Net Worth of Old-Age and Survivors Insurance Beneficiaries

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THE SECURITY of retired workers and survivor families in receipt of old-age and survivors insurance benefits is affected not only by the amount and sources of the family's income but also by the savings accumulated during the wage earner's working life. Information was gathered by representatives of the Bureau of Old-Age and Survivors Insurance on the resources of 3,529 beneficiary families in 7 large cities in 1941–42 and of 962 beneficiary families in 12 middle-sized Ohio cities in 1944.[1] The data obtained in these surveys showed that the great majority of the aged men and women beneficiaries and many widows with children entitled to survivor benefits had some savings that had been accumulated during the wage earner's working life. Some beneficiaries, however, had liabilities that tended to reduce the amount of savings available for an emergency or for current living. The protection afforded by savings is therefore determined by the amount by which a beneficiary's assets exceed his liabilities. This excess of the value of assets over liabilities may be said to constitute a beneficiary's net worth or net savings.

Information obtained in 1941–42, as well as in 1944, showed furthermore that a substantial proportion of aged as well as survivor beneficiary families used their savings to meet current living expenses or else incurred debts during the 12 months immediately preceding the interview. This article discusses the net worth of beneficiaries included in the different surveys and their income deficits for the year studied, which they met either by using savings or incurring debts.

As used in this study, assets include cash on hand or in savings or checking accounts, the market value of stocks and bonds, loans to others, the market value of owner-occupied real estate, net equity in all other real estate, and the equity in an independent business. Liabilities comprise unpaid bills, mortgages on owner-occupied real estate, borrowings on life insurance policies, and other borrowings, whether or not secured by collateral.

Because the necessary information was not available for some of the surveys, the cash surrender values of life insurance policies have not been included among the assets. Although this exclusion tends to understate the value of net worth for some beneficiaries, careful estimates of cash surrender values of the insurance policies of beneficiaries in one survey—Philadelphia and Baltimore—indicate that the understatement is in most cases quite small. The value of annuities and trust funds and the balances due on death benefits scheduled to be paid in installments over a period of years have also been excluded from the

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[1] For a discussion of earlier analyses see the *Bulletin*, July and September 1943; January, April, May, September, and November 1945; January 1946; and August 1947.

Table 1.—*Net worth: Percentage distribution of beneficiary groups by net worth, end of survey year, five surveys*

Net worth	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total[1]	Non-married	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total number	[2] 493	[2] 149	[2] 157	[2] 174	[3] 91	18	129
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
Liabilities exceed assets	7.9	4.0	7.6	10.9	2.2	-------	14.7
No assets or liabilities [4]	26.0	39.6	18.5	20.1	37.4	*33.3	24.0
Assets exceed liabilities by—							
Less than $1,000	14.0	18.8	13.4	11.5	28.6	*11.1	24.0
1,000–2,999	25.8	20.1	29.9	27.0	20.9	*22.2	24.0
3,000–4,999	14.2	8.7	15.9	17.8	11.0	*16.7	5.4
5,000–9,999	6.9	5.4	8.3	6.3	-------	*16.7	5.4
10,000 or more	5.3	3.4	6.4	6.3	-------	-------	2.3
Median [5]	*$1,237*	*$200*	*$2,000*	*$1,602*	*$289*	*$2,057*	*$320*
Mean [5]	*2,704*	*1,950*	*2,921*	*3,235*	*980*	*2,313*	*2,172*
	St. Louis						
Total number	550	150	180	197	91	43	120
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	10.2	8.0	8.3	13.7	15.4	7.0	20.8
No assets or liabilities [4]	23.8	37.9	20.0	17.8	36.3	16.3	18.3
Assets exceed liabilities by—							
Less than $1,000	13.3	18.7	12.2	9.6	23.1	11.6	18.3
1,000–2,999	14.9	10.0	13.9	18.8	15.4	18.6	20.8
3,000–4,999	16.7	8.7	18.9	20.3	8.8	20.9	10.8
5,000–9,999	12.4	10.7	16.1	10.2	1.1	14.0	6.7
10,000 or more	8.7	6.0	10.6	9.6	-------	11.6	4.2
Median [5]	*$1,275*	*$72*	*$2,050*	*$2,000*	*0*	*$2,730*	*$535*
Mean [5]	*3,887*	*2,633*	*4,814*	*4,133*	*$782*	*4,419*	*1,983*
	Birmingham, Memphis, and Atlanta						
Total number	564	113	139	270	53	28	183
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
Liabilities exceed assets	12.4	5.3	7.2	16.7	9.4	*3.6	24.6
No assets or liabilities [4]	29.4	52.2	22.3	25.2	30.2	*17.9	17.5
Assets exceed liabilities by—							
Less than $1,000	19.7	17.7	18.7	19.3	20.8	*39.3	20.8
1,000–2,999	19.9	15.0	23.7	20.0	17.0	*28.6	16.4
3,000–4,999	7.3	6.2	8.6	7.4	7.5	*3.6	8.7
5,000–9,999	7.1	1.8	13.7	6.2	5.7	*3.6	10.4
10,000 or more	4.3	1.8	5.8	5.2	9.4	*3.6	1.6
Median [5]	*$300*	*0*	*$1,104*	*$353*	*$440*	*$799*	*$287*
Mean [5]	*2,471*	*$1,418*	*3,514*	*2,599*	*2,458*	*2,002*	*1,600*

See footnotes at end of table.

assets of beneficiary groups[2] because these funds could not be drawn on at the discretion of the beneficiaries.

Whenever possible, the beneficiary's own report of the value of his assets was verified from other sources. The value of stocks and bonds was checked against market quotations; the family's own appraisal of the market value of real estate was occasionally revised on the basis of the assessed values, the judgment of real estate agents, or the selling price of similar homes in the same community. In some instances the beneficiary's estimate of the market value of an independent business was accepted; in others, it was derived by capitalizing the income at 6 percent.

[2] The "beneficiary group" includes the primary beneficiary, his or her spouse, and unmarried children under age 18, or the widow and unmarried children under age 18.

Net Worth

The proportion of beneficiary groups reporting assets in excess of liabilities varied considerably among the several survey areas (table 1). The beneficiaries in the three Southern cities were more heavily concentrated in the lowest net-worth brackets than were those in any of the other survey areas. The beneficiaries in the Los Angeles survey, on the other hand, had on the whole a higher net worth than those in any of the other three 1941–42 surveys; the proportion with no net worth was relatively small, while a relatively large proportion was in the high brackets. Average net worth was still higher among beneficiaries in the survey of 12 middle-sized cities in Ohio in 1944. For example, the median net worth of nonmarried men was $50 in Los Angeles but $1,306 in Ohio; for men with entitled wives the corresponding amounts were $2,869 and $4,000. The comparatively high level of net worth of the Ohio beneficiaries may be partly explained by the large proportion owning homes and owning them clear of mortgage. The inflated real estate values in 1944 raised the net worth of these home owners.

Average net worth also varied considerably among the different types of beneficiary groups. Differences might have been anticipated in view of the fact that the ability of persons to accumulate net savings depends largely on their income during their working lives. Since with few exceptions wages formed the bulk of the beneficiaries' income before they became entitled to insurance benefits, it is not surprising to find that nonmarried men, and women with benefits on their own wage records—the two types of beneficiary groups whose average monthly wages were lowest—reported assets in excess of liabilities least frequently. If they reported any net savings, the values were, on the average, smaller than for other types of beneficiary groups.

Table 1.—*Net worth: Percentage distribution of beneficiary groups by net worth, end of survey year, five surveys*—Continued

Net worth	Male primary beneficiaries: Total[1]	Male primary beneficiaries: Nonmarried	Male primary beneficiaries: Married, wife entitled	Male primary beneficiaries: Married, wife not entitled	Female primary beneficiaries	Aged widows	Widows with entitled children
	Los Angeles						
Total number	758	203	216	323	186	69	134
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	10.3	13.8	6.5	10.5	10.2	5.8	18.7
No assets or liabilities[4]	18.3	34.5	12.0	12.7	21.5	10.1	11.9
Assets exceed liabilities by—							
Less than $1,000	14.8	18.7	12.0	14.2	30.1	15.9	18.7
1,000–2,999	16.4	13.8	19.9	15.2	17.2	18.8	18.7
3,000–4,999	14.6	7.9	17.1	17.0	8.6	23.2	15.7
5,000–9,999	15.4	8.4	22.2	15.8	7.0	18.9	10.4
10,000 or more	10.2	3.0	10.2	14.6	5.4	7.2	6.0
Median[5]	*$1,717*	*$50*	*$2,869*	*$2,600*	*$449*	*$2,783*	*$1,000*
Mean[5]	*4,988*	*1,776*	*4,672*	*7,288*	*2,090*	*3,628*	*2,832*
	12 middle-sized Ohio cities						
Total number	567	183	210	163	99	119	177
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	3.7	4.4	2.4	3.7	3.0	.8	8.5
No assets or liabilities[4]	13.8	25.1	8.1	8.0	27.3	12.6	7.9
Assets exceed liabilities by—							
Less than $1,000	13.4	18.0	11.0	10.4	20.2	12.6	26.0
1,000–2,999	16.0	14.2	18.1	16.0	27.3	21.0	23.7
3,000–4,999	19.2	15.8	20.0	23.3	10.1	21.8	14.7
5,000–9,999	20.8	12.6	23.8	27.0	9.1	17.7	13.0
10,000 or more	13.1	9.8	16.7	11.7	3.0	13.4	6.2
Median[5]	*$3,365*	*$1,306*	*$4,000*	*$4,019*	*$877*	*$3,100*	*$1,707*
Mean[5]	*6,202*	*4.190*	*8,488*	*5,381*	*1,886*	*5,549*	*3,370*

*Percentage distribution based on less than 30 ases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children, numbering 13 in Philadelphia and Baltimore, 23 in St. Louis, 42 in Birmingham, Memphis, and Atlanta, 16 in Los Angeles, and 11 in Ohio.

[2] Excludes 15 male primary beneficiary groups whose net worth was unknown (4 nonmarried; 6 married, wife entitled; and 5 married, wife not entitled).

[3] Excludes 4 female primary beneficiary groups whose net worth was unknown.

[4] Includes beneficiary groups whose assets and liabilities balanced.

[5] Average based on all beneficiary groups in type.

Table 2.—*Net worth: Percentage distribution of male primary beneficiaries and widows with entitled children, by net worth and race, Birmingham, Memphis, and Atlanta*

Type of beneficiary group and net worth	Number: White	Number: Negro	Percentage distribution: White	Percentage distribution: Negro
Male primary beneficiaries	374	190	100.0	100.0
Liabilities exceed assets	45	25	12.0	13.2
No assets or liabilities[1]	79	87	21.1	45.8
Assets exceed liabilities by—				
Less than $250	29	9	7.8	4.7
250–499	11	16	2.9	8.4
500–999	23	23	6.1	12.1
1,000–2,999	84	28	22.5	14.8
3,000–4,999	40	1	10.7	.5
5,000–9,999	39	1	10.4	.5
10,000 or more	24	-------	6.4	-------
Widows with entitled children	116	67	100.0	100.0
Liabilities exceed assets	26	19	22.4	28.4
No assets or liabilities[1]	15	17	12.9	25.4
Assets exceed liabilities by—				
Less than $250	4	10	3.4	14.9
250–499	3	4	2.6	6.0
500–999	8	9	6.9	13.4
1,000–2,999	22	8	19.0	11.9
3,000–4,999	16	-------	13.8	-------
5,000–9,999	19	-------	16.4	-------
10,000 or more	3	-------	2.6	-------

[1] Includes beneficiary groups whose assets and liabilities balanced.

On the basis of median net worth, the various beneficiary types fall into two rather distinct groups. In the four 1941–42 surveys, the two types of couples and the aged widows had as a rule the highest average net worth. Their medians ranged from $1,104 to $2,869, except for men with nonentitled wives and aged widows in the Southern cities, whose median net worths were $353 and $799, respectively. In marked contrast were the nonmarried men, female primary beneficiaries, and widows with entitled children. The median net worth of these types ranged from zero to $449, except for widows with entitled children in Los Angeles, who had a median net worth of $1,000. The same grouping occurs in the Ohio survey but on a higher level.

Only a comparatively small proportion in each type had a net worth of $10,000 or more. In general the proportion was largest among married men with entitled and nonentitled wives (5 to 17 percent) and smallest among widows with entitled children (2 to 6 percent) and women with benefits on their own wage records (0 to 9 percent). None of the female primary beneficiaries in the Philadelphia-Baltimore and St. Louis surveys, and none of the aged widows in the Philadelphia-Baltimore survey, had assets valued at $10,000 or more in excess of their liabilities. The highest values of net worth reported were as follows:

Type of beneficiary group	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles	12 middle-sized Ohio cities
Male primary beneficiaries:					
Nonmarried	$38,279	$68,000	$67,223	$31,900	$108,985
Married, wife entitled	35,000	150,000	62,000	75,900	402,250
Married, wife not entitled	62,868	76,100	129,926	281,000	38,478
Female primary beneficiaries	4,932	5,020	21,955	29,110	13,566
Aged widows	7,854	207,000	24,250	23,850	50,822
Widows with entitled children	89,200	25,177	20,674	74,625	41,219

Table 3.—*Net worth and independent income from reasonably permanent sources: Percentage distribution of beneficiary groups by net worth and independent income, four 1941–42 surveys combined*

Type and net worth of beneficiary group	Income from reasonably permanent sources				
	Total	Less than $300	$300–599	$600–899	$900 or more
Male primary beneficiaries: [1]					
Total number	[2] 2,365	696	[2] 781	[2] 367	[2] 521
Total percent	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	10.3	18.5	9.9	5.2	3.5
No assets or liabilities [3]	23.8	54.5	19.5	5.4	2.5
Assets exceed liabilities by—	65.9	27.0	70.7	89.4	94.0
Less than $1,000	15.4	21.7	20.7	5.4	6.1
1,000–2,999	18.8	3.9	32.8	25.3	13.2
3,000–4,999	13.3	1.0	12.4	32.2	17.7
5,000–9,999	11.0	.3	3.6	23.4	27.4
10,000 or more	7.4	.1	1.2	3.0	29.6
Median [4]	*$1,047*	*0*	*$997*	*$3,534*	*$6,276*
Nonmarried:					
Total number	[5] 615	325	[5] 174	[5] 52	[5] 64
Total percent	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	8.5	10.2	6.3	9.6	4.7
No assets or liabilities [3]	39.8	65.2	14.4	11.5	3.1
Assets exceed liabilities by—	51.7	24.6	79.3	78.8	92.2
Less than $1,000	18.5	20.6	18.4	13.5	12.5
1,000–2,999	14.6	3.1	37.9	13.5	10.9
3,000–4,999	8.0	.6	14.4	23.1	15.6
5,000–9,999	7.0	.3	5.2	26.9	29.7
10,000 or more	3.6	--------	3.4	1.9	23.4
Median [4]	*$92*	*0*	*$1,576*	*$3,167*	*$5,526*
Married, wife entitled:					
Total number	[6] 692	41	[6] 282	[6] 170	199
Total percent	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	7.4	17.1	12.1	4.1	1.5
No assets or liabilities [3]	17.6	58.5	29.8	5.9	2.0
Assets exceed liabilities by—	75.0	24.4	58.2	90.0	96.5
Less than $1,000	13.7	17.1	25.5	4.7	4.0
1,000–2,999	21.4	2.4	25.2	28.8	13.6
3,000–4,999	15.6	4.9	5.3	36.5	14.6
5,000–9,999	15.8	--------	2.1	18.8	35.7
10,000 or more	8.5	--------	--------	1.2	28.6
Median [4]	*$2,054*	*0*	*$319*	*$3,355*	*$7,007*
Married, wife not entitled:					
Total number	[7] 964	323	[7] 279	[7] 128	[7] 234
Total percent	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	13.0	26.9	7.2	4.7	5.1
No assets or liabilities [3]	18.6	43.0	11.5	3.1	1.7
Assets exceed liabilities by—	68.5	30.0	81.4	92.2	93.2
Less than $1,000	14.2	23.5	15.4	2.3	6.4
1,000–2,999	19.4	5.0	40.1	21.1	13.7
3,000–4,999	15.1	.9	20.1	31.2	20.1
5,000–9,999	10.3	.3	4.7	31.2	19.2
10,000 or more	9.4	.3	1.1	6.2	33.8
Median [4]	*$1,439*	*0*	*$1,795*	*$4,200*	*$5,778*

See footnotes at end of table.

Marked differences were found between the net worth of white and Negro beneficiary groups in the three Southern cities. Such differences were to be expected because the average monthly wages on which benefits are computed were much lower for Negro beneficiaries as a group than for the white beneficiaries.

Among all male primary beneficiary groups, for example, 2 out of 3 in the white group, in contrast to only 2 out of 5 in the Negro group, reported assets in excess of liabilities (table 2). Not only smaller proportions of the Negro than of the white beneficiary groups reported any net worth, but the amount of net worth tended to be much lower among the Negro groups. Thus, 59 percent of the Negro as compared with 33 percent of the white male primary beneficiaries had a net worth of zero or liabilities in excess of assets; 25 percent of the Negroes and

17 percent of the white beneficiaries had less than $1,000 in net worth, while 28 percent of the white but only 1 percent of the Negro beneficiaries had a net worth of $3,000 or more. Larger proportions of white than of Negro beneficiaries had some investment in the home that they occupied.

Similarly, a smaller proportion of the Negro (46 percent) than of the white widows with entitled children (65 percent) had assets in excess of liabilities; moreover, the Negro widows were concentrated in the low net-worth brackets to a larger extent than the white widows. Altogether, 88 percent of the Negro widow-child groups as compared with 48 percent of the white widow-child groups had either no net worth or net worth of less than $1,000. No Negro widow had net savings of as much as $3,000.

Net Worth and Income From Permanent Sources

The data from all surveys and for all types of beneficiary groups indicate a positive relationship between net worth and amount of independent income from reasonably permanent sources during the survey year. Such income includes, in addition to a year's old-age and survivors insurance benefits, veterans' pensions, annuities, receipts from stocks and bonds, interest on bank deposits, net income from real estate, retirement pay, and the value of imputed rent of owned homes; it indicates, to some extent at least, the relative economic status of beneficiaries before retirement. As income from reasonably permanent sources increased, beneficiaries were more likely to have assets in excess of liabilities, and the amount of their net worth increased.

In all survey areas the majority of beneficiaries with permanent income of less than $300 had no assets and no liabilities, or liabilities in excess of assets, or a net worth of less than $1,000; relatively few had a net worth of $1,000 or more. This relationship is shown in table 3, which combines the data from the four 1941–42 surveys. For example, 70 percent of the married men with nonentitled wives who had permanent incomes of less than $300 either had no assets or liabilities (43 percent) or had liabilities in excess of assets (27 percent); not more than 7 percent had a net worth of $1,000 or more; less than 1 percent had assets in excess of liabilities valued at $5,000 or more. On the other hand, the beneficiary groups of each type who had permanent incomes of $900 or more included only a small proportion with no assets or liabilities or with liabilities in excess of assets; a comparatively large proportion had a net worth of $5,000 or more. For the primary beneficiary types with $900 or more in permanent income, only 4 to 8 percent had no assets or assets that did not exceed their liabilities; 52 to 64 percent had a net worth of $5,000 or more. The median net worth of the various types of primary beneficiary groups with independent incomes of $900 or more from reasonably permanent sources ranged from $5,526 to $7,007; for survivor beneficiary types, the corresponding range was $5,500 to $8,500. Among primary beneficiaries with relatively high permanent incomes, married men with entitled wives had the highest level of net worth, 64 percent having savings of $5,000 or more in excess of liabilities.

Table 3.—*Net worth and independent income from reasonably permanent sources: Percentage distribution of beneficiary groups by net worth and independent income, four 1941–42 surveys combined*—Continued

Type and net worth of beneficiary group	Income from reasonably permanent sources: Total	Less than $300	$300–599	$600–899	$900 or more
Female primary beneficiaries:					
Total number	[8] 421	260	[8] 107	[8] 29	25
Total percent	100.0	100.0	100.0	*100.0	*100.0
Liabilities exceed assets	9.5	14.2	2.8	--------	--------
No assets or liabilities [3]	29.2	40.8	11.2	*10.3	*8.0
Assets exceed liabilities by—	61.3	45.0	86.0	*89.7	*92.0
Less than $1,000	27.1	34.2	16.8	*13.8	*12.0
1,000–2,999	17.6	8.8	39.3	*13.8	*20.0
3,000–4,999	9.0	1.5	23.4	*24.1	*8.0
5,000–9,999	4.0	.4	5.6	*20.7	*16.0
10,000 or more	3.6	--------	.9	*17.2	*36.0
Median [4]	*$417*	*0*	*$1,976*	*$4,000*	*$5,625*
Aged widows:					
Total number	158	65	65	13	15
Total percent	100.0	100.0	100.0	*100.0	*100.0
Liabilities exceed assets	5.1	10.8	1.5	--------	--------
No assets or liabilities [3]	15.8	36.9	1.5	--------	--------
Assets exceed liabilities by—	79.1	52.3	96.9	*100.0	*100.0
Less than $1,000	18.4	33.8	9.2	*7.7	--------
1,000–2,999	20.9	18.5	32.3	--------	--------
3,000–4,999	18.4	--------	36.9	*7.7	*26.7
5,000–9,999	14.6	--------	13.8	*69.2	*33.3
10,000 or more	7.0	--------	4.6	*15.4	*40.0
Median [4]	*$2,030*	*$136*	*$3,292*	*$7,500*	*$8,500*
Widows with entitled children:					
Total number	566	38	261	168	99
Total percent	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	20.1	34.2	27.6	14.9	4.0
No assets or liabilities [3]	17.8	60.5	24.1	8.3	1.0
Assets exceed liabilities by—	62.0	5.3	48.3	76.8	94.9
Less than $1,000	20.5	2.6	30.3	16.1	9.1
1,000–2,999	19.6	2.6	16.5	32.7	12.1
3,000–4,999	10.1	--------	.8	20.8	20.2
5,000–9,999	8.5	--------	.4	7.1	35.4
10,000 or more	3.4	--------	.4	--------	18.2
Median [4]	*$586*	*0*	*0*	*$1,655*	*$5,500*

*Percentage distribution based on less than 30 cases.

1 Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

2 Excludes 15 male primary beneficiary groups whose net worth was unknown (7 with $300–599, 5 with $600–899, and 3 with $900 or more permanent income).

3 Includes beneficiary groups whose assets and liabilities balanced.

4 Average based on all beneficiary groups in type.

5 Excludes 4 nonmarried men whose net worth was unknown (1 with $300–599, 1 with $600–899, and 2 with $900 or more permanent income).

6 Excludes 6 married men with entitled wives whose net worth was unknown (4 with $300–599, and 2 with $900 or more permanent income).

7 Excludes 5 married men with nonentitled wives whose net worth was unknown (2 with $300–599, 2 with $600–899, and 1 with $900 or more permanent income).

8 Excludes 4 female primary beneficiary groups whose net worth was unknown (2 with $300–599, and 2 with $600–899 permanent income).

The relationship between family insurance benefit and value of net worth is similar to that found between total income from permanent sources and net worth. This relationship might have been anticipated, because for many beneficiaries insurance benefits form the major part of reasonably permanent income, particularly for those in the low income groups.

Net Worth and Kinds of Assets

The level of living and the security of beneficiary groups are affected by the forms in which their savings have been made. Some kinds of assets, such as tenant-occupied real estate, provide current money income; a home owned by a beneficiary provides a noncash income; and, finally, cash and other assets readily convertible into cash may be used to supplement current income.

An analysis of the sources of beneficiary group income indicates that many beneficiaries received some money income from savings accounts, stocks or bonds, or real estate. In most instances, however, the amounts received were small, contributing little to the beneficiary groups' spendable funds.

Home ownership.—Vastly more important than money income from asset holdings for the various types of beneficiary groups was the value of income in kind provided by the beneficiary's equity in his home. Home ownership contributed significantly to the level of living and security of many beneficiaries.

For each type of beneficiary group the differences in extent of home ownership among the 1941–42 surveys were comparatively small (table 4). On the whole, the proportions were largest (29 to 65 percent) in Philadelphia and Baltimore and smallest (10 to 54 percent) in St. Louis. Between these two surveys were Los Angeles (21 to 63 percent) and the three Southern cities (26 to 54 percent). From 7 to 41 percent of the various types of beneficiary groups in the early surveys owned their homes free of mortgages. These beneficiaries constituted more than half of those who owned their homes. In Ohio, each of the beneficiary types included a larger proportion of home owners (46 to 75 percent) than the same type in the larger cities surveyed in 1941–42; and a larger proportion of beneficiary groups (33 to 59 percent) owned their homes free of mortgage. This situation may be indicative of different modes of living as between middle-sized and metropolitan cities.

Among the different types of beneficiary groups, with the exception of aged widows in St. Louis, the two types of married couples included the largest proportions enjoying the security provided by home ownership. In the five surveys, 47 to 75 percent of them owned their homes, and 27 to 59 percent owned them free of mortgage. On the other hand, nonmarried men and women primary beneficiaries included the smallest proportions of home owners (10 to 46 percent). Between these two extremes were the widow-child beneficiary groups and aged widows, of whom 34 to 66 percent were home owners.

For one survey, Philadelphia and Baltimore, the number of years homes had been owned and the market value of the houses were studied. In this survey, half the primary beneficiaries who were home owners had had an equity in their homes for at least 20 years, and half the aged widows who owned their homes had owned them for 25 years. Many beneficiaries had

Table 4.—*Home ownership: Percentage distribution of beneficiary groups by home ownership and mortgage status, five surveys*

Type of beneficiary group and home ownership	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles	12 middle-sized Ohio cities
Male primary beneficiaries, total [1]	[2] 100.0	100.0	100.0	100.0	100.0
No equity in home	47.6	57.3	54.6	51.7	36.0
Equity in home	52.4	42.7	45.4	48.3	64.0
Without mortgage	25.9	28.5	26.4	31.4	51.0
With mortgage	26.5	14.2	19.0	16.9	13.1
Nonmarried	100.0	100.0	100.0	100.0	100.0
No equity in home	71.3	82.7	72.6	79.3	53.6
Equity in home	28.7	17.3	27.4	20.7	46.4
Without mortgage	18.0	14.0	16.8	14.3	38.8
With mortgage	10.7	3.3	10.6	6.4	7.7
Married, wife entitled	100.0	100.0	100.0	100.0	100.0
No equity in home	34.6	47.8	46.0	37.5	28.1
Equity in home	65.4	52.2	54.0	62.5	71.9
Without mortgage	31.4	38.3	33.8	40.7	59.0
With mortgage	34.0	13.9	20.1	21.8	12.9
Married, wife not entitled	100.0	100.0	100.0	100.0	100.0
No equity in home	38.6	48.7	53.3	44.9	24.5
Equity in home	61.4	51.3	46.7	55.1	75.5
Without mortgage	27.8	29.9	27.0	36.2	55.2
With mortgage	33.5	21.3	19.6	18.9	20.2
Female primary beneficiaries	[2] 100.0	100.0	100.0	100.0	100.0
No equity in home	64.5	90.1	73.6	75.8	58.6
Equity in home	35.5	9.9	26.4	24.2	41.4
Without mortgage	11.8	6.6	17.0	15.6	33.3
With mortgage	23.7	3.3	9.4	8.6	8.1
Aged widows	*100.0	100.0	*100.0	100.0	100.0
No equity in home	*55.6	46.5	*57.1	49.3	34.5
Equity in home	*44.4	53.5	*42.9	50.7	65.5
Without mortgage	*16.7	32.6	*25.0	37.7	53.8
With mortgage	*27.8	20.9	*17.9	13.0	11.8
Widows with entitled children	100.0	100.0	100.0	100.0	100.0
No equity in home	59.7	65.8	62.3	53.0	50.3
Equity in home	40.3	34.2	37.7	47.0	49.7
Without mortgage	15.5	10.8	18.0	26.9	32.8
With mortgage	24.8	23.3	19.7	20.1	16.9

*Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Excludes 3 nonmarried men, 4 married men with entitled wives, 3 married men with nonentitled wives, and 3 female primary beneficiaries whose assets were unknown. The exclusion of these beneficiary groups accounts for the difference in percents for Philadelphia-Baltimore between this table and the tabular data in the July 1943 *Bulletin* (p. 11).

purchased their homes before they reached age 45. Not more than 4 percent of the nonmarried men and married men with entitled wives and 16 percent of the married men with wives under 65 years had owned the homes in which they lived at the time of the interview for less than 10 years. The short period of time reported by a few beneficiaries, however, does not mean that a beneficiary had been a home owner only since his middle fifties; he may have owned another before moving into the home where he was living when interviewed.

The median market value of homes owned by the three types of male primary beneficiaries in Philadelphia and Baltimore ranged from $2,300 for nonmarried men to $3,000 for married men with nonentitled wives. It was slightly lower, $2,100, for women primary beneficiary groups. Of the women with benefits on their own wage records who owned homes, 42 percent valued them at less than $2,000. Of the men beneficiaries who owned homes, 41 to 54 percent valued theirs at $2,000 to $2,999. Only a small group of beneficiaries, 1 to 2 percent, lived in homes valued at $10,000 or more.

Beneficiaries in Philadelphia and Baltimore whose homes were free of mortgage had owned them slightly longer than those whose homes were encumbered. Thus, 54 to 74 percent whose homes were unmortgaged, as compared with 45 to 54 percent of those whose homes were mortgaged, had lived in their present homes for 20 years or more. For the three types of male primary beneficiaries, the median market value of mortgaged homes was a little higher than the median value of unmortgaged homes, while the reverse was found for women primary beneficiaries.

Assets other than owner-occupied real estate.—Savings not invested in a home included liquid assets—cash, savings deposits, checking accounts, and U. S. Government bonds—and such other assets as non-Government bonds, stocks, tenant-occupied real estate, and other real estate—unused burial lots and vacant building lots, for example.

Many of the beneficiaries had assets other than an equity in a home, but for a substantial proportion their value was small (table 5). For example, 40 to 79 percent of the married men beneficiaries, 26 to 57 percent of the nonmarried men, and 41 to 66 percent of the women primary beneficiaries had assets other than the equities in their homes. For 23 to 46 percent of the married men having other assets, these assets were valued at less than $500. The corresponding proportions for nonmarried men were 33 to 47 percent, and for women primary beneficiaries, 24 to 58 percent. The median values for the beneficiary groups owning such assets ranged from $650 to $2,100 for the two types of couples and the aged widows, $572 to $1,042 for the nonmarried men, $432 to $1,125 for the female primary beneficiaries, and $436 to $1,107 for widows with dependent children (table 6).

In each survey, the majority of the home owners among the two types of couples, the aged widows, and the widows with entitled children also had other assets, though frequently in small amounts only. This was also true of the home owners among the nonmarried men in St. Louis, Los Angeles, and Ohio and among the female primary beneficiaries in all but one survey. In contrast to the home owners, the majority of beneficiaries in Philadelphia-Baltimore, St. Louis, and Birmingham-Memphis-Atlanta who were not home owners had no assets of any kind; in Los Angeles and Ohio, however, more than half the non-home-owners of most beneficiary types had some assets. For most types of beneficiaries in all surveys, the assets of the non-home-owners were, on the average, smaller than comparable assets of the home owners.

Table 7 shows for different net-worth intervals the relative importance of the major kinds of assets held by the various beneficiary types in the four 1941–42 surveys combined. When the net worth was less than $1,000, the majority of the various types of beneficiary groups did not have assets invested in a home; when the net worth was more than $1,000, however, the majority had invested at least a part of their savings in a home. As net worth increased above $1,000, the proportion owning homes remained fairly constant but the proportion having asset holdings in addition to their home increased steadily. Among the two types of couples with net worth of less than $1,000, for example, approximately two-thirds had no equity in their homes. Of the couples with a net worth of $1,000–2,999, seven-eighths were home owners, but most of them had no assets besides their equity in their homes. At the $3,000–4,999 net-worth level, four-fifths of the home owners had other assets besides their equity in their homes. At the $5,000–9,999 level, more than nine-tenths of the home owners had other assets and, when net worth was $10,000 or more, practically all the home owners had other assets. In the case of nonmarried men and women primary beneficiaries, the relationship between the value of net worth and kinds of assets followed the same general pattern on the whole, but as compared with the couples a smaller proportion had put some of their savings into their homes.

Life Insurance

The cash surrender value of life insurance policies has been excluded from the data on assets and net worth. But since premiums on life insurance were a widespread form of saving among the beneficiaries studied, a report on the financial status of beneficiary groups would be incomplete unless it included an account of the policies carried on the lives of beneficiary group members. In each of the surveys the face value of the life insurance carried was recorded for term, industrial, and ordinary policies that would mature at the death of the insured and for annuity policies not yet matured.

Certain well-defined differences among surveys were found in the number of policyholders and the amount of life insurance carried by members of the beneficiary groups (table 8). These differences may indicate, at least to a certain extent, different customs of saving and investment. They reflect, for example, the tendency among Negroes in the South to carry small industrial and burial insurance policies. The largest proportion of beneficiary groups having life insurance policies was found in the three Southern cities, although the average amount of such insurance was less than in the other surveys. The smallest proportion of beneficiary groups carrying policies was found in Los Angeles, but as compared with other surveys relatively fewer of those reporting insurance policies carried small industrial policies.

More aged couples than nonmarried men or female primary beneficiaries carried life insurance. For example, life insurance policies were held by 69 percent of the two types of married couples in Los Angeles and 73 to 89 percent in the other surveys; in contrast, 34 and 43 percent of the nonmarried men and female primary beneficiaries in Los Angeles, and 63 to 76 percent in the other four surveys, had policies. The aged widows were also less likely to carry life insurance than the aged couples (25 percent were insured in Los Angeles; 55 to 67 percent in Philadelphia-Baltimore, St. Louis, and Ohio; and 86 percent in the Southern cities). In all surveys a large proportion of widow-child beneficiary groups carried life insurance, frequently policies on the lives of the minor children; 77 percent of this type reported insurance in Los Angeles, and 86 to 94 percent in the other four surveys.

In each survey the median face value of life insurance policies carried by beneficiary groups was highest for the two types of couples and the widows with entitled children—the types including two or more persons in the beneficiary group. The median values for these three types ranged from $600 to $829 in Philadelphia-Baltimore, Birmingham-Memphis-Atlanta, and Los Angeles and from $900 to $1,279 in St. Louis and Ohio. In contrast, the median values for nonmarried men, female primary beneficiaries, and aged widows were no higher than $500 in any survey, and in Los Angeles the median for each of these types was zero. As might be expected, the couples were most likely to carry life insurance totaling $3,000 or more.

When the total face value of life insurance carried by each beneficiary group is related to the group's net worth (table 9), a fairly consistent relationship between net worth and the proportion carrying life insurance is found in three of the four 1941–42 surveys; the relationship in Los Angeles was similar but not as marked. The proportion reporting life insurance was smallest for the beneficiary groups with no net savings; it was slightly larger for those whose net worth was $1–999 and still larger for those whose net worth was $1,000–2,999. As net worth increased above this level, however, a declining proportion of beneficiary groups carried life insurance, but when net worth was $10,000 or more the proportion carrying life insurance was in no survey as small as for those with zero or minus net worth or with net worth valued at less than $1,000.

The median face value of life insurance based on all beneficiary groups in a net-worth bracket tended to increase with the net worth. For example, the median face value of life insurance of male primary beneficiary groups who had no assets or liabilities or whose liabilities were greater than their assets ranged from zero in Los Angeles to $500 in St. Louis. The median face value was comparatively small, also, for male primary beneficiary groups who had a net worth of $1,000–2,999; it ranged from $500 in Los Angeles to $1,000 in St. Louis. Male beneficiary groups whose net worth was $3,000-

Table 5.—*Home ownership and other assets: Percentage distribution of beneficiary groups by home ownership and value of other assets, end of survey year, five surveys*

Home ownership and value of other assets	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Non-married	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total	[2] 100.0	100.0	100.0	100.0	[2] 100.0	*100.0	100.0
Equity in home	52.4	28.7	65.4	61.4	35.5	*44.4	40.3
Equity in home only asset	23.3	15.3	26.4	26.7	20.4	*5.6	18.6
Other assets	29.1	13.3	39.0	34.7	15.1	*38.9	21.7
Less than $500	11.8	4.7	15.7	15.3	9.7	*11.1	10.9
500–999	2.6	2.7	4.4	1.1	2.2	*11.1	1.6
1,000–1,999	4.6	2.0	6.9	4.5	1.1	------	4.7
2,000 or more	10.0	4.0	11.9	13.6	2.2	*16.7	4.7
No equity in home	47.6	71.3	34.6	38.6	64.5	*55.6	59.7
No assets	32.3	43.3	23.9	29.0	38.7	*33.3	34.1
Assets	15.3	28.0	10.7	9.7	25.8	*22.2	25.6
Less than $500	7.2	14.7	5.0	3.4	14.0	*5.6	16.3
500–999	2.0	2.7	2.5	1.1	4.3	*5.6	3.9
1,000–1,999	1.4	1.3	------	2.8	2.2	*5.6	1.6
2,000 or more	4.6	9.3	3.1	2.3	5.4	*5.6	3.9
	St. Louis						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Equity in home	42.7	17.3	52.2	51.3	9.9	53.5	34.2
Equity in home only asset	12.9	4.0	16.1	16.2	4.4	11.6	13.3
Other assets	29.8	13.3	36.1	35.0	5.5	41.9	20.8
Less than $500	10.5	6.0	8.3	14.2	4.4	14.0	7.5
500–999	4.7	2.0	6.7	5.1	------	7.0	2.5
1,000–1,999	3.3	2.7	4.4	3.0	1.1	7.0	2.5
2,000 or more	11.3	2.7	16.7	12.7	------	14.0	8.3
No equity in home	57.3	82.7	47.8	48.7	90.1	46.5	65.8
No assets	32.9	46.0	27.2	29.4	49.5	23.3	37.5
Assets	24.4	36.7	20.6	19.3	40.7	23.3	28.3
Less than $500	9.5	14.7	6.1	7.6	13.2	7.0	15.0
500–999	2.2	2.0	3.3	1.5	9.9	2.3	2.5
1,000–1,999	3.6	5.3	3.3	3.0	5.5	7.0	5.0
2,000 or more	9.1	14.7	7.8	7.1	12.1	7.0	5.8
	Birmingham, Memphis, and Atlanta						
Total	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
Equity in home	45.4	27.4	54.0	46.7	26.4	*42.9	37.7
Equity in home only asset	20.4	15.9	20.9	20.0	5.7	*17.9	12.0
Other assets	25.0	11.5	33.1	26.7	20.8	*25.0	25.7
Less than $500	8.3	6.2	7.9	8.9	3.8	*7.1	6.6
500–999	4.1	3.5	6.5	3.3	3.8	*10.7	3.8
1,000–1,999	3.4	.9	4.3	4.1	3.8	*3.6	6.6
2,000 or more	9.2	.9	14.4	10.4	9.4	*3.6	8.7

See footnotes at end of table.

9,999 had policies with a slightly higher average face value, ranging from $592 in Philadelphia and Baltimore to $1,400 in the Southern cities; for those whose net worth was $10,000 or more the corresponding medians were markedly higher—$1,200 to $5,850.

Table 6.—*Median value of assets other than equity in home, by beneficiary group with such assets, five surveys*

Survey area	Male primary beneficiaries			Female primary beneficiaries	Aged widows	Widows with entitled children
	Nonmarried	Married, wife entitled	Married, wife not entitled			
Philadelphia-Baltimore	$625	$795	$1,154	$432	$916	$436
St. Louis	1,042	1,500	904	778	1,167	708
Birmingham, Memphis, and Atlanta	572	854	673	1,125	650	888
Los Angeles	854	2,100	2,000	654	1,714	1,107
12 middle-sized Ohio cities	999	1,370	1,043	788	1,700	653

Although some life insurance policies—for example, term or group insurance and policies purchased within a year or two of the date of the study—would have had no cash surrender value, many of them could probably have been surrendered for a cash payment. Except in rare instances, the cash surrender value, if any, must have been smaller than the face value. The general relationship found to exist between net worth and the face value of the life insurance held by beneficiaries would no doubt also be found between net worth and the cash surrender value of these policies. This assumption is supported by data from one survey area, Philadelphia-Baltimore, where the cash surrender values of life insurance policies held by male and female primary beneficiaries have been studied.[3]

Deficits

Large numbers of beneficiaries found it necessary to use savings or incur debts to meet their living expenses (table 10). From a sixth to more than half of the various beneficiary types in different surveys reported such deficits in income.

On the whole, a smaller proportion of each type of beneficiary group in the 12 middle-sized Ohio cities than in any of the 1941–42 surveys reported a deficit during the survey year. Widows with entitled children reported deficits more frequently than the aged beneficiary types, except for aged widows in St. Louis.

Withdrawals of Savings for Current Living During Survey Year

Every type of beneficiary group in every survey area included beneficiaries who withdrew savings to meet expenditures not covered by current income (table 10). Such withdrawals were sometimes made to meet an emergency, such as illness or accident. Frequently, however, savings were used to meet the usual living expenses when income was inadequate. The

Table 5.—*Home ownership and other assets: Percentage distribution of beneficiary groups by home ownership and value of other assets, end of survey year, five surveys*—Con.

Home ownership and value of other assets	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Birmingham, Memphis, and Atlanta—Continued						
No equity in home	54.6	72.6	46.0	53.3	73.6	*57.1	62.3
No assets	40.4	57.5	28.1	39.6	39.6	*21.4	39.3
Assets	14.2	15.0	18.0	13.7	34.0	*35.7	23.0
Less than $500	8.7	6.2	11.5	9.6	9.4	*17.9	9.3
500–999	2.0	2.7	2.2	1.5	9.4	*7.1	7.1
1,000–1,999	1.1	1.8	1.4	.7	3.8	*7.1	2.2
2,000 or more	2.5	4.4	2.9	1.9	11.3	*3.6	4.4
	Los Angeles						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Equity in home	48.3	20.7	62.5	55.1	24.2	50.7	47.0
Equity in home only asset	10.4	4.4	15.3	10.5	4.3	2.9	11.2
Other assets	37.9	16.3	47.2	44.6	19.9	47.8	35.8
Less than $500	7.8	3.4	7.9	9.9	5.4	2.9	9.7
500–999	3.8	3.0	5.6	3.1	3.2	8.7	3.7
1,000–1,999	5.1	3.0	6.0	5.9	2.7	11.6	6.7
2,000 or more	21.1	6.9	27.8	25.7	8.6	24.6	15.7
No equity in home	51.7	79.3	37.5	44.9	75.8	49.3	53.0
No assets	26.5	44.8	17.1	21.4	29.6	15.9	25.4
Assets	25.2	34.5	20.4	23.5	46.2	33.3	27.6
Less than $500	11.2	17.7	7.9	9.6	21.0	10.1	10.4
500–999	2.1	3.0	.9	2.5	7.0	4.3	6.7
1,000–1,999	3.3	4.4	4.2	2.2	4.3	8.7	3.7
2,000 or more	8.6	9.4	7.4	9.3	14.0	10.1	6.7
	12 middle-sized Ohio cities						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Equity in home	64.0	46.4	71.9	75.5	41.4	65.5	49.7
Equity in home only asset	12.7	14.2	11.9	12.3	13.1	18.5	10.7
Other assets	51.3	32.2	60.0	63.2	28.3	47.1	39.0
Less than $500	15.3	9.3	18.6	19.0	11.1	10.1	18.1
500–999	7.2	4.4	7.6	10.4	7.1	5.0	4.0
1,000–1,999	7.4	2.7	7.1	12.9	3.0	10.1	6.2
2,000 or more	21.3	15.8	26.7	20.9	7.1	21.8	10.7
No equity in home	36.0	53.6	28.1	24.5	58.6	34.5	50.3
No assets	16.8	29.0	9.5	11.7	31.3	15.1	14.1
Assets	19.2	24.6	18.6	12.9	27.3	19.3	36.2
Less than $500	7.1	9.3	5.7	5.5	9.1	5.0	16.4
500–999	4.1	5.5	3.3	2.5	6.1	4.2	6.2
1,000–1,999	3.2	4.4	3.8	1.2	5.1	2.5	5.6
2,000 or more	4.9	5.5	5.7	3.7	7.1	7.6	7.9

* Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Excludes 3 nonmarried men, 4 married men with entitled wives, 3 married men with nonentitled wives, and 3 female primary beneficiaries whose assets were unknown.

[3] For an analysis of these data see the *Bulletin*, May 1945, pp. 39–40.

purpose for which savings were withdrawn was not always reported. The analysis of the use of savings, therefore, will refer only occasionally to the purpose for which the savings were used, though the significance of the use of savings is affected by the type of expenditure that necessitates the withdrawal. For example, the probable future economic status of a beneficiary group that uses savings regularly to supplement currently inadequate income will differ from that of a beneficiary group whose cash withdrawals are made to meet a nonrecurrent emergency.

The proportion of beneficiary groups in each type using assets was of course limited by the proportion having assets on which they might draw (table 11). On the whole, such liquid assets were reported by a slightly larger proportion of the two types of couples than of the nonmarried men and female primary beneficiaries, but the differences were not large. If, in addition to independent income from permanent sources—shown in table 3—income from all other sources, such as earnings, contributions from relatives, and public and private assistance is considered, the general income level of couples with entitled wife is found to be lower than that of couples with nonentitled wife. It is to be expected, therefore, that a somewhat larger proportion of aged couples than of couples with nonentitled wife would draw on their savings. This difference between the two types of couples was found in each survey. The nonmarried men and female primary beneficiaries had less savings than the couples, with the result that in several surveys smaller proportions of the two single-member types of primary beneficiaries than of the two types of couples withdrew savings for current living expenses.

Proportionately more of the two types of survivor beneficiaries—aged widows and younger widows with dependent children—than of the primary types supplemented their incomes from their savings. On the whole the difference is increased when only those having assets available for current expenditures are considered.

Except for the Southern cities, the same factors that accounted for type differences in proportions among beneficiary groups using assets—general level of beneficiary group income and possession of assets other than equity in a home—also accounted for differences among the surveys. In Ohio and Los Angeles, the two surveys where the beneficiaries had the highest levels of incomes, the smallest proportion of beneficiary groups in the various types supplemented their incomes by using savings.

In the Southern cities, though the money incomes were generally lowest, the proportion of beneficiary groups in each type using assets was on the whole smaller than in any other survey. The Southern beneficiaries had on the average the least assets other than equity in homes, but relatively many had gardens from which they

Table 7.—*Assets in excess of liabilities: Percentage distribution of beneficiary groups by kind of assets, four 1941–42 surveys combined*

Type of beneficiary group and kind of asset	Total	Assets exceed liabilities by— Less than $1,000	$1,000–2,999	$3,000–4,999	$5,000–9,999	$10,000 or more
Male primary beneficiaries: [1]						
Total number	[2] 1,558	365	445	314	259	175
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
No equity in home, other assets	29.1	69.3	18.0	14.0	15.1	21.1
Equity in home only asset	23.9	24.9	45.4	19.4	6.9	.6
Equity in home and other assets	47.0	5.8	36.6	66.6	78.0	78.3
Nonmarried:						
Total number	[2] 318	114	90	49	43	22
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0
No equity in home, other assets	55.3	86.0	34.4	34.7	34.9	*68.2
Equity in home only asset	17.3	11.4	34.4	16.3	7.0	----------
Equity in home and other assets	27.4	2.6	31.1	49.0	58.1	*31.8
Married, wife entitled:						
Total number	[2] 519	95	148	108	109	59
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
No equity in home, other assets	22.4	65.3	16.2	8.3	11.0	15.3
Equity in home only asset	24.7	31.6	48.0	18.5	6.4	----------
Equity in home and other assets	53.0	3.2	35.8	73.1	82.6	84.7
Married, wife not entitled:						
Total number	[2] 660	137	187	146	99	91
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
No equity in home, other assets	23.5	63.5	13.4	12.3	12.1	14.3
Equity in home only asset	24.7	29.2	46.5	19.2	7.1	1.1
Equity in home and other assets	51.8	7.3	40.1	68.5	80.8	84.6
Female primary beneficiaries:						
Total number	[3] 258	114	74	38	17	15
Total percent	100.0	100.0	100.0	100.0	*100.0	*100.0
No equity in home, other assets	61.6	83.3	44.6	34.2	*58.8	*53.3
Equity in home only asset	12.4	10.5	23.0	7.9	----------	----------
Equity in home and other assets	26.0	6.1	32.4	57.9	*41.2	*46.7
Aged widows:						
Total number	125	29	33	29	23	11
Total percent	100.0	*100.0	100.0	*100.0	*100.0	*100.0
No equity in home, other assets	37.6	*82.8	39.4	*6.9	*21.7	*27.3
Equity in home only asset	10.4	*13.8	15.2	*6.9	*8.7	----------
Equity in home and other assets	52.0	*3.4	45.5	*86.2	*69.6	*72.7
Widows with entitled children:						
Total number	351	116	111	57	48	19
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0
No equity in home, other assets	37.3	73.3	24.3	10.5	18.8	*21.1
Equity in home only asset	21.1	16.4	39.6	15.8	4.2	----------
Equity in home and other assets	41.6	10.3	36.0	73.7	77.1	*78.9

*Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Excludes 15 male primary beneficiary groups whose net worth was unknown (4 nonmarried; 6 married, wife entitled; and 5 married, wife not entitled).

[3] Excludes 4 female primary beneficiary groups whose net worth was unknown.

got fruit and vegetables; poultry products also provided a source of noncash income. On the basis of a national survey of liquid assets it has been observed that "small holders of liquid assets, generally speaking, had a stronger preference for retaining their liquid assets than large holders, perhaps because of a need for having a backlog of assets to meet emergencies."[4] This general tendency may have been more pronounced among the Southern beneficiaries than in other survey areas. Because of generally less adequate funds for public assistance in the Southern cities, a larger proportion of beneficiaries of old-age and survivors insurance in the South than in other surveys were precluded from old-age assistance. This knowledge undoubtedly acted as a restraining influence on the tendency of retired or survivor families to use savings to maintain or approach their customary standard of living.

In all five surveys the amount of savings withdrawn was limited by the fact that a substantial proportion of beneficiaries who had assets other than a home had savings of less than $1,000. Except in emergencies, beneficiaries generally used small amounts only. Thus, in each survey, half of the nonmarried men who drew on savings used less than $200; the corresponding medians for married men with entitled wives ranged from $200 to $300 (table 11). Women with benefits on their own wage records used, on the whole, smaller amounts of savings than the men beneficiaries; for those who used savings, the median amounts were $110 to $178. The median amount of savings used by the two types of survivor groups who made any cash withdrawals ranged from $147 to $300.

Some beneficiaries of each type in each survey area used $600 or more of their savings. Frequently, such large amounts were required to meet emergencies, in most cases heavy medical expenses. Some beneficiaries whose incomes were adequate for their own living expenses supported relatives and apparently drew on their savings to meet this responsibility.

With only one or two exceptions,

[4] "A National Survey of Liquid Assets," *Federal Reserve Bulletin*, August 1946, p. 848.

Table 8.—*Life insurance: Percentage distribution of beneficiary groups by total face value of all policies held, five surveys*

Total face value of policies	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total number	[2] 498	[2] 150	[2] 159	[2] 176	[3] 94	18	127
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No policies	25.7	37.3	21.4	19.9	26.6	*44.4	14.2
Policies:							
Less than $1,000	42.6	44.0	44.0	39.8	64.9	*55.5	40.9
1,000–1,999	21.3	12.7	24.5	26.1	6.4	-	37.0
2,000–2,999	4.8	2.7	4.4	6.8	-	-	6.3
3,000 or more	5.6	3.3	5.7	7.4	2.1	-	1.6
Median [4]	*$500*	*$200*	*$635*	*$705*	*$238*	*$100*	*$829*
Mean [4]	*939*	*624*	*980*	*1,158*	*512*	*203*	*890*
	St. Louis						
Total number	550	150	180	197	91	43	120
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No policies	17.8	30.0	11.1	15.2	24.2	32.6	8.3
Policies:							
Less than $1,000	30.4	39.3	29.4	23.9	65.9	60.4	28.4
1,000–1,999	30.2	20.0	32.3	37.0	7.7	4.7	32.5
2,000–2,999	9.8	2.7	13.9	10.7	-	-	20.0
3,000 or more	11.8	8.0	13.3	13.2	2.2	2.3	10.8
Median [4]	*$1,000*	*$400*	*$1,065*	*$1,000*	*$300*	*$250*	*$1,150*
Mean [4]	*1,662*	*880*	*2,322*	*1,651*	*480*	*656*	*1,453*
	Birmingham, Memphis, and Atlanta						
Total number	564	113	139	270	53	28	183
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No policies	15.2	24.8	14.4	12.6	26.4	*14.3	6.0
Policies:							
Less than $1,000	50.6	58.4	48.9	47.5	54.7	*78.6	55.2
1,000–1,999	16.3	4.4	22.3	17.0	11.3	*7.1	23.0
2,000–2,999	5.5	7.1	3.6	5.9	1.9	-	9.8
3,000 or more	12.4	5.3	10.8	17.0	5.7	-	6.0
Median [4]	*$525*	*$250*	*$600*	*$625*	*$300*	*$250*	*$750*
Mean [4]	*1,393*	*711*	*1,511*	*1,660*	*739*	*343*	*1,146*
	Los Angeles						
Total number	758	203	216	323	186	69	134
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No policies	40.6	65.9	31.5	31.0	57.0	75.4	23.1
Policies:							
Less than $1,000	20.1	16.3	20.4	22.3	30.6	21.7	30.6
1,000–1,999	18.1	9.4	23.6	19.5	8.6	2.9	29.1
2,000–2,999	10.4	5.4	13.4	11.1	2.2	-	9.7
3,000 or more	10.8	3.0	11.1	16.1	1.6	-	7.5
Median [4]	*$400*	*0*	*$770*	*$720*	*0*	*0*	*$804*
Mean [4]	*1,383*	*$384*	*1,397*	*2,025*	*$324*	*$93*	*1,129*
	12 middle-sized Ohio cities						
Total number	567	183	210	163	99	119	177
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No policies	28.2	36.6	26.7	20.2	35.4	44.5	7.3
Policies:							
Less than $1,000	26.3	27.9	25.7	25.8	48.5	48.8	23.8
1,000–1,999	27.3	26.2	27.6	28.2	14.1	6.7	37.3
2,000–2,999	9.7	4.4	11.9	13.5	2.0	-	20.9
3,000 or more	8.5	4.9	8.1	12.3	-	-	10.7
Median [4]	*$774*	*$500*	*$900*	*$1,000*	*$229*	*$194*	*$1.279*
Mean [4]	*1,248*	*797*	*1,207*	*1,666*	*394*	*271*	*1,635*

*Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Excludes 10 male primary beneficiary groups for whom the total face value of life insurance policies was unknown (3 nonmarried; 4 mairred, wife entitled; and 3 married, wife not entitled).

[3] Excludes 1 female primary beneficiary group for whom the total face value of life insurance policies was unknown.

[4] Average based on all beneficiary groups in type.

larger proportions of both aged widows and widows with entitled children than of the primary beneficiary types who used savings withdrew savings of $600 or more. Some widows used savings to enable children to complete their college education. In addition, large withdrawals of savings by widows with entitled children sometimes appeared to reflect a lack of adjustment to a reduced level of income with which many families were faced after the death of the chief breadwinner. Although most aged beneficiaries faced a similar problem after retirement, they appear to have met it with less difficulty than widows with entitled children, probably because the need for adjustment had been anticipated by the aged whereas it came unexpectedly in most instances to the survivor families.

The following examples illustrate the use of varying amounts of assets for current living by beneficiaries at different income levels:

Mr. A, 73 years old, formerly a welder in a steel mill, worked until he became entitled to benefits at the age of 71. He stopped work at the doctor's advice, because of poor health. He and his wife, aged 71, received monthly family benefits of $47, based on an average monthly wage of $158.

Table 9.—*Net worth and life insurance: Percentage distribution of male and female primary beneficiary groups by face value of all policies held, four 1941–42 surveys*

Type of beneficiary group and total face value of policies	Total	No assets or liabilities [1] or liabilities in excess of assets	Assets exceed liabilities by— Less than $1,000	$1,000–2,999	$3,000–4,999	$5,000–9,999	$10,000 or more
	Philadelphia and Baltimore						
Male primary beneficiaries:							
Total number	[2] 485	162	69	124	70	34	26
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	*100.0
No policies	25.8	35.8	20.3	17.7	20.0	26.5	*30.8
Policies:							
Less than $1,000	42.5	50.0	53.6	41.1	38.6	20.6	*11.5
1,000–1,999	21.4	9.9	17.4	31.5	28.6	35.3	*19.2
2,000–2,999	4.7	2.5	2.9	6.5	8.6	8.8	-------
3,000 or more	5.6	1.9	5.8	3.2	4.3	8.8	*38.5
Median [3]	*$500*	*$300*	*$500*	*$800*	*$592*	*$1,000*	*$1,200*
Female primary beneficiaries:							
Total number	[4] 90	35	26	19	10	-------	-------
Total percent	100.0	100.0	*100.0	*100.0	*100.0	-------	-------
No policies	24.4	22.9	*19.2	*15.8	*60.0	-------	-------
Policies:							
Less than $1,000	66.7	68.6	*65.4	*78.9	*40.0	-------	-------
1,000–1,999	6.7	8.6	*11.5	-------	-------	-------	-------
2,000–2,999	-------	-------	-------	-------	-------	-------	-------
3,000 or more	2.2	-------	*3.8	*5.3	-------	-------	-------
Median [3]	*$216*	*$250*	*$310*	*$250*	*0*	-------	-------
	St. Louis						
Male primary beneficiaries:							
Total number	550	187	73	82	92	68	48
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No policies	17.8	25.1	20.5	7.3	12.0	11.8	22.9
Policies:							
Less than $1,000	30.4	45.5	35.6	29.3	16.3	20.6	6.2
1,000–1,999	30.2	21.4	26.0	45.1	40.2	35.3	18.8
2,000–2,999	9.8	5.3	6.8	8.5	18.5	11.8	14.6
3,000 or more	11.8	2.7	11.0	9.8	13.0	20.6	37.5
Median [3]	*$1,000*	*$500*	*$850*	*$1,000*	*$1,300*	*$1,350*	*$2,078*
Female primary beneficiaries:							
Total number	91	47	21	14	8	1	-------
Total percent	100.0	100.0	*100.0	*100.0	*100.0	*100.0	-------
No policies	24.2	21.3	*19.0	*21.4	*50.0	*100.0	-------
Policies:							
Less than $1,000	65.9	68.1	*81.0	*64.3	*25.0	-------	-------
1,000–1,999	7.7	10.6	-------	-------	*25.0	-------	-------
2,000–2,999	-------	-------	-------	-------	-------	-------	-------
3,000 or more	2.2	-------	-------	*14.3	-------	-------	-------
Median [3]	*$300*	*$300*	*$300*	*$425*	***$150*	***0*	-------
	Birmingham, Memphis, and Atlanta						
Male primary beneficiaries:							
Total number	564	236	111	112	41	40	24
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	*100.0
No policies	15.2	22.0	12.6	6.2	12.2	15.0	*8.3
Policies:							
Less than $1,000	50.5	59.3	64.0	46.4	29.3	20.0	*8.3
1,000–1,999	16.3	9.7	13.5	30.4	12.2	35.0	*4.2
2,000–2,999	5.5	5.1	4.5	6.2	9.8	5.0	*4.2
3,000 or more	12.4	3.8	5.4	10.7	36.6	25.0	*75.0
Median [3]	*$525*	*$375*	*$490*	*$872*	*$1,400*	*$1,125*	*$5,850*
Female primary beneficiaries:							
Total number	53	21	11	9	4	3	5
Total percent	100.0	*100.0	*100.0	*100.0	*100.0	*100.0	*100.0
No policies	26.4	*19.0	*27.3	*11.1	*50.0	*33.3	*60.0
Policies:							
Less than $1,000	54.7	*71.4	*54.5	*55.6	-------	*66.7	*20.0
1,000–1,999	11.3	*4.8	*9.1	*22.2	*50.0	-------	-------
2,000–2,999	1.9	-------	-------	-------	-------	-------	*20.0
3,000 or more	5.7	*4.8	*9.1	*11.1	-------	-------	-------
Median [3]	*$300*	*$284*	*$300*	***$500*	***$650*	***$800*	***0*
	Los Angeles						
Male primary beneficiaries:							
Total number	758	217	112	124	111	117	77
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No policies	40.6	55.8	42.0	33.9	30.6	33.3	32.5
Policies:							
Less than $1,000	20.1	24.4	29.5	25.8	17.1	8.5	6.5
1,000–1,999	18.1	11.1	16.1	18.5	25.2	27.4	15.6
2,000–2,999	10.4	5.1	8.9	9.7	17.1	17.9	7.8
3,000 or more	10.8	3.7	3.6	12.1	9.9	12.8	37.7
Median [3]	*$400*	*0*	*$287*	*$500*	*$1,000*	*$1,000*	*$1,200*
Female primary beneficiaries:							
Total number	186	59	56	32	16	13	10
Total percent	100.0	100.0	100.0	100.0	*100.0	*100.0	*100.0
No policies	57.0	54.2	57.2	53.1	*56.2	*76.9	*60.0
Policies:							
Less than $1,000	30.6	39.0	32.1	28.1	*25.0	*7.7	*20.0
1,000–1,999	8.6	3.4	7.1	18.8	*18.7	*7.7	-------
2,000–2,999	2.2	3.4	1.8	-------	-------	-------	*10.0
3,000 or more	1.6	-------	1.8	-------	-------	*7.7	*10.0
Median [3]	*0*	*0*	*0*	*0*	*0*	*0*	*0*

* Percentage distribution based on less than 30 cases.
** Median computed for less than 10 cases.
[1] Includes beneficiary groups whose assets and liabilities balanced.
[2] Excludes 23 male primary beneficiary groups for whom the values of net worth and/or life insurance policies were unknown.
[3] Average based on all beneficiary groups in type.
[4] Excludes 5 female primary beneficiary groups for whom the values of net worth and/or life insurance policies were unknown.

To meet current living expenses, the couple withdrew from their savings $100 a month for 10 months, reducing their savings from $1,450 at the beginning of the year to $450 at the end of the year. Their only other resources were some insurance policies whose total face value was $2,190. The aged couple said that they planned to go to a home for the aged, since neither one felt strong enough to take care of a house or garden.

Miss B, formerly a worker in the grinding department of a glassware manufacturing establishment, was dismissed at the age of 68 because "she was getting slow"; she filed for insurance benefits and was awarded $19.78 a month. Her only other income during the year was $2 bank interest. She shared her small home, which she owned outright, with her 76-year-old sister. The sister, who had no resources other than old-age assistance, was ill and required nursing care, which was provided by Miss B. At the beginning of the year, Miss B had $100 in her savings account. During the year she withdrew $82, which left her with $18 to draw on in an emergency.

Mr. C had been employed as secretary-treasurer for a wholesale firm before he reached the age at which the firm retired its employees. After he became entitled to benefits of $61.20 for himself and his wife, he worked for the company without salary. At the time of the interview, the total assets of Mr. and Mrs. C included $48,110 in stocks and bonds and a life insurance policy with a face value of $17,000. The company permitted him, his wife, and adult daughter to continue to live rent free in an 18-room company-owned house, with the understanding that the couple would be responsible for its maintenance. Money income from all sources during the survey year amounted to $4,124, including $2,400 from private insurance annuities, $150 from stocks and bonds, $840 from employment, and old-age insurance benefits of $734. Although the couple's income was relatively high, Mr. C used $3,000 of his assets—$1,000 for their current expenses and $2,000 to help his son who was ill with tuberculosis.

Mr. and Mrs. D, both over 80 years of age, received monthly old-age insurance benefits totaling $36.12. In addition the couple had $208 a year in stock dividends and interest on savings. Since current income of $641 did not cover their living expenses, they drew on assets. During the survey year, they had used $800 of their cash savings. Mr. D did not plan to return to employment but expected to use similar amounts in subsequent years. At the time of the interview, the net worth of the aged couple included $4,300 equity in a home in which they lived, about $10,000 in the bank, and insurance policies with face values totaling $4,000.

On the whole, only small proportions of the beneficiaries studied had assets—other than an equity in a home—which would have lasted for the rest of their lives, even if used at a modest rate over a period of years. Assuming, for example, that assets were withdrawn at a rate of $18.50 a month ($222 per year),[5] not more than 12 to 20 percent of all male

[5] This rate was chosen arbitrarily. As shown in table 11, it conforms, on the whole, to the median amounts of assets withdrawn by male primary beneficiaries who used assets to meet living expenses.

Table 10.—*Deficits because of living expenses: Percentage distribution of beneficiary groups by type of deficit, five surveys*

Type of deficit	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total number	508	153	163	179	95	18	129
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No deficit	65.6	64.1	61.3	70.9	71.6	*72.2	52.7
Deficit [2]	34.4	35.9	38.7	29.1	28.4	*27.8	47.3
Assets used	28.7	31.4	33.7	22.3	23.2	*27.8	39.5
Debts incurred	6.9	4.6	7.4	7.8	6.3	--------	14.7
	St. Louis						
Total number	550	150	180	197	91	43	120
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No deficit	62.9	72.0	58.3	60.4	63.7	44.2	47.5
Deficit [2]	37.1	28.0	41.7	39.6	36.3	55.8	52.5
Assets used	29.6	25.3	34.4	30.5	28.6	53.5	39.2
Debts incurred	10.9	3.3	11.1	14.7	9.9	9.3	24.2
	Birmingham, Memphis, and Atlanta						
Total number	564	113	139	270	53	28	183
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No deficit	70.4	80.5	69.1	67.8	73.6	*57.1	44.8
Deficit [2]	29.6	19.5	30.9	32.2	26.4	*42.9	55.2
Assets used	13.5	12.4	15.8	13.7	13.2	*32.1	31.1
Debts incurred	17.9	8.0	16.5	20.7	13.2	*14.3	36.1
	Los Angeles						
Total number	758	203	216	323	186	69	134
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No deficit	64.2	66.0	62.0	64.1	57.0	53.6	45.5
Deficit [2]	35.8	34.0	38.0	35.9	43.0	46.4	54.5
Assets used	26.5	27.6	29.2	25.4	33.3	44.9	32.8
Debts incurred	11.9	7.9	12.0	13.6	11.8	10.1	29.9
	12 middle-sized Ohio cities						
Total number	567	183	210	163	99	119	177
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No deficit	78.5	80.9	71.4	84.1	79.8	67.2	65.5
Deficit [2]	21.5	19.1	28.6	16.0	20.2	32.8	34.5
Assets used	19.2	15.8	25.2	16.0	18.2	32.8	29.4
Debts incurred	3.5	4.4	4.3	1.8	2.0	--------	9.0

*Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Total is less than the sum of the groups using assets and incurring debts, since some reported both types of deficits.

primary beneficiaries in three surveys, and 26 to 30 percent in two surveys, would have had sufficient assets not invested in a home to last for an average span of 9 years.[6] The proportions among women primary beneficiaries having sufficient assets to last for an average life span of 11 years were smaller, ranging from 5 percent in Philadelphia and Baltimore to 18 percent in Los Angeles. From 52 to 78 percent of all male primary beneficiaries in five surveys either had no assets or had assets other than a home which would have lasted less than 3 years if withdrawn at the rate of $18.50 per month; for 63 to 84 percent such assets would have been exhausted within 5 years. The corresponding proportions were larger (60 to 83 percent and 70 to 89 percent, respectively) for women with benefits on their own wage records.

Debts Incurred for Current Living During Survey Year

Although the majority of beneficiaries whose expenditures exceeded their current income met the deficit out of savings, some in each type of beneficiary group went into debt either by purchasing goods on credit, accumulating unpaid medical bills, or borrowing. Only bills which were at least a month in arrears have been considered debts. The debts most frequently incurred were for groceries, fuel, and doctors' services. The amounts ranged from $25[7] to several hundred dollars. Some beneficiaries who had no cash or other convertible assets but owned life insurance policies had borrowed on their policies during the survey year. Other beneficiaries were in arrears for rent on their apartments or taxes on their homes. A few beneficiaries had used installment credit for the purchase of durable consumer goods, such as a refrigerator, house furnishings, or a car, obviously expecting to pay for such purchases out of future income.

Of the aged beneficiary groups in the 1941–42 surveys, 3 to 8 percent of the nonmarried men, 7 to 21 percent of the couples, 6 to 13 percent of the female primary beneficiaries, and 0 to 14 percent of the aged widows reported debts incurred during the survey year (table 10). In each of the 1941–42 surveys, widows with entitled children incurred debts more frequently than the aged beneficiaries, 15 to 36 percent of them reporting debts. In many instances, their debts were the result of installment purchases of furniture, a type of debt infrequently reported by the aged beneficiaries. In the Ohio survey, smaller

Table 11.—*Assets used for living expenses: Percentage distribution of beneficiary groups by asset status, beginning of survey year, five surveys*

Asset status	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total[1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No assets or none in addition to equity in home	53.6	57.3	47.2	54.5	58.1	*39.8	45.7
Assets other than equity in home	46.4	42.7	52.8	45.5	41.9	*61.1	54.3
No assets used	17.7	11.3	19.1	23.2	18.7	*33.3	14.8
Assets used	28.7	31.4	33.7	22.3	23.2	*27.8	39.5
Less than $100	5.7	8.5	6.7	2.8	7.4	-------	8.4
100–199	5.7	10.5	4.9	2.8	7.4	*11.1	9.3
200–299	5.7	3.3	9.9	3.9	3.1	*5.6	3.1
300–399	3.1	3.9	1.2	3.9	2.1	-------	9.3
400–599	4.0	2.6	8.0	1.7	2.1	-------	4.7
600–999	3.5	1.3	1.8	6.6	1.1	*11.1	3.1
1,000 or more	1.0	1.3	1.2	.6	-------	-------	1.6
Median[2]	*$234*	*$150*	*$200*	*$300*	*$130*	***$200*	*$240*
Mean[2]	*312*	*253*	*296*	*420*	*186*	*329*	*370*
	St. Louis						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No assets or none in addition to equity in home	42.9	46.0	41.7	42.1	47.3	30.2	42.5
Assets other than equity in home	57.1	54.0	58.3	57.9	52.7	69.8	57.5
No assets used	27.5	28.7	23.9	27.4	24.1	16.3	18.3
Assets used	29.6	25.3	34.4	30.5	28.6	53.5	39.2
Less than $100	6.3	8.7	8.3	3.6	13.2	2.3	2.5
100–199	5.5	5.3	3.9	7.1	5.5	14.0	8.3
200–299	7.0	4.0	8.3	8.7	4.4	11.6	5.0
300–399	3.5	3.3	5.0	2.5	2.2	7.0	8.3
400–599	4.4	2.7	5.0	5.1	1.1	9.3	9.2
600–999	1.8	1.3	2.2	2.0	2.2	9.3	3.4
1,000 or more	1.1	-------	1.7	1.5	-------	-------	2.5
Median[2]	*$200*	*$150*	*$212*	*$210*	*$110*	*$265*	*$300*
Mean[2]	*278*	*209*	*288*	*310*	*188*	*335*	*404*
	Birmingham, Memphis, and Atlanta						
Total	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
No assets or none in addition to equity in home	59.2	71.7	48.2	57.8	43.4	*39.3	46.4
Assets other than equity in home	40.8	28.3	51.8	42.2	56.6	*60.7	53.6
No assets used	27.3	15.9	36.0	28.5	43.4	*28.6	22.5
Assets used	13.5	12.4	15.8	13.7	13.2	*32.1	31.1
Less than $100	3.5	4.3	4.4	3.3	5.7	-------	6.0
100–199	3.0	2.7	1.4	4.0	1.9	*14.3	9.8
200–299	2.5	1.8	3.6	1.9	3.8	*3.6	3.8
300–399	1.1	.9	-------	1.9	-------	-------	3.3
400–599	1.8	.9	3.6	1.5	-------	*7.1	3.3
600–999	.9	.9	1.4	.7	-------	*3.6	2.7
1,000 or more	.7	.9	1.4	.4	1.9	*3.6	2.2
Median[2]	*$200*	*$150*	*$225*	*$178*	***$150*	***$200*	*$195*
Mean[2]	*305*	*293*	*409*	*256*	***324*	***451*	*309*

See footnotes at end of table.

[6] The average age at the end of the survey year of beneficiaries studied was 69 to 71 years. According to *United States Life Tables and Actuarial Tables, 1939–41*, Bureau of the Census, the average life expectancy was 9 years for men and 11 years for women in these age classes. The average life expectancy of beneficiaries, however, may be longer or shorter than the average for all men and women aged 69 to 71; the estimates for the period of time for which savings would last if withdrawn at a given rate are, therefore, only illustrative.

[7] Debts of less than $25 were disregarded.

proportions of all types reported debts.

By and large, the amount of the debts incurred during the year was small. For example, 2 to 15 percent of the aged beneficiaries had incurred debts of less than $100, and 3 to 17 percent, less than $200 (table 12). Of all male primary beneficiaries reporting debts incurred for current living, 58 to 71 percent had acquired debts of less than $100 and 79 to 94 percent, less than $200.

Where the debts were small, they usually consisted of unpaid grocery bills or small doctors' bills, whereas debts of $200 or more were frequently incurred because of emergency expenses, such as an operation or hospital costs for a prolonged illness. In a few instances, however, the larger debts were borrowings on life insurance policies to meet current living expenses during the survey year.

The proportion of beneficiary groups that incurred debts was smallest in the Philadelphia-Baltimore and the Ohio surveys. The attitude of the aged beneficiaries in Philadelphia, in particular, appeared to reflect the Quaker disapproval of debts. Again and again, when the interviewers broached the subject of debts they were given a short moral lecture on the desirability of being free of debt. The small proportion in the Ohio survey that incurred debts may be explained partially by the fact that a relatively large proportion of the beneficiaries whose incomes were inadequate to meet their current expenses took regular jobs. This conclusion is supported by the finding that the difference between the early surveys and the 1944 survey in proportions incurring debts was largest for the widow-child beneficiary groups and for the married men with nonentitled wives, the two types who had benefited most from the increase in employment opportunities. Thus while 8 to 21 percent of the married men with nonentitled wives and 15 to 36 percent of the widows with entitled children had incurred debts for current living in 1941–42, not more than 2 percent of the former and 9 percent of the latter had such deficits in the 1944 Ohio survey.

The majority of beneficiary groups who financed their deficit expenditures by incurring debts had no cash or other assets with which they might have paid their bills. Some beneficiaries, however, who had cash or some other kind of asset obviously preferred to borrow rather than use up their savings. Beneficiary groups incurring debts for current living expenses, therefore, were not necessarily without savings.

Of the 286 men beneficiaries who incurred debts in the four 1941–42 surveys combined, 104 (36 percent) had savings or some other kind of asset with which they might have paid their bills. On the other hand, 182 (64 percent) had no assets on which they could have drawn, although 71 (25 percent) had an equity in the home in which they lived. Women with benefits based on their own wage records and the widow-child beneficiary groups were more likely than the aged men beneficiaries to use credit when they had savings. In the four 1941–42 surveys combined, 21 of the 44 female primary beneficiaries (48 percent) and 70 of the 154 widows with entitled children (45 percent) who had incurred debts during the survey year had some savings or other convertible assets. The beneficiary groups that had incurred debts for current living expenses, although they had some savings on hand, constituted 5 percent of all women primary beneficiaries, 5 percent of the aged couples, 2 percent of the nonmarried men, and 12 percent of the widow-child beneficiaries in the four 1941–42 surveys combined. On the other hand, 4 percent of the nonmarried men, 7 percent of the men with entitled wives, 9 percent of

Table 11.—*Assets used for living expenses: Percentage distribution of beneficiary groups by asset status, beginning of survey year, five surveys*—Continued

Asset status	Male primary beneficiaries: Total [1]	Male primary beneficiaries: Nonmarried	Male primary beneficiaries: Married, wife entitled	Male primary beneficiaries: Married, wife not entitled	Female primary beneficiaries	Aged widows	Widows with entitled children
	Los Angeles						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No assets or none in addition to equity in home	35.6	46.3	31.5	31.3	31.7	17.4	34.3
Assets other than equity in home	64.4	53.7	68.5	68.7	68.3	82.6	65.7
No assets used	37.9	26.1	39.3	43.3	35.0	37.7	32.9
Assets used	26.5	27.6	29.2	25.4	33.3	44.9	32.8
Less than $100	5.1	6.0	7.0	3.7	7.5	8.7	4.5
100–199	6.3	6.9	4.2	7.5	9.6	14.5	4.5
200–299	3.7	5.4	3.2	3.1	3.8	5.8	4.5
300–399	3.4	3.9	4.6	2.5	3.8	5.8	8.1
400–599	4.4	3.9	4.6	4.6	4.3	4.3	3.0
600–999	1.8	1.5	2.8	1.5	3.8	4.3	3.7
1,000 or more	1.8	-------	2.8	2.5	.5	1.5	4.5
Median [2]	*$238*	*$200*	*$300*	*$234*	*$178*	*$150*	*$300*
Mean [2]	*350*	*237*	*406*	*384*	*269*	*292*	*568*
	12 middle-sized Ohio cities						
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No assets or none in addition to equity in home	28.2	41.5	20.5	22.7	44.4	32.8	21.5
Assets other than equity in home	71.8	58.5	79.5	77.3	55.6	67.2	78.5
No assets used	52.6	42.7	54.3	61.4	37.4	34.4	49.1
Assets used	19.2	15.8	25.2	16.0	18.2	32.8	29.4
Less than $100	2.5	2.7	2.9	1.9	6.1	5.0	10.7
100–199	5.3	3.3	8.5	3.7	4.1	10.1	5.6
200–299	3.5	3.3	3.3	4.3	2.0	6.8	4.5
300–399	2.8	1.6	3.3	3.1	2.0	4.2	.6
400–599	2.8	3.3	3.8	1.2	2.0	4.2	3.4
600–999	1.2	-------	2.4	1.2	2.0	1.7	4.0
1,000 or more	1.1	1.6	1.0	.6	-------	.8	.6
Median [2]	*$228*	*$200*	*$228*	*$250*	*$125*	*$221*	*$147*
Mean [2]	*303*	*314*	*303*	*290*	*239*	*299*	*268*

* Percentage distribution based on less than 30 cases.

** Mean and median are computed for less than 10 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

[2] Average based on beneficiary groups using assets.

the men with nonentitled wives, 5 percent of all women primary beneficiaries, and 15 percent of all widow-child beneficiary groups in the four 1941–42 surveys combined had incurred debts for current living because they actually did not have the funds on hand with which to pay the bills. Their debts represent, therefore, a real liability on future income. The kind of debts incurred by persons who had no cash in the bank or other convertible assets were as varied as those incurred by those who had cash or some other asset holdings with which to pay their bills.

The following examples illustrate the economic status of beneficiaries who incurred debts:

Mr. E was a salesman in a department store until retirement at age 70. He and his wife, who was the same age, became entitled to old-age benefits of $47.72 a month. These benefits were the couple's only money income during the survey year. They lived in a home valued at $4,000. Their home and an insurance policy with a face value of $5,000 were their only assets. Mr. and Mrs. E managed to meet all current expenses except taxes of $216 on their home, and at the end of the survey year the taxes were in arrears.

Mr. and Mrs. F, aged 68 and 67 years, respectively, lived in a home which they owned free of mortgage and which they valued at $5,000. They had lived in the same house for the last 21 years and, by renting a room, they added $196 to their income of $435 from insurance benefits. Their total income of $631 did not meet their current living expenses, and Mr. F secured a personal loan of $350 from a friend. Mr. F had tried to get regular employment, he said, but had been unsuccessful.

Table 12.—*Debts incurred for living expenses: Percentage distribution of beneficiary groups, by amount of debt, four 1941–42 surveys*

Debts incurred	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Philadelphia and Baltimore						
Total number	508	153	163	179	95	18	129
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
None	93.1	95.4	92.6	92.2	93.7	*100.0	85.3
Less than $25	-------	-------	-------	-------	-------	-------	-------
25–49	1.8	-------	3.7	1.7	2.1	-------	6.2
50–99	3.1	4.6	1.8	2.2	2.1	-------	7.8
100–199	1.6	-------	1.8	2.8	2.1	-------	.8
200–499	.4	-------	-------	1.1	-------	-------	-------
500 or more	-------	-------	-------	-------	-------	-------	-------
	St. Louis						
Total number	550	150	180	197	91	43	120
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
None	89.1	96.7	88.9	85.3	90.1	90.7	75.8
Less than $25	-------	-------	-------	-------	-------	-------	-------
25–49	3.1	.7	.6	6.6	2.2	4.7	5.8
50–99	3.3	1.3	5.6	2.0	5.5	-------	10.8
100–199	2.5	1.3	2.8	2.5	-------	2.3	5.0
200–499	1.8	-------	2.2	3.0	2.2	-------	2.5
500 or more	.2	-------	-------	.5	-------	2.3	-------
	Birmingham, Memphis, and Atlanta						
Total number	564	113	139	270	53	28	183
Total percent	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
None	82.1	92.0	83.5	79.3	86.8	*85.7	63.9
Less than $25	-------	-------	-------	-------	-------	-------	-------
25–49	5.5	2.7	5.0	5.9	5.7	*14.3	14.2
50–99	7.1	2.7	5.8	8.9	3.8	-------	12.0
100–199	2.8	1.8	3.6	2.2	1.9	-------	7.1
200–499	2.0	.9	.7	3.3	1.9	-------	2.2
500 or more	.5	-------	1.4	.4	-------	-------	.5
	Los Angeles						
Total number	758	203	216	323	186	69	134
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
None	88.1	92.1	88.0	86.4	88.2	89.9	70.1
Less than $25	-------	-------	-------	-------	-------	1.4	2.2
25–49	4.0	2.0	4.2	5.0	4.3	4.3	3.0
50–99	3.4	3.0	3.2	4.0	3.8	2.9	12.7
100–199	2.0	1.5	2.3	1.9	1.6	-------	6.0
200–499	1.7	1.0	.9	2.2	2.2	1.4	4.5
500 or more	.8	.5	1.4	.6	-------	-------	1.5

*Percentage distribution based on less than 30 cases.

[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

Summary and Conclusions

Aged workers who were entitled to insurance benefits from January 1940 to the end of 1942 were past middle age when the economic depression of the 1930's threw many American workers out of work. Unemployment insurance provisions that would have reduced the impact of loss of earnings on the resources of many families were not then in existence. As a consequence, families who were faced with loss of income because of unemployment had to fall back on accumulated savings. Many exhausted their savings entirely and had to resort to public aid; others depleted their savings substantially.

These facts should be kept in mind in appraising the significance of the amount of assets and liabilities aged beneficiaries reported at the end of the survey years in 1941–42 and 1944. These assets may not, in many instances, represent the amounts accumulated during their working years. While the extent to which beneficiaries' savings were depleted during the 1930's cannot be estimated on the basis of the facts obtained, it can nevertheless be assumed that many beneficiaries studied would have been better off if they had been younger when the depression of the 1930's occurred. Comments made by aged men and women beneficiaries and recorded by the interviewers support this assumption.

The net savings to beneficiaries were studied because savings are important to beneficiaries in supplementing current income to meet living expenses. For this reason the net worth of beneficiaries and the liquidity of their assets are significant in a social security system in which insurance benefits are designed primarily as a floor of protection, intended to provide economic security only in conjunction with other beneficiary resources.

The degree to which net savings could be counted on as a reliable source of supplementation was, of course, limited by the extent and liquidity of the assets. Although the majority of the beneficiaries of different types—about two-thirds of the male primary beneficiaries and widow-child beneficiary groups, about four-fifths of the aged widows, and about three-fifths of the women with benefits on their own wage records—had some savings in the form of liquid assets—cash, stocks, and bonds—or in the form of real estate, the amount of such assets was frequently small.

Many beneficiaries who had some savings other than a home used these savings to meet living expenses during the survey year. But savings large enough to supplement current income substantially were found most frequently among beneficiaries whose independent incomes from reasonably permanent sources were comparatively large, whereas beneficiaries with comparatively small incomes from such sources had either no asset holdings or only small amounts.

The data on net worth obtained from the beneficiaries in the various surveys lead to the conclusion that a majority of the beneficiaries had no assets, other than an equity in an owned home, large enough to permit regular withdrawals at a modest rate for a period equal to the average life expectancy of persons of their age.

Whether workers who will become entitled to insurance benefits in the future will be better or worse off in terms of net worth than the beneficiaries studied will depend in part on whether there is a long period of prosperity or another prolonged depression when they are past middle age, and also in part on the extent to which major risks such as unemployment and disability are adequately provided for by insurance provisions.

(*Continued from page 2*)

was 29 percent larger than in August 1946, before the increase in Federal participation under the 1946 amendments went into effect. The rise was due in part to the heavier case loads but principally to the rise in average payments under all programs during the period. For old-age assistance, the average rose from $31.82 to $36.39; for aid to dependent children, from $54.07 per family to $62.43; for aid to the blind, from $34.31 to $38.32; and for general assistance, from $34.47 per case to $40.14.

Advisory Council on Social Security

Creation of an Advisory Council of 17 members, to assist the Senate Finance Committee in a comprehensive study of the present social security system and of various proposals for its expansion, was announced on September 28 by the Committee's Chairman, Senator Millikin.

The study is being made in accordance with the resolution (S. Res. 141) adopted by the Senate in the last session, which provides $25,000 for a "full and complete investigation of old-age and survivors insurance and all other aspects of the existing social security program, particularly in respect to coverage, benefits, and taxes related thereto."

Edward R. Stettinius, rector of the University of Virginia and former Secretary of State, was named chairman of the Council. Associate chairman is Sumner H. Slichter, Harvard professor and chairman of the Research Advisory Board of the Committee of Economic Development. The other members are Frank Bane, of Chicago, executive director of the Council of State Governments; J. Douglas Brown, Princeton University; Malcolm H. Bryan, Atlanta banker; Nelson H. Cruikshank, director of social insurance activities for the American Federation of Labor; Mary H. Donlon, chairman of the New York State Workmen's Compensation Board; Adrien J. Falk, of San Francisco, president of the S & W Fine Foods, Inc.; Marion B. Folsom, treasurer of the Eastman Kodak Company; M. Albert Linton, president of the Provident Mutual Life Insurance Company; John Miller, assistant director of the National Planning Association; William I. Myers, New York State College of Agriculture, Cornell University; Emil Rieve, president of the Textile Workers' Union and vice president of the Congress of Industrial Organizations; Florence R. Sabin, Denver scientist; S. Abbot Smith, president of the Thomas Strahan Company of Weston, Massachusetts; Delos Walker, vice president of R. H. Macy & Company; and Ernest C. Young, of Purdue University.

The Council's first meeting is scheduled for December 5.