

age levels will be rising in some rough accord with overall economic growth. By the same token, today's retiree did not receive the income during his worklife that the cross sectional picture indicates. If he came up through the ranks of his occupation, his income at each stage was lower than the income now being paid; growth has raised the earnings of each of the occupational levels he once occupied. The income problems of many of the present retirees can be explained by reference to their relatively low earnings in an earlier, less productive economic era.

One may direct attention to the income of the future aged by making some assumptions regarding the earnings of today's labor force participant as he moves through the worklife cycle and combining these projected lifetime earnings with probable expenditure patterns. Under these assumptions, it is possible to illustrate the combined effects of economic growth and experience on worklife income.

TABLE 3.—ESTIMATED AVERAGE ANNUAL INCOMES THROUGH WORKLIFE, WITH ECONOMIC GROWTH COMPONENT INCLUDED FOR WORKERS AGED 25 AND UNDER IN 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.....	10,149	9,681	7,785	8,111	7,179	5,918
35 to 44.....	17,582	17,845	12,388	12,784	10,722	8,899
45 to 54.....	23,591	23,316	15,385	17,106	13,956	11,031
55 to 64.....	32,946	26,322	17,994	22,487	17,489	13,780

Source: Income data for workers under 25 taken from "Survey of Consumer Income and Expenditures," BLS Report 237-238, tables 15a-15e. Incomes for 25-34 and succeeding cohorts calculated by compounding the growth rates indicated in table 3, and adding the 1960-61 differences in incomes of age cohorts (table 1).

If consumer expenditures continue to absorb the proportions of income used for that purpose in 1960-61, the bulk of the gradually rising incomes of labor force participants will be absorbed by their rising consumption but the residual will nevertheless be significant for men in many occupations. For the professional and self-employed persons, the worklife totals would of course be quite high; skilled and semi-skilled would also have substantial balances and the clerical worker somewhat less. Since expenditures exceed income for the unskilled workers at most ages, a portion of the projected rise in incomes would need to be used to equate expenditures and income. Some net saving could result in the last 10 years of worklife, should the projected expenditures-income ratio be the same as that observed in the cross-sectional data.

For a large number of the future aged, the question of income maintenance would appear to be largely a matter of income allocation through the family's life cycle. Increased willingness to forgo some larger portion of earnings during worklife, in return for a higher level of income in old age, is crucial to the longrun solution of the problem. The methods by which earnings are reapportioned somewhat more evenly over the lifespan are of course well known. Private savings provide the simplest and most direct means of smoothing lifetime income; higher annual earnings, particularly if they are accompanied by stability of employment, will surely result in the accumulation of larger volumes of privately held assets. One recent set of projections supports the thesis that the asset position of the future aged will be enhanced, barring severe inflations or depressions.