

Notes and Brief Reports

Money Income Sources for Persons Aged 65 and Over, June 1955*

In mid-1955, it is estimated that 3 in 4 persons aged 65 and over in the continental United States had some money income from employment or were receiving benefits under social insurance or related programs. More than half the others were on the public assistance rolls. Only about 1 in 9 were entirely without money income or lived solely on income from sources other than employment or public income-maintenance programs (table 1).

In the 6 months January-June 1955 the number of persons aged 65 and over in receipt of old-age and survivors insurance benefits increased by about 600,000, to 5.9 million. This increase in the number of aged beneficiaries, more than three times the increase in the aged population, brought the proportion of the aged receiving old-age and survivors insurance benefits from 38 percent to 41 percent. In addition, modest increases occurred in the numbers receiving benefits under railroad retirement, public employees' retirement, and veterans' compensation and pension programs. As a result, aged persons receiving benefits under social insurance and related programs (counting only once those with benefits from more than one such program) numbered 7.2 million in June 1955—more than half the 14.1 million aged persons in the continental United States.¹ At the end of 1954, payments under private pension plans were received by an estimated 950,000 persons aged 65 and over (retired workers and their wives). Following the upward trend of recent years, the number had undoubtedly increased by June 1955. Nevertheless, since the overwhelming majority were old-age and survivors insurance beneficiaries,

the total number with some form of regular retirement income was not significantly larger than the 7.2 million receiving benefits under social insurance and related programs.

The gains between December and June—partly seasonal—in the total number of persons with paid employment in the United States were shared by the aged, who comprised about 5 percent of the total at both dates. About 3.1 million persons aged 65 and over, or 22 percent of all the aged, were employed in June 1955. When account is taken of some 950,000 aged women who were not in the labor force but whose husbands were employed, the total number with some income from employment appears to have been 4.0 million, or 29 percent. Many of those with jobs worked only part time. A sizable number—an estimated 700,000—were also receiving social insurance benefits. As a result of the liberalizing provisions of the old-age and survivors insurance re-

tirement test (effective in January 1955) under the 1954 amendments to the Social Security Act, claims applications were received during the first 6 months of 1955 from about 190,000 wage earners who were still working. About 92,000 of them were aged 72-74, a group to whom benefits became payable in 1955 regardless of the extent of earnings, and the others, aged 65-71, presumably expected that their annual earnings would not be so large as to preclude receipt of some benefits.

Roughly half a million aged social insurance beneficiaries received supplementary payments under old-age assistance. Of the 3.6 million aged persons with no money income from employment or social insurance, about 2.0 million received public assistance, leaving about 1.6 million who had cash income solely from other sources or had no cash income. Many of them had private savings, some were dependent on relatives, and some were in publicly supported institutions.

The demographic patterns, as would

Table 1.—Estimated number of persons aged 65 and over receiving money income from specified sources, by sex, June 1955¹

(Continental United States; numbers in millions)

| Source of income ² | Number | | | Percentage distribution ³ | | |
|--|--------|-----|-------|--------------------------------------|-------|-------|
| | Total | Men | Women | Total | Men | Women |
| Total population aged 65 and over..... | 14.1 | 6.6 | 7.6 | 100.0 | 100.0 | 100.0 |
| Employment..... | 4.0 | 2.4 | 1.6 | 28.6 | 36.6 | 21.6 |
| Earners..... | 3.1 | 2.4 | .7 | 21.8 | 36.6 | 9.0 |
| Earners' wives not themselves employed..... | .9 | .9 | .0 | 6.7 | | 12.6 |
| Social insurance and related programs ⁴ | 7.2 | 3.8 | 3.5 | 51.1 | 57.5 | 45.7 |
| Old-age and survivors insurance..... | 5.9 | 3.1 | 2.8 | 41.4 | 46.9 | 36.7 |
| Railroad retirement insurance ⁵ | .5 | .3 | .2 | 3.4 | 3.9 | 2.9 |
| Government employees' retirement programs..... | .4 | .3 | .2 | 3.1 | 4.0 | 2.4 |
| Veterans' compensation and pension programs ⁶ | .6 | .4 | .2 | 4.3 | 5.7 | 3.0 |
| Beneficiaries' wives not in direct receipt of benefits..... | .2 | .2 | .0 | 1.4 | | 2.5 |
| Public assistance ⁷ | 2.5 | 1.0 | 1.5 | 18.0 | 15.6 | 20.1 |
| No money income or income solely from other sources..... | 1.6 | .2 | 1.4 | 11.0 | 2.8 | 18.2 |
| Income from more than one of specified sources..... | 1.2 | .8 | .4 | 8.7 | 12.5 | 5.5 |
| Employment and social insurance..... | .7 | .5 | .2 | 5.1 | 8.0 | 2.5 |
| Social insurance and public assistance..... | .5 | .3 | .2 | 3.6 | 4.5 | 2.9 |

¹ Details may not add to subtotals and totals because of rounding.

² The sum of the persons shown under the 4 categories exceeds the number in the population by the number with income from more than 1 of the 3 main sources. Persons with income from sources specified may also have received money income from other sources.

³ Percentages calculated from unrounded figures.

⁴ Persons with income from more than one type of program are counted only once.

⁵ Estimates are not entirely consistent with those previously published in the *Bulletin* because data recently tabulated on the age distribution of survivor beneficiaries show larger numbers aged 65 and over

than previously estimated.

⁶ Old-age assistance recipients and persons aged 65 and over receiving aid to the blind. Includes small number receiving vendor payments for medical care but no direct cash payment.

Source: Number of persons of specified age, sex, and marital and carner status estimated from published and unpublished data of the Bureau of the Census. Number receiving payments under social insurance and related programs and from public assistance reported by administrative agencies (partly estimated). Number receiving income from more than one source estimated from sample surveys and subject to a considerable margin of error.

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¹ See "Economic Resources of Persons Aged 65 and Over," *Social Security Bulletin*, June 1955, for estimates relating to December 1950-54 and also for data on receipt of income from sources not covered in this note.

be expected, are different for men and for women aged 65 and over. One of the important differences is age; proportionately more of the women were aged 75 and over, and proportionately fewer were under age 70, as shown by the following figures (given in thousands) for July 1, 1955.

| Age and sex | Number |
|------------------------------------|--------|
| Men aged 65 and over, total..... | 6,559 |
| 65-69 | 2,587 |
| 70-74 | 1,896 |
| 75 and over | 2,076 |
| Women aged 65 and over, total..... | 7,569 |
| 65-69 | 2,766 |
| 70-74 | 2,183 |
| 75 and over | 2,619 |

Also important is the fact that more than half of all the aged women (about 70 percent of those aged 75 and over) were widowed (table 2).

The proportion of aged persons who were employed during a week in June 1955 was about four times as large for men as women. When the estimated numbers of employed women and of women (not themselves employed) married to earners are combined, however, the proportions with income from employment are 37 percent for men, compared with 22 percent for women.

Social insurance benefits likewise go to a larger proportion of aged men than of aged women, but the difference is much smaller than in the relative numbers with income from employment, because the major programs provide for benefit payments to widows as well as wives. Indeed, it is estimated that in June 1955, after adjustment for receipt of benefits from more than one program, there were some 3.5 million women (including 100,000-200,000 who did not themselves receive benefits but were married to beneficiaries) and about 3.8 million men receiving social insurance or related benefits.

Because the population aged 65 and over included about 1 million more women than men, the proportion with income from social insurance and related programs was 46 percent for women and 58 percent for men. For both men and women, at least four-fifths of the unduplicated total of beneficiaries were on the old-age and survivors insurance rolls.

For some time the old-age assist-

ance rolls have contained 3 women to every 2 men. In June 1955, approximately 20 percent of all aged women and 16 percent of all aged men were receiving public assistance. Assistance payments were more likely to be supplementary to old-age and survivors insurance benefits for men than for women because a large proportion of the women on the old-age assistance rolls are widows of workers who had no chance to qualify for insurance benefits.

Of the 1.6 million aged persons without income from employment, social insurance, or public assistance in June 1955, about 1.4 million were women. Here, too, one reason is the large number of women in the 65-and-over age group who were widowed before their husbands were able to acquire coverage status under old-age and survivors insurance and who had themselves never been in the labor force. Substantially all the 2.6 million married women aged 65 and over living with their husbands in mid-1955 had some money income from employment or a public income-maintenance program, either in their own right or as wives of income recipients. Of the 4.1 million widows aged 65 and over, however, at most one-fourth received widows' benefits under a program based on employment or military service, and probably no more, if as many, were either employed or in receipt of benefits as retired workers. At least one-fourth had no money income from employment or a public-income maintenance program.²

Although the number of aged women without money income from employment, social insurance, or public assistance is still substantial, in mid-1955—for the first time—such women comprised fewer than 1 in 5 of all aged women. It is estimated that the corresponding figure for men in June 1955 was down to less than 1 in 25. It is probable that for men this ratio is near the minimum, but that the proportion of aged women in this

² A considerable number probably received periodic payments under individual annuities and supplementary life insurance contracts; according to the latest estimate there were, in all, 590,000 women aged 65 and over (and 165,000 men aged 65 and over) receiving such payments at the end of 1953.

Table 2.—Percentage distribution of persons aged 65 and over by sex, age, and marital status, April 1955

[Continental United States]

| Sex and marital status | Total | Aged 65-74 | Aged 75 and over |
|------------------------------|-------|------------|------------------|
| Men, total..... | 100.0 | 100.0 | 100.0 |
| Married, spouse present..... | 64.3 | 70.2 | 52.5 |
| Widowed..... | 23.0 | 16.4 | 35.0 |
| Other..... | 12.2 | 13.4 | 9.6 |
| Women, total..... | 100.0 | 100.0 | 100.0 |
| Married, spouse present..... | 34.2 | 42.2 | 15.4 |
| Widowed..... | 54.7 | 46.5 | 70.9 |
| Other..... | 11.1 | 11.3 | 10.8 |

Source: Bureau of the Census, *Current Population Reports*, Series P-20, No. 62 (Oct. 31, 1955).

situation will continue to decline for some time as the older widows die and a progressively larger proportion of women aged 65 and older become entitled to social insurance benefits on the basis of their own employment record or that of the husband.

Two years earlier, in mid-1953, almost 1 in 4 of the women aged 65 and over and roughly 1 in 13 of the aged men in the continental United States are estimated to have been without income from employment or a public income-maintenance program. For the aged population as a whole, the relative number without such income dropped from about 1 in 6 in mid-1953 to 1 in 9 in mid-1955. This improvement occurred despite a slight decline in the absolute number of aged persons with income from employment or public assistance. It is attributable to an increase of one-third in the number of aged persons receiving benefits under the old-age and survivors insurance, other public retirement, and/or veterans' compensation and pension programs. The number of aged old-age and survivors insurance beneficiaries alone increased almost two-fifths in the 2-year period.

Workmen's Compensation Payments and Costs, 1954

The rate of increase in payments for wage loss and medical benefits under workmen's compensation programs showed a further slackening in 1954. The total of \$880 million was only \$34 million or 4.0 percent more than payments in 1953. From a rec-