

# CHARACTERISTICS OF EMPLOYEES UNDER OLD-AGE INSURANCE IN 1938

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APPROXIMATELY 31 million workers received taxable wages in 1938 under the old-age and survivors insurance program. Of this number, more than 22 million were men and less than 9 million were women (table 1). Taxable wages in covered employment amounted to more than \$26 billion, with an average of \$844. A substantial difference existed between the average wage of male and female employees. The average for men was \$973; for women it was \$515.

Compared with the revised data for 1937,<sup>1</sup> which are presented here for the first time, the number of workers who received taxable wages in 1938 shows a reduction of 4 percent. The total amount of taxable wages was smaller by 10 percent, and the average wage decreased 6 percent. These reductions are due primarily to the decline in business activity in 1938.

## *Distribution of Workers by Wage Interval*

The average taxable wage of \$844 for all workers in covered industry in 1938 is in sharp contrast to the concentration shown in the distribution of workers by wage interval (table 2). Only 9 percent of all employees received taxable wages of \$800 to \$999. One-fourth of the total number received less than \$200 during the year. The next class shows a considerable drop; 12 percent received between \$200 and \$399. There is a gradual reduction in each successive wage interval so that only about one-third of all the workers received in excess of \$1,000.

A number of reasons may be given for the large concentration of workers in the lowest wage class. This group includes many young employees who entered the labor market for the first time in 1938, most of whom worked only part of the year. It also includes a large number of employees who shifted between covered and noncovered employ-

ment and may have earned wages in each. For example, a man may work on a farm during the summer and in covered employment in a factory in the winter, but only his latter earnings would be reported. The figures shown here do not take into consideration any wages earned in noncovered employment, and many workers employed both in covered and noncovered employment may have received less than \$200 in covered employment. A third reason is that the lowest wage class includes employees who worked irregularly or on a part-time basis—for example, in seasonal employment and holiday rush work. Workers with exceptionally low hourly earnings also constitute a part of this group. The same reasons, to a more limited degree, also account for the relatively large proportions of workers found in other low-wage intervals of the distribution.

The distribution of wages for men and women shows, in the main, the same characteristics as are disclosed by the total distribution. Although the average taxable wage was \$973 for men and \$515 for women, the largest concentration for both men and women is found in the group with wages of less than \$200. For each sex, moreover, there is a sharp drop in the percentage between the first and second wage intervals, followed by a gradual reduction in the successive wage groups. The tendency for employees to concentrate in the lower wage classes, shown in both distributions,

Table 1.—Old-age and survivors insurance: Workers and their taxable wages,<sup>1</sup> 1938 and 1937

Item	1938	1937 (revised)	Percentage change in 1938
Total workers receiving taxable wages.....	31,000,389	32,431,054	-4.4
Male.....	22,302,478	23,357,422	-4.5
Female.....	8,697,911	9,073,632	-4.1
Total taxable wages.....	\$26,173,019,846	\$20,197,213,433	-10.4
Male.....	21,605,511,279	24,299,337,034	-10.7
Female.....	4,478,408,567	4,897,876,709	-8.6
Total average annual taxable wage.....	844	900	-6.2
Male.....	973	1,040	-6.4
Female.....	515	540	-4.6

<sup>1</sup> Data for 51 States. The 1935 act, in operation in 1937 and 1938, excluded wages in specified noncovered employments, wages of workers aged 65 and over, and wages in excess of \$3,000 a year from any 1 employer. These data include a small element of estimating. For a statement of the method by which these totals were derived, see pp. 70-73.

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<sup>1</sup> It should be emphasized that all comparisons between 1938 and 1937 data should be made only on the basis of revised figures for 1937 (see p. 71 for a statement of the adjustments made).

**Table 2.—Old-age and survivors insurance: Percentage distribution of workers with taxable wages in 1938 and 1937,<sup>1</sup> by wage group and by sex**

Wage group	1938			1937 (revised)		
	Total	Male	Female	Total	Male	Female
Total number of workers.....	31,000,389	22,302,478	8,697,911	32,431,051	23,357,422	9,073,632
	Percentage distribution of workers					
All groups.....	100.0	100.0	100.0	100.0	100.0	100.0
\$1-199.....	24.9	21.6	33.3	21.7	18.5	30.0
200-399.....	11.7	10.3	15.3	10.5	9.1	14.0
400-599.....	10.3	8.7	14.1	9.5	7.7	14.0
600-799.....	10.1	8.7	13.7	10.3	8.3	15.4
800-999.....	9.0	8.0	10.0	9.4	8.6	11.4
1,000-1,199.....	7.5	8.2	5.6	8.1	8.8	6.5
1,200-1,399.....	6.3	7.5	3.4	7.1	8.5	3.7
1,400-1,599.....	4.9	6.1	1.9	5.8	7.2	2.0
1,600-1,799.....	3.5	4.5	.9	4.3	5.6	1.0
1,800-1,999.....	2.9	3.0	.7	3.4	4.5	.7
2,000-2,199.....	2.1	2.7	.3	2.4	3.1	.4
2,200-2,399.....	1.4	1.9	.2	1.6	2.1	.2
2,400-2,599.....	1.1	1.4	.1	1.2	1.6	.2
2,600-2,799.....	.8	1.1	.1	.9	1.2	.1
2,800-2,999.....	.6	.8	.1	.7	1.0	.1
3,000 and over.....	2.0	4.0	.3	3.1	4.2	.3

<sup>1</sup> See table A, p. 70.

is considerably more pronounced for women than for men. One-third of all the women, as compared with about 22 percent of all the men, received taxable wages of less than \$200. Furthermore, 49 percent of the women had wages of less than \$400, 63 percent had less than \$600, and 76 percent less than \$800. The corresponding percentages for men are 32, 41, and 49.

The amount of taxable wages earned by a worker in covered employment is one of the factors that determine his ability to attain insured status under the law, as well as the size of the benefit he will eventually receive. The concentration of employees in the lower wage classes therefore has an important bearing on the operation of the old-age and survivors insurance program.

#### *Age Differences*

The median age of all workers in covered employment in 1938 was 32 years. However, the median age is of relatively little significance. What is important is the distribution of workers by age groups, as shown in table 3.

This distribution reveals a concentration in the ages from 20 to 24 years. Almost 19 percent of the workers were in this age group. Only 0.1 percent were under 15 years of age, which would seem to indicate that considerable progress has

been made in the abolition of child labor. However, a substantial proportion of employees (8 percent) is found in the 15-19 year group. After the 20-24 year group there is a gradual tapering off in the distribution until only 2.6 percent of the workers are reported in the age group 60-64 years. The percentage of employees aged 65 and older is insignificant. The original Social Security Act specifically excluded the wages of persons aged 65 and over. For 1938, therefore, these workers represent only the few for whom wages were unnecessarily reported by employers.

Among girls, a much higher percentage (12) is found in the age group between 15-19 years than among boys (7 percent). Furthermore, the concentration, which in the distribution of both sexes is in the class of 20-24 years, is considerably more pronounced for women than for men. Approximately 25 percent of the women were in this age group, as compared with 16 percent of the men. There was also a higher proportion of women than of men in the ages 25-29. In the age classes above 29, on the other hand, the percentages were lower for women than men, possibly because many married women leave gainful employment.

#### *Relation of Age to Wages*

An examination of average annual taxable wages in 1938, by age groups, indicates a rather rapid increase until the 35-39 year group and a continued increase through the 45-49 year group. After age 49 the average taxable wage declines gradually although it does not fall below the comparatively high level of more than \$1,000. The highest average wage, that for the age group 45-49 years, was \$1,147. In considering the relatively high wage level of those in the older age classes, it should be remembered that these may be a select group of employees, namely those with relatively more skilled and responsible jobs.

One of the explanations given for the concentration of workers in the lowest wage interval was that many workers in this wage group are new entrants into the labor market. This explanation is confirmed by the age distribution and its relation to wages. Over one-fourth of all employees who earned taxable wages in 1938 were under 25 years of age. Those in the age group 20-24 years had average taxable wages of \$513, and the average for those aged 15-19 years was only \$211. Girls under 15 years of age received

somewhat more than boys of the same age. For all remaining age groups, however, men had higher wages than women. The difference was most pronounced in the age groups between 30 and 64 years, in which wages of women averaged only about half those of men.

### Geographic Differences in Wages

Considerable variation in 1938 average taxable wages is found among the several States, as may be seen from table 4. State averages ranged from \$421 in Mississippi to \$1,028 in New York. A detailed examination of these averages reveals, first, that in general the lowest average wages were in the agricultural States, while the highest averages were in the industrial States; and, second, that on the whole there was a difference in the level of wages between the Northern and Southern States.

The highest average taxable wages are generally found in such industrial areas as the Middle Atlantic and East North Central States. In each of these States the average was above \$800, and in the majority it was more than \$900. There was a similarly high wage level in the Pacific States. The averages in the New England States present an interesting contrast. In southern New England, which is chiefly industrial, the State averages were above \$800. On the other hand, in the northern New England States, where agriculture is comparatively more important, the averages were between \$600 and \$700. Likewise, four agricultural States in the West North Central area—Kansas, Nebraska, North Dakota, and South Dakota—showed average wages of between \$600 and \$700. In the predominantly agricultural State of Iowa the average was about \$700, while in the more industrial States of Minne-

Table 3.—Old-age and survivors insurance: Percentage distribution of workers with taxable wages in 1938 and 1937, and their average annual taxable wage,<sup>1</sup> by age group<sup>2</sup> and by sex

Age group <sup>2</sup> (years)	Percentage distribution of workers					
	1938			1937 (revised)		
	Total	Male	Female	Total	Male	Female
Total number of workers	31,000,389	22,302,478	8,697,911	32,431,054	23,357,422	9,073,632
All ages	100.0	100.0	100.0	100.0	100.0	100.0
Under 15	.1	.2	.1	.2	.2	.1
15-19	8.0	6.6	11.5	9.6	8.0	13.7
20-24	18.7	16.2	25.3	19.2	16.7	25.4
25-29	16.7	16.0	18.6	16.6	16.8	18.6
30-34	14.1	14.2	13.6	13.5	13.8	12.9
35-39	11.4	11.9	10.1	11.2	11.7	9.8
40-44	9.7	10.4	7.9	9.4	10.2	7.3
45-49	7.9	8.8	5.6	7.8	8.8	5.4
50-54	6.2	7.1	3.7	6.7	6.7	3.4
55-59	4.1	4.9	2.2	4.0	4.7	2.1
60-64	2.6	3.1	1.2	2.4	2.9	1.1
65	.3	.4	.1	.4	.5	.2
65 and over	.2	.2	.1	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
	Average taxable wage					
All ages	\$841	\$973	\$515	\$900	\$1,010	\$540
Under 15	46	45	59	52	51	63
15-19	211	218	202	268	282	248
20-24	513	501	433	598	670	475
25-29	773	874	530	862	982	599
30-34	978	1,113	619	1,063	1,213	652
35-39	1,080	1,226	638	1,153	1,311	660
40-44	1,135	1,279	641	1,219	1,372	671
45-49	1,147	1,274	643	1,222	1,357	663
50-54	1,110	1,208	631	1,193	1,301	664
55-59	1,070	1,151	614	1,140	1,226	645
60-64	1,028	1,094	604	1,092	1,192	613
65	686	719	444	652	683	422
65 and over	340	353	298	316	324	235

<sup>1</sup> See table 1, footnote 1; also table B, p. 71.

<sup>2</sup> See table B, footnote 2.

<sup>3</sup> Less than 0.1 percent.

sota and Missouri the averages were more than \$800. All but one of the Mountain States averaged between \$700 and \$800.

The smallest average taxable wages are found in the Southern States. Thus, Arkansas, Mississippi,

and South Carolina had averages of less than \$500, while Alabama, Florida, Georgia, North Carolina, and Tennessee had averages between \$500 and \$600. In the remaining Southern States—Kentucky, Louisiana, Oklahoma, Texas, and Vir-

**Table 4.—Old-age and survivors insurance: Percentage distribution of workers with taxable wages in 1938 and 1937, and their average annual taxable wage,<sup>1</sup> by sex and by geographic divisions and States**

Geographic division and State	Percentage distribution of workers						Average annual taxable wage					
	1938			1937 (revised)			1938			1937 (revised)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	\$844	\$973	\$515	\$900	\$1,010	\$540
<b>Now England.....</b>	<b>8.3</b>	<b>7.8</b>	<b>9.8</b>	<b>8.5</b>	<b>7.0</b>	<b>10.0</b>	<b>854</b>	<b>1,009</b>	<b>537</b>	<b>932</b>	<b>1,101</b>	<b>588</b>
Maine.....	.7	.7	.8	.7	.7	.8	630	741	375	676	791	421
New Hampshire.....	.5	.4	.6	.4	.4	.5	690	809	441	769	800	508
Vermont.....	.2	.3	.2	.3	.3	.3	682	786	385	690	707	430
Massachusetts.....	4.3	4.0	5.2	4.4	4.0	5.2	891	1,052	567	970	1,155	606
Rhode Island.....	.8	.7	1.0	.8	.7	1.0	806	936	520	901	1,097	573
Connecticut.....	1.8	1.7	2.0	1.9	1.8	2.2	938	1,098	578	1,022	1,195	653
<b>Middle Atlantic.....</b>	<b>26.4</b>	<b>25.5</b>	<b>28.7</b>	<b>26.2</b>	<b>25.4</b>	<b>28.1</b>	<b>978</b>	<b>1,140</b>	<b>611</b>	<b>1,029</b>	<b>1,200</b>	<b>630</b>
New York.....	13.8	13.0	16.1	13.5	12.7	15.4	1,028	1,199	675	1,060	1,233	692
New Jersey.....	3.0	3.7	4.2	3.9	3.8	4.1	976	1,188	567	1,002	1,173	598
Pennsylvania.....	8.7	8.8	8.4	8.8	8.9	8.6	900	1,044	510	993	1,164	534
<b>East North Central.....</b>	<b>23.0</b>	<b>23.4</b>	<b>21.8</b>	<b>23.7</b>	<b>24.1</b>	<b>22.8</b>	<b>924</b>	<b>1,065</b>	<b>538</b>	<b>1,028</b>	<b>1,107</b>	<b>569</b>
Ohio.....	5.0	6.1	5.4	6.2	6.4	5.8	921	1,051	530	1,037	1,200	563
Indiana.....	2.6	2.7	2.4	2.8	2.8	2.8	830	960	487	891	1,058	462
Illinois.....	7.5	7.3	8.0	7.4	7.2	7.0	977	1,142	589	1,048	1,232	617
Michigan.....	4.8	5.1	4.0	5.0	5.4	4.2	908	1,029	506	1,117	1,279	584
Wisconsin.....	2.2	2.2	2.0	2.3	2.3	2.1	891	1,027	515	908	1,045	515
<b>West North Central.....</b>	<b>7.5</b>	<b>7.4</b>	<b>7.0</b>	<b>7.3</b>	<b>7.3</b>	<b>7.6</b>	<b>765</b>	<b>891</b>	<b>463</b>	<b>790</b>	<b>917</b>	<b>477</b>
Minnesota.....	1.6	1.6	1.7	1.6	1.6	1.7	835	977	507	867	1,013	526
Iowa.....	1.3	1.3	1.3	1.2	1.2	1.2	705	810	411	744	864	433
Missouri.....	2.6	2.5	3.0	2.6	2.5	2.9	820	971	507	833	982	505
North Dakota.....	.2	.2	.2	.2	.2	.2	632	735	358	631	713	409
South Dakota.....	.2	.2	.2	.2	.2	.2	639	739	357	618	707	360
Nebraska.....	.7	.6	.7	.6	.6	.6	698	772	412	729	830	468
Kansas.....	.9	1.0	.8	.9	1.0	.8	693	793	370	710	810	382
<b>South Atlantic.....</b>	<b>11.6</b>	<b>11.6</b>	<b>11.6</b>	<b>11.3</b>	<b>11.3</b>	<b>11.4</b>	<b>635</b>	<b>732</b>	<b>387</b>	<b>685</b>	<b>785</b>	<b>420</b>
Delaware.....	.2	.2	.2	.3	.2	.3	829	971	486	853	1,090	482
Maryland.....	1.5	1.5	1.6	1.5	1.5	1.7	780	926	444	827	985	465
District of Columbia.....	.7	.6	.7	.6	.6	.7	882	1,015	588	929	1,088	644
Virginia.....	1.6	1.6	1.6	1.6	1.6	1.5	643	741	383	661	754	406
West Virginia.....	1.3	1.5	.7	1.3	1.5	.8	826	891	458	907	1,007	427
North Carolina.....	2.1	2.0	2.5	2.0	1.9	2.4	552	646	366	582	692	417
South Carolina.....	1.0	1.0	1.0	1.0	1.0	1.0	483	546	326	536	587	308
Georgia.....	1.8	1.7	2.0	1.6	1.6	1.8	521	607	338	595	676	411
Florida.....	1.4	1.5	1.3	1.4	1.4	1.2	514	583	310	568	642	352
<b>East South Central.....</b>	<b>4.8</b>	<b>5.0</b>	<b>4.1</b>	<b>4.7</b>	<b>5.0</b>	<b>3.9</b>	<b>573</b>	<b>641</b>	<b>358</b>	<b>613</b>	<b>681</b>	<b>380</b>
Kentucky.....	1.3	1.4	1.0	1.3	1.4	1.0	643	714	396	684	790	404
Tennessee.....	1.5	1.5	1.6	1.5	1.5	1.5	584	672	359	643	731	423
Alabama.....	1.3	1.4	1.0	1.3	1.4	1.0	572	629	351	604	669	361
Mississippi.....	.7	.7	.5	.6	.7	.4	421	459	290	424	454	300
<b>West South Central.....</b>	<b>6.9</b>	<b>7.5</b>	<b>5.4</b>	<b>6.7</b>	<b>7.3</b>	<b>5.2</b>	<b>660</b>	<b>743</b>	<b>360</b>	<b>676</b>	<b>758</b>	<b>378</b>
Arkansas.....	.6	.7	.5	.6	.7	.4	492	544	283	539	586	339
Louisiana.....	1.3	1.5	1.0	1.3	1.4	.9	647	714	381	607	673	352
Oklahoma.....	1.1	1.1	.8	1.1	1.2	.9	740	837	399	769	869	417
Texas.....	3.9	4.2	3.1	3.7	4.0	3.0	669	761	354	694	784	380
<b>Mountain.....</b>	<b>2.5</b>	<b>2.7</b>	<b>2.0</b>	<b>2.6</b>	<b>2.8</b>	<b>2.1</b>	<b>729</b>	<b>825</b>	<b>395</b>	<b>750</b>	<b>854</b>	<b>396</b>
Montana.....	.3	.4	.2	.4	.4	.3	784	875	411	816	904	473
Idaho.....	.3	.3	.2	.3	.4	.2	621	707	309	633	716	331
Wyoming.....	.2	.2	.1	.2	.2	.1	772	864	367	836	939	386
Colorado.....	.8	.8	.7	.8	.8	.8	742	847	447	721	844	390
New Mexico.....	.2	.2	.2	.2	.2	.1	647	719	311	713	776	395
Arizona.....	.3	.3	.2	.3	.4	.2	726	800	404	757	830	415
Utah.....	.3	.4	.3	.3	.3	.3	742	880	354	790	956	368
Nevada.....	.1	.1	.1	.1	.1	.1	856	933	480	888	962	510
<b>Pacific.....</b>	<b>8.5</b>	<b>8.6</b>	<b>8.4</b>	<b>8.5</b>	<b>8.4</b>	<b>8.6</b>	<b>907</b>	<b>1,018</b>	<b>537</b>	<b>898</b>	<b>1,046</b>	<b>526</b>
Washington.....	1.4	1.4	1.3	1.4	1.4	1.3	858	989	484	861	998	463
Oregon.....	.8	.9	.8	.9	.9	.8	815	939	453	827	950	470
California.....	6.3	6.3	6.3	6.2	6.1	6.5	930	1,077	558	916	1,072	544
Alaska.....	.1	.1	( <sup>2</sup> )	.1	.1	( <sup>2</sup> )	931	1,010	414	854	922	359
Hawaii.....	.4	.4	.3	.4	.4	.3	570	635	322	507	581	270

<sup>1</sup> See table 1, footnote 1; also tables C and D, pp. 72-73.

<sup>2</sup> Less than 0.1 percent.

ginia—taxable wages were on the average about the same as in the agricultural States in the North. The average wage in Oklahoma was more than \$700, but in the other States the averages were between \$600 and \$700. By contrast, in the border States of Delaware, Maryland, and West Virginia the averages were around \$800.

An important reason for the relatively lower average taxable wages in the agricultural States is the shift of many employees between covered employment and agriculture, which is excluded from coverage under the old-age and survivors insurance program. This movement affects all States, of course, but it is more important in the agricultural States. Since the South is primarily agricultural, this shifting is also one of the reasons for the generally lower wages in the Southern States, although other important factors enter into the situation, such as relatively low hourly earnings and lack of continuity of employment.

#### *Wage Differences by Industry Groups*

The presentation of average taxable wages by industry involves considerable difficulty because employers engaged in several types of business or industrial activity do not report wage and employment data on the basis of individual places of business or different activities. They make one report for the concern as a whole. Such companies can therefore be classified only on the basis of their major activity. This procedure would result in an enormous overlapping if an attempt were made to present the data by narrow homogeneous industries. However, the extent of overlapping is lessened by presenting the data on the basis of broad industry groups.<sup>2</sup> The distribution of workers and average annual wages among 56 major industry groups, which include approximately 87 percent of the workers in covered employment, is shown in table 5.

It should also be pointed out that the data for the 56 groups shown in table 5 include only those employees who worked during the fourth quarter of 1938. In other words, the data exclude all employees who worked at any time during the first 9 months of 1938 but did not work during the last 3 months of that year. Naturally, the average annual wage for the employees who worked during the fourth quarter of 1938 is

higher than the average for all employees, since the latter is affected by the inclusion of a larger proportion of employees who worked less than 4 quarters during the year. While the number of employees in the fourth quarter may also include some who worked less than 4 quarters, it must include all who worked 4 quarters, and therefore represents a smaller proportion of part-time workers. This difference, however, is not large enough to affect the comparison of average taxable wages among the 56 industry groups.

As might be expected, average taxable wages varied widely among the several industry groups. The highest averages were found in such industries as petroleum and coal production (\$1,655), electric railways and bus lines (\$1,633), investment banks and securities (\$1,600), electric and gas utilities (\$1,553), and insurance carriers (\$1,504). The averages were also relatively high in crude petroleum and natural gas production (\$1,384); banks and trust companies (\$1,349); machinery, other than electrical (\$1,344); printing and publishing (\$1,311); and telephone, telegraph, and radio service (\$1,305). On the other hand, average wages were relatively low in retail general merchandise (\$570); general contracting, other than building (\$678); textile-mill products (\$748); basic lumber industries (\$754); manufacture of apparel (\$776); and tobacco manufacturing (\$803). In comparisons between industries, as in all other comparisons of average taxable wages, it must be remembered that amounts exceeding \$3,000 received by an employee from any one employer within the year were not taxable and therefore are not included.

Among the factors affecting the level of average annual wages in the various industry groups are hourly rates, stability of employment, unionization, geographic location, and the characteristics of the labor force, such as age, sex, race, type of occupation, and degree of skill. For example, average annual wages are relatively high in public utilities, owing to the employment of high proportions of skilled workers who have steady employment throughout the year. Similarly, they are fairly high in banks and trust companies, and insurance companies, which employ large numbers of office and professional workers throughout the year. On the other hand, low hourly earnings, coupled with intermittent employment, are responsible for rela-

<sup>2</sup> For a fuller discussion of industry data, see *Old-Age and Survivors Insurance Statistics: Employment and Wages of Covered Workers: 1938*, Appendix II.

**Table 5.—Old-age and survivors insurance: Percentage distribution of workers with taxable wages in the fourth quarter of 1938, and their average annual taxable wage, by major industry group and by sex<sup>1</sup>**

Major industry group	Percentage distribution of workers			Average annual taxable wage		
	Total	Male	Female	Total	Male	Female
Total.....	100.0	100.0	100.0	\$1,000	\$1,136	\$617
56 specified industries.....	86.5	86.2	87.4	996	1,139	631
Mining and quarrying.....	2.9	3.9	.2	1,057	1,060	947
10. Metalliferous mining.....	.3	.4	(?)	1,220	1,235	839
11. Anthracite mining.....	.3	.5	(?)	1,120	1,130	941
12. Bituminous coal mining.....	1.5	2.0	.1	942	944	784
13. Crude petroleum and natural gas production.....	.5	.6	.1	1,384	1,391	1,200
14. Nonmetallic mining and quarrying.....	.3	.4	(?)	845	843	911
Contract construction.....	4.6	6.2	.4	828	829	796
15. General contractors—building construction.....	1.3	1.8	.1	817	817	846
16. General contractors—other than building construction.....	1.6	2.2	.1	678	675	933
17. Special trade contractors (subcontractors).....	1.7	2.2	.2	977	987	730
Manufacturing.....	37.6	38.4	35.5	1,053	1,203	633
20. Food manufacturing.....	5.5	5.7	5.0	1,069	1,253	526
21. Tobacco manufacturing.....	.5	.3	1.0	803	1,085	593
22. Textile-mill products.....	4.7	3.7	7.4	748	907	542
23. Apparel and other finished articles made from fabrics.....	3.3	1.4	8.3	776	1,235	573
24. Basic lumber industries.....	1.5	2.0	.2	754	751	747
25. Finished lumber products.....	1.5	1.7	.8	806	638	657
26. Paper and allied products.....	1.0	1.0	.9	1,103	1,258	687
27. Printing, publishing, and allied industries.....	2.3	2.4	2.0	1,311	1,407	838
28. Chemicals.....	1.4	1.6	1.1	1,191	1,275	869
29. Products of petroleum and coal.....	1.2	1.6	.4	1,655	1,695	1,223
30. Rubber products.....	.6	.6	.5	1,101	1,207	701
31. Leather and its manufactures.....	1.5	1.2	2.2	834	1,026	562
32. Stone, clay, and glass products.....	1.5	1.8	.7	1,074	1,124	753
33. Iron and steel and their products.....	4.4	5.7	1.3	1,156	1,188	801
35. Nonferrous metals and their products.....	.9	1.0	.6	1,134	1,234	711
36. Electrical machinery (including radios and refrigerators).....	1.5	1.4	1.5	1,235	1,437	757
37. Machinery other than electrical.....	2.5	3.1	1.0	1,344	1,397	909
38. Automobiles, bodies, and parts.....	1.8	2.2	.6	1,176	1,219	750
Transportation.....	2.4	3.2	.5	1,158	1,174	861
41. Street, suburban, and interurban railways (other than interstate railroads), and city and suburban bus lines.....	.5	.7	.1	1,633	1,654	1,130
42. Trucking and/or warehousing for hire.....	1.3	1.7	.3	998	1,014	723
43. Other transportation, except water transportation.....	.5	.6	.1	1,089	1,098	917
44. Water transportation.....	.1	.2	(?)	1,168	1,168	1,166
Communication.....	1.5	1.0	2.8	1,305	1,603	1,038
46. Telephone, telegraph, commercial radio, and related services.....	1.5	1.0	2.8	1,305	1,603	1,038
Utilities.....	1.6	1.9	.7	1,553	1,618	1,115
48. Light, heat, and power companies, electric and gas.....	1.6	1.9	.7	1,553	1,618	1,115
Wholesale and retail trade.....	21.0	18.8	26.8	879	1,074	527
50-1. Wholesale trade.....	4.4	4.6	3.9	1,065	1,190	680
52. Wholesale and retail trade combined.....	2.4	2.8	1.2	1,070	1,128	733
53. Retail general merchandise.....	5.4	2.3	13.3	570	930	410
54. Retail food.....	2.0	3.3	2.0	870	947	541
55. Retail automotive.....	1.3	1.7	.4	1,121	1,147	810
56. Retail apparel.....	1.7	1.0	3.6	821	1,121	610
57. Retail trade not elsewhere classified.....	2.9	3.1	2.4	942	1,031	638
Finance.....	.5	.5	.6	1,462	1,624	1,074
69. Banks and trust companies.....	.3	.3	.4	1,349	1,532	977
61. Investment banking and security speculation.....	.2	.2	.2	1,600	1,727	1,227
Insurance.....	1.6	1.3	2.5	1,471	1,819	1,020
63. Insurance carriers.....	1.4	1.1	2.0	1,504	1,828	1,027
64. Insurance agents and brokers.....	.2	.2	.5	1,293	1,743	991
Real estate.....	1.2	1.2	1.1	1,053	1,163	741
65-66. Real estate services.....	1.2	1.2	1.1	1,053	1,163	741
Service.....	10.2	9.0	13.2	803	912	559
70. Hotels, furnished rooms, camps, and other lodging places.....	1.4	1.2	2.1	651	764	494
71. Eating and drinking places.....	2.6	2.1	3.0	631	770	426
72. Personal service.....	2.4	1.6	4.5	814	1,070	584
73. Business service not elsewhere classified.....	1.1	1.0	1.5	1,108	1,267	832
75. Automobile repair services, garages, and filling stations.....	1.0	1.3	.1	875	883	687
76. Repair services and miscellaneous hand trades not elsewhere classified.....	.3	.3	.1	1,040	1,039	654
78. Amusement and recreation: motion pictures.....	.6	.6	.6	1,145	1,242	755
79. Amusement and recreation and related services not elsewhere classified.....	.8	.9	.4	751	781	560
Professional services.....	.9	.3	2.5	941	1,228	849
80. Medical and other health services.....	.5	.1	1.6	818	1,108	748
81. Law offices and related services.....	.3	.1	.8	1,160	1,460	1,050
82. Educational institutions and agencies.....	.1	.1	.1	931	1,109	749
Miscellaneous.....	.5	.5	.6	1,099	1,269	756
86. Membership organizations such as trade associations, trade-unions, etc.....	.5	.5	.6	1,099	1,269	756
All other.....	13.5	13.8	12.6	1,024	1,110	755

<sup>1</sup> See table E, footnote 1, p. 75.

<sup>2</sup> Less than 0.1 percent.

tively low annual averages in such industries as retail general merchandise, textile-mill products, and basic lumber.

### Differences by Race

A distribution of the data by race is shown for 13 Southern States in table 6. As in the case of industry groups, these statistics include only those workers who were employed during the fourth quarter of 1938.

The highest percentage of Negro workers is found in the States of the deep South. For example, Negroes represented 39 percent of the total in Mississippi, 30 percent in Alabama, and 29 percent in Louisiana. On the other hand, in the States of the upper South or the border States there were lower percentages of Negro workers. In Kentucky Negro workers represented only 11 percent of the total; in Maryland, 14 percent, and in Tennessee, 18 percent.

The average taxable wage of Negroes in these 13 States ranged from \$293 in Mississippi to \$635 in the District of Columbia. For male Negroes the range was from \$303 in Mississippi to \$649

in the District of Columbia, while for females it was from \$187 in Mississippi to \$561 in the District of Columbia. In each of these States, Negroes earned considerably less than the remainder of the labor force. The exceptionally low average wage of Negro workers in these States is, to a large extent, due to the fact that many of them may have divided their labor between covered and noncovered employment. Low hourly earnings, however, contributed considerably to these low annual wages.

### In Summary

Reports on the second year's operation confirm the indications afforded by the operations during the first year in 1937—that the old-age and survivors insurance system will afford protection to a large proportion of all men and women who have been engaged in gainful occupations. They shed additional light on the "in and out" movement originally indicated by the 1937 wage reports. The extent of this movement is not yet susceptible of precise measurement, although the 1938 wage data and its analysis by industries make the

Table 6.—Old-age and survivors insurance: Percentage distribution of workers with taxable wages in the fourth quarter of 1938, and their average annual taxable wage, for specified States,<sup>1</sup> by sex and race

State	Percentage distribution of workers								
	Total			Male			Female		
	All races	Negro	Other	All races	Negro	Other	All races	Negro	Other
Total.....	100.0	22.8	77.2	73.5	10.2	54.3	20.5	3.0	22.0
Maryland.....	100.0	14.0	80.0	72.2	11.8	60.4	27.8	2.2	25.6
District of Columbia.....	100.0	22.3	77.7	69.5	18.7	60.8	30.5	3.0	20.9
Virginia.....	100.0	21.0	79.0	73.4	18.7	64.7	26.0	5.3	21.3
Kentucky.....	100.0	10.6	89.4	77.0	0.0	68.0	22.1	1.6	20.5
North Carolina.....	100.0	22.0	78.0	67.0	15.7	51.3	33.0	6.3	20.7
South Carolina.....	100.0	23.6	76.4	71.0	20.0	51.0	29.1	2.7	25.4
Georgia.....	100.0	25.3	74.7	68.0	20.8	48.1	31.1	4.5	26.0
Florida.....	100.0	25.0	74.1	74.3	22.3	52.0	25.7	3.0	22.1
Alabama.....	100.0	30.0	70.0	70.0	27.5	52.1	20.4	2.6	17.0
Mississippi.....	100.0	38.0	61.1	77.7	35.7	42.0	22.3	3.2	19.1
Louisiana.....	100.0	28.8	71.2	60.1	25.5	54.0	10.0	3.3	16.0
Arkansas.....	100.0	22.8	77.2	60.8	21.3	69.5	10.2	1.5	17.7
Tennessee.....	100.0	17.0	82.4	72.2	15.0	57.2	27.8	2.0	25.2
	Average annual taxable wage								
Total.....	\$730	\$388	\$830	\$827	\$413	\$974	\$483	\$255	\$519
Maryland.....	918	548	1,013	1,001	507	1,100	572	293	500
District of Columbia.....	1,060	635	1,182	1,185	640	1,382	777	561	806
Virginia.....	770	421	892	884	401	1,028	491	208	545
Kentucky.....	780	400	824	873	540	916	490	254	515
North Carolina.....	653	330	742	751	370	868	453	253	600
South Carolina.....	600	291	703	677	308	829	425	180	451
Georgia.....	601	318	777	750	344	935	460	194	403
Florida.....	685	342	805	769	361	945	440	227	475
Alabama.....	692	437	801	754	451	913	445	240	473
Mississippi.....	557	293	725	600	303	804	380	187	419
Louisiana.....	783	380	914	850	405	1,070	470	230	527
Arkansas.....	635	341	722	692	340	816	397	272	408
Tennessee.....	730	413	805	831	437	934	488	270	510

<sup>1</sup> See table F, p. 76.

boundaries in this movement clearer. This movement and other factors affecting the extent of employment, part-time work, unemployment, and the like, make the data on taxable wages useful only when considered with strict regard for the limitations imposed by the scope and method of the required reporting. Data to be derived from the reports for 1939 and subsequent years will add much in precision and clarity to our understanding of the basic trends and characteristics

of the American labor market. Already the tentative conclusion may be reached that the movement of population throughout the labor market—from industry to industry and from covered employment to noncovered employment—is so great as to lend especial emphasis to the previous recommendations of the Social Security Board—that coverage be extended as rapidly as is feasible to workers in agriculture, domestic service in private homes, and in other fields now excepted.