

The Social Security Board has recommended to the States that cancellation of wage credits in the case of disqualifications should be eliminated, and that postponements should not be so severe as to deprive the worker of benefits in true cases of involuntary unemployment.

One indirect effect of this new trend is to tie the worker to one employer and to prevent him from moving to better jobs, to other industries, or to other parts of the country under penalty of losing his unemployment compensation. One solution for this problem, of course, would be to eliminate experience rating from unemployment compensation. Another is to devise systems of experience rating which will not have these effects.

Unemployment compensation can be at least the first line of defense for the Nation and for millions of individual workers in the coming transition period from war to peace. It is a flexible system in that benefits can be paid immediately and with the regularity of the normal pay envelope. It

measures the need with reasonable precision because it goes to those workers who actually experience unemployment and not to those who do succeed in finding work without loss of time. It does not pay benefits high enough to discourage reemployment (except possibly in isolated instances), and yet it should, with some improvement in benefits, provide enough money to carry the families through the unemployment period. It gives the worker a deep sense of security, because the conditions of eligibility are known and every worker can determine the conditions under which he will receive benefits. Furthermore, the funds are set aside in advance so there is assurance that in any circumstances the money will be paid. Again, as business recovery takes place, and the need declines, the benefit payments fall off. Finally, the machinery of administration is already established throughout the country and can go into full operation upon call.

An adequate system of unemployment compensation would constitute one of the best methods of helping to

effect a speedy and successful post-war transition. There has been much talk recently about free enterprise and its prospects in the post-war period. It is surprising to hear the argument that social security is a form of regimentation and therefore the enemy of free enterprise. In my opinion the situation is exactly the opposite. Progress and change are an essential feature of modern industrial society. Not only that, but the process is constantly being speeded up. Temporary unemployment is inevitable; in fact, it is an inherent part of any progressive society. The problem is how to provide reasonable protection for the workers, many of whom may be called upon to bear the chief burden of these changes. The cost of progress is a cost which should be shared by others than those directly affected. There is no simpler way of assessing that cost than paying unemployment benefits to workers laid off because of lack of work. Social security is a necessity for the successful operation of a free enterprise system.

Why Beneficiaries Returned to Work

By Edna C. Wentworth*

OF 2,380 male primary beneficiaries studied in 1941 and 1942 by the Bureau of Old-Age and Survivors Insurance,¹ about 5 percent retired from work voluntarily in order to enjoy an old age of leisure, and another 5 percent quit for other personal reasons. More than half the men had lost their jobs before entitlement, and about a third had quit working because of illness or failing health. Yet, neither ill health nor lay-offs kept some of the men out of the labor market permanently. From a sixth to a third of the men in the four surveys² who had filed for benefits because of ill health reported employment during the sur-

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¹For discussion of the purpose of the surveys, methods of selecting the sample, definitions, concepts, and general analyses, see the *Bulletin*, July 1943, pp. 3-20 and September 1943, pp. 3-17. For a discussion of the reasons why beneficiaries retired, see the January 1945 issue, pp. 16-20.

²The first survey was made in Philadelphia and Baltimore in May-July 1941; the second in St. Louis, November-December 1941; the third in Birmingham, Memphis, and Atlanta, February-April 1942; and the fourth in Los Angeles, March-July 1942.

vey year—that is, the year ending with the month preceding the interview; from a third to a half of the beneficiaries who had been laid off by their employers, and a slightly larger proportion who had quit their jobs because of other personal reasons, returned to work in the year studied. Even one-third of those who voluntarily retired found it necessary to return to work to increase their income.

Whether or not a beneficiary worked or sought work depended on several different factors, such as the available opportunities, ability to hold a job, adequacy of income without earnings, and psychological adjustments to retirement or to work at a lower skill or with less prestige.

Factors Affecting Return to Work

Twenty-five percent of the 508 male primary beneficiaries interviewed in Philadelphia and Baltimore were employed at some time during the survey year (table 1). This proportion was less than in the surveys conducted 6 months to a year later. Opportunities for employment of aged workers were undoubtedly greater with each suc-

cessive survey. Between the survey in Philadelphia and Baltimore and that in Los Angeles, this country had entered World War II and the demand for labor was steadily increasing. For example, unemployment for the United States as a whole decreased from 9.3 percent of the labor force at the end of the Philadelphia and Baltimore survey to 6.4 percent at the end of the St. Louis survey, 6.0 percent at the end of the Birmingham, Memphis, and Atlanta survey, and 4.5 at the end of the Los Angeles survey.³

The war industries drew on workers ordinarily attached to less essential

³U. S. Department of Commerce, Bureau of the Census, *Monthly Report on the Labor Force*, Mar. 9, 1945.

Table 1.—Percentage distribution of male primary beneficiaries reporting employment during survey year, four surveys

Employment status	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number.	508	550	564	758
Total percent..	100.0	100.0	100.0	100.0
No employment....	74.6	62.4	54.4	61.9
Employment ¹	25.4	37.6	45.6	38.1
Covered.....	16.3	24.0	19.5	22.7
Noncovered.....	9.8	16.7	31.6	19.8

¹Based on an unduplicated count of beneficiaries. Total percent is less than sum of percents in covered and noncovered employment, since some beneficiaries reported earnings in both covered and noncovered employment.

industries as well as on the unemployed. Thus, in addition to any opportunities in war industries, jobs became available which were within the physical capacities of aged workers.

Beneficiaries who took jobs generally worked part time, a few reporting earnings from only one casual job lasting a day or two. Some worked short time regularly, that is, a few hours a day, or a day or two a week or a month, and some worked full time for a period ranging from a few days to almost 11 months. Only 12 to 24 percent of the employed beneficiaries in the four surveys worked full time for the entire year, that is, 35 or more hours a week for 11 or more months.

Close to two-thirds of the employed beneficiaries in Philadelphia and Baltimore and in St. Louis, and three-fifths in Los Angeles, worked in covered employment.⁴ In the three

⁴ Covered employment includes work in manufacturing industries, wholesale and retail establishments, banks, and other financial companies. The family benefits are suspended for the month in which the primary beneficiary earns \$15 or more in

Southern cities, however, a larger proportion of the employed beneficiaries worked in noncovered than in covered employment. Birmingham is dominated by the large steel mills and coal mines, and few beneficiaries found re-employment in those industries.

At the time of the interview⁵ 16 percent of the male primary beneficiaries in Philadelphia and Baltimore, 27 percent in St. Louis, 30 percent in the three Southern cities, and 25 percent in Los Angeles, were employed.

Ability To Work

Each beneficiary interviewed was asked whether he thought his health

covered employment. The occupations not covered by the Social Security Act and in which a beneficiary may work without the loss of monthly benefits include self-employment, work in agriculture and domestic service, work for Federal, State, and local governments and educational, religious, charitable, and scientific organizations, and casual work.

⁵ A man employed at any time during the week preceding the interview was considered to be employed at the time of the interview.

Table 2.—Opinion of male primary beneficiaries as to their ability to work: Number and percentage distribution by employment status, four surveys

Beneficiary's opinion as to his ability to work ¹	Number		Percentage distribution			
	Total	Percent of total	Total	Em- ployed	Unem- ployed and sought employ- ment	Unem- ployed and did not seek employ- ment
Philadelphia and Baltimore						
Total.....	508	100.0	100.0	25.4	14.0	60.6
Able to work, without reservations.....	176	34.6	100.0	43.8	24.4	31.8
Able to work, with reservations.....	53	10.4	100.0	32.0	34.0	34.0
Unable to work.....	279	55.0	100.0	12.6	3.6	83.9
St. Louis						
Total.....	550	100.0	100.0	37.6	12.7	49.7
Able to work, without reservations.....	202	36.7	100.0	59.9	16.8	23.3
Able to work, with reservations.....	126	22.9	100.0	45.2	21.4	33.4
Unable to work.....	222	40.4	100.0	13.1	4.1	82.8
Birmingham, Memphis, and Atlanta						
Total.....	564	100.0	100.0	45.6	12.1	42.3
Able to work, without reservations.....	199	35.3	100.0	72.4	13.1	14.5
Able to work, with reservations.....	172	30.5	100.0	44.8	16.9	38.3
Unable to work.....	193	34.2	100.0	18.7	6.7	74.6
Los Angeles						
Total.....	758	100.0	100.0	38.1	9.9	52.0
Able to work, without reservations.....	305	40.2	100.0	57.4	15.1	27.5
Able to work, with reservations.....	144	19.0	100.0	46.5	16.0	37.5
Unable to work.....	309	40.8	100.0	15.2	1.9	82.9

¹ If a beneficiary specified "light work," "part-time work," etc., because of his physical condition, he was classified as "able to work, with reservations."

Table 3.—Percent of male primary beneficiaries who considered themselves physically unable to work, by age at entitlement, four surveys

Age at entitlement	Phila- delphia and Balti- more	St. Louis	Birming- ham, Mem- phis, and Atlanta	Los An- geles
Total.....	55.0	40.4	34.2	40.8
65.....	51.8	25.9	25.9	35.6
66.....	43.5	31.3	32.4	39.2
67-68.....	51.0	39.8	33.6	37.7
69 and over.....	73.1	58.0	46.5	54.5

would permit regular employment at that time. The attitude of the beneficiaries toward their health often determined whether or not they sought or got jobs. Occasionally an interviewer might disagree with the opinion of the beneficiary, and a physician might have given a different diagnosis. Nevertheless, the beneficiary's opinion of his health and not the interviewer's opinion or a physician's diagnosis was the controlling factor in his efforts to get a job.

Between 35 and 40 percent of the men reported without reservation that they were able to work; 10-30 percent stated they were able to work part time or on jobs which required little physical exertion; and 34-55 percent reported themselves unable to work (table 2). Beneficiaries 69 years or over at entitlement were more likely to consider themselves unable to hold a job than those aged 65-68 (table 3). The contrast between the age groups would be greater except that beneficiaries who were ill and unable to be interviewed were dropped from the survey and replaced by others.

The reports of the primary beneficiaries on their ability to work seem also to reflect the ease or difficulties in getting jobs. For example, in Philadelphia and Baltimore the percentage of beneficiaries in each age group reporting themselves unable to work was larger than in the other surveys. The smallest percentage reporting inability to work was found in the survey in Birmingham, Memphis, and Atlanta. In the year covered by the Philadelphia and Baltimore survey, from 9 to 14 percent of the labor force in the country was unemployed and jobs were hard to get. Belief in the futility of looking for work appears to have influenced beneficiaries' opinion of their ability to work. In contrast, jobs were fairly plentiful dur-

Table 4.—Total number of male primary beneficiaries and percent employed during survey year, by age at entitlement, four surveys

Age at entitlement	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number				
Total.....	508	550	564	758
65.....	282	170	185	331
66.....	69	99	108	148
67-68.....	53	88	125	114
69 and over.....	104	193	146	165
Percent employed during survey year				
Total.....	25.4	37.6	45.6	38.1
65.....	26.2	50.6	49.7	42.3
66.....	40.6	52.5	47.2	40.5
67-68.....	32.0	35.2	50.4	36.0
69 and over.....	9.6	19.7	34.9	29.1

ing the year covered by the survey in the three Southern cities. Moreover, need to work was greater in those cities because the beneficiaries had smaller resources, and this fact probably accounted for the relatively small proportion of men who considered themselves unable to work.

As would be expected, men who declared themselves "able to work, without reservations" reported employment or attempts to obtain employment more frequently than men who felt they were able to perform only light work or particular work. Although most of the 1,003 men in the four surveys who said their health would not permit them to hold a job were unemployed and made no effort to obtain work, nevertheless each survey found some employed and a few others who tried to find work.

The beneficiaries who were older at entitlement worked less frequently than those who filed for benefits at age 65 or 66 (table 4). The difference is partly explained by the poorer health of the older men, although employment policies in the community may also have affected their opportunities to get jobs.

No significant difference is found between the white and Negro beneficiaries in the three Southern cities on the beneficiary's opinion of his ability to work. Thirty-six percent of the 374 white and 35 percent of the 190 colored men reported ability to work; 30 and 32 percent, respectively, qualified their statement, and 34 and

33 percent considered themselves unable to work.

Nor was there any difference in the proportion of white and Negro men considering themselves able to work in the three Southern cities who worked or sought work (white men, 85 percent, Negro, 86 percent). However, a significantly higher percentage of colored (33 percent) than of white men (22 percent) who considered themselves unable to work reported either employment in the survey year or efforts to get work.

Why Beneficiaries Returned to Work

Most beneficiaries worked during the survey year because they considered that otherwise their income would be inadequate to meet their needs. Sometimes income from temporary or supplementary sources, such as a payment under workmen's compensation or contribution from a relative, postponed the necessity of working. In general, however, the amount of income derived from reasonably permanent economic sources determined whether or not employment was essential. In addition to the insurance benefits under the old-age and survivors insurance program, such sources of income include retirement pay, private annuities, veterans' pensions, income from assets, and the estimated imputed rent from home ownership. From one-fourth to two-fifths of the beneficiaries in the four surveys had less than \$300 a year from all permanent economic sources. The proportion reporting \$600 or more a year was as follows:

Survey	Percent
Philadelphia and Baltimore.....	38
St. Louis.....	43
Birmingham, Memphis, and Atlanta....	27
Los Angeles.....	41

The proportion of beneficiaries who returned to work was considerably larger in each survey for those whose permanent economic income was less than \$600 than for those who had more (table 5). That the relationship was not more marked is due to the fact that the amount of income necessary to provide economic security depends to some extent on customary standards of living, health expenses and other unusual demands on the family purse, and on the emotional adjustment of the aged workers to decreased income. Some beneficiaries with \$900 or more in permanent income found it as inadequate to meet

Table 5.—Total number of male primary beneficiaries and percent employed during survey year, by amount of income from permanent economic sources,¹ four surveys

Income from permanent economic sources ¹	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number				
Total.....	508	550	564	758
Less than \$300....	125	140	217	214
300-599.....	190	174	193	231
600-899.....	80	95	72	125
900 or more.....	113	141	82	188
Percent employed during survey year				
Total.....	25.4	37.6	45.6	38.1
Less than \$300....	33.6	51.4	59.9	40.2
300-599.....	33.2	40.2	41.5	48.1
600-899.....	20.0	24.2	34.7	33.6
900 or more.....	7.1	29.8	26.8	26.6

¹ Includes 12 months' old-age insurance benefits, income from assets, private annuities, retirement pay, veterans' pensions, and an imputed rent on owner-occupied dwellings.

their needs as those with considerably less, although in general the most serious financial problems were in the group with less than \$600. On the other hand, some whose income from permanent sources was low received public assistance payments or contributions from relatives which provided sufficient income to meet their basic needs, and others were ill and incapable of working and had no other choice than to adjust to a lower standard of living.

Ill health does not appear to be related to the amount of income which was derived from permanent sources, as no consistent relationship was found between amount of permanent income and inability to hold a job.

The income of relatives in the family often provided a source of economic security for beneficiaries. It might have been assumed that the beneficiaries returned to work less frequently when they lived in multi-family units than when they lived alone, because need to work was probably less acute. Nevertheless, in three of the four surveys the proportion of primary beneficiaries reporting earnings in employment was almost as large when there were others in the family as when the beneficiary group lived alone.

The following are illustrative of beneficiaries who worked because their incomes were otherwise too low to meet their expenses:

Mr. A, a stock worker in a department store, was laid off on reaching his 65th birthday. His wife was not yet 65, and Mr. and Mrs. A faced life on \$13.93 a month. They applied for old-age assistance and received \$26.07 a month. Mr. A commented that their income of \$40 a month cared for only the barest necessities. They had no savings. During the year Mr. A obtained a job as hotel clerk at \$65 a month and had his benefits and old-age assistance payments suspended. In addition he earned approximately \$10 a month in odd gardening jobs.

Mr. B had been a cotton broker but lost his job in 1938 when the cotton exchange closed. Three months later he got clerical work with the WPA. His wife took in a roomer to whom she also served breakfast and dinner. Mr. B filed for old-age insurance in February 1940, and was awarded a monthly benefit of \$20.69. Since Mrs. B was only 60 years old at the time, she was not eligible for wife's benefits. Mr. B worked as a WPA clerk for the first 5 months of the survey year. Then he was offered a job as plant superintendent of a chemical manufacturing firm at \$25 a week and accepted the job, although it meant suspension of his insurance benefits. Mr. and Mrs. B lived in an apartment for which they paid \$25 a month. Their only assets were defense bonds, with a total purchase price of \$206. Their only insurance was two group policies totaling \$500 which had no cash surrender value. In the year studied, Mr. and Mrs. B had an income of \$1,139, of which \$124 came from insurance benefits, \$192 from WPA work, \$640 from the job as plant superintendent, and \$183 from the boarder and roomer.

Beneficiaries who considered their incomes adequate generally reported they were not interested in employment. Some men, however, particularly the professional group, preferred occasional employment in their former occupation.

Mr. C retired as corporation attorney at age 66. During the year he received attorney fees amounting to \$500. The monthly benefits, totaling \$18.50, which he and his wife received were not indicative of their general standard of living. Their income from real estate and stocks and bonds amounted to \$12,300, and their total assets were valued at \$150,000.

Most (83 percent) of the 882 men in the four surveys who reported they had worked during the year also considered themselves able to work, although some (25 percent) qualified their statements. Of the men who worked, however, 1 in 16 said he was ill and should not have worked. The records of the 147 men who worked in spite of ill health show that they were suffering from heart trouble,

arthritis, strokes, "spells," low or high blood pressure, gall-bladder trouble, bronchitis, and so on. These sick men worked on as wide a variety of jobs as the entire group. They were common laborers, gardeners, janitors, porters, carpenters, machinists, tool makers, paper hangers, insurance salesmen, and the proverbial butchers, bakers, and candlestick makers. An examination of the resources of these men brings into sharp relief the economic motives which influenced their return to work. Three-fourths had less than \$600 in permanent income from economic sources. For example:

Mr. D quit work as a machinist at age 67 because of ill health. He applied for old-age assistance for himself and his wife 2 months after he became entitled to benefits, and received \$13.30 a month. However, they considered their total monthly income of \$35.52 hardly enough to live on, and Mr. D returned to his old job as a machinist. He worked 3 months, earning \$140 a month, but again became ill and again quit. At the end of the survey year he had given up all thoughts of working again.

Mr. E lost his job as collector for a furniture store at 70 when the company was sold. He was frail and said that his fingers were stiff and his legs no longer strong. He lived in a rooming house and ate around. He reported earning about \$5 a month at odd carpentry jobs. He had cashed in an insurance policy when he lost his job and used what remained of it in the survey year. Then he had to apply for old-age assistance, and in the last 5 months of the survey year he received payments of \$12.60 a month. His earnings and insurance benefits together gave him \$27.94 a month. He had no assets except an insurance policy of \$500. He said that he spent his Sundays and holidays with nieces and cousins and "filled up."

A few in this group of sick men who reported earnings appeared to have adequate resources. Their employment was generally brief. Occasionally a man was asked to help his former employer for a short time; several received commissions from the sale of life insurance; some reported income from odd jobs, such as painting, carpentry, janitor work, or cutting grass; and several reported regular part-time work for a few hours a month.

Distinct differences in age, health, and economic resources which affected employment are found between the nonmarried male primary beneficiaries, the married men whose wives were

Table 6.—Percent of male primary beneficiaries employed during survey year and percent reporting inability to work, by type of beneficiary, four surveys

Type of beneficiary	Total number	Percent employed	Percent reporting inability to work
Philadelphia and Baltimore			
Nonmarried men.....	153	28.1	52.2
Married men, wives entitled	163	20.9	61.3
Married men, wives not entitled.....	179	26.8	52.6
Married men, children entitled.....	13	(¹)	(¹)
St. Louis			
Nonmarried men.....	150	36.0	41.4
Married men, wives entitled	180	30.0	48.9
Married men, wives not entitled.....	197	44.7	31.5
Married men, children entitled.....	23	(¹)	(¹)
Birmingham, Memphis, and Atlanta			
Nonmarried men.....	113	52.2	32.7
Married men, wives entitled	139	31.7	46.8
Married men, wives not entitled.....	270	49.6	28.1
Married men, children entitled.....	42	47.6	35.7
Los Angeles			
Nonmarried men.....	203	32.0	47.3
Married men, wives entitled	216	31.5	43.0
Married men, wives not entitled.....	323	45.5	35.3
Married men, children entitled.....	16	(¹)	(¹)

¹ Number too small for computation of percents.

entitled, and the married men whose wives were not entitled.

In every survey the married men with nonentitled wives reported employment more frequently than the men whose wives were entitled (table 6). The relationship between the nonmarried and married men was not uniform in the four surveys.

The men with entitled wives were the oldest group. A larger proportion (36-44 percent) were 69 years of age or over at entitlement than of the married men with nonentitled wives (7-20 percent) or nonmarried men (22-37 percent). Because of the age differential, the men with entitled wives reported inability to work more frequently than the other two groups except in Los Angeles, where inability to work was reported most frequently by the nonmarried.

Moreover, because of the wife's benefits, the group of men with entitled wives had higher incomes from permanent sources and were therefore under less pressure to work than

Table 7.—Percent of specified type of male primary beneficiary¹ employed during survey year, by amount of income from permanent economic sources, four surveys combined

Income from permanent economic sources	Nonmarried men	Married men, wives entitled	Married men, wives not entitled
Total.....	35.7	28.7	43.0
Less than \$300.....	43.1	39.0	52.6
300-599.....	35.4	35.7	49.5
600-899.....	20.8	23.3	35.4
900 or more.....	12.1	21.1	26.4

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

the other group of married men. Largely because of their older age and poorer health, however, the men with entitled wives worked less frequently than the men with nonentitled wives who had the same amount of income from permanent sources (table 7). Most of the nonmarried men did not work when their permanent income was \$600 or more.

An additional factor appears to have affected the employment of beneficiaries with entitled wives. Beneficiaries seldom returned to covered jobs unless they could earn three or more times the benefit they lost by working. Because of the wife's benefit, the men with entitled wives had a smaller differential between their earnings and the amount of benefit suspended than those with nonentitled wives. If the wages were less than they had formerly received, this differential was likely to become unattractively low for the men with entitled wives. This difference no doubt partially explains why the men with entitled wives tended to work in non-covered employment after entitlement, and the men with nonentitled wives, in covered employment.

Occupations of Employed Beneficiaries

Whether or not a beneficiary was employed after entitlement appears to have been affected to some extent by his former occupation. For example, of the 1,872 beneficiaries in three of the four surveys² from whom information on occupations was obtained, those who had been in professional and semiprofessional pursuits were more likely to have worked in the survey year than any other occu-

² St. Louis; Birmingham, Memphis, and Atlanta; and Los Angeles.

pational group, and the men who had formerly been operatives (semiskilled workers) were least likely (table 8).

Among men for whom this information is available, 58 percent of those who went back to work returned to the occupations they had before entitlement. Those who shifted tended to shift to less skilled work, although movements in the opposite direction also occurred. Beneficiaries' former occupations determined to a certain extent the kind of work they could get after entitlement. Three-fourths of the professional and semiprofessional men who worked during the survey year reported the same occupations. At the opposite extreme were the protective-service workers and operatives, of whom only slightly more than one-third found jobs in the same occupational classification. The proportions of each occupational group employed in the same occupations as before entitlement were as follows:

Occupational group	Percent
Total.....	57.5
Professional and semiprofessional.....	75.9
Proprietors, managers, and officials.....	45.1
Clerical, sales, and kindred workers.....	63.8
Craftsmen, foremen, and kindred workers.....	68.6
Operatives and kindred workers.....	35.2
Protective-service workers.....	37.8
Service workers.....	53.2
Laborers.....	69.1

Of the 748 beneficiaries for whom information is available, 36 (5 percent) were employed during the year in professional occupations. These included 12 actors, 4 engineers, 3 lawyers and artists; 2 draftsmen, physicians, and teachers; and a consultant, a copywriter, a model, a druggist, an editor, a funeral director, a preacher, and a technician. Eleven of these 36

men were in other occupations before entitlement. One who had been a laborer had become a minister of a Negro church; others had taken jobs as a commercial artist, a model in an art school, a lawyer, and a copywriter.

Fifty-five men (7 percent) were classified as proprietors or managers during the year. These included 30 managers of independent businesses and 5 superintendents; also supervisors, buyers, councilmen, inspectors, junk men; an administrator of an estate, a president of a company, a labor arbitrator, and the director of a travel bureau.³ Two-thirds of this group (36 men) had been in other occupations before entitlement.

One hundred and sixty of the 748 men (21 percent) worked in clerical or sales occupations during the survey year. These included 106 salesmen, 31 clerks, and 11 accountants or auditors.³ Of the 160 men employed in clerical or sales occupations, 56 had worked in other occupations before entitlement.

One hundred and sixty-six men were employed in the survey year as craftsmen or foremen. In addition to 52 carpenters and 20 painters and paper hangers, they included 14 machinists, 9 tailors, 8 cabinet makers and furniture repair workers, 8 masons and stone cutters, 8 patternmakers, 7 foremen, and representatives of many

³ All persons classified as self-employed in the survey year were considered proprietors or managers if their net income from the business totaled \$600 or more. Where it was less, they were classified as salesmen.

⁴ All beneficiaries reporting income from the sale of poultry and garden products have been included here.

Table 8.—Percentage distribution of male primary beneficiaries by employment status during survey year and by last occupation¹ in covered employment before entitlement, three surveys combined²

Employment status during survey year	Total	Professional and semiprofessional	Proprietors, managers, and officials	Clerical, sales, etc.	Craftsmen, foremen, etc.	Operatives, etc.	Protective service	Service	Laborers
Total number.....	1,872	65	111	381	424	375	128	210	178
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Not employed.....	59.8	47.7	62.2	57.2	55.0	66.4	64.1	61.0	61.2
Employed:									
Total.....	40.2	52.3	37.8	42.8	45.0	33.6	35.9	39.0	38.8
Same occupation.....	22.9	38.5	17.1	27.3	30.8	11.7	13.3	20.4	26.4
Different occupation.....	17.0	12.3	20.7	15.5	14.2	21.6	21.8	18.1	11.8
Occupation unknown.....	.3	1.53	.8	.5	.6

¹ Occupations are classified according to the Palmer convertibility list of occupations in Palmer, Gladys R. "The Convertibility List of Occupations and The Problems of Developing It," *Journal of the*

American Statistical Association, Vol. 34 (December 1939), pp. 693-708.

² Excludes Philadelphia and Baltimore survey.

other skilled trades. Only 1 of the 39 men who were mechanics and blacksmiths before entitlement was employed. Only one-fifth of the 166 men employed as craftsmen had worked in other occupations before entitlement. Such jobs require skill which cannot be acquired easily, although some men in other occupations before entitlement who did odd carpentry jobs or painting were classified as craftsmen in the survey year.

In addition to the 44 men who had

Table 9.—Percentage distribution of male primary beneficiaries employed in covered and noncovered employment, by amount of earnings, four surveys

Amount of earnings	Total employed	Covered employment	Non-covered employment
Total number employed	129	83	50
Total percent.....	100.0	100.0	100.0
Less than \$300.....	46.5	39.7	60.0
300-599.....	24.8	31.3	18.0
600-899.....	14.0	14.5	10.0
900 or more.....	14.7	14.5	12.0
Average (mean) earnings.....	\$430	\$450	\$363
St. Louis			
Total number employed	207	132	92
Total percent.....	100.0	100.0	100.0
Less than \$300.....	57.5	50.8	74.0
300-599.....	15.9	15.9	14.1
600-899.....	9.2	10.6	6.5
900 or more.....	17.4	22.7	5.4
Average (mean) earnings.....	\$476	\$556	\$272
Birmingham, Memphis, and Atlanta			
Total number employed	257	110	178
Total percent.....	100.0	100.0	100.0
Less than \$300.....	63.1	54.6	74.1
300-599.....	8.9	14.5	5.1
600-899.....	10.5	14.5	7.9
900 or more.....	17.5	16.4	12.9
Average (mean) earnings.....	\$528	\$486	\$463
Los Angeles			
Total number employed	289	172	150
Total percent.....	100.0	100.0	100.0
Less than \$300.....	49.5	42.4	67.3
300-599.....	17.3	22.1	10.7
600-899.....	13.8	12.8	11.3
900 or more.....	19.4	22.7	10.7
Average (mean) earnings.....	\$539	\$580	\$372

¹Total, representing an unduplicated count of beneficiaries, is less than sum of beneficiaries in covered and noncovered employment, since some beneficiaries reported earnings in both covered and noncovered employment.

worked as operatives before entitlement, 8 formerly engaged in other work were employed in the survey year in this occupational group. The 52 men in this group—only 7 percent of all employed men—included 17 machine operators, 6 meat cutters, and 6 drivers. Not a single one of the 63 men in Birmingham who had been miners before entitlement was employed as a miner in the year, and only 17 of the 105 machine operators before entitlement were employed as machine operators. Only 15 percent of the men employed as operatives during the survey year had shifted from other occupations. Men who shifted from other occupations included several who refinished furniture or drove trucks.

Exactly half of the 34 men employed in protective-service jobs had shifted from other occupations. The jobs included 32 watchmen, a guard, and a policeman. A job as night watchman, which requires a certain amount of mental alertness and physical fitness, can be held by persons who have retired from their regular occupation.

Of the 74 men in the three surveys who were employed in the survey year in service jobs, 43 had worked in similar jobs before entitlement. The 74 men included 31 janitors, 9 porters, 8 dishwashers, 7 barbers, and 5 cooks; cleaners, elevator operators, waiters, and doormen; and an employee in a funeral home.

In the year studied, 160 men in three surveys, 21 percent of all employed men, worked as laborers. Of these, 103 were engaged in odd jobs, such as gardening, lawn mowing, and casual labor. Most of the jobs were not covered by the Social Security Act, although a few men were regularly engaged in covered employment as laborers. Sixty-one percent of the men employed as laborers in the survey year had shifted from other occupations. Most of the men in casual work and odd jobs had been craftsmen, operatives, and service workers, although every former occupation is represented.

Earnings in Employment

As many as three-fifths of the primary beneficiaries who were employed during the survey year earned less than \$300 for the entire year (table 9). Only about a third in each survey earned \$600 or more, and not

Table 10.—Percentage distribution of specified type of male primary beneficiary¹ employed during survey year, by amount of earnings, four surveys

Amount of earnings	Nonmarried men	Married men, wives entitled	Married men, wives not entitled
Total number..	43	34	48
Total percent...	100.0	100.0	100.0
Less than \$300.....	46.6	52.9	43.9
300-599.....	30.2	26.5	18.7
600-899.....	11.6	8.8	18.7
900 or more.....	11.6	11.8	18.7
St. Louis			
Total number..	54	54	88
Total percent...	100.0	100.0	100.0
Less than \$300.....	61.1	64.8	48.8
300-599.....	16.7	7.4	20.5
600-899.....	7.4	9.3	10.2
900 or more.....	14.8	18.5	20.5
Birmingham, Memphis, and Atlanta			
Total number..	59	44	134
Total percent...	100.0	100.0	100.0
Less than \$300.....	77.9	54.6	56.7
300-599.....	6.8	13.6	9.7
600-899.....	5.1	9.1	14.9
900 or more.....	10.2	22.7	18.7
Los Angeles			
Total number..	65	68	147
Total percent...	100.0	100.0	100.0
Less than \$300.....	63.1	64.7	38.1
300-599.....	16.9	14.7	18.4
600-899.....	7.7	5.9	19.0
900 or more.....	12.3	14.7	24.5

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

more than a fifth reported \$900 or more. The men with nonentitled wives, the youngest group of beneficiaries, earned higher wages, as a group, than the others (table 10).

Earnings in noncovered employment were generally less than earnings in covered employment, largely because odd jobs and casual labor are noncovered employment, and such work is usually intermittent and low paid. Covered employment was more likely to be of longer duration and at higher rates of pay except for a few men in each survey who were self-employed or in professional work, classified as noncovered, and who had relatively high earnings.

Although beneficiaries returned to work more frequently when their income from permanent economic sources was low than when it was high, annual earnings tended to be

Table 11.—Percentage distribution of male primary beneficiaries employed during survey year, by effect of employment on benefits, for each survey

Benefit suspensions	Philadelphia and Baltimore	St. Louis	Birmingham, Memphis, and Atlanta	Los Angeles
Total number employed.....	129	207	257	289
Total percent.....	100.0	100.0	100.0	100.0
No suspensions.....	45.0	54.6	73.5	53.0
Earnings of less than \$15 a month in covered employment.....	9.3	18.4	16.3	12.5
Noncovered employment ¹	35.7	36.2	57.2	40.5
Suspensions.....	55.0	45.4	26.5	47.0
1-3 months.....	14.6	13.6	3.5	12.8
4-6 months.....	9.3	10.1	3.9	9.3
7-9 months.....	13.2	5.3	3.1	6.9
10-12 months.....	4.7	12.1	9.0	12.1
Other ²	13.2	4.3	7.0	5.9

¹ Includes those with noncovered employment only.

² Erroneous suspensions or no suspensions, although wages of \$15 or more a month in covered employment were reported.

low when permanent income was low, and relatively high when permanent income was high. Most of the income from permanent sources was derived from insurance benefits, retirement pay, and investments, all of which reflect the previous level of earnings. Those with low income from permanent sources, therefore, probably had low earnings before entitlement as well as low earnings after entitlement.

From 45 to 55 percent of the employed beneficiaries in three of the surveys, and 26 percent in the Southern cities, had their benefits suspended a month or more in the year because of earnings in covered employment (table 11). Most of the employed beneficiaries whose benefits were not suspended were in noncovered employment, but some in each survey (9 to 18 percent) worked in covered employment for a month or more at wages of less than \$15 a month and had no suspensions.

In three of the four surveys, about one-fourth of the employed primary beneficiaries reported from 1 to 6 months of benefit suspensions. In the three Southern cities, the percentage was considerably lower (7 percent) because of the high proportion in noncovered employment. From 5 to 12 percent of the employed men had as many as 10 to 12 months' suspensions.

The men with entitled wives had fewer benefit suspensions than the other two groups because they more

frequently were in noncovered employment (table 12). The nonmarried men were somewhat more likely to report earnings of less than \$15 a month in covered employment.

In general, the total wages earned during the year were about five times as much as the benefits suspended. There was considerable range in earnings, however, and 5 percent of those whose benefits were suspended earned less than twice the benefits suspended, while 3 of the 373 men with suspensions earned no more than the benefits they lost.

Why Some Beneficiaries Not Reporting Ill Health Did Not Look for Work

In each survey, from 5 to 11 percent of all beneficiaries were unemployed the entire survey year and said without qualification that they were able to work but had made no effort to get a job. Altogether, there were 216 men in this category. These men formed from 15 to 32 percent of the beneficiaries who reported unqualified ability to work; of the remainder, 44 to 72 percent had worked at some time during the year, and 13 to 24 percent had tried vainly to find jobs.

The reasons why these men made no effort to find work when they believed themselves able to hold jobs further delineate the conditions under which beneficiaries will return to work. Most of the 216 beneficiaries had sufficient income to meet their essential needs without working. About two-thirds of them had income of at least \$600 from permanent sources. This proportion was almost twice as large as that for all beneficiary groups. These men apparently prized leisure above additional income.

An examination of the situations of the 72 men whose incomes from permanent economic sources were less than \$600 indicates that most of them had some additional source of economic security. Forty lived with relatives whose incomes raised their level of living; 14 others had had some income from other than permanent sources, such as unemployment compensation payments, contributions from relatives outside the home, or public or private relief payments, or they drew upon their savings so that the total amount available to meet their living expenses actually exceeded \$600 in the year studied. Thus of the

Table 12.—Percentage distribution of specified type of male primary beneficiary¹ employed during survey year, by effect of employment on benefits, four surveys combined

Benefit suspensions	Non-married men	Married men, wives entitled	Married men, wives not entitled
Total number employed.....	221	200	417
Total percent.....	100.0	100.0	100.0
No suspensions.....	56.6	64.0	55.4
Earnings of less than \$15 a month in covered employment.....	19.5	16.5	11.5
Noncovered employment ²	37.1	47.5	43.9
Suspensions.....	43.4	36.0	44.6

¹ Excludes groups of married male primary beneficiaries with entitled children, since these groups were too small for computation of percents.

² See table 11, footnote 1.

216 men, only 18, or 8 percent, actually lived on less than \$600.

One single man who lived in a one-room apartment had \$6,000 in savings, which, though he did not draw on it, gave him confidence in his future. The presence of married children who lived nearby and who could be counted on to help in an emergency appears to explain the willingness of several beneficiaries to live on very small amounts. For example, one aged couple, whose total income was \$467, lived upstairs in a house, the lower floor of which was occupied by a married son and his family. The two families shared the household expenses. In another instance, a 70-year-old widower had rooms in his son's flower shop. He was in good health and was enjoying his leisure, although he said he could never get along on his benefits (\$18.17 per month) except for the help he received from his son. Four single men and four couples in Los Angeles received old-age assistance payments, obtaining from the relief payments not only income but a sense of financial security.

The feeling of economic security alone does not explain the lack of effort on the part of a few men to get work. Other attitudes must be considered. A feeling of hopelessness on the part of several probably accounted for their failure to look for work. While some beneficiaries considered themselves able to work, general mental as well as physical deterioration undoubtedly prevented them from looking for work although their incomes were very low,