and proposed social security laws—the variation of the initial benefit-earnings ratio with the composition of retired worker families. The only distinction considered was that between (*a*) couples in which the male retired worker is entitled to benefits for a wife, and (*b*) all other retired workers, whether married or not. Under current and proposed law the benefit-earning ratio is about 50 percent higher for group (*a*) than for group (*b*). This was taken into account in the tax-benefit ratios for average earners reported in table 4.[33]

TABLE 4.—ESTIMATED AVERAGE LIFETIME TAX-BENEFIT RATIOS FOR RECIPIENTS OF AVERAGE EARNINGS, VARIOUS ASSUMPTIONS, PERCENT

Type of projection, starting age, family composition	r=2 percent		r=3 percent	
	i=3	i=5	i=3	i=5
Low cost, 18, male [1]	102.6	200.1	76.6	146.0
Low cost, 18, female [2]	86.3	171.1	63.8	123.9
Low cost, 18, couple [3]	59.4	117.8	44.0	85.3
Low cost, 22, male [1]	84.8	157.6	62.2	113.5
Low cost, 22, female [2]	71.3	134.7	51.9	96.4
Low cost, 22, couple [3]	49.1	92.6	35.7	66.3
High cost, 18, male [1]	107.2	207.7	80.4	152.0
High cost, 18, female [2]	91.1	179.5	67.7	130.3
High cost, 18, couple [3]	62.6	123.1	46.6	89.5
High cost, 22, male [1]	88.0	162.4	64.8	117.4
High cost, 22, female [2]	74.7	140.5	54.5	100.6
High cost, 22, couple [3]	51.3	96.4	37.6	69.1

[1] Single male or married male with wife who worked.
[2] Single female or married female with nondependent husband.
[3] Couple eligible for wife's benefit.

Source: Table 2 and table 3 (adjusted to multiples of 1966 starting benefit level).

The estimated tax-benefit ratios show the expected relationships. High growth rates, low imputed return, low-cost projections and a late starting age make for relatively good buys. The extreme cases under the particular assumptions of table 4 are T/B ratios of 36 percent and 208 percent.[34] The participant would clearly get a bargain in all cases if the growth rate were as great as the rate of return, but he would generally fare poorly if the growth rate were substantially lower. The college graduate who starts work at 22 fares much better than the high school graduate in this special case in which they both earn the average wage;[35] couples with nonworking wives do relatively well. However, it is apparent that the T/B ratios are so heavily dependent on the rate of return assumed that any absolute evaluation

[33] The 1964 *Annual Statistical Supplement to the Social Security Bulletin*, p. 47, indicates that about one-eighth of new retired worker families in 1964 were headed by males entitled to benefits for aged wives or for younger wives with at least one child. Ignoring the small number who had child beneficiaries only, a rough indication of the effect of the differential can be obtained by assuming this one-eighth of retired workers had an average starting benefit-earnings ratio 50 percent above that of all others. The total benefit earnings ratio k is a weighted mean of the k's for the two subgroups, implying that these k's are approximately 1.41 k and 0.94 k, respectively. These factors were used to obtain separate T/B ratios for the two subgroups.

[34] The spread would, of course, be much wider if a wider range of rates of return were considered.

[35] This comparison should be qualified by recognition that college graduates have a higher average wage and generally lower statutory benefit-earnings ratios. Some effects of the graduated benefit-earnings schedule are discussed in sec. D.