

# Activities and Expenditures of Preretirees

by JANET MURRAY\*

*For the person nearing retirement, two areas of concern are the need to spend less because income is less and the need to develop leisure activities. In its examination of the retirement process, The Retirement History Study of the Social Security Administration collected information on the spending of preretirees aged 58-63 for key budget items, as well as data that may help to gauge the level of their interest in certain leisure activities. Changes in these items are to be noted as the survey continues. This article describes the levels and activities in 1969 for men with wife present, and for nonmarried men and women.*

REDUCTION IN expenditures required by smaller incomes and the development of satisfying leisure activities are well-recognized as problem areas for retirees. Only the matter of health care attracts equivalent concern.

The Retirement History Study (RHS)<sup>1</sup> of the Social Security Administration obtained information on the expenditures of preretirees for some of the major budget items, as well as data that may serve to indicate the level of their interest in such leisure activities as reading, travel, and organizational membership. Changes in these items will be identified, as the longitudinal phases of the survey proceed and the retirement process of the sample members is studied. This article, however, is simply descriptive of the levels of expenditures and activities of the sample groups in 1969: men, married and nonmarried, and nonmarried women aged 58-63—in the years immediately preceding retirement, for most workers.<sup>2</sup>

Historically the big three of the expenditure categories have been food, housing, and clothing. In recent decades, however, transportation has replaced clothing as a major item for most households in the general population, and for the older age groups medical care has become third in

\* Division of Retirement and Survivor Studies, Office of Research and Statistics, Social Security Administration.

<sup>1</sup> See Lola M. Irelan, "Retirement History Study: Introduction," *Social Security Bulletin*, November 1972, and the Technical Note at the end of this article.

<sup>2</sup> Seventeen percent of the sample interviewed in 1969 considered themselves completely retired and 9 percent partly retired.

importance. The out-of-pocket expenditures for medical care of the older population is so tied in with insurance, with the Medicare program, and with the general health problems of the aged that the RHS data on these matters are separately presented and discussed.<sup>3</sup>

These four major categories—food, shelter, transportation, and medical care—were found in 1960-61 to constitute 80 percent or more of the expenditures for current consumption of older couples or individuals, and about the same proportion was allocated to these categories in the retired couple's budget by the Bureau of Labor Statistics (BLS) in the autumn of 1966.<sup>4</sup>

The other categories for which data either on frequency of purchase or expenditures were obtained—personal care, reading, entertainment outside the home, and dues to organizations—are considered not so much for their importance in the total expenditure budget as for the light such information may throw on the style of living outside the working life. Information on gifts and contributions may also serve as an indicator of interest in persons or activities outside the household.

## FOOD

Expenditure for food<sup>5</sup> is known as one of the categories least responsive to changes in income. Many studies of consumer expenditures have demonstrated that typically at lower levels of

<sup>3</sup> See Dena K. Motley, "Health in Years Before Retirement," *Social Security Bulletin*, April 1974, and "Paying for Health Care Before Retirement," *Social Security Bulletin*, April 1975.

<sup>4</sup> See John Reinecke, *Expenditures of Two-Person Units and Individuals After Age 55* (Staff Paper No. 9), Social Security Administration, Office of Research and Statistics, 1971, tables 2 and 5; and *Retired Couple's Budget for a Moderate Living Standard*, autumn 1966 (Bulletin No. 1570-4), Bureau of Labor Statistics, table 1.

<sup>5</sup> In technical terms, food is one of the most inelastic categories of expenditure: A 1-percent increase or decrease in income tends to be accompanied by an increase or decrease of considerably less than 1 percent in expenditures for food.

income the proportion spent for food is considerably greater than at higher income levels.

Not all items within the food category are necessarily inelastic, however, and some elastic—or luxury—spending may be included. Spending for meals away from home, for example, may increase more than proportionately with income, as such spending involves elements of recreational or luxury spending.

There are, in fact, a variety of ways in which changes in the level of food expenditures of a household during the retirement process may be explained. Response to changes in the level of income, although probably the major factor, is only one. A direct factor, to be expected, is the cessation of the need to spend for meals at work that may or may not be offset by other types of dining out, usually a form of recreation. For the husband-wife family with children leaving home during this period of the life cycle, the change in the size of the family would be an explanatory factor. It is generally believed that there is some economy of scale, and the per person expenditure of a household tends to increase as the number in the family decreases. On the other hand, the cost of food required to meet the nutritional needs of teenagers and young adults is considerably greater than that for older age groups, and the per person food costs of a household would tend to decrease as the average age of its adult members increase.<sup>6</sup> The number and age composition of the household, in other words, influence the level of food expenditure, and these may be changing during the period under study. Comparisons are simplified when data for married couples or for the nonmarried men and women who live alone are examined.

Respondents were asked for: (1) Their total expenditures in grocery and food stores in the week preceding the interview and their estimate of the amount that went for such nonfood items as soap, paper products, cleaning supplies, or pet food and (2) their expenditures at bakeries or dairy stores or for such products delivered to the home. Respondents were then asked whether

<sup>6</sup> The estimated costs of food plans at three levels are published by the Department of Agriculture for some 20 age-sex groups. The costs of food plans for boys and girls aged 15-20 are 30-40 percent higher than the food plans for men and women aged 55-75. See *Family Economics Review*, Consumer and Food Economics Institute, Agriculture Research Service, Department of Agriculture, September 1969.

the total (with the nonfood items expenditures subtracted) so provided was the amount usually spent for food and, if not, whether the usual expenditure was more or less and, accordingly, what the usual weekly expenditure would be.

Most of the respondents—80-90 percent—reported that the last week's expenditure represented a typical amount. For these respondents whose last week's expenditures were not "usual," the average of the "usual" food expenditure was only a few percentage points above that for "last week." Unless otherwise indicated, the usual expenditure is the amount presented here, most often expressed as an annual rather than a weekly figure.

One of the clear determinants of the aggregate amount spent to purchase food for its use at home is the number of persons fed. The number of people usually eating from the home food supply every day was therefore ascertained, and this number was used to estimate the usual annual expense for food at home per person. The number reported as eating from home supplies was almost identical with the household size of the married couples but was 6-7 percent fewer in number than the size of households of the nonmarried men and women.

The final items of information on food expenditures that were requested were the amounts spent by the respondent (and spouse) for meals eaten at work and for other meals and snacks eaten outside the home.<sup>7</sup>

The information on expenditures for food at home is shown for households in the three sample groups—married men and nonmarried men and women—by age, in table 1; the same information is shown for persons in these three groups who lived alone rather than in larger household units. Household food expenditures on a per person basis are shown in table 2.

Many of the comparisons drawn from these tables might be considered validating or consistency checks with other expenditure studies, rather than new findings. The median amount of expenditures for the households of the married couples was \$1,405—an amount greater than but by no means twice as much as the \$830 median expenditure for the nonmarried men or the \$800

<sup>7</sup> Because of uncertainty concerning the completeness of reporting and tabulating expenditures for meals and snacks away from home, total food expenditures are not shown in this preliminary analysis.

TABLE 1—Annual amount usually spent for food at home· Percentage distribution of all units and of units living alone, by sex, marital status, and age, 1969.

Annual household expenditures	Total	Married couples				Nonmarried men				Nonmarried women			
		Total	58-59	60-61	62-63	Total	58-59	60-61	62-63	Total	58-59	60-61	62-63
All units													
Number (in thousands)													
Total.....	6,800	4,117	1,506	1,356	1,255	729	246	254	229	1,954	625	628	701
Reporting.....	6,476	3,978	1,450	1,315	1,213	662	227	232	203	1,835	589	591	655
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100
None.....	2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	8	9	9	7	3	2	4	3
\$1-499.....	9	3	2	2	3	18	18	18	19	19	19	18	19
500-899.....	21	13	12	13	15	28	27	26	31	36	34	36	39
900-1,199.....	20	21	20	21	23	18	16	21	17	17	19	18	15
1,200-1,399.....	10	12	12	12	14	7	9	6	7	7	8	5	8
1,400-1,999.....	23	30	32	31	27	14	16	14	11	11	13	12	9
2,000 or more.....	14	20	22	21	17	6	5	6	8	6	5	6	6
Median amount.....	\$1,175	\$1,405	\$1,455	\$1,415	\$1,320	\$830	\$830	\$865	\$795	\$800	\$830	\$810	\$775
Units living alone													
Number (in thousands)													
Total.....	2,520	830	832	858	374	120	139	115	1,076	310	351	415	
Reporting.....	2,358	773	781	801	324	106	120	98	984	280	320	384	
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100	
None.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	6	6	9	4	2	( <sup>1</sup> )	2	3	
\$1-499.....	3	3	3	4	37	26	23	31	27	30	28	26	
500-899.....	25	22	25	26	42	40	39	44	52	52	51	54	
900-1,199.....	34	35	32	36	18	18	22	13	13	14	14	13	
1,200-1,399.....	27	29	25	23	5	7	5	5	5	4	5	2	
1,400-1,999.....	10	10	12	10	2	2	2	1	2	1	2	2	
2,000 or more.....	10	10	12	10	2	2	2	1	2	1	2	2	
Median amount.....	\$1,220	\$1,250	\$1,230	\$1,190	\$650	\$655	\$715	\$575	\$640	\$625	\$650	\$645	

<sup>1</sup> Less than 0.5 percent.

for the nonmarried women. The expenditures of those aged 58-59 were generally greater than for those in the group aged 62-63. When the households were distributed according to per person expenditure for food at home, the median amounts (\$565 in married couple households, \$580 in those of nonmarried men, and \$560 in those of non-

married women) were less than the average expenditures of one- or two-person households, as would be expected.

The general level of these expenditures may be compared only roughly with the findings from other studies—differences in the timing, sample coverage, collection techniques, and definitions

TABLE 2—Annual amount usually spent for food at home per person· Percentage distribution of all units, by sex, marital status, and age, 1969

Annual expenditures per person	Total	Married couples				Nonmarried men				Nonmarried women			
		Total	58-59	60-61	62-63	Total	58-59	60-61	62-63	Total	58-59	60-61	62-63
Number (in thousands)													
Total.....	6,800	4,117	1,506	1,356	1,255	729	246	254	229	1,954	625	683	701
Reporting.....	6,173	3,856	1,404	1,282	1,173	584	199	202	181	1,725	556	552	618
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100
None.....	( <sup>1</sup> )	1	1	2	1	1	1	1	1				
\$1-299.....	11	9	10	9	10	14	16	13	13	12	13	11	12
300-399.....	13	13	13	14	13	12	13	10	12	13	12	14	13
400-499.....	14	14	15	15	15	11	11	10	14	14	17	13	13
500-599.....	18	19	18	19	20	14	12	12	19	17	17	17	16
600-699.....	13	14	15	13	14	10	10	12	10	11	12	12	11
700-799.....	11	11	12	11	10	10	10	10	10	11	8	11	13
800-899.....	5	5	5	5	5	5	5	5	6	5	4	5	5
900-999.....	5	5	5	6	4	6	8	5	4	5	6	3	5
1,000-1,199.....	6	5	4	5	5	9	7	13	7	6	6	7	5
1,200 or more.....	4	3	3	3	2	7	8	8	4	5	5	5	6
Median amount.....	\$565	\$565	\$570	\$565	\$565	\$580	\$580	\$620	\$550	\$560	\$545	\$560	\$570

<sup>1</sup> Less than 0.5 percent

make such comparisons difficult.<sup>8</sup> Instead, it may be useful to compare them with the costs of the Department of Agriculture food plans or with the BLS retired couple's budget.<sup>9</sup>

In the spring of 1969 the costs of the Department of Agriculture's various food plans for couples and men and women aged 55-75 who were living alone<sup>10</sup> were as indicated below.

Type of food plan	Married couples	Men	Women
Low.....	\$735	\$430	\$370
Moderate.....	955	565	480
Liberal.....	1,150	685	570

The median amount spent for food at home by couples living alone (table 1) was \$1,220; by men, \$650; and by women, \$640. It would thus appear that about half, or a little more, of the RHS sample reported expenditures for food at home that would have provided a liberal diet or better. In looking at the distribution, it seems that 10-20 percent spent less than the amount needed for the low-cost food plan. It might be assumed that many of those with such low food expenditures, unless they were spending a considerable amount for food away from home or were receiving food without direct expense, could have achieved good diets only with difficulty.

The food plans provide for all meals at home; the RHS data represent food purchased for home food supplies. Men living alone, unlike the married couples and nonmarried women, reported median expenditures less than instead of somewhat more than the liberal food plan—a reasonable finding in view of their greater tendency to eat out.

#### Budgets for retired couples aged 65 and over

<sup>8</sup> According to a BLS release dated April 16, 1975, the average expenditure for food at home in the "Survey of Consumer Expenditures-Diary, July 1972-June 1973,"—for all urban and rural families and single families—was \$22.17. Though this estimate of \$1,153 on an annual basis appears to check with the median amount of \$1,175 shown in table 1 such rough adjustments as can be made, for differences in age of head, size of household, and changes in prices between 1969 and 1972-73 suggest that the RHS figure is high in comparison.

<sup>9</sup> The food budget quantities priced by the BLS for the retired couple's budget (BLS, *op cit.*, page 2) are from the moderate-cost food plan published by the Department of Agriculture.

<sup>10</sup> Computed from the figures for March and June 1969 in the *Family Economics Review*, May and September 1969.

in urban areas have been estimated by the Bureau of Labor Statistics for the spring of 1969. The amounts shown for food at home are \$791, \$1,015, and \$1,212 for the lower, intermediate, and higher budget levels, respectively. The corresponding estimates for food away from home were \$64, \$122, and \$214. Married couples with the husband aged 58-63 would, of course, be expected to have higher expenditures, both because of their higher incomes and because they are somewhat younger than the BLS budget couple. The median expenditure of \$1,220, cited above for the RHS couples, is close to the amount of the BLS higher budget, suggesting perhaps that after retirement, with lower incomes, many preretiree couples would have to adjust to the more moderate or lower level.

Although the distinction between the cost of food "at home" and "away from home" is usually made in expenditure surveys and budget studies, explicit information on the amount spent for meals at work is not always obtained. Since meals out are normally more expensive than meals prepared from the household food supply, a decrease in food expenditures arising from this fact might be expected upon retirement. Hence, information on meals at work was obtained in the RHS study and is summarized in table 3 for the married men and their wives and for the non-married men and women.

The large proportion with zero expenditures is striking: 63 percent of the men, 75 percent of the nonmarried women, and 83 percent of the wives said they did not spend anything in a typical week for meals at work. Of course, some of those reporting zero expenditures were not

TABLE 3.—Usual expense for meals at work: Percentage distribution of married couples (respondent and spouse) and of nonmarried men and women, 1969

Annual expenditures	Married couples		Nonmarried	
	Men	Spouse	Men	Women
Number (in thousands)				
Total.....	4,117	4,117	729	1,954
Reporting.....	4,028	3,644	706	1,887
Total percent.....	100	100	100	100
None.....	63	83	63	75
\$1-99.....	3	2	2	3
100-199.....	8	6	8	8
200-299.....	9	5	9	8
300-399.....	4	1	4	2
400-499.....	4	1	4	1
500 or more.....	9	2	10	2
Median amount with expenditures.....	\$290	\$210	\$295	\$230

working or had part-time work not requiring being away at mealtime; a few may have received "free lunches," and a number probably carried their lunches from home. When the numbers reporting expenditures for meals at work were related to the numbers reporting full-time jobs, it appeared that about half the married men and about a third of the nonmarried men and women were probably carrying their meals from home. Wives, it would seem, are more likely to pack lunches for their husbands than are the relatives with whom the nonmarried men live (elderly parents, siblings, children) and more likely than those who live alone to fix it for themselves!

The median annual amounts spent by the men who bought their meals fell a little below \$300; the women spent somewhat more than \$200. About 10 percent of the men but only 2 percent of the women reported \$500 or more a year for meals at work.

### Nonfood Items Purchased at Grocery and Food Stores

To arrive at the estimates of expenditures for food at home, respondents were asked, as noted earlier, first for amounts spent in the last week at grocery and general food stores, and then "about how much of that was for nonfood items." Close to half the respondents reported an expenditure in the \$1-4 range. The mean amount for the households of the married men was about \$5.20 a week (nearly \$300 a year) and for the nonmarried men and women it was about \$3.50 (\$200 a year). The items included in these totals are very diverse indeed—ranging from cigarettes to pet food—but the total probably largely represents the cleaning supplies and paper products that in many expenditures studies are included under the category "household operation," which, in turn, is often included with house furnishings and shelter and utilities as total housing expenditures.

## HOUSING

Housing expenditures in this study are limited to expenses for a family home. Mortgage payments (if any), with taxes and insurance when

the home is owned, rental payments, and the cost of utilities for both owners and renters are usually second to food in the household budget—or even larger than the food category when household operation and house furnishings are added to the basic cost of shelter.

Decisions with respect to housing throughout the family life cycle are closely associated with various aspects of style of living and asset position. Retirement years often require new decisions—typically, whether or not to give up the family home that has become larger than needed when children leave or whether or not to move to another area when ties to a job no longer exist. Such possible changes will be followed as the RHS continues.

### Types of Dwelling Unit

The conventional house, apartment, or flat constituted the dwelling unit of almost all the married couples and nonmarried men and women. The tabulation that follows gives the percentages for each of these groups reporting that they lived in these types of dwellings.

Type of dwelling	Total	Married couples	Nonmarried	
			Men	Women
House, apartment, flat.....	97	98	90	96
Trailer.....	2	2	3	2
Other.....	1	.....	7	2

Only the nonmarried men reported living in rooming houses (3 percent) in any appreciable numbers, and an additional 2 percent lived in hotels or motels. In none of the marital-status/sex groups were there significant variations by age in type of housing.

### Tenure Status

Most of the information on housing expenditures in this study—rents, homeownership costs, utilities—and on size of the dwelling unit was obtained only from respondents who did not live on farms or ranches. Lodgers were identified and were not asked certain questions, but information was obtained on the rent they paid and their expenditures for utilities, if any.

About 5 percent of the total United States population lived on farms in 1969—and somewhat larger proportions of the group aged 55–64.<sup>11</sup> Of the three groups in the RHS, it is not surprising to find that only 4 percent of the nonmarried women lived on farms, but 11 percent of the married couples and 9 percent of the nonmarried men were on farms (table 4).

Only a negligible number of the couples and 3 percent of the nonmarried women were lodgers. A larger proportion (8 percent) of the nonmarried men reported this type of housing arrangement, and age seemed a factor: 6 percent of those aged 58–59 but 11 percent of those aged 62–63 lived as lodgers.

As is well known, a considerable majority or almost two-thirds of all occupied housing units in the United States are owned by the occupants. Among the married couples, four-fifths in the nonfarm category lived in their own homes; between 40 percent and 50 percent of the nonmarried men and women did so.

One of the problem areas in evaluating the financial situation of the elderly is the determination of the extent to which, in joint households, the older unit is subsidized by the younger, the younger is subsidized by the older, or pro rata shares are paid by each unit. Data on intra-family financial transactions are meager because they are difficult to develop with any accuracy.<sup>12</sup>

In this connection it is interesting to observe that somewhat less than 20 percent of the nonmarried men and women reporting on ownership status indicated that another family member either owned or rented the dwelling unit and most of these (about three-fourths of the men and four-fifths of the women) said that they themselves made no payments. Relatively few (3 percent) of the married couples reported that the home was owned or rented by a family member other than the respondent or spouse, and most of these couples made no explicit payment to the owning or renting family member. Some of the

<sup>11</sup> Bureau of the Census, *Statistical Abstract of the United States, 1971*, table 922.

<sup>12</sup> See, for example, Edna Wentworth and Dena Motley, *Resources After Retirement*, Research Report No. 34, Social Security Administration, Office of Research and Statistics; Janet Murray, "Living Arrangements of People Aged 65 and Older," *Social Security Bulletin*, September 1971; and James N. Morgan et al, *Income and Welfare in the United States*, Survey Research Center, University of Michigan, 1962.

TABLE 4—Housing and homeownership status: Percentage distribution of all units, by sex and marital status, 1969

Type of housing and homeownership status	Total	Married couples	Nonmarried	
			Men	Women
Total number (in thousands).....	6,800	4,117	729	1,954
Farm, nonfarm, lodging				
Total percent.....	100	100	100	100
Farm.....	9	11	9	4
Nonfarm.....	89	89	82	93
Lodging.....	2	( <sup>1</sup> )	8	3
Nonfarm ownership status				
Number (in thousands)				
Total.....	6,067	3,649	601	1,816
Reporting.....	6,043	3,638	598	1,807
Total percent.....	100	100	100	100
Owners				
Respondent, spouse.....	66	60	41	47
Other family members <sup>2</sup> .....	1	( <sup>1</sup> )	3	2
Renters				
Respondent, spouse.....	25	17	40	36
Other family members <sup>2</sup> .....	1	( <sup>1</sup> )	2	1
Other <sup>3</sup> .....	7	3	14	14

<sup>1</sup> Less than 0.5 percent

<sup>2</sup> House or apartment owned or rented by a family member, but respondent pays some rent

<sup>3</sup> Most of this group reported living in households owned or rented by other family members, but pay no rent.

respondents who reported no rental payments did, however, report expenditures for utilities, so their contribution toward joint expenses may have taken the form of the payment of all or some of the utility bills.

### Homeowners

*Value of the home.*—More than half the nonfarm homeowners reported the market value of their home as falling within the \$10,000–25,000 range (table 5). The median value of the home of the married couples was \$17,250, that of the nonmarried women \$14,600, and that of the nonmarried men \$13,600.<sup>13</sup> There were no significant differences in the values among the age groups.

*Mortgage payments.*—Although ownership of the home and its market value and the amount of mortgage payment for those making such pay-

<sup>13</sup> The median amount of equity in the nonfarm home was \$14,120 for the married couples, and it was \$11,420 and \$12,800 for the nonmarried men and women, respectively. See Sally R. Sherman, "Assets on the Threshold of Retirement," *Social Security Bulletin*, August 1973, table 2.

TABLE 5.—Market value of nonfarm owned home. Percentage distribution of units, by sex and marital status, 1969

Market value of nonfarm home	Total	Married couples	Nonmarried	
			Men	Women
Number (in thousands)				
Total.....	4,003	2,898	247	858
Reporting.....	3,793	2,778	233	781
Total percent.....	100	100	100	100
Less than \$4,000.....	5	4	13	8
4,000-6,999.....	8	7	12	11
7,000-9,999.....	10	9	10	13
10,000-14,999.....	21	21	22	20
15,000-19,999.....	19	20	16	20
20,000-24,999.....	12	13	9	11
25,000-29,999.....	9	10	9	7
30,000 or more.....	15	16	9	10
Median amount.....	\$16,470	\$17,250	\$13,600	\$14,600

ments did not appear to be associated with age within the range under study, the number making such payments was related to age as the data in the tabulation that follows indicate. Of those who

Age	Percent of homeowners with mortgage payments		
	Married couples	Nonmarried	
		Men	Women
58-59.....	48	42	32
60-61.....	42	29	29
62-63.....	36	32	24

had not already completed their mortgage payments, an appreciable number of homeowners would appear to do so during this period of the life cycle.

A little more than a third of the annual mortgage payments fell within the \$500-999 range, and a little less than a third made payments of \$1,000-1,500. Median payments were somewhat above \$1,000 for the men; somewhat less than \$1,000 for the women (table 6).

This regular mortgage payment more often than not included either taxes (real estate or special assessments) and/or insurance in addition to an amount credited to principal and interest. Nearly three-fifths of those reporting on their mortgage payments indicated that one or more of these additional items were included. The median amounts of payments for these items made separately from the mortgage were about \$350 for the married couples and \$300 for the nonmarried.

*Utilities.*—Practically all homeowners had ex-

TABLE 6.—Annual mortgage payment on nonfarm owned home: <sup>1</sup> Percentage distribution of units, by sex and marital status, 1969

Annual mortgage payments	Total	Married couples	Nonmarried	
			Men	Women
Number of homeowners (in thousands).....	4,003	2,898	247	858
Percent with mortgage payments.....	39	42	34	28
Total number reporting on mortgage payments (in thousands).....	1,475	1,166	84	227
Total percent.....	100	100	100	100
\$1-499.....	8	7	12	14
500-999.....	36	35	36	42
1,000-1,499.....	28	29	30	25
1,500-1,999.....	16	17	13	11
2,000-2,499.....	6	6	2	6
2,500-2,999.....	2	2	5	( <sup>2</sup> ) 2
3,000 or more.....	3	4	2	2
Median amount.....	\$1,095	\$1,135	\$1,040	\$930

<sup>1</sup> Includes, for some, payments for real estate taxes, special assessments, and/or insurance.

<sup>2</sup> Less than 0.5 percent

penditures for utilities: Electricity, heat, gas, water, and trash removal. The respondents were given the choice of itemizing such expenditures or giving a total figure. The median amounts expended for utilities by the married homeowners was \$415; it was \$340 for the nonmarried men and \$360 for the nonmarried women (table 7).

## Renters

Annual rents of those reporting amounts more often fell within the \$500-999 range than within any other \$500 interval. The median amount for the married couples who paid rent was \$945; it was \$760 for the nonmarried men and \$815 for the nonmarried women (table 8).

All or some of the cost of utilities may be included in the rents paid by nonowning households. Specific payments for utilities by renters, therefore, would be expected to be lower than the payment for utilities by owning households, both because they would cover fewer items and because the homes of the owners were generally larger and required greater expenses for heat, light, etc. Median amounts of the specific expenditures for utilities were \$155 for all renters, compared with the \$400 for all owning households. The median amounts of those making some payments for utilities was \$190. Nearly a fifth of the renters made no specific payments for utilities:

TABLE 7.—Annual expenditures for utilities: Percentage distribution of units, by home ownership status, sex, and marital status, 1969

Utility expenditures	All nonfarm				Owners				Renters			
	Total	Married couples	Nonmarried		Total	Married couples	Nonmarried		Total	Married couples	Nonmarried	
			Men	Women			Men	Women			Men	Women
Number (in thousands)												
Total.....	6,172	3,648	660	1,866	4,004	2,897	240	858	1,514	621	230	654
Reporting.....	5,994	3,545	642	1,806	3,895	2,818	242	835	1,466	605	231	630
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
None.....	12	3	34	21	1	1	1	1	19	11	40	20
Less than \$100.....	5	2	9	9	1	1	3	2	15	7	16	22
100-199.....	12	9	15	16	7	5	14	11	28	30	23	28
200-299.....	15	15	13	16	17	14	23	22	14	17	10	13
300-499.....	37	46	20	27	49	51	40	46	16	24	9	12
500-699.....	12	17	5	6	17	19	13	11	4	6	(1)	2
700-999.....	4	5	2	2	5	6	3	4	1	2	1	1
1,000 or more.....	2	3	1	2	3	3	2	2	2	2	(1)	2
Median amount												
All.....	\$330	\$385	\$140	\$225	\$400	\$415	\$340	\$360	\$155	\$210	\$60	\$130
With utility expenditures.....	365	395	265	290	400	415	345	360	190	240	160	165

<sup>1</sup> Less than 0.5 percent

as many as two-fifths of the nonmarried men, about one-fifth of the nonmarried women, and 10 percent of the married couples (table 7).

### Total Housing Expenditures

The median monthly figure for housing expenditures of all nonfarm households shows that half of all those who paid some amounts paid \$80 or more or \$960 per year. About 10 percent of the nonmarried had no housing expenses, however.

A more useful summary is in the comparison of the annual payments (for those having some expenditures) of owners with and without mort-

TABLE 8.—Annual rental payments: Percentage distribution of units, by sex and marital status, 1969

Rental payments	Total	Married couples	Nonmarried	
			Men	Women
Number (in thousands) <sup>1</sup>				
Total.....	1,943	674	364	906
Reporting.....	1,870	644	350	876
Total percent.....	100	100	100	100
None.....	12	4	13	18
\$1-499.....	17	15	23	16
500-999.....	39	38	40	39
1,000-1,499.....	19	24	15	16
1,500-1,999.....	8	12	5	7
2,000-2,999.....	4	5	3	3
3,000 or more.....	1	3	1	(2)
Median amount				
All.....	\$770	\$920	\$685	\$695
With rental payments.....	845	945	760	815

<sup>1</sup> Includes lodgers and renters, whether respondent pays rent or not  
<sup>2</sup> Less than 0.5 percent

gages and of renters (table 9). Those medians are shown below, for the married couples and the nonmarried men and women.

Home-ownership status	Married couples	Nonmarried	
		Men	Women
Owners.....	\$1,040	\$830	\$755
With mortgage.....	1,770	1,605	1,540
No mortgage.....	730	550	625
Renters.....	1,310	920	985

The differences between the expenditures of the owners with and without mortgage payments represent, at least in part, investment as well as housing expenses. Differences between the expenses of the renters and of the owners, free of mortgage payments, might be considered an estimate of the income return on the investment in the fully owned home, though only a rough measure, since the quality of the housing of the homeowners was probably higher than that of the renters. The difference may be an understatement of imputed income from an owned home.

### Size of Home

All the respondents in nonfarm households were asked the number of rooms in the house or apartment. The married couples, as would be expected, had the largest homes. Nearly three-fourths of them lived in homes of four-six rooms, but about three-fifths of the nonmarried women

TABLE 9.—Annual nonfarm housing expenditures: Percentage distribution of units, by home ownership and mortgage status and by sex and marital status, 1969

Annual expenditures	Married couples				Nonmarried men				Nonmarried women			
	Owners			Renters	Owners			Renters	Owners			Renters
	Total	With mortgage	Without mortgage		Total	With mortgage	Without mortgage		Total	With mortgage	Without mortgage	
	Number (in thousands)											
Total.....	2,898	1,161	1,687	620	247	80	162	237	858	222	623	655
Reporting.....	2,738	1,095	1,614	611	238	77	157	233	820	210	601	645
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
None.....	( <sup>1</sup> )	0	( <sup>1</sup> )	0	( <sup>1</sup> )	0	( <sup>1</sup> )	( <sup>1</sup> )	1	0	1	0
\$1-499.....	14	( <sup>1</sup> )	24	6	30	1	45	18	27	2	38	8
500-999.....	34	9	52	28	29	12	38	42	40	20	48	44
1,000-1,999.....	34	53	20	62	30	61	15	33	25	53	14	41
2,000-2,999.....	12	26	2	9	7	17	1	5	6	20	1	4
3,000-3,999.....	3	7	1	2	1	3	-----	2	1	4	-----	1
4,000 or more.....	3	6	1	4	3	7	-----	1	2	-----	-----	2
Median amount.....	\$1,040	\$1,770	\$730	\$1,310	\$830	\$1,605	\$550	\$920	\$755	\$1,540	\$625	\$985

<sup>1</sup> Less than 0.5 percent

and half the nonmarried men did so (table 10). When the size of the household is related to the number of rooms, however, the nonmarried women had more rooms per person than did the other groups. To be sure, about the same proportion (about half) of the nonmarried men and the nonmarried women and three-fourths of the households of the married couples had two or three rooms per person. Among the nonmarried women, however, 42 percent had four or more rooms per person, but 28 percent of the nonmarried men and only 11 percent of the married couples did so.

The larger homes of the nonmarried women may be explained at least in part by the relatively large number of widows among them who continue to live in the owned family home. Owned homes tend to be larger than rented homes, as indicated by the median number of rooms of owners and renters. Among married couples the median number of rooms per person was 3.1 for owners and 2.4 for renters. Comparable figures for nonmarried men were 3.9 and 2.7; for nonmarried women, 4.7 and 3.4.

The following comparisons of the median num-

Marital status	Median number of rooms	
	Men	Women
Married, spouse present.....	2.9	-----
Nonmarried		
Widowed.....	3.4	3.8
Owners.....	4.3	4.8
Renters.....	2.9	3.5
Divorced.....	2.9	3.7
Separated.....	2.7	2.9
Never married.....	3.0	3.4

ber of rooms per person for each of the marital-status/sex groups again suggest the larger homes of the widowed. The proportion of widowed homeowners was about twice as great among the nonmarried women reporting on ownership and size of the home as among the nonmarried men.

### Household Help

Expenditure for help in the home is one of the items customarily included in the household operation category, which, along with house furnishings, is added to shelter costs to constitute "housing" in its broadest sense. The need for

TABLE 10.—Size of nonfarm home.<sup>1</sup> Percentage distribution of units, by sex and marital status, 1969

Number of rooms	Number of rooms				Number of rooms per person			
	Total	Married couples	Nonmarried		Total	Married couples	Nonmarried	
			Men	Women			Men	Women
Number (in thousands)								
Total.....	6,196	3,657	664	1,875	6,196	3,657	664	1,875
Reporting.....	5,946	3,518	627	1,801	5,945	3,518	626	1,801
Total percent.....	100	100	100	100	100	100	100	100
Less than 1.....					( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
1.....	2	( <sup>2</sup> )	11	2	14	15	21	12
2.....	3	1	11	5	32	38	29	21
3.....	8	4	13	15	32	37	22	25
4.....	19	18	17	22	11	9	12	17
5.....	26	29	18	22				
6.....	22	26	15	18	10	2	16	26
7.....	10	11	7	8				
8 or more.....	9	11	7	9				
Median number.....	5	5	4	5	3.1	2.9	3.0	3.7

<sup>1</sup> Number of rooms in house or apartment and number of rooms per person.  
<sup>2</sup> Less than 0.5 percent.

and the employment of household help depend upon such factors as the size of the home, the health of the respondent, and time for household chores that, along with income, may be expected to change during the retirement process.

The great majority—85 percent—of the respondents reported that they had no regular outside help with such household chores as housecleaning, yardwork, errand running, etc., but nearly 10 percent of the men and 14 percent of the nonmarried women did have paid help. The nonmarried women tended to have somewhat more unpaid help as well as paid help (table 11).

More of the nonmarried women than of the men used outside help, but the annual cost of such help was less for the women than it was for the men. The median expenditure of the nonmarried women having such help was \$110, compared with \$275 for the married couples and \$200 for the nonmarried men. Only 12 percent of the nonmarried women with paid help had expenditures of \$500 or more, but 31 percent of the married couples had more than this amount.

The use of paid household help is associated with ownership status and the size of the home. Among married couples the proportions of owners and of renters reporting paid help were 12 percent and 6 percent, respectively; they were 14 percent and 8 percent for nonmarried men and 22 percent and 9 percent for nonmarried women.

TABLE 11.—Use and cost of household help: Percentage distribution of units, by sex and marital status, 1969

Item	Total	Married couples	Nonmarried	
			Men	Women
Total number (in thousands).....	6,798	4,117	729	1,954
Use of household help				
No help.....	5,749	3,603	620	1,526
Unpaid help.....	298	102	42	154
Paid help.....	750	411	67	273
Cost of household help				
Total number reporting (in thousands).....	718	396	62	260
Total percent.....	100	100	100	100
\$1-99.....	33	24	28	48
100-199.....	19	17	23	22
200-299.....	11	12	12	9
300-499.....	13	16	15	8
500-999.....	13	16	15	7
1,000-1,999.....	7	9	6	4
2,000 or more.....	3	6	1	1
Median amount.....	\$185	\$275	\$200	\$110

The owned homes, as noted above, tend to be larger than those of renters, and the larger homes appear more likely to call for the use of paid help. As the tabulation below indicates, the percentages reporting paid help were lower among those with a small number of rooms.

Number of rooms in home	Married couples	Nonmarried	
		Men	Women
1-2.....	4	4	9
3-4.....	6	10	10
5-6.....	8	12	17
7-8.....	17	10	17
9 or more.....	29	12	17

The proportion reporting unpaid help does not vary as consistently with the size of the home as does the proportion with paid help. Among the nonmarried, however, such a tendency does appear.

## TRANSPORTATION

Expenditures for transportation are important in the typical American budget, sometimes even equaling the direct costs for "shelter" (though not for total housing when the category includes operating and furnishings expenses). Surveys have shown that the relative importance of transportation costs declines and medical care costs increases at ages beyond 65 and that at some point the latter costs surpass those for transportation, on the average.<sup>14</sup>

Retirement most clearly and obviously affects transportation expenses by reducing or eliminating the costs of going to and from work. Other effects are less clear in direction. Initially, recreational travel may increase, particularly among the higher income groups. Moving to a new location may be associated with changing transportation expenditures, since rural, suburban, and metropolitan living are associated with varying transportation needs. Finally, declining individual mobility associated with aging may affect transportation needs and costs.

## Car Ownership and Expenses

The important place of the automobile in the American style of living is demonstrated in table

<sup>14</sup> See John Reinecke, *op. cit.*, tables 2 and 5.

TABLE 12.—Car ownership or use: Percentage distribution of units, by sex, marital status, and age, 1969

Number of cars	Total	Married couples				Nonmarried men				Nonmarried women			
		Total	58-59	60-61	62-63	Total	58-59	60-61	62-63	Total	58-59	60-61	62-63
Number (in thousands)													
Total.....	6,800	4,117	1,506	1,356	1,255	729	246	254	229	1,954	625	628	701
Reporting.....	6,699	4,036	1,476	1,327	1,233	720	242	252	226	1,943	621	626	696
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100
None.....	27	10	8	10	11	38	34	42	39	58	56	57	60
1.....	51	55	53	55	58	53	55	49	55	41	42	42	40
2.....	20	32	35	31	29	8	9	8	6	1	1	( <sup>1</sup> )	1
3.....	2	3	3	4	2	1	1	-----	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Less than 0.5 percent

12 for the cohort aged 58-63 under study. Only 10 percent of the married couples reported that they did not own (or regularly use) an automobile. Moreover, the tendency for individual members of a family to need or want their own cars is suggested by the fact that among the households of car-owning couples nearly two-fifths had more than one car.

Although car ownership or use was less frequent among the nonmarried than among the married couples, more than three-fifths of the men and two-fifths of the women had cars. Very few of the nonmarried women were in two-car families and only about 9 percent of the nonmarried men. Within the age range under study, there was some variation by age. For each of the three sex/marital-status groups, car ownership was 3-5 percentage points less at ages 62-63 than at ages 58-59.

No attempt was made to obtain the total costs of car ownership, but information was requested on typical weekly expenditures for gasoline, as an indicator of usage. In the spring of 1969 the median expenditure reported was about \$10, without consistent differences among the various marital-status, sex, and age groups.

A majority of those who are employed regularly drive their cars to work, and for this group information on expenses for such items as parking and tolls was obtained. Only 15-20 percent of those who drive to work reported having such costs; if they did, the median amounts generally fell between \$4 and \$5. A substantial number of those who reported that they did not drive regularly to work (about half the women and nearly two-thirds of the men) also reported that they had no transportation costs—an indication either that they obtained rides for which they made no payment, lived within walking

distance, used bicycles, or worked at home. For those who did report having expenditures, costs most often fell within the range \$3-10.

### Other Local Transportation

All respondents were asked for their other local transportation costs—whether they drove cars or not, or worked or not. These expenditures represented such items as bus or taxi fares for shopping, visiting, going to the theater, or personal business. Most of those reporting that they did not have any such expenditures—more than four-fifths of the men and three-fourths of the women—were probably car owners. The median weekly expenditure of those having such costs was about \$3.

Total local expenditures for those who reported them, as shown in table 13, include all gasoline costs of car owners, together with parking, tolls, and similar expenses if they drove regularly to work, and the bus and taxi fares for shopping errands, visiting, etc. The total figure for these expenditures amounted to \$9.75 for all married couples, \$5.40 for the nonmarried men, and \$3.30 for the nonmarried women.

Relatively few married couples reported zero expenditures (5 percent), but an appreciable number of the nonmarried (22 percent of the men, 30 percent of the women) did so. For the nonmarried, therefore, the medians of those having some expenditures were appreciably higher than estimated median expenditures of all. The median for nonmarried men with any local transportation costs was \$7.65 a week; for the nonmarried women it was \$5.60 per week. There was a general age-related decrease in the number reporting having expenditures and in the amounts they reported.

TABLE 13.—Total weekly local transportation expenses: Percentage distribution of units, by sex, marital status, and age, 1969

Transportation expenses	Total	Married couples				Nonmarried men				Nonmarried women			
		Total	58-59	60-61	62-63	Total	58-59	60-61	62-63	Total	58-59	60-61	62-63
Number (in thousands)													
Total.....	6,800	4,117	1,508	1,356	1,255	729	246	254	229	1,954	625	628	701
Reporting.....	6,431	3,858	1,399	1,268	1,193	694	230	244	220	1,879	599	602	678
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100	100
None.....	14	5	5	6	6	22	19	23	24	30	27	29	32
\$1 00-2 99.....	9	5	4	5	6	12	7	13	16	17	15	18	19
3 00-4 99.....	12	10	8	11	12	14	16	13	14	15	18	15	13
5 00-9 99.....	27	31	31	30	31	24	24	26	22	20	23	20	17
10 00 or more.....	37	48	52	48	45	28	33	27	24	18	17	18	18
Median amount													
All.....	\$7 60	\$9 75	\$10 80	\$9 70	\$9 15	\$5 40	\$6 55	\$5 35	\$4 40	\$3 30	\$3 75	\$3 35	\$2 80
With expenses.....	8 95	10 80	11 70	10 45	9 60	7 65	8 55	7 50	6 70	5 60	5 60	5 60	5 40

On an annual basis, half of all the married couples spent as much as \$500 for local transportation. The median amount was about \$270 for nonmarried men and about \$170 for nonmarried women.

### Out-of-Town Travel

Trips out of town added to transportation costs for more than half the respondents. In estimating the costs of vacation trips or for out-of-town visits taken for other nonbusiness purposes—such as visiting friends or relatives or personal matters—the strictly transportation costs were not identified and separated from costs for food and lodging. The vacation costs (table 14) doubtless include a larger component for hotel-motel bills and for food than do the other out-of-town trips that involve greater reliance on staying with friends and relatives.

About half the married couples and about one-

third of the nonmarried reported that they had out-of-town vacation trips. The median expenditure for the married couples was \$355; for the nonmarried men it was \$320 and for the women, \$185. Somewhat fewer reported other out-of-town trips—45 percent of the married couples and 25 percent of the nonmarried. There was considerable overlap of the two types of trips. About 20 percent of the sample reported having both vacation and other out-of-town trips. About 40 percent had neither type, 22 percent had vacation trips only, and 17 percent other trips only. The median expenditures for all out-of-town trips, among those taking any, amounted to \$285 for the married couples, \$245 for the nonmarried men, and \$145 for the nonmarried women.

### PERSONAL CARE AND READING

Information was obtained on the number of magazines and newspapers subscribed to or pur-

TABLE 14.—Annual expenditures for out-of-town and vacation trips: Percentage distribution of units, by sex and marital status, 1969

Annual expenditures	Total		Married couples		Nonmarried men		Nonmarried women	
	Out of town <sup>1</sup>	Vacation	Out of town	Vacation	Out of town	Vacation	Out of town	Vacation
Number (in thousands)								
Total.....	6,800	6,800	4,117	4,117	729	729	1,954	1,954
Reporting.....	6,703	6,739	4,048	4,077	721	723	1,933	1,939
Total percent.....	100	100	100	100	100	100	100	100
None.....	40	57	31	50	58	69	52	67
\$1-99.....	18	8	18	7	12	5	20	10
100-199.....	10	8	11	9	7	5	9	8
200-499.....	17	15	21	18	13	13	12	10
500-999.....	9	7	12	9	6	5	4	4
1,000 or more.....	6	5	8	7	4	3	2	2
Median amount								
All.....	\$50	0	\$110	\$5	0	0	0	0
With annual expenditures.....	240	\$315	285	355	\$245	\$320	\$145	\$185

<sup>1</sup> Includes vacation and other out-of-town trips (nonbusiness).

chased regularly and on the frequency of visits to barber shops or beauty salons. The amount of expenditure for these items was not obtained, but expenditure surveys show that they usually take only a small proportion of the household budget. It is assumed, however, that changes in the level of use of barber shops/beauty salons and in subscriptions to newspapers and magazines may serve as indicators of possible changes in style of living or in morale when retirement takes place.

In 1969, most men reported that they went to a barbershop; only 6 or 7 percent said that they never went; and nearly 9 out of 10 went once or twice a month. There was little difference between the married and the nonmarried men nor were there significant differences associated with age.

The women, on the other hand, were almost equally likely to report that they never went to a beauty salon or went once a week or to indicate one of the intermediate choices—once a year, once a month, or twice a month. It might be expected—though it is by no means certain—that with lower incomes and less activity as the respondents age that fewer visits will be reported in subsequent interviews in the longitudinal study.

Subscriptions to magazines and/or the regular purchase of newspapers may also serve as an indicator of outside interests. Two-thirds of the married couples had both magazines and newspapers; less than 10 percent had neither. Among the nonmarried, fewer—35–40 percent—had both newspapers and magazines and more—25–30 percent—had neither. If only newspaper or magazine purchases were reported, the newspaper was apt to be mentioned five times more often than the magazine. As indicated below, however, multiple subscriptions for magazines were more often reported.

Type of subscription	Percent with subscription			
	Total	Married couples	Nonmarried	
			Men	Women
<b>Newspapers</b>				
None.....	20	11	36	32
1.....	45	45	41	46
2 or more.....	35	34	24	22
<b>Magazines</b>				
None.....	40	29	59	54
1.....	14	13	13	15
2 or more.....	46	57	28	30

There was little age-associated difference in this type of reading within the range under study, though such evidence as there is suggests decline rather than growth at the older levels.

### CONTRIBUTIONS, DUES, ENTERTAINMENT, AND GIFTS TO INDIVIDUALS

Contributions, dues, entertainment, and gifts are not considered necessities in the same sense as food, housing, transportation, and medical care. Nevertheless, the ability to spend something for these items may be important to the general satisfaction of the individuals with their style of living. Typically the amounts so spent—especially for gifts and contributions—amount to 5–10 percent of the income of older couples or individuals.<sup>15</sup>

Most respondents had such expenditures (table 15) as indicated in the following figures, which

Type of expenditure	Percent with expenditures			Median amount		
	Married couples	Nonmarried		Married couples	Nonmarried	
		Men	Women		Men	Women
Total reporting on all items.	98	83	92	\$435	\$270	\$240
Contributions to organizations.	92	68	81	235	90	85
Membership dues.....	51	34	30	50	35	20
Entertainment outside home <sup>1</sup> .....	55	47	41	85	100	45
Gifts to individuals.....	94	71	84	190	110	110

<sup>1</sup> Movies, plays, concerts, sports events, etc.

give the percentages for the married couples and the nonmarried who reported expenditures for each of these items and the median amount spent by those with such expenditures.

Thus, more than 9 out of 10 of the married couples, 8 out of 10 of the nonmarried women, and 7 out of 10 of the nonmarried men reported contributions and gifts. Roughly half as many reported membership dues in professional and social organizations and expenditures for entertainment outside the home.

The nonmarried women were more apt to spend for gifts and contributions than were the nonmarried men, but they differed less in the frequency of reporting dues or expenditures for entertainment. The men had such expenditures somewhat more often than the women, however.

<sup>15</sup> John Reinecke, *op cit*.

Fewer of the nonmarried men than of the nonmarried women make contributions to organizations or give gifts to individuals, but the men who do so give in about the same amounts as the women. The median amount spent for entertainment outside the home by the nonmarried men was more than twice that of the women and even somewhat greater than that of the married couples. The total spent on all four items by the married couples, however, was considerably greater than the median amounts spent by either the nonmarried men or the nonmarried women.

When those with zero amounts are counted in estimating the total for each of the three groups, the nonmarried men had the lowest expenditures (\$180), the nonmarried women somewhat more (\$205), and the married couples more than twice as much (\$425).

Most of those who make contributions to organizations give to several. In fact, about a third of the total sample who reported any such contributions gave to six or more organizations and more than a third of all those giving to individuals reported 21 or more such gifts. Multiple memberships in professional societies or social organizations were less frequent. Nevertheless, about a fifth of the nonmarried and more than a third of the married who belonged to any societies had memberships in three or more.

On the other hand, more than half of those reporting any expenditures for entertainment outside the home went to such events (movies, plays, concerts, sports events) only several times a year—less often than once a month. Only the nonmarried men went more frequently.

Age-associated differences in expenditures for these items were not very great. Those that do appear suggest a decline within the age range considered.

### SATISFACTION WITH WAY OF LIVING

Following the questions on expenditures for food, transportation, gifts, and contributions, the respondents were also asked about their satisfaction with their way of living—"as far as money and what you are able to have are concerned." This question was immediately followed by a request for an evaluation as to whether their way

TABLE 15—Contributions, dues, entertainment, gifts to individuals. Percent with and without expenditures and median amount, by sex and marital status, 1969

Type of expenditure	Total	Married couples		Nonmarried	
		Men	Women	Men	Women
Total					
Number (in thousands) Total.....	6,800	4,117	729	1,954	1,838
Reporting.....	6,431	3,894	699	1,838	1,838
Percent Without any.....	5	2	17	8	8
With expenditures.....	95	98	83	92	92
Median amount All.....	\$335	\$425	\$180	\$205	\$205
With expenditures.....	360	435	270	240	240
Contributions to organizations					
Total number reporting (in thousands).....	6,666	4,026	711	1,929	1,929
Percent Without any.....	14	8	32	19	19
Contributing to 1 or more.....	86	92	68	81	81
Number reporting on amount.....	5,584	3,606	469	1,509	1,509
Median amount.....	\$175	\$235	\$90	\$85	\$85
Dues to professional or social organizations					
Total number reporting (in thousands).....	6,760	4,096	725	1,939	1,939
Percent Without any.....	57	49	66	70	70
With 1 or more memberships.....	43	51	34	30	30
Number reporting on dues.....	2,877	2,047	246	584	584
Median amount.....	\$40	\$50	\$35	\$20	\$20
Entertaining outside home					
Total number reporting on frequency (in thousands).....	6,761	4,093	724	1,944	1,944
Percent Never.....	50	45	53	59	59
Once a year or oftener.....	50	55	47	41	41
Number reporting on amount.....	3,226	2,153	321	754	754
Median amount.....	\$75	\$85	\$100	\$45	\$45
Gifts to individuals					
Total number reporting (in thousands).....	6,374	3,815	602	1,865	1,865
Percent Without any.....	11	6	29	16	16
With 1 or more.....	89	94	71	84	84
Number reporting on amount.....	5,526	2,530	481	491	491
Median amount.....	\$165	\$190	\$110	\$110	\$110

of living was better, worse, or about the same as most of their friends and acquaintances. These two questions were designed to relate more specifically to attitudes towards the level of living than the question on "happiness," which would reflect other and more general aspects of the

respondents' well-being—health, work, family situation, for example.<sup>16</sup>

There was a high degree of correlation between the answers on "happiness" and "satisfaction with way of living," but they are by no means identical. Thus, 17 percent of the nonmarried men and 3-4 percent of the married men and nonmarried women who reported that their way of living was more than satisfactory were nevertheless "not too happy." And 6-7 percent of all those reporting a very unsatisfactory way of living were nevertheless "very happy."

A majority or two-thirds of the sample placed themselves in the "satisfactory" category (table 16). A similar number indicated that their way of living was about the same as that of most of their neighbors or friends. The respondents felt that they were better off than others to a somewhat greater extent than they found their way of living "more than" satisfactory. Conversely, though 25 percent felt that their way of living was unsatisfactory or very unsatisfactory, only 19 percent felt that they were worse off than others.

All three measures are fairly consistent in indicating that more of the married men are "better off" and fewer worse off than the nonmarried men or women, as shown in the percentages below that represent the specified evalua-

TABLE 16—Satisfaction with way of living and subjective comparison with others: Percentage distribution of units, by sex and marital status, 1969

Item	Total	Married couples	Nonmarried	
			Men	Women
Total number (in thousands).....	6,800	4,117	729	1,954
Satisfaction with way of living <sup>1</sup>				
Total number reporting (in thousands).....	6,728	4,083	714	1,931
Total percent.....	100	100	100	100
More than satisfactory.....	9	10	8	8
Satisfactory.....	66	70	60	61
Unsatisfactory.....	19	16	22	22
Very unsatisfactory.....	6	4	10	9
Subjective comparison with others <sup>2</sup>				
Total number reporting (in thousands).....	6,408	3,916	680	1,816
Total percent.....	100	100	100	100
Better.....	12	12	14	11
Worse.....	19	15	24	26
Same.....	69	73	62	62

<sup>1</sup> Respondents were asked "Generally, how satisfied are you with the way you are living now—that is, as far as money and what you are able to have are concerned? Would you say the way you are living is more than satisfactory? Satisfactory? Unsatisfactory?"

<sup>2</sup> Respondents were asked "Would you say the way you are living is better than, worse than, or about the same as that of most of your friends and acquaintances?"

## Technical Note\*

This report is based on first-year data, collected in 1969 as the baseline for a 10-year longitudinal study conducted by the Social Security Administration to study the retirement attitudes, plans, resources, and activities of older Americans. The study, composed of individuals in three initial age cohorts, those aged 58-59, 60-61, and 62-63, focuses on three groups for whom retirement is meaningful: (1) married men, wife present, (2) nonmarried men, and (3) nonmarried women. Persons in institutions were excluded.

The sampling frame selected for the Retirement History Study (RHS) was that used by the U.S. Bureau of the Census for the Current Population Survey (CPS).<sup>1</sup> Sample members were persons meeting the age-sex-marital status re-

\* Prepared by Bennie A. Clemmer and D. Bruce Bell, Division of Retirement and Survivor Studies, Office of Research and Statistics.

<sup>1</sup> Bureau of the Census, *The Current Population Survey—A Report on Methodology*, Technical Paper No. 7, 1963.

Evaluation of well-being	Married couples	Nonmarried	
		Men	Women
Very happy.....	30	18	20
Way of living satisfactory or more than satisfactory.....	80	68	69
Better than others.....	12	14	11
Not too happy.....	17	31	26
Way of living unsatisfactory or very unsatisfactory.....	20	32	31
Worse than others.....	15	24	26

tions. Within the ranges covered in the study no consistent age-related differences were suggested by the study.

<sup>16</sup> See Janet Murray, "Family Structure in Preretirement Years," *Social Security Bulletin*, October 1973, table 17. Discussions of the meaning of happiness have a long history, from Plato and Aristotle to Kant and Mill; see, for example, St. Thomas Aquinas, *Summa Theologica*, Pt. 1, Second Part, questions 2-5. A recent discussion is reported in *Subjective Elements of Well-Being*, Organization for Economic Cooperation and Development, Paris, 1974.

quirements described above and living in households that had last participated in CPS before February 1969. In any month the CPS panel consists of eight groups of households selected up to 18 months previously. The "oldest" of these rotation groups is dropped and replaced by a new one each month. In order to get a sample size for RHS of approximately 13,000 persons, 19 of those "discontinued" groups were used.

Information was gathered from sample members by interviewers of the Bureau of the Census. The interview schedule contained six sections: (1) labor-force history, (2) retirement and retirement plans, (3) health, (4) household, family, and social activities, (5) income, assets, and debts, and (6) spouse's labor-force history.

### Noninterviews

A total of 12,549 persons from the CPS sampling frame met the RHS criteria of age, sex, and marital status. Of these, 11,153 furnished complete schedules, giving a response rate of 89 percent. The reasons for noninterviews are given in table I.

### Estimation

Estimates of population numbers were made by weighting the individual sample members by appropriate weights outlined by the Bureau of the Census for the CPS. Since the weighting procedures used for the estimation assume a response rate of 100 percent, an adjustment to the weights was necessary to account for noninterviews. The sample members were divided into categories of race, sex-marital status, age cohort, and region of the country. Then by the applica-

TABLE I.—Number of noninterviews, by reason

Reason	Number
Total.....	1,396
Refusals.....	717
Deceased.....	255
Unable to contact.....	237
Temporarily absent.....	45
Institutionalized.....	45
Other <sup>1</sup> .....	39
Lost in mail.....	27
Partial interviews <sup>2</sup> .....	26
Duplicate cases.....	5

<sup>1</sup> Includes those who were mentally unable to answer the questions, those out of the country for a long visit, etc

<sup>2</sup> Less than two-thirds of the interview schedule completed

tion of a category-specific adjustment, the respondents were weighted to represent not only themselves but also the nonrespondents in their category.

After all weighting and adjustment the average weight for a sample member was 612.7. Thus 11,153 respondents represent 6,834,000 persons in the population who in the spring of 1969 had the age and sex-marital status characteristics outlined for RHS.<sup>2</sup>

### Sampling Variability

Since the population estimates given in this report are based on the response of individuals in a sample, they will differ from the values that would have been obtained in a complete census. A measure of this sampling variability of an estimate is given by the standard error of the estimate. Generally speaking, the chances are about 68 out of 100 that an estimate will differ from the value given by a complete census by less than one standard error. The chances are about 95 out of 100 that the difference will be less than twice the standard error.

Table II gives approximate standard errors for the total number of individuals estimated from the sample to have certain characteristics.

<sup>2</sup> Forty-eight women who were not married at the time of their selection into the sample were married at the time of their first interview. Their interviews were excluded from the 1969 tabulations, but their retention as sample members brings the total to 11,153.

TABLE II.—Approximations of standard errors of estimated totals

[In thousands]	
Level of estimate	Standard error
50.....	5
100.....	8
150.....	10
200.....	11
250.....	13
300.....	14
400.....	16
500.....	18
600.....	20
700.....	22
800.....	23
900.....	24
1,000.....	26
2,000.....	36
2,500.....	40
3,000.....	44
4,000.....	51
5,000.....	56
6,000.....	61
7,000.....	65

Table III gives approximate standard errors for estimated percentages. Linear interpolation may be used to obtain values not specifically given. In order to derive standard errors that are applicable to a wide variety of items, a number of assumptions and approximations were required. As a result the tables of standard errors provide an indication of the order of magnitude rather than the precise standard error for any specific item.

Suppose, for example, it is estimated that 52 percent of 400,000 men have a certain characteristic. Interpolation in table III gives an estimate of the standard error to be 2.2 percent. Thus with 95-percent confidence the percentage of men in the population with this characteristic lies between 47.6 and 56.4.

In order to make a rough determination of the statistical significance of the difference between two independent percentages, the following procedure may be used. Find estimates of the standard errors of the percents in question, using table III. Square these standard errors to get variances and add the variances. Take the square root of this sum to get the standard error of the difference. If the absolute difference between the two percentages in question is greater than twice the standard error of the difference, they are said to be significantly different from one another at the 5-percent level.

*Confidence intervals for estimated percentiles.*—The percentiles of a distribution are values of the variable under discussion below which a

stated percentage of units of the population lies. In particular, the 50th percentile is known as the median, and the 25th, 50th, and 75th percentiles are known as quartiles of the distribution. Estimates of these population values are subject to sampling variability that may be estimated in the following way and used to calculate confidence intervals for the specific percentiles in question:

(1) Using the appropriate base, determine from table III the standard error of the percent in question—for example, the standard error of a 50-percent characteristic.

(2) For 95-percent confidence limits, add to and subtract from the desired percent twice the standard error found in step 1.

(3) On the cumulated distribution of the variable in question, find by linear interpolation the values that correspond to the limits in step 2. These values are the 95-percent confidence limits for the percentile under discussion.

If the cumulative distribution of all units (including those with zero or negative amounts of the variable in question) is given, and percentiles and confidence limits of the distribution of units with nonzero amounts are desired, the zero and negative units must be excluded and the percentage distribution recalculated to include only those with "some" of the characteristic that is involved.

For this study, sample estimates of percentiles are calculated from grouped data and therefore are not unique. The estimates obtained depend on the size of interval used and on whether the frequency or the percentage distribution was used.

TABLE III.—Approximations of standard errors of estimated percentages

Base of percentages (in thousands)	Percent									
	20 or 98 0	50 or 95 0	80 or 92 0	100 or 90 0	150 or 85 0	200 or 80 0	250 or 75 0	300 or 70 0	400 or 60 0	500
50.....	1.7	2.6	3.3	3.6	4.3	4.8	5.2	5.5	5.9	6.0
100.....	1.2	1.8	2.3	2.6	3.3	3.4	3.7	3.9	4.2	4.2
150.....	1.0	1.5	1.9	2.1	2.5	2.8	3.0	3.2	3.3	3.5
200.....	.8	1.3	1.6	1.8	2.1	2.4	2.6	2.8	2.9	3.0
250.....	.8	1.2	1.5	1.6	1.9	2.2	2.3	2.5	2.6	2.7
300.....	.7	1.1	1.3	1.5	1.8	2.0	2.1	2.2	2.4	2.4
400.....	.6	1.0	1.2	1.3	1.5	1.7	1.8	1.9	2.1	2.2
500.....	.5	.8	1.0	1.1	1.4	1.5	1.6	1.7	1.8	1.9
600.....	.5	.8	.9	1.0	1.2	1.4	1.5	1.6	1.7	1.7
700.....	.4	.7	.9	1.0	1.1	1.3	1.4	1.5	1.6	1.6
800.....	.4	.7	.8	.9	1.1	1.2	1.3	1.4	1.5	1.5
900.....	.4	.6	.9	.8	1.0	1.1	1.2	1.3	1.4	1.4
1,000.....	.4	.6	.7	.8	1.0	1.1	1.2	1.2	1.3	1.3
2,000.....	.3	.4	.5	.6	.7	.8	.8	.9	.9	.9
2,500.....	.2	.4	.5	.5	.6	.7	.7	.8	.8	.8
3,000.....	.2	.3	.4	.5	.6	.6	.7	.7	.8	.8
4,000.....	.2	.3	.4	.4	.5	.5	.6	.6	.6	.7
5,000.....	.2	.3	.3	.4	.4	.5	.5	.5	.6	.6
6,000.....	.2	.2	.3	.3	.4	.4	.5	.5	.5	.5
7,000.....	.1	.2	.3	.3	.4	.4	.4	.5	.5	.5