

# Retirement Patterns Among Aged Men: Findings of the 1963 Survey of the Aged

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MEN WHO ARE in low-paid work are more likely to retire than those in well-paid occupations. Although most men retire involuntarily—because of poor health, for example, or because they have reached a compulsory retirement age—voluntary retirements are increasing. Becoming eligible for retirement benefits is the most common reason given by men who are not old-age, survivors, and disability insurance (OASDI) beneficiaries for planning to retire. Most of the OASDI beneficiaries who retired before they reached age 65 were in economically distressed circumstances.

These are some of the main findings on retirement that resulted from the 1963 Survey of the Aged made by the Social Security Administration.<sup>1</sup> In the Survey, for the first time, data were gathered on the retirement patterns of both OASDI beneficiaries<sup>2</sup> and nonbeneficiaries. These data, for men, are analyzed in the following pages in terms of occupation before retirement, reasons for retirement, plans for retirement, and retirement before age 65.

## MEASURES OF RETIREMENT

What is retirement? It has been pointed out that “although retirement has come to occupy a place of central concern in contemporary Western society and is the subject of recurring popular and scientific discussion, there has been a certain degree of vagueness and lack of clarity as to its meaning.”<sup>3</sup> Webster defines retirement simply as

“a withdrawing from office, active service, etc.” But this definition does not specify how much withdrawing is necessary before a person is retired. Is the person who withdraws only 3 months of the year retired? Is the person who works part time retired? And what of the person who “retires” from one job and receives a retirement pension but continues to work full time at another job?

Rather than attempting to specify one and only one measure of retirement, this article uses a series of different measures for different purposes. These measures result in the range of retirement rates shown in table 1.

The most inclusive measure of retirement applies to all aged men except those who worked full time the year around—that is, 35 or more hours a week and 50 or more weeks in the year. According to this measure, almost 9 out of every 10 men aged 65 and over were retired in 1963.

A rather different measure includes all persons receiving some type of retirement benefit, even though they may still be working. It excludes persons who do not qualify for a retirement benefit, even though they may have stopped working. Eight out of 10 men aged 65 and over have retired according to this measure. Another measure, which results in about the same rate, includes all men who were not at work during the Survey week, regardless of the reason.

TABLE 1.—MEASURES OF RETIREMENT FOR MEN AGED 65 AND OVER: Percent retired in 1962 or 1963, by specified measure of retirement

Measure of retirement	Percent retired
Less than year-round, full-time work <sup>1</sup> .....	87
Less than 6 months of full-time work <sup>1</sup> .....	83
Receiving retirement benefit <sup>2</sup> .....	80
Not at work during survey week <sup>3</sup> .....	79
Not usually at full-time job in preceding year <sup>1</sup> .....	78
Not in labor force during survey week <sup>3</sup> .....	71
No work experience in preceding year.....	64
Not usually at full-time job (among men who have worked at full-time jobs for 6 months or more within the preceding 5 years)....	54

<sup>1</sup> “Year-round” means 50 or more weeks of work in the year; “full-time” means 35 or more hours a week; year referred to is 1962.

<sup>2</sup> Includes OASDI benefits and other government or private pensions.

<sup>3</sup> In January-February 1963.

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<sup>1</sup> This is the fifth article in a series reporting the findings from the 1963 Survey of the Aged. See the March, June, and July 1964 issues of the *Bulletin* for the earlier articles. For a brief note on the source and reliability of the estimates see the *Bulletin*, July 1964, pages 26–28.

<sup>2</sup> The OASDI beneficiaries considered here are men who had received their first benefit before January 1963.

<sup>3</sup> Wilma Donahue, Harold L. Orbach, and Otto Pollak, “Retirement: The Emerging Social Pattern,” in Clark Tibbitts (editor), *Handbook of Social Gerontology*, University of Chicago Press, 1960, page 330.

A more restrictive measure includes only men who were not in the labor force during the Survey week—that is, men who did not have a job and were not looking for a job. Another restrictive measure includes only those who did not work at all in the preceding year—about two-thirds of all aged men in 1963.

The eighth measure applies only to those men who worked at regular, full-time jobs (for 6 months or more) within the past 5 years but who did not usually work at full-time jobs in the preceding year. Since such men tend to be younger, this measure shows only slightly more than half of them in retirement. It was limited to the recently employed group because certain questions—such as occupation before retirement and reasons for retirement—were asked only of persons who had worked within the past 5 years. This limitation was designed to reduce the recall error, which increases with the length of the period of recall.

All these measures are useful for different purposes. The reader should, however, bear in mind that the choice of one measure over the others for a given purpose must be somewhat arbitrary and that, if another measure had been used, the resulting retirement rates would be lower or higher.

## OCCUPATION AND RETIREMENT

### Higher-Paid Men Less Likely To Retire

Since men in the higher-paid occupations (professional and technical workers, managers, officials, and proprietors) generally have more savings and other resources for retirement income than do men in the low-paid jobs, one might expect that they would be more likely to retire. The evidence from this, and from other surveys as well, indicates that the reverse is true; men in the better-paid occupations have a lower retirement rate than other men.

Fewer than a third of the professional or technical workers, for example, who had worked at regular, full-time jobs within the preceding 5 years had stopped working full time in 1962 (table 2). In contrast, about two-thirds of the craftsmen and foremen had stopped working full

TABLE 2.—RETIREMENT <sup>1</sup> OF MEN AGED 65 AND OVER, BY OCCUPATION: Percent retired among men who worked full time within the preceding 5 years, by occupation and OASDI beneficiary status, 1962 <sup>2</sup>

Occupation <sup>3</sup>	Total	OASDI beneficiaries	Non-beneficiaries
Number of persons (in thousands).....	3,639	2,678	962
Percent retiring, total.....	54	64	24
Professional and technical workers.....	31	45	15
Farmers and farm managers.....	49	51	39
Managers, officials, and proprietors.....	43	58	13
Clerical workers.....	53	70	23
Sales workers.....	54	64	( <sup>4</sup> )
Craftsmen and foremen.....	65	77	30
Operatives.....	60	70	22
Private household workers.....	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Service workers.....	59	70	16
Farm laborers and foremen.....	55	51	( <sup>4</sup> )
Other laborers.....	61	64	52

<sup>1</sup> "Retirement" is defined here to mean no longer working at a regular full-time job.

<sup>2</sup> Based on number of men who worked at regular, full-time jobs (35 or more hours a week for 6 months or more) since 1957.

<sup>3</sup> Occupation in the present or last regular, full-time job.

<sup>4</sup> Percent not shown where base is less than 50,000.

time. Similar findings were made in a 1952 study of the aged.<sup>4</sup>

As expected, within each occupational group the OASDI beneficiaries retired at a much higher rate than the nonbeneficiaries. But among beneficiaries and nonbeneficiaries, the better-paid occupational groups had the lowest retirement rates. The 1957 survey made by the Social Security Administration showed a similar pattern among beneficiaries. The pattern probably results from a combination of several factors. The higher-paid men, in general, have less physically demanding work, their jobs are more interesting and more rewarding, they have better health, and their retirement is less likely to be compulsory.

### Occupation Before and After Partial Retirement

Among men aged 62 and over, a substantial majority of those who were partially retired (working less than 35 hours a week) continued in the same broad occupational group they were in when they worked at regular, full-time jobs (table 3). However, the amount of shifting into new occupations after partial retirement was considerable. A fourth of the clerical and sales workers, for example, and about an eighth of the craftsmen and operatives said they had become

<sup>4</sup> Peter O. Steiner and Robert Dorfman, *The Economic Status of the Aged*, University of California Press, 1957, page 50.

professionals, managers, or proprietors after partial retirement. Since professional and managerial jobs generally require extensive training and experience, most of the reported shifts from the lower occupational groups were probably into small farm or small business ownership. Altogether, more than a fourth of the part-time workers came from a different broad occupational group. The proportion would have been substantially greater if a finer occupational breakdown had been used.

TABLE 3.—CHANGE IN OCCUPATION OF MEN AGED 62 AND OVER AFTER PARTIAL RETIREMENT: Percentage distribution after partial retirement of men who usually worked part time in 1962, <sup>1</sup> by previous full-time occupation <sup>2</sup>

Part-time occupation, 1962	Previous full-time occupation			
	Professionals, managers, and proprietors	Clerical and sales workers	Craftsmen and operatives	Others
Number (in thousands).....	160	81	132	178
Total percent.....	100	100	100	100
Professionals, managers, and proprietors.....	82	26	12	8
Clerical and sales workers.....	3	52	( <sup>3</sup> )	1
Craftsmen and operatives.....	13	15	78	21
Others.....	2	7	10	69

<sup>1</sup> Includes all those who reported that in 1962 they usually worked less than 35 hours a week, regardless of the number of weeks worked in the year.

<sup>2</sup> Occupation in the last regular, full-time job (35 or more hours a week for 6 months or more).

<sup>3</sup> Less than 0.5 percent.

## REASONS FOR RETIREMENT

### Few Retire Voluntarily

Men who had stopped working at a regular full-time job within the past 5 years were asked whether they had retired by their own or their employer's decision. Almost two-thirds of the wage and salary workers said they had retired by their own decision (table 4). Most of them, however, made the decision to retire because of poor health, because they were needed at home, or because of some other compelling reason. Only 19 percent of the wage and salary workers retired voluntarily, because they preferred leisure.

It might be argued that the men who retired because they were laid off or reached the compulsory retirement age should be considered

TABLE 4.—REASONS FOR RETIREMENT <sup>1</sup> OF MEN AGED 65 AND OVER: Percentage distribution of men retired since 1957, by type of employment before retirement, reason for retirement, and OASDI beneficiary status, 1963

Reason for retirement	Total	OASDI beneficiaries	Non-beneficiaries
Number (in thousands):			
Not employed full time, 1962.....	6,009	4,707	1,303
Reporting on retirement.....	5,329	4,302	1,029
Retired in 1957 or earlier <sup>2</sup> .....	3,362	2,561	802
Retired since 1957.....	1,967	1,741	227
Wage and salary workers retired since 1957			
Number (in thousands).....	1,509	1,332	178
Total percent.....	100	100	100
Own decision.....	63	62	65
Poor health.....	35	35	36
Preferred leisure.....	19	19	22
Other reasons.....	9	9	7
Employer's decision.....	37	38	35
Compulsory retirement age.....	19	20	17
Poor health.....	6	5	6
Laid off or job discontinued.....	8	8	8
Other reasons.....	4	4	4
Self-employed retired since 1957			
Number (in thousands).....	441	394	47
Total percent.....	100	100	( <sup>3</sup> )
Poor health.....	53	53	( <sup>3</sup> )
Preferred leisure.....	29	31	( <sup>3</sup> )
Business went bad.....	5	4	( <sup>3</sup> )
Other reasons.....	13	12	( <sup>3</sup> )

<sup>1</sup> "Retirement" is defined here to mean not working at a regular, full-time job (35 hours or more a week for 6 months or more).

<sup>2</sup> Includes a few who never held regular, full-time jobs.

<sup>3</sup> Percentage not shown where base is less than 50,000.

voluntary retirees on the assumption that they could get another job if they wanted. The assumption is rather unrealistic for most of these men. Although there are no recent data, a 1952 study<sup>5</sup> found that only 12 percent of the men who had retired under compulsory retirement systems later returned to work. More than half the retirees were not well enough to get another job; 11 percent were well enough to work and interested in working but could not find suitable employment. Thus, it seems that only about a fourth of the recently retired men had retired for completely voluntary reasons.

The proportions retired for each of the reasons shown in table 4 are roughly the same for beneficiaries and nonbeneficiaries. Since most of the retired nonbeneficiaries probably were not covered by the OASDI program, the similarity in their reasons for retirement suggests that lack of coverage does not strongly influence the retirement de-

<sup>5</sup> Peter O. Steiner and Robert Dorfman, *ibid.*, page 49.

TABLE 5.—REASONS FOR RETIREMENT OF OASDI BENEFICIARY MEN AGED 65 AND OVER: Percentage distribution, by reason for retirement given in 1951 and 1963 surveys<sup>1</sup>

Reason for retirement	1951	1963
Total percent.....	100	100
Own decision.....	54	61
Poor health.....	41	35
Preferred leisure.....	3	17
Other reasons.....	<sup>2</sup> 10	9
Employer's decision.....	46	39
Compulsory retirement age.....	11	21
Poor health.....	7	6
Laid off or job discontinued.....	22	8
Other reasons.....	7	4

<sup>1</sup> For 1951 survey, includes only wage and salary workers who became beneficiaries within the preceding 5 years and were full-year beneficiaries; for 1963 Survey, includes only those who had stopped working at full-time jobs within the preceding 5 years and were full-year beneficiaries.

<sup>2</sup> Includes a few who quit job to find other work.

decisions of most men. The reason may be that about a third of these nonbeneficiaries were drawing retirement benefits from sources that played the same role in their retirement decision as OASDI benefits played for beneficiaries.<sup>6</sup> (The discussion of table 6, later in this article, shows that becoming eligible for some kind of retirement benefit is an important reason why nonbeneficiary workers plan to stop work or to work less.)

### Voluntary Retirements Have Increased

When the reasons for retirement given in the 1963 Survey are compared with those reported in earlier surveys, certain trends appear. Table 5 compares the reasons for retirement given by full-year OASDI beneficiaries in the 1951 beneficiary survey made by the Social Security Administration and in the 1963 Survey. The proportion retiring because of poor health was smaller in the 1963 Survey and the proportion retiring because they preferred leisure was larger. If the reasons given in the 1963 Survey by men who had retired within the past 5 years are compared with the reasons given by all retired men in the 1952 study referred to earlier,<sup>7</sup> the same

<sup>6</sup> Retirement is here defined as working less than 6 months in a year at a full-time job. The estimate of one-third is based on the assumption that most retirement benefits among nonbeneficiaries go to those who have retired.

<sup>7</sup> Peter O. Steiner and Robert Dorfman, *op. cit.*, page 48.

pattern results: decreasing proportions retiring because of poor health and increasing proportions retiring because they prefer leisure. Although the two samples are not strictly comparable because the 1963 data exclude men retired for more than 5 years, evidence from the 1957 survey of beneficiaries indicates that the inclusion in the 1963 Survey of all retired men would not change these figures by more than a percentage point or two.

These comparisons seem to indicate a trend toward better health and more voluntary retirement among recent retirees. If the health of retirees is improving, it may reflect a trend toward better health among the aged in general as a result of better medical care, improved nutrition, etc.<sup>8</sup>

TABLE 6.—REASONS FOR PLANS TO RETIRE<sup>1</sup> AMONG MEN AGED 65 AND OVER: Percentage distribution, by reason for plans to retire and OASDI beneficiary status, 1963

Reason for planned retirement	Total	OASDI beneficiaries	Non-beneficiaries
Number reporting on reasons for planned retirement (in thousands).....	501	313	187
Total percent.....	100	100	100
Poor health.....	34	44	18
Compulsory retirement age.....	11	7	18
Becoming eligible for retirement benefits.....	13	2	33
To enjoy leisure.....	5	4	7
Other reasons.....	36	44	24

<sup>1</sup> "Plans to retire" means plans to stop work or to work less. Includes only men with full-time jobs in 1962.

Further evidence that voluntary retirement is increasing is the marked growth since 1951 in the proportion of beneficiary men not employed but well enough to work who are not interested in going back to work. This proportion was less than a third in the 1951 survey of beneficiaries, but it had increased to 52 percent in 1957 and to 54 percent in 1963.<sup>9</sup>

The growth in voluntary retirements may

<sup>8</sup> There is some evidence that the health of the aged is improving. The number of restricted activity days per person per year for men aged 65 and over in 1957 was 44; in 1962 it had dropped to 33, according to the National Health Survey, conducted by the Public Health Service. The 1957 figure is from *Health Statistics*, Series B, No. 4, table 3. The 1962 figure is from *Vital and Health Statistics*, Series 10, No. 4, table 13.

<sup>9</sup> These figures are for full-year beneficiaries only—that is, those who had been beneficiaries for at least a full year before the Survey.

TABLE 7.—RETIREMENT PLANS OF MEN AGED 65 AND OVER EMPLOYED FULL TIME IN 1962: Percentage distribution, by plans for 1963 and OASDI beneficiary status

Plans for 1963	Total	OASDI beneficiaries	Non-beneficiaries
Number employed full time and reporting on plans (in thousands)	1,642	919	722
Total percent	100	100	100
Continuing work	58	53	65
Working less	13	14	11
Stopping work	18	20	15
Undecided	11	13	9

partly explain the trend toward more retirement in general among men.<sup>10</sup> There seem to be more and more aged men who are well enough to work and who might get some kind of job if they were interested, but they prefer the leisure of retirement.

Among the OASDI beneficiaries who had been wage and salary workers, the proportion who reported that they retired because they had reached compulsory retirement age doubled between 1951 and 1963 (table 5). In contrast, there was a sharp drop in the percentage who were laid off or whose jobs were discontinued. These changes indicate an increasing use of compulsory retirement systems, in place of less systematic dismissal policies, to force retirement of aged wage and salary workers covered by OASDI.<sup>11</sup>

### Reasons for Planning To Stop or Reduce Work

Workers with full-time jobs were asked if they planned to stop work or to work less in 1963. Thirty percent answered "yes," and they were then asked why. More than a third gave reasons related to poor health or the infirmities of age (table 6). The proportion giving poor health as the reason was more than twice as high among the beneficiary men as among the nonbeneficiaries.

<sup>10</sup> See Erdman Palmore, "Work Experience and Earnings of the Aged in 1962: Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, June 1964.

<sup>11</sup> See also Wilma Donahue, Harold L. Orbach, and Otto Pollak (*op. cit.*, page 355) who have stated that "the single most important issue in retirement policy today is the question of compulsory retirement at a fixed age." The authors found no clear evidence, however, that the number of men affected by compulsory retirement provisions is increasing.

The difference is related to the fact that, among the men planning retirement, beneficiaries tended to be older than nonbeneficiaries. Nearly all nonbeneficiaries were under age 73, but about a fourth of the beneficiaries were aged 73 or over.

The main reason given by nonbeneficiaries for planning to stop work or to work less was that they would become eligible for retirement benefits (OASDI or non-OASDI) in 1963. This finding indicates that becoming eligible for retirement benefits plays an important role in a worker's plans. The importance of this factor is further supported by the finding that nearly all (96 percent of those reporting) of the men who plan to stop or reduce work were eligible for retirement benefits or would become eligible in 1963.

### PLANS FOR WORK OR RETIREMENT

Only 58 percent of the men with full-time jobs definitely planned to continue working full time in 1963 (table 7). The others intended to stop work completely or to work less, or they were undecided about how much they would work.

Nine percent of the men who were not at work

TABLE 8.—WORK PLANS OF MEN AGED 65 AND OVER NOT AT WORK IN SURVEY WEEK: <sup>1</sup> Percentage distribution, by work plan and OASDI beneficiary status

Health and work plans	Total	OASDI beneficiaries	Non-beneficiaries
Number (in thousands):			
Not at work	5,475	4,386	1,089
Reporting on health and work plans	5,456	4,375	1,081
Percent reporting on health and work plans, total	100	100	100
Not well enough to work	69	68	74
Well enough to work	31	32	26
Expects to work in 1963	9	10	8
Full time	2	3	2
Part time	5	5	4
Occasionally	2	2	1
Does not expect to work in 1963	22	23	18
Interested in work	5	6	4
Not interested in work <sup>2</sup>	16	17	14

<sup>1</sup> In January-February 1963. Includes a few who never held full-time jobs.

<sup>2</sup> Includes a few whose interest in work was unknown.

expected to go back to work in 1963, and 5 percent were interested in going back to work but did not expect to do so (table 8). The numbers of men in these two groups tend to cancel each other. About half a million men were working full time but planned to stop or reduce their work, and

TABLE 9.—OCCUPATION BEFORE RETIREMENT OF MEN AGED 62-64 WHO RETIRED SINCE 1957: Percentage distribution, by occupation before retirement and OASDI beneficiary status, 1963

Occupation	Total	OASDI beneficiaries	Non-beneficiaries
Number (in thousands).....	279	218	61
Total percent.....	100	100	100
Professionals, managers, and proprietors.....	27	23	39
Clerical and sales workers.....	6	6	7
Craftsmen and operatives.....	40	40	38
Other.....	28	32	16

almost as many were not working but expected to return to work. Most of the men who planned to return to work intended, however, to work only part time or occasionally. If they carried out their plans, the number working full time would thus show a net reduction—one that would be expected because the proportion of retired men in any cohort tends to increase with increasing age.

A smaller proportion of the beneficiaries (53 percent) than of the nonbeneficiaries (65 percent) planned to continue working full time (table 7). To put it the other way, a larger proportion of the beneficiaries planned to retire. The pattern is even more marked for men aged 65-72; less than half the beneficiaries in this age group planned to continue working full time. The difference in plans may be related to the fact that beneficiaries under age 72 have their benefit reduced by the earnings test under the Social Security Act if they earn more than \$1,200 a year. Perhaps for the same reason the beneficiaries have larger pro-

TABLE 10.—RETIREMENT FROM LABOR FORCE OF MEN AGED 62 AND OVER: Percent not in the labor force in survey week <sup>1</sup> and percent not at work, by age and OASDI beneficiary status, 1963

Age	Total	OASDI beneficiaries	Non-beneficiaries
Number with full-time work experience (in thousands):			
62-64.....	1,944	458	1,486
65-72.....	4,209	3,033	1,176
73 and over.....	3,220	2,540	678
Percent not in labor force in survey week:			
62-64.....	24	64	12
65-72.....	63	72	39
73 and over.....	82	79	93
Percent not at work: <sup>2</sup>			
62-64.....	37	82	23
65-72.....	73	82	48
73 and over.....	87	85	96

<sup>1</sup> In January-February 1963. Excludes a few who never had full-time jobs.

<sup>2</sup> Includes men in labor force in survey week who were unemployed or with job but not at work.

TABLE 11.—LABOR-FORCE STATUS OF MEN AGED 62 AND OVER: Percentage distribution, by labor-force status, date of last regular full-time job, <sup>1</sup> age, and OASDI beneficiary status, 1963

Labor-force status and date of last job	Total	OASDI beneficiaries	Non-beneficiaries
Aged 62-64			
Number (in thousands):			
Reporting on labor-force status.....	1,944	458	1,486
In labor force.....	1,476	166	1,310
Not in labor force.....	468	292	176
Percent in labor force, total.....	100	100	100
Employed.....	92	69	95
At work.....	84	51	88
With job but not at work.....	8	17	7
Unemployed.....	8	31	5
Percent not in labor force, total.....	100	100	100
Never held full-time job.....	4	1	9
Has held full-time job.....	96	99	91
Job ended before 1958.....	31	26	39
Job ended in 1958 or 1959.....	16	20	9
Job ended in 1960 or later.....	28	37	12
Year unknown.....	22	16	31
Aged 65 or over			
Number (in thousands):			
Reporting on labor-force status.....	7,427	5,573	1,855
In labor force.....	2,141	1,381	760
Not in labor force.....	5,286	4,192	1,095
Percent in labor force, total.....	100	100	100
Employed.....	88	84	95
At work.....	73	67	84
With job but not at work.....	14	17	10
Unemployed.....	12	16	5
Percent not in labor force, total.....	100	100	100
Never held full-time job.....	2	1	5
Has held full-time job.....	98	99	95
Job ended before 1958.....	37	54	68
Job ended in 1958 or 1959.....	16	18	10
Job ended in 1960 or later.....	14	16	7
Year unknown.....	11	11	9

<sup>1</sup> Working 35 hours or more a week for 6 months or more.

portions who are well enough to work but are not working and larger proportions not planning to work or even interested in work (table 8). Part of these differences may result from the fact that the average age of the beneficiaries was somewhat lower than that of the nonbeneficiaries among the men not working in the survey week.

## EARLY RETIREMENT

In 1961, OASDI benefits were made available to retired men aged 62-64 at actuarially reduced rates.<sup>12</sup> This liberalization was designed to aid

<sup>12</sup> The actuarial reduction provision reduces the amount of the OASDI benefit permanently, on the basis of the number of months before attainment of age 65 that it is first claimed. The maximum reduction for retired workers is 20 percent.

the many men who are forced to retire or who choose to retire before they reach the "normal" retirement age of 65. The proportion of men who take advantage of the provision has rapidly increased. In January 1964, there were almost one-half million retired men beneficiaries under age 65. In addition, about 126,000 disabled men aged 62-64 received OASDI benefits under the disability provisions of the program. In all, about 28 percent of the men aged 62-64 in the population were receiving OASDI benefits. This section analyzes the characteristics of this large and growing number of men who become beneficiaries

TABLE 12.—WORK PLANS OF MEN AGED 62-64 NOT AT WORK IN SURVEY WEEK: <sup>1</sup> Percentage distribution, by health and work plan and OASDI beneficiary status, 1963

Health and work plans	Total	OASDI beneficiaries	Non-beneficiaries
Number (in thousands):			
Not at work.....	585	345	240
Reporting on health and work plans.....	577	339	238
Percent reporting on health and work plans.....	100	100	100
Not well enough to work.....	53	60	42
Well enough to work.....	47	40	58
Expects to work in 1963.....	29	21	40
Full time.....	16	12	22
Part time.....	9	7	12
Occasionally.....	2	2	2
Does not expect to work.....	18	18	17
Interested in work.....	7	8	5
Not interested in work <sup>2</sup> .....	11	10	12

<sup>1</sup> In January-February 1963. Excludes a few who never had full-time work.

<sup>2</sup> Includes a few whose interest in work was unknown.

before they reach age 65. The data show that most of these men were in economically distressed circumstances.

### Low Income

The median income of beneficiary men aged 62-64 was not even half that of nonbeneficiaries of the same age. It was also less than half that of beneficiaries aged 65-72.<sup>13</sup> Part of this difference results from the actuarial reduction of benefits for men who become beneficiaries before they reach age 65.

The nonmarried beneficiary men were largely dependent on retirement income or veterans'

<sup>13</sup> Lenore Epstein, "Income of the Aged in 1962: First Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, March 1964. Income data are for beneficiaries whose benefits started before 1962.

TABLE 13.—REASONS FOR RETIREMENT <sup>1</sup> OF OASDI BENEFICIARY MEN AGED 62 AND OVER AND RETIRED SINCE 1957: Percentage distribution, by reason for retirement and age, 1963

Reason for retirement	OASDI beneficiaries	
	Aged 62-64	Aged 65 and over
	Total retired	
Number (in thousands):		
Not employed full time, 1962.....	357	4,707
Reporting on retirement.....	318	4,302
Retired in 1957 or earlier <sup>2</sup> .....	97	2,561
Retired since 1957.....	221	1,741
	Wage and salary workers retired since 1957	
Number (in thousands).....	183	1,332
Total percent.....	100	100
Own decision.....	59	62
Poor health.....	42	35
Preferred leisure.....	11	19
Needed at home.....	( <sup>3</sup> )	1
Dissatisfied with job.....	1	1
Other reasons.....	4	6
Employer's decision.....	41	38
Compulsory retirement age.....	3	20
Poor health.....	11	5
Laid off or job discontinued.....	18	8
Other reasons.....	8	4

<sup>1</sup> "Retirement" is defined here to mean not working at a regular, full-time job (35 hours or more a week for 6 months or more a year). Self-employed men not shown because of small numbers in the group aged 62-64.

<sup>2</sup> Includes less than 1 percent who never held regular full-time jobs.

<sup>3</sup> Less than 0.5 percent.

benefits. Only 4 percent of their total income came from earnings. The mean earnings for beneficiary men (including the married) who were employed was only \$691.<sup>14</sup> These beneficiaries included disproportionately large numbers of persons from groups with low average incomes. They included, for example, about twice as large a proportion of nonwhite persons as did the older groups and about four times as large a proportion of persons in long-stay hospitals or nursing homes. About one-fourth were severely disabled. In comparison with nonbeneficiaries, retired beneficiaries had twice as high a proportion from the lower-paid occupational groups (table 9).

### Low Employment Rates

Four-fifths of the beneficiary men aged 62-64 were not at work in the Survey week—almost four times the proportion of nonbeneficiaries in this age group not at work (table 10). Most of the beneficiaries who had any employment worked

<sup>14</sup> Erdman Palmore, *op. cit.*

at part-time or part-year jobs. Only 3 percent had full-time jobs throughout 1962.

Of those in the labor force, only half were actually at work. The rest were unemployed and looking for work or had a job but were "temporarily" not working (table 11). This situation is in sharp contrast to that of the nonbeneficiaries, among whom 9 out of 10 of those in the labor force were actually at work. The beneficiaries aged 65 and over also had a higher proportion of their labor force actually at work.

Among the beneficiaries aged 62-64 who were not in the labor force, about half had retired from regular full-time jobs before 1960. In other words, they had been without regular work before they reached age 62—the age at which they could first draw OASDI benefits.

Only two-fifths of the beneficiaries not in the labor force were well enough to work, and only a fifth expected to work in 1963. These proportions are much smaller than those for the nonbeneficiaries (table 12).

Almost three-fourths of the beneficiaries aged 62-64 retired because of poor health or because they were laid off (table 13). Fewer than half of the beneficiaries aged 65 and over retired for these reasons. The proportion retiring voluntarily because they preferred leisure was almost twice as high among the older beneficiaries as among the younger group. The older men, if they retired because of their employer's decision, were more likely to have reached the compulsory retirement age than to have been laid off. Those who reach the compulsory retirement age are more likely to be better prepared for retirement, economically and otherwise, than those who are laid off.

To summarize, the beneficiaries aged 62-64 in the 1963 Survey were characterized by low incomes, low employment rates, poor health, and very little voluntary retirement. The extension of benefits in 1961 to this economically distressed group seems to have resulted in a relatively large gain for an otherwise seriously deprived segment of the Nation's older population.