

Early Retirement and Work-Life Experience

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According to an analysis of the employment history of workers entitled to retirement benefits in 1963, the majority of those claiming benefits at age 62 are prompted to do so by unemployment or by the need to supplement earnings that were characteristically low or that had dropped off substantially. Some of the men and women claiming reduced benefits, however, have had a favorable work history and have resources sufficient to make early retirement attractive.

MAJOR ISSUES of social policy are posed by the continuing trend toward early retirement. How many of the workers retiring before age 65—particularly the men—have private pensions or adequate savings, and, on the other hand, how many are victims of relatively long-term unemployment? Questions relating to the level of income that can be maintained for retirees are intertwined with questions concerning the age of retirement.

It is generally accepted that workers should be free at age 65 to choose between work and retirement with a benefit that is assured—and not too inadequate—for the remainder of their lives.¹ The economic difficulty faced by many older men who are displaced from their jobs before they reach age 65 led Congress in 1961 to reduce from 65 to 62 the age at which men could draw benefits under the old-age, survivors, disability, and health insurance (OASDHI) program. Women had been given this option 5 years earlier. The price workers must pay for a benefit before age 65 is a permanent reduction of 6 $\frac{2}{3}$ percent a year in the benefit amount.

During the past 4 years close to half the men and two-thirds of the women workers awarded retirement benefits under the social security program have been under the traditional age of

65. Of the 6.8 million men receiving retirement benefits at the end of 1965, nearly 1 out of 5 drew benefits that were smaller than those they could have obtained if they had waited until age 65 to retire. Reduced benefits were being paid to almost half the 4.0 million women whose work experience entitled them to benefits on their own work record and to more than half the women drawing benefits as wives of insured workers. (Widows have been eligible for full benefits at age 62 since November 1956, and under the 1965 amendments they may claim reduced benefits at age 60.)

In its report of January 1965, the Advisory Council on Social Security, after a careful review of the entire program, expressed serious concern about the low level of benefits. In particular they noted that “the reduced benefits which are now paid to men and their wives who start to get old-age benefits before age 65 are below what they can be expected to live on.”²

The Council recommended enactment of one measure that would improve somewhat the benefits payable to men³ and noted that provision for a smaller-than-actuarial reduction might also prove necessary. The members recommended, however, that the Social Security Administration first collect additional information about persons who come on the benefit rolls before age 65 because such a provision would be relatively

² *The Status of the Social Security Program and Recommendations for Its Improvement: Report of the Advisory Council on Social Security, 1965, page 57.*

³ The reduction rates (6 $\frac{2}{3}$ percent for each year they are under age 65) are the same for men and women. For men, however, average monthly earnings are computed over a period equal to the number of years (less 5 years of lowest earnings) up to attainment of age 65, and for women they are computed for a period equal to the number of years up to age 62. In other words, a man claiming benefits at age 62 must count the 3 years that he is aged 62–64 among the 5 years of lowest earnings, but a woman need not. Consequently a failure to work beyond age 62 has, in general, a relatively more adverse effect on a man's benefits than on a woman's. The Council recommended that the period for computing benefits for retired men be shortened by 3 years, making it the same as for women.

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¹ Wilbur J. Cohen, *Retirement Policies Under Social Security*, University of California Press, Berkeley, California, 1957.

expensive and also might influence retirement policies in general—private pension-plan development, specifically.

In accordance with this recommendation, the Social Security Administration has several studies under way or in the planning stage. Under consideration are various plans for regular collection of current information on reasons for retirement and on whether the individual is receiving or expects to receive a private pension. Such information might be obtained, perhaps by mail questionnaire, from a sample of new beneficiaries soon after award of benefits.

The Social Security Administration is now supporting by grant funds two related projects. One is intended to throw light on differences in retirement practices among four Western European countries. The other project, a study being conducted by the Survey Research Center of the University of Michigan, covers both a selected population—members of the United Automobile Workers (UAW) eligible for special early retirement benefits beginning September 1965 under a contract negotiated a year earlier—and a representative national sample. Its purpose is to determine what influences are of greatest importance in the decision to retire early when private pension rights are favorable. The timeliness of this study is apparent from the fact that the new UAW program resulted in 9,200 retirements before age 65 from September to November 1965, compared with 241 early retirements in the same period of 1964.⁴ It is hoped these two projects and the studies being developed within the Social Security Administration will shed new light upon factors related to early retirement.

According to the 1963 Survey of the Aged, the OASDHI beneficiaries aged 62–64 reported less voluntary retirement, and for 1962 lower employment rates, worse health, and lower incomes than older beneficiaries.⁵ Thus, the 1961 amendment permitting payment of reduced benefits before age 65 served the purpose of providing some

support for persons displaced from jobs before the normal retirement age, but it created a new problem—the problem of a group with permanently low benefits.

There has been some question whether 1962 data on early retirees represent a continuing situation. They undoubtedly include a backlog of men who had been laid off and were unable to find new jobs. Moreover, employment levels have been improving steadily since 1962. Benefit awards, however, show that, even without the reduction, workers retiring early would have received lower benefits, on the average, than those who waited until age 65. In 1964, for example, the primary insurance (basic benefit) amount awarded to men averaged \$87 a month for those who retired before age 65, compared with \$105 for men who waited until they reached age 65 or later for their benefits. Their actual monthly benefit (after reduction) was only \$75.⁶

In considering the need for special action to improve the benefits of early retirees, their lifetime work experience is of major importance. One factor is whether they were primary earners (a family's chief wage earner) or secondary earners. Another factor is work-life experience—the degree of attachment to the labor force, the level of earnings when employed, and the trend in earnings during later years—the primary focus of this article. A related factor, not covered here, is the extent of work after entitlement to benefits, resulting in what some describe as gradual retirement.⁷

EARNINGS RECORDS AS SOURCE DATA

The records of the Social Security Administration are the most extensive source of information on lifetime employment and earnings for workers in the United States, even though they exclude earnings above the taxable maximum and non-covered employment. Based on the 1-percent continuous work history sample (maintained by the Administration since 1937), the extent of

⁴ Figures from the UAW for 4 major automobile companies cited in *Business Week*, January 8, 1966, page 84.

⁵ For a description of the Survey and some of the findings, see the *Social Security Bulletin* for March, June, August, November, and December 1964. These and related data will be included in a forthcoming monograph.

⁶ "Old-Age Benefits for Workers Retiring Before Age 65," *Social Security Bulletin*, February 1966, pages 38–43.

⁷ See Lloyd Saville, "Flexible Retirement," in *Employment, Income and Retirement Problems of the Aged* (editor, Juanita M. Kreps), Duke University Press, 1963.

covered employment and earnings of men and women who became entitled to retirement benefits at different ages have been examined for 1962 and, on a preliminary basis, for 1963.⁸ Similar tabulations will probably be prepared annually, at least until there emerges a clear pattern of relationship between work experience and age at retirement.

Obviously, the more recent the data the more likely it is to represent the prospective situation. This article therefore presents the preliminary findings for workers entitled to benefits for the year 1963, but only for those then aged 62 and 65. For these two age groups, the preliminary data are believed to be reasonably representative of the final sample.⁹ Moreover, analysis of data for two single ages provides a sharper comparison than would data for broader age groups.¹⁰

When data on entitlements at age 62 for 1962 and 1963 are compared, there is a small decrease in the proportion without earnings during the year prior to entitlement and some improvement in the earnings level. The difference reflects both the improvement in economic conditions and the fact that the backlog of men under age 65 in need of benefits when early retirement first became possible had been reduced by 1963.

Except for an introductory summary the

⁸ The 1963 entitlement data are incomplete because not all workers entitled to old-age benefits for 1963 had been awarded benefits by the April 1964 cutoff date in effect for the sample when the tabulation was prepared. Persons awarded benefits after April 1964 who were entitled to retroactive benefits for 1963 are not included.

⁹ Data for 1962 entitlements were first tabulated on the basis of benefits awards through April 1963. Similar tabulations (and others) were prepared again in 1965, based on awards through April 1964, for 1962 and 1963 entitlements. The preliminary data for 1962 were found to include only 70 percent of all 1962 entitlements. They seriously underrepresented persons aged 63-64 and 66 and over, and the findings differed significantly from final data for these age groups. The net effect of the discrepancies is to minimize the differences between the group aged 62-64 and that aged 65 and over. Data for persons aged 62 and aged 65, respectively, differ much less between the preliminary and the final samples. The preliminary sample tabulations of 1963 entitlements are estimated to represent 75 percent of the full sample, but 90 percent of those aged 62 and 80 percent of those aged 65 at entitlement.

¹⁰ Some workers who were classified as aged 65 in the year of entitlement draw reduced benefits because their 65th birthday was after the date of entitlement. Differences between those waiting for full benefits and those taking benefits at age 62 are thus understated to some extent.

discussion treats separately the data for men, who can be assumed to be primary earners, and for women, who are more often secondary workers.

Women represented 54 percent of the workers entitled at age 62, compared with 25 percent of those entitled at age 65. This difference reflects the fact that a large number of women do not work after age 55 or 60 and claim retirement benefits at the earliest possible date. Thus, the lower earnings and less regular employment that typify women in comparison with men account for a considerable portion of the overall difference between the two age groups in work experience.

WORK EXPERIENCE IN SUMMARY

Covered earnings in the year with highest earnings (during the period 1951-62) were at the \$4,800 maximum¹¹ for 14 percent of the 62-year-old group, compared with 43 percent of those entitled at age 65 (table 1). At the other extreme, peak annual earnings were less than \$2,400 for 45 percent of the early retirees and for 14 percent of those retiring at age 65; another 6 percent and 2 percent, respectively, had no earnings in covered employment after 1950.

The extent of employment varied in similar fashion, with 30 percent and 57 percent, respectively, reporting some covered earnings in each of the 12 years. Because self-employed farmers and professionals and certain farm and domestic workers were not covered under the Act until 1955, they could not have had covered earnings (from their regular occupation) for more than 8 years.¹² It is therefore useful to compare the proportions with covered earnings in at least 8 of 12 years: 60 percent of workers entitled at age 62 and 80 percent of those entitled at age 65.

Workers taking benefits at age 62 can thus be described as having had considerable employment during the 12 years. But they were about twice as likely to have been out of covered em-

¹¹ The maximum amount of earnings considered for tax and benefit computation purposes was \$4,800 from 1959 through 1965. From 1955 through 1958 it was \$4,200, and from 1951 through 1954 it was \$3,600. (Beginning 1966, the maximum is \$6,600.)

¹² Coverage extensions since 1955 have been relatively minor.

ployment for some years before entitlement as persons who waited until age 65 for benefits, as shown by the following proportions:

Year	At age 62	At age 65
No covered earnings in:		
1962.....	40	21
1960-62.....	28	15

This difference results to a considerable extent, of course, from the large number of women who leave the labor force long before retirement age. Indeed, 1 in 10 of the women entitled at age 62 in 1963 had no covered employment after 1951 (table 2).

EXTENT OF EMPLOYMENT

Almost as large a proportion of the men entitled at age 62 as at age 65 had some covered employment within the 3 years preceding entitle-

TABLE 1.—Earnings in year with largest earnings and number of years with covered earnings, 1951-62, for workers entitled to retirement benefits in 1963 at ages 62 and 65, by sex

Covered earnings (largest) and years with covered earnings	Total		Men		Women	
	At age 62	At age 65	At age 62	At age 65	At age 62	At age 65
Covered earnings in year of largest earnings						
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
\$4,800.....	13.7	43.3	24.9	52.4	4.0	16.4
12 years.....	9.3	36.0	18.1	43.9	1.8	12.8
8-11.....	3.4	5.4	5.8	6.6	1.3	1.9
Fewer than 8.....	.9	1.8	1.0	1.9	.9	1.6
\$4,200-\$4,799.....	8.6	13.1	12.2	14.6	5.5	8.8
12 years.....	3.0	6.7	4.7	6.9	1.6	6.0
8-11.....	3.7	4.9	5.4	5.8	2.2	2.3
Fewer than 8.....	1.8	1.6	2.0	1.9	1.6	.4
\$2,400-\$4,199.....	26.6	27.2	29.0	22.6	24.6	40.9
12 years.....	10.2	12.3	10.9	8.8	9.6	22.3
8-11.....	9.4	9.1	10.6	8.4	8.4	11.1
Fewer than 8.....	7.0	5.5	7.5	5.3	6.6	7.4
\$1-\$2,399.....	44.6	14.1	31.5	8.4	55.9	30.9
12 years.....	7.4	2.1	4.9	1.2	9.5	4.7
8-11.....	13.5	4.1	12.3	2.3	14.5	9.2
Fewer than 8.....	23.8	8.0	14.4	4.9	31.9	17.1
No earnings 1951-62.....	6.5	2.3	2.4	2.0	10.0	3.1
Years with covered earnings						
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
8 years or more.....	59.9	80.5	72.7	84.0	49.0	70.4
12 years.....	29.9	57.0	38.6	60.8	22.5	45.8
10-11.....	15.1	11.0	18.6	11.4	12.1	10.1
8-9.....	14.9	12.4	15.5	11.8	14.4	14.5
Fewer than 8 years.....	40.1	19.5	27.3	16.0	51.0	29.6
4-7.....	24.9	13.5	20.1	11.8	28.9	18.7
Fewer than 4 ¹ years.....	15.2	6.0	7.2	4.2	22.1	10.9
Number in sample.....	2,755	2,700	1,271	2,015	1,484	685

¹ Includes those with no earnings in 1951-62.

ment (table 2). The men who retired early, however, were much more likely to have been out of work the year immediately before entitlement (31 percent compared with 20 percent).

Illness, lay-offs, strikes, and the like, as well as employment in noncovered work, would be expected to result in some periods without a record of employment during any 12 years. It is significant, therefore, that 57 percent of the men who claimed benefits at age 62 had some covered earnings in at least 10 of the 12 years 1951-62. A larger proportion (72 percent) of the men claiming benefits at age 65 worked in 10 or more of those years (table 1).

The findings for women followed the same general pattern as those for men. Women who waited until age 65 to retire had a much stronger attachment to the labor force than those retiring early; 56 percent had some covered work in 10 of the 12 years before 1963, compared with 35 percent of those entitled at age 62. Among those claiming benefits at age 65 the percentage employed in the year immediately before retirement was almost as large for women as for men. At age 62, however, the proportion was only three-fourths as large for women as for men (table 2).

Data on quarters of coverage reflect more closely than years with covered earnings a worker's short-term unemployment and the seasonality of his work. They therefore show, as would be expected, a relatively more unfavorable work history for early retirees than for those waiting until they could draw full benefits. This was the situation for both men and women, as indicated by comparing the following figures with those in table 1.

Quarters of coverage	Men		Women	
	At age 62	At age 65	At age 62	At age 65
Percent with 29 or more.....	62.2	81.9	39.1	65.2
45-48.....	28.2	57.0	14.4	40.3
29-44.....	34.0	24.9	24.7	24.9

EARNINGS LEVELS

Size of earnings appears to outweigh labor-force attachment as the factor that differentiates

TABLE 2.—Latest year with covered earnings for workers entitled to retirement benefits in 1963 at ages 62 and 65, by sex

Year	Total		Men		Women	
	At age 62	At age 65	At age 62	At age 65	At age 62	At age 65
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
1962.....	59.6	79.3	69.2	80.4	51.3	75.8
1961.....	7.4	2.4	9.0	2.5	6.0	2.3
1960.....	5.3	3.4	5.0	3.5	5.5	2.9
1958-59.....	7.7	5.5	6.0	5.2	9.1	6.6
1955-57.....	8.0	4.5	5.6	4.2	10.2	4.9
1951-54.....	5.5	2.6	2.9	2.0	7.9	4.3
Before 1951.....	6.5	2.3	2.4	2.0	10.0	3.1
Number in sample.....	2,755	2,700	1,271	2,015	1,484	685

men who retire at age 62 from men who wait until age 65. The former were only half as likely as the latter to have had covered earnings of \$4,800 in the year with largest earnings, and they were almost four times as likely to have earned less than \$2,400 in their best year since 1950 (table 3).

Among women, those retiring at age 65 were four times as likely as the early retirement group to have had maximum covered earnings in their best year. They were only half as likely never to have achieved annual earnings of even \$2,400.

In the latest year with earnings, the divergence was even greater in the proportion with earnings at or near the taxable maximum (table 3). Less than one-third as large a proportion of the men entitled at age 62 as of those entitled at age 65 had \$4,800—or even \$3,600 or more. About two-thirds of the younger group earned less than \$2,400—roughly the Federal minimum wage for full-time work—compared with about one-fourth of the men aged 65 at entitlement.

For women also there was a great divergence between age groups in their final earnings. Those aged 65 were five times as likely to have had maximum earnings and almost four times as likely to have earned \$3,600 or more. More than four-fifths of the group aged 62 earned less than \$2,400, compared with less than half the older women.

The Employed and the Unemployed

The general level of earnings in the latest year in which the beneficiary had any covered earnings was substantially higher for those with covered employment in 1962—the year before

entitlement—than for those whose covered employment stopped earlier. This difference is illustrated by the following percentages of men with very low earnings and with maximum covered earnings in their latest year with earnings.

Age and latest annual earnings	Latest year with earnings	
	1962	Before 1962
Men entitled at age 62:		
Less than \$1,200.....	32.5	65.5
\$4,800.....	18.5	4.6
Men entitled at age 65:		
Less than \$1,200.....	4.0	55.7
\$4,800.....	56.8	2.3

Thus, for men entitled at age 62 the proportion with less than \$1,200 in final earnings was twice as large for those who did not work

TABLE 3.—Earnings in latest year and in year with largest earnings, 1951-62, for workers entitled to retirement benefits in 1963 at ages 62 and 65, by sex

Annual covered earnings	At age 62		At age 65	
	Latest year with earnings	Year with largest earnings	Latest year with earnings	Year with largest earnings
	Total			
Total percent.....	100.0	100.0	100.0	100.0
Less than \$1,200.....	51.1	19.2	16.0	4.1
\$1,200-2,399.....	23.7	28.6	13.6	10.4
\$2,400-3,599.....	10.0	19.3	15.2	18.6
\$3,600-4,199.....	3.6	9.1	8.0	11.3
\$4,200-4,799.....	3.1	9.2	8.2	13.5
\$4,800.....	8.4	14.6	39.1	44.3
Number in sample with earnings, 1951-62.....	2,576	2,576	2,638	2,638
	Men			
Total percent.....	100.0	100.0	100.0	100.0
Less than \$1,200.....	42.1	11.0	13.2	2.0
\$1,200-2,399.....	23.5	21.3	10.9	6.6
\$2,400-3,599.....	11.7	17.5	12.5	12.3
\$3,600-4,199.....	4.4	12.2	7.4	10.7
\$4,200-4,799.....	3.9	12.5	8.9	14.9
\$4,800.....	14.4	25.5	47.1	53.5
Number in sample with earnings, 1951-62.....	1,241	1,241	1,974	1,974
	Women			
Total percent.....	100.0	100.0	100.0	100.0
Less than \$1,200.....	59.5	26.7	24.1	10.2
\$1,200-2,399.....	23.9	35.4	21.5	21.7
\$2,400-3,599.....	8.4	21.0	23.2	29.2
\$3,600-4,199.....	3.0	6.3	9.4	13.0
\$4,200-4,799.....	2.4	6.1	6.3	9.0
\$4,800.....	2.8	4.5	15.4	16.9
Number in sample with earnings, 1951-62.....	1,335	1,335	664	664

in 1962 as for those who did, and the proportion that reached the maximum was only one-fourth as large. Differences were even larger for men entitled at age 65. In consequence, the difference in earnings level in the latest year of employment between the 62-year-old group and the group aged 65 was substantial for those with earnings in 1962. The proportion earning less than \$1,200 was eight times as large for early retirees as for men claiming benefits at age 65, and the proportion with the maximum only one-third as large.

Not only did those without work in 1962 have a much lower level of earnings when last employed, but differences were relatively smaller between the age groups. Eighty percent of all those with no work in 1962 reported final earnings of less than \$2,400 (66 percent of the early retirees reported less than \$1,200 and 56 percent of those entitled at age 65).

The question arises as to why men who were not employed for at least a full year before age 65 and with low past earnings did not apply for reduced benefits. Lack of knowledge of early-retirement provisions could be partly responsible. In some cases the latest year's earnings could be deceptively low because of midyear retirements from well-paying jobs, and the retirees might have been relying upon savings or private pensions until full OASDHI benefits were payable. Some may have been engaged in noncovered employment.

In a few cases the unemployed worker may have been drawing State unemployment insurance benefits that would have been reduced had he become entitled to his OASDHI benefit. In 18 States, unemployment insurance payments are reduced by the amount of the OASDHI benefit received, and one State disqualifies all of the OASDHI beneficiaries. In the majority of the States, including most of the large States, however, payment of unemployment insurance is not affected by receipt of old-age retirement benefits.

Peak and Final Earnings

Comparison of the earnings distributions in the year of highest earnings and in the latest year shows that men claiming benefits at age 62 were more likely than those who waited until age

65 to have reached a peak in earnings before their last year of work preceding entitlement (table 3). The proportion of early retirees among men with covered earnings at the maximum showed a particularly sharp decline (from 26 percent in the best year to 14 percent in the latest year), and the proportion with less than \$1,200 in the latest year with earnings shot up from 11 percent to more than 40 percent.

Not only did the men aged 62 at entitlement more often show a decrease between the peak and the final earnings, but the amount of the decrease for this age group was greater. Their median earnings declined more than half (from about \$3,600 to \$1,600) from highest to final earnings. Median earnings for the group aged 65, on the other hand, were above the \$4,800 maximum in the highest year and only slightly below that amount (about \$4,600) in the latest year.

For women, also, a drop in earnings was more common among those aged 62. Of those earning \$3,600 or more in their best year (17 percent), less than half maintained that level in their latest year. Women entitled at age 65 showed practically no drop in earnings from peak to latest year at the maximum earnings level and only a small drop when earnings were between \$3,600 and \$4,800.

Peak Earnings by Extent of Employment

Nearly one-third of the men claiming benefits at age 62 never earned as much as \$2,400 a year in covered employment during the 12 years 1951-62. More than half of this group—1 in 6 of the men who retired at age 62—had such low wages (never reaching \$2,400) for 8 of the 12 years. This was nearly five times as large a proportion with extended employment at very low wages as among men who waited until age 65 for their benefits (table 1).

Another 1 in 6 of the early retirees among the men had covered earnings in every one of the 12 years and maximum earnings in at least 1 year, compared with 44 percent of the men retiring at age 65.¹³ Probably most of these early retirees had private pension rights.

¹³ Information on earnings in last year with earnings (or lowest year) has not been cross-tabulated by number of years with earnings.

TYPE OF WORK

Differences in both the regularity of employment and the level of earnings are, of course, associated with the type of employment. Among men with covered earnings in 1955-62 the early retirees were almost twice as likely as the older group to have had some farm employment (22 percent compared with 12 percent). They included a relatively large number with some farm wage work. Men with a mixture of wages and self-employment earnings and farm and nonfarm employment were most prone to retire early (table 4).

Data on the type of work during the full 12-year period (which are not classified by farm-nonfarm attachment) bear out the fact that men who shift between wage work and self-employment, or engage in both simultaneously, are more likely to take reduced benefits. Twenty-three percent of the men entitled at age 62 had mixed work experience, compared with 14 percent of those entitled at age 65. The proportion with self-employment only was the same for each age group. The relative number with no self-employment was therefore larger for those waiting until age 65 to retire.

Women are less likely than men to have been

TABLE 4.—Type of employment of workers entitled to retirement benefits in 1963 at ages 62 and 65, by sex

Type of employment	Total		Men		Women	
	At age 62	At age 65	At age 62	At age 65	At age 62	At age 65
Covered earnings, 1955-62						
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Wage work only, total.....	78.8	81.2	70.2	78.4	87.2	89.4
Nonfarm.....	73.6	79.0	61.7	75.9	85.4	88.2
Farm.....	1.2	.7	1.8	.8	.6	.3
Both.....	4.0	1.5	6.7	1.7	1.2	.9
Self-employment, total.....	9.3	10.0	12.0	11.0	6.6	6.8
Nonfarm.....	5.6	6.2	6.5	6.3	4.8	5.8
Farm.....	2.9	2.8	4.3	3.4	1.5	.8
Both.....	.8	1.0	1.2	1.3	.3	.2
Wage work and self-employment, total.....	11.9	8.8	17.7	10.6	6.2	3.8
Nonfarm.....	6.9	5.0	9.3	5.7	4.6	3.0
Farm.....	.4	.2	.7	.3	.1	.1
Both.....	4.6	3.6	7.7	4.6	1.5	.8
Number in sample.....	2,424	2,567	1,205	1,933	1,219	634
Covered earnings, 1951-62						
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Wage work only.....	77.4	79.5	67.5	76.4	86.5	88.7
Self-employment only.....	7.2	8.6	9.3	9.4	5.3	5.7
Wage, self-employment, and other.....	15.4	12.0	23.2	14.2	8.2	5.6
Number in sample.....	2,576	2,638	1,241	1,974	1,335	664

TABLE 5.—Number of years with covered earnings, 1951-62, for workers entitled to retirement benefits in 1963 at ages 62 and 65, by race

Years with earnings	Negro		Other than Negro	
	At age 62	At age 65	At age 62	At age 65
Total percent.....	100.0	100.0	100.0	100.0
8-12.....	61.6	70.4	59.7	81.1
12.....	32.8	42.1	29.6	57.9
10-11.....	14.7	15.9	15.1	10.8
8-9.....	14.2	12.4	15.0	12.4
Fewer than 8.....	38.4	29.6	40.3	18.9
4-7.....	26.8	19.3	24.7	13.2
1-3.....	9.5	7.6	8.7	3.4
No earnings, 1951-62.....	2.1	2.7	6.9	2.3
Number in sample.....	232	145	2,323	2,555

self-employed or to have income from work on a farm. Nevertheless, the age differentials for women are generally similar to those for men, with relatively more early retirements among workers with farm earnings and among those combining wage work with self-employment.

WORK EXPERIENCE OF NEGROES

Negroes are more heavily concentrated among the retirees aged 62 than among the older retirees, representing 8 percent and 5 percent, respectively, of the totals. Negroes, who characteristically have lower earnings than white men and women, accounted for one-fifth of the workers entitled at both age 62 and age 65 whose highest earnings were less than \$2,400 and for only 3 percent of those earning \$3,600 or more.

Among the early retirees, the extent of employment for Negroes was comparable with or was even somewhat higher than that of other workers (table 5). Sixty-two percent of the Negroes

TABLE 6.—Earnings in year with largest earnings, 1951-62, for workers entitled to retirement benefits in 1963 at ages 62 and 65, by race

Annual covered earnings	Negro		Other than Negro	
	At age 62	At age 65	At age 62	At age 65
Total percent.....	100.0	100.0	100.0	100.0
Under \$1,200.....	39.2	16.3	17.2	3.4
\$1,200-2,399.....	31.7	24.1	28.3	9.6
\$2,400-3,599.....	18.5	16.3	19.4	16.6
\$3,600-4,199.....	3.5	9.9	9.7	11.3
\$4,200-4,799.....	2.2	15.6	9.8	13.3
\$4,800 and over.....	4.8	17.7	15.6	45.8
Number in sample with earnings, 1951-62.....	227	141	2,349	2,497

retiring at age 62 reported work in at least 8 of the 12 years, with 33 percent having work in all 12 years. The corresponding figures for white workers¹⁴ retiring at age 62 are 60 percent and 30 percent. Among those entitled to benefits at age 65, on the other hand, Negroes had fewer years with covered earnings than did white workers. Thus, the difference in the extent of covered employment between those entitled at age 62 and those entitled at age 65 was smaller for Negroes than for other workers.

Although the sample of Negroes is too small to analyze their work experience by age cross-classified by sex, it is noteworthy that age differentials in earnings were similar to those already described. About 1 in 20 Negroes retiring at age 62 had maximum earnings, compared with 1 in 6 of the older Negroes. Two-fifths did not earn as much as \$1,200 in covered employment in a single year, from 1951 to 1962, compared with one-sixth of those aged 65 (table 6).

Age at retirement likewise differed by type of employment in the same manner for Negroes as for white retirees, with early retirement more common among those with mixed work for wages

¹⁴ The sample data were tabulated for Negroes and for all others combined. White workers represented 98.6 percent of those not reported as Negro, and other races 1.1 percent. Race was not reported for 0.3 percent.

TABLE 7.—Type of employment of workers entitled to retirement benefits in 1963 at ages 62 and 65, by race

Type of employment	Negro		Other than Negro	
	At age 62	At age 65	At age 62	At age 65
	Covered earnings, 1955-62			
Total percent.....	100.0	100.0	100.0	100.0
Wage work, total.....	92.6	97.0	77.4	80.3
Nonfarm.....	81.5	92.4	72.8	78.2
Farm.....	3.7	2.3	1.0	.6
Both.....	7.4	2.3	3.6	1.5
Self-employment, total.....	2.8	.7	10.0	10.5
Nonfarm.....	1.9	.....	6.0	6.5
Farm.....	.9	.7	3.1	2.9
Both.....	.....	.....	.9	1.1
Wage work and self-employment, total.....	4.6	2.3	12.6	9.2
Nonfarm.....	2.8	2.3	7.3	5.2
Farm.....	.4	.....	.4	.2
Both.....	1.4	.....	4.9	3.8
Number in sample.....	216	132	2,208	2,435
	Covered earnings, 1951-62			
Total percent.....	100.0	100.0	100.0	100.0
Wage work only.....	93.0	97.2	75.9	78.5
Self-employment only.....	2.2	.7	7.6	8.9
Wage work, self-employment, and other.....	4.8	2.1	16.5	12.6
Number in sample.....	227	141	2,349	2,497

and self-employment (table 7). Farm wage work was, of course, much more common among Negroes than among white workers for both age groups, and self-employment was much less common, but age differences were consistent with those described above.