

homes accounted for almost one-third of total assets. When equity in the home was excluded, the median value of the assets of married couples was \$2,950. Nonmarried men and women had less than one-third these amounts. Savings in the form of financial assets—deposits in banks and savings accounts, U.S. savings bonds, marketable securities, and collectable loans to others—may be especially important as a resource if serious illness strikes or other emergencies arise. More than two-fifths of total assets were in these forms, and more than half of these were liquid assets. Investment in other real estate and in a farm (the farm house was treated as part of the value of the farm) or business constituted the remainder, about a quarter, of asset holdings. Personal debts were very small in relation to assets—about 1 percent. Approximately 75 percent of the married couples and 90 percent of the nonmarried men and women reported no personal debt.

Asset holdings, especially financial assets, increased as income increased. Because of a difference in the rate of increase between home equity and financial assets, the relative importance of these forms was quite different between low- and high-income groups. In the low-income third, more than half the holdings were in home equity; only a fourth was in the form of financial assets. In the top-income third, half the assets were in the form of financial assets and only a fourth in home equity. In general, the proportion owning assets and the median amounts of these holdings declined with age.

A measurement was also devised which combined the data on the income and assets of the survey units, taking account of their age and sex. Called "potential income," it involved an arbitrary proration of assets, plus earned interest, over the expected life of the survey units. Although a statistical construct, it provided a means of grouping units with approximately the same economic position when both income and assets are considered and thus for showing how the size distribution of current money income would be altered when assets are taken into account this way.

Median incomes were increased about 10 percent when prorated assets excluded the owned home and more than 30 percent when equity in the owned home was included. The increases in the medians were appreciably greater for those aged 73 and over than for those aged 62 to 64 or 65 to 72, because of the shorter period of life expectancy for which assets were prorated. The findings showed that asset holdings were larger at the higher income levels than at the lower. Inequality in the distribution of income was greater for potential than for actual income.

The 1963 Survey of the Aged confirmed the fact that a substantial proportion of people aged 65 and over not in the labor force had income insufficient to meet their needs, even if they were receiving OASDHI benefits. In 1965, the amendments to the Social Security Act provided a 7-percent increase in benefits. This increase was not quite enough to restore the purchasing power lost since the previous raise, and made no significant improvement in the economic status of older people. The 1967 amendments provided an across-the-board benefit increase of 13 percent. It remains to be seen if living costs will be stabilized enough for this increase to upgrade living standards for the retired in the near future.

The 1963 survey findings highlighted an emerging problem; namely, the unfavorable situation of the large numbers taking the reduced