among families by employee contributions, by benefits, or by some other series. The property rights of individuals in these trust funds are often quite uncertain; thus, the allocation of these fund increases among families becomes extremely difficult both conceptually and empirically.

In this paper, the tax rate is the ratio of an economic status class' tax to its adjusted before tax-before transfer income (or AGI); benefit rate is the ratio of a class' transfer payment or tax benefit to its adjusted before tax-before transfer income (or AGI); net benefit rate is the ratio of a class' benefit minus tax to its adjusted before tax-before transfer income (or AGI). A tax is progressive, proportional, or regressive when the tax rate increases, remains constant, or decreases, respectively, as the welfare ratio (or AGI) increases; a benefit is progressive, proportional, or regressive when the benefit rate decreases, remains constant, or increases, respectively, as the welfare ratio (or AGI) increases; the net benefit is progressive, proportional, or regressive when the net benefit rate decreases, remains constant, or increases, respectively, as the welfare ratio (or AGI) increases.

TABLE 2.—AMOUNTS OF BENEFITS, TAXES OR CONTRIBUTIONS, AND NET BENEFITS, BY PROGRAM AND AGE OF HEAD, 1960-61 AVERAGES

[In millions of dollars]

Program and age of head	Benefit	Unadjusted tax or contribution	Adjusted tax or contribution	Unadjusted net benefit	Adjusted net benefit
Public assistance:					
All families	3,318	3,318	3,318	0	0
Head under age 65	2,343	2,854	2,854	−511	−511
Head aged 65 or over	975	464	464	511	511
Veteran and military programs:					
All families	4,610	4,610	4,610	0	0
Head under age 65	3,126	3,932	3,932	−806	−806
Head aged 65 or over	1,484	678	678	806	806
Social security:					
All families	11,873	12,126	11,873	−253	0
Head under age 65	2,897	11,328	11,050	−8,431	−8,153
Head aged 65 or over	8,976	798	823	8,178	8,153
Government civilian and railroad pensions:					
All families	2,981	4,911	2,981	−1,930	0
Head under age 65	873	4,631	2,904	−3,758	−2,031
Head aged 65 or over	2,108	280	77	1,828	2,031
Private pensions:					
All families	1,762	5,437	1,762	−3,675	0
Head under age 65	449	5,036	1,785	−4,587	−1,336
Head aged 65 or over	1,313	401	−23	912	1,336
Combined programs:					
All families	24,544	30,402	24,544	−5,858	0
Head under age 65	9,688	27,781	22,525	−18,093	−12,837
Head aged 65 or over	14,856	2,621	2,019	12,235	12,837

There are various ways of comparing the progressivity of different taxes or benefits. By looking at cumulative percentage distributions by welfare classes, one can easily determine whether benefit or tax A is on the average (1) more progressive than B; (2) less progressive than B, or (3) not clearly either more or less progressive than B. For example, let us examine the upward cumulative percentage distributions of tax A and tax B. If for every welfare interval (under 0.50, under 0.75, etc.) A's cumulative percentage is greater than (is less than) B's cumulative percentage, then tax A is less (more) progressive than tax B. If A's cumulative percentage is greater than B's for some welfare interval and less than B's for others, then tax A on the average is not clearly either more or less progressive than tax B.