

classes as a result of transfers through private pension programs. We may suspect that the redistributive effects are less than in the case of State and local government retirement systems, but how much less is open to question.

Some insight into the distribution of beneficiaries by income class can be gleaned from the *Statistics of Income*. Federal income tax returns for 1964, on which at least one taxpayer was 65 or older, show the following reported income from pensions and annuities (taxable portion):

Adjusted gross income classes	Number of returns		Taxable income reported	
	Thousands	Percent of total	Millions of dollars	Percent of total
Under \$5,000.....	918	69.7	1,369	57.2
\$5,000 to \$9,999.....	260	19.7	581	24.3
\$10,000 or more.....	140	10.6	444	18.5
Total.....	1,318	100.0	2,394	100.0

Source: Internal Revenue Service, "Statistics of Income, 1964, Individual Income Tax Returns," publication 79, January 1967, p. 90.

Presumably, a large number of individuals had small benefits but were not required to file returns.

These data do not distinguish the source of the pension or annuity income, but they suggest that the benefits in a recent year went predominantly to middle-income family units. Private plans could not have had a materially different pattern from the public programs also included.

If employer contributions are largely shifted, and at least in part to employees, it would appear that the effects of transfers between income brackets work moderately in the direction of increasing consumption, but at least for the present the impact cannot be substantial.

PENSION PROGRAMS AS A WHOLE

Our exploration of the redistributive effects of the whole range of public and private pension programs has produced only tentative conclusions. It has uncovered gaps in information which our resources could not hope to remedy. The fruitfulness of further research and information gathering about family incomes and budgets is evident. The intelligent appraisal of alternative programs requires that this type of research be pursued with the aid of improved information and techniques of analysis.

The present and prospective transfers of income between age groups are more easily measured. In a sense, they represent the degree of success which has been achieved by the pension structure. For these claims to be honored in full in real terms, individuals must surrender a portion of current output either in exchange for promises of benefits in the future or in payment of tax assessments. That is to say, workers during their active years, on the whole, defer consumption to their years of retirement. In programs covering large groups, it is almost certain that the present value of the future benefits to individual participants will be somewhat greater or less than the consumption they forgo in the