

each age under 20, was the largest for this age group in any January-June period since 1946, when—with the entry or reentry of demobilized military personnel into the labor market—there was a sharp reduction in the number of youths getting jobs. Although there was a decrease in the absolute number of these younger applicants in 1954, the proportion they formed of the total rose slightly

(1 percentage point) during the year to 65 percent (table 5).

There is a downward trend in the number of persons aged 20 and over who do not have account numbers. Mainly as a result of this trend, the number of accounts established for members of this age group decreased for the third consecutive year. The 956,000 account numbers issued to persons aged 20 and over in 1954

were 23 percent fewer than in 1953; they were less than the number in 1950 for the first time since coverage extension under the 1950 amendments first became effective.

A decrease from the number issued in 1953 was registered at each age over 20, but the decline for persons aged 60 and over was considerably smaller than for the entire group aged 20 and over. The relatively small decrease (13 percent) shown for this older age group is attributable to an increase in the fourth quarter in the number of these elderly applicants—many of them farm operators and professional self-employed persons to whom coverage was extended under the 1954 amendments. In October-December 1954 the number of accounts established for persons aged 60 and over was 54 percent higher than the number in the fourth quarter a year earlier—91 percent for the men and 18 percent for the women.

During 1954, accounts were issued to 321,000 Negroes—144,000 men and 177,000 women. This total represented a decrease of 21 percent from that in 1953, compared with a drop of 4.2 percent in 1953. Negroes formed 12 percent of all applicants—the same as in the preceding year.

Employers, Workers, and Wages Under OASI, April-September 1954

Employees with taxable wages in employment covered by old-age and survivors insurance numbered an estimated 46 million in the second quarter of 1954 and 45 million in the third quarter. These totals were 4.8 percent and 5.9 percent lower than those in the corresponding quarter of the preceding year. The declines continued the pattern that has prevailed beginning with the fourth quarter of 1953, when the contraction in business activity was reflected in these data. The number of employees in covered employment in April-June 1954 (46.5 million) and July-September 1954 (47.0 million) was less by 4.1 percent and 5.1 percent, respectively, than in the corresponding quarters of 1953.

Table 3.—Applicants for account numbers, by sex, race, and age group, 1954

Age group	Total			Male			Female		
	Total	White ¹	Negro	Total	White ¹	Negro	Total	White ¹	Negro
Total.....	2,743,072	2,422,023	321,049	1,298,877	1,154,426	144,451	1,444,195	1,267,597	176,598
Under 15.....	181,970	163,208	18,762	122,301	108,015	14,286	59,669	55,193	4,476
15-19.....	1,605,430	1,432,427	173,003	794,831	704,751	90,080	810,599	727,676	82,923
20-29.....	474,555	384,936	89,619	200,884	172,959	27,925	273,671	211,977	61,694
30-39.....	324,057	293,330	30,727	98,209	90,304	7,905	225,848	203,026	22,822
40-49.....	61,859	58,341	3,518	27,076	25,729	1,347	34,783	32,612	2,171
50-59.....	47,777	44,765	3,012	25,736	24,316	1,420	22,041	20,449	1,592
60 and over.....	46,778	44,487	2,291	29,473	28,035	1,438	17,305	16,452	853
Unknown.....	646	529	117	367	317	50	279	212	67

¹ Represents all races other than Negro.

Table 4.—Applicants for account numbers, by sex and age, 1954 and 1953

Age group	Total			Male			Female		
	1954	1953	Per-centage change	1954	1953	Per-centage change	1954	1953	Per-centage change
Total ¹	2,742,426	3,463,497	-20.8	1,298,510	1,663,702	-22.0	1,443,916	1,799,795	-19.8
Under 20.....	1,787,400	2,223,602	-19.6	917,132	1,165,490	-21.3	870,268	1,058,112	-17.8
20-24.....	214,375	270,252	-20.7	100,291	122,423	-18.1	114,084	147,829	-22.8
25-29.....	96,980	125,074	-22.5	45,717	58,328	-21.6	51,263	66,746	-23.2
30-34.....	79,889	106,490	-25.0	30,606	39,575	-22.7	49,283	66,915	-26.3
35-39.....	83,311	117,889	-29.3	24,270	34,180	-29.0	59,041	83,709	-29.5
40-44.....	96,011	129,477	-25.8	26,665	37,322	-28.6	69,346	92,155	-24.8
45-49.....	89,081	120,537	-26.1	24,995	37,408	-33.2	64,086	83,129	-22.9
50-54.....	74,745	101,619	-26.4	23,341	35,932	-35.0	51,404	65,687	-21.7
55-59.....	64,220	89,579	-28.3	23,208	36,660	-36.7	41,012	52,919	-22.5
60 and over.....	156,414	178,978	-12.6	82,285	96,384	-14.6	74,129	82,594	-10.2
60-64.....	61,859	75,863	-18.5	27,076	35,830	-24.4	34,783	40,033	-13.1
65-69.....	47,777	53,225	-10.2	25,736	29,091	-11.5	22,041	24,134	-8.7
70 and over.....	46,778	49,890	-6.2	29,473	31,463	-6.3	17,305	18,427	-6.1

¹ Excludes 646 applicants in 1954 (367 men and 279 women) and 732 applicants in 1953 (451 men and 281 women), whose ages were not reported.

Table 5.—Percentage distribution of applicants for account numbers, by age, 1951-54

Age group	Total				Male				Female			
	1954	1953	1952	1951	1954	1953	1952	1951	1954	1953	1952	1951
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 20.....	65.2	64.2	52.7	51.5	70.6	70.1	52.8	56.8	60.3	58.8	52.6	46.4
20-29.....	29.1	30.6	37.1	40.6	23.0	24.2	34.0	35.0	34.6	36.6	40.6	46.1
30-39.....	11.4	11.4	10.4	12.5	11.2	10.9	9.2	12.2	11.5	11.9	11.7	12.8
40-49.....	6.0	6.5	7.0	9.2	4.2	4.4	5.1	7.5	7.5	8.4	9.0	10.9
50-59.....	6.7	7.2	9.7	10.2	4.0	4.5	8.2	7.8	9.2	9.7	11.3	12.6
60 and over.....	5.1	5.5	10.1	8.6	3.6	4.4	11.4	7.5	6.4	6.6	8.6	9.8
60-64.....	5.7	5.2	10.2	7.8	6.3	5.8	13.3	8.2	5.1	4.6	6.8	7.5
65-69.....	2.3	2.2	4.4	3.6	2.1	2.2	5.5	3.5	2.4	2.2	3.2	3.6
70 and over.....	1.7	1.5	3.0	2.5	2.0	1.7	3.9	2.6	1.5	1.3	2.0	2.3
75 and over.....	1.7	1.4	2.8	1.8	2.3	1.9	3.9	2.1	1.2	1.0	1.6	1.5

Estimated number of employers¹ and workers and amount of earnings in employment covered under old-age and survivors insurance, for specified periods, 1940-54²

[Corrected to March 29, 1955]

Year and quarter ³	Employers reporting wages ⁴ (in thousands)	Workers with taxable earnings during period ⁴ (in thousands)	Taxable earnings ⁴		All workers in covered employment during period ⁵ (in thousands)	Total earnings in covered employment ⁵	
			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	49,018	84,122	1,716	49,018	102,255	2,086
1949	3,316	46,796	81,808	1,748	46,796	99,989	2,137
1950	3,345	48,283	87,498	1,812	48,283	109,804	2,274
1951 ⁶	4,440	58,000	120,700	2,080	58,000	149,000	2,570
1952 ⁶	4,450	60,000	128,800	2,150	60,000	161,000	2,680
1953 ⁶	4,350	61,000	136,000	2,230	61,000	175,000	2,870
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	2,699	40,585	21,150	521	41,675	25,700	617
October-December	2,661	36,790	17,184	467	41,540	27,964	673
1949							
January-March	2,639	38,162	23,376	613	38,162	24,254	636
April-June	2,693	38,591	22,571	585	38,864	24,570	632
July-September	2,697	38,333	20,160	526	39,601	24,971	631
October-December	2,692	34,529	15,701	455	39,477	26,194	664
1950							
January-March	2,671	37,393	23,490	628	37,393	24,316	650
April-June	2,766	39,264	24,052	613	39,557	26,210	663
July-September	2,768	40,486	22,382	553	41,923	28,165	672
October-December	2,741	36,609	17,574	494	41,792	31,113	744
1951							
January-March	3,552	43,800	30,336	693	43,800	31,000	710
April-June	3,658	45,300	30,693	678	45,500	33,000	730
July-September	3,635	45,700	27,815	609	46,800	33,000	710
October-December	3,638	42,000	22,702	541	46,200	36,000	780
1952 ⁶							
January-March	3,595	45,000	33,159	737	45,000	34,000	760
April-June	3,670	46,800	32,627	697	47,000	35,000	740
July-September	3,645	46,700	29,166	625	48,000	36,000	750
October-December	3,640	42,600	24,067	565	48,000	40,000	830
1953 ⁶							
January-March	3,590	47,000	36,382	774	47,000	37,000	790
April-June	3,660	48,300	36,000	745	48,500	39,000	800
July-September	3,650	47,800	31,000	649	49,500	39,000	790
October-December	3,650	41,400	22,800	551	48,500	42,000	870
1954 ⁶							
January-March	3,600	46,000	35,900	780	46,000	37,000	800
April-June	3,680	46,000	35,300	770	46,500	38,000	820
July-September	3,660	45,000	30,000	670	47,000	39,000	830

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 Excludes joint coverage under the railroad retirement and old-age and survivors insurance programs.

³ Annual totals for 1951-53 include the self-employed and their earnings (covered beginning 1951); quarterly totals exclude the self-employed and their earnings.

⁴ For quarterly and annual data for 1937-39 see the *Bulletin*, February 1947, p. 31. Quarterly data for other years were in the August 1947, February 1948, and January 1953 issues.

⁵ For a description of the series and quarterly data for 1940 see the *Bulletin*, August 1947, p. 30. Quarterly data for other years were in the February 1948 and January 1953 issues.

⁶ Preliminary.
⁷ Rounded to nearest \$10.

Taxable wages declined from an estimated \$35.3 billion in the second quarter of 1954 to \$30.0 billion in the third quarter, following the usual seasonal pattern resulting from the operation of the limitation on taxable wages (\$3,600 in 1954). The increase in total wages from an estimated \$38.0 billion to \$39.0 billion reflects the slight improvement in business activity that was taking place toward the end of the third quarter of 1954.

Average wages in covered employment, estimated at \$820 and \$830 for the second and third quarters of 1954, went up 2.5 percent and 5.1 percent, respectively, from those in the corresponding quarters of 1953. These increases were probably the result of slight increases in wage rates and average weekly earnings in covered industries. The rise in average wages from the second to the third quarter of 1954 reflects not only those influences but also the drop in the number of job opportunities for young, lower-paid workers during school vacation or when they entered the labor market upon completion of their schooling.

An estimated 3.7 million employers paid taxable wages in the second and third quarters of 1954, a number slightly higher than in the corresponding quarters of 1953.

Civil Service Retirement Act Amendments, 1954

Three laws amending the Civil Service Retirement Act were passed in 1954 by the Eighty-third Congress in its second session. A fourth law, although not an amendment to the act, affects its operation.

Public Law No. 303.—On March 6, 1954, the President signed Public Law No. 303, which liberalized the retirement system for Members of Congress and for employees of the legislative branch.

Annuities for Members of Congress were formerly equal to 2½ percent of the average salary multiplied by years of service. The new law provides that in certain cases years of active service in the Armed Forces

before separation from service as a Member of Congress shall also be included in computing the benefit and that the average salary shall be computed over the period since August 1946. The maximum annuity is three-fourths of the basic salary at the time of retirement.

The eligibility requirements were also liberalized. Before the passage of Public Law No. 303, a Member of Congress could retire at age 62 after 6 years of service, or for disability after 5 years of service. Under the amended law, retirement is also possible at age 60 after 10 years of service, but the annuity is reduced by ¼ of 1 percent for every full month he is under age 62. If the Member withdraws with less than 6 years of service, his contributions are refunded with interest—4 percent on contributions made before the end of 1947 and 3 percent thereafter. If he has had 6–20 years of service, he may have his contributions refunded, with interest, or receive a deferred annuity when he reaches age 62. If he has had more than 20 years of service, his contributions cannot be refunded, and he receives a deferred annuity beginning at age 62.

By electing to receive a reduced annuity on his retirement, a Member of Congress can now, like other persons under the Civil Service Retirement Act, ensure that his widow shall receive an annuity equal to half the amount of his own annuity before reduction. Her annuity under the new law is now more than an actuarial equivalent; previously it was approximately actuarially equivalent.

When the Member of Congress dies before retirement, payment of benefits to his survivors is governed by provisions similar to those governing the payment of benefits to survivors of other persons covered by the Civil Service Retirement Act. The formula described above is used, of course, to compute the basic annuity on which the survivor benefits are based.

For employees of the legislative branch the retirement provisions have been the same as for employees in the executive department, with one exception—their coverage is voluntary. Adjustment of the benefit formula, provided in Public Law No.

303, makes another point of difference; it gives them higher annuities than those for executive department employees. The amended formula for computing their benefits is 2½ percent (instead of the 1½ percent for employees of the executive departments) of the highest 5 consecutive years' average salary, multiplied by years of service in the legislative branch and in allowable military service up to 15, plus 1½ percent of that average multiplied by years of service in excess of 15. The annuity cannot exceed 80 percent of the highest average annual wage during any 5 consecutive years of allowable service. Employees who had failed to elect coverage in the time allowed were given an additional 6 months in which they could elect coverage.

Public Law No. 730.—This law, approved August 31, 1954, was designed to stop a legal loophole in the Civil Service Retirement Act. Previously an employee, after 5 or more years of Federal service not covered by the act, could be appointed to a covered position for a brief period and then retire with an annuity toward which he had made no material contribution. An individual could receive credit for noncovered service, either by paying with interest the contributions he would have paid if he had been covered or by accepting an annuity reduced by 10 percent of the accumulated unpaid contributions. The old law also permitted employees to greatly enhance by such means any annuity right acquired through the earlier employment. An employee with 30 years of service retired on a reduced annuity could, for example, by returning to work before age 60 and working until age 60, receive a full annuity, no matter how short the period of such employment was.

The law now provides that at least 12 months of creditable civilian service subject to the retirement act are required in the 2 years immediately preceding the date of the individual's separation from service in order to establish title to an annuity under the Civil Service Retirement Act. If an employee does not meet this service requirement during his last em-

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