

Resources of Aged Insurance Beneficiaries: 1951 National Survey

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This article is the initial report in a series based on the national survey of resources of old-age and survivors insurance beneficiaries, conducted by the Bureau of Old-Age and Survivors Insurance in late 1951. The survey was the first to be made by the Bureau on a Nation-wide basis; earlier beneficiary surveys were restricted to a few cities. Information was obtained only from old-age and aged-widow beneficiaries.

ALMOST two-thirds of the old persons who regularly receive old-age and survivors insurance benefits have little or no other independent money retirement income. This conclusion is based on a Nation-wide survey conducted by the Bureau of Old-Age and Survivors Insurance at the end of 1951.

The schedule for the survey was planned to obtain information on the amount and sources of income that the beneficiaries received during the year preceding the interview; their assets and liabilities, including the amount of assets used or debts incurred for living during the year; noncash income and public assistance received; and family composition, living arrangements, and number of persons dependent on the beneficiary. Facts were also obtained as to the size of the city in which the beneficiaries lived; life, accident, and sickness insurance carried; number of weeks in bed at home or in the hospital during the survey year; the reasons for the retirement of the old-age beneficiaries; and their post-entitlement employment and earnings. About 18,000 aged beneficiaries, representing nearly 1 percent of the 2¼ million old-age and aged-widow beneficiaries on the rolls at the end of 1950, were interviewed.

The beneficiaries from whom information was obtained represented entitlements in every year from 1940 through 1950, including some

entitlements based on the 1950 amendments. For the first time, country-wide coverage—in cities, towns, villages, and rural areas—was obtained. The earlier surveys made by the Bureau between 1941 and 1949 covered only a few cities.¹

¹ For reports on some of the findings of the earlier surveys, see the *Bulletin* for July and September 1943; March 1944; January, April, May, September, and November 1945; January 1946; August and October 1947; February and September 1948; November 1949; April and May 1950; and January, June, October, and November 1951. See also the *Bulletin* for June 1946 for a comparison of aged insurance beneficiaries with aged assistance recipients and the aged in the general population, and the October 1949 issue for a study of public assistance supplementation of income of insurance beneficiaries.

The preliminary findings² that are presented here are based on the reports of only the beneficiaries who received benefits for all 12 months of the year. This group represented 90 percent of the beneficiaries included in the study. They are of special interest because they met the retirement test of the Social Security Act throughout the year; that is, they had earned no more than \$50 in any month in covered employment.

Although some beneficiaries of the old-age and survivors insurance program are prosperous, many more have almost no resources of their own beside their benefits. Only a small proportion of the men and women aged 65 and over who were interviewed could have lived on the independent money retirement in-

² The tabulations are preliminary because they are subject to some revision, mostly of a minor nature, as a result of further editing of schedules. The final tables will include, in addition, approximately 500 schedules that arrived too late to be represented in the preliminary tabulations.

Table 1.—Percent of beneficiary groups¹ with specified amounts of annual independent money retirement income other than benefits,² national beneficiary survey, 1951

Type of beneficiary group	Total number of beneficiary groups ¹	Percent with annual independent money retirement income, other than benefits, of—			
		Nothing or less than \$75 per person	Nothing or less than \$600 per person	\$900 or more per person	\$1,200 or more per person
All groups combined.....	15,553	64	87	7	5
1-person groups:					
Old-age beneficiary:					
Nonmarried men.....	4,248	70	85	10	6
Nonmarried women.....	2,031	69	89	5	3
Aged-widow beneficiary.....	2,433	69	88	8	5
2-person old-age beneficiary groups:					
Married men:					
Wife entitled.....	3,974	56	88	6	4
Wife not entitled.....	2,403	54	85	6	4
Married women ³	464	68	92	3	2

¹ Received benefits all 12 months of the year.

² Includes employer and union pensions, veterans' pensions, private annuities, and income from trust

funds, rents, interest, and dividends.

³ Husband not entitled on wife's record.

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come they had in addition to their insurance benefits (table 1). Retirement income was defined to include employer and union pensions, veterans' pensions, private annuities, and income from trust funds, rents,

Table 2.—Percent of beneficiary groups¹ receiving employer and union pensions,² national beneficiary survey, 1951

Type of beneficiary group	Percent with employer or union pensions	Percent of beneficiary groups with employer or union pensions having annual pension income of —	
		Less than \$600 per person	\$900 or more per person
All groups combined.....	17	65	15
1-person groups:			
Old-age beneficiary:			
Nonmarried men.....	17	45	33
Nonmarried women.....	12	55	13
Aged-widow beneficiary.....	2	46	27
2-person old-age beneficiary groups:			
Married men:			
Wife entitled.....	25	76	7
Wife not entitled.....	27	73	7
Married women ³	15	73	7

¹ Received benefits all 12 months of the year; percents based on numbers given in table 1.
² Represents money income received as pensions from private employers, Federal, State, and local government pensions, railroad retirement pay, and union pensions.
³ Husband not entitled on wife's record.

interest, and dividends. If they had not received the insurance benefits under the Social Security Act, almost two-thirds of the beneficiary groups (that is, single old-age or aged-widow beneficiaries, and couples comprised of the old-age beneficiary and spouse) would have had nothing or less than \$75 per person³ for the entire year—less than \$75 for a single person and less than \$150 for a couple. Only 1 in every 8 beneficiary groups would have had monthly retirement incomes of \$50 or more per person.

³ The data are presented on a per capita basis because an over-all figure for all beneficiary groups combined can thus be obtained, although it is recognized that for a given level of living a single person requires more than half the income required by a couple.

Table 3.—Percent of beneficiary groups¹ with specified amounts of annual independent money retirement income,² national beneficiary survey, 1951

Type of beneficiary group	Percent with annual independent money retirement income of —		
	Less than \$600 per person	\$900 or more per person	\$1,200 or more per person
All groups combined.....	63	18	10
1-person groups:			
Old-age beneficiary:			
Nonmarried men.....	53	22	16
Nonmarried women.....	68	16	9
Aged-widow beneficiary.....	71	16	10
2-person old-age beneficiary groups:			
Married men:			
Wife entitled.....	61	19	8
Wife not entitled.....	68	15	6
Married women ²	75	7	4

¹ Received benefits all 12 months of the year; percents based on numbers given in table 1.
² Represents 12 months' old-age and survivors insurance benefits, employer and union pensions, veterans' pensions, private annuities, and income from trust funds, rents, interest, and dividends.
³ Husband not entitled on wife's record.

Although one-sixth of all old-age and aged-widow beneficiaries received employer or union pensions, this pension income in most instances amounted to less than \$50 a month per person (table 2). Only 6 percent of all beneficiary groups received as much as \$50 a month per person from this source.

Even when old-age and survivors insurance benefits are added to their other independent money retirement income, as many as 6 out of every 10 of the single beneficiaries and couples had less than \$50 a month per person (table 3). There is no intention here to suggest that \$50 a

month or \$600 a year per person is enough income to live on; the figures are presented merely to give some idea of the amount of independent retirement income the beneficiaries had.

Because their retirement incomes were inadequate even though they received benefits each month of the year, beneficiaries often had to find other means of support. When they were able, beneficiaries usually went back to work. Even among the beneficiaries who had no benefit payments suspended during the year, about a fourth of the men and a fifth of the women who were receiving old-age benefits and an eighth of the aged widows had some earnings during the year (table 4).

For most of these persons, work was probably only an occasional source of income. Almost 3 in every 10 old-age or aged-widow beneficiaries who had income from employment earned less than \$150 during the entire year; two-thirds earned less than \$600. The earnings of only 7 percent of all old-age and aged-widow beneficiaries amounted to \$600 or more during the year. As a rule, these employed beneficiaries with the larger earnings worked in jobs not covered by the social security program, or they were aged 75 and over and not subject to benefit suspensions; a few were in covered self-employment and would have later benefit suspensions. Most beneficiaries, however, were disabled or too old to work. At the time of the interview, two thirds of the men and seven-tenths of the women old-age beneficiaries, and

Table 4.—Percent of old-age and aged-widow beneficiaries¹ with specified amounts of earnings during survey year, national beneficiary survey, 1951

Type of beneficiary	Total number of beneficiaries	Percent with earnings	Percent with some employment who during survey year had earnings of —			
			Less than \$150	Less than \$600	\$1,200 or more	\$2,400 or more
Male old-age beneficiaries.....	10,625	24	27	65	22	9
Nonmarried.....	4,248	21	32	71	18	7
Married, wife entitled.....	3,974	24	25	62	24	10
Married, wife not entitled.....	2,403	32	24	62	26	11
Female old-age beneficiaries.....	2,495	20	33	78	10	2
Nonmarried.....	2,031	20	33	78	10	1
Married ²	464	18	32	77	10	4
Aged widows.....	2,433	13	25	81	8	2

¹ Received benefits all 12 months of the year.
² Husband not entitled on wife's record.

eight-tenths of the aged widows, reported that they were unable to work (table 5).

Beneficiaries often had to find additional means of support. The wives and husbands of some old-age beneficiaries worked. A number of beneficiaries were helped by their children and other relatives. A sixth of the single beneficiaries or couples received public assistance at some time during the year; in any particular month, or course, there was a smaller proportion on the public assistance rolls. Some who did not receive assistance payments were provided medical care by the local public assistance agency. A few had unemployment insurance or special windfalls, such as back pay or prize money.

An indication of the significance of the old-age and survivors insurance benefits to those who receive them

is the fact that the benefits were the only cash income of any consequence for 3 in every 10 single beneficiaries and couples (table 6). Seven in every 10 had nothing or less than \$600 per person for the year in addition to their benefits.

Counting their money income from all sources—including old-age and survivors insurance benefits and other independent permanent income and also their earnings, unemployment insurance payments, money contributions from relatives, public assistance payments, and other money income—almost 2 in every 5 of the beneficiary groups had less than \$600 per person for the year, or less than \$50 a month per person (table 7). Not more than 2 in every 5 had \$900 or more per person for the year.

Figures on money income do not, of course, tell the whole story. Many

Table 7.—Percent of beneficiary groups¹ with specified amounts of annual money income, national beneficiary survey, 1951

Type of beneficiary group	Percent with total annual money income of —		
	Less than \$600 per person	\$900 or more per person	\$1,200 or more per person
All groups combined...	37	36	20
1-person groups:			
Old-age beneficiary:			
Nonmarried men.....	27	41	25
Nonmarried women...	39	33	17
Aged-widow beneficiary	50	29	15
2-person old-age beneficiary groups:			
Married men:			
Wife entitled.....	39	32	15
Wife not entitled.....	40	37	22
Married women ²	24	50	36

¹ Received benefits all 12 months of the year; per cents based on numbers given in tables 1 and 6.
² Husband not entitled on wife's record.

beneficiaries own their homes and have other assets that help to provide security. Some beneficiaries share homes with relatives or friends, and some have various kinds of noncash income. About 46 percent of all single beneficiaries and couples owned their homes (table 8), but some homes were mortgaged. A few beneficiaries had other real estate, a farm, or investments in an owned business. A majority, however, had little or nothing in liquid assets such as cash, bank deposits, and stocks and bonds. About 3 out of 5 had either nothing or less than \$500 per person in liquid assets. Some beneficiaries in the study were among the wealthier members of their communities; 6 percent owned their homes and in addition had \$5,000 or more per person in liquid assets; 250 single beneficiaries or couples had assets of \$50,000 or more; and two had assets of more than \$1 million.

The survey findings make it clear beyond reasonable doubt that for a large majority of beneficiaries the monthly benefit check, even though it may be a small amount, is a critical item of income. These payments make it possible for many beneficiaries to remain economically independent. They enable some beneficiaries to be self-supporting

Table 5.—Percent of old-age and aged-widow beneficiaries¹ with specified labor-force status at time of interview, national beneficiary survey, 1951

Type of beneficiary	Total number of beneficiaries ²	Percent reporting they were —			
		Employed at time of interview	Unable to work	Not working but able to work	
				Not wanting work	Wanting work
Male old-age beneficiaries.....	11,059	12	65	8	15
Female old-age beneficiaries.....	2,547	9	71	9	11
Aged widows.....	2,544	6	82	9	3

¹ Received benefits all 12 months of the year.

² Includes schedules received too late to be included in preliminary tabulations of data on income and assets.

Table 6.—Percent of beneficiary groups¹ with specified amounts of annual money income other than benefits, national beneficiary survey, 1951

Type of beneficiary group	Total number of beneficiary groups	Percent with annual money income other than OASI benefits of —			
		Nothing or less than \$75 per person	Nothing or less than \$600 per person	\$900 or more per person	\$1,200 or more per person
All groups combined.....	15,553	30	72	15	10
1-person groups:					
Old-age beneficiary:					
Nonmarried men.....	4,248	33	72	17	11
Nonmarried women.....	2,031	33	74	11	7
Aged-widow beneficiary.....	2,433	44	79	12	8
2-person old-age beneficiary groups:					
Married men:					
Wife entitled.....	3,974	27	78	11	7
Wife not entitled.....	2,403	14	61	22	13
Married women ²	464	14	48	38	26

¹ Received benefits all 12 months of the year.

² Husband not entitled on wife's record.

Table 8.—Percent of beneficiary groups¹ with specified kind and amount of assets at end of survey year, national beneficiary survey, 1951

Type of beneficiary group	Percent with specified kind and amount of assets				
	No assets of any kind	Owned home	No liquid assets or less than \$500 per person	Liquid assets of \$5,000 or more per person	Owned home or other nonliquid assets and liquid assets of \$5,000 or more per person
All groups combined.....	28	46	62	9	6
1-person groups:					
Old-age beneficiary:					
Nonmarried men.....	43	26	68	9	5
Nonmarried women.....	35	27	64	10	4
Aged-widow beneficiary.....	26	43	56	13	8
2-person old-age beneficiary groups:					
Married men:					
Wife entitled.....	17	64	58	8	7
Wife not entitled.....	16	68	65	8	6
Married women ²	19	56	64	8	2

¹ Received benefits all 12 months of the year; percents based on numbers given in tables 1 and 6.

² Husband not entitled on wife's record.

in their own homes and others to pay their share of expenses in a joint household with relatives or friends. They slow down the rate at which savings and other assets

must be used up. When the adult children contribute to the support of their parents, the benefits decrease the economic burden that would otherwise have to be assumed by

the children. For other beneficiaries who might have to apply for public assistance, the benefits put off that day or lessen the amount of the assistance payment that is needed.

PROGRAM OPERATIONS

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resent continuing unemployment) declined to 4.7 million, or about 8 percent above the May 1951 total. The month's reduction in initial claims largely represented a return to more normal levels following administrative increases in April; sea-

sonal factors were important, however, in both types of claims.

In May, for the fourth consecutive month, the average weekly number of beneficiaries and the total amount of benefits declined. Benefit checks went to 918,300 unemployed workers in an average week in May—7.5 percent fewer than in April but still 18.8 percent

above the May 1951 average. The amount of benefits paid during May dropped to \$87 million—a total 22.8 percent higher than that a year earlier. One reason for the rise in total benefits paid was the increase in the average check for total unemployment; for May 1952 it was \$22.40, or 8.6 percent above the average in May a year earlier.