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

The level of living represented by this budget and the city worker's family budget is intended to represent a modest but adequate mode of living, which allows normal participation in the life of the community in accordance with current American standards. This level, of course, does not necessarily and in itself determine the goal, in terms of size of payments, toward which those responsible for social security programs should work. Social insurance benefits represent a substitute for earnings which are interrupted or cease; it is generally agreed that a man's benefits should be less than what he earned when working. Many individuals will have supplementary income from savings, private annuities, and other sources. The purpose of public assistance payments is to supplement the other income and resources of the needy individual in accordance with the public assistance agency's standards of assistance.

However, a measure of the over-all cost of such a level of living in different communities and for families of different sizes does provide a highly useful tool for appraising the several social security programs in operation throughout the Nation. For old-age and survivors insurance, and for unemployment insurance, the budgets make possible an evaluation of the extent to which the specified level of living is attained by one type of beneficiary as compared with another. The part that benefits play in enabling the beneficiary to meet the total cost of living at this level, or at a level modified to take account of usually accepted housing standards, can also be estimated. For public assistance programs, the budgets furnish a basis for appraising the adequacy of the assistance standards set by the public assistance agency and should be helpful in community interpretation of such standards. For the several programs, the budgets provide some measure of variations from city to city in the cost of living at the specified level.

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

By Lelia M. Easson*

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

In presenting these data in 1948, it is recognized that among the beneficiaries interviewed in the early surveys, most of those still living are probably in a worse financial situation now than they were in 1940–42. From the time the data were collected to the end of 1947, consumers' prices rose by about 60 percent; and despite the postwar opportunities for employment, old age and sickness must have forced the complete retirement of most of the aged beneficiaries. The analysis, nevertheless, will have value as an approach to the problem of measuring economic security. It also furnishes significant comparisons of the level of living among beneficiary types and among the various survey areas. These surveys provided a relatively large group for analysis, consisting of beneficiaries who were fairly homogeneous as to the length of time they had been entitled to benefits and who lived in large cities in different parts of the country.

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

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[1] See the *Bulletin,* July and September 1943; January, April, May, September, and November 1945; January 1946; and August and October 1947.

[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.

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

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

[1] A description of the method of estimating is given in *Changes in Cost of Living in Large Cities, 1913–41,* Bureau of Labor Statistics Bulletin No. 699, pp. 12–13.

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

relatives lived in the household, they were in most instances a potential source of aid. A majority of the aged beneficiaries probably lived on at least the maintenance level when their total resources—current income, assets used, debts incurred, and help from relatives in the household—are considered. Widows with entitled children had on the whole much less adequate incomes than the aged. A relatively large proportion drew heavily on savings and went into debt. They, too, probably were aided by relatives in the household. It was estimated that three-fifths to four-fifths of the aged beneficiaries did not have enough independent income of the sort that might be counted on to continue—that is, old-age insurance benefits, retirement pay, rents, interest, and so forth—to provide a maintenance level of living.

A Test of Adequacy

The measurement of "security" presents many difficulties, even if the word is defined in purely economic terms. What level of living should be taken as the "security level"? What kinds of income should be considered as contributing to a person's security? Since a person's security has reference to his expectations as well as his present circumstances, how can these expectations be taken into account?

With respect to the level of living to be taken as a standard in measuring security, a number of different approaches might reasonably be attempted. For example, the level chosen might be the one at which the beneficiaries had lived just before their retirement or at some other period of their lives; or it might be the level provided by the median income of persons in the same community. An approach that presents fewer difficulties than either of these is to select as a yardstick the level of living defined by a standard budget. This approach requires that a decision be made as to both the level of living to be adopted for the analysis and the particular standard budget to be accepted as defining that level.

For the purpose of this study, it seemed reasonable to use a budget that describes a level of living low enough to be within the reach of the average American family and yet high enough to meet basic economic needs. Such a level is frequently spoken of as the "maintenance level." In using the maintenance level for this analysis, there is no intention to imply that the goal of social insurance should be to pay benefits sufficient to enable every beneficiary to live at or above that level on his independent resources alone. An insurance system that relates benefits to past earnings cannot provide benefits that will make up completely for deficiencies in previous earnings or lack of savings and other financial resources. A comparison of the spendable funds of the beneficiary groups with the cost of the maintenance budget will, however, contribute to an understanding of the levels at which the beneficiaries lived.

Table 2.—*Cost of maintenance budgets for beneficiary groups in typical living arrangements, four surveys* [1]

Type of living arrangement	Philadelphia and Baltimore, Dec. 15, 1940	St. Louis, June 15, 1941	Birmingham, Memphis, and Atlanta, Sept. 15, 1941	Los Angeles, Dec. 15, 1941
Man aged 65 or over, unemployed, living—				
Alone	$463	$505	$487	$493
With 1 other person	396	431	417	428
With 4 other persons	308	334	326	343
Woman aged 65 or over, unemployed, living—				
Alone	443	483	465	469
With 1 other person	377	411	397	405
With 4 other persons	291	315	308	322
Couple aged 65 or over, unemployed, living—				
By themselves	773	842	814	833
With 1 other person	678	738	717	742
With 4 other persons	583	633	620	651
Couple, husband aged 65 or over, wife aged 60, both unemployed, living—				
By themselves	781	850	822	842
With 1 other person	685	746	725	750
With 3 other persons	605	656	641	672
Woman aged 42, unemployed, with boy aged 10, living—				
By themselves	785	852	830	842
With 1 other person	689	746	733	750
With 2 other persons	630	681	671	690
Woman aged 45, employed, with boy aged 16 and girl aged 14, living—				
By themselves	1,191	1,284	1,268	1,311
With 1 other person	1,096	1,181	1,170	1,215
Woman aged 40, unemployed, with boy aged 13 and girl aged 8, living—				
Alone	1,026	1,112	1,090	1,115
With 1 other person	936	1,012	997	1,025

[1] Computed by application of relative scales to the cost of the WPA maintenance budget as published for the approximate midpoints of the survey years. For methods of computing relative scales, see the *Bulletin*, March 1947, pp. 9–13.

Table 3.—*Percent of beneficiary groups with sufficient income and imputed rent, including and excluding old-age and survivors insurance benefits, for at least a maintenance level of living, four surveys*

Survey area	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Including old-age and survivors insurance benefits						
Philadelphia and Baltimore	59.6	66.7	61.4	52.5	54.7	*72.2	33.3
St. Louis	50.7	48.0	52.2	51.8	38.5	55.8	40.0
Birmingham, Memphis, and Atlanta	41.0	38.1	47.5	41.9	43.4	*39.3	29.5
Los Angeles	65.3	58.1	76.4	63.2	75.3	71.0	62.7
	Excluding old-age and survivors insurance benefits						
Philadelphia and Baltimore	31.9	38.6	25.8	33.0	25.3	*22.2	14.0
St. Louis	31.6	31.3	25.6	39.1	12.1	37.2	12.5
Birmingham, Memphis, and Atlanta	24.8	19.5	21.6	30.4	26.4	*7.1	10.4
Los Angeles	36.3	24.1	31.5	47.4	36.0	34.8	33.6

*Percent based on less than 30 cases.
[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

When the present analysis was made, the Works Progress Administration's maintenance budget[3] appeared to lend itself to the analysis better than any other budget then available. This budget has been described as furnishing less than the health and decency level which skilled workers may hope to obtain, but more than a "minimum of subsistence" or emergency level, which is estimated to cost about 70 percent of the expenditure required for the maintenance level.[4] Compared with other budgets described as "maintenance," the WPA budget made neither the highest nor the lowest allowances for living. Estimates of the cost of the WPA budget, moreover, had been published for the seven large cities in which beneficiary surveys had been made in 1941–42[5] and for dates near the midpoints of the survey years (table 1).[6]

[3] Works Progress Administration, *Quantity Budgets for Basic Maintenance and Emergency Standards of Living*, Division of Social Research Bulletin, Series I, No. 21, 1936; and *Intercity Differences in Costs of Living in March 1935*, Division of Social Research Monograph XII, 1937. From time to time in subsequent years, estimates of the cost of the "maintenance budget" were made by the Bureau of Labor Statistics. A description of the method is given in *Changes in Cost of Living in Large Cities, 1913–41*, BLS Bulletin No. 699, pp. 12–13. The cost of the budget in the survey cities for the approximate midpoint of the survey years was taken from the following publications of the Bureau of Labor Statistics: *Changes in Cost of Living*, Serial Nos. R. 1254, p. 17; R. 1346, p. 18; and R. 1391, p. 18; and *Cost of Living in 1941*, Bulletin No. 710, p. 36.

[4] At the WPA maintenance level an employed man (laborer), his wife, and two children (a boy aged 13 and a girl aged 8) "live in a 4 or 5-room house or apartment with water and sewer connections. Their dwelling is in at least a fair state of repair and contains an indoor bath and toilet for their exclusive use. They have gas, ice, electricity, and a small radio, but no automobile. They read a daily newspaper, go to the movies once a week, and enjoy other simple leisure-time activities. Their food is an adequate diet at minimum cost." No allowance was made for savings other than small life insurance policies. The emergency budget provided more exclusively for physical wants. (Works Progress Administration, *Intercity Differences in Costs of Living in March 1935*, Division of Social Research Monograph XII, 1937, p. XIII.)

[5] The cost of the WPA maintenance budget has not been published for the middle-sized cities in the Ohio survey.

Table 4.—*Percentage distribution of beneficiary groups by the percent that income and imputed rent formed of the cost of a maintenance budget, four surveys*

Percent that income and imputed rent formed of the cost of a maintenance budget	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
Less than 25	.4	-------	-------	1.1	-------	-------	-------
25–49	4.7	3.9	1.2	8.4	2.1	-------	5.4
50–74	18.1	15.7	14.7	22.9	18.9	*16.7	34.9
75–99	17.2	13.7	22.7	15.1	24.3	*11.1	26.4
100–124	16.7	18.4	18.4	12.8	17.8	*27.8	13.9
125–149	10.6	7.2	16.0	8.4	7.4	*11.1	7.8
150–199	14.8	15.0	14.1	15.6	12.6	*16.7	5.4
200–299	11.6	17.6	8.6	10.1	13.7	*11.1	3.9
300 or more	5.9	8.5	4.3	5.6	3.2	*5.6	2.3
	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
Less than 25	-------	-------	-------	-------	-------	-------	-------
25–49	6.2	5.3	2.2	10.2	19.8	4.7	7.5
50–74	25.3	30.0	27.2	20.8	21.9	32.6	32.5
75–99	17.8	16.7	18.4	17.2	19.8	7.0	20.0
100–124	13.6	11.3	17.1	10.2	14.3	9.3	17.5
125–149	7.3	1.4	8.9	10.7	13.2	7.0	10.0
150–199	10.7	11.3	10.6	10.7	7.7	11.6	7.5
200–299	11.6	12.7	10.0	13.1	3.3	16.3	5.0
300 or more	7.5	11.3	5.6	7.1	-------	11.6	-------
	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
Less than 25	1.6	-------	.7	2.6	-------	-------	3.3
25–49	19.0	18.6	10.8	20.0	11.3	*14.3	23.0
50–74	23.2	25.7	25.2	20.0	34.0	*17.9	27.9
75–99	15.2	17.7	15.8	15.6	11.3	*28.6	16.4
100–124	9.9	8.8	10.8	10.4	13.2	*17.9	13.1
125–149	8.0	5.3	13.7	7.0	7.5	*10.7	5.5
150–199	8.3	8.0	9.4	7.8	5.7	*3.6	4.9
200–299	8.7	7.1	6.5	11.5	7.5	*7.1	4.9
300 or more	6.0	8.8	7.2	5.2	9.4	-------	1.1
	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
Less than 25	.1	-------	-------	.3	-------	-------	.7
25–49	2.1	1.5	-------	3.7	1.6	1.4	3.7
50–74	11.7	14.8	4.6	13.9	10.2	13.0	20.9
75–99	20.8	25.6	19.0	18.9	12.9	14.5	12.0
100–124	17.3	16.3	23.2	14.5	28.5	17.4	17.2
125–149	14.0	13.8	20.9	9.3	15.1	17.4	11.2
150–199	14.4	11.8	15.7	15.5	14.5	20.3	15.7
200–299	12.7	10.8	10.6	15.5	12.4	7.2	13.4
300 or more	6.9	5.4	6.0	8.4	4.8	8.7	5.2

*Percentage distribution based on less than 30 cases.

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

[6] After the present analysis was undertaken, the Bureau of Labor Statistics, at the request of the Seventy-ninth Congress, began work on a new budget for a family of the same composition as that represented in the WPA budget. This budget is described in "The City Worker's Family Budget," *Monthly Labor Review*, February 1948. The Social Security Administration also undertook the preparation of a budget for an elderly couple living by themselves, which is described in this issue. These budgets were not available for possible use in this analysis.

The WPA budget was priced for a single family type—an employed laborer, his wife, and two children (a boy aged 13 and a girl aged 8). To use this budget in appraising the resources of beneficiary groups of differing composition and living arrangements, it was necessary to establish the cost of living of each beneficiary group at a level corresponding to that described for the 4-person family for which the budget was designed. This conversion was accomplished by means of requirement scales which were specially computed for this purpose or derived from scales constructed by other agencies.[7] As examples of the results of this conversion, the maintenance budgets computed for beneficiary groups of the major types in typical living arrangements are shown in table 2.

In the following analysis, three different approaches have been used in determining the extent to which the beneficiaries had economic security as measured by the cost of the WPA maintenance budget at about the middle of the survey year in the city where the beneficiary lived. First, the total income of each beneficiary group during the survey year has been compared with this level (tables 3 and 4); debts incurred by the family and its use of savings, as well as potential help from relatives in the household, are also taken into consideration (tables 5 and 6). Second, to appraise the extent to which the beneficiaries had a maintenance level of living without resort to public assistance or private aid, their nonrelief income is also evaluated in terms of the standard budget (table 7). Third, a further comparison has been made between the cost of the maintenance budget and independent income available to beneficiaries from permanent sources, such as 12 months' insurance benefits, retirement pay, and investments (tables 8–10). These sources differ from nonrelief income in that they exclude earnings, gifts, unemployment compensation, and sporadic income that cannot be expected to recur periodically throughout the insured period. Independent income available from relatively permanent sources is used in this analysis as a sort of index to the beneficiaries' security under circumstances of complete retirement on their own independent incomes.

In addition to evaluating the beneficiaries' security as provided by total income, nonrelief income, and independent income from permanent sources, the sources of income of beneficiaries at relatively low and relatively high economic levels are described (tables 11 and 12). Finally, the special situation of the Negro beneficiaries in Birmingham, Memphis, and Atlanta is examined briefly (table 13).

Total Income and Other Resources

A third to three-fifths of the aged beneficiary groups, the proportions varying with the survey area, did not have enough income [8] to equal the cost

[7] A description of the method by which the cost of the WPA maintenance budget as published for 1941–42 was adapted to families of differing composition is given in the article, "Techniques for Estimating the Cost of Living at the WPA Maintenance Level for Families of Differing Composition," *Social Security Bulletin*, March 1947, pp. 9–13.

[8] Represents old-age and survivors insurance benefits, retirement pay, union pensions, veterans' pensions, interest and dividends, net rents, earnings, unemployment compensation, workmen's compensation, private insurance and annuity payments, gifts, public assistance and private relief payments, other miscellaneous cash receipts, and imputed rent.

Table 5.—*Percent of beneficiary groups with sufficient spendable funds*[1] *for at least a maintenance level of living, four surveys*

Survey area	Male primary beneficiaries: Total [2]	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
Philadelphia and Baltimore	66.7	72.5	69.9	59.8	61.1	*72.2	46.5
St. Louis	59.5	58.0	62.2	59.4	49.5	67.4	55.8
Birmingham, Memphis, and Atlanta	44.5	39.8	51.8	46.3	47.2	*46.4	37.2
Los Angeles	74.8	70.4	84.7	72.1	87.1	85.5	68.7

*Percent based on less than 30 cases.
[1] Represents total money income, imputed rent, and assets used and debts incurred for current living.
[2] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

Table 6.—*Effect of pooling family income on proportion of beneficiary groups living at or above the maintenance level, four surveys*

Survey area	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
	Percent of beneficiary groups with below-maintenance incomes who would have had at least maintenance living if family income were pooled						
Philadelphia and Baltimore	17.1	13.1	16.6	20.7	21.1	*22.2	23.3
St. Louis	14.5	11.3	15.0	17.3	22.0	18.6	16.7
Birmingham, Memphis, and Atlanta	12.4	8.8	15.1	13.3	20.8	*21.4	12.0
Los Angeles	8.6	7.9	5.1	10.8	4.8	13.0	11.9
	Percent of beneficiary groups with at least maintenance incomes who would have had less than maintenance living if family income were pooled						
Philadelphia and Baltimore	3.9	8.5	2.5	1.7	7.4	*5.6	1.6
St. Louis	2.2	2.0	2.2	2.0	7.7	9.3	5.8
Birmingham, Memphis, and Atlanta	3.4	3.5	5.0	3.0	1.9	*7.1	2.7
Los Angeles	2.0	2.0	2.8	1.5	4.3	1.4	3.0
	Net increase in percent of beneficiary groups who would have had at least maintenance living (table 3) if family income were pooled						
Philadelphia and Baltimore	13.2	4.6	14.1	19.0	13.7	*16.7	21.7
St. Louis	12.4	9.3	12.8	15.2	14.3	9.3	10.8
Birmingham, Memphis, and Atlanta	9.0	5.3	10.1	10.4	18.9	*14.3	9.3
Los Angeles	6.6	5.9	2.3	9.3	.5	11.6	9.0

*Percent based on less than 30 cases.
[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

Table 7.—*Percent of beneficiary groups with sufficient nonrelief income, including and excluding old-age and survivors insurance benefits, for at least a maintenance level of living, four surveys*

Survey area	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Including old-age and survivors insurance benefits						
Philadelphia and Baltimore	58.3	64.7	60.1	51.4	52.6	*72.2	33.3
St. Louis	49.8	47.3	51.1	50.8	37.4	55.8	40.0
Birmingham, Memphis, and Atlanta	40.6	38.1	47.5	41.5	43.4	*39.3	29.5
Los Angeles	54.6	40.9	59.3	60.4	47.3	60.9	61.2
	Excluding old-age and survivors insurance benefits						
Philadelphia and Baltimore	31.1	37.3	25.2	32.4	25.3	*22.2	14.0
St. Louis	31.5	31.3	25.0	39.1	11.0	37.2	12.5
Birmingham, Memphis, and Atlanta	24.5	19.5	20.9	30.0	26.4	*7.1	10.4
Los Angeles	34.7	21.7	29.6	46.4	30.1	34.8	33.6

*Percent based on less than 30 cases.
[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

of the maintenance budget (tables 3 and 4). Roughly two-thirds of the widow-child beneficiary groups in three survey areas did not have income large enough for the maintenance level. In Los Angeles, beneficiaries of this type were better off chiefly as the result of larger earnings. In the three southern cities the very large majority of the Negro beneficiaries of each type had less than maintenance income.

Among the various types of aged beneficiaries, the proportions with at least maintenance incomes ranged from 58 to 76 percent in Los Angeles, 52 to 72 percent in Philadelphia-Baltimore, 38 to 56 percent in St. Louis, and 38 to 48 percent (white and Negro combined) in the three southern cities. The corresponding proportions for widow-child beneficiary groups were: Los Angeles, 63 percent; St. Louis, 40 percent; Philadelphia-Baltimore, 33 percent; and the three southern cities, 30 percent.

The foregoing figures are based on the total income of the beneficiary groups regardless of source. Earnings, income from assets, unemployment compensation, and other types of income are included along with the value of imputed rent, public assistance, and old-age and survivors insurance benefits. The level of living of some beneficiary groups, however, was not fully reflected in the amount of their current incomes. Some were using up their assets; others went into debt. In addition, the economic situation of the beneficiary groups in some instances was improved and in some instances worsened by the circumstances of relatives or others in the same household.

When assets used and debts incurred for current living are added to total money income and imputed rent, the proportion of beneficiary groups shown to have had spendable funds in the survey year at least equal to the cost of a maintenance budget was increased somewhat, as shown by table 5.

As compared with current income, savings and credit are more likely to be used to pay for items not included in the maintenance budget, such as heavy medical expense. As a result, the proportions in table 5 probably overstate the relative number of beneficiary groups who were able to live at or above a maintenance level on their total spendable funds—that is, income and savings and credit used.

The comparisons made thus far have dealt only with the beneficiary groups' own spendable funds and needs. Many of the beneficiary groups of each type, however, were living in joint households with other persons, usually relatives. As many as half or more of the male primary beneficiary groups in Philadelphia-Baltimore and the three southern cities, and a substantial proportion of those in Los Angeles and St. Louis, were living in such joint households. In general, a larger proportion of the aged widows and widow-child beneficiary groups than of primary beneficiary groups shared households with others.

For the beneficiaries who lived in joint households the cost of the maintenance budget was reduced by the economies of living in a larger family. Some also benefited from the higher incomes of the relatives in the household, but others probably shared their incomes with the relatives. Assuming that persons in joint households pooled their incomes, a sizable proportion of the beneficiary groups whose own incomes were too small to provide a maintenance level of living could have lived at that level. A smaller proportion of beneficiary groups whose own income was at or above the maintenance level were living with rela-

Table 8.—*Percent of beneficiary groups with sufficient independent income available from permanent sources, including and excluding old-age and survivors insurance benefits, for at least a maintenance level of living, four surveys*

Survey area	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
	Including old-age and survivors insurance benefits						
Philadelphia and Baltimore	38.8	43.8	42.3	31.8	35.8	*38.9	15.5
St. Louis	34.0	31.3	38.3	33.5	23.1	44.2	16.7
Birmingham, Memphis, and Atlanta	21.5	21.2	30.2	18.5	24.5	*21.4	10.9
Los Angeles	31.4	23.2	40.7	31.0	23.7	44.9	23.1
	Excluding old-age and survivors insurance benefits						
Philadelphia and Baltimore	19.1	21.6	16.6	20.7	9.5	*11.1	3.1
St. Louis	19.6	20.7	16.7	22.3	3.3	30.2	3.3
Birmingham, Memphis, and Atlanta	10.6	8.8	12.2	11.5	15.1	*7.1	1.1
Los Angeles	17.7	11.3	19.4	20.7	9.1	17.4	8.2

*Percent based on less than 30 cases.
[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

tives whose incomes were so low that the combined income of both subfamilies was below the requirements of a maintenance level of living for the entire family (table 6). Consequently, it appears that aid from others in the household may have increased considerably the proportion of beneficiary groups who lived on at least a maintenance level.

The actual extent of this gain may have been somewhat less than that indicated in table 6, because the assumption that all the income of all members of the family was available to meet family expenses probably did not correspond to the facts in some cases. Relatives in the household were apparently a less important resource to nonmarried men and to all types of beneficiaries in Los Angeles than to beneficiaries of other types and in other survey areas.

It would be difficult to estimate the proportion of beneficiary groups whose total resources—current income, imputed rent, assets used, credit used, and help from others in the household—permitted them to live at or above the maintenance level. It is probably sufficient merely to indicate that the level of living of a sizable proportion of the beneficiaries was improved by financial aid from relatives with whom they lived and by use of assets and credit. Consequently the number at or above the maintenance level in the survey year was definitely larger than that indicated by their current incomes alone (shown in table 3). Nevertheless, even after supplementing their independent incomes (including insurance benefits) with public assistance, use of assets and credit, and aid from relatives, a comparatively large proportion probably lived below the maintenance level. These proportions vary with type and survey area, but they roughly represent half the beneficiaries surveyed in the southern cities, two-fifths in St. Louis, a fourth in Philadelphia-Baltimore, and more than a fifth in Los Angeles.

Nonrelief Income

Although the actual level of living of the beneficiary groups was determined by the spendable funds they could muster from all sources, in evaluating the operation of a social insurance program intended to relieve dependency, that part of their income that came from nonrelief sources deserves special consideration.

As a rule, recipients of public or private aid included in the surveys did not have a maintenance level of living. Consequently, in most surveys the exclusion of relief payments from beneficiary group income did not materially reduce the proportion of beneficiaries whose incomes equaled or

Table 9.—*Percentage distribution of beneficiary groups by the percent that independent income available from permanent sources*[1] *formed of the cost of a maintenance budget, four surveys*

Percent that independent income available from permanent sources formed of the cost of a maintenance budget	Male primary beneficiaries: Total[2]	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
	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
Less than 25	2.8	-------	1.2	6.1	6.3	-------	2.3
25–49	18.2	16.3	6.8	28.5	15.8	*11.1	20.9
50–74	25.2	25.5	28.2	23.5	23.2	*33.3	44.2
75–99	15.0	14.4	21.5	10.1	18.9	*16.7	17.1
100–124	11.6	12.4	14.7	7.3	13.7	*16.7	8.5
125–149	5.7	6.0	8.0	3.4	4.2	*5.6	2.3
150–199	8.9	6.5	9.2	11.1	11.6	*5.6	2.3
200–299	7.7	12.4	6.7	5.0	6.3	*5.6	.8
300 or more	4.9	6.5	3.7	5.0	-------	*5.6	1.6
	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
Less than 25	5.8	8.0	1.1	7.1	7.7	-------	3.3
25–49	23.3	17.4	13.9	36.0	32.9	11.6	30.8
50–74	20.9	27.3	25.6	12.7	24.2	32.6	39.2
75–99	16.0	16.0	21.1	10.7	12.1	11.6	10.0
100–124	8.5	5.3	13.2	7.1	7.7	2.3	7.6
125–149	5.1	2.0	5.6	6.6	8.8	11.6	3.3
150–199	6.7	6.0	7.8	6.6	6.6	7.0	3.3
200–299	8.8	9.3	7.8	9.6	-------	16.3	2.5
300 or more	4.9	8.7	3.9	3.6	-------	7.0	-------
	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
Less than 25	9.0	.9	4.3	14.8	3.8	-------	9.8
25–49	36.2	32.7	20.1	42.2	32.1	*14.3	38.8
50–74	22.0	26.5	29.5	16.7	32.1	*53.6	26.8
75–99	11.3	18.6	15.8	7.8	7.5	*10.7	13.7
100–124	7.3	7.1	10.1	5.9	5.7	*3.6	7.1
125–149	3.4	2.7	7.9	1.9	3.8	*7.1	2.2
150–199	4.6	4.4	4.3	4.8	5.7	*3.6	1.1
200–299	3.0	3.5	2.2	3.7	5.7	*7.1	.5
300 or more	3.2	3.5	5.8	2.2	3.8	-------	-------
	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
Less than 25	6.5	4.4	1.4	11.1	5.4	-------	2.2
25–49	22.9	24.6	10.2	30.0	27.4	7.2	24.7
50–74	25.3	34.0	31.9	14.6	30.1	26.1	35.8
75–99	13.9	13.8	15.8	13.3	13.4	21.8	14.2
100–124	7.4	2.0	13.9	6.5	10.8	13.0	9.0
125–149	6.3	7.4	6.0	5.9	3.2	13.0	2.2
150–199	6.6	5.9	8.3	6.2	3.8	14.5	6.0
200–299	7.1	5.4	8.3	7.8	3.2	2.9	3.7
300 or more	4.0	2.5	4.2	4.6	2.7	1.5	2.2

*Percentage distribution based on less than 30 cases.

[1] Represents retirement pay, union pensions, veterans' pensions, private annuity payments, 12 months' old-age and survivors insurance benefits, income from assets, and the imputed income from an owned home.

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

Table 10.—*Percent of beneficiary groups with specified average monthly wage who had sufficient independent income available from permanent sources for at least a maintenance level of living, four surveys combined*

Average monthly wage	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
Total	31.2	29.9	38.4	28.2	26.4	39.9	16.1
Less than $25.00	7.8	3.9	*12.5	8.3	8.7	*0	*0
25.00–49.99	9.7	10.2	17.9	5.5	15.6	*33.3	2.8
50.00–74.99	17.9	21.9	25.3	11.2	32.8	35.9	5.6
75.00–99.99	30.4	33.0	29.5	30.5	50.0	20.0	5.1
100.00–149.99	52.9	62.0	56.9	45.2	*63.6	44.7	12.9
150.00–199.99	68.8	*77.8	67.9	67.6	*75.0	*45.0	18.2
200.00–249.99	84.3	*76.9	*95.5	79.4	*100.0	*100.0	50.0
250.00 or more	90.9	*100.0	*95.0	85.7	-------	*100.0	77.4

*Percent based on less than 30 cases.
[1] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

exceeded the cost of a maintenance budget. Nevertheless, there were in each survey area a few beneficiaries with maintenance incomes who had received public assistance during the year. Their number was negligible in the three southern cities, St. Louis, and Philadelphia-Baltimore, but in Los Angeles it was substantial, chiefly because of California's liberal public assistance policy.[9] The proportion of beneficiary groups in that city whose total incomes at least equaled the cost of a maintenance budget but who would have had less than a maintenance income if public or private assistance were deducted, was as follows:

	Percent
Nonmarried men	17.2
Men with entitled wives	17.1
Men with nonentitled wives	2.8
Female primary beneficiaries	28.0
Aged widows	10.1
Widows with entitled children	1.5

When public assistance payments and the small amount of private aid are excluded, a majority of beneficiaries in Memphis - Birmingham-Atlanta and St. Louis and slightly less than half in the other two survey areas did not have sufficient nonrelief income to meet the cost of maintenance requirements (table 7). Because of the difference in relief standards in the four survey areas, variations among surveys in the proportion of beneficiaries with a maintenance level of living are smaller when relief payments are excluded from the comparison than when they are included.

Old-age and survivors insurance benefits appear to have been a considerable factor in raising the nonrelief incomes of beneficiary groups above the maintenance level. When benefits are deducted, the remaining income from nonrelief sources was equal to or above the cost of a maintenance budget for only 20 to 39 percent of the aged beneficiary groups of most types in most of the survey areas and for no more than 14 percent of the widow-child groups in three survey areas. For all types of beneficiary groups except men with nonentitled wives, the insurance benefits added at least half again as many to the number who had nonrelief incomes equal to the cost of the maintenance budget. In the following instances, they doubled or tripled the number:

Beneficiary Group and Surveys

Men with entitled wives—All.
Female primary beneficiaries—Philadelphia-Baltimore and St. Louis.
Aged widows—Philadelphia-Baltimore and Birmingham-Memphis-Atlanta.
Widows with entitled children—Philadelphia-Baltimore, St. Louis, and Birmingham-Memphis-Atlanta.

Independent Income Available From Permanent Sources

In the long run, a beneficiary's economic security depends on the amount of income he can count on year after year. Not all of the nonrelief income of beneficiary groups, however, came from such reasonably permanent sources. Receipts such as earnings, unemployment compensation, and gifts from persons outside the household may not continue indefinitely.

On the other hand the independent income from some sources would continue to be received as long as the beneficiary lived; from other sources it would continue provided an economic catastrophe did not occur or the beneficiary did not use up his capital assets. The kinds of income that can be regarded as both independent and reasonably permanent consist principally of retirement pay, veterans' pensions, private annuities, interest and dividends, imputed rent on owner-occupied dwellings, net rents from rental real estate, and 12 monthly benefits from the old-age and survivors insurance system. From one viewpoint, the total amount of such income is the real measure of the economic security of the beneficiary group. It may be thought of as constituting the bulk of independent retirement income. Of course, other types of independent income—that is, not gifts or relief payments—are received by retired persons. Driblets of earned income, liability insurance benefits, and similar receipts will be encountered in any sample of retired aged persons not

[9] There were four major reasons for the large proportion of beneficiary groups in Los Angeles receiving assistance (chiefly old-age assistance payments) and having maintenance or larger-than-maintenance incomes: (1) For two beneficiary types, the relief level was higher than the maintenance level used in this analysis. The statutory amounts guaranteed for assistance plus other income for couples aged 65 or over ($960) and single aged women ($480) may be compared with the budget estimates at a maintenance level shown in table 2. (2) In April, May, and June 1941, recipients of old-age assistance in California were permitted to have small amounts of earnings without a reduction in the regular assistance payment. A number of the beneficiary groups who, with their assistance payments, had larger than a maintenance income had such earnings. Also, a few beneficiary groups reported receiving from persons outside the household gifts that had not been taken into consideration by the Department of Social Welfare. (3) Food and cotton stamps had not been counted as part of the public assistance allowance but were granted over and above the cash payment. If receipt of stamps was reported by the beneficiaries, however, the stamps were evaluated and entered as income in the survey year. (4) Finally, there were some instances where a member of the beneficiary group had considerable earnings during part of the year and received public assistance during the remaining months.

especially selected to exclude those with such income. Such receipts would tend to increase the proportion of beneficiaries who, if retired, would have had enough income for a maintenance living.

The proportion of beneficiary groups who had enough independent income from more or less permanent sources to provide a maintenance level of living is relatively small, even when their old-age and survivors insurance benefits are added (tables 8 and 9). For the aged beneficiaries interviewed in three surveys the proportion ranged from 23 to 45 percent. In the three southern cities the corresponding range was from 18 to 30 percent. Of the widows with entitled children, only 11 to 17 percent in three survey areas and 23 percent in Los Angeles had a maintenance income or better from independent, permanent sources. These figures indicate that roughly a fourth to a half of the aged beneficiaries and half to two-thirds of the widow-child beneficiary groups whose actual incomes from nonrelief sources were at or above the maintenance level would have fallen below that level if they had not had some earnings, gifts, unemployment compensation, and other independent income that could not be depended on.

On the other hand, only 10 to 20 percent of the aged beneficiaries of most types and less than 10 percent of the widow-child beneficiary groups would have had a maintenance income from dependable nonrelief sources if they had not received old-age and survivors insurance benefits (table 8). The insurance benefits added at least half again as many to the number of beneficiary groups with such an income.

There was a close positive relationship between the proportion of beneficiary groups with sufficient independent, permanent income for at least a maintenance level of living and the average monthly wage on which the benefit amount was based (table 10). One reason for this situation, of course, is the fact that the old-age and survivors insurance benefit was usually the chief component of that income. A direct relationship, however, also existed between average monthly wages and permanent, independent income from sources other than old-age and survivors insurance.

When the average monthly wage was less than $100, indicating low wage rates or short-term covered employment before entitlement or death, most of the beneficiary groups did not have enough permanent income from all independent sources, including benefits, to achieve a maintenance level of living. On the other hand, among beneficiary groups whose benefits were based on an average monthly wage of $100 to $149, about 60 percent of the nonmarried men, men with entitled wife, and female primary beneficiaries and 45 percent of the men with nonentitled wife and the aged widows had enough such income for a maintenance level. When the average monthly wage was $150 or more, the situation of aged beneficiaries was considerably better. When it was $150 to $199, two-thirds to three-fourths of the aged beneficiaries had at least a maintenance income from independent, permanent sources, as did the great majority when the benefits were based on an average monthly wage of $200 or more. The relative number of beneficiary groups in these higher intervals of average monthly wage was, of course, small.

Table 11.—*Percent of beneficiary groups at two economic levels with funds from specified sources, four surveys combined*

Economic level and source of funds	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
Beneficiary groups with spendable funds equal to less than 70 percent of the cost of a maintenance budget:	Percent of beneficiary groups with income from specified sources						
Number of beneficiary groups	*446*	*105*	*93*	*209*	*59*	*20*	*140*
Assets used for living expenses	5.4	4.8	5.4	5.7	10.2	-	14.3
Debts incurred for living expenses	10.1	2.9	5.4	12.4	6.8	-	19.3
Imputed rent	19.7	4.8	20.4	24.9	6.8	*5.0	17.1
Old-age and survivors insurance benefits	100.0	100.0	100.0	100.0	100.0	*100.0	100.0
Retirement pay	2.0	-	-	3.3	-	-	-
Veterans' pensions	.2	-	-	.5	-	-	.7
Income from assets	9.4	7.6	10.8	9.6	22.0	*30.0	15.0
Other independent, permanent income [2]	-	-	-	-	-	-	-
Earnings	41.0	36.2	36.6	42.1	30.5	*5.0	45.0
Covered employment	15.9	18.1	10.8	13.9	10.2	-	18.6
Noncovered employment [3]	30.3	21.9	28.0	34.9	23.7	*5.0	28.6
Unemployment insurance	11.9	3.8	15.1	12.0	6.8	-	.7
Workmen's compensation and private insurance [4]	1.3	-	-	2.4	-	-	1.4
Gifts	11.9	8.6	11.8	14.4	6.8	-	14.3
Public assistance	13.5	19.0	8.6	14.4	18.6	*5.0	14.3
Private relief	.9	1.0	3.2	-	-	-	2.9
Other income	1.1	1.0	2.2	1.0	-	-	-
Beneficiary groups with spendable funds equal to at least 150 percent of the cost of a maintenance budget:	Percent of beneficiary groups with income from specified sources						
Number of beneficiary groups	*859*	*234*	*254*	*358*	*145*	*74*	*145*
Assets used for living expenses	36.0	38.0	40.6	31.8	38.6	59.5	53.8
Debts incurred for living expenses	12.7	8.5	13.4	14.5	13.1	9.5	28.3
Imputed rent	62.4	40.2	73.2	68.2	33.1	73.0	53.1
Old-age and survivors insurance benefits	95.6	96.6	97.2	93.6	97.9	100.0	100.0
Retirement pay	30.6	27.8	31.9	31.8	20.0	-	-
Veterans' pensions	6.5	3.4	3.9	8.9	1.4	2.7	5.5
Income from assets	64.0	53.4	70.5	66.5	62.8	75.7	71.7
Other independent, permanent income [2]	5.7	6.0	6.3	4.7	4.8	2.7	11.7
Earnings	45.9	37.2	37.8	55.9	47.6	25.7	60.0
Covered employment	27.8	28.6	20.5	31.8	25.5	1.4	43.4
Noncovered employment [3]	24.7	12.8	20.9	33.8	28.3	25.7	24.8
Unemployment insurance	19.0	25.2	14.6	18.7	24.8	-	2.1
Workmen's compensation and private insurance [4]	3.6	2.1	2.4	5.0	.7	9.5	25.5
Gifts	5.9	3.8	7.9	5.9	13.8	17.6	3.4
Public assistance	2.7	3.8	3.5	1.4	9.0	-	-
Private relief	.2	.4	-	.3	-	-	.7
Other income	.8	1.3	.4	.8	1.4	2.7	2.8

*Percent based on less than 30 cases.

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

[2] Represents payments from private annuities, insurance, trusts, union pensions, and workmen's compensation that were expected to continue for the lifetime of the recipient.

[3] Includes work relief wages from the Works Progress Administration and the National Youth Administration.

[4] Represents workmen's compensation, disability insurance, private accident insurance, and death benefits payable for a limited number of years, and the portion of lump-sum death payments used for living expenses.

Economic Level and Sources of Income

The spendable funds of 665, or 19 percent, of the 3,529 beneficiary groups in the four 1941–42 surveys amounted to less than 70 percent of the cost of their maintenance requirements. Presumably, they were living below an emergency level. On the other hand, more than 1,200 beneficiary groups (35 percent) had spendable funds that equaled at least 150 percent of the cost of the maintenance budget. The various sources of income had widely different significance for these two contrasting groups of beneficiaries (tables 11 and 12).

For beneficiary groups with less than emergency-level incomes, the major source of spendable funds was old-age and survivors insurance. Those benefits, which they all received, provided on the average from 62 percent (men with nonentitled wives) to 95 percent (aged widows) of the total spendable funds of these beneficiary groups. Except in the case of aged widows and female primary beneficiaries, earnings ranked second as a source of funds. From 30 to 45 percent of the beneficiaries of each type except aged widows reported some employment, usually of short duration. Their earnings accounted for 7–12 percent of their spendable funds. Third in importance was public assistance, which was received by 5 percent of the aged widows, 9 percent of the entitled couples, and 14 to 19 percent of the other four types. It contributed, on an average, the following proportions of the funds available for living at this low level: women primary beneficiaries, 10 percent; nonmarried men and men with nonentitled wives, 7 percent; widows with entitled children, 6 percent; men with entitled wives, 2 percent; and aged widows, less than 1 percent. Income imputed to home ownership and the use of assets were relatively unimportant to these beneficiaries because few had homes or other assets. Gifts also added little to their level of living, and little credit was used.

Benefits from old-age and survivors insurance were important also for beneficiary groups whose spendable funds amounted to at least 150 percent of the maintenance budget. Of these beneficiaries, 94 to 100 percent, according to type, received at least some insurance benefits during the survey year. The benefits constituted, on the average, 20 to 23 percent of the spendable funds of all types except married men with nonentitled wife, who received only 12 percent from this source. Among these relatively prosperous beneficiary groups, however, the proportion employed was larger, for four types, than for the corresponding groups that had less income than was required for the emergency level. As a result of this situation and the relative time spent at work, earnings were on the average the largest source of spendable funds for four types—female primary beneficiaries, 31 percent; married men with wife not entitled, 27 percent; widows with entitled children, 25 percent; and nonmarried men, 24 percent. Earnings were also a major source—though not the chief source—for married men with entitled wife (17 percent), but they were a relatively minor source for aged widows (6 percent).

Table 12.—*Percentage distribution of average spendable funds of beneficiary groups at two economic levels, by source of funds, four surveys combined*

Economic level and source of funds	Male primary beneficiaries				Female primary beneficiaries	Aged widows	Widows with entitled children
	Total [1]	Nonmarried	Married, wife entitled	Married, wife not entitled			
Beneficiary groups with spendable funds equal to less than 70 percent of the cost of a maintenance budget:	Percentage distribution of funds						
Average amount of funds	*$378*	*$246*	*$428*	*$370*	*$255*	*$210*	*$561*
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Assets used for living expenses	1.4	1.5	.9	1.5	3.8	-------	2.3
Debts incurred for living expenses	1.5	.4	.6	1.8	2.6	-------	1.9
Imputed rent	4.1	.6	3.8	5.6	.8	1.8	2.2
Old-age and survivors insurance benefits	67.8	74.7	80.4	61.5	68.1	95.2	75.0
Retirement pay	.7	-------	-------	1.0	-------	-------	-------
Veterans' pensions	.1	-------	-------	.1	-------	-------	.5
Income from assets	1.4	.9	1.2	1.6	1.9	2.1	.6
Other independent, permanent income [2]	-------	-------	-------	-------	-------	-------	-------
Earnings	12.3	12.3	6.7	12.1	9.5	.4	9.0
Covered employment	5.8	6.7	3.0	4.0	2.9	-------	3.7
Noncovered employment [3]	6.5	5.6	3.7	8.1	6.7	.4	5.3
Unemployment insurance	2.6	.6	2.5	2.7	2.1	-------	.1
Workmen's compensation and private insurance [4]	.2	-------	-------	.5	-------	-------	.5
Gifts	3.1	1.5	2.0	4.6	.9	-------	1.8
Public assistance	4.8	6.9	1.8	7.0	10.2	.4	5.6
Private relief	.1	.3	.1	-------	-------	-------	.5
Other income	.1	.3	.1	.1	-------	-------	-------
Beneficiary groups with spendable funds equal to at least 150 percent of the cost of a maintenance budget:	Percentage distribution of funds						
Average amount of funds	*$1,942*	*$1,201*	*$1,991*	*$2,365*	*$1,152*	*$1,327*	*$2,251*
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Assets used for living expenses	8.1	9.8	10.0	6.6	11.3	18.8	16.9
Debts incurred for living expenses	1.3	.9	1.5	1.2	1.4	2.2	4.3
Imputed rent	9.6	7.9	11.4	8.9	5.7	15.3	8.2
Old-age and survivors insurance benefits	17.6	23.0	23.1	12.5	21.0	19.8	22.3
Retirement pay	12.9	13.5	12.2	13.2	6.4	-------	-------
Veterans' pensions	2.4	1.9	1.3	2.9	.6	.9	1.1
Income from assets	18.1	10.9	16.9	21.7	10.4	19.9	7.8
Other independent, permanent income [2]	2.0	2.5	1.8	2.0	1.9	1.2	3.8
Earnings	23.7	24.0	17.0	27.2	30.6	5.7	24.9
Covered employment	13.9	18.1	8.1	16.0	15.1	.1	17.9
Noncovered employment [3]	9.7	5.9	8.9	11.3	15.5	5.6	7.0
Unemployment insurance	1.7	3.6	1.5	1.3	3.4	-------	.1
Workmen's compensation and private insurance [4]	.7	.3	.6	.9	.5	8.9	10.0
Gifts	1.3	.5	2.0	1.2	4.1	6.9	.5
Public assistance	.4	.9	.7	.1	1.8	-------	-------
Private relief	(5)	(5)	-------	.1	-------	-------	(5)
Other income	.2	.3	(5)	.3	.8	.3	.2

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

[2] Represents payments from private annuities, insurance, trusts, union pensions, and workmen's compensation that were expected to continue for the lifetime of the recipient.

[3] Includes work relief wages from the Works Progress Administration and the National Youth Administration.

[4] Represents workmen's compensation, disability insurance, private accident insurance, and death benefits payable for a limited number of years, and the portion of lump-sum death payments used for living expenses.

[5] Less than 0.05 percent.

Unlike those living at a low level, a majority of each type among the relatively prosperous beneficiaries had at least a little income from assets, and on the average they received a substantial part of their spendable funds from this source. The proportion that income from assets formed of total spendable funds was particularly large for married men whether the wife was nonentitled (22 percent) or entitled (17 percent), and for aged widows (20 percent). It was a less important yet considerable source for nonmarried men (11 percent), female primary beneficiaries (10 percent), and widows with entitled children (8 percent). From 12 to 14 percent of the spendable funds of these relatively well-to-do men beneficiaries of the various types, but only 6 percent of the funds of the women who were primary beneficiaries, was received as retirement pay. From 28 to 32 percent of the men and 20 percent of the women primary beneficiaries at this economic level had such income.

In the relatively prosperous group, the incomes of half to three-fourths of all beneficiary groups but nonmarried men and female primary beneficiaries included the value of imputed rent. It was also included in the income of two-fifths of the nonmarried men and a third of the female primary beneficiaries. This source of income accounted for 8 to 11 percent of the funds available to men beneficiaries and widows with entitled children at this level. The corresponding figure was as high as 15 percent for aged widows and as low as 6 percent for female primary beneficiaries.

Use of savings was also of consequence in sustaining the relatively high level of living of these beneficiaries. Sixty percent of the aged widows and 54 percent of the widows with entitled children used some of their assets for living during the survey year. For other beneficiary types the proportion using assets ranged from 32 percent (married men, wife not entitled) to 41 percent (married men, wife entitled). The assets used comprised on the average 19 and 17 percent, respectively, of the spendable funds of the more prosperous aged widows and widows with entitled children, and from 7 to 11 percent of the spendable funds of similar beneficiaries of the remaining four types. Workmen's compensation and private insurance payments provided a significant proportion of spendable funds only for aged widows (9 percent) and widows with entitled children (10 percent). Gifts were substantial in relative amount only for aged widows (7 percent) and female primary beneficiaries (4 percent).

Table 13.—*Percent of white and Negro beneficiary groups with sufficient income for at least a maintenance level of living, Birmingham, Memphis, and Atlanta*

Specified source [1]	Male primary beneficiaries								Female primary beneficiaries		Aged widows		Widows with entitled children	
	Total [2]		Nonmarried		Married, wife entitled		Married, wife not entitled							
	White	Negro	White	Negro	White	Negro	White	Negro	White	Negro	White	Negro	White	Negro
Total income	57.0	9.5	51.4	16.3	57.4	12.9	60.9	7.3	50.0	*0	*45.5	*16.7	45.7	1.5
Independent income available from permanent sources	31.3	2.2	32.9	2.3	37.0	6.5	28.2	1.0	28.3	*0	*27.3	*0	17.2	0

*Percent based on less than 30 cases.
[1] Includes imputed rent.
[2] Includes beneficiary groups consisting of male primary beneficiary, nonentitled wife, and entitled children.

Negro Beneficiaries

The incomes of Negro beneficiaries in Birmingham, Memphis, and Atlanta are shown by the survey data to have been on the whole much lower in relation to the maintenance budget than those of white beneficiaries interviewed in those cities. To a slight extent the differences may result from less complete reporting by the Negro beneficiaries. Because Negro workers in the South tend to be less regularly employed than white workers, relatively more of the Negro respondents no doubt found it difficult to remember the occasions and amounts of their income from employment. Also, since all the interviewers on the survey staff were white, the Negro beneficiaries may not have discussed their resources as freely as they would have done with a person of their own race. The differences in resources between the two racial groups, therefore, may have been somewhat smaller than the data indicate, but they were undoubtedly substantial.

Of the 190 Negro male primary beneficiary groups in the three southern cities, only 10 percent had total incomes equaling or exceeding the cost of the maintenance budget (table 13). The corresponding proportion for the 374 white male primary beneficiary groups was 57 percent. Of the Negro men, 72 percent, as against 22 percent of the white men, had total incomes below even the emergency level. Almost none of the aged widows, widows with entitled children, and women primary beneficiaries who were Negroes had maintenance incomes. Among the white beneficiary groups of these types, almost 50 percent had incomes at least equal to the cost of a maintenance level.

Negro beneficiaries in the three southern cities were particularly disadvantaged as concerns independent income that could be counted on as permanent. Only 4 (1½ percent) of the 270 Negro beneficiary groups of all types, in contrast to 28 percent of the white beneficiary groups, had enough such income to meet the maintenance requirements. A similar situation existed even at an emergency income level. Only 8 percent of the Negro as compared with 46 percent of the white beneficiary groups had enough permanent, independent income to meet the cost of a bare subsistence or emergency budget.

Conclusions

The comparisons of income with the cost of requirements for a maintenance level of living are, of course, limited in their significance. The limitations arise partly from the nature of the standard used. They are also a consequence of the characteristics of the survey data, which relate to a particular period of time and to an early stage in the operation of the old-age and survivors insurance system. Under other economic conditions and with entitlements and benefit amounts based on employment and earnings over a working lifetime, the results might be considerably different. Today, beneficiaries who are living on retirement income undoubtedly are faced with critical financial problems because of the sharp increase in consumers' prices.

The comparisons indicate that nearly half of the beneficiary groups interviewed in the 1941–42 surveys probably did not have income sufficient for a maintenance standard at 1941–42 prices. Their current situation was relieved somewhat by such expedients as the use of assets, incurrence of debt, and help from relatives in the household. If the test of economic security is the amount of independent, permanent income available, more than two-thirds of the beneficiaries of every type probably did not have security at a maintenance level.

There is a considerable variation in the extent to which the resources of the various beneficiary types met the requirements for a maintenance living. Although the rankings differ somewhat by survey area and also by kind of income, the data appear to justify the conclusion that on the whole the male primary beneficiaries whose wives were entitled to benefits, and perhaps the aged widows, tended to be better off in the survey year than the beneficiaries of any other type. At the other extreme, the beneficiary groups who as a whole had the least adequate resources were the widows with dependent children.

As might be expected, the widely differing economic circumstances of the beneficiaries appear to have been related to their levels of living before entitlement. This conclusion is supported by the close positive relationship between independent, reasonably permanent income and the size of the average monthly wage. Workers who had received relatively large taxable wages were more likely to have the means for a comfortable retirement, or to leave their survivors well provided for, than those whose wages were relatively small. Thus, the insurance benefits were not sufficient to make possible a maintenance level of living for beneficiary groups whose contributions to the insurance system were small and who had not made other provisions for the future. It is significant, however, that a relatively large proportion of the beneficiaries in all but the highest average monthly wage classes did not have sources of income they could count on to provide a maintenance level of living in retirement. The insurance benefits substantially improved the economic well-being of almost all the beneficiaries, and they materially increased the number having sufficient income for a maintenance level of living.

Budgeting To Meet Total Needs

By Evalyn G. Weller*

In discussing the problem of meeting total needs of public assistance recipients, it should be emphasized at the beginning that this paper is concerned only with ways of meeting their financial needs. More specifically we are limiting the discussion to total financial needs that must be met in order that needy individuals can attain a minimum living standard of reasonable adequacy. This definition in terms of reasonable adequacy implies that the public welfare agency has a positive responsibility, to the assistance applicant and to the community, in determining clearly what constitutes reasonable adequacy and what, in a public assistance program, constitutes total need.

In the early days of the public assistance program under the Social Security Act, determination of the needs of public assistance applicants proceeded on a completely individual basis. The technique of "good budgeting" in the traditional sense meant that the worker determined with every applicant each of the items needed and thus set up his individual budget. Sometimes the agency took responsibility for providing the worker with a Budget Guide that included a list of goods and services that people usually require. A thoughtful consideration of this former way of budgeting was given in a report recently issued by the Bureau of Public Assistance.[1]

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[1] Elma H. Ashton, *Money-Giving in Social Work Agencies—in Retrospect and in Prospect*, Public Assistance Report No. 11, February 1947.

Since those early days we have taken several steps. In the old-age assistance program, for example, some State welfare agencies have been and are working with a statutory definition of need in terms of a fixed sum of money that they believe all persons eligible for assistance must have when the assistance payment is added to the value of their own income and resources.

There are advantages in this statutory type of standard. It can operate as a guarantee to all needy people that they will have a specified sum of money to live on. This advantage can be maintained when the statutory definition of need is in the form of a minimum sum. The agency can then, under the law, establish a policy that makes it possible to meet the additional needs or expenses that arise in people's lives because of their particular circumstances. Obviously, when the statutory definition of need is only a specified sum, unrelated to cost-of-living data and the individual needs of people, problems are created and it becomes difficult to carry out the objectives of the assistance programs.

For the past several years the Bureau of Public Assistance, its regional staff, and the staff of a number of State agencies have been working to arrive at a satisfactory policy base for the administration of the need provisions of Federal and State laws, which can be utilized by all public assistance agencies. We have kept constantly in mind the basic necessity in a public welfare program of having that policy define clearly the agency's understanding of its purpose and function—getting money to needy