

---

# Incomes of the Aged and Nonaged, 1950-82

by Susan Grad\*

---

This article discusses the results of previous studies, both supportive and nonsupportive of the conclusion that the aged are as well-off as the nonaged, and then presents a range of figures from Bureau of the Census reports over the period 1950-82 that measure both the incomes of the aged and nonaged and those of subgroups within these populations. Census figures indicate that the aged and nonaged have about equal levels of average per capita family income and that about the same proportions of these groups have incomes below the poverty line. However, aged unrelated individuals, who account for about a third of all aged persons, have less than three-fifths the income of nonaged unrelated individuals. When the per capita family income of the aged is compared separately with that of families headed by persons aged 25-44 and 45-64, aged persons receive more than those under age 45 but less than those aged 45-64. Trends in the economic status of the aged and nonaged over the period 1950-82 indicate numerous fluctuations rather than a consistent improvement in the income of either group in relation to the other.

---

Joseph Pechman, director of economic studies at the Brookings Institution, has noted that, "20 or 30 years ago the elderly were a disadvantaged group in the population. As a result of public policies, primarily Social Security, they have improved their relative status compared with the nonelderly, to the point where right now, on the average, the elderly are as well off as the nonelderly."<sup>1</sup>

Recent research on the economic status of the aged compared with that of the nonaged<sup>2</sup> indicates that the results are sensitive to how and when the measurements

\* Division of Retirement and Survivors Studies, Office of Retirement and Survivors Insurance, Social Security Administration.

<sup>1</sup> Robert Pear, "How Poor are the Elderly?" *The New York Times*, December 19, 1982, page 4.

<sup>2</sup> Michael D. Hurd and John B. Shoven, "The Economic Status of the Elderly," (Working Paper No. 914), National Bureau of Economic Research, June 1982; Sheldon Danziger, Jacques van der Gaag, Eugene Smolensky, and Michael K. Taussig, "Income Transfers and the Economic Status of the Elderly," paper prepared for the Conference on Research in Income and Wealth, National Bureau of Economic Research, May 14-15, 1982; and Sheldon Danziger, Jacques van der Gaag, Eugene Smolensky, and Michael K. Taussig, "Implications of the Relative Economic Status of the Elderly for Transfer Policy," paper prepared for the Brookings Institution Conference on Retirement and Aging, October 21-22, 1982.

were made. The conclusion that the aged are as well-off as the nonaged can be drawn from some, but not all, of the results of research by Shoven and Hurd and by Danziger, van der Gaag, Smolensky, and Taussig. Shoven and Hurd made measurements for 1970-78. Danziger, van der Gaag, Smolensky, and Taussig made measurements for 1973 only. In both studies, comparisons were made between aggregated measures of income of the aged and aggregated measures of income of the nonaged.

The economic status of the aged is more closely tied to levels of public funding than is the economic status of the nonaged. The primary source of income for the nonaged is earnings. The aged, on the other hand, rely heavily on publicly funded retirement benefits. Future funding of public programs for the aged could be affected by the perception that the aged are as well-off as the nonaged. And a change in levels of benefits paid out by public programs could have a substantial impact on both the economic status of the aged and the size of the Federal budget. Thus, it is important to have a solid basis for assessing (and periodically reassessing) the economic status of the aged compared with the nonaged.

This article expands on discussions of the economic status of the aged and the nonaged reported by Shoven and Hurd, Danziger et al., and Bridges and Packard.<sup>3</sup> The first section contains a discussion of the results of previous studies—both supportive and nonsupportive of the conclusion that the aged are as well-off as the nonaged. The second section contains a discussion of variables that should be included in an ideal measure to compare the economic status of the aged with that of the nonaged, and evaluates the data that are available with which to make this measurement. The third section presents a range of figures from **Current Population Reports**, published by the Bureau of the Census over the period 1950–82, that measure both the incomes of the aged and nonaged in their entireties and the incomes of subgroups of the aged and nonaged.

### Recent Research

This section describes studies by Shoven and Hurd, Danziger et al., and Bridges and Packard on the economic status of the aged compared with that of the nonaged.<sup>4</sup> Bridges and Packard measured the change in mean real before-tax money income of the aged and compared it with that of the nonaged from 1970 to 1977 using data from the Current Population Survey (CPS) conducted by the Bureau of the Census. They used a specially constructed Consumer Price Index (CPI) for the aged that rose slightly faster than the standard CPI for urban wage earners and clerical workers. Their economic unit was families and unrelated individuals combined. Families, according to the Census Bureau, consist of two or more related persons living together, and unrelated individuals are persons living alone or with nonrelatives. Bridges and Packard found that from 1970 to 1974 the economic position of the elderly improved both in real terms and relative to that of the nonaged. From 1974 to 1977, however, the average income of the aged did not keep pace with inflation and the ratio of the income of the aged to that of the nonaged was unchanged at 0.54.

Shoven and Hurd measured economic status as money income reported in the CPS plus the imputed value derived from owner-occupied housing and benefits from Medicare and Medicaid.<sup>5</sup> They compared both mean household and mean per capita income of

the aged with that of the total population between 1970 and 1978.<sup>6</sup> According to the Bureau of the Census, households consist of all persons who occupy a housing unit. Thus, households may include persons in families or unrelated individuals, and any nonrelatives. Per capita household income is the total income of the household divided by the number of persons in it. In the Shoven and Hurd analysis, the average income of aged households amounted to 52 percent of the average income of all households in 1970. This proportion rose to 58 percent in 1978, increasing during the period in which Bridges and Packard found no change.

When these analysts looked at per capita income, the income of the aged was greater than the income of the entire population throughout the 1970's. The ratio of per capita income of the aged to that of the entire population rose somewhat from 1.04 to 1.09 until 1976 and then fell slightly between 1976 and 1978 to 1.06.

The Danziger study measured economic status both by levels of money income and by levels of consumption before and after taxes using data from the Consumer Expenditure Survey (CEX) conducted by the Bureau of Labor Statistics for 1973. This measure of consumption excludes expenditures for durable goods during the year but includes the value derived from all durable goods owned by the household. The value derived from owner-occupied housing is included as an adjustment to measures of both consumption and income. The authors also used various economic units: households, per capita households, and a ratio of household income to a measure of need called a welfare ratio. The Danziger study concluded that the economic status of the aged is very sensitive to the choice of economic units but is much less sensitive to the choice of consumption or income as the measure of economic status. The following tabulation gives the ratios of income or consumption of the aged to those of the nonaged from the May 1982 Danziger study:

Per household income before taxes .....	0.52
Per household income after taxes .....	.56
Per household consumption .....	.59
Welfare ratio .....	.81
Per capita household income before taxes .....	.85
Per capita household income after taxes .....	.92

The above ratios illustrate the sensitivity of the findings to the measurements being used. Of the ratios based on before-tax income, that based on household income as a whole (0.52) was much lower than that based on per capita household income (0.85) or that

<sup>3</sup> Benjamin Bridges, Jr. and Michael D. Packard, "Price and Income Changes for the Elderly," *Social Security Bulletin*, January 1981, pages 3–15.

<sup>4</sup> See also Robert Clark, George L. Maddox, Ronald A. Schrimper, and Daniel A. Sumner, "Inflation and the Economic Well-Being of the Elderly," Final Report for Grant No. 1 R01 AG02345 01, National Institute on Aging, September 1982, and Denise Madigan and Mark Worthington, "Inflation and the Elderly," paper prepared for the Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, by Urban Systems Research and Engineering, Inc., July 1982.

<sup>5</sup> No comparable medical benefits provided by employers to the nonaged were imputed.

<sup>6</sup> Measures of the economic status of the aged should be closer to those of the total population than the more appropriate comparison of measures of the economic status of the aged with those of the nonaged.

based on the welfare ratio (0.81). Netting out taxes had a much smaller effect than changing the economic unit on the size of the ratio, raising it from 0.52 to 0.56 for households and from 0.85 to 0.92 for households per capita. Using consumption rather than after-tax income as the measure of economic status raised the ratio slightly from 0.56 to 0.59.

A comparison of the results of these three studies shows that the ratio of income of aged families and unrelated individuals to that of nonaged families and unrelated individuals calculated by Bridges and Packard is similar to that of Shoven and Hurd's ratio of income of aged households to that of all households and to the Danziger study's ratio of income of aged households to that of nonaged households, even though the measurements were very different (0.54 in 1974, 0.54 in 1973, and 0.52 in 1973, respectively).<sup>7</sup> Bridges and Packard used CPS data on money income of families and unrelated individuals with no adjustments. Shoven and Hurd adjusted money income of households reported in the CPS to include the value of benefits from Government health insurance and the value derived from home ownership. The Danziger study used data on money income of households from the CEX and adjusted it to include the value derived from home ownership. Shoven and Hurd's findings are also similar to those of the Danziger study showing that average income of aged households is approximately one-half as great as that of the nonaged while per capita income of the aged is almost as great or greater than that of the nonaged.

### Available Data

Ideally, one would construct a measure of economic status for use in comparing the status of the aged and nonaged that takes into account differences in income, wealth, and consumption. Among other things the measure would adjust the money income levels for taxes, other differential costs such as work expenses, the value derived from owner-occupied housing or other assets, and the value of in-kind benefits. The measure would also be standardized for the size and type of household and updated periodically. One of the problems in comparing the status of the aged with that of the nonaged is that data are either not available to measure many of the variables mentioned above or no accepted methods have been devised for measuring them. Reports on money income are available annually from the CPS, although reported money income is known to be flawed in many ways.<sup>8</sup> In 1983 the Bureau of the Cen-

<sup>7</sup> "Price and Income Changes for the Elderly," table 3; "The Economic Status of the Elderly," table 2; and "Income Transfers and the Economic Status of the Elderly," table 3.

<sup>8</sup> See U.S. Senate Special Committee on Aging, *Emerging Options For Work and Retirement Policy: An Information Paper*, U.S. Government Printing Office, 1980, and Daniel B. Radner, "Distribution of Family Income: Improved Estimates," *Social Security Bulletin*, July 1982, pages 13-21.

sus will begin annual reporting of income before and after taxes, simulating Federal, State, Social Security, Federal retirement, and property taxes. Actual tax information is available in the CEX, which was conducted at 10-year intervals until 1983 and will be available annually beginning in late 1983. Data from the CEX provides information on home equity, the value of durable goods, and work expenses. Single studies have been done that measure wealth, but there is currently no continuing source of data on wealth for the whole population. The Survey of Income and Program Participation (SIPP) is being designed to provide annual data on wealth for the whole population and improved reporting of money income. It is expected that these data will begin to be available in 1985. Timothy Smeeding has recently developed several measures of the value of in-kind benefits.<sup>9</sup> His study focuses on in-kind benefits that affect poverty status. The full range of in-kind benefits received by all groups in the population, such as employer-provided fringe benefits, were not included because of a lack of relevant data. Such data would be needed to determine the effect of in-kind benefits on the overall income distribution. Smeeding emphasized that his results are limited and exploratory only and do not represent definitive measures that could be used for official purposes.

The ideal measure of economic status for comparing the positions of the aged and the nonaged awaits both future data and more work on measurement of relevant concepts. Although information from the CEX and the SIPP studies will soon be available, these surveys will not provide historical data for some time. The CPS remains one of the best sources of data on income over an extensive period of time.

### Analysis of the Data

In this section, published data from various Current Population Surveys are used to compare the income levels of the noninstitutionalized aged and nonaged populations of the United States over the period 1950-82. Income is defined as money received from all sources in a particular calendar year. Levels of income are measured by means, medians, and proportions of the population with incomes below the official poverty thresholds. The economic units studied are families and unrelated individuals, and male and female persons. As stated earlier, the income of unrelated individuals is that of persons living alone or with nonrelatives, and the income of families is that of two or more related persons living together. Alternatively, the Bureau of the Census reports on the income of persons—every individual who has income, whether or not that person lives as an unre-

<sup>9</sup> Timothy M. Smeeding, *Alternative Methods for Valuing Selected In-Kind Transfer Benefits and Measuring their Effect on Poverty* (Technical Paper 50), Bureau of the Census, March 1982.

lated individual or in a family. In a limited number of cases, both total income and per capita income of families is reported. Per capita family income is calculated by dividing the total income of the family by the number of persons in the family, whether or not they have any income. Per capita family income differs from the income of persons by excluding income of unrelated individuals and by being a measure of average family income rather than of income of each individual with income. The aged are persons aged 65 or older or families headed by an aged person. The nonaged are persons in the prime working ages of 25-64 or families headed by such persons. Income of the aged is compared with that of the nonaged.

The definition of income, measures of income, and economic units used in this article are those used in the Bureau of the Census publications based on the CPS. Comparisons of the income of the aged with that of the nonaged using all of these measures and economic units are discussed to illustrate the sensitivity of reported differences in the levels of income of the aged and nonaged to the measures and economic units being used.

### Income of the Aged and Nonaged in 1982

The ratios of the incomes of the aged to those of the nonaged vary greatly according to the economic units being used (table 1). The ratios of mean incomes of the aged to those of the nonaged in 1982 were as low as 0.58 and as high as 1.05—similar to the ranges found in the Shoven and Hurd and Danziger studies. In 1982, aged unrelated individuals were much less well-off than nonaged unrelated individuals, having incomes of only about three-fifths of the average for the latter group. The ratios of mean and median incomes of aged families to those of nonaged families in 1982 indicate a substantial difference between them, ranging from 0.62 to 0.71. But this apparent difference is largely a function of the difference in family size. The ratio of mean per capita family income of the aged to that of the nonaged, which standardizes income by the size of the family, was 1.05, or near equality.

The ratios of mean incomes of the aged to those of the nonaged were somewhat higher than the comparable ratios of medians. The ratio of mean income of the aged to that of the nonaged in 1982 was only 10 percent higher than the ratio of median income of the aged to that of the nonaged for women (0.79, compared with 0.72) but 22 percent higher for men (0.60, compared with 0.49). Means and medians are both measures of central tendency. Mean income is an arithmetic average of unit incomes. Median income is the level at which 50 percent of the population have incomes below that amount and 50 percent of the population have incomes above that amount. The mean gives greater weight to extreme values than does the median. The mean is always larger

than the median in table 1. The ratios of mean incomes of the aged to those of the nonaged are all larger than the ratios of medians in table 1, although higher ratios based on means than medians do not necessarily follow from mean incomes being higher than median incomes.

Great variations also are evident, depending on the economic units used, in the proportions of the aged and nonaged with incomes below the poverty line and in the poverty status of the aged compared with that of the nonaged (table 2). In 1982, 9 percent of aged families had incomes below the poverty line, compared with 12 percent of nonaged families. Thus, aged families were somewhat less likely than nonaged families to be considered poor. In contrast, aged unrelated individuals were more likely to have incomes below the poverty line than were nonaged unrelated individuals—27 percent, compared with 19 percent. Aged persons, who include both unrelated individuals and those living in families, were somewhat more likely to have incomes below the poverty line than were nonaged persons—15 percent, compared with 12 percent.

Equivalent levels of income for particular economic units among the aged and the nonaged do not necessarily indicate equivalent levels of living. When one looks at the income of persons regardless of whether they are living solely on this income, pooling resources with others, or supporting others with the income, one knows little about the adequacy of that income. At least three differences between the aged and the nonaged persons affect the meaningfulness of any ratio of income of aged persons to that of nonaged persons. First, 30 percent of the aged lived alone in 1980 relying on income received solely by themselves, compared with only 9 percent of nonaged persons.<sup>10</sup> Second, among persons living in families and pooling their resources—68 percent of aged persons and 87 percent of nonaged persons (table 3)—the average family size of the aged was smaller than the average family size of the nonaged. In 1980, aged families contained an average of 2.3 persons, compared with an average of 3.5 persons for nonaged families.<sup>11</sup> Third, nonaged families are more likely than aged families to include financially dependent minor children so that nonaged persons are more likely than aged persons to be supporting others with their income. In 1981, 61 percent of nonaged families, compared with only 2 percent of aged families, had their own children under age 18 in the household.<sup>12</sup>

Since family size varies, family income levels tell little about the adequacy of income. Calculating per capita

<sup>10</sup> Bureau of the Census, "Marital Status and Living Arrangements: March 1980," *Current Population Reports* (Series P-20, No. 365), October 1981, tables E and I.

<sup>11</sup> Bureau of the Census, "Money Income of Households, Families, and Persons in the United States: 1980," *Current Population Reports* (Series P-60, No. 132), July 1982, table 21.

<sup>12</sup> Bureau of the Census, "Household and Family Characteristics: March 1981," *Current Population Reports* (Series P-20, No. 371), May 1982, table 3.

**Table 1.—Mean and median total money income of the aged and nonaged and ratios of income of the aged to that of the nonaged for various economic units at 10-year intervals, 1950–80, and in 1982**

[In 1967 dollars]

Economic unit and year	Mean income <sup>1</sup>			Median income <sup>1</sup>		
	Aged	Nonaged	Ratio	Aged	Nonaged	Ratio
<b>Families and unrelated individuals</b>						
<b>Families:</b>						
1950 .....	\$3,960	\$5,590	0.71	\$2,640	\$4,840	0.54
1960 .....	4,960	7,750	.64	3,270	6,820	.48
1970 .....	6,140	10,440	.59	4,340	9,390	.46
1980 .....	6,870	10,580	.65	5,230	9,490	.55
1982 .....	7,270	10,250	.71	5,580	9,030	.62
<b>Families per capita:</b>						
1970 <sup>2</sup> .....	2,570	2,730	.94	(3)	(3)	(3)
1980 .....	2,940	3,020	.97	(3)	(3)	(3)
1982 .....	3,090	2,930	1.05	(3)	(3)	(3)
<b>Unrelated individuals:</b>						
1950 .....	1,390	2,670	.52	900	2,270	.40
1960 .....	1,850	3,650	.51	1,190	3,080	.39
1970 .....	2,480	5,320	.47	1,680	4,530	.37
1980 .....	2,910	5,630	.52	2,080	4,830	.43
1982 .....	3,250	5,560	.58	2,230	4,910	.45
<b>Persons</b>						
<b>Men:</b>						
1950 .....	2,630	4,780	.55	1,370	4,190	.33
1960 .....	3,130	6,360	.49	1,910	5,720	.33
1970 .....	3,870	8,300	.47	2,640	7,470	.35
1980 .....	4,130	7,810	.53	2,970	6,990	.42
1982 .....	4,500	7,450	.60	3,180	6,540	.49
<b>Women:</b>						
1950 .....	1,120	2,060	.54	740	1,700	.44
1960 .....	1,370	2,550	.54	930	2,100	.44
1970 .....	1,960	3,330	.59	1,310	2,870	.46
1980 .....	2,350	3,170	.74	1,710	2,550	.67
1982 .....	2,580	3,260	.79	1,860	2,570	.72

<sup>1</sup> Rounded to the nearest \$10.

<sup>2</sup> Census publications do not include a measure of median per capita family income. Measures of mean per capita family income are available since 1976. Measures of mean per capita family income in 1970 are estimated from information on income of families of varying sizes. Size of family has an open-ended

category at the top end. The average number of persons in the open-ended categories are calculated with 1980 data and used as proxies for the average in 1970 to estimate mean per capita income in 1970.

<sup>3</sup> Not available.

**Table 2.—Percent of the aged and nonaged populations with incomes below the poverty line for various economic units in 1960, 1970, 1980, and 1982**

Economic unit and sex	Aged				Nonaged			
	1960	1970	1980	1982	1960	1970	1980	1982
<b>Families and unrelated individuals</b>								
Families .....	27	16	9	9	16	8	10	12
Headed by men .....	26	16	8	8	(1)	6	6	7
Headed by women .....	31	20	15	16	(1)	32	32	31
Unrelated individuals .....	66	47	31	27	32	20	17	19
Men .....	60	39	24	21	(1)	14	14	15
Women .....	68	50	32	29	(1)	26	21	22
<b>Persons</b>								
Total <sup>2</sup> .....	35	24	16	15	(1)	9	10	12
Men .....	(1)	19	11	10	(1)	7	8	9
Women .....	(1)	28	19	18	(1)	10	12	14

<sup>1</sup> Not available.

<sup>2</sup> Nonaged persons are those aged 22–64.

family income provides one form of standardization. But a per capita measure does not take into account economies of scale. The official poverty thresholds attempt to measure more accurately differences in need for units of varying size. The Bureau of the Census re-

ports on the proportions of the population with income below the poverty thresholds. But measures of proportions with income below the thresholds are not ideal by themselves for they say nothing about the 90 percent of the population with incomes above the poverty line.

**Table 3.—Percent of persons living as unrelated individuals in various age groups at 10-year intervals 1950–80, and in 1982**

Year	Total	Age group					Aged
		Nonaged					
		Total	25–34	35–44	45–54	55–64	
1950	8	8	4	5	9	14	21
1960	9	8	6	5	8	14	24
1970	10	8	7	5	8	15	30
1980	16	13	17	10	10	16	32
1982	17	14	17	10	10	15	33

**Trends Since 1950**

During the 1950's and 1960's, significant growth occurred in real income for both the aged and the nonaged. This was true for families as well as unrelated individuals, and for men as well as women, whether measured by means or medians. Real growth of the income of the nonaged was generally equal to or greater than that of the aged (table 4). In the 1970's, real income growth slowed considerably for the aged based on means and medians. In the same period, however, real income growth for the nonaged slowed by an even greater margin than that of the aged or declined depending on the measure used. Consequently, real income growth for each group of the aged was much greater than that of the comparable group of the nonaged. Real growth of per capita family income of the nonaged was slightly less than that for the aged.

**Table 4.—Percentage change in real mean and median annual total money income of the aged and nonaged for various economic units in 10-year time periods, 1950–80**

[In 1967 dollars]

Economic unit and time period	Mean		Median	
	Aged	Nonaged	Aged	Nonaged
<b>Families and unrelated individuals</b>				
<b>Families:</b>				
1950–60	25	39	24	41
1960–70	24	35	33	38
1970–80	12	1	20	-1
<b>Families per capita:</b>				
1970–80	15	11	(1)	(1)
<b>Unrelated individuals:</b>				
1950–60	33	37	32	36
1960–70	34	46	41	47
1970–80	17	6	24	-7
<b>Persons</b>				
<b>Men:</b>				
1950–60	19	33	40	36
1960–70	24	32	38	32
1970–80	7	-7	12	-6
<b>Women:</b>				
1950–60	23	24	26	23
1960–70	43	31	41	37
1970–80	20	-5	31	-11

1 Not available.

Table 2 shows the proportion of the aged and nonaged populations with income below the poverty line in 1960, 1970, and 1980. Poverty rates among the aged declined significantly in both the 1960's and the 1970's and those for the nonaged declined in the 1960's but changed very little in the 1970's. Poverty rates for certain groups of the nonaged even increased slightly in the 1970's and early 1980's.

Between 1950 and 1970, aged families, aged unrelated individuals, and aged men—but not aged women—were losing ground compared with their nonaged counterparts. Aged women registered improvements in the 1960's (table 1). In the 1970's and early 1980's, aged families, aged unrelated individuals, and aged men and women all experienced substantial improvements compared with their nonaged counterparts. In the 1970's, not much change occurred in the ratio of per capita family income of the aged to that of the nonaged. This ratio was close to 1 in both 1970 and 1980. Between 1980 and 1982, this ratio increased from 0.97 to 1.05.

Reported trends in income levels, poverty rates, and ratios of the incomes of the aged to those of the nonaged from 1950 to 1982, discussed above, were derived from data at the 10-year points 1950, 1960, 1970, and 1980, as well as 1982. Tables 5–7 show trends in income levels, poverty rates, and ratios of incomes of the aged to those of the nonaged from 1950 to 1982 at 2-year intervals. In more detail, one can see that the aged, whose real income increased from 1970 to 1982, experienced a decrease in real income from 1978 to 1980. Similarly, poverty rates among both aged and nonaged persons increased 1 to 2 percentage points between 1978 and 1980. Poverty rates among nonaged persons increased another 2 or 3 percentage points between 1980 and 1982. Poverty rates among nonaged families were decreasing between 1960 and 1968, remained at 8–9 percent from 1968 to 1978, and increased to 12 percent from 1978 to 1982. Poverty rates of aged families decreased from 1960 to 1974, and remained at 8–9 percent from 1974 to 1982. Poverty rates among both aged and nonaged unrelated individuals decreased until 1978. Among aged unrelated individuals, the poverty rate decreased between 1980 and 1982 after increasing between 1978 and 1980. Among nonaged unrelated individuals, the poverty rate increased between 1980 and 1982. Looking at ra-

**Table 5.—Mean total money income of the aged and nonaged and the ratio of income of the aged to that of the nonaged for various economic units at 2-year intervals, 1950–82<sup>1</sup>**

[In 1967 dollars]

Year	Aged				Nonaged				Ratio			
	Families	Unrelated individuals	Persons		Families	Unrelated individuals	Persons		Families	Unrelated individuals	Persons	
			Men	Women			Men	Women			Men	Women
1950	\$3,960	\$1,390	\$2,630	\$1,120	\$5,590	\$2,670	\$4,760	\$2,060	0.71	0.52	0.55	0.54
1952	4,200	1,720	2,780	1,240	5,990	2,940	4,910	2,200	.70	.59	.57	.56
1954	4,310	1,520	2,670	1,280	6,200	2,860	5,100	2,250	.70	.53	.52	.57
1956	4,560	1,620	2,890	1,260	7,040	3,260	5,790	2,420	.65	.50	.50	.52
1958	4,260	1,650	2,640	1,260	7,060	3,430	5,760	2,410	.60	.48	.46	.52
1960	4,960	1,850	3,130	1,410	7,750	3,650	6,350	2,550	.64	.51	.49	.55
1962	5,110	2,030	3,250	1,450	8,120	4,000	6,720	2,700	.63	.51	.48	.54
1964	5,670	2,260	3,800	1,670	8,620	4,280	7,060	2,890	.66	.53	.54	.58
1966	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1968	5,960	2,540	3,830	1,910	10,120	5,020	8,070	3,210	.59	.51	.47	.60
1970	6,140	2,480	3,870	1,960	10,450	5,320	8,410	3,330	.59	.47	.46	.59
1972	6,680	2,750	4,300	2,190	11,070	5,420	8,800	3,640	.60	.51	.49	.60
1974	6,620	2,860	4,400	2,200	10,840	5,310	8,450	3,470	.61	.54	.52	.63
1976	6,820	2,860	4,380	2,270	10,800	5,510	8,360	3,500	.63	.52	.52	.65
1978	7,050	3,070	4,380	2,390	11,230	5,880	8,580	3,400	.63	.52	.51	.70
1980	6,850	2,920	4,130	2,350	10,580	5,630	7,810	3,170	.65	.52	.53	.74
1982	7,270	3,250	4,500	2,580	10,250	5,560	7,450	3,260	.71	.58	.60	.79

<sup>1</sup> Rounded to the nearest \$10.

<sup>2</sup> Not available.

**Table 6.—Median total money income of the aged and nonaged and the ratio of income of the aged to that of the nonaged for various economic units at 2-year intervals, 1950–82<sup>1</sup>**

[In 1967 dollars]

Year	Aged				Nonaged				Ratio			
	Families	Unrelated individuals	Persons		Families	Unrelated individuals	Persons		Families	Unrelated individuals	Persons	
			Men	Women			Men	Women			Men	Women
1950	\$2,660	\$910	\$1,460	\$780	\$4,910	\$2,270	\$4,150	\$1,760	0.54	0.40	0.35	0.49
1952	2,870	1,020	1,590	830	5,240	2,530	4,380	1,910	.55	.40	.36	.44
1954	2,860	1,000	1,590	870	5,570	2,280	4,620	1,910	.51	.44	.34	.46
1956	3,160	1,140	1,790	910	6,130	2,690	5,200	2,020	.52	.42	.34	.45
1958	3,100	1,110	1,780	900	6,340	2,790	5,210	2,000	.48	.40	.34	.45
1960	3,290	1,230	1,950	930	6,850	3,110	5,670	2,120	.50	.40	.34	.44
1962	3,560	1,390	2,120	1,030	7,190	3,220	6,040	2,200	.50	.43	.35	.47
1964	3,630	1,400	2,190	1,020	7,730	3,550	6,380	2,370	.47	.39	.34	.43
1966	3,750	1,480	2,220	1,120	8,380	3,810	6,890	2,540	.45	.39	.32	.44
1968	4,410	1,660	2,540	1,260	9,120	4,290	7,290	2,800	.48	.39	.35	.45
1970	4,350	1,680	2,640	1,310	9,400	4,530	7,480	3,040	.46	.37	.35	.43
1972	4,770	1,920	3,000	1,520	9,920	4,580	7,800	3,010	.52	.42	.38	.50
1974	4,960	2,010	3,080	1,620	9,780	4,530	7,760	2,980	.51	.44	.40	.54
1976	5,110	2,050	3,100	1,650	9,740	4,720	7,500	2,960	.52	.43	.41	.56
1978	5,200	2,200	3,060	1,720	9,670	5,020	7,730	2,820	.54	.44	.40	.61
1980	5,220	2,080	2,970	1,710	8,560	4,380	6,990	2,540	.61	.48	.42	.67
1982	5,580	2,230	3,180	1,860	9,030	4,910	6,540	2,570	.62	.45	.49	.72

<sup>1</sup> Rounded to the nearest \$10.

tios of incomes of the aged to those of the nonaged in more detail, one can see that there have been many ups and downs in the ratios of mean and median incomes of the aged to those of the nonaged for all economic units over this 32-year period. Since the ratio of average income of these two groups is a measure of their comparative levels of income, the ratio may decrease even though income levels of both groups are increasing or decreasing and poverty rates are decreasing or increasing.

### Factors Influencing Aged and Nonaged Income Levels

Income levels of subgroups in the population differ from each other because the subgroups are composed of different mixes of persons with various levels of income. Changes in the composition of one or more subgroups will result in changes in their comparative levels of income. This section contains a discussion of three factors that affect the relationship between the income of the

**Table 7.—Percent of the aged and nonaged with incomes below the poverty line for various economic units at 2-year intervals, 1960–82**

Age, economic unit, and sex	1960	1962	1964	1966	1968	1970	1972	1974	1976	1978	1980	1982
<b>Aged</b>												
Families and unrelated individuals:												
Families .....	27	26	23	21	17	16	12	8	9	8	9	9
Headed by men .....	26	25	22	21	16	16	11	8	8	8	8	8
Headed by women .....	31	31	17	20	22	20	16	12	14	12	15	16
Unrelated individuals .....	66	62	61	54	49	47	37	32	30	27	31	27
Men .....	60	53	50	44	44	39	26	27	26	21	24	21
Women .....	68	65	65	57	51	50	40	33	32	29	32	29
Persons, total .....	35	(1)	(1)	(1)	(1)	24	19	16	15	14	16	15
Men .....	(1)	(1)	(1)	(1)	(1)	19	13	12	11	10	11	10
Women .....	(1)	(1)	(1)	(1)	(1)	28	22	18	18	17	19	18
<b>Nonaged</b>												
Families and unrelated individuals:												
Families .....	16	15	13	10	8	8	8	8	9	8	10	12
Headed by men .....	13	12	10	7	6	6	5	5	5	5	6	7
Headed by women .....	44	44	27	35	33	32	32	33	32	31	32	31
Unrelated individuals .....	32	33	30	26	22	20	20	19	19	17	17	19
Men .....	26	28	24	21	16	14	15	16	15	13	14	15
Women .....	38	38	35	30	27	25	25	22	23	21	21	22
Persons, total <sup>2</sup> .....	(1)	(1)	(1)	(1)	(1)	9	8	8	8	8	9	12
Men .....	(1)	(1)	(1)	(1)	(1)	7	6	6	6	6	7	9
Women .....	(1)	(1)	(1)	(1)	(1)	10	10	10	10	10	11	14

<sup>1</sup> Not available.

<sup>2</sup> Nonaged persons are those aged 22–64.

aged and nonaged: wage and retirement pension levels and the proportions of the aged who receive income from earnings and various retirement pensions; the age distribution of the population; and the prevalence of families headed by women, families with wives in the paid labor force, and unrelated individuals.

**Income sources and wage and pension levels of the aged.** Wages are the main source of income for the nonaged, and retirement pensions are the main source of income for the aged. The prevalence of various retirement pensions among the aged has been increasing. Data published by the Social Security Administration show that the proportion of aged units—that is, married couples or nonmarried persons aged 65 or older—receiving Social Security benefits increased from 73 percent to 90 percent from 1962 to 1982. Over this period, the proportions of the aged receiving government employee pensions and private pensions increased from 5 percent to 12 percent and from 9 percent to 23 percent, respectively. Although the prevalence of retirement pensions has been increasing, the prevalence of earnings has been decreasing among the aged. As the tabulation at the right shows, 36 percent of aged units had earnings in 1962, but the proportion fell to 22 percent by 1982.<sup>13</sup>

Not only has the prevalence of various sources of income among the aged been changing, but also earnings levels and pension levels have been changing at different

Source of income	Percent of aged units with income from particular source	
	1962	1982
Earnings .....	36	22
Social Security .....	73	90
Government employee pension .....	5	12
Private pension .....	9	23

rates. Increases in average earnings for the entire labor force and increases in average Social Security benefits and amounts received from other retirement pensions for the aged are compared with price increases in the tabulation at the top of the next page.

The increase in median annual wages and salaries was much greater than the increase in prices in the 1950's and 1960's but less than the price increases in the 1970's. Increases in average monthly Social Security benefits of retired workers were greater than either the increases in prices or the increases in wages and salaries from 1950 to 1980. Government employee pensions of the aged increased more than either prices or wages and salaries in the 1970's. Only the rate of change of private pensions of the aged lagged behind prices, wages, and public pensions in the 1970's.

The combined effect of the changing prevalence of sources of income received by the aged and the different rates of change of earnings and pension income can be seen for the period 1970–77 in the tabulations that follow, which are derived from table 5 of the Bridges and Packard study. The first tabulation shows that, although the importance of earnings decreased substantially and the importance of Social Security benefits increased substantially for the aged, there was little or

<sup>13</sup> Data for 1962 are from Susan Grad, *Income of the Population Aged 60 and Older, 1971* (Staff Paper No. 26), Office of Research and Statistics, Social Security Administration, 1977, table 10. Data for 1982 are from Susan Grad, *Income of the Population 55 and Over, 1982* (Statistical Report), Office of Research, Statistics, and International Policy, Office of Policy, Social Security Administration, 1984, table 1.



Item	Percentage increase in current dollars		
	1950-60	1960-70	1970-80
Median annual wages and salaries <sup>1</sup> .....	46	58	103
Consumer Price Index <sup>2</sup> .....	23	31	112
Average Social Security Primary Insurance Amount for retired workers aged 62 and older <sup>3,4</sup> ..	70	64	184
Median annual government employee pensions for units aged 65 and older <sup>5</sup> .....			6 150
Median annual private pensions for units aged 65 and older <sup>5</sup> .....			6 75

<sup>1</sup> Bureau of the Census, *Current Population Reports*, Series P-60, Nos. 9, 37, 80, and 132.

<sup>2</sup> *Social Security Bulletin*, June 1984, table M-40.

<sup>3</sup> *Annual Statistical Supplement to the Social Security Bulletin*, 1982, table 80.

<sup>4</sup> The lower benefit increase in the 1960's compared with that in the 1950's based on monthly benefits paid (60 percent, compared with 69 percent) occurred, in part, because of the growth in early retirement with reduced benefits after its institution in 1956 for men and in 1961 for women. The proportions of retired workers who had taken reduced benefits were 12 percent in 1956, 21 percent in 1960, 56 percent in 1970, and 64 percent in 1980 (*Annual Statistical Supplement*, table 54). These benefit increases were 64 percent and 70 percent based on the PIA or base benefit before adjustments.

<sup>5</sup> Susan Grad, *Income of the Population Aged 60 and Older, 1971* (Staff Paper No. 26), Office of Research and Statistics, Social Security Administration, 1977, table 17, and Susan Grad, *Income of the Population 55 and Over, 1980* (Statistical Report), Office of Research, Statistics, and International Policy, Office of Policy, Social Security Administration, 1983, tables 31 and 35.

<sup>6</sup> Increase for the period 1971-80.

no change in the relative importance of the various income sources for the nonaged.

Income source	Aged families		Nonaged families	
	1970	1977	1970	1977
Total income.....	100	100	100	100
Earnings.....	40	28	92	90
Social Security benefits.....	28	37	1	2
Other transfer income.....	15	17	4	5
Property income.....	17	18	3	3
Average total income (1967 dollars) ..	\$4,495	\$4,925	\$9,165	\$9,140

Average annual family income of the aged increased 9.6 percent from 1970 to 1977, after accounting for inflation. A large decrease in average annual earnings accompanied by a larger increase in average annual Social Security benefits and smaller increases in average annual amounts of other transfer income and property income is evident among aged families in the second tabulation. Average annual family income of the non-

Income source	Change in real income, 1970-77	
	Aged families	Nonaged families
Total income.....	\$430	-\$25
Earnings.....	-405	-265
Social Security benefits.....	555	60
Other transfer income.....	150	135
Property income.....	125	45

aged decreased 0.3 percent from 1970 to 1977, after ac-

counting for inflation. There was a large decrease in average annual earnings of nonaged families that was not offset by increases in average annual amounts of the other three sources of income.

**Age distribution.** Income levels are related to age in at least three ways. First, the income of individuals tends to increase with age during the prime working years until retirement. Second, newer cohorts have tended to have more education and more up-to-date skills and to enter the labor force at higher real wage levels than previous cohorts. Third, life expectancy has increased, resulting in the survival of a greater proportion of very old persons, especially widows, who have lower incomes than those of earlier cohorts. The combined effects of income increasing with age until retirement, income differing among different birth cohorts, and greater proportions of older persons with lower incomes surviving over time can be seen in tables 8 and 9, which show average incomes of families, unrelated individuals, and men and women of various ages at particular points in time.

The pattern of average incomes among the various age groups of families in 1950, 1960, 1970, 1980, and 1982 is an inverted u-shape that reaches its highest point among those aged 45-54. On the basis of means, the income of the 25-34 age group of families was the lowest of any 10-year age group among those aged 25-64 in 1950, 1960, 1970, 1980, and 1982. On the basis of medians, the income of the 25-34 age group of families was the lowest of any 10-year age group among those aged 25-64 in 1970, 1980, and 1982 and the next lowest in 1950 and 1960. By comparison, the age group of unrelated individuals with peak earnings was either the 25-34 age group or the 35-44 age group. Thus, the 25-34 age group of unrelated individuals had relatively high incomes compared with incomes of unrelated individuals of older ages.

From 1970 to 1980, the proportion of nonaged families aged 25-34 showed a modest increase, and the proportions aged 35-44 and 45-54 showed a decrease (table 10). The 25-34 age group of unrelated individuals almost doubled during the period, and the proportion of those in the 45-54 and 55-64 age groups declined substantially. In the same span of time, an increase was registered in the 25-34 age group and a decrease in the proportion of those in the 45-54 age group of male and female persons. These changes in the age distribution resulted because the post-World War II baby boom generation was moving through the various age groups and was creating a bulge in specific age groups at specific time intervals. The increase in the proportion of those aged 25-34 during this period should lower the average real family income of the nonaged and raise the average real income of unrelated individuals among the nonaged compared with former levels.

In part because recent mortality rates have been de-

**Table 8.—Mean total money income for various age groups<sup>1</sup> and economic units at 10-year intervals, 1950-80, and 1982<sup>2</sup>**

[In 1967 dollars]

Economic unit and year	Total <sup>3</sup>	Age group				
		25-34	35-44	45-54	55-64	65 or older
<b>Families and unrelated individuals</b>						
<b>Families:</b>						
1950 .....	\$5,320	\$5,010	\$5,890	\$6,100	\$5,680	\$3,960
1960 .....	7,220	6,900	8,110	8,340	7,450	4,960
1970 .....	9,550	8,940	10,710	11,700	10,330	6,140
1980 .....	9,710	8,660	10,900	12,260	11,060	6,850
1982 .....	9,490	8,330	10,520	11,880	10,730	7,270
<b>Unrelated individuals:</b>						
1950 .....	2,210	3,000	3,120	2,780	2,240	1,390
1960 .....	2,910	4,000	4,620	3,780	2,920	1,850
1970 .....	3,920	6,270	6,030	5,290	4,400	2,480
1980 .....	4,380	5,680	6,640	5,560	4,420	2,900
1982 .....	4,490	5,560	6,430	5,520	4,730	3,250
<b>Persons</b>						
<b>Men:</b>						
1950 .....	4,150	4,260	5,240	5,180	4,330	2,630
1960 .....	5,250	5,820	7,070	6,760	5,740	3,130
1970 .....	6,480	7,480	9,030	9,020	7,650	3,870
1980 .....	6,210	6,610	8,700	8,890	7,730	4,130
1982 .....	6,020	6,160	8,300	8,510	7,590	3,640
<b>Women:</b>						
1950 .....	1,810	2,040	2,120	2,140	1,860	1,120
1960 .....	2,120	2,400	2,590	2,700	2,300	1,370
1970 .....	2,700	3,130	3,340	3,600	3,230	1,960
1980 .....	2,740	3,200	3,290	3,240	2,910	2,350
1982 .....	2,840	3,270	3,420	3,290	3,000	2,580

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Rounded to the nearest \$10.

<sup>3</sup> Includes those aged 14-24.

**Table 9.—Median total money income for various age groups<sup>1</sup> and economic units at 10-year intervals, 1950-80, and 1982<sup>2</sup>**

[In 1967 dollars]

Economic unit and year	Total <sup>3</sup>	Age group				
		25-34	35-44	45-54	55-64	65 or older
<b>Families and unrelated individuals</b>						
<b>Families:</b>						
1950 .....	\$4,600	\$4,670	\$5,050	\$5,110	\$4,520	\$2,640
1960 .....	6,340	6,410	7,240	7,300	6,290	3,270
1970 .....	8,480	8,470	9,810	10,420	8,930	4,340
1980 .....	8,510	8,260	9,990	11,040	9,530	5,220
1982 .....	8,120	7,720	9,520	10,650	9,050	5,580
<b>Unrelated individuals:</b>						
1950 .....	1,450	2,980	2,880	2,360	1,590	900
1960 .....	1,940	4,070	3,730	3,360	2,220	1,190
1970 .....	2,700	5,860	5,460	4,480	3,290	1,680
1980 .....	3,360	5,250	5,740	4,370	3,240	2,060
1982 .....	3,460	5,230	5,680	4,230	3,540	2,230
<b>Persons</b>						
<b>Men:</b>						
1950 .....	3,560	4,110	4,510	4,290	3,460	1,370
1960 .....	4,600	5,530	6,230	5,840	4,840	1,910
1970 .....	5,740	7,100	8,140	7,890	6,600	2,640
1980 .....	5,070	6,310	8,110	8,090	6,440	2,970
1982 .....	4,830	5,690	7,500	7,460	6,180	3,180
<b>Women:</b>						
1950 .....	1,320	1,880	1,810	1,720	1,270	740
1960 .....	1,420	1,180	2,290	2,370	1,600	930
1970 .....	1,920	2,770	2,970	3,180	2,530	1,310
1980 .....	1,990	2,820	2,620	2,590	1,990	1,710
1982 .....	2,040	2,760	2,720	2,600	2,050	1,860

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Rounded to the nearest \$10.

<sup>3</sup> Includes those aged 14-24.

**Table 10.—Age distribution of the nonaged<sup>1</sup> for various economic units at 10-year intervals, 1950–80, and 1982**

Economic unit and year	Number (in thousands)	Age group				
		Total	25–34	35–44	45–54	55–64
<b>Families and unrelated individuals</b>						
<b>Families:</b>						
1950	33,172	100	27	29	25	19
1960	36,913	100	25	29	27	19
1970	41,028	100	26	26	27	21
1980	47,353	100	31	26	23	20
1982	48,360	100	29	28	22	21
<b>Unrelated individuals:</b>						
1950	5,636	100	19	20	29	33
1960	6,161	100	20	18	27	35
1970	7,500	100	24	16	24	36
1980	14,454	100	44	17	15	24
1982	15,290	100	44	19	15	22
<b>Persons</b>						
<b>Men:</b>						
1950	35,678	100	30	28	24	18
1960	39,428	100	27	29	25	19
1970	42,814	100	29	25	26	20
1980	51,660	100	35	25	21	19
1982	54,488	100	36	26	20	19
<b>Women:</b>						
1950	16,122	100	32	27	24	17
1960	22,680	100	25	28	27	20
1970	29,823	100	27	24	26	23
1980	50,126	100	34	24	21	22
1982	57,794	100	34	25	20	20

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

clining faster among the older aged than among the younger aged,<sup>14</sup> there has been a decrease in the proportion of those under age 75 and an increase in the proportion aged 75 or older (table 11). Data from the March 1983 CPS show that median total money income of aged units is lower for those at the later ages: \$12,020 for those aged 65–69, \$9,210 for those aged 70–74, \$7,880 for those aged 75–79, and \$6,170 for those aged 80 or older. Thus, the higher proportion of very old persons surviving over time should lower the average real income of the aged compared with former levels.

**Family types and unrelated individuals.** The great majority of families of all ages have contained a married couple and continue to do so (87 percent in 1950, 81 percent in 1982) (tables 12 and 13). Only 2–3 percent of families are headed by a nonmarried man.

In every age group, families containing married cou-

ples with a wife in the paid labor force had by far the highest average annual income and families headed by a woman had the lowest average annual incomes in both 1970 and 1980 (tables 14 and 15). Two major changes have taken place in the distribution of family types over the period 1950–80. An increase has occurred in the proportion of families headed by women, from 10 percent in 1950 and 1960 to 11 percent in 1970 and to 15 percent in 1980. And the proportion of families containing married couples with a wife in the paid labor force has steadily increased from 30 percent in 1960 to 40 percent in 1970 and to 50 percent in 1980.

Changes in the proportion of families that were headed by women or had a wife in the labor force took place among the nonaged only. Most of the increase in the proportion of families headed by women in the 1970's took place among those aged 25–44 (table 13). In that period, major increases in the proportion of families containing married couples with a wife in the labor force took place among those aged 25–54. Only a slight increase occurred during that decade in the proportion

<sup>14</sup> *Changes in Mortality Among the Elderly: United States, 1940–78*, National Center for Health Statistics (Series 3, No. 22), March 1982, table A.

**Table 11.—Percentage distribution of the aged at 10-year intervals, 1950–80**

Year	Total	65–69	70–74	75–79	80 or older		
					Total	80–84	85 or older
1950	100	41	28	17	14	(1)	(1)
1960	100	38	29	18	15	10	6
1970	100	35	27	19	19	12	7
1980	100	34	27	19	20	12	9

<sup>1</sup> Not available.

Source: Bureau of the Census, *Current Population Reports* P-23, No. 59,

May 1976, and P-20, No. 374, September 1962.

**Table 12.—Percentage distribution of family types at 10-year intervals, 1950–80, and 1982**

[Number in thousands]					
Family type	1950	1960	1970	1980	1982
Total number . . . . .	39,822	45,435	51,948	60,309	61,393
Total percent . . . . .	100	100	100	100	100
Married couple . . . . .	87	87	86	82	81
Wife in paid labor force . .	(1)	26	34	41	42
Wife not in paid labor force . . . . .	(1)	61	52	41	40
Other families headed by men . . . . .	3	3	2	3	3
Families headed by women . . . . .	10	10	11	15	15

<sup>1</sup> Not available.

of wives in the labor force among those aged 55–64, and those aged 65 or older exhibited no change.

An increase in nonaged families headed by women should lower the average income of nonaged families. An increase in nonaged families containing married couples with a wife in the paid labor force should raise the average income among nonaged families. Thus, the effect of these two factors should cancel out to some extent in the overall change in income of the nonaged. There were no changes in the proportions of various family types among the aged in the 1970's. Consequently, the changes in family types during that period should have resulted in little or no change in the ratio of income of aged families to that of nonaged families.

The proportions of both the aged and nonaged populations living as unrelated individuals rose from 1950 to 1982. Among the nonaged, dramatic increases were registered among those aged 25–34 and 35–44, and much smaller gains were recorded among those aged

45–54 and 55–64 (table 3). Among the aged, the increase was presumably among widowed women surviving to an advanced age. Unrelated individuals aged 25–34 and 35–44 had the highest incomes among the nonaged. Among the aged, nonmarried women and the very old had the lowest incomes. Consequently, these increases in the proportion of unrelated individuals should have resulted in a lower ratio of income of the aged to that of the nonaged.

**Comparison of subgroups of the aged and nonaged.** Incomes vary considerably among different age groups, family type groups, and economic units. The mix of persons of different ages living in various economic units and types of families in the population has been changing over time. Therefore, ratios of incomes of the aged to those of the nonaged should be expected to vary for different age and family type groups and economic units and to be changing over time.

The ratio of the income of aged unrelated individuals to that of all nonaged unrelated individuals was 0.58 in 1982. The ratio of the income of aged unrelated individuals to that of unrelated individuals aged 35–44 was the lowest of any nonaged group (0.50), and the ratio of the income of aged unrelated individuals to that of unrelated individuals aged 55–64 was the highest of any nonaged group (0.68) (table 16).

In 1982 the highest ratios of incomes of aged families to those of nonaged families—those of aged families headed by a woman to those of comparable families aged 25–44—were greater than one. The ratios of incomes of aged families headed by a woman to those of female-headed families aged 45–64 were 0.90–0.96. The lowest ratios of incomes of aged families to those of

**Table 13.—Percentage distribution of family types of various age groups<sup>1</sup> in 1970 and 1980**

[Numbers in thousands]						
Year and family type	Total <sup>2</sup>	25–34	35–44	45–54	55–64	65 or older
<b>1970</b>						
Total number . . . . .	51,948	10,649	10,840	11,065	8,473	7,175
Total percent . . . . .	100	100	100	100	100	100
Married couple . . . . .	86	88	87	86	87	82
Wife in paid labor force . . . . .	34	35	37	40	34	13
Wife not in paid labor force . . . . .	52	53	50	46	53	68
Other families headed by men . . . . .	2	1	2	3	3	4
Families headed by women . . . . .	11	10	11	12	10	14
<b>1982</b>						
Total number . . . . .	61,393	14,217	13,658	10,476	10,009	9,597
Total percent . . . . .	100	100	100	100	100	100
Married couple . . . . .	81	80	80	82	86	83
Wife in paid labor force . . . . .	42	50	51	49	36	12
Wife not in paid labor force . . . . .	40	31	29	33	50	71
Other families headed by men . . . . .	3	3	3	3	3	3
Families headed by women . . . . .	15	17	17	14	11	14

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Includes those aged 14–24.

**Table 14.—Mean total money income of various age groups,<sup>1</sup> economic units, and family types, 1970 and 1982<sup>2</sup>**

[In 1967 dollars]

Economic unit, family type, and year	Total <sup>3</sup>	Age group				
		25-34	35-44	45-54	55-64	65 or older
<b>Families and unrelated individuals</b>						
<b>All families:</b>						
1970 .....	\$9,550	\$8,940	\$10,710	\$11,700	\$10,330	\$6,140
1982 .....	9,490	8,330	10,520	11,880	10,730	7,270
<b>Married couple families:</b>						
1970 .....	10,120	9,520	11,460	12,490	10,770	6,090
1982 .....	10,390	9,360	11,770	12,890	11,310	7,470
<b>Wife in paid labor force:</b>						
1970 .....	11,450	10,380	12,020	13,280	12,180	8,600
1982 .....	11,690	10,180	12,410	13,820	12,810	9,590
<b>Wife not in paid labor force:</b>						
1970 .....	9,270	8,970	11,040	11,800	9,850	5,590
1982 .....	9,040	8,050	10,660	11,510	10,220	7,100
<b>Other families headed by men:</b>						
1970 .....	9,010	10,480	8,110	10,230	10,150	7,740
1982 .....	7,940	6,770	8,600	10,450	8,230	6,790
<b>Families headed by women:</b>						
1970 .....	5,340	3,790	5,270	6,200	6,740	5,950
1982 .....	5,070	3,610	5,030	6,490	6,900	6,210
<b>Unrelated individuals:</b>						
1970 .....	3,920	6,270	6,030	5,290	4,390	2,480
1982 .....	4,490	5,560	6,430	5,520	4,730	3,240
<b>Male unrelated individuals:</b>						
1970 .....	5,060	6,950	6,920	6,500	5,560	2,780
1982 .....	5,430	5,840	7,030	6,470	5,940	4,180
<b>Female unrelated individuals:</b>						
1970 .....	3,200	5,060	4,560	4,170	3,900	2,380
1982 .....	3,730	5,100	5,310	4,420	4,130	2,980
<b>Persons</b>						
<b>Men:</b>						
1970 .....	6,480	7,480	9,030	9,010	7,650	3,870
1982 .....	6,020	6,160	8,300	8,510	7,590	4,500
<b>Women:</b>						
1970 .....	2,690	3,130	3,340	3,600	3,230	1,960
1982 .....	2,840	3,260	3,420	3,290	3,000	2,580

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Rounded to the nearest \$10.

<sup>3</sup> Includes those aged 14-24.

nonaged families—those of aged families with a wife not in the paid labor force to those of the comparable nonaged groups—were only half to three-quarters the size of ratios for families headed by a woman. The ratio of per capita family income of the aged to that of families aged 25-44 was 1.20, and the ratio of per capita family income of the aged to that of families aged 45-64 was 0.89 (table 17). Ratios of per capita family incomes of the aged to those of the nonaged are higher for families headed by a woman than for families containing a married couple.

From 1970 to 1980, no consistent trends developed among families in the ratios of incomes of the aged to those of the nonaged. During that period, aged unrelated individuals were catching up with all of the nonaged groups. Income of the aged compared less favorably with that of those aged 45-64 than it did with the income of those aged 25-44. Per capita family income of the aged was 89 percent of that of families headed by a person aged 45-64, and income of aged unrelated individuals was only 64 percent of that of unrelated individuals aged 45-64.

## Conclusion

This article has examined the economic status of the aged in comparison with that of the nonaged using data on money income from the CPS. Money income is not an ideal measure of economic status. And the economic units used by the Bureau of the Census to report income from the CPS are not ideal for comparing the income of the aged with that of the nonaged. Therefore, further analysis should be undertaken on this question when data from the Consumer Expenditure Survey and the Survey of Income and Program Participation become available and when more work has been done on valuing the full range of in-kind benefits. The analysis in section 3 of this article has expanded on earlier analyses of the economic status of the aged and nonaged by covering a longer time period—the 32 years from 1950 to 1982—and by making comparisons within various age groups of the nonaged and within family types and economic units of both the aged and nonaged. Measures of the economic status of the aged and nonaged are sensitive to all of these variables.

**Table 15.—Median total money income of various age groups,<sup>1</sup> economic units, and family types, 1970 and 1982<sup>2</sup>**

(In 1967 dollars)

Economic unit, family type, and year	Total <sup>3</sup>	Age group				
		25-34	35-44	45-54	55-64	65 or older
<b>Families and unrelated individuals</b>						
<b>All families:</b>						
1970 .....	\$8,480	\$8,470	\$9,810	\$10,420	\$8,930	\$4,340
1982 .....	8,120	7,720	9,520	10,650	9,050	5,580
<b>Married couple families:</b>						
1970 .....	9,040	8,970	10,430	11,220	9,310	4,270
1982 .....	9,020	8,690	10,730	11,680	9,530	5,700
<b>Wife in paid labor force:</b>						
1970 .....	10,560	9,900	11,300	12,380	11,040	6,920
1982 .....	10,510	9,410	11,400	12,820	11,280	8,010
<b>Wife not in paid labor force:</b>						
1970 .....	8,000	8,390	9,780	9,970	8,300	3,930
1982 .....	7,380	7,320	9,330	9,910	8,400	5,310
<b>Other families headed by men:</b>						
1970 .....	7,750	9,220	7,690	9,200	8,880	5,780
1982 .....	6,980	6,170	7,900	9,480	7,130	5,750
<b>Families headed by women:</b>						
1970 .....	4,380	3,170	4,610	5,300	5,880	4,620
1982 .....	3,980	2,740	4,270	5,530	5,570	4,850
<b>Unrelated individuals:</b>						
1970 .....	2,700	5,860	5,460	4,480	3,300	1,680
1982 .....	3,460	5,230	5,680	4,230	3,540	2,230
<b>Male unrelated individuals:</b>						
1970 .....	3,900	6,300	6,120	5,550	4,110	1,940
1982 .....	4,320	5,490	6,250	5,300	4,040	2,620
<b>Female unrelated individuals:</b>						
1970 .....	2,140	5,300	4,060	3,630	3,060	1,620
1982 .....	2,790	4,840	4,690	3,340	3,240	2,120
<b>Persons</b>						
<b>Men:</b>						
1970 .....	5,740	7,100	8,140	7,890	6,600	2,640
1982 .....	4,830	5,690	7,500	7,460	6,180	3,180
<b>Women:</b>						
1970 .....	1,920	2,770	2,970	3,180	2,530	1,310
1982 .....	2,040	2,760	2,720	2,600	2,050	1,860

<sup>1</sup> The age of a family is the age of a person designated as the head of the household.

<sup>2</sup> Rounded to the nearest \$10.

<sup>3</sup> Includes those aged 14-24.

**Table 16.—Ratios of total money income of the aged and various age groups of the nonaged<sup>1</sup> for various economic units and family types, 1970 and 1982**

Economic unit, family type, and sex	Age group and year									
	Total		25-34		35-44		45-54		55-64	
	1970	1982	1970	1982	1970	1982	1970	1982	1970	1982
<b>Families and unrelated individuals</b>										
<b>Families<sup>2</sup></b> .....	0.59	0.71	0.69	0.87	0.57	0.69	0.52	0.61	0.59	0.68
Married couple .....	.55	.67	.64	.79	.53	.63	.49	.58	.56	.66
Wife in paid labor force .....	.72	.79	.83	.94	.72	.77	.65	.69	.71	.75
Wife not in paid labor force .....	.54	.71	.62	.88	.51	.67	.47	.62	.57	.69
Other families headed by men .....	.79	.80	.74	1.00	.95	.79	.76	.65	.76	.83
Families headed by women .....	1.09	1.20	1.57	1.72	1.13	1.23	.96	.96	.88	.90
<b>Unrelated individuals</b> .....	.47	.58	.40	.58	.41	.50	.47	.59	.56	.68
Men .....	.43	.52	.40	.72	.40	.59	.43	.65	.50	.70
Women .....	.56	.63	.47	.58	.52	.56	.57	.67	.61	.72
<b>Persons</b>										
<b>Men</b> .....	.46	.60	.52	.73	.43	.54	.43	.53	.50	.59
<b>Women</b> .....	.59	.79	.62	.79	.59	.75	.54	.78	.61	.86

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Mean incomes of the five types of nonaged families were \$11,080, \$12,020, \$10,400, \$9,740, and \$5,450 in 1970, and \$11,220, \$12,100, \$10,020, \$8,460, and \$5,160 in 1982 measured in 1967 dollars.

<sup>3</sup> Mean incomes of the five types of nonaged families were \$11,080, \$12,020,

**Table 17.—Mean per capita family income of the aged and various age groups of the nonaged<sup>1</sup> and ratios of income of the aged to that of the nonaged for various family types, 1970, 1980, and 1982<sup>2</sup>**

Family type and year	Mean income				Ratio of aged to nonaged income		
	Aged	Nonaged			Total nonaged	Aged 25-44	Aged 45-64
		Total	Aged 25-44	Aged 45-64			
<b>All families:</b>							
1970 <sup>3</sup> .....	\$2,570	\$2,730	\$2,340	\$3,270	0.94	1.10	0.79
1980 .....	2,940	3,020	2,640	3,610	.97	1.11	.81
1982 .....	3,090	2,930	2,570	3,490	1.05	1.20	.89
<b>Married couple families:</b>							
1970 <sup>2</sup> .....	2,620	2,850	2,450	3,420	.92	1.07	.77
1980 .....	3,080	3,230	2,830	3,820	.95	1.09	.81
1982 .....	3,260	3,140	2,770	3,690	1.04	1.18	.88
<b>Families headed by women:</b>							
1970 <sup>2</sup> .....	2,310	1,610	1,210	2,160	1.43	1.91	1.07
1980 .....	2,330	1,700	1,440	2,180	1.37	1.62	1.07
1982 .....	2,360	1,630	1,350	2,150	1.45	1.75	1.10

<sup>1</sup> The age of a family is the age of the person designated as the head of the household.

<sup>2</sup> Rounded to the nearest \$10.

<sup>3</sup> Measures of mean per capita family income are available since 1976. Measures of mean per capita family income in 1970 are calculated from information

on income of families of varying sizes. Size of family has an open-ended category at the top end. The average number of persons in the open-ended category are calculated with 1980 data and used as a proxy for the average in 1970 to calculate mean per capita income in 1970.

The question of whether the aged are as well-off as the nonaged has been specifically addressed. Previous research has found that the average incomes of the aged and nonaged are about equal if one is measuring per capita family income but not if one is measuring the income of families or households. Census figures on money income indicate that the aged and nonaged have about equal levels of average per capita family income and about the same proportions of these groups have income below the poverty line. However, aged unrelated individuals, who account for 33 percent of all aged persons, have under three-fifths of the income of nonaged unrelated individuals. The per capita family income of

the aged exceeds that of families headed by persons aged 25-44, but not that of families headed by persons aged 45-64.

Trends in the economic status of the aged and nonaged based on data at 2-year intervals over the period 1950-82 indicate numerous fluctuations rather than a consistent improvement in the income of either group in relation to the other. Real income levels of the nonaged were declining in the 1970's, reversing the upward trend of the 1950's and 1960's. Real incomes of the aged continued to increase during the 1970's and early 1980's, although there was a decline in real income at the end of the decade.