tial commission. Provision will be made in the legislation for annual automatic adjustments of dollar amounts on the basis of changes in an appropriate cost-of-living index and for decennial adjustments to reflect changes in standards of living as indicated by appropriate research.

To what extent should FGMI be adjusted to differences in family maintenance costs related to characteristics of members of the family such as age and sex, or to place of residence, regional or urban-rural? Although the use of computers and automatic data processing makes possible increased flexibility in the design of a plan, it should also be recognized that each elaboration increases the complexity of administration and should be adopted only after the net advantages are clearly established.

A problem likely to generate popular interest is involved in the making of FSB payments to families with limited current income but substantial non-income or low-income producing assets. Should FSB payments be made to an aged couple, for example, whose income is below their FGMI but who have $60,000 invested in tax-free municipal bonds yielding 3 percent per annum? Or the widow who lives in her own home in which she has an equity of $30,000? A solution to this problem is suggested by the finding that the median net worth of the fifth of all spending units (roughly equivalent to the total of families and unrelated individuals) having the lowest incomes in 1962 was only $1,000, mostly in the form of equity in dwellings.[3] Persons claiming FSB could be required to include in their annual reports of income a statement of their net worth. Families having a net worth of, perhaps, not over $13,000 of equity in their own dwellings or $2,000 exclusive of sole equity would then not be eligible for benefits.

CAN THE NATION AFFORD THIS?

In discussing the problem of poverty in America the President's Council of Economic Advisers selected the figure of $3,000 (before taxes and expressed in 1962 prices) as the minimum income for a decent life for a non-farm family of four.[4] The council noted a study made by the Social Security Administration that defines a "low-cost" budget for a non-farm family of four and finds its cost in 1962 to have been $3,955. The Bureau of Labor Statistics City Workers' Budget, also designed for a family of four, but described as neither "minimum maintenance" nor "luxury" but rather as "modest but adequate" when last priced (1959), exclusive of allowances for the payment of taxes and insurance ranged from $4,622 for Houston to $5,607 in Chicago.[5] For the country as a whole, $5,000 is taken here to represent the cost of a "modest but adequate" annual budget for a family of four.

Using these standards as rough guides the following equally rough estimates may be made of the general order of magnitude of total national payments of FSB at the following levels: minimum maintenance level, $3,000 = $11 billion per annum; economy level, $4,000=$23 billion per annum; modest-but-adequate level, $5,000=$38 billion per annum.

The economic feasibility of a proposal for a Family Security Program at the minimum maintenance level is specifically attested to by the Council of Economic Advisers in the following terms:

> Conquest of poverty is well within our power. About $11 billion a year would bring all poor families up to the $3,000 income level we have taken to be the minimum for a decent life. The majority of the Nation could simply tax themselves enough to provide the necessary income supplement to their less fortunate citizens. The burden—one fifth of the annual defense budget, less than 2 percent of GNP—would certainly not be intolerable.[6]

[3] *Economic Report of the President* (Washington, D.C.: U.S. Government Printing Office, 1964), p. 67.

[4] *Ibid.*, p. 58.

[5] Helen H. Lamale and Margaret S. Strotz, "The Interim City Worker's Family Budget," *Monthly Labor Review*, Vol. 83, No. 8 (August 1960), pp. 785–808.

[6] *Economic Report of the President*, *op. cit.*, p. 77.