ill health or other reasons—including retirement—as the main reason, rather than an inability to find work. Of the female heads less than fully employed in 1963, about five-sixths gave household responsibilities as the reason; though fewer claimed ill health or disability, they nevertheless outnumbered those who said they had been looking for work. Among the unrelated individuals, only 1 in 6 of the men and 1 in 14 of the women not working the year around gave unemployment as the chief reason. At best it will be difficult to find jobs that a large number of the underemployed heads of poor households can fill, as the following figures indicate.

Work experience of head in 1963	Percentage distribution of units with income below economy level			
	Families		Unrelated individuals	
	Male head	Female head	Male	Female
Total.....	100	100	100	100
Worked all year.....	39	15	21	11
Full-time job.....	35	9	17	7
Part-time job.....	4	6	4	4
Worked part of the year.....	33	28	28	20
Looking for work.....	19	7	11	4
Ill, disabled.....	6	4	4	3
Keeping house.....		15		6
All other.....	8	2	13	7
Didn't work at all.....	28	58	51	69
Ill, disabled.....	12	10	20	14
Keeping house.....		41		43
Couldn't find work.....	1	2	4	2
All other.....	15	5	27	10

OCCUPATION AND POVERTY

The chances of a family's being poor differ not only with the amount of employment of the head but also with the kind of work he does. This is a reflection of the different pay rates and lifetime earnings patterns that workers at different trades can expect. It appears, however, that the association is compounded: Not only do certain occupations pay less well than others, but workers in

TABLE 9.—Comparing the poor and the nonpoor, according to the SSA poverty index: Percentage distribution of families and unrelated individuals with 1963 incomes above and below specified levels,¹ by sex of head and other specified characteristics

[Data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting.]

Characteristic	All units with incomes—					Units with male head and with incomes—					Units with female head and with incomes—				
	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level
Families															
Number (in thousands).....	7,180	40,256	3,723	10,903	36,533	5,222	37,332	3,274	8,496	34,058	1,958	2,924	449	2,407	2,475
Percent.....	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
Residence:															
Nonfarm.....	90.1	94.1	92.7	91.0	94.2	87.9	93.9	92.2	89.6	94.1	95.8	96.5	96.7	96.0	96.5
Farm.....	9.9	5.9	7.3	9.0	5.8	12.1	6.1	7.8	10.4	5.9	4.2	3.5	3.3	4.0	3.5
Race of head:															
White.....	71.6	93.1	83.0	75.5	94.2	75.8	93.5	84.1	79.0	94.4	60.3	89.0	75.1	63.1	91.5
Nonwhite.....	28.4	6.9	17.0	24.5	5.8	24.2	6.5	15.9	21.0	5.6	39.7	11.0	24.9	36.9	8.5
Age of head:															
14-24.....	10.0	5.1	7.0	9.0	4.9	10.1	5.3	7.3	9.0	5.1	9.7	2.7	4.7	8.8	2.3
25-34.....	18.7	19.4	21.9	19.8	19.1	17.2	20.3	23.3	19.6	20.0	22.8	7.9	11.9	20.8	7.2
35-44.....	21.8	24.5	21.6	21.7	24.8	20.2	24.9	21.2	20.6	25.3	25.9	19.2	25.5	25.8	18.1
45-54.....	13.5	22.1	14.4	13.8	22.9	13.3	21.9	13.2	13.3	22.8	13.8	24.7	23.4	15.6	24.9
55-64.....	13.7	15.9	10.4	12.6	16.5	15.1	15.6	9.8	13.1	16.1	9.7	20.3	14.8	10.7	21.3
65 and over.....	22.4	13.0	24.6	23.1	11.8	24.0	12.0	25.3	24.5	10.7	18.0	25.2	19.6	18.3	26.1
Number of persons in family:															
2.....	34.4	32.0	34.0	34.3	31.8	34.9	30.5	32.9	34.1	30.3	33.2	51.6	42.1	34.9	53.3
3.....	14.4	21.6	15.5	14.8	22.3	13.0	21.2	13.7	13.3	21.9	18.2	27.3	28.5	20.1	27.1
4.....	13.5	20.9	14.0	13.7	21.6	12.0	21.6	13.5	12.5	22.3	17.7	12.4	17.5	17.7	11.4
5.....	12.7	13.3	12.8	12.7	13.4	12.5	14.0	13.8	13.0	14.0	13.1	5.4	4.7	11.5	5.5
6.....	8.9	6.8	10.7	9.5	6.4	9.1	7.1	11.7	10.1	6.7	8.4	1.6	3.6	7.5	1.3
7 or more.....	16.1	5.4	13.1	15.1	4.6	18.5	5.6	14.4	16.9	4.8	9.5	1.7	3.6	8.4	1.4
Number of related children under age 18:															
None.....	33.8	41.4	38.0	35.2	41.8	39.0	40.2	38.4	38.7	40.4	19.9	56.3	34.7	22.7	60.3
1.....	14.7	19.0	13.2	14.2	19.6	12.5	18.8	11.4	12.1	19.5	20.6	22.4	26.1	21.6	21.8
2.....	13.4	18.8	14.3	13.7	19.2	11.8	19.2	13.2	12.3	19.8	17.6	12.9	21.7	18.4	11.3
3.....	13.5	11.4	14.0	13.7	11.1	11.8	11.9	14.3	12.8	11.6	17.8	5.2	11.9	16.7	3.9
4.....	9.3	5.6	9.5	9.4	5.2	8.9	5.9	10.2	9.4	5.5	10.3	2.4	3.9	9.1	2.2
5.....	7.1	2.3	6.6	6.9	1.8	7.4	2.4	7.3	7.3	1.9	6.5	1.2	5.5	3.3	1.3
6 or more.....	8.3	1.5	4.6	7.0	1.2	8.7	1.6	5.1	7.3	1.3	7.2	.4	.9	6.0	.3
Region:															
Northeast.....	16.2	26.6	21.5	18.0	27.2	15.4	26.5	21.0	17.5	27.0	18.5	28.3	24.6	19.7	28.9
North Central.....	21.3	29.2	25.7	22.8	29.6	21.1	29.4	25.6	22.8	29.8	21.9	28.4	26.7	22.8	26.3
South.....	49.9	27.2	38.8	46.1	26.0	51.7	27.1	39.6	47.1	25.9	44.9	27.9	32.6	42.6	27.0
West.....	12.7	17.0	14.0	13.1	17.3	11.9	16.9	13.7	12.6	17.2	14.6	17.5	16.0	14.9	17.7
Type of family:															
Male head.....	72.8	92.8	88.0	78.0	93.2	100.0	100.0	100.0	100.0	100.0	(*)	(*)	(*)	(*)	(*)
Married, wife present.....	69.8	90.1	85.8	75.2	90.6	95.9	97.2	97.5	96.5	97.2	(*)	(*)	(*)	(*)	(*)
Wife in paid labor force.....	12.5	30.7	18.2	14.5	31.9	17.2	33.1	20.7	18.6	34.3	(*)	(*)	(*)	(*)	(*)
Wife not in paid labor force.....	57.2	59.5	67.6	60.8	58.6	78.6	64.1	76.8	77.9	62.9	(*)	(*)	(*)	(*)	(*)
Other marital status.....	3.0	2.6	2.2	2.7	2.6	4.1	2.8	2.5	3.5	2.8	(*)	(*)	(*)	(*)	(*)
Female head.....	27.2	7.2	12.0	22.0	6.8	(*)	(*)	(*)	(*)	(*)	100.0	100.0	100.0	100.0	100.0
Number of earners:															
None.....	27.5	4.3	16.6	23.8	3.0	20.7	3.9	16.0	18.9	2.8	45.7	8.6	21.1	41.1	6.3
1.....	45.7	43.6	49.9	47.1	43.0	48.4	43.5	49.5	48.8	43.0	38.5	44.5	51.6	41.0	43.2
2.....	21.0	39.2	26.2	22.8	40.6	24.6	39.7	27.2	25.6	40.9	11.4	34.0	19.3	12.9	36.6
3.....	5.8	12.9	7.4	6.3	13.4	6.4	12.9	7.2	6.7	13.4	4.3	13.0	8.3	5.0	13.9
Employment and occupation of head:															
Not in labor force.....	42.5	14.4	32.0	38.9	12.6	33.4	12.4	30.0	32.1	10.7	66.8	40.3	46.6	63.1	39.2
Unemployed.....	5.8	2.5	4.4	5.2	2.3	6.2	2.5	4.7	5.6	2.3	3.9	2.5	2.7	3.7	2.5
Employed.....	51.9	83.0	63.5	55.9	85.0	60.4	85.1	65.3	62.3	87.0	29.2	57.2	50.7	33.2	58.3
Professional and technical workers.....	1.8	11.2	3.3	2.3	12.0	2.2	11.5	3.2	2.6	12.3	3.8	7.9	3.9	1.4	8.6
Farmers and farm managers.....	7.5	3.2	4.0	6.3	3.1	9.9	3.4	4.3	7.7	3.3	1.1	5.9	1.2	1.1	.4
Managers, officials, and proprietors (except farm).....	4.4	13.9	7.2	5.4	14.6	5.8	14.7	7.8	6.5	15.4	4.1	3.5	3.6	1.3	3.5
Clerical and sales workers.....	2.9	11.6	6.3	4.1	12.1	2.5	10.8	5.6	3.7	11.3	4.1	21.6	11.3	6.4	23.5
Craftsmen and foremen.....	5.4	16.6	10.6	7.2	17.2	7.2	17.8	12.0	9.1	18.4	5.5	7.6	5.5	5.5	4.4
Operatives.....	11.7	16.5	15.8	13.1	16.6	14.5	17.0	17.0	15.6	17.0	4.3	10.1	7.4	4.9	10.6
Service workers, total.....	8.3	5.9	7.8	8.1	5.7	5.0	5.4	5.7	5.3	5.3	17.2	13.0	22.8	18.2	11.2
Private household workers.....	2.5	.3	.5	1.8	.2	.2	.2	.1	.2	.2	8.5	8.1	3.3	7.5	3.0
Laborers (except mine).....	9.9	4.1	8.4	9.4	3.7	13.4	4.4	9.6	11.9	3.9	5.5	4.4	4.4	4.4	4.4
Work experience of head: ⁴															
Worked in 1963.....	64.3	89.8	75.6	68.2	91.2	72.5	91.8	77.7	74.5	93.1	42.4	64.2	60.8	45.8	64.8
Worked at full-time jobs.....	50.0	85.3	66.7	55.7	87.2	59.1	87.7	69.6	63.2	89.4	25.7	54.8	46.0	29.5	56.4
50-52 weeks.....	28.3	71.2	46.3	34.4	73.7	35.4	73.8	48.9	40.6	76.2	9.1	37.4	27.3	12.5	39.2
40-49 weeks.....	6.9	7.5	8.8	7.6	7.4	8.5	7.5	8.9	8.6	7.3	2.9	8.0	8.0	3.8	6.0
39 weeks or less.....	14.8	6.6	11.7	13.7	6.1	15.2	6.4	11.8	13.9	5.8	13.7	9.4	10.7	13.1	9.2
Worked at part-time jobs.....	14.3	4.5	8.9	12.4	4.0	13.4	4.1	8.1	11.3	3.7	16.7	9.4	14.8	16.4	8.5
50-52 weeks.....	4.4	1.9	3.0	4.0	1.7	3.9	1.8	2.5	3.4	1.7	5.8	3.0	7.1	6.0	2.2
49 weeks or less.....	9.8	2.6	5.9	8.5	2.3	9.4	2.3	5.6	7.9	2.0	11.0	6.5	7.7	10.4	6.2
Did not work in 1963.....	35.7	10.2	24.4	31.8	8.8	27.5	8.2	22.3	25.5	6.9	57.5	35.8	39.5	54.2	35.2
Ill or disabled.....	11.3	2.3	6.3	9.6	1.9	11.8	2.2	6.3	9.7	1.7	9.9	4.5	5.9	9.2	4.2
Keeping house.....	11.1	2.0	3.5	8.5	1.8	(*)	(*)	(*)	(*)	(*)	40.8	27.6	29.1	38.6	27.4
Going to school.....	.5	.1	.1	.4	.1	.4	.1	.2	.3	.1	.8	.1	.7	.1	.1
Could not find work.....	1.4	.3	.6	1.1	.2	1.2	.2	.6	1.0	.2	1.9	.5	.6	1.7	.4
Other reasons.....	11.4	5.6	13.9	12.2	4.7	14.2	5.7	15.2	14.6	4.8	4.1	3.2	3.9	4.0	3.1

See footnotes at end of table.

those occupations tend to have larger families than the others. Thus an income unlikely to be high to begin with must be stretched to provide for more children rather than less.

Of families headed by a male year-round full-

time worker and with income above the economy level, more than half had either no children under age 18 in the household or only one. Only 4 percent had more than four. By contrast, among the corresponding group of families with income less

TABLE 9.—Comparing the poor and the nonpoor, according to the SSA poverty index: Percentage distribution of families and unrelated individuals with 1963 incomes above and below specified levels,¹ by sex of head and other specified characteristics
—Continued

[Data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting]

Characteristic	All units with incomes—					Units with male head and with incomes—					Units with female head and with incomes—				
	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level
Families with head a year-round full-time worker ⁴															
Number (in thousands).....	2,029	28,660	1,723	3,752	26,937	1,851	27,589	1,600	3,451	25,969	178	1,091	123	301	968
Percent.....	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
Residence:															
Nonfarm.....	78.4	94.1	89.5	83.5	94.4	76.6	93.9	88.7	82.2	94.2	97.0	99.1	100.0	98.2	99.0
Farm.....	21.6	5.9	10.5	16.5	5.6	23.4	6.1	11.3	17.8	5.8	3.0	.9		1.8	1.0
Race of head:															
White.....	68.5	93.7	81.0	74.3	94.5	71.3	94.0	83.0	76.7	94.7	39.6	87.3	55.4	46.0	91.3
Nonwhite.....	31.5	6.3	19.0	25.7	5.5	28.7	6.0	17.0	23.3	5.3	60.4	12.7	44.6	54.0	8.7
Age of head:															
14-24.....	9.1	4.4	6.5	7.9	4.3	9.4	4.5	7.0	8.3	4.3	6.0	2.3		3.5	2.6
25-34.....	22.0	21.6	29.6	25.5	21.0	22.2	22.0	30.6	26.1	21.4	20.1	11.6	17.4	19.0	10.9
35-44.....	31.3	29.2	31.4	31.4	29.1	31.0	29.3	31.1	31.1	29.2	34.3	28.4	34.8	34.5	27.6
45-54.....	18.3	25.7	19.7	18.9	26.0	17.5	25.4	18.4	18.0	25.8	26.1	33.2	35.9	30.1	32.8
55-64.....	15.5	15.8	9.6	12.8	16.2	15.7	15.6	9.5	12.8	16.0	13.4	21.1	12.0	12.8	22.3
65 and over.....	3.7	3.3	3.2	3.5	3.4	4.1	3.3	3.4	3.8	3.3		3.4			3.8
Number of persons in family:															
2.....	15.9	34.5	14.7	15.3	25.1	15.5	23.4	12.9	14.3	24.1	20.1	51.2	38.0	27.4	52.9
3.....	12.5	21.6	13.0	12.7	22.1	11.9	21.3	11.4	11.6	21.9	18.7	29.4	34.8	25.2	28.7
4.....	15.8	23.7	15.2	15.5	24.3	15.2	24.2	15.3	15.2	24.8	22.4	10.2	14.1	19.0	9.8
5.....	16.8	15.8	18.8	17.8	15.6	17.0	16.1	19.9	18.3	15.9	15.7	6.6	6.4	11.5	6.7
6.....	14.7	8.2	17.1	15.8	7.7	15.0	8.5	18.4	16.6	7.9	11.9	1.3		7.1	1.5
7 or more.....	24.2	6.2	21.1	22.8	5.3	25.5	6.4	22.2	24.0	5.4	11.2	1.2	7.6	9.7	4.2
Number of related children under age 18:															
None.....	18.3	33.0	17.3	17.9	34.0	18.9	32.4	16.5	17.8	33.3	12.7	47.9	27.2	18.6	50.5
1.....	13.2	20.5	12.9	13.0	21.0	12.7	20.2	11.5	12.1	20.7	17.9	27.8	31.5	23.5	27.3
2.....	15.8	21.7	15.7	15.8	22.1	15.2	21.9	15.4	15.3	22.3	21.6	15.0	19.6	20.8	14.4
3.....	16.6	13.5	19.8	18.1	13.1	16.4	13.8	20.2	18.1	13.4	19.4	5.7	15.2	17.7	4.5
4.....	14.4	6.9	16.2	15.2	6.3	14.7	7.0	16.9	15.7	6.4	11.9	3.2	6.5	9.7	2.7
5.....	10.0	2.8	11.2	10.6	2.2	10.0	2.8	12.0	10.9	2.3	10.4	.4		6.2	4.4
6 or more.....	11.6	1.8	6.9	9.4	1.4	12.1	1.8	7.4	9.9	1.5	8.0			3.5	
Region:															
Northeast.....	11.1	27.1	21.2	15.7	27.5	11.4	27.1	21.2	15.9	27.4	8.2	29.3	21.7	13.7	30.2
North Central.....	21.4	30.4	26.4	23.7	30.7	21.9	30.6	26.5	24.0	30.9	16.4	24.5	25.0	19.9	24.5
South.....	57.6	26.8	43.0	50.9	25.8	57.3	26.8	43.4	50.8	25.7	61.2	27.8	38.0	51.8	26.5
West.....	9.9	15.7	9.4	9.7	16.0	9.5	15.5	9.0	9.2	15.9	14.2	18.4	15.2	14.6	18.8
Type of family:															
Male head.....	91.2	96.2	92.9	92.0	96.4	100.0	100.0	100.0	100.0	100.0	(?)	(?)	(?)	(?)	(?)
Married, wife present.....	88.4	94.1	91.5	89.8	94.3	96.9	97.9	98.5	97.7	97.8	(?)	(?)	(?)	(?)	(?)
Wife in paid labor force.....	15.9	32.2	19.9	17.7	33.0	17.4	33.5	21.4	10.3	34.2	(?)	(?)	(?)	(?)	(?)
Wife not in paid labor force.....	72.5	61.9	71.6	72.1	61.3	79.5	64.4	77.1	78.4	63.6	(?)	(?)	(?)	(?)	(?)
Other marital status.....	2.8	2.1	1.4	2.2	2.1	3.1	2.1	1.5	2.3	2.2	(?)	(?)	(?)	(?)	(?)
Female head.....	8.8	3.8	7.1	8.0	3.6	(?)	(?)	(?)	(?)	(?)	100.0	100.0	100.0	100.0	100.0
Number of earners:															
None.....	1.3		.3	.9		.9		.3	.6		.6		.3	.5	
1.....	60.9	44.9	57.4	59.3	44.1	60.8	44.9	57.2	59.1	44.1	64.2	46.3	59.8	62.4	44.6
2.....	29.0	40.6	32.6	30.7	41.1	29.8	40.7	33.1	31.3	41.2	20.9	38.8	26.1	28.0	40.4
3.....	8.7	14.4	9.7	9.2	14.7	8.7	14.4	9.4	9.0	14.7	9.0	14.9	14.1	11.1	15.0
Employment and occupation of head:															
Not in labor force ³	2.1	.7	1.5	1.8	.6	1.1	.8	1.1	1.1	.5	12.7	2.9	6.5	10.2	2.5
Unemployed.....	3.1	.9	1.5	2.4	.8	2.7	.9	1.5	2.2	.8	6.7	.7	2.2	4.9	.5
Employed.....	94.8	98.5	97.0	95.8	98.6	96.2	98.5	97.4	96.8	98.6	80.6	96.3	91.3	85.0	97.0
Professional and technical workers.....	2.5	13.8	4.8	3.5	14.3	2.7	13.9	5.0	3.8	14.4		11.7	2.2	.9	12.9
Farmers and farm managers.....	19.9	3.7	7.3	14.1	3.5	21.7	3.8	7.8	15.3	3.6	1.5	.2		.9	.3
Managers, officials, and proprietors (except farm).....	10.9	18.1	12.8	11.8	18.4	11.6	18.5	13.1	12.3	18.8	4.5	7.4	8.7	6.2	7.3
Clerical and sales workers.....	3.1	14.2	8.6	5.6	14.5	2.5	13.1	8.1	5.1	13.4	9.0	41.1	15.2	11.5	44.4
Craftsmen and foremen.....	9.1	19.3	15.9	12.2	19.8	10.0	20.1	17.1	13.3	20.3		.5		.5	
Operatives.....	21.1	18.9	23.4	22.1	18.6	21.6	19.0	24.3	22.8	18.7	15.7	15.9	12.0	14.2	16.3
Service workers, total.....	11.3	6.6	12.8	12.0	6.2	7.8	6.1	9.7	8.7	5.9	48.5	19.5	53.3	50.4	15.2
Private household workers.....	2.9	.1	.5	1.8	.1	.5					28.4	3.2	7.6	19.9	2.6
Laborers (except mine).....	16.8	3.9	11.4	14.4	3.4	18.3	4.1	12.3	15.5	3.6	1.5			.9	

See footnotes at end of table.

than the economy level, fewer than a third had no more than one child in the home and nearly a fourth had five or more.

The poverty rates for families with heads in different occupations (table 8) take on new mean-

ing when ranked by a measure of earnings potential. There is a cycle in family income as well as in family size, although the two patterns are not generally in perfect correspondence. On the assumption that for the average family it is mainly

TABLE 9.—Comparing the poor and the nonpoor, according to the SSA poverty index: Percentage distribution of families and unrelated individuals with 1963 incomes above and below specified levels,¹ by sex of head and other specified characteristics —Continued

[Data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting]

Characteristic	All units with incomes—					Units with male head and with incomes—					Units with female head and with incomes—				
	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy, below low-cost level	Below low-cost level	Above low-cost level
Unrelated individuals															
Number (in thousands).....	4,915	6,267	658	5,573	5,609	1,441	2,834	242	1,683	2,592	3,474	3,433	416	3,890	3,017
Percent.....	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
Residence:															
Nonfarm.....	97.0	96.6	95.1	96.8	96.7	94.5	95.9	93.4	94.3	95.5	98.1	97.1	96.1	97.9	97.3
Farm.....	3.0	3.4	4.9	3.2	3.3	5.5	4.1	6.6	5.7	4.5	1.9	2.9	3.9	2.1	2.7
Race:															
White.....	82.8	90.1	90.6	83.7	90.0	78.0	87.0	89.0	79.6	86.8	84.8	92.7	91.6	85.5	92.8
Nonwhite.....	17.2	9.9	9.4	16.3	10.0	22.0	13.0	11.0	20.4	13.2	15.2	7.3	8.4	14.5	7.2
Age:															
14-24.....	9.6	8.3	3.5	8.9	8.8	13.9	7.4	6.0	12.8	7.5	7.8	9.0	1.9	7.1	10.0
25-34.....	5.4	11.7	3.5	5.1	12.7	8.2	17.4	3.3	7.5	18.7	4.2	7.0	3.6	4.1	7.5
35-44.....	4.8	12.2	2.9	4.6	13.3	8.9	16.1	2.7	8.0	17.3	3.1	9.0	2.9	3.1	9.9
45-54.....	9.8	17.5	11.4	10.0	18.2	12.6	17.3	17.0	13.3	17.3	8.6	17.6	8.1	8.5	18.9
55-64.....	18.6	22.6	14.7	18.2	23.5	21.5	18.8	9.3	19.7	17.4	25.8	17.9	17.5	26.8	28.8
65 and over.....	51.8	27.8	64.1	53.3	23.5	34.9	23.1	61.5	38.7	19.5	58.9	31.7	65.6	59.6	27.0
Sex:															
Male.....	29.6	45.6	37.1	30.5	46.6	100.0	100.0	100.0	100.0	100.0	(²)	(²)	(²)	(²)	(²)
Female.....	70.4	54.4	62.9	69.5	53.4	(²)	(²)	(²)	(²)	(²)	100.0	100.0	100.0	100.0	100.0
Region:															
Northeast.....	26.7	28.8	26.5	26.7	29.0	21.9	28.6	30.2	23.1	28.4	28.8	28.9	24.4	28.3	29.6
North Central.....	27.6	25.8	32.4	28.2	25.0	27.2	24.5	28.4	27.1	24.3	27.7	26.9	36.0	28.6	25.7
South.....	30.3	21.4	21.0	29.2	21.4	31.8	20.1	19.2	30.0	20.2	29.7	22.4	22.1	28.9	22.4
West.....	15.3	24.0	20.0	15.9	24.5	19.1	26.8	24.2	19.8	27.0	13.8	21.7	17.5	14.2	22.3
Earning status:															
Earner.....	36.9	82.5	47.6	38.2	86.5	47.5	86.8	45.6	47.2	90.6	32.5	78.8	48.7	34.2	83.0
Nonearner.....	63.1	17.5	52.4	61.8	13.5	52.5	13.2	54.4	52.8	9.4	67.5	21.2	51.3	65.8	17.0
Employment status and occupation:															
Not in labor force ³	65.4	25.4	63.3	65.2	20.9	52.9	20.5	62.1	54.2	16.6	70.7	29.4	64.0	70.0	24.7
Employed.....	4.2	4.1	3.5	4.1	4.2	7.9	6.1	7.1	7.8	6.0	2.6	2.4	1.3	2.5	2.6
Professional and technical workers.....	30.4	70.6	33.3	30.7	74.9	39.2	73.4	30.8	38.0	77.4	26.7	68.2	34.7	27.6	72.8
Farmers and farm managers.....	7.2	14.1	4.3	6.8	15.2	8.9	13.6	4.9	8.4	14.4	6.4	14.5	3.9	6.1	16.0
Managers, officials, and proprietors (except farm).....	1.7	5.8	2.9	1.9	6.1	3.4	7.4	3.8	3.5	7.7	1.0	4.4	2.3	1.1	4.7
Clerical and sales workers.....	3.2	19.2	6.1	3.6	20.8	3.3	10.2	2.8	2.8	11.1	3.2	26.8	9.7	3.9	29.2
Craftsmen and foremen.....	4	4.6	3	4	5.0	1.0	9.0	1.1	1.0	9.7	.1	.9	.6	.1	.9
Operatives.....	2.5	11.9	4.3	2.7	12.7	4.5	15.0	5.5	4.7	15.9	1.7	9.2	3.6	1.9	10.0
Service workers, including private household.....	10.7	10.2	11.6	10.8	10.1	4.6	8.2	6.6	4.9	8.4	13.2	12.0	14.6	13.4	11.6
Private household workers.....	6.0	2.0	5.3	5.9	1.6	.2	.2	.2	.2	.2	8.4	3.7	8.4	8.4	3.0
Laborers (except mine).....	3.6	3.6	2.4	3.4	3.8	11.3	7.7	6.6	10.6	7.9	.3	.2	.3	.3	.2
Work experience: ⁴															
Worked in 1963.....	36.2	79.0	44.9	37.3	83.0	48.7	83.8	46.1	48.3	87.3	31.0	75.0	44.2	32.4	79.2
Worked at full-time job.....	23.6	70.4	26.5	23.9	75.5	34.9	76.4	31.9	34.4	80.6	18.8	65.4	23.4	19.3	71.1
40-52 weeks.....	9.7	51.8	15.5	10.4	56.0	16.7	54.1	19.2	17.1	57.4	6.8	49.8	13.3	7.5	54.8
40-49 weeks.....	3.5	9.2	3.5	3.5	9.8	2.9	9.4	1.1	2.6	10.2	3.7	8.9	4.9	3.9	9.5
39 weeks or less.....	10.4	9.5	7.6	10.0	9.7	15.3	12.9	11.5	14.8	13.0	8.3	6.6	5.2	7.9	6.8
Worked at part-time jobs.....	12.7	8.6	18.4	13.4	7.5	13.8	7.4	14.3	13.9	6.8	12.2	9.6	20.8	13.1	8.1
40-52 weeks.....	4.0	3.2	4.7	4.1	3.0	4.3	2.7	3.3	4.2	2.7	3.8	3.6	5.5	4.0	3.3
49 weeks or less.....	8.7	5.4	13.7	9.3	4.5	9.5	4.7	11.0	9.7	4.1	8.4	6.1	15.3	9.1	4.8
Did not work in 1963.....	63.8	21.0	55.1	62.7	17.0	51.3	16.2	53.8	51.7	12.7	69.0	25.0	55.8	67.6	20.8
Ill or disabled.....	15.8	3.1	9.8	15.1	2.4	19.6	3.2	10.4	18.3	2.5	14.2	3.1	9.4	13.7	2.2
Keeping house.....	30.1	9.4	25.9	29.6	7.4	(³)	(³)	(³)	(³)	(³)	42.7	17.2	41.2	42.6	13.9
Going to school.....	1.9	.2	.2	1.7	.2	2.4	.1	.1	.2	.2	1.7	.2	.2	1.5	.3
Could not find work.....	2.2	.3	.8	2.0	.3	3.6	.5	2.2	3.4	.3	1.6	.2	.2	1.4	.3
Other.....	13.8	7.9	18.6	14.3	6.7	25.6	12.4	41.2	27.9	9.7	8.7	4.2	5.2	8.4	4.1
Source of income:															
Earnings only.....	23.3	43.1	17.3	22.6	46.1	34.4	48.4	20.9	32.5	50.9	18.6	38.6	15.3	18.2	-----
Earnings and other income.....	13.6	39.4	30.2	15.6	40.5	13.0	38.3	24.7	14.7	39.6	13.9	40.3	33.4	16.0	-----
Other income only or no income.....	63.1	17.5	52.4	61.9	13.5	52.6	13.3	54.4	52.8	9.4	67.6	21.1	51.3	65.8	-----

¹ For definition of poverty levels, see text.

² Not applicable.

³ Includes members of the Armed Forces.

⁴ All work-experience data, including data for year-round, full-time

workers, limited to civilian workers.

⁵ Not shown for fewer than 100,000 units.

Source: Derived from tabulation of the *Current Population Survey*, March 1964, by the Bureau of the Census for the Social Security Administration.

the earning capacity of the husband that sets the scale at which the family must live, the poverty rates for families of employed male heads by occupation have been arrayed according to the median earnings (in 1959) of men aged 35-44. This is the age at which, on the basis of cross-sectional data, earnings for the average worker in most occupations are at their peak. Two things are abundantly clear.

In general, the poverty rates for families of men in different occupations are inversely related to the median peak earnings—that is, the lower the average earnings at age 35-44, the greater the risk of poverty for the family. (In some instances, as among families of some of the proprietors, work of the wife and other adults may count as unpaid family labor rather than add earnings to the family income.) The size of the average family with children seems also to vary inversely with earning capacity, in terms of the number of children ever born to the wives aged 35-44 of men employed in these occupations.

The following figures illustrate the patterns separately for white and nonwhite families with male head.

Occupation group	Median earnings of male workers aged 35-44 ¹	Incidence of poverty among families with employed male head ²	Percent of wives aged 35-44 of employed workers, with specified number of children ever born ³		
			0-2	3	4 or more
White males:					
Professional and technical workers.....	\$8,015	2	56	23	20
Managers, officials, proprietors, (except farm).....	7,465	5	57	23	20
Sales workers.....	6,325	3	60	22	19
Craftsmen and foremen.....	5,795	4	54	21	25
Clerical and kindred workers.....	5,505	2	61	20	19
Operatives.....	5,075	9	52	20	27
Service workers.....	4,810	8	57	20	23
Nonfarm laborers.....	4,095	15	49	19	33
Farmers and farm managers.....	2,945	26	42	22	36
Farm laborers.....	2,020	43	35	17	48
Nonwhite males:					
Professional and technical workers.....	5,485	12	65	16	19
Managers, officials, proprietors (except farm).....	4,655	21	57	16	27
Clerical and kindred workers.....	4,630	13	61	14	25
Sales workers.....	4,010	(*)	57	16	27
Craftsmen and foremen.....	3,885	21	52	13	35
Operatives.....	3,495	27	51	12	37
Service workers.....	2,970	25	57	13	30
Nonfarm laborers.....	2,825	45	48	11	41
Farm laborers.....	975	70	34	9	57
Farmers and farm managers.....	945	78	27	9	65

¹ In 1959.

² Currently employed family heads in March 1964, with 1963 family money income below the economy level in 1963.

³ Wives of currently employed men at time of 1960 Decennial Census.

⁴ Not available.

Source: U.S. Census of Population, 1960: Occupation by Earnings and Education, PC(2)-7B; Women by Number of Children Ever Born, PC(2)-5A; and Social Security Administration.

For many families a critical point in financial status may be the arrival of the fourth or fifth child. At all occupational levels (except among wives of professional and technical employees) the nonwhite family tends to be larger than the white, but on the average nonwhite families are at a lower economic level than white families in the same occupational class. A more accurate, or at least a narrower, occupational grouping would probably show less difference between the sizes of white and nonwhite families at equivalent economic levels.

Some of the differences in number of children are related to different patterns of age at first marriage. But even among women who married at the same age there remains evidence of a difference in life style among occupational groups, in terms of number of children ever born.

The discussion here centers on children ever born rather than the more common statistic of children present in the home. Use of the latter figure results in serious understatement of the total number of children in large families who may be subject to the risk of poverty before they reach adulthood.

Differences in the two statistics are greater for the low-income occupations, such as nonfarm laborers with their large families, than for high-income occupations, such as professional and technical workers with their smaller families. It appears to be the families with less income to look forward to in the first place who have more children.²¹

The statistics by occupation may throw light on the intergeneration cycle of poverty. It is not necessary here to repeat the admonition that education for our youngsters is a long step up in the escape from poverty. It is of importance, however, that in these days, when children generally are receiving more education than those a generation ago, the degree of upward mobility is affected by social environment as indicated by the occupation as well as by the education of the father. According to a recent report, among children of men with the same educational attainment, those with fathers in white-collar jobs are much more likely than children of fathers in manual and

²¹ See also Bureau of the Census, *Current Population Reports*, "Socioeconomic Characteristics of the Population: 1960," Series P-23, No. 12, July 31, 1964.

service jobs or in farm jobs to acquire more years of school training than their parents.²²

The statistics on occupation and poverty may have even further import. The work history of aged persons currently receiving public assistance might well show that many of the recipients (or the persons on whom they had depended for support) used to work at the same kinds of jobs currently held by many of the employed poor. Earnings too little to support a growing family are not likely to leave much margin for saving for old age. Moreover, such low earnings will bring entitlement to only minimal OASDI benefits.

IMPLICATIONS

The causes of poverty are many and varied. Because some groups in the population are more vulnerable, however, a cross-section of the poor will differ from one of the nonpoor, measure for measure. The mothers bringing up children without a father, the aged or disabled who cannot earn, and the Negro who may not be allowed to

²² Bureau of the Census, *Current Population Reports*, "Educational Change in a Generation," Series P-20, No. 132, Sept. 22, 1964.

earn will, more often than the rest of us, know the dreary privation that denies them the good living that has become the hallmark of America.

But there are others thus set apart, without the handicap of discrimination or disability, who cannot even regard their plight as the logical consequence of being unemployed. There are millions of children in "normal" as well as broken homes who will lose out on their chance ever to strive as equals in this competitive society because they are denied now even the basic needs that money can buy. And finally there are the children yet to come, whose encounter with poverty can be predicted unless the situation is changed for those currently poor.

Neither the present circumstances nor the reasons for them are alike for all our impoverished millions, and the measures that can help reduce their number must likewise be many and varied. No single program, placing its major emphasis on the needs of one special group alone, will succeed. Any complex of programs that does not allow for the diversity of the many groups among the poor will to that degree leave the task undone. The poor have been counted many times. It remains now to count the ways by which to help them gain a new identity.

TABLE A.—Composition of families with children: Number of members in families with own children under age 18, by sex of head

Family member's relationship to head	Husband-wife families, by number of children					Families with other male head	Families with female head, by number of children				
	Total	1	2	3 or 4	5 or more		Total	1	2	3 or 4	5 or more
Number of families, total (in thousands)	23,498	7,390	7,528	6,780	1,810	301	1,892	785	510	436	161
Number of persons:											
Total (in thousands)	108,174	24,493	31,626	37,338	14,718	1,110	7,066	2,036	1,760	2,082	1,189
Number per family, total	4.60	3.32	4.20	5.51	8.13	3.69	3.73	2.60	3.45	4.78	7.38
Family head	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Under age 35	.37	.35	.40	.38	.28	.20	.35	.24	.38	.46	.47
Aged 35-54	.57	.53	.56	.59	.69	.61	.59	.65	.58	.52	.52
Aged 55-64	.05	.10	.04	.02	.03	.14	.05	.09	.03	.01	(1)
Aged 65 or over	.01	.02	(1)	.01	.00	.05	.01	.02	.01	.01	(1)
Wife of head	.99	.99	.99	.99	.99						
Relatives under age 18	2.38	1.04	2.01	3.33	5.86	2.07	2.33	1.12	2.09	3.44	6.03
Own children under age 6	.91	.38	.79	1.30	2.08	.44	.60	.18	.49	.99	1.93
Own children aged 6-17	1.44	.62	1.19	2.00	3.73	1.53	1.62	.82	1.51	2.34	3.96
Other	.03	.04	.03	.03	.05	.10	.11	.12	.09	.11	.14
Relatives aged 18-64	.19	.24	.15	.15	.24	.55	.35	.40	.32	.30	.34
Sons aged 18-24	.07	.09	.05	.05	.10	.12	.11	.13	.10	.10	.12
Sons aged 25-64	.01	.02	.01	.01	.01	.04	.03	.04	.02	.01	.01
Daughters aged 18-24	.05	.07	.04	.04	.07	.12	.09	.10	.08	.08	.10
Daughters aged 25-64	.01	.01	(1)	(1)	.01	.11	.02	.03	.02	.01	.01
Other male aged 18-64	.02	.02	.02	.02	.03	.07	.04	.04	.04	.04	.04
Other female aged 18-64	.03	.03	.03	.03	.03	.09	.06	.06	.06	.06	.06
Relatives aged 65 or over	.04	.04	.04	.03	.03	.06	.05	.06	.04	.04	.03
Male	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01
Female	.03	.03	.03	.02	.02	.05	.04	.05	.03	.03	.02

¹ Less than .005.

Source: U.S. Census of Population, 1960: Persons by Family Characteristics, PC(2)-4B.

TABLE B.—Composition of families of different sizes: Percentage distribution of persons in families by relationship to head, by total number in family and sex of head

Type of family member	All families	Husband-wife families, by number of persons					Families with other male head	Families with female head, by number of persons				
		Total	2	3	4 or 5	6 or more		Total	2	3	4 or 5	6 or more
Number of families, total (in thousands)	45,149	39,659	12,046	8,451	13,723	5,436	1,295	4,197	1,987	1,014	826	369
Number of persons:												
Total (in thousands)	163,966	146,924	24,045	25,254	59,970	37,654	3,761	13,282	3,984	3,045	3,596	2,657
Percent	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Family head	27.53	27.00	50.11	33.47	22.89	14.44	34.41	31.60	49.87	33.33	23.00	13.89
Under age 35	7.02	7.19	7.43	9.90	7.97	3.99	5.18	5.61	5.42	6.77	6.26	3.73
Aged 35-54	12.54	12.47	14.17	14.97	12.79	9.20	13.19	13.16	17.87	15.04	10.85	7.08
Aged 55-64	4.25	4.09	14.05	5.46	1.52	.89	6.41	5.50	10.79	5.02	2.86	1.69
Aged 65 and over	3.72	3.25	14.46	3.14	.61	.36	9.63	7.33	15.79	6.50	3.03	1.39
Wife of head	24.08	26.87	49.90	33.32	22.78	14.34						
Relatives under age 18	38.66	39.00		22.98	46.84	62.17	23.24	39.23	14.64	34.39	51.30	65.26
Own children under age 6	13.77	14.50		10.06	18.30	20.70	3.56	8.58	2.91	7.52	11.87	13.77
Own children aged 6-17	22.81	23.05		12.18	27.45	38.05	12.31	23.14	10.02	22.86	30.39	33.35
Other relatives	2.08	1.45		.74	1.09	3.42	7.37	7.51	1.71	4.01	9.04	18.14
Relatives aged 18-64	8.06	5.98		8.23	6.28	7.87	32.30	24.14	26.11	26.81	23.00	19.68
Sons aged 18-24	1.92	1.78		2.23	2.00	2.28	2.39	3.35	2.79	3.78	3.53	3.42
Daughters aged 18-24	1.46	1.32		1.44	1.50	1.79	2.10	2.78	2.01	2.92	3.14	3.31
Sons aged 25-64	1.21	.80		2.00	.74	.62	4.23	4.92	7.08	5.62	3.75	2.45
Daughters aged 25-64	1.08	.60		1.19	.60	.61	6.04	4.98	6.17	5.62	4.39	3.24
Other males aged 18-64	1.07	.70		.68	.65	1.23	7.44	3.42	2.79	3.78	3.81	3.46
Other females aged 18-64	1.31	.78		.69	.79	1.34	10.10	4.69	5.27	5.09	4.37	3.80
Relatives aged 65 or over	1.67	1.15		20.1	1.22	1.20	10.08	5.03	9.39	5.48	2.70	1.13
Total male	.45	.35		.50	.37	.44	2.05	1.13	1.71	1.44	.78	.34
Total female	1.22	.80		1.51	.85	.76	8.03	3.90	7.68	4.04	1.92	.79

Source: U.S. Census of Population, 1960: Persons by Family Characteristics, PC(2)-4B.

TABLE C.—Food-income relationships among nonfarm consumers: Per capita income,¹ per capita food expenditures,² and portion of income spent on food by income class and size of consumer unit, nonfarm households, 1955

Money income (after taxes)	Number of persons in unit					
	2	3	4	5	6	7 or more
Total:						
Per capita income.....	\$2,036	\$1,603	\$1,296	\$1,067	\$337	\$615
Per capita expenditure for food.....	\$550	\$497	\$454	\$384	\$335	\$283
Food as percent of income.....	27	31	35	36	40	46
Less than \$2,000:						
Per capita income.....	\$524	\$419	\$331	\$240	\$240	\$156
Per capita expenditure for food.....	\$316	\$307	\$275	\$196	\$154	\$141
Food as percent of income.....	60	73	83	81	64	90
\$2,000-2,999:						
Per capita income.....	\$1,250	\$834	\$630	\$513	\$430	\$314
Per capita expenditure for food.....	\$456	\$424	\$331	\$298	\$296	\$199
Food as percent of income.....	36	51	52	58	69	63
\$3,000-3,999:						
Per capita income.....	\$1,738	\$1,162	\$882	\$707	\$588	\$466
Per capita expenditure for food.....	\$564	\$441	\$397	\$327	\$291	\$248
Food as percent of income.....	32	38	45	46	49	54
\$4,000-4,999:						
Per capita income.....	\$2,242	\$1,496	\$1,121	\$901	\$751	\$605
Per capita expenditure for food.....	\$576	\$510	\$432	\$388	\$350	\$264
Food as percent of income.....	26	34	38	43	47	44
\$5,000-5,999:						
Per capita income.....	\$2,719	\$1,815	\$1,363	\$1,102	\$897	\$685
Per capita expenditure for food.....	\$655	\$551	\$454	\$404	\$344	\$327
Food as percent of income.....	24	30	33	37	38	48
\$6,000-7,999:						
Per capita income.....	\$3,352	\$2,248	\$1,695	\$1,351	\$1,146	\$901
Per capita expenditure for food.....	\$720	\$582	\$527	\$435	\$386	\$383
Food as percent of income.....	21	27	31	32	34	42
\$8,000-9,999:						
Per capita income.....	\$4,449	\$2,915	\$2,187	\$1,777	\$1,485	\$1,117
Per capita expenditure for food.....	\$773	\$616	\$564	\$513	\$411	\$339
Food as percent of income.....	17	21	26	29	28	30
\$10,000 or more:						
Per capita income.....	\$7,321	\$5,713	\$3,854	\$3,238	\$2,515	\$2,017
Per capita expenditure for food.....	\$1,047	\$901	\$714	\$643	\$597	\$398
Food as percent of income.....	19	16	18	20	24	20

¹ Income after taxes.
² Including alcoholic beverages.

Source: Derived from U.S. Department of Agriculture, Household Food Consumption Survey, 1955, *Food Consumption in the United States* (Report No. 1), December 1956.

TABLE D.—Food-income relationships among urban consumers: Per capita income,¹ per capita food expenditures,² and portion of income spent on food, by income class and size of consumer unit, urban households, 1960-61

Money income (after taxes)	Number of persons in unit					
	1	2	3	4	5	6 or more
Total:						
Per capita income.....	\$2,967	\$2,750	\$2,302	\$1,854	\$1,512	\$1,034
Per capita expenditure for food.....	\$680	\$591	\$495	\$426	\$378	\$295
Food as percent of income.....	23	22	22	24	26	28
Less than \$1,000:						
Per capita income.....	\$755	\$333	(³)	(³)	(³)	(³)
Per capita expenditure for food.....	\$322	\$273	(³)	(³)	(³)	(³)
Food as percent of income.....	43	78	(³)	(³)	(³)	(³)
\$1,000-1,999:						
Per capita income.....	\$1,487	\$860	\$551	\$410	\$281	(³)
Per capita expenditure for food.....	\$468	\$323	\$212	\$156	\$125	(³)
Food as percent of income.....	32	38	38	39	46	(³)
\$2,000-2,999:						
Per capita income.....	\$2,525	\$1,265	\$868	\$651	\$550	\$373
Per capita expenditure for food.....	\$648	\$385	\$269	\$258	\$209	\$171
Food as percent of income.....	26	31	32	40	39	46
\$3,000-3,999:						
Per capita income.....	\$3,497	\$1,786	\$1,190	\$908	\$723	\$495
Per capita expenditure for food.....	\$793	\$487	\$354	\$293	\$275	\$185
Food as percent of income.....	23	27	31	33	38	37
\$4,000-4,999:						
Per capita income.....	\$4,457	\$2,350	\$1,552	\$1,175	\$915	\$678
Per capita expenditure for food.....	\$942	\$544	\$401	\$332	\$291	\$235
Food as percent of income.....	21	23	27	29	32	35
\$5,000-5,999:						
Per capita income.....	\$5,425	\$2,796	\$1,881	\$1,400	\$1,102	\$797
Per capita expenditure for food.....	\$978	\$582	\$442	\$367	\$310	\$260
Food as percent of income.....	18	22	24	27	29	33
\$6,000-7,999:						
Per capita income.....	\$6,737	\$3,392	\$2,259	\$1,695	\$1,370	\$1,001
Per capita expenditure for food.....	\$1,305	\$690	\$505	\$427	\$375	\$293
Food as percent of income.....	19	20	23	25	27	29
\$7,500-9,999:						
Per capita income.....	\$8,537	\$4,262	\$2,902	\$2,162	\$1,729	\$1,260
Per capita expenditure for food.....	\$1,314	\$805	\$609	\$494	\$436	\$347
Food as percent of income.....	15	19	22	23	26	28
\$10,000-14,999:						
Per capita income.....	(³)	\$5,880	\$3,962	\$2,990	\$2,392	\$1,636
Per capita expenditure for food.....	(³)	\$934	\$717	\$601	\$494	\$398
Food as percent of income.....	(³)	17	19	21	22	24
\$15,000 or more:						
Per capita income.....	(³)	\$11,544	\$7,445	\$5,733	\$4,356	\$2,867
Per capita expenditure for food.....	(³)	\$1,352	\$888	\$725	\$719	\$537
Food as percent of income.....	(³)	12	12	13	17	19

¹ Income after taxes and other money receipts.
² Including all purchased food and beverages consumed at home or away from home.
³ Not shown where size of sample under 20.

Source: Derived from Bureau of Labor Statistics, Report No. 237-38, *Consumer Expenditures and Incomes*, July 1964.

TABLE E.—Weighted average of poverty income criteria¹ for families of different composition, by household size, sex of head, and farm or nonfarm residence

Number of family members	Nonfarm			Farm			Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head
	Weighted average of incomes at economy level						Weighted average of incomes at low-cost level					
1 (under age 65).....	\$1,580	\$1,650	\$1,525	\$960	\$990	\$920	\$1,835	\$1,970	\$1,820	\$1,150	\$1,185	\$1,090
1 (aged 65 or over).....	1,470	1,480	1,465	885	890	880	1,745	1,775	1,735	1,055	1,065	1,040
2 (under age 65).....	2,050	2,065	1,975	1,240	1,240	1,180	2,715	2,740	2,570	1,640	1,645	1,540
2 (aged 65 or over).....	1,850	1,855	1,845	1,110	1,110	1,120	2,460	2,470	2,420	1,480	1,480	1,465
3.....	2,440	2,455	2,350	1,410	1,410	1,395	3,160	3,170	3,070	1,890	1,895	1,835
4.....	3,130	3,130	3,115	1,925	1,925	1,865	4,005	4,010	3,920	2,410	2,410	2,375
5.....	3,685	3,685	3,660	2,210	2,210	2,220	4,875	4,680	4,585	2,815	2,815	2,795
6.....	4,135	4,135	4,110	2,500	2,495	2,530	5,250	5,255	5,141	3,165	3,165	3,165
7 or more.....	5,090	5,100	5,000	3,055	3,065	2,985	6,395	6,405	6,270	3,840	3,850	3,750

¹ For definition of poverty criteria, see text.

TABLE F.—Family size and number of children: Percentage distribution of farm and nonfarm families by number of related children and sex of head

[Numbers in thousands]

Number of family members	Total number	Percentage distribution, by number of related children under age 18							
		Total	None	1	2	3	4	5	6 or more
Units with male head									
Nonfarm, number of families.....	43,714		19,813	7,274	7,387	4,749	2,412	1,172	908
1 (under age 65).....	2,980	100.0	100.0						
1 (aged 65 or over).....	1,092	100.0	100.0						
2 (under age 65).....	8,227	100.0	99.2	0.8					
2 (aged 65 or over).....	3,887	100.0	99.8						
3.....	8,170	100.0	35.3	63.9	0.8				
4.....	8,267	100.0	8.1	18.0	73.6	0.3			
5.....	5,510	100.0	2.3	7.3	17.2	73.0	0.2		
6.....	2,870	100.0	.7	2.5	7.6	17.7	71.2	0.3	
7 or more.....	2,711	100.0	.2	.3	2.9	7.0	13.2	42.9	33.5
Farm, number of families.....	3,115		1,532	374	445	319	193	113	137
1 (under age 65).....	127	100.0	100.0						
1 (aged 65 or over).....	76	100.0	100.0						
2 (under age 65).....	622	100.0	88.1	1.9					
2 (aged 65 or over).....	377	100.0	100.0	0					
3.....	496	100.0	52.8	48.4	0.8				
4.....	479	100.0	15.2	20.1	64.7	0			
5.....	353	100.0	1.1	8.5	23.4	67.0	0		
6.....	244	100.0	1.6	1.2	15.2	24.8	57.4	0	
7 or more.....	341	100.0	0	1.2	3.5	6.5	15.5	33.1	40.2
Units with female head									
Nonfarm, number of families.....	11,446		8,715	1,003	720	475	243	144	145
1 (under age 65).....	3,718	100.0	100.0						
1 (aged 65 or over).....	3,027	100.0	100.0						
2 (under age 65).....	1,435	100.0	60.4	39.6					
2 (aged 65 or over).....	678	100.0	94.6	5.4					
3.....	1,097	100.0	34.2	23.3	42.5				
4.....	673	100.0	10.1	18.1	23.0	48.8			
5.....	385	100.0	5.2	5.2	20.2	23.4	46.0		
6.....	198	100.0			8.1	21.7	16.2	54.0	
7 or more.....	236	100.0			2.1	5.9	14.0	16.1	61.9
Farm, number of families.....	344		241	31	27	10	15	1	19
1 (under age 65).....	81	100.0	100.0						
1 (aged 65 or over).....	82	100.0	100.0						
2 (under age 65).....	15	100.0	66.7	33.3					
2 (aged 65 or over).....	46	100.0	84.8	15.2					
3.....	46	100.0	50.0	23.9	28.1				
4.....	16	100.0	31.2	12.5	56.3	0			
5.....	20	100.0	0	30.0	20.0	25.0	25.0		
6.....	12	100.0	0	0	15.4	38.5	46.1	0	
7 or more.....	28	100.0	8.0	0	0	0	16.0	4.0	72.0

Source: Derived from tabulations of the *Current Population Survey*, March 1964, by the Bureau of the Census for the Social Security Administration.

Who's Who Among the Poor: A Demographic View of Poverty

by MOLLIE ORSHANSKY

Reprinted from the *Social Security Bulletin*, July 1965

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE • Social Security Administration

Who's Who Among the Poor: A Demographic View of Poverty

by MOLLIE ORSHANSKY*

How many are poor in this country, and who are they? An earlier BULLETIN article ("Counting the Poor: Another Look at the Poverty Profile," in the January 1965 issue) offered an index of poverty to help answer these questions, in broad terms, for households of different size and type. That article focused largely on the number of families thus defined as poor in terms of 1963 income. The current article spotlights the 35 million individuals in poverty and gives details on their race, age, sex, and employment status in March 1964. Data for the households also appear here, where relevant.

Work is now under way to determine the poverty status of households in terms of 1964 income. Some advance findings for the 33.6 million persons in poverty in 1964 appear on page 4 of this issue.

A monograph incorporating all the analyses presented in the BULLETIN, with additional tabular material on characteristics of the poor in 1963 and 1964, will be published late in 1965.

THE EYES of the Nation are now focused on the 35 million Americans who live on an income that must be rated insufficient for daily needs by even a most conservative standard. And the eyes of the world are trained on the Nation as for the first time in modern history an affluent state declares it has both the power and the persuasion to extend its bounty to all its citizens.

To translate the national concern into effective action, attention must now be directed to the different groups represented among the poor and so to set the target for particular types of programs. Earlier analyses¹ have suggested how much heavier the burden of achieving a tolerable level of living in keeping with today's standards weighs on some types of households—the aged, the family minus a man at the head, the large family with young children even when the father

is present, and the nonwhite family generally whatever its makeup. In the main, however, what was known could describe only some characteristics of the household head and, for those living as a family, give the number of persons to be supported out of family funds.

Further details are now available about all the persons counted as poor—their age, sex, race, employment, and family status—compared with persons in households more fortunate financially.

As might be expected, there are few surprises. The new data serve mainly to confirm and quantify patterns already penciled in before, but in some respects the very magnitude of the differences is sobering. They give clues to possible alterations in the family structure that may develop as the corollary of long-continued strain and privation. They show just how much worse off are our old people and our young people, compared with those of middle years. They vividly reenforce how poorly the Negro has fared in the struggle for economic rights for himself and his children. They reemphasize the extra risk of poverty faced by women compared with men, whatever their family status. And finally, they remind us once again that, though many are poor because they do not or cannot work, others do work and yet are poor.

The standard used to define poverty is admittedly arbitrary, but the differences in risks among certain groups are so great that an alternative criterion of need is not likely to erase them. With a different poverty threshold the indications of high vulnerability for the large family, the nonwhite family, the family headed by a woman might seem greater or smaller; they would hardly disappear altogether.

THE POVERTY INVENTORY

The poorest fifth of the Nation includes a disproportionate share of persons whose earning capacity might be expected to be limited or

* Division of Research and Statistics.

¹ See Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," *Social Security Bulletin*, January 1965.

Poverty Inventory Down by 1.2 Million in 1964

(Advance data from March 1965 sample survey ¹)

In terms of money income United States households were better off in 1964 than in 1963. The nonfarm population did better than the farm population, and persons living alone averaged more improvement than families of two or more except for the aged.

As would be expected, the number in poverty declined too: By the SSA economy index the count of poor families dropped from 7.4 million to 6.8 million, but the number of aged persons living alone in poverty went up slightly. The total of all persons in poverty, who in 1963 numbered 35.3 million or 19 percent of the non-institutional population, by 1964 stood at 34.1 million, or 18 percent.

Except for a change in the farm-nonfarm relationship the incomes defining the level for the index were the same in 1964 as in 1963 because

¹ Based on special tabulations of the March 1965 Current Population Survey for the Social Security Administration. Grateful acknowledgment is made to the Census Bureau staff who made these tabulations possible, in particular Eva T. Auerbach, Arno I. Winard and their associates.

the food plan that is the core of the index didn't go up in price. For the low-cost index, however, calling for about one-third more income, the criteria were raised 1.7 percent in 1964 to reflect higher prices of the low-cost food plan. Using the low-cost index brings the poverty tally for 1964 to 49.4 million.

In 1964, as earlier, households with a woman at the head were much more likely to be poor than those headed by a man, especially when young children were present. But there was some improvement: In 1964, three-fifths of the children in families headed by a woman were poor, compared with two-thirds the year before. All told, of the 14.8 million children counted poor, 4.4 million were in a family with no man at the head.

The plight of the large family also continued critical in 1964. Indeed, of all youngsters growing up in poverty, nearly half were in a home having at least five children.

The advance data suggest that in the midst of continued prosperity, the risk of poverty for some—notably the Nation's children and its aged—continues high enough to evoke concern:

The poverty roster in 1964, compared with 1963 ¹

Type of unit	1964						1963					
	Total non-institutional population	The poor					Total non-institutional population	The poor				
		Total in poverty	Sex of head		Residence			Total in poverty	Sex of head		Residence	
			Male	Female	Non-farm	Farm ²			Male	Female	Non-farm	Farm ²
Number of persons (in millions)												
Total.....	189.7	34.1	23.3	10.8	29.9	4.2	187.2	35.3	24.1	11.2	31.4	4.0
Unrelated individuals.....	12.1	5.1	1.4	3.7	4.9	.2	11.2	4.9	1.5	3.4	4.7	.2
Under age 65.....	7.5	2.3	.8	1.5	2.2	.1	6.9	2.4	1.0	1.4	2.3	.1
Aged 65 or over.....	4.6	2.8	.6	2.2	2.7	.1	4.3	2.6	.5	2.0	2.5	.1
Persons in families.....	177.6	28.9	21.8	7.1	24.9	4.0	176.0	30.4	22.6	7.8	26.6	3.8
With no children under age 18.....	44.9	4.9	4.1	.8	4.3	.6	44.0	5.5	4.4	1.1	4.7	.8
With children under age 18.....	132.7	24.0	17.7	6.3	20.6	3.4	132.0	24.9	18.2	6.7	21.9	3.0
Adults.....	63.3	9.2	7.3	1.9	7.8	1.4	63.2	9.6	7.5	2.1	8.4	1.2
Children under age 18.....	69.4	14.8	10.4	4.4	12.8	2.0	68.8	15.3	10.7	4.6	13.5	1.8
Number of family units (in millions)												
Total.....	59.9	11.9	6.4	5.5	10.9	1.0	58.6	12.3	6.8	5.5	11.2	1.1
Unrelated individuals.....	12.1	5.1	1.4	3.7	4.9	.2	11.2	4.9	1.5	3.4	4.7	.2
Under age 65.....	7.5	2.3	.8	1.5	2.2	.1	6.9	2.4	1.0	1.4	2.3	.1
Aged 65 or over.....	4.6	2.8	.6	2.2	2.7	.1	4.3	2.6	.5	2.0	2.5	.1
Families.....	47.8	6.8	5.0	1.8	5.9	.9	47.4	7.4	5.4	2.0	6.5	.9
With no children under age 18.....	19.5	2.3	1.9	.4	2.0	.3	19.1	2.5	2.1	.4	2.2	.3
With children under age 18.....	28.3	4.5	3.1	1.4	3.9	.6	28.3	4.8	3.3	1.6	4.3	.5
1-2 children.....	17.2	1.8	1.2	.6	1.6	.2	17.3	2.1	1.3	.8	1.9	.2
3-4 children.....	8.3	1.5	1.0	.5	1.3	.2	8.4	1.6	1.1	.5	1.4	.2
5 or more children.....	2.8	1.2	.9	.3	1.0	.2	2.6	1.1	.9	.3	1.0	.1

¹ Income for the year of family unit or unrelated individual below SSA index at economy level.

² Farm families assumed to need 70 percent as much cash income as nonfarm family of same size and composition, for 1963 as well as

1964. Other tables and analyses for 1963 in this article are based on a 60-percent farm-nonfarm equivalence ratio used earlier, and a corresponding total number in poverty of 34.6 million. All tabulations for 1964, now in process, are based on the 70-percent approximation.

lacking altogether, because they are too young or too old. Of the 34.6 million persons living in poverty during 1963—using as a criterion the Social Security Administration index at the economy level—nearly 6 million were children under age 6, and 9 million were aged 6 through 17. More than 5 million of those in poverty were at least 65 years old. Households judged poor thus included nearly a fourth of the Nation's children under age 18 and 30 percent of the aged not in institutions. But of the group most likely to be part of the work force, persons aged 18–65, the poverty inventory embraced only 1 in 7 (table 1).

Unemployment rates among the poor reflect the difficulty that many workers in poor households have in finding and keeping jobs. The 1-person households labeled poor include nearly half of all persons living alone who were out of work—looking for a job in March 1964. Among persons aged 14 and over living as part of a family unit, nearly a fourth of all those unemployed in March 1964 were in a poor family, including about 3 in 10 of the unemployed who were themselves the head of the family and 2 in 10 of those who were wives or other members. It should be noted that the poverty status is determined by the family's income for the year

1963, not by its current income in March 1964.

These data reflect a going unemployment rate among heads of poor families of about 10 percent, three times the rate in nonpoor families. In terms of work history during the year 1963, however, the job difficulties of the poor loom even larger: About a fourth of those family heads who were in the labor force at all reported they had experienced some weeks of unemployment. Among family members other than the head, almost 20 percent of those in poor families currently in the labor force were out of work—a rate two and one-half times that among workers in nonpoor families. Moreover, when the family head has lost his job the other workers in the family often are out of a job too.

What is perhaps more significant is that, age for age, men and women in poor families are more likely than those better off to be out of the labor force entirely. For some, particularly among women, the difference reflects the heavier household responsibility that goes with larger families and younger children. For others, it reflects a higher prevalence of disabling illness: In poor families, 5 percent of all members aged 14 and over—that is, 11 percent of family heads and 3 percent of other members who were not in the labor force—gave longterm illness or disabil-

TABLE 1.—Persons in poverty in 1963,¹ by age and family status

[In millions]

Age and family status	Total non-institutional population ²	Economy-level index			Low-cost level index		
		Poor	Nonpoor		Poor	Nonpoor	
			Total	Hidden poor ³		Total	Hidden poor ³
Number of persons, total.....	187.2	34.6	152.6	2.8	50.3	136.9	2.9
Unrelated individuals.....	11.2	4.9	6.3	.....	5.6	5.6	.....
Under age 65.....	6.9	2.4	4.5	.....	2.6	4.3	.....
Aged 65 and over.....	4.3	2.5	1.8	.....	3.0	1.3	.....
Members of family units.....	176.0	29.7	146.3	2.8	44.7	131.3	2.9
Children under age 18 ⁴	68.8	15.0	53.8	.6	21.9	46.9	.5
Own children of head (or spouse).....	65.7	13.8	51.9	.....	20.3	45.4	.....
Other related children.....	3.1	1.2	1.9	.6	1.6	1.5	.5
Persons aged 18-64 ⁵	94.4	12.0	82.4	.5	18.4	76.0	.5
Head.....	40.6	5.6	35.0	.....	8.4	32.2	.....
Wife.....	38.8	4.3	34.5	.....	7.0	31.9	.....
Other relative.....	15.0	2.1	12.9	.5	3.0	11.9	.5
Persons aged 65 and over.....	12.8	2.7	10.1	1.7	4.4	8.4	1.9
Head.....	6.8	1.6	5.2	.....	2.5	4.3	.....
Wife.....	3.5	.8	2.7	.....	1.4	2.1	.....
Other relative.....	2.5	.3	2.2	1.7	.5	2.0	1.9

¹ Income of family unit or unrelated individual below the SSA index at the economy level for family size and sex of head or, alternatively, at the somewhat higher low-cost level.

² As of March 1964 there were 2 million persons in institutions, including 270,000 children under age 18; 1,100,000 persons aged 18–64; and 700,000 persons aged 65 or older. These persons, as well as the 200,000 children under age 14 who live with a family to no member of which they were related, are not represented in the poverty index because income data are not collected for inmates of institutions or unrelated individuals under age 14.

³ Individuals or subfamily members with own income below the poverty level but living in a family above the poverty line. A subfamily represents a married couple with or without children or a parent and 1 or more children under age 18 residing in a family as relatives of the head.

⁴ Never-married children. Excludes 300,000 children under age 14 (200,000 in households of nonrelatives and 100,000 in institutions), all of whom are likely to be poor.

⁵ Includes any persons under age 18 living in families as family heads, spouses, or ever-married children.

ity as the reason, compared with 2 percent in non-poor families. But for others the available data give no clue. There is no telling for how many it was lack of skills or repeated difficulty encountered in finding and holding a job that made further looking seem pointless.

Particularly disturbing are the statistics for the teenagers in poor families, at least those who remain in the home. The poor families' share of the Nation's youngsters drops from 1 in 4 of the children under age 13 to 1 in 5 of those aged 14-17. By age 18 or 19, only 1 in 8 of all never-married youngsters who have not gone off on their own but are still a part of the parental family are found in poor families.

To be sure, some families that are poor when the children are small may move into the nonpoor category as the last youngster reaches his teens: Then perhaps he, and the mother as well, can take employment and raise the family income. On the other hand, some families remain in poverty, and the children leave one by one as they reach adolescence.

Those youngsters who take on family responsibilities of their own too early run the risk of poverty for themselves and their dependents, especially when they have given up their education, as is likely. The teenage youngster who does stay on in the poor family will also be less likely to attend school than one in a nonpoor family. A disturbing number of those not in school do not even report themselves available for work.

The family with income below the economy poverty line was larger, averaging about 4 persons, than the family with higher income, which had on the average 3.5 persons. The poor families as a group averaged two children each, and the nonpoor had one child.

Among families with children the poor generally had more children. Of the 15 million children counted as poor, nearly half were in families with five or more children, but the income for many of these large families was so low that they would be poor even if they had no more than two youngsters to support.

Of all the persons counted as poor, 10.7 million, or 3 out of 10, were nonwhite, reflecting the fact that the nonwhite population—which is largely Negro—sustains a risk of poverty about three and one-half times as high as white persons. Indeed, it can be said that 1 out of every 2 nonwhite per-

sons had to be considered as poor in terms of 1963 income. For those in the particularly vulnerable groups—young children and the aged—the incidence of poverty was closer to 3 in 5. Nonwhite children under age 18 in families below the poverty line accounted for 5¾ million of all the 15 million children considered in poverty.

A nonwhite child had four times the chance of being raised in economic deprivation as a white child, a disadvantage that was likely to continue in much this same degree almost throughout a lifetime. In old age, the nonwhite population had a poverty rate only slightly lower than in childhood. Among the white population, however, those aged 65 and older, as a group, have the highest poverty rate of all—29 percent. The aged nonwhite person was therefore only twice as likely to be poor as his white fellow citizen, thus achieving in late life a greater measure of parity in poverty.

Mothers bringing up children without a father had to choose in some measure—particularly when children were of preschool age—between privacy and poverty, between living in their own households on an inadequate income or doubling up with other relatives and easing financial strain. But for some, even giving up the one did not eliminate the other. Some had to choose between taking employment and caring for their children, but for many, especially nonwhite women, it was indeed a difficult choice: Staying home might keep them poorer, but going to work wouldn't necessarily make them not poor. Mothers who turned to public assistance would find almost without exception that under the payment practices in their State they would live on a budget below the poverty line.

And nonwhite men, with their high rate of unemployment and low earnings, might sometimes find but little difference in the living they could offer their family when they had a job and when they did not.

This is the tale that the numbers tell, counting as poor only those with income less than a stated minimum—an income that even in 1963 might, for a family of four, be typified by an average of about 70 cents a day per person for all food and only \$1.40 for everything else. In today's prospering economy, it is a most stringent test.

If the poverty threshold is lifted to a some-

what less stringent level of living, calling for income about a third higher than the economy level—still a far from generous standard—the poverty count rises to more than 50 million. There are thus at least a fifth of our people, perhaps as many as a fourth, who live in or on the verge of poverty.

It has been estimated that it would take an aggregate of \$11.5 billion to raise all the poor just to the economy poverty level and an additional \$8 billion to bring them up to the low-cost standard.

It would be less disturbing if poverty struck at random, with no one group singled out. The data make it clear that this is not so. For many of our aged, the poverty in which they near the end of their days mirrors a poverty that impended from the beginning, just as it still awaits so many of our children almost from the moment of their birth—because of their color, the occupation of their parents, or the place they happen to live; because they have come into a family that will be minus a father long before they are grown; or even because too many children have already arrived before them. The poor among us come disproportionately from the homes of those who are unemployed or do not work, but the ranks are filled with an awesome number from the homes of those who work and yet do not escape poverty.

DRAWING THE POVERTY LINE

Much of the recent discussion of the war on poverty and the possibility of winning it centers on the number assumed as the target. How can we tell how many of our fellow citizens may be identified as poor and how many and which ones do we propose to aid in some measure to improve their status?

There is, to be sure, no hard and fast rule. Some households will have special needs that will not be met even with above-average resources. Others with income only temporarily low will in time find their own way unaided out of their present crisis. Even if there were agreement on a standard it could not apply with equal validity to all persons in every situation, and in reality there is no universally acknowledged infallible measure of adequacy.

It is perhaps more difficult to define poverty as a public issue than in some other context because in a sense such a procedure implies how much of its public funds and civic energy the Nation wishes to commit to the task. Moreover, the means by which one can make a comprehensive assay of need for individuals in a specific crisis are not available for assessing the economic well-being of all persons in the aggregate. Yet obviously it is necessary to know how many and what kinds of households are unlikely without aid to attain for themselves a tolerable degree of security and to provide reasonably well for dependents, particularly if they include any young children. Even if we assume some consensus as to the number who merit and will receive attention, it must be determined for how many the best solution is likely to be a job, for how many it will rather be preparation for a better one, and for how many the best help will be in the form of increased financial assistance or special services.

The Council of Economic Advisors in 1964, heralding the onset of the drive to eradicate poverty, drew the interim dividing line at annual income of less than \$3,000 for families of two or more and at half this amount for a person living alone as an unrelated individual. Admittedly less than ideal, the definition would set aside as not poor a family of six or seven persons with as little as \$3,100 while including in the poverty tally a family of two with as much as \$2,900. Inevitably then, the poverty status of some young children growing up in large families with low incomes would go unrecognized. Obviously lacking, too, was any consideration of the regularity or persistence of low income and the possible access to resources besides current money income.

THE SSA POVERTY INDEX

An index of poverty has now been developed by the Social Security Administration. It is still interim and admittedly in need of greater precision, but nevertheless a tool more sensitive to different needs of families of different types. It allows also in some degree for the lower cash requirements of families on a farm who can produce some of their own food. This index affords a

more realistic appraisal of the diverse measures that might serve to help different segments of the poor rise above their present station.

The new poverty index represents an attempt to specify the minimum money income required to support an average family of given composition at the lowest level consistent with the standards of living prevailing in this country. At best such a figure can represent only the amount at which, on the average, an acceptable level of consumption is possible, not necessarily plausible.

It is not designed to be applied directly to an individual family with a specific problem. Nor even as a screening device can it be expected to stand unchallenged as an exact count of the poor in absolute numbers. But it can delineate broadly the relative incidence of poverty among discrete population groups and in this way outline targets for action.

To accomplish this purpose, the incomes selected should, if budgeted carefully, provide equally well for large families and for small, for children and for grownups, and as far as possible for families living on a farm and for those in a city. The latter relationship, indeed, is but an extreme variant of the sticky problem of approximating place-to-place differences in living costs.

In lieu of the pair of income cutoffs used originally, the new poverty line was drawn separately for each of 124 different types of families, described by the sex of the head, the total number of other adults, the number of children under age 18, and whether or not they live on a farm. Based essentially on the amount of income remaining after allowance for buying an adequate diet at minimum cost, the poverty criteria have been computed at two levels—one based on the plan for an adequate diet at low cost published for many years by home economists at the U.S. Department of Agriculture, and a second in terms of a more restricted and less costly economy plan recently developed by the Department for emergency use when funds are especially limited.

These indexes were used to classify families (and unrelated individuals) as poor or nonpoor by the income for 1963 reported in the *Current Population Survey* of the Bureau of the Census for March 1964.

The newly defined poverty index at the economy level has now been adopted by the Office of

Economic Opportunity as a working tool pending completion of further research.

DERIVING THE INDEX

The derivation of the index has been reported in detail in the *SOCIAL SECURITY BULLETIN* for January 1965. Only an abridged discussion is included below, with some additional evidence now available that lends credence to the index as a discriminant.

With no market basket to demarcate the line below which deprivation is almost inevitable and above which a limited measure of adequacy is at least possible, an adaptation was made of a principle most of us learn by heart: As income increases, families spend more dollars for food, but this larger amount takes a smaller share of income, leaving proportionately more money for other things. Accordingly, a low percentage of income going for food can be equated with prosperity and a high percentage with privation. Economists looking for a quick way to assess the relative well-being of dissimilar groups have long resorted to this device.

This procedure was followed but with an important modification. It was assumed that equivalent levels of adequacy were reached only when the proportion of income required to purchase an adequate diet was identical. The fact that in practice large families often seem to spend more of their income on food turns out on analysis to come about only because on the average the large families, particularly those with several children, have lower incomes than small families. The procedure had the important merit that for food a measure of adequacy is available in the Department of Agriculture food plans. Adequacy standards for other categories of family living are not available.

The food plans priced for nonfarm families today include both the low-cost one well known to welfare agencies and a newer economy level plan, costing about one-fourth less, designed for shorter-term use when funds are extremely low. Most families spend considerably more. In 1955, the latest year for which there are details, only one-tenth of all nonfarm families spent less than the economy plan. Today, 10 years later, the number with such meager food outlays is no doubt even smaller. With this plan, adequate nutrition is attainable, but in practice nearly half the families spending so little fall far short of adequacy: Of families spending at this rate in 1955, more than 40 percent had diets providing less than two-thirds their requirements for one or more nutrients.²

The kind of diet made possible by the economy plan was taken to typify one level of living to be represented by the poverty index, and the low-cost plan an alternative higher level. A representative combination of members

² Betty B. Peterkin, "USDA Food Plans and Costs—Tools for Deriving Food Cost Standards for Use in Public Assistance," *Family Economic Review* (Department of Agriculture), March 1965.

by age and sex was developed for families of given size and type, and the food-plan cost determined. On the basis of average spending patterns observed in 1955 among both farm and nonfarm families, it was decided that the total should represent no more than one-third of income, although at today's higher incomes, families currently average more nearly \$1 out of \$4 for their food than \$1 out of \$3.

For families of two persons, on the basis of the 1955 pattern, only 27 percent of income was assigned to food, because so small a unit will have heavier per capita fixed expenses than a larger unit. One-person households, for whom reliable data were lacking, were assumed to need 80 percent as much as the appropriate 2-person unit at the economy level and 72 percent as much at the low-cost level. The lower the income and the more restricted the budget, the more difficult it will be to cut such expenses as housing and utilities below the minimum for a couple.

For the poverty index the total food allowance was cut down to the current cost of the economy plan assuming all food prepared at home. Retaining the same proportion of income allotted to food as that for families spending much more implied that other items of family living could be reduced to the same degree. Admittedly this procedure is unrealistic, particularly with respect to housing, which looms so large in the nonfarm family budget. Judicious management can cut food costs at the sacrifice of dietary adequacy if need be, but the slum landlord is not likely to be satisfied with cheaper rent. For large families in the low-income range, many of them nonwhite, obtaining any housing at a price they can afford is difficult. Many welfare agencies in allotting funds have to budget rent as paid by their clients. There were, however, no available budget standards for housing that could be applied at the poverty level.

Data now available for 1960-61 suggest that nonfarm families then averaged 23.5 percent of aggregate income for food. Actually, however, it was only families with incomes of \$6,000 or more that averaged food costs in this range. With incomes of \$2,000-\$3,000, families of two or more were devoting a third of income to food—the ratio assumed for the poverty index. Families in this income class, averaging slightly more than three persons, reported a per capita outlay for all food of \$5.25 a week. The \$4.55 spent for food at home is almost identical with the cost of the economy plan in 1964 for a 4-person family.³ At this rate, the critical income—that is, the poverty line—for such a family would be set at \$3,150, compared with the \$3,130 derived *a priori*.

THE FARM-NONFARM RELATIONSHIP

The food-plan quantities are priced only for nonfarm families. In setting the poverty line for farm families it was necessary to determine for

³ Unpublished data for nonfarm families of two or more have been made available through the courtesy of the Bureau of Labor Statistics.

them how much on an average would be purchased and how much homegrown. In the absence of information to the contrary, the food-income relationship was given the same significance for farm as for nonfarm families in connoting income adequacy. Indeed, in 1955 farm families spent a third of net money income for purchased food—the same as other families—but their purchases represented only 60 percent of the retail value of all food they used. With no more recent information on the level of home production—an important cost element for the farm household—it was assumed that the average farm family in 1963 would still obtain 40 percent of its food requirement from the home farm, and therefore the poverty line was set at 60 percent that for a nonfarm family.

Home production obviously had declined since 1955, but the magnitude of the change was not yet known. It was recognized also that the manner in which the Bureau of the Census obtains its income data tends to understate farm income and therefore to overstate poverty to a greater degree for farm families than for nonfarm families. The farm family, asked for a quick estimate of its income (including operating expenses), is likely to assign all utilities, transportation, and shelter costs to the farm side of the

TABLE 2.—Households in poverty, by family status, race, and sex of head

Family status and sex of head	Total number of households in population (in millions)	Households with 1963 income—			
		Below economy level		Above economy, below low-cost level	
		Number (in millions)	Percent of total	Number (in millions)	Percent of total
Unrelated individuals, total.....	11.2	4.9	44	0.7	6
Male.....	4.3	1.4	34	.2	6
White.....	3.6	1.1	31	.2	6
Nonwhite.....	.7	1.3	46	(1)	4
Female.....	6.9	3.5	50	.4	6
White.....	6.1	2.9	48	.4	6
Nonwhite.....	.8	.5	68	(1)	4
Families of two or more, total...	47.4	7.2	15	3.7	8
Male head.....	42.6	5.2	12	3.3	8
White.....	38.9	3.9	10	2.8	7
Nonwhite.....	3.7	1.3	34	.5	14
Female head.....	5.9	2.0	40	.4	9
White.....	3.8	1.2	31	.3	10
Nonwhite.....	1.1	.8	71	.1	9
With children, total.....	28.3	4.8	17	2.3	8
Male head.....	25.5	3.2	12	2.0	8
White.....	23.1	2.2	10	1.7	17
Nonwhite.....	2.4	.9	37	.4	17
Female head.....	2.8	1.6	55	.3	11
White.....	2.0	.9	45	.2	10
Nonwhite.....	.9	.7	78	.1	11

¹ Fewer than 50,000.

account rather than prorate a share as the cost of family living. In approximating farm-nonfarm equivalence on the basis of Census income distributions—which must provide the basis for the poverty index—one may therefore postulate a lower ratio of farm to nonfarm money income than would apply if the income data were obtained by methods similar to those of the Department of Agriculture household expenditure studies.

Advance information now suggests that by 1961 home food production had dropped to no more than 31 percent the total value of food used by farm families. It would seem more appropriate, then, to peg the income required by a farm family at the poverty line at about 70 percent of the equivalent nonfarm figure rather than the 60 percent used before. A reclassification of farm families by the higher relative standard indicates that for the year 1963 the incidence of poverty among farm households increases by about 733,000 persons if the higher income cutoff point is used.

[Numbers in millions]

Item	Farm population counted poor in 1963	
	By 60-percent criterion	By 70-percent criterion
Total number of persons.....	3.23	3.96
Unrelated individuals.....	.15	.17
Family members.....	3.08	3.79
Adults.....	1.59	1.97
Children under age 18.....	1.49	1.82
Family units, number.....	.73	.88
Poverty rate (percent):		
Unrelated individuals.....	.38	.46
Family units.....	.23	.28

The total number of persons in poverty in 1963 accordingly rises to 35.3 million—15.3 million of them children. All data in the present article, as in the earlier report, are based on the original definition showing 34.6 million poor, of whom 15 million are children. Analysis for 1964, now in process, will incorporate the later definition—that is, a family on a farm will be assumed to need 70 percent as much income as a family in a city.

The reduction in the farm-furnished-food assumption raises from 1 in 11 to 1 in 9 the proportion of the poor who live on a farm. More than 40 percent of all households called poor in 1963 were rural (that is, farm and rural nonfarm combined).

Among farm families studied in 1961, average expenditure for food represented 20 percent of money income. Families with \$1,000–\$2,000 averaged 35 percent, and those in the next higher income class 28 percent. Food purchases by families spending 33 percent of income were estimated by interpolation at \$3.62 per person per week, with \$3.13 going for food at home. This figure represents 69 percent of the amount spent by the nonfarm families devoting the same proportion of income to food.

For farm families spending this way, the average family size was the same as for the parallel nonfarm families (3.1), and family income averaged \$1,838, or 71 percent that of the nonfarm families.⁴

THE HOUSEHOLDS OF THE POOR

In the main this report is concerned with the persons on the poverty roster rather than with the characteristics of the family in which they live; discussed in the earlier report. Since poverty status for an individual, however, is so closely allied to the kind of household in which he lives, and since all data have been tabulated by sex of the family head, a brief review is in order.

The 187 million persons making up the non-institutional population as of March 1964 were living in about 58½ million households—11 million 1-person units⁵ and 47½ million family groups of two or more related members. Every fifth household (12 million in all) was poor—that is, the income for the preceding year was below the economy poverty threshold for a family of its size and composition. An additional 4½ million units with incomes above this level fell below the low-cost level of the poverty index.

Households with no man at the head and non-white households generally were considerably poorer than others, and families with children under age 18 were worse off than those without children (table 2).

The median income of the unrelated individ-

⁴ U.S. Department of Agriculture, *Consumer Expenditures and Income: Rural Farm Population, United States, 1961* (USDA Consumer Expenditures Survey Report No. 5), April 1965.

⁵ These are unrelated individuals—that is, persons living alone or with nonrelatives.

uals in poverty, by the economy criterion, was \$930 for men and \$760 for women. The required income for independent living at this level is estimated at \$1,570 for men and \$1,480 for women. As a group, the individuals deemed poor had less than 60 percent of the income they needed.

Families labeled poor with a man at the head, averaging 4.3 persons overall, had a median income of \$1,760 in 1963. Poor families headed by a woman had, on the average, about an eighth fewer persons to support, but had one-fourth less income to do it with. Their median income was only \$1,300. The minimum income that families this large needed to meet basic requirements, as defined by the economy index, might average about \$3,220 for the man's family and \$2,960 for the woman's.

Among families headed by a man, the poverty rates are highest for families of the young and the old; about one-fifth of those with the head under age 25 and the same proportion for the families whose heads were aged 65 and over are poor. Families in the in-between years are less likely to be poor. Among families headed by a woman, the poverty rate declines steadily from 70 percent in families with a head under age 25 to a third among those with a head aged 65 and over. The drop comes about largely because of the decreasing responsibility for children under age 18. Although the presence of children in the home increases the risk of poverty considerably, obviously it does so to a much greater degree when a woman serves as family head, because of the difficulty of combining child care and a full-time job.

Poor households were larger, on the average, than the families that were better off: Mainly, they included fewer adults and more children. The difference was greater when there was a woman rather than a man at the head, as indicated by the averages (from table C), shown below.

Persons in family	All families		With male head		With female head	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Total.....	4.1	3.6	4.3	3.7	3.8	2.9
Adults.....	2.0	2.3	2.3	2.3	1.5	2.1
Children under age 18..	2.1	1.3	2.0	1.4	2.3	.8

Adult members often contribute to family income; children are more likely to be wholly dependent. It is therefore not unexpected that the risk of poverty for families increases with a rising number of children but decreases with a rising number of adults. For nonfarm families headed by a man, for example (except for aged couples, a fourth of whom were poor), the risk of poverty for all-adult families decreased with family size, from 8 percent of the young couples to only 2 percent of the families of five adults. (There were virtually no families with six or seven adults and no children.) By contrast, when there were two adults and some children, the poverty rate rose from 8 percent of the 3-person families with one child under age 18 to 42 percent when there were two adults and six or more children.

PERSONS IN POOR HOUSEHOLDS

All told, as of March 1964, 34.6 million persons or nearly a fifth of the noninstitutional population were in households with reported income for 1963 below the economy level. Five million of the poor—half under age 65 and half aged 65 or older—lived alone (or with non-relatives), and the remainder lived in family groups of two or more persons. About 15 million—1 out of every 2 living in a family unit—were children under age 18. Together with their 7½ million parents (or other adult relative taking care of them), they accounted for three-fourths of all the persons in poor families. If to this group is added the 2.7 million aged persons who are living in a family, all but a fifth of the poor who do not live by themselves are accounted for.

Others in poverty are not included in this count. There are about 1.7 million aged whose own income of less than \$1,500 is not enough for independent living—even if health and other considerations made it feasible—but who escape poverty by sharing a household with a family above the poverty line. Likewise there are a million younger persons living as subfamily units in families above the poverty level. They include 600,000 children and their parents who would be counted poor were they to depend only on their own income (table 1).

There are marked differences in the makeup of families below the poverty line and other families (tables 1 and A). Not only are there more children—half of all members of poor families are under age 18 compared with a third in the nonpoor families—but more of the children, though related to the head, are not his own children. That is, they are not members of the primary family but represent some doubling up of units.

Aside from the children, poor families as a group include only three-fourths the proportion of persons under age 45 found in nonpoor families. More than a fifth of the adults in poor families are at least 65 years old, compared with a tenth in nonpoor families (table B).

POVERTY IN OLD AGE

Of the 12 million households with 1963 income below the economy level, more than 4 million were headed by a person aged 65 or older, as shown below.

Family status and sex	[Numbers in millions]		
	All households with aged head	Poor households with aged head	
		Number	Percent of total
All households.....	11.1	4.1	38
Unrelated individuals, total.....	4.3	2.5	59
Male.....	1.2	.5	43
Female.....	3.1	2.0	65
Families of 2 or more.....	6.8	1.6	24
With male head.....	5.7	1.2	22
With female head.....	1.1	.4	32

A considerable number of persons in families with an aged head are under age 65, and some aged persons live in a family headed by a younger person. By and large, of the 13 million aged persons living in families, 7 million were family heads, 3 million the wives of heads, and the remainder were "other" relatives. As the poor are counted, these other relatives seem better off than household heads or their wives but only because the relatives they live with have incomes above the poverty line, not because they themselves do.

As the figures in tables 1 and A suggest, 30 percent of all persons aged 65 and over are in the poverty tally, and an additional 10 percent would be too except for sharing the home of relatives

better off than they. The aged population, accordingly exhibits a smaller degree of economic security than any other age group, despite the fact that more of the aged than of any others, currently draw some support from a public program. Moreover, the poverty of the aged affects considerably more than the persons aged 65 or older actually counted in the poverty roster. Some aged persons are married to persons not yet age 65 who are also poor, and others, with no spouse, are sharing the home of a younger relative. Still others, whether or not they are designated as poor, are being supported in part by relatives outside the home, and this burden cannot be represented at all in the poverty balance sheet.

The figures below summarize the living arrangements of the 5.2 million persons aged 65 and over who are included in the current count of the poor.

Living arrangements of aged poor ¹	Number (in millions)
Total.....	5.2
Living alone.....	2.5
Men.....	.5
Women.....	2.0
In family units:	
As head or spouse of head.....	2.4
Husband-wife family.....	1.9
Both aged 65 or older.....	1.2
Aged husband, wife under age 65.....	.5
Aged wife, husband under age 65.....	.2
Male head, no wife.....	.1
Female head, no husband.....	.4
As other relative of head.....	.3
Men.....	.1
Women.....	.2

¹ Income in 1963 of person living alone or of family unit below SSA index at economy level.

Some of the aged, to be sure, are better off than others. By far the worst in economic status are those, particularly aged women, who live by themselves. Of the 3 million women aged 65 and over living alone, 2 million were living in poverty. Among aged men, 40 percent of those living alone had too low an income, and the few aged men who still had young children to look after were poor in about the same proportion (table 7).

As the poverty tally counts them, the 2½ million aged persons living in families as neither the head of the household nor the wife of one were among the most fortunate. Only 13 percent of them were in a poor family. Had all these

aged relatives been required to live independently on their own income, fewer than 20 percent had the \$1,500 it would take as a minimum to keep them out of poverty.

By far the majority of all aged "other" relatives were women, about three-fourths of the total, and a disproportionate number were living in a household with a woman at the head. Only 3 percent of the families headed by a man included an elderly other relative whose own income was inadequate.

One out of every 9 families with a woman at the head, however, were supporting an elderly relative with too little income to live alone, and it was the family not in dire poverty but just on its brink that was most likely to do so: Of families themselves poor, 9 percent were sharing their home with a poor elderly relative; of families just above the economy level but below the low-cost level, 19 percent harbored such an aged person; and of the families headed by a woman with income above the low-cost standard, 12 percent had an aged relative living with them whose own income was inadequate. The heavy burden for a woman who must serve as the head of a family apparently includes care of the aged as well as bringing up children. To be sure, sometimes assuming the one responsibility may help in discharging the other.

ASSETS AND POVERTY

There has been considerable speculation about the reliability of current income as the sole index of poverty, with no adjustment for the availability of assets that might help a small income go farther. The questions had more relevance in terms of the original definition, which counted as poor only those—and all those—families with less than \$3,000. Such a procedure did include among the poor a sizable number of aged persons with income of \$2,000–\$3,000, who are likely to have some assets, as well as a number of farm families with investment in the land that is the source of their livelihood. The present definition, which lowers the poverty threshold for aged couples and for farm families generally, should be less suspect. In any case the means of quantifying the possible degree of overstatement for the poor as a whole are not yet available.

For the aged, however, who generally are more

likely than the younger population to have assets, it was possible to estimate the number counted poor, in terms of current income, who might have sufficient other resources to enable them to live at a higher standard. Data collected in the 1963 Survey of the Aged made by the Social Security Administration calculated the additional amount that could be available to aged couples and non-married individuals for current living if all assets other than the home were considered invested and prorated actuarially for use over the average years of life remaining.⁶

Of all aged couples in the Survey, 25 percent had an income of less than \$1,850 and accordingly would be rated poor by the economy index. After allowance for the amount that could be available on the average if assets were used, over five-sixths as many, or 21.5 percent, would still be rated poor in terms of their potential income. For the nonmarried aged, a similar tally of the number with less than \$1,500 yielded 66 percent in poverty in terms of current income alone and 64 percent judged by current income plus potential income from assets.

The relationships derived in the Survey between potential income and actual income for married couples, nonmarried men, and nonmarried women were used to estimate how many of the aged, ranked as poor in 1963 by the poverty index, might have enough in assets to change that rating. The number of aged poor could thus be reduced by half a million, lowering the incidence of poverty among the aged from 31 percent to 27 percent, as the following figures suggest:

[In millions]

Family status	Estimated number of aged poor by—	
	Actual income	Income plus prorated assets
Total.....	5.2	4.7
Unrelated individuals.....	2.5	2.3
Male.....	.5	.4
Female.....	2.0	1.9
Family members.....	2.7	2.4
Male head.....	1.2	1.1
Wife.....	.8	.7
Female head.....	.4	.3
Other relative.....	.3	.3

⁶ Janet Murray, "Potential Income From Assets: Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, December 1964.

When the aged are identified by a poverty threshold as low as the economy standard (\$1,850 for a couple and \$1,470 for a person living alone, as opposed to the more liberal cutoffs of \$3,000 and \$1,500 used by some) few so identified—at most 1 in 10—can be assumed to have a cushion of resources in addition to income that will make comfortable living likely. With the younger population as a group having even less in assets than the aged, there is little possibility that any sizable part of the 29½ million persons under age 65 counted as poor on the basis of their 1963 income have been misclassified because their savings were not taken into account. There may be other reasons why some should not be considered in poverty status, just as there are undoubtedly some not identified as poor in terms of current income who would be so identified if the full truth about their circumstances were known.

CHILDREN IN POVERTY

The Nation's children sustain a risk of poverty second only to that of the aged; among the nonwhite population, in fact, children have an even higher incidence of poverty than persons aged 65 or older. The 15 million children already entered on the poverty balance sheet, together with the 600,000 children in low-income subfamilies who would be poor if they and their parents were in a household of their own, constitute nearly a fourth of all children living in families. An additional 7 million children are being raised on an income that, although above the economy line, is still within its sights. There are thus well over a fifth and perhaps as many as a third of our children growing up in dire poverty or haunted by its specter.

Because families with children, and in particular families with several children, are more prone to poverty than families consisting only of adults, in poor families half the members were children compared with a third in households above the poverty line. In families headed by a woman, the

disparity was even greater: Children made up 60 percent of the members in the poor families compared with 27 percent of the nonpoor. Not only were there more children in poor families, there were younger children, especially preschool children under age 6, making it more difficult for the homemaker—be she wife or family head—to take employment in order to raise the family income (table B).

The Large Family

In total number of persons per family, poor households averaged 4.1 to the nonpoor's 3.6, primarily because of the larger number of children. They had no more adults, on the average, than the better-off families and, among some subgroups of the poor, they had even fewer (table C). The larger the family, the greater the poverty hazards for children. The risks were compounded in a broken home and in nonwhite families generally. Of the 15 million children being reared in poverty, 6½ million or 43 percent were growing up in a home with at least five youngsters under age 18. Indeed, the poverty rate among families rose sharply from 12 percent when there was one child in the home to 49 percent when there were six or more children. And even among families with the same total number of persons, those with large numbers of children are poorer than others because the income tends to go down as the number of children goes up. Among nonfarm families of five headed by a man, for example, median income declined steadily from \$12,600 when all five members were adults to little better than half that amount (\$6,900) when three of the members were children under age 18.

The statistics relating poverty to presence of children, disturbing as they are, refer only to those under age 18 currently in the home. They cannot tell how many other children there had been, now past age 18, or the number still to come. The need for special consideration of the peril of poverty for families with many children is underlined by findings of a recent study, which pointed out that the number of families of six or more persons in poverty probably increased or at least remained constant during the

¹ George Katona, Charles A. Lininger, and Eva Mueller, *1963 Survey of Consumer Assets* (Monograph No. 34), Survey Research Center, Institute for Social Research, University of Michigan, 1964.

last decade.⁸ A large majority of the families of this size include several children.

Although of all the Nation's children living in families only 14 percent are nonwhite, of the Nation's poor children 38 percent are nonwhite. Three out of 5 of all nonwhite children were living in families with income below the economy level, almost four times the proportion among white children (table A).

More than one-third of all poor children were in families in which the head was currently unemployed or out of the labor force (table E). But perhaps the more startling statistic is that, among white and nonwhite alike, nearly 40 percent of the children in poverty were in the family of a worker with a full-time job all through 1963, the period for which income was classified as above or below the poverty threshold.

Families of fully employed heads were in poverty partly because they were large—a fifth had at least five children, compared with only 5 percent of those who were not poor. But also important as a reason was the fact that they worked at occupations that often pay too little to support even a small family. Of the family heads who worked full time the year around and were poor, nearly half were farmers, service workers, or laborers. Only 2 percent were professional workers. Among the fully employed workers who were not poor, only 1 in 7 were listed as farmers, service workers, or laborers, but nearly as many were professional or technical workers.

It is true that the poverty rate for all families with five or six children is three and a half times as high as for families with one or two children and that it is precisely the families of farmers, service workers, and laborers that are most likely to have the larger number. Yet it is also true that among families of men in poverty, half of those with four or more children had income of less than \$3,000 for the year—an amount that would not be adequate even for two youngsters—and only 25 percent of them could have supported as many as three (table 3).

It is difficult to escape the conclusion that something more than family size is involved. Of all

families with children who were in poverty, fully a fourth, it is estimated, needed at least \$2,000 more than they had. Among poor families with five or six children, nearly half had a deficit of \$2,000 or more, but even a tenth of the 1-child families needed \$2,000 more than they had. Of the 10½ million poor children in families headed by a man, almost 3 million were in families with at least \$2,000 less than required income, and more than 1 million were in families needing as much as \$3,000. The 4½ million children in poor families with a woman at the head were even worse off: Nearly 1 million of these children were lacking \$3,000 or more, and more than 2 million altogether needed at least \$2,000 over and above what they had (table 4).

The Broken Home

With changing patterns of family stability, many women are being left to bring up their

TABLE 3.—Money income of families in 1963: Medians for all families and medians and third quartiles for poor families, by race, sex of head, and number of children

Related children under 18	Male head			Female head		
	Total	White	Non-white	Total	White	Non-white
All families						
Median income, total..	\$6,560	\$6,790	\$4,140	\$3,210	\$3,510	\$2,000
No children.....	5,790	3,970	3,710	4,540	4,830	2,600
1 child.....	6,830	7,040	4,720	3,050	3,550	1,600
2 children.....	7,180	7,350	4,310	2,910	3,280	1,880
3 children.....	6,950	7,150	4,790	2,170	2,280	2,010
4 children.....	6,890	7,130	4,370	2,300	2,640	2,080
5 children.....	6,380	6,950	3,650	1,680	(¹)	(¹)
6 or more.....	5,520	6,390	3,050	2,170	(¹)	(¹)
Poor families *						
Median income, total..	\$1,760	\$1,690	\$2,000	\$1,300	\$1,230	\$1,410
No children.....	1,270	1,260	1,300	1,170	1,170	(¹)
1 child.....	1,750	1,640	2,000	860	940	800
2 children.....	2,220	2,190	2,270	1,420	1,520	1,340
3 children.....	2,550	2,600	2,320	1,490	1,400	1,640
4 children.....	3,010	3,140	2,600	1,830	(¹)	1,870
5 children.....	3,320	3,490	2,960	1,580	(¹)	(¹)
6 or more.....	2,750	3,310	2,340	2,000	(¹)	(¹)
Income at third quartile, total.....	\$2,690	\$2,610	\$2,800	\$1,970	\$1,870	\$2,170
No children.....	1,660	1,650	1,690	1,480	1,490	(¹)
1 child.....	2,260	2,200	2,450	1,630	1,670	1,480
2 children.....	2,790	2,830	2,730	2,060	2,100	1,950
3 children.....	3,270	3,290	3,200	2,230	2,160	2,350
4 children.....	3,680	3,760	3,350	2,470	(¹)	2,390
5 children.....	4,050	4,160	3,780	2,020	(¹)	(¹)
6 or more.....	3,840	4,080	3,230	2,850	(¹)	(¹)

¹ Not shown for base less than 100,000.

* Family income in 1963 below SSA index at economy level.

⁸ Robert J. Lampman, *Population Change and Poverty Reduction, 1947-1975*, paper given at the West Virginia University Conference on "Poverty Amidst Affluence," May 3-7, 1965.

children alone—especially among the nonwhite population. In 1960, only two-thirds of the nonwhite children under age 14 had both their father and mother in the home. Among the white children under age 14, 6 percent were living with the mother only and 2 percent with neither parent. The current statistics likewise suggest that, by March 1964, about 6 percent of the white children and more than a fifth of the nonwhite children were living only with the mother (table 5).

What the full toll of the broken home means for a child it is not possible to say. It is known that children without a father present are more likely to share quarters with relatives than children in an intact family, and it has been shown that children in a family headed by a woman are exposed to a far greater risk of poverty.

What cannot be said is how often the poverty itself may have antedated and even contributed to the family dissolution. Age for age, mothers without a husband present have borne more children than women still living with a hus-

band.⁹ Knowing that it is often the worker with low earnings potential who has the larger family, one can only wonder about the possible relation between too many children, too little family income, and the breakup of a marriage. Whether or not any causal relationship exists, the effect on the financial status of children when the father leaves is such that it may be more important and perhaps even more economical to seek ways of strengthening the family and keeping it together than to remedy the poverty subsequent to its dissolution.

For very young children, the absence of a father's earnings is a particular hardship, because the mother may find it difficult to go outside

⁹ In a paper entitled "Characteristics of Other Families," given at the Population Association of America meeting in April 1963, John C. Beresford and Alice Rivlin reported a cumulative fertility rate one-fourth greater among women who were mothers in 1960 but no longer living with a husband than among those still living with a husband.

TABLE 4.—Income gap of families in poverty: Percentage distribution of families with 1963 income below SSA index at economy level, by amount of income deficit, sex of head, and number of children

Sex of head and number of children under age 18	Total number (in thousands)	Percent	Difference between actual income and required income						
			Less than \$500	\$500-\$999	\$1,000-\$1,499	\$1,500-\$1,999	\$2,000-\$2,499	\$2,500-\$2,999	\$3,000 or more
All families									
Total.....	7,206	100.0	29.1	24.3	16.3	12.7	7.0	4.4	6.2
With no children.....	2,458	100.0	40.5	34.5	15.0	8.9	.7	.2	.2
With children.....	4,748	100.0	23.2	19.1	17.0	14.7	10.2	6.5	9.3
1 child.....	1,045	100.0	32.8	22.5	20.9	14.0	7.5	.8	.6
2 children.....	978	100.0	27.3	23.1	19.7	15.0	9.6	2.9	1.7
3 children.....	962	100.0	22.6	17.9	15.5	13.4	11.8	10.2	8.6
4 children.....	648	100.0	19.5	21.4	16.4	14.4	7.8	9.0	11.5
5 children.....	514	100.0	15.0	12.1	12.9	13.3	17.4	9.0	20.3
6 or more.....	601	100.0	11.7	11.8	12.4	16.1	10.2	11.6	26.2
Families with male head									
Total.....	5,228	100.0	33.1	26.2	15.6	11.1	5.7	3.5	4.8
With no children.....	2,043	100.0	41.8	34.9	14.1	8.2	.7	.2	.1
With children.....	3,184	100.0	27.6	20.5	16.5	13.0	8.9	5.7	7.8
1 child.....	652	100.0	37.4	26.0	18.3	7.8	8.9	.9	.7
2 children.....	618	100.0	31.7	22.9	18.9	14.6	6.6	3.5	1.8
3 children.....	625	100.0	31.3	19.4	14.9	11.4	8.7	6.2	8.1
4 children.....	455	100.0	25.0	24.6	15.3	14.0	7.0	6.9	7.2
5 children.....	388	100.0	18.4	12.4	16.6	15.9	15.0	7.9	13.8
6 or more.....	449	100.0	12.9	13.9	13.8	16.9	9.1	12.0	21.4
Families with female head									
Total.....	1,978	100.0	18.4	19.5	18.3	16.9	10.5	6.5	9.9
With no children.....	415	100.0	34.4	32.6	19.2	12.4	.9	.3	.3
With children.....	1,564	100.0	14.2	16.0	18.0	18.2	13.0	8.2	12.4
1 child.....	394	100.0	25.1	16.6	25.2	26.7	5.2	.8	.4
2 children.....	360	100.0	19.7	23.6	20.9	17.6	14.7	2.0	1.5
3 children.....	337	100.0	6.4	15.0	16.7	17.2	17.5	17.6	9.8
4 children.....	193	100.0	6.4	13.9	18.8	15.5	9.7	14.0	21.7
5 children.....	128	100.0	4.5	11.0	1.7	5.4	25.0	12.3	40.1
6 or more.....	152	100.0	8.1	5.5	8.3	13.6	13.5	10.5	40.5

the home to take employment. Of the 1½ million children under age 6 living in March 1964 in a family headed by the mother but with no father present, 600,000 had a mother either working or looking for a job. Seventy percent of these children were in poverty status, compared with 90 percent of the fatherless children with mothers not then in the labor force (table E). (Many mothers not in the labor force in March work at some other time during the year.) Obviously for some who worked it must have hardly paid to do so.

What kind of provision can such a mother make for care for her children when she works? And with the limited earnings her skills are likely to command, does she really have a choice? (In 1960, for example, more than a third of the nonwhite mothers in broken families and about a sixth of the white mothers had not gone through the eighth grade.) A look at the public assistance provisions in most States makes it clear how limited her choice is.

By the standards prevailing in most States, even if she could qualify for aid, the amount payable would still leave her family below the poverty line. In only six States does the standard set for basic needs for a mother and three children receiving aid to families with dependent

children approximate the \$250-\$260 a month that the economy poverty criterion sets as a minimum. And in only one of those States may the actual payment go as high as the standard: Most States place a lower limit on the maximum amount of the assistance grant that any one family may receive, even if it has no other resources. In only four States would the maximum amount payable to a mother of three, assuming she met all the eligibility requirements, be as much as 90 percent of the economy poverty threshold.¹⁰

Nonwhite Children

The terrible plight of so many of our nonwhite children, whether or not their parents work, is unmistakable. Over a fourth of them are in a family with a woman at the head, and of these 86 percent are poor. When the mother or other female relative who serves as the family head does not work, 9 out of 10 children are in poverty,

¹⁰ John M. Lynch, *Monthly Cost Standards for Basic Needs Used by States for Specified Types of Old-Age Assistance Cases and Families Receiving Aid to Families With Dependent Children, January 1963* (Bureau of Family Services, Welfare Administration), March 1964.

TABLE 5.—Incidence of poverty¹ among children under age 18, by age and relationship to family head and by race and sex of head

Age of children and sex of family head	In all families			In white families			In nonwhite families		
	Total	Own children	Other related children	Total	Own children	Other related children	Total	Own children	Other related children
Number of children (in thousands)									
<i>Male head</i>									
All children under age 18.....	62,150	59,980	2,180	55,050	53,600	1,450	7,100	6,370	730
Under 6.....	22,910	21,970	930	19,890	19,270	620	3,010	2,700	310
6-13.....	27,420	26,620	800	24,520	24,000	520	2,910	2,630	280
14-17.....	11,820	11,380	440	10,640	10,340	310	1,180	1,040	140
<i>Female head</i>									
All children under age 18.....	6,680	5,730	950	4,100	3,690	410	2,580	2,040	540
Under 6.....	1,930	1,590	340	1,060	930	130	870	650	210
6-13.....	3,130	2,720	410	1,910	1,740	170	1,210	980	240
14-17.....	1,620	1,430	200	1,120	1,020	110	500	410	90
Percent of children in poverty status									
<i>Male head</i>									
All children under age 18.....	17.1	16.6	29.3	12.8	12.6	20.7	50.0	50.3	46.6
Under 6.....	19.3	19.0	26.7	14.4	14.2	20.4	51.7	53.1	39.4
6-13.....	16.5	16.1	31.2	12.4	12.2	17.7	51.6	51.2	56.0
14-17.....	14.0	13.3	31.5	10.9	10.5	26.1	41.2	40.9	43.8
<i>Female head</i>									
All children under age 18.....	66.6	67.5	61.1	54.6	56.7	35.3	85.7	86.9	80.8
Under 6.....	78.9	83.2	58.7	71.7	78.0	26.9	87.6	90.6	78.0
6-13.....	68.6	68.6	68.2	57.2	58.1	48.5	86.5	87.4	82.6
14-17.....	48.1	47.8	50.5	33.3	34.8	24.1	80.4	79.8	82.9

¹ Family income in 1963 below SSA index at economy level.

but even when she works 3 out of 4 are poor. With a father out of the labor force as the family head, 55 percent of the nonwhite children are in poverty, but even with the father employed, almost half live below the poverty line. Nonwhite children accordingly are more likely to be poor with a father present and working than white children with a father not even in the labor force, a third of whom are poor. Despite women's low earnings and their often erratic labor-force participation, white children living only with a mother are, as a group, almost as well off financially as nonwhite children with a father present (tables 5 and E).

Sharing Households With Others

In March 1964, judged in terms of income for the preceding year, two-thirds of all children in families with a woman at the head were in poverty, four times the rate of poverty prevailing among children in families with a father present. Another indication of economic stringency when the father is absent is the fact that, in families headed by a man, all but 4 percent of the children present were the man's "own" children—that is, members of the primary family. In families with a woman as the head, 14 percent were not her "own" children but related children, representing some doubling up of family groups (table 5).

On balance, whatever the sacrifice of privacy implied by shared households, the arrangement tended to improve the financial status of children without a father, at least for those under age 6. Presumably the mother could be freer to seek employment when there was someone to look after the child, or perhaps the related head of the family went to work while the mother assumed the task of keeping house for everyone. The financial advantage in combining households was evident at older ages, too, for the white children but not for the nonwhite children (table 5). There may have been other advantages as well, and though sharing a household would not always take children out of poverty it might make some less poor.

For children living in a family with a man at the head, the effect of doubling up was different: White children were less likely to be poor when

they were living in a household headed by their father than in one headed by another male relative, but for nonwhite children the reverse was true. The youngsters seemed better off in money terms when their father was not the head of the primary family. It must be acknowledged, however, that the Bureau of the Census designation of the family head may not necessarily reflect accurately just who is living with whom. In other words, is it the parent-child group that constitutes the primary family, or is it the other relatives?

Additional insight into the effect on poverty status of shared living arrangements is afforded by the statistics for subfamilies with children—that is, groups consisting of parent(s) and one or more children under age 18, living as part of a household headed by another relative. In March 1964, more than a third of the 400,000 such groups consisting of a father and children and about three-fourths of the half-million mother-child units would have been poor if left to live on their own income. Nearly a third of the half-million mother-child subfamilies were in a family headed by another woman.

About 770,000 children were part of mother-child subfamilies with too little income to be out of poverty on their own. For 420,000 of these children poverty was evaded by living with a nonpoor family. Of the children in poor subfamilies with a father, nearly half (160,000) were able to live with nonpoor relatives. These children and their parents constitute a group of more than 1 million not now part of the poverty inventory but who would be poor if they were not able to live with relatives.

That financial considerations loom large in the decision to live as a subfamily is suggested by the fact that virtually no subfamily group with enough income to be above the poverty line on its own lived with a family that would be considered poor in terms of its income.

TEENAGERS IN POOR FAMILIES

The numbers confirm the findings of other studies that teenage youngsters among the poor have less educational attainment than those in better-off families. They suggest, in addition, that the poor family may not hold its youngsters as

long as other households. If so, the full measure of this precipitate break must still remain untold, because only those that are still there can be counted. No estimate can yet be made of the number who have left, perhaps to be family heads, whose limited education makes the odds high that they will bring up their own children in poverty. It is also likely that some families can move out of poverty when children reach their teens because the youngsters—or their mothers, now having lighter home responsibilities—find employment and combine their earnings with other sources of family income.

Data from the 1960 Census revealed school dropout rates disproportionately high in families with low incomes. More important, they revealed that school dropouts aged 18–24 who had formed their own families had incomes considerably less than those of high school graduates who had started their own families. And most ominous of all, the income differences between those without a high school diploma and those with one widened with age, promising no hope that the youngster who had no chance for the better deal at the beginning of his family life would gain it as family responsibilities grew.¹¹

In any case, poor families have fewer never-married teenagers than one might expect, considering the number of younger children in poverty. Many teenagers who are poor are school dropouts, and of those who are not in school a larger proportion in poor than in nonpoor families do not even report themselves as in the labor force and looking for work. A small number but yet a disquieting proportion, particularly in the families headed by a woman, give as the reason they are not seeking work the fact that they are encumbered by housekeeping responsibilities for the family. For others the reason is not known, except that in virtually no cases is it illness or disability.

The high unemployment rate among teenagers, particularly nonwhite teenagers, is well documented, and half of all nonwhite teenagers who have not yet married or left home are in a poor family compared with 1 in 8 of the white youngsters.

¹¹ James D. Cowhig, *Characteristics of School Dropouts and High School Graduates, Farm and NonFarm, 1960* (U. S. Department of Agriculture Economic Report No. 65), December 1964.

One can only speculate what repeated rebuffs in his first attempt at a job connote for an ill-prepared youngster in his subsequent attitude towards work.

Fifteen percent of the nonwhite youngsters are no longer in school; most of them had not completed high school. Of these youngsters no longer in school, 60 percent are not even in the labor force. Of the white teenagers in poor families who are not in school, a third are neither working nor looking for a job. Of all teenagers not in school but available for work, a third are unemployed.

Poor families include one-third of all never-married persons aged 14–19 still living with the family who are not in school and yet not a high school graduate.

Though 1 in 4 children under age 6 are in poor families, such families include only an eighth of those aged 18–19, never-married and still living at home. Of teenagers still at home, 5 percent of those in poor families have not finished high school but are neither in school nor working or seeking work. An additional 9 percent have not finished school but are in the labor force. Among the nonpoor families, only 2 percent of the

TABLE 6.—School and labor-force status of teenagers in poor¹ and nonpoor families: Percentage distribution of never-married children aged 14–19, by school attendance and by sex of family head

School attendance and labor-force status in March 1964	All children aged 14–19				Children aged 18–19			
	Families with male head		Families with female head		Families with male head		Families with female head	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Total number (in thousands).....	1,930	12,980	870	1,120	330	2,730	120	300
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Attending school.....	81.8	89.0	83.5	82.7	47.7	62.5	46.3	50.1
Employed.....	9.2	16.7	8.2	17.9	10.2	16.1	7.3	15.3
Unemployed.....	1.6	2.4	2.2	2.1	3.7	2.5	4.1	1.3
Not in labor force.....	71.0	69.9	73.1	62.6	33.8	43.9	34.9	33.5
Not in school.....	18.2	11.0	16.5	17.3	52.3	37.5	53.7	49.9
Employed.....	8.8	7.4	4.6	11.0	27.4	28.1	18.7	35.9
Unemployed.....	3.1	1.5	4.6	3.0	12.0	5.6	13.0	8.0
Not in labor force.....	6.3	2.1	7.3	3.3	12.9	3.8	22.0	6.0
Keeping house.....	2.9	.7	5.1	1.2	8.0	1.0	16.3	2.4
Not high school graduate.....	14.4	5.4	14.1	7.5	30.8	11.6	39.9	13.6
Employed.....	7.1	2.9	3.6	2.9	17.5	7.4	13.8	5.6
Unemployed.....	2.2	.9	4.5	1.6	6.6	2.5	11.4	3.7
Not in labor force.....	5.1	1.6	6.0	3.0	6.5	1.6	14.6	4.3
Keeping house.....	2.2	.6	4.2	.9	4.3	.5	11.4	.7
High school graduate.....	3.8	5.6	2.4	9.8	21.5	25.9	13.8	36.2
Employed.....	1.7	4.4	1.0	8.0	9.8	20.8	4.9	30.2
Unemployed.....	.9	.7	.1	1.5	5.2	3.1	1.6	4.3
Not in labor force.....	1.2	.5	1.3	.3	6.5	2.2	7.3	1.7
Keeping house.....	.7	.1	.9	.3	3.7	.5	4.9	1.7

¹ Family income in 1963 below SSA index at economy level.

youngsters are nongraduates of high school who are neither in the labor force nor attending school, and 4 percent are nongraduates working or looking for work (table 6).

MEN AND WOMEN IN POVERTY

Age for age, almost without exception, women were more likely to be in a poor household than men, especially if they themselves were its head. They are, to be sure, less likely than men to have to assume such a role. As has already been noted, however, those that do take on the assignment are more likely than men to be faced with responsi-

TABLE 7.—Sex, age, and poverty status: Number and percent of persons aged 14 and over in households with 1963 income below SSA index at economy level, by family status

Age and family status	Men			Women		
	Total non-institutional population (in thousands)	Poor family— income below economy level		Total non-institutional population (in thousands)	Poor family— income below economy level	
		Number (in thousands)	Percent of total		Number (in thousands)	Percent of total
Total, aged 14 and over.....	62,510	9,000	14.4	69,260	12,980	18.7
Unrelated individual.....	4,280	1,440	33.7	6,910	3,470	50.3
Family head.....	42,550	5,220	12.3	4,880	1,960	40.1
Some own children under age 18.....	24,710	2,970	12.0	2,390	1,330	55.7
No own children under age 18.....	17,940	2,250	12.6	2,490	630	25.1
Other family members.....	15,680	2,340	14.9	57,470	7,550	13.1
Under age 25, total.....	14,950	2,570	17.2	1,600	2,980	18.6
Unrelated individual.....	410	200	49.0	520	270	46.6
Family head.....	2,490	530	21.0	260	190	70.8
Some own children under age 18.....	1,450	340	22.9	250	180	80.7
No own children under age 18.....	1,000	190	18.7	40	10	(1)
Other family members.....	12,053	1,350	15.3	15,169	2,520	16.6
Aged 14-19.....	9,390	1,600	17.0	9,430	1,740	18.5
Aged 20-24.....	2,660	250	9.3	5,733	780	13.5
Aged 25-54, total.....	32,350	3,440	10.6	35,110	4,960	14.1
Unrelated individual.....	1,870	439	22.9	1,700	550	32.5
Family head.....	27,830	2,650	9.5	2,740	1,230	44.8
Some own children under age 18.....	21,640	2,300	10.6	2,060	1,110	53.7
No own children under age 18.....	6,190	350	5.7	680	120	17.6
Other family members.....	2,660	350	13.2	30,960	3,170	10.4
Aged 55-64, total.....	7,720	1,140	14.8	8,600	1,630	18.9
Unrelated individual.....	840	310	36.8	1,490	500	40.7
Family head.....	6,560	790	12.0	510	190	24.3
Some own children under age 18.....	1,330	250	17.3	100	40	40.0
No own children under age 18.....	5,180	540	10.5	690	150	22.2
Other family members.....	310	40	14.2	6,300	840	13.3
Aged 65 and over, total.....	7,500	1,860	24.8	9,560	3,420	35.8
Unrelated individual.....	1,160	500	43.4	3,130	2,050	65.3
Family head.....	5,630	1,250	21.9	1,080	350	32.2
Some own children under age 18.....	210	90	40.8	10	3	(1)
No own children under age 18.....	5,400	1,170	21.3	1,080	350	32.1
Other family members.....	680	100	15.1	5,340	1,020	19.2

¹ Not shown for base less than 100,000.

TABLE 8.—Persons in poverty in 1963 by current labor-force status and family status

(Numbers in millions)

Labor-force status and family status, March 1964	Total in population	In poor households ¹	
		Number	Percent of total
All persons aged 14 and over, total.....	131.8	22.0	17
Unrelated individuals.....	11.2	4.9	44
Members of family units.....	120.6	17.1	14
Head.....	47.4	7.2	15
Other relative.....	73.1	9.9	14
Employed.....	67.9	7.3	11
Unrelated individuals.....	5.9	1.5	25
Members of family units.....	61.9	5.8	9
Head.....	37.2	3.7	10
Other relative.....	24.8	2.0	8
Unemployed.....	4.2	1.1	26
Unrelated individuals.....	.5	.2	45
Members of family units.....	3.8	.9	24
Head.....	1.4	.4	23
Other relative.....	2.3	.5	21
Not in labor force.....	59.7	13.6	23
Unrelated individuals.....	4.8	3.2	67
Members of family units.....	54.9	10.4	19
Head.....	8.8	3.1	35
Other relative.....	46.0	7.4	16

¹ Income of family unit or unrelated individual below the SSA index at the economy level.

bility for young children and old persons and to have fewer other adults to share the burden. In the home headed by a man there may be a wife who can help boost the family income. The woman who is the family head has no such helpmeet. And of course her own earnings, if she works, will average less than a man's.

The disadvantages of assuming family responsibilities too early—or continuing them too late—are suggested by the higher incidence of poverty among men under age 25 who were fathers. More than a fifth of the family heads who were this young and had children to support reported income for their family below the economy level. (This poverty rate was exceeded among men only for the few aged fathers who still had young children at home (table 7).

Young men who were heads of childless families also had a high incidence of poverty compared with men at other ages. For some, at least, the poverty state presumably was temporary, pending attainment of training and skills that would eventually lead to a higher scale of living. Of the men under age 25 who were head of a family in poverty, 11 percent of those not yet a father and 6 percent of those who already had children were attending school (table F).

The high risk of poverty for a man under age

25 who is already the head of a family is more than surpassed by the plight of a woman this young who already is left to raise her children alone. Of the few young mothers under age 25 listed as a family head, 80 percent had insufficient income in 1963 to care for themselves and their children. Doubtless because their children were likely to be small, only a fourth of these mothers were employed. Half the mothers who were over age 25 and who were a family head were employed. The higher probability of marriage disruption likely to accompany teenage marriage¹² and the yet-to-be-developed earning capacity of young workers tend to subject the children of very young parents to a high risk of poverty.

WORK AND POVERTY

It has always been true in our society that economic well-being rests primarily on earning power. Those who cannot or do not work—and their dependents—must expect to be poorer than those who do. Today, with unemployment continuing at uncomfortably high levels, there are many who bear current witness to this truism. Yet there are others who do work and find they cannot provide even a bare minimum of comfort for themselves and their families. Of the 15 million children counted poor in March, 5.7 million were in the family of a worker who had a regular job in 1963 and was not out of work at any time during the year.

To be sure, families of the poor had more than their share of unemployment. Often it was not only the worker at the head of the family who was out of work, but other members too were jobless. In poor households more than in those that were not poor, family members were likely to be out of the labor force altogether, but the number who work and yet are poor, particularly among the nonwhite population, is large.

The Working Poor

For male workers designated as the head of a family it was apparently not the current jobless-

¹² Robert Parke, *Age at Marriage and Subsequent Marital Experience*, presented at meetings of the Population Association of America, Chicago, April 23-24, 1965.

ness that was the primary cause of poverty. It was rather a history of an erratic series of shortterm jobs or a spell of uninterrupted employment at low pay, coupled with a large number to be supported out of the family income. In more than a fourth of the white families and nearly a third of the nonwhite families designated as poor—2 million in all—the family head worked full time the year around in 1963.

Most of these full-time workers were men. Of the few women in this unrewarding situation, 28 percent were in domestic service and 20 percent had other service jobs. Almost all the domestic service workers were nonwhite. Indeed, in keeping with the greater tendency for a nonwhite woman to be working, regardless of her family responsibility, 60 percent of the women whose family was in poverty despite their having worked full time all year were nonwhite. Among men fully employed in 1963 but whose family nevertheless remained poor, only 29 percent were nonwhite.

The 1.9 million men who were family heads and who were never out of a job all year, yet still were poor, represented more than 1 in 3 of all men at the head of a family in poverty. Their families averaged five persons each, and nearly 2 in every 4 had at least four children under age 18 to support. Close to 48 percent of these fully employed yet poor family men were working as farmers, service workers, or laborers—occupations ranking low on the pay scale. All but 4 percent were still working in March 1964.

Among those living alone who were poor, only 10 percent had worked throughout 1963 in a full-time job. The proportion was almost identical for white and nonwhite persons—9 percent and 11 percent, respectively. To put these numbers in perspective, 1 in 8 of all individuals living alone who had a full-time job all during 1963 earned too little to bring him up to the poverty threshold—roughly \$1,540—for the year. There was almost no difference between men and women in this respect—13½ percent of the fully employed men were poor and 12 percent of the women.

Unemployment in March 1964

In March 1964 a total of 4.2 million persons aged 14 or older were reported as out of work and

looking for a job. A fourth of these unemployed were in a poor household. Of persons not in the labor force, nearly the same proportion were on the poverty rolls. By contrast, of the nearly 68 million workers who had a job, only 1 in 9 were counted among the poor. For persons living alone—so many of whom are past age 65—the situation was worse than for others. Irrespective of their work status, they were much more likely to be below the poverty line than persons living as part of a family (table 8).

When due allowance is made for the large number of family members not in the labor force, it becomes evident that the poor who do work are subject to a rate of unemployment more than twice that of workers in nonpoor families. Among those who are heads of families, the unemployment rate for the poor in March 1964 was more than three times that for the nonpoor, as the figures below indicate.

Family status of worker	Unemployment rate (percent) ¹	
	Poor households	Nonpoor households
Total in labor force.....	13	5
Living alone.....	12	3
In family units.....	13	5
Head.....	10	3
Other member.....	19	8

¹ Persons currently unemployed as a percent of those currently in the labor force.

The unemployment of the head may be more critical in a poor family than in a nonpoor family because there are fewer other members likely to be able to help out. Members of poor households generally are in the labor market to a lesser degree than those in nonpoor units, a fact that in itself may explain why some families counted poor are in that situation. The difference is particularly striking for families with the head currently unemployed (table 9).

Among nonpoor families, about a fourth more of the members other than the head are in the market for a job when the family head is out of work than when he is employed. Among the poor, however, where fewer of the members aged 14 or older are in the labor force to begin with, only 5 percent more are in the market for a job when the worker heading the family has lost his.

Unfortunately, for both poor and nonpoor alike, the additional effort does not always pay off. The unemployment rate among these auxiliary workers when the head is himself looking for a job is two and one-half times as high as when he has one.

Moreover, the situation is far worse for the poor than for those better off: Among poor families with the head unemployed, nearly 40 percent of the other members available for work are unemployed too. Nonpoor families in a similar situation have half as many of the supplementary earners unemployed, as the following figures for members aged 14 or more show:

Members other than head	Poor families with head—			Nonpoor families with head—		
	Em-ployed	Unem-ployed	Out of labor force	Em-ployed	Unem-ployed	Out of labor force
Number in labor force as percent of total.....	27	29	22	33	48	42
Number unemployed as percent of number in labor force.....	14	37	25	7	19	7

For some families, whether the wife can work or not makes the difference in whether they will be poor. The incidence of poverty was twice as great among husband-wife families when the wife was not in the paid labor force as when she was. Whether she works may be particularly relevant when her husband does not have a steady job. Women aged 25-54 in families with a man at the head—most of them wives rather than other family members—were more likely to seek a job when the head was not working than at other times, particularly among the nonpoor.

With larger, younger families and lesser job skills, the wives of men in poverty were less able to look for work and were much less successful when they did, as the following figures derived from table 9 suggest:

Female members aged 25-54	Poor families with male head—			Nonpoor families with male head—		
	Em-ployed	Unem-ployed	Out of labor force	Em-ployed	Unem-ployed	Out of labor force
Number in labor force as percent of total.....	27	31	26	40	58	46
Number unemployed as percent of number in labor force.....	8	35	13	4	13	4

By the same token, some families not counted as poor would undoubtedly have been if it were not for the wife's employment, particularly when the husband was out of a job or out of the labor force entirely.

The family in poverty is apparently doubly disadvantaged. There are fewer other adults to take responsibility for keeping up family income when the head is out of work, and those who do make the attempt are less able to find a job than members of families above the poverty line.

The Large Family and Unemployment

A family with a man at the head who is currently unemployed is nearly three times as likely to be poor as one in which the family head has a job. Prolonged unemployment or even intermittent but frequent short spells obviously predispose a large family to poverty more readily than a small one. Unemployment insurance when available is not usually geared to the number of dependents, and many of our large families are at marginal levels even when the breadwinner is working. Families that were poor, however, and headed by an unemployed man were not noticeably larger than those in which the head was currently employed. Both groups, to be sure, had larger families and more children than the matching nonpoor households. It was their generally inadequate income for their size—and per-

haps the long-run employment pattern of the breadwinner—more than their current employment situation that served as a common bond in poverty.

The very few poor families headed by a woman who was currently unemployed were bigger and had more children than those families in which the woman currently had a job or the large number in which she was out completely of the labor force (table C).

Unemployment in 1963

The data above refer only to current employment status—that is, the job situation in a single week in March 1964. The work experience during 1963 is undoubtedly more relevant since it was income for that year by which families and persons living alone were classified as poor. Such information is available at this time only for persons living alone and for those who were the head of a family.

In poor families where the person at the head worked only part of the year, more than half these men had spent some time out of a job and looking for work. The overall unemployment rate among men who were heads of impoverished families and had any work experience at all in 1963 accordingly was 26 percent. The corresponding rate in March 1964 among those then in the labor force was 9 percent. Among men living

TABLE 9.—Current labor-force status of persons other than the head in poor and nonpoor families and of women aged 25-54 in families with male head, by labor-force status of head

[Numbers in thousands]

Labor-force status of member other than head in March 1964	Total	Poor, ¹ with head—			Nonpoor, with head—			
		Employed	Un- employed	Not in labor force	Total	Employed	Un- employed	Not in labor force
In families with male or female head								
All persons aged 14 and over.....	9,890	5,760	570	3,570	63,260	53,310	1,630	8,320
In labor force.....	2,530	1,590	160	780	24,570	20,310	780	3,480
Employed.....	2,040	1,350	100	590	22,720	18,870	630	3,230
Unemployed.....	480	230	60	200	1,850	1,450	150	250
Not in labor force.....	7,360	4,180	410	2,780	38,690	33,000	860	4,840
In families with male head								
All women aged 25-54.....	2,980	2,220	230	530	28,800	24,580	680	1,540
In labor force.....	800	660	70	140	10,830	9,720	400	710
Employed.....	710	550	50	120	10,330	9,300	340	680
Unemployed.....	90	50	30	20	500	420	50	30
Not in labor force.....	2,170	1,620	160	400	15,980	14,860	290	830

¹ Family income in 1963 below SSA index at economy level.

alone in poverty it was 28 percent for 1963 and 17 percent for the more recent date.

For many of the poor, unemployment is obviously a chronic rather than an acute ailment. Or perhaps one might say it is their poverty that is chronic; they will be poor whether or not the family head has a job. In this connection a recent study for the California State Social Welfare Board compared two sets of families—a representative group of those coming on the State rolls for aid to families with dependent children of an unemployed parent and a similar group of low-income families not then on the welfare rolls. Both were composed primarily of ill-educated, low-skilled, low-paid workers with large numbers of dependents. About 60 percent of the families receiving assistance and 66 percent of the others had at least six members.

The study concluded that "there are few and insignificant differences for the most part between the AFDC-Unemployed parent group and the low-income non-welfare group. They are interchangeable parts of one high-risk, dependency-prone group."

According to the study, "the critical question for dependency—and for the welfare rolls—is not whether the breadwinner is unemployed at any given time, but whether he works over a *span of time* for an income which can support *his* family."¹³

There was no difference observed in willingness to work or in work history. Both groups revealed a chronic vulnerability in terms of low skills and low wages, with frequent spells of un-

employment that could result in need for public assistance in the intervals between jobs.

Unfortunately, existing income-support programs are crisis-oriented. They are designed to deal with interruption in income rather than a continuing income deficiency.¹⁴

Labor-Force Participation

Employment at low pay and unemployment are not the only labor-force characteristics distinguishing the poor from the nonpoor. Among family heads and other members, considerably more of those in poor than in nonpoor families are neither working nor looking for work; they are out of the labor force altogether. In some measure this disparity reflects merely the fact that the poverty rolls include a fair share of those who would normally not be expected to work, such as the aged and women—young or old—who have to care for a family and look after young children. But even allowing for these factors, the disparity exists—age for age, man for man, and woman for woman, with only one exception. In poor families headed by a man, men aged 20–24 were a little more likely to be working than in nonpoor families—undoubtedly an indication that the young men in the better-off families are more likely to be attending college just as in their teens they were more likely to be in high school.

Among family members other than the head, 3 out of every 4 of those in poor families who

¹³ California Department of Social Welfare, State Social Welfare Board, *First Annual Report*, January 1965.

¹⁴ Eveline M. Burns, "Social Security in Evolution: Towards What?" Proceedings of the Seventeenth Annual Meeting of Industrial Relations Research Association, Chicago, December 1964.

TABLE 10.—Family size of white and nonwhite families in March 1964, by sex of head and poverty status

Sex of head and family size	White families			Nonwhite families		
	Total	Poor ¹	Nonpoor	Total	Poor ¹	Nonpoor
All families, total number (in millions).....	42.6	5.1	37.5	4.8	2.1	2.7
Persons in families, total number (in millions).....	155.7	19.8	135.9	20.3	9.9	10.4
Number of persons per family.....	3.6	3.8	3.6	4.2	4.8	3.8
Families with male head, total number (in millions).....	38.8	3.9	34.9	3.7	1.3	2.4
Persons in families (in millions).....	144.4	15.8	128.6	15.9	6.5	9.4
Number of persons per family.....	3.7	4.0	3.7	4.3	5.1	3.8
Families with female head, total number (in millions).....	3.8	1.2	2.6	1.1	.8	.3
Persons in families, total number (in millions).....	11.3	4.0	7.3	4.4	3.4	1.0
Number of persons per family.....	3.0	3.4	2.8	4.1	4.4	3.3

¹ Family income in 1963 below SSA index at economy level.

were aged 14 or older were not in the labor force, compared with 3 out of 5 in nonpoor families. Disability rates were higher among the poor but hardly enough higher to account for the difference: Nearly 3 percent of those out of the labor force gave as a reason longterm illness or disability, compared with 1½ percent of the nonpoor (table D).

It is easier to offer possible explanations for some of the findings than for others: Women in poor families, whatever their age, are more likely to be needed at home to look after children. This is so whether they are wife and mother in a family headed by a man or must serve as homemaker for the family of another woman who goes out to work. But why boys aged 14-19 in poor families, already less likely to be in school than boys in families better off, should also be less likely to seek work is more difficult to rationalize. It is in any case more disturbing, even if it indicates only that our statistics on unemployment may leave out some who expect such difficulty in finding a job that they no longer report themselves in the market for one.

RACE AND POVERTY

It is evident that nonwhite persons in 1963 were much poorer than others, regardless of family or work status, as their longstanding inferior income status should have led us to expect. Statistics for the Negroes often are taken to be synonymous with those for the general nonwhite population, more than 90 percent of which is Negro. In point of fact, the situation of the Negro may be even worse, as suggested by 1960 Census data for income, education, and employment among the separate nonwhite racial groups.¹⁵

A newly released report of data collected in March 1964 reaffirms the continuing current disadvantage of the Negro, both with respect to other nonwhite groups and to the white population.

In March 1964 the Negro population was, on the average, younger and had a smaller amount of regular schooling, a smaller proportion mar-

¹⁵ Bureau of the Census, *U. S. Census of Population, 1960, "Nonwhite Population by Race,"* PC (2)-1C.

ried, and lower median income than the white population. Half the Negro males aged 14 and over with any income in 1963 had no more than \$2,440—white males averaged twice this much. Negro females with income averaged only two-thirds as much income for the year as white females.¹⁶ The nonwhite population of whatever race has less income than the white, but the Negroes are somewhat worse off even than other nonwhite groups, as the following figures suggest.¹⁷

Median income in 1963	White	Nonwhite	
		Total	Negro
All men with income ¹	\$4,820	\$2,510	\$2,440
Nonfarm.....	5,020	2,740	2,650
Farm.....	2,280	830	780
All women with income ¹	1,440	960	950
Nonfarm.....	1,480	1,040	1,020
Farm.....	790	390	390

¹ Noninstitutional population.

Regardless of race, persons living alone tended to be poorer than those of the same age and sex living as part of a family group, but among nonwhite persons there was less difference in this respect than among white. White families averaged three and one-half times as much income as white unrelated individuals, but nonwhite families had only two and two-thirds as much to live on as a nonwhite person living alone.

Nonwhite families, whether headed by a man or woman, had income little better than half that of white families, despite the fact that they were considerably larger (table 10). As a result, poverty among the nonwhite population generally was from three to four times as prevalent as among the rest of the Nation.

Among the white population, the proportion counted poor declined from 17 percent for children under age 6 to 11 percent for persons aged 45-64, and then rose to 29 percent for those aged 65 and over, the poorest of any age group. In the nonwhite population, by contrast, the poverty rate among young children was the highest

¹⁶ Bureau of the Census, *Current Population Reports, Population Characteristics, "Negro Population: March 1964,"* Series P-20, No. 137, May 1965.

¹⁷ Bureau of the Census, *Current Population Reports, Consumer Income, "Income of Families and Persons in the United States, 1963,"* Series P-60, No. 43.

of all, but the incidence in the aged population was almost as high. Accordingly, the poverty rate for the nonwhite population was four times the rate for the white population among young children, three and one-half times as high among those in the middle years, but less than twice as high among aged persons (table A).

This limited measure of parity in poverty among the races is echoed somewhat among families with children called poor. When identified by a poverty criterion that varies with the number in the family, families selected as poor exhibit less difference in income between white and nonwhite: All are uncomfortably and unconscionably low. Even among the poor, however, the nonwhite families are larger and so must make do with less per person than the white, as the figures below illustrate.

Item	All families		Poor families	
	White	Nonwhite	White	Nonwhite
Male head:				
Median income.....	\$6,790	\$4,140	\$1,690	\$2,000
Persons per family.....	3.7	4.0	4.3	5.1
Female head:				
Median income.....	\$3,810	\$2,000	\$1,230	\$1,410
Persons per family.....	3.0	4.1	3.4	4.4

Some of the difference in the extent of poverty between white and nonwhite households might be explained away by the larger proportion of the nonwhite population living in the South, where incomes generally are lower than in the rest of the country. Yet as table G shows, even classifying the families separately by region does not wipe out the disparity in economic status, although it does reduce it.

Similarly, the fact that nonwhite families tend to have more children than white families and are more likely to have a woman as the head might account in some measure for their lack of economic security: Such families are no strangers to poverty even among the white population. If allowance is made for these differences by standardizing the rates—that is, by applying to nonwhite families the poverty rate for white families of the same size and composition—then the proportion of nonwhite families in poverty decreases from 42½ percent to 20 percent—still one and one-half times the rate of 12 percent among white households. It is obvious there is

more to the problem of poverty among Negroes than mere statistical artifact.

SUMMING UP

The data cited document the disadvantage under which so many among us live. The criterion of reference is still far from ideal. Yet whether or not the particular poverty standard meets one's own, it is hard to believe an alternative criterion could seriously alter the impression of vulnerability for the aged household, the family with many children, the nonwhite family, the family with a woman at the head, the family of a nonworker or low-paid worker, and the multiple jeopardy when two or more of these risks are combined.

Much more could be and should be learned about the nature of poverty and its longterm consequences. Looking at a single point in time inevitably fuses cause and effect. It cannot be said for sure whether or when the broken home, or the problems of the family with more than its share of women and young children and its absent or idle teenagers, or the bleak privation of old age could have been averted by attacking poverty at some earlier stage.

But even before all the evidence is in it is safe to conclude that, for many in the underclass of present-day society, poverty is neither a sometime nor a one-time thing. For them there is no hope ahead for anything but privation from childhood to old age.

The father and mother with not enough to care for their family today are not likely to end their tomorrows in a retirement cushioned with the savings of a lifetime. In today's credential society, there is scant hope for the youngster raised in poverty, ill-equipped and shortchanged, to find a job that promises a better life as an adult than he knew as a child. For many a Negro still, a lingering legacy of discrimination will continue throughout his lifetime to deny him a better living. But what cold comfort is that for the white pauper who cannot even attribute his dreary fate to his color? Sixty percent of all children in poverty today are white, and without countervailing measures most of them have little to look forward to but more of the same.

But now it is proclaimed that these things

not only should not be—they need not be; if the Nation has the will, it has the means to strike at poverty: This is indeed a new dimension. Whatever the inadequacies of the past, we can seek for the future a better chance for all citizens. We now know who's who among the poor, even if the exact number is not known. The

groups most vulnerable to the risk of poverty have been identified. Remedial programs can go forward.

To end on a plaintive note, if we can think bold solutions and dream big dreams we may be able to ease the problem of poverty even if we cannot yet agree on how to measure it.

TABLE A.—Poverty status¹ of noninstitutional population in 1963: Number and percent of persons in unit with 1963 income below specified level of SSA poverty index, by age, sex, race, and family status

[Numbers in millions; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small; as in all surveys, the figures are subject to errors of response and nonreporting]

Age, sex, and family status	All persons				White				Nonwhite						
	Total noninstitutional population ²	Income of individual or family unit—				Total noninstitutional population ²	Income of individual or family unit—				Total noninstitutional population ²	Income of individual or family unit—			
		Below economy level		Below low-cost level			Below economy level		Below low-cost level			Below economy level		Below low-cost level	
		Number	Percent of total	Number	Percent of total		Number	Percent of total	Number	Percent of total		Number	Percent of total	Number	Percent of total
Number of persons, total	187.2	34.6	18.5	50.1	26.8	165.4	23.9	14.4	36.7	22.2	21.8	10.7	49.3	13.5	62.1
Unrelated individuals	11.2	4.9	43.9	5.5	49.8	9.7	4.1	41.8	4.7	48.0	1.5	.8	57.5	.9	61.7
Members of family units	176.0	29.7	15.9	44.7	25.4	155.7	19.8	12.7	32.1	20.6	20.3	9.9	48.7	12.6	62.1
Children under age 18 ³	63.8	15.1	21.9	21.1	31.8	59.2	9.3	15.7	14.9	25.1	9.7	5.8	59.5	7.0	72.6
Under 6	24.8	5.9	23.9	8.7	35.2	21.0	3.6	17.3	5.8	28.0	3.9	2.3	59.7	2.9	74.2
6-13	30.6	6.7	21.8	9.6	31.4	26.4	4.1	15.6	6.6	24.9	4.1	2.6	61.9	3.0	73.6
14-17	13.4	2.4	18.1	3.5	26.4	11.8	1.5	13.1	2.4	20.7	1.7	.9	52.9	1.1	66.5
Persons aged 18-45	63.4	9.0	14.2	13.7	21.6	56.2	6.2	11.0	9.9	17.6	7.3	2.9	39.7	3.8	52.8
Unrelated individuals ⁴	3.0	1.0	32.5	1.0	34.6	2.5	.7	30.1	.8	32.1	.5	.2	43.3	.2	46.1
Members of family units	60.4	8.1	13.3	12.7	21.0	53.7	5.4	10.1	9.1	16.9	6.7	2.6	39.4	3.6	53.4
Head	23.3	3.6	15.5	5.5	23.6	20.7	2.5	11.9	4.0	19.3	2.6	1.2	44.1	1.5	57.5
Wife	24.5	2.8	11.5	4.8	19.4	22.2	2.0	9.0	3.6	16.2	2.3	.8	34.8	1.2	49.5
Other	12.6	1.6	12.9	2.4	19.2	10.8	.9	8.8	1.5	13.9	1.8	.6	38.4	.9	52.3
Persons aged 45-64	37.8	5.2	13.9	7.3	19.2	34.3	3.9	11.3	5.5	16.1	3.6	1.4	39.0	1.7	48.8
Unrelated individuals	3.9	1.4	35.7	1.6	40.2	3.3	1.0	31.4	1.2	35.7	.6	.4	60.9	.4	66.1
Members of family units	33.9	3.8	11.4	5.7	16.8	30.9	2.8	9.1	4.3	14.0	3.0	1.0	34.8	1.3	45.5
Head	17.3	1.9	11.3	2.9	16.6	15.6	1.4	8.7	2.1	13.5	1.6	.6	36.3	.8	47.4
Wife	14.3	1.5	10.6	2.3	15.9	13.2	1.2	8.9	1.8	13.8	1.1	.3	31.0	.4	41.6
Other	2.3	.4	16.2	.5	23.2	2.1	.3	13.1	.4	19.6	.3	.1	37.9	.1	49.5
Persons aged 65 and over	17.1	5.3	30.9	7.4	43.3	15.8	4.6	28.9	6.5	41.0	1.3	.7	55.4	.9	71.3
Unrelated individuals	4.3	2.5	59.3	3.0	69.2	3.9	2.3	58.0	2.7	68.3	.4	.3	73.8	.3	78.3
Members of family units	12.8	2.7	21.3	4.4	34.6	11.8	2.3	19.2	3.8	31.9	.9	.4	48.4	.6	68.4
Head	6.8	1.6	23.4	2.5	36.9	6.2	1.3	20.8	2.1	33.8	.6	.3	52.5	.4	70.1
Wife	3.4	.8	22.7	1.4	39.2	3.3	.7	21.5	1.2	37.2	.2	.1	43.9	.1	76.1
Other	2.5	.3	13.5	.5	21.9	2.3	.3	11.4	.4	19.2	.2	.1	40.4	.1	55.2

¹ For description of poverty criteria, see Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," *Social Security Bulletin*, January 1965.

² As of March 1964 there were 2 million persons in institutions, including 270,000 children under age 18; 1,100,000 persons aged 18-64; and 700,000 persons aged 65 or older. These persons, as well as the 200,000 children under age 14 who live with a family to no member of which they were related, are not represented in the poverty index because income data are not collected for inmates of institutions or unrelated individuals under age 14.

³ Includes never-married own children of the family head and all other never-married relatives under age 18; excludes an additional 300,000 children under age 14 (200,000 in households of nonrelatives and 100,000 in institutions).

⁴ Also includes all unrelated individuals aged 14-17.

Note: Numbers in this report based on actual counts of individual persons in the households sampled, weighted and aggregated by family weights with units then adjusted by Bureau of the Census procedures to conform to known population characteristics, such as age, sex, and race. Group totals may therefore differ slightly from corresponding totals in other Census reports based on person rather than family weights. The counts of persons in families may also differ slightly from those in "Counting the Poor," which were derived from distributions of family units with an estimated average number assumed for units including 7 or more persons, or 6 or more related children under age 18.

TABLE B.—Comparing the poor and the nonpoor, according to the SSA poverty index: Percentage distribution of persons in families with 1963 income above and below specified levels, by age and relationship to head and by sex of head

Age and relationship to head	Total, family income—					All families with male head, family income—					All families with female head, family income—				
	Below economy level	Above economy level	Above economy level, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy level, below low-cost level	Below low-cost level	Above low-cost level	Below economy level	Above economy level	Above economy level, below low-cost level	Below low-cost level	Above low-cost level
Families, total number (in thousands)	7,180	40,250	3,720	10,900	36,530	5,220	37,340	3,280	8,500	34,060	1,960	2,920	445	2,400	2,470
Family members:															
Total number (in thousands)	29,690	146,280	15,000	44,690	131,290	22,290	137,940	13,600	35,890	121,340	7,400	8,330	1,390	8,790	6,940
Number per family	4.1	3.6	4.0	4.1	3.6	4.3	3.7	4.2	4.2	3.7	3.8	2.9	3.1	3.7	2.8
Total percent	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
Children under age 18, total	30.7	36.3	45.6	49.0	35.7	47.9	37.4	46.0	47.0	38.4	60.0	26.8	41.7	57.2	23.8
Own children:	46.6	35.4	43.1	45.4	34.5	44.7	36.2	33.9	44.4	35.4	52.2	22.3	35.7	49.8	19.7
Under 6 years	18.5	12.3	17.6	18.2	11.7	18.7	12.9	18.8	18.8	12.2	17.5	3.2	6.3	16.0	2.6
6-13	20.7	15.8	18.6	20.0	15.5	19.2	16.2	18.9	19.1	15.9	25.2	10.2	15.9	23.7	9.1
14-17	7.4	7.3	6.9	7.2	7.3	6.8	7.1	6.2	6.5	7.3	9.2	8.9	13.5	9.9	8.0
Other related children	4.1	1.4	2.5	3.6	1.2	2.9	1.1	2.1	2.6	1.0	7.6	4.4	6.0	7.6	4.1
Under 6 years	1.5	.6	1.0	1.3	.5	1.1	.5	.9	1.0	.4	2.7	1.7	1.6	2.6	1.7
6-13	1.8	.5	.9	1.5	.4	1.2	.4	.8	1.0	.4	3.8	1.5	2.6	3.6	1.4
14-17	.8	.3	.6	.7	.3	.6	.2	.4	.6	.2	1.3	1.2	1.8	1.4	1.0
Other members, total	49.3	63.2	54.4	51.0	64.2	52.4	62.0	54.0	53.0	53.6	40.0	73.2	58.3	42.8	76.2
Under age 45	27.2	35.8	30.8	25.3	36.3	28.2	35.9	31.1	29.2	36.5	23.7	33.3	28.7	24.5	34.2
Head	12.2	13.5	12.8	12.3	13.6	11.1	13.6	12.5	11.6	13.8	15.4	10.4	13.4	15.1	9.8
Wife	9.5	14.8	12.9	10.6	15.0	12.6	15.7	14.3	13.2	15.9					
Other relatives	5.5	7.5	5.3	5.4	7.7	4.5	6.6	4.3	4.4	6.3	8.3	22.9	15.3	9.4	24.4
Aged 45-64	13.0	20.5	12.3	12.7	21.5	14.2	20.3	11.8	13.3	21.3	9.1	24.4	16.2	10.2	28.1
Head	6.6	10.5	6.2	6.4	11.0	6.7	10.1	5.5	6.2	10.7	6.2	15.7	12.3	7.2	16.4
Wife	5.1	8.7	5.0	5.1	9.1	6.8	9.3	5.5	6.3	9.7					
Other relatives	1.3	1.3	1.2	1.2	1.4	.7	.9	.8	.8	.9	2.9	8.7	3.9	3.0	9.7
Aged 65 and over	9.1	6.9	11.3	9.3	6.4	10.0	6.3	11.1	10.4	5.5	7.1	15.5	13.3	8.1	15.9
Head	5.4	2.6	6.1	5.6	3.3	5.6	3.2	6.1	5.8	2.9	4.7	8.9	6.3	5.0	9.4
Wife	2.6	1.8	3.8	3.0	1.6	3.5	1.9	4.2	3.6	1.7					
Other relatives	1.1	1.5	1.4	1.2	1.5	.8	1.2	.8	.8	1.2	2.4	6.6	7.0	3.1	6.5

TABLE C.—Number of persons and number of children in poor¹ and nonpoor families in 1963, by sex and current labor-force status of head

Labor-force status of head in March 1964	All families			Families with male head			Families with female head		
	Total	Poor	Nonpoor	Total	Poor	Nonpoor	Total	Poor	Nonpoor
All families, total number (in millions)	47.7	7.2	40.2	42.5	5.2	37.3	4.9	2.0	2.9
Persons in families:									
Total number (in millions)	176.0	29.7	146.3	160.3	22.3	138.0	15.7	7.4	8.3
Number per family	3.7	4.1	3.6	3.8	4.3	3.7	3.2	3.8	2.9
Children in families:									
Total number (in millions)	68.8	15.0	53.8	62.2	10.6	51.5	6.7	4.4	2.3
Number per family	1.5	2.1	1.3	1.5	2.0	1.4	1.4	2.3	.8
Head employed, total number (in millions)	37.1	3.7	33.4	34.9	3.2	31.8	2.2	.6	1.7
Persons in families:									
Total number (in millions)	143.8	17.7	126.1	136.8	15.4	121.4	6.9	2.2	4.7
Number per family	3.9	4.7	3.8	3.9	4.9	3.8	3.1	3.9	2.8
Children in families:									
Total number (in millions)	59.1	9.7	49.4	56.3	8.3	48.0	2.8	1.3	1.5
Number per family	1.6	2.6	1.5	1.6	2.6	1.5	1.2	2.4	.9
Head unemployed, total number (in millions)	1.4	.4	1.0	1.3	.3	1.0	.2	.1	.1
Persons in families:									
Total number (in millions)	5.5	1.3	3.6	5.0	1.6	3.4	.6	.3	.2
Number per family	3.9	4.5	3.5	3.9	4.9	3.6	3.7	4.4	2.9
Children in families:									
Total number (in millions)	2.4	1.1	1.3	2.1	.9	1.2	.3	.2	.1
Number per family	1.7	2.8	1.2	1.6	2.8	1.2	2.0	3.0	1.0
Head not in labor force, total number (in millions)	8.9	3.0	5.5	6.4	1.7	4.6	2.5	1.3	1.2
Persons in families:									
Total number (in millions)	26.7	10.1	16.6	18.4	5.2	13.2	8.3	4.9	3.4
Number per family	3.0	3.2	2.9	2.9	3.0	2.8	3.3	3.7	2.9
Children in families:									
Total number (in millions)	7.4	4.2	3.1	3.8	1.4	2.4	3.6	2.9	.7
Number per family	.9	1.4	.5	.6	.8	.5	1.4	2.2	.6

¹ Family income in 1963 below SSA index at economy level.

TABLE D.—Current labor-force status of persons other than the head in poor¹ and nonpoor families in 1963: Percentage distribution by sex and age of family member and by sex of head

Age and labor-force status of family member in March 1964	All families		Families with male head				Families with female head			
	All members		Male members		Female members		Male members		Female members	
	Poor families	Nonpoor families	Poor families	Nonpoor families	Poor families	Nonpoor families	Poor families	Nonpoor families	Poor families	Nonpoor families
All persons aged 14 and over, number (in thousands).....	9,890	63,250	1,520	11,510	6,590	47,730	820	1,830	960	2,190
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	20.6	35.9	30.7	40.9	17.5	33.4	28.4	57.3	19.6	47.0
Unemployed.....	4.9	2.9	8.3	5.8	3.3	2.1	13.3	9.2	3.4	1.5
Not in labor force.....	74.5	61.2	61.1	53.3	79.2	64.6	58.2	33.5	76.9	51.5
Ill or disabled.....	2.1	.9	2.6	1.2	1.3	.7	4.2	2.1	5.2	3.7
Other.....	72.3	60.3	58.5	52.1	77.9	63.9	54.1	31.4	71.8	47.8
Aged 14-19, number (in thousands).....	3,340	15,480	1,120	7,170	1,240	7,060	480	630	510	640
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	17.6	25.3	25.5	27.6	13.7	21.9	17.6	37.2	9.5	24.2
Unemployed.....	5.4	4.0	5.5	5.1	4.3	2.7	10.1	7.7	3.8	1.4
Not in labor force.....	77.0	70.7	69.0	67.2	82.0	75.4	72.3	55.1	86.8	74.4
Ill or disabled.....	.3	.2	.3	.2	.2	.2	.8	.6	.6	.9
Other.....	76.7	70.5	68.7	67.0	82.0	75.2	71.6	55.1	86.2	73.5
Aged 20-24, number (in thousands).....	1,020	7,370	140	2,110	700	4,690	110	300	80	270
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	(?)	100.0
Employed.....	27.5	50.1	52.5	57.4	17.1	44.1	48.6	65.8	(?)	77.4
Unemployed.....	11.9	5.8	18.4	8.3	8.5	4.3	30.8	12.3	(?)	4.8
Not in labor force.....	60.7	44.1	29.1	34.2	74.4	51.6	20.6	21.9	(?)	17.8
Ill or disabled.....	1.8	.5	5.0	.9	.4	.4	4.7	2.0	(?)	.9
Other.....	58.9	43.6	24.1	33.3	74.0	51.2	13.9	19.9	(?)	17.8
Aged 25-34, number (in thousands).....	3,520	29,790	190	1,630	2,980	26,800	160	680	200	680
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	27.7	42.7	48.4	82.2	23.9	38.5	55.1	80.7	42.6	76.4
Unemployed.....	4.6	2.3	19.8	7.1	3.1	1.9	15.8	11.3	4.1	.7
Not in labor force.....	67.7	54.9	31.8	10.6	73.0	59.6	29.1	7.9	53.3	22.8
Ill or disabled.....	1.6	.5	9.9	2.8	.3	.2	5.7	2.8	9.6	4.2
Other.....	66.1	54.4	21.9	7.8	72.7	59.4	23.4	5.1	43.7	18.6
Aged 35-44, number (in thousands).....	880	5,730	20	190	770	5,270	20	80	70	200
Percent.....	100.0	100.0	(?)	100.0	100.0	100.0	(?)	(?)	(?)	100.0
Employed.....	18.6	34.8	(?)	66.8	17.1	32.3	(?)	(?)	(?)	57.4
Unemployed.....	2.0	1.7	(?)	6.3	1.6	1.4	(?)	(?)	(?)	2.6
Not in labor force.....	79.3	63.5	(?)	26.8	81.4	66.3	(?)	(?)	(?)	40.0
Ill or disabled.....	3.5	1.2	(?)	7.4	2.0	.8	(?)	(?)	(?)	4.1
Other.....	75.8	62.3	(?)	19.4	79.4	65.5	(?)	(?)	(?)	35.9
Aged 45 and over, number (in thousands).....	1,120	4,880	40	410	910	3,910	60	150	110	400
Percent.....	100.0	100.0	(?)	100.0	100.0	100.0	(?)	100.0	100.0	100.0
Employed.....	2.9	7.9	(?)	11.4	2.3	7.4	(?)	11.3	2.6	8.0
Unemployed.....	.3	.3	(?)	.7	.7	.2	(?)	2.0	.6	.7
Not in labor force.....	97.1	91.8	(?)	87.9	97.7	92.5	(?)	86.7	97.4	92.0
Ill or disabled.....	8.5	5.9	(?)	9.5	6.6	5.2	(?)	6.0	12.3	9.7
Other.....	88.5	85.9	(?)	78.4	91.1	87.3	(?)	80.7	85.1	82.3

¹ Family income in 1963 below SSA index at economy level.

² Not shown for base less than 100,000.

TABLE E.—Incidence of poverty among children under age 18, by race, sex, and current labor-force status of family head, and relationship to family head

Age, relationship of children to head, and sex of family head	Labor-force status of head, March 1964								
	All families			White families			Nonwhite families		
	Employed	Un-employed	Not in labor force	Employed	Un-employed	Not in labor force	Employed	Un-employed	Not in labor force
Number of children (in thousands)									
<i>Male head</i>									
All children under age 18.....	56,290	2,090	3,780	50,210	1,710	3,130	6,070	380	650
Own children, total.....	54,780	1,990	3,210	49,200	1,650	2,760	5,570	340	450
Under age 6.....	19,960	810	1,200	17,640	650	980	2,320	160	230
Other related children, total.....	1,510	100	570	1,010	70	370	500	30	200
Under age 6.....	710	40	190	460	30	140	250	10	80
<i>Female head</i>									
All children under age 18.....	2,790	300	3,580	1,750	190	2,160	1,050	110	1,420
Own children, total.....	2,410	280	3,040	1,610	180	1,890	800	100	1,150
Under age 6.....	500	110	950	300	70	560	200	40	410
Other related children, total.....	380	20	540	140	10	270	250	10	270
Under age 6.....	170	20	160	70	10	60	100	10	110
Percent of children in poverty ¹									
<i>Male head</i>									
All children under age 18.....	14.7	43.5	36.7	10.8	37.2	31.9	47.5	72.3	60.0
Own children, total.....	14.5	44.1	35.4	10.6	37.8	32.2	48.5	74.1	55.3
Under age 6.....	16.7	50.0	36.5	12.1	42.7	32.8	51.4	79.7	52.8
Other related children, total.....	23.6	(²)	43.9	17.2	(²)	29.6	36.7	(²)	70.7
Under age 6.....	21.8	(²)	45.8	15.6	(²)	36.2	33.2	(²)	(²)
<i>Female head</i>									
All children under age 18.....	48.0	76.5	80.2	31.5	66.8	72.1	75.6	92.9	92.5
Own children, total.....	47.7	77.0	82.3	33.2	69.1	75.6	77.1	(²)	93.3
Under age 6.....	68.8	86.7	90.2	61.7	(²)	86.1	79.7	(²)	95.7
Other related children, total.....	30.0	(²)	68.5	12.5	(²)	47.6	70.8	(²)	89.1
Under age 6.....	45.5	(²)	72.0	(²)	(²)	(²)	(²)	(²)	88.7

¹ Family income in 1963 below BSA index at economy level.

² Not shown for base less than 100,000.

TABLE F.—Current labor-force status of family heads in poor and nonpoor families in 1963,¹ by sex and age

Age and labor-force status of head, March 1964	All families		Families with male head				Families with female head			
	Poor	Nonpoor	Poor families		Nonpoor families		Poor families		Nonpoor families	
			Total	With own children under age 18	Total	With own children under age 18	Total	With own children under age 18	Total	With own children under age 18
All heads, number (in thousands).....	7,180	40,260	5,220	2,970	37,330	21,740	1,960	1,330	2,920	1,060
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	51.9	83.1	60.4	77.8	85.1	93.3	29.1	33.4	57.1	71.8
Unemployed.....	5.6	2.5	6.2	8.2	2.5	2.3	3.9	5.0	2.6	3.8
Not in labor force.....	42.5	14.4	33.4	14.0	12.3	4.4	67.0	61.6	40.3	24.4
Keeping house.....	17.3	2.8	.2	.1	.1	.2	63.0	59.4	37.3	23.4
Going to school.....	1.0	.2	1.1	1.0	.3	.2	1.0	1.2	1.1	.2
Ill or disabled.....	4.5	1.1	5.6	2.5	1.0	.3	1.4	1.4	1.4	.3
Other.....	19.7	10.3	26.5	10.3	10.9	3.9	1.6	1.0	1.5	.5
Heads under age 25, number (in thousands).....	720	2,040	530	340	1,960	1,140	190	180	80	40
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	59.7	84.7	73.4	78.2	85.6	90.5	21.6	22.3	(?)	(?)
Unemployed.....	6.1	3.7	5.9	3.5	3.6	3.0	6.8	7.1	(?)	(?)
Not in labor force.....	34.2	11.6	20.7	18.3	10.8	5.9	71.6	70.6	(?)	(?)
Going to school.....	5.0	2.3	7.8	6.2	2.3	1.1	8.4	7.0	(?)	(?)
Ill or disabled.....	.4	.6	.6	.9	.3	.3	.3	.3	(?)	(?)
Other.....	25.8	9.3	12.3	11.2	8.5	4.8	63.2	63.6	(?)	(?)
Heads aged 25-54, number (in thousands).....	3,880	26,690	2,650	2,300	25,180	19,340	1,230	1,110	1,520	950
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	66.1	92.8	79.5	80.9	83.7	93.9	37.0	35.3	77.9	74.6
Unemployed.....	7.9	2.5	9.3	3.2	2.4	2.2	4.9	4.9	3.2	3.7
Not in labor force.....	26.0	4.7	11.2	9.9	3.8	3.9	58.1	59.8	18.9	21.7
Ill or disabled.....	1.6	.3	2.4	1.8	.3	.3	.3	.3	.2	.3
Other.....	24.4	4.4	8.8	8.1	3.5	3.6	53.1	59.8	18.7	21.4
Heads aged 55-64, number (in thousands).....	980	6,370	790	250	5,770	1,130	190	40	590	60
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	51.5	84.2	57.0	65.7	87.0	91.7	28.4	(?)	57.4	(?)
Unemployed.....	4.1	3.2	4.6	6.9	3.2	2.9	2.1	(?)	2.7	(?)
Not in labor force.....	44.4	12.6	38.4	27.4	9.8	5.4	69.5	(?)	39.9	(?)
Ill or disabled.....	7.9	1.9	9.8	9.4	2.0	1.1	(?)	(?)	1.3	(?)
Other.....	36.5	10.7	28.6	18.0	7.8	4.3	69.5	(?)	38.6	(?)
Heads aged 65 and over, number (in thousands).....	1,600	5,160	1,250	90	4,420	130	350	(?)	740	10
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed.....	14.2	30.8	16.6	(?)	33.7	46.0	5.7	(?)	13.9	(?)
Unemployed.....	.7	1.6	1.0	(?)	1.7	2.4	(?)	(?)	.8	(?)
Not in labor force.....	85.1	67.6	82.4	(?)	64.6	51.6	94.3	(?)	85.3	(?)
Ill or disabled.....	11.2	4.4	12.1	(?)	4.4	(?)	7.7	(?)	4.1	(?)
Other.....	73.9	63.2	70.3	(?)	60.2	51.6	56.6	(?)	81.2	(?)

¹ Family income in 1963 below SSA index at economy level.

² Not shown for base less than 100,000.

³ Less than 5,000.

TABLE G.—Incidence of poverty ¹ among white and nonwhite households, by sex of head and by region

[Numbers in thousands]

Sex and race of head	Total, United States		Northeast		South		North Central		West	
	Total	Percent poor	Total	Percent poor	Total	Percent poor	Total	Percent poor	Total	Percent poor
Families of 2 or more										
Male head.....	42,550	12.3	10,700	7.5	12,720	21.0	12,150	9.1	6,980	9.0
White.....	38,870	10.2	10,020	6.6	10,900	16.0	11,450	8.7	6,490	8.5
Nonwhite.....	3,680	34.1	680	19.9	1,820	51.0	700	17.0	490	14.5
Female head.....	4,880	40.1	1,210	30.4	1,670	51.9	1,200	35.7	800	36.4
White.....	3,800	31.2	1,000	20.4	1,100	36.3	1,020	28.6	680	33.7
Nonwhite.....	1,080	70.8	210	49.4	570	81.2	180	71.6	120	51.2
Unrelated individuals										
Male.....	4,280	33.7	1,130	28.0	1,030	44.6	1,090	36.1	1,030	26.6
White.....	3,590	31.3	1,000	26.3	730	38.5	970	34.8	900	27.4
Nonwhite.....	680	46.2	130	40.6	300	58.4	120	47.1	130	21.6
Female.....	6,910	50.3	1,990	50.2	1,900	57.3	1,890	51.0	1,220	39.0
White.....	6,130	48.1	1,790	50.5	1,440	50.7	1,750	49.6	1,150	38.9
Nonwhite.....	780	67.8	210	46.4	360	84.6	140	68.9	70	(*)

¹ Income in 1963 of family or unrelated individual below SSA index at economy level.

* Not shown for base less than 100,000.

Recounting the Poor—A Five-Year Review

by MOLLIE ORSHANSKY

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Recounting the Poor—A Five-Year Review

by MOLLIE ORSHANSKY*

In 1965 the Social Security Administration developed two criteria of poverty to assay the relative economic position of different types of households in the United States. The derivation of these criteria and the characteristics of the population they defined as poor in terms of 1963 income have been reported in the SOCIAL SECURITY BULLETIN.¹ The present article reviews the trend from 1959 to 1964 in the numbers identified by these criteria and offers some detail about the poverty roster for 1964. Because the lower of these criteria is being used as the current working definition of poverty, the somewhat less stringent measure has now been designated as the "near poor" level. Persons rated poor or near poor by these measures can be said to be in the "low-income" category. The level of living represented by the low-income threshold is still substantially below the "modest but adequate" level described by the city worker's family budget developed and priced by the Bureau of Labor Statistics. Further data and discussion of the characteristics of the poor and the near poor will appear in subsequent issues of the BULLETIN.

BY 1964, an extended period of continued economic expansion had brought the income of American households to new highs. Families now had a median money income of \$125 a week compared with \$104 in 1959. Even after allowing for rise in prices, the Nation's families, though on the average no larger, had about \$8 to spend in 1964 for every \$7 available to them 5 years before. Individuals living alone rather than as part of a family unit did as a group even better. Their median income in 1964 was about \$38 a week, about one-sixth higher than it was in 1959 after discounting for higher prices.

But the general satisfaction at this impressive record was tempered by realization that there

were still many among us living far below acceptable standards. If one could point with pride, there was yet much to view with alarm.

Poverty that never was a random affliction by 1964 had become even more selective, and some originally highly vulnerable were now even more so. The ranks of the poor were crowded with those who through age, disability, or other handicaps could not find or hold a job. But many households were counted poor even when the worker at the head had not been unemployed.

THE OVERTONES OF POVERTY

Of the 60 million households in March 1965—counting as a separate unit every family group and every person living alone or with nonrelatives only—12 million or 1 out of every 5 had incomes in 1964 so low as to be considered poor by the Social Security Administration's basic poverty index. An additional 4½ million units above this poverty line nevertheless had incomes low enough to be bordering on dire poverty if not already in it. There were thus in the midst of plenty a minimum of 34 million Americans and possibly as many as 50 million who lived with privation as their daily portion. Included in this group were from 21 percent to 31 percent of the Nation's children and from 31 percent to 43 percent of our aged.

These measures of poverty and low income are based on the amounts needed by families of different size and composition to purchase nutritionally adequate diets at minimum cost when no more than a third of the family income is used for food. The lower of the two measures, now generally adopted as the poverty level, is based on the restricted variety of foods suggested in the Department of Agriculture economy food plan for emergency use or when funds are very low. The near-poor level averages about one-third higher in dollar cost. The low-cost food plan from which it is derived has long been used by public and private welfare agencies as a benchmark in developing standards of need.

*Office of Research and Statistics. The data were compiled with the assistance of Marcella Swenson.

¹ Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," *Social Security Bulletin*, January 1965, and "Who's Who Among the Poor: A Demographic View of Poverty," *Social Security Bulletin*, July 1965.

As a concept, the overall term "low income" may be even less precise than the designation "poor" in connoting a particular level of living. But perhaps no phrase can do this as well as the numbers, which suggest the wide gap between the group identified and those above the threshold. The designation "minimum adequate" might seem more descriptive but is avoided because of the potential confusion with the BLS "modest but adequate" city worker's family budget, which is 50 percent higher than the SSA low-income level.

For many of the poor it was the inability of the family breadwinner to find or keep a job that caused their plight. But 2½ million households, including 6 million children, were on the poverty roll even though the family head worked steadily at a full-time job throughout the year.

To be sure, there has been and continues to be improvement: Five years earlier, with a total population less by some 13 million, the number judged poor by the same poverty index (allowing only for differences in price) was almost 5 million greater. On the other hand, the number with incomes above the poverty index yet below the low-income level—still a far from generous measure—remained almost unchanged. And no upward adjustment was made in either of the measures to take account of the higher standard of living that a rising real income makes possible for the majority. The Nation's poor then are now fewer in number but the difference between what they have and what the rest of us enjoy is greater. Today's poor, as we count them, are accordingly farther away from the mainstream of American good living than those in the poverty inventory 5 years ago.

Even by the stringent definition of poverty, the record of progress is not equally encouraging for all. The nonwhite population, though, along with the majority now in better straits, are barely holding their own—they are surely not catching up: Today no less than in 1959 they experience poverty at a rate more than 3 times that of their white fellow Americans. Indeed for nonwhite youngsters in large families the prospects of a childhood free of poverty are dimmer than they used to be.

The financial fate of the aged who live alone is better than once it was, but it still spells poverty for the majority. Compared with 1959, when aged unrelated individuals accounted for every fifth

household on the poverty roster, 1 out of 4 households judged poor in 1964 was that of an aged person—usually a woman—living alone. This shift did not signify that as a group such persons now had less income than formerly but rather that more of them were seizing the opportunity to live alone.

Although the chances that a household headed by a woman will be poor are now less than they used to be, the improvement has not been so marked as for units headed by a man. Moreover, the proportion of families with children but without a father in the home has been growing. Thus the persons in poor households with a woman at the head numbered 5½ million in 1964, about the same total as in 1959; but though such households accounted for 40 percent of those labeled poor in 1959, the proportion had risen to 46 percent by 1964.

The farm population continues as another persistent pocket of poverty, and the number of children and other members of large families living in poverty was even greater in 1964 than it had been earlier.

In aggregate dollar terms, the amount required to close the poverty gap—that is, the estimated difference between the actual income of the poor and the income required—was \$11.7 billion in 1964 or about \$2 billion less in 1964 than in 1959. But the improvement reflected chiefly the fact that there were now fewer poor than before, not that those in poverty were any less needy than the poor of earlier years.

One exception was the aged, for whom the dollar gap of those in poverty did tend to be smaller than in 1959. Persons aged 65 or older as a group derive a sizable share of their income from public programs rather than earnings. The expanding program of social security with higher benefits has helped some move out of poverty and others not quite so fortunate are nevertheless rendered less poor.

For many of the younger population depending for their livelihood primarily on their own employment or that of other family members, the difficulties of the large or broken family, the problems of unemployment or employment at low pay, the inhibiting effect on earning power of inadequate education, and the special disadvantage of the Negro continued to consign them to poverty status. For some situations corrective

programs were only getting under way; for others, none had yet been devised.

TRENDS IN POVERTY, 1959-64

As the official war on poverty gains momentum, measuring the effectiveness of the various weapons becomes important. One phase involves setting the target for action by determining the extent of poverty today among the various population groups. Another aspect will be estimating how much improvement special programs add to what might take place anyway. For this purpose it is necessary to see what has happened in the past. The relevant income data for such analysis are available in sufficient detail only as far back as 1959.

Choosing the Criterion

Drawing the poverty line is not yet a task in which it is possible to achieve consensus, particularly when the line is above the level of mere subsistence, as it is in the United States. The difficulties are increased when the definition is to be used to measure progress over a span of time. Statistical nicety will be better served if the criterion selected remains invariant. The realities of everyday living suggest it cannot be—at least not for very long. Though the change in consumption patterns from any one year to the next might be minuscule, over the long run the upgrading that goes with the developing United States economy will be too great to be ignored. Research in consumer economics is not yet at a stage precise enough to specify just how long the long run is.

For the present analysis of trends in poverty during the period 1959-64, the poverty thresholds were adjusted only to take account of price change in the per capita cost of the food plans that are their core. The measure of poverty used is defined by the SSA variable income criterion, taking into account family size, composition, and farm-non-farm residence, and the proportions of income required to purchase a minimum adequate diet. Indexes have been computed at two standards, one for poverty and one for low-income status requiring approximately a third more in funds. The

poverty level index has been adopted by the Council of Economic Advisers and the Office of Economic Opportunity as a rough guide pending further research. Under this scale, four-person nonfarm families in 1964 as a group are defined as poor if their money income for the year is less than \$3,130 and in low-income status if they have less than \$4,075. For farm families the poverty line is 70 percent lower.

The poverty index priced at the level for 1964 implied an average expenditure for food of 70 cents a day per person—2.2 percent higher than in 1959. The low-cost index in 1964 implied about 90 cents a day for food outlay per person or 5.3 percent higher than the earlier figure.

The weighted averages of the poverty and low-income thresholds in 1960 and in 1964 for different types of families are shown in table 1.

Between 1959 and 1964 both the income received by consumers and the prices of goods they bought continued to climb, but the income went up faster. Inevitably then the poverty thresholds, adjusted only to the extent of price change, were farther below the general levels of income at the end of the period than at the beginning. The median income of four-person families in 1964, was \$7,490, nearly 2½ times the poverty nonfarm threshold of \$3,130. In 1959, by contrast, the median income of \$6,070 for four-person families was just twice the poverty index criterion.

Accordingly, the poverty line for a nonfarm family of four, which in 1959 was half the median income for all families this size, by 1964 was 58 percent less than what the average family had in the way of income. Many of the poor, of course, had incomes considerably below the poverty threshold. Because prices and standards of living tend to move with prevailing income, families in poverty in 1964 could thus find themselves more readily outbid and outspent than families labeled poor in 1959. To this extent comparing the poor in 1964 with those in 1959 may overstate the reduction in their number and understate the degree of deprivation.

Measures of Change

Really to know how well we do in combating poverty would imply knowing about changes in the content of living and the increased opportunities for escaping poverty made possible for par-

ticular kinds of families. The only indicator currently available as a gauge, however, is the size of the poverty roster.

There are other difficulties in evaluating progress in the fight against poverty simply by looking at numbers. As economic and social conditions change, family living arrangements change also. With a little more income, or better prospects for earnings, some who once shared the home of another may be encouraged to take up housekeeping on their own—electing privacy even at the risk of poverty. Persons may be counted poor as members of units thus formed who previously were considered members of the nonpoor families whose households (and income) they shared. Are they indeed poorer now that they are on their own than they were then, or do we need a better way to identify those with financial resources too little for adequate self-support?

The fact that fewer family groups, particularly those with young children, now live as a subfamily in a relative's home typifies the changes that are difficult to adjust for in counting the

poor. One out of two parent-child groups living as a subfamily in 1964 had insufficient income to meet the poverty standard on their own. The majority of these were among our hidden poor—that is, they were living with a family above the poverty line. In 1959, 3 out of 5 parent-child subfamilies had too little income to meet the poverty level criterion. But what may be equally significant is that the total number of subfamilies decreased during the period as the number of families increased.

In 1959, among every 1,000 families with any young children in the home there were included 40 parent-child groups living as relatives of the head or his immediate family. By 1964, such parent-child families numbered 33 per 1,000 of all families with children. Fewer young families were thus obliged to compensate for their own inadequate income by sharing with a relative, but, as with the aged, it is not possible to say for how many the new status added a poor family to the roster in place of a subfamily whose poverty was not registered before.

TABLE 1.—Weighted average of poverty and low-income criteria¹ for families of different composition, by household size, sex of head, and farm or nonfarm residence, March 1960 and 1965

Number of family members	Weighted average of incomes at poverty level						Weighted average of incomes at low-income level					
	Nonfarm			Farm			Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head
Population, March 1960												
1 member, total.....	\$1,510	\$1,575	\$1,470	\$1,065	\$1,100	\$1,020	\$1,775	\$1,855	\$1,725	\$1,255	\$1,390	\$1,200
Head under age 65.....	1,545	1,615	1,495	1,105	1,130	1,045	1,820	1,905	1,769	1,300	1,335	1,230
Head aged 65 or over.....	1,435	1,450	1,430	1,005	1,016	1,005	1,685	1,715	1,675	1,180	1,200	1,170
2 members, total.....	1,950	1,960	1,895	1,360	1,365	1,315	2,550	2,565	2,440	1,785	1,790	1,695
Head under age 65.....	2,010	2,020	1,940	1,410	1,415	1,355	2,620	2,645	2,490	1,845	1,855	1,740
Head aged 65 or over.....	1,810	1,810	1,805	1,270	1,270	1,275	2,375	2,385	2,340	1,665	1,670	1,650
3 members.....	2,390	2,400	2,300	1,670	1,675	1,595	3,055	3,065	2,965	2,135	2,140	2,080
4 members.....	3,060	3,060	3,040	2,150	2,150	2,140	3,870	3,875	3,790	2,720	2,725	2,665
5 members.....	3,695	3,695	3,589	2,530	2,530	2,545	4,520	4,525	4,445	3,175	3,175	3,165
6 members.....	4,085	4,055	4,055	2,840	2,840	2,850	5,085	5,080	5,020	3,565	3,565	3,515
7 or more members.....	4,985	4,995	4,900	3,485	3,490	3,435	6,190	6,195	6,070	4,325	4,330	4,280
Population, March 1965												
1 member, total.....	\$1,540	\$1,605	\$1,500	\$1,085	\$1,110	\$1,045	\$1,865	\$1,950	\$1,810	\$1,315	\$1,350	\$1,265
Head under age 65.....	1,580	1,650	1,525	1,125	1,155	1,070	1,920	2,005	1,850	1,365	1,405	1,295
Head aged 65 or over.....	1,470	1,480	1,465	1,030	1,035	1,025	1,775	1,805	1,760	1,250	1,265	1,235
2 members, total.....	1,990	2,000	1,935	1,385	1,390	1,320	2,675	2,700	2,530	1,865	1,880	1,755
Head under age 65.....	2,050	2,065	1,978	1,440	1,445	1,360	2,760	2,785	2,615	1,940	1,950	1,815
Head aged 65 or over.....	1,880	1,850	1,845	1,295	1,300	1,290	2,500	2,510	2,460	1,755	1,760	1,720
3 members.....	2,440	2,455	2,350	1,705	1,710	1,645	3,210	3,225	3,125	2,245	2,250	2,170
4 members.....	3,130	3,130	3,110	2,195	2,195	2,175	4,075	4,080	3,980	2,865	2,865	2,815
5 members.....	3,685	3,685	3,650	2,590	2,590	2,595	4,755	4,760	4,660	3,345	3,345	3,315
6 members.....	4,140	4,140	4,120	2,905	2,905	2,990	5,340	5,350	5,245	3,755	3,755	3,800
7 or more members.....	5,090	5,100	5,000	3,550	3,555	3,420	6,500	6,515	6,375	4,530	4,535	4,360

¹ Required income in 1959 or in 1964 according to SSA poverty or low-income index for a family of given size and composition. Family incomes weighted together in accordance with percentage distribution of total units,

by, number of related children and sex of head, as of *Current Population Survey*, March 1960 and March 1965.

TABLE 2.—Trends in poverty and low-income status, 1959-64: Number and percent of noninstitutional population who are poor or near poor

Type of unit and income level	The poverty and low-income roster						The incidence of poverty and low-income status					
	1959	1960	1961	1962	1963	1964	1959	1960	1961	1962	1963	1964
	Persons poor or near poor ¹ (in millions)						Percent of persons poor or near poor ²					
Total with low income.....	54.7	54.8	52.9	52.8	51.0	49.8	31.0	30.5	29.3	28.6	27.3	26.3
Poor.....	38.9	40.1	38.1	37.0	35.3	34.1	22.1	22.3	21.1	20.1	18.9	18.0
Near poor.....	15.8	14.7	14.8	15.8	15.7	15.7	9.0	8.2	8.2	8.5	8.4	8.3
Unrelated individuals.....	5.6	5.5	5.6	5.6	5.6	5.8	52.5	50.5	49.7	50.3	49.8	47.8
Poor.....	5.1	5.1	5.0	4.9	4.9	5.1	47.4	46.5	44.7	44.2	43.9	42.0
Near poor.....	.5	.4	.6	.7	.7	.7	5.1	4.0	5.0	6.1	5.9	5.8
Under age 65.....	2.9	2.8	2.7	2.7	2.6	2.6	41.4	39.2	38.0	38.6	37.6	35.5
Poor.....	2.6	2.6	2.4	2.4	2.4	2.3	36.8	36.1	33.9	34.5	34.2	31.2
Near poor.....	.3	.2	.3	.3	.2	.3	4.6	3.1	4.1	4.1	3.4	4.3
Aged 65 or over.....	2.7	2.6	2.8	2.9	2.9	3.2	74.2	73.0	71.0	69.4	69.6	67.4
Poor.....	2.5	2.4	2.5	2.5	2.5	2.8	68.1	67.1	64.4	60.0	59.7	59.3
Near poor.....	.2	.2	.3	.4	.4	.4	6.1	5.9	6.6	9.4	9.9	8.1
Persons in families.....	49.1	49.3	47.4	47.3	45.5	44.0	29.7	29.3	27.8	27.2	25.8	24.8
Poor.....	33.9	35.0	33.1	32.2	30.4	28.9	25.4	20.8	19.4	18.5	17.3	16.3
Near poor.....	15.2	14.3	14.3	15.1	15.1	15.1	9.2	8.5	8.4	8.7	8.5	8.5
With no children under age 18.....	9.3	9.3	8.8	8.4	8.6	8.0	22.3	21.9	21.4	19.5	19.6	17.9
Poor.....	6.5	6.5	6.0	5.4	5.5	4.9	15.5	15.3	13.8	12.6	12.5	11.1
Near poor.....	2.8	2.8	2.8	3.0	3.1	3.1	6.8	6.6	6.6	6.9	7.1	6.8
With children under age 18.....	39.8	40.1	38.7	38.8	36.8	36.2	32.1	31.7	30.3	29.8	27.9	27.3
Poor.....	27.4	28.6	27.2	26.7	24.9	24.0	22.1	22.6	21.3	20.5	18.9	18.1
Near poor.....	12.4	11.5	11.5	12.1	11.9	12.2	10.0	9.1	9.0	9.3	9.0	9.2
Adults.....	16.1	16.5	16.2	16.0	14.7	14.5	26.9	26.8	26.3	25.5	23.5	23.0
Poor.....	10.7	11.4	11.2	10.8	9.6	9.2	17.9	18.5	18.2	17.2	15.4	14.6
Near poor.....	5.4	5.1	5.0	5.2	5.1	5.3	9.0	8.3	8.1	8.3	3.1	8.4
Children under age 18.....	23.7	23.6	22.5	22.8	22.1	21.7	37.1	36.2	34.1	33.8	32.1	31.3
Poor.....	16.7	17.2	16.0	15.9	15.3	14.8	26.1	26.4	24.3	23.6	22.2	21.3
Near poor.....	7.0	6.4	6.5	6.9	6.8	6.9	11.0	9.8	9.8	10.2	9.9	9.9
Households poor or near poor ¹ (in millions)	17.7	17.3	17.1	17.0	16.7	16.4	31.7	30.7	29.7	29.3	28.5	27.4
Poor.....	13.4	13.4	13.0	12.6	12.3	11.9	24.0	23.7	22.6	21.8	21.0	19.9
Near poor.....	4.3	3.9	4.1	4.4	4.4	4.5	7.7	7.0	7.1	7.5	7.5	7.6
Families of 2 or more.....	12.0	11.8	11.5	11.5	11.1	10.6	26.7	26.0	24.9	24.4	23.5	22.2
Poor.....	8.3	8.3	8.0	7.8	7.4	6.8	18.4	18.3	17.3	16.5	15.5	14.2
Near poor.....	3.7	3.5	3.5	3.7	3.7	3.8	8.3	7.7	7.6	7.9	8.0	8.0
With no children under age 18.....	4.3	4.3	4.0	3.9	3.9	3.7	23.6	23.2	21.5	20.7	20.7	19.1
Poor.....	3.0	3.0	2.7	2.5	2.5	2.3	16.4	16.3	14.5	13.4	13.2	11.7
Near poor.....	1.3	1.3	1.3	1.4	1.4	1.4	7.3	6.9	7.0	7.3	7.5	7.4
With children under age 18.....	7.7	7.5	7.5	7.5	7.2	6.9	28.8	27.7	28.0	28.9	25.3	24.5
Poor.....	5.3	5.3	5.3	5.2	4.9	4.5	19.7	19.5	19.2	18.8	17.1	16.0
Near poor.....	2.4	2.2	2.2	2.3	2.3	2.4	9.1	8.2	8.8	8.3	8.2	8.5
1-2 children.....	3.7	3.4	3.4	3.3	3.1	3.0	21.1	20.3	20.3	18.9	18.0	17.7
Poor.....	2.5	2.3	2.4	2.3	2.1	1.8	14.3	13.6	14.2	13.2	12.0	10.8
Near poor.....	1.2	1.1	1.0	1.0	1.0	1.2	6.9	6.7	6.1	5.7	6.0	6.9
3-4 children.....	2.7	2.6	2.6	2.6	2.5	2.3	35.3	33.0	31.7	31.3	29.8	28.0
Poor.....	1.8	1.8	1.8	1.7	1.6	1.5	23.3	22.9	21.9	20.2	19.5	18.3
Near poor.....	.9	.8	.8	.9	.9	.8	12.0	10.1	9.8	11.1	10.3	9.2
5 or more children.....	1.5	1.5	1.5	1.7	1.5	1.6	67.9	68.2	63.0	63.3	58.8	56.6
Poor.....	1.1	1.2	1.1	1.3	1.1	1.1	51.2	54.2	47.1	48.7	43.5	41.0
Near poor.....	.4	.3	.4	.4	.4	.4	16.7	14.0	15.9	16.6	15.3	15.6

¹ Income, for the specified year, of family unit or unrelated individual below the SSA index at the poverty level by family size and sex of head or, alternatively, at the somewhat higher low-income level (see pages 20-21 of this issue). SSA index has been adjusted for price changes during the period.

² The percent that poor or near poor persons (or families) are of total number of persons (or families) in each category in the noninstitutional population. All persons in institutions and children under age 14 who live with a family to no member of which they are related are not represented

in the low-income roster because income data are not collected for inmates of institutions of unrelated individuals under age 14. As of March 1965, there were about 200,000 such children and 2.1 million persons of all ages in institutions.

³ Includes unrelated individuals shown separately above.

Source: Derived from special tabulations from the *Current Population Survey* for March 1960-65, by the Bureau of the Census for the Social Security Administration.

The Poverty Tally

For the 1959-64 period as a whole, the incidence of poverty measured by the poverty index declined from 22 percent to 18 percent of the population, the equivalent of six-tenths of a percentage point a year. From 1959 to 1962, a period which included a recession, the poverty

tally declined by an average of 633,000 persons a year. During the subsequent 2 years of expansion the average decrease was 1,450,000 a year.² The temporary reverse in 1960 reflects in part that this was the trough of the depression, but it

² *Annual Report of the Council of Economic Advisors*, January 1966, page 112.

TABLE 3.—Poverty¹ in 1959 and 1964 among households with children: Number and percent of noninstitutional population who are poor, by sex of head, farm-nonfarm residence, and race

Type of unit	The poor in 1959						The poor in 1964							
	Total in poverty	Sex of head		Residence		Race		Total in poverty	Sex of head		Residence		Race	
		Male	Female	Non-farm	Farm	White	Non-white		Male	Female	Non-farm	Farm	White	Non-white
Number of persons in poverty (in millions)														
Total.....	38.9	25.5	10.4	32.1	6.8	28.2	10.7	34.1	23.3	10.8	29.9	4.2	23.8	10.4
Unrelated individuals.....	5.1	1.6	3.5	4.7	.4	4.1	.9	5.1	1.4	3.7	4.9	.2	4.2	.9
Persons in families.....	33.9	27.0	6.9	27.4	6.4	24.1	9.8	28.9	21.8	7.1	24.9	4.0	19.6	9.5
Adults.....	17.2	14.3	2.9	14.0	3.1	13.0	4.2	14.1	11.4	2.7	12.1	2.0	10.5	3.8
Children under age 18.....	16.7	12.7	4.0	13.4	3.3	11.1	5.6	14.8	10.4	4.4	12.8	2.0	9.1	5.7
Percent of persons in poverty														
Total.....	22.1	18.3	50.3	27.0	42.9	18.0	54.6	18.0	14.0	45.5	16.9	33.1	14.2	47.9
Unrelated individuals.....	47.4	37.0	54.1	46.2	71.9	45.4	59.3	42.0	31.1	49.1	42.3	41.4	40.2	53.0
Persons in families.....	27.4	17.8	48.6	18.2	41.9	16.3	54.3	16.3	13.5	43.8	15.1	32.8	12.5	47.4
Adults.....	16.9	15.3	34.1	15.1	35.2	14.0	45.1	13.1	11.5	37.2	12.1	27.5	10.8	36.4
Children under age 18.....	26.1	21.7	69.9	23.3	51.4	23.1	64.1	21.3	16.7	61.8	19.8	40.6	15.3	59.4
Number of family units in poverty (in millions)														
Total.....	13.4	7.9	5.4	11.6	1.9	10.3	3.0	11.9	6.4	5.5	10.9	1.0	9.1	2.8
Unrelated individuals.....	5.1	1.6	3.5	4.7	.4	4.1	.9	5.1	1.4	3.6	4.9	.2	4.2	.9
Families.....	8.3	6.3	1.9	6.9	1.4	6.2	2.1	6.8	5.0	1.8	5.9	.9	4.9	1.9
With no children under age 18.....	3.0	2.5	.4	2.5	.4	2.4	.5	2.3	1.9	.4	2.0	.3	1.9	.3
With children under age 18.....	5.3	3.8	1.5	4.4	1.0	3.7	1.6	4.5	3.1	1.4	3.9	.6	3.0	1.5
1-2 children.....	2.5	1.6	.9	2.1	.4	1.8	.6	1.8	1.2	.6	1.6	.2	1.3	.5
3-4 children.....	1.8	1.3	.5	1.5	.3	1.2	.5	1.5	1.0	.5	1.3	.2	1.1	.5
5 or more children.....	1.1	.9	.2	.8	.2	.7	.4	1.1	.9	.3	1.0	.2	.6	.5
Percent of family units in poverty														
Total.....	24.0	17.7	49.6	22.5	40.8	20.7	52.2	19.8	13.6	43.8	19.3	29.2	17.1	43.1
Unrelated individuals.....	47.4	37.0	54.1	46.2	71.9	45.4	59.3	42.0	31.2	48.6	42.3	41.4	40.2	53.0
Families.....	18.4	15.7	43.0	16.7	37.3	15.1	49.6	14.2	11.7	36.6	13.2	27.8	11.5	39.1
With no children under age 18.....	16.4	15.8	21.1	15.2	28.5	14.6	37.8	11.7	10.9	18.0	11.0	19.4	10.8	22.5
With children under age 18.....	19.7	15.6	59.7	17.7	42.4	15.5	55.3	16.0	12.2	49.9	14.8	34.4	12.0	47.7
1-2 children.....	14.3	10.2	50.3	12.8	33.6	11.7	42.5	10.8	7.8	36.1	9.9	25.8	8.6	32.1
3-4 children.....	23.3	18.8	77.2	21.3	43.2	18.2	67.2	18.8	13.8	68.6	17.4	38.8	14.4	54.4
5 or more children.....	51.2	47.0	88.1	47.3	70.9	43.4	71.3	41.0	35.2	83.8	39.2	52.4	29.4	76.1

¹ Income in 1959 or 1964 of unrelated individuals or family below the SSA poverty index.

must be remembered that the statistics are derived from small population samples. Changes from one year to the next thus can reflect some sampling variability in the basic data as well as a real difference in the economic pulse.

With the single exception of the year 1960, the ranks of the poor decreased steadily between 1959 and 1964, as indicated below:

Year	Total number of persons ¹ (in millions)	Persons in households with low income—			
		Poor		Near poor	
		Number (in millions)	Percent	Number (in millions)	Percent
1959.....	176.5	38.9	22.1	15.8	9.0
1960.....	179.5	40.1	22.3	14.7	8.2
1961.....	181.4	38.1	21.1	14.8	8.2
1962.....	184.4	37.0	23.1	15.8	8.5
1963.....	187.2	35.3	18.9	15.7	8.4
1964.....	189.2	34.1	18.0	15.7	8.3

¹ Noninstitutional population as of March of following year.

What is perhaps more striking than the steady reduction in the number of the very poor is the failure to reduce the number just above the minimum poverty line: There are today, just as there were in 1959, about 15¼ million persons in households with income that is above the poverty level but still below what might be considered a reasonable minimum. It will be noticed that from 1959 to 1960, as the count of the poor rose, the number just above the poverty line did drop, only to climb again the following year as the poverty rolls started down. This reciprocal trend suggests that there may be a sizable group in the population living always on the margin—waverer between dire poverty and a level only slightly higher but never really free from the threat of privation (tables 2 and 3).

Indeed, among some types of households, notably aged persons living alone, the proportion within what might be at best a zone of borderline

TABLE 4.—Poverty and low-income status among households in 1959 and 1964: Number and percent of noninstitutional population who are poor and near poor

Type of unit	The poor						The poor and near poor					
	All poor households		White		Nonwhite		All poor households		White		Nonwhite	
	1959	1964	1959	1964	1959	1964	1959	1964	1959	1964	1959	1964
	Number of households (in millions)											
Total.....	13.4	11.9	10.3	9.1	3.0	2.8	17.7	16.4	14.1	13.0	3.6	3.4
Unrelated individuals.....	5.1	5.1	4.1	4.2	.9	.9	5.6	5.8	4.6	4.8	1.0	1.0
Under age 65.....	2.6	2.3	1.9	1.8	.7	.5	2.9	2.6	2.2	2.0	.8	.8
Age 65 or over.....	2.5	2.8	2.2	2.4	.2	.4	2.7	3.2	2.5	2.8	.2	.4
Families.....	8.3	6.8	6.2	4.9	2.1	1.9	12.1	10.6	9.5	8.2	2.6	2.4
With no children under age 18.....	3.0	2.3	2.4	1.9	.5	.3	4.3	3.7	3.6	3.2	.8	.5
With children under age 18.....	5.3	4.5	3.7	3.0	1.6	1.5	7.8	6.9	5.9	5.0	2.0	1.9
	Percent of total											
Total.....	24.0	19.8	20.7	17.1	52.2	43.1	31.7	27.4	28.2	24.3	61.3	53.2
Unrelated individuals.....	47.4	42.0	45.1	40.2	59.3	53.0	52.5	47.8	50.5	46.0	63.8	53.7
Under age 65.....	36.8	31.2	32.9	28.5	54.8	44.0	41.4	35.5	37.3	32.2	59.9	51.6
Age 65 or over.....	68.1	59.3	67.2	57.2	78.5	79.3	74.2	67.4	73.6	65.8	80.8	59.0
Families.....	18.4	14.2	15.1	11.5	49.6	39.1	26.7	22.2	23.2	19.1	60.4	50.7
With no children under age 18.....	16.4	11.7	14.6	10.8	37.8	22.5	23.6	19.1	21.7	18.0	48.4	32.2
With children under age 18.....	19.7	16.0	15.5	12.0	55.3	47.7	28.8	24.5	24.3	19.9	67.3	60.4

poverty has been steadily growing. For nonwhite households as a group, too, the incidence of borderline poverty over the period increased somewhat, but not steadily year by year (table 4). If this trend should continue it could signify a first step in lifting out of poverty the major disadvantaged groups, but it could indicate that more powerful remedies are needed.

The numbers tell us that the dimension of poverty measured solely by size of the group affected is smaller than it used to be by 5 million persons or 1½ million households. They do not tell us how many in the current count of the poor have been there throughout most of their lives and how many have only recently joined the ranks of the poor.

The Poverty-Prone

One measure of the improvement in economic well-being of the Nation's households is the change in differential risk of poverty among various groups. If we are to approach equality of opportunity, then the degree to which the chances of being poor are evened out among various kinds of households is as important as the reduction in the total number of the poor. To accomplish this end the groups most vulner-

able to poverty would need to show greater improvement in order to come closer to the rest. In these terms much remains undone. The unfavorable economic status of nonwhite families compared with white remains, with the gap for large families growing even wider. Similarly the poor situation of families headed by a woman, compared to that for families headed by a man, has if anything worsened.

Among unrelated individuals, another poverty-prone group, the poverty rate declined by about 10 percent between 1959 and 1964, whereas for families of two or more the poverty rate of 14 percent in 1964 was nearly one-fourth lower than that in 1959.

Among families with no children the improvement was greater for nonwhite than for white, but for families with children the reverse was true. Indeed the plight of nonwhite families with 5 or more children had actually deteriorated over the period. In 1964, 76 percent of all nonwhite families with as many as five children were poor, compared with 71 percent in 1959. This heavy incidence of poverty epitomizes the two major hazards to the economic well-being of nonwhite children—the broken family and the low earning power of the father when he is present. Of the half-million nonwhite families with 5 or more children in poverty in 1964, about 1 in 3 had a

woman at the head, and another third were headed by a man who had a full-time job throughout the year. Fully half the nonwhite male heads of these large families in poverty worked the year around.

The child growing up in a family with several brothers and sisters continues to run a heavy risk of poverty, particularly if he is in a family already highly vulnerable on other counts—as in the case of the family on a farm, the one headed by a woman, or the nonwhite family no matter where it lives or who is its head. Even in 1964, more than 4 out of 10 families with a nonwhite or female head had less than the income it takes to meet the test of the SSA poverty index, and 3 out of 10 farm families were in the same situation. Indeed, with 68 percent of all families of three or four children headed by a woman who were classed as poor and 83 percent of those with five or more children, it becomes almost tautological to apply the test for low income, which requires a third more income.

All told, there were about 30 percent more families with at least five children under age 18

in the home in 1964 than in 1959, and the family with five or more youngsters in the home was now four times as likely to be poor as the family with one or two.

Among nonwhite families in 1964, one-fourth of all those with even one child in the home were poor and three-fourths of those with as many as five. A fourth of all nonwhite families with five or more children were now headed by a woman, compared with a fifth in 1959. Among white families this large, the proportion headed by a woman increased also from 6.5 to 8.0 percent.

Overall, the situation of the small family improved more than that of the large family, so that families with at least five children accounted for 46 percent of all the youngsters counted as poor in 1964 compared with a corresponding figure of 42 percent in 1959.

Among all households headed by a woman 44 percent were in poverty in 1964; 50 percent of these households were in poverty in 1959. Households headed by a man, who as a rule are better off, also had a reduction in their poverty rate from 18 to 14 percent. Thus, although a woman

TABLE 5.—The poverty gap, 1959 and 1964: Total difference between actual and required income of all households below the poverty level

Type of household	Poor households				Aggregate dollar deficit			
	Number (in millions)		Percentage distribution		Amount (in billions)		Percentage distribution	
	1959	1964	1959	1964	1959	1964	1959	1964
Total.....	13.4	11.9	100.0	100.0	\$13.7	\$11.7	100.0	100.0
Unrelated individuals.....	5.1	5.1	38.0	42.6	4.0	3.7	29.2	31.6
Men.....	1.6	1.4	11.7	12.1	1.2	1.1	8.8	9.4
Women.....	3.5	3.6	26.3	30.5	2.8	2.6	20.4	22.2
Families, total.....	8.3	6.8	62.0	57.1	9.7	8.0	70.8	68.4
With male head.....	6.3	5.0	47.6	42.0	7.0	5.4	51.1	46.0
No children under age 18.....	2.5	1.9	19.1	15.9	2.0	1.4	14.6	12.3
1-3 children under age 18.....	2.4	1.8	17.7	15.4	2.6	1.9	19.0	16.3
4 or more children under age 18.....	1.4	1.3	10.8	10.8	2.4	2.0	17.5	17.3
With female head.....	2.0	1.8	14.4	15.4	2.7	2.6	19.7	22.4
No children under age 18.....	.4	.4	3.1	2.8	.3	.3	2.2	2.3
1-3 children under age 18.....	1.2	1.0	8.7	8.0	1.6	1.2	11.7	10.7
4 or more children under age 18.....	.4	.5	2.7	4.2	.8	1.1	5.8	9.4
<i>Race</i>								
White.....	10.4	9.1	77.5	76.8	9.8	8.4	71.5	70.9
Unrelated individuals.....	4.2	4.2	31.2	35.2	3.2	3.0	23.3	25.6
Families.....	6.2	4.9	46.3	41.6	6.6	5.4	48.2	45.3
Nonwhite.....	3.0	2.8	22.6	23.2	3.9	3.4	28.5	29.1
Unrelated individuals.....	.9	.9	6.9	7.4	.8	.7	5.8	6.0
Families.....	2.1	1.9	15.7	15.8	3.1	2.7	22.7	23.1
<i>Age of head</i>								
Under 25.....	1.1	1.0	8.4	8.6	1.2	1.1	8.7	10.0
Unrelated individuals.....	.5	.4	3.9	3.8	.5	.5	3.6	4.4
Families.....	.6	.6	4.5	4.8	.7	.6	5.1	5.6
25-64.....	7.9	6.7	58.9	55.7	9.2	7.9	67.2	67.7
Unrelated individuals.....	2.1	1.9	15.8	15.7	1.8	1.6	13.1	13.6
Families.....	5.8	4.8	43.3	40.0	7.4	6.3	54.1	54.1
65 and over.....	4.4	4.2	32.7	35.7	3.3	2.7	24.1	22.2
Unrelated individuals.....	2.5	2.7	18.5	23.1	1.7	1.6	12.4	13.2
Families.....	1.9	1.5	14.2	12.6	1.6	1.1	11.7	9.0

who serves as family head has a better chance of keeping her family above the poverty line than was true in 1959, the improvement has not been so favorable as for the family headed by a man. In 1964, her family was more than three times as likely to be poor as a family headed by a man. In 1959, the chances her family would be poor were two and three-fourths times that of a man's family.

Our rural population continued to be poorer than their city cousins. Even in 1964, a third of all persons living on farms were in households with a cash income below what the economy scale suggests is necessary. The risk of poverty for the farm dweller was thus twice as great as that prevailing among the rest of the population—despite the fact that the poverty income criteria for the farm family was set at a figure 30 percent lower than the nonfarm family. Although the poverty rate among farm households for 1964 is considerably less than in 1959, most of the reduction took place in a single year—from 1960 to 1961, when average farm family income (as reported to the Census Bureau) increased by about 15 percent. The incidence of poverty dropped sharply from 38 percent to 32 percent. Since that date it has declined further by 3 percentage points. Among nonfarm households, the poverty rate dropped from 23 percent to 19 percent between 1961 and 1964.

As an age group, persons aged 65 and older have the highest incidence of poverty in the population, and among the aged those who live alone (or with nonrelatives only) still rank as the poorest of the poor.

By 1964, in the face of a decline in the total ranks of the poor of nearly 5 million, there were 300,000 more elderly persons living alone in poverty than in 1959. The increase came about because more aged persons, particularly women, were electing to live by themselves. The rate of poverty for aged unrelated individuals had actually gone down—from 68 percent in 1959 to 59 percent in 1964. What is more striking is the fact that many more elderly persons in 1964 than in earlier years had enough money to try getting along by themselves instead of sharing a home with a child (or other relatives) in a household with combined income more nearly adequate for all. The change in living patterns was greater for women than for men, as the following figures

for persons aged 65 or older indicate.

Persons	Percent living as unrelated individuals		Percent of unrelated individuals-rated poor	
	1959	1964	1959	1964
Total.....	22.9	25.5	68.1	59.3
Men.....	15.2	16.2	59.9	47.9
Women.....	29.3	32.7	71.5	63.7

The Poverty Gap

In addition to changes in the number who are poor, there is another crude measure of progress against poverty—the total dollars of unmet need.

Just how much less than the aggregate estimated need is the actual income of the poor today—that is, in 1964—compared with those judged poor in earlier years? In the very rough terms that the selected income standard permits, it can be estimated that the 34 million persons identified as poor in 1964 would require \$11.7 billion over and above their current money income to purchase the basic requirements implied by the poverty index.³ To eliminate completely the poverty-income gap would require therefore the equivalent in 1964 of 2.4 percent of the Nation's personal income, which totaled \$495 billion for the year.

Judged in these terms, the record expansion in the general economy has proceeded about twice as fast as the rate by which the income deficiency of the poor was being reduced. In 1959, when total personal income was \$112 billion less, the unmet financial need of the 39 million poor was \$2 billion more. The aggregate poverty deficit then represented a sum equal to 3.6 percent of total personal income. During a period then, when national personal income was increasing by 29 percent, the number in poverty decreased by 12 percent and their unmet income need by 15 percent.

³ An earlier estimate of \$11.5 billion for 1963 related to 34.6 million persons judged poor, assuming a farm family requires only 60 percent as much cash as a nonfarm family rather than the 70-percent figure in the current definition. The 70-percent criterion would raise the number in poverty on farms in 1963 by 730,000 and the number for the farm and nonfarm population combined to 35.3 million. No recalculation has been made of the total dollar deficit for 1963 under the increased income requirement for farm households.

As a group the poor in 1964 were having to manage on incomes totaling 59 percent of estimated need, compared with 57 percent in 1962 and 56 percent in 1959. In poor households headed by a man, aggregate incomes in 1964 represented 63 percent of requirements, but poor households with a woman at the head had only 52 percent as much as they needed. Five years earlier, in 1959, persons in poverty were living on 60 percent as much as they needed if they were in households with a man at the head, and 46 percent if they were not.

To satisfy the low-income test of need—a measure calling for approximately one-third more in income for a family than the poverty index—would entail \$21.2 billion more income for the poor in 1964 than they had, or the equivalent of 4.3 percent of total personal income for the Nation, as the following figures suggest:

Year	Total personal income	Income of the poor	Income deficit of—	
			The poor	The poor and near poor
1959.....	\$383.5	\$17.0	\$13.7	\$22.8
1962.....	442.6	17.2	12.8	22.5
1964.....	495.0	16.4	11.7	21.2

Paralleling the changing composition of the poverty roster, the share of the income deficit that represents needs of the families of women, particularly those with several children, increased. The share representing needs of small families headed by a man went down (table 5). In similar fashion the aggregate need of the aged poor who live alone also rose although not in direct proportion to their growing number.

For the most part the smaller aggregate income shortage of the poor in 1964 signified that they were fewer in number than in 1959, not that those who were poor were much better off. The median difference between actual and required income at the poverty level was about \$100 less for unrelated individuals tagged poor in 1964 than those so labelled in 1959. Only a fourth of the poor in 1964 missed the mark by as much as \$2,000 compared with a third in 1959. Among those living alone the aged poor showed the most improvement.

For families of two or more, the difference between what they had and what they should

TABLE 6.—Income deficit of the poor, 1959 and 1964: Distribution of households between actual income and poverty level by sex, race, and age of head

Type of household and characteristic of head	Median deficit		Percent of poor households with specified income deficit below poverty level			
	1959	1964	Under \$500		\$2,000 or more ¹	
			1959	1964	1959	1964
Unrelated individuals						
All poor households.....	\$740	\$640	31.1	37.2	33.5	25.4
Male.....	720	660	33.1	37.8	32.8	30.3
Female.....	740	640	23.8	37.0	33.9	23.4
White.....	720	620	31.2	33.9	33.1	24.4
Nonwhite.....	830	720	25.5	29.6	35.5	29.4
Under age 25.....	1,170	1,250	21.0	10.6	61.1	64.1
Aged 25-64.....	850	780	26.4	29.3	41.1	37.3
Aged 64 or over.....	640	530	35.1	37.1	21.6	10.6
Families						
All poor households.....	\$930	\$900	28.5	29.8	17.9	18.5
With male head.....	860	810	31.6	33.8	15.5	15.9
No children under age 18.....	630	590	49.0	44.3	4.3	5.6
1-3 children under age 18.....	890	850	31.8	44.2	14.6	13.7
4 or more children under age 18.....	1,470	1,460	17.2	18.6	34.9	33.2
With female head.....	1,190	1,190	17.9	18.4	25.9	25.7
No children under age 18.....	730	590	33.7	38.6	4	1.3
1-3 children under age 18.....	1,170	1,160	16.6	17.6	24.3	21.1
4 or more children under age 18.....	2,250	2,110	6.1	5.8	56.4	51.8
White.....	830	890	31.7	33.3	15.1	15.5
Nonwhite.....	1,270	1,200	18.1	10.6	26.1	26.0
With head aged—						
Under 25.....	1,030	1,030	25.6	31.6	13.1	18.0
25-64.....	1,050	1,200	25.5	24.7	22.3	23.1
65 or over.....	650	560	38.7	45.2	5.8	4.2

¹ \$1,000 or more for an unrelated individual.

have had averaged only \$30 less in 1964 than 5 years earlier and close to a fifth of the group in either year fell short of required income by at least \$2,000. Families with a head aged 65 or older who were poor in 1964 did tend to be somewhat less so in relation to estimated need than those poor in 1959 (table 6).

The more favorable position of the aged poor in 1964 reflects in some degree that 3 out of 4 persons aged 65 or older were now receiving social security benefits, compared with only 3 out of 5 in 1959.

The seeming deterioration in economic status of some households—for example, those of unrelated individuals under age 25—is in part a statistical artifact resulting from the way the annual income data are collected. Children now on their own who previously lived with their parents, or women formerly sharing the income of a husband no longer present may report little or no income

of their own for the preceding year under existing Census procedures. Young people under age 25 leaving the parental home and setting up housekeeping on their own for the first time—either alone or with a mate—would be particularly likely to report little or no income for the preceding year and thus be classed far below the poverty line.

A similar situation may arise later in life, particularly for women whose family is dissolved during the year through death, desertion, or divorce. But these days when so many women work even with a husband present, and when a variety of public programs provide some support for widows and orphans, it is uncommon for a woman heading a household to have no income of her own from any source during an entire year. Such a situation means that in all likelihood the family even when intact was poor, although the amount by which income currently falls short of need may be overstated.

SOME FACTS ABOUT THE POOR IN 1964

The description of those below the poverty line in 1964 will be much the same as for those identified as poor in 1963⁴ except that there were fewer of them. Little if any of the drop of 1,200,000 persons and half a million households from the ranks of the poor can be attributed directly to the "war on poverty" because most of the special programs have only recently become operative. On the other hand, it is also difficult to know how much of the improvement is real—corresponding to the record advance of \$47 billion in the gross national product over the preceding year—and how much may be just some of the change that can occur in a sample from year to year. In any case the statistics for 1964 must serve for a time as the point of departure, the milestone from which progress will be assayed.

Additional information will be needed and indeed new facts about the poor are already being assembled for 1964 that were not available for 1963: Information on their sources of income is being compared with that for families better off financially. Analysis of a sample of families interviewed in both 1963 and 1964 is now under way to determine how many continued in the

same economic position in both years, how many changed for better or for worse, and whether the change was associated with a change in the family makeup. It is also being ascertained whether the households of the poor are more likely or less likely than those of the nonpoor to be still living at the same address after the lapse of a year. Some of these new findings will be reported in subsequent issues of the BULLETIN.

Some summary demographic characteristics of the poor are presented here to extend the interim data already released for 1964.

The poverty inventory in 1964, as in 1963, revealed the more critical financial status of the young and the old, compared with those of middle years. Whether one uses the poverty index or the low-income index as the measure, 3 out of 5 of those designated poor or near poor were children not yet aged 18 or people past age 65. For them, as for the 2¾ million mothers of children under age 6, it will in the main have to be solutions other than a job that help them to a higher level of living.

Of the 34.1 million persons who were counted on the poverty roster, 5.4 million or 1 in 7 were at least age 65 and an almost equal number (5.7 million) were preschoolers under age 6. Persons aged 65 or older, with 31 percent of their number living on incomes that were below the poverty level, represent the least favored of all age groups. Almost all these aged poor were either the head of a household or the wife of one and nearly 80 percent of the aged heads of a family of two or more and 85 percent of those heading a 1-person unit did not work at all during 1964.

Among children under age 18, who like the aged must look for support primarily to income other than their own earnings, 1 out of 5 was growing up in a family below the poverty line. Nearly half the youngsters in poverty (45 percent) were in a family with five or more children. Many of the children of the poor could attribute their plight to the low pay of the family breadwinner rather than to his lack of work. Forty-one percent were in a family of a breadwinner employed full time at a steady job all year but yet unable to provide even the minimum called for by the poverty level. This is a level of living that, on an average, can allow a family member no more than 70 cents a day for all his food and \$1.40 for everything else. For a four-

⁴ See Mollie Orshansky, *op. cit.*

person family the poverty criterion represents an average income of \$60 a week.

If the reference standard is raised to the somewhat less stringent low-income test, bringing required weekly income for a four-person family in 1964 to \$78 and assuming outlays for food of 93 cents a day per person, the expanded count includes up to 43 percent of the Nation's aged and 31 percent of all the children (table 7). Yet even this expanded tally does not encompass all who might rightly claim a place among the poor to whom we direct our concern—the 2 million persons aged 65 or older with insufficient income of their own who escaped poverty by living with more fortunate relatives and a million younger members of subfamilies not now counted among the poor but who would be if they had to rely solely on their own resources. Including these hidden poor brings the number in poverty up to 37 million and the total who are poor or near poor up to 53 million.

As many as 10 percent of our aged population—not counting the nearly three-fourths of a million in institutions, many of whom are undoubtedly of limited means—are living in the home of a relative who has enough money to make up for the fact that the aged person has less than the minimum it would take to live alone. All told, there are at least 7¼ million aged, 41 percent in all, whose own resources are less than the poverty criterion assumes is necessary. There are likewise over 300,000 family groups of persons under age 65 including nearly half a million children and almost as many adults who would be poor if they relied only on their own income. These family groups improve their status by living as a subfamily in the household of more fortunate relatives whose combined income is enough to label all of them nonpoor.

In March 1965 there were, all told, 1.3 million subfamilies distributed among the 47.8 million families. About 350,000 subfamilies were married couples, of whom a third had less income in 1964 than the poverty threshold required for two. An additional 450,000 units were father-child or father-mother-child combinations. Of these, nearly 30 percent could not have made it on their own except in poverty. And, finally, of the nearly half a million mother-child subfamilies, 7 in 10 would be counted poor were they to rely solely on their own income. Obviously, finances played

TABLE 7.—Persons in poverty and low-income status in 1964,¹ by age and family status

[In millions]

Age and family status	Total non-institutional population ²	Poverty criterion			Low income criterion		
		Poor	Nonpoor (including near poor)		Poor and near poor	Nonpoor (above low-income level)	
			Total	Hidden poor ³		Total	Hidden poor ⁴
Number of persons, total...	189.7	34.1	155.6	2.7	49.8	139.9	2.9
Unrelated individuals	12.1	5.1	7.0	-----	5.8	6.3	-----
Under age 65.....	7.5	2.3	5.2	-----	2.6	4.9	-----
Aged 65 and over.....	4.6	2.8	1.8	-----	3.2	1.4	-----
Members of family units.....	177.6	28.9	148.7	2.7	44.0	133.6	2.9
Children under age 18 ⁴	69.4	14.8	54.6	.5	21.7	47.7	.5
Own children of head (or spouse).....	65.9	13.5	52.4	-----	23.0	46.0	-----
Other related children.....	3.4	1.3	2.1	.5	1.7	1.7	.5
Persons aged 18-64 ⁴	95.5	11.5	84.0	.4	18.0	77.5	.5
Head.....	41.0	5.3	35.7	-----	8.2	32.8	-----
Wife.....	38.3	4.0	34.3	-----	6.7	31.6	-----
Never-married children aged 18-21.....	7.2	.9	6.3	-----	1.4	5.8	-----
Own children of head (or spouse).....	6.6	.8	5.8	-----	1.2	5.5	-----
Other related children.....	.6	.1	.5	-----	.2	.4	-----
Other relative.....	9.0	1.2	7.8	.4	1.8	7.2	.5
Persons aged 65 and over.....	12.7	2.6	10.1	1.8	4.4	8.4	1.8
Head.....	6.7	1.5	5.2	-----	2.4	4.3	-----
Wife.....	3.4	.8	2.6	-----	1.4	2.0	-----
Other relative.....	2.7	.4	2.3	1.8	.6	2.1	1.8

¹ Income of family unit or unrelated individual below the SSA poverty index for family size and sex of head or, alternatively, at the somewhat higher low-income level.

² As of March 1965, there were 2,093,000 persons in institutions, including 276,000 children under age 18; 1,100,000 persons aged 18-64; and 717,000 persons aged 65 or older. These persons as well as the 230,000 children under age 14 who live with a family, to no member of which they are related, are not represented in these indexes because income data are not normally collected for inmates of institutions or unrelated individuals under age 14.

³ Individuals or subfamily members with own income below the poverty or low-income level but living in a family above that level. A subfamily represents a married couple with or without children or a parent and 1 or more children under age 18 residing in a family as relatives of the head.

⁴ Never-married children. Excludes 337,000 children under age 14 (230,000 in households of nonrelatives and 137,000 in institutions), all of whom are likely to be poor.

⁵ Includes any persons under age 18 living in families as family heads, wives, or ever-married children.

a role in the choice of living arrangements: No subfamily with sufficient income to be above the poverty line elected to live with a poor family. Of subfamilies who would have been poor on their own, however, half of those headed by a man and three-fifths of those headed by a mother kept off the poverty register by living with a nonpoor relative.

Age and Poverty

The heavy poverty burden of the aged results from several factors. Compared with the younger population the aged have a preponderance of

TABLE 8.—Living arrangements of aged noninstitutional population in March 1965, by sex and poverty status

Family status of persons aged 65 or older	Number (in millions)			Percentage distribution		
	Total	In poor household ¹	In non-poor household	Total	In poor household ¹	In non-poor household
Persons aged 65 or older, total.....	17.4	5.4	12.0	100.0	100.0	100.0
Living alone ²	4.6	2.8	1.9	26.7	51.3	15.7
Living in family units.....	12.7	2.6	10.1	73.3	48.7	84.3
Head.....	6.7	1.5	5.2	38.4	27.7	43.3
Wife of head.....	3.4	.8	2.6	19.5	14.1	21.9
Other relative.....	2.7	.4	2.3	15.4	6.9	19.1
Poor by own income ³	2.2	.4	1.8	12.4	6.7	14.9
Not poor by own income.....	.5	(⁴)	.5	3.0	.2	4.2
Men, total.....	7.6	1.9	5.7	44.0	35.4	47.8
Living alone ²	1.3	.6	.7	7.5	11.7	5.6
Living in family units.....	6.4	1.3	5.1	36.5	23.7	42.2
Family head.....	5.6	1.2	4.4	32.3	22.2	36.9
Other relative of aged head.....	.2	(⁴)	.2	1.0	.8	1.0
Other relative of head under age 65.....	.5	(⁴)	.5	3.2	.7	4.3
Women, total.....	9.7	3.5	6.3	56.0	64.6	52.2
Living alone ²	3.3	2.1	1.2	19.2	39.7	10.1
Living in family units.....	6.4	1.3	5.1	36.8	24.9	42.1
Family head.....	1.1	.3	.8	6.1	5.4	6.4
Wife, husband aged 65 or older.....	3.1	.7	2.4	18.0	13.1	20.2
Wife, husband under age 65.....	.3	.1	.2	1.5	1.0	1.7
Other relative of aged head.....	.4	.1	.3	2.5	1.8	2.8
Other relative of head under age 65.....	1.5	.2	1.3	8.7	3.6	11.0
In household with aged head:						
Male.....	10.3	2.6	7.8	59.4	47.8	64.6
Female.....	4.7	2.5	2.2	27.2	46.8	18.4
In household with head under age 65:						
Male.....	1.9	.2	1.7	11.0	3.7	14.3
Female.....	.4	.1	.3	2.4	1.6	2.7

¹ Income in 1964 of person living alone or of family unit below the SSA index poverty.

² Or with nonrelatives only.

³ Income of aged other than relative in 1964 less than \$1,500.

⁴ Less than 50,000.

women, particularly women living alone. Women at all ages are likely to be poorer than men, and persons living alone are more often poor than those who are part of a family group. Fewer of the aged are in the labor force than is true for the rest of the adult population, and the public program payments that make up a large share of the income of the elderly are almost always smaller than the wages they aim to replace.

The living arrangements of the 17.4 million men and women aged 65 and older in March 1965, when income data for the year 1964 were collected, are shown in table 8. Of those in households with insufficient income to meet the poverty standard, almost two thirds were women, but only half the aged in nonpoor households. Moreover, of the women in the nonpoor units, 2 in 5 were living as the wife of a family head; of the women in poverty, only 1 in 5 was sharing the income of a husband. For those aged who lived in another's

household rather than in their own, it was usually a younger relative, and a nonpoor one at that, with whom they were sharing.

Four out of 5 of the "other relatives" did not have enough money to live by themselves, except in poverty, but most of these were living with a family group that did have sufficient income to be in the nonpoor category.

More than half the aged poor were living by themselves, the majority of them women, reflecting the high poverty rate prevalent among them. But the status also reflected the fact that more and more people, particularly women, are being enabled to maintain a household in their old age because they now have some income.

In 1959, 97 percent of the men aged 65 or older and 75 percent of the women had some money of their own. By 1964, the proportion with some income reported was 98 percent for men and 82 percent for the women. Over the same period, the number of aged living by themselves (or with nonrelatives only) increased from 22 percent of all those outside institutions to 26 percent. The proportion of those living alone who were poor dropped from two-thirds to three-fifths, but the proportion not poor but near poor rose from 6 percent to 8 percent.

A good many of the aged live as couples and for them also the economic situation improved. In 1959 a third of all two-person families with an aged head were below the poverty level of income. By 1964, the proportion in poverty so defined was only one-fifth. But in both years, there were in addition nearly one-sixth of all aged pairs not poor but with income low enough to be called near poor.

In large measure the better financial status of the aged population parallels the extension of social security protection to more of them, particularly to women. In addition to the increase in the number now entitled to benefit checks, a series of amendments to the Social Security Act have increased the amounts received by beneficiaries, although most of these increases came after 1964. Because beneficiaries now coming on the rolls generally have higher earnings records than those entitled earlier, the average benefit check is higher than it used to be. In December 1964 the average payment to an aged beneficiary was \$79 a month—8 percent higher than the \$74 average benefit in 1959.

By the end of 1964, the 13.7 million aged receiving OASDHI payments represented 3 out of every 4 persons aged 65 or older. Five years earlier, the benefit checks were going to 3 out of 5 aged persons in the population. Much of the expansion in the beneficiary rolls represented the addition of aged women and more of the non-white population of both sexes, as the following percentages show:

Sex and race	Percent of aged population receiving OASDHI benefits	
	December 1959	December 1964
Total.....	61	76
Male.....	66	72
White.....	67	79
Nonwhite.....	53	71
Female.....	58	74
White.....	59	75
Nonwhite.....	38	58

By contrast with their relative earnings position, in the social security program the nonwhite population was fast approaching proportional representation. By the end of 1964, 6.5 percent of all aged OASDHI beneficiaries were nonwhite; for all aged persons the proportion was 7.7 percent. The corresponding ratios for 1959 are 5.5 percent and 7.6 percent.

The role of social insurance in promoting self-support and adequate living in retirement is significant although the degree of protection extended is not equally effective for all. Many beneficiaries, particularly those who have no other resources, must live in poverty and many must seek income supplements from old-age assistance, but undoubtedly all are better off than they otherwise would be. And poverty status in a separate household, made possible by a limited income, may seem preferable to the aged beneficiary to shared living with children or other relatives at a higher level. It has been pointed out that such success from the individual point of view may appear as a program failure by increasing the poverty lists.⁵

It has been estimated that about 35 percent of all aged social security beneficiaries in 1965 were

living in poverty, as defined by the poverty criteria. An additional 38 percent would have been poor except for their benefit checks. Only about one-fourth could have lived above the poverty line in the absence of social security benefits.⁶

Many of the households who were poor despite their social security benefits were, of course, less poor than they would have been without them. Analyses now under way suggest that among aged families in poverty, about 1 in 4 of those that included a social security beneficiary needed less than \$250 to bring their income for 1964 up to the poverty threshold and another fourth needed more than \$250 but less than \$500 additional income. Of the families in poverty who received no social security benefits, 3 out of 4 were more than \$500 below the poverty line.

Among elderly persons living alone the effect of social security benefits in alleviating poverty was less striking than for couples. (Women receiving a widow's benefit are receiving little better than half the combined benefit payable to a worker and his wife, although the poverty threshold now in general use assumes a single person will need 80 percent as much as a couple.)

Of the aged living alone in poverty, 45 percent of the social security beneficiaries fell short of the poverty threshold by \$500 or more, compared with 75 percent of the nonbeneficiaries.

In 1962, according to a Social Security Administration survey, retirement benefits under the OASDHI program comprised 30 percent of the aggregate income of aged persons (including any younger spouses); public assistance checks, veterans' benefits, or payments from other public programs accounted for another 16 percent; and earnings made up 32 percent.⁷ In 1964, as reported to the Bureau of the Census, families with an aged head (including some younger persons) derived 25 percent of all their income from social security payments, and about half from earnings. Aged families classed as poor by the poverty index received as a group 60 percent of their income from social security benefits and only 16

⁶ Ida C. Merriam, *Social Implications of Technological Change—Implications for Income*, delivered at National Council on Aging Seminar on Automation, Manpower & Retirement Policy, Washington, D.C., Oct. 27, 1965.

⁷ Lenore A. Epstein, "Income of the Aged in 1962: First Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, March 1964, pages 3-24.

⁵ John C. Beresford and Alice M. Rivlin, "Privacy, Poverty and Old Age," *Demography*, vol. III (in press).

percent from earnings. That social security payments were not enough in themselves to protect against poverty is clear. Yet, households with a head aged 65 or older and no earnings in 1964 were much more likely to be poor when no one received any social security benefits than when someone in the family did, as the following figures illustrate:

(Percent)

1964 income status	Family of 2 or more		Unrelated individuals	
	Receiving OASDHI benefits	Not receiving OASDHI benefits	Receiving OASDHI benefits	Not receiving OASDHI benefits
Aged households with earnings				
Poor.....	15	17	33	31
Near poor.....	11	7	10	4
Aged households with no earnings				
Poor.....	33	61	66	75
Near poor.....	25	7	10	7
All aged households				
Poor.....	23	26	59	61
Near poor.....	17	7	10	0

YOUTH AND POVERTY

Nearly 15 million of the 34 million counted poor in 1964 were children under age 18 living in families. Because nonwhite children run a risk of poverty four times that of the white, about 40 percent of the children counted poor were nonwhite. Because large families are so much more prone to poverty than small, families with five or more children contributed 6.7 million youngsters to the count.

For most of the youngsters growing up in poverty, their working years were still in the future and their present security depended primarily on the earnings or other income available to their parents. For 6.1 million of the children counted poor, the status reflected the fact that 1½ million men and one-half million women who were employed full time the year around did not earn enough to support their children. (An additional 400,000 families of fully employed breadwinners with no children were in poverty also.) If the low-income index rather than the poverty criterion is used as a gauge, about 10½

million children in 3 million families must be counted as poor or near poor despite the year-round employment of the working head.

Half the workers whose family was poor even though they were not unemployed during the year were laborers, service workers or farmers, compared with only 1 in 7 of the fully employed workers heading nonpoor families. On the other hand, only 8 percent of the year-round employed but poor family heads had professional, technical, or clerical jobs, jobs generally requiring some higher education. Twenty-nine percent of the year-round workers at the head of nonpoor families held such jobs.

The direct bearing of education on job potential and consequently on the risk of poverty reinforces the need for ensuring that young people carry their schooling at least to high school graduation. Many youngsters in poor families now don't do so. The resultant low earning capacity is then aggravated by the fact that school leavers tend to marry early, thus further increasing the odds that they will bring up their own children in poverty.⁵

Included in the households of the poor in 1964 were 3 million persons aged 16-21. Half were still in school and nearly one-sixth, no longer in school, had a high school diploma. But more than a third were not in school and were not high school graduates; this group included half the young men who had already taken on the role of a family head. In nonpoor households by contrast only 1 in 7 of the nearly 15 million persons aged 16-21 was neither in school nor a high school graduate (table 9).

Data for 1963 showed relatively few teenagers in poor families, suggesting that such families may not hold their youngsters as long as families who are better off. The data for 1964 reinforce the implication. They do indicate, however, a less pronounced relationship between school attendance and family relationship for nonwhite youngsters than for white: Nonwhite boys appear to marry later than white boys regardless of schooling and nonwhite girls are more likely than white girls at an early age to find themselves serving as head of a family. These patterns are undoubtedly related to the poverty proneness

⁵ See Alvin L. Schorr, "Family Cycle and Income Development," *Social Security Bulletin*, February 1966.

TABLE 9.—Current school attendance of persons aged 16–21 in poor and nonpoor households: Percentage distribution by sex, and family relationship, March 1965

School attendance, March 1965	Poor households ¹					Nonpoor households ¹				
	All persons aged 16-21	Un-related individual	Family member			All persons aged 16-21	Un-related individual	Family member		
			Head ²	Wife ³	Never-married child ⁴			Head ²	Wife ³	Never-married child ⁴
Total number (in thousands).....	2,960	270	270	370	2,060	14,850	280	790	1,930	11,880
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Attending school.....	49.4	35.9	16.1	5.4	63.2	58.8	5.7	7.6	2.3	72.6
Not in school, not high school graduate.....	34.8	25.1	52.8	69.5	27.5	14.5	21.5	35.2	39.5	8.9
Not in school, high school graduate.....	15.8	39.0	31.1	25.1	9.3	26.7	72.8	57.4	58.2	18.5
Male, number (in thousands).....	1,350	80	200	.....	1,070	7,310	130	740	.....	6,440
Percent.....	100.0	100.0	100.0	.....	100.0	100.0	100.0	100.0	.....	100.0
Attending school.....	54.2	(⁵)	12.2	.....	62.5	63.9	4.0	7.8	.....	71.5
Not in school, not high school graduate.....	33.2	(⁵)	52.1	.....	33.4	14.4	43.8	36.0	.....	11.3
Not in school, high school graduate.....	12.6	(⁵)	35.7	.....	7.1	21.7	52.4	56.2	.....	17.2
Female, number (in thousands).....	1,610	190	70	370	980	7,540	150	50	1,930	5,440
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Attending school.....	45.3	31.7	(⁵)	5.4	64.0	54.0	7.2	(⁵)	2.3	73.9
Not in school, not high school graduate.....	36.1	25.3	(⁵)	69.5	24.4	14.5	3.3	(⁵)	39.5	6.1
Not in school, high school graduate.....	18.6	43.0	(⁵)	25.1	11.6	31.4	89.5	(⁵)	58.2	20.0

¹ Households are defined here as total of families and unrelated individuals. Poor households are defined as family or unrelated individual with income in 1964 below the SSA poverty index.
² Includes head of subfamily.
³ Includes wife of subfamily head.

⁴ Includes own children of the family head and all never-married relatives aged 16-21. Excludes small number of ever-married relatives aged 16-21 living neither as spouse or parent of any other family member.
⁵ Not shown for base less than 100,000.

of the nonwhite population and the limited earnings opportunity for the men.

That low educational attainment went hand in hand with poverty was true regardless of family status, but youngsters already out on their own were more often poor than those who had not yet left home. Shown below are the poverty rates for persons aged 16–21 in each family status group—that is, the percentage who were in a household with 1964 income below the poverty line.

School attendance in March 1965	Persons aged 16-21 poor in 1964 ¹ (percent)			
	Unrelated individual	Family or subfamily head	Wife	Never-married child
Total.....	49	25	16	15
Attending school.....	86	42	32	13
Not in school, not high school graduate.....	53	34	26	35
Not in school, high school graduate.....	34	15	8	8

¹ Income of family or unrelated individuals below SSA poverty index.

Whether it is that they are no longer in school that impels toward marriage or whether it is the desire to marry that interrupts the schooling, it is clear that youngsters who leave school before

the twelfth grade take on family responsibility earlier than those who go to high school and stay on to graduate. Among boys aged 18–19 who have left school without a high school diploma, 1 in 5 is already the head of a family group; of the high school graduates in this age group who are no longer in school, 1 in 9 is a family head; but of the 18- and 19-year-old boys still in school, only 1 percent has taken on family responsibility (table 10).

Among girls the situation is similar: With a high school diploma three-fifths of the girls are still unmarried and living at home by ages 18 and 19 even if no longer in school. If they are still in school, almost all girls this age are “never-married children” in the home of their parents. Only a third of the school leavers, however, are still in the parental home by age 18, and about 60 percent are already a wife or even a family head. Those girls who leave school young and marry early—thus limiting their earning possibilities—apparently marry boys who are poor providers also. A third of the girls aged 16-17 who had left school without graduating from high school and were already wives were living in poverty. Among wives aged 18–19, 1 in 4 of those not a high school graduate was poor compared with 1 in

TABLE 10.—Family status and school attendance of persons aged 16-21: Percentage distribution by sex, age, and race, March 1965

Sex, school attendance, and family status	All races				White				Nonwhite			
	Total 16-21	16-17	18-19	20-21	Total 16-21	16-17	18-19	20-21	Total 16-21	16-17	18-19	20-21
	Male											
Total number (in thousands)	8,660	3,490	2,650	2,510	7,600	3,070	2,340	2,190	1,060	430	320	320
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	2.4	.4	2.0	5.6	2.1	.3	1.8	5.0	4.4	.9	4.1	9.6
Family head	9.0	.4	5.5	24.7	9.5	.5	5.8	28.0	5.4	0	2.5	15.5
Subfamily head	1.8	.5	1.4	4.0	1.7	.6	1.5	3.5	2.6	0	.9	7.7
Never-married child ¹	86.8	98.7	91.1	65.7	86.7	98.6	90.9	65.4	87.5	99.1	92.4	67.2
Attending school, number (in thousands)	5,400	3,090	1,550	760	4,840	2,730	1,410	700	560	370	140	50
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	.8	.4	1.0	2.1	.7	.2	1.1	1.8	1.3	1.1	0	(?)
Family head	1.1	.1	.5	7.0	1.3	.1	.5	7.5	0	0	0	(?)
Subfamily head	.4	.3	.3	.6	.4	.4	.7	0	0	0	0	(?)
Never-married child ¹	97.7	99.2	98.2	90.3	97.6	99.3	98.0	89.9	98.7	98.9	100.0	(?)
Not in school, not high school graduate, number (in thousands)	1,500	390	480	520	1,170	330	370	460	340	60	110	160
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	5.0	.5	3.9	8.7	3.5	.6	2.7	6.3	9.8	(?)	8.1	15.2
Family head	19.9	3.1	18.1	33.4	22.9	3.6	18.7	40.1	9.2	(?)	7.2	14.0
Subfamily head	4.7	2.3	4.0	6.7	4.8	2.7	5.1	5.9	4.8	(?)	0	9.3
Never-married child ¹	70.4	94.1	76.0	51.2	68.8	93.0	73.5	47.7	78.2	(?)	84.7	61.0
Not in school, high school graduate, number (in thousands)	1,760	10	620	1,130	1,590	10	550	1,030	170	0	70	100
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	5.2	(?)	3.2	6.3	5.3	(?)	2.7	6.6	4.1	(?)	(?)	2.9
Family head	23.8	(?)	9.5	31.8	24.7	(?)	10.7	32.4	13.7	(?)	(?)	26.0
Subfamily head	3.8	(?)	2.4	4.6	3.5	(?)	2.0	4.4	7.0	(?)	(?)	8.6
Never-married child ¹	67.2	(?)	84.9	57.2	66.5	(?)	84.6	56.6	73.0	(?)	(?)	62.5
Female												
Total number (in thousands)	9,150	3,440	2,990	2,720	8,020	3,010	2,630	2,390	1,140	430	370	340
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	3.6	.8	3.4	7.7	3.7	.9	3.4	7.7	3.5	1.6	2.7	8.3
Family head	1.0	.3	.7	2.0	.6	.2	.6	1.2	3.4	1.2	1.9	8.0
Subfamily head	.4	0	.6	.7	.3	0	.5	1.4	1.0	0	.8	2.7
Wife of family head	22.7	4.2	21.3	47.7	23.9	4.4	22.5	49.9	14.5	2.8	12.8	32.0
Wife of other family member	2.1	1.0	2.5	3.0	1.8	.8	2.1	2.6	4.2	1.6	4.9	6.2
Never-married child ¹	70.1	93.7	71.5	38.9	69.7	93.7	70.8	38.2	73.3	94.0	76.8	42.7
Attending school, number (in thousands)	4,800	3,030	1,320	450	4,230	2,660	1,160	410	570	370	160	40
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	1.5	.7	1.5	6.5	1.4	.8	1.1	5.9	2.3	0	4.3	(?)
Family head	.4	.3	0	1.8	.2	.2	0	.7	1.8	1.4	0	(?)
Subfamily head	.1	0	.1	.4	.1	0	.2	.5	0	0	0	(?)
Wife of family head	1.2	.3	1.7	5.1	1.3	.3	1.9	5.7	.5	.8	0	(?)
Wife of other family member	.1	.1	.4	0	.2	.1	.4	0	0	0	0	(?)
Never-married child ¹	96.8	98.6	96.3	86.2	96.9	98.7	96.4	87.2	95.4	97.8	95.7	(?)
Not in school, not high school graduate, number (in thousands)	1,680	370	630	680	1,370	310	530	530	310	60	110	140
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	3.1	1.3	3.0	4.1	3.1	1.6	3.6	3.4	3.2	(?)	0	7.0
Family head	1.9	.5	1.9	2.7	1.3	.6	1.7	1.3	4.5	(?)	2.8	7.7
Subfamily head	1.1	0	1.6	1.3	.7	0	1.3	.6	2.9	(?)	2.8	4.2
Wife of family head	53.2	33.9	52.2	64.8	59.1	37.9	57.5	73.5	27.2	(?)	27.4	33.6
Wife of other family member	6.7	7.5	5.6	7.5	6.1	7.0	5.1	6.0	9.7	(?)	3.7	12.6
Never-married child ¹	33.9	56.8	35.7	19.5	29.7	52.9	30.7	15.2	52.4	(?)	61.3	35.0
Not in school, high school graduate, number (in thousands)	2,670	40	1,040	1,600	2,420	30	940	1,450	260	10	100	150
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unrelated individuals	8.1	(?)	5.9	9.6	8.3	(?)	6.2	9.8	6.6	(?)	3.1	8.4
Family head	1.4	(?)	.9	1.8	1.0	(?)	.6	1.3	5.9	(?)	4.1	7.1
Subfamily head	.5	(?)	.5	.5	.4	(?)	.5	.3	.8	(?)	0	1.9
Wife of family head	42.3	(?)	27.6	52.2	43.5	(?)	28.5	53.5	30.5	(?)	18.4	39.0
Wife of other family member	2.6	(?)	3.5	2.0	2.2	(?)	2.6	2.1	7.0	(?)	12.2	1.9
Never-married child ¹	45.1	(?)	61.6	33.8	44.6	(?)	61.6	33.0	49.2	(?)	62.2	41.6

¹ Includes own children of family head and other never-married relatives aged 18-21.

² Not shown for base less than 100,000.

7 of those who did have a high school diploma. And among wives aged 20-21, 6 percent of the high school graduates were in a family with income that was below the poverty line, compared with 22 percent of the wives who had not completed high school.

The prospects for the young ill-educated poor to better themselves later in life were not good. The evidence is that income differences between men with a high school diploma and those without grow greater, not smaller, with age. The young man with too little education to compete for today's jobs would find it harder and harder to match earnings with needs as his family responsibilities grew.

UNFINISHED BUSINESS

The statistics about the poor presented in this article constitute merely an interim report. Additional data now being compiled will tell more about the complex variables of poverty, but much is still to be learned about how poor families manage and what they must do without. We are still only speculating about the long-term effect of income deprivation, particularly on the young.

The poverty roster today, for all that it is shorter than it once was, bespeaks our past failure to take the steps to end for everyone the scourge of poverty. The task for today is to differentiate and provide for the diverse groups among the poor. Improvement of existing programs for

income support can meet the needs of the old, the mothers of young children, and the others who cannot work. For still others it will be better employment opportunity that must be provided: Eliminating discrimination will resolve some of the difficulty for the Negro, the woman, and others now at a disadvantage in the hiring hall. The long-time concern with the insufficient income of our rural population should also bring results.

It is significant, however, that every fourth household counted poor in 1964 was that of a white man under age 65, not living on a farm. One out of 5 poor families of two or more members belonged to a white man who had worked a full week every week in the year. And every third one-person household in poverty represented a white male worker whose full-time employment netted him less than the \$1,500 it takes to stay above the stringent poverty line. A whole complex of new or revised programs may thus be needed to remedy the situation for the large number handicapped not by sex, not by color, not by age, or even by unemployment—but who nevertheless live with poverty because they can't earn enough to support themselves or their family.

And above all there are the children: providing for all of them, irrespective of the circumstances of their parents, the incentive, the means, and the possibility for extending education will not only prevail against the poverty of today but will pay double dividends for the future. Today's children properly attended should see tomorrow's aged better off as well.

More About the Poor in 1964

BY MOLLIE ORSHANSKY*

An article in the April 1966 BULLETIN presented some facts about households in poverty in 1964 comparable to those reported previously for 1963. The present article offers some additional highlights about the poor in 1964 and some findings about the sources of income of poor and nonpoor households. The discussion of the association between source of income and poverty status begun in this article will be completed in subsequent issues of the BULLETIN.

FOR THE Nation's poor in 1964, as might be expected, lack of earnings or low level of earnings was a key factor in their situation. Households in poverty, numbering one-fifth of all households, received only 3 percent of all income from self-employment, wages, or salaries paid out in the year. On the other hand, members of poor households received a fourth of all benefits paid during the year under the old-age, survivors, disability, and health insurance (OASDHI) program and three-fifths of the combined total of public assistance and unemployment insurance payments. Public income-maintenance programs generally pay less than the earnings for which they substitute. Some family units escape poverty only by virtue of the added income from such programs, while others live in poverty because they have no resources but these programs.

The 15 million children under age 18, the 5½ million persons past age 65, the 1½ million younger women who had to serve both as family head and homemaker—three groups that by themselves accounted for nearly two-thirds of all persons counted poor in 1964—could not look to their own limited earning potential to raise their level of living. For others who could work it was inability to find or keep a job that held them back; for still others who were jobholders, it was not

* Office of Research and Statistics. For other articles on the SSA poverty criteria and the characteristics of the poor, see the *Bulletin*, January 1965, July 1965, and April 1966. Acknowledgment is made to the staff of the Bureau of the Census who were responsible for the March 1965 Current Population Survey tabulations used in this report—in particular, Arno I. Winard, Frederick Cavanaugh, and Jack Reynolds.

lack of work, but rather a pay check too small for the number of dependents that consigned them and their families to poverty or near-poverty (tables 1 and 2).

Households that could count on some income besides earnings were generally better off than those with earnings alone. On the other hand, those who had to rely for their livelihood solely on OASDHI, public assistance, or unemployment insurance would almost invariably know poverty. Because relatively few persons can count on full-time steady employment after age 65, it was the households of the aged that were most affected by the limited amounts payable under public income-support programs. But young families who could not earn enough for their needs were also affected by the fact that there are fewer programs providing help for young people than there are for the aged.

The ill consequences of poverty set in early in life and last late as well: Children of the poor were more likely to share a home with others besides their parents; they would drop out of school or leave the parental home earlier than youngsters better off financially. As early as their teens the children in poverty were already facing difficulties in the job market that presaged the problems that would plague them later on. In or out of school they were more likely than children of the nonpoor to report themselves as out of the labor force entirely, and when they did look for a job they were less likely to find one.

Some children would begin their encounter with poverty long before they reached their teens—because they were growing up in a home without a father or because their parents had taken on family responsibilities while still very young. And for the child in a nonwhite family it hardly mattered what his age or circumstances of his parents: he would be poor as often as not.

THE GEOGRAPHY OF POVERTY

In 1964 as in earlier years the South continued to have lower income than other parts of the

country. Southern families with a white man at the head averaged only 86 percent as much income for the year as similar families elsewhere and Southern families headed by women or nonwhite men had median income no more than three-fourths that of their counterparts in the other regions. As a result, a third of the families in the South were poor or near poor, and one out of every two families on the Nation's poverty roster lived in a Southern State. Of the 2½ million nonwhite families in poverty or low-income status, 2 out of 3 were in the South (table 2).

Families in the South were more than twice as likely to be poor as families in the rest of the country. The difference was greater for families with a male head than those with a female head, who tended to be poor wherever they lived, and for nonwhite families than white families. A sixth of all white families in the South were poor compared with a tenth of families outside the South, whereas among nonwhite families more than half of those in the South and about a fourth of those elsewhere had incomes that did not meet the poverty criterion.

TABLE 1.—Poverty status of noninstitutional population in 1964: Number and percent of persons in units with 1964 income below SSA poverty or low-income level¹ by age, sex, race, and family status

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the percentage or size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting]

Age, sex, and family status	All persons					White				Nonwhite					
	Total noninstitutional population	In households with low income—				Total noninstitutional population	In households with low income—				Total noninstitutional population	In households with low income—			
		Poor		Poor and near poor ²			Poor		Poor and near poor ²			Poor		Poor and near poor ²	
		Number	Percent of total	Number	Percent of total		Number	Percent of total	Number	Percent of total		Number	Percent of total	Number	Percent of total
Number of persons, total.....	189,880	34,050	17.9	49,790	26.3	167,350	23,450	14.0	36,780	22.0	22,330	10,550	47.2	13,020	58.3
Unrelated individuals.....	12,060	5,070	42.0	5,760	47.8	10,420	4,180	40.2	4,790	46.0	1,640	880	53.5	970	59.2
Members of family units.....	177,820	28,980	16.3	44,030	24.8	156,930	19,270	12.3	31,990	20.4	20,690	9,670	46.7	12,050	58.2
Children under age 18 ³	69,340	14,840	21.4	21,710	31.3	59,390	9,050	15.2	14,800	24.9	9,950	5,790	58.2	6,910	69.4
Under 6.....	24,570	5,060	23.1	8,360	34.0	20,760	3,420	16.5	5,700	27.5	3,810	2,250	59.0	2,660	69.9
6-13.....	31,190	6,700	21.5	9,690	31.1	26,810	4,080	15.2	6,590	24.6	4,380	2,620	59.9	3,100	70.7
14-17.....	13,580	2,480	18.2	3,660	26.9	11,820	1,560	13.2	2,510	21.2	1,760	920	52.0	1,150	65.2
Persons aged 18-25 ⁴	18,700	2,950	15.8	4,490	24.0	16,460	2,050	12.5	3,280	19.9	2,240	900	40.1	1,210	54.1
Unrelated individuals ⁵	1,100	450	38.9	510	43.8	1,010	350	37.7	430	42.7	150	70	46.3	80	53.7
Members of family units.....	17,540	2,500	14.2	3,980	22.7	15,450	1,670	10.8	2,850	18.4	2,090	830	39.7	1,130	54.1
Head.....	2,900	560	19.4	910	31.3	2,590	410	16.0	710	27.5	310	150	48.1	200	63.5
Wife.....	4,670	630	13.4	1,130	24.2	4,270	470	11.1	910	21.3	400	150	37.5	220	54.3
Never-married children aged 18-21.....	7,260	990	12.8	1,400	19.2	6,320	540	8.5	870	13.7	940	390	42.0	530	56.4
Other.....	2,710	380	14.1	540	20.0	2,270	250	10.9	360	15.8	440	130	30.7	180	42.4
Persons aged 25-54.....	67,650	8,180	12.1	12,450	18.4	60,330	5,640	9.4	9,170	15.2	7,300	2,540	34.7	3,290	45.0
Unrelated individuals.....	3,770	960	25.4	1,110	29.3	2,970	660	22.1	760	25.6	780	300	37.8	350	43.9
Members of family units.....	63,880	7,230	11.3	11,350	17.8	57,360	4,980	8.7	8,410	14.7	6,520	2,240	34.4	2,940	45.1
Head.....	39,700	3,820	12.4	5,930	19.3	27,420	2,580	9.4	4,340	15.8	3,280	1,230	37.5	1,600	48.6
Wife.....	28,040	2,720	9.7	4,440	15.8	25,570	1,980	7.7	3,440	13.5	2,480	740	29.8	1,000	40.5
Other.....	5,130	690	13.5	970	18.9	4,370	420	9.7	630	14.4	760	270	35.4	340	45.0
Persons aged 55-64.....	16,620	2,680	16.1	3,660	22.0	15,160	2,100	13.8	2,930	19.3	1,470	580	39.6	730	49.7
Unrelated individuals.....	2,500	910	36.5	1,020	40.8	2,220	730	33.0	820	37.0	290	180	61.9	200	68.4
Members of family units.....	14,120	1,770	12.5	2,640	18.7	12,940	1,370	10.3	2,110	16.3	1,180	400	34.2	530	45.1
Head.....	7,450	920	12.4	1,320	17.7	6,840	710	10.3	1,050	15.3	600	210	35.4	270	45.8
Wife.....	5,560	670	12.1	1,090	19.5	5,130	530	10.4	880	17.2	430	140	32.0	200	45.5
Other.....	1,120	180	15.7	240	21.6	970	120	12.7	180	18.5	150	50	35.4	60	41.5
Persons aged 65 or over.....	17,380	5,360	30.8	7,490	43.1	16,020	4,620	28.8	6,610	41.2	1,370	740	54.4	890	64.8
Unrelated individuals.....	4,640	2,750	59.3	3,130	67.5	4,230	2,420	57.1	2,780	65.7	420	330	79.7	350	83.5
Members of family units.....	12,740	2,610	20.5	4,360	34.2	11,790	2,200	18.6	3,820	32.4	950	410	43.2	540	56.6
Head.....	6,680	1,480	22.2	2,440	36.5	6,130	1,220	19.9	2,100	34.3	550	260	47.7	340	60.8
Wife.....	3,380	750	22.3	1,340	39.5	3,220	680	21.0	1,230	38.3	170	80	46.4	100	62.7
Other.....	2,670	370	13.9	580	21.8	2,440	300	12.4	490	20.0	230	70	30.1	90	41.6

¹ For definition of criteria, see April 1968 *Social Security Bulletin*, pages 20-22.

² Families in poverty and families above poverty but below low-income index.

³ Includes never-married own children of head and all other never-married relatives under age 18. Excludes 200,000 children under age 14 who live with a family to no member of which they are related.

⁴ Includes heads, wives, and other ever-married relatives under age 18.

⁵ Includes 69,000 unrelated individuals aged 14-17, of whom 67,000 had incomes below SSA poverty level in 1964 and the remaining 2,000 were above poverty but below low-income level.

Note: Numbers in this report based on actual counts of individual persons

in the households sampled, weighted, and aggregated by family weights with units then adjusted by Bureau of the Census procedures to conform to known population characteristics, such as age, sex, and race. Group totals may therefore differ slightly from corresponding totals in other tables based on person rather than family weights. The counts of persons in families may also differ slightly from those derived from distributions of family units with an estimated average number assumed for units including 7 or more persons or 6 or more related children under age 18.

Source: Derived from special tabulations of the Current Population Survey, March 1965, prepared by the Bureau of the Census for the Social Security Administration.

TABLE 2.—Incidence of poverty and low-income status in 1964: Number and percent of families with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting.]

Characteristic	All families				Families with male head				Families with female head							
	Total	With low income		Total	With low income		Total	With low income		Total	With low income					
		The poor			Poor and near poor ¹			The poor			Poor and near poor ¹		The poor		Poor and near poor ¹	
		Number	Percent		Number	Percent		Number	Percent		Number	Percent	Number	Percent	Number	Percent
Total	47,835	6,832	14.2	10,665	22.2	42,829	5,000	11.7	8,302	19.4	5,006	1,832	36.6	2,363	47.2	
Residence:																
Nonfarm.....	44,737	5,948	13.3	9,490	21.2	39,910	4,189	10.5	7,216	18.1	4,827	1,759	36.6	2,274	47.3	
Farm.....	3,098	884	27.6	1,175	36.8	2,919	811	27.1	1,086	36.3	179	73	36.2	89	44.9	
Race:																
White.....	43,081	4,956	11.5	8,237	19.1	39,200	3,831	9.8	6,700	17.1	3,881	1,125	29.0	1,537	39.6	
Nonwhite.....	4,754	1,876	39.1	2,428	50.7	3,629	1,169	32.0	1,602	44.0	1,125	707	62.7	826	73.2	
Age of head:																
14-24.....	2,931	568	19.4	914	31.4	2,703	413	15.4	733	27.4	228	155	67.3	181	78.6	
25-34.....	9,257	1,384	14.9	2,176	23.4	8,528	938	11.0	1,649	19.3	729	446	61.0	527	71.7	
35-44.....	11,151	1,414	12.6	2,173	19.4	10,004	927	9.2	1,589	15.8	1,147	487	43.5	584	52.1	
45-54.....	10,271	1,046	10.1	1,620	15.6	9,273	763	8.2	1,196	12.8	998	283	27.9	424	41.9	
55-64.....	7,497	927	12.4	1,329	17.8	6,683	768	11.5	1,082	16.3	814	159	19.4	247	30.4	
65 and over.....	6,728	1,493	22.2	2,453	36.5	5,638	1,191	21.2	2,053	36.5	1,090	302	27.5	400	36.4	
Number of persons in family:																
2.....	15,713	2,214	14.1	3,606	23.0	13,409	1,625	12.1	2,770	20.7	2,304	589	26.0	836	37.1	
3.....	10,045	1,014	10.0	1,616	16.0	8,865	664	7.5	1,116	12.6	1,180	350	29.0	500	41.3	
4.....	9,137	947	10.3	1,478	16.1	8,538	657	7.7	1,140	13.4	599	290	46.7	338	54.2	
5.....	6,224	865	14.0	1,324	21.4	5,800	625	10.9	1,038	18.0	424	240	59.1	286	70.1	
6.....	3,284	586	17.4	918	27.3	3,064	442	14.1	755	24.1	220	144	61.8	163	72.8	
7 or more.....	3,432	1,206	34.5	1,723	49.4	3,153	987	30.9	1,483	46.4	279	219	77.5	240	84.8	
Number of related children under age 18:																
None.....	19,559	2,282	11.7	3,723	19.1	17,446	1,894	10.9	3,155	18.2	2,113	388	18.0	568	26.5	
1.....	8,898	920	10.3	1,550	17.4	7,304	586	7.5	1,030	13.2	1,094	334	30.7	520	47.9	
2.....	8,339	943	11.2	1,507	17.9	7,617	622	8.1	1,114	14.5	722	321	46.5	393	57.0	
3.....	5,437	913	16.7	1,343	24.6	4,989	618	12.5	1,008	20.3	448	295	62.9	335	71.0	
4.....	2,832	639	22.4	973	34.1	2,531	420	16.5	731	28.7	301	219	74.9	242	82.3	
5.....	1,455	514	34.3	753	50.4	1,304	396	29.6	621	46.4	151	118	77.5	132	86.5	
6 or more.....	1,315	621	46.9	816	61.6	1,138	464	40.6	643	56.3	177	157	88.5	173	96.9	
Region:																
Northeast.....	11,913	1,105	9.1	1,927	15.9	10,628	745	6.9	1,441	13.4	1,285	360	27.9	486	37.5	
North Central.....	13,463	1,578	11.7	2,491	18.5	12,233	1,154	9.5	1,957	16.0	1,230	424	34.6	534	43.6	
South.....	14,501	3,289	22.5	4,831	33.2	12,838	2,516	19.5	3,844	29.8	1,663	773	46.6	987	59.6	
West.....	7,958	860	11.0	1,416	18.1	7,130	585	8.4	1,060	15.2	828	275	33.3	336	43.0	
Type of family:																
Male head.....	42,829	5,000	11.7	8,302	19.4	42,829	5,000	11.7	8,302	19.4	(?)	(?)	(?)	(?)	(?)	
Married, wife present.....	41,647	4,773	11.5	7,992	19.2	41,647	4,773	11.5	7,992	19.2	(?)	(?)	(?)	(?)	(?)	
Wife in paid labor force.....	13,647	808	5.9	1,454	10.6	13,647	808	5.9	1,454	10.6	(?)	(?)	(?)	(?)	(?)	
Wife not in paid labor force.....	28,000	3,965	14.2	6,538	23.4	28,000	3,965	14.2	6,538	23.4	(?)	(?)	(?)	(?)	(?)	
Other marital status.....	1,182	227	19.1	310	26.1	1,182	227	19.1	310	26.1	(?)	(?)	(?)	(?)	(?)	
Female head.....	5,006	1,832	36.6	2,363	47.2	(?)	(?)	(?)	(?)	(?)	5,006	1,832	36.6	2,363	47.2	
Employment status and occupation of head, March 1965:																
Employed.....	37,874	3,633	9.5	6,029	15.9	35,456	3,080	8.7	5,206	14.7	2,418	553	22.9	823	34.2	
Professional and technical workers.....	4,823	107	2.2	254	5.3	4,592	96	2.1	223	4.9	231	11	4.8	31	13.9	
Farmers and farm managers.....	1,893	569	29.2	768	39.4	1,853	549	29.0	743	39.3	40	20	(?)	25	(?)	
Managers, officials, and proprietors (except farm).....	5,937	346	5.9	565	9.6	5,778	326	5.7	533	9.4	159	20	11.0	32	18.6	
Clerical and sales workers.....	5,118	215	4.2	448	8.7	4,316	136	3.1	314	7.2	802	79	10.3	134	17.4	
Craftsmen and foremen.....	7,233	373	5.2	758	10.5	7,206	370	5.2	749	10.5	27	3	(?)	9	(?)	
Operatives.....	7,443	766	10.2	1,349	18.0	7,036	686	9.7	1,217	17.2	407	80	20.1	132	33.0	
Service workers, total.....	2,853	511	17.8	843	29.3	2,127	197	9.1	409	19.0	726	314	44.1	434	61.0	
Private household workers.....	271	153	57.0	178	66.5	17	3	(?)	3	(?)	254	150	60.2	175	70.4	
Laborers (except mine).....	2,574	746	28.6	1,044	40.0	2,548	720	28.1	1,018	39.7	26	26	(?)	26	(?)	
Unemployed.....	1,211	313	25.8	438	36.3	1,080	231	21.6	344	32.2	131	82	60.0	94	69.0	
Not in labor force ⁴	8,750	2,886	32.9	4,198	48.0	6,293	1,689	27.0	2,752	43.9	2,457	1,197	48.3	1,446	58.3	
Work experience of head:⁵																
Worked in 1964.....	40,283	4,342	10.7	7,030	17.4	37,495	3,539	9.4	5,931	15.8	2,788	803	28.8	1,089	39.4	
Worked at full-time jobs.....	37,734	3,458	9.1	5,783	15.3	35,542	2,949	8.3	5,048	14.2	2,192	509	23.2	735	33.6	
50-52 weeks.....	30,705	2,104	6.8	3,650	11.9	29,271	1,904	6.5	3,333	11.4	1,434	200	13.9	97	22.1	
40-49 weeks.....	3,440	410	11.9	714	20.7	3,192	361	11.3	617	19.3	248	49	19.9	317	39.2	
39 weeks or less.....	3,589	944	26.2	1,419	39.5	3,079	684	22.2	1,098	35.7	510	260	50.9	321	63.0	
Worked at part-time jobs.....	2,549	884	34.6	1,247	48.9	1,953	590	30.2	883	45.3	596	294	49.3	364	61.0	
50-52 weeks.....	1,011	290	28.6	448	44.2	787	197	25.0	318	40.4	274	93	41.5	130	57.9	
49 weeks or less.....	1,538	594	38.5	799	52.0	1,166	393	33.7	565	48.6	322	201	54.0	234	62.9	
Did not work in 1964.....	6,695	2,389	35.3	3,353	50.0	4,477	1,340	29.9	2,089	46.7	2,218	1,029	46.4	1,264	57.0	
Ill or disabled.....	1,575	740	46.9	939	59.6	1,299	576	44.3	757	58.4	278	164	59.4	182	65.8	
Keeping house.....	1,638	738	45.1	911	55.6	(?)	(?)	(?)	(?)	(?)	1,638	738	45.1	911	55.6	
Could not find work.....	191	96	50.7	110	57.7	128	65	51.0	74	58.3	63	31	(?)	36	(?)	
Other reasons.....	3,291	795	24.1	1,393	42.3	3,050	699	22.9	1,258	41.2	241	96	39.8	135	56.3	
Reason worked part of year:																
Looking for work.....	3,874	852	21.9	1,293	33.3	3,637	741	20.4	1,148	31.6	237	111	46.8	145	61.3	
Ill or disabled.....	1,415	319	22.5	473	33.4	1,276	277	21.7	398	31.2	139	42	30.4	75	53.9	
Keeping house.....	619	316	51.1	379	61.3	(?)	(?)	(?)	(?)	(?)	619	316	51.1	379	61.3	
Other reasons.....	2,659	461	17.3	787	29.6	2,524	420	16.6	734	29.1	135	41	30.3	53	39.4	

See footnotes at end of table.

TABLE 2.—Incidence of poverty and low-income status in 1964: Number and percent of families with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—Continued

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting]

Characteristic	All white families					White families with male head					White families with female head				
	Total	With low income				Total	With low income				Total	With low income			
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹			The poor		Poor and near poor ¹	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
All white families															
Total.....	43,081	4,956	11.5	8,237	19.1	39,200	3,831	9.8	6,700	17.1	3,881	1,125	29.0	1,537	39.6
Residence:															
Nonfarm.....	40,266	4,280	10.6	7,291	18.1	36,520	3,190	8.8	5,802	15.9	3,746	1,090	29.2	1,489	39.9
Farm.....	2,815	676	23.2	946	32.5	2,680	641	23.2	898	32.5	135	35	22.3	48	31.1
Age of head:															
14-24.....	2,609	416	16.0	714	27.5	2,467	333	13.6	611	24.9	142	83	60.0	103	75.0
25-34.....	8,272	912	11.1	1,589	19.3	7,737	658	8.5	1,275	16.5	465	254	54.1	314	68.6
35-44.....	9,966	955	9.6	1,586	15.9	9,137	660	7.2	1,220	13.4	829	295	36.2	366	44.3
45-54.....	9,284	735	7.9	1,185	12.7	8,467	557	6.5	900	10.6	797	178	22.0	285	35.4
55-64.....	6,852	711	10.3	1,049	15.3	6,157	608	9.9	874	14.2	695	103	14.4	175	24.8
65 and over.....	6,188	1,227	19.9	2,114	34.3	5,235	1,015	19.5	1,820	34.9	953	212	22.4	294	31.0
Number of persons in family:															
2.....	14,316	1,840	12.9	3,086	21.6	12,360	1,392	11.3	2,430	19.7	1,956	448	23.6	656	34.6
3.....	9,147	767	8.3	1,274	13.8	8,208	545	6.6	948	11.5	939	222	22.6	326	33.2
4.....	8,415	688	8.1	1,119	13.3	7,964	506	6.4	901	11.3	451	182	38.9	218	46.5
5.....	5,655	616	11.0	995	17.8	5,378	488	9.2	833	15.7	277	128	47.7	162	60.5
6.....	2,879	369	12.5	658	22.3	2,749	304	10.8	577	20.6	130	65	49.5	79	60.0
7 or more.....	2,669	676	25.0	1,107	41.0	2,541	596	23.2	1,011	39.3	128	80	63.3	98	75.6
Number of related children under age 18:															
None.....	18,027	1,944	10.8	3,243	18.0	16,164	1,634	10.1	2,782	17.3	1,863	310	16.4	461	24.3
1.....	7,999	672	8.4	1,188	14.8	7,150	457	6.4	829	11.6	840	215	25.8	359	43.3
2.....	7,608	667	8.7	1,113	14.5	7,080	472	6.6	873	12.3	528	195	38.0	240	46.8
3.....	4,909	649	13.3	1,010	20.7	4,610	473	10.4	803	17.6	299	176	54.7	207	64.4
4.....	2,457	412	16.6	710	28.6	2,268	292	12.7	571	24.9	189	120	67.2	139	77.9
5.....	1,192	333	27.2	540	44.1	1,113	283	24.8	479	41.9	79	50	(*)	61	(*)
6 or more.....	891	279	31.8	433	49.3	815	220	27.4	368	45.2	76	59	(*)	70	(*)
Region:															
Northeast.....	11,067	923	8.2	1,663	14.8	10,003	662	6.5	1,292	12.8	1,064	261	24.1	371	54.4
North Central.....	12,531	1,317	10.5	2,133	17.0	11,536	1,029	8.9	1,768	15.3	995	288	29.3	365	37.1
South.....	12,151	1,990	16.3	3,210	26.4	11,043	1,639	14.8	2,699	24.5	1,108	351	32.0	511	46.5
West.....	7,332	726	10.0	1,231	17.0	6,618	501	7.7	941	14.5	714	225	31.3	290	40.4
Type of family:															
Male head.....	39,290	3,831	9.8	6,700	17.1	39,200	3,831	9.8	6,700	17.1	(*)	(*)	(*)	(*)	(*)
Married, wife present.....	38,172	3,666	9.6	6,465	16.9	38,172	3,666	9.6	6,465	16.9	(*)	(*)	(*)	(*)	(*)
Wife in paid labor force.....	12,045	493	4.1	940	7.8	12,045	493	4.1	940	7.8	(*)	(*)	(*)	(*)	(*)
Wife not in paid labor force.....	26,127	3,173	12.2	5,525	21.2	26,127	3,173	12.2	5,525	21.2	(*)	(*)	(*)	(*)	(*)
Other marital status.....	1,128	165	16.2	235	22.9	1,628	165	16.2	235	22.9	(*)	(*)	(*)	(*)	(*)
Female head.....	3,881	1,125	29.0	1,537	39.6	(*)	(*)	(*)	(*)	(*)	3,881	1,125	29.0	1,537	39.6
Employment status and occupation of head, March 1965:															
Employed.....	34,371	2,530	7.3	4,510	13.1	32,509	2,243	6.9	4,041	12.4	1,862	287	15.4	469	25.4
Professional and technical workers.....	4,588	95	2.1	237	5.2	4,385	84	1.9	211	4.8	213	11	5.5	26	13.1
Farmers and farm managers.....	1,790	486	26.3	674	36.6	1,754	470	26.3	653	36.6	36	16	(*)	21	(*)
Managers, officials, and proprietors (except farm).....	5,799	315	5.5	525	9.1	5,647	300	5.4	498	8.9	152	15	8.9	27	17.0
Clerical and sales workers.....	4,878	188	3.8	390	7.9	4,143	120	2.9	276	6.6	735	68	9.8	114	16.3
Craftsmen and foremen.....	6,865	298	4.3	644	9.4	6,842	296	4.4	636	9.4	23	2	(*)	8	(*)
Operatives.....	6,523	535	8.1	991	15.0	6,196	486	7.8	905	14.4	327	49	14.8	86	26.5
Service workers, total.....	2,088	217	10.4	438	20.9	1,713	102	5.8	262	15.0	375	115	32.5	176	49.3
Private household workers.....	83	32	(*)	42	(*)	12	0	0	0	0	71	32	(*)	42	(*)
Laborers (except mine).....	1,840	396	21.4	611	33.1	1,829	385	21.1	600	32.8	11	11	(*)	11	(*)
Unemployed.....	989	188	19.2	292	29.9	907	151	16.9	244	27.4	82	37	(*)	48	(*)
Not in labor force.....	7,721	2,238	28.9	3,435	44.3	5,784	1,437	24.9	2,415	41.8	1,937	801	40.7	1,020	51.8
Work experience of head: ²															
Worked in 1964.....	36,364	2,979	8.2	5,229	14.3	34,280	2,567	7.5	4,608	13.4	2,084	412	19.8	621	29.8
Worked at full-time jobs.....	34,296	2,409	7.0	4,349	12.6	32,626	2,149	6.6	3,935	12.0	1,670	260	15.6	414	24.8
50-52 weeks.....	28,234	1,494	5.3	2,757	9.7	27,111	1,416	5.2	2,605	9.6	1,123	78	7.0	152	13.5
40-49 weeks.....	3,136	255	8.4	514	16.9	2,855	228	8.0	456	16.0	181	27	15.2	58	31.8
39 weeks or less.....	3,026	660	21.8	1,078	35.5	2,660	505	19.0	874	32.8	366	155	42.3	204	55.8
Worked at part-time jobs.....	2,068	570	27.6	880	42.5	1,654	418	25.4	673	40.7	414	152	36.8	207	50.0
50-52 weeks.....	825	181	21.9	310	37.5	676	141	20.9	240	35.5	149	40	26.6	70	46.8
49 weeks or less.....	1,243	389	31.4	570	45.8	978	277	28.5	433	44.3	265	112	42.5	137	51.8
Did not work in 1964.....	5,928	1,863	31.4	2,768	46.7	4,131	1,150	27.9	1,832	44.8	1,797	713	39.6	916	51.0
Ill or disabled.....	1,330	559	42.2	739	55.6	1,147	477	41.7	639	55.8	183	82	44.8	100	54.5
Keeping house.....	1,363	541	39.7	687	50.5	(*)	(*)	(*)	(*)	(*)	1,363	541	39.7	687	50.5
Could not find work.....	137	61	44.1	74	53.9	93	40	(*)	49	(*)	44	21	(*)	25	(*)
Other reasons.....	3,098	702	22.7	1,268	40.9	2,891	633	22.0	1,164	40.2	207	69	33.1	104	50.3
Reason worked part of year:															
Looking for work.....	3,267	556	17.1	928	28.3	3,111	503	16.2	845	27.2	156	53	34.2	63	52.6
Ill or disabled.....	1,172	214	18.4	338	28.8	1,084	198	18.3	304	28.0	88	16	(*)	34	(*)
Keeping house.....	469	200	42.7	249	53.2	(*)	(*)	(*)	(*)	(*)	469	200	42.7	249	53.2
Other reasons.....	2,397	334	14.0	647	26.9	2,298	309	13.5	614	26.7	99	25	(*)	33	(*)

See footnotes at end of table.

TABLE 2.—Incidence of poverty and low-income status in 1964: Number and percent of families with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—Continued

[Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting.]

Characteristic	All nonwhite families				Nonwhite families with male head				Nonwhite families with female head						
	Total	With low income		Total	With low income		Total	With low income							
		The poor	Poor and near poor ¹		The poor	Poor and near poor ¹		The poor	Poor and near poor ¹						
										Number	Percent	Number	Percent	Number	Percent
All nonwhite families															
Total.....	4,754	1,876	39.1	2,428	50.7	3,629	1,169	32.0	1,602	44.0	1,125	707	62.7	826	73.2
Residence:															
Nonfarm.....	4,471	1,668	37.0	2,199	48.8	3,390	999	29.3	1,414	41.5	1,081	669	62.0	785	72.6
Farm.....	283	208	73.5	229	81.0	239	170	72.7	188	80.1	44	38	(²)	41	(²)
Age of head:															
14-24.....	322	152	48.1	200	63.4	236	80	35.9	122	55.1	86	72	(²)	78	(²)
25-34.....	1,055	472	44.4	587	55.2	791	280	35.1	374	46.9	264	192	73.2	213	80.9
35-44.....	1,185	459	37.7	587	48.3	867	267	29.4	369	40.7	318	192	63.2	218	71.7
45-54.....	1,007	311	30.2	435	42.3	806	206	25.2	296	36.2	201	105	50.3	139	66.7
55-64.....	645	216	35.6	280	46.2	526	160	32.3	208	41.9	119	56	51.3	72	66.3
65 and over.....	260	54	20.8	339	60.7	403	176	43.3	233	57.3	137	90	59.1	106	70.0
Number of persons in family:															
2.....	1,397	374	26.6	520	37.2	1,049	233	22.4	340	32.7	349	141	38.9	180	50.8
3.....	898	247	28.9	342	40.1	657	119	19.0	168	27.1	241	128	56.5	174	76.2
4.....	722	259	35.0	359	48.6	574	151	25.8	239	41.1	148	108	70.2	120	77.2
5.....	569	249	42.3	329	55.7	422	137	30.6	205	45.7	147	112	80.6	124	89.3
6.....	405	217	52.1	262	62.7	315	138	42.6	178	54.9	90	79	(²)	84	(²)
7 or more.....	763	530	67.4	616	78.5	612	391	62.3	472	75.2	151	139	88.6	144	92.1
Number of related children under age 18:															
None.....	1,532	338	22.5	480	32.2	1,282	260	21.0	373	30.0	250	78	30.1	107	43.2
1.....	899	248	27.6	362	40.2	654	129	20.2	201	31.4	245	119	46.3	161	62.6
2.....	733	276	37.3	394	53.2	537	150	26.8	241	42.9	196	126	71.0	153	86.3
3.....	528	264	47.2	333	59.5	379	145	35.4	205	50.3	149	119	80.7	129	85.3
4.....	375	227	60.6	263	70.3	263	128	49.2	160	62.1	112	99	86.9	103	89.3
5.....	263	181	66.8	213	78.7	191	113	57.4	142	72.3	72	68	(²)	71	(²)
6 or more.....	424	342	76.6	383	85.9	323	244	71.5	282	82.4	101	98	93.5	103	97.4
Region:															
Northeast.....	846	182	21.3	264	30.9	625	83	12.9	149	23.6	221	99	46.5	115	52.8
North Central.....	932	261	28.7	358	39.4	697	125	18.8	189	28.7	235	136	56.2	169	69.7
South.....	2,350	1,299	53.8	1,621	67.3	1,795	877	47.6	1,145	62.0	555	422	74.9	476	85.2
West.....	628	134	21.9	185	30.2	512	84	16.7	119	23.9	114	50	46.3	66	60.0
Type of family:															
Male head.....	3,629	1,169	32.0	1,602	44.0	3,629	1,169	32.0	1,602	44.0	(²)	(²)	(²)	(²)	(²)
Married, wife present.....	3,475	1,107	31.8	1,527	43.9	3,475	1,107	31.8	1,527	43.9	(²)	(²)	(²)	(²)	(²)
Wife in paid labor force.....	1,622	315	19.5	514	32.0	1,622	315	19.5	514	32.0	(²)	(²)	(²)	(²)	(²)
Wife not in paid labor force.....	1,873	792	42.3	1,013	54.2	1,873	792	42.3	1,013	54.2	(²)	(²)	(²)	(²)	(²)
Other marital status.....	154	62	37.3	75	45.2	154	62	37.3	75	45.2	(²)	(²)	(²)	(²)	(²)
Female head.....	1,125	707	62.7	826	73.2	(²)	(²)	(²)	(²)	(²)	1,125	707	62.7	826	73.2
Employment status and occupation of head, March 1965:															
Employed.....	3,573	1,103	31.1	1,519	42.8	2,947	837	28.1	1,165	39.2	556	266	46.8	354	62.4
Professional and technical workers.....	235	12	4.9	17	7.1	207	12	5.6	12	5.6	28	0	0	5	(²)
Farmers and farm managers.....	103	83	78.5	94	88.6	99	79	(²)	90	(²)	4	4	(²)	4	(²)
Managers, officials, and proprietors (except farm).....	138	31	21.1	40	27.5	131	26	19.4	35	26.2	7	5	(²)	5	(²)
Clerical and sales workers.....	240	27	10.8	58	23.8	173	16	9.1	38	22.0	67	11	(²)	20	(²)
Craftsmen and foremen.....	368	75	19.8	114	30.0	364	74	20.0	113	30.4	4	1	(²)	1	(²)
Operatives.....	920	231	26.1	358	40.5	840	230	25.1	312	39.3	80	31	(²)	46	(²)
Service workers, total.....	765	294	37.6	405	51.9	414	95	22.7	147	34.8	351	199	56.2	258	73.1
Private household workers.....	188	121	66.7	136	75.6	5	3	(²)	3	(²)	183	118	67.2	133	76.3
Laborers (except mine).....	734	350	48.0	433	57.0	719	335	45.0	418	56.1	15	15	(²)	15	(²)
Unemployed.....	222	125	53.4	146	62.6	173	80	44.0	100	55.6	49	45	(²)	46	(²)
Not in labor force.....	1,029	648	64.4	763	75.9	509	252	50.9	337	68.1	520	396	77.7	426	83.8
Work experience of head: ³															
Worked in 1964.....	3,919	1,363	34.3	1,801	45.3	3,215	972	29.8	1,323	41.2	704	391	55.2	478	67.8
Worked at full-time jobs.....	3,438	1,049	30.0	1,434	41.6	2,916	800	27.0	1,113	38.1	522	249	47.4	321	61.5
50-52 weeks.....	2,471	610	24.3	893	36.0	2,160	488	22.2	728	33.7	311	122	38.9	165	52.8
40-49 weeks.....	404	155	38.0	290	49.5	337	133	39.0	161	47.6	67	22	(²)	39	(²)
39 weeks or less.....	563	284	49.9	341	60.6	419	179	42.2	224	53.7	144	105	72.6	117	81.1
Worked at part-time jobs.....	481	314	64.6	367	76.3	299	172	56.9	210	70.7	182	142	77.6	157	85.8
50-52 weeks.....	186	109	58.3	138	74.1	111	56	50.0	78	70.2	75	53	(²)	60	(²)
49 weeks or less.....	295	205	68.6	229	77.7	188	116	61.0	132	70.9	107	89	82.3	97	89.9
Did not work in 1964.....	767	506	65.2	585	75.9	346	190	53.4	237	68.3	421	316	75.2	348	82.3
Ill or disabled.....	245	181	72.7	200	81.4	152	99	63.5	118	77.4	93	82	(²)	82	(²)
Keeping house.....	275	197	71.4	224	80.8	(²)	(²)	(²)	(²)	(²)	275	197	71.4	224	80.8
Could not find work.....	54	55	(²)	36	(²)	35	25	(²)	25	(²)	19	10	(²)	11	(²)
Other reasons.....	193	93	46.6	125	64.4	159	66	39.7	94	58.7	34	27	(²)	31	(²)
Reason worked part of year:															
Looking for work.....	607	296	48.2	365	60.4	526	238	44.3	303	57.7	81	58	(²)	62	(²)
Ill or disabled.....	243	105	42.6	125	55.2	192	79	40.7	94	49.0	51	26	(²)	41	(²)
Keeping house.....	150	116	77.3	130	86.4	(²)	(²)	(²)	(²)	(²)	150	116	77.3	130	86.4
Other reasons.....	262	127	47.7	140	53.3	226	111	48.2	120	53.5	36	16	(²)	20	(²)

See footnotes at end of table.

The current statistics on poverty merely point up more sharply the low-income position of the South already suggested by data previously available. Under prevailing State standards, in order to qualify for public assistance, a family in the South must usually have less income than families

elsewhere. Despite this fact, a relatively larger share of the population of the South than of other parts of the country is on the assistance rolls. In December 1964, for example, 209 out of every 1,000 persons aged 65 or older in the Southern States were receiving old-age assistance. In the

TABLE 2.—Incidence of poverty and low-income status in 1964: Number and percent of families with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—Continued

(Numbers in thousands; data are estimates derived from a sample survey of households and are therefore subject to sampling variability that may be relatively large where the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting)

Characteristic	All families					Families with male head					Families with female head				
	Total	With low income				Total	With low income				Total	With low income			
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹			The poor		Poor and near poor ¹	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
With head a year-round, full-time worker ²															
Total.....	30,705	2,104	6.8	3,650	11.9	29,271	1,904	6.5	3,333	11.4	1,434	200	13.9	317	22.1
Residence:															
Nonfarm.....	28,466	1,560	5.4	2,928	10.2	27,064	1,370	5.0	2,621	9.6	1,462	190	13.6	307	22.1
Farm.....	2,239	544	24.1	722	31.9	2,207	534	24.0	712	31.9	32	10	32.0	10	31.9
Race:															
White.....	28,234	1,494	5.3	2,737	9.7	27,111	1,416	5.2	2,605	9.6	1,123	78	7.0	152	13.5
Nonwhite.....	2,471	610	24.3	893	36.0	2,160	488	22.2	728	33.7	311	122	38.9	165	52.8
Age of head:															
14-24.....	1,499	136	9.0	258	17.1	1,467	130	8.8	252	17.1	32	6	(³)	6	(³)
25-34.....	6,696	572	8.5	1,035	15.3	6,474	519	7.9	944	14.5	222	53	23.9	91	41.3
35-44.....	8,634	583	6.7	1,051	12.1	8,276	510	6.2	939	11.3	428	73	17.1	112	26.4
45-54.....	7,933	430	5.4	734	9.2	7,496	383	5.1	656	8.7	437	47	10.8	78	18.0
55-64.....	4,891	295	6.0	446	9.0	4,640	287	6.1	430	9.2	251	8	3.4	16	6.3
65 and over.....	1,052	88	8.3	126	11.8	988	75	7.6	112	11.2	64	13	(³)	14	(³)
Number of persons in family:															
2.....	7,582	329	4.3	522	6.8	6,858	286	4.1	444	6.4	724	43	5.9	78	10.9
3.....	6,677	243	3.6	435	6.5	6,299	210	3.3	361	5.7	378	33	8.7	74	19.7
4.....	6,840	334	4.8	616	8.8	6,700	307	4.5	565	8.4	140	27	19.4	41	29.6
5.....	4,711	390	8.2	684	14.4	4,621	354	7.6	639	13.7	90	36	(³)	45	(³)
6.....	2,564	270	10.5	489	18.9	2,511	245	9.7	453	17.9	53	25	(³)	36	(³)
7 or more.....	2,331	538	22.8	914	38.8	2,282	502	21.8	871	37.8	49	36	(³)	43	(³)
Number of related children under age 18:															
None.....	10,095	385	3.8	609	6.0	9,456	355	3.7	552	5.8	639	30	4.7	57	9.0
1.....	6,273	233	3.7	447	7.1	5,933	212	3.6	393	6.6	370	21	5.8	54	14.7
2.....	6,330	365	5.7	666	10.3	6,118	325	5.3	585	9.5	212	40	18.0	71	33.8
3.....	4,079	354	8.6	628	15.3	3,993	325	8.1	591	14.7	86	29	(³)	37	(³)
4.....	2,100	269	12.6	493	23.3	2,033	229	11.1	451	22.0	67	40	(³)	42	(³)
5.....	1,010	233	22.9	424	41.5	976	210	21.4	391	39.7	34	23	(³)	33	(³)
6 or more.....	818	265	32.1	393	47.5	792	248	31.1	370	46.2	26	17	(³)	23	(³)
Region:															
Northeast.....	8,122	269	3.3	559	6.8	7,751	245	3.1	516	6.6	371	24	6.6	43	11.6
North Central.....	9,008	525	5.8	932	10.2	8,661	498	5.7	872	10.0	347	27	7.9	60	17.4
South.....	8,871	1,108	12.4	1,782	19.9	8,423	985	11.6	1,616	19.0	448	123	27.5	166	37.4
West.....	4,704	232	4.2	377	8.0	4,436	176	3.9	329	7.4	268	26	9.6	48	18.2
Type of family:															
Male head.....	29,271	1,904	6.5	3,333	11.4	29,271	1,904	6.5	3,333	11.4	(³)	(³)	(³)	(³)	(³)
Married, wife present.....	28,674	1,865	6.4	3,286	11.3	28,674	1,865	6.4	3,286	11.3	(³)	(³)	(³)	(³)	(³)
Wife in paid labor force.....	9,832	328	3.3	654	6.6	9,832	328	3.3	654	6.6	(³)	(³)	(³)	(³)	(³)
Wife not in paid labor force.....	18,842	1,537	8.1	2,612	13.7	18,842	1,537	8.1	2,612	13.7	(³)	(³)	(³)	(³)	(³)
Other marital status.....	597	39	6.5	87	11.1	597	39	6.5	87	11.1	(³)	(³)	(³)	(³)	(³)
Female head.....	1,434	200	13.9	317	22.1	(³)	(³)	(³)	(³)	(³)	1,434	200	13.9	317	22.1
Employment status and occupation of head, March 1965:															
Employed.....	30,273	2,028	6.8	3,550	11.6	28,889	1,840	6.3	3,245	11.1	1,384	189	13.7	305	22.3
Professional and technical workers.....	4,042	74	1.8	148	3.6	3,966	71	1.8	142	3.6	136	3	2.1	6	4.2
Farmers and farm managers.....	1,589	450	28.1	592	36.9	1,572	441	27.9	583	36.8	17	9	(³)	9	(³)
Managers, officials, and proprietors (except farm).....	5,255	276	5.2	453	8.5	5,151	268	5.2	437	8.4	104	8	8.2	16	15.1
Clerical and sales workers.....	4,374	104	2.3	271	6.2	3,815	81	2.1	216	5.6	559	23	4.1	55	10.0
Craftsmen and foremen.....	5,723	156	2.7	394	6.8	5,704	156	2.7	392	6.8	19	0	0	2	(³)
Operatives.....	5,701	377	6.6	793	13.9	5,476	353	6.4	712	12.9	225	24	10.8	51	22.9
Service workers, total.....	1,995	238	11.8	424	21.0	1,677	120	7.1	262	15.5	318	118	37.4	162	51.4
Private household workers.....	108	56	51.3	63	57.9	11	0	0	0	0	97	56	(³)	63	(³)
Laborers (except mine).....	1,594	353	21.9	505	31.4	1,588	350	21.8	501	31.2	6	3	(³)	4	(³)
Unemployed.....	211	29	13.8	41	19.1	212	26	13.0	38	18.5	9	3	(³)	3	(³)
Not in labor force.....	221	47	20.8	59	26.4	180	38	20.8	50	27.7	41	9	(³)	9	(³)

¹ Families in poverty and families above poverty but below low-income index.

² Not applicable.

³ Not shown for base less than 100,000.

⁴ Includes families with head in Armed Forces in March 1965.

⁵ Excludes families with head in Armed Forces in March 1965.

other States only 82 per 1,000 were receiving such aid.

The seven States with the highest proportion of aged persons receiving public assistance were in the South and the number on their old-age assistance rolls ranged from 275 per 1,000 in Texas to 499 per 1,000 in Louisiana. Many of these recipients are Negroes. Some are in need of assistance because they (or those who support them) worked in agriculture or other employment not covered in the early days of the social security program. Others who did work in covered jobs need assistance because their low earnings entitle them to minimal benefits.

Such rank poverty among the aged has a double significance in that it might be the culmination of a long-standing deprivation. Not in every case are our aged paupers newly come to their present need: it is rather that they are more likely to seek help at age 65 because more help is then available than at younger ages.

Next to the aged, children under age 18 are the most vulnerable group in terms of need for income support. The federally aided program of aid to families with dependent children is the chief program designed for children in need. At the end of 1964, 30 percent of the Nation's children receiving such aid were in the South and it is generally acknowledged that many more would have been on the rolls if eligibility requirements in some of the States were more realistic. Even under existing standards, however, in 9 of the Southern States the proportion of children receiving payments under this program was greater than the national average.

Relatively few persons anywhere in the United States receive assistance under the program of aid to the permanently and totally disabled. In December 1964 this program was making payments to no more than half a million persons, almost all in the age group 18-64. But in the South 6.7 persons per 1,000 this age were receiving such aid to the disabled, compared with 4.2 per 1,000 in the remaining States.

The figures below compare, for the South and the rest of the country, the proportion of persons receiving certain types of public assistance. Payments under the three programs considered here went to 7 million of the total of 8 million persons receiving any public assistance in the month of December 1964.

Geographic area	Recipients per 1,000 persons of specified age		
	OAA, aged 65 or over	APTD, aged 18-64	Children receiving AFDC under age 18
Outside South.....	82	4.2	45
South ¹	209	6.7	40
South Atlantic.....	115	6.6	42
East South Central.....	256	8.5	50
West South Central.....	320	5.5	32

¹ Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; Alabama, Kentucky, Mississippi, Tennessee; Arkansas, Louisiana, Oklahoma, and Texas.

All told, the South—which included 28 percent of the Nation's population aged 65 or older, 30 percent of all persons aged 18-64, and 32 percent of those younger than age 18—accounted for 50 percent of all old-age assistance recipients, 41 percent of those receiving aid to the disabled, and 30 percent of the children being helped under aid to families with dependent children.

In nearly half the Southern nonwhite families with a male head called poor, the man had worked full-time the year-round (table 2). The low incomes prevalent in the South affect the Nation's Negro population to a greater degree than the white population because, despite the out-migration of recent years, half the nonwhite families in the country were still making their home in the South in 1964. Nonwhite families living in the South represented 1 out of 7 of all Southern families with a male head and 1 out of 3 of those with a female head. Elsewhere in the country only 6 percent of the families with a male head and 17 percent of those with a female head were nonwhite. Of all white families in the country only 28 percent were in the South.

Although the nonwhite family generally must manage on considerably less income than the white, nowhere in the country is the disparity so great as in the South. There despite considerable improvement since 1959 the nonwhite family averages only half the cash income of the white (table 3).¹

Some of the differential in income, but not all of it, can be explained by the fact that more families in the South, and in particular more of the nonwhite families, live on farms. Farm people

¹ See also Bureau of the Census, "Income in 1964 of Families and Persons in the United States," *Current Population Reports: Consumer Income* (Series P-60, No. 47 and P-60, No. 34).

TABLE 3.—Region and income in 1964: Median income of nonwhite households as percent of median income of white households, by sex of head

Region	All units, median income		Male head, median income		Female head, median income	
	Amount	As percent of white	Amount	As percent of white	Amount	As percent of white
Nonwhite families						
Total U.S..	\$3,840	56.0	\$4,530	63.8	\$2,290	56.8
South.....	2,990	49.2	3,320	54.2	1,660	48.9
Northeast.....	4,940	66.6	5,580	73.0	3,190	67.1
North Central.....	5,060	72.3	5,820	80.8	2,690	69.4
West.....	5,770	77.9	6,480	83.7	3,070	70.7
Nonwhite unrelated individuals						
Total U.S..	\$1,430	68.5	\$2,133	65.9	\$1,150	69.3
South.....	920	48.0	1,210	47.8	780	47.1
Northeast.....	2,190	100.2	3,370	100.7	1,590	94.3
North Central.....	1,670	88.3	2,030	73.3	1,430	90.6
West.....	2,400	92.5	3,560	86.4	(¹)	(¹)

¹ Not shown for base less than 100,000.

everywhere in the country have less cash income than nonfarm people living in the same area. The poverty index, it will be recalled, sets the income need of farm families at 30 percent less than the corresponding nonfarm family of similar size and composition. There was, however, no difference by region allowed in the index for farm families or for nonfarm families. It is possible that allowance for some regional differentials—climate, for example—would narrow the gap in economic well-being between Southern families and families elsewhere but it could hardly eliminate it altogether, and it certainly could not be expected to counteract the income deficiency of the nonwhite families. In any case while the availability of some of the hallmarks of gracious living and their cost do differ by community, there is as yet no evidence that prices for the kinds of goods and services implied by the very meager poverty criterion vary significantly from one place to another. Variations that might show up in family expenditure patterns would be as likely to reflect the restriction in outlays enforced by long-time community and family low-income status as any real difference in family needs or preferences. Thus while low-income families in one area may spend less than those in another, they may well have a less adequate content of living rather than the same content at differing cost.

Federal Government income programs associated with income floors have generally allowed no

TABLE 4.—Sex, age, and poverty status in 1964: Number and percent of persons aged 16 or over in households with income below SSA poverty level by family status

Age and family status	Men			Women		
	Total noninstitutional population (in thousands)	In poor household		Total noninstitutional population (in thousands)	In poor household	
		Number (in thousands)	Percent of total		Number (in thousands)	Percent of total
Total, aged 16 or over.....	60,510	8,180	13.5	66,470	12,100	18.2
Unrelated individuals.....	4,570	1,430	31.4	7,450	3,610	48.5
Family head.....	42,850	5,000	11.7	4,880	1,780	36.5
Some children under age 6.....	13,720	2,100	15.3	1,120	730	65.6
No children under age 6.....	29,130	2,900	10.0	3,760	1,050	27.9
Other family members.....	23,090	1,750	13.3	54,140	6,700	12.4
Under age 22, total.....	8,660	1,340	15.5	9,310	1,640	17.6
Unrelated individuals.....	210	80	39.6	340	190	54.9
Family head.....	780	170	21.9	90	50	(¹)
Some children under age 6.....	460	100	21.3	60	40	(¹)
No children under age 6.....	320	70	22.7	30	10	(¹)
Other family members.....	7,670	1,090	14.2	8,880	1,400	15.7
Aged 22-54, total.....	36,240	3,800	10.5	38,740	5,440	14.0
Unrelated individuals.....	2,210	440	20.0	2,090	650	31.3
Family head.....	29,790	2,870	9.6	2,940	1,280	43.6
Some children under age 6.....	12,850	1,850	14.4	920	640	69.2
No children under age 6.....	16,940	1,020	6.0	2,020	640	32.0
Other family members.....	4,240	490	11.5	33,710	3,500	10.4
Aged 55-64, total.....	7,970	1,140	14.3	8,690	1,560	17.9
Unrelated individuals.....	860	290	33.3	1,680	640	38.3
Family head.....	6,650	770	11.5	790	150	19.3
Some children under age 6.....	260	70	27.1	80	30	(¹)
No children under age 6.....	6,390	700	10.9	710	120	17.6
Other family members.....	460	80	18.6	6,220	760	12.3
Aged 65 or over, total.....	7,650	1,900	24.8	9,730	3,460	35.6
Unrelated individuals.....	1,300	620	48.2	3,340	2,130	63.8
Family head.....	5,620	1,190	21.2	1,060	290	27.5
Some children under age 6.....	140	70	51.8	50	20	(¹)
No children under age 6.....	5,480	1,120	20.4	1,010	270	26.7
Other family members.....	730	80	11.4	5,330	1,040	19.6

¹ Not shown for base less than 100,000.

variation for region or other geographic area. Accordingly, the minimum income liability to income tax is a nationwide minimum. Veterans' dependency allotments and compensation or pension payments are the same no matter where the veteran or his dependents live. The Federal minimum wage provision has no geographic boundaries, and OASDI payments on a given wage record are the same all over. Increasingly in recent years, labor unions negotiating with employers having plants in more than one area have sought uniform wage scales. It is true, to be sure, that programs administered by States, such as public assistance, do vary in standards from place to place but it is generally acknowledged that the variation typifies the unequal ability of the States to pay relative to the number who require support more than it denotes any real difference in family needs.

It is true, however, that assessment of the trends in poverty for the nonwhite vis-a-vis the white

population is influenced by the differing geographic distribution of the two groups. Between 1959 and 1964, median income of white families in the South as elsewhere in the Nation rose about a

fifth. Nonwhite families in the South, however, averaged one and a half times as much income in 1964 as in 1959, whereas nonwhite families in the country as a whole had not quite one and a third

TABLE 5.—Incidence of poverty and low-income status in 1964: Number and percent of unrelated individuals with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics

[Numbers in thousands; data are estimates derived from a sample survey of households, and are therefore subject to sampling variability that may be relatively large where the size of the percentage or the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting.]

Characteristic	All unrelated individuals					Male unrelated individuals					Female unrelated individuals				
	Total	With low income				Total	With low income				Total	With low income			
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹			The poor		Poor and near poor ¹	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
All unrelated individuals															
Total	12,057	5,061	42.0	5,760	47.8	4,600	1,436	31.2	1,732	37.6	7,457	3,625	48.6	4,028	54.0
Residence:															
Nonfarm	11,682	4,902	41.9	5,576	47.7	4,374	1,334	30.4	1,617	36.9	7,308	3,568	48.8	3,959	54.2
Farm	375	159	44.1	184	51.1	226	102	47.8	115	54.1	149	57	38.7	69	46.8
Region:															
Northeast	3,390	1,371	40.1	1,548	45.3	1,206	344	27.5	427	34.2	2,184	1,027	47.3	1,121	51.6
North Central	3,351	1,399	42.2	1,641	49.6	1,280	403	32.8	483	39.3	2,091	996	47.8	1,158	55.6
South	3,064	1,498	49.4	1,658	54.6	1,124	444	40.9	518	47.7	1,947	1,054	54.1	1,140	58.4
West	2,252	793	34.7	913	40.0	1,010	245	23.7	334	29.4	1,242	548	43.8	609	48.7
Race:															
White	10,416	4,183	40.2	4,789	46.0	3,763	1,084	28.8	1,325	35.2	6,653	3,099	46.6	3,464	52.1
Nonwhite	1,641	878	53.0	971	58.7	837	352	41.6	47	48.1	804	526	64.7	564	69.6
Age:															
14-24	1,203	448	38.8	507	43.8	506	146	29.5	183	37.0	697	302	45.7	324	48.9
25-34	1,036	196	18.9	236	22.7	643	104	15.7	133	19.9	393	92	24.6	103	27.8
35-44	1,166	253	22.5	291	25.8	682	110	16.2	135	19.9	484	143	31.9	156	34.5
45-54	1,548	504	31.7	580	36.4	638	182	28.8	214	33.9	910	322	33.5	366	38.1
55-64	2,489	911	36.4	1,018	40.8	845	270	32.7	329	39.8	1,644	641	38.3	689	41.2
65 and over	4,615	2,749	59.3	3,123	67.4	1,286	624	47.9	738	56.7	3,329	2,125	63.7	2,390	71.6
Sex:															
Male	4,600	1,436	31.2	1,732	37.6	4,600	1,436	31.2	1,732	37.6	(?)	(?)	(?)	(?)	(?)
Female	7,457	3,625	48.6	4,028	54.0	(?)	(?)	(?)	(?)	(?)	7,457	3,625	48.6	4,028	54.0
Earners status:															
Earner	7,421	1,709	23.0	2,048	27.6	3,344	691	18.0	760	22.7	4,077	1,108	27.2	1,238	31.6
Nonearner	4,636	3,352	72.3	3,712	80.1	1,256	835	66.5	972	77.3	3,380	2,517	74.5	2,740	81.1
Employment status and occupation:															
Employed, March 1965	6,498	1,464	22.5	1,748	26.9	2,976	522	17.6	660	22.2	3,522	942	26.6	1,088	30.8
Professional and technical workers	1,322	371	26.7	404	29.1	589	144	24.2	166	27.8	742	227	28.5	238	33.0
Farmers and farm managers	131	45	39.1	61	52.9	97	35	(?)	47	(?)	34	10	(?)	14	(?)
Managers, officials, and proprietors (except farm)	502	59	12.3	72	15.1	307	31	10.7	39	13.6	195	28	14.7	33	17.5
Clerical and sales workers	1,475	147	10.1	201	13.9	340	39	11.1	59	16.9	1,135	108	9.8	142	12.9
Craftsmen and foremen	440	37	9.3	52	13.0	453	35	9.3	49	13.2	37	2	(?)	3	(?)
Operatives	923	116	11.9	141	14.5	507	43	8.0	48	9.0	416	73	16.6	93	21.1
Service workers, total	1,260	541	43.4	626	50.2	321	54	16.7	68	20.8	939	487	52.7	558	60.3
Private household workers	409	312	79.9	336	86.0	13	12	(?)	12	(?)	396	330	79.8	324	86.2
Laborers (except mine)	445	148	33.5	191	43.2	421	141	33.8	184	43.9	24	7	(?)	7	(?)
Unemployed	369	147	39.3	175	46.8	247	84	33.3	107	42.3	122	63	51.6	68	56.0
Not in labor force ²	5,190	3,450	66.6	3,837	74.1	1,377	830	60.1	965	69.9	3,813	2,620	69.0	2,872	75.6
Work experience: ³															
Worked in 1964	7,294	1,826	25.0	2,141	29.4	3,295	657	19.9	801	24.3	3,999	1,169	29.2	1,340	33.5
Worked at full-time jobs	6,021	1,143	19.0	1,369	22.7	2,824	497	14.4	530	18.8	3,197	736	23.0	839	26.2
50-52 weeks	4,215	573	13.6	661	15.7	2,048	230	11.2	278	13.6	2,167	343	15.8	383	17.0
41-49 weeks	650	134	20.7	153	23.6	276	37	13.6	52	18.9	374	97	26.0	101	27.0
39 weeks or less	1,156	436	37.6	555	47.9	500	140	27.8	230	39.8	656	296	45.0	355	54.0
Worked at part-time jobs	1,273	683	53.7	772	60.8	471	250	53.1	271	57.7	802	433	54.0	501	62.6
50-52 weeks	427	198	46.6	229	53.8	140	72	51.4	80	57.1	287	126	44.2	149	52.1
49 weeks or less	846	485	57.3	543	64.4	331	178	53.8	191	57.9	515	317	59.4	352	68.8
Did not work in 1964	4,735	3,230	68.2	3,611	76.2	1,277	774	60.6	923	72.2	3,458	2,456	71.0	2,688	77.7
Ill or disabled	835	544	77.2	720	86.1	315	233	74.0	271	86.0	520	411	79.0	449	86.2
Keeping house	2,161	1,527	70.7	1,675	77.5	(?)	(?)	(?)	(?)	(?)	2,161	1,527	70.7	1,675	77.5
Could not find work	80	60	(?)	67	(?)	43	31	(?)	38	(?)	37	29	(?)	29	(?)
Other reasons	1,659	999	60.2	1,149	69.3	919	510	55.5	614	66.8	740	489	66.0	535	72.3
Reason worked part of year:															
Looking for work	818	285	35.0	349	42.8	485	147	30.4	191	39.5	333	138	41.6	158	47.6
Ill or disabled	418	163	39.0	203	48.6	151	66	36.3	83	45.9	237	97	41.0	120	50.6
Keeping house	443	238	53.5	278	62.8	(?)	(?)	(?)	(?)	(?)	443	238	53.5	278	62.8
Other reasons	973	369	37.8	421	43.2	441	142	32.1	169	38.2	532	227	42.5	252	47.3
Source of income:															
Earnings only	4,283	1,036	24.2	1,197	28.0	2,096	393	18.8	501	23.9	2,187	643	29.4	696	31.9
Earnings and income other than earnings	3,136	675	21.5	852	27.2	1,249	209	16.7	281	22.9	1,887	466	24.7	591	31.3
Other income only or no income	4,638	3,350	72.3	3,711	80.0	1,255	834	66.4	970	77.3	3,383	2,516	74.4	2,741	81.1

See footnotes at end of table.

times as much as in 1959. With all the improvement nonwhite families in the South, though larger than the white, still averaged no more than 49 percent as much income by 1964 whereas for the Nation at large nonwhite families had 56 per-

cent as much income as white. Half the country's nonwhite families, as already indicated, live in the South. Of families poor though the male head worked all year, 83 percent of the nonwhite and 41 percent of the white lived in the South.

TABLE 5.—Incidence of poverty and low-income status in 1964: Number and percent of unrelated individuals with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—Continued

[Numbers in thousands; data are estimates derived from a sample survey of households, and are therefore subject to sampling variability that may be relatively large where the size of the percentage or the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting]

Characteristic	All white unrelated individuals					White male unrelated individuals					White female unrelated individuals				
	Total	With low income				Total	With low income				Total	With low income			
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹			The poor		Poor and near poor ¹	
		Number	Per cent	Number	Per cent		Number	Per cent	Number	Per cent		Number	Per cent	Number	Per cent
White															
Total.....	10,416	4,183	40.2	4,789	46.0	3,763	1,084	28.8	1,325	35.2	6,653	3,099	46.6	3,464	52.1
Residence:															
Nonfarm.....	10,099	4,054	40.2	4,635	45.9	3,584	1,011	28.2	1,239	34.5	6,515	3,043	46.8	3,396	52.2
Farm.....	317	129	40.3	154	48.3	179	73	42.2	86	50.0	138	56	38.2	68	46.4
Region:															
Northeast.....	2,994	1,191	40.0	1,345	45.2	1,039	297	27.2	357	33.8	1,955	904	47.1	988	51.5
North Central.....	3,032	1,264	41.7	1,477	48.7	1,096	348	31.9	498	37.5	1,936	916	47.1	1,069	55.0
South.....	2,355	1,066	43.1	1,140	48.8	763	235	32.2	298	40.9	1,592	771	47.9	842	52.3
West.....	2,035	722	35.0	827	40.0	865	214	24.2	262	29.5	1,170	508	43.0	565	47.9
Age:															
14-24.....	1,066	380	37.7	429	42.5	426	117	28.7	151	37.0	640	263	43.8	278	46.2
25-34.....	816	146	17.8	166	20.2	496	76	14.7	92	17.9	320	70	22.6	71	23.9
35-44.....	907	153	16.0	182	21.4	522	57	11.2	74	14.7	385	96	27.7	108	31.2
45-54.....	1,244	355	27.5	410	31.8	511	136	26.6	155	30.3	733	219	28.2	253	32.8
55-64.....	2,193	730	33.1	818	37.1	691	195	28.5	240	35.0	1,504	535	35.1	578	37.9
65 and over.....	4,188	2,419	57.2	2,784	65.8	1,117	503	44.1	613	53.8	3,071	1,916	62.0	2,171	70.2
Sex:															
Male.....	3,763	1,084	28.8	1,325	35.2	3,763	1,084	28.8	1,325	35.2	(²)	(²)	(²)	(²)	(²)
Female.....	6,653	3,099	46.6	3,464	52.1	(²)	(²)	(²)	(²)	(²)	6,653	3,099	46.6	3,464	52.1
Earn status:															
Earner.....	6,270	1,267	20.2	1,536	24.5	2,768	417	15.4	536	19.8	3,564	850	23.8	1,000	28.0
Nonearner.....	4,146	2,916	70.4	3,253	78.6	1,057	667	63.1	789	74.6	3,089	2,249	72.9	2,464	79.9
Employment status and occupation:															
Employed, March 1965.....	5,536	1,123	20.3	1,354	24.5	2,433	379	15.7	486	20.1	3,103	744	23.9	868	27.8
Professional and technical workers.....	1,245	351	26.9	376	28.9	535	137	25.4	151	27.9	710	214	27.9	225	29.5
Farmers and farm managers.....	126	44	38.4	60	52.3	92	34	(²)	46	(²)	34	10	(²)	14	(²)
Managers, officials, and proprietors (except farm).....	480	52	11.5	63	13.8	294	27	9.8	33	11.8	186	25	14.0	30	16.9
Clerical and sales workers.....	1,372	134	10.0	177	13.1	294	30	10.1	43	14.7	1,088	104	9.9	134	12.7
Craftsmen and foremen.....	395	31	8.4	46	12.4	363	29	8.2	43	12.5	32	2	(²)	3	(²)
Operatives.....	737	73	9.8	92	12.2	378	18	4.4	20	5.1	359	55	15.2	72	19.3
Service workers, total.....	901	371	42.0	433	48.9	226	39	17.9	45	20.4	675	332	49.8	388	58.2
Private household workers.....	236	177	81.0	193	88.3	9	9	(²)	9	(²)	227	168	80.6	184	88.4
Laborers (except mine).....	289	67	23.2	107	37.7	261	65	24.6	105	40.0	19	2	(²)	2	(²)
Unemployed.....	283	98	34.8	111	39.5	183	54	29.2	65	35.0	110	44	45.2	46	47.9
Not in labor force ⁴	4,597	2,962	64.5	3,324	72.4	1,147	651	56.2	774	66.7	3,450	2,311	67.3	2,550	74.2
Work experience: ⁵															
Worked in 1964.....	6,156	1,367	22.2	1,622	26.3	2,660	457	17.2	567	21.4	3,496	910	25.9	1,055	30.1
Worked at full-time jobs.....	5,174	898	17.3	1,075	20.7	2,322	303	13.1	393	17.0	2,852	595	20.7	682	23.8
50-52 weeks.....	3,672	475	12.8	542	14.6	1,734	230	11.5	235	13.5	1,938	275	14.1	307	15.6
40-49 weeks.....	546	112	20.1	124	22.9	206	25	11.8	33	17.1	340	87	25.1	91	26.3
39 weeks or less.....	956	311	32.9	409	43.4	382	78	21.0	125	33.1	574	233	40.7	294	50.1
Worked at part-time jobs.....	982	469	48.0	547	56.0	338	154	46.2	174	51.8	644	315	49.0	373	58.1
50-52 weeks.....	325	130	40.1	150	45.9	114	48	42.9	55	47.6	211	82	38.6	95	44.9
49 weeks or less.....	657	339	52.0	397	61.0	224	106	47.9	119	53.9	433	233	54.0	278	64.6
Did not work in 1964.....	4,232	2,811	66.5	3,159	74.7	1,075	622	57.7	750	69.6	3,157	2,189	69.4	2,409	76.4
Ill or disabled.....	651	487	75.4	546	83.9	241	171	71.5	201	83.2	410	316	77.7	345	84.3
Keeping house.....	2,023	1,398	69.1	1,544	76.4	(²)	(²)	(²)	(²)	(²)	2,023	1,398	69.1	1,544	76.4
Could not find work.....	63	45	(²)	50	(²)	34	24	(²)	29	(²)	29	21	(²)	21	(²)
Other reasons.....	1,495	881	58.7	1,019	68.1	800	427	52.9	520	64.9	695	454	65.4	499	71.7
Reason worked part of year:															
Looking for work.....	628	186	30.2	241	39.3	356	90	26.0	128	37.0	270	96	35.8	113	42.3
Ill or disabled.....	289	80	27.1	103	35.5	109	23	21.3	27	25.0	180	57	30.6	76	41.8
Keeping house.....	393	190	48.5	230	59.0	(²)	(²)	(²)	(²)	(²)	393	190	48.5	230	59.0
Other reasons.....	851	306	36.1	357	42.1	347	96	27.7	123	35.5	504	210	41.8	234	46.5
Sources of income:															
Earnings only.....	3,459	726	21.0	841	24.4	1,618	255	15.8	330	20.4	1,841	471	25.6	511	27.8
Earnings and income other than earnings.....	2,811	542	19.3	697	24.8	1,089	163	15.0	208	19.1	1,722	379	22.0	489	28.4
Other income only or no income.....	4,146	2,915	70.4	3,251	78.5	1,056	666	63.1	787	74.6	3,090	2,249	72.8	2,464	79.8

See footnotes at end of table.

THE POVERTY PROFILE IN 1964

Except that it was shorter, the poverty roster for 1964 continued much the same as in 1963. Under the current operating definition, a total of 12 million households—including, in all, 34

million persons—had insufficient income in 1964 to meet their needs. An additional 4½ million households, with 15¾ million members, had incomes above the poverty thresholds but still low enough to be considered near poor.

Five million of all persons counted poor were

TABLE 5.—Incidence of poverty and low-income status in 1964: Number and percent of unrelated individuals with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—Continued

[Numbers in thousands; data are estimates derived from a sample survey of households, and are therefore subject to sampling variability that may be relatively large where the size of the percentage or the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting]

Characteristic	All nonwhite unrelated individuals				Nonwhite male unrelated individuals				Nonwhite female unrelated individuals						
	Total	With low income				Total	With low income				Total	With low income			
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹			The poor		Poor and near poor ¹	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
Nonwhite															
Total.....	1,641	878	53.0	971	58.7	837	352	41.6	407	48.1	804	526	64.7	564	69.6
Residence:															
Nonfarm.....	1,583	848	52.5	941	58.3	790	323	40.2	378	47.0	793	525	64.7	563	69.5
Farm.....	58	30	(²)	30	(²)	47	29	(²)	29	(²)	11	1	(²)	1	(²)
Region:															
Northeast.....	396	180	40.3	203	45.5	167	57	29.3	70	36.0	229	123	48.7	133	52.8
North Central.....	319	135	47.7	164	58.2	164	55	39.1	75	52.7	155	80	56.4	89	63.6
South.....	709	492	70.0	518	73.5	361	209	58.1	220	61.0	348	283	82.4	298	86.6
West.....	217	71	32.6	86	39.5	145	31	21.1	42	28.9	72	40	(²)	44	(²)
Age:															
14-24.....	137	68	45.6	78	52.6	80	29	(²)	32	(²)	57	39	(²)	46	(²)
25-34.....	220	50	23.0	70	32.1	147	23	18.6	41	26.3	73	22	(²)	29	(²)
35-44.....	259	100	36.0	109	38.9	160	53	30.3	61	34.8	99	47	(²)	48	(²)
45-54.....	304	149	48.7	170	55.6	127	46	38.0	59	48.9	177	103	55.7	111	60.0
55-64.....	294	181	61.3	200	68.0	154	75	51.8	89	61.8	140	106	70.4	111	73.9
65 and over.....	427	330	79.3	344	83.0	169	121	73.2	125	75.6	258	209	83.2	219	87.8
Sex:															
Male.....	837	352	41.6	407	48.1	837	352	41.6	407	48.1	(²)	(²)	(²)	(²)	(²)
Female.....	804	526	64.7	564	69.6	(²)	(²)	(²)	(²)	(²)	804	526	64.7	564	69.6
Earners status:															
Earner.....	1,151	442	38.0	512	44.0	638	184	28.5	224	34.6	513	258	49.7	288	55.6
Nonearner.....	490	436	87.5	459	92.5	199	168	83.2	183	91.0	291	268	90.4	276	93.5
Employment status and occupation:															
Employed, March 1965.....	962	341	34.8	394	40.3	543	143	25.8	174	31.2	491	198	46.7	220	52.3
Professional and technical workers.....	77	20	(²)	28	(²)	45	7	(²)	15	(²)	32	13	(²)	13	(²)
Farmers and farm managers.....	5	1	(²)	1	(²)	5	1	(²)	1	(²)	0	0	(²)	0	(²)
Managers, officials, and proprietors (except farm).....	22	7	(²)	9	(²)	13	4	(²)	6	(²)	9	3	(²)	3	(²)
Clerical and sales workers.....	103	13	11.8	24	22.4	56	9	(²)	16	(²)	47	4	(²)	8	(²)
Craftsmen and foremen.....	45	6	(²)	6	(²)	40	6	(²)	6	(²)	5	0	(²)	0	(²)
Operatives.....	186	43	20.4	49	23.8	129	25	17.9	28	19.8	57	18	(²)	21	(²)
Service workers, total.....	359	170	46.9	193	53.1	95	15	(²)	23	(²)	264	155	59.9	170	65.5
Private household workers.....	173	135	78.5	143	83.1	4	3	(²)	3	(²)	169	132	78.7	140	83.5
Laborers except mine.....	165	81	50.8	84	52.4	160	76	48.7	79	50.4	5	5	(²)	5	(²)
Unemployed.....	86	49	(²)	64	(²)	64	33	(²)	42	(²)	22	19	(²)	22	(²)
Not in labor force.....	593	438	82.7	513	87.1	230	179	80.1	191	86.0	363	309	84.2	322	87.7
Work experience: ³															
Worked in 1964.....	1,138	459	40.0	519	45.2	635	200	30.9	234	36.2	503	259	51.4	285	56.5
Worked at full-time jobs.....	847	245	29.0	294	34.5	502	104	20.5	137	26.7	345	141	41.3	157	45.7
50-52 weeks.....	543	98	18.8	119	23.1	314	30	10.0	43	14.2	229	68	30.5	76	35.0
40-49 weeks.....	104	22	23.8	29	27.5	70	12	18.5	19	24.1	34	10	(²)	10	(²)
39 weeks or less.....	200	125	58.5	146	67.9	118	62	48.4	75	65.2	82	63	(²)	71	(²)
Worked at part-time jobs.....	291	214	72.0	225	78.4	133	96	69.9	97	71.8	158	118	73.8	128	80.3
50-52 weeks.....	102	68	66.7	79	78.2	26	24	(²)	25	(²)	76	44	(²)	54	(²)
49 weeks or less.....	189	146	74.8	146	75.5	107	72	65.9	72	65.9	82	74	(²)	74	(²)
Did not work in 1964.....	503	419	82.3	452	89.0	202	132	75.2	173	85.4	301	267	87.1	279	91.4
Ill or disabled.....	184	157	83.1	174	93.7	74	62	(²)	70	(²)	110	95	33.7	104	93.0
Keeping house.....	138	129	92.6	131	92.6	(²)	(²)	(²)	(²)	(²)	138	129	92.6	131	92.6
Could not find work.....	17	15	(²)	17	(²)	9	7	(²)	9	(²)	8	8	(²)	8	(²)
Other reasons.....	164	118	72.7	130	79.7	119	83	71.6	94	73.9	45	35	(²)	36	(²)
Reason worked part of year:															
Looking for work.....	192	99	49.7	108	53.7	129	57	42.0	93	46.0	63	42	(²)	45	(²)
Ill or disabled.....	129	83	64.6	100	76.8	72	43	(²)	56	(²)	57	40	(²)	44	(²)
Keeping house.....	50	48	(²)	48	(²)	(²)	(²)	(²)	(²)	(²)	50	48	(²)	48	(²)
Other reasons.....	122	63	49.0	64	50.0	94	46	(²)	46	(²)	23	17	(²)	18	(²)
Source of income:															
Earnings only.....	824	310	37.2	356	42.7	478	138	28.7	171	35.2	346	172	48.9	185	53.0
Earnings and income other than earnings.....	325	133	39.9	155	47.0	160	46	28.0	53	32.8	165	87	51.6	102	60.9
Other income only or no income.....	492	435	87.5	460	92.5	199	168	83.2	183	91.0	293	267	90.4	277	93.5

See footnotes at end of table.

TABLE 5.—Incidence of poverty and low-income status in 1964: Number and percent of unrelated individuals with income below the SSA poverty or low-income index, by sex and race of head and other specified characteristics—*Continued*

[Numbers in thousands; data are estimates derived from a sample survey of households, and are therefore subject to sampling variability that may be relatively large where the size of the percentage or the size of the total on which the percentage is based is small. Moreover, as in all field surveys of income the figures are subject to errors of response and nonreporting]

Characteristic	All unrelated individuals					Male unrelated individuals				Female unrelated individuals					
	Total	With low income				Total	With low income			Total	With low income				
		The poor		Poor and near poor ¹			The poor		Poor and near poor ¹		The poor		Poor and near poor ¹		
		Num-ber	Per-cent	Num-ber	Per-cent		Num-ber	Per-cent	Num-ber		Per-cent	Num-ber	Per-cent	Num-ber	Per-cent
Year-round, full-time workers ²															
Total.....	4,215	573	13.6	661	15.7	2,048	230	11.2	278	13.6	2,167	343	15.8	383	17.7
Residence:															
Nonfarm.....	4,099	546	13.5	625	15.5	1,960	207	10.7	246	12.5	2,139	339	15.9	379	17.8
Farm.....	116	27	24.4	36	32.1	88	23	(³)	32	(³)	28	4	(³)	4	(³)
Region:															
Northeast.....	1,295	211	16.5	235	18.5	581	57	10.0	71	12.6	714	154	21.7	164	23.1
North Central.....	1,155	139	12.1	179	15.6	560	68	12.2	88	16.0	595	71	11.9	91	15.3
South.....	988	176	18.0	197	20.2	456	82	18.3	93	20.9	532	94	17.7	104	19.6
West.....	777	47	6.3	50	6.6	451	23	5.3	26	5.9	328	24	7.6	21	7.6
Race:															
White.....	3,672	475	12.8	542	14.6	1,734	290	11.5	235	13.5	1,938	275	14.1	307	15.6
Nonwhite.....	543	98	18.8	119	23.1	314	30	10.0	43	14.2	229	68	30.5	76	35.0
Age:															
14-24.....	409	42	10.4	42	10.4	183	15	8.1	15	8.1	226	27	12.2	27	12.2
25-34.....	615	58	9.6	64	10.6	393	29	7.6	35	9.1	222	29	13.1	29	13.1
35-44.....	750	98	13.2	110	14.9	453	46	10.2	52	11.8	297	52	17.6	58	19.5
45-54.....	924	154	16.8	182	21.0	423	76	18.3	87	21.1	501	78	15.6	95	19.1
55-64.....	1,130	142	12.7	166	14.9	423	48	11.6	64	15.5	707	94	13.3	102	14.5
65 and over.....	387	79	20.8	97	25.4	173	16	9.5	25	14.7	214	63	29.7	72	33.8
Earners status:															
Earner.....	4,054	419	10.5	507	12.7	1,985	168	8.6	216	11.2	2,069	251	12.2	291	14.1
Nonearner.....	161	154	96.4	154	96.4	63	62	(³)	62	(³)	98	92	(³)	92	(³)

¹ Families in poverty and families above poverty but below low-income index.

² Not applicable.

³ Not shown for base less than 100,000.

⁴ Includes families with head in Armed Forces in March 1965.

⁵ Excludes families with head in Armed Forces in March 1965.

living as one-person households (or with non-relatives). Over 70 percent of these were women. At almost every age, no matter what their family status, women were poorer than men. Women responsible for their own support are handicapped by the fact that they generally earn less than men, while those responsible for the support of others are handicapped because their households have fewer adults who can bring in additional earnings. Of the 42.8 million families headed by a man, all but 6 percent had some member working some time during 1964, and half had at least two earners. Among the 5 million families headed by a woman, a fifth had no earners present, and only a third had more than one.

All told, of all women in the country aged 16 or older nearly 1 in 5 were living in poverty in 1964 compared with 1 in 8 of the men. For the woman who was herself a household head the risk of poverty was particularly high, the more so if she was an elderly woman living alone or a younger woman responsible for small children: Close to two-thirds of the women in either of these

situations were poor. Of aged men living alone, half were living on incomes below the poverty threshold and 1 in 7 of the men heading a family with some children under age 6 was heading a family in poverty (tables 4 and 5).

Family Size and Poverty

Families in poverty were larger than those better off—mainly because they included more children, not because there were more adults: The families called poor averaged 2.2 children under age 18 and 2.1 adults; the families designated near poor averaged 2.2 adults and 1.8 children. All nonpoor families as a group (including the near poor) averaged 2.3 adults and 1.3 children. But 9 percent of the children in the poor families were not children of the head but other relatives, signifying some doubling up of kinship groups. Among nonpoor families only 4 percent of the children were not children of the head. The differences in income between poor and nonpoor fami-

lies or between those headed by a woman and those headed by a man far outweigh any possible differentials in need as the following figures suggest:

Income level	Families with male head		Families with female head	
	Average number of members	Median income, 1964	Average number of members	Median income, 1964
All families.....	3.8	\$6,890	3.3	\$3,460
Poor families.....	4.4	1,790	4.0	1,420
Near poor families.....	4.1	3,250	3.2	2,650
Other families.....	3.6	7,870	3.0	5,700

Whether poor or nonpoor, the family itself headed by a woman was more likely than the family headed by a man to take a subfamily into the home, and families that did so were larger. Households that contained not only a primary family but another related married couple or parent-child unit included, on the average, two more persons than households not sharing quarters with a subfamily (table 6).

TABLE 6.—Poverty status and subfamilies: Average family size of households with and without subfamilies, by sex of head

Family composition and presence of subfamily, March 1965	Family with male head			Family with female head		
	Total	Poor ¹	Non-poor	Total	Poor ¹	Non-poor
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
No subfamily present.....	98.0	97.0	98.1	91.6	94.8	89.7
Mother-child subfamily.....	.8	1.5	.7	3.1	3.0	3.1
Other subfamilies.....	1.2	1.5	1.2	5.3	2.2	7.1
Average number of persons per family:						
No subfamily present.....	3.7	4.3	3.6	3.1	3.8	2.7
Subfamily present.....	5.8	6.2	5.7	4.7	5.7	4.4
Own children per family:						
No subfamily present.....	1.4	2.0	1.3	1.3	2.2	.7
Subfamily present.....	.7	1.0	.6	.2	.5	.1
Other related children:						
No subfamily present.....	(²)	.1	.1	.1	.2	.1
Subfamily present.....	1.4	2.0	1.3	1.2	2.4	1.3

¹ Family income in 1964 below SSA poverty index.

² Less than 0.05.

Children under age 18 are more likely to need support than to contribute to family income. Accordingly, even among families of the same size the risk of poverty increases as the number of adult members decreases. As an example, among 5-person nonfarm families with a male head the proportion judged poor rose from 7 percent when there were 4 adults and 1 child to 11 percent when there were 2 adults and 3 children under age 18;

TABLE 7.—Incidence of poverty and low-income and median money income of nonfarm families, 1964, by number of members, number of children, and sex of head

Number of family members and sex of head	Total	Number of related children under age 18						
		None	1	2	3	4	5	6 or more
Median money income								
Families with male head, total.....	\$7,100	\$6,430	\$7,360	\$7,610	\$7,510	\$7,310	\$6,960	\$6,060
2.....	5,680	5,700	(1)					
3.....	7,250	8,660	6,700	(1)				
4.....	7,810	10,770	9,160	7,320	(1)			
5.....	7,810	12,390	11,010	9,350	7,300	(1)		
6.....	7,730	(1)	(1)	10,570	8,510	7,210	(1)	
7 or more.....	7,110	(1)	(1)	(1)	10,750	8,520	6,970	6,060
Families with female head, total.....	3,470	4,630	3,190	3,090	2,500	2,550	2,350	2,370
2.....	3,500	4,130	2,500					
3.....	3,940	7,310	4,100	2,480				
4.....	3,340	(1)	(1)	3,560	2,070			
5.....	3,230	(1)	(1)	(1)		2,400		
6.....	2,810	(1)	(1)	(1)	(1)	(1)	(1)	
7 or more.....	3,090	0	0	(1)	(1)	(1)	(1)	2,370
Percent of families poor or near poor								
Families with male head:								
Total with low-income.....	18	17	12	13	19	28	46	55
Poor.....	11	10	7	7	11	14	28	38
Near poor.....	7	7	5	6	8	14	18	17
2 members (head under age 65).....	12	11	(1)					
Poor.....	7	7	(1)					
Near poor.....	5	4	(1)					
2 members (head aged 65 or over).....	38	38	(1)					
Poor.....	20	20	(1)					
Near poor.....	18	18	(1)					
3 members.....	12	9	13	(1)				
Poor.....	7	6	7	(1)				
Near poor.....	5	3	6	(1)				
4 members.....	12	7	8	13	(1)			
Poor.....	7	5	5	7	(1)			
Near poor.....	5	2	3	6	(1)			
5 members.....	16	3	13	10	18	(1)		
Poor.....	9	0	7	5	11	(1)		
Near poor.....	7	3	6	5	7	(1)		
6 members.....	23	(1)	(1)	19	21	24	(1)	
Poor.....	12	(1)	(1)	10	13	12	(1)	
Near poor.....	11	(1)	(1)	9	8	12	(1)	
7 or more.....	45	(1)	(1)	(1)	9	22	45	55
Poor.....	29	(1)	(1)	(1)	9	22	28	38
Near poor.....	16	(1)	(1)	(1)	11	16	17	17
Families with female head:								
Total with low-income.....	46	26	47	54	73	80	86	96
Poor.....	36	17	30	44	65	73	76	89
Near poor.....	10	9	17	10	8	7	10	7
2 members (head under age 65).....	34	23	50					
Poor.....	23	14	36					
Near poor.....	11	9	14					
2 members (head aged 65 or over).....	38	33	(1)					
Poor.....	29	24	(1)					
Near poor.....	9	9	(1)					
3 members.....	42	21	40	59				
Poor.....	29	15	14	49				
Near poor.....	13	6	26	10				
4 members.....	57	(1)	(1)	50	82			
Poor.....	49	(1)	(1)	36	78			
Near poor.....	8	(1)	(1)	14	4			
5 members.....	66	(1)	(1)	(1)	(1)	84		
Poor.....	56	(1)	(1)	(1)	(1)	75		
Near poor.....	10	(1)	(1)	(1)	(1)	9		
6 members.....	73	(1)	(1)	(1)	(1)	(1)	(1)	
Poor.....	65	(1)	(1)	(1)	(1)	(1)	(1)	
Near poor.....	8	(1)	(1)	(1)	(1)	(1)	(1)	
7 members.....	81	0	0	(1)	(1)	(1)	(1)	96
Poor.....	75	0	0	(1)	(1)	(1)	(1)	89
Near poor.....	6	0	0	(1)	(1)	(1)	(1)	7

¹ Not shown for base less than 100,000.

the total with low income went from 13 to 18 percent. The median income for the 5-person families with 1 child was \$11,000, but only \$7,300 for the 5-person families with 3 children (table 7).

Accordingly, among families raising five or more youngsters under age 18, the majority were if not poor at least near poor: The poverty rate rose from 10 percent for families with one child at home to 47 percent for those with 6 or more; the total in low-income status, that is, poor or near poor, came to 62 percent for families with 6 or more children compared with 17 percent for the 1-child family.

Children of the Poor

Among all families of two or more counted as poor, half the members were children under age 18. Among poor families headed by a woman, three-fifths of the members were children. By

contrast, in all nonpoor families, two-fifths of the members were children, and in families with a woman at the head, only a fourth (table 8).

The child in a poor family is likely to be one of several children, nonwhite, or growing up in a home minus a father. Some children suffer from more than one of these financial handicaps.

In 1964, of the 14.8 million youngsters under age 18 counted poor, 45 percent came from a home including at least 5 children; 30 percent were in a nonwhite family; 29 percent were in a family headed by a woman. Of the 6.9 million children just above the poverty line but still in low-income status nearly 40 percent were in families with 5 or more children. Three-fifths of the near poor children and nearly 40 percent of those poor were in a family headed by a male worker who had a steady full-time job throughout the entire year 1964 (table 9).

Only 1 in 9 families with children was nonwhite, but these families included nearly two-

TABLE 8.—Composition of poor and nonpoor families, 1964: Percentage distribution of persons in families by age and relationship to head, and by sex of head

Age of member and relationship to head	All families			All families with male head			All families with female head		
	Poor	Nonpoor		Poor	Nonpoor		Poor	Nonpoor	
		Total	Near poor		Total	Near poor		Total	Near poor
All families, total number (in thousands).....	6,780	40,950	3,820	5,000	37,850	3,300	1,790	3,100	520
Children in families:									
Total number (in thousands).....	14,860	54,500	6,090	10,480	51,850	6,180	4,390	2,650	720
Number per family.....	2.2	1.3	1.8	2.1	1.4	1.9	2.4	.9	1.4
Family members:									
Total number (in thousands).....	28,940	148,680	15,090	21,840	139,420	13,450	7,100	9,260	1,640
Number per family.....	4.3	3.6	4.0	4.4	3.7	4.1	4.0	3.0	3.2
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Children under age 18, total.....	51.3	36.7	45.5	48.2	37.2	45.8	60.7	27.8	42.6
Own children.....	46.7	35.3	43.4	44.5	36.1	44.4	53.6	22.1	34.6
Under 6 years.....	17.7	12.1	16.9	18.1	12.7	18.0	16.5	3.4	6.9
6-13.....	21.3	16.0	19.1	19.7	16.3	19.5	26.3	10.6	16.1
14-17.....	7.7	7.2	7.4	6.7	7.1	6.8	10.8	8.1	11.6
14-17.....	4.6	1.4	2.1	3.7	1.1	1.4	7.2	5.7	8.0
Other related children.....	1.9	.6	1.0	1.6	.5	.6	2.8	2.7	3.9
Under 6 years.....	1.5	.5	.7	1.4	.4	.5	2.9	1.9	2.1
6-13.....	.9	.3	.4	.7	.2	.3	1.4	1.1	2.0
14-17.....									
Other members, total.....	48.7	63.3	54.5	51.8	62.8	54.1	39.3	72.2	57.4
Under age 25.....	8.6	10.1	9.8	8.8	9.9	9.6	8.2	12.8	11.7
Head.....	1.9	1.6	2.3	1.9	1.6	2.4	2.1	.8	1.5
Wife.....	2.2	2.7	3.3	2.9	2.9	3.7			
Never-married children aged 18-21, total.....	3.2	4.3	3.1	2.9	4.0	2.6	4.2	7.5	6.9
Own children aged 18-21.....	2.7	3.9	2.6	2.6	3.8	2.3	3.3	6.1	4.9
Related children aged 18-21.....	.5	.3	.5	.4	.2	.3	.8	1.4	2.0
Other relatives.....	1.3	1.6	1.1	1.1	1.4	.8	1.9	4.5	3.3
Aged 25-54.....	25.0	38.1	27.3	26.3	38.3	27.2	20.8	34.4	27.9
Head.....	13.2	1.8	14.0	12.0	18.1	13.4	16.7	17.5	19.0
Wife.....	9.4	17.0	11.4	12.4	18.2	12.8			
Other relatives.....	2.4	3.0	1.9	1.9	2.1	1.0	4.0	17.0	8.9
Aged 55-64.....	6.1	8.3	5.8	6.9	8.2	5.6	3.7	10.6	6.9
Head.....	3.2	4.4	2.6	3.5	4.2	2.3	2.2	6.9	5.2
Wife.....	2.3	3.3	2.7	3.1	3.5	3.0			
Other relatives.....	.6	.6	.4	.3	.4	.3	1.6	3.7	1.7
Aged 65 or over.....	9.0	6.8	11.6	9.8	6.3	11.7	6.5	14.4	10.9
Head.....	5.1	3.5	6.3	5.5	3.2	6.4	4.1	8.3	5.8
Wife.....	2.6	1.8	3.9	3.5	1.9	4.3			
Other relatives.....	1.3	1.5	1.4	.9	1.2	1.0	2.4	6.1	5.1

fifths of all the children on the poverty roll. A seventh of the children counted poor came from the families headed by nonwhite women, although such families totaled only 3 percent of all households with children, as the figures in the following tabulation show.

Race and sex of head and number of children	All families with children under age 18		Children in poor families
	Families	Children	
Number (in thousands).....	28,280	69,370	14,840
Percent.....	100.0	100.0	100.0
White male.....	81.5	79.7	46.3
1-2.....	50.3	31.7	9.4
3-4.....	24.4	33.0	17.4
5 or more.....	6.8	16.0	19.5
White female.....	7.1	6.4	15.2
1-2.....	4.9	2.7	4.1
3-4.....	1.7	2.4	6.8
5 or more.....	.5	1.3	4.3
Nonwhite male.....	8.3	10.2	24.2
1-2.....	4.2	2.5	2.9
3-4.....	2.3	3.2	6.4
5 or more.....	1.8	4.5	14.9
Nonwhite female.....	3.1	3.7	14.3
1-2.....	1.6	.9	2.5
3-4.....	.9	1.3	5.1
5 or more.....	.6	1.5	6.7

The households of the poor not only had more children but younger children. In 2 out of 5 poor families there was at least one child under age 6 in the home. This finding held for units headed by a man as well as those headed by a woman. The presence of young children in a family constitutes a double hazard with respect to poverty. The youngsters themselves generally do not contribute enough in earnings to meet their own needs and the demands of a young family make it more difficult for the homemaker—be she wife or family head—to go to work and add to family income. Among all families with children under age 6, two-thirds of those headed by a woman were poor, and one-seventh of those headed by a man (table 4).

Some families poor when the children were small could move to higher status as they and the mother could add their earnings to family income. On the other hand, in other families, the youngsters left home as they reached their teens, so that poor households that included nearly a fourth of all preschool children in the population accounted for only a seventh of all persons aged 20-21. The figures below show by family status and age the percentage of all young people who are in a poor household:

Age	Percent in poor households			
	Never-married child	Unrelated individual	Family or subfamily head	Wife
Under 6.....	23.1			
6-13.....	21.5			
14-15.....	19.5	(1)	(1)	(1)
16-17.....	16.9	(1)	(1)	31.6
18-19.....	13.8	55.1	35.7	20.6
20-21.....	11.1	40.6	20.2	12.1

¹ Less than 0.05 percent.

Children of the poor were less likely to complete any higher education, and youngsters with little education who formed their own households were more likely to be poor than those who had more schooling. Thus, although teen-aged youth as a group were underrepresented in poor households, youngsters not in school but not a high school graduate were overrepresented. The households of the poor included only 11 percent of all persons aged 16-21 not in school but with a high school diploma, 15 percent of those still attending school, and 32 percent of those who had dropped out without completing high school.

The child being raised without a father was disadvantaged in many ways. The woman bringing up her children by herself had almost as many to look after as the male head of a family with children, but she had on the average only two-fifths as much income to do it with. Her family was therefore four times as likely to be poor as his.

Not only were children in a broken home more likely to have insufficient support than children in a "normal" family, they were also less likely to enjoy the privacy of their own household. Of the 25 million parent-child groups including a father, only 440,000 or 2 percent were sharing living quarters as a subfamily in the home of a relative in March 1965. But of the 3 million mother-child groups, 490,000 or 16½ percent were living as a subfamily. Children being raised by their mother accordingly were nearly 8 times as likely to live in another relative's household as children being brought up by both their father and mother.

There are 2½ million mothers of 6 million children who are heads of a family. Together with the half a million mothers in subfamilies, who are even poorer, they are responsible for over 6¾ million children. Two out of 3 of these children are poor—or would be except that they are

able to share with relatives better off than they. Adding in other related children in the same households brings the number of children in families headed by a woman to about 7 million. Of these 4.4 million are poor and about 400,000 more would be if they and their parents were living as separate family units relying solely on their own resources.

Some Facts About Race and Poverty

Of the 34.1 million persons counted poor in 1964, 10½ million were nonwhite. For all age groups combined the chances that a nonwhite person would be poor were 3½ times as great as for the white. Among children under age 18, the nonwhite youngsters ran a risk of poverty four times that of the white. Indeed to the majority

TABLE 9.—The poverty and low-income matrix, 1964: Number of households and total number of persons below the SSA poverty index and number above that level but below the low-income index, by sex of head, number of children, and work experience of head in 1964

[In thousands]

Type of household	U.S. non-institutional population		The poor						The near poor					
			Households			Number of persons			Households			Number of persons		
	Number of households	Percent	Number	Percent	Head year-round full-time worker	Total	Children		Number	Percent	Head year-round full-time worker	Total	Children	
							Total	In families with head year-round full-time worker					Total	In families with head year-round full-time worker
All households														
Total.....	59,890	100.0	11,890	100.0	2,680	34,050	14,860	6,060	4,530	100.0	1,630	15,970	6,900	4,330
Unrelated individuals.....	12,060	20.1	5,060	42.6	570	5,060	-----	-----	700	15.4	90	700	-----	-----
Under age 65.....	7,440	12.4	2,310	19.4	490	2,310	-----	-----	320	7.1	70	320	-----	-----
Age 65 or over.....	4,620	7.7	2,750	23.1	80	2,750	-----	-----	380	8.3	20	380	-----	-----
Families.....	47,840	79.9	6,830	57.4	2,100	28,990	14,860	6,060	3,830	84.6	1,550	15,270	6,900	4,330
With no children.....	19,569	32.6	2,280	19.2	359	4,950	-----	-----	1,440	31.8	220	3,510	-----	-----
With children.....	28,280	47.2	4,550	38.2	1,723	24,039	14,860	6,060	2,390	52.8	1,320	12,210	6,900	4,330
1.....	8,990	14.8	940	7.7	233	2,700	920	233	630	13.9	210	1,940	630	210
2.....	8,340	13.9	940	7.9	363	3,699	1,890	739	630	12.4	230	2,310	1,130	580
3.....	5,440	9.1	910	7.7	359	4,510	2,740	1,060	430	9.5	270	2,250	1,290	820
4.....	2,830	4.7	640	5.4	270	3,939	2,569	1,080	370	7.4	220	2,140	1,340	900
5.....	1,460	2.4	510	4.3	239	4,040	2,570	1,169	240	5.3	199	1,970	1,230	960
6 or more.....	1,320	2.2	620	5.2	260	5,150	4,190	1,790	190	4.3	130	1,610	1,320	860
With male head														
Total.....	47,430	79.2	6,440	54.1	2,139	23,270	10,480	5,480	3,600	79.4	1,480	13,950	6,180	4,110
Unrelated individuals.....	4,690	7.7	1,440	12.1	230	1,440	-----	-----	370	6.5	50	290	-----	-----
Under age 65.....	3,310	5.5	810	6.8	210	810	-----	-----	180	4.0	40	180	-----	-----
Age 65 or over.....	1,290	2.2	620	5.3	20	620	-----	-----	110	2.5	10	110	-----	-----
Families.....	42,830	71.5	5,000	42.0	1,970	21,830	10,480	5,480	3,370	72.9	1,430	13,660	6,180	4,110
With no children.....	17,450	29.1	1,890	15.9	350	4,120	-----	-----	1,260	27.8	270	2,680	-----	-----
With children.....	25,380	42.4	3,110	26.1	1,550	17,710	10,480	5,480	2,040	45.0	1,230	10,980	6,180	4,110
1.....	7,870	13.0	590	4.9	210	1,960	590	210	440	9.8	180	1,460	440	180
2.....	7,620	12.7	620	5.2	320	2,630	1,240	650	490	10.8	260	2,070	980	520
3.....	4,990	8.3	620	5.2	320	3,240	1,850	980	390	8.6	270	2,080	1,170	800
4.....	2,530	4.2	420	3.5	230	2,740	1,680	920	310	6.9	220	2,030	1,240	880
5.....	1,370	2.2	490	3.3	210	3,289	1,980	1,050	220	5.0	188	1,870	1,130	900
6 or more.....	1,140	1.9	460	3.9	250	3,850	3,130	1,670	180	3.9	120	1,480	1,210	820
With female head														
Total.....	12,460	20.8	5,460	45.9	540	10,780	4,390	580	930	29.6	160	2,020	720	220
Unrelated individuals.....	7,460	12.4	3,620	37.5	340	3,630	-----	-----	400	8.9	40	410	-----	-----
Under age 65.....	4,130	6.9	1,500	12.6	290	1,570	-----	-----	140	3.0	30	140	-----	-----
Age 65 or over.....	3,330	5.5	2,120	17.9	60	2,139	-----	-----	260	5.8	10	270	-----	-----
Families.....	5,010	8.4	1,830	15.4	290	7,150	4,390	580	530	11.7	120	1,620	720	220
With no children.....	2,110	3.5	390	3.3	39	830	-----	-----	180	4.0	39	380	-----	-----
With children.....	2,890	4.8	1,440	12.1	170	6,320	4,390	580	350	7.7	90	1,230	720	220
1.....	1,090	1.8	330	2.8	20	1,400	330	20	190	4.1	30	480	190	30
2.....	720	1.2	320	2.7	40	1,050	640	80	70	1.6	30	240	140	60
3.....	450	.7	290	2.5	30	1,270	880	90	40	.9	10	180	120	20
4.....	370	.5	220	1.8	40	1,270	880	160	20	.5	0	110	90	10
5.....	150	.2	120	1.0	20	769	590	120	10	.3	10	100	70	50
6 or more.....	180	.3	160	1.3	20	1,300	1,060	120	20	.4	10	130	110	40

TABLE 10.—Incidence of poverty in 1964 among children under age 18, by age and relationship to family head and by race and sex of head

Age of children and sex of family head	In all families			In white families			In nonwhite families		
	Total	Own children	Other related children	Total	Own children	Other related children	Total	Own children	Other related children
Total number of children (in thousands)									
<i>Male head</i>									
All children under age 18.....	62,460	60,100	2,360	55,040	53,580	1,460	7,410	6,520	890
Under age 6.....	22,630	21,620	1,010	19,640	19,010	630	2,980	2,610	380
6-13.....	27,960	27,070	890	24,770	24,220	550	3,190	2,850	340
14-17.....	11,870	11,410	460	10,630	10,340	290	1,240	1,060	170
<i>Female head</i>									
All children under age 18.....	6,880	5,850	1,040	4,350	3,860	480	2,540	1,990	550
Under age 6.....	1,940	1,490	450	1,110	900	210	820	590	230
6-13.....	3,230	2,850	390	2,050	1,890	150	1,190	950	230
14-17.....	1,710	1,510	200	1,190	1,070	120	530	440	80
Percent of children in poverty status									
<i>Male head</i>									
All children under age 18.....	16.9	16.2	34.4	12.4	12.2	21.6	49.8	49.0	55.3
Under age 6.....	19.0	18.2	34.3	14.0	13.7	23.0	51.8	51.5	53.3
6-13.....	16.5	15.9	35.4	12.1	11.9	19.6	51.0	49.8	60.9
14-17.....	13.6	12.9	32.5	10.3	10.0	22.5	41.9	40.8	48.6
<i>Female head</i>									
All children under age 18.....	62.7	65.1	49.0	51.0	54.5	22.9	82.6	85.6	72.1
Under age 6.....	70.8	78.7	44.7	60.1	70.1	18.2	85.3	91.7	69.1
6-13.....	64.3	65.6	54.1	52.9	55.3	23.0	83.8	86.2	74.4
14-17.....	50.4	50.6	48.8	39.1	40.0	31.1	75.7	76.1	73.8

of the nonwhite population, privation was no stranger: By the Social Security Administration definition, nearly half were poor in 1964; an additional ten percent were above the poverty line but still in what would at best be called near-poverty status. Among children under age 14 only three in ten were being raised in a family that would not be considered in low-income status (table 1).

Nonwhite families tended at the same time to include more children than white families and more often to have a woman at the head—situations both likely to be accompanied by a high risk of poverty. In a third of all nonwhite families with children in the home there were at least four; only a sixth of the white families with children had this many. Eight percent of the white and 27 percent of the nonwhite households with children relied on a woman as the family head (table 2). On the other hand, these very situations are in part a result of the underlying poverty afflicting the nonwhite population as well as its cause.

As has already been mentioned, the greater number of children being raised in nonwhite families signified more than the fact that nonwhite women bear more children. In part it reflected the overall poverty of the nonwhite population that brings 2 or more related family units under one roof.

Family groups with insufficient income are more likely to move in with other relatives in order to cut living expenses. Nonwhite families with their generally lower incomes tend to have more subfamilies than white families—that is, parent-child or husband-wife combinations living in the home of a relative head—and consequently more related children in the household in addition to the family head's own children. In March 1965, when income data for 1964 were collected there were 223,000 nonwhite subfamilies including children, about 69 in every 1,000 families with any children under age 18. Among white families with any related children under age 18 there were only 28 in every 1,000 that included a parent-child subfamily.² Fully a seventh of all children in nonwhite families in 1964 and a fifth of those in nonwhite families headed by a woman were "related" children rather than "own" children—that is, they were not children of the family head or spouse but of some other relative who may or may not have also lived in the family (table 10).

Among white families, only 1 in 10 of the children in families headed by a woman and 1 in 30

² Bureau of the Census, "Household and Family Characteristics: March 1965," *Current Population Reports* (Series P-20, in press).

of those in all families were related rather than own children.

On the whole, whatever the lack of privacy or other sacrifice entailed, sharing a home with relatives outside the immediate family materially decreased the risk of poverty for white children with no father present.

More than half of the white children in a family headed by their mother with no father present were in poverty. Of the related rather than own children in families headed by a woman, only a fourth were poor. For children under age 6, whose care might interfere with the mother's freedom to take a job, 70 percent of the own children in families headed by a woman were poor compared with 18 percent of the other related children. In families with a man at the head the children were less likely to be poor when it was their father who

was the family head than when someone else was. A mother sharing living arrangements could add to family income either by having someone else keep house while she went to work or by herself acting as housekeeper while a relative was at a job. For a man on the other hand, sharing a home with relatives might counteract his own limited earning capacity but probably not improve it.

For the nonwhite children, for whom doubling with relatives was more common, there was much less difference in the poverty status of those living just with their own family and those sharing quarters with relatives. With a woman as family head, 86 percent of her own children were poor, and 72 percent of the other related children. With a nonwhite man at the head, 49 percent of his own children were poor and 55 percent of the other children.

TABLE 11.—Source of income and poverty status of households in 1964: Share (percent) of aggregate income from specified source¹ by age of head

Age of head and poverty status	All units					With OASDI benefits					Without OASDI benefits					
	Total	OASDI benefits	Earnings	PA or UI payments	All other sources	Total	With earnings			Without earnings		Total	With earnings		Without earnings	
							OASDI benefits	Earnings	All other sources	OASDI benefits	All other sources		Earnings	All other sources	PA or UI payments	All other sources
Families																
All households.....	100.0	3.3	90.4	1.1	5.5	12.2	1.9	6.9	1.2	1.4	1.1	87.8	83.5	3.5	0.3	0.5
Poor ²	100.0	15.8	63.6	13.0	7.5	23.5	5.7	4.0	1.4	10.1	2.2	76.5	59.6	7.7	6.6	2.6
Nonpoor.....	100.0	2.7	91.4	.5	5.5	11.8	1.7	7.0	1.2	1.0	1.0	88.2	84.4	3.3	(³)	.5
Near poor ⁴	100.0	13.1	77.8	2.7	6.4	23.6	4.6	3.9	1.1	8.6	2.5	79.4	73.9	4.1	.4	1.0
Other.....	100.0	2.3	92.0	.4	5.3	11.4	1.8	7.1	1.2	.7	.9	88.6	84.9	3.2	(³)	.4
Head under age 65.....	100.0	1.1	94.2	.8	3.8	6.4	.9	4.7	.5	.2	.2	93.6	89.5	3.5	.2	.3
Poor ²	100.0	6.6	73.8	12.9	6.8	11.6	3.0	3.0	1.0	3.6	1.1	88.4	70.8	8.4	6.8	2.4
Nonpoor.....	100.0	.9	94.8	.5	3.9	6.3	.8	4.7	.5	.1	.2	93.7	90.1	3.4	(³)	.3
Near poor ⁴	100.0	3.5	89.9	2.1	4.5	7.2	2.0	2.7	.5	1.5	.5	92.8	87.2	4.3	.3	1.0
Other.....	100.0	.8	95.0	.4	3.8	6.2	.7	4.8	.4	.1	.2	93.8	90.2	3.3	(³)	.3
Head aged 65 or over.....	100.0	25.0	51.3	2.1	21.5	72.0	12.3	29.7	8.0	12.7	9.8	27.4	21.6	3.0	.5	2.3
Poor ²	100.0	58.6	16.2	13.5	11.8	79.0	18.4	8.6	3.8	40.2	8.0	21.0	7.6	4.6	5.3	3.6
Nonpoor.....	100.0	22.4	54.0	1.2	22.2	72.1	11.9	31.3	8.4	10.5	9.9	27.9	22.7	2.8	.1	2.2
Near poor ⁴	100.0	63.1	15.0	5.5	16.4	89.7	17.9	9.9	3.7	45.3	12.8	10.3	5.1	3.2	.8	1.3
Other.....	100.0	18.8	57.4	.9	22.8	70.6	11.3	33.2	8.8	7.5	9.7	29.4	24.2	2.9	.1	2.2
Unrelated individuals																
All households.....	100.0	9.8	72.9	2.4	15.0	19.7	2.2	3.1	1.4	7.6	5.5	80.3	69.8	3.3	0.6	6.6
Poor ²	100.0	46.3	24.4	14.5	14.9	57.8	5.9	2.7	.9	40.4	8.1	42.2	21.7	3.1	10.1	7.4
Nonpoor.....	100.0	5.3	78.8	.9	15.0	15.0	1.8	3.1	1.4	3.5	5.1	85.0	75.7	3.4	.2	5.8
Near poor ⁴	100.0	30.5	36.8	7.7	24.9	50.6	5.4	4.1	1.4	25.1	14.6	49.4	32.7	4.6	3.6	8.4
Other.....	100.0	4.3	80.5	.6	14.6	13.6	1.6	3.1	1.5	2.7	4.7	86.4	77.4	3.3	.1	5.6
Under age 65.....	100.0	1.6	89.7	1.3	7.4	3.7	.5	1.0	.3	1.1	.8	96.3	88.7	3.8	1.7	2.1
Poor ²	100.0	15.1	56.6	12.9	15.3	23.3	3.9	2.8	.2	11.2	2.0	79.7	53.8	7.3	9.2	9.5
Nonpoor.....	100.0	.8	91.7	.7	6.8	2.7	.3	.9	.3	.5	.7	97.3	93.8	3.6	.1	2.8
Near poor ⁴	100.0	6.2	69.8	6.5	17.6	11.8	1.2	1.3	0	5.0	4.3	88.2	65.3	9.7	2.2	8.0
Other.....	100.0	.7	92.2	.5	6.6	2.5	.3	.9	.3	.4	.6	97.5	91.3	3.5	(³)	2.7
Aged 65 or over.....	100.0	32.9	25.2	5.2	36.6	64.8	6.9	8.9	4.4	26.0	18.6	35.2	16.3	1.9	3.3	13.6
Poor ²	100.0	65.1	4.9	15.3	14.7	80.4	7.1	2.6	1.0	58.0	11.6	19.6	2.3	.7	10.6	6.1
Nonpoor.....	100.0	21.7	32.3	1.6	44.1	59.4	6.9	11.1	5.5	14.8	21.9	40.6	21.2	2.3	.7	16.3
Near poor ⁴	100.0	50.6	9.6	8.6	31.1	33.0	8.8	6.5	2.5	41.9	23.3	17.0	3.1	.3	4.7	8.9
Other.....	100.0	18.6	34.7	1.0	45.6	56.9	6.7	11.6	5.9	11.9	20.7	43.1	23.1	2.6	.3	17.1

¹ Earnings, old-age, survivors, and disability insurance (OASDI) benefits, public assistance (PA) payments, unemployment insurance (UI) benefits, or other sources.
² Income in 1964 of family or unrelated individuals below SSA poverty

index.
³ Less than 0.05 percent.
⁴ Income in 1964 of family or unrelated individuals above poverty level but below low-income index.

SOURCES OF INCOME OF THE POOR

The income data for 1964 that were collected by the Bureau of the Census in its Current Population Survey sample for March 1965 can be identified as earned income (including proceeds from self-employment as well as wages and salaries), OASDI benefits, public assistance or unemployment insurance payments, receipts of interest, dividends, or rent, and income from all other sources public or private. The data have been tabulated for households—that is, for unrelated individuals and for family units—rather than for persons because it is the combined income of all related members that determines whether a household will be called poor. Moreover, in many instances where income is received jointly by 2 or more family members, it is not possible to apportion it among the recipients.

The data on earnings parallel and extend the association between employment and poverty re-

ferred to elsewhere in this paper. For a variety of reasons the data on income other than earnings are useful in the main for the households of the aged. It is they who are most likely to receive OASDI benefits, the only public income-support program that is separately identified for 1964. It is likewise the aged whose relative income position might be most affected by receipt of interest, dividends or rent, the only private income source other than earnings that is separately shown. Data for sources of income in 1965, obtained in greater detail from a considerably larger sample of families, should be more generally useful and permit more extensive analysis.

Limitations of the Data

As tabulated for the Social Security Administration the income source data have substantive and some procedural limitations. The substantive

TABLE 12.—Source of income and incidence of poverty in households in 1964: Percent poor or near poor by specified source of income and age of head

Age of head and 1964 income level	Total ¹	With income from earnings				With no income from earnings						Total with OASDI benefits		Total without OASDI benefits	
		Total	Earnings only	Earnings and other sources		Total	With OASDI benefits			Without OASDI benefits			With or without other sources		With no other sources
				With OASDI benefits	Without OASDI benefits		Total	PA or UI payments	No PA or UI payments	Total	PA or UI payments	No PA or UI payments			
Families															
All households with low-income.....	22.7	18.7	21.3	23.3	13.4	67.8	61.5	79.0	59.3	82.6	90.5	57.4	36.3	91.7	19.9
Poor.....	14.5	11.4	12.7	14.4	8.6	49.0	37.6	59.5	34.9	76.0	90.6	46.6	22.3	63.8	12.9
Near poor.....	8.2	7.3	8.6	8.9	4.8	18.8	23.9	19.5	24.4	6.6	5.9	10.8	14.0	27.9	7.0
Head under age 25.....	30.2	27.7	31.0	(?)	20.3	100.0	(?)	0	(?)	(?)	(?)	(?)	(?)	(?)	30.3
Poor.....	18.0	15.1	16.9	0	11.2	97.3	(?)	0	(?)	(?)	(?)	(?)	(?)	(?)	18.0
Near poor.....	12.2	12.6	14.1	(?)	9.1	2.7	(?)	0	(?)	(?)	(?)	(?)	(?)	(?)	12.3
Head aged 25-64.....	19.4	17.3	20.4	20.6	12.4	80.9	73.6	(?)	71.2	85.6	97.0	60.7	29.2	95.8	18.6
Poor.....	12.7	10.7	12.3	13.6	8.0	70.1	56.4	(?)	53.0	73.9	92.3	47.2	23.6	82.1	12.0
Near poor.....	6.7	6.6	8.1	7.0	4.4	10.8	17.2	(?)	18.2	6.7	4.7	13.5	8.6	13.7	6.6
Head aged 65 or over.....	39.1	25.3	19.7	26.1	25.5	59.7	58.7	75.9	56.9	67.9	91.9	49.1	40.7	90.3	33.0
Poor.....	24.0	15.7	14.9	15.4	17.8	36.4	33.3	53.9	31.1	60.5	81.1	43.5	23.4	59.3	26.2
Near poor.....	15.1	9.6	4.8	10.7	7.8	23.3	25.4	22.0	25.8	7.4	10.8	5.6	17.3	31.5	6.8
Unrelated individuals															
All households with low-income.....	48.3	27.6	27.9	45.1	18.8	79.9	76.5	86.5	75.5	85.1	97.9	62.7	68.5	95.1	35.6
Poor.....	42.3	22.9	24.1	37.0	13.9	71.9	66.4	76.3	65.4	80.4	91.0	55.5	58.9	92.9	34.4
Near poor.....	6.0	4.7	3.8	8.1	4.9	8.0	10.1	10.2	10.1	4.7	6.9	7.2	9.6	2.2	4.2
Under age 25.....	43.9	32.8	33.1	(?)	32.0	98.5	(?)	(?)	(?)	100.0	(?)	(?)	(?)	(?)	44.0
Poor.....	38.5	26.7	28.2	(?)	20.5	96.9	(?)	(?)	(?)	98.4	(?)	(?)	(?)	(?)	38.6
Near poor.....	5.4	6.1	4.9	(?)	11.5	1.6	(?)	(?)	(?)	1.6	(?)	(?)	(?)	(?)	5.4
Aged 25-64.....	34.6	23.9	25.3	54.9	17.1	84.2	79.5	(?)	78.4	85.9	98.1	64.2	68.5	98.7	31.6
Poor.....	30.6	20.1	21.9	50.7	12.8	78.9	68.9	(?)	66.7	82.3	90.6	58.9	60.8	95.9	27.9
Near poor.....	4.0	3.8	3.4	4.2	4.3	5.3	10.6	(?)	11.7	3.5	7.5	5.3	7.7	2.7	3.7
Aged 65 or over.....	67.9	39.7	45.5	42.5	21.6	77.6	76.3	86.2	75.3	81.6	97.7	61.0	68.7	94.9	66.4
Poor.....	59.1	32.2	41.8	32.9	18.3	68.2	66.2	75.0	65.3	74.5	91.5	51.0	58.7	92.6	60.5
Near poor.....	8.8	7.5	3.7	9.6	3.3	9.4	10.1	11.2	10.0	7.1	6.2	10.0	10.0	2.3	5.9

¹ Includes households reporting no income for 1964.

² Not shown for base less than 100,000.

³ No unrelated individual under age 25 reported receiving any OASDI benefits.

TABLE 13.—OASDI payments in 1964: Percentage distribution of households receiving OASDI benefits and of aggregate payments, by age of head and other sources of income by poverty status

Age of head and specified source of income	Households receiving OASDI benefits ¹					Aggregate OASDI benefits ¹				
	Total	Poor ²	Nonpoor			Total	Poor ²	Nonpoor		
			Total	Near poor	Other			Total	Near poor	Other
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under age 65.....	29.6	22.7	33.1	19.8	36.2	26.6	23.7	27.7	20.0	29.6
Unrelated individuals.....	4.2	7.4	2.5	2.5	2.5	3.0	5.8	1.9	1.6	2.0
OASDI, no other income.....	1.0	2.7	.1	.1	(³)	.8	2.8	.1	.2	.1
OASDI and earnings ³	1.8	2.7	1.4	.6	1.6	1.0	1.5	.8	.4	.9
With PA or UI.....	.1	0	.1	0	.1	(³)	0	(³)	0	.1
With no PA or UI.....	1.8	2.7	1.3	.6	1.5	1.0	1.7	.8	.3	.8
OASDI and other income, but no earnings.....	1.4	1.9	1.1	1.8	.9	1.1	1.6	1.0	1.1	1.0
With PA or UI.....	.2	.6	(³)	0	(³)	.1	.5	(³)	0	(³)
With no PA or UI.....	1.1	1.4	1.1	1.8	.9	1.0	1.1	.9	1.1	.9
Families of 2 or more.....	25.4	15.3	30.6	17.4	33.7	23.7	17.9	25.7	18.4	27.6
OASDI, no other income.....	1.5	3.6	.4	1.6	.1	2.3	6.3	.9	3.2	.3
OASDI and earnings ³	21.2	8.3	27.9	11.9	31.8	18.3	8.1	22.0	10.7	24.8
With PA or UI.....	2.5	1.6	3.0	1.9	3.3	1.9	1.2	2.1	1.1	2.4
With no PA or UI.....	18.7	6.8	24.9	9.9	28.5	16.4	6.8	19.9	9.6	22.5
OASDI and other income, but no earnings.....	2.6	3.3	2.3	3.9	1.9	3.1	3.5	2.9	4.6	2.4
With PA or UI.....	.7	1.5	.3	.7	.2	.6	1.4	.3	.7	.3
With no PA or UI.....	1.9	1.8	2.0	3.3	1.7	2.4	2.1	2.6	4.0	2.2
Aged 65 or over.....	70.4	77.3	66.9	80.1	63.8	73.4	76.3	72.3	80.0	70.4
Unrelated individuals.....	28.4	49.6	17.9	22.4	16.8	21.6	42.3	14.3	15.8	13.9
OASDI, no other income.....	3.3	23.9	1.0	1.6	.8	7.2	23.1	1.5	1.8	1.4
OASDI and earnings ³	6.5	6.2	6.8	4.8	7.0	4.6	4.6	4.5	2.7	5.0
With PA or UI.....	.3	.3	.3	.2	.3	.2	.2	.1	.1	.1
With no PA or UI.....	6.2	5.9	6.3	4.6	6.7	4.4	4.4	4.4	2.6	4.9
OASDI and other income, but no earnings.....	13.1	18.5	10.3	15.9	8.9	9.9	14.5	8.3	11.2	7.5
With PA or UI.....	2.1	4.5	.8	1.8	.6	1.1	2.9	.5	.8	.4
With no PA or UI.....	11.0	14.0	9.5	14.1	8.4	8.8	11.7	7.8	10.4	7.1
Families of 2 or more.....	42.1	28.7	49.0	57.7	47.0	51.7	34.0	58.0	64.2	56.5
OASDI, no other income.....	6.0	10.4	3.7	15.0	1.1	8.8	14.8	6.6	22.3	2.6
OASDI and earnings ³	23.2	10.3	29.9	19.6	32.3	25.5	10.7	39.7	18.2	33.9
With PA or UI.....	2.2	1.5	2.6	1.4	2.9	1.9	1.6	2.0	.8	2.3
With no PA or UI.....	21.0	8.8	27.3	18.2	29.4	23.6	9.2	28.7	17.4	31.6
OASDI and other income, but no earnings.....	12.9	7.9	15.4	23.1	13.6	17.5	8.5	20.7	23.7	19.9
With PA or UI.....	1.8	2.9	1.3	3.3	.8	1.8	2.6	1.5	2.7	1.3
With no PA or UI.....	11.0	5.0	14.1	19.8	12.8	15.6	5.9	19.1	21.0	18.7

¹ OASDI payments received by one or more family members in 1964.
² Income in 1964 of unrelated individual or family below SSA poverty index.

³ With or without income from other sources.
⁴ Less than 0.05 percent.

limitation is that reports on public assistance or unemployment insurance payments were not obtained separately by the Bureau of the Census. Moreover, it is not possible to distinguish the sum total of all payments from public programs. One cannot therefore assay the role that such programs can and do play in protecting against poverty. Social security payments, which now reach three-fourths of all persons aged 65 or older, were recorded separately, however. Although the number of families receiving payments from veterans' programs, railroad retirement or civil-service annuities, and the like is not known, at least for the aged it is well-established that in the main persons benefitting from these programs are also receiving OASDI payments.³

The combination of public assistance and unemployment insurance payments makes for diffi-

culty in interpretation because the one, based on a means test, has as its purpose aid to the poor, but the other, based on employment history, has no such restriction.⁴ In most instances where income from these sources is reported by a household with no earnings during the year it is safe to assume it represents public assistance; the payment, if reported by a family with some earnings, is more likely to come from unemployment insurance. In like fashion, if the household reporting such income is poor the payment could come from either program; if the household is not in poverty the payment is almost surely an unemployment insurance benefit. Public assistance standards in most States are so low and the eligibility requirements so stringent that assistance payments themselves are almost always less than

³ Lenore A. Epstein, "Income of the Aged in 1962: First Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, March 1964.

⁴ Census income data collected for the year 1965 do show public assistance as well as OASDI payments separately and will make it possible in addition to identify all who receive income from any public program.

the poverty criterion and other sources of income such as earnings are deducted from rather than added to the assistance grant.

The procedural limitation is not so readily overcome. In the course of an interview, some households give incomplete data on income or none at all. Inasmuch as information is recorded for each member separately in some instances the respondent will not know the details for someone not at home at the time of interview. In other cases, there may be a reluctance to reveal some or all

sources of income. Under existing Census procedures for collecting and tabulating 1964 incomes, no distinction was made between nonresponses where only the amount from a specified source was not reported and those where it was not ascertained whether in fact there was any income from that source. For the regular Current Population Survey tabulations, if any source was not specified and reported income was less than \$10,000 the person was assigned the amounts and sources of income reported for another person of

TABLE 14.—Source of income and poverty status of households in 1964: Percentage distribution of households receiving income from specified source by age of head and poverty status

Age of head and poverty status in 1964	Total	With income from earnings						With no income from earnings								
		Total	Earnings only	Earnings and other sources				Total	With OASDI benefits			Without OASDI benefits				
				With OASDI benefits		Without OASDI benefits			Total	PA or UI payments ¹	No PA or UI payments	Total	PA or UI payments ¹	No PA or UI payments		
				Total	PA or UI payments ¹	No PA or UI payments	Total								PA or UI payments ¹	No PA or UI payments
Families																
All households.....	100.0	92.2	47.6	11.2	1.2	10.0	33.4	7.4	25.9	7.8	5.8	0.6	5.2	2.0	1.1	0.9
Poor.....	100.0	74.3	42.8	11.4	1.9	9.5	21.1	11.9	8.2	25.5	15.5	2.7	12.8	10.0	7.1	2.9
Nonpoor.....	100.0	94.8	48.4	11.2	1.1	10.1	35.2	6.3	28.9	4.8	4.2	.3	3.9	.6	.1	.5
Near poor.....	100.0	81.3	49.7	12.2	1.3	10.9	19.4	8.8	10.6	18.8	16.9	1.5	15.4	1.9	.7	1.2
Other.....	100.0	96.5	48.2	11.1	1.1	10.0	37.2	6.4	30.8	3.4	2.9	.2	2.7	.5	0	.5
Head under age 25.....	100.0	97.8	68.3	.6	.1	.5	28.0	11.5	17.4	2.1	.2	0	.2	1.9	1.5	.4
Poor.....	100.0	87.9	68.6	0	0	0	19.3	9.8	9.5	12.2	1.2	0	1.2	11.0	9.2	1.8
Nonpoor.....	100.0	99.9	68.3	.7	.1	.6	31.9	11.9	19.0	.1	0	0	0	.1	0	.1
Near poor.....	100.0	99.2	77.2	3.2	1.6	1.6	18.8	8.0	10.8	.8	0	0	0	.8	0	.8
Other.....	100.0	100.0	66.7	.8	.1	.7	32.5	12.3	20.2	0	0	0	0	0	0	0
Head aged 25-64.....	100.0	97.2	52.8	6.7	.8	5.9	37.7	7.9	29.8	2.9	1.2	.2	1.0	1.7	.9	.8
Poor.....	100.0	84.2	52.5	7.3	1.4	5.9	24.4	14.6	9.8	15.8	6.0	1.4	4.6	9.8	7.2	2.6
Nonpoor.....	100.0	99.0	52.8	6.6	.7	5.9	39.6	7.0	32.6	1.2	.6	0	.6	.6	.1	.5
Near poor.....	100.0	94.8	63.4	6.9	1.2	5.7	24.5	11.1	13.4	5.2	3.3	.4	2.9	1.9	.6	1.3
Other.....	100.0	99.1	51.9	6.5	.7	5.8	40.7	6.5	34.2	.8	.4	0	.4	.4	0	.4
Head aged 65 or over.....	100.0	69.1	6.5	43.7	4.2	39.5	9.0	2.6	7.3	39.9	35.5	3.4	32.1	4.4	1.8	2.6
Poor.....	100.0	39.7	4.1	28.2	4.3	23.0	7.4	4.6	2.8	69.3	49.5	7.7	41.8	10.8	6.1	4.7
Nonpoor.....	100.0	66.7	7.3	48.7	4.3	44.4	10.7	2.1	8.6	33.5	31.2	2.1	29.1	2.3	.4	1.9
Near poor.....	100.0	37.9	2.1	31.8	2.3	28.5	5.0	3.0	2.0	61.9	59.7	5.0	54.7	2.2	1.3	.9
Other.....	100.0	73.5	8.6	52.8	4.7	48.1	12.1	1.8	10.3	26.4	23.9	1.3	22.6	2.5	.3	2.2
Unrelated individuals																
All households.....	100.0	63.6	36.5	8.7	.3	8.4	18.4	3.8	14.6	36.3	25.6	2.4	23.2	10.7	4.5	6.2
Poor.....	100.0	37.2	22.5	8.3	.3	8.0	6.4	2.1	4.3	62.7	43.3	4.7	38.6	19.4	10.5	3.9
Nonpoor.....	100.0	81.5	45.5	9.0	.4	8.6	26.0	4.8	21.2	19.4	14.1	.9	13.2	5.3	.7	4.6
Near poor.....	100.0	46.8	21.6	11.2	.4	10.8	14.0	6.5	7.5	53.1	40.9	3.8	37.1	12.2	5.0	7.2
Other.....	100.0	84.5	48.3	8.8	.4	8.4	27.4	4.6	22.3	15.5	11.0	.6	10.4	4.5	.2	4.3
Under age 25.....	100.0	97.1	78.5	0	0	0	18.6	5.8	12.8	2.9	.3	0	.3	2.6	.6	2.0
Poor.....	100.0	91.8	78.4	0	0	0	13.4	3.2	10.2	8.1	0	0	0	8.1	1.1	7.0
Nonpoor.....	100.0	99.2	78.5	0	0	0	29.7	6.8	13.9	.8	.4	0	.4	.4	0	0
Near poor.....	100.0	99.4	89.0	0	0	0	19.4	5.6	13.8	.5	.5	0	.5	0	0	0
Other.....	100.0	99.4	89.0	0	0	0	19.4	5.6	13.8	.5	.5	0	.5	0	0	0
Aged 25-64.....	100.0	87.1	53.8	3.9	.2	3.7	29.4	6.0	23.4	13.1	4.8	.5	4.3	8.3	2.8	5.5
Poor.....	100.0	68.1	44.5	7.3	0	7.3	14.3	4.8	9.5	34.0	12.3	1.6	10.7	21.7	9.5	12.2
Nonpoor.....	100.0	94.6	57.2	2.6	.2	2.4	34.8	6.4	28.4	5.6	2.0	.1	1.9	3.6	.4	3.2
Near poor.....	100.0	76.5	43.2	3.7	0	3.7	29.6	14.2	15.4	23.4	11.7	0	11.7	11.7	4.9	6.8
Other.....	100.0	95.6	58.0	2.5	.3	2.2	35.1	5.9	29.2	4.4	1.5	.1	1.4	2.9	.1	2.8
Aged 65 or over.....	100.0	25.9	4.6	17.2	.7	16.5	4.1	.5	3.6	74.2	58.3	5.5	52.8	15.9	7.6	8.3
Poor.....	100.0	14.3	3.3	9.7	.5	9.2	1.3	.5	.8	85.7	66.4	7.0	59.4	19.3	12.0	7.3
Nonpoor.....	100.0	41.8	6.4	27.5	1.1	26.4	7.9	.4	7.5	58.4	47.0	3.4	43.6	11.4	1.6	9.8
Near poor.....	100.0	21.2	1.9	17.9	.7	17.2	1.4	0	1.4	78.6	64.4	6.7	57.7	14.2	5.2	9.0
Other.....	100.0	47.3	7.7	30.0	1.1	28.9	9.6	.5	9.1	52.6	42.2	2.4	39.8	10.4	.5	9.9

¹ Public assistance (PA) or unemployment insurance (UI) payments received by one or more family members in 1964.

² Not shown for base less than 100,000.

the same age, sex, race, family status, weeks worked, and major occupation group. These imputed incomes were used in the basic classification of households as poor or nonpoor in 1964.

For the special tabulations by source of income, incomplete schedules were omitted. Such a procedure assumes in effect that households not furnishing complete details on income do not differ materially from those who do. Further study is required to determine just how much distortion results from the omission of the households with some income data missing, but some initial observations can already be made.

Overall, 12.1 percent of the families originally called poor are not represented in the current classification by source of income. Of the households rated near poor—that is, above poverty but below the low-income level—11.6 percent are excluded; and of the group above the low-income index, 14.6 percent had to be omitted. Among unrelated individuals the corresponding proportions with some income item not reported were 13.9 percent among the poor, 10.9 percent among the near poor, and 14.9 percent of the remainder.

Among families reporting on all their sources of income, 14.5 percent in all were poor, 12.7 percent of those with earnings only, and 49.0 percent of those with no earnings. The corresponding proportions for all families, including any with some income detail missing, are 14.2 percent, 13.1 percent, and 48.9 percent.

The figures below illustrate for families with income the difference in source pattern in the two sets of tables, when unknown incomes are allocated as in the general tables and when they are not—the procedure followed for the tabulation by source of income.

Families	Total	Earnings only	Earnings and other income	Other income only
All families with income:				
After allocation.....	100.0	47.0	45.6	7.4
Before allocation.....	100.0	47.6	44.5	7.3
Poor families with income:				
After allocation.....	100.0	44.3	31.3	24.5
Before allocation.....	100.0	42.8	31.5	25.5
Near-poor families with income:				
After allocation.....	100.0	49.1	32.4	18.5
Before allocation.....	100.0	49.7	31.7	18.8
Other families with income:				
After allocation.....	100.0	47.3	49.5	3.2
Before allocation.....	100.0	48.2	48.3	3.5

Income from interest, dividends, and rent was the item most likely to be unreported but often

when a single income source was unknown others tended to be unreported also. Presumably, if the person interviewed did not know about one source of income for an absent family member, she did not know others either. And in some instances the failure to reply could have been in effect a refusal to answer.

The income distributions obtained for families after adjustment for nonreporting are almost identical with those excluding families with any income item omitted. It is thus already clear that the differential degree of nonreporting among poor and nonpoor is so slight that it can for most purposes be discounted. The exact proportion of households with a given combination of income sources would vary slightly from that shown here if allowance were made for incomplete reporting, but the differences between specified types of families are generally large enough to stand on their own.

It is considered by many, however, that the type of income questionnaire normally used for the Current Population Survey cannot be expected to yield as complete and accurate reports of amount of income of various types as surveys able to ask for greater detail. By comparison with independent estimates of aggregate income of various types, it can be judged that income received from interest, dividends, and rent is the item most likely to be underreported, but accurate property income data is more difficult to obtain in surveys generally than other types of information describing the financial resources available to households.

Income Shares

The fact that households in which someone works are generally better off than households in which no one does is echoed in the overall pattern of the means of livelihood of poor and nonpoor households. The majority of the households of the aged could count on OASDI benefits to provide some measure of support, though not always enough to preclude poverty, but few households with head under age 65 were this fortunate. OASDI benefits themselves are not high by current standards: At the end of 1964 the average

benefit was \$79 a month to a retired worker aged 65 or older and \$67 to an aged widow, and the maximum benefit payable on a single wage record was \$125 for a worker or \$250 to a family. Income from savings could therefore go a long way to make retirement income more nearly adequate. Yet it is likely to be the person with the higher benefit who has the extra resource rather than the one who has minimal benefits and therefore might need the extra money even more.

Those family units with no source of support other than an OASDI benefit check were almost always poor, but households considered poor under the poverty criterion who were drawing OASDI benefits had income not so far below the requirements specified under that criterion as the poor households without these benefits. By contrast, poor households counting on public assistance or unemployment insurance for support had greater unmet need than poor households not receiving such payments.

For obvious reasons, families with an aged head, whether poor or nonpoor, were more dependent on social security benefits and less on earnings than young families. Fully a fourth of the income of all families with a head aged 65 or older was in the form of social security payments, and among those labeled poor such payments came to three-fifths of their aggregate cash income for the year. Earnings contributed about half the total income of all aged families, and less than a sixth of the income of aged families classified as poor or near poor. For younger families, by contrast, wages, salaries, and self-employment accounted for 94 percent of total income and, even among the poor, for as much as 74 percent (table 11).

As a group, persons aged 65 or older are more likely to have assets than the younger population and to receive some support not only from OASDI but from other public programs such as those established for veterans. A sizable share of the income of the aged therefore comes from

TABLE 15.—Incidence of poverty and OASDI payments in 1964: Percentage distribution of households receiving OASDI benefits and of aggregate payments to units with specified source of income, by poverty status

Age of head and specified source of income	Households receiving OASDI benefits ¹					Aggregate OASDI benefits ¹				
	Total	Poor ²	Nonpoor			Total	Poor ²	Nonpoor		
			Total	Near poor	Other			Total	Near poor	Other
Total.....	100.0	34.3	65.7	12.6	53.1	100.0	26.3	73.7	14.8	58.9
Under age 65, total.....	100.0	26.3	73.7	8.5	65.2	100.0	23.4	76.6	11.1	65.5
Unrelated individuals.....	100.0	60.7	39.3	7.4	32.2	100.0	51.8	48.2	8.1	39.7
OASDI, no other income.....	100.0	98.0	4.0	1.3	2.7	100.0	87.2	12.8	3.8	9.0
OASDI and earnings ³	100.0	51.4	48.6	4.2	45.8	100.0	40.7	59.3	-5.5	53.8
With PA or UI.....	100.0	0	0	0	0	100.0	0	0	0	(⁴)
With no PA or UI.....	100.0	53.3	46.7	4.4	43.8	100.0	42.0	58.0	4.5	53.5
OASDI and other income, but no earnings.....	100.0	48.1	51.9	17.0	35.8	100.0	36.5	63.5	14.4	50.0
With PA or UI.....	100.0	(⁴)	(⁴)	0	(⁴)	100.0	(⁴)	(⁴)	0	(⁴)
With no PA or UI.....	100.0	40.0	60.0	20.0	40.0	100.0	29.3	70.7	16.3	54.4
Families of 2 or more.....	100.0	20.6	79.4	8.6	70.6	100.0	18.1	81.9	16.2	65.7
OASDI, no other income.....	100.0	82.1	17.9	13.7	5.1	100.0	19.9	80.1	11.5	68.7
OASDI and earnings ³	100.0	13.5	86.5	7.0	79.5	100.0	71.8	28.2	20.7	8.0
With PA or UI.....	100.0	21.4	78.6	9.7	68.9	100.0	11.6	88.4	8.6	79.8
With no PA or UI.....	100.0	12.4	87.6	6.7	81.0	100.0	10.9	89.1	8.6	80.5
OASDI and other income, but no earnings.....	100.0	43.6	56.4	18.6	37.7	100.0	30.4	69.6	22.3	47.0
With PA or UI.....	100.0	(⁴)	(⁴)	(⁴)	(⁴)	100.0	(⁴)	(⁴)	(⁴)	(⁴)
With no PA or UI.....	100.0	32.5	67.5	21.2	47.0	100.0	23.0	77.0	23.9	52.7
Aged 65 or over, total.....	100.0	37.6	62.4	14.3	48.1	100.0	27.3	72.7	16.1	56.5
Unrelated individuals.....	100.0	58.7	41.3	9.9	31.4	100.0	51.4	48.6	10.8	37.9
OASDI, no other income.....	100.0	92.6	7.4	2.3	5.1	100.0	84.7	15.3	3.8	11.5
OASDI and earnings ³	100.0	33.1	66.9	9.4	57.4	100.0	26.6	73.4	8.8	84.6
With PA or UI.....	100.0	(⁴)	(⁴)	(⁴)	(⁴)	100.0	(⁴)	(⁴)	(⁴)	(⁴)
With no PA or UI.....	100.0	32.8	67.2	9.4	57.6	100.0	26.3	73.7	8.8	65.1
OASDI and other income, but no earnings.....	100.0	48.4	51.6	15.3	36.2	100.0	38.5	61.5	16.7	44.7
With PA or UI.....	100.0	74.4	25.6	11.2	14.4	100.0	68.9	31.1	10.7	20.4
With no PA or UI.....	100.0	43.5	56.5	16.1	40.4	100.0	34.8	65.2	17.5	47.7
Families of 2 or more.....	100.0	23.4	76.6	17.3	59.4	100.0	17.3	82.7	18.4	64.3
OASDI, no other income.....	100.0	59.2	40.8	31.4	9.4	100.0	44.4	55.6	37.7	17.7
OASDI and earnings ³	100.0	15.3	84.7	10.7	74.1	100.0	11.0	89.0	10.6	78.4
With PA or UI.....	100.0	23.6	76.4	8.0	68.4	100.0	21.8	78.2	6.3	71.3
With no PA or UI.....	100.0	14.4	85.6	10.9	74.6	100.0	10.2	89.8	10.9	78.9
OASDI and other income, but no earnings.....	100.0	21.1	78.9	22.6	56.2	100.0	12.8	87.2	22.0	67.2
With PA or UI.....	100.0	53.9	46.1	22.7	23.4	100.0	37.9	62.1	21.9	40.2
With no PA or UI.....	100.0	15.7	84.3	22.7	61.6	100.0	9.9	90.1	19.8	70.4

¹ Total OASDI payments received by one or more family members in 1964.

² Income in 1964 of unrelated individual or family below SSA poverty

index.

³ With or without income from other sources.

⁴ Not shown for base less than 100,000.

"other" sources—such as interest, dividends, and rent, retirement programs other than OASDHI, veterans' payments, and the like. Over a fifth of the income of all aged families and close to two-fifths of the income of aged persons living alone came from sources such as these. The share would be even greater if the earnings of younger persons living in a household headed by someone aged 65 or older were excluded. Indeed for the aged it was often the presence of such income that spelled the difference between poverty and adequate living.

Both poor and nonpoor older families derived a fourth of their total money income from sources other than social security payments and earnings. Among the poor more than half the addition came from public assistance or unemployment insurance; but among those who were better situated financially almost none of the "extra" money came

from either of these two programs. For aged families not poor but near poor, a third of all income other than earnings or social security payments represented public assistance or unemployment insurance.

For aged persons living alone, the unrelated individuals whose economic position is so much worse than that of persons in families, the effect of other income was even more striking.

As a group, aged unrelated individuals ranked poor drew 15 percent of total income from public assistance or unemployment insurance and an additional 15 percent from other sources—that is, sources other than social security benefits or pay checks. For aged individuals above low-income status—not poor or even near poor—only 1 percent of total income came from assistance or unemployment insurance payments and nearly half from "other" sources.

TABLE 16.—Source of income and poverty gap, 1964: Percentage distribution of poor families by difference between actual income and required income at the poverty level, by source of income and age of head

Age of head and income deficit	Total ¹	With income from earnings			Without income from earnings			Total with OASDI benefits	Total without OASDI benefits ¹	Total with PA or UI payments	Total without PA or UI payments ¹
		Total	With OASDI benefits	Without OASDI benefits	Total ¹	With OASDI benefits	Without OASDI benefits				
All families.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	16.3	16.6	23.9	15.2	15.7	23.2	6.8	23.5	13.8	12.2	17.5
250-499.....	13.5	12.5	14.7	12.1	16.1	23.6	7.2	19.8	11.2	12.8	13.7
500-749.....	13.7	12.2	16.3	11.5	17.7	21.2	13.5	19.1	11.8	16.0	13.1
750-999.....	10.9	11.2	14.5	10.6	10.0	11.1	8.6	12.6	10.3	11.6	10.6
1,000-1,249.....	8.8	9.3	6.8	9.8	7.3	6.7	8.1	6.8	9.5	9.0	8.7
1,250-1,499.....	7.4	7.1	5.8	7.3	8.2	5.6	11.2	5.7	8.0	9.6	6.7
1,500-1,749.....	6.1	6.3	6.0	6.4	5.3	3.0	8.1	4.3	6.7	7.3	5.7
1,750-1,999.....	4.9	5.5	2.4	6.0	3.5	1.8	5.4	2.1	5.9	4.8	5.0
2,000 and over.....	18.5	19.3	9.5	21.0	16.3	3.7	31.2	6.2	22.8	16.9	18.8
Head under age 25.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	15.8	19.7	(?)	19.7	0	(?)	0	(?)	15.9	9.1	17.2
250-499.....	15.8	17.6	(?)	17.6	8.2	(?)	5.8	(?)	15.4	9.1	17.2
500-749.....	9.2	10.2	(?)	10.2	5.5	(?)	5.8	(?)	9.3	9.1	9.3
750-999.....	11.1	13.2	(?)	13.2	2.7	(?)	0	(?)	10.7	9.1	11.6
1,000-1,249.....	10.1	9.2	(?)	9.2	13.7	(?)	14.5	(?)	10.2	21.2	7.6
1,250-1,499.....	6.0	5.4	(?)	5.4	8.2	(?)	8.7	(?)	6.0	9.1	5.3
1,500-1,749.....	8.4	8.5	(?)	8.5	8.2	(?)	8.7	(?)	8.5	9.1	8.3
1,750-1,999.....	5.7	6.4	(?)	6.4	2.7	(?)	2.9	(?)	5.8	3.0	6.3
2,000 and over.....	18.0	9.8	(?)	9.8	50.7	(?)	53.6	(?)	18.1	21.3	17.1
Head aged 25-64.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	13.8	15.4	19.1	15.1	6.5	9.8	4.9	14.9	13.6	10.2	14.9
250-499.....	10.9	10.9	8.9	11.1	10.9	23.1	6.4	13.9	10.4	11.8	10.6
500-749.....	12.2	11.8	16.4	11.3	14.0	21.7	10.8	18.3	11.3	13.6	11.8
750-999.....	10.4	10.3	12.9	10.1	10.7	12.5	9.8	12.7	10.0	11.9	9.9
1,000-1,249.....	9.3	9.5	8.9	9.6	8.2	9.8	7.5	9.3	9.3	8.9	9.4
1,250-1,499.....	7.6	7.3	8.0	7.3	8.6	4.9	10.3	6.6	7.7	9.7	6.9
1,500-1,749.....	6.9	6.0	8.9	6.3	8.2	6.0	9.3	7.6	6.8	7.8	6.6
1,750-1,999.....	5.9	6.1	4.0	6.3	5.1	4.9	5.1	4.4	6.1	6.0	5.9
2,000 and over.....	23.1	22.0	12.9	22.9	27.9	11.4	36.0	12.2	24.7	29.1	24.0
Head aged 65 or over.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	24.3	21.4	27.1	7.2	26.2	28.3	17.1	27.8	12.3	19.9	25.5
250-499.....	23.8	19.1	18.9	21.8	21.8	24.6	10.3	22.7	14.5	16.8	21.9
500-749.....	20.3	17.0	16.6	18.0	22.4	21.7	24.8	19.9	21.5	25.6	18.6
750-999.....	12.2	15.5	15.0	14.4	10.1	10.2	9.4	12.3	11.8	11.5	12.4
1,000-1,249.....	6.8	8.0	5.8	13.5	6.0	5.5	7.7	5.6	10.5	6.2	6.9
1,250-1,499.....	7.3	6.4	4.3	11.7	7.8	5.9	15.4	5.4	13.6	9.7	6.5
1,500-1,749.....	2.8	3.6	3.6	3.6	2.3	1.8	4.3	2.5	4.0	5.3	2.1
1,750-1,999.....	1.5	.5	.7	0	2.2	.8	7.7	.8	4.0	4.0	1.8
2,000 and over.....	4.2	8.5	6.9	12.6	1.4	1.0	3.4	2.9	7.9	4.4	4.2

¹ Includes families reporting no income.

² Not shown for base less than 100,000.

Income from savings, in the form of interest, dividends, or property rental, was not a sizable share of income for any of the groups except for the aged. Among families with a head aged 65 or older, a ninth of income was derived from assets, and among aged persons living alone a fourth came from assets.

Who Receives Social Security Benefits

The statistics on income receivers are perhaps more telling than the statistics on income receipts. The social security program has as a major function the assurance of some income for a worker's family when his earnings are cut off by disability, death, or old-age. Because these benefits are earned—and paid for—as a matter of right, if the conditions of entitlement are met they are paid without a means test. Some beneficiaries who receive OASDI benefits are well above the low-income level even without them. Others are in poverty even after they receive them. For

many the benefit is the critical amount that keeps the household income above the poverty line, and for many others it mitigates poverty even if it does not eliminate it.

Two-fifths of all aged beneficiary families and two-thirds of all aged beneficiaries living alone were poor or near poor. More than a fourth of the total dollars paid out in benefits to aged households in 1964 went to a poor household and a sixth more to households near poor if not poor (tables 12 and 15).

All told, the social security program, geared to give some income to persons in retirement, was reaching about 4 out of 5 of all families with an aged head—making payments to at least one family member and helping maintain 3 out of 4 elderly persons living alone (table 14).

With retirement benefits under the social security program in 1964 payable at age 62 to men workers (albeit in reduced amounts) as well as to women workers, and with widow's, wife's, and disabled-worker benefits also payable before age 65, 1 in 11 persons aged 25-64 and living alone was

TABLE 17.—Source of income and poverty gap, 1964: Percentage distribution of poor unrelated individuals by difference between actual income and required income at the poverty level, by source of income and age of head

Age of head and income deficit	Total ¹	With income from earnings			Without income from earnings			Total with OASDI benefits	Total without OASDI benefits ¹	Total with PA or UI payments	Total without PA or UI payments ¹
		Total	With OASDI benefits	Without OASDI benefits	Total ¹	With OASDI benefits	Without OASDI benefits				
All unrelated individuals.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	15.1	16.4	33.4	11.6	14.4	20.9	6.0	22.9	8.6	20.8	14.0
250-499.....	22.1	21.5	32.5	18.4	22.4	31.8	10.3	31.9	14.0	22.0	22.2
500-749.....	22.7	19.2	13.8	20.8	24.3	28.8	18.6	26.4	19.6	33.2	20.7
750-999.....	14.8	17.6	13.8	18.8	13.4	14.8	11.6	14.6	14.9	17.5	14.3
1,000-1,249.....	7.6	13.5	2.9	16.5	4.8	3.8	6.1	3.6	10.9	4.7	3.2
1,250-1,499.....	6.3	8.3	2.1	10.0	5.4	0	12.3	.3	11.3	1.4	7.2
1,500 and over.....	11.4	3.4	1.7	3.9	15.2	0	35.1	.2	20.6	.4	13.5
Under age 25.....	100.0	100.0	(²)	100.0	100.0	(²)	100.0	(²)	100.0	100.0	100.0
\$1-\$249.....	5.1	8.8	(²)	8.8	0	(²)	0	(²)	5.1	(²)	4.5
250-499.....	5.5	8.2	(²)	8.2	1.6	(²)	1.6	(²)	5.4	(²)	4.9
500-749.....	11.9	20.5	(²)	20.5	0	(²)	0	(²)	11.9	(²)	11.5
750-999.....	13.3	22.8	(²)	22.8	0	(²)	0	(²)	13.2	(²)	13.6
1,000-1,249.....	14.0	18.7	(²)	18.7	8.1	(²)	8.1	(²)	14.2	(²)	14.0
1,250-1,499.....	9.9	15.8	(²)	15.8	1.6	(²)	1.6	(²)	9.8	(²)	10.1
1,500 and over.....	40.2	5.3	(²)	5.3	88.7	(²)	88.7	(²)	40.3	(²)	41.6
Aged 25-64.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	11.1	14.7	32.4	12.5	6.6	15.6	4.1	21.9	8.9	10.0	11.1
250-499.....	18.2	22.1	28.4	21.3	13.7	32.8	8.4	31.1	15.8	23.8	17.4
500-749.....	19.1	21.2	13.5	22.1	16.7	25.4	14.3	20.9	18.8	31.9	17.2
750-999.....	14.3	15.9	13.5	16.2	12.3	20.5	10.0	17.9	13.6	22.5	13.0
1,000-1,249.....	10.7	15.0	6.8	16.1	5.7	5.7	5.7	6.1	11.6	8.1	11.1
1,250-1,499.....	6.0	7.2	2.7	7.8	4.6	0	5.9	1.0	7.0	2.5	6.5
1,500 and over.....	20.6	3.8	2.7	3.9	40.5	0	51.7	1.0	24.3	1.3	23.5
Aged 65 or over.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$249.....	19.4	26.0	33.7	9.2	18.5	21.4	10.1	23.0	9.9	25.6	18.0
250-499.....	27.7	29.3	34.3	18.4	27.3	31.7	14.8	32.0	15.4	21.2	29.0
500-749.....	26.9	12.8	13.8	10.5	29.1	29.1	29.1	27.2	26.2	34.0	25.1
750-999.....	15.4	18.6	13.8	28.9	14.9	14.2	17.1	14.1	19.0	15.3	15.5
1,000-1,249.....	4.4	5.3	1.2	14.5	4.3	3.5	6.3	3.2	7.6	2.9	4.8
1,250 and over.....	6.1	7.8	3.0	18.4	5.9	0	22.6	.4	21.9	1.2	7.4

¹ Includes individuals reporting no income.

² No unrelated individual under age 25 reported receiving any OASDI

benefits.

³ Not shown for base less than 100,000.

receiving a social security check. Some 8 percent of families with a head aged 25-64 also reported someone in benefit status during the year, but for how many this represented the presence of an elderly "other relative" living with the family and for how many the benefit payments were in behalf of the family of a young disabled worker or the widow and children of a deceased worker it is not possible to say.

Among the aged households, there was almost no difference between the poor and nonpoor in the proportion receiving social security benefits—the critical factor was whether or not the beneficiary check was the only income. Among the poor the income from OASDI benefits was much less likely, of course, than among others to be accompanied by earnings and more likely to be supplemented by public assistance or unemployment insurance payments. Indeed, for close to half of all poor aged households receiving OASDI benefits, these payments were the sole source of cash income for the year. Another third of the aged poor, who were receiving OASDI benefits had some additional income but no earnings (table 13).

Public assistance is more generally available to the needy at age 65 than at younger ages—when it is likely to be contingent on disability or the presence of children under age 18. Of all families with an aged head, 1 in 8 was receiving public assistance or unemployment insurance payments, but two-thirds of the families receiving such payments were also drawing OASDI benefits. Among aged families counted poor, a fourth were receiving assistance or unemployment insurance payments and just over half the recipient families were OASDI beneficiary families also. Among aged persons living alone in poverty, by contrast, the majority of those receiving support from assistance or unemployment insurance programs were not OASDI beneficiaries (table 14).

Earnings and Poverty

The data reinforce the truism that in a society where one is expected to work for a living those who do not or cannot will as a rule be poorer than those who do. The unfavorable poverty status of the aged compared with the rest of the population is intimately related to earnings status. Indeed,

when households are grouped by presence and absence of earnings as well as by age, the aged fare as well or better than their young counterparts. When earnings are available, the young families, generally larger than the families of the aged, will need more if they are to escape poverty. When earnings are reduced or not available at all, the aged can more readily look to help from a public program. On the other hand, the elderly would-be wage earner will have a harder time finding a job and may earn less when he does get one.

Only 60 percent of all families with an aged head had any earnings in 1964, compared with 97 percent of younger families. Families with an aged head received only 5 percent of all wage,

TABLE 18.—Work experience in 1964 of family heads in poor and nonpoor families, by sex and age

Age and work experience of head in 1964	All families		Male head		Female head	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
All heads, number (in thousands) ¹	6,659	40,209	4,875	37,113	1,784	3,096
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Did not work in 1964.....	34.9	10.5	27.1	8.4	56.2	36.6
Ill or disabled.....	10.9	2.1	11.6	1.9	8.7	3.5
Worked 1-49 weeks.....	28.9	16.7	29.5	16.4	27.3	19.9
Looked for work part of 1964.....	12.8	7.7	15.3	8.0	6.1	4.1
Worked 50-52 weeks.....	36.2	72.8	43.4	75.2	16.5	43.5
Heads under age 25, number (in thousands) ¹	510	2,167	358	2,094	151	73
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Did not work in 1964.....	18.0	2.6	6.1	2.1	45.7	(²)
Ill or disabled.....	1.6	0	2.2	0	0	(²)
Worked 1-49 weeks.....	49.6	31.7	52.2	31.0	44.4	(²)
Looked for work part of 1964.....	22.5	16.1	28.5	16.3	8.6	(²)
Worked 50-52 weeks.....	32.2	65.7	41.6	66.9	9.9	(²)
Heads aged 25-54, number (in thousands) ¹	3,746	26,310	2,558	24,702	1,188	1,617
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Did not work in 1964.....	23.8	2.1	7.6	1.1	49.2	17.1
Ill or disabled.....	4.7	.6	4.3	.5	5.4	1.4
Worked 1-49 weeks.....	33.4	15.0	34.4	14.5	31.4	23.4
Looked for work part of 1964.....	16.2	8.2	23.6	8.4	6.0	5.9
Worked 50-52 weeks.....	45.8	82.8	58.0	84.4	19.5	59.6
Heads aged 55-64, number (in thousands).....	921	6,524	767	5,886	153	638
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Did not work in 1964.....	32.2	10.2	26.5	7.3	61.4	37.0
Ill or disabled.....	17.3	3.8	19.2	3.9	7.8	2.8
Worked 1-49 weeks.....	27.7	17.1	28.3	16.8	24.8	19.7
Looked for work part of 1964.....	12.2	6.7	12.5	7.1	10.5	2.7
Worked 50-52 weeks.....	40.1	72.7	45.2	75.9	14.4	43.3
Heads aged 65 or over, number (in thousands).....	1,482	5,200	1,191	4,431	291	768
Percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Did not work in 1964.....	78.1	56.9	75.6	53.1	88.0	79.2
Ill or disabled.....	25.8	8.2	25.4	8.1	27.8	8.7
Worked 1-49 weeks.....	11.1	18.3	13.0	19.8	3.4	9.5
Looked for work part of 1964.....	1.4	2.5	1.8	2.8	0	1.2
Worked 50-52 weeks.....	10.9	24.8	11.4	27.1	8.6	11.3

¹ Excluding heads in Armed Forces in March 1965.

² Not shown for base less than 100,000.

TABLE 19.—Incidence of poverty among children under age 18 by relationship to family head, race and sex of head, and weeks worked by head¹ in 1964

Age and relationship of children to head and sex of family head	All families				White families				Nonwhite families			
	None	1-49 weeks		50-52 weeks	None	1-49 weeks		50-52 weeks	None	1-49 weeks		50-52 weeks
		Total	Seeking work part of 1964			Total	Seeking work part of 1964			Total	Seeking work part of 1964	
Number of children (in thousands)												
<i>Male head</i>												
All children under age 18.....	1,682	10,451	6,141	48,589	1,244	8,473	4,898	43,851	437	2,050	1,244	4,739
Own children, total.....	1,178	9,916	5,873	47,295	884	8,123	4,783	43,148	293	1,793	1,090	4,248
Under age 6.....	334	3,874	2,314	16,595	231	3,083	1,837	14,939	73	792	477	1,656
Other related children, total.....	504	535	268	1,294	389	280	115	83	144	257	154	491
Under age 6.....	182	237	121	579	135	119	60	367	47	118	61	212
<i>Female head</i>												
All children under age 18.....	2,957	1,911	436	2,018	1,991	1,130	240	1,224	966	781	197	793
Own children, total.....	2,399	1,674	388	1,775	1,676	1,071	229	1,113	723	673	169	663
Under age 6.....	726	452	110	312	595	249	34	147	222	272	76	166
Other related children, total.....	558	237	48	243	315	59	20	111	243	178	28	130
Under age 6.....	217	116	31	113	119	30	10	65	98	87	21	49
Percent of children in poverty												
<i>Male head</i>												
All children under age 18.....	69.6	33.3	34.4	11.8	51.3	25.2	26.9	8.8	87.1	66.4	64.1	39.7
Own children, total.....	62.4	32.9	33.3	11.5	54.5	25.2	26.8	8.7	86.3	67.5	64.4	39.2
Under age 6.....	65.8	35.6	37.3	13.1	55.0	26.6	29.9	10.1	(?)	70.3	66.0	40.2
Other related children, total.....	56.3	41.6	48.9	23.7	43.3	24.3	31.3	11.5	88.9	58.8	61.7	43.8
Under age 6.....	62.1	39.2	46.3	24.4	48.9	27.7	(?)	12.8	(?)	50.8	(?)	44.3
<i>Female head</i>												
All children under age 18.....	75.3	66.8	63.1	40.2	68.2	56.7	46.7	17.7	90.0	81.4	82.7	74.9
Own children, total.....	80.9	69.5	63.9	39.5	76.0	59.1	47.3	17.8	92.4	87.9	85.2	76.0
Under age 6.....	90.2	74.3	64.5	58.0	86.5	65.1	(?)	21.4	98.6	86.1	(?)	89.8
Other related children, total.....	51.1	48.1	(?)	44.9	26.7	(?)	(?)	17.1	82.7	59.6	(?)	69.2
Under age 6.....	49.3	42.2	(?)	38.0	20.2	(?)	(?)	(?)	(?)	(?)	(?)	(?)

¹ Excludes heads in Armed Forces in March 1965 and any children of those heads.

² Not shown for base less than 100,000.

salary, or self-employment income accruing to all families in 1964, and aged persons living alone only 9 percent of all earnings going to unrelated individuals.

Social security beneficiaries under age 72 are limited in the amounts they may earn and still retain their benefits; at the same time the benefits are almost always smaller than the wages they replace. As a result households with both earnings and social security payments were more likely to be in poverty or on its brink than those with earnings but not on the OASDI beneficiary rolls. The difference was particularly noticeable for social security beneficiaries aged 25-64 who were living by themselves. Almost all such persons would have to be at least 60 years old to qualify for benefits. Half of those with earnings as well as a benefit were poor—more than twice the proportion as among workers this age not drawing benefits. Many of these beneficiaries were undoubtedly widows receiving only 82½ percent of their husband's benefit—about 55 percent of the combined husband-wife benefit they would have

if he were alive. Others were men and women workers who had elected retirement before age 65 and were therefore receiving actuarially reduced benefits.

Many who elected early retirement did so after long periods of joblessness or low earnings. For example, among those persons aged 25-64 living alone, the average social security benefit reported during 1964 by beneficiaries with no earnings was \$1,000. For beneficiaries in this age group with earnings, the benefits averaged only \$640; but earnings came to \$1,180 more—more than three times the difference in benefits.

Earlier analyses of OASDI records for workers entitled to retirement benefits in 1963 reveal that the majority of those claiming benefits at age 62 are prompted to do so by unemployment or the need to supplement earnings that were characteristically low or that had dropped off substantially.⁵

⁵ Lenore A. Epstein, "Early Retirement and Work-Life Experience." *Social Security Bulletin*, March 1966, pages 3-10.

Income From Assets and Poverty

Among families of two or more persons only 1 in 9 of those counted poor received any income in the form of interest, dividends, or rent in 1964, compared with 1 in 6 of the near poor and more than 1 in 3 of the families with income above the low-income level. Among families with no earnings, for whom such income would be critical, fewer than a fourth of the poor had any, compared with nearly a third of the near poor and almost two-thirds of those better off. Among persons living alone, so many of whom are aged, the proportion with income from assets ranged from 1 in 4 of the poor to nearly 4 in 10 when total income was above the low-income level. But when there were no earnings the proportion receiving interest, dividends, or rent rose from a fourth of those in poverty to half among the near poor and three-fifths of those above the low-income level.

In the main, it is the households of the aged that are likely to have assets rather than younger family units. It is, of course, the households of the aged with earnings reduced or absent altogether—and with payments from public programs only a partial substitute—that have the urgent need for the additional income assets can provide. But it is also true in retirement just as during the working years that it is those better off all around who have the margin of comfort that savings afford.

Usually, the person with low earnings over a lifetime will reach retirement with relatively little private resources to add to any public program benefits to which he is entitled. The plight of the aged Negro, plagued throughout a lifetime by job difficulties and low income illustrates starkly the dreary fate that awaits the low wage earner in retirement.

For example, only 1 in 10 nonwhite aged unrelated individuals had any income from rents, dividends, or interest in 1964. Four out of 5 aged nonwhite individuals were poor. A third of all aged nonwhite persons living alone looked to public assistance or unemployment insurance, and almost every one of these aged was below the poverty level.

About 4 in 10 of all aged households had some income from interest, dividends, or rent in 1964. Without such income aged individuals living

alone were twice as likely to be poor as with it. Families with an aged head were three times as likely to be in poverty if they had no income from assets than if they did have some.

Among families with an aged head, a third of those with no asset income were poor compared with a ninth of those with asset income; among aged persons living by themselves, nearly three-fourths of those with no interest, dividends, or rental income, and just over a third of those with such income were living below the poverty line.

Almost all OASDI beneficiaries living alone who had no income except for their benefits were poor. Among beneficiary families with an aged head, 60 percent were poor, and few escaped low-income status (table 12).

Among those aged beneficiaries living alone, 31 percent had no income other than benefits. Of the other aged beneficiaries living alone, two-thirds of those who did not work had some income from assets (that is, interest, dividends, or rents), but only two-fifths of those who were working had any. The mean amount of income from assets for those who had any was \$1,050 for the non-working beneficiaries and \$790 for those who worked.

The figures suggest that the drive to continue working after retirement may be a response to economic stringency at least as much as to any psychological need to feel useful or to fulfill the American work ethic.

Social Security and the Poverty Gap

If they had no income from earnings, the social security program did not necessarily keep beneficiaries out of poverty, but aged persons without earnings had a better chance to escape privation if they could count on OASDI benefits.

Among the households that were poor, those with some support from social security payments were less poor than those without, judged by the dollar amount of unmet need as measured by the poverty criterion.

Half the aged families with OASDI benefits needed less than \$500 to rise above the poverty threshold, compared with a fourth of the non-beneficiary families. By contrast, aged families receiving public assistance or unemployment in-

insurance payments had a larger dollar deficit than those without such payments (tables 16-17). Aged households that had both earnings and social security, as has been said, were more likely to be poor than those with earnings but no benefits. It will be noted that there were a sizable number of older nonbeneficiary families with a poverty gap of \$2,000 or more. These families are in large part the remaining families among the aged and near aged that include young children.

The majority of families with an aged head are two-adult or at most three-adult groups, but 14 percent of all poor families with a head aged 65 or older include some children aged 6-15. Among

the aged, those who still have responsibility for children are particularly poor.

Among aged individuals living alone in poverty, fewer than half of those who were OASDI beneficiaries had unmet need of \$500 or more—as measured by the poverty criterion. But of the aged poor not receiving benefits, 3 out of 4 needed at least \$500 more income in 1964 than they had.

A fourth of all poor families with the head aged 25-64 had an income lack of \$2,000 or more. Of those in poverty but not receiving OASDI benefits two-thirds were being supported at least in part by public assistance or unemployment insurance. These families, many of them consisting

TABLE 20.—Current school and labor-force status of youths in poor and nonpoor families in 1964: Percentage distribution of never-married children aged 14-21, by school attendance and age and by sex of family head

School attendance and labor-force status in March 1965	All children aged 14-21						Children aged 16-17				Children aged 18-19				Children aged 20-21			
	All families		Families with a male head		Families with a female head		Families with a male head		Families with a female head		Families with a male head		Families with a female head		Families with a male head		Families with a female head	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Total number (in thousands)	3,410	17,436	2,250	15,970	1,160	1,560	720	5,100	410	450	430	3,550	200	380	200	2,070	100	340
Percent	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	100.0	100.0	100.0
Attending school	76.4	80.9	74.0	82.2	79.3	67.4	79.8	93.4	84.3	85.0	46.8	65.2	55.8	45.4	22.8	43.0	26.0	31.8
Employed	7.9	15.7	7.7	16.2	8.4	10.9	10.8	21.6	13.5	15.7	7.4	16.6	6.6	13.5	4.0	10.5	7.0	5.7
Unemployed	2.3	2.0	1.7	1.7	3.4	2.4	2.5	2.8	6.1	4.7	4.4	2.6	2.5	2.7	0	1.8	6.0	1.8
Not in labor force	66.1	63.2	65.4	64.1	67.4	54.2	66.3	69.0	64.4	64.6	34.8	45.9	46.7	29.2	18.8	30.7	12.0	24.7
Not in school, not high school graduate	18.0	6.6	19.3	5.9	15.5	13.2	22.2	6.0	15.7	14.7	34.5	8.7	28.4	21.2	53.0	11.9	45.0	16.1
Employed	7.9	3.9	8.9	3.4	6.0	8.1	8.8	2.7	5.2	6.9	20.0	6.0	9.1	14.3	23.8	9.0	29.0	11.9
Unemployed	2.9	0.9	2.8	0.8	3.0	1.9	3.1	0.9	3.2	3.8	9.9	1.4	10.2	3.4	19.3	1.7	11.0	4.2
Not in labor force	7.2	1.8	7.7	1.7	6.4	3.1	8.3	2.4	7.4	3.8	4.6	1.3	9.1	3.2	9.9	1.2	4.0	0
Not in school, high school graduate	5.6	12.6	5.8	11.9	5.2	19.4	0	6	0	4	18.7	26.2	15.7	33.7	24.3	45.1	31.0	52.1
Employed	3.6	11.0	3.3	10.4	4.2	16.6	0	4	0	4	10.4	22.3	10.7	25.7	13.9	40.4	28.0	47.0
Unemployed	0.6	0.9	0.7	0.8	0.5	1.9	0	0	0	0	2.8	2.2	3.0	5.6	1.5	2.4	0	2.4
Not in labor force	1.4	0.7	1.8	0.7	1.4	1.1	0	0	0	0	5.3	1.6	1.5	2.1	8.9	2.2	3.0	2.7
Girls, total number	1,693	8,110	1,127	7,363	570	760	360	2,460	190	210	200	1,650	1,000	190	90	780	40	150
Percent	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	100.0	100.0	100.0
Attending school	77.2	82.1	75.7	83.2	80.0	70.6	83.0	94.5	85.5	94.2	41.1	63.7	59.8	44.4	(1)	40.2	(1)	32.9
Employed	4.8	13.6	4.7	14.3	4.9	7.7	5.3	19.8	6.7	10.6	4.0	14.4	5.9	10.2	(1)	8.6	(1)	5.3
Unemployed	1.4	1.4	0.7	1.4	2.8	1.3	0.8	2.3	6.7	4.8	2.5	1.6	2.0	0	(1)	1.3	(1)	0
Not in labor force	71.0	67.1	70.3	67.6	72.3	61.6	76.9	72.4	72.0	78.7	34.7	47.6	52.0	34.2	(1)	30.3	(1)	27.6
Not in school, not high school graduate	16.0	4.5	16.5	4.2	15.1	6.9	17.0	4.5	14.5	5.8	32.7	6.6	26.5	12.8	(1)	7.8	(1)	8.6
Employed	4.4	1.8	4.2	1.6	4.7	2.4	1.9	1.3	4.1	1.0	16.8	3.2	5.9	4.3	(1)	5.4	(1)	5.3
Unemployed	2.3	0.4	2.1	0.4	2.5	0.7	2.5	0.2	3.1	0	2.5	1.0	7.8	2.7	(1)	6	(1)	0
Not in labor force	9.3	2.2	10.2	2.1	7.7	3.8	12.5	3.0	6.7	4.8	13.4	2.4	12.7	5.9	(1)	1.7	(1)	3.3
Keeping house	6.0	1.7	6.9	1.6	4.4	3.2	8.4	1.0	0	0	8.9	2.1	10.8	4.8	(1)	1.4	(1)	3.3
Not in school, high school graduate	6.8	13.4	7.7	12.5	4.9	22.5	0	0	0	0	26.2	29.8	14.7	42.8	(1)	51.9	(1)	59.2
Employed	3.4	11.5	3.4	10.7	3.3	19.0	0	0	0	0	9.9	24.5	7.8	31.0	(1)	46.7	(1)	55.9
Unemployed	0.8	1.1	0.8	1.0	0.7	2.4	0	0	0	0	4.5	3.5	3.9	7.0	(1)	2.1	(1)	3.3
Not in labor force	2.6	0.8	3.5	0.8	0.9	1.1	0	0	0	0	11.4	1.8	2.9	4.3	(1)	3.2	(1)	0
Keeping house	2.5	0.6	3.5	0.5	0.5	1.1	0	0	0	0	11.4	1.3	0	4.3	(1)	1.9	(1)	0
Boys, total number	1,710	9,322	1,133	8,510	590	810	360	2,640	210	240	230	1,900	90	190	110	1,290	60	180
Percent	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	100.0	100.0	100.0
Attending school	75.6	79.8	74.0	81.2	78.4	64.3	76.7	92.4	83.2	77.0	51.7	66.5	(1)	46.3	25.2	44.7	(1)	31.1
Employed	11.0	17.5	10.6	17.8	11.8	13.9	16.4	23.2	19.6	20.1	10.3	18.5	(1)	16.8	7.2	11.7	(1)	6.0
Unemployed	3.2	2.5	2.7	2.4	3.9	3.3	4.2	3.2	5.6	4.6	6.0	3.5	(1)	5.3	0	2.2	(1)	3.3
Not in labor force	61.3	59.8	61.6	61.0	62.6	47.2	55.8	63.9	57.5	52.3	34.9	44.4	(1)	24.2	18.0	30.8	(1)	22.4
Not in school, not high school graduate	29.0	8.3	22.1	7.3	16.0	19.1	23.3	7.4	16.8	22.2	36.2	10.5	(1)	28.9	61.3	14.4	(1)	22.4
Employed	11.3	5.7	13.5	4.9	7.2	13.5	15.6	3.9	6.1	12.1	22.8	8.5	(1)	24.2	38.7	11.1	(1)	17.5
Unemployed	3.6	1.3	3.5	1.1	3.6	3.0	3.6	1.6	3.3	7.1	6.5	1.6	(1)	3.7	10.8	1.5	(1)	0
Not in labor force	5.1	1.4	5.1	1.3	5.1	2.5	4.2	1.9	7.9	2.9	6.9	0.5	(1)	1.1	12.6	1.7	(1)	4.9
Not in school, high school graduate	4.4	11.9	3.9	11.4	5.5	16.6	0	0	0	0	12.1	23.0	(1)	24.7	13.5	40.9	(1)	46.4
Employed	3.9	10.5	3.2	10.2	5.1	14.3	0	0	0	0	8	10.8	20.5	(1)	20.5	9.0	36.7	(1)
Unemployed	0.5	0.7	0.5	0.6	0.3	1.4	0	0	0	0	1.3	1.1	(1)	4.2	2.7	2.6	(1)	1.6
Not in labor force	1.1	0.6	1.2	0.6	0	1.1	0	0	0	0	0	1.5	(1)	0	1.8	1.6	(1)	4.9

¹ Not shown for base less than 100,000.

of a woman responsible on her own for supporting her children, are among the poorest of the poor.

The large number of households with the head under age 25 that are far below the poverty threshold include of course the many statistically classified as having little or no income in 1964 because they were in school or otherwise dependent on someone else for support before setting up house-keeping on their own.

THE WORKING POOR

Having a worker in the family by no means ensures that the family will not be poor, but not having a worker makes the odds high that it will be. Indeed some of the striking differences in incidence of poverty among households of different types are sharply reduced when only those with similar earning patterns for family members are compared. As one example, the increased vulnerability to poverty of older families mirrors the decrease in year-round full-time employment with advancing age of the head. In similar fashion the incidence of poverty among families with a female head, triple that in families with a male head, declines to only twice that rate when only units headed by a year-round full-time worker are considered.

If having one earner was good, having more than one was usually better, although among nonwhite families those with 3 or more earners were worse off than those with only two.

In today's world, work outside the home is for some married women a matter of choice rather than necessity. Yet for many women their taking a job spells the difference between poverty and more comfortable living for their family. And, of course, some cannot escape poverty even though they do work. Among husband-wife families with the wife not in the labor force, the risk of poverty was twice as high as when she did work. Similarly when it was a woman who served as head, the family was more than twice as likely to be in poverty when she did not work as when she did. Partly because of the greater responsibility that went with their bigger families and younger children, the women in poor families were less likely to have a paying job than women in nonpoor families. In nonpoor families headed by a man, 1 in 3 wives was in the labor force in March 1965

compared with 1 in 6 in the poor families. In similar fashion, among families headed by a woman, only a third of those in poverty were in the labor force compared with 3 out of 5 of the women who were heads of nonpoor families (table 2).

Among persons who were in the labor force, members of poor households ran a risk of unemployment about twice as great as workers of the same age and sex in nonpoor households.

Families with a head under age 25 or past age 65 were poorer than families in the middle years—roughly a fifth of the youngest and oldest families had incomes below the poverty threshold compared with only an eighth of those with head aged 25 to 64—but it was precisely the head who was very young or very old who was least likely to have had uninterrupted employment throughout 1964. The figures below show how closely the poverty rate parallels the employment pattern of the head, as well as the fact that having a steady job does not improve the economic status of the nonwhite worker's family as much as it does that of the white worker.

Race and age of head	Percent of families with head not year-round full-time worker		Percent of families poor in 1964			
			All families		Head year-round full-time worker	
	Male head	Female head	Male head	Female head	Male head	Female head
White.....	31	71	10	29	5	7
Nonwhite.....	40	72	32	63	22	39
Total.....	32	71	12	37	7	14
Under 25.....	46	86	15	67	9	(1)
25-34.....	24	70	11	61	8	24
35-44.....	18	63	9	44	6	17
45-54.....	19	56	8	28	5	11
55-64.....	31	69	12	19	6	3
65 and over.....	82	94	21	28	8	(1)

(1) Not shown for base less than 10,000.

As a rule the same occupations that did not pay well tended also to provide less steady employment, thus doubly exposing the worker's family to the risk of low income for the year. Among white male heads of families, for example, 82 percent of all those employed in March 1965—when income data for 1964 were collected—had worked throughout 1964 at a full-time job. But the proportion thus fully employed ranged from 89 percent of those working as managers or proprietors to 64 percent among laborers. Of all

families of white laborers 1 in 5 were poor and of the managerial families 1 in 20. With a head working throughout 1964, 1 in 7 of the laborers' families had income below the poverty line and 1 in 20 of the families of the managers and proprietors (table 2).

Heads of poor households were not only less likely than their nonpoor counterparts to work the year around, they were less likely to have worked at all. The difference was apparent at all ages and for both sexes. Illness and disability was one factor keeping heads of poor households out of the labor force, particularly at age 55 and older, but it was hardly the decisive one. For women the larger and younger families of the poor undoubtedly restricted their opportunities for a job, but for the men it could have been in part the high unemployment rate of those who did seek work that acted as a deterrent. A fifth of the men heading poor households who worked at all during the year were out of work and looking for a job some time during the year. Only 1 in 11 of the heads of nonpoor households with work experience in 1964 was unemployed during the year (table 18). The figures below indicate by age the percentage of male family heads working any time during 1964 who worked only part of the year because they could not find work the remaining weeks.

Age of head	Male head	
	Poor	Nonpoor
All.....	21	9
Under 25.....	30	17
25-54.....	22	9
55-64.....	17	8
65 and over.....	7	6

All told, the households of the poor in 1964 included a fifth of all family heads who were out of a job and looking for work during some part of the year, and over a third of all persons living alone who were in a similar situation. If all households in low-income status are considered—that is, counting in the near poor as well as the poor, then the low-income roster included 2 out of 5 one-person household heads out of work any time in 1964 and 1 in 3 of the heads of families of two or more who had experienced unemployment. Of the 10½ million children under age 18 in poor families headed by a man, 1 million were in homes with the head out of the labor force

entirely, but 2 million were in households of a worker who was out of a job some part of the year. Of the 4.4 million poor children with a woman as family head, 2.2 million were in a household where she did not work at all in 1964, and only 275,000 in a family where she had wanted more work but had not been able to find it (table 19).

Being out of work may be more critical for the head of a poor family than one better off because he is more likely to be the sole earner. Moreover, data for families poor in 1963 suggested that when there were earners other than the head, they were also likely to be out of a job when the head was looking for work.

Data on employment of family members other than the head in households called poor in 1964 are currently available for the wife of the head and for persons aged 14-21, whatever their family status.

In poor families with a husband and wife both present in the household, a sixth of the wives in the poor or near-poor families had (or were seeking) a paying job, compared with a third of the wives in families not in low-income status. Nonwhite wives were much more likely to be in the labor force than white women whether the family was above or below the poverty line, and indeed the nonwhite family generally had more earners than the white.

With the high unemployment rates prevalent among nonwhite workers it is possible that fewer of the supplementary earners in nonwhite families than in white families worked all year. In any case the nonwhite earners were less successful in raising family income to adequate levels. The figures in the tabulation that follows show the proportion of white and nonwhite families with specified number of earners that had family income below the poverty and low-income criteria in 1964.

Sex of head and number of earners	Male				Female			
	White		Nonwhite		White		Nonwhite	
	Poor	Poor or near poor	Poor	Poor or near poor	Poor	Poor or near poor	Poor	Poor or near poor
Total.....	10	17	32	44	29	40	63	73
None.....	36	60	76	89	69	81	90	95
1.....	12	20	39	51	23	35	62	74
2.....	5	10	22	34	13	24	40	52
3 or more.....	4	8	34	44	8	9	53	67

Youngsters in poor households, it has been pointed out, are likely to get less schooling than those in nonpoor households and to take up family responsibility of their own at an earlier age. Those youngsters who do stay on in the poor family as never-married children are less likely to be in the labor force than nonpoor children of the same age and schooling. If they do look for a job they are less successful in finding one. These findings are consistent with patterns observed in the annual surveys of high school graduates and dropouts.⁶

Among girls aged 14-21 in poor families, for example, 58 percent of those not in school but not a high school graduate were neither working nor looking for a job in March 1965 compared with 51 percent of those in nonpoor families. Of those in the labor force, 34 percent were unemployed, as the figures below suggest:

School attendance	Girls		Boys	
	Poor families	Nonpoor families	Poor families	Nonpoor families
Number attending school:				
In labor force as percent of total.....	8.0	18.3	13.8	25.0
Unemployed as percent of number in labor force.....	22.8	9.1	22.5	12.5
Number not in school:				
In labor force as percent of total.....	47.4	82.6	78.5	89.8
Unemployed as percent of number in labor force.....	27.9	10.3	21.0	10.8
Number not high school graduate:				
In labor force as percent of total.....	42.1	49.2	74.3	83.0
Unemployed as percent of number in labor force.....	34.2	17.3	23.9	18.4
Number of high school graduates:				
In labor force as percent of total.....	61.7	93.9	(¹)	94.6
Unemployed as percent of number in labor force.....	18.3	9.0	(¹)	6.1

¹ Not shown for base less than 100,000.

Some of the difference between the youths in poor and nonpoor households reflects merely that the never-married children of the poor tend to be younger, but as table 20 suggests, the same pattern holds when the youngsters are grouped by age. Even when the children in poor families are attending school they are less likely to be working than the children in nonpoor families, who presumably have less need for the money.

The inhibiting effect of poverty sets in early. Even among youngsters aged 14-15—nearly all of whom are in school—after-school work, though rare, is more common among the nonpoor. Pre-

sumably with fewer of the poor subscribing to newspapers and more of the shoppers carrying home their own groceries, the school boy in a poor neighborhood has less opportunity for earning by a paper route or by helping out as a delivery boy, etc., than the child in the nonpoor family. Similarly, the teen-age girl in a poor family may have less opportunity to do babysitting for pay than the girl in a family better situated. Thus, even at an early age the child of the poor can miss out in acquiring the discipline and the feeling of satisfaction that comes with earning your own money. Whether poor or nonpoor, nonwhite school children are less likely to have some paid work.

The figures that follow show the percentage of boys and girls aged 14-15 who were in school and in the labor force in March 1965:

Race	Number in labor force as percent of total in school			
	Girls		Boys	
	Poor	Nonpoor	Poor	Nonpoor
Total.....	5	10	8	16
White.....	6	11	9	16
Nonwhite.....	3	3	5	12

The employment status and school attendance in March 1965 of youths aged 14-21 who were household heads (or wives) are shown in table 21.

Because poverty is more prevalent on farms and other rural places than in cities, more of the poor than the nonpoor—and in particular more of the nonwhite—reside among our rural population. As a result the opportunities for employment open to the impoverished, especially, to youngsters, may be more restricted than for members of households in better circumstances.

IMPLICATIONS

The data on how the poor derive their income are only fragmentary. Data now collected for 1965 will reveal more precise and more detailed information about the financial resources of the poor. Yet even summary data reenforce for 1964 the conclusions suggested by earlier analyses of the characteristics of the low-income population. Until and unless some solution is found to provide for everyone a counterfoil to low earning power,

⁶ See Forest A. Bogan, "Employment of High School Graduates and Dropouts in 1964," Special Labor Force Report No. 54, *Monthly Labor Review*, June 1965.

TABLE 21.—Current school and labor-force status of young heads and spouses in poor and nonpoor households in 1964: Percentage distribution of household heads and wives aged 14-21, by school attendance and by family status

School attendance and labor-force status in March 1965	Total		Unrelated individuals						Family heads ¹				Wives, total ²	
	Poor	Non-poor	Total		Male		Female		Total		Male head		Poor	Non-poor
			Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor		
Total number (in thousands).....	940	2,980	300	280	90	130	210	150	270	790	200	740	380	1,910
Percent.....	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
Attending school.....	19.8	4.1	41.0	5.7	(3)	3.2	38.0	7.2	17.0	7.5	13.1	7.8	5.3	2.4
Employed.....	4.9	1.0	13.9	2.2	(2)	0	14.9	3.9	1.8	2.3	2.5	2.4	0	.3
Unemployed.....	14.3	.3	1.0	.7	(2)	1.6	0	0	0	.6	0	.3	0	.2
Not in labor force.....	14.6	2.8	26.1	2.9	(2)	1.6	23.1	3.3	15.2	4.8	10.6	5.1	5.3	1.9
Not in school.....	80.2	95.9	59.0	94.3	(3)	96.8	62.0	92.8	83.0	92.5	86.9	92.2	94.7	97.6
Employed.....	36.3	50.0	43.0	89.2	(3)	87.3	41.3	91.5	65.6	83.3	78.9	84.2	10.3	30.4
Unemployed.....	5.5	5.2	4.1	5.0	(3)	9.5	4.8	1.3	3.7	5.5	4.0	5.3	8.0	5.1
Not in labor force.....	38.4	40.7	11.9	0	(3)	0	15.9	0	13.7	3.5	4.0	2.7	76.4	62.1
Not high school graduate.....	50.5	36.8	24.1	21.5	(3)	43.7	23.6	3.3	52.2	35.1	51.8	35.9	70.0	39.7
Employed.....	16.8	14.3	12.5	21.5	(3)	43.7	10.1	3.3	37.5	29.9	43.7	31.4	5.3	6.8
Unemployed.....	4.2	2.3	2.7	0	(3)	0	2.4	0	3.7	3.0	4.0	2.8	5.8	2.3
Not in labor force.....	29.3	20.2	8.8	0	(3)	0	11.1	0	10.8	2.3	4.0	1.8	58.6	30.6
High school graduate.....	29.7	59.1	35.3	72.7	(3)	53.2	38.5	89.5	30.8	57.2	35.2	76.3	24.7	58.0
Employed.....	19.3	35.6	30.2	67.7	(3)	43.7	31.7	88.2	27.8	53.3	35.2	52.9	4.8	23.6
Unemployed.....	1.4	2.9	1.7	5.0	0	9.5	2.4	1.3	0	2.6	0	2.4	2.1	2.8
Not in labor force.....	9.0	20.5	3.4	0	0	0	4.8	0	3.0	1.3	0	1.1	17.8	31.5

¹ Includes both primary and subfamily heads.

² Includes wives of primary and subfamily heads.

³ Not shown for base less than 100,000.

many will remain at the bottom of the income ladder. For the large number who through age, infirmity, or family responsibility cannot work, some other way must be devised to provide the minimum level of living all Americans may claim as a right. And for those who work and yet are poor a new perspective may be needed.

The limited public provisions for income support now available have done much; they could do more. For some population groups, such as the aged, programs exist that can be improved. For other groups, the need is to develop new social mechanisms.

The population group now most favored in number of income-support programs are the elderly. Yet persons aged 65 or older are the least protected against poverty of any group. The basic program to protect against the hazards of age is OASDHI. If it is assumed that at retirement social insurance benefits must supple-

ment other resources, then it becomes even more important that families be protected against poverty during their early years. The income-producing assets and the owned home that spell the difference between poverty and comfortable living in retirement are not acquired abruptly as work nears its close—they must be accumulated over a lifetime. Savings for old age are not easily set aside by families raising children on earnings too low to support them, and those households that must look to public programs for support during youth or middle age will almost surely have only limited resources when they are old.

By the same token if social security and related programs are for some families to be the chief source of income when earnings are lacking then current payment schedules will need revision. Just how a public contributory program can provide adequate retirement income for low earners and still allow all workers their fair share is yet to be decided.

TABLE A.—Family size and number of children, March 1965: Percentage distribution of farm and nonfarm families by number of related children and sex of head

Number of family members	Total number	Percentage distribution, by number of related children under age 18							
		Total	None	1	2	3	4	5	6 or more
Units with male head									
Nonfarm, number of families.....	44,283	44,283	29,565	7,374	7,179	4,689	2,329	1,183	965
1 (under age 65).....	3,174	100.0	100.0	-----	-----	-----	-----	-----	-----
1 (aged 65 or over).....	1,198	100.0	100.0	-----	-----	-----	-----	-----	-----
2 (under age 65).....	8,564	100.0	99.3	.7	-----	-----	-----	-----	-----
2 (aged 65 or over).....	3,913	100.0	100.0	0	-----	-----	-----	-----	-----
3.....	8,346	100.0	35.3	64.2	.5	-----	-----	-----	-----
4.....	8,051	100.0	8.7	18.1	73.0	.2	-----	-----	-----
5.....	5,427	100.0	2.1	7.4	17.7	72.6	.2	-----	-----
6.....	2,824	100.0	.4	2.5	8.6	19.9	68.5	.1	-----
7 or more.....	2,793	100.0	.2	.9	2.2	6.2	13.8	42.2	34.5
Farm, number of families.....	3,145	3,145	1,480	431	438	300	202	121	173
1 (under age 65).....	140	100.0	100.0	-----	-----	-----	-----	-----	-----
1 (aged 65 or over).....	86	100.0	100.0	-----	-----	-----	-----	-----	-----
2 (under age 65).....	588	100.0	98.6	1.4	-----	-----	-----	-----	-----
2 (aged 65 or over).....	345	100.0	99.4	.6	-----	-----	-----	-----	-----
3.....	519	100.0	51.5	48.1	.4	-----	-----	-----	-----
4.....	486	100.0	10.5	25.7	63.8	0	-----	-----	-----
5.....	380	100.0	2.1	11.3	22.4	63.2	1.0	-----	-----
6.....	240	100.0	1.2	0	14.2	22.5	62.1	0	-----
7 or more.....	360	100.0	0	1.1	1.9	1.7	13.6	33.6	48.1
Units with female head									
Nonfarm, number of families.....	12,137	12,137	9,313	1,072	701	439	295	150	166
1 (under age 65).....	4,056	100.0	100.0	-----	-----	-----	-----	-----	-----
1 (aged 65 or over).....	3,254	100.0	100.0	-----	-----	-----	-----	-----	-----
2 (under age 65).....	1,517	100.0	59.8	40.2	-----	-----	-----	-----	-----
2 (aged 65 or over).....	689	100.0	94.3	5.7	-----	-----	-----	-----	-----
3.....	1,154	100.0	31.4	25.8	42.8	-----	-----	-----	-----
4.....	593	100.0	11.2	16.4	27.9	51.5	-----	-----	-----
5.....	470	100.0	4.5	6.2	16.5	19.4	53.4	-----	-----
6.....	219	100.0	.9	2.3	7.8	17.9	24.8	46.3	-----
7 or more.....	263	100.0	0	0	1.5	8.2	10.1	18.3	61.9
Farm, number of families.....	327	327	257	23	21	9	5	1	10
1 (under age 65).....	72	100.0	100.0	-----	-----	-----	-----	-----	-----
1 (aged 65 or over).....	76	100.0	100.0	-----	-----	-----	-----	-----	-----
2 (under age 65).....	45	100.0	87.0	13.0	-----	-----	-----	-----	-----
2 (aged 65 or over).....	52	100.0	96.2	3.8	-----	-----	-----	-----	-----
3.....	26	100.0	65.4	7.7	26.9	-----	-----	-----	-----
4.....	19	100.0	31.6	42.1	15.8	10.5	-----	-----	-----
5.....	24	100.0	0	8.7	43.5	26.1	21.7	-----	-----
6.....	1	100.0	0	0	0	100.0	0	0	-----
7 or more.....	12	100.0	0	0	0	0	0	8.3	91.7

Source: Derived from tabulations of the Current Population Survey, March 1965, by the Bureau of the Census for the Social Security Administration.

TABLE B.—Family size and number of children, March 1960: Percentage distribution of farm and nonfarm families by number of related children and sex of head

Number of family members	Total number	Percentage distribution, by number of related children under age 18							
		Total	None	1	2	3	4	5	6 or more
Units with male head									
Nonfarm, number of families.....	40,888	40,888	18,570	7,163	7,280	4,378	1,937	874	708
1 (under age 65).....	2,949	100.0	100.0						
1 (aged 65 or over).....	999	100.0	100.0						
2 (under age 65).....	7,830	100.0	99.2	.8					
2 (aged 65 or over).....	3,398	100.0	99.9	.1					
3.....	7,943	100.0	32.9	66.7	.4				
4.....	7,948	100.0	7.8	18.9	75.1	.2			
5.....	5,142	100.0	2.0	7.1	18.5	72.2	.2		
6.....	2,461	100.0	1.1	3.3	10.0	19.4	66.1	.1	
7 or more.....	2,119	100.0	.1	.8	2.8	8.0	14.1	41.1	33.3
Farm, number of families.....	3,903	3,933	1,773	61.4	511	425	245	125	209
1 (under age 65).....	211	100.0	100.0						
1 (aged 65 or over).....	71	100.0	100.0						
2 (under age 65).....	705	100.0	99.0	1.0					
2 (aged 65 or over).....	352	100.0	99.7	.3					
3.....	731	100.0	45.5	54.2	.3				
4.....	612	100.0	15.4	24.8	59.5	.3			
5.....	505	100.0	2.6	9.5	21.8	66.1	0		
6.....	263	100.0	.4	3.0	9.1	24.7	62.8	0	
7 or more.....	451	100.0	0	.7	2.4	5.1	17.7	27.7	46.4
Units with female head									
Nonfarm, number of families.....	10,580	10,580	8,147	1,034	638	360	200	97	104
1 (under age 65).....	3,825	100.0	100.0						
1 (aged 65 or over).....	2,443	100.0	100.0						
2 (under age 65).....	1,415	100.0	57.9	42.1					
2 (aged 65 or over).....	628	100.0	94.6	5.4					
3.....	1,041	100.0	33.8	24.1	42.1				
4.....	584	100.0	15.2	19.0	19.7	46.1			
5.....	294	100.0	5.4	10.9	19.4	17.0	47.3		
6.....	181	100.0	5.0	5.0	12.1	16.0	22.1	39.8	
7 or more.....	170	100.0	0	1.2	3.5	7.0	12.4	14.7	61.2
Farm, number of families.....	397	397	287	46	22	17	7	6	11
1 (under age 65).....	98	100.0	100.0						
1 (aged 65 or over).....	118	100.0	100.0						
2 (under age 65).....	38	100.0	60.5	39.5					
2 (aged 65 or over).....	38	100.0	86.8	13.2					
3.....	38	100.0	34.2	34.2					
4.....	21	100.0	9.5	42.9	31.6				
5.....	16	100.0	0	12.5	43.8	33.3			
6.....	13	100.0	0	0	0	31.2	12.5		
7 or more.....	17	100.0	0	11.8	0	0	23.1	30.8	58.8

Source: Derived from tabulations of the Current Population Survey, March 1960, by the Bureau of the Census for the Social Security Administration.

TABLE C.—The low-income gap, 1959 and 1964: Total difference between actual and required income of all households below the low-income level

Type of household and characteristic of head	Poor households				Dollar deficit			
	Number (in millions)		Percentage distribution		Amount (in billions)		Percentage distribution	
	1959	1964	1959	1964	1959	1964	1959	1964
Total.....	17.6	16.4	100.0	100.0	\$22.8	\$21.2	100.0	100.0
Unrelated individuals.....	5.6	5.8	31.8	35.4	5.4	5.4	23.7	25.5
Men.....	1.8	1.7	10.2	10.4	1.7	1.6	7.3	7.5
Women.....	3.8	4.0	21.6	24.4	3.8	3.8	16.4	17.9
Families, total.....	12.0	10.7	68.2	65.2	17.4	15.8	76.3	74.5
With male head.....	9.7	8.3	55.1	50.6	13.2	11.5	57.9	54.2
No children under 18.....	3.7	3.2	21.0	19.5	3.8	3.2	16.7	15.1
1-3 children under 18.....	3.9	3.2	22.2	19.5	5.0	4.1	21.9	19.3
4 or more children under 18.....	2.2	2.0	12.5	12.2	4.3	4.1	18.9	19.3
With female head.....	2.3	2.4	13.1	14.6	4.2	4.4	18.4	20.8
No children under 18.....	.6	.6	3.4	3.7	.6	.6	2.6	2.8
1-3 children under 18.....	1.3	1.2	7.4	7.3	2.4	2.2	10.5	10.4
4 or more children under 18.....	.4	.5	2.3	3.0	1.2	1.6	5.3	7.5
<i>Race</i>								
White.....	14.1	13.0	80.1	79.3	16.9	15.4	74.1	72.6
Unrelated individuals.....	4.6	4.8	28.1	29.3	4.4	4.3	19.3	20.3
Families.....	9.5	8.2	54.0	50.0	12.5	11.1	54.8	52.4
Nonwhite.....	3.5	3.4	19.9	20.7	5.9	5.5	25.9	25.9
Unrelated individuals.....	1.0	1.0	5.7	6.1	1.0	1.0	4.4	4.7
Families.....	2.5	2.4	14.2	14.6	4.9	4.5	21.5	21.2
<i>Age of head</i>								
Under 25.....	1.4	1.4	8.0	8.5	1.9	1.9	8.3	9.0
Unrelated individuals.....	.6	.5	3.4	3.0	.7	.7	3.1	3.3
Families.....	.9	.9	5.1	5.5	1.2	1.2	5.3	5.7
25-64.....	10.9	9.4	61.9	57.3	15.6	14.4	68.4	67.9
Unrelated individuals.....	2.4	2.1	13.6	12.8	2.4	2.2	10.5	10.4
Families.....	8.5	7.3	48.3	44.5	13.2	12.1	57.9	57.1
65 or over.....	5.4	5.6	30.7	34.1	5.3	4.9	23.2	23.1
Unrelated individuals.....	2.7	3.1	15.3	16.9	2.3	2.4	10.1	11.3
Families.....	2.7	2.5	15.3	15.2	2.9	2.5	12.7	11.8

TABLE D.—Income deficit of the poor and near poor, 1959 and 1964: Distribution of households by difference between actual income and the low-income level by sex, age, and race of head

Type of household and characteristic of head	Median deficit		Percent of poor and near poor households with specified deficit below low-income level			
			Under \$500		\$2,000 or more ¹	
	1959	1964	1959	1964	1959	1964
<i>Unrelated individuals</i>						
All poor and near poor.....	\$930	\$880	21.0	22.0	44.5	39.9
Male.....	890	880	24.8	26.4	42.1	41.3
Female.....	950	880	19.2	20.0	45.6	39.3
White.....	910	850	21.5	23.7	42.8	37.7
Nonwhite.....	1,030	1,000	18.7	13.9	52.4	49.6
Under 25.....	1,350	1,470	12.6	15.6	67.5	71.9
25-64.....	1,000	1,030	21.7	17.4	49.7	52.1
65 or over.....	850	760	22.1	26.2	35.3	26.3
<i>Families</i>						
All poor and near poor.....	\$1,180	\$1,190	22.8	22.7	25.3	26.7
With male head.....	1,080	1,100	25.2	24.9	22.6	23.5
No children under age 18.....	910	850	28.1	29.8	9.9	8.8
1-3 children under age 18.....	1,050	1,070	27.6	26.0	21.1	22.7
4 or more children under age 18.....	1,810	1,830	16.2	15.6	45.7	46.7
With female head.....	1,590	1,610	12.2	15.2	36.9	38.4
No children under age 18.....	990	930	23.0	27.0	8.3	6.7
1-3 children under age 18.....	1,610	1,590	11.0	15.2	35.3	35.0
4 or more children under age 18.....	3,030	2,990	3.2	4.7	79.4	75.6
White.....	1,060	1,060	25.6	25.7	21.0	22.0
Nonwhite.....	1,730	1,710	12.5	12.9	41.3	42.0
With head aged—						
Under 25.....	1,250	1,090	22.5	26.3	24.3	25.0
25-64.....	1,280	1,370	22.0	20.3	29.8	32.6
65 or over.....	960	850	25.5	28.7	10.6	9.8

¹ \$1,000 or more for an unrelated individual.

The Poor in City and Suburb, 1964

by MOLLIE ORSHANSKY*

Deprivation among nonwhite families generally, and their virtual exclusion from the suburbs in many parts of the country, has focused attention on the central city ghettos of nonwhite poor. But the cloak of poverty has many colors. In the central cities, as elsewhere, it is not restricted to the nonwhite population: Over all, the white poor outnumber those nonwhite in the cities of 50,000 or more, as well as in their suburbs. Though close to half the inhabitants in some large cities may be nonwhite, in March 1965 for the Nation as a whole, 4 out of 5 households in the central cities of metropolitan areas were white. On the other hand, in the areas surrounding the central cities, all but 5 out of every 100 households were white.

IT IS BY NOW well-established that though the majority in the United States are privileged to live well, a sizable minority must manage on incomes too meager to provide even the barest necessities. It is also acknowledged that some groups are more vulnerable than others to economic privation. The ranks of the poor reveal sharply who are the Americans bypassed on the road to affluence and the kinds of communities in which they reside. The historic concern with the unfavorable economic status of the South, compared with the rest of the country, is reinforced by the finding that half of all the families on the Nation's poverty roster and seven-tenths of the nonwhite families ranked poor live in a Southern State. On the other hand, to our long-standing preoccupation with the low incomes prevalent in many rural places must now be added the realization that some of the direst pockets of poverty are to be found within our large cities.

Despite much upgrading and attempts at redress the scourge of poverty today still afflicts the nonwhite population at a rate more than three times that of the white. Accordingly, the 34 million counted poor by their 1964 income included

half the country's nonwhite population but only a seventh of the white. By the same token, though city dwellers on the whole are better off financially than those in the country, inside our big cities—which now spell home to a majority of nonwhite Americans—poverty strikes at a rate one and two-thirds as high as it does in the surrounding suburbs.

Thus among the Nation's nonwhite poor, 2 out of 5 lived inside a central city but only 1 in 4 of the white poor were similarly located. Yet, though the poverty of the Negro is predominantly the poverty of the central city, he holds no monopoly on it: in sheer numbers the white poor in the cities outweigh the nonwhite poor by more than a fourth, and among persons aged 65 or older—the Nation's most poverty-prone age group—the number of white poor in the central cities was over five times as great as the number of nonwhite. The city slums that wall off some of America's needy have no color barriers.

PROBLEMS OF THE CITY

Recent statistics on the economic and social characteristics of the metropolitan population attest to some of the difficulties currently facing many of our large cities.¹ The demands on them for health, education, and welfare services are growing, but the funds on which they can draw to meet these demands are not rising in proportion.

Compared with the suburbs around them, the Nation's central cities early in 1965 had an overrepresentation of aged persons. The aged, like young children, may well require special community effort if they are to get all the care they should have.

Because there were proportionately more all-adult households in central cities, the cities had only four-fifths as many young children to provide for as the suburbs. But the children in the city were much more likely to be growing up in a home minus a father, in a nonwhite family, or

*Office of Research and Statistics. For earlier articles in the series on poverty by Mollie Orshansky, see the *Bulletin* for January and July 1965 and for April and May 1966.

¹ See also the Bureau of the Census, "Income in 1964 of Families and Unrelated Individuals by Metropolitan-Nonmetropolitan Residence," *Current Population Reports: Consumer Income* (Series P-60, No. 48).

in another family that customarily has low income and thus to be more dependent on what the community would provide.

In parallel fashion, aged persons who lived in the city were not so well off as those who lived in the suburbs. Compared with those in the suburbs, the city dwellers aged 65 or older more often lived alone and so would have no one at home to look after them in case of illness; they rented rather than owned their home and so would need more cash for daily living expenses; and more of them relied in whole or in part on public assistance for support.

The overall economic disadvantage of the city family was, after all, what could be expected of a household relying on a breadwinner with only limited earning power, or indeed having no breadwinner at all. The head of a family in the city was more likely to be out of the labor force altogether than was a family head in the suburbs. If he was in the labor force he was more likely to be currently looking for a job than working at one. If he was working, it was more likely to be at a job that was low-skilled and ill-paying. In more of the central-city families the man at the head was at least 55 years old, a time well past the earnings prime of the average worker. All told, households in the central cities were apt to have lower incomes in relation to their needs than was the case in the suburbs.

As a rule white families have more opportunity than nonwhite families to make their home in the suburbs surrounding a large city. Nevertheless, for many white families today—as indeed for most nonwhite families—if they are to live in a metropolitan area at all, it will still be in the central city. And for white and nonwhite families alike, where they live will be in part contingent upon their current finances and in part upon their stage in the family life cycle.

Thus in 1964, whether poor or nonpoor, white metropolitan families with school-age children were more apt to be in the suburbs than families without children, but the preference was more pronounced when income was above the poverty line. For older families who usually haven't any young children at home, the opposite was true: the nonpoor families were more likely to be city dwellers than the poor. It is not possible to say at this point how many of the older white families had come back to a central city from the suburbs

after the children were grown and how many of them were merely continuing their residence

TABLE 1.—Percentage distribution of the population by metropolitan-nonmetropolitan residence and by age, race, and poverty status in 1964

Age, race, and poverty status of person	Number of persons (in millions) ¹	Percentage distribution				
		Total	Metropolitan area		Nonmetropolitan area	
			In central cities	Outside central cities	Non-farm	Farm
Total, all ages	189.9	100.0	30.9	33.0	29.2	7.0
White.....	167.6	100.0	28.0	35.2	29.8	6.9
Nonwhite.....	22.4	100.0	51.9	16.2	24.0	7.9
Under age 6	24.7	100.0	30.1	34.1	29.7	6.1
White.....	20.8	100.0	26.2	37.6	30.5	5.8
Nonwhite.....	3.8	100.0	51.4	15.2	25.7	7.7
Aged 6-15	38.3	100.0	27.2	34.1	30.2	8.4
White.....	32.9	100.0	23.9	37.1	30.9	8.1
Nonwhite.....	5.3	100.0	47.9	15.7	26.3	10.0
Aged 16-21	18.0	100.0	29.8	32.8	30.0	7.4
White.....	15.7	100.0	27.0	35.2	30.9	6.9
Nonwhite.....	2.2	100.0	49.8	15.8	23.3	11.1
Aged 22-64	91.6	100.0	32.2	33.4	27.9	6.5
White.....	82.0	100.0	29.4	35.4	28.7	6.6
Nonwhite.....	9.7	100.0	55.9	16.9	21.1	6.0
Aged 65 and over	17.4	100.0	34.0	26.7	31.9	7.3
White.....	16.0	100.0	33.1	27.7	31.9	7.3
Nonwhite.....	1.4	100.0	44.6	15.4	32.5	7.5
Poor²	34.3	100.0	29.4	18.4	39.5	12.7
White.....	23.6	100.0	23.8	21.8	41.5	12.9
Nonwhite.....	10.6	100.0	41.7	10.8	35.1	12.5
Under age 6	5.8	100.0	33.1	18.5	36.7	11.7
White.....	3.5	100.0	25.5	23.8	38.0	12.7
Nonwhite.....	2.3	100.0	44.7	10.4	34.6	10.3
Aged 6-15	8.2	100.0	28.0	18.0	38.7	15.3
White.....	5.1	100.0	20.3	22.5	41.2	16.0
Nonwhite.....	3.1	100.0	40.6	10.6	34.7	14.1
Aged 16-21	3.0	100.0	27.5	18.0	40.8	13.7
White.....	2.0	100.0	21.7	22.3	44.0	12.0
Nonwhite.....	1.0	100.0	39.2	9.4	34.3	17.1
Aged 22-64	11.9	100.0	28.7	18.0	39.3	13.9
White.....	8.5	100.0	23.0	21.0	41.3	14.7
Nonwhite.....	3.5	100.0	42.6	10.7	34.4	12.1
Aged 65 and over	5.4	100.0	29.7	19.9	43.5	7.0
White.....	4.6	100.0	28.8	20.7	43.7	6.8
Nonwhite.....	.7	100.0	35.7	14.4	42.1	8.0
Nonpoor	155.6	100.0	31.2	36.2	26.9	5.7
White.....	143.8	100.0	28.7	37.4	27.9	5.9
Nonwhite.....	11.8	100.0	61.2	21.0	14.1	3.7
Under age 6	18.9	100.0	29.2	38.8	27.6	4.3
White.....	17.3	100.0	26.3	40.3	29.0	4.4
Nonwhite.....	1.6	100.0	61.2	22.2	12.7	3.8
Aged 6-15	30.0	100.0	27.0	38.5	27.9	6.5
White.....	27.8	100.0	24.5	39.8	29.0	6.7
Nonwhite.....	2.2	100.0	58.5	23.1	14.2	4.2
Aged 16-21	15.0	100.0	30.2	35.8	27.8	6.1
White.....	13.7	100.0	27.7	37.1	29.0	6.1
Nonwhite.....	1.2	100.0	58.4	21.0	14.4	6.2
Aged 22-64	79.7	100.0	32.7	35.7	26.2	5.4
White.....	73.5	100.0	30.1	37.0	27.2	5.6
Nonwhite.....	6.2	100.0	63.4	20.5	13.6	2.6
Aged 65 and over	12.0	100.0	35.9	29.8	26.8	7.5
White.....	11.4	100.0	34.9	30.5	27.1	7.5
Nonwhite.....	.6	100.0	55.3	16.6	21.1	6.9

NOTE: The tables in this article designate as poor 200,000 children under age 14 who lived as unrelated individuals in families to no member of which they were related. Earlier analyses by the Social Security Administration excluded these children because the Bureau of the Census does not normally collect data from persons in institutions or from unrelated individuals under age 14; the number of poor was thus given as 34.1 million persons and the total of poor and nonpoor as 189.7 million. See the *Social Security Bulletin*, April and May 1966. Metropolitan data on poverty status exclude and nonmetropolitan data include the few farm residents labeled metropolitan by the Census Bureau.

¹ Noninstitutional population only.

² Income of family unit or unrelated individual below poverty level of the SSA index by family size and composition and by farm-nonfarm residence.

Source: Derived from special tabulations of the Current Population Survey, March 1963, prepared by the Bureau of the Census for the Social Security Administration and the Office of Economic Opportunity.

pattern of earlier years and so had never left it.

Among nonwhite metropolitan families, too, those with children aged 6-15 elected to live in the suburbs more readily than those without children but—poor or nonpoor—relatively fewer of them were able to do so than was true of white families.

POPULATION TRENDS

As part of its industrial development the United States has for many years now experienced a steady decline in the number of persons living on farms. At the beginning of the century well over a third of the population was living on farms that provided most of their income and nearly all their food. By the beginning of World War II, the proportion on farms had dropped to less than a fourth and for many of these farming was not the sole source of support. Currently, fewer than 7 out of 100 Americans live on a farm and even among the nonwhite population—traditionally more tied to agriculture than the white—only 8 out of 100 still live on the land (table 1).

By contrast, the nonfarm population has grown rapidly and the bulk of this growth continues to be in the metropolitan areas. The shift away from the farm has brought about the development of population clusters not only within large cities but in the suburbs around them. Today more than 3 out of every 5 persons in the United States live in such metropolitan areas. Indeed, in the last two decades it has been the outlying areas about cities rather than the cities themselves that have registered the greatest gains.² Most Americans live in what is now almost entirely a money economy, and their financial well-being reflects in the main their current earnings and the cash income available to them from other sources.

The latest available information classifying persons and households by metropolitan-nonmetropolitan residence relates to demographic characteristics of households participating in the Current Population Survey sample of the Bureau of the Census for March 1965 and to the money income they reported for the year 1964 (table 2).

In March 1965, more than 3 out of 5 persons in the United States lived in a metropolitan area

² Bureau of the Census, "Americans at Mid-Decade" (Series P-23, No. 16), January 1966.

TABLE 2.—Percentage distribution of households by metropolitan-nonmetropolitan residence and by race, sex of head, and poverty status in 1964

Race and type of household	Total number (in millions)	Percentage distribution				
		Total	Metropolitan area		Nonmetropolitan area	
			In central cities	Outside central cities	Non-farm	Farm
Total, all households ¹	60.0	100.0	33.9	31.2	29.0	5.9
Unrelated individuals, total.....	12.3	100.0	45.1	23.3	28.5	3.0
White.....	10.5	100.0	41.9	25.2	29.8	3.1
Nonwhite.....	1.7	100.0	64.4	12.5	20.4	2.6
Poor unrelated individuals ²	5.3	100.0	38.5	22.0	36.0	3.5
White.....	4.3	100.0	34.8	23.8	38.0	3.3
Nonwhite.....	1.0	100.0	55.0	13.9	27.1	4.0
Nonpoor unrelated individuals.....	7.0	100.0	50.1	24.4	22.8	2.7
White.....	6.2	100.0	46.8	26.1	24.1	3.0
Nonwhite.....	.8	100.0	76.0	10.7	12.3	.9
Families, total.....	47.7	100.0	31.0	33.2	29.1	6.6
White.....	43.0	100.0	28.3	35.1	29.8	6.7
Male head.....	39.2	100.0	27.4	35.7	29.9	7.0
Female head.....	3.8	100.0	38.9	28.6	28.9	3.6
Nonwhite.....	4.7	100.0	54.6	16.7	22.8	5.9
Male head.....	3.6	100.0	52.7	18.8	22.1	6.4
Female head.....	1.1	100.0	61.0	9.6	25.2	4.3
Poor families.....	6.8	100.0	27.6	18.2	41.2	12.9
White.....	4.9	100.0	21.9	21.3	43.2	13.6
Male head.....	3.8	100.0	18.7	20.4	44.2	16.7
Female head.....	1.1	100.0	33.2	24.5	39.8	2.7
Nonwhite.....	1.9	100.0	42.9	10.1	36.0	11.0
Male head.....	1.2	100.0	35.3	10.7	39.4	14.6
Female head.....	.7	100.0	55.5	9.0	30.3	5.1
Nonpoor families.....	40.9	100.0	31.5	35.7	27.1	5.6
White.....	38.1	100.0	29.2	36.8	28.1	5.3
Male head.....	35.4	100.0	28.3	37.3	28.4	6.0
Female head.....	2.7	100.0	41.2	30.3	24.5	3.9
Nonwhite.....	2.8	100.0	62.1	20.9	14.3	2.6
Male head.....	2.4	100.0	60.8	22.6	14.0	2.6
Female head.....	.4	100.0	70.1	10.7	16.3	2.9

¹ Households defined as total of families and unrelated individuals.
² Income of family unit or unrelated individual in 1964 below the poverty level of the SSA index.

—that is, within a city of at least 50,000 inhabitants or the environs of such a place. All told, 68 percent of the nonwhite and 63 percent of the white made their home in a metropolitan area. What was more striking was the fact that 3 out of 4 nonwhite persons in these metropolitan areas were living in the city proper, but more than half the white metropolitan residents lived outside. Among the white population, aged persons were more likely to live in a central city than were young children. Among the nonwhite population the opposite was true—chiefly because fewer nonwhite children lived on a farm or in a small town, that is, outside a standard metropolitan statistical area altogether.

Much has been made of the flight to the suburbs of the white family with children. And, indeed, of all households that were in metropolitan areas

the one most likely to choose a suburb of a large city rather than the city itself was the white family with school-age children. Nevertheless, by the spring of 1965, there were still about 4.4 million white families with children aged 6-15 living in a central city—or about 2 such families inside a city for every 3 in the suburbs around it. In 1 out of 7 central city families, it was a woman rather than a man who served as family head, and an equal proportion of all families had a head at least 65 years old. In the suburbs, only 1 in 13 of the families was headed by a woman, and 1 in 9 by a person aged 65 or older (table 3).

WHERE THE POOR LIVE

On the whole, residents of metropolitan areas enjoy higher incomes than those making their

home on a farm or in a small town. The median income for metropolitan families in 1964 was \$7,290—40 percent higher than for families living elsewhere; for unrelated individuals the median was \$2,330, about two-thirds more than the amount reported by one-person households in non-metropolitan areas. Yet America's large cities and the suburbs around them included nearly half the 34 million persons counted poor in 1964 by the Social Security Administration measure of poverty.

The Social Security Administration poverty index is an interim measure designed to assess family income in relation to the number depending on it. It stipulates the minimum money income required to support a family of given composition at the lowest level consistent with standards of living prevailing in this country. At best, such a figure can stipulate only the amount at which

TABLE 3.—Incidence of poverty in 1964 of households in metropolitan area, by race

Type of household	Total metropolitan area			In central cities			Outside central cities		
	Total	White	Non-white	Total	White	Non-white	Total	White	Non-white
Number of households (in millions)									
Unrelated individuals.....	8.4	7.1	1.3	6.5	4.4	1.1	2.9	2.6	0.2
Aged 65 and over.....	2.9	2.6	.3	1.9	1.6	.2	1.0	.9	.1
Men.....	.8	.7	.1	.5	.4	.1	.2	.2	(1)
Women.....	2.1	1.9	.2	1.3	1.2	.1	.8	.7	(1)
Families of 2 or more ²	30.6	27.3	3.4	14.8	12.2	2.6	15.9	15.1	.8
Children under age 6.....	9.6	8.2	1.4	4.4	3.4	1.1	5.2	4.9	.3
Children aged 6-15.....	12.6	11.0	1.6	5.6	4.4	1.2	7.0	6.6	.4
Head aged 65 and over.....	3.9	3.6	.3	2.1	1.9	.2	1.8	1.7	.1
Male head ³	27.3	24.7	2.6	12.6	10.7	1.9	14.7	14.0	.7
Children under age 6.....	8.8	7.8	1.0	3.9	3.1	.8	4.9	4.6	.3
Children aged 6-15.....	11.2	10.0	1.2	4.7	3.8	.8	6.5	6.2	.3
Head aged 65 and over.....	3.3	3.1	.2	1.7	1.6	.2	1.6	1.5	.1
Female head ³	3.3	2.6	.8	2.1	1.5	.7	1.2	1.1	.1
Children under age 6.....	.8	.5	.3	.5	.2	.3	.3	.2	(1)
Children aged 6-15.....	1.5	1.0	.5	.9	.5	.4	.5	.5	.1
Head aged 65 and over.....	.6	.5	.1	.4	.3	.1	.2	.2	(1)
Percent with 1964 income below SSA poverty level									
Unrelated individuals.....	38.2	36.1	49.5	36.9	34.3	47.2	40.7	39.1	61.2
Aged 65 and over.....	55.2	52.7	76.5	54.9	52.0	74.9	55.8	54.0	(2)
Men.....	42.5	37.6	73.1	43.5	37.4	(2)	40.8	38.4	(2)
Women.....	59.9	58.1	78.5	59.4	57.4	75.9	60.7	59.1	(2)
Families of 2 or more ²	10.2	7.8	29.1	12.7	8.8	30.7	7.8	7.0	23.7
Children under age 6.....	14.9	10.4	41.7	20.8	13.2	44.9	9.9	8.5	30.9
Children aged 6-15.....	12.8	8.7	40.3	18.3	11.1	43.5	8.5	7.1	30.3
Head aged 65 and over.....	15.5	14.0	34.3	14.6	13.0	29.2	16.6	15.1	(2)
Male head ³	7.4	6.1	20.7	8.9	6.7	21.4	6.2	5.6	18.2
Children under age 6.....	10.6	7.9	30.6	14.5	10.0	32.2	7.6	6.5	25.4
Children aged 6-15.....	8.1	5.8	27.6	11.0	6.9	29.5	6.1	5.2	22.9
Head aged 65 and over.....	15.0	13.7	31.3	14.0	12.7	27.5	16.0	14.8	(2)
Female head ³	32.3	24.6	57.3	34.8	24.7	57.0	27.8	24.8	58.5
Children under age 6.....	62.4	51.7	78.5	68.1	53.7	81.0	52.6	50.0	(2)
Children aged 6-15.....	48.8	37.6	73.2	65.8	41.4	74.5	37.7	33.3	(2)
Head aged 65 and over.....	18.6	15.3	(2)	17.3	14.6	(2)	20.9	16.8	(2)

¹ Less than 50,000 households.

² Subgroups not necessarily mutually exclusive; some families with children under age 6 also had children aged 6-15, and some families with children had

head aged 65 and over.

³ Not shown for base less than 100,000.

TABLE 4.—Incidence of poverty in 1964 of the population, by age, race, and metropolitan-nonmetropolitan residence.

[In millions, except percentages]

Age and race	Total, U.S.			Metropolitan area						Nonmetropolitan area					
	Total number of persons	Poor persons ¹		In central cities			Outside central cities			Nonfarm			Farm		
		Number	Percent of total	Total persons	Poor persons ¹		Total persons	Poor persons ¹		Total persons	Poor persons ¹		Total persons	Poor persons ¹	
					Number	Percent of total		Number	Percent of total		Number	Percent of total		Number	Percent of total
Total, all ages.....	189.9	34.3	18.0	58.6	10.1	17.2	62.6	6.3	10.0	55.4	13.5	24.4	13.3	4.4	32.9
White.....	167.5	23.6	14.1	47.0	5.6	12.0	59.0	5.1	8.7	50.0	9.8	19.6	11.5	3.0	26.4
Nonwhite.....	22.4	10.6	47.4	11.7	4.4	38.0	3.6	1.1	31.6	5.4	3.7	69.2	1.8	1.3	75.4
Under age 6.....	24.7	5.8	23.3	7.4	1.9	25.7	8.4	1.1	12.7	7.3	2.1	28.8	1.5	.7	45.2
White.....	20.8	3.5	16.7	5.5	.9	16.3	7.8	.8	10.6	6.3	1.3	20.9	1.2	.4	36.7
Nonwhite.....	3.8	2.3	59.3	2.0	1.0	51.5	.6	.2	40.6	1.0	.8	79.9	.3	.2	79.6
Aged 6-15.....	38.3	8.2	21.5	10.4	2.3	22.1	13.1	1.5	11.3	11.6	3.2	27.5	3.2	1.3	39.0
White.....	32.9	5.1	15.4	7.9	1.0	13.1	12.2	1.1	9.3	10.2	2.1	20.5	2.7	.8	30.3
Nonwhite.....	5.3	3.1	58.9	2.6	1.3	49.8	.8	.3	39.8	1.4	1.1	77.8	.5	.4	82.6
Aged 16-21.....	18.0	3.0	16.6	5.4	.8	15.3	5.9	.5	9.1	5.4	1.2	22.6	1.3	.4	30.8
White.....	15.7	2.0	12.6	4.2	.4	10.2	5.5	.4	8.0	4.9	.9	18.0	1.1	.2	22.1
Nonwhite.....	2.2	1.0	44.6	1.1	.4	35.1	.4	.1	26.4	.5	.3	65.6	.2	.2	69.1
Aged 22-64.....	91.6	11.9	13.0	29.5	3.4	11.6	30.6	2.1	7.0	25.5	4.7	18.4	6.0	1.7	27.8
White.....	82.0	8.5	10.3	24.1	1.9	8.1	29.0	1.8	6.1	23.5	3.5	14.9	5.4	1.2	23.0
Nonwhite.....	9.7	3.5	36.0	5.4	1.5	27.4	1.6	.4	22.7	2.0	1.2	58.7	.6	.4	72.4
Aged 65 and over.....	17.4	5.4	30.9	5.9	1.6	27.0	4.6	1.1	22.9	5.6	2.3	42.0	1.3	.4	29.5
White.....	16.0	4.6	28.8	5.3	1.3	25.1	4.4	1.0	21.6	5.1	2.0	39.5	1.2	.3	27.0
Nonwhite.....	1.4	.7	34.3	.6	.3	43.6	.2	.1	50.9	.4	.3	70.5	.1	.1	57.7

¹ Income of family unit or unrelated individual in 1964 below the poverty level of the SSA index.

an acceptable level of consumption may on the average be possible, but not necessarily plausible, for a particular family in its own special setting. Such a measure, however, can serve as a broad gauge. Pending the results of further research, it is now being used as a working definition of poverty to suggest the numbers and kinds of households to whom antipoverty programs might be directed.

The criterion assumes a nonfarm family would need as a minimum an income permitting average expenditures of 70 cents a day per person for food at 1964 prices—the smallest amount with which, according to the Department of Agriculture, one could reasonably expect an American housewife exercising care and skill to be able to provide adequate meals for her family—and about \$1.40 additional per person each day for everything else.³

In today's burgeoning economy, so meager a regimen can at most be only barely adequate. Few would be willing to say without reservation that this much is enough; many would be willing to agree that anything less is almost surely too little.

The index as derived makes no allowance for

³ For detailed description of the Social Security Administration measure of poverty and its rationale, see the *Bulletin*, January 1965 (pages 5-11) and July 1965 (pages 3-10).

any presumed place-to-place differences in cost of living except between farm and nonfarm households. (About a fifth of all families outside metropolitan areas and a tenth of those persons living alone in nonmetropolitan areas live on a farm.) It is estimated that at the minimum standard predicated by the poverty measure a nonfarm household requires about 43 percent more cash income than a farm family—that is, for every 70 cents it takes a farm family to purchase necessary goods and services as a minimum, a corresponding nonfarm household would need about \$1.

Special tabulations of the March 1965 Current Population Survey Sample have been made by the Bureau of the Census for the Social Security Administration and the Office of Economic Opportunity to enumerate households with 1964 income below the Social Security Administration poverty threshold and those with income above. A total of 12 million households—7 million family groups and 5 million unrelated individuals—were thus rated poor for 1964.

Because metropolitan households averaged 40 percent more income than nonmetropolitan units, a smaller percentage of the metropolitan than of the nonmetropolitan population was counted poor. Nevertheless, of the 34 million persons judged poor in 1964 by the Social Security Administration poverty index, 16½ million resided

TABLE 5.—Incidence of poverty in 1964 of unrelated individuals and persons in families, by race and metropolitan-nonmetropolitan residence

Family status and race	Total, U.S.			Metropolitan area						Nonmetropolitan area					
	Total number of persons	Poor persons		In central cities			Outside central cities			Nonfarm			Farm		
		Number	Per cent of total	Total number of persons	Poor persons		Total number of persons	Poor persons		Total number of persons	Poor persons		Total number of persons	Poor persons	
					Number	Per cent of total		Number	Per cent of total		Number	Per cent of total		Number	Per cent of total
Total.....	189.9	34.3	18.0	58.6	10.1	17.2	62.6	6.3	10.0	55.4	13.5	24.4	13.3	4.4	32.9
Unrelated individuals.....	12.3	5.3	43.2	5.5	2.0	36.9	2.9	1.2	40.7	3.5	1.9	54.7	.4	.2	49.2
White.....	10.5	4.3	41.2	4.4	1.5	34.3	2.6	1.0	39.1	3.1	1.7	52.6	.3	.1	44.2
Nonwhite.....	1.7	1.0	55.3	1.1	.5	47.2	.2	.1	61.2	.4	.3	73.1	(1)	(1)	(3)
Persons in families.....	177.6	28.9	16.3	53.1	8.0	15.1	59.8	5.1	8.6	51.9	11.6	22.4	12.9	4.2	32.5
White.....	156.9	19.3	12.3	42.6	4.1	9.7	56.4	4.1	7.3	46.8	8.1	17.4	11.2	2.9	25.9
Male head.....	145.2	15.4	10.6	38.1	2.8	7.4	52.9	3.1	5.9	43.4	6.6	15.3	10.8	2.5	28.1
Female head.....	11.8	3.9	32.9	4.4	1.3	28.9	3.5	1.0	28.2	3.5	1.5	44.1	.4	.1	20.2
Nonwhite.....	20.7	9.7	46.7	10.5	3.9	37.0	3.4	1.0	29.7	5.0	3.5	68.9	1.7	1.3	75.1
Male head.....	16.1	6.4	40.0	7.9	2.2	27.5	2.9	.7	24.0	3.8	2.5	65.0	1.5	1.1	75.7
Female head.....	4.6	3.2	70.3	2.6	1.7	66.3	.5	.3	63.8	1.3	1.0	80.7	.3	.2	71.6

¹ Fewer than 50,000 households.

² Not shown for base less than 100,000.

either in the central city of a metropolitan area or in the suburbs around it (table 4).⁴

There is, in addition, considerable difference between the overall economic situation of the residents within a central city and that in the surrounding suburbs. Families in central cities, whether white or nonwhite, as a group average less income than those in the suburbs, but unrelated individuals average more: In 1964 the income (before taxes) received by a city family represented a weekly average of about \$130 a week or 15 percent less than the amount a suburban family had. The one-person household in the city, by contrast, averaged about \$45 a week to the suburbanite's \$40.⁵ But proportionately more of the families than of the one-person households reside in the suburbs than in the city, and of course there are more families in any case. As a result, of the 6.3 million households counted poor in metropolitan areas in 1964, 3.9 million or three-fifths resided in the city proper.

Among all persons living in metropolitan areas as members of a family group in March 1965, every ninth one was in a family with income in

1964 too low to be considered adequate by even a minimum standard. For persons living alone or with nonrelatives only—usually designated as unrelated individuals—the proportion counted poor in metropolitan areas was as high as 2 in 5 (table 5).

THE CITY VERSUS THE SUBURBS

Some of the characteristics that distinguish suburbanites from city dwellers mirror social problems of the cities now claiming public concern. As a group, the households in the cities exhibited several traits often accompanied by a high risk of poverty.

As reported elsewhere, persons living alone run a risk of poverty two and one-half times that of persons living as part of a family group; households headed by a woman are more than three times as likely to be poor as households headed by a man, and when there are children in the home the woman's family runs a risk of poverty four times that of the man's; families with a head aged 65 or older have a poverty rate one and three-fourths that of younger families; and non-white families generally are subject to poverty at a rate three and one-half times that among white families.⁶

In everyone of these respects a larger share of the city population was poverty-prone than was

⁴ Tables in this article show a total of 34.3 million poor in terms of 1964 income—counting as poor 200,000 youngsters under age 14 who live in families to no member of whom they are related. Earlier analyses by the Social Security Administration, showing a poverty roster of 34.1 million excluded these children because income data were not available for them. (See Note on table 1.) See also Office of Economic Opportunity, *Dimensions of Poverty in 1964*, October 1965.

⁵ See Bureau of the Census, *Current Population Reports: Consumer Income* (Series P-60, No. 48).

⁶ See the *Bulletin*, April 1966 and May 1966.

true in the suburbs. For example, over a fourth of the households in central cities—counting as a household every unrelated individual as well as every family of two or more—were one-person units but only a seventh of those outside the central cities.

There is next the well-known racial difference in the population mix: Nonwhite households wherever they are, generally have considerably less income to get by on than white households. Moreover, most nonwhite persons in a metropolitan area at all, even if not poor, are usually in a central city not in the suburbs. By contrast, the majority of white metropolitan families with more comfortable incomes are in a suburb rather than in a city. Even among the white poor, 1 out of 2 metropolitan families lived in a suburb.

Despite this pattern, however, in the country as a whole more than half the population in poverty in large cities was white: of the 10.1 million persons of all ages counted poor overall in central cities in 1964, 5.6 million were white. To be sure the preponderance of the white poor over the nonwhite is limited to adults. There were a third of a million more poor nonwhite children under age 16 in the central cities than there were white.

The home with no husband or father present is typically a city household rather than a suburban one. Of all households in central cities—families and one-person units combined—27 percent were headed by a woman; in the suburbs, only 16 percent had a woman at the head. Not to have a man at the head is particularly critical for families with children. In central cities 1 out of every 6 families that included some 6-to-15-year-olds reported a woman rather than a man serving as family head. The corresponding ratio in the suburbs was no more than 1 in 14. For a variety of reasons, in both types of community, the lack of a father in the home is more common among nonwhite families than among white. Thus a third of the nonwhite families with youngsters aged 6–15 in the central cities and a fourth of these families in the suburbs had no man at the head. The combined number of white and nonwhite fatherless-child families in the central cities was almost twice that in the suburbs, with the predictable economic consequences (table 3, 6).

A woman with children to look after has less opportunity to take on a regular paying job than

TABLE 6.—Number and percentage distribution of households in metropolitan area by race, sex of head, and poverty status in 1964

Race, poverty status, and type of household	Number of households (in millions)		Percentage distribution	
	In central cities	Outside central cities	In central cities	Outside central cities
Total.....	20.3	18.7	100.0	100.0
White.....	16.6	17.7	81.7	94.6
Poor ¹	2.6	2.1	12.7	11.1
Unrelated individuals.....	1.5	1.0	7.4	5.6
Under age 65.....	.7	.5	3.3	2.8
Aged 65 and over.....	.8	.5	4.2	2.7
Families with male head.....	.7	.8	3.5	4.2
Children under age 6.....	.3	.3	1.5	1.6
Head aged 65 and over.....	.2	.2	1.0	1.2
Other.....	.2	.3	1.0	1.4
Families with female head.....	.4	.3	1.8	1.4
Children under age 6.....	.1	.1	.6	.6
Head aged 65 and over.....	(²)	(²)	.2	.2
Other.....	.2	.1	.9	.6
Nonpoor.....	14.0	15.6	69.0	83.5
Unrelated individuals.....	2.9	1.6	14.3	8.6
Under age 65.....	2.1	1.2	10.4	6.3
Aged 65 and over.....	.8	.4	3.8	2.3
Families with male head.....	10.0	13.2	49.3	70.5
Children under age 6.....	2.8	4.3	13.8	23.2
Head aged 65 and over.....	1.4	1.3	6.8	6.9
Other.....	5.8	7.6	28.7	40.5
Families with female head.....	1.1	.8	5.5	4.4
Children under age 6.....	.1	.1	.6	.6
Head aged 65 and over.....	.3	.2	1.4	1.0
Other.....	.7	.5	3.5	2.7
Nonwhite.....	3.7	1.0	18.3	5.4
Poor ¹	1.3	.3	6.5	1.7
Unrelated individuals.....	.5	.1	2.6	.7
Under age 65.....	.4	.1	1.8	.4
Aged 65 and over.....	.2	.1	.9	.3
Families with male head.....	.4	.1	2.0	.7
Children under age 6.....	.2	.1	1.2	.4
Head aged 65 and over.....	(²)	(²)	.2	.2
Other.....	.1	(²)	.6	.1
Families with female head.....	.4	.1	1.9	.3
Children under age 6.....	.2	(²)	1.1	.1
Head aged 65 and over.....	(²)	(²)	.1	.1
Other.....	.1	(²)	.7	.1
Nonpoor.....	2.4	.7	11.8	3.7
Unrelated individuals.....	.6	.1	2.9	.4
Under age 65.....	.6	.1	2.6	.4
Aged 65 and over.....	.1	(²)	.3	.1
Families with male head.....	1.5	.6	7.4	3.0
Children under age 6.....	.5	.2	2.6	1.1
Head aged 65 and over.....	.1	(²)	.6	.2
Other.....	.9	.3	4.3	1.7
Families with female head.....	.3	(²)	1.4	.2
Children under age 6.....	.1	(²)	.3	.1
Head aged 65 and over.....	(²)	(²)	.2	(²)
Other.....	.2	(²)	1.0	.1

¹ Income of family unit or unrelated individual in 1964 below the poverty level of the SSA index.

² Fewer than 50,000 households.

³ Less than 0.05 percent.

a man. If she must be family head as well as homemaker, there are fewer other adults to whom she can turn for added family income than is generally the case in the household headed by a man. For example, in March 1965 in families headed by a woman only two-fifths of all members other than the head were aged 18 or older. In families headed by a man three-fifths of the other members were past age 18. The overall chances of poverty in 1964 among all families with children were 1 out of 2 if the head was a woman and 1 out of 8 if the head was a man.

There is also a difference between suburbs and central cities in the dependency status of the residents. City dwellers include a larger proportion of persons who, through age or other handicaps, can earn little on their own or must depend on persons who can't do much better in the job market. Central-city families, more often than those in the suburban ring, have a woman or an elderly person at the head—persons likely to have low earnings if indeed they work at all. One out of every 10 residents in a central city was at least 65 years old, but 1 out of 14 in the suburbs was that old. Moreover, almost a third of the aged in the cities were living alone (or with nonrelatives only); in the suburbs, only a fifth had these living arrangements. Such aged unrelated individuals—mainly women—rate among the poorest of the poor.

At the other end of the age spectrum, there were proportionately fewer dependent children in the central city than outside. Close to half the families within the cities had no child at all under age 18 in the home, and roughly 30 percent of all city residents were under age 16. In the outlying areas 38 percent of the families had no child under age 18 and 34 percent of the total population was under age 16. But the youngsters in the central cities were twice as likely to be in a family minus a father and nearly four times as likely to be in a nonwhite family. Such a household more often than not is a low-income household.

Taken all in all then, as would be expected, the overall risk of poverty for the population in the central cities of metropolitan areas in 1964 was 70 percent higher than for all suburban residents as a group. For children of preschool or school age it was twice as high. Specifically, more than 1 in 6 central-city residents of all ages were in households with insufficient income to support them, but only 1 in 10 suburbanites was in a household below the poverty line. Among children under age 16, close to a fourth in the central cities were in a poor family but only an eighth of those in the suburbs would be called poor. It must be noted, however, that the disadvantage of children in the city compared with that of children outside, was greater for the white children than the nonwhite: those few nonwhite families able to move their children to the suburbs were not so much better off than the neighbors they left behind as was true for white families.

WORK AND POVERTY

For most Americans economic well-being is intimately related to how much they themselves or other members of their family can earn. In these terms, residents of central cities are currently not so fortunate as their suburban neighbors. On the whole, the jobs they can fill don't pay as well as the ones suburbanites have and, what is more, they are becoming harder to find. For some time it has been evident that the general upgrading of the labor force leaves fewer job opportunities for workers with low skills or little education. It now appears that what jobs do remain are moving physically out of reach of some of those who would take them.

A study by the Department of Labor now under way suggests that industry is moving out of the cities. A considerable proportion of nonresidential construction, such as industrial plants and community-service buildings like hospitals and schools, is occurring in the suburbs rather than in the central cities—taking away employment opportunities from the many who live there or at least making them harder and more expensive to reach. The effects on employment can be long-lasting, limiting not only the casual labor openings during construction but subsequent opportunities to work inside the buildings on their completion. Between 1960 and 1965, for example, three-fifths of all new industrial plants (measured in valuation of building permits issued) were going up outside rather than inside the central cities of metropolitan areas. In some parts of the country the dislocation was even greater—in Chicago, for example, with three-fourths of the new plants going into the suburbs rather than into the city, and Los Angeles with 85 percent. Similar figures were reported for new stores and other mercantile establishments that were built during the period.

The shifts in job location will have greater immediate impact on the Negro population than on the white, since more of our Negroes live in central cities and they have fewer job opportunities to begin with. Many white city dwellers will, however, also be affected by this threat to their livelihood. Both groups will feel the pinch of the increased expense of getting to a job farther from home. There may be no direct public transportation from the city to the suburbs, and the cost of

any that does exist is very rapidly increasing.⁷

The economic difficulties plaguing our nonwhite population are all too well-documented. Although the nonwhite family in either a central city or suburb of a metropolitan area was larger than the white family, on the average, by half a person, it generally had to manage in 1964 on an income about \$2,500 to \$3,000 less. But the white family in a central city also had less income than the one on the suburban ring, a difference not balanced by any smaller family size, as the figures below suggest.

Characteristic	Total metropolitan areas		In central cities		Outside central cities	
	White family	Non-white family	White family	Non-white family	White family	Non-white family
Persons per family.....	3.6	4.1	3.5	4.1	3.7	4.3
Median income.....	\$7,600	\$4,670	\$7,210	\$4,460	\$7,890	\$5,510

Source: Bureau of the Census, "Income in 1964 of Families and Unrelated Individuals by Metropolitan-Nonmetropolitan Residence," *Current Population Reports: Consumer Income* (Series P-60, No. 48).

As a result, in the central city, with its heavy concentration of nonwhite and low-income white population, every sixth person was deemed poor; in the suburbs, every tenth person was counted poor (table 4).

Among metropolitan residents as for the population in general, those who cannot or do not work must expect to be poorer than those who do. Yet with the different rates of pay that go with different kinds of jobs, work alone is no guarantee against insufficient income. From the limited data available, it is already clear that a major factor in the greater prevalence of poverty among city dwellers lies in the kind of work they do.

In part the lower incomes of the families in the city could be explained by the fact that somewhat more of them have no earner at all. But even when suburban and central-city families matched in number of family earners or work experience of the family head, large differences remained. And indeed, on the average, there was a much smaller gap in income between families in the two types of community when no one worked at all during the year than when someone did. With no worker, income of families tends to be

⁷ Department of Labor release (USDL-7359), August 15, 1966, and Arthur M. Ross, "The Next 20 Years in Manpower," Address before W. E. Upjohn Institute for Employment Research, Augusta, Michigan, October 6, 1966.

low wherever they are. By and large the public programs that are the means of livelihood for many nonearner families are limited in what they may pay, but the payments are more uniform than wages tend to be. The OASDHI program and other income-support programs are relatively more generous in their allowances to those whose earlier earnings were lowest or whose present need is greatest. As a result, with no earner in 1964, city families averaged 92 percent of the income of suburban families; with a single earner they had only 84 percent.

Partly because family heads in the central city were older and partly because more of them were women, only 4 out of 5 of the heads of city families were in the labor force in March 1965 in contrast to 6 out of 7 of those heading suburban families. Moreover, 1 in 7 of the family heads in the city but only 1 in 9 of those in the suburbs had not worked at all during 1964.

Of those family heads who were in the labor force in March 1965, about 4 percent in the cities were out of work—a rate of unemployment one and one-half times as high as that recorded for suburban residents. And even with a head employed full-time the year-round, a family in a central city could look to an income for the year about 10 percent less than that of a family in the suburbs⁸ (table 7).

Metropolitan families with a head who was able to work were more likely to be residing in the central city if he worked at a relatively low-paying occupation than if he had one of the better jobs. As one example—2 out of 5 of all metropolitan families of employed professional or technical workers in March 1965 were living in a central city, but 3 out of 5 families with the head a service worker or a laborer were central-city families. Of all family breadwinners in the suburbs and employed in March 1965, 1 in 3 was a professional, technical, or managerial worker and only 1 in 10 was a service worker or unskilled laborer. By contrast, of the employed family heads who lived in a central city, only 1 in 4 was a professional, technical, or managerial employee and 1 in 6 worked as an unskilled laborer or in the service trades.

Earlier analyses for all families with employed

⁸ See also Bureau of the Census, *Current Population Reports: Consumer Income* (Series P-60, No. 48).

TABLE 7.—Selected characteristics of all U.S. families and metropolitan families

Characteristic	Total, all families				Families in metropolitan areas					Suburbs, percentage distribution
	Percentage distribution	Median income, 1964	Percent non-white	Percent poor ¹	As percent of all families	In central cities			Suburbs, percentage distribution	
						Percentage distribution	As percent of all metropolitan families	Median income in 1964		
							Amount	As percent of income in suburbs		
Total.....	100.0	\$6,570	9.9	14.2	64.6	100.0	48.1	\$6,695	86.2	100.0
Sex of head, March 1965:										
Male, wife present.....	87.1	6,930	8.3	11.5	64.2	82.3	45.8	7,190	90.0	90.3
Male, other.....	21.5	5,790	13.0	19.1	62.8	2.9	57.5	6,500	84.0	2.0
Female.....	10.5	3,460	22.5	36.6	68.6	14.8	63.9	3,605	82.1	7.7
Age of head, March 1965:										
Under 25.....	6.1	4,795	11.0	19.4	61.6	6.5	53.3	4,835	86.6	5.3
25-54.....	64.1	7,310	10.6	12.5	66.7	62.9	45.6	7,225	85.8	69.4
55-64.....	15.7	6,695	8.6	12.4	61.7	16.3	52.2	7,565	93.0	13.8
65 and over.....	14.1	3,375	8.0	22.2	59.6	14.4	53.5	4,205	108.8	11.6
Occupation of head, March 1965:										
Employed, total.....	79.2	7,270	9.2	9.5	65.5	77.6	46.5	7,445	89.1	82.7
Professional, technical, and kindred workers.....	10.1	9,975	4.9	2.2	74.1	12.9	41.5	10,100	92.9	15.7
Self-employed.....	1.5	13,645	3.4	4.6	75.9	2.2	44.6	14,390	96.9	2.3
Salaries.....	8.5	9,640	5.1	1.8	73.8	10.7	41.0	9,595	90.8	13.4
Farmers.....	4.0	3,330	5.4	29.2	11.5	.2	10.6	(²)	(²)	1.5
Managers, officials, and proprietors, (excluding farm).....	12.4	9,290	2.3	5.9	69.8	15.8	43.8	9,615	92.3	17.6
Self-employed.....	5.0	7,325	3.3	12.0	61.0	5.6	44.6	7,830	93.3	6.0
Salaries.....	7.4	10,430	1.6	1.5	75.0	10.2	43.3	10,470	93.5	11.5
Clerical and kindred workers.....	6.2	7,165	6.8	3.8	75.0	9.7	50.3	6,890	87.7	8.3
Sales workers.....	4.5	8,170	1.8	4.6	74.0	6.4	46.5	8,240	95.0	6.4
Craftsmen, foremen, and kindred workers.....	15.1	7,670	5.1	5.2	67.1	17.6	41.8	7,850	95.3	21.3
Operatives.....	15.6	6,540	12.4	10.2	64.3	20.1	48.3	6,570	89.9	18.6
Private household workers.....	.6	2,365	69.4	57.0	57.2	.9	68.4	(²)	(²)	1.4
Service workers, excluding private household.....	5.4	5,525	22.3	13.8	72.5	10.0	61.7	5,380	89.1	5.4
Farm laborers.....	1.0	2,425	32.7	54.1	22.0	.1	9.1	(²)	(²)	.8
Laborers, excluding farm and mine.....	4.3	5,085	27.4	22.5	60.8	6.3	57.4	5,460	90.5	4.0
Unemployed.....	2.5	4,960	18.3	25.8	65.9	3.2	59.9	4,975	79.6	2.0
In armed forces or not in labor force.....	18.3	3,160	11.8	32.9	60.6	19.2	53.8	3,320	87.6	15.3
Employment of head in 1964:³										
Worked in 1964, total.....	84.4	7,155	9.7	10.7	65.0	84.9	47.1	7,325	88.7	86.2
Year-round, full-time.....	64.3	7,720	8.0	6.8	66.0	65.7	45.9	7,955	90.8	68.2
Did not work in 1964.....	13.9	2,915	11.4	35.3	62.3	13.4	56.0	3,125	97.0	11.4
Family earners in 1964:										
None.....	7.8	2,145	11.2	48.9	63.1	8.7	55.2	2,205	92.0	6.6
1.....	43.4	5,855	8.5	15.3	64.0	42.2	47.1	5,895	84.2	43.9
2.....	36.8	7,550	10.9	7.7	66.1	38.1	48.6	7,740	90.8	37.3
3 or more.....	11.9	9,695	11.2	7.8	63.0	10.9	45.4	10,675	95.4	12.2

¹ Income of family in 1964 below the poverty level of the SSA index.

² Median income not given for base less than 200,000.

³ All work-experience data, including data for year-round, full-time workers, limited to civilian workers.

Source: Derived from special tabulations from the Current Population

Survey for March 1965, by the Bureau of Census for the Social Security Administration and from Bureau of Census, *Current Population Reports*, "Income in 1964 of Families and Unrelated Individuals in the United States," Series P-60, No. 47, and "Income in 1964 of Families and Unrelated Individuals by Metropolitan-Nonmetropolitan Residence," Series P-60, No. 48,

heads—including those outside metropolitan areas as well as those within—suggest that the occupations more common to the central-city family heads are those that carry with them a high risk of poverty. For example, only 2 percent of all families headed by a professional worker were poor in 1964, but 18 percent were below the poverty line if the head was a service worker and 23 percent if he worked as a nonfarm laborer.

The present data for the families in metropolitan areas make it evident that even when a city and a suburban breadwinner have the same occupation, the city worker's family will have lower income. Indeed, when families are grouped by

current occupation of the head, the lower the median income of the city family the farther below the income of the corresponding suburban family it tends to be. City families of service workers had an average income of \$5,380 in 1964, 11 percent less than their suburban counterparts. For city families of self-employed professional workers, income averaged \$14,390 or only 3 percent less than what suburban families had.

Suburban workers had not just better jobs than city workers—they also had steadier ones. In March 1965, of the 800,000 metropolitan families with the head out of a job and looking for work, 480,000 were in a central city. For some

workers being out of a job is a chronic rather than an acute condition. Furthermore, it has been noted that once the head loses his job other workers in the family tend to be out of work too. It follows then that the families of the currently unemployed might average lower income for the preceding year than families with a head now drawing a pay check. Such was indeed the case both in the suburbs and in the city, but the situation was worse in the city.

Central-city families with the head out of work in March 1965 reported a median income for 1964 only two-thirds that of employed workers' families. In the suburbs, families of the unemployed averaged three-fourths as much income as families of the employed. What is more, family income of the unemployed worker in the central city was 20 percent less than that of the unemployed suburban worker's family—a gap greater than the one for employed workers, whatever their occupation.

How much of a role race plays in these intrametropolitan disparities one can only conjecture. The jobs more common to the city are jobs at which many Negroes work and the unemployment rate among them is known to be high. Yet these are occupations at which even white workers have a hard time earning enough to support a family, and it is precisely the white workers in such occupations who are most likely to stay in the city.

POVERTY IN OLD AGE

Despite the many programs providing income support for the elderly, the Nation's aged are more likely to live in poverty than persons not yet aged 65. Payments under public programs are usually smaller than the wages they aim to replace. In 1964, 31 percent of all aged persons in the country were counted poor—and an additional 10 percent would have been had they depended solely on their own resources. Instead they escaped poverty by sharing the home of relatives who had enough income to keep everyone above the poverty line. The next most vulnerable group are young children who, along with so many of the aged, lack current earning power of their own on which they can rely. In 1964, 1 out of 5 youngsters under age 18—nearly 15 million in all—was growing up in a family with too little income.

In the suburbs and the central cities of metro-

politan areas as elsewhere in the country the numbers tell of the risk of poverty for those too young or too old to work. Like the rest of the metropolitan population, our youngest and oldest citizens fortunate enough to live in the areas surrounding large cities were better off than those at the core, but the difference was more noticeable for the children than for the aged.

Inside the city, privation was as common to children under age 6 as to persons aged 65 or older—26 percent of the young and 27 percent of the old were in households below the poverty line—but not in the suburbs. Outside the city, children were only half as likely to be poor as in the city itself; for the aged, poverty in the suburbs was four-fifths as prevalent as in the cities.

Additional details on the finances of the aged who live in or around large cities are available from the 1963 Survey of the Aged conducted for the Social Security Administration. Close to half the survey units⁹ in 1963 made their home in a metropolitan area and two-thirds of them lived in a central city rather than a suburb.

It is clear that the nonmarried aged are generally worse off than the married. Furthermore, the nonmarried in the cities have more meager resources and fewer relatives in the household to add to their income than do the nonmarried aged in the suburbs. It is the nonmarried aged who account for many of the one-person households that fill out the poverty roster of our large cities.

The nonmarried aged—in a central city or in a suburb—were less likely than couples to have the benefit of a public retirement program and more likely to be receiving public assistance. Not only did they have less income than couples on a per capita basis, but they also had fewer assets with which to supplement it. They were less likely to receive OASDI benefits but where they did the benefit check was more often for them the only cash they had. And, finally, they were only half as likely as couples to have any earnings. Among the nonmarried aged, when there were city-suburban differences in resources it was usually the city dweller who was the worse off.

As one might suspect, the aged with a spouse

⁹ Married couples with either or both spouses at least aged 65 or nonmarried persons that old—including the separated, widowed, and divorced as well as the never-married.

TABLE 8.—Selected characteristics of aged units¹ in metropolitan areas, 1963 Survey of the Aged

Characteristic	Total U. S. and Metropolitan areas								
	Married couples			Nonmarried men			Nonmarried women		
	Total U.S.	Central cities	Suburbs	Total U.S.	Central cities	Suburbs	Total U.S.	Central cities	Suburbs
Number (in thousands).....	5,445	1,761	1,286	2,402	872	519	6,329	2,275	1,574
Age of head (percent):									
65-72.....	61	62	62	45	49	41	44	50	42
73 and over.....	39	37	38	55	51	59	56	50	58
Years in community (percent):									
Less than 5.....	11	9	10	22	20	24	20	15	28
5-39.....	49	56	52	37	37	41	42	47	41
40 or more.....	40	35	38	41	43	35	38	38	31
Living arrangements (percent):									
Relative present.....	27	25	29	38	30	43	45	45	49
No relative present.....	73	75	71	62	70	57	55	55	51
Money income, 1962:									
Median amount.....	\$2,875	\$3,420	\$3,350	\$1,365	\$1,440	\$1,695	\$1,015	\$1,165	\$1,090
Mean amount.....	4,030	4,740	4,565	1,885	2,035	2,115	1,400	1,515	1,530
Income source, percent having— ²									
Earnings.....	55	53	49	28	26	27	23	23	18
Wages or salary.....	39	45	39	17	18	18	13	16	13
Self-employment.....	22	13	18	13	8	10	11	8	6
Any public income-maintenance program ³	89	87	88	87	88	87	78	79	77
OASDI, total.....	79	80	79	68	73	73	60	65	63
OASDI and no other income.....	5	5	5	13	18	10	12	11	13
Other public retirement.....	12	14	14	8	10	9	7	7	5
Veterans' benefits.....	14	13	13	11	12	10	6	7	8
Public assistance.....	8	4	4	18	15	9	17	15	11
Private retirement pension.....	16	19	25	10	10	19	3	5	5
Interest, dividends, and rents.....	63	75	70	45	49	56	50	56	51
Any income other than OASDI or earnings.....	84	90	88	78	74	80	76	79	75
Income share (percent):									
Earnings.....	39	42	36	28	29	27	19	19	17
OASDI.....	28	25	28	33	35	35	33	34	32
Other public retirement.....	7	6	8	7	6	7	5	6	6
Veterans' benefits.....	3	3	3	6	7	5	4	3	3
Public assistance.....	2	1	1	7	6	3	11	9	8
Interest, dividends, and rents.....	14	17	15	12	11	12	19	21	20
All other.....	7	7	9	6	6	11	10	8	14
Home ownership (percent):									
Owned home.....	75	61	62	35	28	49	39	32	39
No owned home.....	25	39	18	65	74	51	61	68	61
Assets:									
Median amount:									
Total other than owned home.....	\$2,690	\$3,065	\$3,360	\$650	\$575	\$1,665	\$470	\$560	\$900
Liquid.....	1,070	1,980	1,665	295	330	1,120	305	390	495
Percent having liquid assets of \$0-499:									
All survey units.....	41	34	34	55	53	41	55	52	50
Relative present.....	52	43	44	54	56	34	58	57	52
No relative present.....	36	31	30	54	53	49	50	49	48
Homeowner.....	35	28	31	42	36	28	45	40	46
Nonhomeowner.....	56	44	49	62	60	54	60	59	53

¹ A survey unit is a married couple with either or both members at least 65 years old in early 1963 or a nonmarried (that is, widowed, separated, divorced, never-married) person that old.

² Some units received income from more than one source.

³ Includes unemployment insurance and workmen's compensation, not shown separately.

Source: Social Security Administration, 1963 Survey of the Aged.

still living were younger and more likely to be maintaining their own household than the non-married aged. The aged in central cities, however, tended to be younger than the aged in suburbs, especially if they were nonmarried: half the nonmarried persons past age 65 in central cities and two-fifths in the suburbs were not yet aged 73. One reason may be that the nonmarried aged in the city were more likely not to have any relative in the household—and obviously the ability to manage for oneself unaided declines with advancing age. A fair number of the aged were long-term residents of the community they were in: nearly two-fifths of the survey units in

the city and about one-third in the suburbs were there at least 40 years. A smaller yet sizable number were in the community fewer than 5 years. These newcomers were found more often in the suburbs than in the city and were, typically, nonmarried persons rather than couples. Presumably some of them had moved to the suburbs to live with their children as the death of a spouse or their own failing health made it impractical to live alone.

The city aged were less likely to own their home and thus faced greater demands on their income for everyday needs. Among the nonmarried men, for example, a fourth of the city

dwellers but half of the suburbanites were homeowners. Whether they lived in the suburbs or in the city, fewer of the nonmarried than the married aged owned a home.

The heavy dependence of the aged on public programs for their support is obvious. A third of the income of aged couples and nearly half that of the nonmarried aged in 1962 came as veterans' payments or public retirement benefits, usually OASDI. Earnings provided a larger share of income for couples than for others and more to the aged in central cities than outside. Few of the aged couples received any public assistance, but those nonmarried aged who were on the rolls were more likely to be in the central city than outside. Of the aged couples, no more than 4 percent in either a city or a suburb received assistance, but among the nonmarried aged, 1 in 7 of the city dwellers and 1 in 10 of the suburban residents received a public assistance check some time in 1962 (table 8).¹⁰ As a rule, in old age as in youth and middle age, poverty is more common among persons outside a metropolitan area than in it. In the United States as a whole, then, 1 in 12 elderly couples and 1 in 6 nonmarried aged persons received public assistance sometime in 1962.

FAMILIES WITH YOUNG CHILDREN

Adequacy of family income is critical for the welfare of children, who ordinarily can contribute no money of their own. Of the children under age 16 in metropolitan areas, 3 in 4 nonwhite and 2 in 5 white were in a central city and thus affected by the overall lower level of community resources there in relation to the number to be served.

On the average, a city family had only five-sixths the income of a suburban family with the same number of children, and for very large families the disadvantage was even greater. A fourth of all city children under age 16 and a ninth in the suburbs were in families below the Social Security Administration poverty standard. They could not have even a minimum-cost adequate diet unless they went without some other essential.

Children under age six are particularly vulnerable because the care they need makes it hard for

¹⁰ See also Social Security Administration, *The Aged Population of the United States, Report of the 1963 Survey of the Aged* (Research Report No. 19), in press.

the mother to go to work. As a result poverty among city households with preschoolers—white or nonwhite—is more common than among other families. In central cities 1 in 5 families with a child under age 6 was poor, but only 1 in 11 other families was. In the suburbs every tenth family with a small child was poor, but poverty was even more prevalent among families of the aged. It was in particular the child already deprived of a father who was disadvantaged in the city. Four-fifths of the fatherless nonwhite city families and half the white were deemed poor.

More than other households, families with children elect to live near a large city rather than in it. White families are better able to realize this goal than nonwhite, and families above the poverty line manage it more readily than those below, but the pattern is clear for all. The data suggest that it is when children reach school age (6-15) that the urge is greatest. Presumably with a toddler or preschooler the need for a safe place to play outdoors is not yet critical, and one can get by in an apartment. As children grow and a family is cramped for space both inside and outside the house, the lure of suburbia is more compelling. Only 37 percent of metropolitan families of a white man aged 22-54, with a child aged 6-15 and income above the poverty line lived in a central city—fewer than among any other group of white families. With no children, 44 percent of nonpoor metropolitan families of a white man this age, and over half if he was older, lived in a central city (table 9).

Among nonwhite households, though only one-third of the corresponding families lived outside the city, this too represented the greatest "flight to the suburbs" of any nonwhite group.

Because so many white families with children, poor as well as nonpoor, were in suburbs, only 2 in 5 white school children in metropolitan areas were in a central city—a smaller proportion than for any other age group in the white population, as the following percentages show:

All ages	44
Under age 6	41
Aged 6-15	39
Aged 16-21	43
Aged 22-54	44
Aged 55-64	53
Aged 65 and over	54

Among nonwhite metropolitan residents, 75 percent of the youngsters aged 6-15 were in a city.

Nonwhite families with children who have moved to the suburbs are still quite likely to be poor: nearly a third in 1964 were below the poverty threshold compared with a twelfth of the white families. In central cities half the nonwhite and an eighth of the white families with children were counted poor. Apparently the nonwhite suburban family is closer to the impoverishment of its city counterpart than is the white family in the suburbs.

From a study of recipients of aid to families with dependent children in late 1961 it can be estimated roughly that in the suburbs 95 per 1,000 nonwhite youngsters under age 18 were receiving such aid—about half as many as the 203 per 1,000 in central cities. Among white suburban children some 8 per 1,000 received aid, or a third as many as the 24 recipients per 1,000 white children in central cities.¹¹

POPULATION PROFILE OF THE CITY

That virtually the entire population in the suburban ring of metropolitan areas is white is now a truism. In the main the population in the central cities of these same areas is white also, though obviously not equally so everywhere in the country. To be sure, the city typically has a smaller share of the white population and a larger share of the nonwhite in an area than does its suburban neighbor, but it also has a larger share of the metropolitan poor—the poor of both races.

For all that a nonwhite household suffers a risk of poverty more than three times as great as the white, nonwhite persons are only a minority of the Nation's poor. What's more, they even are a minority among the central city needy, albeit a sizable one. And for all that a majority of white metropolitan residents live in a suburb rather than a central city, it is in the cities that a majority of the white poor are to be found.

All told, in 1964 central cities harbored 5.6 million white and 4.4 million nonwhite persons on the poverty roll—over half the white metropolitan residents counted poor and four-fifths of the nonwhite. There were variations, to be sure, by age

¹¹ Derived from table 32 in *Study of Recipients of Aid to Families With Dependent Children, November-December: National Cross Tabulations* (Bureau of Family Services, Welfare Administration), August 1965.

TABLE 9.—Percent of metropolitan families living in central cities, by sex, age, and race of head, presence of children, and poverty status in 1964

Sex and age of head and presence of children	White families			Nonwhite families		
	Total	Poor ¹	Non-poor	Total	Poor ¹	Non-poor
All families ²	44.7	50.7	44.2	76.6	80.7	74.8
Male head, all ages.....	43.4	47.8	43.1	73.7	76.4	72.9
No children under age 6.....	44.9	45.7	44.8	73.6	74.3	73.3
Children under age 6.....	40.1	50.7	39.2	73.9	77.9	72.2
No children aged 6-15.....	47.0	49.4	46.8	75.2	75.8	75.1
Children aged 6-15.....	38.1	45.3	37.7	71.8	76.9	69.7
Head under age 22.....	50.6	(³)	51.2	(³)	(³)	(³)
No children under age 6.....	48.8	(³)	52.6	(³)	(³)	(³)
Children under age 6.....	51.8	(³)	50.2	(³)	(³)	(³)
No children aged 6-15.....	51.1	(³)	51.0	(³)	(³)	(³)
Children aged 6-15.....	(³)	(³)	(³)	(³)	(³)	(³)
Head aged 22-54.....	40.7	48.6	40.3	73.3	77.9	72.0
No children under age 6.....	41.6	44.2	41.5	73.3	79.8	72.5
Children under age 6.....	39.5	51.0	38.6	73.2	77.1	71.4
No children aged 6-15.....	44.3	50.9	44.0	76.7	80.5	76.1
Children aged 6-15.....	37.6	47.2	37.1	70.0	76.6	67.6
Head aged 55-64.....	48.8	44.7	49.0	79.9	(³)	78.4
No children under age 6.....	48.8	47.6	48.9	78.5	(³)	77.6
Children under age 6.....	(³)	(³)	(³)	(³)	(³)	(³)
No children aged 6-15.....	49.1	47.2	49.2	74.5	(³)	73.7
Children aged 6-15.....	46.9	(³)	47.8	91.2	(³)	(³)
Head aged 65 and over.....	51.2	47.3	51.8	68.7	(³)	72.5
No children under age 6.....	51.1	47.2	51.7	68.7	(³)	72.2
Children under age 6.....	(³)	(³)	(³)	(³)	(³)	(³)
No children aged 6-15.....	51.4	48.5	51.8	69.3	(³)	72.3
Children aged 6-15.....	44.3	(³)	(³)	(³)	(³)	(³)
Female head, all ages.....	57.6	57.7	57.6	86.4	85.9	86.7
No children under age 6.....	58.9	60.3	58.7	86.4	81.8	89.1
Children under age 6.....	51.5	53.7	49.8	86.4	89.1	(³)
No children aged 6-15.....	60.0	55.9	61.1	89.3	86.1	91.0
Children aged 6-15.....	53.7	59.0	50.3	84.3	85.8	79.5
Head under age 22.....	(³)	(³)	(³)	(³)	(³)	(³)
Head aged 22-54.....	57.0	58.7	56.2	88.4	89.4	86.8
No children under age 6.....	59.3	61.8	58.5	89.0	89.0	88.4
Children under age 6.....	50.9	55.2	45.5	87.6	89.6	(³)
No children aged 6-15.....	60.6	57.3	61.7	88.7	(³)	91.5
Children aged 6-15.....	54.6	59.2	51.3	86.0	87.4	81.4
Head aged 55-64.....	58.2	(³)	58.3	(³)	(³)	(³)
No children under age 6.....	59.2	(³)	58.2	(³)	(³)	(³)
Children under age 6.....	(³)	(³)	(³)	(³)	(³)	(³)
No children aged 6-15.....	60.7	(³)	61.3	(³)	(³)	(³)
Children aged 6-15.....	(³)	(³)	(³)	(³)	(³)	(³)
Head aged 65 and over.....	58.8	(³)	59.5	(³)	(³)	(³)
No children under age 6.....	57.9	(³)	58.4	(³)	(³)	(³)
Children under age 6.....	(³)	(³)	(³)	(³)	(³)	(³)
No children aged 6-15.....	59.1	(³)	59.8	(³)	(³)	(³)
Children aged 6-15.....	(³)	(³)	(³)	(³)	(³)	(³)

¹ Income of family in 1964 below the poverty level of SSA index by family size and composition and farm-nonfarm residence.
² Some families with children under age 6 also had children aged 6-15.
³ Not shown for base less than 100,000.

and family status: the nonwhite needy whatever their age, were primarily city dwellers, but not so the white. Among the white needy, the older they were the more they were to be found in a city rather than in a suburb.

Poor or nonpoor, white families with school-age children will live in a suburb more often than not, yet many are in the city still. What is more, some nonwhite families with children move to the suburbs too. Accordingly, though at ages 6-15 nonwhite poor children in the city outnumbered

the white, it was not by much: there were 55 nonwhite poor youngsters for every 45 white, a ratio of almost 1 for 1. At other ages, however, the situation changed. And so among children under age 6 there were 8 nonwhite poor in the cities to every 7 white, but by age 65 the white poor in cities outnumbered the nonwhite by 5 to 1.

In the suburbs, where the number of nonwhite families of any type is relatively small, the white population outnumbered the nonwhite irrespective of age, family type, or poverty status, but in varying degree. Like white families, nonwhite families, seem to prefer the suburbs to the city for their children even when income is low: About a third of the suburban nonwhite families with children were poor in 1964. As a result, though in the suburbs fewer than a fifth of all persons counted poor were nonwhite, almost a fourth of the poor children aged 6-15 were nonwhite, as the figures below show. Shown also for the central-city residents is the percentage of white persons in each age group among the poor and the non-poor.

(Percent)

Age	Central cities				Suburbs, poor nonwhite
	Total white	Nonpoor white	Poor		
			White	Nonwhite	
All ages.....	80	85	56	44	18
Under age 6.....	73	83	47	53	22
6-15.....	75	84	45	55	23
16-21.....	79	84	53	47	17
22-64.....	81	84	54	46	18
65 and over.....	86	88	69	31	15
	90	92	83	17	10

An overview of the population profile for cities and their suburbs suggests wider differences by color than by economic status of the residents. Inside the central cities of metropolitan areas, 18 out of every 100 households were nonwhite compared with only 5 in the suburbs. But 19 out of 100 households inside the cities had income below the minimum poverty standard and in the suburbs outside 13 in 100 households were poor. Many more of the city households in poverty included young children or aged persons, but even nonpoor households in cities were at an economic disadvantage in terms of age. In a sixth of all the nonpoor city households the head was at least 65 years old. The families of such persons, many

TABLE 10.—Number and percentage distribution of persons per 1,000 households in metropolitan area by race, age, and poverty status in 1964

Race, poverty status, and age	Number		Percentage distribution	
	In central cities	Outside central cities	In central cities	Outside central cities
Total number of persons per 1,000 households.....	2,885	3,344	100.0	109.0
White.....	2,311	3,150	80.1	94.2
Poor ¹	277	275	9.6	8.2
Under age 16.....	95	105	3.3	3.1
Under age 6.....	44	44	1.5	1.3
Aged 6-15.....	51	61	1.8	1.8
Aged 16-21.....	17	23	.6	.7
Never married.....	15	17	.5	.5
Other ²	2	6	.1	.2
Aged 22-64.....	96	95	3.3	2.8
Aged 65 and over.....	66	51	2.3	1.5
Unrelated individuals.....	42	27	1.5	.8
In families.....	24	24	.8	.7
Nonpoor.....	2,034	2,875	70.5	88.0
Under age 16.....	561	964	19.4	28.8
Under age 6.....	225	373	7.8	11.2
Aged 6-15.....	356	591	11.6	17.7
Aged 16-21.....	187	272	6.5	8.1
Never married.....	154	227	5.3	6.8
Other ²	33	45	1.1	1.3
Aged 22-64.....	1,094	1,453	37.8	43.5
Aged 65 and over.....	195	185	6.8	5.5
Unrelated individuals.....	38	23	1.3	.7
In families.....	157	162	5.4	4.8
Nonwhite.....	574	194	19.9	5.8
Poor ¹	218	61	7.6	1.8
Under age 16.....	113	31	3.9	.9
Under age 6.....	50	13	1.7	.4
Aged 6-15.....	63	18	2.2	.5
Aged 16-21.....	19	5	.7	.1
Never married.....	15	4	.5	.1
Other ²	4	1	.1	(³)
Aged 22-64.....	73	20	2.5	.6
Aged 65 and over.....	14	6	.5	.2
Unrelated individuals.....	9	3	.3	.1
In families.....	5	3	.2	.1
Nonpoor.....	356	132	12.3	3.9
Under age 16.....	110	46	3.8	1.4
Under age 6.....	47	19	1.6	.6
Aged 6-15.....	63	27	2.2	.8
Aged 16-21.....	35	14	1.2	.4
Never married.....	27	11	.9	.3
Other ²	8	3	.3	.1
Aged 22-64.....	193	67	6.7	2.0
Aged 65 and over.....	17	6	.6	.2
Unrelated individuals.....	3	1	.1	(³)
In families.....	14	5	.5	.1

¹ Income of family unit or unrelated individual in 1964 below the poverty level of the SSA index.

² Includes any family heads or spouses under age 16.

³ Less than 0.05 percent.

of whom are retired, usually don't have high income even when they are not poor. Outside the central cities only 1 in 8 families above the poverty line had an aged head (table 6).

The age distribution of household members in suburb and city points up sharply the different demands for facilities in the two types of community. There are fewer one-person units in the suburb than in the city, and suburban households more often include children. Consequently, a representative group of 1,000 households in the suburbs would include a total of 3,344 members, 459 more than a central-city cross section of the

same size. In the suburbs there would be 159 fewer poor persons but 617 more who were not in poverty. The suburban poverty roster would have only 2 less white names than the city roster, but on the suburban list there would be 61 nonwhite poor in addition—only a fourth as many as in the cities. Of the 495 persons in poverty in the city sample, 218 would be nonwhite (table 10).

The city households would include 114 poor children who might attend elementary or junior high school—children between age 6 and age 16—two-fifths more than the 79 in the suburbs. Nonpoor children this age would number 399 in the cities, but there would be 618 of them in the suburbs. Clearly it would take some doing to afford city children—whatever their race or economic status—the same educational opportunity as suburban children.

Seven percent of the members in the sample of city households and 8 percent in the suburbs would be never-married persons aged 16–21, young people who might be candidates for a high school or college diploma, and even in the city, 4 out of 5 would be white. Because children of the poor tend to leave school and marry earlier than children in families with high income most of these never-married young men and women would come from the nonpoor households of suburb and city.¹² Yet of the young adults in the city cross section, almost half again as many as in the suburbs would be poor and thus might have difficulty completing their education on their own. The number of

¹² *Social Security Bulletin*, April 1966.

never-married young adults above the poverty line in the city would be a fifth less than in the suburbs.

City households would outrank the suburban in the overall number of aged members, but much more so among the impoverished than among those better off. And even with respect to its nonwhite population the city would be at a disadvantage compared to the suburb. The city households included three and one-half times as many nonwhite poor as the suburban households, but 20 percent fewer nonpoor.

THE TASK AHEAD

The data presented are far from complete. Unquestionably the situation varies from city to city and from neighborhood to neighborhood within a city. All in all, however, the Nation's central cities in 1964 had to cope with segregation by age and by pocketbook as well as segregation by color. The stark struggle for a living that is the daily lot of many nonwhite residents must be endured by many white city dwellers as well. What is more, today's Pied Piper bids fair to leave the cities to the aged and move the children to the suburbs.

The aura of discontent spreads beyond the confines of the ghetto. In the United States there can be no divided cities. Not only for the poor but also for the nonpoor who still live in cities and the suburbanites who work in them the cities must be reclaimed.

The Shape of Poverty in 1966

by MOLLIE ORSHANSKY*

Despite much progress, the anomaly of privation in plenty continues, and a large share of that privation—indeed more than in earlier years—is borne by aged persons, women who must themselves serve as family heads, Negroes, and others who in our society have a hard time earning enough to support themselves and their dependents. This is not to say that such groups fare worse in the absolute sense than their counterparts of yesteryear but rather that today they have fewer around to keep them company. Public programs do exist to provide income when earnings are interrupted or lacking altogether, but they are limited in both how much they may pay and to whom they will pay it. Thus, some get no help at all from any public program though their other sources of income are well below what they need; others who do get such help are still poor after the payments.

AT THE END of 1959, a total of 38.9 million Americans in 13.4 million households were classified as poor. Four years later the number with inadequate income had declined by about 3½ million. By the end of 1966, the same income standard—considered by some almost too niggardly to be American—counted 9¼ million fewer persons as living in poverty than were so designated in 1959.

The number not sharing fully in the Nation's prosperity thus was growing smaller, but the fact that it is mainly certain groups who are bypassed is more obvious and hence more disturbing. It becomes then even more challenging to ensure for all Americans the good living long taken for granted by the majority.

The fact that there now exists, if only until a better measure is developed, an official working definition of poverty, makes it possible to evaluate progress and pinpoint specific areas of concern in a way not feasible before.

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¹For a description and discussion of both the Social Security Administration indexes, see the *Social Security Bulletin* for January and July 1965 and April, May, and December 1966.

In 1965 the Social Security Administration developed two criteria to assay the relative economic well-being of different types of households in this country, and the lower of these two dollar measures is being used as the current delineator of poverty for program planning.¹ The implied level of living is that afforded by an income in 1966 of about \$65 weekly for an average family of four not living on a farm (and correspondingly more for larger households and less for smaller). The slightly less stringent measure, labeled "near poor," requires about a third more in income, or about \$20 more for a four-person family, than the amount of income at the poverty threshold (table 1).

The poverty and low-income criteria, adjusted for price changes, have been carried back as far as 1959, so that it is possible to see the changes in both the number and the kinds of households identified as poor or near poor during the seven successive years of plenty.

THE POVERTY ROSTER, 1966

By 1966, the income of the United States population had climbed to a new high. Even after allowance for higher prices, families averaged \$5 in real income for every \$4 available to them in 1959. But though a majority in the country were enjoying record-high incomes, a total of 29.7 million persons, or 1 out of every 7 noninstitutionalized Americans, were in households with money incomes for the year below the poverty line. The poor were distributed throughout 11 million households, which contained one-sixth of all the Nation's children under age 18. Indeed, in 1966 as in 1959, such youngsters made up half of all the persons in poor families (table 2).

The total for the poverty roster in 1966 denoted a drop of 9.2 million from the number counted poor in 1959, a year when nearly every fourth person was living in a household with income insufficient to cover even the barest necessities. The number called near poor—those with incomes barely above the poverty threshold yet

TABLE 1.—Weighted average of poverty and low-income criteria¹ for families of different composition by household size, sex of head, and farm or nonfarm residence, March 1967

Number of family members	Weighted average of incomes at poverty level						Weighted average of incomes at low-income level					
	Nonfarm			Farm			Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head
1 member.....	\$1,835	\$1,710	\$1,595	\$1,145	\$1,180	\$1,110	\$1,985	\$2,080	\$1,930	\$1,290	\$1,440	\$1,340
Head under age 65.....	1,685	1,760	1,625	1,195	1,230	1,140	2,045	2,140	1,975	1,450	1,495	1,380
Head aged 65 or over.....	1,865	1,860	1,860	1,095	1,105	1,090	1,890	1,925	1,880	1,320	1,360	1,815
2 members.....	2,115	2,130	2,055	1,475	1,480	1,400	2,855	2,875	2,735	1,990	2,000	1,870
Head under age 65.....	2,185	2,200	2,105	1,535	1,540	1,465	2,945	2,970	2,790	2,075	2,080	1,945
Head aged 65 or over.....	1,970	1,975	1,955	1,280	1,380	1,370	2,065	2,675	2,615	1,870	1,875	1,835
3 members.....	2,600	2,610	2,515	1,815	1,820	1,725	3,425	3,440	3,330	2,400	2,400	2,325
4 members.....	3,335	3,335	3,320	2,345	2,345	2,320	4,345	4,355	4,255	3,060	3,060	3,000
5 members.....	3,930	3,930	3,895	2,755	2,755	2,775	5,085	5,085	4,970	3,565	3,565	3,560
6 members.....	4,410	4,410	4,395	3,990	3,990	3,975	5,700	5,710	5,600	3,995	4,000	3,920
7 or more members.....	5,430	5,440	5,310	3,790	3,795	3,780	6,945	6,960	6,780	4,850	4,850	4,815

¹ Required income in 1966 according to Social Security Administration poverty or low-income index for a family of a given size and composition. Family income criteria weighted together in accordance with percentage distribution of total units by number of related children and sex of head, as

of Current Population Survey, March 1967.

For detailed description of the Social Security Administration measures of poverty and low income and their rationale, see the *Social Security Bulletin* for January 1965 (pages 5-11) and July 1965 (pages 3-10).

still in what might be termed the low-income range—is now, however, 15.2 million, very little different from the 15.8 million so characterized 7 years before. Another 5 million would be added to the ranks of the economically deprived were we to include the 2 million persons in institutions—not now in the count but ranking among the poorest of the poor—as well as the many aged persons and parent-child groups not now on the poverty roll but who would be there if they had to rely on their own resources instead of on those of the more fortunate relatives whose homes they share.

Included among the 45 million Americans designated poor or near poor in 1966 were 18-28 percent of the Nation's children and from 30 to 43 percent of the aged—groups whose members could do little on their own to improve their income. Minorities, however defined, were less favored than the rest. Counted poor were nearly 1 in 4 of those living on farms, compared with 1 in 7 of the nonfarm population, but most of the poor were not on a farm. The total with low incomes included from 12 to 19 percent of the white population and from 41 to 54 percent of the non-white. Of the total in poverty, however, 2 out of 3 were white, and among the near poor 4 out of 5 were white (table 3).

As might be expected, the family with the head currently employed was only one-fourth as likely to be poor as one with the head unemployed or out of the labor force altogether. Yet every sixth poor family or two or more persons was that of

a white man under age 65 who had worked every week in the year—the kind of family that has the best chance to escape poverty in our society.

Because income of families generally rose more than enough to offset rising prices between 1959 and 1966 while the poverty line was adjusted only by the amount of such price rise, those counted poor at the end of the period were even less well off, compared with the nonpoor population, than those counted poor at the beginning. But beyond this, the profile of poverty had changed, leaving more difficult problems to solve. The decline in the number considered poor was largely a result of increased job opportunities and higher earnings. Those equipped to make the most of such possibilities fared best. By 1966, families of a woman with children, the aged, and the households of the disabled accounted for about 3 million of the 6 million families counted poor (table 4).

For the aged as for the disabled, changes in social security benefits and other existing public programs to provide income when earnings are lacking could serve to improve economic status and thus alleviate poverty.² But for families with young children, in straitened circumstances because there is no father in the home or because his earnings are too low to support the number dependent on him, other remedies have yet to be devised. One type of proposal currently under

² See Ida C. Merriam, "Social Security Benefits and Poverty" (Social Security Administration, Research and Statistics Note No. 6), 1967.

TABLE 2.—The poor and near poor, 1966: Number and percent of persons in households below SSA poverty level and above that level but below low-income level, by family status and sex and color of head

(Numbers in thousands)

Family status	All households					With male head					With female head				
	Total	Poor		Near poor		Total	Poor		Near poor		Total	Poor		Near poor	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
All households															
All persons.....	163,415	29,657	18.3	15,180	7.8	163,536	18,932	11.2	13,031	7.7	24,878	10,704	43.0	2,119	8.5
In families.....	181,048	24,838	13.7	14,369	7.9	163,972	17,673	10.8	12,730	7.8	17,075	7,160	41.9	1,619	9.5
Head.....	49,922	6,098	12.4	3,554	7.3	48,750	4,276	9.8	3,061	7.0	5,171	1,810	35.0	492	9.5
Children under age 18.....	69,771	12,539	18.0	6,637	9.5	62,521	8,117	13.0	5,932	9.5	7,251	4,423	61.0	705	9.7
Other family members.....	62,355	6,211	10.0	4,178	6.7	57,701	5,282	9.2	3,757	6.5	4,653	927	19.9	422	9.1
Unrelated individuals.....	12,367	4,821	39.0	781	6.3	4,564	1,277	28.0	281	6.2	7,903	3,544	45.4	500	6.4
Under age 65.....	7,489	2,124	28.4	312	4.2	3,279	712	21.7	146	4.5	4,210	1,412	33.5	168	3.9
Aged 65 and over.....	4,878	2,697	55.3	469	9.6	1,285	565	44.0	135	10.5	3,593	2,132	59.3	334	9.3
White households															
All persons.....	170,394	20,313	11.9	12,378	7.2	151,265	13,417	8.9	10,651	7.0	19,120	6,896	36.1	1,637	8.5
In families.....	159,598	16,287	10.2	11,001	7.3	147,445	12,410	8.4	10,427	7.1	12,154	3,877	31.9	1,174	9.7
Head.....	44,016	4,375	9.9	2,968	6.7	40,006	3,254	8.2	2,586	6.5	4,010	1,111	27.7	382	9.5
Children under age 18.....	59,378	7,526	12.6	5,222	8.8	55,103	5,280	9.6	4,732	8.6	4,475	2,246	50.2	492	11.0
Other family members.....	56,004	4,386	7.8	3,411	6.1	52,398	3,866	7.4	3,109	5.9	3,689	3,321	14.2	300	8.2
Unrelated individuals.....	10,796	4,026	37.3	677	6.3	3,820	1,007	26.4	224	5.9	6,986	3,019	43.3	453	6.5
Under age 65.....	6,296	1,628	25.8	241	3.8	2,688	540	20.1	110	4.1	3,608	1,086	30.1	131	3.6
Aged 65 and over.....	4,490	2,400	53.5	436	9.7	1,132	467	41.3	114	10.1	3,338	1,933	57.6	322	9.6
Nonwhite households															
All persons.....	23,034	9,345	40.6	2,873	12.5	17,271	5,535	32.0	2,381	13.8	5,761	3,809	66.1	492	8.5
In families.....	21,450	8,649	39.9	2,768	12.9	16,527	5,265	31.9	2,323	14.1	4,921	3,283	66.7	445	9.0
Head.....	4,905	1,711	34.9	586	11.9	3,744	1,012	27.0	476	12.7	1,161	699	60.2	111	9.6
Children under age 18.....	10,193	5,014	49.2	1,413	13.9	7,419	2,637	35.2	1,301	16.2	2,776	2,177	78.4	213	7.7
Other family members.....	6,352	1,824	28.7	769	12.1	5,364	1,416	26.4	646	12.0	984	407	41.4	121	12.3
Unrelated individuals.....	1,584	796	50.3	105	6.6	744	270	36.3	58	7.8	840	526	62.6	47	5.6
Under age 65.....	1,186	499	41.7	72	6.0	582	172	29.1	37	6.3	604	327	54.1	35	5.8
Aged 65 and over.....	398	297	75.5	33	8.5	152	98	64.5	21	13.8	236	199	84.3	12	5.1

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population

Survey for March 1967.

discussion is to make money grants for children in families during their minority. A later section of this article includes illustrative estimates of the cost and antipoverty effect in 1965 of six versions of a children's allowance payment schedule. These estimates were originally made for use at a conference on children's allowances held in October 1967.³

The final section of this article reports on the number of households who received payments from existing public income-support programs in 1965 and suggests how many households not poor as we now count them were removed from poverty only by such payments, and how many payees who were poor before the payments remained poor even after they got them.

³ Citizens' Committee of New York, Inc., "19,000,000 Children Counted Out by the Affluent Society—Latest Figures on Child Poverty," November 21, 1967.

THE POVERTY INDEX

The index of poverty used as a reference criterion is a far from generous measure. It is the minimum income per household of a given size, composition, and farm-nonfarm status, as set by the Social Security Administration. In 1966 the Agriculture Department economy food plan, which is the core of the poverty index, provided for total food expenditures of only 75 cents a day per person (in an average four-person family). The index adds only twice this amount to cover all family living items other than food. It has not been adjusted for changes since 1959, except to allow for rising prices.⁴

Between 1959 and 1966 both the income received by consumers and the prices of what they bought continued to climb but income went up faster.

⁴ The measure of near poverty—about one-third higher in cost—centers about the low-cost food plan.

TABLE 3.—The poor and near poor, 1966: Number and percent of persons in households below SSA poverty level and above that level but below low-income level, by family status and sex of head
[Numbers in thousands]

Age and family status	All households					With male head					With female head				
	Total	Poor		Near poor		Total	Poor		Near poor		Total	Poor		Near poor	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
All persons.....	193,415	29,657	15.3	15,150	7.8	168,536	18,952	11.2	13,031	7.7	24,378	10,704	43.0	2,119	8.5
Living alone ¹	12,367	4,821	39.0	781	6.3	4,564	1,277	28.0	281	6.2	7,903	3,544	45.4	500	6.4
Aged 14-21.....	690	378	54.8	43	6.2	280	141	50.4	27	9.6	409	237	57.9	16	3.9
Aged 22-64.....	8,799	1,746	25.7	269	3.9	2,999	571	19.0	119	4.0	3,601	1,175	30.9	150	3.9
Aged 65 and over.....	4,878	2,697	55.3	469	9.6	1,235	565	44.0	135	10.5	3,593	2,132	59.3	334	9.3
In families.....	181,048	24,836	13.7	14,369	7.9	163,972	17,675	10.8	12,750	7.9	17,075	7,160	41.9	1,619	9.5
Children under age 18.....	89,771	12,539	13.9	6,637	9.5	62,522	8,117	13.0	5,931	9.5	7,251	4,423	61.0	706	9.7
Own children of head or spouse.....	66,319	11,307	17.0	6,253	9.4	60,153	7,472	12.4	5,632	9.4	6,137	3,835	62.5	605	9.9
Other related children.....	3,452	1,232	35.7	379	11.0	2,339	645	27.6	279	11.9	1,114	588	52.8	101	9.1
Under age 6.....	23,550	4,386	18.6	2,360	10.0	21,534	2,994	13.6	2,196	10.2	2,018	1,423	70.5	164	8.1
Aged 6-13.....	32,303	5,904	18.3	3,167	9.8	25,816	3,787	13.1	2,829	9.8	3,487	2,140	61.4	338	9.7
Aged 14-17.....	13,913	2,249	16.2	1,110	8.0	12,172	1,389	11.4	906	7.4	1,746	860	49.3	204	11.7
Aged 18-54 ²	83,502	7,968	9.5	5,081	6.1	76,749	5,855	7.6	4,484	5.8	6,731	2,112	31.3	594	8.8
Head.....	34,304	3,748	10.9	2,177	6.3	31,043	2,337	7.5	1,877	6.0	3,260	1,411	43.3	299	9.2
Wife.....	33,502	2,549	7.7	1,990	6.0	33,202	2,549	7.7	1,990	6.0	.....	.....	.....	.....	.....
Never-married children aged 18-21.....	5,238	818	9.9	454	5.5	7,052	503	7.1	334	4.7	1,185	314	26.5	120	10.1
Other relatives.....	7,558	353	11.0	460	5.9	5,452	466	8.5	283	5.2	2,306	387	16.8	175	7.6
Aged 55-64.....	14,716	1,653	11.2	554	5.3	13,487	1,403	10.4	762	5.6	1,230	251	20.4	92	7.5
Head.....	7,589	800	10.4	381	5.0	6,900	635	9.2	329	4.8	790	166	21.0	52	6.6
Wife.....	5,803	685	11.8	386	6.7	5,303	653	11.3	388	6.7	.....	.....	.....	.....	.....
Other relatives.....	1,224	168	13.5	87	7.1	734	85	10.6	47	6.0	440	83	19.3	40	9.1
Aged 65 and over.....	13,059	2,675	20.5	1,798	13.8	11,215	2,300	20.5	1,572	14.0	1,844	375	20.3	227	12.3
Head.....	6,329	1,528	22.2	996	11.4	5,306	1,304	22.5	835	14.7	1,122	234	20.9	141	12.6
Wife.....	5,548	433	23.5	594	16.7	3,546	435	23.5	594	16.7	.....	.....	.....	.....	.....
Other relatives.....	2,582	392	11.7	208	8.1	1,961	161	8.7	123	6.6	722	141	19.5	86	11.9
Poor by own income.....	2,907	292	14.5	.....	.....	1,448	157	10.5	.....	.....	559	135	24.2	.....	.....
Not poor by own income ³	373	10	1.7	.....	.....	412	4	1.0	.....	.....	163	6	3.7	.....	.....

¹ Excludes children under age 14 who live with a family to no member of which they are related. Income normally not reported for persons under 14.
² Includes heads, wives, and other ever-married relatives under age 18.
³ An additional 100,000 of those not poor nevertheless had income below the near poor level. Thus the total number of aged other relatives with own

income below the near poor level was 2.1 million; only 0.5 million lived in a poor or near poor family.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

Inevitably then, the poverty thresholds, adjusted only for price changes, were farther below general levels of income at the end of the period than at the outset. Median income of four-person families in 1966 was \$8,340, according to the Bureau of the Census—just two and one-half times the non-farm poverty threshold of \$3,335. In 1959, by contrast, median income for four-person families was \$6,070, about twice the poverty index cut-off line. In other words, the average income of four-person families had increased by 37 percent but the poverty line by only 9 percent, or one-fourth as much.⁵

CHANGES IN POVERTY, 1959-66

In 1959, 24 percent of the Nation's households—counting as households both one-person units

⁵ Bureau of the Census, *Current Population Reports*, Series P-60, No. 53, "Income in 1966 of Families and Persons in the United States," and No. 35, "Income of Families and Persons in the United States in 1959." See also the *Social Security Bulletin*, April 1966.

and families of two or more persons—had so little income as to be counted poor. Seven years later only 17.7 percent had too little money income to support the number dependent on them. What is perhaps of greater significance than the general improvement is that, as already indicated, more of the poor in 1966 were persons of limited earning capacity or those whom age, home responsibilities, race discrimination, or other factors kept out of the labor force altogether.

Children—particularly if they live in a home without a father—and old people are at a disadvantage, compared with persons aged 18-64, when it comes to earning. The number of children under age 18 being reared in poverty went down from 16.6 million in 1959 to 12.5 million in 1966, but the number near poor dipped by only 0.4 million to reach 6.6 million. All told, even in 1966, after a continued run of prosperity and steadily rising family income, one-fourth of the Nation's children were in families living in poverty or hovering just above the poverty line.

TABLE 4.—Incidence of poverty and low-income status, 1966: Number and percent of households below SSA poverty level and above that level but below low-income level, by number of children under age 18 and sex and color of head

[Numbers in thousands]

Type of household	All households					With male head				With female head					
	Total	Poor		Near poor		Total	Poor		Near poor		Total	Poor		Near poor	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent		Number	Percent	Number	Percent
All households															
Total.....	61,291	10,906	17.7	4,334	7.1	48,314	5,532	11.5	3,341	6.9	12,977	5,354	41.3	993	7.7
Unrelated individuals.....	12,367	4,821	39.0	781	6.3	4,564	1,277	28.0	281	6.2	7,803	3,544	45.4	500	6.4
Under age 65.....	7,489	2,124	28.4	312	4.2	3,279	712	21.7	146	4.5	4,210	1,412	33.5	166	3.9
Aged 65 and over.....	4,878	2,697	55.3	469	9.6	1,285	565	44.0	135	10.5	3,593	2,132	59.3	334	9.3
Families.....	48,924	6,085	12.4	3,553	7.3	43,750	4,275	9.8	3,060	7.0	5,174	1,810	35.0	493	9.5
With no children.....	20,332	2,204	10.8	1,436	7.1	18,118	1,874	10.3	1,247	6.9	2,214	330	14.9	189	8.5
With children.....	28,593	3,877	13.6	2,118	7.4	25,634	2,399	9.4	1,814	7.1	2,959	1,478	49.9	304	10.3
1 child.....	9,081	843	9.3	433	4.8	8,034	491	6.1	331	4.1	1,047	352	33.6	102	9.7
2 children.....	8,491	869	10.2	454	5.3	7,665	503	6.6	359	4.7	826	366	44.3	95	11.5
3 children.....	5,416	694	12.8	458	8.5	4,949	406	8.2	411	8.3	467	288	61.7	47	10.1
4 children.....	2,923	543	18.6	361	12.4	2,629	342	13.0	333	12.3	294	201	68.4	38	12.9
5 children.....	1,396	387	27.7	206	14.8	1,262	281	22.3	195	15.5	134	106	79.1	11	8.2
6 or more.....	1,286	541	42.1	206	16.0	1,095	376	34.3	195	17.8	191	165	86.4	11	6.7
White households															
Total.....	54,801	8,402	15.3	3,644	6.6	43,826	4,272	9.7	2,808	6.4	10,975	4,130	37.6	826	7.6
Unrelated individuals.....	10,786	4,026	37.3	677	6.3	3,820	1,007	26.4	224	5.9	6,946	3,019	43.3	453	6.5
Under age 65.....	6,296	1,826	28.8	241	3.8	2,688	540	20.1	110	4.1	3,608	1,086	30.1	131	3.6
Aged 65 and over.....	4,490	2,400	53.5	436	9.7	1,132	467	41.3	114	10.1	3,358	1,933	57.6	322	9.6
Families.....	44,026	4,373	9.9	2,967	6.7	40,006	3,265	8.2	2,584	6.5	4,013	1,111	27.7	383	9.5
With no children.....	18,759	1,863	9.9	1,268	6.8	16,823	1,607	9.6	1,111	6.6	1,936	256	13.2	157	8.1
With children.....	25,257	2,509	9.9	1,701	6.7	23,182	1,656	7.1	1,476	6.4	2,075	853	41.1	222	10.8
1 child.....	8,164	616	7.5	340	4.2	7,337	372	5.1	258	3.5	827	244	29.5	32	9.9
2 children.....	7,721	599	7.8	373	4.8	7,114	373	5.2	303	4.3	607	226	37.2	70	11.5
3 children.....	4,865	461	9.5	394	8.1	4,533	278	6.1	358	7.9	332	183	55.1	36	10.3
4 children.....	2,498	336	13.5	280	11.2	2,321	235	10.1	252	10.9	177	101	57.1	28	15.8
5 children.....	1,125	217	19.3	165	14.7	1,063	175	16.5	159	15.0	62	42	67.7	6	9.7
6 or more.....	384	260	31.7	149	16.9	314	223	27.4	146	17.9	70	57	81.4	3	4.3
Nonwhite households															
Total.....	6,488	2,506	38.6	690	10.6	4,487	1,281	28.5	533	11.9	2,001	1,225	61.2	157	7.8
Unrelated individuals.....	1,584	796	50.3	105	6.6	744	270	36.3	58	7.8	940	526	56.0	47	5.6
Under age 65.....	1,196	499	41.7	72	6.0	592	172	29.1	37	6.3	604	327	54.1	35	5.8
Aged 65 and over.....	388	297	76.5	33	8.5	152	98	64.5	21	13.8	236	199	84.3	12	5.1
Families.....	4,898	1,712	34.9	585	11.9	3,743	1,011	27.0	475	12.7	1,181	699	60.2	110	9.5
With no children.....	1,568	341	21.7	186	10.6	1,293	267	20.6	134	10.4	275	74	26.9	32	11.6
With children.....	3,333	1,371	41.1	421	12.6	2,449	746	30.5	341	13.9	884	625	70.7	80	9.0
1 child.....	916	228	24.8	94	10.3	695	119	17.1	73	10.5	220	109	49.5	21	9.5
2 children.....	770	270	35.1	82	10.6	551	130	23.6	57	10.3	219	140	63.9	25	11.4
3 children.....	550	231	42.0	64	11.6	416	128	30.8	53	12.7	134	103	76.9	11	8.2
4 children.....	424	209	49.3	43	13.9	308	108	35.1	72	23.4	116	101	87.1	10	8.6
5 children.....	271	170	62.7	43	15.9	198	107	54.0	38	19.2	73	63	86.3	5	6.8
6 or more.....	402	263	65.4	56	13.9	280	154	55.0	48	17.1	122	109	89.3	8	6.6

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey

for March 1967.

Though the poverty rate among all persons aged 18-64 or older declined by more than one-third in the 7-year period, for the aged as a group it dropped only 20 percent. Children in a family with a woman at the head were only 17 percent less likely to be poor in 1966 than in 1959; for children in a home headed by a man the risk of poverty was 40 percent lower in 1966 than it had been earlier.

As a group, persons aged 65 or older were even

worse off than the youngsters. Those counted poor in 1966 numbered 5.4 million, the same number as the count of aged poor 2 years earlier, and only half a million less than the count in 1959. In that year, one-third of all aged couples were poor, and in 1966 only one-fourth were so situated. But in 1966 the 1.2 million aged couples in poverty represented 1 in 5 of all families counted poor; in 1959 these couples had accounted for only 1 in 6 of the total. In similar fashion, the fi-

nancial fate of the aged living alone was better than it once had been, but it still spelled poverty for the majority (55 percent). Moreover, compared with the situation in 1959 when aged unrelated individuals accounted for fewer than one-fifth of all households tagged poor, in 1966 every fourth household in poverty was that of an aged person living alone. Indeed, despite the overall drop in the number of poor of all ages, the number of elderly women living in solitary poverty was now 2.1 million, though it was only 1.8 million in the earlier year (table 5).

Such findings did not signify that these elderly persons as a group had less income than they used to have. It was rather that, thanks to social security and related programs, more of them had enough income to try going it alone—choosing privacy, albeit the privacy of poverty, rather

than being an "other relative" in the home of their children. But despite spectacular improvement aided in large measure by increases in the number drawing OASDI benefits, and in the size of the checks, persons aged 65 or older remained the most poverty-stricken age group in the Nation.

Though the odds that households headed by women would have insufficient income were less than they used to be, the improvement was less marked than for units headed by men. In 1959, of all households counted poor, 5.4 million had a woman at the head and 8 million were headed by a man. By 1966 the number poor with a man at the head dropped 2.4 million, but the number poor and headed by a woman remained unchanged. (There was, to be sure, no telling how many were families who had been in poverty

TABLE 5.—Incidence of poverty in 1966: Number and percent of unrelated individuals with income below the SSA poverty level, by sex, race, and other specified characteristics

(Numbers in thousands)

Characteristic	All unrelated individuals				Male unrelated individuals				Female unrelated individuals			
	Total	Poor			Total	Poor			Total	Poor		
		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution
Total individuals												
Total.....	12,368	4,820	39.0	100.0	4,563	1,276	28.0	100.0	7,804	3,544	45.4	100.0
Residence:												
Nonfarm.....	12,068	4,652	38.6	97.2	4,414	1,212	27.5	95.0	7,654	3,471	45.3	97.9
Farm.....	300	168	56.0	2.9	160	55	33.8	5.1	150	73	48.7	2.1
Region:												
Northeast.....	3,210	1,172	36.5	24.3	1,126	302	26.6	23.7	2,074	870	41.9	24.5
North Central.....	3,402	1,362	40.0	28.3	1,174	322	27.5	25.2	2,230	1,039	46.6	29.3
South.....	3,568	1,573	43.7	32.6	1,257	434	34.5	34.0	2,111	1,139	54.0	32.1
West.....	2,386	1,113	46.7	14.8	996	217	21.8	17.0	1,390	896	64.5	14.0
Race:												
White.....	11,784	4,626	39.3	83.5	3,812	1,007	26.4	83.9	6,965	3,019	43.3	55.2
Nonwhite.....	584	194	33.2	16.5	744	269	36.3	21.1	839	525	62.6	14.8
Age:												
14-24.....	1,306	339	25.9	10.8	586	194	33.1	15.2	707	314	44.4	8.9
25-34.....	2,134	659	30.9	17.3	670	69	10.3	5.1	444	59	13.3	2.5
35-44.....	2,071	720	34.8	17.8	613	61	10.0	6.3	464	139	30.0	3.9
45-54.....	2,682	984	36.7	21.7	639	127	19.9	10.0	543	237	43.7	6.7
55-64.....	2,362	872	37.0	18.1	751	238	31.7	18.7	1,732	634	36.2	17.9
65 and over.....	4,278	2,527	59.1	56.0	1,284	564	43.9	44.2	3,594	2,132	59.3	60.2
Sex:												
Male.....	4,563	1,276	28.0	100.0	4,563	1,276	28.0	100.0	7,804	3,544	45.4	100.0
Female.....	7,804	3,544	45.4	73.5								
Earning status:												
Earning.....	7,370	1,469	20.0	59.3	3,335	545	16.3	42.7	4,035	914	22.7	25.8
Not earning.....	4,998	3,351	67.0	39.7	1,228	731	59.5	57.3	3,769	2,630	69.8	74.2
Employment status and occupation:												
Employed, March 1967.....	4,479	1,225	27.4	27.4	2,896	442	14.6	33.1	3,580	804	22.5	22.7
Professional and technical workers.....	1,191	132	11.1	4.0	563	96	17.0	4.7	735	133	18.1	3.8
Farmers and farm managers.....	192	31	16.2	1.2	82	25	(*)	2.9	21	6	(*)	.2
Managers, officials, and proprietors (except farm).....	507	50	9.9	1.0	306	20	6.5	1.6	201	31	15.4	.9
Clerical and sales workers.....	1,847	115	6.2	3.7	363	43	11.2	3.4	1,180	111	9.4	3.1
Craftsmen and foremen.....	431	48	11.1	3.1	382	29	7.6	2.3	49	9	(*)	.3
Operatives.....	2,889	77	2.7	2.0	395	41	10.3	3.2	384	55	14.3	1.6
Service workers.....	1,361	546	39.7	11.5	380	88	23.2	6.7	1,002	459	45.8	13.0
Private household workers.....	425	285	67.1	6.0	7	7	(*)	.5	419	281	67.1	7.9
Laborers (except time).....	325	117	36.0	2.4	320	113	36.9	9.2	112	42	37.5	1.2
Unemployed.....	247	123	50.0	2.0	176	80	45.5	4.7	112	42	37.5	1.2
Not in labor force.....	5,603	3,492	62.3	71.4	1,491	794	53.3	62.2	4,113	2,697	65.6	76.1

See footnotes at end of table.

throughout the period and how many were replacing units elevated to better status or disbanded as families.) Accordingly, in 1966 households headed by a woman accounted for nearly one-half of all units tagged poor rather than the two-fifths they represented in 1959. And if there were children in the home making it difficult for the mother to work, the disadvantage was especially striking (table 6).

The number of poor families with a man at the head and children under age 18 went from 3.8 million to 2.4 million in 1966. But the 1½ million poor families headed by a woman with children numbered almost as many as those poor in 1959. Thus, though the total count of children in poverty was one-fourth less than it had been 7 years earlier, the number poor in families with a woman at the head was actually one-tenth higher.

The peril of poverty for the child with several brothers and sisters remained high: The family with five or more children was still three and one-half times as likely to be poor as the family raising only one or two, and, just as in earlier years, almost one-half the poor children were in families with five or more children. The number of poor families with five or more children remained almost unchanged—0.9 million in 1966, compared with 1.1 million in 1959—with the added disadvantage that 29 percent of them now were headed by a woman, instead of 18 percent as in 1959. What is more, the economic deprivation associated with a father's absence was more common than it used to be: from 1959 to 1966 the proportion of all children under age 18 who were in a family headed by a woman rose from 9 to 11 percent; and in parallel fashion it was 1 in 3 of all poor children in 1966 who were minus

TABLE 5.—Incidence of poverty in 1966: Number and percent of unrelated individuals with income below the SSA poverty level, by sex, race, and other specified characteristics—Continued

(Numbers in thousands)

Characteristic	All unrelated individuals				Male unrelated individuals				Female unrelated individuals			
	Total	Poor			Total	Poor			Total	Poor		
		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution
White individuals												
Total.....	10,784	4,625	37.3	100.0	3,819	1,007	26.4	100.0	6,965	3,019	43.3	100.0
Residence:												
Nonfarm.....	10,511	3,911	37.2	97.1	3,680	949	25.8	94.2	6,831	2,962	43.4	99.1
Farm.....	273	115	42.1	2.9	139	58	41.7	5.8	134	57	42.5	1.9
Region:												
Northeast.....	2,864	1,053	36.8	26.2	978	269	27.5	26.7	1,886	784	41.6	26.0
North Central.....	3,100	1,214	39.2	30.2	1,054	290	27.5	28.8	2,046	923	45.1	30.6
South.....	2,657	1,120	42.2	27.8	921	271	29.4	26.9	1,736	849	48.9	23.1
West.....	2,162	639	29.6	15.9	866	176	20.3	17.5	1,297	463	35.7	15.3
Age:												
14-24.....	1,145	449	39.2	11.2	527	179	34.0	17.8	618	270	43.7	8.9
25-34.....	936	108	11.5	2.7	566	49	8.7	4.9	370	59	15.9	2.0
35-44.....	823	128	15.6	3.2	469	51	10.9	5.1	354	77	21.8	2.6
45-54.....	1,197	253	21.1	6.3	497	80	16.1	7.9	700	173	24.7	5.7
55-64.....	2,193	688	31.4	17.1	628	180	28.6	17.9	1,565	508	32.5	16.8
65 and over.....	4,490	2,400	53.5	59.6	1,132	467	41.3	46.4	3,358	1,933	57.6	64.0
Sex:												
Male.....	3,819	1,007	26.4	25.0	3,819	1,007	26.4	100.0				
Female.....	6,965	3,019	43.3	75.0					6,965	3,019	43.3	100.0
Earners status:												
Earner.....	6,305	1,190	17.4	27.3	2,778	420	15.1	41.7	3,527	660	19.3	22.5
Nonearner.....	4,480	2,926	65.3	72.7	1,041	587	56.4	58.3	3,438	2,339	68.0	77.5
Employment status and occupation:												
Employed, March 1967.....	5,545	932	16.8	23.1	2,417	325	13.4	32.3	3,130	608	19.4	20.1
Professional and technical workers.....	1,209	161	15.0	4.5	511	57	11.2	5.7	699	126	18.0	4.2
Farmers and farm managers.....	95	27	(¹)	.7	75	21	(¹)	2.1	21	6	(¹)	.2
Managers, officials, and proprietors (except farm).....	478	43	9.0	1.1	284	17	6.0	1.7	194	27	13.9	.9
Clerical and sales workers.....	1,502	147	9.8	3.7	363	39	10.7	3.9	1,138	107	9.4	3.5
Craftsmen and foremen.....	379	32	8.5	.8	334	25	7.5	2.5	45	7	(¹)	.2
Operatives.....	672	64	9.5	1.6	354	25	7.1	2.5	318	39	12.3	1.3
Service workers.....	989	266	37.0	9.1	279	70	25.1	7.0	711	296	41.6	9.8
Private household workers.....	246	164	66.7	4.1	7	7	(¹)	.7	240	157	65.4	5.2
Laborers (except mine).....	221	71	32.1	1.8	217	71	32.7	7.1	4	4		
Unemployed.....	220	66	30.0	1.6	131	36	27.4	3.6	90	30	(¹)	1.0
Not in labor force.....	5,019	3,927	80.3	73.2	1,274	646	50.7	64.2	3,746	2,381	63.6	78.9

See footnotes at end of table.

a father, not 1 in 4 as in 1959. To make matters worse, the poverty rate among children in families headed by a woman was now four and one-half times as high as in families headed by a man; in 1959 it was only three and one-third times as high.

There was other evidence that economic growth had not helped all population groups in equal measure. The nonwhite population generally had not fared as well as the white during the 1959-66 upswing, though by the end of the period it was making greater strides than at the beginning. To be sure, in 1966 it was 1 in 3 nonwhite families who were poor compared with 1 in 10 white families, and back in 1959 it was 1 in 2 nonwhite families and 1 in 7 white families who were poor. It is also a fact that the nonwhite made up about one-third of the Nation's poor in 1966, compared with just over one-fourth in 1959—a widening

disadvantage explained only in small part by the greater population growth among the nonwhite.

The farm population, though still poorer than the nonfarm, had reduced the incidence of poverty by nearly one-half, a rate of improvement twice that registered by the nonfarm population. But with the nonfarm population growing while the farm population steadily declined, it was likely that many families had merely exchanged a farm address for a city one at which they might be even worse off than before.

Though in comparison with the situation in 1959 the poverty roster now included fewer poor families headed by a regularly employed man and more headed by men who encountered trouble finding and holding a job or by those out of the labor force altogether, the difficulty of the low-paid worker with a large family to support was growing more striking. In 1959, among families

TABLE 5.—Incidence of poverty in 1966: Number and percent of unrelated individuals with income below the SSA poverty level, by sex, race, and other specified characteristics—Continued

(Numbers in thousands)

Characteristic	All unrelated individuals				Male unrelated individuals				Female unrelated individuals			
	Total	Poor			Total	Poor			Total	Poor		
		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution
Nonwhite individuals												
Total.....	1,583	794	50.2	100.0	744	269	36.2	100.0	839	525	62.6	100.0
Residence:												
Nonfarm.....	1,556	772	49.6	97.2	734	263	35.8	97.8	823	509	61.8	96.9
Farm.....	26	23	(¹)	2.9	11	7	(¹)	2.6	16	16	(¹)	3.0
Region:												
Northeast.....	346	119	34.4	15.0	159	33	20.8	12.3	188	86	45.7	16.4
North Central.....	302	148	49.0	18.6	119	32	26.9	11.9	184	116	63.0	22.1
South.....	711	453	63.7	57.1	336	163	48.5	60.6	375	290	77.3	55.2
West.....	222	74	33.2	9.3	130	41	31.5	15.2	93	33	(¹)	6.3
Age:												
16-24.....	148	60	40.5	7.6	59	16	(¹)	5.9	89	44	(¹)	8.4
25-34.....	198	50	25.3	6.3	124	20	16.1	7.4	74	30	(¹)	5.7
35-44.....	255	92	36.1	11.6	144	30	20.8	11.2	110	62	56.4	11.8
45-54.....	285	111	38.9	14.0	142	47	33.1	17.5	143	64	44.8	12.2
55-64.....	309	184	59.5	23.2	123	58	47.2	21.6	187	126	67.4	24.0
65 and over.....	388	297	76.5	37.4	152	97	63.8	38.1	236	199	84.3	37.9
Sex:												
Male.....	744	269	36.2	33.9	744	269	36.2	100.0	839	525	62.6	100.0
Female.....	839	525	62.6	66.1								
Earners status:												
Earner.....	1,066	359	33.7	45.2	557	125	22.4	46.5	508	234	46.1	44.6
Nonearner.....	518	435	84.0	54.8	187	144	77.0	53.5	331	291	87.9	55.4
Employment status and occupation:												
Employed, March 1967.....	933	294	31.6	37.0	482	97	20.1	36.1	450	196	43.6	37.3
Professional and technical workers.....	84	10	(¹)	1.3	48	3	(¹)	1.1	36	7	(¹)	1.3
Farmers and farm managers.....	7	4	(¹)	.5	7	4	(¹)	1.5				
Managers, officials, and proprietors (except farm).....	30	7	(¹)	.9	22	3	(¹)	1.1	7	4	(¹)	.8
Clerical and sales workers.....	64	8	(¹)	1.0	22	4	(¹)	1.5	42	4	(¹)	.8
Craftsmen and foremen.....	52	6	(¹)	.8	48	4	(¹)	1.5	4	2	(¹)	.4
Operatives.....	216	33	15.3	4.2	151	16	10.6	5.9	66	16	(¹)	3.0
Service workers.....	372	179	48.1	22.5	81	16	(¹)	5.9	291	163	56.0	31.0
Private household workers.....	170	124	69.3	15.6					179	124	69.3	23.6
Laborers (except mine).....	108	57	49.5	5.9	108	47	45.6	17.5	4			
Unemployed.....	96	36	(¹)	4.5	45	24	(¹)	8.9	22	12	(¹)	2.3
Not in labor force.....	594	465	79.6	29.6	217	148	68.2	55.0	387	316	86.1	60.2

¹ Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special

tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

of a fully employed worker in poverty, one-half included one to three children under age 18 and 30 percent had more than three; 19 percent had none. Among the corresponding group in poverty in 1965, 37 percent had at least four children, 46 percent had from one to three, and only 16 percent had none.

It is clear that in the period since 1959, poverty, which never was a random affliction, has become even more selective, and some groups initially vulnerable are now even more so. There is still

no all-embracing characterization that can encompass all the poor. Some are poor because they cannot work; others are poor even though they do. Most of the poor receive no assistance from public programs; others remain poor because they have no resources but the limited payments provided under such programs. And public programs to help the poor are in the main geared to serve those who cannot work at all or are temporarily out of a job. The man who works for a living but is not making it will normally find no avenue of aid.

TABLE 6.—Incidence of poverty in 1966: Number and percent of families with income below the SSA poverty level, by sex and race of head and other specified characteristics

(Numbers in thousands)

Characteristic	All families			With male head			With female head					
	Total	Poor		Total	Poor		Total	Poor				
		Number	Percent		Percent-age distribution	Number		Percent	Percent-age distribution	Number	Percent	Percent-age distribution
All families												
Total.....	48,922	6,086	12.4	100.0	43,751	4,276	9.8	100.0	5,172	1,810	35.0	100.0
Residence:												
Nonfarm.....	46,225	5,598	12.1	92.0	41,199	3,835	9.3	89.7	5,026	1,784	35.1	97.6
Farm.....	2,697	488	18.1	8.0	2,562	441	17.3	10.3	145	47	32.4	2.6
Race:												
White.....	44,017	4,375	9.9	71.9	40,907	3,264	9.2	78.3	4,010	1,111	27.7	61.4
Nonwhite.....	4,905	1,711	34.9	28.1	3,744	1,012	27.0	23.7	1,162	699	60.2	38.6
Age of head:												
14-24.....	3,011	510	16.9	8.4	2,761	347	12.6	8.1	250	163	65.2	9.0
25-34.....	9,560	1,139	11.9	18.7	8,763	668	7.6	15.6	808	472	58.6	26.1
35-44.....	11,113	1,180	10.3	19.4	10,026	737	7.4	17.2	1,087	464	40.8	24.5
45-54.....	10,629	919	8.7	15.1	9,503	587	6.2	13.7	1,116	333	29.8	18.4
55-64.....	7,689	800	10.4	13.1	6,900	635	9.2	14.9	789	166	21.0	9.2
65 and over.....	6,929	1,538	22.2	25.3	5,807	1,304	22.5	30.5	1,122	294	23.9	12.9
Number of persons in family:												
2.....	16,354	2,271	13.9	37.3	13,978	1,663	12.1	30.6	2,376	378	24.3	31.9
3.....	10,096	889	8.8	14.6	8,901	532	6.0	12.4	1,197	357	29.3	19.7
4.....	9,400	793	8.4	13.0	8,687	488	5.6	11.4	712	306	42.8	24.9
5.....	6,139	649	10.5	10.7	5,808	440	7.6	10.3	362	269	54.7	11.5
6.....	3,485	501	14.6	8.2	3,230	362	11.2	9.5	239	168	68.0	7.6
7 or more.....	3,443	984	28.6	16.2	3,148	762	24.2	17.9	296	222	75.0	12.3
Region:												
Northeast.....	12,039	1,037	8.6	17.0	10,650	675	6.3	15.8	1,289	362	26.1	30.0
North Central.....	13,617	1,259	9.2	20.7	12,400	874	7.0	20.4	1,216	285	31.7	21.3
South.....	14,978	2,950	19.7	48.5	13,251	2,186	16.5	51.1	1,727	763	44.2	42.2
West.....	8,288	940	10.1	13.8	7,448	540	7.2	12.6	939	300	35.6	18.6
Type of family:												
Male head.....	43,751	4,276	9.8	70.3	43,751	4,276	9.8	100.0				
Married, wife present.....	42,553	4,069	9.6	68.9	42,553	4,069	9.6	95.2				
Wife in paid labor force.....	15,006	743	5.0	12.2	15,006	743	5.0	17.4				
Wife not in paid labor force.....	27,548	3,326	12.1	54.7	27,548	3,326	12.1	77.8				
Other marital status.....	1,197	207	17.3	3.4	1,197	207	17.3	4.8				
Female head.....	5,172	1,810	35.0	29.7					5,172	1,810	35.0	100.0
Employment status and occupation of head:												
Employed, March 1967.....	38,885	3,020	7.8	49.6	36,293	2,376	6.5	55.6	2,593	841	24.7	35.4
Professional and technical workers.....	5,338	129	2.4	2.1	5,060	197	2.1	2.5	296	22	7.7	1.2
Farmers and farm managers.....	1,588	315	19.8	6.2	1,673	309	19.7	7.2	16	6	(1)	.3
Managers, officials, and proprietors (except farm).....	5,759	233	4.0	3.8	5,643	216	3.8	5.1	118	17	14.4	.9
Clerical and sales workers.....	5,146	225	4.4	3.7	4,823	124	2.9	3.9	823	100	12.2	6.6
Craftsmen and foremen.....	8,050	352	4.4	5.8	8,013	349	4.4	8.2	88	3	(1)	.2
Operatives.....	7,663	766	10.0	10.6	7,280	544	7.5	12.7	466	102	21.9	6.6
Service workers.....	3,011	588	19.4	9.6	2,192	312	14.2	9.7	820	378	46.5	20.6
Private household workers.....	262	154	58.6	2.5	13	2	(1)	(2)	270	123	68.3	8.4
Laborers (except mine).....	2,297	533	23.2	8.9	2,270	515	22.7	12.0	28	18	(1)	1.0
Unemployed.....	904	248	27.4	4.1	780	180	23.1	4.2	184	68	64.8	3.3
Not in labor force.....	9,132	2,817	30.8	46.3	6,678	1,718	25.7	40.2	2,454	1,100	44.8	63.8
Number of earners in 1966:												
None.....	4,073	1,978	48.6	32.5	3,017	1,216	40.3	28.4	1,668	782	72.2	42.1
1.....	20,481	2,620	12.8	43.0	18,168	1,892	10.4	44.2	2,288	729	31.9	28.3
2.....	17,932	1,112	6.2	18.3	16,808	891	5.4	20.5	1,384	221	16.0	12.3
3 or more.....	6,405	376	5.9	6.2	5,891	278	4.7	6.5	448	130	22.8	8.5

See footnotes at end of table.

THE GEOGRAPHY OF POVERTY

About half of all the Nation's poor families—one-seventh of the white poor and two-thirds of the nonwhite poor—lived in the South in 1966. Incomes in that area continue to be lower than elsewhere, by more than could possibly be compensated for by any price differential. Despite the exodus of many nonwhite persons from the South in recent years, the South still spells home for about half of all nonwhite families in the country (table 6). It is thus the nonwhite population that is most immediately affected by the region's

economic disadvantage. In 1966, white families in the South on an average had only \$5 in income for every \$6 enjoyed by white families elsewhere; Southern nonwhite families averaged less than \$3 for every \$5 of income of nonwhite families outside the South. A fifth of all nonwhite families not in the South and a third of the white families had at least \$10,000 in income in 1966. Within the South, almost none of the nonwhite families and only a fourth of the white families had this much income, as indicated by the figures in the tabulation that follows.

TABLE 6.—Incidence of poverty in 1966: Number and percent of families with income below the SSA poverty level, by sex and race of head and other specified characteristics—Continued

(Numbers in thousands)

Characteristic	All families				With male head				With female head			
	Total	Poor			Total	Poor			Total	Poor		
		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution
White families												
Total.....	44,917	4,375	9.9	100.0	40,007	3,264	8.2	100.0	4,010	1,111	27.7	100.0
Residence:												
Nonfarm.....	41,525	4,025	9.7	92.0	37,629	2,940	7.8	90.1	3,896	1,085	27.8	97.7
Farm.....	2,492	350	14.0	8.0	2,378	324	13.6	9.9	114	26	22.8	2.3
Age of head:												
14-24.....	2,376	374	14.0	8.5	2,508	375	11.0	8.4	168	99	58.9	8.9
25-34.....	8,448	733	8.7	16.3	7,924	455	5.7	13.9	523	279	53.3	25.1
35-44.....	9,867	810	8.1	18.5	9,167	536	5.8	16.4	600	274	34.2	24.7
45-54.....	9,808	823	8.5	14.2	8,736	441	5.0	13.5	989	183	21.1	16.5
55-64.....	6,950	558	8.0	12.5	6,290	458	7.3	14.0	660	100	15.2	9.0
65 and over.....	6,371	1,277	20.0	29.2	5,382	1,100	20.4	33.7	989	177	17.9	15.9
Number of persons in family:												
2.....	14,942	1,692	12.7	43.2	12,915	1,463	11.3	44.8	2,027	429	21.2	38.6
3.....	9,213	654	7.1	14.9	8,252	412	5.0	12.6	961	242	25.2	21.8
4.....	8,828	566	6.6	12.9	8,090	369	4.6	11.3	538	197	36.6	17.7
5.....	5,615	432	7.7	9.9	5,362	321	6.0	9.8	353	111	31.4	10.0
6.....	2,989	297	9.9	6.8	2,880	241	8.4	7.4	110	55	50.0	5.0
7 or more.....	2,530	534	20.3	12.2	2,507	458	18.3	14.0	122	76	62.3	6.8
Region:												
Northeast.....	11,213	831	7.4	19.0	10,085	580	5.8	17.8	1,148	251	21.9	22.6
North Central.....	12,587	1,007	8.0	23.0	11,596	760	6.6	23.3	991	247	24.9	22.2
South.....	12,619	1,843	14.6	42.1	11,468	1,466	12.8	44.9	1,151	377	32.8	33.9
West.....	7,597	694	9.1	15.9	6,878	468	6.7	14.0	719	236	32.8	31.2
Type of family:												
Male head.....	40,007	3,264	8.2	74.6	40,007	3,264	8.2	100.0				
Married, wife present.....	39,007	3,119	8.0	71.3	39,007	3,119	8.0	95.6				
Wife in paid labor force.....	13,319	428	3.2	9.3	13,319	428	3.2	13.1				
Wife not in paid labor force.....	25,688	2,691	10.5	61.5	25,688	2,691	10.5	62.4				
Other marital status.....	1,000	146	14.6	3.2	1,000	146	14.6	4.5				
Female head.....	4,010	1,111	27.7	25.4					4,010	1,111	27.7	100.0
Employment status and occupation of head:												
Employed, March 1967.....	35,281	2,070	5.9	47.3	33,254	1,710	5.1	52.4	2,006	358	17.8	32.2
Professional and technical workers.....	5,082	112	2.2	2.6	4,832	95	2.0	2.9	245	17	6.9	1.5
Farmers and farm managers.....	1,498	282	17.5	6.0	1,485	258	17.4	7.9	13	4	(1)	.4
Managers, officials, and proprietors (except farm).....	5,622	216	3.8	4.9	5,513	202	3.7	6.2	109	15	13.8	1.4
Clerical and sales workers.....	4,319	188	3.9	4.3	4,063	102	2.5	3.1	756	86	11.4	7.7
Craftsmen and foremen.....	7,583	273	3.6	6.2	7,551	270	3.6	8.3	32	2	(1)	.2
Operatives.....	6,739	427	6.3	9.5	6,369	363	5.7	11.1	370	63	17.0	5.7
Service workers.....	2,244	302	13.5	6.9	1,752	140	7.9	4.3	463	151	34.8	14.5
Private household workers.....	93	37	(1)	.8	9	1	(1)	(1)	55	36	(1)	3.2
Laborers (except mine).....	1,674	290	17.3	6.6	1,659	280	16.9	8.6	15	10	(1)	.9
Unemployed.....	733	150	20.5	3.4	654	117	17.9	3.6	79	33	(1)	3.0
Not in labor force.....	8,022	2,154	26.9	49.2	6,096	1,436	23.5	44.0	1,925	718	37.3	64.6
Number of earners in 1966:												
None.....	3,593	1,569	44.2	36.3	2,808	1,071	38.1	32.8	785	519	66.1	46.7
1.....	18,721	1,927	10.3	44.0	16,933	1,481	8.7	45.4	1,789	446	24.9	40.1
2.....	16,039	691	4.3	15.8	14,911	577	3.9	17.7	1,128	114	10.1	10.3
3 or more.....	5,663	168	3.0	3.5	5,354	136	2.5	4.2	308	33	10.7	3.0

See footnotes at end of table.

Race of family	South	Rest of country
	Median income	
All families.....	\$6,235	\$7,930
White.....	6,775	8,090
Nonwhite.....	3,445	3,970
	Percent with income of \$10,000 or more	
All families.....	21.7	33.1
White.....	24.8	34.3
Nonwhite.....	5.0	15.8

The Southern States today support a larger proportion of their population on public assistance than is true of the rest of the country. Indeed, of the 10 States with the highest OAA recipient rate per 1,000 aged persons in December 1966, eight were Southern States, although eligibility requirements are at least as restrictive in the South as anywhere else.

Much of the burden of poverty among the fully employed—that is, in terms of weeks worked—rested on nonwhite men, and particularly so in

TABLE 6.—Incidence of poverty in 1966: Number and percent of families with income below the SSA poverty level, by sex and race of head and other specified characteristics—Continued

(Numbers in thousands)

Characteristic	All families				With male head				With female head			
	Total	Poor			Total	Poor			Total	Poor		
		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution		Number	Percent	Percentage distribution
Nonwhite families												
Total.....	4,906	1,711	34.9	100.0	3,744	1,012	27.0	100.0	1,162	600	60.2	100.0
Residence:												
Nonfarm.....	4,700	1,573	33.5	91.9	3,570	895	25.1	88.4	1,130	679	60.1	97.1
Farm.....	205	138	67.3	8.1	174	117	67.2	11.6	31	21	(¹)	3.0
Age of head:												
14-24.....	335	136	40.6	7.9	253	72	28.5	7.1	82	64	(¹)	9.2
25-34.....	1,113	406	36.5	28.7	829	213	25.7	21.0	283	193	68.2	27.6
35-44.....	1,146	371	32.4	21.7	859	201	23.4	19.9	287	170	59.2	24.3
45-54.....	1,015	295	29.1	17.2	787	145	19.0	14.4	247	150	60.7	21.5
55-64.....	739	243	32.9	14.2	610	177	29.0	17.5	129	86	51.2	9.4
65 and over.....	558	261	46.8	15.3	425	204	48.0	30.2	153	57	42.9	8.2
Number of persons in family:												
2.....	1,412	379	26.8	22.2	1,063	230	21.6	22.7	349	169	42.7	21.3
3.....	885	234	26.4	13.7	649	120	18.5	11.9	235	115	48.7	15.5
4.....	772	227	29.4	13.3	597	119	19.9	11.8	174	108	62.1	15.5
5.....	575	217	37.7	12.7	445	119	26.7	11.8	129	98	76.0	14.0
6.....	448	204	45.5	11.9	350	121	34.6	12.0	99	83	(¹)	11.9
7 or more.....	813	450	55.4	28.3	639	304	47.6	30.0	174	146	53.9	20.0
Region:												
Northeast.....	826	206	24.9	12.0	585	95	16.2	9.4	241	111	46.1	15.9
North Central.....	1,030	252	24.5	14.7	804	114	14.2	11.3	225	128	57.3	19.7
South.....	2,359	1,107	46.9	64.7	1,783	720	40.4	71.1	573	386	67.0	55.2
West.....	691	146	21.1	8.5	571	82	14.4	6.1	120	64	53.3	9.2
Type of family:												
Male head.....	3,744	1,012	27.0	59.1	3,744	1,012	27.0	100.0				
Married, wife present.....	3,547	951	26.8	55.6	3,547	951	26.8	94.0				
Wife in paid labor force.....	1,686	315	18.7	18.4	1,686	315	18.7	31.1				
Wife not in paid labor force.....	1,861	636	34.2	37.2	1,861	636	34.2	62.8				
Other marital status.....	198	61	30.8	3.6	198	61	30.8	6.0				
Female head.....	1,162	690	60.2	40.9					1,162	690	60.2	100.0
Employment status and occupation of head:												
Employed, March 1967.....	3,625	960	26.2	55.5	3,039	665	21.9	65.8	597	233	48.2	40.5
Professional and technical workers.....	246	17	6.8	1.0	213	12	5.5	1.2	38	5	(¹)	.7
Farmers and farm managers.....	90	53	(¹)	3.1	87	51	(¹)	5.0	3	2	(¹)	.3
Managers, officials, and proprietors (except farm).....	137	16	11.7	.9	130	14	10.8	1.4	9	2	(¹)	.3
Clerical and sales workers.....	327	36	11.0	2.1	280	22	8.5	2.2	67	14	(¹)	2.0
Craftsmen and foremen.....	467	81	17.3	4.7	462	79	17.1	7.8	4	1	(¹)	.1
Operatives.....	957	220	23.0	12.9	861	181	21.0	17.9	96	39	(¹)	5.6
Service workers.....	767	294	37.0	16.6	410	72	17.6	7.1	357	212	59.4	30.3
Private household workers.....	189	117	61.9	6.8	4	1	(¹)	.1	185	116	62.7	16.6
Laborers (except mine).....	624	243	38.9	14.2	611	235	38.5	23.2	13	8	(¹)	1.1
Unemployed.....	171	98	57.3	5.7	126	63	50.0	6.2	45	35	(¹)	5.0
Not in labor force.....	1,109	663	59.8	38.7	580	282	48.6	27.9	529	362	72.2	64.6
Number of earners in 1966:												
None.....	480	389	81.0	22.7	209	145	69.4	14.3	271	243	89.7	34.8
1.....	1,730	693	40.1	40.5	1,230	411	33.4	40.6	490	283	57.7	40.5
2.....	1,953	421	21.6	24.6	1,697	314	18.5	31.0	256	107	41.8	15.3
3 or more.....	742	208	28.0	12.2	607	142	23.4	14.0	135	67	49.6	9.6

¹ Not shown for base less than 100,000.

² Less than 0.05 percent.

Source: Derived by the Social Security Administration from special

tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

TABLE 7.—Incidence of poverty among families in 1966 by work experience and sex of head

Work experience of head in 1966	All families				With male head				With female head			
	Total	Head under age 55	Head aged 55-64	Head 65 or over	Total	Under age 55	Aged 55-64	65 or over	Total	Under age 55	Aged 55-64	65 or over
All families (in thousands)												
Total ¹	48,922	34,304	7,689	6,929	43,730	31,043	6,900	5,806	5,171	3,280	790	1,122
Didn't work.....	6,593	1,463	966	4,164	4,743	535	691	3,516	2,140	931	275	642
Ill. disabled.....	1,757	367	493	906	1,433	276	434	721	324	80	58	153
Other.....	5,136	1,111	473	3,553	3,310	259	257	2,795	1,825	851	217	757
Worked part year.....	7,805	5,418	1,353	1,033	6,815	4,490	1,168	948	1,159	919	185	85
Unemployed.....	2,853	2,313	430	116	2,626	2,117	400	103	232	185	30	6
Other.....	4,947	3,105	923	917	3,989	2,382	768	845	927	734	155	79
Worked all year.....	39,389	26,582	5,370	1,437	31,565	25,173	5,040	1,342	1,684	1,410	330	95
Poor families (in thousands)												
Total ¹	6,086	3,748	800	1,538	4,376	2,337	635	1,304	1,810	1,411	166	294
Didn't work.....	2,418	555	353	1,209	1,163	212	256	997	953	643	98	212
Ill. disabled.....	719	171	207	340	575	120	172	282	144	50	35	59
Other.....	1,699	684	146	869	689	92	84	715	809	593	63	133
Worked part year.....	1,653	1,243	221	189	1,132	777	180	175	521	466	41	14
Unemployed.....	573	467	76	31	471	372	69	29	102	93	7	1
Other.....	1,080	776	145	158	661	405	111	146	419	373	34	13
Worked all year.....	1,943	1,577	226	140	1,606	1,275	190	132	337	302	27	8
Percent of families in poverty												
Total ¹	12.4	10.9	10.4	22.2	9.8	7.5	9.2	22.5	35.0	43.3	21.0	20.9
Didn't work.....	33.1	58.2	36.5	27.1	30.9	39.6	37.0	28.4	44.3	69.1	35.6	22.5
Ill. disabled.....	40.9	47.9	42.0	37.5	40.1	43.2	39.6	39.1	44.4	62.5	60.3	31.9
Other.....	33.1	61.6	30.9	24.5	26.9	35.5	32.7	25.6	44.3	69.7	29.0	20.2
Worked part year.....	21.2	29.9	16.3	18.3	17.1	17.3	15.4	18.5	43.8	50.7	22.2	16.5
Unemployed.....	20.0	29.2	17.7	26.7	17.9	17.6	17.3	26.9	44.0	47.7	23.3	16.7
Other.....	21.8	25.0	15.7	17.2	16.6	17.0	14.5	17.4	43.8	51.5	21.9	16.5
Worked all year.....	5.8	5.9	4.2	9.7	5.1	5.1	3.9	9.8	18.4	21.4	8.2	8.4

¹ Includes heads in Armed Forces in March 1967, not shown separately; work experience in 1966 not asked for such heads.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

the South. There, more than one-third of the non-white men who worked full time throughout 1965 had been poor, as were 7 percent of the white men. Elsewhere in the country the corresponding rates were 10 percent and 4 percent.⁶

About one-fourth of the white poor and two-fifths of the nonwhite poor resided in central cities of metropolitan areas. Yet, for the Nation as a whole, the white poor outnumbered the non-white even in the central cities: There were about 5½ million white persons counted poor in central cities and 4 million nonwhite. Because of the well-established difficulties of Negroes—whatever their income—in finding housing, a larger proportion of them, both poor and nonpoor, are clustered in what may be termed poverty areas of

large cities than is true for the white population.⁷

THE WORKING POOR

In our society it is a truism that work is the key to economic security. Yet though a job is usually necessary if one is to keep out of poverty, having one does not guarantee it.

With all the interest in more jobs for the poor, the statistics reveal that for many it is not more jobs that are needed but better ones. In 1966, 1 in 4 of all poor families was headed by a man who had worked throughout the year. The families of these working men included 8 million persons, or one-third of all the poor who were not

⁶ *Economic Report of the President (with The Annual Report of the Council of Economic Advisers)*, January 1967, page 139.

⁷ Arno I. Winard, "Characteristics of Families Residing in Poverty Areas Within Large Metropolitan Areas," paper presented at annual meeting of the Population Association of America, April 1967.

keeping house by themselves. To put it more directly, of the 3 million families headed by a man under age 65—leaving out families headed by an aged person or by a woman, persons who might have difficulty getting any work at all—half were “fully employed” in terms of time spent on the job. Seven out of 10 of these men were white and so presumably not subjected to discrimination in the hiring hall. Though a number of these men had large families, many had earnings so low they would have been poor with only two or three children to support. Overall, there was an average of 2.8 children under age 18 per family. Indeed, in 1965—the latest year for which such details are available—of the men under age 65 heading a family in poverty despite their “full employment,” three-fifths had no more than three children to support.

For many of the poor, particularly in households headed by women, it was the inability of the family breadwinner to find a job or keep one that accounted for their plight. When the family head did not work at all in 1966, 1 out of 3 families was counted poor, compared with only 1 in 17 when the family head was on a job every week in the year. But 9½ million persons were poor though they were in the family of a breadwinner who did have a job throughout 1966. To be sure, many families were poor because the head was unemployed part of the year. Families in poverty included 1 out of 4 of all those with the head looking for a job in March 1967, and 1 out of 5 of those whose family head had lost some weeks' pay in 1966 because of unemployment. Among men who were family heads and in the labor force in 1966, one-sixth of the poor had been out of work and actively seeking a job sometime during the year—an unemployment rate nearly three times that for the heads of nonpoor families. In families headed by women, the unemployment rate reported by the poor was about 12 percent, or twice that in nonpoor families (table 7).

All told, among poor families headed by men under age 65, 5 out of 6 of the heads worked some time in 1966; and the majority of those who didn't were disabled.

As one would expect, the kind of job held was intimately related to the risk of poverty. The most poverty-prone calling for men was farming or unskilled labor; for women workers it was

domestic service. Indeed, among women family heads employed as household workers in March 1967, nearly 3 in 5 reported family income for 1966 below the poverty line. Most of these women were nonwhite. Some women who go out to work achieve a better standard of living for their own family, but the families of some of the women who keep house for them are likely to remain on a substandard one.

AGE AND POVERTY

A majority of the aged live alone or with just one other person. In 1966, 2 out of 5 households consisting of one aged person or an elderly couple fell below the poverty line, compared with but 1 in 7 of all other households. Families headed by aged persons generally have lower incomes than younger households of the same size because they are less likely to include a steady earner, and because the public programs that help many of the aged almost always pay less than the earnings they are intended to replace.

On the average, aged couples or persons living alone must get along on less than half the money income available to a young couple or single person—a difference greater than any possible differential in living requirements. The fact that for a variety of reasons, more and more aged persons are spending their last years living by themselves or just with a spouse rather than as part of a larger family group emphasizes the significance of the income disadvantage of such elderly households. Between 1959 and 1966 the number of non-aged one-person households rose by only 6 percent, but the number of elderly men and women living alone—or with nonrelatives only—was a third greater in 1966 than in 1959. In parallel fashion, with youngsters marrying and starting their families at an earlier age than they formerly did, the number of childless couples under age 65 rose only 2 percent in this 7-year period. At the same time, the number of aged couples increased by a fifth. There are thus relatively more elderly persons who must manage by themselves on their own meager resources.

The fact that aged men and women are less likely to work regularly than younger persons and that they earn less when they do work is the main reason why poverty is so much more preval-

ent among the aged. When families are matched by work experience and by sex of the head, aged families are not so much worse off than others. For example, the poverty rate for families of all aged men is nearly triple that of younger ones, but when the family head works the year round the rate of poverty among the aged is only twice that of the others. And, indeed, when the family head does not work at all, the average aged family will do better than a corresponding younger family because social security and other public support programs are more readily available to older people. Among the families headed by men who did not work at all in 1966, 28 percent of the aged were in poverty, compared with 37 percent when the head was aged 55-64 and 40 percent if he was under age 55.

WOMEN IN POVERTY

Among the poor, women outnumbered the men, 8 to 5. In the age group 65 or older, there were nearly 2 women living in poverty for every man. Aged women living alone were particularly ill-favored, with more than 3 out of 5 purchasing their privacy only at the price of poverty, but whatever their age or family status the woman was poorer than the man. Those who had to double as family head and homemaker were three and one-half times as likely to be poor as men heading a family, and they were even more disadvantaged if they had children under age 6 to look after.

Of the 5.2 million women heading a family, 35 percent were counted poor and 2 out of 3 of those heading a family with children under age 6 were raising their youngsters on incomes too low to provide for them properly. Because their home responsibilities were greater than in nonpoor families, women in poor families would find it more difficult to hold down a full-time job and some could take no job at all. The woman in a poor family—whether wife or family head—had more children and younger children to care for. It is not surprising then to find that among poor families with a husband present, only 1 in 6 of the wives was in the paid labor force, but that in nonpoor families, 2 in 5 were either working or looking for work.

Poor families generally were larger than those

better off, mainly because they included more children, not because they had more adults. And every disadvantage of the poor family was greater if the head was a woman. As one instance, in the women's families just about one-fifth of all family members were preschoolers under age 6, and 6 out of 10 members were not yet aged 18. In families of men in poverty, one-half the members were not yet aged 18, and about one-sixth were not yet 6 years of age (table 8).

The role of social security and other public programs in ameliorating poverty is quite evident in the situation of families headed by a woman. Because a woman responsible for a family cannot work as readily as a man and will earn less when she does, the families of women are generally much poorer than men's families. But by age 65 when most men heading a family are not working regularly either, the economic gap between the man's and woman's family lessens. With a head under age 55, a woman's family is nearly six times as likely to be poor as a man's: between ages 55 and 64, the woman's family is two and one-third times as likely to be poor as the man's; at age 65 or older, the risk of poverty for a woman's family is about the same as for a man's and, if both are not working at all, the risk for the woman's family is about one-fourth less than the man's.

CHILDREN OF THE POOR

Children generally do not contribute income of their own to a family but must rely instead on the support of others. As a result, after the aged—whose earning capacity is also likely to be limited if not lacking altogether—children are the poorest age group, particularly if the father is absent. Three out of 5 youngsters in families headed by women were being raised in poverty—a total of 4½ million poor children—but there were also 8 million other children who were poor in unbroken families. The mother of young children, whether she herself is the family head or shares the responsibility with a husband, finds it hard to take a job, but many families can escape poverty only if both parents work and some not even then. Twelve percent of the husband-wife families were poor when the wife did not work and 5 percent even when she did. Perhaps more

to the point in assessing remedial action against poverty is the fact that 4½ million children were counted poor though they were in the home of a man who had worked throughout 1966 and nearly 1 million more were in the family of a woman who held a job all year. Children with a working mother but minus a father receive little help from existing public programs unless they are the orphans of veterans or workers who were covered under OASDHI, but the children with a father present and working receive almost no help at all. Youngsters in large families were particularly

bad off, and if the large family had a woman at its head, the odds were better than 4 out of 5 that it was poor.

All told, close to half the Nation's poor children were in families with at least five youngsters present, but the size and current living arrangements of families, as the Census normally counts them, are sometimes the result of poverty; they are not always the cause. Family groups with insufficient income, particularly if there is no man at the head, may share living quarters with relatives to help meet living expenses. Thus

TABLE 8.—Distribution of members of families with 1966 income below SSA poverty level by work experience of family head, by color and sex of head

Age and race	Total	In household with male head					In household with female head						
		Total ¹	Work experience, 1966				Total	Work experience, 1966				Worked all year	
			Didn't work		Worked part year			Didn't work		Worked part year			
			Ill	Other	Unem- ployed	Other		Ill	Other	Unem- ployed	Other		
Numbers (in thousands)													
Families.....	6,086	4,276	575	890	471	661	1,606	1,810	144	809	102	419	237
White.....	4,375	3,284	433	704	305	519	1,151	1,111	72	565	57	247	170
Nonwhite.....	1,711	1,012	142	96	166	142	455	699	72	243	45	173	167
Persons in families.....	24,836	17,675	1,979	2,283	2,396	2,548	8,139	7,160	474	3,145	427	1,727	1,588
White.....	16,287	12,410	1,381	1,946	1,485	1,843	5,486	3,877	193	1,975	215	897	659
Nonwhite.....	8,549	5,265	598	337	911	704	2,653	3,283	282	1,169	212	830	778
Children under age 18 ²	12,539	8,117	639	372	1,321	1,073	4,526	4,423	213	1,933	281	1,135	961
White.....	7,527	5,281	408	261	826	702	3,940	2,245	58	1,104	139	571	373
Nonwhite.....	5,014	2,837	232	112	496	370	1,586	2,177	156	827	140	571	487
Children under age 6.....	4,286	2,964	137	118	496	418	1,697	1,423	43	680	88	385	228
White.....	2,564	1,893	83	73	312	274	1,071	871	11	356	26	183	85
Nonwhite.....	1,823	1,071	54	46	184	145	627	752	33	322	51	202	143
Persons aged 18-54.....	3,748	2,337	120	92	372	406	1,275	1,411	50	593	93	373	302
White.....	2,540	1,706	87	79	245	322	910	884	20	387	54	221	152
Nonwhite.....	1,208	631	34	12	124	83	365	527	31	206	41	151	148
Persons aged 55-64.....	800	685	172	84	69	111	190	166	35	63	7	34	27
White.....	558	458	129	68	39	83	139	100	18	50	3	16	13
Nonwhite.....	243	177	43	16	30	28	59	66	17	13	4	17	15
Persons 65 and over.....	1,538	1,304	282	715	29	146	132	234	59	153	1	13	8
White.....	1,277	1,100	217	648	17	116	102	177	34	129	1	8	5
Nonwhite.....	261	204	65	67	12	30	30	57	24	25	0	5	3
Percentage distribution													
Families.....	100.0	70.3	9.4	14.6	7.7	10.9	26.4	29.7	2.4	13.3	1.7	6.9	3.9
White.....	100.0	74.6	9.9	18.1	7.0	11.9	26.3	25.4	1.6	12.9	1.3	5.6	3.9
Nonwhite.....	100.0	59.1	8.3	5.6	9.7	8.3	26.6	40.9	4.2	14.2	2.6	10.1	9.8
Persons in families.....	100.0	71.2	8.0	9.2	9.6	10.3	32.8	28.8	1.9	12.7	1.7	7.0	5.6
White.....	100.0	76.2	8.5	11.9	9.1	11.3	33.7	23.8	1.1	12.1	1.3	5.4	3.7
Nonwhite.....	100.0	61.6	7.0	3.9	10.7	8.2	31.0	38.4	3.3	13.7	2.5	9.8	9.1
Children under age 18 ²	100.0	64.7	5.1	3.0	10.5	8.6	36.1	35.3	1.7	15.4	2.2	9.1	6.9
White.....	100.0	70.2	5.4	3.5	11.0	9.3	39.1	29.8	.8	14.7	1.8	7.6	5.0
Nonwhite.....	100.0	56.6	4.6	2.2	9.9	7.4	31.6	43.4	3.1	16.5	2.8	11.3	9.7
Children under age 6.....	100.0	67.6	3.1	2.7	11.3	9.5	38.7	32.4	1.0	15.5	2.0	8.8	5.2
White.....	100.0	73.8	3.2	2.8	12.2	10.7	41.8	26.2	.4	13.9	1.4	7.1	3.3
Nonwhite.....	100.0	58.7	3.0	2.5	10.1	8.0	34.4	37.6	1.8	17.7	2.8	11.1	7.8
Persons aged 18-54.....	100.0	62.4	3.2	2.5	9.9	10.8	34.0	37.6	1.3	15.8	2.5	10.0	8.0
White.....	100.0	67.2	3.4	3.1	9.8	12.7	35.8	32.8	2.6	15.2	2.1	8.7	6.0
Nonwhite.....	100.0	52.2	2.8	1.0	10.3	6.9	30.3	47.8	17.1	3.4	12.5	12.3	4.0
Persons aged 55-64.....	100.0	79.4	21.5	10.5	8.6	13.9	24.9	20.7	4.4	7.9	.9	4.2	3.4
White.....	100.0	82.1	28.1	12.2	7.0	14.9	24.9	17.9	3.2	9.0	.6	2.9	2.3
Nonwhite.....	100.0	72.8	17.7	6.6	12.3	11.5	24.3	27.2	7.0	5.3	1.6	7.0	6.2
Persons 65 and over.....	100.0	84.8	18.3	46.5	1.9	9.5	8.6	15.2	3.8	9.9	.1	.8	.5
White.....	100.0	86.1	17.0	30.7	1.3	9.1	8.0	13.9	2.7	10.1	.1	.8	.4
Nonwhite.....	100.0	78.2	24.9	25.7	4.6	11.5	11.5	21.8	9.2	9.6	1.9	1.1	1.1

¹ Includes heads in Armed Forces in March 1967, not shown separately; work experience in 1966 not asked for such heads.
² Never-married children.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

TABLE 9.—1966 income of families: Number and median income of families by number of children under age 18 and sex and race of head

Type of family	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
Number (in thousands)									
All families.....	48,923	20,327	28,598	9,082	8,492	5,416	2,922	1,397	1,287
With male head.....	43,751	18,116	25,638	8,034	7,666	4,949	2,629	1,261	1,095
White.....	40,007	16,824	23,183	7,338	7,114	4,533	2,321	1,062	815
Nonwhite.....	3,744	1,292	2,455	696	552	416	308	199	280
With female head.....	5,172	2,211	2,960	1,048	826	467	293	136	192
White.....	4,010	1,936	2,075	827	607	332	177	61	70
Nonwhite.....	1,162	275	885	221	219	135	116	75	122
Poor families ¹	6,086	2,206	3,880	844	869	695	544	390	541
With male head.....	4,276	1,874	2,403	492	503	405	343	283	376
White.....	3,264	1,607	1,657	373	373	277	236	176	223
Nonwhite.....	1,012	267	746	199	130	128	107	107	153
With female head.....	1,809	332	1,477	353	365	288	202	107	166
White.....	1,110	288	852	244	226	184	101	42	58
Nonwhite.....	699	74	625	109	139	104	101	65	108
Nonpoor families.....	42,835	18,121	24,710	8,239	7,620	4,723	2,379	1,008	744
With male head.....	39,474	16,242	23,230	7,542	7,161	4,542	2,239	979	719
White.....	36,742	15,217	21,522	6,965	6,740	4,254	2,086	887	592
Nonwhite.....	2,732	1,025	1,708	577	421	288	201	92	127
With female head.....	3,361	1,879	1,480	695	459	180	92	29	25
White.....	2,899	1,678	1,221	583	390	148	77	19	12
Nonwhite.....	462	201	259	112	79	32	15	10	13
Median income									
All families.....	\$7,436	\$6,740	\$7,303	\$7,776	\$7,945	\$8,108	\$7,750	\$7,467	\$6,014
With male head.....	7,818	6,975	8,238	8,234	8,350	7,942	8,208	7,926	6,805
White.....	8,012	7,156	8,484	8,428	8,525	8,693	8,561	8,500	7,144
Nonwhite.....	5,370	4,724	5,693	5,881	6,200	5,977	5,563	4,922	4,781
With female head.....	4,012	5,275	3,320	3,640	3,365	2,980	3,065	3,250	3,174
White.....	4,466	5,510	3,710	3,995	3,818	3,140	3,538	(²)	(²)
Nonwhite.....	2,825	3,488	2,635	2,417	2,324	2,736	2,633	(²)	3,100
Poor families ¹	1,784	1,461	2,237	1,533	1,976	2,445	3,005	3,338	3,283
With male head.....	1,826	1,491	2,578	1,663	2,307	2,727	3,308	3,590	3,440
White.....	1,764	1,506	2,534	1,623	2,346	2,723	3,400	3,868	3,733
Nonwhite.....	2,160	1,401	2,629	1,777	2,174	2,694	3,190	3,234	3,164
With female head.....	1,673	1,310	1,823	1,360	1,595	2,123	2,306	2,614	2,867
White.....	1,567	1,264	1,747	1,413	1,635	2,041	2,161	(²)	(²)
Nonwhite.....	1,835	(²)	1,984	1,284	1,493	2,306	2,397	(²)	2,750
Nonpoor families.....	8,122	7,441	8,524	8,269	8,486	8,782	8,760	9,017	8,214
With male head.....	8,342	7,645	8,719	8,567	8,689	8,908	8,864	9,068	8,271
White.....	8,471	7,774	8,837	8,687	8,778	8,986	9,058	9,268	8,558
Nonwhite.....	9,832	5,838	7,221	7,036	7,058	7,708	7,204	(²)	7,339
With female head.....	5,680	6,043	5,317	5,010	6,156	5,611	(²)	(²)	(²)
White.....	5,813	6,171	5,393	5,062	6,302	5,778	(²)	(²)	(²)
Nonwhite.....	5,041	4,982	5,081	4,867	(²)	(²)	(²)	(²)	(²)

¹ Families with 1966 income below SSA poverty level.

² Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special

tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

in nonpoor families in 1966, only 1 in 25 of the children under age 18 were not the children of the head or wife but children of other relatives. In poor families as a group, 1 in 10 children were related rather than own children, and in poor families headed by a woman, the proportion was 1 in 8.

Many families with four or five youngsters had insufficient income to support even two or three, though all would be less poor if they spread their limited resources among fewer members. For example, of the families poor in 1966 with a woman at the head and four children, one-half had less than \$2,300 income for the year. Even

on the assumption that there was no one else in the family, this median was 40 percent less than the minimum of \$3,900 required to enable a non-farm family of this size to stay above the poverty line and was not even enough for a mother and two children (tables 9 and 10; see also table 1).

THE POVERTY GAP IN 1965

The latest statistics on the aggregate dollar amount by which poor households fell short of their estimated income need are for 1965 when the total poverty roster numbered 31.9 million

persons, of whom 14 million were under age 18. At that time the total dollar poverty gap—the aggregate difference between required and actual income—stood at \$11 billion. This figure represented an overall reduction of 20 percent since 1959, but now one-fifth of the gap represented unmet need of families with children and headed by a woman, compared with one-sixth then. In

contrast, the share of the total gap accounted for by families with children and a man at the head dropped from 37 percent in 1959 to 34 percent in 1965 (tables 11 and 12).

It must be remembered that aggregate deficits as computed represent a needs-resources gap, still remaining after payments of public assistance, OASDHI benefits, and any other public pro-

TABLE 10.—1966 income of families: Percentage distribution of poor and nonpoor families by amount of income, by sex of head and number of children under age 18

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families									
Number (in thousands).....	48,923	20,327	28,596	9,092	8,492	5,416	2,922	1,397	1,287
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	2.3	2.4	2.3	.5	2.3	1.7	2.1	2.6	2.6
\$1,000-1,999.....	2.3	3.2	1.8	2.0	1.4	1.2	1.0	2.1	2.5
\$1,500-1,999.....	3.1	4.9	1.8	2.3	1.5	1.6	1.6	1.8	2.7
\$2,000-2,999.....	3.4	4.9	2.3	2.4	2.0	2.1	2.1	2.4	3.9
\$2,500-2,999.....	3.2	4.5	2.2	2.0	2.0	2.2	2.5	2.5	4.0
\$3,000-3,499.....	3.5	4.3	3.0	3.0	2.4	2.8	2.7	3.7	5.9
\$3,500-3,999.....	3.3	3.9	2.9	3.2	2.4	2.5	2.7	2.9	3.8
\$4,000-4,999.....	7.1	7.5	6.8	6.8	6.0	6.0	7.8	9.4	11.1
\$5,000-5,999.....	8.4	8.4	8.4	8.5	8.0	8.2	9.7	7.5	9.3
\$6,000-6,999.....	9.4	8.0	10.3	9.3	11.2	10.1	10.2	12.0	11.0
\$7,000-7,999.....	9.3	7.6	10.5	10.4	11.4	10.7	9.2	8.8	8.8
\$8,000-8,999.....	8.1	6.9	9.0	8.7	9.2	9.5	9.2	9.0	7.1
\$9,000-9,999.....	7.0	5.6	8.0	7.4	8.7	9.0	7.8	8.4	4.4
\$10,000-11,999.....	11.2	9.7	12.3	12.3	12.3	13.7	12.1	11.3	8.1
\$12,000-14,999.....	9.2	3.9	9.5	9.9	9.8	9.3	9.5	8.7	5.4
\$15,000-24,999.....	7.5	7.3	7.6	7.9	7.9	7.6	7.2	7.0	3.8
\$25,000 and over.....	1.7	1.9	1.6	1.4	1.4	2.0	1.9	1.0	1.7
Median income.....	\$7,438	\$6,740	\$7,803	\$7,778	\$7,945	\$8,108	\$7,750	\$7,467	\$6,014
All poor families ¹									
Number (in thousands).....	6,086	2,206	3,880	844	869	695	544	390	541
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	18.9	22.7	16.7	26.7	22.3	13.6	11.4	9.6	6.1
\$1,000-1,999.....	18.3	29.6	11.9	21.7	14.1	9.7	5.1	7.5	5.9
\$1,500-1,999.....	22.5	38.7	13.4	24.1	14.3	12.3	8.6	6.5	6.5
\$2,000-2,999.....	12.7	7.6	15.6	18.9	19.1	16.3	11.0	8.5	14.0
\$2,500-2,999.....	7.8	1.1	11.6	5.6	14.7	16.5	13.6	9.0	9.6
\$3,000-3,499.....	7.7	.4	11.9	2.1	12.2	16.7	17.6	13.2	14.0
\$3,500-3,999.....	4.5	0	7.1	.2	2.0	12.1	11.9	9.8	12.9
\$4,000-4,999.....	5.8	0	9.0	.2	1.1	2.0	17.1	25.1	24.4
\$5,000 and over.....	1.8	0	2.8	.4	.1	.9	3.7	10.9	6.5
Median income.....	\$1,784	\$1,461	\$2,257	\$1,533	\$1,978	\$2,445	\$3,006	\$3,338	\$3,283
All nonpoor families									
Number (in thousands).....	42,835	18,121	24,710	8,239	7,620	4,723	2,379	1,008	744
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000-1,999.....	0	0	0	0	0	0	0	0	0
\$1,500-1,999.....	.3	.8	0	0	0	0	0	0	0
\$2,000-2,999.....	2.0	4.5	.2	.7	0	0	0	0	0
\$2,500-2,999.....	2.5	4.9	.7	1.7	.5	.1	0	0	0
\$3,000-3,499.....	2.9	4.8	1.5	3.1	1.2	.8	.2	0	0
\$3,500-3,999.....	3.1	4.4	2.2	3.5	2.5	1.1	.5	.3	.5
\$4,000-4,999.....	7.3	8.5	6.4	7.5	6.6	6.5	5.7	2.0	1.3
\$5,000-5,999.....	9.3	9.4	9.3	9.3	8.9	9.3	11.1	6.3	11.3
\$6,000-6,999.....	10.7	9.0	11.9	10.3	12.5	11.6	12.5	16.6	18.9
\$7,000-7,999.....	10.6	8.5	12.1	11.4	12.7	12.3	11.3	12.2	15.2
\$8,000-8,999.....	9.3	7.8	10.4	9.6	10.2	10.9	11.3	12.5	12.2
\$9,000-9,999.....	8.0	6.3	9.3	8.1	9.7	10.3	9.6	11.6	7.5
\$10,000-11,999.....	12.8	10.9	14.2	13.6	13.7	15.7	14.9	15.6	14.0
\$12,000-14,999.....	10.5	10.0	10.9	11.0	10.9	10.6	11.7	12.0	9.4
\$15,000-24,999.....	8.5	8.2	8.8	8.8	8.8	8.7	8.8	9.6	6.6
\$25,000 and over.....	2.0	2.1	1.8	1.6	1.6	2.4	2.3	1.4	3.0
Median income.....	\$8,122	\$7,441	\$8,524	\$8,269	\$8,486	\$8,782	\$8,750	\$9,017	\$8,214

See footnotes at end of table.

grams aiming to help families with insufficient income of their own. Many receive no such help. It has been estimated that only about a fourth of all persons counted poor receive any public assistance, and the proportion of poor households who receive assistance is even less. In 1965, as shown later in this article, only a sixth of all households whose income for the year was below the

poverty line had received any public assistance payments.

Because, as a rule, women's families have fewer persons than men's families, the income needed for the women's families to stay above poverty is lower. But even allowing for this lesser need the families headed by women had incomes proportionately less in relation to estimated require-

TABLE 10.—1966 income of families: Percentage distribution of poor and nonpoor families by amount of income, by sex of head and number of children under age 18—Continued

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families with male head									
Number (in thousands).....	43,751	18,116	25,639	8,034	7,668	4,949	2,629	1,261	1,095
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	1.5	2.2	1.1	1.3	1.0	.7	.7	1.8	1.7
\$1,000-1,499.....	1.8	3.0	1.0	1.3	.9	.6	.6	1.4	1.9
\$1,500-1,999.....	2.6	4.8	1.0	1.3	.7	1.0	.9	1.0	1.4
\$2,000-2,499.....	2.9	4.3	1.5	1.7	1.2	1.2	1.1	1.6	4.5
\$2,500-2,999.....	2.8	4.4	1.7	1.7	1.5	1.4	1.7	2.0	3.3
\$3,000-3,499.....	3.1	4.3	2.4	2.5	1.9	1.9	2.7	3.2	4.9
\$3,500-3,999.....	2.9	3.7	2.4	2.9	2.1	2.1	1.9	2.1	4.4
\$4,000-4,999.....	6.6	7.1	6.1	6.0	5.3	5.7	7.5	7.5	10.4
\$5,000-5,999.....	8.4	8.2	8.5	8.4	8.1	8.2	10.1	8.1	10.0
\$6,000-6,999.....	9.5	7.7	10.8	9.6	11.8	10.7	10.7	12.5	12.4
\$7,000-7,999.....	9.8	7.7	11.2	11.1	12.0	11.4	10.0	9.5	10.1
\$8,000-8,999.....	8.7	7.2	9.7	9.4	10.0	10.1	10.1	9.8	7.8
\$9,000-9,999.....	7.4	5.8	8.7	7.8	9.4	9.7	8.5	9.3	5.1
\$10,000-11,999.....	12.1	10.0	13.5	13.6	13.1	14.9	13.3	12.2	9.4
\$12,000-14,999.....	10.0	9.4	10.4	11.0	10.7	10.0	10.4	9.4	8.4
\$15,000-24,999.....	3.1	7.8	8.3	8.3	8.7	8.2	7.8	7.5	4.4
\$25,000 and over.....	1.2	2.1	1.7	1.6	1.6	2.2	2.0	1.1	1.9
Median income.....	\$7,816	\$6,975	\$8,238	\$8,234	\$8,350	\$7,842	\$8,208	\$7,926	\$8,605
Poor families with male head¹									
Number (in thousands).....	4,276	1,674	2,403	492	503	405	343	283	376
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	16.1	21.5	11.9	21.4	16.5	8.5	5.3	7.8	5.1
\$1,000-1,499.....	18.7	29.1	10.7	21.8	13.1	7.8	4.4	6.4	5.6
\$1,500-1,999.....	23.3	39.6	10.5	21.0	9.9	12.0	6.7	4.2	4.0
\$2,000-2,499.....	12.0	8.3	14.9	23.0	17.2	14.2	8.8	7.1	13.1
\$2,500-2,999.....	7.9	1.3	13.1	8.8	20.4	15.7	13.2	8.8	9.6
\$3,000-3,499.....	8.3	.3	14.6	2.9	19.0	19.6	19.0	14.1	14.4
\$3,500-3,999.....	4.6	0	3.2	.2	2.2	17.9	12.8	8.8	11.7
\$4,000-4,999.....	6.2	0	12.1	.4	1.6	2.7	25.4	28.6	28.0
\$5,000 and over.....	2.3	0	4.1	.6	.2	1.2	4.7	14.1	8.5
Median income.....	\$1,826	\$1,491	\$2,578	\$1,663	\$2,307	\$2,727	\$3,308	\$3,590	\$3,440
Nonpoor families with male head									
Number (in thousands).....	39,474	16,242	23,230	7,542	7,161	4,542	2,289	979	719
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	9	0	0	0	0
\$1,000-1,499.....	(²)	(²)	0	0	0	0	0	0	0
\$1,500-1,999.....	.3	.8	0	0	0	0	0	0	0
\$2,000-2,499.....	1.9	4.4	.1	.3	(²)	0	0	0	0
\$2,500-2,999.....	2.2	4.7	.5	1.2	.2	.1	0	0	0
\$3,000-3,499.....	2.6	4.7	1.1	2.5	2.1	.7	.3	0	0
\$3,500-3,999.....	2.8	4.1	1.9	3.0	3.0	5.2	4.8	.2	.8
\$4,000-4,999.....	6.5	8.0	6.5	6.4	5.5	8.9	10.9	6.3	10.3
\$5,000-5,999.....	9.0	9.2	8.9	8.0	8.6	11.6	12.3	16.4	18.8
\$6,000-6,999.....	10.8	8.6	12.0	10.2	12.6	12.4	11.5	12.3	15.4
\$7,000-7,999.....	10.8	8.6	12.4	11.8	12.9	12.4	11.8	12.6	11.8
\$8,000-8,999.....	9.6	8.9	10.7	10.6	10.7	11.0	11.6	12.6	11.8
\$9,000-9,999.....	8.2	6.3	9.6	8.3	10.0	10.5	9.7	12.0	7.8
\$10,000-11,999.....	13.3	11.3	14.9	14.6	14.3	13.2	15.4	15.7	14.3
\$12,000-14,999.....	11.1	10.5	11.8	11.7	11.5	13.9	12.0	12.0	9.7
\$15,000-24,999.....	9.6	8.7	9.2	9.4	9.3	9.0	9.0	9.7	6.7
\$25,000 and over.....	2.1	2.4	1.9	1.7	1.7	2.4	2.3	1.4	2.9
Median income.....	\$8,342	\$7,645	\$8,719	\$8,567	\$8,689	\$8,906	\$8,864	\$9,068	\$8,271

See footnotes at end of table.

ments than was true of families headed by a man.

For example, the median income deficit for poor families with children—that is, the difference between the family's actual money income and the minimum amount appropriate for a household of that size and composition—was \$1,150 for the families headed by a man and

\$1,380 where the head was a woman. As a parallel to the fact that the larger the family the more likely it was to be poor, it was also true that irrespective of the sex of the head, the more children in the poor family the greater the dollar gap between the income it had to live on and what it should have had (tables A and B).

TABLE 10.—1966 income of families: Percentage distribution of poor and nonpoor families by amount of income, by sex of head and number of children under age 18—Continued

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families with female head ¹									
Number (in thousands).....	5,172	2,211	2,960	1,048	826	467	293	136	192
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	8.9	4.4	12.2	11.7	13.5	12.2	15.3	10.7	7.3
\$1,000-1,499.....	6.1	5.0	6.9	7.2	6.9	7.7	5.1	8.4	5.8
\$1,500-1,999.....	7.6	5.6	9.1	9.9	9.0	7.9	7.8	9.2	10.3
\$2,000-2,499.....	7.8	5.8	9.5	7.4	9.6	11.8	10.5	9.2	14.2
\$2,500-2,999.....	6.4	5.5	7.0	4.9	6.1	10.9	9.9	8.4	7.9
\$3,000-3,499.....	6.8	4.8	8.2	7.4	6.9	8.8	10.3	8.4	12.1
\$3,500-3,999.....	6.3	5.6	6.8	5.6	5.7	8.2	9.5	10.7	13.7
\$4,000-4,999.....	11.8	10.8	12.5	12.8	13.2	9.4	10.9	18.8	14.7
\$5,000-5,999.....	8.6	9.8	7.7	9.2	7.8	7.9	6.1	3.1	4.7
\$6,000-6,999.....	7.8	10.5	5.7	7.2	5.6	3.8	5.4	4.6	3.7
\$7,000-7,999.....	5.3	6.6	4.3	4.3	5.9	3.6	2.4	2.3	1.6
\$8,000-8,999.....	3.6	3.0	2.6	3.1	1.8	3.4	1.4	1.5	2.6
\$9,000-9,999.....	3.7	3.2	2.6	3.9	2.5	1.5	1.7	0	0
\$10,000-11,999.....	4.4	4.3	2.1	2.4	3.0	.9	.3	3.1	.5
\$12,000-14,999.....	2.8	4.5	1.5	1.5	1.2	1.9	1.4	3.1	0
\$15,000-24,999.....	2.0	3.3	1.1	1.2	1.1	1.4	1.4	.8	.5
\$25,000 and over.....	.3	.3	.2	.3	.1	.2	.3	0	0
Median income.....	\$4,012	\$5,275	\$3,320	\$3,640	\$3,355	\$2,980	\$3,065	\$3,250	\$3,174
Poor families with female head ¹									
Number (in thousands).....	1,809	332	1,477	353	365	288	202	107	166
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	25.5	29.7	24.5	34.7	30.6	19.8	22.1	13.6	8.4
\$1,000-1,499.....	17.3	32.7	13.8	21.3	15.6	12.5	7.4	10.7	6.6
\$1,500-1,999.....	20.8	33.3	18.0	28.7	20.2	12.9	11.3	11.7	12.0
\$2,000-2,499.....	14.5	3.6	16.9	13.1	21.6	19.2	15.2	11.7	16.3
\$2,500-2,999.....	7.5	.3	9.1	.9	6.8	17.8	14.2	10.7	9.0
\$3,000-3,499.....	6.4	.3	7.7	1.1	2.5	12.5	15.2	10.7	13.9
\$3,500-3,999.....	4.3	0	5.3	.3	1.9	3.8	9.8	12.6	15.7
\$4,000-4,999.....	3.2	0	3.9	0	.8	1.0	2.9	16.5	16.3
\$5,000 and over.....	.6	0	.7	0	0	.3	2.0	1.9	1.8
Median income.....	\$1,673	\$1,310	\$1,823	\$1,360	\$1,595	\$2,123	\$2,306	\$2,614	\$2,867
Nonpoor families with female head									
Number (in thousands).....	3,361	1,879	1,480	695	459	180	92	29	25
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000-1,499.....	(²)	.1	0	0	0	0	0	0	0
\$1,500-1,999.....	.5	.7	.2	.3	0	0	0	0	0
\$2,000-2,499.....	4.3	6.0	2.1	4.5	0	0	0	0	0
\$2,500-2,999.....	5.7	6.4	4.9	6.8	5.7	0	0	0	0
\$3,000-3,499.....	7.4	5.6	8.8	10.5	10.4	5.6	0	0	0
\$3,500-3,999.....	7.4	6.6	6.3	8.4	8.7	10.0	(³)	(³)	0
\$4,000-4,999.....	16.4	12.7	21.1	19.4	23.0	22.2	(³)	(³)	(³)
\$5,000-5,999.....	12.9	11.5	14.7	13.9	13.9	20.0	(³)	(³)	(³)
\$6,000-6,999.....	12.0	12.3	11.5	10.8	10.0	10.0	(³)	(³)	(³)
\$7,000-7,999.....	8.1	7.8	9.5	6.8	10.7	9.4	(³)	(³)	(³)
\$8,000-8,999.....	5.5	5.9	5.1	4.6	3.3	8.9	(³)	(³)	(³)
\$9,000-9,999.....	5.7	6.1	5.1	5.9	4.6	3.9	(³)	0	0
\$10,000-11,999.....	6.8	8.9	4.2	3.6	5.4	2.2	(³)	(³)	(³)
\$12,000-14,999.....	4.3	5.3	2.9	2.3	2.2	5.0	(³)	(³)	0
\$15,000-24,999.....	3.1	3.8	2.2	1.9	2.0	2.2	(³)	(³)	(³)
\$25,000 and over.....	.4	.4	.4	.3	.2	.6	(³)	0	0
Median income.....	\$5,680	\$6,043	\$5,317	\$5,010	\$5,156	\$5,611	(³)	(³)	(³)

¹ Families with 1966 income below SSA poverty level.

² Less than 0.05 percent.

³ Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

TABLE 11.—Incidence of poverty or low-income status among families with children under age 18, 1965

(Numbers in millions)

Type of family	Total families	Poor families		Low-income families (poor and near poor)	
		Number	Percent	Number	Percent
All families.....	29.1	4.2	15.1	6.2	22.2
With children under age 6.....	14.7	2.6	17.9	(1)	(1)
With no children under age 6.....	13.4	1.6	12.0	(1)	(1)
With male head.....	25.2	2.8	10.9	4.4	17.6
With children under age 6.....	13.5	1.8	13.5	(1)	(1)
With no children under age 6.....	11.7	.9	8.0	(1)	(1)
With female head.....	2.9	1.5	51.7	1.8	62.6
With children under age 6.....	1.2	.8	66.6	(1)	(1)
With no children under age 6.....	1.7	.7	41.0	(1)	(1)
Children: under age 18.....	69.7	14.0	20.1	20.0	28.7
Under 6 years.....	23.9	5.1	21.3	(1)	(1)
6-17 years.....	45.8	8.9	19.4	(1)	(1)
In families with male head.....	62.5	9.5	15.1	14.7	23.6
Under 6 years.....	21.8	3.6	16.5	(1)	(1)
6-17 years.....	40.7	5.9	14.5	(1)	(1)
In families with female head.....	7.2	4.6	63.9	5.3	73.3
Under 6 years.....	2.1	1.5	72.3	(1)	(1)
6-17 years.....	5.1	3.0	60.0	(1)	(1)

¹ Not available.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

PROPOSALS FOR CHILDREN'S ALLOWANCES

Along with old age, disability, or death of the breadwinner, the years of child-raising can place special pressures on the economic situation of a family. Children themselves ordinarily do not contribute income to a family. In fact the presence of children can be a deterrent to augmenting family income because the homemaker with youngsters to look after, whether she herself is the family head or she shares responsibility with a husband, will find it more difficult to take a job.

Accordingly, the risk of poverty for a family of specified size is more intimately related to the number of young children in it than to the number of adults—as illustrated by poverty rates in 1966 among men's families of various types:

Total number of family members	With specified number of children under age 18					
	None	1	2	3	4	5 or more
2, head aged 65 or older.....	23	(1)				
2, head under age 65.....	7	23				
3.....	5	6	(1)			
4.....	3	4	6	(1)		
5.....	4	9	9	6	(1)	
6.....	(1)	3	10	11	12	(1)
7 or more.....	(1)	(1)	2	9	18	22
						34

¹ Percentages not shown for base less than 75,000.

Recognition of both the economic vulnerability of families raising their children and the importance to society of the well-being of our future citizens has led some to propose that allowances for families with children be paid in the United States, as they are in most Western countries. Many questions would need to be resolved: How much can be spent, all told, for such a purpose and what will be the level of payments per child? Should the allowance go to all families or only those in need or be restricted to families below a fixed dollar income? How should the benefit plan relate to existing income-tax exemptions for dependents, and should the child benefit payment itself be taxable? Will the child's benefit be the same at all ages, and if not will it rise or fall with age? Other questions requiring study involve the possible inhibiting effect on earnings effort if money can be obtained as a family allowance, and, indeed, the interrelationship of a children's allowance program to other public aid programs.

As background for a recent conference taking up the question of children's allowances, the costs and benefits of a number of proposals were roughly estimated. The figures relate to 1965 rather than 1966, because only 1965 data are presently available to permit the distribution of poor families with specified numbers of children by their dollar distance from the appropriate poverty threshold. Such distributions are necessary in order to determine the antipoverty effect of a specified payment scheme.

Tables 15 through 18 suggest the antipoverty effect on children (and their families) of several illustrative plans for payments to families in lieu of existing income-tax exemptions for dependent children. If a program could be devised to provide those now poor with enough additional income to eliminate the gap between what they already have and the poverty cut-off—but no more than this—it is estimated it would have taken an aggregate of \$6 billion just to bring all poor families with children up to the poverty line in 1965. All but one of the proposals costed here require considerably more than \$6 billion, even assuming the maximum tax offset.³ They are

³ Estimates of tax recovery or offset are first-step gross approximations made after consultation with staff of the Office of Tax Analysis of the Treasury Department. No adjustments were made in the count for families including more than one tax unit.

TABLE 12.—The poverty gap, 1959 and 1965: Total difference between actual and required income of all households below the poverty level

Type of household	Poor households				Dollar deficit			
	Number (in millions)		Percentage distribution		Amount (in billions)		Percentage distribution	
	1959	1965	1959	1965	1959	1965	1959	1965
Total.....	13.4	11.2	100.0	100.0	\$13.7	\$11.0	100.0	100.0
Unrelated individuals.....	5.1	4.8	38.0	42.5	4.0	3.4	29.2	30.5
Men.....	1.6	1.3	11.7	11.4	1.2	.9	8.8	8.3
Women.....	3.5	3.5	26.3	31.1	2.8	2.5	20.4	22.2
Families.....	8.3	6.4	62.0	57.5	9.7	7.7	70.8	69.5
No children under age 18.....	2.9	2.2	22.2	19.7	2.3	1.7	16.8	15.3
Some children under age 18.....	5.4	4.2	39.8	37.8	7.4	6.0	54.0	54.2
With male head.....	6.3	4.6	47.6	40.7	7.0	5.1	51.1	46.3
No children under age 18.....	2.5	1.8	19.1	16.1	2.0	1.4	14.6	12.5
Some children under age 18.....	3.8	2.8	28.5	24.6	5.0	3.8	36.5	33.8
With female head.....	2.0	1.9	14.4	16.8	2.7	2.6	19.7	23.2
No children under age 18.....	.4	.4	3.1	3.6	.3	.3	2.2	2.8
Some children under age 18.....	1.6	1.5	11.3	13.2	2.4	2.3	17.5	20.4
<i>Race</i>								
White.....	10.4	8.5	77.5	76.0	9.8	7.9	71.5	71.3
Unrelated individuals.....	4.2	3.9	31.2	35.1	3.2	2.8	23.3	24.9
Families.....	6.2	4.6	46.3	40.9	6.6	5.2	48.2	46.4
Nonwhite.....	3.0	2.7	22.6	24.0	3.9	3.2	28.5	28.7
Unrelated individuals.....	.9	.8	6.9	7.4	.8	.6	5.8	5.6
Families.....	2.1	1.9	15.7	16.6	3.1	2.6	22.7	23.1
<i>Age of head</i>								
Under 25.....	1.1	1.1	8.4	9.6	1.2	1.2	8.7	11.2
Unrelated individuals.....	.5	.5	3.9	4.4	.5	.5	3.9	4.9
Families.....	.6	.6	4.5	5.2	.7	.7	5.1	6.3
25-64.....	7.9	6.0	58.9	53.7	9.2	7.3	67.2	65.7
Unrelated individuals.....	2.1	1.7	15.6	14.7	1.8	1.4	13.1	12.3
Families.....	5.8	4.4	43.3	39.0	7.4	5.9	54.1	53.4
65 and over.....	4.4	4.1	32.7	36.7	3.3	2.6	24.1	23.2
Unrelated individuals.....	2.5	2.6	18.5	23.4	1.7	1.5	12.4	13.6
Families.....	1.9	1.5	14.2	13.3	1.6	1.1	11.7	9.7

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1960 and 1966.

TABLE 13.—The low-income gap, 1959 and 1965: Total difference between actual and required income of all households below the low-income level

Type of household	Low-income households				Dollar deficit			
	Number (in millions)		Percentage distribution		Amount (in billions)		Percentage distribution	
	1959	1965	1959	1965	1959	1965	1959	1965
Total.....	17.6	15.4	100.0	100.0	\$22.8	\$19.7	100.0	100.0
Unrelated individuals.....	5.6	5.6	31.8	36.2	5.4	5.0	23.7	25.3
Men.....	1.8	1.6	10.2	10.3	1.7	1.4	7.3	7.1
Women.....	3.8	4.0	21.6	25.8	3.8	3.6	16.4	18.2
Families.....	12.0	9.9	68.2	63.8	17.4	14.7	76.3	74.7
No children under age 18.....	4.3	3.6	24.4	23.4	4.4	3.6	19.3	18.6
Some children under age 18.....	7.8	6.3	43.9	40.4	12.9	11.1	57.0	56.1
With male head.....	9.7	7.5	55.1	48.3	13.2	10.5	57.9	53.2
No children under age 18.....	3.7	3.0	21.0	19.5	3.8	3.0	16.7	15.4
Some children under age 18.....	6.1	4.5	34.2	28.8	9.3	7.5	41.2	37.8
With female head.....	2.3	2.4	13.1	15.5	4.2	4.2	18.4	21.5
No children under age 18.....	.6	.6	3.4	3.9	.6	.6	2.6	3.2
Some children under age 18.....	1.7	1.8	9.7	11.6	3.6	3.6	15.8	18.3

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1960 and 1966.

more costly even if one eliminates present exemptions and minimum standard deductions for children getting allowances and also taxes all children's allowance payments at existing tax rates.

The efficacy of the proposals from the standpoint of eliminating poverty has been approximated for the near-poor reference level as well as for the official poverty line. Because the poverty

criterion itself is so Spartan, the near-poor level (requiring about one-third more in money income for a family of specified composition) may be a more realistic target. The total number of children is growing. It is clear then that if the number of children in poverty continues to decline, a larger and larger share of outlays under any universal system would go to families already above the poverty line to begin with. In any case, as time goes on, a continuing rise in economic activity will make it difficult to avoid raising the poverty line.

If one now substituted the near-poor standard for the poverty line as the reference point, it would have taken \$11.1 billion rather than \$6

billion to just fill the gap between actual and needed income, and no more, for families with children in 1965 (tables 13 and C).

If the children's allowance benefit is considered taxable, the number of families raised out of poverty would be somewhat less than the number calculated and shown in tables 15-18, because some families not now required to pay Federal income tax would have to do so after receiving the allowance. At the current poverty level of income, few families now must pay a tax, but at the near-poor level most families are already subject to Federal income tax even before receiving any allowance. No adjustment in the estimates was made to take account of this.

TABLE 14.—Income deficit of poor families: Percentage distribution of poor families with 1965 income below SSA poverty level index by amount of income deficit, by number of children under age 18 and sex of head

Income deficit	Total poor families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families									
Number (in thousands).....	6,450	2,202	4,248	955	820	836	630	461	556
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	14.7	20.9	11.5	11.7	14.5	10.8	12.7	11.1	6.8
\$250-499.....	13.0	19.4	9.7	12.0	11.3	12.0	7.5	4.2	7.0
\$500-749.....	12.7	18.0	10.0	15.5	9.3	3.4	9.5	8.0	5.3
\$750-999.....	11.4	15.0	9.5	10.7	9.8	10.6	9.4	7.8	7.2
\$1,000-1,249.....	10.3	9.6	10.6	13.8	12.6	9.9	7.0	9.1	8.6
\$1,250-1,499.....	7.8	3.4	8.3	8.3	7.7	9.6	7.6	8.0	8.3
\$1,500-1,749.....	5.9	3.4	7.2	6.4	7.6	9.1	6.7	7.1	5.9
\$1,750-1,999.....	5.2	3.2	6.3	6.1	6.2	6.0	7.6	4.4	7.4
\$2,000-2,499.....	8.7	2.3	11.0	12.5	12.0	9.1	11.7	15.3	13.1
\$2,500-2,999.....	3.9	.4	5.7	.7	6.1	6.5	6.5	8.2	9.7
\$3,000 and over.....	6.5	1.5	9.2	2.3	3.1	8.1	13.6	16.6	20.2
Families with male head									
Number (in thousands).....	4,565	1,863	2,762	564	523	518	423	334	399
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	16.6	21.2	13.6	12.3	16.2	13.3	15.1	15.0	9.3
\$250-499.....	14.1	19.7	10.5	11.9	12.6	13.7	9.9	3.9	7.5
\$500-749.....	13.2	18.0	10.0	16.7	8.4	3.9	9.0	7.8	7.5
\$750-999.....	11.5	14.9	9.2	9.0	8.8	10.0	10.2	8.1	9.0
\$1,000-1,249.....	10.5	9.3	11.3	13.7	14.9	11.2	6.4	9.9	9.8
\$1,250-1,499.....	7.0	6.2	7.5	8.7	7.5	6.8	6.4	7.2	8.5
\$1,500-1,749.....	5.5	3.5	6.9	6.6	7.1	9.7	6.4	5.1	5.5
\$1,750-1,999.....	4.4	2.8	5.5	6.9	4.4	3.4	6.4	3.6	5.8
\$2,000-2,499.....	7.5	2.2	11.0	8.9	11.3	8.1	10.9	15.6	14.0
\$2,500-2,999.....	3.5	.5	5.5	1.2	3.6	6.0	7.6	8.4	9.0
\$3,000 and over.....	6.0	1.9	9.8	4.0	5.0	7.0	12.4	15.9	14.4
Families with female head									
Number (in thousands).....	1,885	399	1,486	391	297	318	206	117	159
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	10.0	19.3	7.5	10.2	11.1	6.6	8.3	0	.6
\$250-499.....	10.4	18.0	8.3	12.5	9.1	9.1	2.4	4.3	5.7
\$500-749.....	11.6	18.0	9.3	14.1	10.8	7.5	10.7	8.5	1.3
\$750-999.....	11.1	15.3	10.0	13.0	11.4	11.6	7.8	6.8	1.9
\$1,000-1,249.....	9.6	11.5	9.4	14.1	8.4	7.9	8.3	7.7	5.7
\$1,250-1,499.....	9.1	7.3	9.6	7.7	8.1	13.8	10.2	10.3	7.6
\$1,500-1,749.....	6.7	2.8	7.3	6.4	8.4	8.2	7.3	12.8	7.0
\$1,750-1,999.....	7.1	4.8	7.7	4.6	9.1	6.9	10.2	6.8	11.4
\$2,000-2,499.....	11.5	2.8	13.9	17.6	13.1	10.7	14.1	15.3	11.4
\$2,500-2,999.....	4.8	0	6.1	0	10.4	7.2	4.4	7.7	12.0
\$3,000 and over.....	7.7	.5	9.7	0	0	10.1	16.5	19.7	34.9

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

TABLE 15.—Cost and antipoverty effect on families with children under age 18 of four specified monthly allowance payments for children in 1965

Payment program	\$25		\$50	
	Every child	Third and subsequent children	Every child	Third and subsequent children
<i>Program cost</i>				
Payment (in billions).....	\$20.9	\$6.7	\$41.2	\$13.3
Tax recovery potential (in billions).....	\$9.8	\$2.6	\$12.7	\$3.5
Eliminating exemption ¹	6.3	1.8	6.3	1.8
Tax on the allowance.....	3.1	.8	6.2	1.7
<i>Reduction in poverty status of families with children</i>				
Payments to the poor (in billions).....	\$4.2	\$1.9	\$8.4	\$3.9
Percent of families removed from poverty:				
Total.....	36.2	15.2	64.3	28.7
With male head.....	40.7	18.9	67.7	33.0
With female head.....	27.8	8.3	58.3	21.2
Percent of children in families removed from poverty:				
Total children.....	45.4	24.9	77.0	46.4
In families with male head.....	50.4	29.9	79.8	51.3
In families with female head.....	34.7	14.3	71.8	37.3
Percent of persons in families removed from poverty:				
Total persons ²	35.4	17.9	61.0	33.9
In families with male head.....	37.0	20.0	59.9	34.6
In families with female head.....	30.9	12.2	64.0	31.3
<i>Reduction in low-income status of families with children</i>				
Payments to the poor and near poor (in billions).....	\$6.0	\$2.7	\$12.0	\$5.4
Percent of families removed from low-income status:				
Total.....	27.2	9.8	53.8	20.3
With male head.....	32.4	12.3	59.2	24.8
With female head.....	14.1	3.1	40.0	9.5
Percent of children in families removed from low-income status:				
Total children.....	32.6	15.9	64.5	33.8
In families with male head.....	50.4	29.9	79.8	51.3
In families with female head.....	34.7	14.3	71.8	37.3
Percent of persons in families removed from low-income status:				
Total persons ²	36.8	16.9	66.7	33.9
In families with male head.....	14.7	4.6	47.8	14.4
In families with female head.....	31.3	13.3	62.0	29.0

¹ Eliminating \$600 exemption and minimum standard deduction for children receiving allowance.

² Based on total of 27.1 million persons in poor families including persons in families with no children.

Source: Prepared by the Social Security Administration as background material for Citizens' Committee for Children, Conference on Children's Allowances, October 1967.

As presently calculated, the crude estimates also ignore the fact that some families, especially large ones, would receive considerably more income than they require just to come up to the reference standard while others would receive too little. As table 18 suggests, all the illustrative plans more readily rescue large families from poverty than small ones. In setting the poverty criteria, the dollar requirements for additional children as the total number in the family increased were assumed to decrease with economy of scale, but five of the six programs reviewed

here offer uniform payments for each child in a family.

A scheme tapering benefits so that each successive child entitles his family to a lesser increment in the allowance than the child before was also costed. In terms of the total percentage of children rescued from poverty it is only slightly more effective than proposals requiring the same aggregate money outlay but paying out the same amount to each child (or to children in the same age group). The tapered allowance does, however, do relatively more for small families than a uniform payment. It thus can give more help to couples just starting their family—a time at which they are considered especially vulnerable by some experts—and would not in itself seem to “reward” the large family unduly. In somewhat similar fashion the illustrative proposal to pay much larger amounts to youngsters under age 6 than to older children is an attempt to acknowledge the special custodial needs of preschool children that will either keep their mother from working or cause her to pay for day care if she does. The poverty rate among families with children is 50 percent higher if any of them is under age 6 than when none of them is that young.

More definitive appraisal of the antipoverty efficacy of children's allowances requires more details than assumed here about specific proposals for conditions of payment, and the assumed income distributions among families and marginal tax rates as of the date any such proposals would go into effect. For this first-approximation exercise, it has been assumed that as in most countries any allowance program would be universal rather than selective and that the payments would depend solely on the number and perhaps on the age of the children, not on how much income the family had. The gross cost of the programs evaluated in this fashion ranged from \$11 billion for the most generous—paying \$50 a month for every single child—to about \$6¾ billion for the most stringent—nothing for the first 2 children in a family and only \$25 monthly for each of the later children. Corresponding net costs range from a high of \$28½ billion to a low of \$4 billion, with the in-between programs costing roughly \$10 or \$11 billion each.

On the other hand, the program with lowest net cost distributed 46 percent of this outlay to

TABLE 16.—Cost and antipoverty effect on families with children under age 18 of monthly allowance payments of \$50 to children under age 6 and \$10 to children aged 6-17 in 1965

Payment program	Amount	Families with children under age 18		
		Total	With male head	With female head
<i>Program cost</i>				
Payment (in billions).....	\$19.8			
Tax recovery potential (in billions).....	9.3			
Eliminating exemption ¹	6.5			
Tax on the allowance.....	2.8			
<i>Reduction in poverty status</i>				
Payments to the poor (in billions).....	4.2			
Percent of families removed from poverty:				
Total.....		35.6	40.3	26.8
With some children under 6.....		50.2	53.5	42.8
With children aged 6-17 only.....		12.2	8.2	14.3
Percent of children in families removed from poverty:				
Total children.....		42.7	47.0	31.8
In families with some children under 6.....		56.8	60.2	49.0
In families with children aged 6-17 only.....		23.5	40.4	23.2
Percent of persons in families removed from poverty ²		33.8	35.8	29.4

¹ Eliminating \$600 exemption and minimum standard deduction for each child receiving allowance.

² Based on total of 27.1 million persons in poor families including persons in families with no children.

Source: Prepared by the Social Security Administration as background material for Citizens' Committee for Children, Conference on Children's Allowances, October 1967.

families initially below the poverty line, but under the program highest in net cost no more than 30 percent of the money went to families poor before receiving their allowance payments. In the remaining four illustrative programs the proportion of net outlay reaching families who were poor before payment was one-third under the tapered benefit plan and about two-fifths for the others.

In very crude outline the overall reduction in poverty achieved by the programs is roughly proportional to the cost: Paying \$50 a month per child raised 3 out of 4 poor children out of poverty; paying \$25 a month—and then only to third and subsequent children—rescued only 1 out of 4.

Though the allowances proposed are in behalf of children, they will incidentally affect the economic well-being of the entire family. As a result the changes in family income under the most costly program would eliminate poverty for 3 out of 5 of all the 27 million persons in any families counted poor in 1965, and the minimum payment program would eliminate poverty for 1 in 6. Any of the four intermediate-high programs chosen for illustration lifted from 37 to 46 percent of children in poverty to nonpoor

status and simultaneously reduced the overall poverty tally of all persons in families by about one-third.

It was pointed out earlier that poor families with a man at the head had actual income more nearly adequate in terms of requirements postulated by the poverty criteria than was true for poor families headed by a woman. In consequence all the allowance proposals examined were more effective in reducing poverty among children in families headed by men than in families headed by women. On the other hand, because so large a proportion of the men at the head of families with children rated poor are employed regularly, there would be more concern about any possible disincentive effect of an allowance program on work in the families of men than in the families of women.

It is recognized that there may well be considerations other than poverty status relevant to embarking on a program to pay allowances to families with children, and other ways to evaluate its efficacy than merely appraising its immediate effect on the poverty roll. Such considerations are beyond the scope of this article.

PUBLIC INCOME-SUPPORT PROGRAMS AND POVERTY

The Economic Opportunity Act authorized a number of new mechanisms to combat poverty, aimed for the most part at increasing earning power. The main task of providing income to those who are out of the labor force remains, as before, the function of income-maintenance programs already in operation for a number of years. Among the most prominent are social security, public assistance, veterans' pensions and compensation, unemployment insurance, and workmen's compensation. In the main, these programs make payments only when earnings are interrupted or stopped altogether, and almost always the payments are less than the earnings for which they can substitute.

Information on the amount of payments under these separate programs and the persons to whom they go are available on a regular basis in the operating statistics of the various administering agencies, but it is only infrequently and through special studies that it is possible to learn much about the other resources of recipients and to

TABLE 17.—Cost and antipoverty effect on families with children under age 18 of tapered monthly allowance payments for children in 1965¹

Payment program	Amount	Families with children under age 18		
		Total	With male head	With female head
Program cost				
Payment (in billions).....	\$21.1			
Tax recovery potential (in billions).....	9.8			
Eliminating exemption ²	6.5			
Tax on the allowance.....	3.3			
Reduction in poverty status				
Payments to the poor (in billions).....	3.7			
Percent of families removed from poverty.....		33.6	37.9	25.7
Percent of children in families removed from poverty.....		37.0	49.5	26.4
Percent of persons in families removed from poverty ³		32.5	36.1	24.5

¹ Monthly payment of \$35 for first child in family; \$25 for second child; \$15 each for third or fourth child; \$10 for fifth child; and \$5 each for all other children.

² Eliminating \$600 exemption and minimum standard deduction for each child receiving allowance.

³ Based on total of 27.1 million persons in poor families including persons in families with no children.

Source: Prepared by the Social Security Administration as background material for Citizens' Committee for Children, Conference on Children's Allowances, October 1967.

determine how the individual programs complement each other. For the year 1965, such an opportunity is provided in the data collected by the Bureau of the Census in the Current Population Survey for 1966.

From this source, information for 1965 is available separately on the amount of family income received from OASDHI benefits or public assist-

ance payments and on the amount from all other public programs as a group. The data have obvious limitations. In the brief interview, one cannot always be sure that the respondent identifies accurately the particular program of which he is a beneficiary. Moreover, in preparing income statistics, the Bureau of the Census uses a definition of a family—all related persons sharing a household at the time of the interview—that may not jibe with the definition of recipient unit used by the agency administering the program. An elderly woman or a mother-child unit may be eligible to receive public assistance or payments from a veterans' program because their own other resources are very low, yet the relatives whose home they share may be better off financially.

It must be remembered also that the family characteristics relate to the situation at time of interview—that is, March 1966—and the income data refer only to receipts in the calendar year 1965. Changes occurring either in living arrangements or income sources would not be identifiable. Thus, an aged person or a family group might in March 1966 be part of a family unit reporting a financial situation considerably different in both amount and source of income from what it had been when they were deemed eligible for public assistance—an elderly woman who received old-age assistance when she was living alone but who now lives with her son, for example, or perhaps

TABLE 18.—Antipoverty effect on families with specified number of children under age 13 of specified monthly allowance payments for children in 1965

Payment program	Any children	1 child	2 children	3 children	4 children	5 children	6 or more
Reduction in poverty status of families with children							
Median family income deficit before payment.....	\$1,220	\$1,000	\$1,100	\$1,210	\$1,390	\$1,580	\$1,760
Percent of families removed from poverty by—							
Payment of \$25 a month to—							
All children.....	36.2	14.1	29.5	37.4	44.6	48.1	62.8
Third and subsequent children.....	15.2			13.2	24.0	27.9	46.6
Payment of \$50 a month to—							
All children.....	64.3	29.9	54.9	71.5	77.3	83.1	96.4
Third and subsequent children.....	28.7			26.1	44.6	56.1	82.8
Payment of \$50 a month to children under age 6 and \$10 to all others.....	35.6	14.8	31.3	40.2	44.8	45.0	62.8
Payment of tapered monthly allowances ¹	33.6	19.9	34.0	37.4	41.3	38.4	38.6
Reduction in low-income status of families with children							
Median family income deficit before payment.....	\$1,575	\$1,295	\$1,225	\$1,620	\$1,830	\$2,270	\$2,550
Percent of families removed from low-income status by—							
Payment of \$25 a month to—							
All children.....	27.2	11.8	26.8	27.7	32.5	34.3	43.0
Third and subsequent children.....	9.6			8.1	15.7	21.0	30.6
Payment of \$50 a month to—							
All children.....	53.6	25.3	49.1	54.7	65.3	68.3	86.3
Third and subsequent children.....	20.3			17.4	32.5	42.2	66.5

¹ Monthly payment of \$35 for first child in family; \$25 for second child; \$15 each for third or fourth child; \$10 for fifth child; and \$5 each for all other children.

Source: Prepared by the Social Security Administration as background material for Citizens' Committee for Children, Conference on Children's Allowances, October 1967.

TABLE 19.—Households receiving income from public programs in 1965, by age and sex of head and poverty status:

(Numbers in thousands)

Age and sex of head	Total number of households	Households receiving public income payments ¹											
		Any programs			Social security			Public assistance			Programs other than social security or public assistance		
		Total number	Percent poor		Total number	Percent poor		Total number	Percent poor		Total number	Percent poor	
			Before payment ²	After payment		Before payment ²	After payment		Before payment ²	After payment		Before payment ²	After payment
All households.....	60,410	19,510	55.2	30.9	12,990	59.3	31.8	2,910	81.2	66.3	6,740	28.7	12.4
Under age 65.....	48,840	9,580	39.0	25.0	3,900	41.1	24.8	1,780	77.1	65.5	4,980	21.1	11.1
Unrelated individuals.....	7,460	1,330	68.1	46.7	820	81.5	58.0	250	95.0	79.3	600	45.0	24.1
Men.....	3,200	530	58.3	42.2	180	89.0	67.0	110	91.5	83.0	310	32.6	19.4
Women.....	4,270	800	78.0	49.7	460	78.8	54.7	140	97.8	76.5	290	58.2	29.1
Families.....	41,380	8,250	33.2	21.4	3,280	33.5	18.6	1,510	74.3	63.3	4,240	17.5	9.3
Male head.....	37,520	6,410	23.7	13.9	2,340	25.9	14.5	720	58.3	46.7	3,980	15.4	7.8
Without children.....	12,740	2,670	22.5	12.1	1,280	26.0	14.6	200	52.4	42.1	1,450	13.7	5.7
With children.....	24,780	3,740	24.5	15.1	1,060	25.8	14.9	520	60.6	48.5	2,530	16.4	9.0
Female head.....	3,870	1,830	68.4	47.9	940	51.8	28.0	800	88.8	78.3	400	41.4	24.6
Without children.....	1,180	520	34.6	21.9	370	29.2	18.2	100	60.8	42.2	120	29.4	12.0
With children.....	2,690	1,310	78.9	58.1	570	67.6	34.5	700	92.9	93.6	280	46.4	29.6
Aged 65 or over.....	11,570	9,030	71.7	36.7	9,090	67.2	34.7	1,150	87.3	68.9	1,760	50.3	16.0
Unrelated individuals.....	4,680	3,940	87.2	58.0	3,530	83.6	56.1	580	99.0	85.6	520	74.5	25.1
Men.....	1,280	1,110	84.5	47.0	1,000	90.9	45.2	140	97.9	93.8	190	77.5	18.3
Women.....	3,400	2,830	89.2	62.3	2,530	84.7	60.5	440	99.3	86.4	330	72.8	29.1
Families.....	6,890	5,990	61.5	22.7	5,560	56.7	21.1	570	75.3	51.5	1,240	40.3	12.3
Male head.....	5,770	5,030	63.4	21.2	4,740	58.6	20.2	350	81.0	55.5	1,060	40.2	10.8
Female head.....	1,120	960	51.3	30.1	820	45.3	28.4	220	66.2	45.2	180	41.1	20.5

¹ Payments to unrelated individual or any family member any time in 1965. Some households received income from more than one program.

² Before payment from specified programs, but with payments from any other program.

a family group who were receiving aid to families with dependent children until the mother could arrange to take a job. And, finally, some persons supported in whole or in part by public programs during part of 1965 would not be alive in March 1966, and thus no income report would be available for them.

Within the limitations outlined, it is possible, however, to estimate how many households in 1965 were receiving some income from transfer payments and how many not now counted poor would have been poor without such payments.

Of the 60½ million households in the United States in March 1966—counting as a household an unrelated individual as well as a family of two or more—19.5 million or just under 1 in 3 reported that someone in the household received payment from a public income-maintenance program sometime during 1965, as shown below. For

Public income programs	All households	Households poor before payments	Households remaining poor after payments
Percent receiving payments under:			
Any program.....	31	32	54
Social security ¹	22	48	37
Public assistance.....	5	15	17
All other.....	11	12	7

¹ Includes railroad retirement benefits.

two-thirds of these households, social security benefits made up at least part of the public income payment.

As expected, households with an aged head were much more likely to receive support from a public program than households with a head under 65—6 in 7 of the older households, compared with only 1 in 5 of the younger ones. Even among young families of a woman with children under age 18, only half received any help from a public program, and the program involved was more often public assistance than social security.

Among the households with payment from public assistance, which makes payments only to those considered in need by the standard of the State in which they live, 81 percent of the recipient households in 1965 had so little income otherwise that they would be below the poverty line in the absence of any assistance payments. But the amounts of assistance were so small that, even with the payments counted in, two-thirds of all households receiving assistance were found among the 11.2 million households designated poor in 1965—as the poor are counted in terms of money income including public transfer payments. In other words, of the households poor before receiving any public assistance, 5 out of 6 were still poor after they got it.

TABLE 20.—Effect of public income-maintenance programs on poverty status of households in 1965, by age and sex of head and presence of children under age 18

(In thousands)

Age and sex of head	Number counted poor ¹	Added number who would be counted poor ² but for transfer payments			
		Excluding any public income maintenance payments	Excluding social security benefits ³	Excluding public assistance payments ⁴	Excluding payments other than social security or public assistance
Total.....	11,220	4,730	3,580	420	1,100
Under age 65.....	7,100	1,250	640	210	500
Unrelated individuals.....	2,140	250	150	40	130
Men.....	700	70	40	10	40
Women.....	1,440	210	110	30	90
Families.....	4,960	970	490	170	370
Male head.....	3,400	630	290	80	300
Without children.....	810	280	140	20	120
With children.....	2,590	350	150	60	180
Female head.....	1,560	340	200	90	70
Without children.....	180	70	40	20	30
With children.....	1,380	270	160	70	50
Aged 65 or over.....	4,120	3,480	2,950	210	600
Unrelated individuals.....	2,620	1,150	970	30	280
Men.....	570	420	360	20	110
Women.....	2,050	730	610	10	140
Families.....	1,500	2,330	1,980	140	350
Male head.....	1,170	2,120	1,820	90	310
Female head.....	330	200	160	50	40

¹ Poor as now defined, in terms of money income in 1965 after all transfers.

² Households receiving payments from public programs currently nonpoor

but whose income without such payments is below the poverty line.

³ But with all other program payments.

In contrast, among households with a payment from the social security program, which does not limit its payments with a means test, only about half of those poor before they drew their OASDHI checks were still poor afterwards: Before OASDHI benefits were added, for about 6 out of 10 households receiving benefit checks income was below the poverty line; after OASDHI benefits were added to income, only 3 in 10 were still below the poverty line (tables 19 and 20).

For reasons already stated the estimates of households receiving transfers who are or were poor are understatements, but this is particularly true in the case of assistance: by definition, public assistance payments will not be made unless income from all other sources is below State standards. Some households whose income for the year is above the standard would nevertheless have needed assistance at some point to tide them over until entitlement under other public programs is in effect or until income from employment or other relatives is assured.

Thirty-seven percent of the households currently defined as poor in 1965, in terms of money income including any transfer payments, received OASDHI benefits, and a total of 54 percent received payments under some public program. A number of households classed as nonpoor achieved such status only because of these payments. If it had not been for the public programs, the num-

ber of households poor in 1965 would have been 15.9 million instead of the 11.2 million now shown in the poverty series. The social security program itself was responsible for keeping at least 3½ million households off the poverty roster: If there had been no OASDHI payments but only payments under other public programs the number of poor households would have been 14.8 million (table 20).

Obviously, OASDHI benefits would be a better protector against poverty for the aged than for those under age 65. The number of households with an aged head counted poor would have been two-thirds higher—7.1 million rather than the 4.1 million now shown as poor—were it not for OASDHI benefits. Of the 9 million aged households enjoying these benefits in 1965, 67 percent were poor in terms of money income before adding in the benefits, but only 35 percent of all aged beneficiary households were still in poverty after counting in their benefits with other money income.

Even for households headed by a person under age 65, OASDHI benefits played a sizable role in correcting poverty. (In some of the young households, it was undoubtedly an aged "other relative" who was the actual beneficiary.) Instead of the 7.1 million households with a non-aged head counted poor in 1965—in terms of money income, including public transfer pay-

ments—there would have been 7.7 million households poor if there were no OASDHI benefits, or 8 percent more in poverty.

Among families with children under age 18 and a woman younger than age 65 at the head, the number below the poverty line would be 14 percent greater than at present, but for the existence of the social security program. About 0.6 million of these 2.7 million families reported drawing OASDHI benefits in 1965. For two-thirds of these beneficiary families, their income with the benefits excluded was below the poverty line. When the OASDHI benefits were added, only a third of these young beneficiary families were left with money income below the poverty line.

Additional analyses now under way will explore the relation of transfer payments to other

sources of income and to the amounts by which income falls below the estimate of minimum requirements. It is already clear that for many already receiving help from public programs it is the degree of that help that must be increased if they are to escape poverty but that new programs or extensions of existing ones are required for those now in poverty and receiving no help at all. A majority of aged persons today already receive income from one public program or another. As a group then, aged households now poor or near poor will benefit more from increased amounts payable under such programs than from changed eligibility requirements. But both types of improvements will be needed for poor or near poor households headed by persons younger than age 65.

TABLE A.—Weighted average of poverty and low-income criteria¹ for families of different composition by household size, sex of head, and farm or nonfarm residence, March 1966

Number of family members	Weighted average of incomes at poverty level						Weighted average of incomes at low-income level					
	Nonfarm			Farm			Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head
1 member.....	\$1,570	\$1,435	\$1,530	\$1,110	\$1,145	\$1,070	\$1,890	\$1,960	\$1,940	\$1,340	\$1,395	\$1,290
Head under age 65.....	1,615	1,685	1,560	1,140	1,190	1,090	1,950	2,040	1,880	1,380	1,425	1,315
Head age 65 or over.....	1,500	1,515	1,495	1,055	1,060	1,045	1,805	1,835	1,790	1,255	1,285	1,255
2 members.....	2,030	2,040	1,975	1,415	1,420	1,385	2,725	2,745	2,610	1,905	1,910	1,800
Head under age 65.....	2,100	2,110	2,025	1,475	1,480	1,410	2,810	2,835	2,685	1,980	1,985	1,880
Head age 65 or over.....	1,890	1,895	1,890	1,325	1,325	1,325	2,545	2,550	2,500	1,785	1,785	1,780
3 members.....	2,495	2,505	2,405	1,740	1,745	1,680	3,265	3,275	3,175	2,280	2,285	2,210
Head under age 65.....	3,200	3,200	3,188	2,250	2,255	2,205	4,145	4,150	4,050	2,920	2,920	2,825
Head age 65 or over.....	3,785	3,770	3,730	2,640	2,640	2,640	4,835	4,845	4,730	3,395	3,395	3,370
4 members.....	4,235	4,235	4,220	2,970	2,970	3,055	5,440	5,445	5,345	3,820	3,820	3,800
5 members.....	5,205	5,215	5,090	3,630	3,635	3,560	6,615	6,630	6,465	4,610	4,615	4,515

¹ Required income in 1965 according to Social Security Administration poverty or low-income index for a family of given size and composition. Family income criteria weighted together in accordance with percentage distribution of total units by number of related children and sex of head, as

of Current Population Survey, March 1966.

For detailed description of the Social Security Administration measures of poverty and low income and their rationale, see the *Social Security Bulletin* for January 1965 (pages 5-11) and July 1965 (pages 3-10).

TABLE B.—1965 income of families: Percentage distribution of poor and nonpoor families by amount of income, by number of children under age 18

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families									
Number (in thousands).....	48,279	20,178	28,101	8,721	8,398	5,388	2,977	1,353	1,267
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	2.9	3.1	2.7	3.4	2.2	2.3	2.8	2.0	3.8
\$1,000-1,499.....	2.7	3.7	2.0	2.6	1.4	1.5	2.0	1.6	3.1
\$1,500-1,999.....	3.3	4.9	2.1	2.4	1.7	2.1	1.6	2.9	3.3
\$2,000-2,499.....	3.5	4.7	2.6	2.7	1.8	2.7	2.8	4.2	4.5
\$2,500-2,999.....	3.7	4.9	2.8	2.7	2.2	2.9	2.7	4.7	6.1
\$3,000-3,499.....	3.9	4.3	3.2	3.1	2.7	2.9	3.8	4.3	6.0
\$3,500-3,999.....	3.8	4.3	3.4	3.4	3.0	3.1	3.3	3.8	3.9
\$4,000-4,999.....	7.9	8.2	7.6	8.0	7.0	7.1	8.0	7.8	11.0
\$5,000-5,999.....	9.3	8.6	9.8	9.7	10.2	9.8	8.8	10.6	10.4
\$6,000-6,999.....	9.5	8.3	10.4	9.8	10.8	10.7	10.2	11.7	9.7
\$7,000-7,999.....	9.7	8.1	10.9	10.3	11.6	11.7	11.9	8.4	8.2
\$8,000-8,999.....	8.1	6.5	9.3	8.6	10.5	9.7	8.6	10.0	5.1
\$9,000-9,999.....	6.4	5.5	7.1	6.3	7.5	8.2	7.3	5.9	5.2
\$10,000-11,999.....	10.1	9.3	10.7	11.0	11.3	10.8	9.3	10.3	7.4
\$12,000-14,999.....	7.6	7.5	7.7	8.4	7.9	7.2	7.7	5.8	5.2
\$15,000-24,999.....	6.2	6.1	6.2	6.3	6.5	5.8	7.2	4.8	3.9
\$25,000 and over.....	1.4	1.4	1.5	1.4	1.5	1.6	1.8	1.3	1.1
Median income.....	\$6,957	\$6,315	\$7,291	\$7,225	\$7,594	\$7,439	\$7,318	\$6,699	\$5,610
Poor families¹									
Number (in thousands).....	6,450	2,202	4,248	955	920	836	630	451	356
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	21.3	28.9	17.8	30.4	22.7	14.6	13.2	6.0	3.7
\$1,000-1,499.....	10.8	33.1	12.9	23.8	14.5	9.8	9.5	4.7	7.9
\$1,500-1,999.....	19.9	32.1	13.6	20.1	17.3	13.6	7.5	8.6	7.6
\$2,000-2,499.....	12.3	5.4	15.9	18.7	18.2	17.7	13.3	12.6	10.3
\$2,500-2,999.....	8.3	.3	12.4	5.0	13.7	17.5	12.9	14.2	13.8
\$3,000-3,499.....	7.2	.1	10.9	1.3	10.7	14.8	15.5	12.9	13.7
\$3,500-3,999.....	4.8	0	7.3	.6	2.0	3.9	13.7	11.1	13.5
\$4,000-4,999.....	4.3	0	7.3	0	.9	2.4	12.4	20.4	20.7
\$5,000 and over.....	1.2	0	1.9	0	0	.7	.3	9.1	4.9
Median income.....	\$1,715	\$1,313	\$2,177	\$1,411	\$1,870	\$2,338	\$2,741	\$3,151	\$3,999
Nonpoor families									
Number (in thousands).....	41,829	17,976	23,853	7,765	7,575	4,552	2,347	903	711
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000-1,499.....	.1	.1	0	0	0	0	0	0	0
\$1,500-1,999.....	.7	1.6	.1	.2	0	0	0	0	0
\$2,000-2,499.....	2.1	4.7	.2	.7	0	0	0	0	0
\$2,500-2,999.....	3.0	5.4	.2	.7	0	0	0	0	0
\$3,000-3,499.....	3.4	1.1	2.4	1.0	.2	0	0	0	0
\$3,500-3,999.....	3.8	1.8	3.3	1.8	.7	.3	0	0	0
\$4,000-4,999.....	3.8	4.8	2.7	3.8	3.1	2.1	.7	.2	0
\$5,000-5,999.....	8.3	9.2	7.7	9.0	7.7	7.9	6.0	1.3	3.4
\$6,000-6,999.....	10.6	9.7	11.2	10.9	11.4	11.2	10.9	11.3	14.8
\$7,000-7,999.....	11.0	9.3	12.3	11.0	12.0	12.6	12.9	17.5	17.3
\$8,000-8,999.....	11.2	9.1	12.9	11.6	12.8	13.9	15.1	12.5	14.6
\$9,000-9,999.....	9.4	7.3	11.0	9.7	11.7	11.5	11.0	15.0	9.1
\$10,000-11,999.....	7.4	6.2	8.3	7.1	8.4	9.7	9.2	8.9	9.3
\$12,000-14,999.....	11.7	10.4	12.6	12.4	12.5	12.8	11.8	15.5	13.2
\$15,000-24,999.....	8.8	8.4	9.0	9.4	8.8	8.5	9.8	8.6	9.3
\$25,000 and over.....	7.1	6.8	7.3	7.1	7.2	6.9	9.1	7.2	7.0
Median income.....	\$7,644	\$6,974	\$7,999	\$7,753	\$8,018	\$8,120	\$8,294	\$8,478	\$7,995

¹ Families with 1965 income below SSA poverty level.

Source: Derived by the Social Security Administration from special

tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

TABLE C.—Income deficit of low-income families: Percentage distribution of low-income families with 1965 income below SSA low-income level by amount of income deficit, by number of children under age 18 and sex of head

Income deficit	Total low-income families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families									
Number (in thousands).....	9,882	3,611	6,241	1,286	1,334	1,227	928	644	723
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	10.2	14.1	8.0	9.4	12.9	6.4	6.2	5.4	3.6
\$250-499.....	11.0	15.0	8.7	11.9	9.7	9.4	6.7	6.1	6.6
\$500-749.....	10.4	15.0	7.7	9.9	10.6	6.9	6.9	6.5	1.9
\$750-999.....	9.3	12.1	8.0	8.7	8.6	10.4	6.2	5.0	6.4
\$1,000-1,249.....	8.5	11.0	7.1	8.2	9.1	6.8	8.1	4.5	3.0
\$1,250-1,499.....	9.3	10.5	8.6	11.1	7.9	8.6	8.6	7.0	6.2
\$1,500-1,749.....	6.8	7.7	6.3	7.9	5.9	6.0	5.0	7.1	3.7
\$1,750-1,999.....	5.9	5.5	6.1	7.5	4.3	7.5	8.1	3.1	4.4
\$2,000-2,499.....	9.2	5.0	11.7	10.8	12.6	12.9	11.9	9.8	11.5
\$2,500-2,999.....	7.1	2.7	9.6	8.9	7.2	10.1	8.8	13.8	12.2
\$3,000 and over.....	12.1	1.7	18.1	5.9	11.2	16.3	23.5	31.7	38.6
Families with male head									
Number (in thousands).....	7,455	3,073	4,442	985	941	850	685	521	559
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	11.2	14.0	9.3	10.3	15.7	7.8	7.0	6.7	4.1
\$250-499.....	12.5	15.7	10.3	14.5	10.6	10.5	8.3	6.7	8.6
\$500-749.....	11.0	15.1	8.2	9.6	10.6	8.1	7.9	8.1	2.5
\$750-999.....	10.0	12.0	8.7	8.2	9.2	12.0	7.2	5.8	7.9
\$1,000-1,249.....	8.6	10.6	7.2	7.7	8.9	6.9	8.5	5.6	3.6
\$1,250-1,499.....	9.6	10.8	8.9	10.7	7.3	8.4	10.5	8.1	8.1
\$1,500-1,749.....	6.2	7.2	5.4	6.1	5.0	5.5	3.5	7.5	5.5
\$1,750-1,999.....	5.9	5.3	8.3	3.2	4.7	7.6	8.6	2.3	5.4
\$2,000-2,499.....	3.3	4.9	10.5	10.3	11.8	9.9	9.8	8.4	12.7
\$2,500-2,999.....	6.2	2.8	9.6	6.9	5.5	9.9	7.9	12.5	11.6
\$3,000 and over.....	10.6	1.7	19.7	7.6	10.7	13.4	20.6	28.6	30.4
Families with female head									
Number (in thousands).....	2,397	585	1,799	301	392	377	242	122	164
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-249.....	7.3	14.4	3.9	3.0	6.1	3.2	4.5	0	7.8
\$250-499.....	6.5	14.4	4.9	7.4	7.4	3.7	2.1	3.3	0
\$500-749.....	8.4	14.0	6.5	10.4	10.3	3.7	4.1	0	0
\$750-999.....	7.8	12.4	8.2	2.4	7.1	3.6	3.3	1.6	1.2
\$1,000-1,249.....	8.4	12.9	9.9	9.0	9.7	6.4	6.6	0	1.2
\$1,250-1,499.....	8.1	9.2	7.8	11.8	9.9	9.0	2.9	3.3	0
\$1,500-1,749.....	8.9	9.0	3.6	11.2	8.2	7.2	9.5	5.7	6.1
\$1,750-1,999.....	5.6	6.4	5.4	6.2	3.3	7.2	6.2	8.6	1.2
\$2,000-2,499.....	12.3	5.2	14.6	11.4	14.5	19.9	17.8	15.6	7.3
\$2,500-2,999.....	9.9	4.4	12.3	12.6	11.2	10.6	11.6	18.9	14.0
\$3,000 and over.....	16.7	1.5	21.7	3.0	12.5	22.5	31.4	45.9	67.1

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

COUNTING THE POOR: BEFORE AND AFTER FEDERAL INCOME-SUPPORT PROGRAMS

BY MOLLIE ORSHANSKY*

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INTRODUCTION

Despite much progress, and in the face of a record run of continuing prosperity unique in our history, the anomaly of privation in plenty continues. A large share of that privation—indeed more than in earlier years—is borne by aged persons, women who must themselves serve as family heads, Negroes, and others who in our society have a hard time earning enough to support themselves and their dependents. This is not to say that such groups fare worse in the absolute sense than their counterparts of yesteryear but rather that today they have fewer others around to keep them company.

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To be sure there are public programs to provide income when earnings are interrupted or lacking altogether, but they are limited in both how much they may pay and to whom they will pay it. Thus, some get no help at all from any program though their other sources of income are well below what they need, while others who do get such help are nevertheless poor even after the payments.

As a group the aged can look to more help from public sources than those younger, yet persons past their 65th birthday continue to be the most poverty-stricken age group in the Nation. With relatively few aged persons able to count on regular earnings, and a majority now drawing part if not all of their current income from social security or some other public program, the fact that so many are poor is intimately related to the amounts payable under such programs—though many more not now ranked among the poor are counted among the nonpoor solely because of the programs.

But most young households now poor don't receive any public income support, and many of them are poor despite regular attachment to the labor force.

The fact that there now exists, if only until a better measure is developed; an official working definition of poverty, makes it possible to evaluate progress and pinpoint specific areas of concern in a way not possible before.

In 1965 the Social Security Administration developed two criteria to assay the relative economic well-being of different types of households in this country, and the lower of these two measures is being used as the current delineator of poverty for program planning.¹ The implied level of living is that afforded by an income in 1966 of about \$65 weekly for an average family of four not living on a farm (and correspondingly more for larger households, and less for smaller). The slightly less stringent measure, labeled "near poor," requires about a third more in income, or about \$20 more for a four-person family, than the amount of income at the poverty threshold (table 1).

The poverty and low-income criteria, adjusted for price changes, have been carried back as far as 1959, so that it is possible to see the changes in both the number and the kinds of households identified as poor or near poor during the 7 successive years of plenty. At the end of 1959, a total of 38.9 million Americans in 13.4 million households were classified as poor. Four years later the number of individuals with inadequate income had declined by about 3½ million. By the end of 1966, the same income standard—considered by some almost too niggardly to be American—counted 9¼ million fewer persons as living in poverty than were so designated in 1959.

These counts are made on the basis of money income from all sources, including social security, public assistance, and other public transfers. Judged by 1966, the latest year for which there is information on public transfer payments, no more than half these households

¹ For a description and discussion of both the Social Security Administration indexes, see the Social Security Bulletin, Mollie Orshansky: "The Shape of Poverty in 1966," March 1968; "The Poor in City and Suburb," December 1966; "More About the Poor in 1964," May 1966; "Recounting the Poor: A 5-Year Review," April 1966; "Who's Who Among the Poor, A Demographic View of Poverty," July 1965; and "Counting the Poor: Another Look at the Poverty Profile," January 1966.

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TABLE 1.—WEIGHTED AVERAGE OF POVERTY AND LOW-INCOME CRITERIA¹ FOR FAMILIES OF DIFFERENT COMPOSITION BY HOUSEHOLD SIZE, SEX OF HEAD, AND FARM OR NONFARM RESIDENCE, MARCH 1967

Number of family members	Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head
Weighted average of incomes at poverty level						
1 member.....	\$1,635	\$1,710	\$1,595	\$1,145	\$1,180	\$1,110
Head under age 65.....	1,685	1,760	1,625	1,195	1,230	1,140
Head aged 65 or over.....	1,565	1,580	1,560	1,095	1,105	1,090
2 members.....	2,115	2,130	2,055	1,475	1,480	1,400
Head under age 65.....	2,185	2,200	2,105	1,535	1,540	1,465
Head aged 65 or over.....	1,970	1,975	1,955	1,380	1,380	1,370
3 members.....	2,600	2,610	2,515	1,815	1,820	1,725
4 members.....	3,335	3,335	3,320	2,345	2,345	2,320
5 members.....	3,930	3,930	3,895	2,755	2,755	2,775
6 members.....	4,410	4,410	4,395	3,090	3,090	3,075
7 or more members.....	5,430	5,440	5,310	3,790	3,795	3,760
Weighted average of incomes at low-income level						
1 member.....	1,985	2,080	1,930	1,390	1,440	1,340
Head under age 65.....	2,045	2,140	1,975	1,450	1,495	1,380
Head aged 65 or over.....	1,890	1,925	1,880	1,330	1,350	1,315
2 members.....	2,855	2,875	2,735	1,990	2,000	1,870
Head under age 65.....	2,945	2,970	2,790	2,075	2,080	1,945
Head aged 65 or over.....	2,665	2,675	2,615	1,870	1,875	1,835
3 members.....	3,425	3,440	3,330	2,400	2,400	2,325
4 members.....	4,345	4,355	4,255	3,060	3,060	3,000
5 members.....	5,080	5,085	4,970	3,565	3,565	3,560
6 members.....	5,700	5,710	5,600	3,995	4,000	3,920
7 or more members.....	6,945	6,960	6,780	4,850	4,850	4,815

¹ Required income in 1966 according to Social Security Administration poverty or low-income index for a family of a given size and composition. Family income criteria weighted together in accordance with percentage distribution of total units by number of related children and sex of head, as of Current Population Survey, March 1967.

For detailed description of the Social Security Administration measures of poverty and low income and their rationale, see the Social Security Bulletin for January 1965 (pp. 5-11) and July 1965 (pp. 3-10).

in poverty had received any public income maintenance, but the overall count for 1966 of households below the poverty line might be about 15.7 million rather than 10.9 million if there had been no income maintenance whatever.

The number not sharing fully in the Nation's prosperity thus is growing smaller, but the fact that it is mainly certain groups who are bypassed is more obvious and hence more disturbing. It becomes, then, even more challenging to insure for all Americans the good living long taken for granted by the majority.

COUNTING THE POOR IN 1966

By 1966, the income of the U.S. population had climbed to a new high. Even after allowance for higher prices, families averaged \$5 in

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real income for every \$4 available to them in 1959. But though a majority in the country were enjoying record high incomes, a total of 29.7 million persons, or one out of every seven noninstitutionalized Americans, were in households with money incomes for the year below the poverty line. The poor were distributed throughout 11 million households, which contained one-sixth of all the Nation's children under age 18. Indeed, in 1966 as in 1959, such youngsters made up half of all the persons in poor families.

The total for the poverty roster in 1966 denoted a drop of 9.2 million from the number counted poor in 1959, a year when nearly every fourth person was living in a household with incomes insufficient to cover even the barest necessities. The number called near poor—those with incomes barely above the poverty threshold yet still in what might be termed the low-income range—is now, however, 15.2 million, very little different from the 15.8 million so characterized 7 years before. Another 5 million would be added to the ranks of the economically deprived were we to include the 2 million persons in institutions—not now in the count but ranking among the poorest of the poor—as well as the many aged persons and parent-child groups not now on the poverty roll but who would be there if they had to rely on their own resources instead of on those of the more fortunate relatives whose homes they share (table 2).

Included among the 45 million Americans designated poor or near poor in 1966 were 18 to 28 percent of the Nation's children and from 30 to 43 percent of the aged—groups whose members could do little on their own to improve their income. Minorities, however defined, were less favored than the rest. Counted poor were nearly one in four of those living on farms, compared with one in seven of the nonfarm population, but most of the poor were not on a farm. The total with low incomes included from 12 to 19 percent of the white population and from 41 to 54 percent of the nonwhite. Of the total in poverty, however, two out of three were white, and among the near poor, four out of five were white (table 3).

As might be expected, the family with the head currently employed was only one-fourth as likely to be poor as one with the head unemployed or out of the labor force altogether. Yet every sixth poor family of two or more persons was that of a white man under age 65 who had worked every week in the year—the kind of family that has the best chance to escape poverty in our society.

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TABLE 2.—THE POOR AND NEAR POOR, 1966: NUMBER AND PERCENT OF PERSONS IN HOUSEHOLDS BELOW SSA POVERTY LEVEL AND ABOVE THAT LEVEL BUT BELOW LOW-INCOME LEVEL, BY AGE AND FAMILY STATUS AND SEX OF HEAD

[Numbers in thousands]

Age and family status	All households						With male head						With female head					
	Total		Poor		Near poor		Total		Poor		Near poor		Total		Poor		Near poor	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total persons.....	193,415	29,657	15.3	15,150	7.8	168,536	18,952	11.2	13,031	7.7	24,878	10,704	43.0	2,119	8.5			
Living alone.....	12,367	4,821	39.0	781	6.3	4,564	1,277	28.0	281	6.2	7,803	3,544	45.4	500	6.4			
Aged 14 to 21.....	690	378	54.8	43	6.2	280	141	50.4	27	9.6	7,409	4,237	57.2	16	3.9			
Aged 22 to 64.....	6,799	1,746	25.7	269	3.9	2,599	571	21.9	119	4.0	3,801	1,175	30.9	150	3.9			
Aged 65 and over.....	4,878	2,697	55.3	469	9.1	1,285	565	44.0	135	10.5	3,583	2,132	59.3	334	9.3			
In families.....	181,048	24,836	13.7	14,369	7.9	183,972	17,675	10.8	12,750	7.8	17,075	7,160	41.9	1,619	9.5			
Children under age 18.....	69,771	12,539	18.0	6,637	9.5	62,522	8,117	13.0	5,931	9.5	7,251	4,423	61.0	706	9.7			
Own children of head or spouse.....	66,319	11,307	17.0	6,258	9.4	60,183	7,472	12.4	5,522	9.4	6,137	3,835	62.5	605	9.9			
Other related children.....	3,452	1,232	35.7	379	11.0	2,339	645	27.6	279	11.9	1,114	3,588	52.8	101	9.1			
Under age 6.....	23,550	4,386	18.6	2,360	10.0	21,534	2,964	13.8	2,196	10.2	2,018	1,423	70.5	164	8.1			
Aged 6 to 13.....	32,303	5,904	18.3	3,167	9.8	28,016	3,767	13.1	2,829	7.8	3,487	2,140	61.4	338	9.7			
Aged 14 to 17.....	13,918	2,249	16.2	1,110	8.0	12,172	1,389	11.4	906	7.4	1,746	860	49.3	204	11.7			

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Aged 18 to 54:	83,502	7,968	9.5	5,081	6.1	76,749	5,855	7.6	4,484	5.8	6,751	2,112	31.3	594	8.8
Head.....	34,304	3,748	10.9	2,177	6.3	31,043	2,337	7.5	1,877	6.0	3,260	1,411	43.3	299	9.2
Wife.....	33,202	2,549	7.7	1,990	6.0	31,202	2,549	7.7	1,890	6.0	3,260	1,411	43.3	299	9.2
Never-married children aged 18 to 21.....	8,238	818	9.9	454	5.5	7,052	503	7.1	334	4.7	1,185	314	26.5	120	10.1
Other relatives.....	7,758	853	11.0	460	5.9	5,452	466	8.5	283	5.2	2,306	387	16.8	175	7.6
Aged 55 to 64:	14,716	1,653	11.2	854	5.8	13,487	1,403	10.4	762	5.6	1,230	251	20.4	92	7.5
Head.....	7,689	800	10.4	381	5.0	6,900	635	9.2	299	4.9	790	166	21.0	52	6.6
Wife.....	5,803	685	11.8	386	6.7	5,803	685	11.8	386	6.7	790	166	21.0	52	6.6
Other relatives.....	1,224	168	13.8	87	7.1	784	83	10.6	47	6.0	440	85	19.3	40	9.1
Aged 65 and over:	13,059	2,675	20.5	1,798	13.8	11,215	2,300	20.5	1,572	14.0	1,844	375	20.3	227	12.3
Head.....	6,929	1,538	22.2	996	14.4	5,806	1,304	22.3	855	14.7	1,122	234	20.9	141	12.6
Wife.....	3,548	835	23.5	594	16.7	3,548	835	23.5	594	16.7	1,122	234	20.9	141	12.6
Other relatives.....	2,582	302	11.7	208	8.1	1,861	151	8.7	123	6.6	722	141	19.5	86	11.9
Poor by own income:	2,007	292	14.5	157	8.7	1,448	157	10.8	123	6.6	722	141	19.5	86	11.9
Not poor by own income ¹	573	10	1.7	163	1.0	412	4	1.0	412	1.0	163	6	3.7	6	3.7

¹ Excludes children under age 14 who live with a family to no member of which they are related. Income normally not reported for persons under 14.

² Includes heads, wives, and other ever-married relatives under age 18.

³ An additional 100,000 of those not poor nevertheless had income below the near poor level. Thus the total number of aged other relatives with own income below the near poor level was 2,100,000; only 500,000 lived in a poor or near poor family.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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TABLE 3.—THE POOR AND NEAR POOR, 1966: NUMBER AND PERCENT OF PERSONS IN HOUSEHOLDS BELOW SSA POVERTY LEVEL AND ABOVE THAT LEVEL BUT BELOW LOW-INCOME LEVEL, BY FAMILY STATUS AND SEX AND COLOR OF HEAD
[Numbers in thousands]

Family status	All households						With male head						With female head					
	Poor		Near poor		Total		Poor		Near poor		Total		Poor		Near poor		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total persons.....	193,415	29,657	15.3	15,150	7.8	168,536	18,952	11.2	13,031	7.7	24,878	10,704	43.0	2,119	8.5			
In families.....	181,048	24,836	13.7	14,369	7.9	163,972	17,675	10.8	12,750	7.8	17,075	7,160	41.9	1,619	9.5			
Head.....	48,922	6,086	12.4	3,554	7.3	43,750	4,276	9.8	3,061	7.0	5,171	1,810	35.0	492	9.5			
Children under age 18.....	69,771	12,339	18.0	6,637	9.5	62,521	8,117	13.0	5,932	9.5	7,251	4,423	61.0	705	9.7			
Other family members.....	62,355	6,211	10.0	4,178	6.7	57,701	5,282	9.2	3,757	6.5	4,653	927	19.9	422	9.1			
Unrelated individuals.....	12,367	4,821	39.0	4,281	6.3	4,564	1,277	28.0	146	4.5	7,803	3,544	45.4	500	6.4			
Under age 65.....	7,489	2,124	28.4	212	4.2	3,279	1,712	21.7	146	4.5	4,210	1,412	33.5	166	3.9			
Aged 65 and over.....	4,878	2,697	55.3	469	9.6	1,285	565	44.0	135	10.5	3,593	2,132	59.3	334	9.3			
All households																		

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White households															
	170,384	20,313	11.9	12,278	7.2	151,265	13,417	8.9	10,651	7.0	19,120	6,896	36.1	1,627	8.5
Total persons.....	159,598	16,287	10.2	11,601	7.3	147,445	12,410	8.4	10,427	7.1	12,154	3,877	31.9	1,174	9.7
In families.....	44,016	4,375	9.9	2,968	6.7	40,006	3,264	8.2	2,586	6.5	4,010	1,111	27.7	382	9.5
Head.....	59,578	7,526	12.6	5,222	8.8	55,103	5,280	9.6	4,732	8.6	4,475	2,246	50.2	492	11.0
Children under age 18.....	56,004	4,386	7.8	3,411	6.1	52,336	3,866	7.4	3,109	5.9	3,669	521	14.2	300	8.2
Other family members.....	10,785	4,026	37.3	577	6.3	3,820	1,007	26.4	3,224	5.9	6,966	3,019	43.3	453	9.5
Unrelated individuals.....	6,296	1,626	25.8	241	3.8	2,688	1,540	20.1	110	4.1	3,608	1,088	30.1	131	6.6
Under age 65.....	4,480	2,400	53.5	436	9.7	1,132	467	41.3	114	10.1	3,358	1,933	57.6	322	9.6
Aged 65 and over.....															
Nonwhite households															
	23,034	9,345	40.6	2,873	12.5	17,271	5,535	32.0	2,381	13.8	5,761	3,809	66.1	492	8.5
Total persons.....	21,450	8,549	39.9	2,768	12.9	16,527	5,265	31.9	2,323	14.1	4,921	3,283	66.7	445	9.0
In families.....	10,905	1,711	34.9	586	11.9	3,744	1,012	27.0	476	12.7	1,761	699	60.2	111	9.6
Head.....	10,193	5,014	49.2	1,413	13.9	7,419	2,837	38.2	1,201	16.2	2,771	2,177	78.4	213	7.7
Children under age 18.....	6,352	1,824	28.7	769	12.1	5,364	1,416	26.4	646	12.0	884	407	41.4	121	12.3
Other family members.....	1,384	796	50.3	105	6.6	744	270	36.3	58	7.8	840	526	62.6	47	5.6
Unrelated individuals.....	1,196	499	41.7	72	6.0	592	172	29.1	37	6.3	604	327	54.1	35	5.8
Under age 65.....	1,388	297	76.5	33	8.5	152	98	64.5	21	13.8	236	199	84.3	12	5.1
Aged 65 and over.....															

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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Because income of families generally rose more than enough to offset rising prices between 1959 and 1966, while the poverty line was adjusted only by the amount of such price rise, those counted poor at the end of the period were even less well off, compared with the non-poor population, than those counted poor at the beginning. But beyond this, the profile of poverty had changed, leaving more difficult problems to solve. The decline in the number considered poor was largely a result of increased job opportunities and higher earnings. Those equipped to make the most of such possibilities fared best. By 1966, families of a woman with children, the aged, and the households of the disabled accounted for about 3 million of the 6 million families counted poor.

For the aged as for the disabled, changes in social security benefits and other existing public programs to provide income when earnings are lacking could serve to improve economic status and thus alleviate poverty.² But for families with young children, in straitened circumstances because there is no father in the home or because his earnings are too low to support the number dependent on him, other remedies have yet to be devised.

The final section of this paper reports on the number of households who benefited from public income support programs in 1965 and suggests how many households not poor as we now count them were kept off the poverty roster only by their social security benefits, public assistance, or other program payments. It indicates also how many payees who were poor before the payments were still poor even after they got them.

THE POVERTY INDEX

The index of poverty used as a reference criteria is a far from generous measure. It is the minimum income per household of a given size, composition, and farm-nonfarm status, as set by the Social Security Administration. In 1966 the Agriculture Department economy food plan, which is the core of the poverty index, provided for total food expenditures of only 75 cents a day per person (in an average four-person family). The index adds only twice this amount to cover all family living items other than food. It has not been adjusted for changes since 1959, except to allow for rising prices.³

Between 1959 and 1966, both the income received by consumers and the prices of what they bought continued to climb but income went up faster. Inevitably then, the poverty thresholds, adjusted only for price changes were farther below general levels of income at the end of the period than at the outset. Median income of four-person families had increased by 37 percent but the poverty line by only 9 percent, or one-fourth as much.⁴

² See Ida C. Merriam, "Social Security Benefits and Poverty" (Social Security Administration, Research and Statistics Note No. 6, 1967).

³ The measure of near poverty—about one-third higher in cost—centers about the lowest food plan.

⁴ See U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 53, "Income in 1966 of Families and Persons in the United States," and No. 35, "Income of Families and Persons in the United States in 1959." See Social Security Bulletin, April 1966, op. cit.

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CHANGES IN POVERTY, 1959-66

In 1959, 24 percent of the Nation's households—counting as households both one-person units and families of two or more persons—had so little income as to be counted poor. Seven years later, only 17.7 percent had too little money income to support the number dependent on them. What is perhaps of greater significance than the general improvement is that, as already indicated, more of the poor in 1966 were persons of limited earning capacity or those whom age, home responsibilities, race discrimination, or other factors kept out of the labor force altogether.

Children—particularly if they live in a home without a father—and old people are at a disadvantage, compared with persons aged 18 to 64, when it comes to earning. The number of children under age 18 being reared in poverty went down from 16.6 million in 1959 to 12.5 million in 1966, but the number near poor dipped by only 0.4 million to reach 6.6 million. All told, even in 1966, after a continued run of prosperity and steadily rising family income, one-fourth of the Nation's children were in families living in poverty or hovering just above the poverty line.

Though the poverty rate among all persons aged 18 to 64 or older declined by more than one-third in the 7-year period, for the aged as a group it dropped only 20 percent. Children in a family with a woman at the head were only 17 percent less likely to be poor in 1966 than in 1959; for children in a home headed by a man, the risk of poverty was 40 percent lower in 1966 than it had been earlier.

As a group, persons aged 65 or older were even worse off than the youngsters. Those counted poor in 1966 numbered 5.4 million, the same number as the count of aged poor 2 years earlier, and only half a million less than the count in 1959. In that year, one-third of all aged couples were poor, and in 1966 only one-fourth were so situated. But in 1966, the 1.2 million aged couples in poverty represented 1 in 5 of all families counted poor; in 1959 these couples had accounted for only 1 in 6 of the total. In similar fashion, the financial fate of the aged living alone was better than it once had been, but it still spelled poverty for the majority (55 percent). Moreover, compared with the situation in 1959 when aged unrelated individuals accounted for fewer than one-fifth of all households tagged poor, in 1966 every fourth household in poverty was that of an aged person living alone. Indeed, despite the overall drop in the number of poor of all ages, the number of elderly women living in solitary poverty was now 2.1 million, though it was only 1.8 million in the earlier year (table 4).

Such findings did not signify that these elderly persons as a group had less income than they used to have. It was rather that, thanks to social security and related programs, more of them had enough income to try going it alone—choosing privacy, albeit the privacy of poverty, rather than being an “other relative” in the home of their children. But despite spectacular improvement aided in large measure by increases in the number drawing OASDI benefits, and in the size of the checks, persons aged 65 or older remained the most poverty-stricken age group in the Nation.

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TABLE 4.—TRENDS IN POVERTY: PERCENT OF PERSONS WITH INCOME BELOW THE SSA POVERTY INDEX, BY AGE, 1959 TO 1966

[Numbers in millions]

Age	1959			1964			1966		
	Total persons, number	Poor		Total persons, number	Poor		Total persons, number	Poor	
		Number	Per cent		Number	Per cent		Number	Per cent
All ages.....	176.5	38.9	22.1	189.7	34.1	18.0	193.4	29.7	15.4
Under 18 ¹	63.7	16.6	26.1	69.4	14.9	21.4	69.8	12.5	17.9
Families with male head.....	58.2	12.6	21.7	62.3	10.5	16.9	62.5	8.0	12.9
Families with female head.....	5.5	4.0	72.6	7.1	4.4	62.6	7.4	4.5	60.6
18 to 64 ²	96.8	16.4	16.9	103.0	13.8	13.4	105.7	11.9	11.2
65 or over.....	15.9	5.9	37.2	17.4	5.4	30.8	17.9	5.4	29.9
In families.....	12.1	3.4	28.4	12.8	2.6	20.5	13.0	2.7	20.5
Unrelated individuals.....	3.8	2.5	68.1	4.6	2.8	59.3	4.9	2.7	55.3
Men.....	1.1	.6	59.9	1.3	.6	47.9	1.3	.6	44.0
Women.....	2.6	1.8	71.5	3.3	2.1	63.7	3.6	2.1	59.3

¹ Never married children in families.

² Includes ever-married persons under age 18.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey.

Though the odds that households headed by women would have insufficient income were less than they used to be, the improvement was less marked than for units headed by men. In 1959, of all households counted poor, 5.4 million had a woman at the head and 8 million were headed by a man. By 1966, the number poor with a man at the head dropped 2.4 million, but the number poor and headed by a woman remained unchanged. (There was, to be sure, no telling how many were families who had been in poverty throughout the period and how many were replacing units elevated to better status or disbanded as families.) Accordingly, in 1966, households headed by a woman accounted for nearly one-half of all units tagged poor rather than the two-fifths they represented in 1959. And if there were children in the home making it difficult for the mother to work, the disadvantage was especially striking.

The number of poor families with a man at the head and children under age 18 went from 3.8 to 2.4 million in 1966. But the 1½ million poor families headed by a woman with children numbered almost as many as those poor in 1959. Thus, though the total count of children in poverty was one-fourth less than it had been 7 years earlier, the number poor in families with a woman at the head was actually one-tenth higher.

The peril of poverty for the child with several brothers and sisters remained high: The family with five or more children was still 3½ times as likely to be poor as the family raising only one or two, and, just as in earlier years, almost one-half the poor children were in families with five or more children. The number of poor families with five or more children remained almost unchanged—0.9 million in 1966, compared with 1.1 million in 1959—with the added disadvantage that 29 percent of them now were headed by a woman, instead of 18 percent as in 1959. What is more, the economic deprivation associated with a

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father's absence was more common than it used to be: from 1959 to 1966 the proportion of all children under age 18 who were in a family headed by a woman rose from 9 to 11 percent; and in parallel fashion it was 1 in 3 of all poor children in 1966 who were minus a father, not 1 in 4 as in 1959. To make matters worse, the poverty rate among children in families headed by a woman was now $4\frac{1}{2}$ times as high as in families headed by a man; in 1959 it was only $3\frac{1}{3}$ times as high (table 5).

There was other evidence that economic growth had not helped all population groups in equal measure. The nonwhite population generally had not fared as well as the white during the 1959-66 upswing, though by the end of the period it was making greater strides than at the beginning. To be sure, in 1966 it was 1 in 3 nonwhite families who were poor compared with 1 in 10 white families whereas in 1959 it was 1 in 2 nonwhite families and 1 in 7 white families who were poor. It is also a fact that the nonwhite made up about one-third of the Nation's poor in 1966, compared with just over one-fourth in 1959—a widening disadvantage explained only in small part by the greater population growth among the nonwhite.

The farm population, though still poorer than the nonfarm, had reduced the incidence of poverty by nearly one-half, a rate of improvement twice that registered by the nonfarm population. But with the nonfarm population growing while the farm population steadily declined, it was likely that many families had merely exchanged a farm address for a city one at which they might be even worse off than before.

It is clear that in the period since 1959, poverty, which never was a random affliction, has become even more selective, and some groups initially vulnerable are now even more so. There is still no all-embracing characterization that can encompass all the poor. Some are poor because they cannot work; others are poor even though they do. Most of the poor receive no assistance from public programs; others remain poor because they have no resources but the limited payments provided under such programs. And public programs to help the poor are in the main geared to serve those who cannot work at all or are temporarily out of a job. The man who works for a living but is not making it will normally find no avenue of aid.

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About half of all the Nation's poor families—one-seventh of the white poor and two-thirds of the nonwhite poor—lived in the South in 1966. Incomes in that area continue to be lower than elsewhere, by more than could possibly be compensated for by any price differential. Despite the exodus of many nonwhite persons from the South in recent years, the South still spells home for about half of all nonwhite families in the country (tables 6-7). It is thus the nonwhite population that is most immediately affected by the region's economic disadvantage. In 1966, white families in the South on an average had only \$5 in income for every \$6 enjoyed by white families elsewhere; Southern nonwhite families averaged less than \$3 for every \$5 of income of nonwhite families outside the South. A fifth of all nonwhite families not in the South and a third of the white families had at

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TABLE 5.—INCIDENCE OF POVERTY AND LOW-INCOME STATUS, 1966: NUMBER AND PERCENT OF HOUSEHOLDS BELOW SSA POVERTY LEVEL AND ABOVE THAT LEVEL BUT BELOW LOW-INCOME LEVEL, BY NUMBER OF CHILDREN UNDER AGE 18, AND SEX, AND COLOR OF HEAD

(Numbers in thousands)

Type of household	All households						With male head						With female head					
	Total		Near poor		Poor		Total		Near poor		Poor		Total		Near poor		Poor	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total.....	61,291	10,906	17.7	4,334	7.1	48,314	5,552	11.5	3,341	6.9	12,977	5,354	41.3	993	7.7			
Unrelated individuals.....	12,367	4,821	39.0	781	6.3	4,564	1,277	28.0	281	6.2	7,903	3,544	45.4	500	6.4			
Under age 65.....	7,489	2,174	28.4	312	4.2	3,279	712	21.7	146	4.5	4,210	1,412	33.5	166	3.9			
Aged 65 and over.....	4,878	2,697	55.3	469	9.6	1,285	965	44.0	135	10.5	2,593	2,132	82.2	374	9.3			
Families.....	48,924	6,085	12.4	3,553	7.3	43,750	4,275	9.8	3,060	7.0	5,214	1,310	25.0	493	9.3			
With no children.....	20,332	2,204	10.8	1,436	7.1	18,118	1,874	10.3	1,247	6.9	2,214	1,350	60.5	189	8.5			
With children.....	28,593	3,877	13.6	2,118	7.4	25,634	2,399	9.4	1,814	7.1	2,859	1,358	47.5	304	10.7			
With 1 child.....	9,091	843	9.3	433	4.8	8,034	749	9.3	331	4.1	1,047	352	33.6	102	9.7			
2 children.....	8,491	869	10.2	454	5.3	7,665	503	6.6	359	4.7	826	366	44.3	95	11.5			
3 children.....	5,416	694	12.8	458	8.5	4,949	406	8.2	411	8.3	467	288	61.7	47	10.1			
4 children.....	2,923	543	18.6	361	12.4	2,629	342	13.0	323	12.3	294	201	68.4	38	12.9			
5 children.....	1,396	367	27.7	206	14.8	1,262	281	22.3	195	15.5	134	106	79.1	11	8.2			
6 or more.....	1,286	541	42.1	206	16.0	1,095	376	34.3	195	17.8	191	165	86.4	11	5.7			
All households																		

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	54,801	8,402	15.3	3,644	6.6	43,826	4,272	9.7	2,808	6.4	10,975	4,130	37.6	836	7.6
White households															
Total.....	10,786	4,026	37.3	677	6.3	3,870	1,007	26.4	274	5.9	6,966	3,019	43.3	453	6.5
Unrelated individuals.....	6,296	1,626	25.8	241	3.8	2,688	1,540	20.1	170	4.1	3,968	1,086	30.1	131	3.6
Under age 65.....	4,490	2,400	53.5	436	9.7	1,132	467	41.3	114	10.1	3,358	1,933	57.6	322	9.6
Aged 65 and over.....	44,026	4,373	9.9	2,967	6.7	40,006	3,265	8.2	2,584	6.5	4,013	1,111	27.7	383	9.5
Families.....	18,759	1,863	9.9	1,268	6.8	16,823	1,607	9.6	1,171	6.6	2,956	853	28.9	157	8.1
With no children.....	25,257	2,509	9.9	1,701	6.7	23,182	1,656	7.1	1,476	6.6	2,075	244	13.2	225	10.8
With children.....	8,164	616	7.5	340	4.2	7,337	372	5.1	1,258	3.5	827	224	29.5	82	9.9
1 child.....	7,721	599	7.8	373	4.8	7,114	373	5.2	308	4.3	607	226	37.2	70	11.5
2 children.....	4,865	461	9.5	394	8.1	4,533	278	6.1	358	7.9	352	183	55.1	36	10.8
3 children.....	2,498	336	13.5	280	11.2	2,321	235	10.1	252	10.9	177	101	57.1	28	15.8
4 children.....	1,125	217	19.3	165	14.7	1,063	175	16.5	139	13.0	62	42	67.7	6	9.7
5 children.....	1,884	280	31.7	149	16.9	1,814	223	27.4	146	17.9	70	57	81.4	3	4.3
6 or more.....															
Nonwhite households															
Total.....	6,488	2,506	38.6	690	10.6	4,487	1,281	28.5	533	11.9	2,001	1,225	61.2	157	7.8
Unrelated individuals.....	1,584	796	50.3	105	6.6	744	270	36.3	58	7.8	840	526	62.6	47	5.6
Under age 65.....	1,196	499	41.7	72	6.0	592	172	29.1	37	6.3	604	327	54.1	35	5.8
Aged 65 and over.....	4,388	297	76.5	35	8.5	152	36	64.5	21	13.8	236	199	84.3	12	5.1
Families.....	4,898	1,712	34.9	565	11.9	3,743	1,011	27.0	475	12.7	1,161	699	60.2	110	9.5
With no children.....	1,568	341	21.7	160	10.6	1,293	267	20.6	134	10.4	275	74	26.9	32	11.6
With children.....	3,333	1,371	41.1	421	12.9	2,699	746	30.5	341	13.9	884	625	70.7	80	9.0
1 child.....	916	228	24.8	94	10.3	696	119	17.1	73	10.5	220	109	49.5	21	9.5
2 children.....	770	270	35.1	82	10.6	551	130	23.6	57	10.3	219	140	63.9	25	11.4
3 children.....	550	231	42.0	64	11.9	416	128	30.8	53	12.7	134	103	76.9	11	8.2
4 children.....	424	209	49.3	82	19.3	308	108	35.1	72	23.4	116	101	87.1	10	8.6
5 children.....	271	170	62.7	43	13.9	198	107	54.0	38	19.2	73	63	86.3	5	6.8
6 or more.....	402	263	65.4	56	13.9	280	154	55.0	48	17.1	122	109	89.3	8	6.6

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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TABLE 6.—INCIDENCE OF POVERTY IN 1966: NUMBER AND PERCENT OF FAMILIES WITH INCOME BELOW THE SSA POVERTY LEVEL, BY SEX OF HEAD AND OTHER SPECIFIED CHARACTERISTICS
 1 (Numbers in thousands)

Characteristic	All families			With male head			With female head			
	Total	Poor		Total	Poor		Total	Poor		
		Number	Percent		Number	Percent		Number	Percent	
Total.....	48,922	6,086	12.4	43,751	4,276	9.8	5,172	1,810	35.0	100.0
Residence:										
Nonfarm.....	46,225	5,598	12.1	41,199	3,835	9.3	5,026	1,764	35.1	97.5
Farm.....	2,697	488	18.1	2,552	441	17.3	1,145	47	32.4	2.6
Race:										
White.....	44,017	4,375	9.9	40,007	3,254	8.2	4,010	1,111	27.7	61.4
Nonwhite.....	4,905	1,711	34.9	3,744	1,012	27.0	1,162	699	60.2	38.6
Age of head:										
14 to 24.....	3,011	510	16.9	2,761	347	12.6	250	163	65.2	9.0
25 to 34.....	9,960	1,139	11.9	8,753	658	7.6	806	472	59.6	26.1
35 to 44.....	11,113	1,180	10.6	10,028	737	7.4	1,087	444	40.8	24.5
45 to 54.....	10,620	919	8.7	9,303	57	0.6	1,117	333	29.8	18.4
55 to 64.....	7,689	800	10.4	6,900	635	9.2	1,789	166	21.0	9.2
65 and over.....	6,979	1,538	22.2	5,807	1,304	22.5	1,122	234	20.9	12.9
Number of persons in family:										
2.....	16,354	2,271	13.9	19,978	1,693	12.1	2,376	578	24.3	31.9
3.....	10,098	889	8.8	8,901	532	6.0	1,197	357	29.8	19.7
4.....	9,400	793	8.4	8,687	488	5.6	1,712	305	43.8	16.9
5.....	6,189	649	10.5	5,808	440	7.6	382	209	54.7	11.2
6.....	3,438	501	14.6	3,230	362	11.2	209	138	66.0	7.2
7 or more.....	3,443	984	28.6	3,146	762	24.2	296	222	75.0	12.3

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Region:	1,037	8.6	17.0	10,650	675	6.3	15.8	1,389	362	26.1	20.0
North Central.....	1,259	9.2	20.7	12,400	874	7.0	20.4	1,216	385	31.7	21.3
South.....	2,950	19.7	48.5	13,251	2,186	16.5	51.1	1,727	763	44.2	42.2
West.....	840	10.1	13.8	7,448	540	7.2	12.6	839	300	35.3	16.6
Type of family:											
Male head.....	4,276	9.8	70.3	43,751	4,276	9.8	100.0				
Married, wife present.....	4,059	9.6	66.9	42,553	4,059	9.6	95.2				
Wife in paid labor force.....	15,005	743	12.2	15,005	743	5.0	17.4				
Wife not in paid labor force.....	27,548	12.1	54.7	27,548	3,326	12.1	77.8				
Other marital status.....	1,197	17.3	3.4	1,197	207	17.3	4.8				
Female head.....	1,810	35.0	29.7					5,172	1,810	35.0	100.0
Employment status and occupation of head:											
Employed, March 1967.....	3,020	7.8	49.6	36,293	2,376	6.5	55.6	2,593	641	24.7	35.4
Professional and technical workers.....	129	2.4	2.1	5,050	107	2.1	2.5	286	22	7.7	1.2
Managers and farm managers.....	315	19.8	5.2	1,572	309	19.7	7.2	16	.6	(1)	1.3
Managers, officials, and proprietors (except farm).....	5,759	4.0	3.7	5,643	216	3.8	5.1	118	17	14.4	9
Clerical and sales workers.....	5,146	4.4	3.8	4,323	124	2.9	2.9	823	100	12.2	5.2
Craftsmen and foremen.....	8,050	4.4	5.8	8,313	349	4.4	8.2	36	3	(1)	5.6
Operatives.....	7,696	8.4	10.6	7,150	544	7.5	12.7	466	102	21.9	20.6
Service workers.....	3,011	19.4	9.9	2,192	212	9.7	5.0	820	373	45.5	8.4
Private household workers.....	282	54.6	2.9	3	2	(1)	(1)	270	152	56.3	1.0
Laborers (except mine).....	2,297	23.2	8.3	2,270	515	22.7	12.0	28	18	(1)	3.8
Unemployed.....	904	27.4	4.1	750	180	23.1	4.2	124	68	54.8	1.0
Not in labor force.....	248	27.4	46.3	6,078	1,718	25.7	40.2	2,454	1,100	44.8	60.8
None.....	9,132	30.8									
Number of earners in 1966:											
None.....	4,073	48.6	32.5	3,017	1,216	40.3	28.4	1,056	762	72.2	42.1
1.....	20,451	12.8	43.0	18,163	1,892	10.4	44.2	2,288	729	31.9	40.3
2.....	17,992	6.2	18.3	16,608	891	5.4	20.8	1,384	221	16.0	12.2
3 or more.....	6,405	6.9	6.2	5,961	278	4.7	6.5	1,443	100	22.6	5.5

(1) Not shown for base less than 100,000.

² Less than 0.05 percent.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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TABLE 7.—INCIDENCE OF POVERTY IN 1966: NUMBER AND PERCENT OF UNRELATED INDIVIDUALS WITH INCOME BELOW THE SSA POVERTY LEVEL,
BY SEX AND OTHER SPECIFIED CHARACTERISTICS
(Numbers in thousands)

Characteristic	All unrelated individuals			Male unrelated individuals			Female unrelated individuals			
	Total	Poor		Total	Poor		Total	Poor		
		Number	Percent		Number	Percent		Number	Percent	Number	Percent
Total.....	12,368	4,820	39.0	4,563	1,276	28.0	7,804	3,544	45.4	100.0
Residence:										
Nonfarm.....	12,068	4,683	38.8	4,414	1,212	27.5	7,654	3,471	45.3	97.9
Farm.....	300	138	46.0	150	65	43.3	150	73	48.7	2.1
Region:										
Northeast.....	3,210	1,172	36.5	1,136	302	26.6	2,074	870	41.9	24.5
North Central.....	3,402	1,362	40.0	1,313	322	24.5	2,090	1,039	49.7	29.3
South.....	3,368	1,573	46.7	1,257	434	34.5	2,111	1,139	54.0	32.1
West.....	2,385	713	29.9	936	217	23.2	1,169	486	41.7	14.0
Race:										
White.....	10,784	4,026	37.3	3,819	1,007	26.4	6,965	3,019	43.3	85.2
Nonwhite.....	1,583	794	50.2	744	269	36.2	839	525	62.6	14.8
Age:										
14 to 24.....	1,294	509	39.3	525	194	37.1	707	314	44.4	8.9
25 to 34.....	1,134	159	14.0	650	69	10.0	444	89	20.0	2.5
35 to 44.....	1,077	220	20.4	613	81	13.2	464	139	30.0	3.9
45 to 54.....	1,482	554	37.4	639	127	19.9	843	237	28.1	6.7
55 to 64.....	2,572	872	33.9	751	238	31.7	1,732	634	36.2	17.9
65 and over.....	4,878	2,637	54.1	1,264	564	43.9	3,594	2,132	59.3	60.2

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Sex:	4,503	1,276	23.0	73.5	4,563	1,276	28.0	100.0	7,804	3,544	45.4	100.0
Male.....	4,503	1,276	23.0	73.5	4,563	1,276	28.0	100.0	7,804	3,544	45.4	100.0
Female.....	7,804	3,544	45.4	73.5								
Earners:												
Nonearner.....	7,370	1,459	19.8	30.3	3,335	545	16.3	42.7	4,035	914	22.7	25.8
Earner.....	4,998	3,361	67.2	69.7	1,228	731	59.5	57.3	3,769	2,630	69.8	74.2
Employment status and occupation:												
Employed, March 1967.....	6,479	1,225	18.9	25.4	2,699	422	14.6	33.1	3,580	804	22.5	22.7
Professional and technical workers.....	1,294	192	14.8	4.0	559	60	10.7	4.7	735	133	18.1	3.8
Farmers and farm managers.....	1,102	31	30.4	.6	82	25	(1)	2.0	21	6	(1)	.2
Managers, officials, and proprietors (except farm).....	507	50	9.9	1.0	305	20	5.5	1.6	201	31	15.4	.9
Clerical and sales workers.....	1,567	155	9.9	3.2	395	43	11.2	3.4	1,180	111	9.4	3.1
Craftsmen and foremen.....	431	33	8.3	2.6	382	29	6.6	3.3	449	9	(1)	.3
Operatives.....	869	97	10.8	2.6	582	61	8.1	3.2	394	55	14.3	1.6
Service workers.....	1,391	545	67.9	11.3	369	65	23.9	6.7	1,002	435	43.6	13.0
Private household workers.....	45	28	67.9	6.0	7	(1)	(1)	9.2	479	281	67.1	7.9
Laborers (except mine).....	328	117	35.7	2.4	320	118	36.9	9.2	8	8	42	1.2
Unemployed.....	287	103	35.9	2.1	176	60	34.1	4.7	112	42	37.5	1.2
Not in labor force.....	5,603	3,492	62.3	72.4	1,491	794	53.3	62.2	4,113	2,697	65.8	76.1

(1) Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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least \$10,000 in income in 1966. Within the South, almost none of the nonwhite families and only a fourth of the white families had this much income as the figures below indicate:

Race of family	Total United States	South	Rest of country
Median income			
All families.....	\$7,440	\$6,235	\$7,930
White.....	7,720	6,775	8,090
Nonwhite.....	4,630	3,445	5,970
Percent with income of \$10,000 or more			
All families.....	29.6	21.7	33.1
White.....	31.6	24.8	34.3
Nonwhite.....	12.2	5.0	18.8

The Southern States today support a larger proportion of their population on public assistance than is true of the rest of the country. Indeed, of the 10 States with the highest OAA recipient rate per 1,000 aged persons in December 1966, eight were Southern States, despite the fact that eligibility requirements are at least as restrictive in the South as anywhere else.

Much of the burden of poverty among the fully employed—that is, in terms of weeks worked—rested on nonwhite men, and particularly so in the South. There, more than one-third of the nonwhite men who worked full time throughout 1965 had been poor, as were 7 percent of the white men. Elsewhere in the country the corresponding rates were 10 percent and 4 percent.⁵

Overall, half the population in poverty and about two-thirds of the nonpoor were residing in metropolitan areas—a city of at least 50,000 persons or its environs. But whereas the poor were more likely to be in the central city, the nonpoor were more often in the suburbs. Among aged persons, however, even among the nonpoor the majority of metropolitan residents were in the central city rather than in a suburb.

About one-fourth of the white poor and two-fifths of the nonwhite poor resided in central cities of metropolitan areas. Yet, for the Nation as a whole, the white poor outnumbered the nonwhite even in the central cities: There were about 5½ million white persons counted poor in central cities and 4 million nonwhite (table 8). Because of the well-established difficulties of Negroes—whatever their income—in finding housing, a larger proportion of them, both poor and nonpoor, are clustered in what may be termed poverty areas of large cities than is true for the white population.⁶

⁵ Cf. Economic Report of the President and Annual Report of the Council of Economic Advisers, January 1967, table 19.

⁶ See Winard, Arno I., "Characteristics of Families Residing in Poverty Areas Within Large Metropolitan Areas," prepared for presentation at annual meeting of Population Association of America, April 1967.

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TABLE 8.—GEOGRAPHY OF POVERTY, 1966: NUMBER AND PERCENT OF PERSONS IN HOUSEHOLDS BELOW SSA POVERTY LEVEL, BY AGE AND RACE
(Numbers in thousands)

Area	All ages			Under age 6			Aged 6 to 15 ¹			Aged 16 to 64			65 or over		
	Total	White	Nonwhite	Total	White	Nonwhite	Total	White	Nonwhite	Total	White	Nonwhite	Total	White	Nonwhite
United States.....	193,558	170,464	23,093	23,551	19,795	3,756	39,761	34,143	5,618	112,309	100,009	12,298	17,937	16,517	1,421
Poverty.....	29,798	20,394	9,403	4,387	2,563	1,823	7,345	4,482	2,863	12,695	8,715	3,981	5,371	4,634	736
Percent poor.....	15.4	12.0	40.7	18.6	12.9	48.5	18.5	13.1	51.0	11.3	8.7	32.4	29.9	28.1	51.8
Metropolitan area:															
Central cities.....	58,376	46,043	12,334	6,902	4,904	1,998	10,822	7,975	2,847	34,604	27,788	6,819	6,048	5,378	670
Poverty.....	9,441	5,376	4,065	1,519	853	667	2,329	1,075	1,255	3,918	2,244	1,674	1,675	1,404	276
Percent poor.....	16.2	11.7	33.0	22.0	13.3	43.4	21.5	13.5	44.1	11.3	8.1	24.5	27.7	26.1	41.2
Suburbs.....	66,915	63,572	3,343	8,749	7,719	1,030	14,371	13,549	823	39,398	37,573	1,823	4,897	4,731	166
Poverty.....	5,761	4,815	945	1,758	1,050	708	1,345	1,050	295	2,457	2,058	400	1,201	1,116	80
Percent poor.....	8.6	7.6	28.2	9.2	7.7	31.6	9.4	7.7	35.8	6.2	5.5	21.9	24.5	23.6	48.2
Nonmetropolitan area:															
Rural nonfarm.....	31,978	28,449	3,530	4,192	3,610	582	6,961	6,051	910	17,731	15,968	1,764	3,094	2,820	274
Poverty.....	7,389	5,402	1,987	1,951	1,702	249	6,901	6,271	630	3,175	2,300	875	1,322	1,129	193
Percent poor.....	23.1	19.0	56.3	25.1	19.4	68.0	24.1	17.0	62.6	17.8	14.4	49.6	42.7	40.0	70.4
Farm.....	10,877	9,618	1,259	1,080	882	197	2,511	2,112	399	6,181	5,602	580	1,105	1,022	83
Poverty.....	2,447	1,963	483	332	184	148	707	604	103	1,177	792	384	231	183	48
Percent poor.....	22.5	16.3	70.1	30.7	20.9	75.1	28.2	19.1	75.9	19.0	14.1	66.2	20.9	17.9	57.8
Urban.....	25,411	22,782	2,627	3,123	2,678	444	5,095	4,454	641	14,901	13,095	1,806	2,792	2,564	228
Poverty.....	4,761	3,235	1,524	1,721	1,432	288	1,122	881	241	1,975	1,321	654	2,943	2,807	141
Percent poor.....	18.7	14.2	58.0	23.1	4.9	64.9	22.0	15.3	68.8	13.7	10.1	49.8	33.8	31.2	61.8

¹ Includes as poor some children aged 6 to 13 who lived as unrelated individuals in families to no member of which they were related. Other tables exclude these children because the Bureau of the Census does not normally collect data from unrelated individuals under age 14. The number shown poor in this table thus totals 29,800,000 rather than 29,700,000 as presented elsewhere.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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CHILDREN OF THE POOR

Along with old age, disability, or death of the breadwinner, the years of child raising can place special pressures on the economic situation of a family. Recognition of both the economic vulnerability of families raising their children and the importance to society of the well-being of our future citizens has even led some to propose that allowances for families with children be paid in the United States, as they are in most Western countries.

Children themselves ordinarily do not contribute income to a family. In fact the presence of children can be a deterrent to augmenting family income because the homemaker with youngsters to look after, whether she herself is the family head or she shares responsibility with a husband, will find it more difficult to take a job.

Accordingly, the risk of poverty for a family of specified size is more closely related to the number of young children in it than to the number of adults—as illustrated by the poverty rates in 1966 below for men's families of various types:

PERCENT OF FAMILIES POOR

Total persons in family	Number of children under age 18						
	None	1	2	3	4	5	6 or more
2, head aged 65 or older.....	23	(1)	-----	-----	-----	-----	-----
2, head under age 65.....	7	23	-----	-----	-----	-----	-----
3.....	5	6	(1)	-----	-----	-----	-----
4.....	4	4	6	(1)	-----	-----	-----
5.....	(1)	4	9	8	(1)	-----	-----
6.....	(1)	0	10	11	12	(1)	-----
7 or more.....	(1)	(1)	2	9	18	22	34

¹ Percentages not shown for base less than 75,000.

Children generally do not contribute income of their own to a family but must rely instead on the support of others. As a result, after the aged—whose earning capacity is also likely to be limited if not lacking altogether—children are the poorest age group, particularly if the father is absent. Three out of five youngsters in families headed by women were being raised in poverty—a total of 4½ million poor children—but there were also 8 million other children who were poor in unbroken families. The mother of young children, whether she herself is the family head or shares the responsibility with a husband, finds it hard to take a job, but many families can escape poverty only if both parents work, and some not even then. Twelve percent of the husband-wife families were poor when the wife did not work and 5 percent even when she did. Perhaps more to the point in assessing remedial action against poverty is the fact that 4½ million children were counted poor though they were in the home of a man who had worked throughout 1966 and nearly 1 million more were in the family of a woman who held a job all year (table 9).

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Children with a working mother but minus a father receive little help from existing public programs unless they are the orphans of veterans or workers who were covered under OASDHI, but the children with a father present and working receive almost no help at all. Youngsters in large families were particularly bad off, and if the large family had a woman at its head, the odds were better than 4 out of 5 that it was poor.

All told, close to half the Nation's poor children were in families with at least five youngsters present, but the size and current living arrangements of families, as the census normally counts them, are sometimes the result of poverty; they are not always the cause. Family groups with insufficient income, particularly if there is no man at the head, may share living quarters with relatives to help meet living expenses. Thus in nonpoor families in 1966, only 1 in 25 of the children under age 18 were not the children of the head or wife but children of other relatives. In poor families as a group, 1 in 10 children were related rather than own children, and in poor families headed by a woman, the proportion was 1 in 8.

Many families with four or five youngsters had insufficient income to support even two or three, though all would be less poor if they spread their limited resources among fewer members. For example, of the families poor in 1966 with a woman at the head and four children, one-half had less than \$2,300 income for the year. Even on the assumption that there was no one else in the family, this median was 40 percent less than the minimum of \$3,900 required to enable a nonfarm family of this size to stay above the poverty line and was not even enough for a mother and two children (table 10).

As is well known, nonwhite families as a rule must get along on far less income than white families, though the income of the nonwhite family will usually have to provide for a greater number of family members. Yet when family income is appraised relative to need—insofar as measured by the SSA minimum criteria depending on the number of adults and number of children to be supported, and whether or not the family lives on a farm—among those families classed as poor there is very little difference in income of white and nonwhite families of the same composition. It is principally among nonpoor families that the difficulty of the nonwhite man in achieving a better living for himself and his children manifests itself.

As one example, among families of nonwhite men with two children, poverty struck 1 in 4—a rate five times that for the corresponding group of white men's families. But among men's families below the poverty line and with two children under 18, median income of nonwhite families in 1966 was \$2,170, about 7 percent less than for the white families. Among the parallel group above the poverty line the median income of the nonwhite families was \$7,050, a fifth less than that enjoyed by the nonpoor white families of a man with two children (table 11).

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TABLE 9.—DISTRIBUTION OF MEMBERS OF FAMILIES WITH 1966 INCOME BELOW SSA POVERTY LEVEL BY WORK EXPERIENCE OF FAMILY HEAD, BY COLOR AND SEX OF HEAD

Age and race	In household with male head						In household with female head						
	Total	Work experience, 1966			Total	Work experience, 1966			Total	Work experience, 1966			
		Didn't work Ill	Other	Worked part year Unem- ployed		Worked all year	Didn't work Ill	Other		Worked part year Unem- ployed	Worked all year		
Families.....	6,086	4,276	575	890	471	661	1,606	1,810	144	809	102	419	337
White.....	4,375	3,264	433	794	305	519	1,151	1,111	72	565	57	247	170
Nonwhite.....	1,711	1,012	142	96	166	142	455	699	72	243	45	173	167
Persons in families.....	24,836	17,675	1,979	2,283	2,396	2,548	8,139	7,160	474	3,145	427	1,727	1,388
White.....	16,287	12,410	1,381	1,946	1,485	1,704	5,486	3,877	193	1,975	213	887	609
Nonwhite.....	8,549	5,265	598	337	911	844	2,653	3,283	282	1,170	215	839	778
Children under age 18:	12,539	8,117	639	372	1,321	1,073	4,526	4,423	213	1,933	281	1,135	861
White.....	7,527	5,281	408	261	826	702	2,940	2,245	58	1,104	139	571	373
Nonwhite.....	5,014	2,837	232	112	496	370	1,586	2,177	156	827	140	566	487
Children under age 6:	4,386	2,964	137	118	496	418	1,697	1,423	43	680	88	385	228
White.....	2,564	1,893	83	73	312	274	1,071	871	11	356	36	183	95
Nonwhite.....	1,823	1,071	54	46	184	145	627	552	33	322	51	202	143
Persons aged 18 to 24:	3,748	2,337	120	92	372	405	1,275	1,411	50	593	93	373	302
White.....	2,540	1,706	87	79	248	322	910	387	20	387	54	221	152
Nonwhite.....	1,208	631	34	12	124	83	366	577	31	206	41	151	148
Persons aged 55 to 64:	1,800	635	172	84	69	111	199	166	35	63	7	34	27
White.....	558	458	129	68	39	83	139	100	18	50	3	16	13
Nonwhite.....	243	177	43	16	30	28	59	66	4	13	4	17	14
Persons 65 and over:	1,538	1,304	282	715	29	146	132	234	59	153	1	13	8
White.....	1,277	1,100	217	648	17	116	102	177	34	129	1	18	5
Nonwhite.....	261	204	65	67	12	30	30	57	24	25	0	5	3

Number (in thousands)

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Percentage distribution

Families.....	100	70.3	9.4	14.6	7.7	10.9	26.4	29.7	2.4	13.3	1.7	6.9	5.5
White.....	100	74.6	9.9	18.1	7.0	11.9	26.3	25.4	1.6	12.9	1.3	5.6	3.9
Nonwhite.....	100	59.1	8.3	5.6	9.7	8.3	26.6	40.9	4.2	14.2	2.6	10.1	9.8
Persons in families.....	100	71.2	8.0	9.2	9.6	10.3	32.8	28.8	1.9	12.7	1.7	7.0	5.6
White.....	100	76.2	8.5	11.9	9.1	11.3	31.7	23.8	1.1	12.1	1.3	5.4	3.7
Nonwhite.....	100	61.6	7.0	3.9	10.7	8.2	31.0	38.4	3.3	13.7	2.5	9.8	9.1
Children under age 18 ¹	100	64.7	5.1	3.0	10.5	8.6	36.1	35.3	1.7	15.4	2.2	9.1	6.9
White.....	100	70.2	5.4	3.5	11.0	9.3	39.1	29.8	.8	14.7	1.8	7.6	5.0
Nonwhite.....	100	56.6	4.6	2.2	9.9	7.4	31.6	43.4	3.1	16.5	2.8	11.3	9.7
Children under age 6.....	100	67.6	3.1	2.7	11.3	9.5	38.7	32.4	1.0	15.5	2.0	8.8	5.2
White.....	100	73.8	3.2	2.8	12.2	10.7	41.8	26.2	.4	13.9	1.4	7.1	3.3
Nonwhite.....	100	58.7	3.0	2.5	10.1	8.0	34.4	41.3	1.8	17.7	2.8	11.1	7.8
Persons aged 18 to 54.....	100	62.4	3.2	2.5	9.9	10.8	34.0	37.6	1.3	15.8	2.5	10.0	8.0
White.....	100	67.2	3.4	3.1	9.8	12.7	35.8	32.8	.8	15.2	2.1	8.7	6.0
Nonwhite.....	100	52.2	2.8	1.0	10.3	6.9	30.3	47.8	2.6	17.1	3.4	12.5	12.3
Persons aged 55 to 64.....	100	79.4	21.5	10.5	8.6	13.9	24.9	20.7	4.4	7.9	.5	4.2	3.4
White.....	100	82.1	23.1	12.2	7.0	14.9	24.9	17.9	3.2	9.0	.5	2.9	2.3
Nonwhite.....	100	72.8	17.7	6.6	12.3	11.5	24.3	27.2	7.0	5.3	1.6	7.0	6.2
Persons 65 and over.....	100	84.8	18.3	46.5	1.9	9.5	8.6	15.2	3.8	9.9	.1	8	5.5
White.....	100	86.1	17.0	50.7	1.3	9.1	8.0	13.9	2.7	10.1	.1	6	4
Nonwhite.....	100	78.2	24.9	25.7	4.6	11.5	11.5	21.8	9.2	9.6	.....	1.9	1.1

¹ Includes heads in Armed Forces in March 1967, not shown separately; work experience in 1966 not asked for such heads.
² Never-married children.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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TABLE 10.—1966 INCOME OF FAMILIES: PERCENTAGE DISTRIBUTION OF POOR AND NONPOOR FAMILIES BY AMOUNT OF INCOME, BY SEX OF HEAD AND NUMBER OF CHILDREN UNDER AGE 18

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families									
Number (in thousands).....	48,923	20,327	28,598	9,082	8,492	5,416	2,922	1,397	1,287
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	2.3	2.4	2.3	.5	2.3	1.7	2.1	2.6	2.6
\$1,000 to \$1,499.....	2.3	3.2	1.6	2.0	1.4	1.2	1.0	2.1	2.5
\$1,500 to \$1,999.....	3.1	4.9	1.8	2.3	1.5	1.6	1.6	1.8	2.7
\$2,000 to \$2,499.....	3.4	4.9	2.3	2.4	2.0	2.1	2.1	2.4	3.9
\$2,500 to \$2,999.....	3.2	4.5	2.2	2.0	2.0	2.2	2.5	2.5	4.0
\$3,000 to \$3,499.....	3.5	4.3	3.0	3.0	2.4	2.6	3.5	3.7	5.9
\$3,500 to \$3,999.....	3.3	3.9	2.9	3.2	2.4	2.5	2.7	2.9	5.8
\$4,000 to \$4,999.....	7.1	7.5	6.8	6.8	6.0	6.0	7.8	8.4	11.1
\$5,000 to \$5,999.....	8.4	8.4	8.4	8.5	8.0	8.2	9.7	7.5	9.3
\$6,000 to \$6,999.....	9.4	8.0	10.3	9.3	11.2	10.1	10.2	12.0	11.0
\$7,000 to \$7,999.....	9.3	7.6	10.5	10.4	11.4	10.7	9.2	8.8	8.8
\$8,000 to \$8,999.....	8.1	6.9	9.0	8.7	9.2	9.5	9.2	9.0	7.1
\$9,000 to \$9,999.....	7.0	5.6	8.0	7.4	8.7	9.0	7.8	8.4	4.4
\$10,000 to \$11,999.....	11.2	9.7	12.3	12.3	12.3	13.7	12.1	11.3	8.1
\$12,000 to \$14,999.....	9.2	8.9	9.5	9.9	9.8	9.3	9.5	8.7	5.4
\$15,000 to \$24,999.....	7.5	7.3	7.6	7.9	7.9	7.6	7.2	7.0	3.8
\$25,000 and over.....	1.7	1.9	1.6	1.4	1.4	2.0	1.9	1.0	1.7
All poor families ¹									
Number (in thousands).....	6,086	2,206	3,880	844	869	695	544	390	541
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	18.9	22.7	16.7	26.7	22.3	13.6	11.4	9.6	6.1
\$1,000 to \$1,499.....	18.3	29.6	11.9	21.7	14.1	9.7	5.1	7.5	5.9
\$1,500 to \$1,999.....	22.5	38.7	13.4	24.1	14.3	12.3	8.6	6.5	6.5
\$2,000 to \$2,499.....	12.7	7.6	15.6	18.9	19.1	16.3	11.0	8.5	14.0
\$2,500 to \$2,999.....	7.8	1.1	11.6	5.6	14.7	16.5	13.6	9.0	9.6
\$3,000 to \$3,499.....	7.7	.4	11.9	2.1	12.2	16.7	17.6	13.2	14.0
\$3,500 to \$3,999.....	4.5	0	7.1	.2	2.0	12.1	11.9	9.8	12.9
\$4,000 to \$4,999.....	5.8	0	9.0	.2	1.1	2.0	17.1	25.1	24.4
\$5,000 and over.....	1.8	0	2.8	.4	.1	.9	3.7	10.9	6.5
All nonpoor families									
Number (in thousands).....	42,835	18,121	24,710	8,239	7,620	4,723	2,379	1,008	744
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000 to \$1,499.....	0	0	0	0	0	0	0	0	0
\$1,500 to \$1,999.....	.3	.8	0	0	0	0	0	0	0
\$2,000 to \$2,499.....	2.0	4.5	.2	.7	0	0	0	0	0
\$2,500 to \$2,999.....	2.5	4.9	.7	1.7	.5	.1	0	0	0
\$3,000 to \$3,499.....	2.9	4.8	1.5	3.1	1.2	.6	.2	0	0
\$3,500 to \$3,999.....	3.1	4.4	2.2	3.5	2.5	1.1	.5	.3	.5
\$4,000 to \$4,999.....	7.3	8.5	6.4	7.5	6.6	6.5	5.7	2.0	1.5
\$5,000 to \$5,999.....	9.3	9.4	9.3	9.3	8.9	9.3	11.1	6.3	11.3
\$6,000 to \$6,999.....	10.7	9.0	11.9	10.3	12.5	11.6	12.5	16.6	18.9
\$7,000 to \$7,999.....	10.6	8.5	12.1	11.4	12.7	12.3	11.3	12.2	15.2
\$8,000 to \$8,999.....	9.3	7.8	10.4	9.6	10.2	10.9	11.3	12.5	12.2
\$9,000 to \$9,999.....	8.0	6.3	9.3	8.1	9.7	10.3	9.6	11.6	7.5
\$10,000 to \$11,999.....	12.8	10.9	14.2	13.6	13.7	15.7	14.9	15.6	14.0
\$12,000 to \$14,999.....	10.5	10.0	10.9	11.0	10.9	10.6	11.7	12.0	9.4
\$15,000 to \$24,999.....	8.5	8.2	8.8	8.8	8.8	8.7	8.8	9.6	6.6
\$25,000 and over.....	2.0	2.1	1.8	1.6	1.6	2.4	2.3	1.4	3.0

See footnotes at end of table, p. 204.

OLD AGE INCOME ASSURANCE—PART II

TABLE 10.—1965 INCOME OF FAMILIES: PERCENTAGE DISTRIBUTION OF POOR AND NONPOOR FAMILIES BY AMOUNT OF INCOME, BY SEX OF HEAD AND NUMBER OF CHILDREN UNDER AGE 18—Continued

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families with male head									
Number (in thousands).....	43,751	18,116	25,638	8,034	7,666	4,949	2,629	1,261	1,095
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	1.5	2.2	1.1	1.3	1.0	.7	.7	1.8	1.7
\$1,000 to \$1,499.....	1.8	3.0	1.0	1.3	.9	.6	.6	1.4	1.9
\$1,500 to \$1,999.....	2.6	4.8	1.0	1.3	.7	1.0	.9	1.0	1.4
\$2,000 to \$2,499.....	2.8	4.8	1.5	1.7	1.2	1.2	1.1	1.6	4.5
\$2,500 to \$2,999.....	2.8	4.4	1.7	1.7	1.5	1.4	1.7	2.0	3.3
\$3,000 to \$3,499.....	3.1	4.3	2.4	2.5	1.9	1.9	2.7	3.2	4.9
\$3,500 to \$3,999.....	2.9	3.7	2.4	2.9	2.1	2.1	1.9	2.1	4.4
\$4,000 to \$4,999.....	6.6	7.1	6.1	6.0	5.3	5.7	7.5	7.5	10.4
\$5,000 to \$5,999.....	8.4	8.2	8.5	8.4	8.1	8.2	10.1	8.1	10.0
\$6,000 to \$6,999.....	9.5	7.7	10.8	9.6	11.8	10.7	10.7	12.5	12.4
\$7,000 to \$7,999.....	9.8	7.7	11.2	11.1	12.0	11.4	10.0	9.5	10.1
\$8,000 to \$8,999.....	8.7	7.2	9.7	9.4	10.0	10.1	10.1	9.8	7.8
\$9,000 to \$9,999.....	7.4	5.6	8.7	7.8	9.4	9.7	8.5	9.3	5.1
\$10,000 to \$11,999.....	12.1	10.0	13.5	13.6	13.1	14.9	13.3	12.2	9.4
\$12,000 to \$14,999.....	10.0	9.4	10.4	11.0	10.7	10.0	10.4	9.4	6.4
\$15,000 to \$24,999.....	8.1	7.8	8.3	8.8	8.7	8.2	7.8	7.5	4.4
\$25,000 and over.....	1.9	2.1	1.7	1.6	1.6	2.2	2.0	1.1	1.9
Poor families with male head ¹									
Number (in thousands).....	4,276	1,874	2,403	492	503	405	343	283	376
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	16.1	21.5	11.9	21.4	16.5	8.8	5.3	7.8	5.1
\$1,000 to \$1,499.....	18.7	29.1	10.7	21.8	13.1	7.8	4.4	6.4	5.6
\$1,500 to \$1,999.....	23.3	39.6	10.5	21.0	9.9	12.0	6.7	4.2	4.0
\$2,000 to \$2,499.....	12.0	8.3	14.9	23.0	17.2	14.2	8.8	7.1	13.1
\$2,500 to \$2,999.....	7.9	1.3	13.1	8.8	20.4	15.7	13.2	8.8	9.6
\$3,000 to \$3,499.....	8.3	.3	14.6	2.9	19.0	19.6	19.0	14.1	14.4
\$3,500 to \$3,999.....	4.6	0.	8.2	.2	2.2	17.9	12.3	8.8	11.7
\$4,000 to \$4,999.....	6.8	0.	12.1	.4	1.6	2.7	25.4	28.6	28.0
\$5,000 and over.....	2.3	0.	4.1	.6	.2	1.2	4.7	14.1	8.5
Nonpoor families with male head									
Number (in thousands).....	39,474	16,242	23,230	7,542	7,161	4,542	2,289	979	719
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000 to \$1,499.....	(²)	(²)	0	0	0	0	0	0	0
\$1,500 to \$1,999.....	.3	.8	0	0	0	0	0	0	0
\$2,000 to \$2,499.....	1.9	4.4	.1	.3	(²)	0	0	0	0
\$2,500 to \$2,999.....	2.2	4.7	.5	1.2	.2	.1	0	0	0
\$3,000 to \$3,499.....	2.6	4.7	1.1	2.5	.7	.4	.3	0	0
\$3,500 to \$3,999.....	2.8	4.1	1.8	3.0	2.1	.7	.3	.2	.6
\$4,000 to \$4,999.....	6.5	8.0	5.5	6.4	5.5	5.9	4.8	1.4	1.3
\$5,000 to \$5,999.....	9.0	9.2	8.9	8.9	8.6	8.9	10.9	6.3	10.8
\$6,000 to \$6,999.....	10.6	8.6	12.0	10.2	12.6	11.6	12.3	16.4	18.8
\$7,000 to \$7,999.....	10.8	8.6	12.4	11.8	12.9	12.4	11.5	12.3	15.4
\$8,000 to \$8,999.....	9.6	8.0	10.7	10.0	10.7	11.0	11.6	12.6	11.8
\$9,000 to \$9,999.....	8.2	6.3	9.6	8.3	10.0	10.5	9.7	12.0	7.8
\$10,000 to \$11,999.....	13.3	11.1	14.9	14.6	14.3	16.2	15.4	15.7	14.3
\$12,000 to \$14,999.....	11.1	10.5	11.5	11.7	11.5	10.9	12.0	12.0	9.7
\$15,000 to \$24,999.....	9.0	8.7	9.2	9.4	9.3	9.0	9.0	9.7	6.7
\$25,000 and over.....	2.1	2.4	1.9	1.7	1.7	2.4	2.3	1.4	2.9

OLD AGE INCOME ASSURANCE—PART II

TABLE 10.—1966 INCOME OF FAMILIES: PERCENTAGE DISTRIBUTION OF POOR AND NONPOOR FAMILIES BY AMOUNT OF INCOME, BY SEX OF HEAD AND NUMBER OF CHILDREN UNDER AGE 18—Continued

Income	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
All families with female head									
Number (in thousands).....	5,172	2,211	2,960	1,048	826	467	293	136	192
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	8.9	4.4	12.2	11.7	13.5	12.2	15.3	10.7	7.3
\$1,000 to \$1,499.....	6.1	5.0	5.9	7.2	6.9	7.7	5.1	8.4	5.8
\$1,500 to \$1,999.....	7.6	5.6	9.1	9.9	9.0	7.9	7.8	9.2	10.5
\$2,000 to \$2,499.....	7.8	5.6	9.5	7.4	9.6	11.8	10.5	9.2	14.2
\$2,500 to \$2,999.....	6.4	5.5	7.0	4.9	6.1	10.9	9.9	8.4	7.9
\$3,000 to \$3,499.....	6.8	4.8	8.2	7.4	6.9	9.8	10.5	8.4	12.1
\$3,500 to \$3,999.....	6.3	5.6	6.8	5.6	5.7	6.2	9.5	10.7	13.7
\$4,000 to \$4,999.....	11.8	10.8	12.5	12.8	13.2	9.4	10.9	16.8	14.7
\$5,000 to \$5,999.....	8.6	9.8	7.7	9.2	7.8	7.9	6.1	3.1	4.7
\$6,000 to \$6,999.....	7.8	10.5	5.7	7.2	5.6	3.8	5.4	4.6	3.7
\$7,000 to \$7,999.....	5.3	6.6	4.3	4.5	5.9	3.6	2.4	2.3	1.6
\$8,000 to \$8,999.....	3.6	5.0	2.6	3.1	1.8	3.4	1.4	1.5	2.6
\$9,000 to \$9,999.....	3.7	5.2	2.6	3.9	2.5	1.5	1.7	0	0
\$10,000 to \$11,999.....	4.4	7.6	2.1	2.4	3.0	9	3	3.1	5
\$12,000 to \$14,999.....	2.8	4.5	1.5	1.5	1.2	1.9	1.4	3.1	0
\$15,000 to \$24,999.....	2.0	3.3	1.1	1.2	1.1	.9	1.4	3	5
\$25,000 and over.....	.3	.3	.2	.2	.1	.2	.3	0	0
Poor families with female head ¹									
Number (in thousands).....	1,809	332	1,477	353	365	288	202	107	166
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	25.5	29.7	24.5	34.7	30.6	19.8	22.1	13.6	8.4
\$1,000 to \$1,499.....	17.3	32.7	13.8	21.3	15.6	12.5	7.4	10.7	6.6
\$1,500 to \$1,999.....	20.8	33.3	18.0	28.7	20.2	12.9	11.3	11.7	12.0
\$2,000 to \$2,499.....	14.5	3.6	16.9	13.1	21.6	19.2	15.2	11.7	16.3
\$2,500 to \$2,999.....	7.5	.3	9.1	.9	6.8	17.8	14.2	10.7	9.0
\$3,000 to \$3,499.....	6.4	.3	7.7	1.1	2.5	12.5	15.2	10.7	13.9
\$3,500 to \$3,999.....	4.3	0	5.3	.3	1.9	3.8	9.8	12.6	15.7
\$4,000 to \$4,999.....	3.2	0	3.9	0	.8	1.0	2.9	16.5	16.3
\$5,000 and over.....	.6	0	.7	0	0	.3	2.0	1.9	1.8
Nonpoor families with female head									
Number (in thousands).....	3,361	1,879	1,480	695	459	180	92	29	25
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000.....	0	0	0	0	0	0	0	0	0
\$1,000 to \$1,499.....	(?)	.1	0	0	0	0	0	0	0
\$1,500 to \$1,999.....	.5	.7	.2	.3	0	0	0	0	0
\$2,000 to \$2,499.....	4.3	6.0	2.1	4.5	0	0	0	0	0
\$2,500 to \$2,999.....	5.7	6.4	4.9	6.8	5.7	0	0	0	0
\$3,000 to \$3,499.....	7.0	5.6	8.8	10.5	10.4	5.6	0	0	0
\$3,500 to \$3,999.....	7.4	6.6	8.3	8.4	8.7	10.0	(?)	(?)	0
\$4,000 to \$4,999.....	16.4	12.7	21.1	19.4	23.0	22.2	(?)	(?)	(?)
\$5,000 to \$5,999.....	12.9	11.5	14.7	13.9	13.9	20.0	(?)	(?)	(?)
\$6,000 to \$6,999.....	12.0	12.3	11.5	10.8	10.0	10.0	(?)	(?)	(?)
\$7,000 to \$7,999.....	8.1	7.8	8.5	6.8	10.7	9.4	(?)	(?)	(?)
\$8,000 to \$8,999.....	5.5	5.9	5.1	4.6	3.3	8.9	(?)	(?)	(?)
\$9,000 to \$9,999.....	5.7	6.1	5.1	5.9	4.6	3.9	(?)	(?)	(?)
\$10,000 to \$11,999.....	6.8	8.9	4.2	3.6	5.4	2.2	(?)	(?)	(?)
\$12,000 to \$14,999.....	4.3	5.3	2.9	2.3	2.2	5.0	(?)	(?)	(?)
\$15,000 to \$19,999.....	3.1	3.8	2.2	1.9	2.0	2.2	(?)	(?)	(?)
\$25,000 and over.....	.4	.4	.4	.3	.2	.6	(?)	(?)	(?)

¹ Families with 1966 income below SSA poverty level.

² Less than 0.05 percent.

³ Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

OLD AGE INCOME ASSURANCE—PART II

TABLE 11.—1966 INCOME OF FAMILIES: NUMBER AND MEDIAN INCOME OF FAMILIES BY NUMBER OF CHILDREN UNDER AGE 18 AND SEX AND RACE OF HEAD

Type of family	Total families	With no children	With children						
			Total	1 child	2 children	3 children	4 children	5 children	6 or more
Number (in thousands)									
All families.....	48,923	20,327	28,598	9,082	8,492	5,416	2,922	1,397	1,287
With male head.....	43,751	18,116	25,638	8,034	7,666	4,949	2,629	1,261	1,095
White.....	40,007	16,824	23,183	7,338	7,114	4,533	2,321	1,062	815
Nonwhite.....	3,744	1,292	2,455	696	552	416	308	199	280
With female head.....	5,172	2,211	2,960	1,048	826	467	293	136	192
White.....	4,010	1,936	2,075	827	607	332	177	61	70
Nonwhite.....	1,162	275	885	221	219	135	116	75	122
Poor families ¹	6,086	2,206	3,880	844	869	695	544	390	541
With male head.....	4,276	1,874	2,403	492	503	405	343	283	376
White.....	3,264	1,607	1,657	373	373	277	236	176	223
Nonwhite.....	1,012	267	746	119	130	128	107	107	153
With female head.....	1,809	332	1,477	353	365	288	202	107	166
White.....	1,110	258	852	244	226	184	101	42	58
Nonwhite.....	699	74	625	109	139	104	101	65	108
Nonpoor families.....	42,835	18,121	24,710	8,239	7,620	4,723	2,379	1,008	744
With male head.....	39,474	16,242	23,230	7,542	7,161	4,542	2,289	979	719
White.....	36,742	15,217	21,522	6,965	6,740	4,254	2,088	887	592
Nonwhite.....	2,732	1,025	1,708	577	421	288	201	92	127
With female head.....	3,361	1,897	1,480	695	459	180	92	29	25
White.....	2,899	1,678	1,221	583	380	148	77	19	12
Nonwhite.....	462	201	259	112	79	32	15	10	13
Median income									
All families.....	\$7,436	\$6,740	\$7,803	\$7,776	\$7,945	\$8,108	\$7,750	\$7,467	\$6,014
With male head.....	7,816	6,975	8,238	8,234	8,350	7,842	8,208	7,926	6,605
White.....	8,012	7,156	8,484	8,426	8,525	8,693	8,561	8,500	7,144
Nonwhite.....	5,370	4,724	5,693	5,881	6,200	5,977	5,563	4,922	4,781
With female head.....	4,012	5,275	3,320	3,640	3,355	2,980	3,065	3,250	3,174
White.....	4,466	5,510	3,710	3,995	3,818	3,140	3,538	(²)	(²)
Nonwhite.....	2,825	3,488	2,635	2,417	2,324	2,736	2,633	(²)	3,100
Poor families ¹	1,784	1,461	2,257	1,533	1,976	2,445	3,005	3,338	3,283
With male head.....	1,826	1,491	2,578	1,663	2,307	2,727	3,308	3,590	3,440
White.....	1,764	1,506	2,554	1,623	2,348	2,723	3,400	3,868	3,733
Nonwhite.....	2,160	1,401	2,629	1,777	2,174	2,694	3,190	3,234	3,164
With female head.....	1,673	1,310	1,823	1,360	1,595	2,123	2,306	2,614	2,867
White.....	1,587	1,264	1,747	1,413	1,635	2,041	2,161	(²)	(²)
Nonwhite.....	1,835	(²)	1,954	1,284	1,493	2,306	2,397	(²)	2,750
Nonpoor families.....	8,122	7,441	8,524	8,269	8,486	8,782	8,760	9,017	8,214
With male head.....	8,342	7,645	8,719	8,567	8,689	8,906	8,864	9,068	8,271
White.....	8,471	7,774	8,837	8,687	8,778	8,986	9,058	9,268	8,558
Nonwhite.....	6,832	5,838	7,221	7,038	7,053	7,706	7,204	(²)	7,339
With female head.....	5,680	6,043	5,317	5,010	5,156	5,611	(²)	(²)	(²)
White.....	5,813	6,171	5,393	5,062	5,302	5,778	(²)	(²)	(²)
Nonwhite.....	5,041	4,982	5,051	4,867	(²)	(²)	(²)	(²)	(²)

¹ Families with 1966 income below SSA poverty level.

² Not shown for base less than 100,000.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

WOMEN IN POVERTY

Among the poor, women outnumbered the men, 8 to 5. In the age group 65 or older, there were nearly two women living in poverty for every man. Aged women living alone were particularly ill-favored, with more than 3 out of 5 purchasing their privacy only at the price of poverty, but whatever their age or family status the woman was poorer than the man. Those who had to double as family head and homemaker were $3\frac{1}{2}$ times as likely to be poor as men heading a family, and they were even more disadvantaged if they had children under age 6 to look after.

Of the 5.8 million women heading a family, 35 percent were counted poor, and 2 out of 3 of those heading a family with children under age 6 were raising their youngsters on incomes too low to provide for them properly. Because their home responsibilities were greater than in nonpoor families, women in poor families would find it more difficult to hold down a full-time job and some could take no job at all. The woman in a poor family—whether wife or family head—had more children and younger children to care for. It is not surprising then to find that among poor families with a husband present, only 1 in 6 out of the wives was in the paid labor force, but that in nonpoor families, 2 in 5 were either working or looking for work.

Poor families generally were larger than those better off, mainly because they included more children, not because they had more adults. And every disadvantage of the poor family was greater if the head was a woman. As one instance, in the women's families just about one-fifth of all family members were preschoolers under age 6, and 6 out of 10 members were not yet aged 18. In families of men in poverty, one-half the members were not yet aged 18, and about one-sixth were not yet 6 years of age (table 2).

The role of social security and other public programs in ameliorating poverty, but yet in another sense perpetuating it, is quite evident in the situation of families headed by a woman. Because a woman responsible for a family cannot work as readily as a man, and will earn less when she does, the families of women are generally much poorer than men's families. But by age 65 when most men heading a family are not working regularly either, the economic gap between the man's and woman's family lessens. With a head under age 55, a woman's family is nearly six times as likely to be poor as a man's; between age 55 and 64, the woman's family is $2\frac{1}{2}$ times as likely to be poor as the man's; at age 65 or older, the risk of poverty for a woman's family is about the same as for a man's and, if both are not working at all, the risk for the woman's family is about one-fourth less than the man's (table 12).

OLD AGE INCOME ASSURANCE—PART II

TABLE 12.—INCIDENCE OF POVERTY AMONG FAMILIES IN 1966 BY WORK EXPERIENCE AND SEX OF HEAD

Work experience of head in 1966	All families			With male head			With female head					
	Total	Head under age 55	Head aged 55-64	Total	Under age 55	Aged 55-64	Total	Under age 55	Aged 55-64			
	65 or over	All families (in thousands)			All families (in thousands)			All families (in thousands)				
Total 1.....	48,922	34,304	7,689	6,929	43,750	31,043	6,900	5,806	5,171	3,260	790	1,122
Didn't work.....	6,993	1,458	966	4,459	4,743	536	691	3,516	2,149	931	275	942
Ill, disabled.....	1,357	357	493	1,065	1,433	276	434	1,701	1,324	80	159	195
Other.....	5,136	1,101	473	3,553	3,310	239	257	2,795	1,825	851	217	747
Worked part year.....	7,805	5,413	1,353	1,053	6,813	4,499	1,158	1,898	1,189	919	185	85
Unemployed.....	2,658	2,313	430	116	2,626	2,117	400	108	232	195	130	6
Other.....	4,947	3,105	923	917	3,989	2,382	768	840	957	724	155	79
Worked all year.....	33,389	26,562	5,370	1,437	31,555	25,173	5,040	1,342	1,834	1,410	330	95
All families (in thousands)												
Total 1.....	6,086	3,748	800	1,538	4,276	2,337	635	1,304	1,810	1,411	166	234
Didn't work.....	2,418	855	353	1,209	1,465	212	256	997	953	643	98	212
Ill, disabled.....	719	171	207	340	575	120	172	282	144	50	35	59
Other.....	1,699	684	146	869	890	92	84	715	809	593	63	153
Worked part year.....	1,653	1,243	221	189	1,132	777	180	175	521	466	41	14
Unemployed.....	573	467	76	31	471	372	69	29	102	93	7	1
Other.....	1,080	776	145	158	661	405	111	146	419	373	34	13
Worked all year.....	1,943	1,577	226	140	1,606	1,275	199	132	337	302	27	8
Poor families (in thousands)												
Total 1.....	12.4	10.9	10.4	22.2	9.8	7.5	9.2	22.5	35.0	43.3	21.0	20.9
Didn't work.....	35.1	53.2	36.5	27.1	30.9	39.6	37.0	28.4	44.3	69.1	35.6	22.8
Ill, disabled.....	40.9	47.9	42.0	37.5	40.1	43.5	39.6	39.1	44.4	62.5	60.3	31.9
Other.....	33.1	61.6	30.9	24.5	26.9	35.5	32.7	25.6	44.3	69.7	29.0	20.2
Worked part year.....	21.2	22.9	16.3	18.3	17.1	17.3	15.4	18.5	43.8	50.7	22.2	16.5
Unemployed.....	20.0	20.2	17.7	26.7	17.9	17.6	17.3	26.9	44.0	47.7	23.3	16.7
Other.....	21.8	25.0	15.7	17.2	16.6	17.0	14.5	17.4	41.5	51.5	21.9	16.5
Worked all year.....	5.8	5.9	4.2	9.7	5.1	5.1	3.9	9.8	18.4	21.4	8.2	8.4

1 Includes heads in Armed Forces in March 1967, not shown separately, work experience in 1966 not asked for such heads. Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

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It is evident, however, that this lessening of the poverty gap between households of men and those of women occurs because what comes as a deterioration in financial situation for men as they grow older can, where families of women are concerned, often be an improvement. As table 11 indicates, the rate at which poverty strikes families increases with age of the head for the man—as his earnings decline or cease altogether, to be replaced by public programs which are only a partial substitute. By contrast, among families headed by a woman—who as a rule is less likely to work than a man and will earn less when she does—advancing age can mean counting on a regular income not possible before, or as will be seen later, shifting from a means-test limited public program such as public assistance to one more generous in its payment schedule, such as social security.

In the case of families with a head not yet age 65, just about every other one headed by a woman had to rely on a public program for at least partial support, but this was true for only 1 in 6 families headed by a young man. On the other hand with a head past age 65, about 6 in 7 families were relying on public programs, irrespective of whether the head was a man or a woman.

AGE AND POVERTY

In 1966, persons age 65 or older accounted for 18 percent of the 29.7 million persons counted poor, though they made up only 7 percent of the nonpoor population. This reflected the fact that, among persons age 65 or older, nearly 1 in 3 was in a household with income below the poverty line compared with only 1 in 7 persons under 65.

The heavy poverty burden of the aged results from several factors. Compared with those younger the aged have a preponderance of women, particularly women living alone. Women at all ages are likely to be poorer than men, and persons living alone are more often poorer than those who are part of a family group. Fewer of the aged are in the labor force than is true for the rest of the adult population, and in our society those who do not or cannot work will almost always be poorer than those who do.

The living arrangements of the 17.9 million men and women aged 65 or older in March 1967, when income data for the year 1966 were collected, are shown in table 13. Of those in households with not enough income to come up to the poverty standard, almost two-thirds were women, but only half of the aged in nonpoor households. Moreover, of the women in the nonpoor units, 2 in 5 were living as the wife of a family head; of the aged women in poverty only 1 in 4 was sharing the income of a husband. For those aged living in another's household rather than in their own, it was usually a younger relative, and a nonpoor one at that, with whom they were sharing.

Three out of four of the "other relatives" did not have enough money to live by themselves except in poverty, but most of these were living with a family group that did have sufficient income for the entire household to be labeled nonpoor.

Half of all the aged poor were living by themselves, the majority of them women, reflecting how little income this group has. But the status also reflected the fact that more and more people, including

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TABLE 13.—LIVING ARRANGEMENTS OF AGED NONINSTITUTIONAL POPULATION IN MARCH 1967, BY SEX AND POVERTY STATUS IN 1966

Family status	Incidence of poverty	Number (in millions)			Percentage distribution		
		Total	In poor households ¹	In nonpoor households	Total	In poor households ¹	In nonpoor households
Persons aged 65 or over.....	29.9	17,937	5,372	12,565	100.0	100.0	100.0
Living alone ²	55.3	4,878	2,697	2,181	27.2	50.2	17.4
Living in family units.....	20.5	13,059	2,675	10,384	72.8	49.8	82.6
Head.....	22.2	6,929	1,538	5,391	38.6	28.6	42.9
Wife of head.....	23.5	3,548	835	2,713	19.8	15.5	21.6
Other relative.....	11.7	2,582	302	2,280	14.4	5.6	18.1
Poor by own income ³	14.5	2,007	292	1,715	11.2	5.4	13.6
Not poor by own income.....	1.7	575	10	565	3.2	.2	4.5
Men.....	24.9	7,784	1,934	5,849	43.4	36.0	46.5
Living alone ²	44.0	1,285	565	720	7.2	10.5	5.7
Living in family units.....	21.1	6,499	1,369	5,129	36.2	25.5	40.8
Head.....	22.5	5,806	1,304	4,502	32.4	24.3	35.8
Other relative of head aged 65 or over.....	14.3	154	22	131	.9	.4	1.0
Other relative of head under age 65.....	8.0	539	43	496	3.0	.8	3.9
Women.....	33.9	10,152	3,437	6,715	56.6	64.0	53.4
Living alone ²	59.3	3,593	2,132	1,461	20.0	39.7	11.6
Living in family units.....	19.9	6,559	1,305	5,254	36.6	24.3	41.8
Head.....	20.9	1,122	234	888	6.3	4.4	7.1
Wife, husband aged 65 or over.....	24.3	3,289	800	2,488	18.3	14.9	19.8
Wife, husband under age 65.....	13.5	259	35	225	1.4	.7	1.8
Other relative of head aged 65 or over.....	21.6	435	94	340	2.4	1.7	2.7
Other relative of head under age 65.....	9.8	1,454	142	1,313	8.1	2.6	10.4
In household with head aged 65 or over.....	32.8	15,684	5,150	10,530	87.4	95.9	83.8
Male head.....	25.6	10,668	2,731	7,936	59.5	50.8	63.2
Female head.....	48.2	5,016	2,419	2,594	27.9	45.0	20.6
In household with head under age 65.....	9.8	2,248	220	2,034	12.6	4.1	16.2
Male head.....	7.2	1,826	132	1,699	10.2	2.5	13.5
Female head.....	20.9	422	88	335	2.4	1.6	2.7

¹ Income in 1966 of person living alone or of family unit below the SSA poverty index.

² Or with nonrelatives only.

³ Income in 1966 below \$1,565.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

women, are enabled to continue maintaining a household in their old age because they now can count on some regular income, even if only an inadequate one.

In 1959, 97 percent of the men aged 65 or older and 75 percent of the women had some money of their own. By 1966 the proportion reporting some income was 99 percent for men and 83 percent for women. Over the same period the number of aged living by themselves (or with nonrelatives only) increased from 24 percent[†] to 27 percent.

Today, a majority of the aged live alone or with just one other person. In 1966, 2 out of 5 households consisting of one aged person or an elderly couple fell below the poverty line, compared with but 1 in 7 of all other households. Families headed by aged persons generally have lower incomes than younger households of the same size because they are less likely to include a steady earner, and because

[†] Based on revised figures issued Jan. 25, 1967. See U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 159.

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the public programs that help many of the aged almost always pay less than the earnings they are intended to replace.

On the average, aged couples or persons living alone must get along on less than half the money income available to a young couple or single person²—a difference greater than any possible differential in living requirements. The fact that for a variety of reasons, more and more aged persons are spending their last years living by themselves or just with a spouse rather than as part of a larger family group emphasizes the significance of the income disadvantage of such elderly households. Between 1959 and 1966 the number of nonaged one-person households rose by only 6 percent, but the number of elderly men and women living alone—or with nonrelatives only—was a third greater in 1966 than in 1959. In parallel fashion, with youngsters marrying and starting their families at an earlier age than they formerly did, the number of childless couples under age 65 rose by only 2 percent in this 7-year period, whereas the number of aged couples increased by a fifth. There are thus relatively more elderly persons who must manage by themselves on their own meager resources.

The fact that aged men and women are less likely to work regularly than younger persons and that they earn less when they do work is the main reason why poverty is so much more prevalent among the aged. As a case in point, fewer than a fourth of all men 65 or older and heading a family in 1966 worked throughout the year compared with five-sixths of those under 55. Indeed, of the family men under 55, even among the poor, nearly 3 in 5 worked all year but only 1 in 10 of the aged heads of poor families did so. As a result, whether poor or nonpoor, male heads under 55 were able by their earnings to provide at least 70 percent of the family's total money income. Among the aged families the man's earnings represented less than 30 percent of total income among the nonpoor, and only 6 percent among the poor (table 14).

When families are matched by work experience and by sex of the head, aged families are not so much worse off than others. As seen in table 11, the poverty rate for families of all aged men is nearly triple that of younger ones, but when the family head works the year round the rate of poverty among the aged is only twice that of the others. And, indeed, when the family head does not work at all, the average aged family will do better than a corresponding younger one because social security and other public support programs are more readily available to older people. Among the families headed by men who did not work at all in 1966, 28 percent of the aged were in poverty, compared with 37 percent when the head was aged 55-64 and 40 percent if he was under age 55.

THE WORKING POOR

In our society it is a truism at all ages that work is the key to economic security. Yet, though a job is usually necessary if one is to keep out of poverty, having one does not guarantee it.

With all the interest in more jobs for the poor, the statistics reveal that for many it is not more jobs that are needed but better ones. In

² Derived from unpublished special tabulations of March 1965 for the Social Security Administration of the Current Population Survey.

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TABLE 14.—WORK EXPERIENCE OF FAMILY HEAD AND PROPORTION OF FAMILY INCOME DERIVED FROM HEAD'S EARNINGS, BY SEX, AGE, AND POVERTY STATUS IN 1966

Family poverty status and work experience of head	All families	With male head				With female head			
		All ages	Under 55	55 to 64	65 or over	All ages	Under 55	55 to 64	65 or over
Percentage distribution by work experience ¹									
All heads.....	100	100	100	100	100	100	100	100	100
Worked in 1966.....	86	89	98	90	39	58	71	65	16
50 to 52 weeks.....	69	74	83	73	23	35	43	42	8
1 to 49 weeks.....	16	15	15	17	16	23	28	23	8
Seeking work.....	6	5	7	6	2	5	6	4	1
Did not work in 1966.....	14	11	2	10	61	42	29	35	84
Ill or disabled.....	4	3	1	6	12	6	3	7	17
Poor families.....	100	100	100	100	100	100	100	100	100
Worked in 1966.....	60	65	91	60	23	47	54	41	9
50 to 52 weeks.....	32	38	56	31	10	19	21	16	3
1 to 49 weeks.....	28	27	34	28	13	29	33	25	6
Seeking work.....	10	11	16	11	2	6	7	4	(²)
Did not work in 1966.....	40	35	9	40	77	53	46	59	91
Ill or disabled.....	12	14	5	16	22	8	4	21	25
Nonpoor families.....	100	100	100	100	100	100	100	100	100
Worked in 1966.....	89	91	99	93	44	64	84	72	18
50 to 52 weeks.....	75	77	86	77	27	44	60	49	10
1 to 49 weeks.....	15	14	13	16	17	20	24	23	8
Seeking work.....	5	6	6	5	2	4	5	4	1
Did not work in 1966.....	11	9	1	7	56	36	16	28	82
Ill or disabled.....	3	2	1	4	10	5	2	4	14
Earnings of head as percent of total family income									
All heads.....	69	72	77	68	27	35	49	31	5
Poor families.....	45	52	71	33	6	26	30	16	1
Nonpoor families.....	70	72	77	68	29	36	53	32	5
Heads worked in 1966.....	76	77	79	71	52	55	61	44	28
40 to 52 weeks.....	77	78	80	73	57	60	65	47	33
1 to 39 weeks.....	54	57	66	54	33	35	42	23	(²)
Poor families.....	45	52	71	33	6	26	30	16	1
Nonpoor families.....	76	77	79	72	53	55	62	45	28

¹ Excludes heads in Armed Forces in March 1967; work experience not asked for such heads.

² Less than 0.5 percent.

³ Includes heads in Armed Forces in March 1966.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1967.

1966, 1 in 4 of all poor families was headed by a man who had worked throughout the year. The families of these workingmen included 8 million persons, or one-third of all the poor who were not keeping house by themselves. To put it more directly, of 3 million poor families headed by a man under age 65—leaving out families headed by an aged person or by a woman, persons who might have difficulty getting any work at all—half were “fully employed” in terms of time spent on the job. Seven out of 10 of these men were white and so presumably not subjected to discrimination in the hiring hall. Though a number of these men had large families, many had earnings so low they would have been poor with only two or three children to support. Overall,

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there was an average of 2.8 children under age 18 per family. Indeed, in 1965—the latest year for which such details are available—of the men under age 65 heading a family in poverty despite their “full employment,” three-fifths had no more than three children to support.⁹

For many of the poor, particularly in households headed by women, it was the inability of the family breadwinner to find a job or keep one that accounted for their plight. When the family head did not work at all in 1966, 1 out of 3 families was counted poor, compared with only 1 in 17 when the family head was on a job every week in the year. But 9½ million persons were poor though they were in the family of a breadwinner who did have a job throughout 1966. To be sure, many families were poor because the head was unemployed during some part of the year. Families in poverty included 1 out of 4 of all those with the head looking for a job in March 1967, and 1 out of 5 of those whose family head had lost some weeks' pay in 1966 because of unemployment. Among men who were family heads and in the labor force in 1966, one-sixth of the poor had been out of work and actively seeking a job sometime during the year—an unemployment rate nearly three times that for the heads of nonpoor families. In families headed by women, the unemployment rate reported by the poor was about 12 percent, or twice that in nonpoor families.

All told, among poor families headed by men under age 65, 5 out of 6 of the heads worked some time in 1966, and the majority of those who didn't were disabled.

As one would expect, the kind of job held was intimately related to the risk of poverty. The most poverty-prone calling for men was farming or unskilled labor; for women workers it was domestic service. Indeed, among women family heads employed as household workers in March 1967, nearly 3 in 5 reported family income for 1966 below the poverty line (table 6). Most of these women were nonwhite. Some women who go out to work achieve a gracious standard of living for their own family, but the families of some of the women who keep house for them are likely to remain on a substandard one.

THE POVERTY GAP IN 1965

The latest statistics on the aggregate dollar amount by which poor households fell short of their estimated income need are for 1965 when the total poverty roster numbered 31.9 million persons of whom 14 million were under age 18 and 5.3 million were at least 65. At that time the SSA poverty income standards were about 4 percent lower than in 1966—to conform to the change in the estimated cost per capita of the U.S. Department of Agriculture economy food plan which serves as the core of the SSA poverty index. For example, the 1965 minimum requirements (shown in table 15) for an elderly couple not on a farm average \$1,895 as against \$1,975 for 1966 (shown in table 1). In like fashion the low-income criteria for 1965 were 5 percent lower than in 1966.

In 1965 the total dollar poverty gap—the aggregate difference between required and actual income—stood at \$11 billion. This figure rep-

⁹ Cf. “Economic Report of the President,” January 1967, op. cit.

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TABLE 15.—WEIGHTED AVERAGE OF POVERTY AND LOW-INCOME CRITERIA¹ FOR FAMILIES OF DIFFERENT COMPOSITION BY HOUSEHOLD SIZE, SEX OF HEAD, AND FARM OR NONFARM RESIDENCE, MARCH 1966

Number of family members	Nonfarm			Farm		
	Total	Male head	Female head	Total	Male head	Female head
Weighted average of incomes at poverty level						
1 member.....	\$1,570	\$1,635	\$1,530	\$1,110	\$1,145	\$1,070
Head under age 65.....	1,615	1,685	1,560	1,140	1,180	1,090
Head aged 65 or over.....	1,500	1,515	1,495	1,055	1,060	1,045
2 members.....	2,030	2,040	1,975	1,415	1,420	1,365
Head under age 65.....	2,100	2,110	2,025	1,475	1,480	1,410
Head aged 65 or over.....	1,890	1,895	1,880	1,325	1,325	1,325
3 members.....	2,495	2,505	2,405	1,740	1,745	1,660
4 members.....	3,200	3,200	3,180	2,250	2,255	2,205
5 members.....	3,765	3,770	3,730	2,640	2,640	2,640
6 members.....	4,235	4,235	4,220	2,970	2,970	3,055
7 or more members.....	5,205	5,215	5,090	3,630	3,635	3,560
Weighted average of incomes at low-income level						
1 member.....	\$1,890	\$1,980	\$1,840	\$1,340	\$1,385	\$1,290
Head under age 65.....	1,950	2,040	1,880	1,380	1,425	1,315
Head aged 65 or over.....	1,805	1,835	1,790	1,265	1,285	1,255
2 members.....	2,725	2,745	2,610	1,905	1,910	1,800
Head under age 65.....	2,810	2,835	2,665	1,980	1,985	1,860
Head aged 65 or over.....	2,545	2,550	2,500	1,785	1,785	1,760
3 members.....	3,265	3,275	3,175	2,280	2,285	2,210
4 members.....	4,145	4,150	4,050	2,920	2,920	2,825
5 members.....	4,835	4,845	4,730	3,395	3,395	3,370
6 members.....	5,440	5,445	5,345	3,820	3,820	3,860
7 or more members.....	6,615	6,630	6,455	4,610	4,615	4,515

¹ Required income in 1965 according to Social Security Administration poverty or low-income index for a family of given size and composition. Family income criteria weighted together in accordance with percentage distribution of total units by number of related children and sex of head, as of Current Population Survey, March 1966.

Note: For detailed description of the Social Security Administration measures of poverty and low income and their rationale, see the Social Security Bulletin for January 1965 (pp. 5-11) and July 1965 (pp. 3-10).

resented an overall reduction of 20 percent since 1959, but now one-fifth of the gap represented unmet needs of families with children and headed by a woman, compared with one-sixth then. In contrast, the share of the total gap accounted for by families with children and a man at the head dropped from 37 percent in 1959 to 34 percent in 1965. A fourth of the aggregate shortfall—\$4 billion—quantified the unmet income needs of the 4 million aged households in poverty.

It must be remembered that aggregate deficits as computed represent a needs-resources gap still remaining after payments of public assistance, OASDHI benefits, and any other public programs aiming to help families with insufficient income of their own. Many receive no such help. It has been estimated that only about a fourth of all persons counted poor receive any public assistance and the proportion of poor households receiving help is even less. In 1965 only a sixth of all households with income for the year below the poverty line had received any public assistance payment.

Because, as a rule, women's families have fewer persons than men's families, the income needed for the women's families to stay above poverty is lower. But even allowing for this lesser need the families headed by women had incomes proportionately less in relation to their estimated requirements than was true of men's families.

For example, the median income deficit for poor families with a head under 65 and with some children—that is, the difference between

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TABLE 16.—THE POVERTY GAP, 1959 AND 1965: TOTAL DIFFERENCE BETWEEN ACTUAL AND REQUIRED INCOME OF ALL HOUSEHOLDS BELOW THE POVERTY LEVEL

Type of household	Poor households				Dollar deficit			
	Number (in millions)		Percentage distribution		Amount (in billions)		Percentage distribution	
	1959	1965	1959	1965	1959	1965	1959	1965
Total.....	13.4	11.2	100.0	100.0	\$13.7	\$11.0	100.0	100.0
Unrelated individuals.....	5.1	4.8	38.0	42.5	4.0	3.4	29.2	30.5
Men.....	1.6	1.3	11.7	11.4	1.2	.9	8.8	8.3
Women.....	3.5	3.5	26.3	31.1	2.8	2.5	20.4	22.2
Families.....	8.3	6.4	62.0	57.5	9.7	7.7	70.8	69.5
No children under age 18.....	2.9	2.2	22.2	19.7	2.3	1.7	16.8	15.3
Some children under age 18.....	5.4	4.2	39.8	37.8	7.4	6.0	54.0	54.2
With male head.....	6.3	4.6	47.6	40.7	7.0	5.1	51.1	46.3
No children under age 18.....	2.5	1.8	19.1	16.1	2.0	1.4	14.6	12.5
Some children under age 18.....	3.8	2.8	28.5	24.6	5.0	3.8	36.5	33.8
With female head.....	2.0	1.9	14.4	16.8	2.7	2.6	19.7	23.2
No children under age 18.....	.4	.4	3.1	3.6	.3	.3	2.2	2.8
Some children under age 18.....	1.6	1.5	11.3	13.2	2.4	2.3	17.5	20.4
Race:								
White.....	10.4	8.5	77.5	75.0	9.8	7.9	71.5	71.3
Unrelated individuals.....	4.2	3.9	31.2	35.1	3.2	2.8	23.3	24.9
Families.....	6.2	4.6	46.3	40.9	6.6	5.2	48.2	46.4
Nonwhite.....	3.0	2.7	22.6	24.0	3.9	3.2	28.5	28.7
Unrelated individuals.....	.9	.8	6.9	7.4	.8	.6	5.8	5.6
Families.....	2.1	1.9	15.7	16.6	3.1	2.6	22.7	23.1
Age of head:								
Under 25.....	1.1	1.1	8.4	9.6	1.2	1.2	8.7	11.2
Unrelated individuals.....	.5	.5	3.9	4.4	.5	.5	3.6	4.9
Families.....	.6	.6	4.5	5.2	.7	.7	5.1	6.3
25 to 64.....	7.9	6.0	58.9	53.7	9.2	7.3	67.2	65.7
Unrelated individuals.....	2.1	1.7	15.6	14.7	1.8	1.4	13.1	12.3
Families.....	5.8	4.4	43.3	39.0	7.4	5.9	54.1	53.4
65 and over.....	4.4	4.1	32.7	35.7	3.3	2.6	24.1	23.2
Unrelated individuals.....	2.5	2.6	18.5	23.4	1.7	1.5	12.4	13.5
Families.....	1.9	1.5	14.2	13.3	1.6	1.1	11.7	9.7

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1960 and 1966.

the family's actual money income and the minimum amount appropriate for a household of that size and composition—was \$1,140 for the families headed by a man and \$1,430 where the head was a woman. As a parallel to the fact that the larger the family the more likely it was to be poor, it was also true that irrespective of the sex of the head, the more children in the poor family the greater the dollar gap between the income it had to live on and what it should have had. Among families with an aged head, those headed by a woman had a median difference of \$850 between the income they had and what they should have had, and those headed by a man, a median deficit of \$830 (table 17).

PUBLIC INCOME-SUPPORT AND POVERTY

The Economic Opportunity Act authorized a number of new mechanisms to combat poverty, for the most part aimed at increasing earning power. The main task of providing income to those out of the labor force still remains, as before, the function of income-maintenance programs already in operation for a number of years. Among the most prominent are social security, public assistance, veterans' pensions and compensation, unemployment insurance, workmen's compensation, and retirement pensions for Government employees. In the main, these programs make payments only when earnings are interrupted or stopped altogether, and almost always the payments are less than the earnings for which they must substitute.

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TABLE 17.—INCOME DEFICIT OF HOUSEHOLDS: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS POOR IN 1965 BY INCOME DEFICIT, BY AGE AND SEX OF HEAD AND PRESENCE OF CHILDREN UNDER AGE 18

Income deficit ¹	Unrelated individuals		Families		
	Aged 65 or over	Under age 65	Aged 65 or over	Under age 65	
				Without children	With children
All households					
Number poor (in thousands).....	2,623	2,140	1,497	981	3,974
Total percent.....	100.0	100.0	100.0	100.0	100.0
\$1 to \$249.....	19.9	14.4	26.2	14.2	11.9
\$250 to \$499.....	27.0	15.3	19.5	16.2	9.2
\$500 to \$749.....	27.3	17.9	18.6	14.7	9.5
\$750 to \$999.....	15.6	11.6	13.6	13.6	9.4
\$1,000 to \$1,249.....	3.9	10.9	6.9	13.7	10.6
\$1,250 to \$1,499.....	5.8	8.6	5.2	8.3	8.2
\$1,500 to \$1,749.....	.5	21.3	3.3	5.5	6.9
\$1,750 to \$1,999.....			2.1	5.2	6.6
\$2,000 to \$2,499.....			2.8	4.7	12.3
\$2,500 to \$2,999.....			.9	.5	5.9
\$3,000 or more.....			.9	3.4	9.5
Median deficit.....	\$530	\$800	\$560	\$830	\$1,240
With male head					
Number poor (in thousands).....	575	704	1,168	805	2,593
Total percent.....	100.0	100.0	100.0	100.0	100.0
\$1 to \$249.....	25.5	16.7	27.7	13.9	13.9
\$250 to \$499.....	22.3	16.1	19.8	16.3	10.4
\$500 to \$749.....	29.1	16.4	18.4	15.3	9.7
\$750 to \$999.....	14.1	9.2	13.4	12.9	9.5
\$1,000 to \$1,249.....	5.7	12.4	6.3	13.2	11.1
\$1,250 to \$1,499.....	.9	6.8	4.8	8.4	7.2
\$1,500 to \$1,749.....	2.4	22.4	3.0	6.1	6.5
\$1,750 to \$1,999.....			2.3	4.7	5.9
\$2,000 to \$2,499.....			2.5	4.7	10.9
\$2,500 to \$2,999.....			.9	.6	5.8
\$3,000 or more.....			.9	3.9	9.1
Median deficit.....	\$520	\$780	\$540	\$830	\$1,140
With female head					
Number poor (in thousands).....	2,048	1,436	329	176	1,381
Total percent.....	100.0	100.0	100.0	100.0	100.0
\$1 to \$249.....	18.3	13.4	21.2	15.5	7.9
\$250 to \$499.....	28.2	15.0	18.5	16.1	7.0
\$500 to \$749.....	26.9	18.7	19.2	12.1	9.1
\$750 to \$999.....	16.1	12.7	14.3	16.6	9.3
\$1,000 to \$1,249.....	3.3	10.2	8.8	16.1	9.6
\$1,250 to \$1,499.....	7.2	9.5	6.7	7.5	10.1
\$1,500 to \$1,749.....		20.5	4.3	2.9	7.7
\$1,750 to \$1,999.....			1.2	7.5	8.0
\$2,000 to \$2,499.....			4.0	4.5	14.7
\$2,500 to \$2,999.....			.9		6.2
\$3,000 or more.....			.9	1.2	10.4
Median deficit.....	\$530	\$810	\$630	\$850	\$1,430

¹ Difference between actual income and required income according to the SSA poverty index.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

Information on the amount of payments under these separate programs and the persons to whom they go are available on a regular basis in the operating statistics of the various administering agencies, but it is only infrequently and through special studies that it is possible to learn much about other resources of recipients and to determine how the individual programs complement each other. For the year 1965, such an opportunity is provided in the data collected by the Bureau of the Census in the Current Population Survey for 1966.

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From this source, information for 1965 is available separately on the amount of family income received from OASDHI benefits or public assistance payments and on the amount from all other public programs as a group. The data have obvious limitations. In the brief interview, one cannot always be sure that the respondent identifies accurately the particular programs of which he or some other household member is a beneficiary. Moreover, in preparing income statistics, the Bureau of the Census uses a definition of a family—all related persons sharing a household at the time of the interview—that may not jibe with the definition of recipient unit used by the agency administering the program.

As a case in point, an elderly husband and wife, both receiving social security benefits, will show up in agency operating statistics as one beneficiary couple if the wife receives her benefits as a secondary claimant on her husband's wage record, but as two retired workers if both husband and wife are entitled to benefits on their own wage record; and a widowed daughter-in-law and grandchild living with the couple while drawing benefits on the wage record of their deceased son will be counted as still another beneficiary family group. Yet in each instance cited the census income data used to determine poverty status will reflect all the income for all the members as part of a single family.

As another example, an elderly woman or a mother-child unit will be considered as a family group and may be eligible to receive public assistance or payments from a veterans' program because their own other resources are very low, yet the relatives whose home they share—as part of a census family group—may be better off financially and not themselves eligible for aid.

It must be remembered also that the family characteristics relate to the situation at time of interview—that is, March 1966—while the income data refer only to receipts in the calendar year 1965. Changes occurring either in living arrangements or income sources would not be identifiable; we cannot readily determine how many of the persons in the household when income is being ascertained were actually there all through the year before, nor how many others not now there might have been present part of the year either to contribute to or be supported by family funds. Nor indeed do we know for a given source of income how many months or weeks it was actually available. Thus, an aged person or a family group might in March 1966 be part of a family unit reporting a financial situation considerably different in both amount and source of income from what it had been when they were deemed eligible for public assistance—an elderly woman who received old-age assistance when she was living alone but now who lives with her son, for example, or perhaps a family group who were receiving aid to families with dependent children until the mother could arrange to take a job. And, finally, some persons supported in whole or in part by public programs during part of 1965 would not be alive in March 1966, and thus no income report would be available for them.

Data were obtained separately for social security, that is, OASDHI cash payments (including any railroad retirement benefits); public assistance; all other programs—veterans' payments, unemployment insurance, workmens compensation, and government employee pen-

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sions. Analysis of the overlap among the programs is not yet complete. In any case it is not possible if more than one program is mentioned to know whether payments were concurrent or seriatim and, if the latter, in what order they were received.

Within the limitations outlined, it is possible, however, to estimate how many households in 1965 were receiving some income from transfer payments and how many not now counted poor would have been so designated if they had not received such payments. The first findings of an analysis of these data are reported below, as they relate to all households, with special attention to the impact of OASDHI payments on economic status of households headed by an aged person.

Of the 60½ million households in the United States in March 1966—counting as a household an unrelated individual as well as a family of two or more—19.5 million or just under 1 in 3 reported that someone in the household received payment from a public income-maintenance program sometime during 1965. For two-thirds of these households, social security benefits made up at least part of the public income payment. As one would expect, households with an aged head were much more likely to receive support from a public program than households with a head under age 65—6 in 7 of the older households, compared with only 1 in 5 of the younger ones. Even among young families of a woman with children under age 18, only half received any help from a public program, and the program involved was more often public assistance than social security (table 18).

Among the households with payment from public assistance, which makes payments only to those considered in need by the standard of the State in which they live, 81 percent of the recipient households in 1965 had so little income otherwise that they would fall below the poverty line in the absence of any public assistance payments. But the amounts of assistance were so small that even with the payments counted in two-thirds, of all households receiving public assistance were found among the 11.2 million households designated poor in 1965—as the poor are counted in terms of money income including public transfer payments. In other words, of the households poor before receiving any public assistance, 5 out of 6 were still poor after they got it. By contrast, among households with a payment from the social security program, which doesn't limit its payments with a means test, only about half of those poor before they drew their OASDHI checks were still poor afterward: Before OASDHI benefits were added to income, about 6 out of 10 households receiving benefit checks fell below the poverty line; after OASDHI benefits were added to income, only 3 in 10 were still below the poverty line (see table 19).

For reasons already stated, estimates of households receiving transfers who are or were poor are understatements, but this is particularly true in the case of assistance: By definition, public assistance will not be paid unless income from all other sources is below State standards. Some households whose income for the year is above the standard would nevertheless have needed assistance at some point to tide them over until entitlement under other public programs took effect or until income from employment or contribution from other relatives was assured.

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TABLE 18.—POOR AND NONPOOR HOUSEHOLDS RECEIVING PUBLIC INCOME PAYMENTS, BY AGE AND SEX OF HEAD, AND PRESENCE OF CHILDREN UNDER AGE 18

Age and sex of head	Total (in millions)	Percent receiving payments			
		Any payment ¹	Social security	Public assistance	Other
Total poor and nonpoor					
All households.....	60.4	32.3	21.5	4.3	11.2
Under age 65.....	48.8	19.6	8.0	3.6	10.2
Unrelated individuals.....	7.5	17.8	8.3	3.2	8.1
Men.....	3.2	16.7	5.1	3.3	9.7
Women.....	4.3	18.7	10.7	3.2	6.8
Families.....	41.4	19.9	7.9	3.7	10.6
Male head.....	37.5	17.1	6.2	1.9	10.6
Without children.....	12.7	21.0	10.0	1.6	11.4
With children.....	24.8	15.1	4.3	2.1	10.2
Female head.....	3.9	47.4	24.3	20.6	10.3
Without children.....	1.2	43.9	31.7	8.7	10.1
With children.....	2.7	49.0	21.0	25.8	10.4
Aged 65 or over.....	11.6	85.9	78.6	9.9	15.2
Unrelated individuals.....	4.7	84.3	75.5	12.5	11.1
Men.....	1.3	87.0	78.1	11.1	14.9
Women.....	3.4	83.3	74.5	13.0	9.6
Families.....	6.9	86.9	80.7	8.2	18.1
Male head.....	5.8	87.3	82.2	6.0	18.3
Female head.....	1.1	85.0	72.6	19.4	16.8
Total who would be counted poor—if all public payments were excluded from income					
All households.....	15.9	67.5	48.4	14.8	12.2
Under age 65.....	8.3	43.6	19.2	16.2	12.6
Unrelated individuals.....	2.4	37.4	20.9	9.5	11.2
Men.....	1.8	38.6	18.7	12.5	13.1
Women.....	1.6	36.8	21.9	8.1	10.3
Families.....	5.9	46.2	18.5	19.0	13.1
Male head.....	4.0	37.7	15.1	10.4	15.2
Without children.....	1.1	55.6	30.7	10.0	18.3
With children.....	2.9	31.1	9.3	10.6	14.1
Female head.....	1.9	64.2	25.9	37.3	8.7
Without children.....	2	74.1	44.9	25.5	14.4
With children.....	1.7	62.8	23.1	39.0	7.9
Aged 65 or over.....	7.6	93.8	80.4	13.2	11.7
Unrelated individuals.....	3.8	91.1	78.2	15.3	10.2
Men.....	1.0	94.8	81.4	14.0	14.9
Women.....	2.8	89.9	77.1	15.7	8.5
Families.....	3.8	96.3	82.5	11.2	13.1
Male head.....	3.3	97.0	84.5	8.6	12.9
Female head.....	.5	92.5	70.1	27.3	14.7
Total presently counted as poor—including any public payments as income					
All households.....	11.2	53.8	36.8	17.3	7.5
Under age 65.....	7.1	33.7	13.6	16.2	7.8
Unrelated individuals.....	2.1	29.1	16.8	9.0	6.8
Men.....	1.7	32.1	15.6	12.5	8.5
Women.....	1.4	27.6	17.4	7.2	5.9
Families.....	5.0	35.7	12.3	19.4	8.3
Male head.....	3.4	26.2	10.2	9.9	9.2
Without children.....	.8	40.2	23.2	10.8	10.2
With children.....	2.6	21.8	6.1	9.6	8.8
Female head.....	1.6	56.4	16.9	40.0	6.3
Without children.....	1.2	64.2	38.6	24.4	8.5
With children.....	1.4	55.4	14.1	42.0	6.0
Aged 65 or over.....	4.1	88.5	76.6	19.2	6.9
Unrelated individuals.....	2.6	87.3	75.6	19.5	5.0
Men.....	.6	91.0	78.4	20.7	6.1
Women.....	2.0	86.2	74.8	18.7	4.6
Families.....	1.5	90.6	78.4	19.5	10.2
Male head.....	1.2	91.4	82.0	16.5	9.8
Female head.....	.3	87.8	65.7	30.1	11.9

¹ Total smaller than sum of recipients of individual programs because some households received income from more than 1 program.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

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TABLE 19.—POVERTY STATUS OF HOUSEHOLDS RECEIVING INCOME FROM PUBLIC PROGRAMS IN 1965: PERCENT OF ALL RECIPIENTS POOR BEFORE PAYMENTS AND PERCENT POOR AFTER PAYMENTS, BY AGE AND SEX OF HEAD AND PRESENCE OF CHILDREN UNDER AGE 18
 (Numbers in thousands)

Age and sex of head	Total number of households	Households receiving public income payments ¹											
		Any programs		Social security		Public assistance		Programs other than social security or public assistance					
		Total number	Percent poor Before payment	Total number	Percent poor Before payment	Total number	Percent poor Before payment	Total number	Percent poor Before payment	Total number	Percent poor After payment		
All households.....	60,410	19,510	55.2	30.9	12,990	59.3	31.8	2,910	81.2	66.8	6,740	28.7	12.4
Under age 65.....	48,840	9,580	33.0	25.0	3,900	41.1	24.8	1,760	77.1	65.5	4,980	21.1	11.1
Unrelated individuals.....	7,460	1,350	68.1	46.7	620	81.5	58.0	1,250	55.0	79.3	500	45.0	24.1
Men.....	3,290	330	56.3	42.2	160	69.0	67.0	110	91.5	83.0	310	32.6	19.4
Women.....	4,270	800	76.0	49.7	460	78.8	54.7	140	97.8	76.5	290	58.2	29.1
Families.....	41,390	8,250	33.2	21.4	3,280	33.5	18.6	1,510	74.3	63.3	4,380	17.8	9.3
Male head.....	37,320	6,410	23.7	13.9	2,340	25.9	14.8	1,720	53.3	46.7	3,980	15.4	7.8
Without children.....	12,740	2,670	22.5	12.1	1,280	26.0	14.6	200	57.4	47.1	1,450	13.7	5.7
With children.....	24,780	3,740	24.5	15.1	1,060	25.8	14.9	520	67.6	43.5	2,530	16.4	9.0
Female head.....	3,870	1,830	66.4	47.9	940	51.8	28.0	800	88.8	78.3	400	41.4	24.6
Without children.....	1,180	520	34.8	21.9	370	29.2	18.2	100	60.8	42.2	120	29.4	12.6
With children.....	2,690	1,310	78.9	48.1	570	67.6	34.5	700	92.9	83.6	280	46.4	29.6
Aged 65 or over.....	11,570	9,930	71.7	36.7	9,090	67.2	34.7	1,150	87.3	88.9	1,760	50.3	16.0
Unrelated individuals.....	4,680	3,940	87.2	68.0	3,530	83.6	56.1	1,580	99.0	85.8	520	74.5	25.1
Men.....	1,280	1,110	84.5	47.0	1,000	80.9	45.2	140	97.9	83.8	190	77.5	18.3
Women.....	3,400	2,830	88.2	62.3	2,530	84.7	60.5	440	99.3	86.4	330	72.8	29.1
Families.....	6,890	5,990	61.5	22.7	5,560	56.7	21.1	570	75.3	51.5	1,240	40.3	12.3
Male head.....	5,770	5,030	63.4	21.2	4,740	58.6	20.2	350	81.0	55.5	1,060	40.2	10.8
Female head.....	1,130	960	51.3	30.1	820	45.5	26.4	220	66.2	45.2	180	41.1	20.5

¹ Payments to unrelated individual or any family member any time in 1965. Some households received income from more than 1 program.
² Without payment from specified program but with payments from any other program.
 Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1965.

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For this preliminary analysis a household that had received program payments, but was not presently counted among the 11.2 million poor, is considered to have been removed from poverty by the program if the amount paid was more than the amount by which after-transfer income exceeded the appropriate poverty income threshold. The estimates were made separately for OASDHI, public assistance, other programs taken as a unit, and finally total payments from all programs combined. Obviously under the procedure followed, for recipients who get help from more than one program it would be difficult sometimes to establish which program was primarily responsible for removing the household from poverty. It is also unrealistic to ignore the effect of transfer income on other sources of income—an effect sometimes within the control of the recipient. Without social security payments a man might continue to work, or might apply for public assistance he does not now receive. But there is no definitive way to account for such contingencies in the analysis.

All told, as table 20 suggests, all transfer payments combined succeeded in averting poverty for about 1 in 3 of young payee households—that is, households headed by a man or woman under age 65—whose total income from sources other than public income programs was below the poverty line, and about 1 in 2 aged households that would otherwise be poor. Compared with social security or other programs taken as a group, public assistance—with its payments limited by State standards of need generally well below the poverty line—was less than half as effective in keeping households off the poverty rolls. Of households receiving assistance but below the poverty line to begin with, only 1 in 7 young ones were edged over the poverty line by their assistance checks, and barely 1 in 3 of the aged recipients.

TABLE 20.—ANTIPOVERTY EFFECT OF PUBLIC INCOME PROGRAMS ON HOUSEHOLDS RECEIVING PAYMENTS IN 1965: PERCENT OF HOUSEHOLDS POOR BEFORE THE PAYMENTS WHO WERE REMOVED FROM POVERTY STATUS BY THE PAYMENTS, BY AGE AND SEX OF HEAD AND PRESENCE OF CHILDREN UNDER AGE 18

Age and sex of head	All programs	Social security	Public assistance	Other
All households.....	44	46	18	57
Under age 65.....	34	40	15	47
Unrelated individuals.....	31	29	17	46
Men.....	25	25	9	41
Women.....	35	31	21	50
Families.....	35	45	15	47
Male head.....	41	43	20	49
Without children.....	46	44	20	59
With children.....	38	42	20	45
Female head.....	28	46	12	41
Without children.....	37	38	31	(¹)
With children.....	26	49	10	36
Aged 65 or over.....	49	48	21	68
Unrelated individuals.....	33	33	13	66
Men.....	44	44	14	76
Women.....	29	29	13	60
Families.....	63	63	32	70
Male head.....	67	66	32	73
Without children.....	69	68	38	76
With children.....	36	38	(¹)	(¹)
Female head.....	41	42	32	50
Without children.....	48	49	40	(¹)
With children.....	15	18	(¹)	(¹)

¹ Not shown for base less than 75,000.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

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It is clear that a considerable number of households presently classed as nonpoor achieve such status only because of public income payments. If it had not been for the public programs, the number of households poor in 1965 would have registered 16 million instead of the 11.2 million now shown in the poverty series. This means that as defined, fewer than 1 in 5 was counted poor rather than the 1 in 4 that the count might have been otherwise. The social security program itself was responsible for keeping at least 3½ million households off the poverty roster. If there had been no OASDHI payments but only the actual payments under other public programs the number of poor households would have been 14.8 million (table 21). But more than this, the profile of poverty would have been different without existing public income programs. Of the 11.2 million households poor in 1965 as presently defined—after all transfer payments have been added to income—37 percent had an aged head and 63 percent a head younger than 65. With no payments under existing programs, the 16 million poor households would comprise 48 percent with an aged head and 52 percent with one under 65. And the proportion of poor households headed by a man—about 1 in 2 of the poor as presently defined—would rise to almost 3 in 5.

This change in the poverty profile wrought by transfer payments reflects, of course, the profile of households receiving the payments. Social security, the program serving the largest number, has more beneficiaries age 65 or older than persons under 65. And as a group

TABLE 21.—EFFECT OF PUBLIC INCOME MAINTENANCE PROGRAMS ON POVERTY ROSTER OF HOUSEHOLDS IN 1965, BY AGE AND SEX OF HEAD AND PRESENCE OF CHILDREN UNDER AGE 18

[In thousands]

Age and sex of head	Number of counted poor ¹	Added number who would be counted poor ² but for transfer payments			
		Excluding any public-income maintenance payments	Excluding social security benefits ³	Excluding public assistance payments ³	Excluding payments other than social security or public assistance
Total households.....	11,220	4,730	3,580	420	1,100
Under age 65.....	7,100	1,250	640	210	500
Unrelated individuals.....	2,140	280	150	40	130
Men.....	700	70	40	10	40
Women.....	1,440	210	110	30	90
Families.....	4,960	970	490	170	370
Male head.....	3,400	630	260	80	300
Without children.....	810	280	140	20	120
With children.....	2,590	350	120	60	180
Female head.....	1,560	340	230	80	70
Without children.....	180	70	40	20	20
With children.....	1,380	270	190	70	50
Aged 65 or over.....	4,120	3,480	2,950	210	600
Unrelated individuals.....	2,620	1,150	970	80	250
Men.....	570	420	360	20	110
Women.....	2,050	730	610	60	140
Families.....	1,500	2,330	1,980	140	350
Male head.....	1,170	2,120	1,820	90	310
Female head.....	330	200	160	50	40

¹ Poor as now defined, in terms of money income in 1965 after all transfers.

² Households receiving payments from public programs and not counted poor but whose income excluding such payments is below the SSA poverty index.

³ But including any other program payments.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

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public-income programs—as table 20 suggests—are more effective in removing poverty among payee families of men than among families of women. Of the 19.5 million households receiving any public income support in 1965, more than half were aged households and, whether old or young, two out of three were headed by a man. Among the 10.8 million households poor before they received any payments, about two-thirds were aged, and about half had a woman for the head (table 22).

TABLE 22.—HOUSEHOLDS RECEIVING ANY PUBLIC INCOME PAYMENTS IN 1965: PERCENTAGE DISTRIBUTION BY AGE AND SEX OF HEAD, PRESENCE OF CHILDREN UNDER AGE 18, AND POVERTY STATUS

Age and sex of head	All recipient households ¹	Not poor before receiving payments	Poor before receiving payments		
			Total	Remained poor after receiving payments	Removed from poverty by receiving payments
Number (in thousands).....	19,510	8,750	10,760	6,040	4,730
Total percent.....	100	45	55	31	24
Under age 65.....	49	30	19	12	6
Unrelated individuals.....	7	2	5	3	1
Men.....	3	1	2	1	(?)
Women.....	4	1	3	2	1
Families.....	42	28	14	9	5
Male head.....	33	25	8	5	3
Without children.....	14	11	3	2	1
With children.....	19	14	5	3	2
Female head.....	9	3	6	4	2
Without children.....	3	2	1	1	(?)
With children.....	7	1	5	4	2
Aged 65 or over.....	51	14	37	19	18
Unrelated individuals.....	20	2	18	12	6
Men.....	6	1	5	3	2
Women.....	14	2	13	9	4
Families.....	31	12	19	7	12
Male head.....	26	9	17	6	11
Without children.....	24	9	15	5	10
With children.....	2	1	2	1	1
Female head.....	5	2	3	1	1
Without children.....	4	2	2	1	1
With children.....	1	(?)	1	(?)	(?)

¹ Payments made to unrelated individuals or any family members any time in 1965.
² Less than 0.5 percent.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

SOCIAL SECURITY AS AN ANTIPOVERTY PROGRAM

The social security program is designed to make up some of the income lost when a worker ceases work because of age, total disability, or in the event of his death. OASDHI benefits go to retired or disabled workers and their dependents or to dependent survivors of deceased workers as a matter of right—on the basis of contributions out of earnings and in amounts related to those earnings. Obviously, such a program will have objectives and commitments beyond merely eliminating poverty, yet for many OASDHI beneficiaries who must depend on their benefits for a good measure of their support, it is the anti-poverty role that is overriding. And, indeed, in sheer numbers of those for whom poverty is averted the social security program is more important as an anti-poverty mechanism than any other single public income program.

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Of the 19.5 million households in 1965 who received any public income support, 13 million—or two in three—had at least one member receiving OASDHI benefits¹⁰ during some part of the year. Of the total of 4¾ million payee households pushed over the poverty line by their public program payments, in three out of four of these households the social security benefit checks alone could have made up the income deficiency.¹¹ And, even for those whom the payments left in poverty, the social security benefit was able to ease the burden by narrowing the gap between the income the households did have and what they needed according to the minimum poverty criteria.

All told, 37 percent of all households currently defined as poor in 1965, in terms of money income including any transfer payments, received OASDHI benefits while a total of 54 percent received payments under all public programs combined. Obviously, OASDHI benefits would be a better protector against poverty for the aged than for those under age 65: Seventy percent of the households in which anyone was drawing social security in 1965 were headed by an aged person, and among those beneficiary households who needed the money if they were to keep out of poverty—i.e., their income other than benefits was not enough to meet the SSA poverty standard for their family—eight out of ten had an aged head (table 23).

TABLE 23.—HOUSEHOLDS RECEIVING SOCIAL SECURITY BENEFITS IN 1965: PERCENTAGE DISTRIBUTION BY AGE AND SEX OF HEAD, PRESENCE OF CHILDREN UNDER AGE 18, AND POVERTY STATUS

Age and sex of head	All beneficiaries ¹	Not poor before receiving benefits	Poor before receiving benefits		
			Total	Remained poor after receiving benefits	Removed from poverty by receiving benefits
Number (in thousands).....	12,990	5,270	7,710	4,130	3,580
Total percent.....	100	41	59	32	27
Under age 65	30	18	12	7	5
Unrelated individuals.....	5	1	4	3	1
Men.....	1	(?)	1	1	(?)
Women.....	4	1	3	2	1
Families.....	25	16	9	5	4
Male head.....	18	13	5	3	2
Without children.....	10	7	3	2	1
With children.....	8	6	2	1	1
Female head.....	7	3	4	2	2
Without children.....	3	2	1	1	(?)
With children.....	4	1	3	1	2
Aged 65 or over	70	23	47	24	23
Unrelated individuals.....	27	4	23	15	7
Men.....	8	1	6	3	3
Women.....	19	3	16	12	5
Families.....	43	19	24	9	15
Male head.....	37	15	21	7	14
Without children.....	34	14	20	6	13
With children.....	3	1	2	1	1
Female head.....	6	3	3	2	1
Without children.....	5	3	2	1	1
With children.....	1	(?)	1	1	(?)

¹ OASDHI benefits paid to unrelated individuals or any family members any time in 1965.

² Less than 0.5 percent.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

¹⁰ The relatively small number receiving railroad retirement benefits are also included.

¹¹ Some of the social security beneficiary households obviously received payments from other programs also.

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TABLE 24.—INCOME DEFICIT OF AGED HOUSEHOLDS: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS POOR IN 1965 BY INCOME DEFICIT, BY RECEIPT OF SOCIAL SECURITY BENEFITS

Income deficit ¹	Households with aged male head		Households with aged female head	
	Receiving social security ²	Not receiving social security	Receiving social security ²	Not receiving social security
	Unrelated individuals			
Number of poor (in thousands).....	451	124	1,531	517
Total percent.....	100.0	100.0	100.0	100.0
\$1 to \$249.....	28.5	14.8	21.7	8.2
\$250 to \$499.....	24.6	13.9	31.5	19.0
\$500 to \$749.....	28.5	31.1	26.0	29.3
\$750 to \$999.....	12.2	21.3	16.8	14.0
\$1,000 or more.....	6.2	18.9	4.0	29.5
Median deficit.....	\$470	\$680	\$470	\$700
	Families			
Number of poor (in thousands).....	958	210	218	111
Total percent.....	100.0	100.0	100.0	100.0
\$1 to \$249.....	29.0	20.4	23.9	15.3
\$250 to \$499.....	20.9	15.2	19.7	17.1
\$500 to \$749.....	18.3	18.9	20.6	16.2
\$750 to \$999.....	14.8	7.1	12.8	16.2
\$1,000 to \$1,249.....	6.2	7.6	9.2	8.1
\$1,250 to \$1,499.....	3.4	10.5	5.0	9.9
\$1,500 to \$1,999.....	3.6	13.3	4.1	8.1
\$2,000 or more.....	3.8	7.1	4.6	9.0
Median deficit.....	\$500	\$690	\$580	\$780

¹ Difference between actual income and required income according to the SSA poverty index.
² OASDHI benefits paid to any household member any time in 1965.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1965.

As mentioned at the beginning of this article the antipoverty effect of economic growth is largely confined to households of young earners. In contrast the antipoverty contribution of social security is primarily in lifting the burden of privation from the aged: The number of households with an aged head counted poor in 1965 would be two-thirds again as high—7.1 million rather than the 4.1 million now shown as poor—were it not for OASDHI benefits. Of the 9 million aged households enjoying these benefits in 1965, two-thirds were poor in terms of money income before adding in the benefits, but only one-third of all aged beneficiary households were still in poverty after counting in their benefits with other money income (table 19).

Although it served the aged better, even for households headed by a person under age 65, OASDHI benefits played a sizable role in correcting poverty. (In some of the young households, it was undoubtedly an aged "other relative" who was the actual beneficiary.) Instead of the 7.1 million households with a nonaged head counted poor in 1965—in terms of money income including public transfer payments—there would have been 7.7 million households poor if there were no OASDHI benefits, or a number in poverty 8 percent larger than presently defined.

Among families with children under age 18 and a woman younger than age 65 at the head, the number below the poverty line would be 14 percent greater than at present but for the existence of the social security program. About 0.6 million of these 2.7 million families reported drawing OASDHI benefits in 1965. For two-thirds of these beneficiary families, their income with the benefits excluded was below

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the poverty line. When the OASDHI benefits were added, however, only a third of the young beneficiary families were left with money income below the poverty line.

The social security program, as planned and as administered, is a mechanism for replacing wages, not for adding to them.¹² In many instances, therefore, drawing OASDHI benefits during the prime earning years—signifying as it does withdrawal of a worker from the labor force—portends a worsening in overall economic status, in that household income will now be less than what it was with a regular earner in the family. Accordingly, taken as a group, nonaged households of a young male head, in which someone was receiving OASDHI benefits in 1965, were more often poor than households with no member drawing benefits. The differences were particularly great when there were children. On the other hand, measured by the percent in poverty, the situation of families of young women with children was much better for social security beneficiaries than for others, because mothers with youngsters in their care are restricted in ability to take a full-time job, and many of those who don't get OASDHI must rely on public assistance which by and large pays smaller amounts.

Among aged families, because many older workers experience a reduction in earnings—voluntarily or otherwise—for some time before they officially retire and begin drawing OASDHI, households receiving benefits were as well off or better off in respect to poverty than non-beneficiary households.

The figures below compare for the year 1965 the percent in poverty among households of specified type receiving any social security during the year with the percent poor among similar households in which no one had received a social security benefit check:

Age and sex of household head	Percent of those receiving social security ¹ who were poor	Percent of those not receiving social security who were poor
All households.....	32	15
Under age 65.....	25	14
Unrelated individuals.....	58	26
Men.....	67	20
Women.....	55	31
Families.....	19	11
Male head.....	15	9
Without children.....	15	5
With children.....	15	10
Female head.....	28	44
Without children.....	18	13
With children.....	35	56
Aged 65 or older.....	35	39
Unrelated individuals.....	56	56
Men.....	45	44
Women.....	61	60
Families.....	21	24
Male head.....	20	20
Female head.....	26	37

¹ OASDHI benefits going to any household member any time in 1965.

¹² Beneficiaries age 72 and older, however, have no restriction on the amount they may earn and still draw full benefits, and even younger beneficiaries may earn limited amounts without penalty. In 1965, the year to which the data analyzed apply, a beneficiary could draw full benefits if he had earned no more than \$1,500 during the year, and even with earnings over this amount would lose no benefits for any month in which earnings were \$125 or less. Under the new amendment effective in January 1968, the annual exempt amount has been lifted to \$1,680 and the monthly maximum to \$140.

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But granted that it was easier to stay out of poverty with earned income than with social security benefits, for households that did fall below the poverty line it was better to have social security to rely on than not to have it.

Among poor households headed by someone age 65 or older, those receiving any social security benefits in 1965 had less unmet need—using as a measure the difference between their actual income for the year and the minimum requirement according to the SSA poverty index. As table 24 suggests, aged households who were poor but weren't receiving OASDHI benefits had an income deficiency \$200 or \$300 greater than those drawing benefits. Among aged poor persons living alone, for example, a fifth of the men and almost a third of the women who were nonbeneficiaries needed at least \$1,000 more income than they had to come out of poverty—implying they were living on a current rate of income no more than one-third their estimated minimum requirements. By contrast, among aged one-person households living in poverty but drawing social security, only one in 25 was this far below the poverty line. Obviously the comparison would be more meaningful if the beneficiary households could be separated into those receiving benefits part year and those on the rolls the entire year. It would be helpful also to know for the part-year beneficiaries whether the entitlement signified a sudden change in income status—the retirement or death of a worker previously employed full time—or merely the affirmation of a longstanding spell of waning earnings for a worker or lack of earnings for a widow before reaching the age to qualify for benefits. Such details must await detailed studies beyond the scope of the presently available information.

AMOUNT OF BENEFITS AND POVERTY STATUS

Because we do not know, for households receiving OASDHI benefits how many months they were on the rolls in 1965, it is not possible to say how many aged households reporting minimal amounts include full year beneficiaries entitled only to small benefits—that is, with PIA's at or close to the statutory minimum—and how many are part-year beneficiary households of a worker with a higher earnings base who retired, became disabled, or died during the year. But even without being able to classify households according to part-year or full-year benefit status, it is possible to verify what one would suspect—namely that the higher the benefits the more likely they are to edge families or unrelated individuals who receive them over the poverty line (tables 25–26).

Although differences do occur in the amount of benefits received by poor versus nonpoor aged households relative to other resources, it is difficult to see a consistent pattern, particularly for households of women. This is partly because we don't know the number of months in which benefits were paid, and partly because we cannot always be sure of the family status of the person(s) receiving the benefits: An elderly woman living alone at the time of interview, who was widowed during the year, may actually be reporting benefits paid to the deceased husband along with her own. We find accordingly that among elderly aged men living alone and drawing OASDHI, about 83 percent of those

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receiving less than \$500 in 1965 had nonbenefit income below the poverty line. Eighty-seven percent of those receiving \$50 to \$999 would have been poor with income other than benefits; and about 77 percent of those receiving \$1,000 or more. Among the elderly female beneficiaries living alone, for 81 percent of those with less than \$500 in benefits other income totaled less than the poverty line; 86 percent of those receiving \$500 to \$999 would have been poor if they lived only on income other than benefits, and 84 percent of those getting \$1,000 or more.

One pattern does emerge clearly, however: among aged beneficiaries with income other than OASDHI so low as to make them poor, the less money in benefits received, the greater the chance that the households would remain in poverty even with the benefits added in.

Among elderly women living alone in March 1966, and with income other than social security benefits below the poverty line, nine-tenths of those receiving less than \$500 in benefits ended, as they began, still poor, but when benefits totaled \$750 to \$999, only three-fourths of those poor before receiving them were poor afterwards—that is, when OASDHI payments were counted in with other income.

Similarly, among families with an aged male head and income other than benefits below the poverty line, only a fifth of those getting less than \$500 in 1965 were removed from poverty by the benefit, whereas with benefits amounting to \$1,500 to \$1,750, three-fourths of those poor before receiving them were no longer poor when benefits were added to income, as the percentages below suggest:

Total OASDHI benefits	Aged households poor before receiving OASDHI in 1965 who were removed from poverty by benefits—			
	Unrelated individuals		Families	
	Men	Women	Male head	Female head
Any.....	44	29	56	42
Under \$500.....	30	13	19	9
\$500 to \$749.....	22	15	22	24
\$750 to \$999.....	23	27	33	
\$1,000 to \$1,249.....	38	36	47	39
\$1,250 to \$1,499.....	53	38	53	
\$1,500 to \$1,749.....	100	93	64	71
\$1,750 to \$1,999.....			76	
\$2,000 or more.....			97	

With families of women typically poorer than men—that is, having total income further below their estimated minimum requirements—it is only to be expected that a given dollar benefit will be less successful in taking families headed by women out of poverty than for families headed by men. Moreover, families with an aged woman as head are more likely than those of men to include related units of a mother and young children—subfamilies whose own resources typically are not large.

Table 27 illustrates for unrelated aged individuals the connection between the amount of payments from all public income programs and how many of those who would be poor without the payments were enabled to escape poverty with the payments. As would be expected, the relationship is similar to that described for OASDHI, but if anything even sharper: Among aged men living alone and poor in terms

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TABLE 27.—AGED UNRELATED INDIVIDUALS RECEIVING ANY PUBLIC INCOME PAYMENTS IN 1965: PERCENTAGE DISTRIBUTION BY AMOUNT OF PAYMENT AND POVERTY STATUS

Amount of public income payments in 1965	All recipients	Not poor before receiving payments	Poor before receiving payments		
			Total	Remained poor after receiving payments	Removed from poverty by receiving payments
MEN					
Any payments.....	100	100	100	56	44
Under \$500.....	6	9	5	4	1
\$500 to \$749.....	10	5	11	10	1
\$750 to \$999.....	18	14	19	17	2
\$1,000 to \$1,249.....	19	18	19	14	5
\$1,250 to \$1,499.....	18	19	18	10	8
\$1,500 or more.....	29	35	28	(1)	27
WOMEN					
Any payments.....	100	100	100	70	30
Under \$500.....	7	9	6	5	1
\$500 to \$749.....	18	22	17	15	2
\$750 to \$999.....	27	23	28	22	6
\$1,000 to \$1,249.....	26	24	27	20	7
\$1,250 to \$1,499.....	10	12	10	7	3
\$1,500 or more.....	12	10	12	1	11

¹ Less than 0.5 percent.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

of income other than payments, a fifth of those receiving less than \$500 in 1965 were removed from poverty; with payments of \$1,000 to \$1,249, a fourth were enabled to live above the poverty income line.

It has already been demonstrated that as a group households receiving social security benefits are more likely to be poor than those without—though if a household is poor it is likely to be closer to its minimum income need when OASDHI payments are available than when they are not. The corollary can also be shown—among households not poor, those not receiving social security are likely to enjoy a larger income relative to their estimated minimum need than nonpoor households who do receive social security payments. Among elderly men living alone with income for 1965 above the poverty line, only half of those receiving social security benefits had as much as \$750 income—including the benefit payments—over what the poverty criteria stipulates. But among nonpoor elderly men living alone and not receiving OASDHI benefits in 1965, half had at least \$2,560 more income than the poverty cutoff. On the other hand, among nonpoor aged men living alone and drawing benefits, those with other income high enough so they would not be poor even without the OASDHI payment as a group averaged almost as much in income above the poverty line (after receiving the benefits) as those who got no benefits at all.

In parallel fashion among families of two or more persons headed by aged men and with total income (including transfer payments) above the poverty line in 1965, both among those who didn't receive any social security benefits, and those who did receive some but had enough other income so they didn't need the benefits in order to stay out of poverty, two-thirds had \$3,000 or more income than the poverty cri-

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terion called for; but among non-poor-beneficiary families of aged men who would have been poor without their social security payments, only 2 percent ended the year with \$3,000 or more income than the poverty income cutoff (table 28).

The figures suggest that in our society today the relationship between OASDHI benefits and earnings being what it is, it is better—from the standpoint of avoiding poverty—for the aged to work than not to work. If one cannot work, it is better to be able to draw social security benefits than not. But if one does draw benefits, it is better not to need the money. It is obvious that the same factors which would enable a worker or his dependents to look forward to a relatively high benefit in old age, namely, a continuous work history with earnings close to or greater than the maximum payroll base, are the same factors which would predispose a worker to maintain his opportunity to earn even in retirement, and to acquire during his working years those other resources, cash savings, private pension rights, an owned home, which can help make retirement living more comfortable.

The data discussed are incomplete, particularly as they relate to young families and those including young children. Additional analyses will explore the relation of the amount of transfer payments to earnings and to the amount of income from other sources, and to the

TABLE 28.—INCOME IN EXCESS OF MINIMUM NEED OF AGED HOUSEHOLDS: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS NOT POOR IN 1965 BY AMOUNT OF INCOME ABOVE POVERTY LINE, BY RECEIPT OF SOCIAL SECURITY BENEFITS

Income exceeding minimum need ¹	Households with aged male head				Households with aged female head			
	Receiving social security ²			Not receiving social security	Receiving social security ²			Not receiving social security
	Total	Poor before receiving benefits	Not poor before receiving benefits		Total	Poor before receiving benefits	Not poor before receiving benefits	
Unrelated individuals								
Number nonpoor (in thousands).....	550	360	190	160	1,000	610	360	350
Total percent.....	100	100	100	100	100	100	100	100
\$1 to \$499.....	41	62	1	15	38	61	2	18
\$500 to \$999.....	20	26	8	9	24	33	10	14
\$1,000 to \$1,499.....	10	7	15	6	9	4	18	7
\$1,500 to \$1,999.....	7	2	16	3	7	1	17	11
\$2,000 to \$2,999.....	11	2	30	26	8	1	19	16
\$3,000 or over.....	11	1	30	41	14	1	34	34
Median, above poverty line....	\$750	\$380	\$2,350	\$2,560	\$710	\$390	\$2,140	\$2,000
Families								
Number nonpoor (in thousands).....	3,780	1,830	1,960	820	600	150	450	200
Total percent.....	100	100	100	100	100	100	100	100
\$1 to \$499.....	16	32	(*)	6	13	50	(*)	11
\$500 to \$999.....	15	29	2	4	13	36	5	7
\$1,000 to \$1,499.....	11	19	5	5	7	7	7	6
\$1,500 to \$1,999.....	10	13	6	6	4	1	5	10
\$2,000 to \$2,999.....	13	5	21	11	13	3	17	15
\$3,000 or over.....	35	2	66	68	50	3	66	51

¹ Excess of actual income over required income according to the SSA poverty index.

² OASDHI benefits paid to any household member any time in 1965.

³ Less than 0.5 percent.

Source: Derived by the Social Security Administration from special tabulations by the Bureau of the Census from the Current Population Survey for March 1966.

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degree by which total income including the transfers exceeds or falls below the estimate of minimum requirements. With the poverty line so Spartan, it will be useful also to replicate the analysis substituting the low income—a third higher in cost—for the criteria used here.

It is safe to conclude even now, however, that though public transfer programs do much to lessen the number of poor they could do much more. It is clear that for many already receiving help from public programs it is the degree of that help that must be increased if they are to escape poverty, but new programs or extensions of existing ones are required for those now in poverty and receiving no help at all.

A majority of aged persons today already receive income from one public program or another. As a group then, aged households now poor or near poor will benefit more from increased amounts payable under such programs than from a changed eligibility requirement for payment. But both types of improvement will be needed for poor or near poor households headed by someone younger than age 65.

**OFFICE OF ECONOMIC OPPORTUNITY
INCOME POVERTY GUIDELINES**

MEMORANDUM FOR DR. DANIEL P. MOYNIHAN

Subject: History of the Poverty Line

**Prepared by Mollie Orshansky, Social Security Administration,
Office of Research and Statistics, July 1, 1970**

THE HISTORY OF THE POVERTY LINE

The current War on Poverty was officially announced in the Economic Report of the CEA issued January 1964. As a shorthand method of indicating how many and what kinds of American households would be encompassed in any long-range planning, the Council designated as poor any family of 2 or more persons with income for the year of less than \$3,000 and any person living alone (or with nonrelatives only) on an income of less than \$1,500. 1/ In assigning these as the critical thresholds, the Council cited an SSA study which estimated \$3,165 as minimum income needed (in 1961) for a nonfarm family of two adults and two children.

In the summer of 1964, accordingly, the SSA refined and extended its earlier study -- which applied only to families with children -- and devised criteria of minimum income need for all family types to be applied to the Census Income Sample for 1963. 2/ The description of this effort and the resulting counts of the poor were published in 1965 and some of the early findings were included by the CEA in their 1965 Economic Report. 3/ The poverty lines at 1963 prices ranged from \$1,850 for an elderly nonfarm couple to an average of \$4,331 for a family of seven or more, with the threshold for a four-person family averaging out to \$3,128. The number of persons in poverty using the variable thresholds totaled 35.3 million, about the same as the count based on the fixed \$3,000 criterion line, but the new number included more families with children and fewer aged persons.

Early in 1965, the OEO Research Division adopted the SSA poverty measure as a working tool for budget and planning purposes, and in large measure also as a guideline for eligibility for antipoverty programs. The SSA continued to update the poverty thresholds annually for price change, apply them to the Census Bureau income samples. At the request of the CEA for trend data on poverty for the 1966 report, the poverty counts were provided for all years back to 1959, the earliest date for which relevant Census Bureau data tapes were still available.

The poverty measures, and the poverty population they delineated, remained quasi-official numbers until August 1969, when the Budget Bureau designated them -- with two modifications -- as the official statistical series to be published regularly by the Census Bureau. 4/

THE INDEX

The poverty index that has been used to identify needs and progress in the "war on poverty" was originally developed by the Social Security Administration (along with a slightly higher low-income index) as part of an ongoing research program into the economic well-being of the U.S. population.

It is an attempt to specify in dollar terms a minimum level of income adequacy for families of different types in keeping with American consumption patterns. It was developed from analysis of the percent of

income devoted to food expenditures by United States families and the lowest outlay at which it is estimated an American housewife making average choices can hope to provide her family with a diet meeting recommended nutritional goals.

Originally developed as an overall research tool, not as a means test for determining eligibility for antipoverty programs, the lower SSA measure of minimum income need has been adopted by the OEO and other agencies as a working tool for program eligibility. The dollar thresholds for families of different size have now been incorporated into the welfare reform bill -- HR 16311 -- as the maximum base for federal matching of State public assistance grants.

The SSA poverty measure is an overall statistical yardstick to reflect differing consumption requirements of families based on the number of adults and the number of children -- and whether or not they live on a farm. The calculations center around the U.S. Department of Agriculture's Economy Food Plan which specifies amounts and kinds of foods that would add up to an adequate diet at minimal levels of cost. The index then adds an estimate of the additional income needed to purchase the necessities other than food.

In determining the proportion of total family income that should be consumed by food requirements, the SSA observed that the percentage of income expended for necessities -- in particular food -- reflects the relative well-being of both individuals and the society in which they live. In general families needing to use about the same proportion of their income for a given level of food expenditure are considered to share the same level of living. For families of three or more persons the poverty level was set at three times the cost of the Economy Food Plan. One dollar to three was the average food outlay-to-family income relationship reported by the Department of Agriculture in a 1955 survey of food consumption. ^{5/} (For smaller families and persons residing alone, the cost of the economy food plan was multiplied by factors that were slightly larger to compensate for the relatively higher fixed expenses of these smaller households.) The SSA poverty cutoffs also allowed for the fact that farm families customarily obtain their housing as well as their food as part of the farm business operation rather than by direct expenditure of net family income: On the basis of then available data, a farm family was assumed to need only 70 percent as much cash as a corresponding nonfarm family.

Although the Economy Plan requires skill in shopping and food preparation and has been described as suitable for emergency use or when funds are temporarily low, a housewife spending no more than this has about an even chance of providing her family with a diet that is fair or better. ^{6/} The SSA criteria were originally developed in terms of 1963 income and prices. Subsequently, adjusted only for price movement, they were extended forward without modification through 1967 and backward to 1959. The per capita cost of the Economy Food Plan was used as the index to measure price change. In 1963, their Plan priced out at \$4.60 a week

person in an average 4-person nonfarm family, assuming all food purchased and prepared at home. In 1967, the Plan priced out at about \$4.90 a week per person in a 4-person family, 6-1/2 percent above the base year estimate. Over the same 4-year period, the Consumer Price Index had risen 9 percent and the average income of all 4-person families, 12-1/2 percent.

MODIFICATIONS IN THE POVERTY CRITERIA

By the end of 1967, there was increasing awareness that the poverty line was lagging behind the general rise in standard of living enjoyed by the majority, and that the adjustment of price change -- restricted as it was to food -- did not measure accurately the total price rise facing the poor.

To help resolve the first difficulty, there were now interim findings from a 1965 Food Consumption Survey suggesting that the Economy Plan, modified to reflect current food consumption patterns, would run about 8 percent higher in cost than the earlier one on which the poverty index centered. 7/ Moreover, the food cost multiplier could appropriately be 3.3 (or even 4) rather than 3, because the proportion of average family income used for food purchase was closer to 30 percent in 1965 than to the 1/3 noted ten years before.

To improve the price adjustment, there was in 1968 -- as in 1964 -- no general agreement on the optimum index for the poor, but it was obvious that an index that included nonfood items, such as the CPI, was better than one that did not.

In the Spring of 1968, the SSA proposed to adjust the poverty line to conform to the higher general level of living. The Department of Agriculture was now computing the cost of its food plans to correspond to the choices within the basic food groups as revealed in the 1965 Family Food Consumption Survey. Priced in this way the Economy Plan averaged \$5.30 a person a week for food purchased for home use, or 8 percent higher than the \$4.90 it would cost if computed on the basis of 1955 food choice. For the low-cost plan, often used as a reference point by social agencies, the food uptrading increased cost by only 4 percent.

From the same study it can be estimated that nonfarm families averaged about 29 percent of their income for food purchases in 1965, and farm families 27 percent. In 1955 for both groups, food purchases averaged one third of family income.

A further impetus toward such change was the fact that the new low Standard budget developed by the BLS used the 1965 food patterns although at the low-cost rather than the economy level of expenditure.

Despite the many reasons for not shifting completely to a "relative" concept of poverty, as for example, a specified percentage of the median,

there did seem merit in regularly scheduled major adjustments such as are now made in the CPI. But the SSA decision to change was overruled by the office of Statistical Standards of the BOB.

In October 1968, the BOB appointed a Federal Interagency Policy Committee to review the poverty line, and designated a technical committee to serve it. The Committee considered the two questions raised above, together with others such as the appropriate relationship between farm and nonfarm estimates of minimum need, and whether there should be other basic changes such as geographic differentials in living costs.

After much deliberation, the Committee decided to retain the original SSA base year (1963) income criteria for nonfarm families but to switch to the CPI as the price inflates for annual updating. This meant, of course, that the food-income relationship which was the basis for the original poverty measure no longer was the current rationale. The question of regional cost-of-living differences remained moot, because there was no sure way to distinguish in existing expenditure data the differences in cost from differences in level. Moreover, the new BLS data Budgets at three levels confirmed what had been anticipated -- that geographic cost differences at a level of living as low as implied by the poverty line were likely to be minimal. Differentials because of availability and accessibility of community services were not quantifiable at this time.

Although there was lacking new evidence on which to revise the farm-nonfarm differentials, the increasing number of farm residents who derive much of their income from nonfarm work made it seem logical to support the Agriculture Department's persistent plea for change. Accordingly, the amount required by a farm family was raised from 70 percent of the corresponding nonfarm threshold to 85 percent.

The poverty line for 1969 for a 4-person nonfarm family -- using the 1963 base and adjusting by the CPI -- is \$3,743. (The estimate for 1969 in H.R. 16311, rounded to the nearest \$60, is \$3,720.) In 1963, the level was \$3,128. The rise of 19.7 percent in the poverty line since 1963 applied to the base year Food Plan per capita cost of \$4.60 would bring it to \$5.50. The actual cost of the Economy Food Plan, as computed by the Agriculture Department for December 1969 is \$5.90 per person per week.

FOOTNOTES

1. Because the income data used for classification come from the Census Bureau Current Population Survey, they refer to income before Federal income taxes.
2. See Social Security Bulletin, July 1963, "Children of the Poor."
3. See Social Security Bulletin, January 1965, "Counting the Poor" and July 1965, "Who's Who Among the Poor?".
4. See Budget Bureau Circular No. A-46, Transmittal memorandum No. 9, August 29, 1969.
5. See U.S. Department of Agriculture, Food Consumption and Dietary Levels of Households in the United States, (ARS 626), August 1957.
6. A diet meeting 2/3 of the recommended dietary allowances of the National Research Council. Family Economics Review, CPE, ARS, U.S. Department of Agriculture, September 1969. An additional adequacy measure was derived by the SSA using the Low-Cost Food Plan calling for expenditure one-third higher than the Economy. This measure designated "near poor" has not received wide acceptance.
7. Although the Economy Plan is no longer published, it is available in its new form on request. Currently it is computed at 80 percent of the Low Cost measure, which presumably reflects food choices of families in the lowest third of the income distribution.



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**PERSPECTIVES
ON POVERTY**



Perspectives on poverty 1 Changing attitudes about the poor

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VESTIGES OF 19TH CENTURY and even earlier thought remain both in our institutions for dealing with the poor and poverty, and in our attitudes toward them.

Those who have studied medieval and modern British history as a forerunner to our own history remember that in the medieval period the parish willingly assumed the duty of providing for the poor. The able-bodied indigent were expected to work, but poverty was not regarded as a sin or a disgrace.

This tolerant attitude toward the poor diminished as demand for labor accelerated during the industrial revolution. More than a generation after this disenchantment with tolerance for the poor, William Townsend put the case against the old system very forcibly and uncompromisingly. He wrote in the 18th century: "Hunger will tame the fiercest animals, . . . it is only hunger which can spur and goad them (the poor) on to labor."¹

This philosophy led, half a century later, to the 1834 revision of the Poor Laws, originally established in Elizabeth's time. The revision

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Perspectives on poverty

The five articles appearing here are based on papers presented to a 1968 seminar sponsored by the Bureau of Labor Statistics and directed by Dorothy K. Newman of the Division of Economic Studies, with the assistance of Sylvia S. Small. The articles examine the relationship of poverty and employment, methods of measuring poverty, facts and fictions about the poor, programs for income transfer, and international comparisons of poverty. Viewpoints presented here are those of the individual authors.

abolished grants in the form of wages, restricted charitable state relief in the home, and established a workhouse system which lasted for nearly a century in Great Britain.

A man was free either to work or starve. Poverty came to be viewed as the natural punishment for idleness and folly, and prosperity the natural reward for industry and intelligence.

These attitudes endured through the 19th century in England and were imported to America.²

The poor, and especially those who appealed for help, were subjected to moral judgments about behavior, and assumed to be persons of low esteem. Poverty was a blot upon the industrialized economy and therefore a crime. Poor people were regarded with suspicion.

In fact, laws about poverty became associated with laws about crime.³ This system, which became our system, inevitably involved personal discrimination. Income redistribution was granted on the basis of the poor law test, which carried the stigma of disgrace and personal failure.

Eventually it was discovered, first abroad and then in the United States, that such a damaging assault on the recipients of welfare is an assault against the whole society and economy.

Allowing a child to starve to punish its mother distorts values and denies human resources. Paying a fee to a foster mother to care for a child while giving inadequate support to a child in its own home is wasteful of economic and human

¹ Quoted in Paul T. Therklidsen, *Public Assistance and American Values* (Albuquerque, University of New Mexico Press, 1964), p. 9.

² Ibid. See also Stuart A. Queen, *Social Work in the Light of History* (Philadelphia, J. B. Lippincott Co., 1922), pp. 163-199; Oscar Handlin, "Poverty From The Civil War to World War II," in *Poverty amid Affluence*, edited by Leo Fishman (New Haven, Conn., Yale University Press, 1966), pp. 3-17; and Benjamin J. Klebaner, "Poverty and Its Relief in American Thought, 1815-61," *Social Service Review*, December 1964, pp. 382-399.

³ See Richard M. Titmuss, "The Role of Redistribution in Social Policy," *Social Security Bulletin*, June 1965, p. 15.

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assets.⁴ These, and other demeaning standards, such as depletion of most savings before aid is granted, destroy dignity and the economic base needed for self help.

A three-sided system

We have become sophisticated enough to learn that the so-called welfare system consists not only of one part, public assistance, but of three. The others are fiscal welfare, which increases net disposable income by providing middle and upper income groups with special income tax deductions; and occupational welfare, which takes the form of social security, unemployment insurance, and income or benefits in kind, such as expense accounts, health benefits, deferred compensation, and the like.⁵

We have progressed beyond the limited view of a double standard in social policy that would assist the middle and upper income groups as a benefit to society but helps the poor only as an obligation of the State or from compassion.

Any group without the means of an economically and socially adequate existence is a burden on the State, not because of the cost of support, but from what the State loses. These losses arise from the effects of deprivation on health, education, and social adjustment and on ability to use facilities, make free choices in the market, act on one's own behalf, and, in general, respond to the demands of a complex society.

On the other hand, the basic methods we have been using to sustain the poor are known to be both insufficient and self-defeating.

Except for the still inadequate antipoverty and work programs introduced in the 1960's, the dominant welfare program—public assistance—maintains poverty and removes work incentives; denies privacy and injures self-respect.

Our so-called welfare state spends more, and more willingly, on the nonpoor than on the poor. We must find ways of extending the welfare state

⁴ See, especially, report of the Advisory Council on Public Welfare, *Having the Power, We Have the Duty* (U.S. Department of Health, Education, and Welfare, June 1966) and Elizabeth Wickenden, "Sharing Prosperity: Income Policy: Options in an Affluent Society" in *Towards Freedom from Want* (Madison, Wis., Industrial Relations Research Association, 1968), pp. 3-33.

⁵ See Titmuss, *op. cit.*, and *Income Distribution and Social Change* (London, George Allen and Unwin, Ltd., 1962), especially chapters 5, 6, 7, and 8.

to the poor. To accomplish this, it is necessary to assume that the poor want more and more things for themselves and their families that money can buy and that they want to work for them, if they are able mentally and physically. We must also assume that the poor want status and respect and are willing to make sacrifices to gain them and that they are capable of as much diligence and morality as most people.

Changing characteristics

Using the poverty level as developed in the Social Security Administration—about \$3,300 for a nonfarm family of four in 1966—we find that most of the poor, nonwhite and white, live outside the central cities of metropolitan areas.

Whatever the area, poverty is greatest among the most dependent age groups (children and the elderly) and among those who encounter the most economic and social discrimination—especially Negroes and families with women as the breadwinners.

As shown in the table, the poor population has declined among all groups in the 1960's, but the drop has been least among the most vulnerable. Nearly one-third of all people over 65 were poor

Incidence of poverty in the total population and the distribution of the poor

Characteristics	Incidence of poverty, 1966 (percent poor in each group)	Distribution of persons living below the poverty level			
		1959		1966	
		Number (millions)	Per cent	Number (millions)	Per cent
Total.....	15	39	100	30	100
COLOR					
White.....	12	28	72	20	67
Nonwhite.....	41	11	28	9	32
LOCATION¹					
Central cities of SMSA's ²	16			9	32
Outside central cities of SMSA's.....	9			6	19
Small cities, towns and rural.....	21			15	49
AGE AND FAMILY HEAD					
Persons 65 years and over.....	30	6	15	5	17
Children under 18.....	18	17	43	13	42
In families with male head.....	13	13	33	8	27
In families with female head.....	61	4	10	5	15
All persons in households with female head.....	42	11	27	11	36

¹ Information not available for 1959.

² Standard Metropolitan Statistical Areas.

SOURCE: Social Security Bulletin, Annual Statistical Supplement, 1966, table 8, p. 6, and March 1968, Mollie Orshansky, "The Shape of Poverty in 1966," tables 3, 4, 7, and 8, pp. 6, 7, 14, and 7.

in 1967. In part, this reflects the fact that many elderly people (especially widowed mothers) who would have lived with their children in an earlier era can now afford to maintain their own households, although often at a base subsistence level—increasing the number of poor female family heads.

Among the old, many work at least part of the year, but most live on social security or pensions. Young married couples not yet established in their careers show up somewhat more proportionately among the poor. Many young people are temporarily poor while they finish their education or work at their first jobs.

Persons least likely to be among the poor today are in families with one or two children headed by a man in his prime working years. In the past, such families were much more likely to be poor.

These changing characteristics of the poor are signs of growing affluence. The vast majority of the mature and strong can count on rising above poverty. This is not to say that we condone the poverty of those who remain below, many of whom are in families in which the breadwinner worked all year. Nor are we resigned to the disproportionate vulnerability of minorities and of rural populations or oblivious to the near poverty of those who make it just above the line.

The philosophical conception of how the changing character of the poor population can illustrate growing affluence is not new. Selma Goldsmith suggested it in a speech before the International Association for Research in Income and Wealth in the early 1960's.⁶ Mrs. Goldsmith used the changing characteristics of those in the lowest fifth of the income distribution in her discussion.

Income as a measure

Using annual income to describe the level of living or life style throughout the range of the income distribution can be misleading. We recall

⁶ "Impact of the Income Tax on Socio-Economic Groups of Families in the United States," unpublished paper. See also Selma Goldsmith, "Low-Income Families and Measures of Income Inequality," *Review of Social Economy*, March 1966, pp. 1-25.

that the middle and upper income levels include more and more persons with opportunities for deferring or sharing income by means of pensions, deferred compensation contracts, and trusts. They forego money income for other forms, such as expense accounts, depreciation allowances, capital gains, and occupation-connected health and insurance benefits. On the other hand, a variety of studies have shown that those at the lowest end of the income scale have few, if any, of these ways of deferring income or adding to wealth or assets that can be called upon for current or future consumption. Thus, the gap between the wealth and the resulting discretionary income of the lower and the upper income fifth is increasing, although income statistics alone indicate that the ratio of the lowest to the highest fifth has been about constant for 20 years.

Among those classified as poor by the Social Security Administration Index, therefore, one can safely assume that almost all live chiefly on current money income or cash assets.

How many of the poor receive money directly as a right, after personal investigation of need, from a publicly supported agency rather than, anonymously as a right, from the Federal or State Government in the form of tax allowances or subsidies? In 1967, 7.7 million persons—3.2 million nonwhite and 4.5 million white—received Federal, State, or local public assistance compared with the 30 million who were poor—over 9 million nonwhite and almost 20 million white. Thus, two-thirds of the nonwhite poor and three-fourths of the white poor were not receiving public assistance.

The largest single public assistance program is that of the federally supported Aid to Families with Dependent Children. Every State is required to develop a monthly cost standard for basic needs. In all but eight States, the standard for a family of four amounts to less than \$3,000 a year. Twenty-five States pay even less than their own standard. For instance, North Carolina pays 100 percent of its standard of \$1,728 for a four-person family, but South Carolina pays 54 percent of its standard of \$2,064. New York pays all of its standard of \$3,336 and New Jersey pays 100 per-

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cent of its standard of \$3,984, the highest recipient payment scale in the country. California, on the other hand, pays 61 percent of its \$4,368 standard, the highest of the State welfare standards derived in the continental United States. Only Alaska has a higher standard, but pays 44 percent of it.⁷ Persons on AFDC or other assistance are forced to give up almost all other sources of support. Public assistance maintains the poor in poverty.⁸

Employment and poverty

Most of America's poor adults in the prime of life (under age 55) are employed.⁹ And the significance for public policy of the working poor merits particular attention.¹⁰

In spite of an unusually large proportion of elderly persons and women household heads among the poor, two-thirds of all poor household heads worked in 1966. One-third of this group worked full time all year—that is, at least 39 hours per week for 50 to 52 weeks.

As a sign of "good times," the proportion of the poor working full time increased between 1963 and 1966. Only 4 percent of poor family heads in the labor force in 1966 were unemployed.

In 1966, almost 6 in 10 men earning less than a living wage (according to the poverty definition for a four-person nonfarm family) were in nonfarm occupations that were not laboring or service jobs. One-third were craftsmen, or in clerical, sales, managerial, professional or technical jobs.

The degree to which one remains in poverty despite full-year employment is well illustrated by the annual earnings by industry from the latest 1-percent sample of 4-quarter earners available

⁷ *Old Age Assistance and Aid to Families with Dependent Children Cost Standards for Basic Needs and Percent of Such Standard Met for Specified Types of Cases, April 1968* (U.S. Department of Health, Education, and Welfare, April 1968), 3 pp.

⁸ The 1960-61 survey of consumer expenditures, the latest we have, indicates that a family of 4 living on \$3,300 (in 1966 dollars), had about 35 percent for "discretionary expenditures." Approximately \$1,110 was left during the year for towels, and other sundries, transportation, medical care, newspapers, school supplies, recreation, cigarettes, and miscellaneous items.

To live at the poverty level and make ends meet requires ability and shrewd judgment of today's and tomorrow's priorities. If the poor were concerned only about the present, and were unable to defer gratification, most of them would be on welfare, but we know they are not.

For some good insights about "living poor" in today's economy, see Camille Jeffers, *Living Poor* (Ann Arbor, Mich., Ann Arbor Publishers, 1967).

⁹ See Mollie Orshansky, "Who Was Poor in 1966," Research and Statistics Note 23 (U.S. Department of Health, Education, and Welfare, 1967), table 7.

from the Social Security Administration. The figures cited in the following tabulation are medians from a list of relatively low-paying industries. They include all the employee's earnings regardless of the chief industry—the one to which the worker was assigned for the year to which the data refer. Thus:

Annual earnings of 4-quarter wage and salary workers

<i>Major industry in 1964</i>	<i>Median annual earnings</i>
Lumber and wood products, except furniture.....	\$4, 122
Furniture and fixtures.....	4, 435
Apparel and other finished products.....	2, 889
Leather and leather products.....	3, 430
Retail trade.....	2, 937
Automotive dealers and gasoline and service stations....	4, 708
Gasoline and service stations.....	3, 572
Apparel and accessory stores.....	2, 917
Furniture, home furnishings and equipment stores.....	4, 567
Eating and drinking places.....	2, 147
Banking.....	4, 353
Hotels, rooming houses, camps, other lodging.....	2, 496
Laundries, laundry services, cleaning, dyeing.....	2, 729
Auto repair, services, garages.....	4, 649
Medical and other health services.....	3, 156
Private household.....	1, 061

Poverty and unemployment

What portion of the unemployed are poor? Using Bureau of Labor Statistics data on the family characteristics of persons, we find that the median 1966 income of the families of workers unemployed in March 1967 was \$6,530—about twice the poverty level for a nonfarm family of four. Among the unemployed as of March 1967, only women family heads were in families with median 1966 incomes of less than the Social Security Administration poverty level of about \$3,300.¹¹ Nonwhite unemployed teenagers were in families with median incomes of \$4,250 and unemployed white teenagers were in families with median incomes twice as high as that. A large proportion—half of the nonwhite and 40 percent of the white unemployed—were relatives of the head of the family, and, therefore, supplementary earners.

Median family income of the unemployed were in this order, from least to most—female family head, male family head, wife of head, and finally, other relatives (including teenagers). This

¹¹ See Laurie D. Cummings, "The Employed Poor," *Monthly Labor Review*, July 1965, pp. 823-841; and Barry Bluestone, "The Poor Who Have Jobs," *Dissent*, September-October 1963, pp. 410-419.

illustrates the unreliability of the unemployment rate alone as an index of poverty—especially the unemployment of supplementary earners.¹¹

Questions are often raised about the qualifications of those who are unemployed. Many assume that the unemployed are the least able to get and hold a job chiefly because they qualify mostly for laboring and the lowest status service occupations. In 1967 (using the annual average to avoid seasonal or cyclical distortions) only 3 in 10 of all the unemployed were nonfarm laborers or service workers. Even among the so-called hard-core unemployed—those out of work for 15 weeks or longer, and who numbered 16 percent of all the unemployed in 1967—only 3 in 10 were nonfarm laborers or service workers, about the same proportion as in October 1968. The groups among the

unemployed having the largest proportions of long-term unemployment are professional and managerial workers and craftsmen and foremen.

It stands to reason that in periods of relatively low unemployment levels such as today, a large proportion of those experiencing intermittent lay-off are in the usual seasonal industries—such as food processing, apparel and automobile production, trade, and construction. Among those claiming unemployment insurance in 1967, over two-thirds were in manufacturing or contract construction. Seasonality in some jobs is commonplace and in present times does not have the same effect on poverty as low wages. This is not to say that seasonality is to be condoned. In some industries, because wages are low, as in food and tobacco processing, apparel production, and retail sales, seasonality exacerbates poverty. By itself, however, periodic unemployment during the year is not the major contribution to the problem of American poverty.

¹¹ For further information, see Elizabeth Waldman and Yvonne C. Olson, "Unemployment in the American Family," *Monthly Labor Review*, October 1968, pp. 39-46.

A definition of poverty

. . . [P]overty in the usual sense [may be defined] as existing when the resources of families or individuals are inadequate to provide a socially acceptable standard of living. Both the specification of what standard of living should be regarded as socially acceptable (the poverty standard) and the measurement of the resources available to people for comparison with that standard, in order to evaluate the size and shape of the poverty problem, bristle with difficulties . . . Defined in this way—as inadequacy of financial resources or "income"—poverty inevitably has a multiplicity of causes, or, to put the same point another way, the poor have no unique common characteristics that distinguish them from the nonpoor other than their poverty itself.

—Harry G. Johnson, "Unemployment and Poverty," in *Poverty amid Affluence*, Leo Fishman, ed. (New Haven, Yale University Press, 1966).

Perspectives on poverty 2 How poverty is measured

MOLLIE ORSHANSKY

COUNTING THE POOR is an exercise in the art of the possible. For deciding who is poor, prayers are more relevant than calculation because poverty, like beauty, lies in the eye of the beholder. Poverty is a value judgment; it is not something one can verify or demonstrate, except by inference and suggestion, even with a measure of error. To say who is poor is to use all sorts of value judgments. The concept has to be limited by the purpose which is to be served by the definition. There is no particular reason to count the poor unless you are going to do something about them. Whatever the possibilities for socioeconomic research in general, when it comes to defining poverty, you can only be more subjective or less so. You cannot be nonsubjective.

Defining the issue

In the Social Security Administration, poverty was first defined in terms of the public or policy issue: To how many people, and to which ones, did we wish to direct policy concern. Even when we bore this aim in mind, the level of living we used to separate the "haves" from the "have nots" could be as generous or as rigorous as we pleased. The level could be understated so that everyone who was counted in the "have not" group really did not have enough. If we did the reverse, we ran the risk of counting some who should not be there. There is, in short, no one perfect scheme and no value-free scheme.

Since we were attempting to illustrate the level of public concern, we wanted to be sure that every family or consumer unit had its fair chance to be numbered among those who would be considered as needing attention. Indeed, it was precisely to insure consideration of the needs of large fami-

lies as well as small, and of young people as well as old, that we refined the initial standard developed by the Council of Economic Advisers. Their standard said that any family of two or more with less than \$3,000 annual income, and any single person living alone with less than \$1,500, would be considered poor for purposes of antipoverty program planning—but not for program eligibility. This original standard led to the odd result that an elderly couple with \$2,900 income for the year would be considered poor, but a family with a husband, wife, and four little children with \$3,100 income would not be.

Moreover, when we looked at the poor distributed demographically, by comparison with the total population, we made some unusual discoveries. For example, the percentage of the families classified as poor who had no children was higher than that for the population as a whole; and to make it even more unrealistic, the percentage of the poor families with four children or more was actually less than the representation of such families in the population. We did not think this was correct, so we tried to vary the poverty line—the necessary minimum of resources—with the size and composition of the family. The reason this had not been done by the Council is that no such data were available to them then.

Setting the benchmark

A concept which can help influence public thinking must be socially and politically credible. We need benchmarks to distinguish the population group that we want to worry about. A benchmark should neither select a group so small, in relation to all the population, that it hardly seems to deserve a general program, nor so large that a solution to the problem appears impossible. For example, in the 1930's, President Roosevelt said, "I see before me one-third of a Nation ill-clothed,

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ill-housed, and ill-fed." This fraction is now part of our history. No matter how we get our number today, if more than a third of the population is called poor, it will lose value as a public reference point.

At the Social Security Administration, we decided that we would develop two measures of need, and state, on the basis of the income sample of the Current Population Survey, how many and what kinds of families these measures delineated. It was not the Social Security Administration that labeled the poverty line. It remained for the Office of Economic Opportunity and the Council of Economic Advisers to select the lower of the two measures and decide they would use it as the working tool. The best you can say for the measure is that at a time when it seemed useful, it was there. It is interesting that few outside the Social Security Administration ever wanted to talk about the higher measure. Everybody wanted only to talk about the lower one, labeled the "poverty line," which yielded roughly the same number of people in poverty as the original \$3,000 measure did, except that fewer families with more children were substituted for a larger number of older families without children.

Thresholds of poverty

We have developed two poverty thresholds; corresponding to what we call the "poor" and the "near-poor." These thresholds are set separately for 124 different kinds of families, based on the sex of the head, the number of children under 18, the number of adults, and whether or not the household lives on a farm. The threshold is defined as an attempt to "specify the minimum money income that could support an average family of given composition at the lowest level consistent with the standards of living prevailing in this country. It is based on the amount needed by families of different size and type to purchase a nutritionally adequate diet on the assumption that no more than a third of the family income is used for food."¹ The two thresholds were developed from food consumption surveys conducted by the Department of Agriculture in 1948 and 1955. These revealed that the average expenditure for

¹ Mollie Orshansky, "Measuring Poverty," *The Social Welfare Forum*, 1965 (New York, Columbia University Press, 1965).

food by all families was about one-third of income.²

An assumption was made that the poor would have the same flexibility in allocating income as the rest of the population but that, obviously, their margin for choice would be less. The amount allocated to food from the average expenditure was cut to the minimum that the Agriculture Department said could still provide American families with an adequate diet. We used the low cost plan to characterize the near poor and for the poor an even lower one, the economy food plan, which postulated 70 cents a person for food each day, assuming that all foods would be prepared at home. The Agriculture Department estimates that only about 10 percent of persons spending that amount or less actually were able to get a nutritionally adequate diet.

Our research revealed that in 1966, on the average, a nonfarm family of four would require an income of about \$65 a week to meet the poverty threshold; for the near-poor level, it would take about \$20 more. It is important to remember that these income criteria are derived solely from the estimated cost of the minimum diet and its presumed relationship to other daily necessities. We made only two decisions—how much we would allow for food in the low cost plan and the economy plan, and what would be the relationship of food to other income. The index is arbitrary in that it relies only on income as the criterion of poverty, but income statistics happen to be the only ones currently available on a regular basis. If we want to be able to apply our standard to see how many and what kinds of families fall below it, we have no choice but to base it on whatever statistics are available.

Criticisms of the index

A lot has been said about the limitations of the Social Security Administration's poverty index. Critics point out that the concept refers only to current income and ignores assets and other money income. It specifies no list of goods and services

² See U.S. Department of Agriculture publications: *Food Consumption of Urban Households, With an Appraisal of Method*, Agriculture Information Bulletin 132, October 1954; *Food Consumption in Households in the United States, Household Food Consumption Survey, 1955*, Report 1, December 1956; and *Family Food Plans and Food Costs*, Home Economics Research Report 20, November 1962.

other than food, yet we know that for many families, particularly Negro families and those with several children, the cost of housing may be even more critical. Our index assumes that if the food expenditure is cut to a minimum below the level that the average family with more money spends, everything else would be cut in proportion; yet it is obvious this is not always possible, at least not for housing. Some people argue that the index makes no adjustment and no allowance for income in kind, except for farmers. Some people find that the index is weak because it ignores year-to-year changes in income. Others do not like it because it ignores life's nonmonetary satisfactions.

All of these criticisms have merit, but let us start from bottom to top. If money alone will not solve poverty, without it nothing else will work either! It is still a necessary if not a sufficient condition. It should also be remembered that in a money economy, housing, food, and medical care received free are not substitutes for things for which people must have cash.

To ignore assets is one of the more serious defects, but the income data that are available regularly from the Current Population Survey provide no asset data. In any case, studies by Dorothy Projector and Gertrude Weiss show that except among the aged, there are few low income households with lots of assets.³

New studies, from which we are awaiting the results, will tell us the asset holdings of poor families. We did prorate assets when we were surveying the aged in 1962; it made little difference in the income position of most aged families.⁴ The survey was a very nice statistical artifact, but it was based on several assumptions which were not applicable to families other than the aged, and one of them would not even work for the aged. We assumed all assets could be converted into an annuity at 4 percent. We then worked out average length of life by age and sex, and joint survivorship rates for husbands and wives, to estimate how much more money a person would have if he used up the annuity in the remaining years of life. We had to assume that family size would never increase, and that there would be either two, or one,

or no persons, as the mates died. We had to assume that whatever assets a person had at the beginning of the study would not be replenished once they were used up. This, too, would be an unreasonable assumption for younger families. Even for the aged, it was somewhat unrealistic. Because if assets are going to be prorated, why should one person have to start prorating at age 65 and another, because he was 83 when he came under study, not have to do it until now? In addition, some forms of assets, despite what economists think, are not regarded as negotiable by people who own them.

Income flow and consumption

With respect to the temporary income thesis, we really do not know much about income flow of families and how it affects consumption. Farmer and business families, perhaps more than others, are subject to the hazards of planned and unplanned poverty, because they can use their income in 1 year for their business and improve their prospects for the future. As for the argument that nonmoney income should be included in determining who is poor, one can say with confidence that inclusion of all the free medical care and the food stamps received by the poor and of all the benefits that go to the middle class, including health insurance benefits, expense accounts, vacations, free tuition, and commodity discounts, would hardly change the result; nonmoney income, like income tax benefits, would go mainly to the nonpoor. Thus, the full effect of incorporating these benefits into the income distribution, if we were honest, might be to skew it even more than now; and since poverty is relative, the poverty line would have to be moved up.

It is very difficult to know from the mere figures representing family expenditure and consumption patterns which actions are taken consciously, as a matter of free choice, and which reflect the long-term constraint of insufficient funds not only within a family but in a community. Some have questioned why we do not make regional or organizational differentials in the poverty line except for farm versus nonfarm families. One reason is the lack of evidence that, at the poverty line or near it, with a very small discretionary spending allowance, there is much difference from one area to another in the cost of living.

³ Dorothy S. Projector and Gertrude S. Weiss, *Survey of Financial Characteristics of Consumers* (Washington, Federal Reserve System, 1966).

⁴ See Mollie Orshansky, "Who's Who Among the Poor," *Social Security Bulletin*, July 1965.

The value of consumption appears to be superior to income as a measure of poverty status. Of course, income standards are chosen only because they are to be used as a proxy for consumption potential. Shifting to consumption as a reference unit does not eliminate problems of measurement and definition. It merely exchanges old problems for new ones. For example, the consumer expenditure studies, on which we depend so much, tell us about total purchase commitments rather than cash outlay. "Buy now, pay later" may be on every television and radio program, but government expenditure schedules still do not acknowledge them. Also we do not have, in most of our surveys, the total consumer potential in terms of inventory of stocks on hand at home, as well as current purchasing. In addition, we still face the question of how to value goods received without direct outlay. A retail value—if it is known—might be a good measure, although often (as in the case of food) the items do not replace what the family actually buys.

Also, if you are thinking of counting the value of an owned home in the income-consumption matrix, should it be set at a fair return for investment, as economists often do? Or, at the saving, if any, over what a neighbor in similar circumstances pays for rent? Space standards for owned housing are usually set much higher than for rented housing—a six-room owned house may be compared with a three-room rental unit. There remain a host of problems of arbitrary selection: If, for instance, one category is used as a proxy for all others, as we use food, the question is which category should it be? In the Social Security Administration's case, which food pattern should be used?

Alternative poverty measures

There is another method of defining poverty, which is now often discussed. In place of complicated methods of deciding on a budget of one form or another, it substitutes the statement that families are called poor if their incomes fall below a stated proportion of median income at a given time. This "formula" has the virtue of simplicity and uniformity; it also has a serious deficiency in that it sets one relative measure of need for all kinds of families. Thus, it becomes very difficult to devise a measure which has this kind of simplicity and yet to provide for rapid progress and attention to the groups that we worry about. Un-

der such a scheme, they need receive no special attention as long as they maintain their current relative position.

The break-even point was used some time ago. This would select as the critical income point the amount at which, on the average, expenditures by families matched income, so that there would be no deficit and no savings. Now, however, with the use of credit and installment buying and the never-ending list of wants, deficit is found among a good many families of relatively high incomes. At low income points, some families cannot spend more than their income would permit because they cannot get credit.

In any case, there is no one method that does not suffer from some difficulty that renders it less usable for some purposes than for others.

Uses of the present index

One of the difficulties encountered in the use of the poverty index is that the data used are not adequate for the applications. However, we feel that the directional differences among population groups with poverty risk, and the relative orders of magnitude of these differences, are meaningful even if the absolute numbers are weak. They can tell us about special problems in disadvantaged areas such as the South, or slums versus suburbs, and the difficulties of minority groups. They can help us heal the sores economic growth alone cannot heal. The index we now have has pointed out little that people might not have otherwise suspected, but it has served to give us some broad gages of the severity of the problem.

Despite what Social Security and other programs have done, one finds, upon ranking persons by age and poverty, that the aged did not improve in terms of poverty status as much as the young did over the last 7 years. Although we knew that there must be some people who worked and yet were poor, many of us tended to equate poverty among young families with either having too many children (whatever too many means) or with unemployment. As it turns out, a substantial number of families are in poverty even when the man works all year. Though most large families that are poor would obviously be somewhat better off if they had fewer children, many of them have so little income that they would be poor even then. Present surveys of poverty and low income are based on the Current Population Survey sample and thus exclude per-

sons in institutions, many of whom are among the poorest. They also measure poverty on the basis of the total income of all related persons living together. Thus, in the families where people have to double up because an old woman has no money of her own, or a mother and child do not have money of their own, we mask the fact that this is a group of persons who do not have the essentials for independent living.

Wherever the poverty line is, there are two things that ought to be done to it—and we really do not know how to do them. First, how to adjust a poverty line to conform to changes in productivity. Second, even if the poverty line is adjusted for the rise of productivity, how to measure the impact of price change on consumers' living at or below the margin.

Income maintenance programs

The Economic Opportunity Act has authorized several new mechanisms which we continually think of as the antipoverty program. But the aggregate poverty gap, which in 1967 was about \$9.7 billion, is the deficiency in income relative to need for the whole group of poor people. Taking into account all of the people's sources of income, including the income they receive from public support programs, such as public assistance, veterans programs, and unemployment insurance, one must say that most of the antipoverty effort, in terms of putting money into the hands of people, is still made under programs other than those of the Office of Economic Opportunity.

We have, for the first time, information on income collected by the Census Bureau for 1965, showing separately, in addition to earnings, the amount of the family's income received from social security, public assistance, and various other programs. Obviously, the data are not entirely correct. We suspect, for example, that the numbers we get on public assistance, are an understatement, rather than overstatement, for a variety of reasons. We also know that we do not have enough information about the timing and the overlap of the programs. Even if the family identifies the program of aid and can give the

appropriate information at the time of the census interview, all that is published is a net figure for the year. With the data we have, we cannot take into account the fact that a person may be getting public assistance for 2 months waiting for a social security claim to be processed, or may be getting money from unemployment insurance before appealing for public assistance.

It is a revelation to find that despite the remarks we hear on how we do not want to give handouts to the poor, getting money from the government in the form of a regular monthly check is really not unusual. It is becoming almost a universal experience. Almost 19.5 million households reported in 1965 that they had received some government payments. For the aged, it was mostly social security; for younger families, particularly for the women and children, it was mostly public assistance. Even with all their limitations, these programs have changed the poverty profile a good deal.

In 1966, there were 10.9 million households in poverty (counting one-person units as well as families as a household). Using the 1965 relationships, one may assume that the number of poor households would have been 16 million had there not been programs of income maintenance. In other words, instead of 1 in every 5 households being poor, 1 in every 4 would have been poor.

Only two-thirds of all households that would be poor with no public payments receive any help. Of those poor as we now count them—after all payments—fully half have received no help at all from a public income program. Of those who do receive public assistance, 5 out of 6 remain poor after they get assistance. By contrast, social security, less restrictive in other income that beneficiaries may have, lifts more than half the household poor without their payments into the nonpoor ranks. Thus, though existing public welfare programs do much to lessen the number of poor they could do much more. It is clear that for many already receiving help from public programs it is the degree of that help that must be increased if they are to escape poverty, but new programs or extensions of existing ones are required for those now in poverty and receiving no help at all.

Special Studies

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REVISION IN POVERTY STATISTICS, 1959 TO 1968

This report describes modifications in the definition of poverty which were adopted in 1969. As a result of the deliberations of a Federal Inter-agency Committee two changes were incorporated into the definition of poverty previously employed. These two modifications change the method of adjusting the poverty thresholds for annual cost of living fluctuations and alter the poverty income differential between farm and nonfarm families. This report shows the effect of the revised definition on estimates of the number of families and persons below the poverty levels for the years 1959 to 1967. Data for the year 1968 based on the revised poverty definition are also presented in this report. A report showing more detailed data on poverty for the years 1959 to 1968 based on the revised poverty definition will be published later this year.

The SSA Poverty Definition. -- Poverty statistics published in previous Census Bureau reports were based on the poverty index developed by the Social Security Administration (SSA) in 1964.¹ This index provided a range of poverty income cutoffs adjusted by such factors as family size, the sex of the family head, the age of family members, and place of residence. At the core of this definition of poverty was a nutritionally adequate food plan ("economy" plan) designed by the Department of Agriculture for "emergency or temporary use when funds are low." Annual revisions of the poverty income cutoffs were based on price changes of the items in the economy food budget.

In determining the proportion of total family income that should be consumed by food requirements, the SSA observed that the percentage of income expended for necessities, in particular food, reflects the relative well being of both individuals and the society in which they live. In general, families that need to use about the same proportion

of their income for a given level of food expenditure are considered to share the same level of living. For families of three or more persons the poverty level was set at three times the cost of the economy food plan. This was the average food cost-to-family income relationship reported by the Department of Agriculture on the basis of a 1955 survey of food consumption.² For smaller families and persons residing alone, the cost of the economy food plan was multiplied by factors that were slightly larger to compensate for the relatively higher fixed expenses of these smaller households. The SSA poverty cutoffs also took account of differences in the cost of living between farm and nonfarm families.

As a result of its deliberations the committee accepted the following two recommendations: (1) that the SSA poverty thresholds for nonfarm families be retained for the base year 1963, but that the annual adjustments in the levels be based on the changes in the Consumer Price Index (CPI) rather than on changes in the cost of food included in the economy food plan; and (2) that the farm poverty thresholds be raised from 70 to 85 percent of the corresponding nonfarm levels. The combined impact of these two modifications resulted in a net increase of 360,000 poor families and of 1.6 million poor persons in 1967. The reasons for making these changes and the effect of each revision on the poverty data are outlined below.

¹For a detailed discussion of the SSA poverty standards, see Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," Social Security Bulletin, January 1965; and "Who's Who Among the Poor: A Demographic View of Poverty," Social Security Bulletin, July 1965.

²See U.S. Department of Agriculture, Food Consumption and Dietary Levels of Households in the United States, (ARS 626), August 1957.

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U.S. DEPARTMENT OF COMMERCE - Maurice H. Stans, Secretary

Rocco C. Siciliano, Under Secretary

William H. Chartener, Assistant Secretary for Economic Affairs

BUREAU OF THE CENSUS - A. Ross Eckler, Director



Change in the cost of living adjustment.-- Annual revisions of the SSA poverty thresholds were based only on changes in the average per capita cost of the foods in the economy food budget. This method of updating the poverty cutoffs did not fully reflect increases in the overall cost of living during the 1960's (see table A). The pace at which the general cost of living advanced in recent years was not uniformly matched by increases in the price of goods in the economy food plan. Thus, general price changes since 1959 were not paralleled by comparable changes in the poverty thresholds. For example, the CPI went up by 13.7 percent between 1959 and 1966, while poverty thresholds increased by 7.9 percent for an average family during the same period.

Table A.--COMPARISON OF CHANGES IN THE CONSUMER PRICE INDEX AND IN THE COST OF ECONOMY FOOD PLAN: 1959-1968

(1963 = 100)

Year	Consumer price index		Economy food plan ¹
	All items	Food	
1968.....	113.6	113.5	108.7
1967.....	109.0	109.6	106.5
1966.....	106.0	108.7	106.5
1965.....	103.0	103.5	102.2
1964.....	101.3	101.2	100.0
1963.....	100.0	100.0	100.0
1962.....	98.8	98.6	97.8
1961.....	97.7	97.6	97.8
1960.....	96.6	96.5	100.0
1959.....	95.1	95.4	97.8

¹For a description of the items included in the economy food plan see U.S. Department of Agriculture, "Family Food Plans and Food Costs," Home Economics Research Report No. 20, November 1962 and "Family Food Plans Revised 1964," Family Economics Review, October 1964. The 1964 revision resulted in a slightly less costly diet, offset by price increases.

The differences between changes in the cost of the economy food budget and the overall cost of living led to the adoption of the CPI as the basis for annual revisions in the poverty cutoffs. Although the CPI is not designed to measure the changing market conditions faced solely by poor families, it does reflect the fact that prices of food and non-food commodities do not always advance at the same rate. Employing the CPI to adjust the poverty thresholds annually has another advantage over the earlier adjustment technique. Although the economy food plan is repriced annually, the data are not published regularly but are available only on request. The CPI, on the other hand, is regularly published and is a generally accepted measure of changes in the "cost of living."

Poverty data are shown for the years 1959-1967 in table D using both the CPI and the original method of updating the poverty thresholds and also incorporating the changes in the farm cutoffs.³ The impact of using the CPI rather than changes in the cost of the economy food plan to adjust the poverty cutoffs for annual changes in the cost of living can be seen most clearly by comparing the nonfarm poverty data based on each of the two price adjustment techniques (table B). Since the difference in the CPI between 1959 and 1963 was greater than the change in the original poverty index during the same period, the number of nonfarm families below the poverty level in 1959 based on the CPI adjustment is 260,000 less than the number originally published. For 1967 the introduction of the CPI cost of living adjustment increased the number of poor nonfarm families by 210,000 and the number of poor nonfarm persons by 880,000 over the numbers originally published. The differences in the poverty thresholds for 1967, 1963, and 1959 are shown in table C. For a nonfarm family of four persons, the revised thresholds in 1967 averaged \$3,410 as compared with \$3,335 based on the original definitions.

Change in the farm-nonfarm relationship.-- Under the old definitions, the poverty thresholds for farm families were adjusted for the average value of food consumed by these families which they had grown themselves. The poverty cutoffs for farm families were established at 70 percent of the nonfarm levels based on a 1961 study of household consumption which indicated that the value of food produced by farm families for home use amounted to about 30 percent of their total food budget.

Determining the appropriate measure of income needed by farm and nonfarm families at an equivalent level of living is difficult. Surveys conducted by the Department of Agriculture indicate that farm families raise a significant proportion of their own food, permitting them to maintain the same diet while requiring less money income than nonfarm families. In making their home on the farm they operate, farm families are relieved of some direct outlays for items other than food--they rent or buy the farm dwelling along with the farm land. Similarly, costs for electricity and other

³Note also that a revised method of processing the income data was introduced in 1966. Data for that year are shown in table D based on both the earlier and revised editing and allocation procedures, permitting one to observe the impact of these methodological innovations on the poverty data. For years subsequent to 1966, data have been processed in accordance with the new procedures only.

utilities used in the home will be difficult to separate from those incurred in running the farm. The income reported to the Census Bureau for farm families may thus be understated to a greater degree than for nonfarm families.

On the other hand, community services and facilities readily available in most large cities may

be less accessible in rural areas or lacking altogether, so that expenses for some items may be higher for farm and other rural families than for urban households. It is also true that more and more farm families make some of their living at off-farm jobs so that a growing proportion of their income should not be considered in arriving at the farm discount. In 1967, for example, earnings from

Table B.--COMPARISON OF POVERTY DATA IN 1959, 1963, AND 1967 FOR PERSONS BY FAMILY STATUS AND FARM-NONFARM RESIDENCE, BASED ON REVISED AND ORIGINAL POVERTY DEFINITIONS

(Numbers in thousands. Family status refers to March of the following year)

Family status and farm-nonfarm residence	1967 ^r		1963		1959	
	Revised	Original	Revised	Original	Revised	Original
Number below poverty level						
NONFARM						
All persons.....	25,060	24,183	31,255	31,255	31,475	32,148
In families.....	20,214	19,440	26,485	26,485	26,983	27,430
Head.....	5,093	4,886	6,465	6,465	6,625	6,886
Family members under 18 years.....	10,231	9,856	13,397	13,397	13,534	13,413
Other family members.....	4,890	4,698	6,623	6,623	6,824	7,131
Unrelated individuals 14 years and over.	4,846	4,743	4,770	4,770	4,492	4,718
FARM						
All persons.....	2,709	1,963	5,181	4,035	3,015	6,792
In families.....	2,557	1,831	5,013	3,896	7,579	6,434
Head.....	574	423	1,089	878	1,696	1,395
Family members under 18 years.....	1,196	873	2,294	1,847	3,675	3,224
Other family members.....	787	535	1,630	1,171	2,208	1,815
Unrelated individuals 14 years and over.	152	132	168	139	436	358
Percent below poverty level						
NONFARM						
All persons.....	13.5	13.0	17.9	17.9	19.6	20.0
In families.....	11.7	11.3	16.2	16.2	17.9	18.2
Head.....	10.8	10.4	14.6	14.6	16.1	16.7
Family members under 18 years.....	15.4	14.8	20.9	20.9	23.5	23.3
Other family members.....	8.3	8.0	12.0	12.0	13.2	13.9
Unrelated individuals 14 years and over.	37.9	37.1	44.1	44.1	44.0	46.2
FARM						
All persons.....	25.9	19.0	41.4	32.1	50.5	42.6
In families.....	25.3	18.3	41.3	31.9	49.3	41.6
Head.....	21.4	15.8	35.2	28.4	44.6	36.7
Family members under 18 years.....	32.3	23.8	48.4	38.6	57.8	53.1
Other family members.....	21.1	14.6	37.9	27.0	42.3	32.4
Unrelated individuals 14 years and over.	45.5	39.5	46.0	38.0	90.3	74.1

^r Based on revised methodology for processing income data; see Series P-60, No. 59, pages 17 to 19 for explanation.

NOTE.--Farm poverty thresholds in the revised definition are 85 percent of the nonfarm thresholds, whereas a 70 percent farm-nonfarm differential was employed in the original definition. The revised definition uses the Consumer Price Index to adjust the poverty thresholds annually to account for changes in the cost of living. Annual adjustments in the poverty thresholds under the original definition were based on changes in the per capita cost of the economy food plan. See text for an explanation of these differences between revised and original poverty definitions.

nonfarm work averaged 36 percent of net realized money income of families operating farms as contrasted with 50 percent in 1960.⁴

Up to the present time, no entirely satisfactory means of determining the income required for equivalent levels of living for farm and nonfarm families has been provided by studies on this subject. Further research is needed to analyze differences in living costs between farm and nonfarm families. Although it is not yet possible to quantify exactly all the factors contributing to cost of living differences between farm and nonfarm families, research already completed suggests that these differences are

⁴Derived from data presented in Farm Income Situation, July 1968, pp. 53, 68, and 72.

not as great as provided for by the 70 percent differential. After weighing the available evidence, the Review Committee agreed that narrowing the farm-nonfarm poverty threshold differential to 85 percent more nearly reflects the overall cost of living differences between farm and nonfarm families than the previously used differential.

The impact of the change in the farm-nonfarm relationship can be seen in table C which shows the farm poverty income cutoffs, in 1967, 1963, and 1959 under the revised and original definitions. The change in the number of farm poor can best be analyzed by the use of data for 1963 which serves as the base year for the cost of living adjustment. For that year, as table B indicates, the number of farm poor under the revised definition was about 1.1 million higher than originally published.

Table C.--COMPARISON OF WEIGHTED AVERAGE THRESHOLDS AT THE POVERTY LEVEL IN 1967, 1963, AND 1959, BY SIZE OF FAMILY AND SEX OF HEAD, FOR THE UNITED STATES BY FARM-NONFARM RESIDENCE BASED ON REVISED AND ORIGINAL POVERTY DEFINITIONS

Number of family members	Weighted average thresholds at the poverty level									
	Revised definition					Original definition				
	Nonfarm		Farm		Total	Nonfarm		Farm		Total
	Total	Male head	Female head	Total	Male head	Female head	Total	Male head	Female head	Total
1967										
1 member.....	\$1,669	\$1,750	\$1,632	\$1,440	\$1,476	\$1,382	\$1,625	\$1,710	\$1,595	\$1,145
2 members.....	2,149	2,178	2,110	1,835	1,841	1,754	2,083	2,128	2,062	1,475
3 members.....	2,640	2,674	2,573	2,256	2,264	2,168	2,559	2,613	2,514	1,815
4 members.....	3,388	3,410	3,393	2,906	2,907	2,882	3,290	3,334	3,315	2,345
5 members.....	3,992	4,022	3,984	3,431	3,438	3,438	3,873	3,930	3,893	2,755
6 members.....	4,476	4,517	4,497	3,851	3,852	3,808	4,334	4,410	4,394	3,090
7 or more members.....	5,486	5,562	5,433	4,719	4,720	4,667	5,298	5,435	5,309	3,790
1963										
1 member.....	\$1,531	\$1,605	\$1,498	\$1,314	\$1,349	\$1,270	\$1,524	\$1,605	\$1,498	\$1,088
2 members.....	1,967	1,997	1,933	1,684	1,688	1,648	1,946	1,997	1,933	1,386
3 members.....	2,421	2,442	2,352	2,087	2,075	1,981	2,401	2,442	2,352	1,698
4 members.....	3,104	3,128	3,113	2,664	2,665	2,641	3,080	3,129	3,113	2,195
5 members.....	3,652	3,687	3,661	3,139	3,138	3,145	3,620	3,687	3,661	2,585
6 members.....	4,089	4,135	4,112	3,538	3,538	3,581	4,042	4,136	4,112	2,936
7 or more members.....	5,008	5,092	5,000	4,331	4,339	4,226	4,923	5,100	5,000	3,567
1959										
1 member.....	\$1,458	\$1,529	\$1,428	\$1,256	\$1,297	\$1,205	\$1,489	\$1,573	\$1,469	\$1,063
2 members.....	1,872	1,904	1,843	1,609	1,613	1,552	1,902	1,958	1,896	1,361
3 members.....	2,296	2,335	2,235	1,972	1,972	1,880	2,333	2,402	2,399	1,670
4 members.....	2,943	2,973	2,937	2,539	2,539	2,524	2,996	3,060	3,042	2,155
5 members.....	3,460	3,507	3,483	2,988	2,987	3,006	3,511	3,606	3,582	2,536
6 members.....	3,888	3,944	3,941	3,355	3,354	3,363	4,058	4,056	4,075	2,841
7 or more members.....	4,725	4,849	4,763	4,117	4,120	4,040	4,733	4,987	4,900	3,495

NOTE.--Farm poverty thresholds in the revised definition are 85 percent of the nonfarm thresholds, whereas a 70 percent farm-nonfarm differential was employed in the original definition. The revised definition uses the Consumer Price Index to adjust the poverty thresholds annually to account for changes in the cost of living. Annual adjustments in the poverty thresholds under the original definition were based on changes in the per capita cost of the economy food plan. See text for an explanation of these differences between revised and original poverty definitions.

Table D.—COMPARISON OF POVERTY DATA IN 1959 THROUGH 1968 BASED ON REVISED AND ORIGINAL POVERTY DEFINITION
(Numbers in thousands. Family status as of March of the following year)

Selected characteristics	1968 ¹		1966 ²		1965		1964		1963		1962		1961		1960		1959	
	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition	Revised definition	Original definition
TOTAL																		
All persons.....	25,389	27,769	26,146	28,510	31,908	36,055	34,290	36,436	35,290	38,625	37,036	39,628	38,095	39,851	40,090	39,490	38,940	
In families.....	20,695	22,771	21,770	23,809	27,122	30,912	29,229	31,498	30,381	33,623	32,169	34,509	33,109	34,925	35,032	34,562	33,864	
Head.....	5,047	5,667	5,309	5,784	6,451	7,160	6,832	7,354	7,343	8,077	7,756	8,391	8,032	8,243	8,295	8,320	8,281	
Nonfam.....	4,553	5,097	4,886	5,248	5,785	6,088	5,948	6,467	6,467	6,890	6,649	7,044	6,975	7,030	7,030	6,625	6,886	
Farm.....	4,194	4,571	4,423	4,736	4,880	5,102	4,884	5,087	5,087	5,244	5,073	5,366	5,102	5,194	5,194	4,926	5,196	
Family members under 18 years.....	10,739	11,427	10,729	12,146	14,388	15,736	14,894	15,244	15,244	16,630	15,882	16,577	15,999	17,217	17,217	17,208	16,637	
Other family members.....	4,909	5,677	5,232	5,879	7,249	7,816	7,503	7,794	7,794	8,116	7,916	8,541	8,078	8,394	8,394	8,034	8,046	
Unrelated individuals 14 years and over.....	4,694	4,998	4,876	4,703	4,827	5,143	5,061	4,938	4,938	5,002	4,867	5,119	4,986	4,926	5,038	4,928	5,076	
WHITE																		
All persons.....	17,395	18,982	17,764	19,290	21,375	24,958	23,411	25,238	24,121	26,671	25,406	27,889	26,501	28,310	28,706	28,484	28,231	
In families.....	13,646	14,851	13,726	15,120	17,440	20,716	19,228	21,149	20,054	22,613	21,463	23,746	22,473	24,263	24,535	24,443	24,072	
Head.....	3,616	4,053	3,766	4,108	4,792	5,238	4,956	5,466	5,258	5,897	5,622	6,205	5,885	6,115	6,177	6,185	6,183	
Nonfam.....	3,223	3,610	3,454	3,683	4,119	4,380	4,280	4,610	(NA)	5,008	5,008	5,161	5,102	5,248	5,248	5,170	5,170	
Farm.....	3,000	3,246	3,112	3,221	3,580	3,778	3,676	3,856	(NA)	4,144	4,144	4,344	4,283	4,491	4,491	4,369	4,369	
Family members under 18 years.....	6,373	6,729	6,245	7,203	8,261	9,573	8,856	9,749	9,288	10,382	9,797	10,661	10,061	11,197	11,197	11,269	11,013	
Other family members.....	3,257	3,667	3,425	3,997	4,589	5,085	4,916	5,244	5,244	5,634	5,433	6,033	5,633	6,033	6,033	5,882	5,882	
Unrelated individuals 14 years and over.....	3,849	4,131	4,028	3,860	3,935	4,242	4,183	4,089	4,089	4,058	3,943	4,143	4,028	4,047	4,171	4,041	4,159	
NEIRO AND OTHER RACES																		
All persons.....	7,994	8,786	8,382	9,220	10,533	11,098	10,879	11,198	11,169	11,953	11,630	11,738	11,594	11,542	11,384	11,006	10,709	
In families.....	7,143	7,920	7,534	8,378	9,702	10,196	10,001	10,349	10,327	11,010	10,706	10,762	10,636	10,663	10,497	10,119	9,782	
Head.....	1,731	1,911	1,843	1,969	2,181	2,328	2,281	2,381	2,381	2,514	2,434	2,514	2,434	2,434	2,318	2,135	2,098	
Nonfam.....	1,403	1,488	1,432	1,537	1,666	1,678	1,668	1,678	(NA)	1,914	1,882	1,882	1,872	1,731	1,772	1,709	1,718	
Farm.....	1,366	1,428	1,371	1,432	1,595	1,666	1,666	1,666	(NA)	1,872	1,840	1,840	1,830	1,698	1,731	1,698	1,718	
Family members under 18 years.....	4,366	4,698	4,484	4,962	5,729	6,163	6,038	6,342	6,342	6,748	6,548	6,974	6,858	6,974	6,858	6,625	6,446	
Other family members.....	1,522	1,611	1,507	1,759	2,112	2,131	2,087	2,319	2,319	2,572	2,498	2,613	2,551	2,476	2,469	2,162	2,124	
Unrelated individuals 14 years and over.....	845	866	848	841	831	902	878	849	842	943	924	976	958	879	887	887	917	
TOTAL																		
All persons.....	12.8	14.2	13.4	14.7	16.7	19.0	18.1	19.5	18.9	21.0	20.1	21.9	21.0	22.3	22.4	22.1	22.1	
In families.....	11.3	12.5	11.7	13.1	15.1	17.4	16.5	17.9	17.3	19.4	18.6	20.3	19.5	20.7	20.8	20.4	20.4	
Head.....	10.0	11.4	10.7	11.8	13.4	15.0	14.6	15.3	15.3	17.2	16.5	18.1	17.3	18.1	18.3	18.5	18.4	
Nonfam.....	9.5	10.8	10.4	11.3	12.8	14.3	14.0	14.6	14.6	16.0	15.7	16.4	16.3	16.8	16.8	16.7	16.7	
Farm.....	18.8	21.4	15.8	15.7	29.8	35.2	35.2	35.2	35.2	37.0	37.0	38.6	30.3	45.7	36.2	44.6	36.7	
Family members under 18 years.....	15.3	16.3	15.3	17.4	22.7	22.7	22.7	22.7	22.7	23.6	23.6	25.2	24.3	26.5	26.5	26.1	26.1	
Other family members.....	7.8	9.1	8.3	9.5	10.9	13.3	12.4	13.8	13.1	15.1	14.5	16.5	15.6	16.2	16.4	15.9	15.7	
Unrelated individuals 14 years and over.....	34.0	38.1	37.2	38.3	39.3	42.7	42.0	44.2	43.9	45.4	44.2	47.3	44.7	45.2	46.1	46.1	47.4	

See footnotes at end of table.

Table B.—COMPARISON OF POVERTY DATA IN 1959 THROUGH 1968 BASED ON REVISED AND ORIGINAL POVERTY DEFINITION—Continued

(Numbers in thousands, Family status as of March of the following year)

Selected characteristics	1968 ¹		1967 ¹		1966 ²		1965		1964		1963		1962		1961		1960		1959	
	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition	Revised defi- nition	Orig- inal defi- nition
Percent below poverty level—Continued																				
WHITES																				
All persons.....	10.0	11.3	11.1	12.2	11.9	13.3	12.7	14.9	14.0	15.3	14.6	16.4	15.6	17.4	16.5	17.8	18.1	18.1	18.1	18.0
In families.....	8.4	9.2	9.7	10.2	10.6	11.7	11.0	13.2	12.3	13.6	12.9	14.7	14.0	15.8	14.9	16.2	16.4	16.4	16.5	16.3
Head.....	8.0	9.0	8.4	10.2	10.6	11.7	11.0	13.2	12.3	13.6	12.9	14.7	14.0	15.8	14.9	16.2	16.4	16.4	16.5	16.3
Nonfarm.....	7.5	8.5	8.2	9.7	10.2	10.2	10.9	12.2	11.5	12.8	12.3	13.9	13.2	14.8	14.0	14.9	15.0	15.2	15.1	15.1
Farm.....	15.9	18.1	12.7	16.5	14.0	24.6	17.5	31.2	24.0	30.5	(NA)	27.5	21.2	33.3	25.0	39.0	30.0	38.0	30.4	30.4
Family members under 18 years.....	10.7	11.3	10.5	12.1	11.8	14.4	13.9	16.1	14.9	16.5	15.7	17.9	16.9	18.7	17.7	20.0	20.1	20.6	20.1	20.1
Other family members.....	6.3	7.2	6.6	8.2	8.2	9.2	8.3	10.8	10.0	11.0	10.3	12.0	11.4	13.3	12.5	13.3	13.5	13.3	13.1	13.1
Unrelated individuals 14 years and over.....	32.2	36.5	36.1	37.3	37.3	38.1	37.6	40.7	40.2	42.0	42.1	42.7	41.5	43.2	42.0	43.0	44.4	44.1	44.1	45.4
NEGRO AND OTHER RACES																				
All persons.....	33.5	37.2	39.8	41.7	40.6	47.1	46.4	49.6	48.6	51.0	50.9	55.8	54.2	56.1	55.4	55.9	55.1	56.2	54.6	54.6
In families.....	28.4	32.3	34.7	38.5	39.9	46.8	46.1	49.1	48.2	50.5	50.4	55.3	53.7	55.6	54.9	55.7	54.8	56.0	54.2	54.2
Head.....	28.2	32.0	30.7	33.7	35.0	39.7	38.9	40.0	39.5	43.7	43.7	48.0	46.8	49.0	48.2	49.0	48.8	50.4	49.5	49.5
Nonfarm.....	27.3	30.9	29.8	32.5	33.3	37.2	36.9	37.5	37.3	41.4	(NA)	45.0	44.2	45.9	45.7	44.2	45.3	45.3	45.3	45.3
Farm.....	48.3	48.4	50.5	49.5	67.3	82.0	73.3	79.2	73.5	81.3	(NA)	90.2	82.1	85.4	77.0	93.4	81.4	91.8	82.3	82.3
Family members under 18 years.....	31.6	34.9	34.7	36.3	36.3	37.3	36.5	38.5	38.9	40.9	40.9	43.2	42.0	43.2	43.2	43.2	43.2	43.2	43.2	43.2
Other family members.....	20.9	25.3	25.7	27.5	26.3	35.3	34.5	35.7	34.9	38.9	38.3	43.2	41.9	44.8	43.7	43.3	43.1	42.5	41.7	41.7
Unrelated individuals 14 years and over.....	45.7	48.2	47.2	50.0	50.2	50.7	50.2	55.0	53.5	58.3	57.8	62.1	60.8	62.7	61.2	61.2	59.3	57.4	57.4	59.3

NA Not available.
¹ Based on revised methodology for processing income data; see Series P-60, No. 59, pages 17 to 19 for explanation.
² Due to a coding error, data for 1967 are not strictly comparable with those shown for 1966 and 1968. It is estimated that this error may have overstated the number of poor families in 1967 by about 175,000 and the number of poor persons by approximately 460,000.

Numbers shown here based on the original definition differ slightly from those published in Series P-60, Nos. 55 and 59 due to the use of an improved method for imputing missing income data.
 NOTE.—Farm poverty thresholds in the revised definition are 85 percent of the nonfarm thresholds, whereas a 70 percent farm-nonfarm differential was employed in the original definition. The revised definition uses the Consumer Price Index to adjust the poverty thresholds annually to account for changes in the cost of living. Annual adjustments in the poverty thresholds under the original definition were based on changes in the per capita cost of the economy food plan. See text for an explanation of these differences between revised and original poverty definitions.

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON: D.C. 20503

August 29, 1969

CIRCULAR NO. A-46
Transmittal Memorandum No. 9

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Definition of poverty for statistical purposes

Attached is Exhibit L which amends Circular No. A-46. The purpose of this amendment is to establish Bureau of the Census statistics on poverty, including the poverty levels, the numbers of families and persons in poverty, and their characteristics, as the standard data series on poverty for statistical use by all Executive departments and establishments.

ROBERT P. MAYO
Director

Attachment

DEFINITION OF POVERTY FOR STATISTICAL PURPOSES

Upon release by the Bureau of the Census of statistics on poverty for 1968, with revisions for the years 1959 through 1967, the poverty levels and figures contained therein shall be used for statistical purposes by all Executive departments and establishments (see Census Bureau's Current Population Reports, Series P-23, No. 28 - "Revision in Poverty Statistics, 1959-1968," August 12, 1969).

A number of Federal agencies have been using statistical series on the numbers of persons and families in poverty, and their characteristics, in analytical and program planning work. The basis for these series has been the classification of income data collected by the Bureau of the Census in accordance with a definition of poverty developed by the Social Security Administration.

The Bureau of the Census series will continue the Social Security Administration definition for the base year, 1963, except that the differential between poverty levels for farm and nonfarm families is reduced from 30 percent to 15 percent. Annual adjustments in the new series are based on changes in the average annual total Consumer Price Index (CPI) instead of changes in the cost of the U. S. Department of Agriculture's Economy Food Plan.

The establishment of this standard data series does not preclude departments and agencies from more detailed analyses or from publication of tabulations for specialized needs although, where applicable, totals must agree with totals published by the Bureau of the Census. Other measures of poverty may be developed for particular research purposes, and published, so long as they are clearly distinguished from the standard data series.

The poverty levels used by the Bureau of the Census were developed as rough statistical measures to record changes in the numbers of persons and families in poverty, and their characteristics, over time. While they have relevance to a concept of poverty, these levels were not developed for administrative use in any specific program and nothing in this Circular should be construed as requiring that they should be applied for such a purpose.

**OFFICE OF ECONOMIC
OPPORTUNITY**

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20506

Type of Issuance	OEO INSTRUCTION	Number	3000-1
Subject	OEO INCOME POVERTY GUIDELINES	Date	September 20, 1968
Supersedes	OEO Inst. 72-4, dtd August 11, 1967	Office of Primary Responsibility	RPP&E
		Distribution	CR Plus Delegated Agencies

PURPOSE: To establish uniform income poverty guidelines applicable to all OEO Programs in which income levels constitute admission criteria.

1. BACKGROUND:

- a. In March, 1968 the Social Security Bulletin published revised income guidelines derived by the Bureau of the Census and OEO from counting the poor and reflecting higher costs of living. In order to maintain uniform standards for all OEO programs -- both direct and delegated -- to which income guidelines are relevant, this Instruction is being issued.
- b. The OEO poverty income criteria are based on the economy food budgets developed by the Department of Agriculture as applied to Census data by the Social Security Administration.

2. OEO POLICY. The guidelines reflected in Attachment 1 are to be used for all OEO-funded direct and delegated programs which use income levels as a determinant of eligibility. These shall be promulgated by each program director no later than October 1, 1968. These are the most recent poverty level guidelines generated by the Census Bureau, rounded to the nearest hundred dollars. They may be amended subsequently by OEO if a significant change in costs of living occurs.

Bertrand M. Harding
BERTRAND M. HARDING
Acting Director

Attachment

**OFFICE OF ECONOMIC
OPPORTUNITY**
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20506

Type of Issuance	Number
OEO INSTRUCTION	3000-1
Subject	Date
OEO INCOME POVERTY GUIDELINES	September 26, 1969
	Office of Primary Responsibility
	RPP&E
Supersedes	Distribution
OEO Inst. 3000-1, Sept. 20, 1968	CR Plus Delegated Agencies


PURPOSE: To establish current uniform income poverty guidelines applicable to all OEO Programs in which income levels constitute admission criteria.

1. BACKGROUND:

- a. In August, 1967 OEO issued uniform income guidelines for all OEO programs where family income was used to determine program eligibility. These guidelines were based on poverty thresholds derived from a definition of poverty developed for statistical purposes by the Social Security Administration in 1964. In September, 1968 OEO issued new guidelines which reflected increases in consumer prices which had occurred since the first guidelines were issued.
- b. An interagency Poverty Level Review Committee, established and chaired by the Bureau of the Budget, recently revised the statistical definition of poverty in two ways:
 - (1) The poverty thresholds for farm families were raised to 85% of the poverty thresholds for nonfarm families. (They had previously been at 70%.)
 - (2) The technique for adjusting the poverty thresholds for changes in consumer prices was improved.

The statistics on poverty in 1968 released by the Census Bureau in mid-August 1969 were calculated under the revised definition of poverty.

2. OEO POLICY. Until further notice, the OEO guidelines for determining program eligibility shall be based on income thresholds generated by the statistical definition of poverty as revised by the Poverty Level Review Committee. These guidelines are to be used for all OEO-funded direct and delegated programs which use income levels to determine eligibility. These guidelines shall be promulgated by each program director no later than October 1, 1969.


DONALD RUMSFELD
Director

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(For Guidelines, turn this page over)

September 26, 1969

OEO Inst. 3000-1

OEO Poverty Guidelines for FY 1970

<u>Family Size</u>	<u>Non-Farm</u>	<u>Farm</u>
1	\$1,800	\$1,500
2	2,400	2,000
3	3,000	2,500
4	3,600	3,000
5	4,200	3,500
6	4,800	4,000
7	5,400	4,500
8	6,000	5,000
9	6,600	5,500
10	7,200	6,000
11	7,800	6,500
12	8,400	7,000
13	9,000	7,500

For families with more than 13 members, add \$600 for each additional member in a nonfarm family and \$500 for each additional member in a farm family.

**OFFICE OF ECONOMIC
OPPORTUNITY**
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20505

Type of Issuance	Number
OEO INSTRUCTION	6004-1b
Subject OEO INCOME POVERTY GUIDELINES (REVISED)	Date December 1, 1970
	Office of Primary Responsibility O/CA/P
Supersedes OEO Instruction 6004-1a, dtd 1/30/70, and OEO Instruction 6004-3, dtd 5/6/70	Distribution DR, 5-2, 10, 15, 35-4, 45-1, S

EFFECTIVE DATE: December 1, 1970

APPLICABILITY: This Instruction applies in the manner described under Section 2. below to all programs financially assisted under Title II or III-B of the Economic Opportunity Act when the assistance is administered by OEO.

1. BACKGROUND

In August 1967 the Office of Economic Opportunity issued uniform income guidelines for all Office of Economic Opportunity programs where family income was used to determine program eligibility. These guidelines were based on poverty thresholds derived from a definition of poverty developed for statistical purposes by the Social Security Administration in 1964. In September 1968, and in January 1970, the Office of Economic Opportunity issued new guidelines which reflected increases in consumer prices which had occurred since the first guidelines were issued.

2. POLICY

In order that the definition of poverty which is used to determine program eligibility remains unchanged, it is the policy of the Office of Economic Opportunity to adjust the dollar levels of the income poverty guidelines to reflect changes in the cost of living as measured by the Consumer Price Index. The revised income guidelines contained in this Instruction reflect those changes.

These new income guidelines are to be used for all those OEO-funded programs, whether administered by a grantee or delegate agency, which use the Office of Economic Opportunity poverty income guidelines as admission standards. Agencies are not required, however, to consider applications from additional beneficiaries for on-going programs in which admission has been completed. Agencies shall reflect the new income guidelines in reports required by the Office of Economic Opportunity submitted after January 1971. The new income guidelines do not supersede alternative standards of eligibility approved by OEO, such as State Title XIX standards used in Healthright programs.

These guidelines are also to be used in certain other instances where required by the Office of Economic Opportunity as a definition of poverty, e.g. for purposes of data collection and for defining eligibility for allowances and reimbursements to board members. Agencies may wish to use these guidelines for other administrative and statistical purposes as appropriate.


Donald Rumsfeld
Director

OEO Poverty Guidelines for All States Except Alaska and Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$1,900	\$1,600
2	2,500	2,000
3	3,100	2,500
4	3,800	3,200
5	4,400	3,700
6	5,000	4,200
7	5,600	4,700

For families with more than 7 members, add \$600 for each additional member in a nonfarm family and \$500 for each additional member in a farm family.

OEO Poverty Guidelines for Alaska

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,400	\$2,000
2	3,150	2,625
3	3,900	3,275
4	4,750	3,975
5	5,500	4,600
6	6,250	5,225
7	7,000	5,850

For families with more than 7 members, add \$750 for each additional member in a nonfarm family and \$625 for each additional member in a farm family.

December 1, 1970

OEO Instruction 6004-1b

OEO Poverty Guidelines for Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,250	\$1,875
2	2,900	2,400
3	3,550	2,950
4	4,250	3,550
5	4,900	4,075
6	5,550	4,600
7	6,200	5,125

For families with more than 7 members, add \$650 for each additional member in a nonfarm family and \$525 for each additional member in a farm family.

**OFFICE OF ECONOMIC
OPPORTUNITY**
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20506

Type of Issuance	Number
OEO INSTRUCTION	6004-1c
Subject OEO Income Poverty Guidelines (Revised)	Date November 19, 1971
	Office of Primary Responsibility O/CA/P
Supersedes OEO Instruction 6004-1b, dated 12-1-70	Distribution DR, 10, 15, 35-4, 45-1, S

EFFECTIVE DATE: Immediately

APPLICABILITY: This Instruction applies to all programs financially assisted under Title II or III-B of the Economic Opportunity Act if such assistance is administered by the Office of Economic Opportunity.

1. BACKGROUND

In August 1967, OEO issued uniform income guidelines for all programs it funds which use income to determine program eligibility. These guidelines were based on poverty thresholds derived from a definition of poverty developed for statistical purposes by the Social Security Administration in 1964. In September 1968, in January 1970, and in December 1970, OEO issued new guidelines which reflected increases in consumer prices.

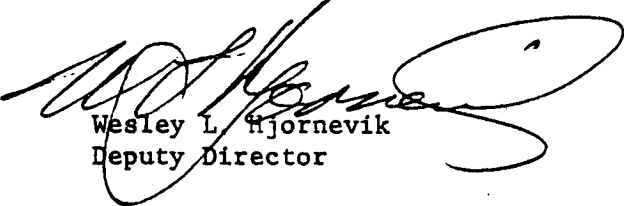
2. POLICY

In order that the level of poverty which is used to determine program eligibility does not change as a result of substantial increases in the cost of living as measured by the Consumer Price Index, OEO revises, from time to time, its income guidelines in order to reflect such increases. Attached are the latest revised income guidelines.

These new income guidelines are to be used for all those OEO-funded programs, whether administered by a grantee or delegate agency, which use OEO poverty income guidelines as admission standards. This revision of the income guidelines does not require current programs which have full enrollments to consider additional applicants. Agencies shall reflect the new income guidelines in reports required by OEO submitted after January 1971. The new income guidelines do not supersede alternative standards of eligibility approved by OEO, such as State Title XIX standards used in programs funded by the Office of Health Affairs.

November 19, 1971

These guidelines are also to be used in certain other instances where required by OEO as a definition of poverty, e.g., for purposes of data collection and for defining eligibility for allowances and reimbursements to board members. Agencies may wish to use these guidelines for other administrative and statistical purposes as appropriate.



Wesley L. Hjernevik
Deputy Director

Attachment

OEO Poverty Guidelines for All States Except Alaska and Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,000	\$1,700
2	2,600	2,100
3	3,300	2,800
4	4,000	3,400
5	4,700	4,000
6	5,300	4,500
7	5,900	5,000

For families with more than 7 members, add \$600 for each additional member in a nonfarm family and \$500 for each additional member in a farm family.

OEO Poverty Guidelines for Alaska

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,500	\$2,125
2	3,250	2,775
3	4,150	3,575
4	5,000	4,250
5	5,900	5,000
6	6,650	5,650
7	7,400	6,300

For families with more than 7 members, add \$750 for each additional member in a nonfarm family and \$650 for each additional member in a farm family.

November 19, 1971

OEO Inst. 6004-1c

OEO Poverty Guidelines for Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,300	\$1,975
2	3,000	2,550
3	3,650	3,100
4	4,400	3,750
5	5,200	4,425
6	5,850	4,975
7	6,500	5,525

For families with more than 7 members, add \$650 for each additional member in a nonfarm family and \$550 for each additional in a farm family.

**OFFICE OF ECONOMIC
OPPORTUNITY**
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20506

Type of Issuance	Number
OEO INSTRUCTION	6004-1d
Subject OEO Income Poverty Guidelines (Revised)	Date October 16, 1972
	Office of Primary Responsibility PR&E
Supersedes OEO Instruction 6004-1c, dated 11/19/71	Distribution DR, 10, 15, 35-4, 45-1,

Inst. 6004-1c, Chg. 1, dated 12/27/72

APPLICABILITY: This Instruction applies to all programs financially assisted under Title II or III-B of the Economic Opportunity Act if such assistance is administered by the Office of Economic Opportunity.

1. BACKGROUND

In August 1967, OEO issued uniform income guidelines for all programs it funds which use income to determine program eligibility. These guidelines were based on poverty thresholds derived from a definition of poverty developed for statistical purposes by the Social Security Administration in 1964. In September 1968, in January, 1970, in December 1970, and in November, 1971, OEO issued new guidelines which reflected increases in consumer prices.

2. POLICY

In order that the level of poverty which is used to determine program eligibility does not change as a result of substantial increases in the cost of living as measured by the Consumer Price Index, OEO revises, from time to time, its income guidelines in order to reflect such increases. Attached are the latest revised income guidelines.

These new income guidelines are to be used for all those OEO-funded programs, whether administered by a grantee or delegate agency, which use OEO poverty income guidelines as admission standards. This revision of the income guidelines does not require current programs which have full enrollments to consider additional applicants. Agencies shall reflect the new income guidelines in reports required by OEO submitted after October 1972. The new income guidelines do not supersede alternative standards of eligibility approved by OEO, such as State Title XIX standards used in programs funded by the Office of Health Affairs.

October 16, 1972

These guidelines are also to be used in certain other instances where required by OEO as a definition of poverty, e.g., for purposes of data collection and for defining eligibility for allowances and reimbursements to board members. Agencies may wish to use these guidelines for other administrative and statistical purposes as appropriate.



Wesley L. Hjernevik
Deputy Director

Attachment

October 16, 1972

ATTACHMENT A
OEO Inst. 6004-1d

OEO Poverty Guidelines for All States Except Alaska and Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2,100	\$1,800
2	2725	2325
3	3450	2950
4	4200	3575
5	4925	4200
6	5550	4725
7	6200	5275

For families with more than 7 members, add \$650 for each additional member in a nonfarm family and \$550 for each additional member in a farm family.

OEO Poverty Guidelines for Alaska

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2625	\$2250
2	3425	2925
3	4325	3700
4	5250	4475
5	6175	5275
6	6950	5925
7	7750	6600

For families with more than 7 members, add \$800 for each additional member in a nonfarm family and \$700 for each additional member in a farm family.

October 16, 1972

OEO Poverty Guidelines for Hawaii

<u>Family Size</u>	<u>Nonfarm Family</u>	<u>Farm Family</u>
1	\$2425	\$2075
2	3150	2700
3	4000	3400
4	4850	4125
5	5675	4850
6	6400	5475
7	7150	6100

For families with more than 7 members add \$750 for each additional member in a nonfarm family and \$650 for each additional member in a Farm family.

POVERTY THRESHOLDS

ORIGINS OF THE PRESENT POVERTY THRESHOLDS

Prior to early 1965, the measures of poverty which we now call "poverty thresholds" fell generally into two simple types:

1. Families having an income \$3000 (once \$2000), and unrelated individuals having an income of \$1500.
2. Families in the lowest quintile or quartile of income distributions at any given time of survey.

These simple determinations suffered certain notable deficiencies. Both ignored the greater income needs of larger families and both avoided inclusion of family size as a parameter. Also, both ignored the varying expenditure requirements of families in tenements and on farms or large rural lots capable of growing food. Additionally, the quintile or quartile principle might well result in different income cut-offs, depending on the extent and location of surveyed areas. A national survey would have the same cut-off regardless of location; but a state by state survey would have very different levels for different states - for example for the quintile in Alabama and that in Connecticut. This in turn, even assuming like family size and location, would result in comparing two very dissimilar scales of living.

In January 1965 the Social Security Bulletin contained an article by Miss Mollie Orshansky, a staff member, entitled Counting the Poor. Using a special tabulation of 1963 incomes from the Current Population Survey by the Census Bureau in March 1964, Miss Orshansky showed that a sliding scale of income requirements, built on family size and composition, provided about the same total poor as a sort based only on \$3000 and \$1500 (for unrelated persons). The characteristics of included persons were greatly altered. Smaller families with requirements less than \$3000 dropped out. Larger families with many children and requirements exceeding \$3000 were now included. Children increased substantially as a poverty group component and numbers of couples, young and old, dropped out.

As an incidental refinement, Miss Orshansky reduced farm thresholds to 60 percent of those for the non-farm bulk of the poor. As justification for this differential she cited the results of 1955-1961 surveys of family expenditures by the Departments of Labor and Agriculture.

Preprints of Miss Orshansky's theory, analysis and numbers were circulated fairly widely before their formal publication, landing in enthusiastic laps just at the time Sargent Shriver was beginning to implement the Anti-Poverty Act of 1964. Hy Bookbinder brought a copy from the Council of Economy Advisers to Shriver. The latter referred it to Leon Gilgoff, Acting Director of the Office of Planning, Research and Evaluation, with marginal notes recommending serious consideration

for official adoption by OEO. At a subsequent sub-cabinet meeting, the new system was generally supported, though Bookbinder was reluctant to extend thresholds above those for a family of four for political reasons. He was over-ruled, with Shriver and the others plumping for a top level 7 + persons. Immediately thereafter Gilgoff, in a memorandum dated March 7, 1965, addressed to Shriver, described completely the new set of poverty thresholds as "a second generation definition". This paper, describing briefly the improvements and deficiencies of this poverty definition, was intended to provide Shriver with an official briefing paper to answer most of the questions which might be posed to him. It was entitled "Second Generation Definition of Poverty."

On April 7, George Tolley, Office of the Administrator (ERS), addressed a long memorandum to James L. Sundquist, Deputy Under Secretary of Agriculture, minutely criticizing Miss Orshansky's farm ratio of 60 percent and attempting to demonstrate the discount should be at most 15 percent, rather than 40. In concluding, he pointed out that farm families "have higher transportation costs due to lack of public transportation and long distances in commuting to nonfarm work." Sundquist in turn sent this memorandum to Gilgoff urging a discussion before adopting the S.S.A. set of thresholds.

Miscellaneous memoranda in April by I. Putnam (Research and Plans) pointed out the inclusion of some pseudo-poor and the exclusion of some real poor from current poverty counts, using the Orshansky thresholds. Also that there was strong reason to suspect variations in relative poverty from region to region and from one level of urbanization to another. These were not discussed however, at an April 5 interdepartmental meeting of poverty economists and statisticians (OEO, HEW, Labor, Agriculture, Census, John Hopkins and BOB). The main topic there was decision on the detail and content of poverty tabulations to be made from the March 1965 Current Population Survey (CPS). The general direction was toward more age breaks for youth involved in planned OEO programs, plus more information on multi-earners, plus a start on identification of poverty status changes among those persons present in both the 1964 and 1965 surveys. In the course of the meeting, the consensus developed was to change the 60 percent ratio (based on a 1955 survey) to any level indicated by the new Department of Agriculture survey (70 percent). Adjustment of thresholds for annual price changes in the food budget was also agreed upon.

A draft memo of April 20 contains the general content of the questions which were latter addressed to the OEO panel of 50,000 households - covering income by detailed source, details of net assets and liabilities, non-cash income in food, housing etc. - all in far greater detail than finally used. At the same time, Agriculture was beginning to raise questions about the discounted level for farm thresholds. Consequently there are in the files certain arrays of values of rural nonfarm owner-occupied homes and of rents of renter-occupied homes, alongside similar urban arrays, all leading to the statement "housing costs of rural nonfarm are only about 62 percent of those of urban dwellers, whether

tenant or owner occupied." These were derived from 1960 census housing responses. Farm housing costs were not analyzed directly because they include also the costs of farm property operation and are therefore not comparable. A brief table also shows that the standardized low-cost diet for one week for four (January 1962) ranged from \$20.50 in the South (mostly rural) to \$27.00 in the Northeast (mostly urban). The former amount is a little over 70 percent of the latter.

By May 1, special tabulations and further questions were shaping up in internal drafts - for instance, to cross work experience in the February CPS Sample with data tabulated for income from the March sample, and to tie down the "in school" and "out of school" status of young persons, plus detailed income sources.

Faith Clark and Jim Sundquist from Agriculture, Ida Merriam, Lenore Epstein and Mollie Orshansky from S.S.A. and Gilgoff and Levine and Putnam from OEO met in May and decided to continue with the SSA definition for tabulating 1964 incomes but with farm at 70 percent, not 60. Still not satisfied, Tolley sent Gilgoff an extensive analysis of food and other expenditure ratios, on and off the farm, on May 13. An interesting point was his refusal to consider ratios for family incomes under \$2000. (Such families comprised 62 percent of all poor families in the tabulation of 1964 incomes subsequently made.) He stuck tenaciously to his argument for a 15 percent discount.

Then on June 7 came a long memo from Bob Levine to Director Kershaw (Gilgoff no longer "acting") discussing James Bonnen's criticism to the CEA, of the Orshansky thresholds. "The major thrust...is...that the Orshansky definition depends on too many arbitrary assumptions...and... that this specifically produces an inaccurate farm poverty line...." Levine goes on to say that probably if it were to be decided again the group would have adopted Walter Heller's \$500 per person increment and that in any case, with Putnam, he believed a 70% farm ratio recently adopted by Orshansky, instead of 60%, could be defended. (Home-produced food alone would cause a drop-off of 13 percent in total farm cash income need.)

On June 16, Levine, in another memo to Kershaw, outlined the content of discussions with Harold Watts and with George Tolley of Agriculture, leading to the conclusion the proper farm cut-off should be 70-80 percent of nonfarm thresholds. His conclusions were: "I think, therefore, that we have an additional justification for going ahead with our census programs at 70 percent..... In addition, I think that this number and concept should be kept in-house and not used even throughout OEO, never mind with other Government agencies or public agencies.

"...Put has also... gone ahead and computed the number of farm families in poverty at the different poverty lines... his initial belief is that it doesn't make much difference anyway". His letter to Tolley of the same date, attached, emphasized that the limits of the farm ratio would be in the range 70-80 percent, for "purposes few and internal".

At about this time the 1964 tabulations of 1963 poor persons were re-run, using the 70 percent farm ratio. They showed a rise of .8 million in farm poor, as compared with Orshansky's estimate of .8 million and Putnam's of .6 million. 1/ Levine on June 18, 1965 placed in the files a very detailed examination of U.S.D.A. nutrition surveys and of 1960-61 expenditure surveys. Unsigned, this document exhibits considerable technical competence in expenditure analysis and may have been prepared by M. Orshansky. The figures it cites show beyond doubt that families do not move below 34 percent expenditure for food until they are above an income of \$2000 for farm families or \$3000 for non-farm families. It concludes by saying "Pending further analyses of the consumption function and development of standards which would provide the basis for a major revision of the poverty index for all families, no further adjustment of the farm-nonfarm equivalence formula is proposed at this time."

While Orshansky, Levine and Tolley were hammering an acceptable poverty threshold into existence, others had continued their research. Helen Lamale of the Bureau of Labor Statistics presented on December 30, 1964, a paper on Expenditure Patterns of Low Consumption Families at the annual meeting of the ASA. It was distinguished by an extensive bibliography of prior papers on the same subject. It emphasized the sizable differences in living costs between different places and the extensive changes in poverty incidence for various family sizes and various regions which must occur if a simple \$3000 threshold were abandoned. A salient fact stands out in the useful series of consumption tables concluding her paper: at all income levels, for all family sizes, the total sample of families in the New York City metropolitan area in the respected expenditure survey of 1960-1961 was 212, out of 3,552,000 families. There is some doubt that the 58 such families having incomes under \$4000 could provide a reliable guide to those place-to-place differences varying by family size which Mrs. Lamale felt deserving of interest.

The 70 percent threshold was embedded in official tabulations of poverty for 1964, 1965 and 1966 incomes. An extensive draft of recommended changes in the total poverty concept was prepared for Levine by Putnam, without formal action.

Tabulations were made from the Agriculture 1965 Survey of Nutrition showing the following informative relationships:

Total Value of Food Consumption per Week Per Person
(All family sizes)

Income Level	Urban		Rural Nonfarm		Farm	
	Total	Percent Bought	Total	Percent	Total	Percent Bought
Under \$1000	\$7.78	97	\$6.22	78	\$7.06	59
\$1000-1999	7.82	98	7.10	79	7.34	62
\$2000-2999	8.42	98	7.16	85	7.35	64
\$3000-3999	8.50	99	8.34	88	8.15	67
\$4000-4999	9.50	99	9.12	90	9.56	73

The Bureau of the Budget, SSA, Agriculture and the Office of Economic Opportunity (Williams and Sutton) agreed in the spring of 1969 to revise the poverty thresholds as follows:

1. To move the thresholds forward from the Orshansky pattern for 1963 incomes by annual average price changes in the Consumer Price Index (for urban middle income families), rather than by December changes in the low cost market basket of foods. Foods had changed but little in price, while other items, such as house purchase costs and services (medical care particularly) had advanced sharply. It was complained that expenditure needs of the poor were falling below their current true levels when measured only by food price changes.
2. To accord farm residents poverty thresholds 85 percent of nonfarm thresholds, instead of 70 percent. Tolley's persistence won - even though Agriculture data showed 80% as the upper possible limit of the range of discounts. M. Orshansky noted that 80 percent, might be justified by stretching the data, but refused, for 85 percent, to accede to a Census proposed wording. "Based on recent data...". She was upheld by Lenore Epstein and the arbitrary decision was reworded in P-23, No. 28 to read. "As a result of deliberations..." Williams and Sutton were acquiescent, perhaps because of the principle enunciated by Putnam four years earlier - the farm poverty population, by any threshold ratio, is only a fraction of the total; the difference between 70 percent and 85 percent will only be a few hundred thousand persons.

At this same time Census quietly changed its method of estimation of unreported incomes, incorporating improvements allowed by its more modern computers. These changes had the following effects:

1. The 1966 poverty total, using only improved estimation of unreported incomes, was lowered from 29.7 to 28.1 million.
2. The use of 85 percent farm thresholds and the Consumer Price Index raised the 28.1 million to 28.5 million persons. (Note: all three totals exclude 3-4 hundred thousand foster children customarily included in OEO poverty totals.)

Since 1967 poverty detail had not yet been tabulated, due to an error in the initial tabulation by the prior method and thresholds, these were now done by the new method and thresholds. The error was not curable however, and the currently published total poor still shows an anomaly when charted. 2/ Revised totals were published for 1959-1965 using the 85 percent farm threshold and the CPI annual adjustment of the threshold matrix - which jointly might raise the figures above those previously published. (See "2" above.) But the improved computer estimation,

which might lower the poor by 1.6 million persons, as in 1966, was not used. These 1959-1965 half-revised poverty figures are therefore noticeably not comparable with those on the revised basis for 1966, 1968 or 1969.

Here seems to be an appropriate place to review the reasons for establishing poverty thresholds and the fluctuations in their actual levels, over the 1960-1969 decade, to effect those purposes.

Poverty thresholds are welfare-oriented. Historically their basic purpose has been to screen applicants for public assistance on the basis of applicant need and with reference to available funds to meet those needs. It is obvious that when funds are low and applicants many the administration screening threshold may be lowered so that only those worst off may qualify for assistance. Or, by another solution, the thresholds may be left unchanged but each of the many qualified will be given a reduced level of assistance. An example of the former alternative is the setting of Federal poverty thresholds for free school lunches at about two-thirds of present admitted minimum income needs for existence. An example of the latter is the proposed reduction in Head Start funds on a fair basis excluding a uniform percentage of youngsters from the program in all areas, despite their continued eligibility under present poverty thresholds.

We have seen how the Orshansky poverty threshold pattern was adopted by the Office of Economic Opportunity and subsequently by all Federal agencies as a statistical measure of personal poverty. However, we must be careful to distinguish such thresholds from administrative guidelines qualifying families and persons for participation in programs. These may vary by statute from program to program, and where the statute is permissive they may vary from agency to agency as well as from program to program within agencies. In the case of the Office of Economic Opportunity, the initial guidelines officially promulgated within the Office, on December 11, 1965, were simply the original Orshansky statistical guidelines rounded to the nearest five dollars and extended to cover families of 13 or more.

Due to certain statistical peculiarities, the Orshansky composite average threshold for each family size did not move upward in regular steps as family sizes increased. For example, a male-headed family would not have the same food budget (or total budget) as a female-headed family of the same size and the female-headed families might tend to clump in certain family sizes. Also, the average of 7+ families was about 8 persons, so that the budget step from 6 to 7+ was a very long step indeed and hard to explain to the uninitiated. The second OEO directive on administrative thresholds therefore rounded the statistical thresholds to the nearest \$100 and in addition modified the rounded steps so as to look like a fairly regular or coherent progression.

Table 1 contains composites of the thresholds used to separate the poor from the non-poor in statistical tabulations for income years from 1959 through 1969. Each family size threshold should be understood to

Table 1. Weighted Average Statistical Poverty Threshold for Incomes Reported in a Survey in the Following Spring, for Specified Income Years:

A. Food Price Basis 1959 Income Year 1/		B. Food Price Basis Specified Income Years 2/						
Household Size (Persons)	Nonfarm	Farm 3/	Nonfarm			Farm 3/		
	1963	1964	1965	1966	1963	1964	1965	1966
1	\$1,510	\$1,065	\$1,540	\$1,570	\$1,080	\$1,085	\$1,110	\$1,145
2	1,950	1,360	1,988	2,030	1,385	1,385	1,415	1,475
3	2,390	1,670	2,440	2,495	1,705	1,705	1,740	1,815
4	3,060	2,150	3,130	3,200	2,195	2,195	2,250	2,345
5	3,605	2,530	3,685	3,765	2,590	2,590	2,640	2,755
6	4,055	2,840	4,135	4,235	2,895	2,905	2,970	3,090
7	4,505	3,150	5,090*	5,205*	3,550*	3,550*	3,630*	3,790*
8	4,955	3,460						
9	5,405	3,780						
10	5,855	4,100						
11	6,250	4,380						
12	6,650	4,660						
13	7,050	4,940						
14	7,450	5,220						
15+	7,850	5,500						

* 7+ persons, averaging about 8, the reason for the Orshansky computation of an unusually large dollar increment from the 6-person level.

- 1/ Used to tabulate data from 1960 Census (25 percent income sample). See Supplement 1 to Dimensions of Poverty in 1964 (OEO, June 1966).
- 2/ Sources: 1963: Counting the Poor, and 1964: Recounting the Poor, both by M. Orshansky in the Social Security Bulletins of January 1965 and April 1966; 1965 and 1966: Health, Education & Welfare Department, S.S.A. Technical Notes 5 and 23, February and December 1967.
- 3/ 70% of nonfarm thresholds; the 60% farm thresholds initially used for 1963 incomes are not shown here.

Table 1. Continued

C. Consumer Price Index Basis, Specified Income Years		Nonfarm							
Household Size (Persons)									
	1959 1/	1963 1/	1966 2/	1967 1/	1968 3/	1969 4/	1969 4/	1969 4/	
1	\$1,467	\$1,539	\$1,628	\$1,675	\$1,748	\$1,840			
2	1,894	1,988	2,107	2,168	2,262	2,383			
3	2,324	2,442	2,588	2,661	2,774	2,924			
4	2,973	3,128	3,317	3,410	3,553	3,743			
5	3,506	3,685	3,908	4,019	4,188	4,415			
6	3,944	4,135	4,388	4,516	4,706	4,958			
7+*	4,849	5,092	5,395	5,550	5,789	6,101			

		Farm 5/							
Household Size (Persons)									
	1959 1/	1963 1/	1966 2/	1967 1/	1968 3/	1969 4/	1969 4/	1969 4/	
1	\$1,256	\$1,314	\$1,387	\$1,440	\$1,487	\$1,569			
2	1,609	1,684	1,781	1,835	1,904	2,012			
3	1,972	2,067	2,193	2,256	2,352	2,480			
4	2,539	2,664	2,831	2,906	3,034	3,195			
5	2,988	3,139	3,331	3,431	3,577	3,769			
6	3,355	3,538	3,737	3,851	4,021	4,244			
7+*	4,117	4,331	4,579	4,719	4,916	5,182			

* 7+ persons averages about 8

1/ U.S. Bureau of the Census, Current Population Reports, Special Studies, Series P-23, No. 28, August 12, 1969, p. 5.
 2/ Unpublished data by phone from F. Cavanaugh, Poverty Statistics Branch, U.S. Census Bureau.
 3/ U.S. Bureau of Census, Current Population Reports, Series P-60, No. 68, December 31, 1969, p. 11.
 4/ Same source, Series P-60, No. 71, July 16, 1970, p. 7.
 5/ 85% of nonfarm thresholds.

be a composite average. The four-person nonfarm average, for instance, comprises eight categories; separately for male and female heads, and with no children, 1 child, 2 children and 3 children, each weighted by the frequency of survey occurrence in the general population (all income levels). For brevity and clarity only the composite weighted averages, known only after tabulation is complete, are shown in this table.

Table 2 contains official OEO administrative thresholds from 1964 through 1969. Based generally on corresponding composite statistical figures, and rounded to even hundred dollars, they are relatively few in number and easy for an interviewer to use at her desk to screen program applicants. Their issuance has been irregular and infrequent, for no one in the Office has been made responsible for their revision with the regularity of issuance of Census statistical thresholds.

The timing of data availability is important when considering the poverty thresholds. Incomes in one year are surveyed in the following March, but the poverty data and final statistical threshold composites are not available until the end of June. By that time budget programs for the following 12 months have already been before Congress for about 6 months. Such budgets are designed by agency staff for the White House on the basis of known poverty totals in the second prior calendar year, with some consideration for the estimated poverty total which may in June be released for the next prior year. It is understandable that there may be both uncertainty and contention about this conjectural later total for which funds are sought. There is even more difference of opinion about the level of poverty in the current calendar year, not yet to be surveyed or tabulated for many months. Under such conditions of pressure, uncertainty and emotion, occasionally complicated by imminent elections, irrational current poverty totals may occasionally be cited for budget purposes.

With the linking of thresholds to the 1963 Consumer Price Index average, however, administrative thresholds based on poverty for each year may be estimated before the end of the following January. Published then in the Federal Register, these more current, more inclusive thresholds may begin screening program applicants about the first of March. That they have not regularly received this processing in calendar 1969 and 1970 is probably simply due to administrative oversight.

For some persons, the mismatch of available data and budget preparation may be more plainly visualized by examination of Table 3.

All of these thresholds, statistical and administrative, are cash incomes (only) from all sources, including welfare, received by all persons in the household who are related by blood, marriage or adoption. Naturally, included incomes of the self employed are net after business expenses. "Farm" thresholds are those applicable to persons living on farms, as "farms" are defined by the Census Bureau: the location category assigned to any dwelling on a tract of 10 acres or more, with \$50 or more of annual sales of farm products raised on the tract; or any place of less than 10 acres having product sales of \$250 or more.

Table 2. Published Poverty Threshold Guidelines For Administrative Use
 By OEO Offices and Grantees
 July 1964 - November 1969

OEO Instructions No.:	Off. Memo. <u>1/</u>		72-4 <u>2/</u>		3000-1		3000-1 <u>2/*</u>	
Effective Date:	<u>Dec. 11, '65</u>		<u>Aug. 11, '67</u>		<u>Sept. 20, '68</u>		<u>Sept. 26, '69</u>	
No. persons in Household	Farm	Nonfarm	Farm	Nonfarm	Farm	Nonfarm	Farm	Nonfarm
1	\$1,080	\$1,540	\$1,100	\$1,600	\$1,100	\$1,600	\$1,500	\$1,800
2	1,390	1,990	1,400	2,000	1,500	2,100	2,000	2,400
3	1,710	2,440	1,700	2,500	1,800	2,600	2,500	3,000
4	2,190	3,130	2,200	3,200	2,300	3,300	3,000	3,600
5	2,580	3,685	2,600	3,800	2,800	3,900	3,500	4,200
6	2,895	4,135	3,000	4,200	3,100	4,400	4,000	4,800
7	3,245	4,635	3,300	4,700	3,400	4,900	4,500	5,400
8	3,595	5,135	3,700	5,300	3,800	5,400	5,000	6,000
9	3,945	5,635	4,000	5,800	4,100	5,900	5,500	6,600
10	4,295	6,135	4,400	6,300	4,500	6,400	6,000	7,200
11	4,645	6,635	4,700	6,800	4,800	6,900	6,500	7,800
12	4,995	7,135	5,100	7,300	5,200	7,400	7,000	8,400
13	5,345	7,635	5,400	7,800	5,500	7,900	7,500	9,000

14 and over: Add for each person over 13 the increment added to 12 persons to reach the 13-person threshold.

1/ Memorandum; Asst. Director Kershaw to Directors and through them to delegated programs.
2/ A previous order of January 1966 added 25 percent in Alaska to the internal guideline memorandum then used and to all the general instructions subsequently issued. A later order in October 1969 additionally raised Hawaii guidelines by 15 percent. These were also covered in 6004-3, dated May 6, 1970.

* Repeated in Instruction 6004-1a, dated January 30, 1970.

Table 3. Time Schedule for Budgets and Coincident Underlying Poverty Factual Knowledge

<u>Time Period</u>	<u>Activity</u>	<u>Knowledge</u>
<u>1969</u> July - December	Agency budget preparation for President and OMB for fiscal year ending June 1971	Number of poor in calendar 1968. Estimates of poor for 1969 and 1970
<u>1970</u> January	Presidential Budget Message to Congress fixing budget for 12 months ending June 1971	1969 average Consumer Price Index is available January 23. New poverty statistical thresholds for 1969 incomes are therefore known within .2 of 1 percent of final figure. New OEO administrative thresholds might have been published on this date.
February - May	Budget debated in Congress	No new data
June	Budget debated in Congress	Poverty totals for 1969 calendar year are unpublished but available without detail by phone by June 15.
July	Fiscal year begins without settling the budget. OEO begins planning fiscal 1972 budget.	Final details on calendar 1969 poverty are available. Estimates must now be made for calendar 1970 (up 40%?) and 1971. Since the probable increase is administratively unpopular, the decision is made to use calendar 1969 totals unchanged.

FOOTNOTES

1. Putnam estimated in June 1965 (memo to Kershaw, June 16) that there would be an 18 percent increase in farm poor if farm ratios were raised from 70 to 85%. When this change in ratios was tabulated and instituted for 1966 the actual increase was 13.0 percent in poor farm families. (Census P-23, No. 28, August 12, 1969, columns 6 and 7, page 6.)

2. Poor persons are probably overstated by 460,000.

**EXCERPTS FROM
THE ECONOMIC REPORTS TO THE PRESIDENT:
1964-1969**

Chapter 2

The Problem of Poverty in America

IN HIS MESSAGE on the State of the Union, President Johnson declared all-out war on poverty in America. This chapter is designed to provide some understanding of the enemy and to outline the main features of a strategy of attack.

ELIMINATING POVERTY—A NATIONAL GOAL

There will always be some Americans who are better off than others. But it need not follow that "the poor are always with us." In the United States today we can see on the horizon a society of abundance, free of much of the misery and degradation that have been the age-old fate of man. Steadily rising productivity, together with an improving network of private and social insurance and assistance, has been eroding mass poverty in America. But the process is far too slow. It is high time to redouble and to concentrate our efforts to eliminate poverty.

Poverty is costly not only to the poor but to the whole society. Its ugly by-products include ignorance, disease, delinquency, crime, irresponsibility, immorality, indifference. None of these social evils and hazards will, of course, wholly disappear with the elimination of poverty. But their severity will be markedly reduced. Poverty is no purely private or local concern. It is a social and national problem.

But the overriding objective is to improve the quality of life of individual human beings. For poverty deprives the individual not only of material comforts but of human dignity and fulfillment. Poverty is rarely a builder of character.

The poor inhabit a world scarcely recognizable, and rarely recognized, by the majority of their fellow Americans. It is a world apart, whose inhabitants are isolated from the mainstream of American life and alienated from its values. It is a world where Americans are literally concerned with day-to-day survival—a roof over their heads, where the next meal is coming from. It is a world where a minor illness is a major tragedy, where pride and privacy must be sacrificed to get help, where honesty can become a luxury and ambition a myth. Worst of all, the poverty of the fathers is visited upon the children.

Equality of opportunity is the American dream, and universal education our noblest pledge to realize it. But, for the children of the poor, education is a handicap race; many are too ill prepared and ill motivated at home to learn at school. And many communities lengthen the handicap by providing the worst schooling for those who need the best.

Although poverty remains a bitter reality for too many Americans, its incidence has been steadily shrinking. The fruits of general economic growth have been widely shared; individuals and families have responded to incentives and opportunities for improvement; government and private programs have raised the educational attainments, housing standards, health, and productivity of the population; private and social insurance has increasingly protected families against loss of earnings due to death, disability, illness, old age, and unemployment. Future headway against poverty will likewise require attacks on many fronts: the active promotion of a full-employment, rapid-growth economy; a continuing assault on discrimination; and a wide range of other measures to strike at specific roots of low income. As in the past, progress will require the combined efforts of all levels of government and of private individuals and groups.

All Americans will benefit from this progress. Our Nation's most precious resource is its people. We pay twice for poverty: once in the production lost in wasted human potential, again in the resources diverted to coping with poverty's social by-products. Humanity compels our action, but it is sound economics as well.

This chapter considers, first, the changing numbers and composition of America's poor. Second, it presents a brief report on the factors that contribute to the continuation of poverty amidst plenty. Although the analysis is statistical, the major concern is with the human problems that the numbers reflect. The concluding part concerns strategy against poverty in the 1960's and beyond. Supplementary tables at the end of the chapter provide further data on the dimensions of poverty in America.

The sections below will chart the topography of poverty. A few significant features of this bleak landscape deserve emphasis in advance. Poverty occurs in many places and is endured by people in many situations; but its occurrence is nonetheless highly concentrated among those with certain characteristics. The scars of discrimination, lack of education, and broken families show up clearly from almost any viewpoint. Here are some landmarks:

- One-fifth of our families and nearly one-fifth of our total population are poor.
- Of the poor, 22 percent are nonwhite; and nearly one-half of all nonwhites live in poverty.
- The heads of over 60 percent of all poor families have only grade school educations.
- Even for those denied opportunity by discrimination, education significantly raises the chance to escape from poverty. Of all non-

- white families headed by a person with 8 years or less of schooling, 57 percent are poor. This percentage falls to 30 for high school graduates and to 18 percent for those with some college education.
- But education does not remove the effects of discrimination: when nonwhites are compared with whites at the same level of education, the nonwhites are poor about twice as often.
 - One-third of all poor families are headed by a person over 65, and almost one-half of families headed by such a person are poor.
 - Of the poor, 54 percent live in cities, 16 percent on farms, 30 percent as rural nonfarm residents.
 - Over 40 percent of all farm families are poor. More than 80 percent of nonwhite farmers live in poverty.
 - Less than half of the poor are in the South; yet a southerner's chance of being poor is roughly twice that of a person living in the rest of the country.
 - One-quarter of poor families are headed by a woman; but nearly one-half of all families headed by a woman are poor.
 - When a family and its head have several characteristics frequently associated with poverty, the chances of being poor are particularly high: a family headed by a young woman who is nonwhite and has less than an eighth grade education is poor in 94 out of 100 cases. Even if she is white, the chances are 85 out of 100 that she and her children will be poor.

THE NATURE AND EXTENT OF POVERTY

Measurement of poverty is not simple, either conceptually or in practice. By the poor we mean those who are not now maintaining a decent standard of living—those whose basic needs exceed their means to satisfy them. A family's needs depend on many factors, including the size of the family, the ages of its members, the condition of their health, and their place of residence. The ability to fulfill these needs depends on current income from whatever source, past savings, ownership of a home or other assets, and ability to borrow.

NEEDS AND RESOURCES

There is no precise way to measure the number of families who do not have the resources to provide minimum satisfaction of their *own* particular needs. Since needs differ from family to family, an attempt to quantify the problem must begin with some concept of average need for an average or representative family. Even for such a family, society does not have a clear and unvarying concept of an acceptable minimum. By the standards of contemporary American society most of the population of the world is poor; and most Americans were poor a century ago. But for our society today a consensus on an approximate standard can be found. One such standard is suggested by a recent study, described in a publication of the

Social Security Administration, which defines a "low-cost" budget for a nonfarm family of four and finds its cost in 1962 to have been \$3,955. The cost of what the study defined as an "economy-plan" budget was \$3,165. Other studies have used different market baskets, many of them costing more. On balance, they provide support for using as a boundary, a family whose annual money income from all sources was \$3,000 (before taxes and expressed in 1962 prices). This is a weekly income of less than \$60.

These budgets contemplate expenditures of one-third of the total on food, i.e., for a \$3,000 annual budget for a 4-person family about \$5 per person per week. Of the remaining \$2,000, a conservative estimate for housing (rent or mortgage payments, utilities, and heat) would be another \$800. This would leave only \$1,200—less than \$25 a week—for clothing, transportation, school supplies and books, home furnishings and supplies, medical care, personal care, recreation, insurance, and everything else. Obviously it does not exaggerate the problem of poverty to regard \$3,000 as the boundary.

A family's ability to meet its needs depends not only on its money income but also on its income in kind, its savings, its property, and its ability to borrow. But the detailed data (of the Bureau of the Census) available for pinpointing the origins of current poverty in the United States refer to money income. Refined analysis would vary the income cut-off by family size, age, location, and other indicators of needs and costs. This has not been possible. However, a variable income cut-off was used in the sample study of poverty in 1959 conducted at the University of Michigan Survey Research Center. This study also estimates the over-all incidence of poverty at 20 percent; and its findings concerning the sources of poverty correspond closely with the results based on an analysis of Census data.

A case could be made, of course, for setting the over-all income limit either higher or lower than \$3,000, thereby changing the statistical measure of the size of the problem. But the analysis of the sources of poverty, and of the programs needed to cope with it, would remain substantially unchanged.

No measure of poverty as simple as the one used here, would be suitable for determining eligibility for particular benefits or participation in particular programs. Nevertheless, it provides a valid benchmark for assessing the dimensions of the task of eliminating poverty, setting the broad goals of policy, and measuring our past and future progress toward their achievement.

If it were possible to obtain estimates of total incomes—including non-money elements—for various types of families, those data would be preferable for the analysis which follows. The Department of Commerce does estimate total nonmoney incomes in the entire economy in such forms as the rental value of owner-occupied dwellings and food raised and consumed on farms, and allocates them to families with incomes of different size.

Because of statistical difficulties, these allocations are necessarily somewhat arbitrary, and are particularly subject to error for the lower income groups. No attempt is made to allocate them by other characteristics that are meaningful for an analysis of poverty. Of course, the total of money plus nonmoney income that would correspond to the limit used here would be somewhat higher than \$3,000.

THE CHANGING EXTENT OF POVERTY

There were 47 million families in the United States in 1962. Fully 9.3 million, or one-fifth of these families—comprising more than 30 million persons—had total money incomes below \$3,000. Over 11 million of these family members were children, one-sixth of our youth. More than 1.1 million families are now raising 4 or more children on such an income. Moreover, 5.4 million families, containing more than 17 million persons, had total incomes below \$2,000. More than a million children were being raised in very large families (6 or more children) with incomes of less than \$2,000.

Serious poverty also exists among persons living alone or living in non-family units such as boarding houses. In 1962, 45 percent of such “unrelated individuals”—5 million persons—had incomes below \$1,500, and 29 percent—or more than 3 million persons—had incomes below \$1,000 (Supplementary Table 9). Thus, by the measures used here, 33 to 35 million Americans were living at or below the boundaries of poverty in 1962—nearly one-fifth of our Nation.

The substantial progress made since World War II in eliminating poverty is shown in Chart 7 and Table 3. In the decade 1947–56, when incomes

TABLE 3.—*Money income of families, 1947 and 1950–62*

Year	Median money income of all families (1962 prices)		Percent of families with money income	
	Dollars	Index, 1947=100	Less than \$3,000 (1962 prices)	Less than \$2,000 (1962 prices)
1947.....	4,117	100	32	18
1950.....	4,188	102	32	19
1951.....	4,328	105	29	17
1952.....	4,442	108	28	17
1953.....	4,809	117	26	16
1954.....	4,705	114	28	17
1955.....	5,004	122	25	15
1956.....	5,337	130	23	14
1957.....	5,333	130	23	14
1958.....	5,329	129	23	14
1959.....	5,631	137	22	13
1960.....	5,769	140	21	13
1961.....	5,820	141	21	13
1962.....	5,966	145	20	12

Sources: Department of Commerce and Council of Economic Advisers.

were growing relatively rapidly, and unemployment was generally low, the number of poor families (with incomes below \$3,000 in terms of 1962 prices) declined from 11.9 million to 9.9 million, or from 32 percent to

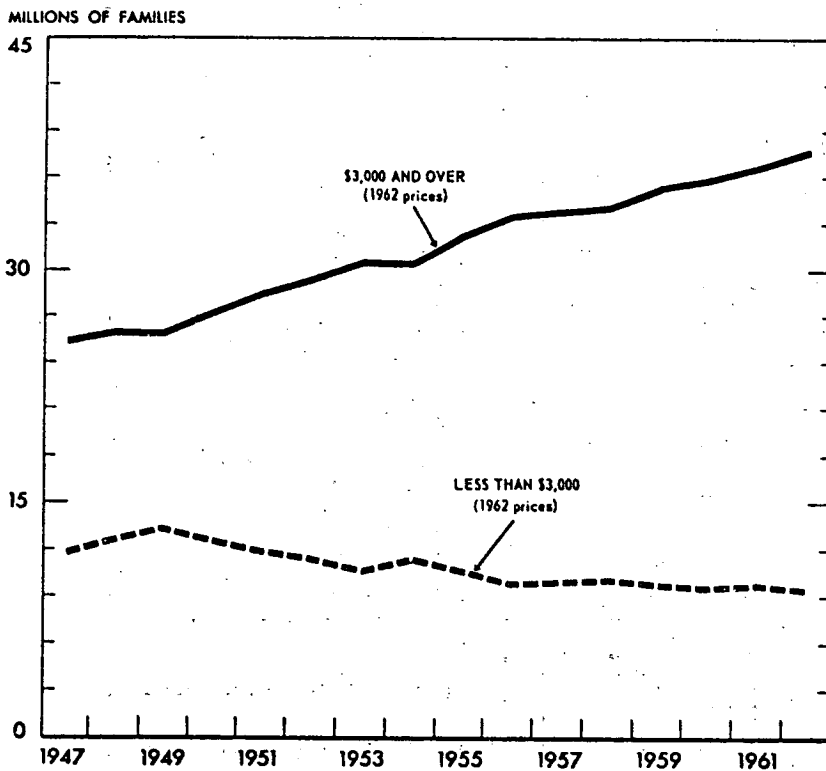
23 percent of all families. But in the period from 1957 through 1962, when total growth was slower and unemployment substantially higher, the number of families living in poverty fell less rapidly, to 9.3 million, or 20 percent of all families.

The progress made since World War II has not involved any major change in the distribution of incomes. The one-fifth of families with the highest incomes received an estimated 43 percent of total income in 1947 and 42 percent in 1962. The one-fifth of families with the lowest incomes received 5 percent of the total in 1947 and 5 percent in 1963.

Even if poverty should hereafter decline at the relatively more rapid rate of the 1947-56 period, there would still be 10 percent of the Nation's families in poverty in 1980. And, if the decline in poverty proceeded at the slower rate achieved from 1957 on, 13 percent of our families would still have incomes under \$3,000 in 1980. We cannot leave the further wearing away of poverty solely to the general progress of the economy. A faster

Chart 7

Number of Families by Family Income



SOURCE: DEPARTMENT OF COMMERCE.

reduction of poverty will require that the lowest fifth of our families be able to earn a larger share of national output.

THE COMPOSITION OF TODAY'S POOR

To mount an attack on poverty we must know how to select our targets. Are the poor concentrated in any single geographical area? Are they confined to a few easily identifiable groups in society? Conclusions drawn from personal observation are likely to be misleading. Some believe that most of the poor are found in the slums of the central city, while

TABLE 4.—Selected characteristics of all families and of poor families, 1962

Selected characteristic	Number of families (millions)		Percent of total	
	All families	Poor families	All families	Poor families
Total.....	47.0	9.3	100	100
Age of head:				
14-24 years.....	2.5	.8	5	8
25-54 years.....	30.4	3.9	65	42
55-64 years.....	7.3	1.4	16	15
65 years and over.....	6.8	3.2	14	34
Education of head: ¹				
8 years or less.....	16.3	6.0	35	61
9-11 years.....	8.6	1.7	19	17
12 years.....	12.2	1.5	26	15
More than 12 years.....	9.3	.7	20	7
Sex of head:				
Male.....	42.3	7.0	90	75
Female.....	4.7	2.3	10	25
Labor force status of head: ²				
Not in civilian labor force.....	8.4	4.1	18	44
Employed.....	36.9	4.6	78	49
Unemployed.....	1.7	.6	4	6
Color of family:				
White.....	42.4	7.3	90	78
Nonwhite.....	4.6	2.0	10	22
Children under 18 years of age in family:				
None.....	18.8	4.9	40	52
One to three.....	22.7	3.3	48	36
Four or more.....	5.5	1.1	12	11
Earners in family:				
None.....	3.8	2.8	8	30
One.....	21.1	4.3	45	46
Two or more.....	22.1	2.2	47	23
Regional location of family: ^{3,4}				
Northeast.....	11.5	1.6	25	17
North Central.....	13.1	2.3	29	25
South.....	13.5	4.3	30	47
West.....	7.0	1.0	16	11
Residence of family: ^{4,5}				
Rural farm.....	3.3	1.5	7	16
Rural nonfarm.....	9.9	2.7	22	30
Urban.....	31.9	5.0	71	54

¹ Based on 1961 income (1962 prices).

² Labor force status relates to survey week of March 1963.

³ Based on 1960 residence and 1959 income (1962 prices).

⁴ Data are from 1960 Census and are therefore not strictly comparable with the other data shown in this table, which are derived from *Current Population Reports*.

⁵ Based on 1959 residence and 1959 income (1962 prices).

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000.

Sources: Department of Commerce and Council of Economic Advisers.

others believe that they are concentrated in areas of rural blight. Some have been impressed by poverty among the elderly, while others are convinced that it is primarily a problem of minority racial and ethnic groups. But objective evidence indicates that poverty is pervasive. To be sure, the inadequately educated, the aged, and the nonwhite make up substantial portions of the poor population. But as Table 4 shows, the poor are found among all major groups in the population and in all parts of the country. Further data on the composition of the poor population are found in Supplementary Tables 10 and 11.

Using the income measure of poverty described above, we find that 78 percent of poor families are white. Although one-third of the poor families are headed by a person 65 years old and over, two-fifths are headed by persons in the 25 to 54 year range. Although it is true that a great deal of poverty is associated with lack of education, almost 4 million poor families (39 percent) are headed by a person with at least some education beyond grade school. The data show that less than half the poor live in the South. And the urban poor are somewhat more numerous than the rural poor. In Chart 8 the poor and the non-poor are compared in terms of these and other characteristics.

Yet there are substantial concentrations of poverty among certain groups. For example, families headed by persons 65 years of age and older represent 34 percent of poor families. Moreover, they appear among the poor $2\frac{1}{2}$ times as frequently as they appear among all families. The last 2 columns of Table 4 show 5 additional major categories of families that appear more than twice as often among the poor as among the total population: non-white families, families headed by women, families headed by individuals not in the civilian labor force, families with no wage earners, and rural farm families. Of course, some of these groups overlap considerably; but the data help to identify prospective targets for an antipoverty attack. The next section pinpoints these targets further.

THE ROOTS OF POVERTY

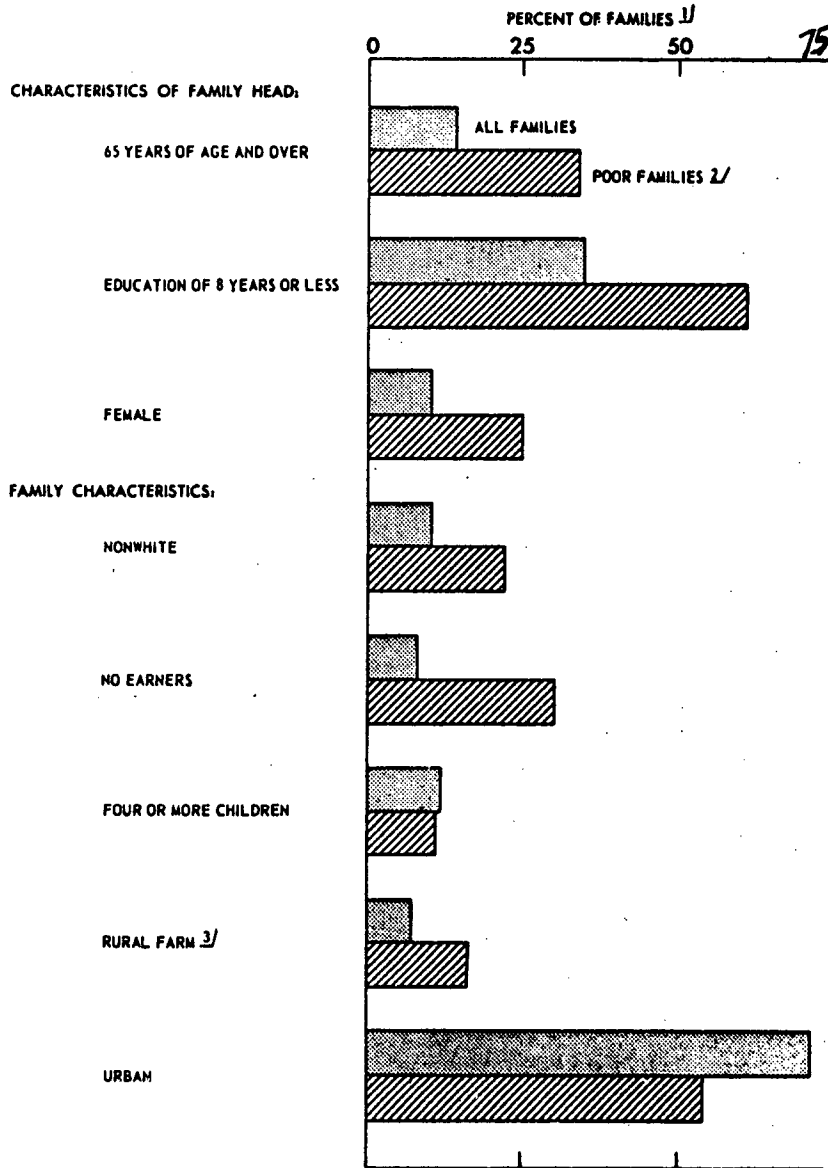
Poverty is the inability to satisfy minimum needs. The poor are those whose resources—their income from all sources, together with their asset holdings—are inadequate. This section considers why those in poverty lack the earned income, property income and savings, and transfer payments to meet their minimum needs.

EARNED INCOME

Why do some families have low earned incomes? Some are unemployed or partially unemployed. High over-all employment is a remedy of first importance. It would provide earned income for those unemployed who are able to accept jobs and greater earnings for many presently working part-time. Yet it is clear that this is only a partial answer. Even for those able and willing to work, earnings are all too frequently inadequate, and a

Chart 8

Characteristics of Poor Families COMPARED WITH ALL FAMILIES



^{1/} BASED ON 1962 DATA (EXCEPT AS NOTED).

^{2/} FAMILIES WITH INCOME OF \$3,000 OR LESS.

^{3/} BASED ON 1959 DATA.

SOURCE: DEPARTMENT OF COMMERCE.

large number of the poor are unable to work. An analysis of the incidence of poverty helps one understand the reasons for low earnings:

The incidence of poverty for any specified group of families is the percentage of that group with incomes below \$3,000. For all families, the incidence in 1962 was 20 percent. An incidence for a particular group higher than 20 percent, or higher than the rates for other similar groups, suggests that some characteristics of that group are causally related to poverty. The basic cause may not be the particular characteristic used to classify the group. But an examination of groups with high incidence should throw light on the roots of poverty. Incidence of poverty in 1947 and 1962 is shown for several major types of families in Chart 9.

Table 5 shows that the incidence of poverty is 76 percent for families with no earners. From other data, it appears that the incidence rate is 49 percent for families headed by persons who work part-time. A family may be in either of these situations as a result of age, disability, premature death

TABLE 5.—Incidence of poverty, by characteristics relating to labor force participation, 1962

Selected characteristic	Incidence of poverty (percent)
All families.....	20
Earners in family:	
None.....	76
One.....	20
Two.....	10
Three or more.....	8
Labor force status of head: ¹	
Not in civilian labor force.....	50
Employed.....	12
Unemployed.....	34
Age of head:	
14-24 years.....	31
25-54 years.....	13
55-64 years.....	19
65 years and over.....	47
Sex of head:	
Male.....	17
Wife in labor force.....	9
Female.....	48

¹ Status relates to survey week of March 1963.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. Incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

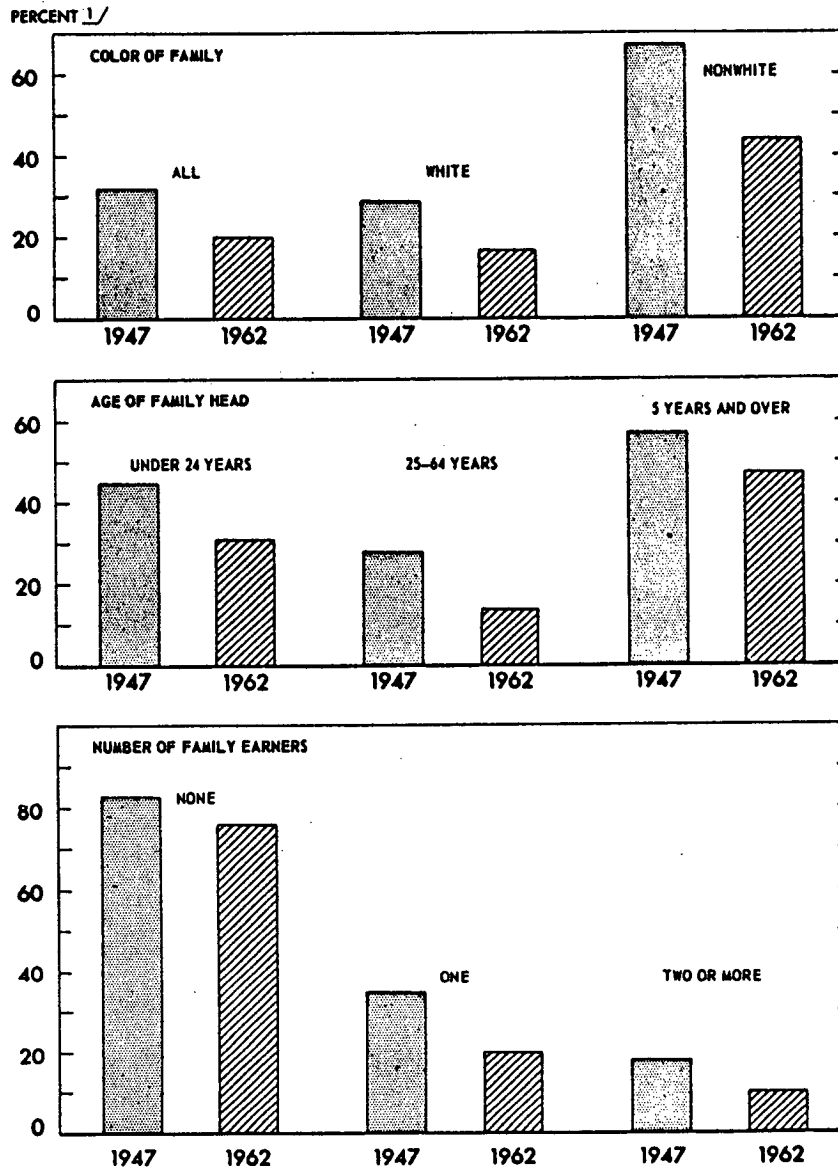
Sources: Department of Commerce and Council of Economic Advisers.

of the principal earner, need to care for children or disabled family members, lack of any saleable skill, lack of motivation, or simply heavy unemployment in the area.

The problem of another group of families is the low rates of pay found most commonly in certain occupations. For example, the incidence of poverty among families headed by employed persons is 45 percent for farmers, and 74 percent for domestic service workers (Supplementary Table 12).

Chart 9

Incidence of Poverty



\downarrow /PERCENT OF FAMILIES WITH GIVEN CHARACTERISTIC THAT ARE POOR. POOR FAMILIES ARE DEFINED AS ALL FAMILIES WITH TOTAL MONEY INCOME OF LESS THAN \$3,000 (1962 PRICES)

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS

The chief reason for low rates of pay is low productivity, which in turn can reflect lack of education or training, physical or mental disability, or poor motivation. Other reasons include discrimination, low bargaining power, exclusion from minimum wage coverage, or lack of mobility resulting from inadequate knowledge of other opportunities, or unwillingness or inability to move away from familiar surroundings.

The importance of education as a factor in poverty is suggested by the fact that families headed by persons with no more than 8 years of education have an incidence rate of 37 percent (Table 6). Nonwhite and rural families show an even higher incidence of poverty (Table 6 and Supplementary Table 13). The heads of these families are typically less well educated than average. For example, nonwhite family heads have completed a median of

TABLE 6.—*Incidence of poverty by education, color, and residence, 1962*

Selected characteristic	Incidence of poverty (percent)
All families.....	20
Education of head: ¹	
8 years or less.....	37
9-11 years.....	20
12 years.....	12
More than 12 years.....	8
Color of family:	
White.....	17
Nonwhite.....	44
Residence of family:	
Farm.....	43
Nonwhite.....	84
Nonfarm.....	18

¹ Data relate to 1961, and money income in 1962 prices.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. The incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

Sources: Department of Commerce and Council of Economic Advisers.

8.7 years of school, compared to 11.8 for whites. In 1959 the median education of all males over 25 with incomes below \$1,000 and living on a farm was slightly above 7 years in school; those with incomes above \$5,000 had completed over 10 years in school.

Supplementary Table 14 presents additional detail from the 1960 census on the incidence of poverty among families classified by educational attainment, color, age, and family type. The severely handicapping influence of lack of education is clear. The incidence of poverty drops as educational attainments rise for nonwhite as well as white families at all ages. The high frequency of poverty for nonwhites is not, however, fully explained by their educational deficit. As Supplementary Table 14 shows, the incidence of poverty among nonwhites is almost invariably higher than among whites regardless of age, family type, or level of educational attainment. Supplementary Table 15 shows that nonwhites earn less than whites with the same education even when they practice the same occupation.

Some families are forced into poverty by society's own standards. Their potential earners, otherwise able to hold a job, cannot free themselves from the family responsibilities which they must fulfill. Such is the case, for example, with families headed by women with small children.

Customary or mandatory retirement at a specified age also limits earnings by some healthy, able-bodied persons. However, retirement is often associated with deteriorating health, and poverty among the aged is greatest at ages over 70 or 75 and for aged widows—persons for whom employment is not a realistic alternative.

PROPERTY INCOME AND USE OF SAVINGS

Some families with inadequate current earnings from work can avoid poverty thanks to past savings—which provide an income and, if necessary, can be used to support consumption. Savings are particularly important for the elderly. More than half of those over 65 have money incomes above \$3,000, and many also own homes. Others, although their money incomes are below \$3,000, have adequate savings that can be drawn upon to support a decent standard of consumption.

But most families with low earnings are not so fortunate. If avoiding poverty required an income supplement of \$1,500 a year for a retired man and his wife, they would need a capital sum at age 65 of about \$19,000 to provide such an annuity. Few families have that sum. The median net worth for all spending units (roughly equivalent to the total of families and unrelated individuals) was only \$4,700 in 1962. For all spending units whose head was 65 years or more, the median net worth was \$8,000. Meeting contingencies caused by illnesses is often a crucial problem for older people. About half of the aged, and about three-fourths of the aged poor, have no hospital insurance, although their medical care costs are 2½ times as high as those of younger persons. Their resources are typically inadequate to cover the costs of a serious illness.

The median net worth of the fifth of all spending units having the lowest incomes was only \$1,000. Much of what property they have is in the form of dwellings. (About 40 percent of all poor families have some equity in a house.) Although this means that their housing costs are reduced, property in this form does not provide money income that can be used for other current expenses.

Most families—including the aged—whose incomes are low in any one year lack significant savings or property because their incomes have always been at poverty levels. This is clear in the results of the Michigan study already cited. Among the reporting families classified in that study as poor in 1959, 60 percent had never earned disposable income as high as \$3,000, and nearly 40 percent had never reached \$2,000. The comparable figures for all families were 17 percent and 10 percent, respectively. Among the aged poor reporting, 79 percent had never reached \$3,000, and fully one-half had never earned \$2,000. While nearly 60 percent of *all* families have

enjoyed peak incomes above \$5,000, among all poor families only 14 percent had ever reached that level; and a mere 5 percent of the aged poor had ever exceeded \$5,000.

The persistence of poverty is reflected in the large number who have been unable to accumulate savings. The Survey Research Center study found that more than one-half of the aged poor in 1959 had less than \$500 in liquid savings (bank deposits and readily marketable securities), and they had not had savings above that figure during the previous 5 years. Less than one-fifth of all poor families reported accumulated savings in excess of \$500. The mean amount of savings used by poor families in 1959 was \$120; and only 23 percent of the poor drew on savings at all.

It is clear that for most families property income and savings do not provide a buffer against poverty. Some 1962 data on liquid savings are contained in Supplementary Table 16.

TRANSFER PAYMENTS AND PRIVATE PENSIONS

Poverty would be more prevalent and more serious if many families and individuals did not receive transfer payments. In 1960, these payments (those which are not received in exchange for current services) constituted only 7 percent of total family income, but they comprised 43 percent of the total income of low-income spending units. At the same time, however, only about half of the present poor receive any transfer payments at all. And, of course, many persons who receive transfers through social insurance programs are not poor—often as a result of these benefits.

Transfer programs may be either public or private in nature and may or may not have involved past contributions by the recipient. Public transfer programs include social insurance—such as Unemployment Compensation, Workmen's Compensation, and Old-Age, Survivors', and Disability Insurance (OASDI); veterans' benefits; and public assistance programs, such as Old Age Assistance (OAA) and Aid to Families with Dependent Children (AFDC).

Private transfer programs include organized systems such as private pension plans and supplementary unemployment benefits, organized private charities, and private transfers within and among families.

It is important to distinguish between insurance-type programs and assistance programs, whether public or private. Assistance programs are ordinarily aimed specifically at the poor or the handicapped. Eligibility for their benefits may or may not be based upon current income; but neither eligibility nor the size of benefits typically bears any direct relationship to past income. Eligibility for insurance-type programs, on the other hand, is based on past employment, and benefits on past earnings.

The Federal-State unemployment insurance system covers only about 77 percent of all paid employment and is intended to protect workers with a regular attachment to the labor force against temporary loss of income. Benefits, of course, are related to previous earnings.

While the largest transfer-payment program, OASDI, now covers approximately 90 percent of all paid employment, there are still several million aged persons who retired or whose husbands retired or died before acquiring coverage. Benefits are related to previous earnings, and the average benefit for a retired worker under this program at the end of 1963 was only \$77 a month, or \$924 a year. The average benefit for a retired worker and his wife if she is eligible for a wife's benefit is \$1,565 a year.

Public insurance-type transfer programs have made notable contributions to sustaining the incomes of those whose past earnings have been adequate, and to avoiding their slipping into poverty as their earnings are interrupted or terminated. These programs are of least help to those whose earnings have never been adequate.

Public assistance programs are also an important support to low-income and handicapped persons. Money payments under OAA average about \$62 a month for the country as a whole, with State averages ranging from \$37 to about \$95 a month. In the AFDC program the national average payment per family (typically of 4 persons) is about \$129 a month, including services rendered directly. State averages range from \$38 a month to about \$197 a month.

Private transfers within and between families are included in the total money income figures used in this chapter only to the extent that they are regular in nature, e.g., alimony or family support payments, and are excluded when they take the form of casual or irregular gifts or bequests. While data are lacking on the value of such gifts, they are clearly not a major source of income for the poor.

Private pensions, providing an annuity, are additional resources for some persons and families. In 1961 the beneficiaries of such plans numbered about 2 million (as against about 12 million receiving OASDI benefits), and total benefits paid were about \$2 billion. While the combination of OASDI and private pensions serves to protect some from poverty, most persons receiving OASDI receive no private pension supplement. In any case, benefits under private pension plans range widely, and since they are typically related to the individual's previous earnings, they are low when earnings have been low.

Thus, although many families do indeed receive supplements to earnings in the form of pensions, social insurance benefits, and incomes from past saving, those families with a history of low earnings are also likely to have little of such supplementary income. And since most poor families have small amounts of property, they cannot long meet even minimum needs by depleting their assets.

THE VICIOUS CIRCLE

Poverty breeds poverty. A poor individual or family has a high probability of staying poor. Low incomes carry with them high risks of illness; limitations on mobility; limited access to education, information, and train-

ing. Poor parents cannot give their children the opportunities for better health and education needed to improve their lot. Lack of motivation, hope, and incentive is a more subtle but no less powerful barrier than lack of financial means. Thus the cruel legacy of poverty is passed from parents to children.

Escape from poverty is not easy for American children raised in families accustomed to living on relief. A recent sample study of AFDC recipients found that more than 40 percent of the parents were themselves raised in homes where public assistance had been received. It is difficult for children to find and follow avenues leading out of poverty in environments where education is deprecated and hope is smothered. This is particularly true when discrimination appears as an insurmountable barrier. Education may be seen as a waste of time if even the well-trained are forced to accept menial labor because of their color or nationality.

The Michigan study shows how inadequate education is perpetuated from generation to generation. Of the families identified as poor in that study, 64 percent were headed by a person who had had less than an eighth grade education. Of these, in turn, 67 percent had fathers who had also gone no further than eighth grade in school. Among the children of these poor families who had finished school, 34 percent had not gone beyond the eighth grade; this figure compares with 14 percent for all families. Fewer than 1 in 2 children of poor families had graduated from high school, compared to almost 2 out of 3 for all families.

Of 2 million high school seniors in October 1959 covered by a Census study, 12 percent did not graduate in 1960. Of these drop-outs 54 percent had IQ's above 90, and 6 percent were above 110. Most of them had the intellectual capabilities necessary to graduate. The drop-out rate for non-white male students, and likewise for children from households with a nonworking head, was *twice* the over-all rate. And it was twice as high for children of families with incomes below \$4,000 as for children of families with incomes above \$6,000. Moreover, many of the children of the poor had dropped out before reaching the senior year.

A study of drop-outs in New Haven, Connecticut, showed that 48 percent of children from lower-class neighborhoods do not complete high school. The comparable figure for better neighborhoods was 22 percent.

Other studies indicate that unemployment rates are almost twice as high for drop-outs as for high school graduates aged 16-24. Moreover, average incomes of male high school graduates are 25 percent higher than those of high school drop-outs, and nearly 150 percent higher than those of men who completed less than 8 years of schooling.

There is a well-established association between school status and juvenile delinquency. For example, in the New Haven study cited above, 48 percent of the drop-outs, but only 18 percent of the high school graduates, had one or more arrests or referrals to juvenile court.

Low-income families lose more time from work, school, and other activities than their more fortunate fellow citizens. Persons in families with incomes under \$2,000 lost an average of 8 days of work in the year 1960-61, compared to 5.4 for all employed persons. They were restricted in activity for an average of 30 days (compared to 16.5 for the whole population) and badly disabled for 10.4 days (compared to 5.8 for the whole population).

TABLE 7.—Number of families and incidence of poverty, by selected family characteristics, 1947 and 1962

Selected characteristic	Number of families			Incidence of poverty (percent) ¹		Percentage change in number of poor families, 1947 to 1962
	1947	1962	Percentage change, 1947 to 1962	1947	1962	
	Millions					
All families.....	37.3	47.0	26	32	20	-22
Earners in family:						
None.....	2.2	3.8	68	83	76	54
One.....	21.9	21.1	-4	35	20	-45
Two.....	9.9	17.0	73	20	10	-13
Three or more.....	3.3	6.1	56	10	8	29
Labor force status of head: ²						
Not in civilian labor force.....	5.5	8.4	52	61	50	23
Unemployed.....	1.2	1.7	49	49	34	2
Employed.....	31.9	36.9	16	28	12	-48
Age of head:						
14-24 years.....	1.8	2.5	39	45	31	-6
25-54 years.....	28.0	30.4	22	27	13	-41
55-64 years.....	6.1	7.3	19	32	19	-28
65 years and over.....	4.4	6.8	54	57	47	27
Sex of head:						
Male.....	33.5	42.8	26	30	17	-30
Female.....	3.8	4.7	26	51	48	18
Color of family:						
White.....	34.2	42.4	24	29	17	-27
Nonwhite.....	3.1	4.6	46	67	44	-3
Children under 18 years of age in family:						
None.....	16.2	18.8	16	36	26	-16
One.....	8.9	8.7	-2	30	17	-46
Two.....	6.4	8.5	33	27	13	-33
Three or more.....	5.7	10.9	92	32	17	2
Regional location of family: ³						
Northeast.....	10.1	11.5	14	26	14	-42
North Central.....	11.6	13.1	14	30	18	-31
South.....	11.5	13.5	17	49	32	-24
West.....	5.1	7.0	37	28	16	-26
Residence of family:						
Farm ⁴	6.5	3.2	-51	56	43	-62
Nonfarm ⁴	30.8	43.8	42	27	18	-5

¹ The incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

² Labor force status is for April survey week of 1949 and March survey week of 1963. Income data (1962 prices) are for 1948 and 1962.

³ Income data for 1949 and 1959. Since regional location data are from 1950 and 1960 Censuses, they are not strictly comparable with other data shown in this table, which are derived from *Current Population Reports*.

⁴ The 1960 Census change in definition of a farm resulted in a decline of slightly over 1 million in the total number of farm families. Therefore, the incidence figures for 1947 and 1962 may not be strictly comparable.

⁵ Since 1959, nonfarm data are not available separately for rural nonfarm and urban.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000 (1962 prices); these are also referred to as poor families.

Sources: Department of Commerce and Council of Economic Advisers.

RECENT CHANGES IN THE PATTERN OF POVERTY

In spite of tendencies for poverty to breed poverty, a smaller proportion of our adult population has been poor—and a smaller fraction of American children exposed to poverty—in each succeeding generation. But, at least since World War II, the speed of progress has not been equal for all types of families, as is shown in Table 7.

The incidence of poverty has declined substantially for most categories shown in the table. But there are some notable exceptions—families (1) with no earner, (2) with head not in the civilian labor force, (3) with head 65 years of age or older, (4) headed by a woman, and (5) on farms. It is also striking that in these classes poverty is high as well as stubborn. Poverty continues high also among nonwhites, although there has been a large and welcome decline in this incidence.

With the sole exception of the farm group, the total number of *all* families in each of these categories has remained roughly the same or has increased. Hence the high-incidence groups, including the nonwhites, have come to constitute a larger *proportion* of the poor (Table 8).

TABLE 8.—Selected characteristics of poor families, 1947 and 1962

Selected characteristic	Percent of poor families with characteristic	
	1947	1962
Family head:		
65 years of age and over.....	20	34
Female.....	16	25
Nonwhite families.....	18	22
Rural farm families.....	30	20
No earners in family.....	16	30

¹ Data are from *Current Population Reports* and are for 1959, based on income in 1962 prices. See Table 7, footnote 4, for comparability problem.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices).

Sources: Department of Commerce and Council of Economic Advisers.

This tabulation shows that certain handicapping characteristics, notably old age, or absence of an earner or of a male family head, have become increasingly prominent in the poor population. This is both a measure of past success in reducing poverty and of the tenacity of the poverty still existing. Rising productivity and earnings, improved education, and the structure of social security have permitted many families or their children to escape; but they have left behind many families who have one or more special handicaps. These facts suggest that in the future economic growth alone will provide relatively fewer escapes from poverty. Policy will have to be more sharply focused on the handicaps that deny the poor fair access to the expanding incomes of a growing economy.

But the significance of these shifts in composition should not be exaggerated. About half of the poor families are still headed neither by an aged person nor by a woman, and 70 percent include at least one earner. High employment and vigorous economic growth are still of major importance for this group. And it is essential to remember that one-third of the present poor are children. For them, improvements in the availability and quality of education offer the greatest single hope of escaping poverty as adults.

STRATEGY AGAINST POVERTY

Public concern for the poor is not new. Measures to prevent, and particularly to relieve, poverty have an ancient origin in every civilization. Each generation in America has forged new weapons in the public and private fight against this perennial enemy. Until recent decades the focus was primarily on the alleviation of distress, rather than on prevention or rehabilitation. Yet all the while, the sources of poverty have been eroded as a by-product of a general advance in economic well-being and of measures designed to achieve other social goals. Universal education has been perhaps the greatest single force, contributing both to social mobility and to general economic growth.

The social legislation of the New Deal, strengthened and expanded in every subsequent national administration, marked a turning point by recognizing a *national* interest in the economic well-being and security of individuals and families. The social insurance programs established in the 1930's were designed principally to alleviate poverty in old age and to shield families from the loss of all income during periods of unemployment. The tasks for our generation are to focus and coordinate our older programs and some new ones into a comprehensive long-range attack on the poverty that remains. A new federally led effort is needed, with special emphasis on prevention and rehabilitation.

A forthcoming special Presidential message will describe the new attack and propose specific programs. The purpose of this section is not to present those measures, but rather to outline some leading elements of an over-all attack on poverty, recognizing the wide array of existing antipoverty programs, pointing to ways in which they might be reinforced and focused in the years ahead, and taking account of programs proposed in the past three years and awaiting consideration.

MAINTAINING HIGH EMPLOYMENT

The maintenance of high employment—a labor market in which the demand for workers is strong relative to the supply—is a powerful force for the reduction of poverty. In a strong labor market there are new and better opportunities for the unemployed, the partially employed, and the low paid. Employers have greater incentive to seek and to train workers when their own markets are large and growing. For these reasons, tax reduction is the first requisite in 1964 of a concerted attack on poverty. To

fight poverty in a slack economy with excess unemployment is to tie one hand behind our backs. We need not do so.

Accelerating economic growth. In the longer run the advance of standards of living depends on the rate of growth of productivity per capita, and this in turn depends on science and technology, capital accumulation, and investments in human resources, as Chapter 3 has indicated. Growth also expands the resources available to governments and private organizations to finance specific programs against poverty.

Fighting discrimination. A program to end racial discrimination in America will open additional exits from poverty, and for a group with an incidence of poverty at least twice that for the Nation as a whole. Discrimination against Negroes, Indians, Spanish-Americans, Puerto Ricans and other minorities reduces their employment opportunities, wastes their talents, inhibits their motivation, limits their educational achievement and restricts their choice of residence and neighborhood. Almost half of nonwhite Americans are poor. For nonwhites infant mortality is twice as high as for whites; maternal deaths are four times as frequent; expectation of life for males at age 20 is almost five years less.

Discriminatory barriers have been erected and maintained by many groups. Business and labor, other private organizations and individuals, and all levels of government must share in their removal.

The economic costs of discrimination to the total society are also large. By discrimination in employment, the Nation denies itself the output of which the talents and training of the nonwhite population are already capable. By discrimination in education and environment, the Nation denies itself the potential talents of one-ninth of its citizens. But the basic case against discrimination is not economic. It is that discrimination affronts human dignity.

The Executive Branch is vigorously pursuing nondiscriminatory policies and practices. It has proposed comprehensive Civil Rights legislation that would help make it possible for all Americans to develop and use their capabilities. But it will have its full effect only when all Americans join in dedicating themselves to the justice of this cause.

Improving regional economies. In a dynamic economy, whole regions lose their economic base when their natural resources are depleted or changes in taste and technology pass them by. Appalachia and the cutover areas of the Northern Lakes States are contemporary examples. State and regional programs, assisted by the Federal Government through the Area Redevelopment Administration, seek to restore in such regions a viable economic base suitable to their physical and human resources.

Rehabilitating urban and rural communities. Overcrowded, unsanitary, and unsafe neighborhoods are a drag on the economic progress of a whole city. Eradication of slums can provide improved opportunities for their residents and enable them to contribute more to the community. Improved relocation programs are essential to avoid pushing the poor from an old

slum to a new one. Improved community facilities and services, including day care centers for children of working mothers, are needed in low-income urban areas. (Nine million children under 12 have mothers who work outside the home. Of these fully 400,000 are now expected to care for themselves while their mothers work full time.) Among facilities that are critically needed for slum families are adequate housing, hospitals, parks, libraries, schools, and community centers. Improvement of the physical environment, however, is not enough. Especially when newcomers to urban areas are involved, there need to be programs to facilitate adaptation to the new environments. The Administration's proposed National Service Corps could aid and supplement local efforts to provide these and other urgently needed services.

Parallel programs for rehabilitation are needed in depressed rural areas. In some rural communities, even in whole counties, almost every family is at the poverty level. In such situations local resources cannot possibly provide adequate schools, libraries, and health and community centers. A healthy farm economy is basic to the strength of farm communities; and the Rural Area Development program and the ARA are also of assistance in improving income and employment opportunities on and off the farm. Particular attention must be paid to the special problems of depressed nonfarm rural areas—such as the Ozarks or the larger part of rural Appalachia; of Indians on reservations; and of migrant workers.

Improving labor markets. Improved employment information can help potential workers learn about and take advantage of new job opportunities, sometimes in different industries, occupations, and locations. A strengthened Federal-State Employment Service, better guidance and counseling services, development of a system for early warning of labor displacement resulting from technological change, assistance in worker relocation (as provided by the Trade Expansion Act and in the recent amendments to the Manpower Development and Training Act), increased amounts and duration of unemployment insurance benefits and extension of its coverage—all these will enable more persons to maintain or increase their earnings.

Expanding educational opportunities. If children of poor families can be given skills and motivation, they will not become poor adults. Too many young people are today condemned to grossly inadequate schools and instruction. Many communities lack resources for developing adequate schools or attracting teachers of high quality. Other communities concentrate their resources in the higher income areas, providing inadequate educational opportunities to those at the bottom of the economic ladder. Effective education for children of poor families must be tailored to their special needs; and such education is more costly and surely more difficult than for children from homes that are economically and socially more secure. The school must play a larger role in the development of poor youngsters if they are to have, in fact, "equal opportunity." This often means that

schooling must start on a pre-school basis and include a broad range of more intensive services. The President's program against poverty will propose project grants to strengthen educational services to children of the poor.

Where such special efforts have been made, it has become clear that few children are unable to benefit from good education. Only a small percentage of those born each year are incapable of acquiring the skills, motivation, and attitudes necessary for productive lives. The idea that the bulk of the poor are condemned to that condition because of innate deficiencies of character or intelligence has not withstood intensive analysis.

Enlarging job opportunities for youth. Recent legislation for Vocational Education will help to improve the preparation of teen-agers for productive employment. Improved counseling and employment services are needed for those leaving school. The Administration's proposed Youth Employment Act will strengthen on-the-job training and public service employment programs, and will establish a Youth Conservation Corps.

Improving the Nation's health. The poor receive inadequate medical care, from before birth to old age. And poverty is perpetuated by poor health, malnutrition, and chronic disabilities. New and expanded school health and school lunch programs will improve both health and education. The recent Report of the President's Task Force on Manpower Conservation, based on a survey of Selective Service rejectees, lends particular emphasis to the importance of improving our health programs, especially those aimed at children and young people. That Report also underlines the need to cope with educational deficiencies by expanded vocational and literacy training and improved counseling.

Legislation has recently been enacted to increase the supply of physicians and dentists, and to expand mental health services. The poor have a special stake in our ongoing programs of medical research. Many aged persons are confronted by medical needs beyond their financial means. Passage of the program to provide hospital insurance for the aged under the social security system is an urgent immediate step.

Promoting adult education and training. In an economy characterized by continual technological advance, many adults will not be able to earn incomes above the poverty line without new skills and training. The Manpower Training and Development Act and the training programs under the Area Redevelopment Act represent public recognition of this need. These and other programs to train and retrain workers must be expanded and strengthened, placing more emphasis on those with the greatest educational deficiencies. In particular, our relatively modest efforts to provide basic literacy have proved the value of such training. Many who have been regarded (and have often regarded themselves) as uneducable can and do learn the basic skills, and these in turn equip them for training programs supplying the specific skills sought by employers. Such basic education is now being made available to many more adults.

Assisting the aged and disabled. Continued long-run improvement of social insurance benefits, along with expanded programs to cover hospital-

related costs for the aged, and augmented construction of housing to meet the particular needs of the aged, are necessary steps in a continuing campaign against poverty.

ORGANIZING THE ATTACK ON POVERTY

In this latest phase of the Nation's effort to conquer poverty, we must marshal already developed resources, focus already expressed concerns, and back them with the full strength of an aroused public conscience.

Poverty, as has been shown, has many faces. It is found in the North and in the South; in the East and in the West; on the farm and in the city. It is found among the young and among the old, among the employed and the unemployed. Its roots are many and its causes complex. To defeat it requires a coordinated and comprehensive attack. No single program can embrace all who are poor, and no single program can strike at all the sources of today's and tomorrow's poverty.

Diverse attacks are needed, but we must not lose sight of their common target—poverty. Many programs are directed against social problems which the poor share with the non-poor—insecurity of income, depressed regional economies, inefficient and unattractive rural and urban environments, disabilities of health and age, inadequate educational opportunities, racial discrimination. These are all to the good. But we must not let poor individuals and families get lost between these programs. Programs must be sufficiently coordinated that, whatever else they individually accomplish, they act together to lift the economic and social status of America's poor. And soon. For war has now been declared on poverty as such.

This coordinated attack must be adapted to local circumstances. The needs of the poor are not the same in East Kentucky and in West Harlem. Coordinated programs of community action will play a critical role in the assault on poverty. Communities will be encouraged and helped to develop individual programs aimed at the special problems of their own poor families. Individual communities thus can participate in a nationwide action, research, and demonstration program, backed by the interest and resources of State and local governments and private organizations, and the coordinated efforts of Federal agencies working in such fields as education, health, housing, welfare, and agriculture.

Conquest of poverty is well within our power. About \$11 billion a year would bring all poor families up to the \$3,000 income level we have taken to be the minimum for a decent life. The majority of the Nation could simply tax themselves enough to provide the necessary income supplements to their less fortunate citizens. The burden—one-fifth of the annual defense budget, less than 2 percent of GNP—would certainly not be intolerable. But this "solution" would leave untouched most of the roots of poverty. Americans want to *earn* the American standard of living by their own efforts and contributions. It will be far better, even if more difficult, to equip and to permit the poor of the Nation to produce and to earn the additional \$11 billion, and more. We can surely afford greater generosity in relief of distress. But the major thrust of our campaign must

be against causes rather than symptoms. We can afford the cost of that campaign too.

The Nation's attack on poverty must be based on a change in national attitude. We must open our eyes and minds to the poverty in our midst. Poverty is not the inevitable fate of any man. The condition can be eradicated; and since it can be, it must be. It is time to renew our faith in the worth and capacity of all human beings; to recognize that, whatever their past history or present condition, all kinds of Americans can contribute to their country; and to allow Government to assume its responsibility for action and leadership in promoting the general welfare.

Supplementary Tables Relating to Poverty

TABLE 9.—Number and money income of unrelated individuals, by selected characteristics, 1962

Selected characteristic	Number (millions)	Percent with income	
		Less than \$1,500 (1962 prices)	Less than \$1,000 (1962 prices)
All individuals.....	11.0	45	29
Age:			
14-24 years.....	1.1	51	40
25-54 years.....	3.5	27	19
55-64 years.....	2.3	37	25
65 years and over.....	4.2	64	37
Sex:			
Male.....	4.3	35	21
Female.....	6.8	51	34
Color:			
White.....	9.5	43	27
Nonwhite.....	1.5	59	41
Residence:			
Farm.....	.4	67	50
Nonfarm.....	10.6	44	28
Nonearners.....	4.3	75	49

NOTE.—Unrelated individuals are persons (other than inmates of institutions) who are not living with any relatives.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 10.—Number and distribution of poor families, by education and other selected characteristics, 1959

Selected characteristic	Number of poor families (thousands)	Percent of poor families with characteristic				
		Total	Years of school completed			
			8 years or less	9 to 11 years	12 years	More than 12 years
All families ¹	9,661	100	64	16	13	6
White families.....	7,616	79	49	13	11	6
Head under 25 years of age.....	597	6	1	2	2	1
Husband-wife families.....	496	5	1	1	2	1
Female head.....	86	1	(²)	(²)	(²)	(²)
Head 25 to 64 years of age.....	4,419	46	27	8	7	4
Husband-wife families.....	3,288	34	21	6	5	3
Female head.....	981	10	5	2	2	1
Head 65 years old or older.....	2,599	27	21	3	2	1
Husband-wife families.....	2,120	22	17	2	1	1
Female head.....	359	4	3	(²)	(²)	(²)
Nonwhite families.....	2,036	21	15	3	2	1
Head under 25 years of age.....	154	2	1	1	(²)	(²)
Husband-wife families.....	101	1	(²)	(²)	(²)	(²)
Female head.....	49	1	(²)	(²)	(²)	(²)
Head 25 to 64 years of age.....	1,533	16	11	3	1	(²)
Husband-wife families.....	962	10	8	1	1	(²)
Female head.....	511	5	3	1	1	(²)
Head 65 years old or older.....	349	4	3	(²)	(²)	(²)
Husband-wife families.....	235	2	2	(²)	(²)	(²)
Female head.....	94	1	1	(²)	(²)	(²)

¹ Include "husband-wife" families, "female head" families, and "other male head" families. Husband-wife families are those in which both spouses are present. Female head families are those with no male spouse present. Other male head families are those with no female spouse present; this family type is excluded from the detail of table but is included in the totals for color and age.

² Less than 0.5 percent.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 in 1959. Since the data in this table relate to income in 1959 prices, they are not strictly comparable with data in other poverty tables in this Report, which are based on income in 1962 prices.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 11.—Number of families and distribution of poor families, by residence and other selected characteristics, 1959

Selected characteristic	Total families	Urban families	Rural nonfarm families	Rural farm families
Millions				
Number of families:				
All.....	45.1	31.9	9.9	3.3
Poor.....	9.2	6.0	2.7	1.5
Percent				
Percent of poor families with selected characteristic:				
Head:				
65 years of age and over.....	31	17	10	4
Female.....	22	16	5	1
Nonwhite.....	21	13	6	2
No earners.....	31	19	9	3

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices).

Data are from 1960 Census and relate to residence in 1959, the latest year for which rural families can be identified as farm or nonfarm.

Since percentage distributions are computed from 1960 Census data, they are not strictly comparable with distributions of poor families shown in Tables 4 and 8, which are derived from *Current Population Reports*.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 12.—Incidence of poverty, by occupation of family head, 1962

Occupation of head ¹	Incidence of poverty (percent)
Total civilian workers.....	12
Professional and technical workers.....	3
Farmers or farm managers.....	45
Clerical workers.....	7
Sales workers.....	9
Craftsmen.....	5
Operative workers.....	11
Domestic workers.....	74
Service workers other than domestic.....	22
Farm laborers or foremen.....	56
Laborers, except farm and mine.....	23

¹ Occupation in March 1963.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. Incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 13.—Number of families and incidence of poverty, by residence and other selected characteristics, 1959

Selected characteristic	Total families	Urban families	Rural nonfarm families	Rural farm families
Millions				
Number of families:				
All.....	45.1	31.9	9.9	3.3
Poor.....	9.2	5.0	2.7	1.5
Percent				
Incidence of poverty by selected family characteristic:				
Head:				
65 years of age and over.....	47	39	62	61
Female.....	48	44	63	63
Nonwhite.....	46	38	68	82
No earners.....	81	77	87	91

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices). Incidence of poverty is measured by the percent that poor families with a given combination of characteristics are of all families with the same combination of characteristics.

Data are from 1960 Census and relate to residence in 1959, the latest year for which rural families can be identified as farm or nonfarm.

Since incidence figures are computed from 1960 Census data, they are not strictly comparable with incidence figures in Tables 5, 6, and 7, which are derived from *Current Population Reports*.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 14.—Number of families and incidence of poverty, by education and other selected characteristics, 1959

Selected characteristic	Number of families (thousands)	Incidence of poverty (percent)				
		Total	Years of school completed			
			8 years or less	9 to 11 years	12 years	More than 12 years
All families ¹	45,150	21	35	18	12	8
White families.....	40,887	19	31	15	11	7
Head under 25 years of age.....	2,114	28	45	33	22	22
Husband-wife families.....	1,964	25	42	28	20	20
Female head.....	112	77	85	86	68	60
Head 25 to 64 years of age.....	33,164	13	23	12	8	5
Husband-wife families.....	30,067	11	21	9	6	4
Female head.....	2,344	42	51	46	36	23
Head 65 years old or older.....	5,609	46	53	39	33	24
Husband-wife families.....	4,434	48	55	39	34	23
Female head.....	849	42	46	40	33	28
Nonwhite families.....	4,263	48	57	42	30	19
Head under 25 years of age.....	242	64	76	66	51	40
Husband-wife families.....	178	57	71	56	45	42
Female head.....	55	89	94	92	53	50
Head 25 to 64 years of age.....	3,527	43	53	38	27	15
Husband-wife families.....	2,680	36	47	26	18	11
Female head.....	713	72	77	73	62	39
Head 65 years old or older.....	494	71	74	52	50	41
Husband-wife families.....	335	70	73	53	45	42
Female head.....	123	76	79	63	75	50

¹ Include "husband-wife" families, "female head" families, and "other male head" families. Husband-wife families are those in which both spouses are present. Female head families are those with no male spouse present. Other male head families are those with no female spouse present; this family type is excluded from the detail of table but is included in the totals for color and age.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 in 1959. Since the data in this table relate to income in 1959 prices, they are not strictly comparable with data in other poverty tables in this Report, which are based on income in 1962 prices. Incidence of poverty is measured by the percent that poor families with a given combination of characteristics are of all families with the same combination of characteristics.

Sources: Department of Commerce and Council of Economic Advisers

TABLE 15.—Earnings of elementary school graduates, by color and occupation, 1959

Occupation	Average earnings of elementary school graduates		Earnings of nonwhites as percent of earnings of whites
	White	Nonwhite	
Craftsmen, foremen, and kindred workers ¹	\$5,300	\$3,800	72
Machinists.....	5,600	4,300	76
Painters and construction and maintenance workers.....	4,200	3,100	73
Plumbers and pipefitters.....	5,600	4,000	71
Operatives and kindred workers ¹	4,800	3,600	75
Truck and tractor drivers.....	4,900	3,300	68
Other operatives and kindred workers.....	4,800	3,800	80
Service workers (including private household workers) ¹	3,900	2,900	75
Farm laborers and foremen.....	2,400	1,500	62

¹ Over-all average for group includes some occupations not shown separately.

NOTE.—Elementary school graduates are persons who completed 8 grades of school but not more.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 16.—Distribution of spending units with income under \$3,000, by age of head and amount of liquid assets, 1962

Amount of liquid assets	Percent of spending units with income of less than \$3,000, by age of head			
	Under 35 years	35 to 44 years	45 to 64 years	65 years and over
Total.....	100.0	100.0	100.0	100.0
None.....	68.5	70.6	57.5	39.7
\$1-\$499.....	25.8	19.6	22.3	9.6
\$500-\$999.....	2.8	1.7	5.7	7.5
\$1,000-\$4,999.....	2.9	7.0	9.2	25.5
\$5,000-\$9,999.....	(1)	1.1	3.1	10.6
\$10,000 and over.....	(1)	(1)	2.2	7.1
Percent of total units in age group with income under \$3,000.....	21.3	12.9	23.9	68.7

¹ Less than 0.05 percent.

Source: 1962 Survey of Consumer Finances, Survey Research Center, University of Michigan.

POVERTY

Too many of our citizens neither share adequately in the benefits of our economic progress nor contribute effectively to its creation. America's renewed focus on poverty last year called attention to the fact that 35 million Americans—one-fifth of the population—still lived in poverty. When the President declared war against poverty in his State of the Union Message a year ago, the conscience of the American people was stirred.

Widening participation in prosperity will not be accomplished easily. It calls for a combination of public and private policies which, while reflecting society's compassion and concern, will attack the root causes of poverty. It requires assisting all citizens who need help in developing their full potential. It requires strengthening our protections against the economic hazards inherent in modern society. And it requires improving our assist-

ance to those who, because of age, disability, or adversity, are unable to provide for themselves.

Last year, the Council's Annual Report set forth a preliminary analysis of the structure of poverty, focusing on the economic characteristics of the poor and the causes of their poverty. Since then additional information has become available, shedding more light on the process by which family poverty may arise, persist, or disappear.

THE RECORD OF PROGRESS AGAINST POVERTY

The percentage of American families with incomes (in 1962 prices) below \$3,000 fell from 32 percent in 1947 to 20 percent in 1962 and to 19 percent in 1963. Experience indicates that in periods of strong economic expansion the incidence of poverty declines. Between 1947 and 1962 the number of poor families fell from 11.9 million to 9.3 million; in 1963 alone it dropped an additional 300,000, and a further reduction probably occurred last year. The composition of this group of families showed little change from 1962 to 1963. The incidence of poverty remained highest among farm families, nonwhite families, and those headed by females, and among the elderly, the least educated, and those unable to work. The median money income of poor families has remained close to \$1,800 since 1958.

MEASURES AND CHARACTERISTICS OF POVERTY

In its 1964 Annual Report, the Council proposed an income below \$3,000 as a test of family poverty. It recognized that a determination of poverty status cannot be exact, either conceptually or in practice, for "there is no precise way to measure the number of families who do not have the resources to provide minimum satisfaction of their *own* particular needs." However, the attack on poverty requires a quantitative perspective on the problem. Therefore, the Council concluded that the \$3,000 income limit "provides a valid benchmark for assessing the dimensions of the task of eliminating poverty, setting the broad goals of policy, and measuring our past and future progress toward their achievement."

In the past year, additional research has been devoted to measuring the character and extent of poverty, taking into account a broader range of considerations than annual income alone. This will permit the development of more comprehensive measures of the problem.

Differences in family composition

The \$3,000 poverty line was intended to reflect the minimum current income needs of a typical family—typical with respect to size, age of members, and a variety of other characteristics. Recognizing that few families are typical, the Social Security Administration has now estimated the income needed to achieve comparable minimum standards of consumption by families of various size and age composition in both rural and urban areas.

The minimum income needs of an urban family of six, for example, will normally differ from those of an elderly rural couple.

Under these revised estimates, roughly the same total number of persons are classified poor as under the simpler \$3,000 family income test, but the composition of the poverty group is somewhat different. The number of poor families is smaller; the number of adults is reduced, especially among the aged and those who do not work. The number of large families classified as poor increases, however; and, most important, the estimated number of children in poverty rises by more than one-third, from 11 million to 15 million. This means that one-fourth of the Nation's children live in families that are poor. These findings underscore the importance of helping young people escape from poverty. This pressing objective, stressed in last year's Annual Report, is emphasized in the Economic Opportunity Act and in the President's new proposals for education and health care of children.

Asset ownership

A family's ability to maintain an adequate standard of living depends on its accumulation of assets and liabilities as well as current income. A family may be able to sustain its consumption during an occasional year of low income by drawing down savings, borrowing on assets, and postponing the replacement of durable goods. Thus the measurement of poverty is improved by distinguishing temporary from chronic inadequacy of income, and considering the asset holdings of low-income families. However, in practice, few low-income families can long maintain satisfactory consumption levels by drawing down their assets. Average (median) net asset holdings of poor families amounted to only \$2,760 at the end of 1962. The bulk of these assets consisted of equity in a home and thus could not be easily converted into consumption. Even if a typical poor family were to draw down its assets to supplement current income in order to maintain consumption at the rate of \$3,000 a year, these assets would be entirely exhausted within two to three years.

Older families with incomes of less than \$3,000 generally possess more assets than do younger families with low incomes. Many of the former are retired and are using their savings to meet living costs. A composite measure of poverty based upon income and asset criteria would exclude some older families now classified as poor under the income test alone.

Income variability and the persistence of poverty

The extent of chronic poverty is reflected by a measure of persistence—the percentage of poor families in any given year who remain poor in succeeding years. A study of incomes of the same families in two successive years shows that approximately 70 percent with incomes below \$3,000 in one year have similarly low incomes in the following year. This suggests that the poor include a largely unchanging group of families. Persistence of

poverty is greatest among families headed by females, the less educated, non-whites, and the aged, as shown in Table 19.

TABLE 19.—Persistence of poverty, by selected family characteristics, 1962-63

Selected characteristic	Persistence of poverty
All families.....	69
Age of head:	
14-24 years.....	62
25-34 years.....	65
35-44 years.....	63
45-54 years.....	63
55-64 years.....	71
65 years and over.....	80
Work experience of head:	
Worked.....	60
At full-time jobs.....	53
At full-year jobs ¹	51
At part-time jobs.....	79
Did not work.....	83
Education of head:	
Less than 8 years.....	79
8 years.....	72
9-11 years.....	64
12 years.....	63
13-15 years.....	64
16 years or more.....	40
Type of family:	
Husband-wife.....	68
Wife in paid labor force.....	48
Wife not in paid labor force.....	73
Other male head.....	61
Female head.....	76
Color of head:	
White.....	67
Nonwhite.....	76

¹ Worked 50-52 weeks.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. Persistence of poverty is measured by the percent of poor families in 1962 that are also poor in 1963.

Data based on sample of families living at same address as year earlier; movers, whose characteristics could differ from nonmovers, are excluded. In addition, implied changes based on two interviews a year apart for the same family are particularly affected by response errors.

Data are not entirely comparable to those shown in Table 20. See note to that Table.

Source: Department of Commerce.

Temporary poverty is likely to arise from unemployment, illness, or other disability, and, for the self-employed, from the hazards of small business. Movement out of poverty is related to changing levels of economic activity.

The process by which over-all poverty is reduced from one year to the next involves a number of divergent influences. Some families become poor, a slightly larger number become better off, but the great majority simply remain poor. Of the 9.3 million poor families in 1962, 0.6 million were dissolved in 1963, and another 1.8 million—only 19 percent of the total—moved to a higher income status. Meanwhile 6.9 million remained poor (Table 20) and 1.7 million other families fell into the low-income group.

Of those families leaving poverty in 1963, slightly over two-fifths secured incomes between \$3,000 and \$4,000, one-fifth moved into the \$4,000 to \$5,000 range, and the remaining two-fifths reached or surpassed \$5,000.

TABLE 20.—Changes in poverty, 1962–63

Poverty status of family	Estimated number of poor families (millions)
Poor families in 1962.....	9.3
Less: Families no longer poor in 1963.....	1.8
Poor families dissolved in 1963.....	.6
Equals: Families poor in 1962 and 1963.....	6.9
Plus: Families who became poor in 1963.....	1.7
Newly formed poor families in 1963.....	.4
Equals: Poor families in 1963 ¹	9.0

¹ Families with total money income of less than \$3,000 (1962 prices).

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000.

This table is based on total number of poor families that moved or were dissolved. The persistence rate—74 percent—derived from this table is somewhat higher than that in Table 19.

Source: Council of Economic Advisers.

Those families whose incomes rose from less than \$3,000 to \$5,000 or more undoubtedly included a large number of families where bread winners returned to full-time work or a new earner found a job. On the other hand, many of those who rose from poverty status, particularly those in the \$3,000 to \$4,000 bracket in 1963, probably did so only temporarily.

The statistics suggesting that about 20 percent of the poverty-stricken families in any given year are no longer poor in the following year certainly overstate the degree of real improvement in the income position of this group. They fail to reveal the extent to which many of these families hover about the \$3,000 income line. An increase in income from \$2,900 to \$3,100 hardly constitutes an escape from poverty and, furthermore, may be quickly reversed. Therefore, some measure of poverty covering more than a one-year period is more appropriate and useful in identifying the incidence of chronic poverty. A poverty criterion based on a two-year income average of \$3,000 yields nearly as many low-income families as is indicated by the one-year measure.

Employment status

The analysis of poverty in last year's Annual Report emphasized the importance of economic expansion and rising aggregate employment in reducing the number of poor families. But it also made clear that many of the poor—because their family heads are not in the labor force—do not necessarily benefit from general economic prosperity. Data on work experience in 1963, shown in Table 21, provide further indications of the relationship between unemployment and poverty.

Some 30 percent of families with incomes below \$3,000 were headed by persons who held jobs (mostly full-time) throughout the year. An additional 14 percent were headed by persons in the labor force during only part of the year but who were never counted as unemployed because they moved into or out of the labor force. The heads of 16 percent of poor

TABLE 21.—*Distribution of all and poor families, by work experience of family head, 1963*

Work experience of head	Percent distribution	
	All families	Poor families
Total.....	100	100
In labor force during year:		
Employed all year.....	67	30
Employed part of year:		
Not unemployed.....	9	14
Unemployed part of year ¹	11	16
Not in labor force during year.....	13	39

¹ Includes small percent not employed at all during year.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices). Detail will not necessarily add to totals because of rounding.

Source: Department of Labor.

families experienced unemployment during 1963. The incidence of poverty was particularly high among those unemployed for long periods. A more prosperous economy and stronger job markets would have aided the incomes of all these groups, but particularly the last.

The largest group of poor families—39 percent of the total—was headed by persons completely out of the labor force during 1963. A few of these family heads, of course, are among “the hidden unemployed”—those employable workers who had withdrawn from or failed to enter the labor force because of discouragement about job opportunities. However, many more of them were retired, disabled, or were women with child-rearing responsibilities.

THE ATTACK ON POVERTY

Passage of the Economic Opportunity Act of 1964 marked the opening of an enlarged attack on inadequate incomes in an economy of relative abundance. The main thrust of this effort is directed at the roots of poverty—particularly at helping the children of the poor. The programs of the Office of Economic Opportunity will provide a community-wide focus for anti-poverty efforts by offering education, training, and work experience to help young people escape from poverty. They augment other Government programs for education, training, health, and welfare services which deal less specifically with poverty.

Federal funds have begun to flow in support of Community Action Programs across the Nation. These Programs, planned, operated, and coordinated at the local level, will make services needed to break out of poverty available to the poor. The services can range from preschool preparation to counseling to establishing neighborhood centers. It is anticipated that Programs will be approved in approximately 300 communities this year. Community Action Programs, mobilizing local public and private leadership, are an important new social institution and a major weapon in the war on urban poverty.

The Neighborhood Youth Corps-Work Training Program will provide useful work experience opportunities for unemployed young men and women in State and local governments and nonprofit organizations. By the end of June, approximately 175,000 young men and women will have entered this Program. The Job Corps will offer education and vocational training—along with some work experience—in conservation camps and residential training centers to approximately 25,000 young people by this June. The goal of the Work Study Program is to provide part-time employment this year to nearly 100,000 low-income college students who need financial assistance to enter upon or continue their college educations. And the Work Experience Program will provide constructive work experience and training for close to 90,000 unemployed fathers and other needy persons.

The Federal budget for fiscal year 1966 provides \$1.5 billion—almost twice the 1965 amount—in new obligational authority to the Office of Economic Opportunity to carry out these Programs.

Although several million people will be assisted by Community Action Programs this year, and over a half million more will participate directly in education, work, and training programs, this is only the beginning of the Nation's long-range war on poverty. Continuing effort, carried out with skill and imagination, will be required to eliminate poverty in the United States.

EQUALITY OF OPPORTUNITY

Passage of the Civil Rights Act of 1964 marked the beginning of a new era of concern for equality of opportunity. This historic civil rights legislation outlaws a wide variety of discriminatory practices which have been applied against many groups, but particularly against Negroes.

The gains to be derived from new programs in the employment, urban, education, health, and poverty areas will be fully shared only if we continue breaking down the barrier of discrimination, whether because of race, creed, age, or sex.

The Civil Rights Act is likely to extend the horizons and motivations of nonwhite youth, as it opens up new employment opportunities. There will be greater incentive to stay in school and to obtain training. Incomes will rise and the circle of poverty in which many Negroes are trapped will be broken.

Discrimination against minorities—Negroes, Puerto Ricans, Spanish-Americans, Indians, and others—has significant economic and social costs. It is estimated that society loses up to \$20 billion per year of potential production as a result of employment discrimination and poorer educational opportunities for nonwhites. They earn about 30 percent less than whites—even when they have received similar amounts (but often lower quality) of schooling and are in the same occupations. Not surprisingly, the incidence of poverty is much higher for nonwhites—40 percent, as against 16 percent for the white population.

The extent to which nonwhites fail to share in the economic benefits of a prosperous society—in housing, education, health, employment, and income—is revealed in Table 22. Such comparisons would be even more glaring were it not for recent efforts to break the barriers of job discrimination. The consequences of discrimination show up in low-income housing programs, in large welfare payments, and in a variety of special and remedial programs. These outlays attempt to make up for what society has failed to prevent.

TABLE 22.—*Selected measures of discrimination and inequality of opportunity, by race*

Characteristic	White	Nonwhite
Housing, 1960:		
Percent of families in substandard housing.....	11.2	41.6
Education, 1964:		
Median years of school completed, 25 years of age and over.....	12.0	8.9
Percent completed high school, 20-24 years of age.....	75	83
Health, 1963:		
Life expectancy at birth (years).....	71	64
Infant mortality rate (per 1,000 live births).....	22	42
Employment, 1964 (percent of total civilian employment):¹		
Professional-managerial occupations.....	25.3	9.4
Craftsmen and foremen occupations.....	13.1	6.9
Median income of males, 1963:		
Some or completed college.....	\$4,829	\$4,070
High school graduates.....	\$5,600	\$3,821

¹ Data relate to March 1964.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

Efforts to eliminate discrimination in employment were heightened by the establishment in 1961 of the President's Committee on Equal Employment Opportunities. Discrimination in Federal employment and in the performance of Federal contracts has been prohibited. Government agencies, including the armed services, have intensified their efforts to widen job opportunities for Negroes.

The voluntary cooperation of businesses and unions has been enlisted to open both jobs and union membership to nonwhites. One of the most critical remaining barriers to the employment prospects of nonwhites is the lack of sufficient openings in apprenticeship programs. Until younger Negroes can acquire the skills necessary to compete in today's labor market, equality of opportunity will not be realized.

Discrimination is not limited to race. It is also applied against women and older citizens. Implementation of the Equal Pay Act which prohibits payments of differential wages to women when they are performing jobs similar to those performed by men promises to improve the earning power of American women. Widespread discrimination against the hiring of older people continues, though efforts have been made to offset this by retraining and increased placement activities for older workers.

CIVIL RIGHTS LAWS AND ECONOMIC DISCRIMINATION

The 1964 Civil Rights Act contains several important provisions that alter those conditions which make discrimination possible. Its Title VII directly outlaws discrimination in hiring, firing, conditions of work, apprenticeship, or training. The Equal Employment Opportunity Commission was established to carry out these provisions. The Commission began operation in July 1965 and in its first 100 days processed more than 1,300 complaints. Hiring attitudes will not change abruptly, but the Civil Rights Act makes an important, direct attack on this basic barrier to full equality.

Negroes are also at a disadvantage in the housing market. Many Negroes live in substandard housing because their incomes are low; but others are forced to do so by direct discrimination. While 57 percent of nonwhite households with annual incomes of less than \$4,000 live in substandard housing, only 27 percent of whites at these same income levels live in such housing. Among households with more than \$4,000 a year, 6 percent of the white families live in substandard housing, compared with 20 percent for nonwhite families. Discrimination in housing forces Negroes to pay higher rents and in many places to attend inferior schools. The President has announced that he will ask for legislation to prevent discrimination in private sales or rental of housing.

To help Negroes achieve equality of educational opportunity, the Civil Rights Act authorizes the Attorney General to file suit for the desegregation of public schools and colleges upon receipt of written complaints from parents unable to bring their own actions. After 10 years of slow progress following the Supreme Court decision outlawing segregated schools, the pace of integration has now accelerated; but segregated housing continues to retard this process. In addition to eliminating segregation, the Government is trying to improve the quality of Negro education by its new programs

for primary and secondary education, Project Head Start, and other anti-poverty programs. Also, Title VI of the Civil Rights Act assures that access to schools, hospitals, and other federally aided facilities will not be denied to anyone on the basis of his race.

ECONOMIC COST OF DISCRIMINATION

Although economic losses are not the major reason for eliminating discrimination, they serve to emphasize its economic cost to all Americans. When there is a surplus of labor of all types and skills, eliminating discrimination results mainly in a redistribution of income. The economic cost of discrimination becomes most evident when there is near full employment of the white labor force.

If economic and social policies could be specifically designed to lower Negro unemployment to the current unemployment level of whites, the resulting gain in GNP would be \$5 billion. Part of this gain would be in wages of the new Negro employees, and part would accrue as other forms of income. A further gain would result if all Negroes were able to obtain jobs which would better utilize their abilities and training.

National output can be further expanded by improving the average level of productivity of each individual. Education and training are two of the most important means to this end. If the average productivity of the Negro and white labor force were equalized at the white level, total production would expand by \$22 billion. If both unemployment rates and productivity levels were equalized, the total output of the economy would rise by about \$27 billion—4 percent of GNP. This is a measure of the annual economic loss as a result of discrimination. Of course, to achieve this increase in output, some resources would have to be devoted to investment in the human capital of America's Negro citizens. But this would be an investment yielding important economic as well as social returns for the entire Nation.

REDUCTION OF POVERTY

Investment in human resources is a means to an end, not an end in itself. It is a means to rising living standards, to greater opportunity for individual achievement, and to the abolition of poverty. Thus, the pursuit of an effective program of human resource development and the pursuit of successful antipoverty measures are closely related processes.

Five years of prosperity and continued economic expansion have contributed significantly to reducing the number of people who live in poverty. Between 1959 and 1964, the number of persons defined as poor decreased from 38.9 million to 34.1 million (Table 17). As a result both of further economic growth and of the new antipoverty programs, the data for 1965 will undoubtedly show a further drop in the number of poor.

A fully employed economy is—and will continue to be—a powerful weapon in the war against poverty. However, full employment alone is not suf-

TABLE 17.—Number of poor persons and incidence of poverty, 1959-64

Year	Total persons ¹	Poor persons	
		Number ¹	Incidence of poverty (percent) ²
	Millions of persons		
1959.....	176.5	38.9	22.1
1960.....	179.5	40.1	22.3
1961.....	181.4	38.1	21.1
1962.....	184.4	37.0	20.1
1963.....	187.2	35.3	18.9
1964.....	189.7	34.1	18.0

¹ Data relate to March of following year. Excludes inmates of institutions and a small number of children under 14 years of age who live with families to whom they are not related. (There were about 200,000 such children in March 1965.) Includes members of the armed forces in the United States living off post or with their families on post.

² Incidence of poverty is measured by the percent that poor persons are of the total.

NOTE.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

ficient. The purpose of the Economic Opportunity Act of 1964 is to promote investment in the health, education, training, and work experience of the poor which will enable them to contribute more effectively, and thereby to earn incomes more comparable to those in the rest of society.

Many public and private programs exist to help to eradicate poverty and to aid the needy. The Office of Economic Opportunity (OEO) was established by the 1964 Act to coordinate these efforts, and to develop new approaches to combat the multiple causes of poverty. Several of the Administration's antipoverty programs are discussed in the section on education. In addition, OEO's Community Action Programs—discussed in the Council's 1965 Report—are mobilizing local and Federal resources to aid the poor. This year, important new data on the incidence of poverty are presented which illustrate the progress of the past 5 years.

CHANGES IN POVERTY: 1959-64

In order to assess progress and to evaluate alternative approaches effectively, it is necessary to have a clear-cut quantitative definition of poverty. Last year, the Social Security Administration developed the present definition, which takes account of differing family size and composition and differences between living conditions in urban areas and on farms. This new poverty-income definition is based on a minimum, nutritionally sound food plan designed by the Department of Agriculture for "temporary or emergency use when funds are low." The food costs in this subsistence plan are used to determine the minimum total income requirements for different-sized families. Budget levels for farm families are reduced by 30 percent to allow for lower cash expenditures required where home-grown food is available and to recognize the lower cost of farm housing. Computed in

this way, the 1964 poverty-income line for nonfarm individuals was \$1,540; for farm individuals, \$1,080. Four-person nonfarm families were defined as poor if their money income was below \$3,130; for farm families of this size, the poverty-income line was \$2,190. Income standards for past years were adjusted to take account of price changes during the 1959-64 period. Although no statistical definition of poverty is available which fully recognizes such factors as regional differences in the cost of living and which allows for differences in asset-holdings of families, there can be little dispute that almost all people with incomes at or below these minima are indeed poor.

The new figures on the number of poor show clearly the relationship between over-all economic conditions and the incidence of poverty. In 1959, poor persons represented 22.1 percent of the total noninstitutional population. By 1964, the number had dropped by 4.8 million, to 18.0 percent of the population. For the 1959-64 period as a whole, the incidence of poverty declined by 0.6 of a percentage point a year. From 1959 to 1962, a period which included a recession, the number of poor declined by an average of 633,000 persons a year. During the subsequent two years of expansion, the average decrease was 1,450,000 a year.

TABLE 18.—Number of poor households and incidence of poverty, by race, 1959 and 1964

Item	All poor households		White		Nonwhite	
	1959	1964	1959	1964	1959	1964
Millions						
Number						
Total households ¹	13.4	11.0	10.3	9.1	3.0	2.8
Unrelated individuals.....	5.1	5.1	4.1	4.2	.9	.9
Under 65 years of age.....	2.6	2.3	1.9	1.8	.7	.5
65 years of age and over.....	2.5	2.8	2.2	2.4	.2	.4
Families of 2 or more.....	8.3	6.8	6.2	4.9	2.1	1.9
With no children under 18 years of age.....	3.0	2.3	2.4	1.9	.5	.3
With children under 18 years of age.....	5.3	4.5	3.7	3.0	1.6	1.5
Percent						
Incidence of poverty²						
Total households ¹	24.0	19.8	20.7	17.1	52.2	43.1
Unrelated individuals.....	47.4	42.0	45.4	40.2	59.3	53.0
Under 65 years of age.....	36.8	31.2	32.9	28.5	54.8	44.0
65 years of age and over.....	68.1	59.3	67.2	57.2	78.5	79.3
Families of 2 or more.....	18.4	14.2	15.1	11.5	49.6	39.1
With no children under 18 years of age.....	16.4	11.7	14.6	10.8	37.8	22.5
With children under 18 years of age.....	19.7	16.0	16.5	12.0	55.3	47.7

¹ Households are defined here as the total of families and unrelated individuals.

² Incidence of poverty is measured by the percent that poor households are of the total number of households in the category.

NOTE.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

TABLE 19.—Incidence of poverty and distribution of poor households, 1964

Type of household ¹	Incidence of poverty (percent) ²	Percentage distribution of poor households
All households.....	19.8	100.0
Farm households.....	30.0	9.1
Nonfarm households:		
Head 65 years of age and over.....	38.0	34.7
Head under 65 years of age:		
White:		
Male head.....	8.1	23.7
Female head.....	31.3	18.0
Nonwhite:		
Male head.....	28.2	8.9
Female head.....	60.2	7.6

¹ Households are defined here as the total of families and unrelated individuals.
² Incidence of poverty is measured by the percent that poor households are of the total number of households in the category.

NOTE.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence.

Sources: Department of Commerce, Department of Health, Education, and Welfare, and Council of Economic Advisers.

A similar improvement can be seen in the number of poor households (including unrelated individuals as one-person households). Their number fell from 13.4 million in 1959 to 11.9 million in 1964. This represented a drop in the incidence of family poverty from 24.0 percent to 19.8 percent (Table 18).

The encouraging record of progress is marred, however, by the figures for particular groups. The total number of poor, unrelated individuals over 65 years of age increased by 300,000 during the 1959-64 period. This increase is explained by the fact that the total number of unrelated individuals over 65 years of age increased by 1 million during this period. The incidence of poverty among such individuals actually declined, however.

The number of large families with 5 or more children living in poverty also showed no decline, remaining constant at about 1.1 million. The total number of poor children in such families, however, decreased slightly during the 5-year period.

Progress in alleviating poverty has also been slow among families headed by females (including women living alone). In 1959, there were 5.4 million such poor households; in 1964, 5.5 million.

The total number of poor, nonwhite households declined by 200,000 between 1959 and 1964. The largest declines were among childless, nonwhite families and single persons under 65. However, in 1964 almost 48 percent of all nonwhite families with children were still living in poverty.

Although the incidence of poverty is far higher among nonwhites, the aged, and white families headed by females than for the population generally; however, families headed by white males below age 65 accounted for nearly one-fourth of all poor households in 1964 (Table 19).

Encouraging progress has been made during the last 5 years, but the dimensions of poverty in America are still disturbing. Expanded investment in human resources and the eradication of racial discrimination are vital parts of the total antipoverty program. However, for the aged and for families headed by females, continued improvement of income-maintenance programs remains the major route out of poverty, since most of them are not—and cannot be—active members of the labor force.

INCOME MAINTENANCE

Over the last 30 years, the United States has developed a set of public income maintenance programs for many families who need assistance in order to maintain adequate standards of living. In fiscal year 1965, an estimated \$20 billion of the \$40 billion total spent on these public transfer payment programs went to persons who were, or would otherwise have been below the poverty-income line; these payments helped to raise some 3 million households out of poverty, but about 12 million units still received insufficient income to meet the minimal living levels now used to define poverty. People who remained poor received about \$10 billion of all public transfer payments. To eliminate completely the poverty-income gap—the amount by which total money income falls short of meeting the poverty-income standard—would require that almost \$12 billion be added to the income of the poor.

In 1964, of the 34.1 million persons who failed to meet the Social Security Administration poverty-income standard, 14.8 million (43 percent) were children under 18 years of age, 5.4 million (16 percent) were 65 years old or over, and 13.9 million (41 percent) were neither aged nor children under 18. Public assistance payments (including those under State-local general assistance programs) went to only 7.3 million of these people, just over one-fifth of the noninstitutionalized needy. (Some aid was also provided to 500,000 additional persons in institutions and to almost 270,000 aged persons who received help only in meeting their medical bills.)

About 26 million poor persons were not receiving aid under public assistance programs in June 1965: 11.5 million poor children, their 7 million parents, and about 3.5 million aged. The remainder of the unaided poor were adults aged 18–64 without dependent children.

Eight million poor persons were aided by other Federal income maintenance programs, including an estimated 6.7 million of the 19.8 million beneficiaries under Social Security (OASDI). The remainder received payments under such programs as unemployment insurance, veterans' pensions and compensation, Railroad Retirement, and workmen's compensation. The highest proportion of needy persons aided by income-maintenance programs is found among those aged 65 or over and those under 18. While there are a large number of programs that help the poor in the 18–64 age range, large gaps in coverage exist under present arrangements. About half of the poor now receive no public transfer income.

In addition to the large gaps in coverage under existing public assistance programs, the benefits paid to the eligible poor are often extremely low. Most persons now receiving assistance do not receive enough to enable them to live at even a minimum subsistence level. For example, the average annual total income of aged public assistance recipients is \$970 a person; of blind recipients, \$1,110 a person; of disabled recipients, \$910 a person; and for families with dependent children, \$1,680 a family (four persons). For a mother and three children, this amounts to only \$1.15 a day for each person, to cover the costs of food, shelter, clothing, and all the other necessities of life.

Increasing concern about these problems is producing a variety of new income-maintenance proposals. One approach would make public assistance coverage more comprehensive and assure all recipients more adequate benefit levels. Another approach is the institution of uniformly determined payments to families based only on the amount by which their incomes fall short of minimum subsistence levels. Such a system could be integrated with the existing income tax system. This plan is now receiving intensive study by many scholars. It could be administered on a universal basis for all the poor and would be the most direct approach to reducing poverty. In future years, these and other proposals deserve further exploration.

INCOME MAINTENANCE

Poverty in the United States today afflicts 32.7 million Americans directly and every American indirectly. But poverty is curable, and the Nation is now committed to using a share of the fruits of growth to stamp out this malady.

POVERTY AND WORK

By definition, the poor have incomes inadequate to provide even the basic essentials of a decent life in our society. A household is statistically classified as poor if its total money income falls below levels specified by the Social Security Administration, currently \$1,570 for an unrelated individual, \$2,030 for a couple, and \$3,200 for a family of four. Obviously, any such statistical classification ignores such factors as assets, particular family needs, and the variability of income. But it helps to illuminate the extent and character of poverty.

In the broadest sense, the poor comprise two general categories. The first, but smaller, includes families headed by an able-bodied male breadwinner whose wages are low or whose employment is irregular. Among nonwhite families in the South, even breadwinners holding full-time jobs often do not earn living wages (Table 19). For the entire Nation, however, only 6 percent of all families headed by a fully employed male worker were below the poverty line in 1965, but this group includes 26 percent of all poor families. Large family size was a characteristic of many of these households. Another group—15 percent of all poor families—was headed by a chronically unemployed man or by one who worked only part-time.

Poverty among families with able-bodied male breadwinners has declined substantially in recent years. For example, improving nonfarm job opportunities, which facilitated migration from the farm, also meant a welcome migration out of poverty for many rural families. The number of poor farm households fell by 53 percent between 1959 and 1965 (Table 20) and represented only 6 percent of all poor households in 1965, although some of the formerly poor farm families who acquired urban addresses remained poor.

But most poor families are headed by persons who cannot or should not be in the labor force, at least on a full-time basis. The aged, the family consisting of a female head with children, and the disabled are increasingly becoming the dominant groups of "hard-core poor," accounting for about half of all poor families in 1965. Rapid economic growth and full employ-

TABLE 19.—*The poor and their work experience, 1965*¹

Work experience of head of household	Poor households (millions) ²		Poor families			
	Male head	Female head	Number (millions)		Incidence of poverty (percent) ³	
			Male head	Female head	Male head	Female head
Total.....	6.1	5.4	4.8	1.9	11	37
Aged (65 years and over).....	1.8	2.4	1.2	.3	21	29
All other.....	4.3	3.0	3.6	1.5	10	40
Did not work in 1965.....	.7	1.5	.5	.8	38	66
Ill or disabled.....	.4	.2	.3	.1	42	(4)
Other reasons.....	.3	1.3	.2	.8	33	66
Worked at part-time jobs.....	.5	.5	.4	.2	34	44
Worked at full-time jobs.....	3.0	1.0	2.7	.5	8	23
Employed 39 weeks or less.....	.8	.4	.6	.2	23	49
Employed 40-49 weeks.....	.4	.1	.4	.1	13	24
Employed 50 weeks or more.....	1.8	.4	1.7	.2	6	15
0-3 children.....	1.0	.1	1.0	.1	4	11
4 or more children.....	.7	.1	.7	.1	17	65
South ⁵.....	.9	.2	.9	.1	11	24
White ⁶.....	.5	.1	.5	(4)	7	11
Nonwhite ⁶.....	.4	.1	.4	.1	36	51
Rest of country ⁵.....	.9	.3	.8	.1	4	10
White ⁶.....	.8	.2	.7	.1	4	8
Nonwhite ⁶.....	.1	.1	.1	(4)	10	22

¹ Numbers in this table are based on the Current Population Survey. An enlarged survey of the poor, now in progress, may show somewhat different results due to sampling error and the use of different interviewing techniques.

² Households are defined here as the total of families and unrelated individuals.

³ Poor families as percent of the total number of families in the category.

⁴ Percent not shown because of small number of families.

⁵ Estimated by Department of Health, Education, and Welfare.

⁶ Less than 50,000.

NOTE.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

ment can do little to solve their problems. For them, cash benefits are essential.

For those of the poor who can work full time, economic growth and full employment will continue to erode poverty. But for them, too, cash benefits are required to alleviate the immediate rigors of poverty, while they take training, while they are being relocated, while they seek and find jobs.

INCOME MAINTENANCE AND THE POOR

Income maintenance programs financed by Federal, State, and local governments provide some support for millions of the poor. The poor, like others, enjoy protection under major social insurance programs, such as Old-Age, Survivors, and Disability Insurance (OASDI), Health Insurance for the Aged, and Unemployment Insurance. Roughly one-third of OASDI benefits, which totaled \$18 billion in 1965, went

TABLE 20.—Number of poor households and incidence of poverty, 1959, 1962, and 1965

Characteristics of head of household	Number of poor households (millions) ¹			Incidence of poverty (percent) ²		
	1959	1962	1965	1959	1962	1965
Total.....	13.4	12.6	11.5	24	22	19
Aged (65 years and over) ³	3.9	3.8	3.8	49	41	39
White.....	3.5	3.3	3.4	47	39	37
Male.....	1.6	1.4	1.3	38	28	24
Female.....	1.9	1.9	2.1	63	66	65
Nonwhite.....	.4	.4	.5	73	64	65
Male.....	.2	.2	.2	68	54	54
Female.....	.2	.2	.3	82	75	78
All other ⁴	9.4	8.9	7.6	20	18	15
Farm.....	1.5	.9	.7	40	31	24
White.....	1.1	.7	.5	34	25	18
Male.....	1.0	.6	.4	32	24	17
Female.....	.1	.1	.1	67	39	40
Nonwhite.....	.4	.2	.2	86	81	78
Male.....	.4	.2	.2	86	79	76
Female.....	.1	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
Nonfarm.....	8.0	7.9	7.0	18	17	15
White.....	5.7	5.5	4.9	15	14	12
Male.....	3.5	3.5	2.9	10	10	8
Female.....	2.2	2.0	2.0	37	34	30
Nonwhite.....	2.2	2.4	2.0	47	47	37
Male.....	1.3	1.3	1.1	38	38	29
Female.....	1.0	1.0	.9	68	68	68
Addendum:	Billions of dollars			Percent of GNP		
Poverty income gap ⁷	13.7	12.8	*11.0	2.8	2.8	*1.6

¹ Households are defined here as the total of families and unrelated individuals.
² Poor households as percent of the total number of households in the category.
³ Includes only one- and two-person households with head aged 65 years and over.
⁴ Includes all households headed by a person under 65 years of age and families of three or more headed by an aged person.
⁵ Less than 50,000.
⁶ Percent not shown because of small number of households.
⁷ The poverty income gap is the amount which would raise money income of all poor households over the poverty threshold.
⁸ Preliminary.

NOTE.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

to the poor and another two-fifths went to households which otherwise would have been poor. Other programs, such as Public Assistance, Food Stamps, and Commodity Distribution, provide most of their benefits to the poor. Expenditures under these programs totaled nearly \$7 billion in fiscal year 1966.

Public Assistance

The major income maintenance program aimed directly at the poor is Public Assistance. In many respects, this program still reflects conditions that surrounded its adoption in the depression years of the 1930's, when President Roosevelt saw one-third of the Nation as economically deprived.

At that time it was designed to make cash payments to those who were unemployable and unable to help themselves because of identifiable family or personal characteristics, including old age, death or absence of the breadwinner, disability, and blindness. But the program has never been adequate, and with the Nation's growing affluence its shortcomings are even less tolerable.

The States pay 41 percent of the costs of Public Assistance, and they establish standards of eligibility. In response to general financial pressures, many States have cut costs by establishing low standards of need and imposing stringent requirements relating to length of residence, other income and assets, and relatives' responsibility. Less than half of the poor fall within the Public Assistance categories; as a result of State eligibility requirements, only 22 percent actually receive any help; and for those on the rolls actual payments typically fall far below need even as defined by the State itself.

One of the Public Assistance programs, Aid to Families with Dependent Children (AFDC) can actually promote family dissolution. Because it excludes families in which there is an employed (or in some States, employable) adult male, a man unable to provide adequately for his wife and children can make them eligible for cash payments only by deserting them. The Unemployed Parent Program under AFDC, introduced in 1962 and now in operation in 21 States, therefore represents a gratifying step toward improving the present Public Assistance system.

However, other problems with Public Assistance remain. For example, some of those who receive aid may be discouraged from helping themselves. The cash payments are intended for those with no earning capacity and are curtailed to the extent that recipients have earnings. While relatively few recipients of Public Assistance can work, some mothers with dependent school-age children and most fathers under the Unemployed Parent program, who might supplement their benefits with earnings, are discouraged from making the effort by knowledge that their assistance payments will be reduced one dollar for every dollar of earnings.

The President is proposing important amendments to the Public Assistance system this year. They would require each State, as a condition for Federal support, to make assistance payments at least sufficient to bring households up to the needs standards which the State has established and to update these standards as conditions change. The proposed legislation would also alter the payment formulas to encourage self-support.

The categories of persons eligible for aid under Public Assistance were set up in the 1930's. At that time, poverty was so extensive that benefits could be provided only to those obviously unable to support themselves.

But these categories no longer seem adequate for a rich and prosperous society. In particular, it is necessary to consider the plight of one group excluded from virtually all existing programs—the 4 million poor households

headed by an able-bodied male under 65 who is, nevertheless, an inadequate breadwinner. In the longer run, education, training, health and rehabilitation services, counseling, employment information, and other supportive services are the key escape routes from poverty for potential full-time workers with currently inadequate earning capacity. In the interim, ample benefits to families with children have particular priority because they can help to end the poverty cycle in which blighted environment denies poor children the skills and the attitudes they need to break out of poverty as adults. Mothers with dependent children have particular needs for day-care schools, family management education, and transportation. Special programs, keyed to special problems, can reinforce a more general program of cash payments based on need.

TOWARD IMPROVED INCOME MAINTENANCE FOR THE POOR

Ideally, an income maintenance system should provide benefits on the basis of need, without degrading means tests, while preserving incentives for self help. These goals could be achieved through broadening the Public Assistance program or through new techniques, such as a minimum income allowance or negative income tax. Much public attention recently has been focused on methods of guaranteeing a minimum income, perhaps sufficient to eliminate poverty altogether.

In considering these or any other new approaches, the question of incentives has to be faced squarely. The poor cannot be expected to work without pay, any more than can the rich. If sufficient cash support were offered to raise each poor household's income to a fixed minimum, such as the poverty threshold, then recipients would have no incentive to obtain outside earnings up to the level of the income guarantee. Every dollar earned would be offset by a dollar of cash support lost. Indeed, some persons whose incomes were only slightly above the poverty threshold might find it attractive to reduce their work effort and to receive cash benefits. Incentives for self help would thus be dulled. But if benefit payments were cut back by only a fraction of any additional outside earnings, some benefits would be paid to families with total incomes above the poverty level, increasing the cost. There is an abundance of assertion and anecdote regarding the impact of work incentives on low-income Americans, but little real knowledge. The Office of Economic Opportunity and the Department of Health, Education, and Welfare are each planning to undertake some pilot studies in the coming year.

SOCIAL SECURITY

Under the Social Security Act of 1935 and successive amendments, spectacular advances have been made toward providing all Americans with basic social insurance protection against loss of income due to old age and retirement, long-term disability, and joblessness. Most social insurance programs provide protection against these designated risks for the whole

population, not just for the poor. Old-Age Insurance under the Social Security Act is the basic retirement system for nearly all Americans. It insures many Americans against the risk of poverty in their old age: 30 percent of the aged would be in poverty but for Social Security. Nevertheless, nearly two-fifths of all aged remain poor. This proportion will decline under existing law, since new retirees will have longer and higher wage histories which will entitle them to greater benefits.

Further liberalization in benefits—particularly in minimum benefits—can hasten the day when all Americans will be assured, upon retirement, of a pension adequate to prevent poverty. Americans with incomes well above poverty levels also want and are willing to pay for increasing social insurance protection. Therefore, the President is proposing a substantial liberalization of retirement benefits under Social Security, involving an increase in the minimum benefit from the present \$44 a month to \$70 a month, and a 15 percent increase in all other benefits coupled with an increase in the earnings base. Modernization and improvement of the Federal-State unemployment insurance system is also being proposed, in which extended benefits for the long-term unemployed will be coupled with automatic access to training and retraining and other rehabilitative services.

In the last Congress, important amendments to the Social Security Act were enacted to provide health protection for the aged through Medicare and to liberalize Social Security benefits. With enactment of the new proposals, retirement, disability, and unemployment will have been transformed for most Americans who have worked from risks which had to be borne unaided into contingencies against which a substantial measure of public protection is afforded.

THE DEMOGRAPHY OF POVERTY

The decline of poverty and the role of shifting employment patterns in the decline have been documented. The geographic aspects of the remaining poverty have also been examined. But poverty must be viewed not only in terms of geography, but in terms of demography. The incidence of poverty by family type, and the policy issues relevant to each type, are the concern of this section.

Poverty is not evenly distributed throughout the population. The aged, nonwhites, and members of households headed by a woman constitute larger fractions of the poor than of the general population (Table 21). Moreover, the rate of progress in reducing poverty has varied widely among these and other groups. Between 1959 and 1966, the number of poor nonfarm households headed by a man declined 20 percent, while the poor nonfarm households headed by women increased by 2 percent. As a result, households headed by a woman constitute a growing proportion—now nearly half—of all poor households.

The most impressive reductions in poverty have occurred among households headed by a working-age male. The number of such households declined by one-third between 1959 and 1966 as a direct result of the increasing availability of good jobs at high wages. While the number of nonfarm households in this group declined 27 percent, there was a drop of two-thirds in the number of farm households. Among the nonfarm group the decline was as rapid for nonwhites as for whites.

High employment is essential to further reduction of poverty among households with an actual or potential wage earner. Yet many poor men of

TABLE 21.—Number of poor households and incidence of poverty, 1959 and 1966

Characteristics of head of household	Number of poor households (millions) ¹		Incidence of poverty (percent) ²	
	1959	1966	1959	1966
Nonfarm.....	11.6	10.3	22.5	17.6
White.....	9.0	7.9	19.6	15.3
Male head.....	5.0	3.9	13.4	9.4
Under 65 years.....	3.3	2.4	10.2	6.8
Aged (65 years and over).....	1.7	1.5	34.0	24.7
Female head.....	4.0	4.0	45.2	37.7
Under 65 years.....	2.2	2.0	37.8	30.5
Aged (65 years and over).....	1.8	2.0	59.3	48.9
Nonwhite.....	2.6	2.4	48.9	37.5
Male head.....	1.4	1.2	39.7	26.9
Under 65 years.....	1.2	.9	36.7	23.3
Aged (65 years and over).....	.2	.3	64.4	51.4
Female head.....	1.1	1.2	69.4	60.8
Under 65 years.....	.9	.9	68.1	58.8
Aged (65 years and over).....	.2	.2	76.3	69.9
Farm.....	1.8	.6	40.9	20.8
White.....	1.3	.5	34.7	16.9
Nonwhite.....	.4	.2	85.0	69.7

¹ Households are defined here as the total of families and unrelated individuals.

² Poor households as a percent of the total number of households in the category.

Note.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

working age must first receive training or other special assistance to enable them to raise their earnings. For those who cannot work, or who—despite training and other services—still cannot earn enough to emerge from poverty by their own efforts, adequate income maintenance programs are needed.

POVERTY AMONG THE AGED

Social insurance is the first line of protection for households in which the breadwinner retires, is disabled, experiences involuntary unemployment, or dies leaving dependent survivors. Over 23 million beneficiaries are now receiving Old Age, Survivors, Disability, and Health Insurance (OASDHI) payments at an annual rate of more than \$27 billion. For the retired aged, these payments are overwhelmingly the largest single source of income.

The incidence of poverty among aged nonfarm households fell from 46 percent in 1959 to 37 percent in 1966. One reason for the improvement is that more recent retirees had higher lifetime earnings and therefore were entitled to larger social security benefits. In addition, a rapidly growing proportion of the aged receive retirement benefits under private pension

plans. Pension recipients and their wives now constitute 18 percent of the total population, of age 65 or over, up from 7 percent in 1955.

Increases in social security benefits also deserve much of the credit for the reduction in the incidence of poverty among the aged. The 1967 Social Security Amendments expanded benefits 13 percent and raised to \$55 the monthly minimum benefit. Together these amendments will reduce the number of the aged poor by 800,000. The 1967 amendments increase income protection for all covered employees—not merely for those of retirement age. Increased survivor and disability benefits provided for in the 1967 legislation will reduce poverty among those under age 65 by 200,000.

Social security benefits have had several important side effects. The average retirement age has fallen, and a growing number of aged are now able to maintain their own households. Between 1960 and 1967, as the proportion of aged persons receiving social security benefits rose from 64 percent to 82 percent, labor force participation rates for males 65 and over fell from 33 percent to 27 percent. Since 1962, when benefits were made available to males of age 62–64, the participation rate for this group has declined even more rapidly than that for males 65 and over.

Further benefit liberalization—particularly higher minimum and widow's benefits—could sharply reduce poverty among the aged. Had Congress increased the minimum benefit to \$70, as requested by the Administration, while increasing other benefits by 13 percent, an additional 500,000 aged persons would have been freed from poverty. The additional cost of the \$70 minimum benefit would have amounted to less than 10 percent of the increase in benefits that was provided—yet it would have increased by about 50 percent the number of individuals lifted out of poverty.

FAMILIES HEADED BY WOMEN

The public assistance program—in particular, Aid to Families with Dependent Children (AFDC)—is the chief source of help for poor families with dependent children and headed by women. A majority of such families is now covered either by AFDC or OASDHI. Benefit levels under AFDC are established by the States, and are typically too low to lift families out of poverty.

Nearly all AFDC recipients either are children or are women whose family responsibilities preclude work outside the home unless child care is provided. Moreover, until amended in 1967, the law required that AFDC benefits be reduced by \$1 for each dollar of income earned by adult members of the household. This "100 percent tax rate" was sufficient to discourage all but the most determined from seeking jobs, since earnings could not add to income so long as any assistance was received. Under 1967 legislation, a welfare recipient can earn up to \$30 a month without any loss in benefits. Beyond this level, for every \$3 of earned income, welfare benefits are reduced by \$2. Although this is still a tax rate of 66⅔ percent, these changes may encourage some welfare recipients to seek gainful employment. The 1967

legislation also provides for day-care facilities and access to training for AFDC beneficiaries. Both measures are designed to make employment easier for poor mothers.

Although the new AFDC rules eliminated some egregious shortcomings in the welfare program, many recipients cannot participate in training or seek regular employment. Family responsibilities make employment impractical or unsuitable for many women. Heavy reliance must still be placed on income maintenance to ameliorate poverty within this group.

HOUSEHOLDS WITH A MALE EARNER

In 1966, there were 10½ million persons in poor households headed by working-age males who were either working regularly at full-time jobs or actively seeking work.

About 1.5 million male heads of households were poor in 1966 despite full-time employment—40 hours a week for 50 weeks or more (Table 22). Rising real wages will continue to reduce poverty among families with a fully employed male earner. The higher level and broader coverage of the minimum wage will also contribute. The continued industrialization of the South will give many workers an opportunity to take better-paying jobs. Others will improve their economic position by migrating. Continued efforts to eliminate discrimination in promotion will help many, particularly Negroes, who are poor even when fully employed.

Another 1.5 million heads of poor families worked part time or part of the year in 1966. There were 700,000 poor male household heads of working age who did not work at all, but 400,000 of these were disabled. Many who are poor because of unemployment or low wages could, given training and opportunity, earn enough to escape poverty.

Training the Disadvantaged

Many of the workers who are earning less than an adequate income are unskilled, poorly educated, or, as a result of irregular employment and discrimination, have poor work habits. But most of these workers could improve their earning capacity if they were given remedial attention.

In the last four years, manpower programs tailored to the needs of the economically disadvantaged have been greatly expanded. During the fiscal year 1968, close to a million persons, most of whom are disadvantaged, will be served by the Manpower Development and Training Act, the Job Corps, and similar programs. A great number of people who need skill training or work experience have not yet been reached. But the increase in the number of individuals served does point to the enormous progress made in a relatively short time. Many of the unemployed, although they originally lacked a marketable skill, responded to regular Manpower Development and Training Act (MDTA) programs, and have obtained employment.

But there is also a substantial hard core of unemployed workers who need more than a routine training program. For these workers, conventional train-

TABLE 22.—*The poor and their work experience, 1965-66*

(Millions)

Age and work experience of head of household	1965		1966	
	Male head	Female head	Male head	Female head
Total poor households ¹	5.8	5.4	5.6	5.4
Aged (65 years and over).....	1.7	2.4	1.9	2.4
Under 65 years.....	4.1	3.0	3.7	3.0
Did not work.....	.7	1.5	.7	1.4
Ill or disabled.....	.4	.2	.4	.3
Other reasons.....	.3	1.3	.3	1.1
Worked at part-time jobs.....	.5	.5	.6	.6
Worked at full-time jobs.....	2.8	1.0	2.4	1.0
Employed 39 weeks or less.....	.7	.5	.6	.5
Employed 40-49 weeks.....	.4	.1	.3	.2
Employed 50 weeks or more.....	1.7	.4	1.5	.4

¹ Households are defined here as the total of families and unrelated individuals.

Note.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

ing programs designed for educated workers with substantial regular work experience are entirely inadequate. Training must be supplemented with counseling, health services, work experience, and basic education. Followup counseling may be necessary to encourage the work habits and self-discipline required in steady employment. There is growing evidence that on-the-job training for many disadvantaged workers will prove more successful than institutional training, but unfortunately employers do not ordinarily make positions in these programs available to the disadvantaged.

For severely disadvantaged workers, the cost of training, placement, and supplementary services may run as high as \$5,000 per trainee. The cost per worker ultimately employed is still higher, since many candidates do not complete training or stay on the job after placement. But for those workers who are successfully trained, the gain from steadier work at higher wages is great. In addition, the children of these workers find more security and better preparation for a productive life of their own. The economic benefits for society as well as for individuals are large.

The business community has hired and trained the poor in the past, but only on a limited basis. Business and government are coming to realize that business must play a vastly expanded role in making the hard-core disadvantaged employable. Government training programs alone cannot do the job—certainly not as rapidly as it must be done.

The President has announced a new program—Job Opportunities in the Business Sector (JOBS)—to bring the flexibility and imagination of the private sector into full partnership with Government on the broadest scale

possible in order to solve the employment problems of the most deprived segments of the population. Through this program, private industry will train and hire 100,000 of the disadvantaged during the next 18 months at a Federal cost of \$350 million.

Another recent innovation, the Labor Department's Concentrated Employment Program (CEP), has focused the efforts of Federal, State, and local agencies and cooperating private employers on the task of employing disadvantaged workers in poverty areas both urban and rural. Continued expansion of CEP, together with the new JOBS program, should permit a continued reduction in the number of families whose poverty derives from unemployment.

INCOME MAINTENANCE

Despite the prospective benefits from training programs and further economic growth, there will still be a need for income maintenance or income supplements for poor families headed by men of working age. In 1966, more than one-fourth of all the poor and 4½ million poor children lived in families headed by a man employed throughout the year. An additional 2½ million poor persons, including 1⅓ million children, were in families headed by men who were normally full-time workers but who suffered some unemployment.

Concern about the welfare and education of the young has prompted a number of proposals for providing additional financial support for poor families with children. Children's allowances are a device used in a great many countries, including Canada, to provide a flat payment to each child, regardless of family income. But flat allowances are a costly means of attacking poverty since most benefits do not go to the poor. Another form of income supplement—the children's minimum income allowance—would provide a grant to all poor households with children, with the amount of the grant diminishing as income rises. Nearly all of these expenditures would go to the poor. Moreover, as incomes rose, the cost of such a program would automatically diminish.

For those who suffer from chronic unemployment, a combination of income maintenance and an opportunity for work and training would appear to be needed if their poverty is to be eliminated. Many of the chronically unemployed will be able to lift themselves from poverty if aided by job training and placement. But even after job programs become fully effective, some may still need income support. And there will always be a residual group who will not be able to fill regular jobs but who can do some useful work.

The present program of Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) provides a start in meeting these needs. As amended in 1967, the program permits States to make federally aided payments to families with an unemployed father. At the end of 1967, only 21

States had elected to do so. Even among these States, benefits are often inadequate and eligibility is severely limited. Only about 60,000 families are currently benefiting from the AFDC-UP program. Under the 1967 amendments, unemployed beneficiaries are to be assigned to training programs when there is a reasonable prospect that they can be employed. Those lacking such prospects are to be assigned jobs with local public agencies.

Eliminating poverty for those who cannot work is mainly a matter of money. Eliminating poverty for those who can, given training and opportunity, earn a decent living, is a matter of money, organization, the design of effective programs, and cooperation between industry and Government.

Especially difficult problems are involved in any program designed to eliminate poverty for those who can do some useful work but whose earning capacity is limited by their abilities or by family responsibilities. An income maintenance program for any family in this in-between situation should provide some guaranteed minimum level of support. But it should also provide an incentive to work by permitting beneficiaries to retain a substantial fraction of any earnings.

Any income maintenance system runs into a dilemma in meeting these requirements. For work incentives to be highly effective, benefits probably cannot be reduced by more than about 50 cents for every dollar earned. If, in addition, the guaranteed minimum support is high enough to free most beneficiaries from poverty, payments would have to be made to some people above the poverty line. For example, if the guaranteed minimum were \$3,000, but the support benefit was reduced 50 cents for every dollar of earnings, then a man earning \$4,000 would still receive \$1,000 of his support payment. The person who was satisfied with \$3,000 would then be under no pressure to seek or accept employment. Yet if the guaranteed minimum support were lower, many beneficiaries who are willing to work but whose earning power is low or nonexistent would remain poor.

One possible solution would be to provide a relatively adequate base level of income support, but require that every recipient whose family responsibilities permitted it must accept training for private employment. If he was not capable of training, he would be required to accept work on public service projects. The recent amendments to the Social Security Act moved in that direction, requiring training for AFDC recipients (although benefit levels remain low). Such an approach does deal with the problem of the person uninterested in earning income. But it creates a variety of other problems. First, the States must make decisions concerning the personal life of the recipients—such as whether a mother should care for her children herself or place them in day care and go to work. Second, a difficult administrative problem arises. An overly generous program could generate a large volume of poorly supervised public employment of high cost but little value, but an excessively stringent, low-cost program could recreate the 19th century government workhouse.

These conflicts among objectives will not be easily resolved. But our present welfare system leaves so much to be desired that substantial progress can be made before these issues become critical. At present, the welfare system in most States is inadequate on two counts—a low support base and relatively weak work incentives. Benefit levels and incentive provisions could both be substantially improved before we would have to face the choice between generous support for the lazy and the difficulties inherent in a compulsory work program. Federal-State sharing formulas could be redesigned to reduce the wide disparities in benefits paid by different States. AFDC recipients could be offered more incentive to work and more training opportunities without compulsion. AFDC-UP could be extended to all States and eligibility restrictions could be made less severe. These and related issues will undoubtedly be considered in greater depth by the new Presidential Commission on Income Maintenance.

A more humane and generous welfare system, continued improvement in the social security system, expanded training programs for the disadvantaged, and a growing high-employment economy will all contribute to a continuing reduction in poverty. In addition, efforts to reduce poverty and to improve economic opportunity must deal with the particular problems caused by inadequacies in housing, education, and health care. These topics constitute the balance of the chapter.

Combating Poverty in a Prosperous Economy

... the policy of the United States [is] to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity.

FOR OVER 4 YEARS the United States has had an explicit national commitment to eliminate poverty in our society, a commitment enunciated by the President in the State of the Union Message of 1964 and confirmed by the Congress in the above words later that year in the Economic Opportunity Act.

Americans are increasingly prosperous. Median family income in the United States (in constant 1967 prices) rose from \$6,210 in 1959 to \$7,974 in 1967, a gain of 28 percent in 8 years. Yet many families are still not able to attain minimum living standards. A preliminary estimate indicates that in 1968 about 22 million people lived in households with incomes below the "poverty line." While this is far fewer than in the past—more than 40 million were similarly situated in 1960—too many Americans remain poor.

This chapter examines the recent progress in reducing poverty, the nature of the task that remains, and the strategies available for eliminating poverty.

THE EXTENT OF POVERTY

A family is "poor" if its income is insufficient to buy enough food, clothing, shelter, and health services to meet minimum requirements. Universally acceptable standards for determining these minimum needs are impossible to formulate since the line between physical necessities and amenities is imprecise.

The social and psychological aspects of poverty further complicate efforts to measure poverty. As average incomes rise, society amends its assessment of basic needs. Individuals who cannot afford more than a small fraction of the items enjoyed by the majority are likely to feel deprived. Consequently, an absolute standard that seems appropriate today will inevitably be rejected tomorrow, just as we now reject poverty definitions appropriate a century ago.

DEFINITION OF POVERTY

Even a rough measure of progress in reducing poverty requires an explicit definition, although the line drawn is unavoidably arbitrary. In its 1964 Annual Report, the Council used a poverty line of \$3,000 annual family income. Since 1965, the Council has employed the more refined definition of poverty developed by the Social Security Administration (SSA).

The SSA poverty lines reflect the differing consumption requirements of families based on their size and composition, the age of members, and whether their residence is farm or nonfarm. The calculations center around the U.S. Department of Agriculture's Economy Food Plan, which in December 1967 added up to a per capita weekly food outlay of \$4.90. For families of three or more, the SSA measure assumes all other family needs can be obtained for an amount equal to twice the family's food requirement. In 1967, the nonfarm poverty threshold for an average four-person family was \$3,335 as compared to a median income, for families of that size, of \$8,995. Poverty lines for different types of households are shown in Table 14.

The problems of low-income families neither begin nor end at any arbitrary poverty line. A sharp decline in poverty may be a misleading indicator

TABLE 14.—Poverty and near-poverty income lines, 1967

Household characteristic ¹	Poverty income line	Near-poverty income line
Nonfarm households:		
1 member.....	\$1,635	\$1,985
65 years and over.....	1,565	1,890
Under 65 years.....	1,685	2,045
2 members.....	2,115	2,855
Head 65 years and over.....	1,970	2,655
Head under 65 years.....	2,185	2,945
3 members.....	2,600	3,425
4 members.....	3,335	4,345
5 members.....	3,930	5,080
6 members.....	4,410	5,700
7 members or more.....	5,430	6,945
Farm households:		
1 member.....	1,145	1,390
65 years and over.....	1,095	1,330
Under 65 years.....	1,195	1,450
2 members.....	1,475	1,990
Head 65 years and over.....	1,380	1,870
Head under 65 years.....	1,535	2,075
3 members.....	1,815	2,400
4 members.....	2,345	3,080
5 members.....	2,755	3,565
6 members.....	3,090	3,995
7 members or more.....	3,790	4,850

¹ Households are defined here as the total of families and unrelated individuals.

Note.—Poverty and near-poverty income standards are defined by the Social Security Administration; they take into account family size, composition, and place of residence. Income lines are adjusted to take account of price changes during the year.

Source: Department of Health, Education, and Welfare.

of progress if a large number of families are raised just above the poverty line. Accordingly, the SSA has also developed a "near poor" standard averaging about one-third higher than the poverty line but still less than one-half of median income for many types of families. Near-poor income standards are shown in Table 14.

The SSA poverty definitions have some limitations. Since they are multiples of food costs, the poverty lines change only when food prices change, and these prices do not necessarily parallel the prices of other essentials. Regional differences in living costs are not reflected in the poverty line. The income data take no account of income in kind such as health care, subsidized housing, and foodstuffs (except for food grown on farms). No adjustment is made for either net assets or fluctuating incomes, and yet families with savings or temporary income interruptions have different problems than the chronically poor.

These problems are currently under study in an effort to refine the poverty concept. A different threshold could affect the distribution of measured poverty among various groups but would probably show much the same trend in total poverty over the long run.

POVERTY TRENDS

With the general rise in family incomes in the postwar period, the incidence of poverty—the percentage of persons in poor households relative to the total population—has declined sharply from 30 to less than 12 percent (see Chart 10). The number of persons in poverty declined about 20 million over the past 20 years, including a drop of 12 million since 1963—an estimated 4 million in 1968 alone.

Along with the reduction in the number of poor households, the "poverty gap"—the difference between the actual incomes of the poor and the incomes necessary to place them above the poverty line—has been reduced. The poverty gap fell from \$13.7 billion in 1959 to \$9.7 billion in 1967, measured in current dollars.

Distribution by Community Type

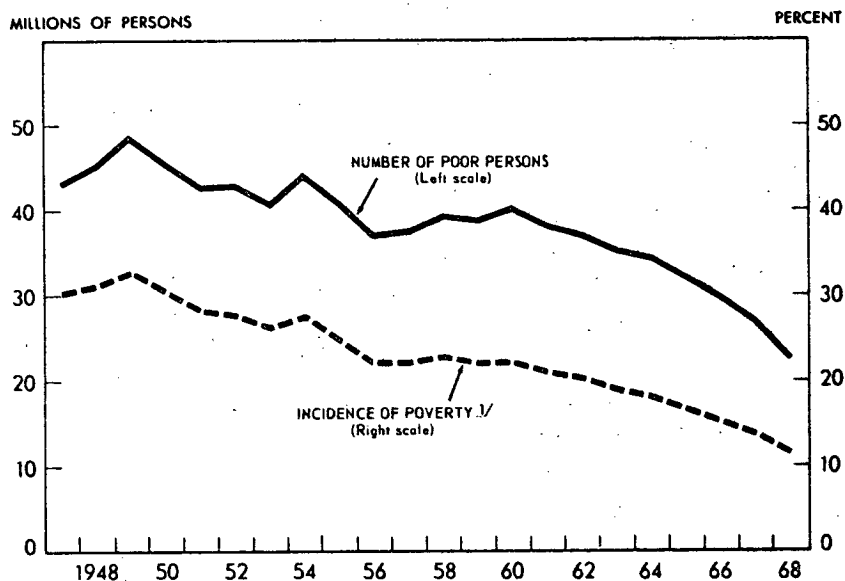
The incidence of poverty is highest—23 percent—in those rural areas not in metropolitan counties, with the heaviest concentrations in the South and Appalachia. The incidence is also quite high—19 percent—in the smaller cities and towns outside of major metropolitan areas. In the central cities, the incidence is 16 percent and in their suburbs about 9 percent.

Racial and Ethnic Distribution

Most of the poor are white. In 1967 (the latest year for which detailed data on the poor are available), 71 percent of all poor families and 83 percent of all poor unrelated individuals were white. The incidence of poverty

Chart 10

Number of Poor Persons and Incidence of Poverty



^{1/} POOR PERSONS AS PERCENT OF TOTAL NONINSTITUTIONAL POPULATION.

NOTE.—POVERTY IS DEFINED BY THE SOCIAL SECURITY ADMINISTRATION POVERTY-INCOME STANDARD.

SOURCES: DEPARTMENT OF COMMERCE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF ECONOMIC OPPORTUNITY, AND COUNCIL OF ECONOMIC ADVISERS.

is far higher among nonwhites: about one household in three compared with about one in seven among whites.

Of the 2.4 million nonwhite households in poverty, 2.3 million are Negroes; the remainder are mostly the original Americans—Indians and Eskimos. A 1964 survey revealed that 74 percent of the 55,000 families living on Indian and Eskimo reservations had incomes under \$3,000.

Only recently has the reduction of poverty among nonwhites matched the reduction among whites. Between 1959 and 1962, the number of whites in poverty declined 2.8 million, but during the same period the number of poor nonwhites rose by 0.9 million. Between 1962 and 1967, white poverty was reduced another 7 million or about 28 percent, while poverty among nonwhites fell by 3.2 million—also about 28 percent.

The relative position of nonwhite families, after deteriorating in the late 1950's, has improved since 1961. (See Appendix Table B-20.) Only since 1966 has nonwhite median family income as a fraction of white median family income surpassed its previous peak of 57 percent in 1952. Unemployment among nonwhite men age 25 to 54 has recently fallen below 1951-53 levels, but unemployment rates for nonwhite women and nonwhite teenage males are much higher than during the early 1950's.

Most poor white families in the United States are not members of identifiable ethnic groups; however, two groups—Mexican-Americans, living largely in southwestern States, and Puerto Ricans, concentrated in New York City—exhibit disproportionately high incidences of poverty. In 1966, unemployment rates among Mexican-Americans in southwestern cities ranged between 8 percent and 13 percent, two to three times the national average. Subemployment—the sum of unemployment, employment producing earnings too low to provide an escape from poverty, and nonparticipation in the labor force by individuals who have given up hope of finding work—ranged from 42 to 47 percent in the Mexican-American sections of southwestern cities. And while Puerto Ricans constitute only about 8 percent of the New York City population, they have been estimated to represent over one-third of the recipients of welfare and about one-third of all occupants of substandard housing.

STRATEGIES FOR REDUCING POVERTY

A program for reducing poverty has four principal economic dimensions.

First, sustained high employment and economic growth—key objectives of economic policy for a wide variety of reasons—are prime essentials.

Second, education, training, medical assistance, and access to well-paying jobs are needed by many of the poor to escape from chronic unemployment and low-paying dead end jobs.

Third, three-fifths of the heads of poor households cannot easily enter the labor force because of age or disability, or because they are mothers with sole responsibility for the care of young children. Some workers with large families are not likely—even with training and other types of employment assistance—to earn an income sufficient to pull their families out of poverty. Because increased employment opportunities will not eliminate poverty among these groups, some form of income maintenance is required.

Fourth, poverty is concentrated in “pockets”—city “ghettos” and certain rural areas. The numbers of poor in poverty pockets can be reduced by promoting public and private investment in these communities and by providing relocation assistance to those with employment opportunities elsewhere.

In addition to economic policies, social and psychological strategies have an important role to play. These include information about family planning for those who request it, legal assistance, and the encouragement of self-help organizations. Such programs lie outside the purview of this Report.

PROSPERITY AND THE REDUCTION OF POVERTY

Virtually all the progress in reducing poverty over the past 20 years has occurred during periods of general prosperity. In three periods of sustained economic expansion—1949–53, 1954–56, and 1961 to the present—

the annual decline in the number of individuals in poverty averaged two million or more a year. In contrast, during recessions the number of poor people has increased. The brief recession of 1954 wiped out half of the gains of the preceding 4-year expansion, and several successive years of sluggish economic performance in the late 1950's increased the number of persons in poverty to about the level of 7 years earlier. (See Chart 10.)

EFFECTS OF PROSPERITY

Poor families are affected unequally by economic growth and high employment, depending upon their ability to take advantage of expanded employment opportunities. Recent trends in poverty reduction for different groups are shown in Table 15.

Households with Heads of Working Age

Economic expansion has caused significant reductions in poverty among households headed by a working-age man. Tightening labor markets raise wages for the poor who are employed, and provide better employment opportunities for the unemployed and for those with very low-paying or part-time jobs. Furthermore, when prosperity pushes unemployment rates to low levels among skilled workers, business is more inclined to train poorly qualified workers for skilled jobs. From 1964 to 1966, the number of poor households headed by a working-age man with work experience fell 400,000 a year; in contrast, there had been no decline from 1959 to 1961.

The number of poor households headed by a working-age woman with job experience has not changed during the 1960's. The decline in the incidence of poverty among this group reflected a rise in the total number of households headed by working-age women.

Prosperity is less effective in reducing poverty among households headed by women for several reasons. Women are far less likely to be employed than men; only about three-fifths of the women who head families have some job experience, compared to about 90 percent for male family heads. Many women who head families, being the adult solely responsible for young children, are unable to accept full-time employment unless day care is provided for their children. Furthermore, women are far less likely to escape poverty even if they do work, because their employment is less steady and they earn lower wages. Nonwhite families are more than twice as likely—and white families are more than three times as likely—to be poor if headed by a woman than if headed by a man.

Elderly Households

During the 1960's, the number of poor elderly households fell slightly, while the incidence of poverty among this group decreased substantially. High employment has some immediate effect on poverty among the aged

TABLE 15.—Number of poor households and incidence of poverty, selected years, 1959-67

Characteristic of head of household	1959	1961	1964	1966 ¹		1967
				Originally published	Revised	
Millions						
Number of poor households:²						
Total.....	13.4	13.0	11.9	10.9	10.7	10.2
Head 65 years and over.....	3.9	3.9	3.8	3.9	4.0	3.8
Unrelated individuals.....	2.5	2.5	2.8	2.7	2.7	2.7
Families ³	1.4	1.3	1.1	1.2	1.2	1.1
Head under 65 years.....	9.4	9.1	8.0	7.0	6.8	6.4
Unrelated individuals.....	2.6	2.4	2.3	2.1	2.1	2.2
White.....	1.9	1.8	1.8	1.6	1.6	1.6
Male.....	.6	.6	.6	.5	.6	.5
Female.....	1.3	1.2	1.2	1.1	1.0	1.1
Nonwhite.....	.7	.7	.5	.5	.5	.5
Male.....	.3	.3	.2	.2	.2	.2
Female.....	.4	.4	.3	.3	.3	.3
Families ⁴	6.8	6.7	5.7	4.9	4.7	4.2
White.....	4.9	4.7	4.0	3.3	3.1	2.8
Male.....	3.8	3.7	3.0	2.3	2.2	2.0
Female.....	1.1	1.0	1.0	1.0	.9	.8
Nonwhite.....	1.9	2.0	1.7	1.6	1.5	1.4
Male.....	1.3	1.3	1.1	.9	.9	.7
Female.....	.6	.7	.6	.7	.7	.7
Percent						
Incidence of poverty:⁴						
Total households ⁵	24.0	22.6	19.9	17.8	17.5	16.2
Head 65 years and over.....	48.6	43.8	40.0	38.5	38.9	36.3
Unrelated individuals.....	68.1	64.4	59.9	55.3	56.3	53.4
Families ³	32.5	27.2	21.6	23.0	23.1	20.3
Head under 65 years.....	19.8	18.8	16.0	13.7	13.3	12.2
Unrelated individuals.....	36.8	33.9	31.0	28.3	28.7	27.0
White.....	32.9	29.7	28.3	25.8	25.5	24.4
Male.....	24.6	22.8	22.0	20.1	21.0	18.0
Female.....	39.1	35.2	33.0	30.0	28.8	29.0
Nonwhite.....	54.8	55.0	45.1	41.7	45.3	40.1
Male.....	47.1	45.5	34.6	29.1	35.5	29.4
Female.....	63.5	66.8	58.1	54.1	55.1	51.7
Families ⁴	16.8	16.1	13.3	11.2	10.6	9.5
White.....	13.4	12.6	10.4	8.4	7.9	7.1
Male.....	11.4	10.7	8.5	6.5	6.1	5.4
Female.....	35.9	33.9	31.2	29.1	27.9	25.3
Nonwhite.....	48.6	47.8	27.8	34.3	33.4	29.9
Male.....	42.1	40.2	32.3	25.9	25.1	20.9
Female.....	71.3	72.8	62.4	61.2	60.3	54.9

¹ The revised estimates differ slightly from those originally published because of the use of a somewhat different estimating procedure. For an explanation of the two methods, see "Current Population Reports Series P-60, No. 54."

² Households are defined here as the total of families and unrelated individuals.

³ Consists only of two-person families whose head is 65 years or over. All other families included in "head under 65 years."

⁴ All families other than two-person families whose head is 65 years or over.

⁵ Poor households as percent of total households in the category.

Note.—Poverty is defined by the Social Security Administration poverty-income standard; it takes into account family size, composition, and place of residence. Poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

by providing more jobs for elderly individuals wishing to continue work. This opportunity is particularly important for those with retirement income below the poverty line.

Over the longer run, prosperity permits more workers to accumulate assets and to achieve higher pension rights prior to retirement. At present, an individual earning the minimum wage and working full-time in a job covered by social security is entitled to old-age benefits of approximately \$120 a month upon retirement—only about \$10 a month below the poverty line.

Reflecting both the higher lifetime earnings of the aged and statutory improvements, social security retirement benefits have increased greatly and have been the most important factor in reducing poverty among the elderly. Since 1961, legislation has increased social security retirement benefits 21 percent across the board,—substantially greater than the increase in consumer prices. The minimum benefit increased 37 percent.

The Disabled

The ill and disabled have benefited least from recent prosperity and other efforts to alleviate poverty. Although the *incidence* of poverty among households whose heads are under 65 and not working for health reasons fell from 1959 to 1967, the *number* actually rose. Some disabled can be retrained, and these individuals can obtain jobs more readily when unemployment is low. But many who are ill or disabled cannot take advantage of job opportunities.

The Near-Poor

Table 16 shows the number of households and the number of persons who were in the near-poor category in 1959 and 1967.

The compositions of the poor and the near-poor categories differ considerably. Most striking is the difference in the proportion of nonelderly households headed by a working-age woman. These households account for 46 percent of all nonelderly poor households; among the near-poor, they account for 22 percent. Except for the elderly, most near-poor families are headed by men who are employed, but at low wages.

The number of near-poor showed a considerable decline between 1959 and 1967. Many who rose from poverty were added to the near-poor, but at the same time an even larger number of the former near-poor moved to a higher income level.

PROSPECTS FOR FURTHER PROGRESS

As indicated above, prosperity has played a key role in reducing poverty and is essential to further progress. But sustained growth and high employment—in the absence of other more direct efforts to help the poor—cannot maintain the recent rate of decline in poverty.

TABLE 16.—Number of near-poor households and incidence of near-poverty by age and sex of head of household, 1959 and 1967

Age and sex of head of household	Number (millions)		Incidence of near-poverty (percent) ¹	
	1959	1967	1959	1967
Near-poor households ²	4.3	3.7	7.7	5.9
Families.....	3.8	2.9	8.3	5.8
Head 65 years and over ³.....	.7	.8	15.2	14.0
Head under 65 years ⁴	3.1	2.1	7.6	4.8
Male head.....	3.4	2.4	8.4	5.5
Female head.....	.4	.5	8.2	8.7
Unrelated individuals.....	.5	.8	5.1	6.0
Head 65 years and over.....	.2	.5	6.1	9.1
Head under 65 years.....	.3	.3	4.6	4.0
Male head.....	.2	.3	5.5	5.8
Female head.....	.3	.5	4.9	6.1
Addendum: Near-poor persons.....	15.8	12.0	9.0	6.1

¹ Near-poor households as percent of total number of households in the category; near-poor persons as percent of total persons.

² Households are defined here as the total of families and unrelated individuals.

³ Consists only of two-person families whose head is 65 years or over. All other families included in "head under 65 years."

⁴ All families other than two-person families whose head is 65 years or over.

Note.—Near-poverty is defined by the Social Security Administration near-poverty-income standards; it takes into account family size, composition, and place of residence. Near-poverty-income lines are adjusted to take account of price changes during the period.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Health, Education, and Welfare.

If the 1961–68 reductions in the number of poor persons could be continued, poverty would be eliminated entirely in about 10 years. If the record of 1968 could be continued, poverty would be eliminated in about 5½ years. Maintenance of these rapid reductions will become increasingly difficult because, as poverty declines, an increasing fraction of the remaining poor are members of households whose economic status is least affected by prosperity. Households headed by women with children, disabled persons, or elderly persons accounted for 6.0 million or 59 percent of all poor households in 1967.

Much of the progress in the 1960's has been due to the lowering of the unemployment rate. As that rate fell, further declines were increasingly effective. The hard-core unemployed, the educationally disadvantaged, and the victims of discrimination are the last to be hired during a return to high employment and the first to be fired during a slowdown. Upgrading the unskilled and uneducated to fill shortages in skilled labor takes time. Consequently, if high employment is maintained, these adjustments will continue to reduce poverty, but their effects will gradually diminish. In the absence of increased direct assistance to the poor or further reductions in unemployment, present annual declines in poverty must be expected to become smaller.

The elimination of poverty will be long in coming if the incomes of the

poor grow only at the same pace as the incomes of other households. If the real income (including transfer payments) of each poor household were to grow at 3 percent a year—approximately the average gain for all households during normal conditions of economic growth—eliminating only half of poverty would take 12 years for poor families and 17 years for unrelated individuals. To shorten substantially the period needed to reduce poverty, the incomes of the poor must grow faster than average income—some redistribution to the poor must be made from the benefits of growth.

INCOME DISTRIBUTION

Only a relatively small redistribution of the benefits of growth is needed to speed greatly the reduction in poverty. If the approximately 85 percent of households that are not poor and receive about 95 percent of total income are willing to make only a small sacrifice of the estimated 3 percent yearly growth in their real income per capita, the prospects for poverty reduction can be greatly transformed. If the increase in real income for the nonpoor is lowered merely from 3 percent to 2½ percent a year and if that differential of about \$2.8 billion annually is effectively transferred to those in poverty, then family incomes for those now poor can grow about 12 percent annually. This redistribution would eliminate the 1967 "poverty gap" of \$9.7 billion in less than 4 years. Since any program of redistribution would be likely to reach some of the near-poor and might raise some poor families substantially above the poverty line before others are affected, perhaps a better projection of the time required would be 6 to 8 years.

The rapid reductions in poverty during the 1960's paralleled a significant rise in the share of total family income going to the lowest income groups. In part, this shift in distribution has been accomplished by increased employment of poor adults at higher wages.

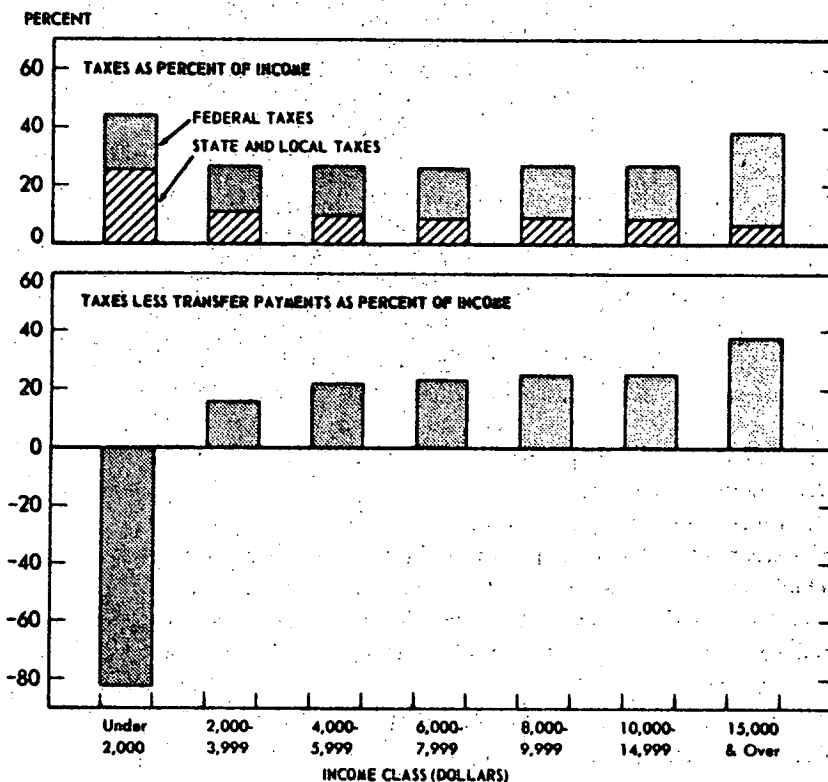
The combined effect of the tax and transfer payment systems at all levels of Government also operates to redistribute income to the poor. The net gain or burden from the public sector for any group depends on the difference between all the benefits received from government expenditures and all the taxes paid. Many programs—like national defense—have benefits that are difficult to allocate by groups; however, the benefits of transfer payments—such as social security benefits, welfare payments, and unemployment compensation—can be allocated and compared with the tax burden. The impact of Federal, State, and local taxes and of transfer payments on the distribution of income in 1965 is shown in Chart 11.

The tax system by itself redistributes income away from the poor. As a share of income, higher taxes are paid by households in the lower income classes than by those with incomes between \$6,000 and \$15,000. This reflects the heavy tax burden on low-income families from State and local taxes—primarily sales, excise, and property taxes. Federal taxes also contribute to this burden through the social security payroll tax.

The poor receive nearly as much from transfer payments as from all other

Chart 11

Taxes and Transfer Payments as Percent of Income (Excluding Transfers), by Income Class, 1965



SOURCE: COUNCIL OF ECONOMIC ADVISERS, BASED ON DATA FROM A VARIETY OF SOURCES. DESCRIPTION AVAILABLE ON REQUEST.

sources. While these payments do not go exclusively to the poor, they do have a powerful redistributive impact. The ratio of receipts to household income (excluding transfers) is very high in the lowest income classes. As household incomes rise, the proportion of transfers to other income falls sharply.

When government transfer payments and taxes are combined, the concentration of transfer payments in the lower income groups much more than offsets their tax burden. But since average transfer payments fall rapidly as income rises, the excess of taxes over transfer payments as a fraction of income rises much more sharply from \$0 to \$4,000 than in higher income classes.

EDUCATION, JOBS, AND TRAINING

Education and training measures can improve job opportunities for the poor and their children.

EDUCATION AND POVERTY

Education can help prevent the children of the poor from remaining poor when they grow up. They are already better schooled than their parents. About three-fourths of poor youths between 16 and 21 either are attending school or are high school graduates, whereas more than half of their parents had no high school education. Yet these youths still have less schooling than their more fortunate contemporaries, 90 percent of whom are in school or are high school graduates.

Although most poor children of all ages are now in school, inferior facilities and poorly qualified teachers lower the value of the education many of them receive. Even schools equivalent to those of the prosperous would not yield equal education. Poverty imposes handicaps that children of more prosperous families do not have.

Children of the poor are less likely to receive good health care and good nutrition, both of which affect success in school. They are also less likely to receive the verbal and intellectual stimulation in their early years that prepares them to master school work. They start school somewhat behind other youngsters, and they receive less parental assistance. Since school does not meet the challenge of helping them catch up, it becomes a place of defeat, leading many to drop out.

Poor children from minority groups suffer another handicap, segregation. More than 60 percent of all Negro pupils in the first grade attend elementary schools in which at least 90 percent of the students are Negro. Not only are facilities and instruction inferior in many of these schools, but studies of educational performance suggests that segregation itself has an adverse effect on school performance.

If poor children are to have equal opportunity to compete successfully for good jobs, they need special help in the preschool years. They also need compensatory education, with expenditures exceeding those made on other pupils. Finally, they need financial help and other encouragement to stay in school and continue their education.

Major efforts have been made to upgrade education provided children of the poor in programs such as the Elementary and Secondary Education Act, the Economic Opportunity Act, and the Vocational Education Amendments of 1968. Head Start, Title I of the Elementary Education Act, and Follow Through are comprehensive programs, combining health care, nutrition, and the involvement of the child's family, as well as education. Most of these special Federal efforts have been in operation for 3 years or less. While too little experience has been gained to allow a full evaluation, enough positive results are evident to justify continuing the programs.

