return is equal to the average rate of return earned by the income class.

These rates have been stated before taxes. In the case of funds actually used for investment, this rate measures the social opportunity cost since the assets which the money makes possible yield this return. But in determining a rate of interest which measures the value of the funds used for consumption, we must use the rates of return that could be earned after taxes, since these are the rates which households actually face in making decisions. Table

TABLE 14. *Rates of Return Earned by Households, Adjusted for Taxes by Upper-Income Classes and Form of Property*

	Rates of return for form of property income (per cent)				
Income class ($ thousand)	Business income	Dividends plus retained earnings	Rent	Interest	Average rate of return [a] (per cent)
Rate of return before tax [b]	6.0	8.0	8.0	3.0	—
Rate of return after taxes by households [c] for:					
5 to 7.5	4.5	6.5	6.0	2.2	5.0
7.5 to 10	4.2	6.2	5.7	2.1	4.7
10 to 15	3.8	5.8	5.1	1.9	4.4
15 to 20	3.2	5.1	4.2	1.6	3.8
20 to 30	2.5	4.6	3.2	1.2	3.2
30 to 50	2.1	4.4	2.8	1.0	3.1
50 to 100	1.4	4.0	1.9	1.2	2.9
Over 100	0.7	3.4	0.9	0.9	2.8
Applicable rate of return [d] for:					
5 to 7.5	4.5	6.5	6.0	2.2	5.0
7.5 to 10	4.4	6.4	6.0	2.2	4.9
10 to 15	4.4	6.4	5.9	2.2	5.0
15 to 20	3.9	5.9	5.2	2.0	4.6
20 to 30	3.9	6.0	5.1	1.9	4.6
30 to 50	3.7	5.8	4.9	1.8	4.6
50 to 100	3.2	5.6	4.3	2.3	4.6
Over 100	2.8	5.2	3.7	1.9	4.6

[a] The average is weighted by the distribution of property income within the income class.