

expenditures for several occupations at different ages of the family head, noting particularly the excess of income over spending (or vice versa) in each stage. Since the amount of this excess or deficit is estimated from cross sectional data, it does not of course reveal the financial picture of a particular family as it progresses through work-life. To show a typical family's income-expenditure relationship through time, it is necessary to project earnings through the work-life span, taking into account the increase due to experience and seniority as well as the rise attributable to economic growth, and to estimate the increase in expenditures that may be expected to accompany the increase in income. Such a projection of the income and spending patterns of families through their working years provides some estimate of the discretionary range of income available either for financing higher consumption during worklife or for transferring additional income claims to retirees.

Estimates of the 1960-61 average annual money income (after taxes) in six occupations are shown in table 1.

TABLE 1.—AVERAGE ANNUAL MONEY INCOME AFTER TAXES BY AGE AND OCCUPATION, 1960-61

Age	Self-employed	Professional	Clerical	Skilled	Semiskilled	Unskilled
Under 25.....	\$4,528	\$4,990	\$4,459	\$4,676	\$4,602	\$3,246
25 to 34.....	7,645	7,240	5,704	5,993	5,351	4,495
35 to 44.....	9,456	9,159	6,675	6,993	6,042	4,882
45 to 54.....	9,429	10,722	6,804	7,232	6,136	4,521
55 to 64.....	8,100	9,156	5,851	6,730	5,760	4,180

Source: Bureau of Labor Statistics, "Consumer Expenditures and Income," supp. 2, pt. A to Report 237-238, pp. 30-61.

The data reported in the survey of consumer expenditures provides a rough picture of the consumption levels achieved by the families headed by persons of different occupations and ages.

TABLE 2.—AVERAGE ANNUAL EXPENDITURES BY AGE AND OCCUPATION, 1960-61

Age	Self-employed	Professional	Clerical	Skilled	Semiskilled	Unskilled
Under 25.....	\$5,912	\$5,088	\$4,526	\$4,814	\$4,544	\$3,469
25 to 34.....	6,905	6,941	5,632	6,144	5,367	4,599
35 to 44.....	8,701	8,795	6,668	6,733	5,947	5,051
45 to 54.....	8,694	9,933	6,815	6,945	5,971	4,540
55 to 64.....	7,639	8,281	5,672	6,251	5,629	4,064

Source: BLS Report No. 237-238 pp. 30-34.

Annual incomes exceed expenditures of the self-employed and professional workers' families for most of the age cohorts, leaving sources of savings at practically all stages of worklife. Semiskilled workers, whose expenditures are held below income during the middle and later years, also have a small margin for saving. Clerical and skilled workers barely balance expenditures with income in total, with the years of slight deficits roughly offset by years of small savings. In the case of unskilled workers, no balance of income with expenditure is achieved except very briefly in the 55-to-64 age period.

Cross sectional data do not, however, shed any light on the probable income-expenditure patterns of today's labor force entrant, nor do they provide an adequate basis for estimating his capacity for accumulating income for old age. In the course of his worklife, income at the various