

Income level represents a crucial question in assessing the economic status of the retired. The cash income of all respondents is determined in the surveys of consumer finances by asking not fewer than 18 questions regarding the amount received from various kinds of income sources of the family head as well as of other family members. The younger the retired family head (or a single retired person), the higher is this income on the average. The median income of retired people who are 70 years of age or older is particularly low. The most crucial difference among age groups is in their education, a factor known to be related to income level among those not retired. No doubt the older retired people had much lower incomes before retirement than the younger retired people, both because their retirement was at an earlier time and because they had less education. Median family income of the retired people is related to their age at retirement and to planned versus unexpected retirement. People who retired when they were fairly young had much higher incomes during retirement than people who retired when they were older. Furthermore, those who retired when planned had much higher incomes than those who did not.

Income represents one indicator of economic position, but the latter no doubt depends on several additional considerations as well, such as the available assets and the expenses of the retired. Rather than generate somewhat arbitrary measures of economic welfare, we asked survey respondents for a subjective evaluation of their standard of living in comparison with the one they had before they retired. In this respect practically no differences were found among younger and older retired people. In each age group about one-third said that their current standard of living was lower than the one before retirement, and a small percentage (approximately 5 percent) that it was higher than the one before retirement. The majority of retired people said that their standard of living was the same. It appears, then, that the substantial income differences between younger and older people did not make for major changes in their feelings about their standard of living. This finding reinforces the notion, derived from the relation between age of the retired and their education, that the income differences among the retired are greatly influenced by differences in their preretirement income. It should be added, however, that planned versus unexpected retirement was found to make a difference in the changes in the standard of living people reported. Among people who retired as planned, 22 percent said that their standard of living was lower than the one before retirement, while among those who retired unexpectedly, 44 percent said so.

Data on the income of retired people indicate a substantial improvement in the income of the retired during the 6 years prior to 1965. The income of the retired is lower than the income of the nonretired. But it is only slightly lower than the income of people age 65 or more who are not retired.

There is some evidence of an increasing desire to retire early. In the past, early retirement has been frequently associated with trouble: Illness, obsolescence of job skills, and unemployment. But people at the other end of the scale may constitute a new source of early retire-