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INCOMES OF THE ELDERLY AND NONELDERLY, 1967-92

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ABSTRACT

This article examines the money incomes of the elderly and the nonelderly. The economic status of the elderly is put in perspective by discussing changes in real incomes since 1967 and the income of the elderly relative to the incomes of other age groups. Detailed age groups within both the elderly and nonelderly groups are examined. The article finds that the economic status of the elderly in 1992 was substantially better than in 1967, but was about the same as in 1984. The real median income of the elderly rose from 1967 to 1989, but fell from 1989 to 1992. The ratio of the income of the elderly to that of the nonelderly was higher in 1992 than in 1967, but the 1992 ratio was below the 1984 ratio. Large increases in mean social security benefits were important in the increase in the total income of the elderly since 1967.

INCOMES OF THE ELDERLY AND NONELDERLY, 1967-92

The economic status of the elderly has been an important issue in recent years as the sizes of various Federal government programs that focus on the elderly, such as Social Security and Medicare, have been scrutinized more closely. There is a general perception that the economic status of the elderly has been improving and that at the present time the elderly as a group are at least as well off as the nonelderly population. This perception has served as a rationale for proposed cuts in programs that mainly serve the elderly (and/or for proposed higher costs borne by the elderly).

This article examines the income of the elderly (defined as age 65 or older) and of other age groups using data from the Current Population Survey (CPS) and puts the economic status of the elderly in perspective by discussing changes in constant-dollar ("real") income since 1967 and the income of the elderly relative to the incomes of other age groups. Estimates for 1967-84 (Radner 1987a) and for 1984-89 (Radner 1991) have been published previously.¹ Results for the entire 1967-92 period and for several subperiods are shown here.²

¹The estimates presented here may differ slightly from the earlier estimates as a result of minor modifications to the data and revisions in the index used to calculate constant dollar amounts. Also, the estimates presented here are in 1992 dollars, rather than in 1982 dollars. Some estimates for 1990 and for the 1967-90 period were presented in Radner (1993).

²Although the estimates presented here use the same basic data source as the biennial reports on the income of the aged prepared by Grad (1994), there are four important differences between the two sets of estimates. First, these estimates include all age groups. Second, an adjustment for differences in needs is used here. Third, different income recipient units are used here. Fourth, this article emphasizes changes over time; each of Grad's reports focuses on a single year.

It is important to keep in mind that, as noted by many analysts, the aged are not a homogeneous group. For example, the 65-69 age group has a much higher average income than the age 85 or older group does, and aged married couples have a much higher average income than aged single persons do. There is also a wide range of incomes within each of the subgroups of the aged. In this article, estimates are presented for detailed age groups within the aged group, as well as for subgroups of the aged based on type of family unit. The nonaged (i.e., those under age 65), of course, also are not a homogeneous group; corresponding subgroups are shown for the nonaged.

Different measures of the economic status of the elderly can provide different answers. In this article, the cash income before taxes of family units (families and unrelated individuals) is examined.³ Family units are classified by the age of the head.^{4,5} Where it is feasible, median amounts of income, rather than means, are used. A mean, unlike a median, is affected by extreme values and therefore often is a less satisfactory measure of the status of a typical unit. In most of the estimates shown here, income amounts are adjusted to take

³See Bureau of the Census (1993a) for definitions of families and unrelated individuals.

⁴The term "head" is used here for all years shown. For the years before 1979 the term refers to the head concept that was used in the data; for the years beginning with 1979 the term refers to the householder concept that was used (Bureau of the Census 1981). This change in definitions is very unlikely to have an important effect on the estimates in this article.

⁵An important implication of this classification is that some aged persons are included in nonaged units and some nonaged persons are included in aged units.

into account differences in needs associated with differences in the size of family unit and, for units of 1 and 2 persons, in the age of the head (aged or nonaged).⁶

Narrow definitions of income, such as the one used here, have been criticized as perhaps providing misleading impressions. Taking account of taxes and noncash income could, in fact, produce different answers.⁷ Unfortunately, income data that cover taxes or noncash income do not exist for the full time period considered here. Also, it should be noted that the types of noncash income that should be included in income, the valuations of those income types, and the appropriate adjustment for needs when noncash income is included are very controversial topics about which there is little consensus (Radner 1992, 1994).

The major findings of this article are:

- The economic status of the aged in 1992, as measured by before-tax money income, was substantially better than in 1967, but was about the same as in 1984.

⁶Two important sources of error in the CPS income data should be mentioned. First, those data are known to suffer from underreporting which can be substantial for some income types (Bureau of the Census 1993a, table C-1). Research has shown that there are differences in underreporting by age that affect the relative positions of aged and nonaged units (Radner 1982). When adjustments for underreporting are made, the ratio of aged to nonaged incomes rises (Radner 1986). It was not feasible to use an adjustment for underreporting in this article. Second, income data from the CPS (and from other household surveys) suffer from nonresponse to the questions on income. About 20 percent of aggregate income in the CPS income data for 1990 resulted from amounts that were imputed to nonrespondents (Bureau of the Census 1993a).

⁷Taking account of taxes generally raises the income of the elderly relative to the incomes of other age groups.

- From 1967 to 1992, the real median income (adjusted for unit size and age) of elderly family units rose 69 percent. The median fell from 1989 to 1992; the 1992 median was slightly below the 1984 value.
- The ratio of the median adjusted income of aged family units to the median for the nonaged rose from 0.526 in 1967 to 0.710 in 1992. The 1992 ratio, however, was below the 1984 ratio.
- The poverty rate for aged persons fell sharply from 1967 to 1992, while the rate for nonaged persons rose. In each year shown, poverty rates were lowest for middle age groups and highest for the youngest and oldest groups.
- The increase in total income for the aged from 1967 to 1992 was the result of large increases in mean social security benefits, property income, and pensions and other income, and a large decrease in mean earnings. The largest increase was in social security benefits.

I. OVERVIEW OF THE 1947-92 PERIOD

With regard to the economic status of the aged relative to the nonaged, the 1967-92 period discussed in detail in this article is not representative of the entire post-World War II period. During the 1967-92 period, the real mean income of the aged (unadjusted for unit size and age) rose faster than did the mean income of the nonaged--increases of 1.4 percent

per year for the aged and 0.5 percent per year for the nonaged (table 1).^{8,9} The opposite relationship held during the 1947-67 period—increases of 1.2 percent per year for the aged and 2.6 percent per year for the nonaged. The average annual percentage change in the real mean income of aged family units was not very different in the 2 periods. For nonaged family units, however, the difference was large.

Over the entire 1947-92 period, the real mean income of the aged rose slightly more slowly than did the real mean income of the nonaged: 1.3 percent compared with 1.4 percent. The real mean income of aged units rose 79 percent during this 45-year period, while the real mean income of nonaged units rose 90 percent.

There also was substantial variation in income growth in subperiods for both the aged and nonaged. For the subperiods shown in table 1, the average annual percentage change in real mean income ranged from 2.7 percent to -0.4 percent for the aged and from 3.2 percent to -0.6 percent for the nonaged.

⁸In this article the Personal Consumption Expenditure (PCE) implicit price deflator from the National Income and Product Accounts is used to convert current dollar amounts to 1992 dollars. Those deflators were obtained from Council of Economic Advisers (1995) for 1967-92 and from U.S. Department of Commerce (1993) for 1947-57. Some analysts have used an experimental Consumer Price Index (CPI-UX1) to calculate constant dollar estimates (Bureau of the Census 1993a). The PCE implicit price deflator rose slightly faster than the CPI-UX1 from 1967 to 1992, but using the CPI-UX1 would not have had an important effect on the results in this article. The ordinary Consumer Price Index (CPI-U) rose faster than either of those other two deflators from 1967 to 1992. Before 1983 the CPI-U contained a treatment of housing costs that, according to many analysts, produced excessive increases in the index. The official poverty thresholds are indexed using the CPI-U.

⁹Although median incomes would have been preferred, mean incomes are used here because medians were not available. In the income estimates presented in this article, each family unit is counted once (aside from sample weighting), regardless of the number of persons in the unit. This method is used for the estimates that use adjusted income, as well as for those that use unadjusted income.

It is also useful to compare the levels of the incomes of the aged and nonaged. In addition, the use of more detailed age groups is important. Although more age detail for the aged is not available for this time period, 10-year age groups for the nonaged can be used. The ratio of the unadjusted mean income of aged family units to the mean income of the nonaged group as a whole and to the mean of each of five nonaged age groups is shown for selected years in table 2.¹⁰

The ratio of aged to nonaged mean incomes in 1992 (0.63) was slightly below the 1947 ratio (0.67).¹¹ The ratio in 1967 (0.50) was far below the ratios in both of those other years. Thus, as shown by the changes in income presented in table 1, the increases in the income of the elderly relative to the income of the nonelderly during 1967-92 were very different from the changes during 1947-67. The low rate of income increase for the nonaged in 1967-92 relative to 1947-67 played an important role in the difference between the 2 periods.

From 1947 to 1992, the mean income of the elderly fell relative to the mean incomes of the 35-44, 45-54, and 55-64 age groups; it rose relative to the 25-34 age group and rose sharply relative to the under 25 age group. From 1947 to 1967, the mean income of the elderly fell relative to the mean income of each of the 5 nonaged age groups. In contrast,

¹⁰The levels shown in table 2 are only rough approximations of the relative economic well-being of the groups compared because no adjustment for differential needs of units of different size and age was used and because means, rather than medians, were used. Estimates of change over time are affected somewhat less by these problems. Medians and a satisfactory adjustment for needs could not be used in this table because of data limitations.

¹¹Over time the data collection and estimation procedures in the CPS have changed somewhat, so it is appropriate to ignore small differences in estimates, particularly when comparing 1947 and 1992.

from 1967 to 1992 the mean income of the elderly rose relative to the mean income of each of the 5 nonaged age groups.

In summary, the relative increase in the income of the aged in the 1967-92 period, to a great extent, merely offset the relative decline in the income of the aged in the 1947-67 period. The post-World War II period also has been characterized by fluctuations in the rates of growth of the income of the aged and the nonaged.

II. THE 1967-92 PERIOD

The data available for the 1967-92 period permit more appropriate and more detailed estimates of changes in the incomes of age groups than is possible for the entire post-World War II era. Reasonably comparable microdata files are available for the 1967-92 period, thus making possible the use of median incomes, adjustments for differential needs associated with differing size and composition of unit, and more detailed age groups in this article. More detailed characteristics of the distribution of income also are shown. Detailed estimates are presented for 1967, 1979, 1984, 1989, and 1992.¹² (See Radner (1987a, 1986) for more detail about technical issues.)^{13,14}

¹²Sample sizes differed somewhat among the years. The sample size for all family units was 48,134 for 1967 and 63,307 for 1992. The sample size for aged family units was 9,268 for 1967 and 13,181 for 1992.

¹³The data used for the various years are not strictly comparable in all cases. Among the most important changes in the CPS during the 1967-92 data period are: The introduction of new population controls as newer Decennial Census data became available; the revision of the questionnaire to provide more detail on type of income; changes in the imputation of income to nonrespondents; a change from the "head" concept to the "householder" concept; and changes in coding restrictions and the top-coding of high income amounts. See Radner (1987a) and various issues of *Current Population Reports*, Series P-60, for further detail.

Income adjusted for needs was derived by dividing income amounts by equivalence scale values. The resulting amounts can be thought of as income per equivalent adult. The equivalence scale was based on the weighted average poverty thresholds. A 1-person unit (all ages) was used as the base.¹⁵

Overall economic conditions can have an impact on the relative incomes of the aged and nonaged. Generally speaking, the income of the nonaged is more strongly influenced by current economic conditions than is the income of the aged. Because of this, comparison of years of low economic activity with years of high activity can affect estimates of the aged-nonaged income relationship. Although none of the 5 years selected for comparison was a recession year, the levels of economic activity did differ; the civilian unemployment rate ranged from 3.8 percent in 1967 to 7.4 percent in 1992 and 7.5 percent in 1984. The 1967-79 and 1979-84 subperiods each contained two recessions, the 1989-92 subperiod contained one, and the 1984-89 subperiod contained none. Thus, it should be kept in mind that overall economic conditions did differ among the years and the subperiods.

¹⁴When this article was written, data also were available for 1993. For the purposes of this article, however, those data are not considered to be sufficiently comparable with the earlier data to be included here, primarily as a result of changes in data collection procedures. See Bureau of the Census (1995) for a discussion of the differences.

¹⁵The equivalence scale used for 1992 had the following values for the specified size of unit and age of head groups: 1 person (under age 65), 1.022; 1 person (age 65 and older), 0.942; 2 persons (under age 65), 1.322; 2 persons (age 65 and older), 1.188; 3 persons, 1.566; 4 persons, 2.007; 5 persons, 2.373; 6 persons, 2.679; 7 persons, 3.023; 8 persons, 3.367; 9 persons or more, 4.024. These values were derived from table A-2 in Bureau of the Census (1993b). Estimates for 1967 and 1979 were adjusted using the 1979 scale (Bureau of the Census 1981). Estimates for 1984 and 1989 were adjusted using the 1987 scale (Bureau of the Census 1989). The scales for those other years differed only slightly from the 1992 scale. Although a 1-person unit (all ages) had, as the base unit, an implicit scale value of 1.000, no unit had that all ages value applied to its income.

One important change during the period was the shift in the age distribution as the baby boom cohort grew older. The 25-44 age group increased from 37 percent of all family units in 1967 to 44 percent in 1992. In contrast, the 45-64 age group decreased from 36 percent of all family units in 1967 to 29 percent in 1992. The percentage accounted for by aged units rose only slightly, from 19 percent in 1967 to 20 percent in 1992.¹⁶

Another important change during the period was the rise in the labor force participation of women from 41 percent in 1967 to 58 percent in 1992. The labor force participation of men fell from 80 percent in 1967 to 76 percent in 1992 (Council of Economic Advisers 1995).

Several types of estimates are shown in this section: real median incomes, changes in real median incomes, relative incomes, relative income shares, poverty rates, real amounts of income types, the composition of total income, and real median incomes of several types of units.

A. MEDIAN TOTAL INCOMES OF AGE GROUPS

As an overview of the general pattern of change over the 1967-92 period, the ratio of the median income of elderly units to the median income of nonelderly units (with both amounts adjusted for unit size and age) is shown for selected years in table 3. Over the entire 1967-92 period, that ratio rose from 0.526 to 0.710, an increase of 35 percent.¹⁷ The ratio rose sharply from 1967 to 1977 and from 1979 to 1984. From 1984 to 1988, however,

¹⁶There also was a shift within the aged group toward the older ages. For example, the 85 or older group accounted for 5.5 percent of aged units in 1967 and 9.1 percent in 1992.

¹⁷The increase in the ratio of means, not adjusted for unit size and age, as shown in table 2, was 26 percent.

the ratio fell. It rose sharply from 1989 to 1990, then fell from 1990 to 1992.¹⁸ The 1992 level is the same as the 1983 level.

These changes result from different rates of change of total income for the elderly and nonelderly in the various subperiods. Different rates of change in amounts of specific types of income affect the rates of change of total income. Differences for both total income and for specific income types are discussed below.

Median total incomes of family units, adjusted for unit size and age and classified by the age of the head, are shown in 1992 dollars for selected years in table 4.¹⁹ As noted above, these dollar amounts can be interpreted as income per equivalent adult. Estimates are shown for detailed age groups: 5-year age groups beginning with age 20 and ending with an open-ended group of age 85 or older.

For units with head age 65 or older, median adjusted income in constant dollars rose from \$8,940 in 1967 to \$15,143 in 1992, an increase of 69 percent. Median income for the nonaged rose from \$16,994 to \$21,330, a rise of 26 percent. Median income rose from 1967 to 1992 for each detailed age group except the 20-24 age group; for almost all age groups the rise was substantial (chart 1).

The median income of the aged rose in each subperiod from 1967 to 1989. The median for that group fell almost 3 percent from 1989 to 1992; the 1992 figure was 1 percent below the 1984 amount. The median income of the nonaged rose from 1967 to 1979

¹⁸The sharp rise in this ratio in 1990 was associated with the recession that began in that year. The income of the nonaged fell in 1990, while the income of the aged rose.

¹⁹The years selected are those shown in the earlier articles, along with 1992, the most recent year for which comparable data were available.

and from 1984 to 1989, and fell from 1979 to 1984 and from 1989 to 1992. The decline from 1989 to 1992 was 5 percent. For the nonaged, the 1992 figure was slightly above the 1984 value, but was slightly below the 1979 value.

The average annual rate of change in real median income is shown for the entire period and for several subperiods in table 5. For the entire period, real median income rose 2.1 percent per year for the aged and only 0.9 percent per year for the nonaged.

In both subperiods from 1967 to 1984, median income grew faster for the aged than for the nonaged (during the 1979-84 subperiod, median income fell for the nonaged). During the 1984-89 subperiod, median income grew faster for the nonaged than for the aged. During the 1989-92 subperiod, median income fell for both the aged and the nonaged, but the decline was larger for the nonaged (chart 2).

The average annual rate of change from 1967 to 1992 was higher for each detailed aged group (ranging from 2.6 to 2.0 percent per year) than it was for each detailed nonaged group (ranging from 1.4 to -0.8 percent per year). When subperiods are examined, this strong relationship in income change by age of head holds only for the 1979-84 subperiod. The relationship holds for the four oldest detailed age groups in the 1967-79 subperiod.

The income changes described above produced changes in the relative median incomes of age groups.²⁰ Those relative medians are shown for selected years in table 6. The relative median of the elderly as a group rose from 0.57 in 1967 to 0.77 in 1984. After a small decline in 1989, the relative median for the elderly was also 0.77 in 1992. The relative median for each detailed age group among the elderly also rose substantially from

²⁰A relative median is the median for a subgroup divided by the median for all units.

1967 to 1992. In general, for the aged the 1984 values were similar to those for 1992. The levels of the relative medians, however, were still quite low in 1992 for the oldest age groups: 0.55 for the 85 and older age group and 0.60 for the 80-84 age group.

B. INCOME INEQUALITY

There also were changes in income inequality during the 1967-92 period, for the elderly and nonelderly age groups and for all units taken together. Inequality is measured here by examining relative income shares of income quintiles and Gini concentration ratios. In some cases it is not clear whether one distribution is more equal or less equal than another; in such cases the comparison is termed "ambiguous."²¹

For the elderly, inequality fell substantially from 1967 to 1992 (table 7).²² For that period, the Gini ratio fell from 0.457 to 0.418. The share of the bottom quintile rose from 4.6 percent to 5.4 percent and the share of the top quintile fell from 51.6 percent to 48.1

²¹Inequality is often measured using Lorenz curves and the Gini concentration ratio. A Lorenz curve relates cumulated relative income shares and cumulated percentages of units, when the units are ranked by size of income (Radner 1987a). The Gini concentration ratio is a measure of inequality that can be interpreted as being based on a Lorenz curve. The lower the ratio, the more equal the distribution; zero is complete equality and 1 is complete inequality. Some comparisons of inequality are ambiguous even though differences exist between Gini concentration ratio values. In this article, a distribution is considered to be more (less) equal than a second distribution if the Lorenz curve for the first distribution lies above (below) the Lorenz curve for the second distribution, with no intersection. If two Lorenz curves cross, the comparison is considered to be ambiguous. The Gini concentration ratio has been criticized by many analysts for the lack of desirable properties. There is no general agreement, however, on the single best measure. See Jenkins (1991) for a discussion of the measurement of inequality.

²²Various technical changes over time in the CPS data can affect comparisons of inequality. Changes, for example in coding limits, that affect high income amounts can have a particularly important impact on the measurement of inequality.

percent. Inequality fell sharply from 1967 to 1979, rose from 1979 to 1984 and from 1984 to 1989, then fell from 1989 to 1992.

For the nonelderly, in contrast, inequality rose sharply from 1967 to 1992. The Gini ratio rose from 0.358 to 0.405 during that period. The share of the bottom quintile fell from 5.2 percent to 3.7 percent and the share of the top quintile rose from 41.6 percent to 44.6 percent. Inequality rose from 1979 to 1984 and from 1989 to 1992, but the change was ambiguous for the other 2 subperiods.

In 1967 inequality was much greater for the elderly than for the nonelderly. In 1992, however, the comparison was ambiguous. In that year the elderly showed higher income shares for both the top quintile (48.1 percent compared with 44.6 percent) and the bottom quintile (5.4 percent compared with 3.7 percent).

For all ages as a group, inequality rose from 1967 to 1992. The Gini ratio rose from 0.384 to 0.411 during that period. The share of the bottom quintile fell from 4.6 percent to 4.0 percent and the share of the top quintile rose from 43.5 percent to 45.5 percent. Inequality fell from 1967 to 1979, then rose in the other 3 subperiods.

Another way to examine changes in income inequality is to compare changes in the incomes of income quintiles. Changes in the real mean incomes of income quintiles are shown for the elderly, the nonelderly, and for all ages in table 8. It is important to note that these changes are for portions of the distributions, rather than for specific family units. That is, units are ranked by the specific year's income, not by their income in an earlier year. Unlike the relative share comparisons discussed above, these estimates show sizes of income changes, as well as relative changes.

For the elderly, real mean income adjusted for unit size and age rose 2.4 percent per year for the bottom income quintile and only 1.4 percent per year for the top quintile from 1967 to 1992. The higher the income quintile, the lower the rate of increase in income.

The rates of income change for the nonelderly, however, showed the opposite pattern. The top quintile had the highest increase (1.3 percent per year), while the bottom quintile had a decrease (-0.3 percent per year) from 1967 to 1992.

The increase in income for each elderly quintile was greater than the increase (or decrease) for any nonelderly quintile from 1967 to 1992. When the bottom quintiles in the 2 age groups are compared, the mean income of the elderly rose by 2.4 percent per year, while the mean income of the nonelderly fell by 0.3 percent per year. For the top quintiles the difference was very small--the mean income of the elderly rose 1.4 percent per year, while the mean income of the nonelderly rose 1.3 percent per year.

For the 1989-92 subperiod, all quintiles of both age groups showed decreases in mean income. For the elderly, the largest decline (-2.5 percent per year) was in the top quintile, while the smallest decline (-0.6 percent per year) was in the second quintile. For the nonelderly, the largest fall (-4.2 percent per year) was in the bottom quintile, while the smallest decrease (-1.4 percent per year) was in the fourth quintile.

For the elderly, in the 1967-79 subperiod, the increase was larger for lower quintiles than for higher quintiles. In the 1979-84 and 1984-89 subperiods, however, the opposite was true. For the nonelderly, increases generally were higher for the higher quintiles in the 1967-79 and 1979-84 subperiods; in the 1984-89 subperiod, increases were highest in the lowest and highest quintiles.

In summary, from 1967 to 1992 inequality fell for the elderly and rose for the nonelderly. Inequality was much greater for the elderly than for the nonelderly in 1967; the comparison was ambiguous in 1992.

C. POVERTY

Poverty rates refer to the lower part of the income distribution, using a particular set of income thresholds to define that section of the distribution. As has been well documented, the official poverty rate for elderly persons fell sharply during the past several decades. From 1967 to 1992, the poverty rate for aged persons fell from about 27.9 percent to 12.9 percent (table 9).²³ In contrast, during that period the rate for nonaged persons rose from 11.8 percent to 14.7 percent.

All detailed age groups age 55 and older showed declines in their poverty rates from 1967 to 1992 (table 9). In contrast, all detailed age groups under age 55 showed increases in their poverty rates during that period. The rises were small for the 40-54 age groups.

²³The 1967 poverty rates shown here are based on poverty thresholds that did not reflect revisions made in 1969 and 1981. The 1979 rates shown here are based on thresholds that did not reflect the 1981 revisions. The 1969 revisions changed the annual adjustment of levels from food prices to the overall CPI-U and raised farm thresholds from 70 percent to 85 percent of nonfarm thresholds. The 1981 revisions eliminated separate farm thresholds, eliminated distinctions by sex of householder, and extended the matrix to families with 9 persons or more. These revisions would not be expected to have a large impact on the pattern of rates by age shown here. Using the current poverty definition, the poverty rate for 1967 was 29.5 percent for aged persons and 14.2 percent for all persons and the poverty rate for 1979 was 15.2 percent for aged persons and 11.7 percent for all persons (Bureau of the Census 1995). The old definitions are used here for 1967 and 1979 because estimates for the detailed age groups shown in table 9 are not available for those years using the new definition.

The poverty rate for each detailed age group was higher in 1992 than in 1989 (table 9). Thus, the rates for the elderly age groups fell even more from 1967 to 1989 than from 1967 to 1992. The rate for the elderly was slightly higher in 1992 than in 1984.

In each of the 5 years shown, poverty rates were lowest for the middle age groups and highest for the oldest and youngest groups. In 1967, the oldest age groups had by far the highest rates of any age group. In 1992, however, the youngest groups had the highest rates.²⁴

It is also important to consider the percentage of each age group that is not very far above the poverty threshold (not shown). Although in 1992 the percentage of persons below the poverty threshold was lower for the aged (12.9 percent) than for the nonaged (14.7), the opposite was true for the percentages below 125 percent and 150 percent of the threshold. For the aged, 20.4 percent were below 125 percent of the threshold and 27.6 percent were below 150 percent of the threshold; the corresponding figures for the nonaged were 19.2 percent and 23.6 percent, respectively.

Although the youngest age groups had the highest poverty rates in 1992, the 85 or older age group had the highest percentages below 125 percent of the threshold (32.8 percent) and below 150 percent of the threshold (42.1 percent). The oldest age group had the highest percentage between the threshold and 150 percent of the threshold, 22.3 percent of the age group. The youngest group had 11.0 percent in that range.

²⁴Estimates from the Survey of Income and Program Participation (SIPP) show generally lower poverty rates than the estimates from the CPS shown here. Although the reasons for this difference in levels are not fully understood at this time, the generally better reporting of income in SIPP probably is an important factor.

D. CHANGES IN INCOME TYPES

In this subsection, changes in the real amounts of specific income types (adjusted for unit size and age) are examined in order to shed more light on the causes of changes in total income. The income types examined are: **earnings**, which includes wage and salary income and nonfarm and farm self-employment income; **social security**, which includes Old Age and Survivors and Disability (OASDI) benefits and railroad retirement benefits; **property income**, which includes interest, dividends, rent, and income from estates and trusts; **pensions**, which includes private pensions, annuities, and government pensions, both civilian and military; and **other**, which includes Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), unemployment compensation, worker's compensation, veterans' payments, alimony, child support, regular contributions from outside the household, and other regularly received cash income. These types sum to total cash income.²⁵

Table 10 shows mean income in 1992 dollars adjusted for unit size and age for 10-year age groups, all units, aged units, and nonaged units, for selected years in the 1967-1992 period.

Aged family units will be discussed first. As a net result of large increases in social security benefits, property income, and pensions and other income, and a large decrease in

²⁵For 1967, pensions and "other" income are shown together; amounts of pension income could not be separated accurately from amounts of several other income types. For the 1967 estimates, other income included Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled instead of SSI; SSI payments did not begin until 1974.

earnings, real mean total income of aged family units rose by \$7,249 from 1967 to 1992, an increase of 54 percent.²⁶ The largest increase was for social security income.

Real mean adjusted social security income for aged family units rose by \$4,021 from 1967 to 1992, an increase of 106 percent. The percentage of aged family units receiving social security income rose from 83 percent in 1967 to 94 percent in 1992 (not shown). Most of the increase for the period occurred in the 1967-1979 subperiod; the rise in that subperiod was \$2,913, or 77 percent. Benefits were increased substantially during that subperiod by legislation. The increases from 1984 to 1992 were quite small.²⁷

For the aged group, mean income from earnings fell by \$1,488 from 1967 to 1992, a decline of 25 percent. The percentage receiving earnings fell from 45 percent in 1967 to 28 percent in 1992. The decline in the 1967-1979 subperiod exceeded the decline for the entire period. A small decline in 1979-84 was followed by a rise in 1984-89 as general economic conditions improved, and another decline in 1989-92 as a recession made economic conditions worse.

Mean property income of aged family units rose over the period by \$2,071, an increase of 101 percent. The subperiods, however, showed large differences. Mean property income rose sharply in 1967-79 and 1979-84; the 1984 value was 184 percent higher than the 1967 figure. Interest rates were rising during that time. In 1984-89 and

²⁶Note that this increase was less than the 69 percent increase in the real median for this period.

²⁷See Radner (1987b) for a discussion of differences between the automatic adjustment of social security benefits for price change and the adjustment for price change applied to income amounts here.

1989-92, however, mean property income fell as interest rates fell; the 1992 figure was 29 percent below the 1984 value.²⁸

Mean pensions plus other income of aged family units also rose sharply from 1967 to 1992--by \$2,649, or 147 percent. Much of the increase was in the 1967-79 subperiod--\$1,144, or a 63 percent increase. The increases in the other 3 subperiods were smaller.

Pensions can be examined separately for the 1979-92 period. Mean pensions of aged family units rose by \$1,471 (64 percent) from 1979 to 1992. The percentage receiving pensions rose from 34 percent to 47 percent during that period.

Within the aged group, changes over time generally were similar for the 65-74 and 75 or older age groups (table 10). For both of those age groups, mean earnings fell and mean social security benefits, property income, and pensions and other income rose sharply from 1967 to 1992. The increase in mean social security benefits was the most important increase for both age groups.

Changes for the nonaged group will be discussed in less detail. Each income type showed an increase in real mean income for the entire period. Real mean total income for the nonaged rose \$5,796 (29 percent) for the entire period.

Mean earnings for the 1967-92 period rose by \$3,995, or 22 percent. The only decline for that income type was in the 1989-92 subperiod, a subperiod that contained a recession.

²⁸Interest income is the dominant type of property income. See Radner (1987b) for a discussion of problems associated with adjusting nominal interest income for changes in consumer prices.

Social security benefits showed a small dollar amount increase (but a large percentage rise) for the entire period. Property income showed a more important rise, \$522 (99 percent) over the entire period. As in the case of the aged, mean property income fell from 1984 to 1992 as interest rates declined. Pensions and other income had a large increase from 1967 to 1992: \$1,109, or 209 percent. Most of that increase occurred in the first subperiod.

Within the nonaged group, mean earnings rose for all groups except the under 25 group, and property income and pensions and other income rose for all age groups from 1967 to 1992. For the 55-64 age group, pensions and other income showed a particularly large increase of \$2,892 (350 percent).

The changes in income types, because they are changes in mean amounts, can be influenced strongly by the changes experienced by units with high total income (which tend to have high amounts of specific income types). In order to examine results for "typical" aged units, mean amounts and changes in those amounts are discussed briefly for the middle total income quintile of the aged group.

For the middle income quintile of aged units, mean earnings showed little change, while social security benefits, property income, and pensions and other income showed large increases from 1967 to 1992 (table 11).²⁹

Real mean social security income of the middle income quintile of aged units rose \$4,068, or 85 percent, from 1967 to 1992. Most of this increase occurred in the 1967-79

²⁹Note that changes in income types over time can affect which units appear in the middle income quintile of an age group.

subperiod, and almost all had occurred by 1984. For the entire period, the dollar amount of this increase was by far the largest for any income type for that group.

Mean pensions and other income rose \$1,265, or 71 percent from 1967 to 1992 for the middle income quintile. Property income rose \$828 (97 percent), while income from earnings in 1992 was essentially the same as in 1967.

When the subperiods are examined, property income showed declines in the 1984-89 and 1989-92 subperiods, and earnings showed declines in the 1967-79 and 1989-92 subperiods.

Mean incomes for the other 4 income quintiles of aged units are also shown in table 11. Mean social security income rose substantially from 1967 to 1992 for each of the 5 income quintiles. The rise was \$2,232 (95 percent) for the bottom quintile, \$3,580 (91 percent) for the second quintile, \$4,870 (108 percent) for the fourth quintile, and \$5,350 (154 percent) for the top quintile. The percentage receiving social security income rose for each quintile during that period. The largest increases were in the top quintile (from 70 percent to 90 percent) and the bottom quintile (from 80 percent to 92 percent).

As in the case of social security income, property income and pensions and other income showed larger dollar amount increases in mean income in higher quintiles. The top quintile showed an increase of \$8,204 (267 percent) in pensions and other income and an increase of \$7,200 (101 percent) in property income from 1967 to 1992. A decrease of \$5,697 in earnings for that quintile offset part of the increases in other income types.

Mean total income rose substantially for all five quintiles of aged units from 1967 to 1992. For all except the second quintile, however, 1992 mean total income was below the 1984 mean.

E. COMPOSITION OF TOTAL INCOME

Changes in mean amounts of various income types produce changes in the composition of total income. The composition of total income for age groups is shown for selected years in table 12. For aged units, from 1967 to 1992, the share of earnings in total income fell, while the shares of the other income types rose. The share of earnings fell from 43.2 percent to 21.0 percent, the share of social security income rose from 28.2 percent to 37.7 percent, the share of property income rose from 15.2 percent to 19.9 percent, and the share of pensions and other income rose from 13.4 percent to 21.5 percent. For earnings and social security income, most of the change occurred in the 1967-79 subperiod. The share of property income rose sharply from 1967 to 1984, then fell. The share of pensions and other income rose in 3 of the 4 subperiods.

As in the case of the aged group as a whole, the 65-74 and 75 or older groups showed decreases in the share of earnings and increases in the shares of the other income types. The levels of those shares, and, in some cases, the size of the change differed between these two age groups. For the 65-74 age group, from 1967 to 1992, the share of earnings fell from 49.2 percent to 27.2 percent, the share of social security income rose from 24.9 percent to 32.4 percent, the share of property income rose from 13.2 percent to 18.0 percent, and the share of pensions and other income rose from 12.6 percent to 22.5 percent.

For the 75 and older age group, the share of earnings fell from 28.8 percent to 10.2 percent, the share of social security income rose from 36.0 percent to 47.0 percent, the share of property income rose from 19.9 percent to 23.1 percent, and the share of pensions and other income rose from 15.2 percent to 19.7 percent.

The composition of income also shifted for the 55-64 age group. The share of earnings fell from 87.9 percent in 1967 to 72.4 percent in 1992, as more workers in this age group retired. (The percentage with earnings fell from 89 percent in 1967 to 80 percent in 1992.) The share of pensions and other income rose from 3.8 percent to 12.8 percent, and there were small increases in the shares of social security income and property income.

The under 25 age group also showed important shifts. The share of earnings fell from 95.9 percent in 1967 to 86.0 percent in 1992. The share of pensions and other income (which is almost entirely other income for this age group) rose from 2.9 percent to 11.7 percent.

The middle income quintile of the aged group has a different composition of income from the group as a whole (table 13). From 1967 to 1992, the share of earnings fell from 17.9 percent to 10.9 percent, the share of social security income rose from 52.9 percent to 58.0 percent, the share of property income rose from 9.5 percent to 11.1 percent, and the share of pensions and other income rose slightly from 19.7 percent to 20.0 percent.

For that group, the decline in the share of earnings occurred almost entirely in the 1967-79 subperiod. The share of social security benefits rose, then fell, then rose again. The share of property income rose, then fell. The share of pensions rose steadily from 1979 to 1992.

The composition of total income for the other 4 income quintiles of aged units is also shown in table 13. In each year, social security income had its highest share (81.8 percent in 1992) in the bottom quintile and its lowest (17.7 percent in 1992) in the top quintile. In each quintile, the share of social security income rose from 1967 to 1992.

In each year, earnings had its highest share (31.1 percent in 1992) in the top quintile and its lowest (1.5 percent in 1992) in the bottom quintile. The share of earnings fell for every quintile from 1967 to 1992, although the decline was very small for the bottom quintile.

Property income also had its highest share (28.7 percent in 1992) in the top quintile and its lowest (3.6 percent in 1992) in the bottom quintile in each year. The share of property income rose for the top four quintiles from 1967 to 1992.

The pattern for pensions and other income was less clear. Its highest share (25.6 percent in 1992) was in the fourth quintile in the last 4 years shown. Its lowest share was in the bottom or second quintile in 4 of the 5 years. The shares for the different quintiles were more similar than for the other income types. The bottom two quintiles showed a fall in this share from 1967 to 1992, the middle quintile showed almost no change, and the top two quintiles showed a rise. The rise was substantial (from 8.8 percent to 22.6 percent) for the top quintile. The share of pensions rose for each quintile from 1979 to 1992.

For each quintile, the fall in the share of earnings occurred primarily from 1967 to 1979. For the top four quintiles the increase in the share of social security benefits also occurred mainly in the 1967-79 subperiod. In most cases the top four quintiles showed a steady rise in the share of pensions from 1979 to 1992.

F. MEDIAN TOTAL INCOME BY TYPE OF UNIT

Median total incomes of types of family units are shown for the aged and for the nonaged in table 14. Families are separated into three mutually exclusive groups: those with a head who is married spouse present, those with a male head who is not married spouse present ("other male"), and those with a female head who is not married spouse present ("other female").³⁰ Unrelated individuals are separated into males and females.³¹

For aged units, median income for all families rose from \$11,752 in 1967 to \$19,781 in 1992 (68 percent). The levels and increases for married spouse present families and for other male families were roughly similar. For other female families, however, the increase was much smaller--from \$12,393 to \$15,894 (28 percent). Male unrelated individuals showed an increase from \$7,367 to \$13,057 (77 percent), while female unrelated individuals showed an increase from \$5,754 to \$10,339 (80 percent).

³⁰All three types of family contain families of different size and composition. A family in any of the types of family may or may not include related children.

³¹There were roughly 105 million family units of all ages in the 1992 data. Married spouse present families were 51 percent of all units, other male families were 3 percent, other female families were 11 percent, male unrelated individuals were 16 percent and female unrelated individuals were 19 percent. The distribution of aged units was much different. Of the roughly 21 million aged units in the 1992 data, married spouse present families were 44 percent, other male families were 2 percent, other female families were 7 percent, male unrelated individuals were 11 percent, and female unrelated individuals were 36 percent. These distributions have changed over time. In the 1967 data, for the all ages group, there were relatively more total families and married spouse present families and relatively fewer male and female unrelated individuals than in 1992. For aged units, the distribution changed less from 1967 to 1992 than for all ages; the largest change was a small shift toward more female unrelated individuals.

All aged types of unit showed a decline in median income from 1989 to 1992. For all families and for each of the three family types, median income in 1992 was below the 1984 value, although in some cases the difference was very small.

Increases for nonaged units from 1967 to 1992 generally were somewhat smaller. Other male families showed a small decline.

Average annual rates of change for types of family units are shown in table 15. For aged units, for the entire period, the largest increases were for female unrelated individuals (2.4 percent per year), male unrelated individuals (2.3 percent per year), and married spouse present families (2.3 percent per year). The smallest increase was for other female families (1.0 percent per year).

For aged units, all types of family unit showed increases in income in the first 3 subperiods and a decrease in the 1989-92 subperiod. For nonaged units, all types of family unit showed an increase in the 1967-79 subperiod and a decrease in the 1989-92 subperiod. Most types of nonaged units showed a fall in 1979-84 and a rise in 1984-89.

Relative median incomes for types of family units are shown in table 16. For each year shown, the all ages-all units median was used as the base (with a value of 1.00). For aged units, relative medians for married spouse present and other male families showed substantial increases from 1967 to 1992. Other female families showed no change. Both male and female aged unrelated individuals showed substantial increases. Thus, the relative income gains experienced by the aged that were shown in earlier sections of this article were shared by most types of units within the aged group.

III. SUMMARY AND CONCLUSIONS

This article has examined the money incomes of the elderly and the nonelderly. The economic status of the elderly is put in perspective by discussing changes in real incomes since 1967 and the income of the elderly relative to the incomes of other age groups. Detailed age groups within both the elderly and nonelderly groups are examined. The major findings of this article are summarized below.

The economic status of the aged in 1992, as measured by before-tax money income, was substantially better than in 1967, but was about the same as in 1984.

From 1967 to 1992, the real median income (adjusted for unit size and age) of elderly family units rose 69 percent. The median fell from 1989 to 1992; the 1992 median was slightly below the 1984 value. The real median adjusted income of nonelderly units rose 26 percent from 1967 to 1992.

The ratio of the median adjusted income of aged family units to the median for the nonaged rose from 0.526 in 1967 to 0.710 in 1992. The 1992 ratio, however, was below the 1984 ratio. To a great extent, the rise in the aged-nonaged income ratio from 1967 to 1992 offset a decline in that ratio from 1947 to 1967.

Despite substantial increases in income during the 1967-92 period, in 1992 the median adjusted income of units aged 85 and older was only 55 percent of the median for units of all ages. The corresponding value for 1967 was 38 percent.

Income inequality for elderly units fell substantially from 1967 to 1992. Inequality rose sharply for the nonelderly during that period.

The poverty rate for aged persons fell sharply from 1967 to 1992, while the rate for nonaged persons rose. The rate for each detailed age group was higher in 1992 than in 1989. In each year shown, poverty rates were lowest for middle age groups and highest for the youngest and oldest groups. In 1967 the oldest age groups had the highest rates of any age group; in 1992, the youngest groups had the highest rates.

The increase in total income for the aged from 1967 to 1992 was the result of large increases in mean social security benefits, property income, and pensions and other income, and a large decrease in mean earnings. The largest increase was in social security benefits. The composition of total income for the aged shifted in accordance with these changes.

Declines in property income were major factors in the fall in the total income of aged units from 1989 to 1992 and in the slight decrease in the total income of the aged from 1984 to 1992.

All types of aged family units showed increases in real income from 1967 to 1992. All types of aged family units showed decreases in real income from 1989 to 1992.

The results shown in this article illustrate the important point that the incomes of all age groups have fluctuated over time. Both the elderly and nonelderly have experienced periods of income growth and income decline, and this pattern can be expected to continue in the future. The relationship between the incomes of the elderly and the nonelderly in the future is uncertain. That relationship is affected by the economy's level of activity, as well as by long-run trends. Fluctuations in property income, resulting primarily from changes in interest rates, can be expected to continue to play an important role in changes in the income of the aged.

Table 1. Average annual percentage change in real mean income of family units, by age of unit head, 1947-92

<u>Period</u>	<u>Age</u>		
	<u>65 or older</u>	<u>Under 65</u>	<u>All ages</u>
1947-92	1.3	1.4	1.4
1947-67	1.2	2.6	2.4
1967-92	1.4	0.5	0.6
1947-57	-0.4	2.1	1.7
1957-67	2.7	3.2	3.0
1967-77	1.7	0.9	0.9
1977-87	2.0	0.7	0.8
1987-92	-0.2	-0.6	-0.5

Source: Derived from published CPS estimates in various Current Population Reports, Series P-60.

Table 2. Ratio of mean income of aged family units to mean incomes of nonaged family units, selected years 1947-92

Age of head	Year						
	<u>1947</u>	<u>1957</u>	<u>1967</u>	<u>1979</u>	<u>1984</u>	<u>1989</u>	<u>1992</u>
Under 65	0.67	0.52	0.50	0.54	0.65	0.63	0.63
Under 25	1.11	0.81	0.88	1.03	1.45	1.51	1.61
25-34	0.73	0.53	0.53	0.60	0.75	0.76	0.77
35-44	0.61	0.47	0.45	0.46	0.56	0.55	0.56
45-54	0.60	0.47	0.43	0.43	0.51	0.48	0.48
55-64	0.67	0.58	0.54	0.51	0.60	0.59	0.59

Source: Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

**Table 3. Ratio of aged to nonaged median incomes
of family units, selected years 1967-92**

<u>Year</u>	<u>Ratio</u>	<u>Change from previous year</u>
1967	0.526	...
1972	0.572	...
1977	0.603	...
1979	0.604	...
1980	0.631	0.027
1981	0.668	0.037
1982	0.699	0.031
1983	0.710	0.011
1984	0.727	0.017
1985	0.712	-0.015
1986	0.706	-0.006
1987	0.697	-0.009
1988	0.693	-0.004
1989	0.693	0
1990	0.725	0.032
1991	0.720	-0.005
1992	0.710	-0.010

Notes: Income adjusted for unit size and age.
"..." denotes not available.

Source: Radner 1991 and tabulations from various
March CPS files.

Table 4. Median family unit income in 1992 dollars, by age of unit head, selected years 1967-92

<u>Age</u>	<u>Year</u>				
	<u>1967</u>	<u>1979</u>	<u>1984</u>	<u>1989</u>	<u>1992</u>
All ages	\$15,586	\$19,590	\$19,857	\$20,995	\$19,777
Under 65	16,994	21,440	21,027	22,462	21,330
65 or older	8,940	12,960	15,300	15,557	15,143
20-24	13,738	15,392	12,669	13,255	11,265
25-29	16,365	20,338	19,464	19,734	18,036
30-34	15,457	21,471	20,656	21,363	19,930
35-39	15,531	21,555	22,494	22,998	21,404
40-44	17,109	22,622	23,445	25,717	23,956
45-49	19,346	25,187	25,854	28,588	27,513
50-54	20,546	25,796	26,251	29,328	27,844
55-59	19,539	26,029	25,030	26,371	26,483
60-64	17,168	21,135	20,999	23,137	21,937
65-69	11,547	15,868	18,633	19,436	18,848
70-74	9,423	13,481	15,752	16,875	16,129
75-79	7,524	11,653	13,620	13,661	14,358
80-84	6,714	10,585	11,720	12,102	11,869
85 or older	5,974	9,593	11,109	11,230	10,815

Notes: Under 65 and All ages groups include units with head aged 15-19.
Income adjusted for unit size and age.

Source: Derived from estimates in Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

**Chart 1. Median adjusted family unit income in 1992 dollars,
by age of unit head, 1967 and 1992**

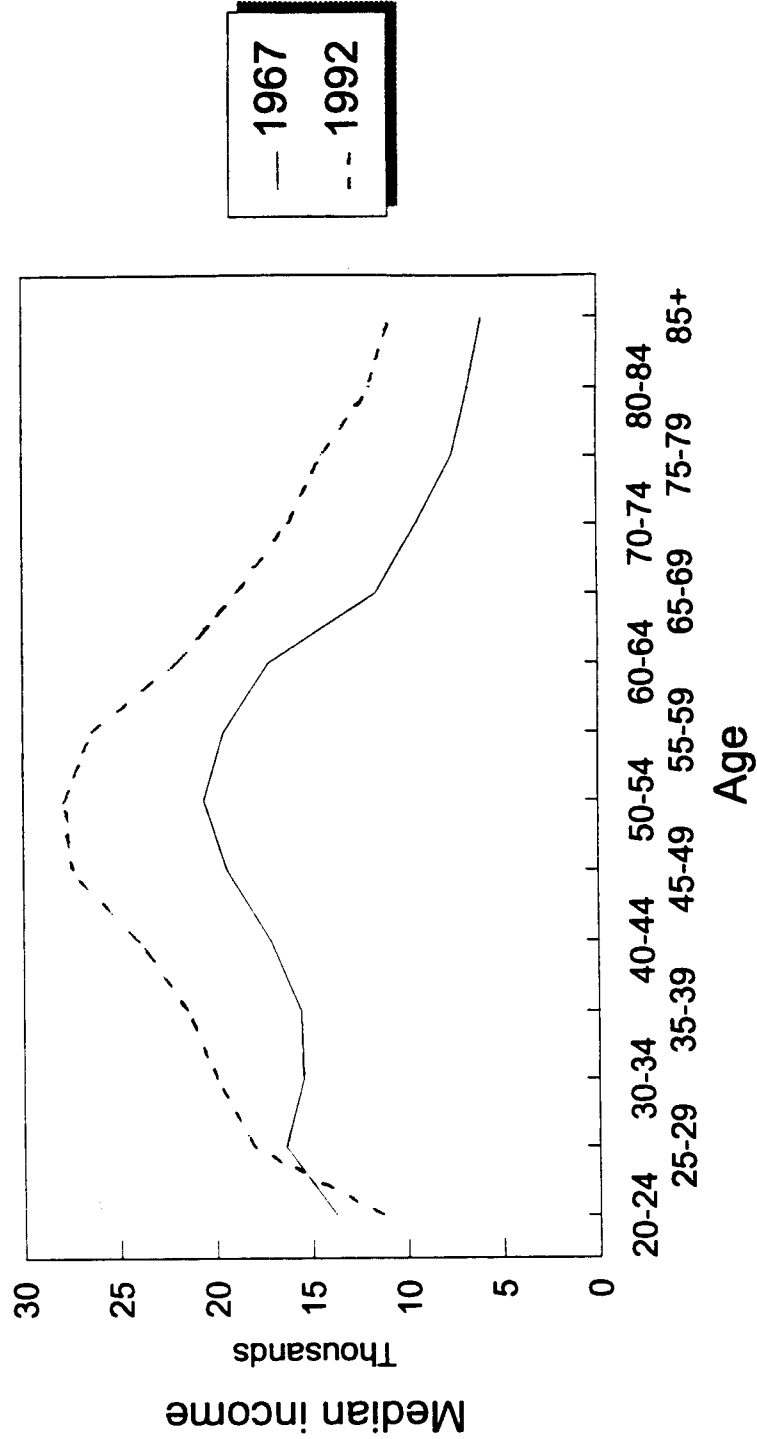


Table 5. Average annual percentage change in real median income of family units, by age of unit head, for selected periods 1967-92

<u>Age</u>	<u>Period</u>				
	<u>1967-92</u>	<u>1967-79</u>	<u>1979-84</u>	<u>1984-89</u>	<u>1989-92</u>
All ages	1.0	1.9	0.3	1.1	-2.0
Under 65	0.9	2.0	-0.4	1.3	-1.7
65 or older	2.1	3.1	3.4	0.3	-0.9
20-24	-0.8	1.0	-3.8	0.9	-5.3
25-29	0.4	1.8	-0.9	0.3	-3.0
30-34	1.0	2.8	-0.8	0.7	-2.3
35-39	1.3	2.8	0.9	0.4	-2.4
40-44	1.4	2.4	0.7	1.9	-2.3
45-49	1.4	2.2	0.5	2.0	-1.3
50-54	1.2	1.9	0.4	2.2	-1.7
55-59	1.2	2.4	-0.8	1.0	0.1
60-64	1.0	1.7	-0.1	2.0	-1.8
65-69	2.0	2.7	3.3	0.8	-1.0
70-74	2.2	3.0	3.2	1.4	-1.5
75-79	2.6	3.7	3.2	0.1	1.7
80-84	2.3	3.9	2.1	0.6	-0.6
85 or older	2.4	4.0	3.0	0.2	-1.2

Notes: Under 65 and All ages groups include units with head aged 15-19.
Income adjusted for unit size and age.

Source: Derived from estimates in Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

Chart 2. Average annual percentage change in real median adjusted income of family units, by age of unit head, 1967-92

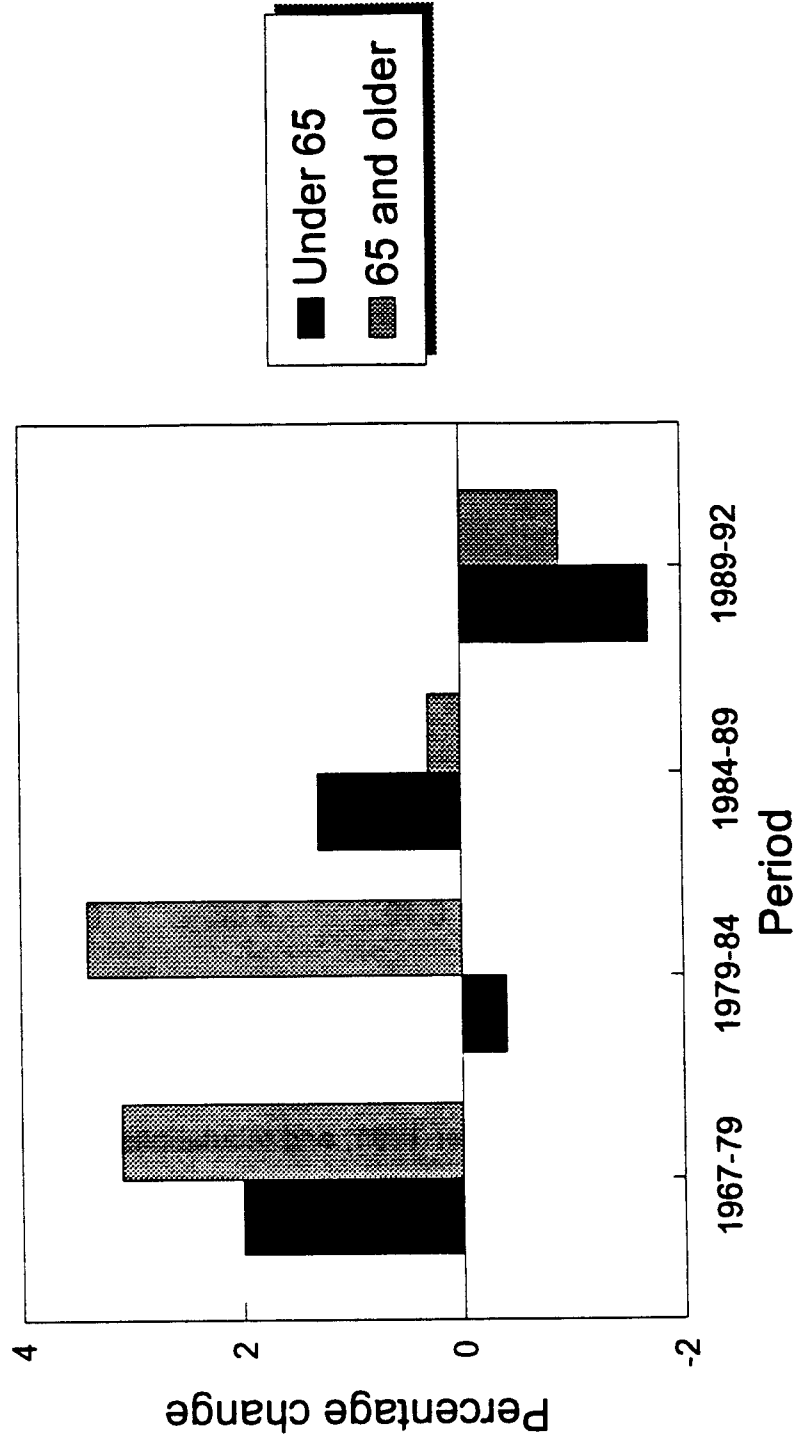


Table 6. Relative median incomes of family units, by age of unit head,
selected years 1967-92

Age	Year				
	1967	1979	1984	1989	1992
All ages	1.00	1.00	1.00	1.00	1.00
Under 65	1.09	1.09	1.06	1.07	1.08
65 or older	0.57	0.66	0.77	0.74	0.77
20-24	0.88	0.79	0.64	0.63	0.57
25-29	1.05	1.04	0.98	0.94	0.91
30-34	0.99	1.10	1.04	1.02	1.01
35-39	1.00	1.10	1.13	1.10	1.08
40-44	1.10	1.15	1.18	1.22	1.21
45-49	1.24	1.29	1.30	1.36	1.39
50-54	1.32	1.32	1.32	1.40	1.41
55-59	1.25	1.33	1.26	1.26	1.34
60-64	1.10	1.08	1.06	1.10	1.11
65-69	0.74	0.81	0.94	0.93	0.95
70-74	0.60	0.69	0.79	0.80	0.82
75-79	0.48	0.59	0.69	0.65	0.73
80-84	0.43	0.54	0.59	0.58	0.60
85 or older	0.38	0.49	0.56	0.53	0.55

Notes: Under 65 and All ages groups include units with head aged 15-19.
Income adjusted for unit size and age.

Source: Radner 1987a, Radner 1991, and tabulations from the
March 1993 CPS.

Table 7. Relative income shares of income quintiles of family units, by age of unit head, selected years 1967-92

Age and quintile	Year				
	<u>1967</u>	<u>1979</u>	<u>1984</u>	<u>1989</u>	<u>1992</u>
All ages					
1	4.6	4.8	4.2	4.2	4.0
2	11.0	11.0	10.3	10.1	10.0
3	16.9	17.0	16.4	16.2	16.2
4	24.1	24.5	24.1	24.0	24.2
5	43.5	42.7	45.1	45.5	45.5
Gini ratio	0.384	0.376	0.404	0.408	0.411
65 or older					
1	4.6	5.9	5.6	5.4	5.4
2	8.8	10.1	9.5	9.4	9.8
3	13.3	14.8	14.5	14.3	14.7
4	21.6	22.1	22.2	22.0	22.1
5	51.6	47.1	48.1	48.9	48.1
Gini ratio	0.457	0.402	0.416	0.426	0.418
Under 65					
1	5.2	4.8	3.9	4.0	3.7
2	12.0	11.8	10.7	10.6	10.3
3	17.3	17.6	16.8	16.7	16.8
4	23.9	24.6	24.4	24.2	24.6
5	41.6	41.3	44.1	44.4	44.6
Gini ratio	0.358	0.362	0.397	0.399	0.405

Note: Income adjusted for unit size and age.

Source: Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

Table 8. Average annual percentage change in real mean incomes of income quintiles of family units, by age of unit head, selected periods 1967-92

Age and quintile	Period				
	<u>1967-92</u>	<u>1967-79</u>	<u>1979-84</u>	<u>1984-89</u>	<u>1989-92</u>
All ages					
Total	1.1	1.9	1.0	1.3	-1.9
1	0.5	2.1	-1.5	1.2	-3.5
2	0.8	1.9	-0.4	1.1	-2.2
3	1.0	2.0	0.2	1.1	-1.8
4	1.2	2.0	0.7	1.2	-1.6
5	1.3	1.7	2.1	1.5	-1.8
65 or older					
Total	1.7	2.2	3.7	0.8	-1.9
1	2.4	4.3	2.7	-0.1	-1.7
2	2.2	3.4	2.6	0.5	-0.6
3	2.1	3.2	3.3	0.5	-1.1
4	1.8	2.4	3.7	0.6	-1.8
5	1.4	1.5	4.1	1.2	-2.5
Under 65					
Total	1.0	1.8	0.5	1.4	-1.9
1	-0.3	1.1	-3.3	1.7	-4.2
2	0.4	1.7	-1.4	1.3	-2.7
3	0.9	1.9	-0.3	1.3	-1.8
4	1.2	2.1	0.4	1.3	-1.4
5	1.3	1.8	1.9	1.6	-1.8

Note: Income adjusted for unit size and age.

Source: Derived from estimates in Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

**Table 9. Percentage of persons in poverty, by age of person,
selected years 1967-92**

<u>Age</u>	<u>Year</u>				
	<u>1967</u>	<u>1979</u>	<u>1984</u>	<u>1989</u>	<u>1992</u>
All ages	13.3	11.5	14.4	12.8	14.5
Under 65	11.8	11.1	14.7	13.0	14.7
65 or older	27.9	15.1	12.4	11.4	12.9
Under 5	16.6	17.9	23.9	22.6	26.1
5-9	15.5	16.9	22.6	20.3	22.4
10-14	15.0	15.6	20.1	18.1	19.2
15-19	13.8	13.3	18.0	15.6	18.2
20-24	10.5	10.8	16.0	14.8	17.5
25-29	8.0	8.5	12.5	11.3	14.2
30-34	8.9	7.6	11.4	10.8	12.4
35-39	8.2	7.6	10.0	8.9	10.7
40-44	8.0	7.1	9.6	7.2	8.7
45-49	7.0	7.1	9.4	7.2	7.5
50-54	7.6	7.5	9.4	7.7	8.4
55-59	11.1	8.3	9.9	9.7	10.0
60-64	15.4	10.8	10.9	9.5	10.6
65-69	21.8	12.2	9.4	8.2	10.4
70-74	25.8	13.4	11.5	9.6	10.9
75-79	33.3	17.9	13.7	13.5	13.7
80-84	37.7	19.4	17.7	16.7	17.6
85 or older	38.0	22.7	18.4	18.4	19.8

Note: The 1967 and 1979 estimates shown utilize the poverty definitions in effect in those years.

Source: Radner 1991 and tabulations from various March CPS files.

Table 10. Mean incomes of family units in 1992 dollars, by type of income and age of unit head, selected years 1967-92

Age and year	Type of income						
	Total income	Earnings	Social Security	Property	Pensions and other	Pensions	Other
All ages							
1967	\$18,501	\$15,952	\$948	\$822	\$779	...	...
1979	23,129	18,303	1,676	1,527	1,623	838	785
1984	24,312	18,366	1,880	2,261	1,807	1,007	799
1989	25,963	19,906	1,895	2,148	2,013	1,198	815
1992	24,530	18,711	1,935	1,673	2,211	1,239	972
Under 65							
1967	19,696	18,375	264	527	531	...	...
1979	24,468	21,721	447	998	1,300	483	817
1984	25,106	21,913	431	1,375	1,386	542	845
1989	26,971	23,735	419	1,339	1,477	619	858
1992	25,492	22,370	433	1,049	1,640	595	1,045
65 or older							
1967	13,506	5,841	3,807	2,049	1,805	...	...
1979	17,632	4,269	6,720	3,694	2,949	2,297	653
1984	21,130	4,149	7,682	5,814	3,486	2,870	616
1989	22,004	4,869	7,693	5,326	4,115	3,470	645
1992	20,755	4,353	7,828	4,120	4,454	3,768	686
Under 25							
1967	13,809	13,242	51	110	405	...	...
1979	16,104	14,722	105	212	1,063	19	1,044
1984	13,825	12,337	52	271	1,166	19	1,146
1989	14,198	12,753	60	224	1,161	31	1,130
1992	12,456	10,708	60	236	1,452	18	1,434
25-34							
1967	18,049	17,443	75	169	362	...	...
1979	23,160	21,797	95	401	869	48	821
1984	22,929	21,458	84	507	879	91	788
1989	23,792	22,364	98	476	854	75	780
1992	22,154	20,679	107	335	1,032	64	968

Table 10 (continued)

<u>Age and year</u>	<u>Total income</u>	<u>Earnings</u>	<u>Social Security</u>	<u>Property</u>	<u>Pensions and other</u>	<u>Pensions</u>	<u>Other</u>
35-44							
1967	18,882	17,993	177	295	417	...	...
1979	24,933	23,055	244	760	876	170	706
1984	26,429	24,370	198	967	893	134	759
1989	28,056	25,931	203	1,008	912	159	753
1992	26,216	24,169	217	720	1,110	161	949
45-54							
1967	22,630	21,065	291	684	594	...	...
1979	28,087	24,987	483	1,273	1,342	563	779
1984	29,860	26,248	409	1,723	1,480	586	894
1989	33,463	29,755	372	1,831	1,504	614	890
1992	31,771	28,110	409	1,574	1,679	609	1,070
55-64							
1967	21,502	18,898	621	1,160	826	...	...
1979	27,740	21,322	1,416	2,436	2,566	1,737	829
1984	28,678	20,543	1,556	3,648	2,930	2,093	836
1989	30,718	21,852	1,625	3,531	3,711	2,729	982
1992	29,122	21,094	1,643	2,667	3,718	2,621	1,097
65-74							
1967	15,111	7,441	3,768	1,998	1,904	...	...
1979	19,130	5,614	6,683	3,606	3,224	2,596	628
1984	23,192	5,668	7,702	5,799	4,024	3,375	649
1989	24,694	6,865	7,516	5,390	4,922	4,221	702
1992	23,284	6,330	7,538	4,181	5,234	4,461	773
75 or older							
1967	10,761	3,103	3,878	2,143	1,640	...	...
1979	15,228	2,108	6,779	3,831	2,510	1,814	697
1984	18,072	1,896	7,652	5,834	2,691	2,122	569
1989	18,288	2,112	7,938	5,236	3,001	2,434	567
1992	17,456	1,772	8,207	4,040	3,436	2,864	572

Notes: Income adjusted for unit size and age.

"..." denotes not available.

Source: Derived from estimates in Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

Table 11. Mean incomes of aged family units in 1992 dollars, by type of income and income quintiles, selected years 1967-92

Quintile and year	Type of income						
	Total income	Earnings	Social Security	Property	Pensions and other	Pensions	Other
1							
1967	\$3,127	\$79	\$2,348	\$157	\$543	...	...
1979	5,200	97	4,018	212	871	94	777
1984	5,945	109	4,626	251	958	114	843
1989	5,901	123	4,699	244	834	191	643
1992	5,597	84	4,580	201	731	147	584
2							
1967	5,923	519	3,953	370	1,086	...	...
1979	8,886	487	6,454	743	1,203	447	756
1984	10,087	518	7,416	881	1,271	667	604
1989	10,342	628	7,476	909	1,329	737	592
1992	10,157	551	7,533	706	1,367	822	545
3							
1967	9,003	1,609	4,759	857	1,778	...	...
1979	13,063	1,451	7,733	1,785	2,094	1,500	594
1984	15,351	1,707	8,683	2,392	2,570	2,050	520
1989	15,731	1,763	8,727	2,348	2,893	2,425	468
1992	15,211	1,656	8,827	1,685	3,043	2,481	562
4							
1967	14,595	5,762	4,515	1,766	2,553	...	...
1979	19,514	3,814	8,211	3,715	3,776	3,285	491
1984	23,432	4,301	8,877	5,709	4,545	4,080	464
1989	24,202	4,567	9,005	5,230	5,401	4,766	635
1992	22,893	3,947	9,385	3,705	5,856	5,260	596
5							
1967	34,854	21,219	3,465	7,099	3,068	...	...
1979	41,490	15,492	7,182	12,010	6,807	6,157	651
1984	50,836	14,107	8,807	19,831	8,090	7,438	652
1989	53,835	17,263	8,556	17,896	10,121	9,232	889
1992	49,908	15,522	8,815	14,299	11,272	10,130	1,142

Notes: Income adjusted for unit size and age.

"..." denotes not available.

Source: Derived from estimates in Radner 1987a, Radner 1991, and tabulations from the March 1993 CPS.

Table 12. Percentage composition of total income of family units, by type of income and age of unit head, selected years 1967-92

Age and year	Type of income						
	Total income	Earnings	Social Security	Property	Pensions and other	Pensions	Other
All ages							
1967	100.0	86.2	5.1	4.4	4.2	...	...
1979	100.0	79.1	7.2	6.6	7.0	3.6	3.4
1984	100.0	75.5	7.7	9.3	7.4	4.1	3.3
1989	100.0	76.7	7.3	8.3	7.8	4.6	3.1
1992	100.0	76.3	7.9	6.8	9.0	5.1	4.0
Under 65							
1967	100.0	93.3	1.3	2.7	2.7	...	...
1979	100.0	88.8	1.8	4.1	5.3	2.0	3.3
1984	100.0	87.3	1.7	5.5	5.5	2.2	3.4
1989	100.0	88.0	1.6	5.0	5.5	2.3	3.2
1992	100.0	87.8	1.7	4.1	6.4	2.3	4.1
65 or older							
1967	100.0	43.2	28.2	15.2	13.4	...	...
1979	100.0	24.2	38.1	21.0	16.7	13.0	3.7
1984	100.0	19.6	36.4	27.5	16.5	13.6	2.9
1989	100.0	22.1	35.0	24.2	18.7	15.8	2.9
1992	100.0	21.0	37.7	19.9	21.5	18.2	3.3
Under 25							
1967	100.0	95.9	0.4	0.8	2.9	...	...
1979	100.0	91.4	0.7	1.3	6.6	0.1	6.5
1984	100.0	89.2	0.4	2.0	8.4	0.1	8.3
1989	100.0	89.8	0.4	1.6	8.2	0.2	8.0
1992	100.0	86.0	0.5	1.9	11.7	0.1	11.5
25-34							
1967	100.0	96.6	0.4	0.9	2.0	...	...
1979	100.0	94.1	0.4	1.7	3.8	0.2	3.5
1984	100.0	93.6	0.4	2.2	3.8	0.4	3.4
1989	100.0	94.0	0.4	2.0	3.6	0.3	3.3
1992	100.0	93.3	0.5	1.5	4.7	0.3	4.4

Table 12 (continued)

<u>Age and year</u>	<u>Total income</u>	<u>Earnings</u>	<u>Social Security</u>	<u>Property</u>	<u>Pensions and other</u>	<u>Pensions</u>	<u>Other</u>
35-44							
1967	100.0	95.3	0.9	1.6	2.2	...	...
1979	100.0	92.5	1.0	3.0	3.5	0.7	2.8
1984	100.0	92.2	0.7	3.7	3.4	0.5	2.9
1989	100.0	92.4	0.7	3.6	3.3	0.6	2.7
1992	100.0	92.2	0.8	2.7	4.2	0.6	3.6
45-54							
1967	100.0	93.1	1.3	3.0	2.6	...	...
1979	100.0	89.0	1.7	4.5	4.8	2.0	2.8
1984	100.0	87.9	1.4	5.8	5.0	2.0	3.0
1989	100.0	88.9	1.1	5.5	4.5	1.8	2.7
1992	100.0	88.5	1.3	5.0	5.3	1.9	3.4
55-64							
1967	100.0	87.9	2.9	5.4	3.8	...	...
1979	100.0	76.9	5.1	8.8	9.3	6.3	3.0
1984	100.0	71.6	5.4	12.7	10.2	7.3	2.9
1989	100.0	71.1	5.3	11.5	12.1	8.9	3.2
1992	100.0	72.4	5.6	9.2	12.8	9.0	3.8
65-74							
1967	100.0	49.2	24.9	13.2	12.6	...	...
1979	100.0	29.3	34.9	18.8	16.9	13.6	3.3
1984	100.0	24.4	33.2	25.0	17.4	14.6	2.8
1989	100.0	27.8	30.4	21.8	19.9	17.1	2.8
1992	100.0	27.2	32.4	18.0	22.5	19.2	3.3
75 or older							
1967	100.0	28.8	36.0	19.9	15.2	...	...
1979	100.0	13.8	44.5	25.2	16.5	11.9	4.6
1984	100.0	10.5	42.3	32.3	14.9	11.7	3.1
1989	100.0	11.5	43.4	28.6	16.4	13.3	3.1
1992	100.0	10.2	47.0	23.1	19.7	16.4	3.3

Notes: Income adjusted for unit size and age.

"..." denotes not available.

Source: Radner 1991 and tabulations from various March CPS files.

Table 13. Percentage composition of total income of aged family units, by type of income and income quintiles, selected years 1967-92

<u>Quintile and year</u>	<u>Type of income</u>						<u>Other</u>
	<u>Total income</u>	<u>Earnings</u>	<u>Social Security</u>	<u>Property</u>	<u>Pensions and other</u>	<u>Pensions</u>	
1							
1967	100.0	2.5	75.1	5.0	17.4	...	...
1979	100.0	1.9	77.3	4.1	16.8	1.8	14.9
1984	100.0	1.8	77.8	4.2	16.1	1.9	14.2
1989	100.0	2.1	79.6	4.1	14.1	3.2	10.9
1992	100.0	1.5	81.8	3.6	13.1	2.6	10.4
2							
1967	100.0	8.8	66.7	6.2	18.3	...	...
1979	100.0	5.5	72.6	8.4	13.5	5.0	8.5
1984	100.0	5.1	73.5	8.7	12.6	6.6	6.0
1989	100.0	6.1	72.3	8.8	12.9	7.1	5.7
1992	100.0	5.4	74.2	7.0	13.5	8.1	5.4
3							
1967	100.0	17.9	52.9	9.5	19.7	...	...
1979	100.0	11.1	59.2	13.7	16.0	11.5	4.5
1984	100.0	11.1	56.6	15.6	16.7	13.4	3.4
1989	100.0	11.2	55.5	14.9	18.4	15.4	3.0
1992	100.0	10.9	58.0	11.1	20.0	16.3	3.7
4							
1967	100.0	39.5	30.9	12.1	17.5	...	...
1979	100.0	19.5	42.1	19.0	19.4	16.8	2.5
1984	100.0	18.4	37.9	24.4	19.4	17.4	2.0
1989	100.0	18.9	37.2	21.6	22.3	19.7	2.6
1992	100.0	17.2	41.0	16.2	25.6	23.0	2.6
5							
1967	100.0	60.9	9.9	20.4	8.8	...	...
1979	100.0	37.3	17.3	28.9	16.4	14.8	1.6
1984	100.0	27.8	17.3	39.0	15.9	14.6	1.3
1989	100.0	32.1	15.9	33.2	18.8	17.1	1.7
1992	100.0	31.1	17.7	28.7	22.6	20.3	2.3

Notes: Income adjusted for unit size and age.

"..." denotes not available.

Source: Radner 1991 and tabulations from various March CPS files.

Table 14. Median incomes of family units in 1992 dollars, by age of unit head and type of unit, selected years 1967-92

Age and year	Type of unit						
	Families			Unrelated individuals			
	Total	Married, spouse present	Other male	Other female	Total	Male	Female
All ages							
1967	\$16,700	\$17,569	\$17,085	\$10,206	\$9,313	\$12,704	\$7,689
1979	21,824	23,582	21,675	11,952	14,258	18,739	11,567
1984	21,903	24,003	22,030	11,451	15,206	18,472	13,147
1989	23,428	25,815	21,375	11,967	16,458	19,398	13,819
1992	22,541	25,270	18,658	11,323	14,824	17,613	13,209
Under 65							
1967	17,561	18,194	19,067	9,770	13,471	16,947	11,697
1979	22,788	24,733	23,072	11,164	17,811	20,541	14,745
1984	22,280	24,750	22,346	10,524	17,735	20,029	16,062
1989	24,005	26,926	21,454	11,050	18,889	20,987	17,176
1992	23,173	26,442	18,660	10,408	17,612	18,592	16,161
65 or older							
1967	11,752	11,638	11,791	12,393	6,108	7,367	5,754
1979	16,906	17,089	16,688	15,933	9,173	10,438	8,953
1984	19,806	20,480	19,442	16,335	10,635	11,594	10,368
1989	20,529	20,945	20,732	17,629	11,115	13,424	10,622
1992	19,781	20,439	18,388	15,894	10,964	13,057	10,339

Note: Income adjusted for unit size and age.

Source: Derived from estimates in Radner 1987a and tabulations from various March CPS files.

Table 15. Average annual percentage change in real median incomes of family units, by age of unit head and type of unit, selected periods 1967-92

Age and period	Type of unit							
	Families				Unrelated individuals			
	Total	Married, spouse present	Other male	Other female	Total	Male	Female	
All ages								
1967-92	1.2	1.5	0.4	0.4	1.9	1.3	2.2	
1967-79	2.3	2.5	2.0	1.3	3.6	3.3	3.5	
1979-84	0.1	0.4	0.3	-0.9	1.3	-0.3	2.6	
1984-89	1.4	1.5	-0.6	0.9	1.6	1.0	1.0	
1989-92	-1.3	-0.7	-4.4	-1.8	-3.4	-3.2	-1.5	
Under 65								
1967-92	1.1	1.5	-0.1	0.3	1.1	0.4	1.3	
1967-79	2.2	2.6	1.6	1.1	2.4	1.6	1.9	
1979-84	-0.4	0.0	-0.6	-1.2	-0.1	-0.5	1.7	
1984-89	1.5	1.7	-0.8	1.0	1.3	0.9	1.4	
1989-92	-1.2	-0.6	-4.5	-2.0	-2.3	-4.0	-2.0	
65 or older								
1967-92	2.1	2.3	1.8	1.0	2.4	2.3	2.4	
1967-79	3.1	3.3	2.9	2.1	3.4	2.9	3.8	
1979-84	3.2	3.7	3.1	0.5	3.0	2.1	3.0	
1984-89	0.7	0.5	1.3	1.5	0.9	3.0	0.5	
1989-92	-1.2	-0.8	-3.9	-3.4	-0.5	-0.9	-0.9	

Note: Income adjusted for unit size and age.

Source: Derived from estimates in Radner 1987a and tabulations from various March CPS files.

Table 16. Relative median incomes of family units, by age of unit head and type of unit, selected years 1967-92

Age and year	Type of unit						
	Families			Unrelated individuals			
	Total	Married, spouse present	Other male	Other female	Total	Male	Female
All ages							
1967	1.08	1.13	1.10	0.66	0.60	0.82	0.50
1979	1.12	1.20	1.11	0.61	0.73	0.96	0.59
1984	1.10	1.21	1.11	0.58	0.77	0.93	0.66
1989	1.12	1.23	1.02	0.57	0.78	0.92	0.66
1992	1.14	1.28	0.94	0.57	0.75	0.89	0.67
Under 65							
1967	1.13	1.18	1.23	0.63	0.87	1.09	0.76
1979	1.16	1.26	1.18	0.57	0.91	1.05	0.75
1984	1.12	1.25	1.13	0.53	0.89	1.01	0.81
1989	1.14	1.28	1.02	0.53	0.90	1.00	0.82
1992	1.17	1.34	0.94	0.53	0.89	0.94	0.82
65 or older							
1967	0.76	0.75	0.76	0.80	0.39	0.48	0.37
1979	0.86	0.87	0.85	0.81	0.47	0.53	0.46
1984	1.00	1.03	0.98	0.82	0.54	0.58	0.52
1989	0.98	1.00	0.99	0.84	0.53	0.64	0.51
1992	1.00	1.03	0.93	0.80	0.55	0.66	0.52

Notes: Income adjusted for unit size and age.

All ages all units = 1.00 for each year.

Source: Radner 1987a and tabulations from various March CPS files.

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