

Notes and Brief Reports

Family Benefits in Current-Payment Status, December 31, 1953

The number of families receiving monthly benefits under old-age and survivors insurance increased by almost three-fourths of a million in 1953. At the end of the year, monthly benefits were being paid to at least one member of 4.3 million families (table 29, page 54). Retired-worker families made up 74 percent of the total; they numbered 3,222,000—about 578,000 more than a year earlier. The number of survivor families totaled 1,098,000, an increase of almost 141,000 for the year.

The average family benefits were, in general, slightly higher at the end of 1953 than the corresponding averages a year earlier. The increases were the result of the large number of benefit awards computed under the new-start formula during the year; these awards are based on earnings after 1950 and use of the new benefit formula. Payments to all retired workers with no dependents receiving benefits averaged \$52.90 for men and \$40.60 for women, increases of 4 percent in both instances. The average for a retired worker and his aged wife was \$85.00—also 4 percent more than a year earlier.

For survivor families the average benefits ranged from \$40.90 for aged-widow families to \$111.90 for families consisting of a widowed mother and two children. The average benefit for families in which only one child was receiving benefits was \$41.80, and for families consisting of a widowed mother and one child it was \$90.10.

Families with benefits computed under the new-start formula have considerably higher average benefits

than those whose benefits are computed by use of the conversion table. For beneficiary families consisting only of the retired worker and receiving benefits determined under the new-start formula, the average benefits were \$69.30 for men and \$51.10 for women; for families composed of a retired worker and his aged wife, both of whom were receiving benefits, the average was \$104.50. At the end of 1953, all retired-worker families receiving benefits computed under the new-start formula comprised almost 24 percent of the total—two and a half times the proportion a year earlier. This proportion will continue to increase, since the new-start formula is used for about 70 percent of the current old-age benefit awards.

Only 9 percent of the survivor families had benefits computed under the new-start formula. The proportion is smaller than that for retired workers because of the usual delays in filing claims after death and the normal administrative processing time, and because of (1) the relatively short period in which death must have occurred in order that the new-start formula could be used (if the wage earner died before April 1952, benefits must be determined by the conversion table); (2) the additional lag, for widow's, widower's, and parent's benefits, if the beneficiary was under age 65 when the worker died; and (3) the unlikelihood, if the worker's death had been preceded by an extended illness or if he had been receiving old-age benefits at the time of his death, of his having had sufficient quarters of coverage after 1950 to permit benefit computation by means of the new-start formula.

A distribution of the number of families by amount of the family ben-

efit received (table 31, page 55; table 32, page 56) shows the greatest concentration for retired-worker-only families at \$25.00 for both men and women; of the families composed of a retired worker and his wife, the largest number were receiving \$37.50. The percentage distributions for families receiving benefits computed under the new-start formula were marked by the heavy concentration at the higher benefit amounts. For families in which only the retired worker was receiving benefits, about one-fourth of the men were receiving the maximum of \$85.00; for women, the greatest concentration was at \$55.00–60.00. About 30 percent of the families consisting of a retired worker and wife aged 65 or over were being paid the maximum family benefit of \$127.50.

The statutory maximum of \$168.75 a month was being paid to about 24,000 families, almost two and one-half times the number receiving the maximum at the end of 1952. Families consisting of a widowed mother and two or more children made up 80 percent of the families receiving the maximum amount, and families consisting of a retired worker and two or more dependents represented 17 percent.

The distribution of all retired workers receiving benefits by amount of old-age benefit and by benefit-computation method is shown in table 36, page 57. The proportion of old-age beneficiaries receiving the \$25 minimum was almost 19 percent, slightly less than a year earlier. For men, the proportion receiving the minimum in 1953 was about 14 percent; for women, it was 33 percent. Only 3 percent of the old-age benefits computed under the new-start formula were at the \$25 minimum, while about 20 percent were at the \$85 maximum.