

Notes and Brief Reports

Employers, Workers, and Wages, April-June 1950

The expansion in economic activity that took place during the second quarter of 1950 was reflected in increases in the estimated number of workers and amount of wages in the period April-June 1950. For the first time since October-December 1948 the total number of workers in covered industries—estimated at 40 million in April-June 1950—exceeded the number in the corresponding quarter of the preceding year; and for the first time since July-September 1948 the number of workers with taxable wages—estimated at 39.5 million—showed no decline from the corresponding quarter of the preceding year. This reversal in trend was chiefly the result of employment gains in manufacturing and construction.

Average taxable wages and average wages in covered industry, estimated at \$608 and \$650, respectively, were 6 percent and 5 percent higher than in the corresponding quarter of 1949 as a result of increases both in average hourly earnings and in the average number of hours worked each week. The operation of the \$3,000 limitation on taxable wages, however, caused average taxable wages to decline 2 percent from the first to the second quarter of 1950, although the average wage per worker in covered industry rose slightly.

During the second quarter of 1950, an estimated 2.8 million employers reported payment of taxable wages—3.7 percent more than in the second quarter of 1949 and 4.9 percent more than in the first quarter of 1950. This increase, also, reflected improving business conditions.

Amendments to the Civil Service Retirement Act

Two laws dealing with the civil-service retirement system were enacted by the Eighty-first Congress in its second session. The following brief summary gives a general description of the new provisions.

Public Law 547 changes the provisions governing the payment of the

lump-sum death benefit. Previously, if the employee had not designated a specific beneficiary or beneficiaries, the payment was made to the executor or administrator of the estate or, if

Old-age and survivors insurance: Estimated number of employers¹ and workers and estimated amount of wages in covered industries, by specified period, 1940-50

(Corrected to Nov. 1, 1950)

Year and quarter	Employers reporting wages ² (in thousands)	Workers with taxable wages during period ² (in thousands)	Taxable wages ²		All workers employed in covered industries during period ³ (in thousands)	Total payrolls in covered industries ³	
			Total (in millions)	Average per worker		Total (in millions)	Average per worker
1940.....	2,500	35,393	\$32,974	\$932	35,393	\$35,668	\$1,008
1941.....	2,646	40,976	41,848	1,021	40,976	45,463	1,110
1942.....	2,655	46,363	52,939	1,142	46,363	58,219	1,256
1943.....	2,394	47,656	62,423	1,310	47,656	69,653	1,462
1944.....	2,469	46,296	64,426	1,392	46,296	73,349	1,584
1945.....	2,614	46,392	62,945	1,357	46,392	71,560	1,543
1946.....	3,017	48,845	69,088	1,414	48,845	79,260	1,623
1947.....	3,246	48,908	78,372	1,602	48,908	92,449	1,890
1948.....	3,298	49,100	84,122	1,713	49,100	102,255	2,083
1949 ⁴	3,310	47,500	82,076	1,728	47,500	100,252	2,111
1943							
January-March.....	1,971	36,537	15,462	423	36,537	15,760	431
April-June.....	2,008	37,483	16,561	442	37,557	17,400	463
July-September.....	1,998	37,682	15,838	420	38,057	17,498	460
October-December.....	2,001	36,016	14,562	404	37,593	18,995	505
1944							
January-March.....	2,010	36,326	17,362	478	36,326	17,696	487
April-June.....	2,048	36,893	17,284	468	36,992	18,185	492
July-September.....	2,038	37,301	16,243	435	37,752	18,359	486
October-December.....	2,039	35,629	13,537	380	37,789	19,109	506
1945							
January-March.....	2,076	35,855	17,874	499	35,855	18,262	509
April-June.....	2,149	35,854	17,541	489	35,949	18,558	516
July-September.....	2,176	35,684	14,982	420	36,285	17,261	476
October-December.....	2,199	33,598	12,548	373	35,973	17,478	486
1946							
January-March.....	2,287	36,038	16,840	467	36,038	17,397	483
April-June.....	2,416	38,055	17,845	469	38,153	19,079	500
July-September.....	2,478	39,670	17,709	446	40,228	20,222	503
October-December.....	2,513	37,945	16,694	440	39,930	22,562	565
1947							
January-March.....	2,509	38,765	20,805	537	38,765	21,497	555
April-June.....	2,587	39,801	20,655	519	40,175	22,245	554
July-September.....	2,617	40,255	19,555	486	41,155	23,035	560
October-December.....	2,609	37,448	17,357	463	40,748	25,672	630
1948							
January-March.....	2,588	39,560	23,080	583	39,560	23,923	605
April-June.....	2,690	40,245	22,708	564	40,524	24,668	609
July-September.....	2,681	40,585	21,150	521	41,675	25,700	617
October-December.....	2,661	36,790	17,184	467	40,863	27,964	684
1949							
January-March ⁴	2,639	38,500	23,376	607	38,500	24,252	630
April-June ⁴	2,700	39,500	22,600	572	39,800	24,600	618
July-September ⁴	2,710	38,900	20,300	522	40,100	25,100	626
October-December ⁴	2,720	35,400	15,800	446	39,700	26,300	662
1950							
January-March ⁴	2,670	38,000	23,600	621	38,000	24,500	645
April-June ⁴	2,800	39,500	24,000	608	40,000	26,000	650

¹ Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

² Quarterly and annual data for 1937-39 were presented in the *Bulletin* for Feb. 1947, p. 31; quarterly data for 1940 were presented in the *Bulletin*

for Aug. 1947, p. 30; quarterly data for 1941 and 1942 were presented in the *Bulletin* for Feb. 1948, p. 31.

³ A description of these series and quarterly data for 1940 were presented in the *Bulletin* for Aug. 1947, p. 30; quarterly data for 1941 and 1942 were presented in the *Bulletin* for Feb. 1948, p. 31.

⁴ Preliminary.

there were no such individual, to whomever the Commission deemed to be legally entitled thereto. Under the amendments, if a beneficiary is not designated, a definite order of payees is established—widow or widower, children, parents, and, in the absence of any of these, the executor or administrator of the employee's estate; in the absence of any of these specified survivors and if no executor or administrator has been named, payment is made to the next of kin as determined by the Civil Service Commission. This amendment will result in considerable administrative savings, as well as convenience for employees, by doing away with the necessity for a written designation of beneficiary in a vast majority of the cases in which the spouse would be the beneficiary desired.

Public Law 601 increases the benefit for employees who had retired before April 1948. Under the 1948 amendments, such individuals—instead of having their benefits recomputed under the new formula—were permitted to choose between (a) an increase of 25 percent or \$25 a month, whichever was smaller, in the annuity computed under the earlier law; and (b) the same annuity, but with a survivor annuity for the spouse amounting to 50 percent of the employee's annuity computed under the previous law or \$50 a month, whichever was smaller.

The 1950 amendment provides that, effective September 1950, such retired individuals shall receive, regardless of their 1948 choice, both survivor protection and the increase in their own benefits. Thus for annuitants who had elected the survivor option, the annuity payable to them is increased, while for those who had elected the option of a larger annuity, survivor protection is now in existence. For individuals in the latter category who died after April 30, 1948, survivor benefits are payable to the surviving spouse, beginning September 1950.

Economic Status of Aged Persons and of Dependent Children

To meet requests from congressional committees and the general

public for information on the economic status of the aged and other special population groups, the Social Security Administration periodically prepares estimates of the number of aged persons, widows, and orphans with income from known sources. Such data have been found useful for program planning and for other purposes.

Tables 1 and 2 present estimates of the number of aged persons, widows, and paternal orphans in the population in June 1950, as well as the number with income from employment, social insurance and related programs, and public assistance. Similar estimates for December 1940, December 1945, and December 1949 appeared in the BULLETIN for June 1950.

Little is known concerning the number of persons in each of these three groups with no money income or concerning the number with income from sources not listed, such as industrial pensions, insurance or annuity contracts, dividends, interest, or rents. How many are living in whole or part on the sale of assets or withdrawals

from savings accounts is also unknown. Still another area in which information is generally lacking is the extent to which persons received income from two or more of the sources listed in the tables or from one or more of such sources plus one or more of the unlisted sources.

The tables do not throw any light, either, on the income distribution of the aged and of dependent survivors. Program operations yield data on size of payments, but many social insurance beneficiaries and public assistance recipients have other sources of income in addition. Surveys suggest that in general the larger the aged person's or survivor's income, the larger is the number of sources from which it is derived. The retired worker with earnings high enough to qualify him for a relatively large retirement benefit is also likely to have accumulated assets furnishing him with additional income. The same generalization may be made about the survivors of workers with high earnings.

Table 1.—Estimated number of persons aged 65 years and over, receiving income from specified source, June 1950

[In millions]

Source of income	Number of persons		
	Total	Men	Women
Total population aged 65 and over ¹	11.6	5.5	6.1
Employment.....	3.7	2.3	1.4
Earnings.....	2.9	2.3	.5
Wives of earners.....	.9		.9
Social insurance and related programs:			
Old-age and survivors insurance.....	2.1	1.2	.9
Railroad retirement.....	.3	.2	.1
Federal civil-service retirement.....	.1	.1	(²)
Veterans' program.....	.3	.1	.1
Other ³4	.1	.3
Old-age assistance.....	2.8	1.3	1.5

¹ Includes some persons with no income or with income from sources other than those specified. Some persons received income from more than one of the sources listed.

² Less than 50,000.

³ Beneficiaries of Federal retirement programs other than civil service and of State and local government retirement programs, and the wives of male beneficiaries of programs other than old-age and survivors insurance.

Sources: Total population and earners from Bureau of the Census. Number of persons in receipt of payments under social insurance and related programs and from old-age assistance, reported by administrative agencies, partly estimated. Number of wives of earners and number of wives of male beneficiaries of programs other than old-age and survivors insurance estimated from Census data on marital status.

Table 2.—Estimated number of children under age 18 with father dead, and of widows under age 65, receiving income from specified source, June 1950

[In millions]

Source of income	Survivor children under age 18 ¹	Widows under age 65 ²	
		Total	With 1 or more children under age 18
Total in population ³	2.0	3.4	0.6
Employment.....	.1	1.8	.3
Social insurance and related programs:			
Old-age and survivors insurance.....	.6	.2	.2
Veterans' program.....	.3	.4	.1
Other ⁴	(⁵)	(⁵)	(⁵)
Aid to dependent children.....	.4	.1	.1

¹ Includes children not living with widowed mother.

² Excludes widows who have remarried.

³ Includes some persons with no income or with income from sources other than those specified. Some persons received income from more than one of the sources listed.

⁴ Railroad and Federal civil-service retirement.

⁵ Less than 50,000.

Sources: Number of widows in population and employed persons among widows and survivor children under age 18, estimated from Census Bureau data. Number of survivor children under age 18 based on October 1949 estimate prepared by Division of the Actuary, Social Security Administration. Number of persons in receipt of payments under social insurance and related programs and from aid to dependent children, reported by administrative agencies, partly estimated.