

Economic Situation of Aged Insurance Beneficiaries: An Evaluation

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In 1935, when the Social Security Act was passed, little was known about the economic position of the Nation's older men and women. Today, through surveys of insurance beneficiaries conducted by the Bureau of Old-Age and Survivors Insurance, much more is known. The evaluation of the economic situation of aged beneficiaries that is presented in the following pages is based on the national beneficiary survey made by the Bureau in 1951.

IN THE fall of 1951 the Bureau of Old-Age and Survivors Insurance conducted its first Nationwide survey of the economic resources of retired-worker and aged-widow beneficiaries.¹ This was not, however, the first survey of beneficiaries the Bureau had conducted. Between 1941 and 1949, surveys were made in the metropolitan areas of Philadelphia-Baltimore, St. Louis, three southern cities (Birmingham-Memphis-Atlanta), Los Angeles, Boston, and 12 middle-sized Ohio cities. The beneficiaries visited in St. Louis and in

Philadelphia-Baltimore were later revisited, and a study also made of a cross section of the beneficiaries on the rolls in Philadelphia-Baltimore at the time of the resurvey.

At the time the Social Security Act was passed there was little information about our elderly population. How did they live? How much income did they have? Did they own their homes? Did they have income-producing assets? Did they have liquid assets that could be used for emergencies or to supplement their income?

The Act was amended in 1939, and payment of monthly benefit payments started in January 1940. The first survey was made as soon thereafter as possible to obtain information about beneficiaries who had been on the old-age and survivors insurance rolls a full year.

The 1951 national survey differed from the earlier ones only in the techniques involved in conducting a survey that was national rather than local in scope. The issues on which information was desired were similar to those of the earlier studies. Information was needed that would help in appraising the adequacy of benefits.

For this purpose it was necessary to find out what other income beneficiaries have—the amount and the sources; the assets they have; and the number who use assets to pay current bills. Because incomes go a little farther when housing and food costs are divided between two or more family units in a joint household, information was obtained on their living arrangements.

To determine whether beneficiaries

were paying their way in the joint households, information was obtained on joint household expenditures and the amounts paid by the beneficiaries and by the relatives to cover those expenditures. Information was also secured on the circumstances surrounding the beneficiaries' retirement and the effect of the retirement test in each case. At the time of the national survey, \$50 a month in covered wages and \$600 in a calendar year in covered self-employment could be earned by beneficiaries without giving up any benefits.² Information was therefore obtained on why beneficiaries terminated their last covered employment before entitlement, whether they subsequently went back to work, how long they had worked during the survey year, whether their employment was covered by the Social Security Act, and what their earnings were. Those who were not working at the time of the interview were asked their opinion about their ability to work and, if they thought themselves able to work, whether they were interested in working.

Medical insurance has been an issue of current interest, and so information was obtained on the medical insurance carried by beneficiaries and also on whether they had been hospitalized or ill in bed at home during the year.

There is wide interest, also, in the concurrent receipt of old-age and survivors insurance benefits and old-age assistance payments, referred to as the overlap between the two programs. The overlap between insurance benefits and employer and union pensions, between benefits and veterans' pensions, and between benefits and privately purchased annuities are also of interest to employers, unions,

² As of September 1952 the amounts beneficiaries could earn in covered employment without giving up any benefits were raised to \$75 in wages and \$900 in self-employment income; no test was imposed for workers aged 75 or over.

* Division of Program Analysis, Bureau of Old-Age and Survivors Insurance. The article is based on Mrs. Wentworth's paper presented at the Annual Meeting of the American Statistical Association, December 28, 1953.

¹ For findings from the preliminary data of the survey see the *Bulletin* for August 1952. For findings based on the final tabulations of selected data relating to income, see the *Bulletin* for June 1953; for those relating to assets and liabilities, see the *Bulletin* for August 1953. There is no conflict between the earlier conclusions and those based on the final figures.

For reports on some of the findings of 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 December 1944 and June 1946 for a comparison of aged insurance beneficiaries with aged assistance recipients and the aged in the general population, and the issues of October 1949, September 1951, and March, July, and August 1952 for studies of old-age assistance recipients in relation to old-age and survivors insurance beneficiaries.

the Veterans Administration, and private insurance companies as well as to Congress and the Social Security Administration.

In analyzing the data obtained in the first beneficiary survey, made in 1941, the concept of "beneficiary group" was adopted. Persons included in the beneficiary group are those who are either entitled to insurance benefits or potentially eligible for them. All other persons in the household are classified as "others," even though such persons are entirely dependent on the beneficiaries for support.

For the beneficiaries included in the national survey the beneficiary group consisted (1) of only one person—an aged widow or a retired worker (man or woman) who did not have or was not living with a spouse; and (2) of two persons if the retired worker was a married man or married woman, whether or not the spouse was entitled to benefits. With few exceptions, a nonentitled wife would become entitled on attaining age 65.

In evaluating the accomplishments of the old-age and survivors insurance program, the income and net worth of only the beneficiary group are of interest, even when the beneficiaries shared homes with relatives.

A description of the beneficiary group's overall situation, however, requires information about the income of the relatives in the joint households. Some beneficiaries, for example, share homes with sons or daughters who are well-to-do; others share homes with relatives who have small incomes and whose level of living is low. A report of the income of the relatives in the joint households was obtained in the earlier surveys, but because such information often required revisits and also because the interviewers often encountered considerable resistance to questions on this subject, no information on relatives' income was sought in the national survey.

Scope of 1951 Survey

The 1951 national survey was made from a 1-percent random sample of retired workers and aged-widow insurance beneficiaries on the rolls in December 1950, selected on the basis of certain digits in the account numbers. The sample represented entitle-

ments in every year from 1940 through 1950. Most of the entitlements were under the 1939 eligibility provisions, which required, for the retired wage earner, covered earnings of \$50 or more in at least half the number of quarters elapsing between January 1937 and attainment of age 65 and, for the aged widow, death of the wage earner. The sample also included retired-worker beneficiaries who became entitled in September 1950 and who, under the 1950 amendments, needed to have had only 6 quarters of coverage since 1937 to be insured. Every field office of the Bureau had one or more beneficiaries to interview. For the first time in any of the beneficiary surveys, countrywide coverage—in cities, towns, villages, and rural areas—was obtained.

Size of sample and discards.—Beneficiaries in the 1-percent sample numbered 22,384; completed schedules were obtained from 17,661, or 0.8 percent of all beneficiaries on the rolls in December 1950. Deaths after December 1950 and changes in beneficiary type after September 1950 accounted for many of the discards. An appraisal of the economic resources of beneficiaries is made easier if the beneficiary group remains the same throughout the survey year so that fractional numbers of persons and fractional years of benefits are avoided. The beneficiary type changed if the husband died and the wife started to draw aged-widow benefits, if the wife died, if the wife became entitled to benefits, or if the beneficiary remarried. Whenever such a change occurred the case was discarded.

All beneficiaries who had not drawn at least one benefit before the beginning of the survey year were also excluded. September 1950 was the cut-off date because it was expected that the survey year would begin with October 1950; actually, however, it started with November 1950. Some workers file applications for benefits while still employed in order to avoid delay in receiving benefits if they become ill or are laid off; these persons were kept out of the sample.

Other beneficiaries were excluded either because they could not be reached after repeated visits or because of their illness or confinement

in a hospital. About 3 percent of the beneficiaries who were interviewed refused to give the information requested or gave information that was so inconsistent or incomplete that the schedules could not be used.

The final sample analyzed has virtually the same distribution by amount of benefit as the 1-percent sample originally drawn for the study. The discards were not concentrated at any particular benefit level. Because some wives were awarded benefits after December 1950 on the basis of their husband's wage record, there were slightly more male retired workers excluded when there was no award of wife's benefit than when there was one, but the difference was small. Entitled couples in the sample analyzed formed 36 percent of all male retired workers in contrast to 34 percent in the original 1-percent sample.

Training of interviewers.—The methods used in training the interviewers in the national survey were necessarily those that could be used at a long distance. Cases illustrating a simple family situation, a moderately complex situation, and a very complex one were described in writing, and schedules were filled in for each case. In addition, questions and answers with necessary explanations were prepared for all problem areas in the schedule. This training material, with a manual of detailed instructions on the interview and the schedule, was sent to each field office.

Those who were to participate in the survey—assistant regional representatives, field office managers, and the field office staff who did the actual interviewing—were brought together locally or regionally in training sessions. The completed schedules were reviewed in the field offices before they were sent to the Bureau in Baltimore.

Sample analyzed.—In the analysis of the data from the 1951 national survey, the beneficiaries have been classified according to whether they received insurance benefits in each month of the survey year or had one or more months of benefit suspensions. The group who received benefits throughout the year represented 90 percent of the beneficiaries included in the study. They are of spe-

cial interest because they met the retirement test of the Social Security Act throughout the year.³ The other 10 percent had had 1-12 months' benefits suspended. This article is based on the reports of the beneficiaries who received benefits for all 12 months of the year.

Characteristics of Beneficiaries

Before discussing the results of the different methods of evaluating the resources of aged beneficiaries, it may be useful to note a few of the characteristics of the 15,923 persons in the sample. Eighty-four percent received benefits on the basis of their own wage record, and 16 percent were women past age 65 who received survivor benefits. More than half (56 percent) of the retired-worker and aged-widow beneficiaries were single

³ Benefits could have been suspended during the survey year for receipt of wages in covered employment (see footnote 1) or as a penalty for violation of certain provisions of the Social Security Act.

or, technically, nonmarried. A fourth were couples receiving both old-age and wife's benefits; about a sixth were couples with the wife under age 65 and not entitled to benefits; and a small number (3 percent) were couples in which the wife was the retired-worker beneficiary.

The minimum old-age insurance benefit awarded a retired-worker beneficiary included in the 1951 survey was \$20.00 a month, and the maximum was \$68.50; for couples with the wife entitled on her husband's wage record, the range of the monthly family benefits was from \$30.00 to \$102.80; for aged widows the range was from \$15 to \$51.40.⁴ Approximately a third of all the retired workers in the study (men and women) received primary benefits of \$20.00-39.90 a month; a fourth received \$40.00-49.90 a month, and about two-fifths, \$50.00-68.50. Where

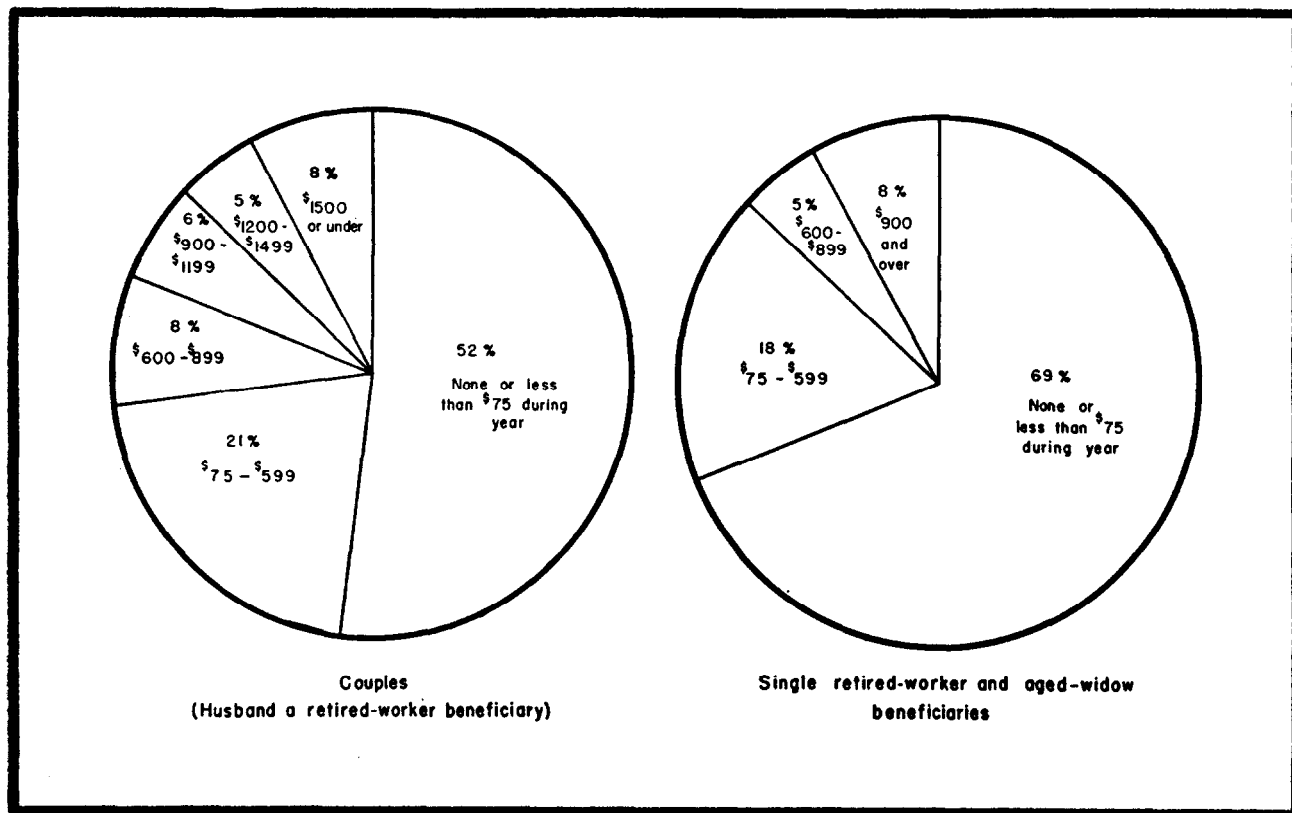
⁴ These benefit amounts were increased by the 1952 amendments. See the *Bulletin*, September 1952.

the wife was entitled, her benefits, of course, increased the family benefits by half the old-age benefit. In the years in which the beneficiaries had worked in covered employment, contributions were paid on only the first \$3,000 of covered earnings, and so an average monthly wage of \$250 was the maximum. Less than 1 percent had the maximum average monthly wage and received an old-age benefit of \$68.50.

A fifth of the aged widows received between \$15.00 and \$29.90; about a fourth received between \$30.00 and \$37.50; and more than half, \$37.50-51.40.

Two-thirds of the retired workers and almost three-fourths of the aged widows were under age 75 at the time of the interview and therefore their benefits were subject to suspension if they earned more than \$50 a month in covered employment. Approximately a third of the retired workers and aged widows were aged 66-69; roughly a third were aged 70-74, and

Chart 1.—Percentage distribution of beneficiary groups with independent money retirement income in addition to benefits during survey year



about a third were aged 75 and over.

Most of the beneficiaries in the sample had been on the old-age and survivors insurance rolls a relatively short time. Slightly more than a fourth received their first benefit in 1950 and had been drawing benefits less than a year before the beginning of the survey year, and more than half had drawn benefits less than 3 years. Only 7 percent were entitled in 1940 and 1941 and had been on the rolls 10–11 years by the beginning of the survey year.

Most of the beneficiaries were urban dwellers, almost half of them living in cities of 100,000 or more and a fourth in cities of 10,000–99,999. A fourth lived in small towns or in rural nonfarm areas, and 3 percent lived on farms.

The large majority of couples (69 percent) lived by themselves. Single beneficiaries were more likely to share homes with relatives, but even so half of them lived alone. About three-fifths (58 percent) of all beneficiary groups combined lived by themselves.

Methods of Appraising Resources

This article is limited to a presentation of data that may be useful in appraising the adequacy of the resources of the beneficiaries; no attempt is made to determine what level of living the beneficiaries actually had during the survey year. The results obtained from four different methods of analysis are discussed. The first method classifies beneficiaries according to their independent retirement income—*independent income* that will be received in approximately the same amounts the rest of their lives—and shows for each income interval what additional sources of income the beneficiaries had and whether they dipped into their assets to supplement their income. The second method compares their entire income received during the year with the cost of a specified standard. The third method determines how many beneficiaries were completely independent and how many were partially dependent during the survey year. The fourth approach combines retirement income and liquid assets prorated over a 10-year period to determine the maximum amount of in-

dependent retirement resources available for current living expenses for 10 years.

All four methods lead to the conclusion that the independent resources of many of the beneficiaries in the sample were small in comparison with current measures of basic needs. The sample, however, includes many who were marginal workers or whose average monthly wages were lowered by quarters with no covered earnings; as a result their benefits were small. Most of those with small benefits had little if anything in retirement resources beside their insurance benefits. In two of the analyses of beneficiary resources, special study is made of retired workers with larger benefits—\$50.00–68.50. These benefits were based on average monthly wages of approximately \$125–250 for the entire period from January 1937 to the quarter in which the beneficiary attained age 65. On the basis of an earlier study, it can be assumed that at least half these retired-worker beneficiaries had their average wages lowered by a few quarters of no covered employment or quarters with exceptionally low earnings. Even so, the retired workers with benefits of \$50.00–68.50 probably had, for the most part, been self-supporting and independent all their working lives. An analysis of their economic situation indicates whether such workers had been able to maintain their economic independence after retirement.

Independent Money Retirement Income

Money income of the beneficiary groups during the survey year was derived from a variety of sources. Every beneficiary received 12 months' benefits and had at least this one source of independent money income that he could expect would be continued throughout his life. Part of the income of some beneficiaries, however, came from sources that clearly would not continue indefinitely, and some came from relatives and friends outside the household or from public or private assistance agencies and so tended to make the recipients dependent.

Money retirement income in addi-

tion to benefits.—Independent retirement income that might reasonably be expected to continue year after year in approximately the same amount was derived from only a few sources. The usual sources of permanent money income—besides the old-age and survivors insurance benefits—were employer or union pensions, veterans' pensions, private annuities, and income from assets.⁵

Old-age and survivors insurance benefits provided the only independent retirement income for a large majority of beneficiaries. Seven out of 10 single beneficiaries and half the couples had nothing or less than \$75 for the year besides their benefits; only 1 in 8 of the single beneficiaries had \$600 or more, and 1 in 5 of the couples had \$900 or more (chart 1).

Beneficiaries awarded the larger benefits (based on primary amounts of \$50.00–68.50) also relied heavily on their benefits for retirement income. Among the beneficiaries with these larger benefits, half of the single beneficiaries and about two-fifths of the couples had nothing or less than \$75 for the year besides their benefits; only a fourth of the single beneficiaries had \$600 or more, and approximately a fourth of the couples had \$900 or more.

Total money retirement income.—Three-fifths of the single beneficiaries had less than \$600 in independent money retirement income, including benefits, and more than two-fifths of the couples had less than \$900; only a fifth of the single beneficiaries had \$900 or more, and a fourth of the couples had \$1,500 or more. Even beneficiaries with benefits based on primary amounts of \$50.00–68.50 were concentrated in the low brackets. Only 35 percent of the single beneficiaries with these larger benefits had \$900 or more, and 39 percent of the couples had \$1,500 or more in total retirement income. Obviously many beneficiaries had to obtain additional money income, use assets, or go in debt, although some with low independent incomes man-

⁵ A few beneficiaries derived independent retirement income that would continue for the recipient's lifetime from royalties, trust funds, workmen's compensation, and national service life insurance.

aged because food and shelter were provided by relatives within their households.

Whether or not old-age beneficiaries, their wives, and the aged widows had any earnings depended on their health and their age and on employment opportunities in their communities. Beneficiaries who shared homes with children were much less likely to receive public assistance than those who lived alone, even when their retirement resources were comparable. It is obvious, of course, that only beneficiaries who had liquid assets could use them.

Funds in addition to independent retirement income.—Almost half the beneficiaries (48 percent) had temporary or supplementary income in addition to their independent money retirement income, and 15 percent had no additional income but used some savings—a total of 63 percent. Twenty-two percent had no additional funds but shared homes with relatives and may have received non-cash income in the form of food and shelter. Only 15 percent lived alone and had nothing but their retirement income.

The proportion with additional funds varied with the amount of the retirement income (table 1). A large majority of beneficiaries had additional funds when their retirement incomes were less than \$600. As retirement income increased the proportion with additional funds decreased; for couples it decreased from 87 percent when retirement income was less than \$600 to 45 percent when it was \$1,800 or more; for single retired workers it decreased from 70 percent when retirement income was less than \$600 to 33 percent when retirement income was \$1,500 or more; for aged widows from 57 to 37 percent.

This inverse relationship between retirement income and the proportion with additional funds from all sources was also characteristic of the relationship between retirement income and the proportion with each separate source of income, although the rate of change varied with the different sources.

Retirement income was supplemented chiefly by earnings, public

assistance, contributions from outside the household, and savings.⁶ In the lowest retirement income interval—less than \$600—public assistance was the most important source of additional funds. In the middle intervals, earnings or use of savings was the chief source. In the highest bracket, use of savings was the most important.

Most of the beneficiaries who used savings to live on had no income in addition to their retirement income. The proportion drawing on savings increased with retirement income up to a certain interval and then decreased as retirement income increased. Not many of those with the lowest retirement incomes had savings to use; those with highest retirement incomes had enough to meet their needs without drawing on their assets. The middle groups had some savings and used them because, unless they had earnings, their incomes were not large enough to meet their expenses.

It is probable that those with small retirement incomes who managed during the survey year because of earnings or use of savings will have to apply for public assistance or get help from relatives when they are no longer able to work or their savings are exhausted.

An examination of the situation of the single retired-worker beneficiaries who received benefits of \$50.00–68.50 shows how they got along during the survey year. Out of 6,416 single men and women retired-worker beneficiaries in the study, about 30 percent—1,850 in all—received old-age benefits of \$50.00–68.50. Fifty-six percent of the 1,850 had retirement incomes of \$600–900; a tenth, \$900–1,200; and a third, \$1,200 or more.

Four-fifths of the 1,850 beneficiaries either had additional income, used assets, or shared homes with relatives; almost half (48 percent) had additional income or used assets. Eighteen percent had earnings, 6 percent received public assistance, 5

⁶ A few beneficiaries had unemployment insurance benefits, workmen's compensation payments, private accident insurance and death benefits payable for a limited number of years, private assistance, and occasional income from other sources.

percent received contributions from outside the household, and 4 percent had unemployment insurance or other temporary sources of income. Twenty-five percent used assets. Not many, however, had liquid assets that could be drawn on regularly; a third of the 1,850 had no liquid assets at the end of the year, and only a fourth had as much as \$3,000.

It appears probable that about two-fifths of the single retired workers receiving benefits of \$50.00–68.50 were partially dependent on relatives or public assistance during the survey year. Eventually the majority probably would require help from relatives or public assistance, particularly if they should need medical care.

Beneficiary Income and Public Assistance Budget Costs

The second method of analysis used to describe the economic situation of beneficiaries is a comparison between their total income for the survey year and the cost of a designated level of living. The selection of the level to adopt as the standard against which to measure beneficiary income was a difficult problem. In the four 1941–42 surveys the incomes of beneficiaries were compared with the current cost of the Works Progress Administration budget for the particular metropolitan areas where the surveys were made. The pricing of this budget ended in 1943. The WPA budget was superseded by the "city worker's family budget" of the Bureau of Labor Statistics and the "budget for an elderly couple" prepared by the Social Security Administration in 1946. The level of living in the elderly couple's budget, which was described as "modest but adequate," took into account social and conventional as well as physiological needs. At October 1950 price levels—the latest pricing of the budget—costs ranged from \$1,602 in New Orleans to \$1,908 in Milwaukee. Not more than a fifth of the beneficiary couples in the national survey had as much as \$1,800 in independent retirement income in 1951. Moreover, the elderly couple's budget was priced in only 34 cities, and its use would have presented a problem of estimating costs in other areas. It

was thus abandoned as a standard.

Public assistance level as standard.
—Instead of a level of living that provided some degree of comfort, it was decided to use as the standard for comparison the lowest level accepted by the communities where beneficiaries lived. Public assistance budget requirements for old-age assistance recipients provided a ready-made basis for determining these minimum levels. Their use, of course, involves measuring beneficiary incomes against varying standards, both as to content and cost, because each State sets up its own standard. Since States differ in their concepts of what the minimum level should be, it follows that an assessment of the incomes of old-age and survivors insurance beneficiaries in terms of the minimum level of living in their communities would have to be made in terms of varying standards. It was therefore decided to compare the income of each beneficiary group with the cost of the public assistance budget for the State in which the beneficiary lived.

Public assistance budgets differ according to living arrangements and size of family. It was, therefore, necessary to determine for what living arrangements the budget costs should be obtained. For example, should separate cost estimates be obtained for a single old person or an elderly couple sharing a home with one or more relatives? living in a rooming house and eating in restaurants? living alone in rented quarters? living alone in a home they owned?

A comparison of housing costs in 1946 for beneficiary couples in Boston who lived in rented quarters and for those who owned their homes as shown in that year's survey indicated that, on the average, the home-owner beneficiaries required as much for housing as the renter beneficiaries. It follows that the income of beneficiary home owners and renters should be measured in terms of the same budget cost.

It was also decided to measure the income of beneficiaries in joint households by the public assistance cost estimates for renters living by themselves. In the two resurveys of beneficiaries the Bureau has made, it was found that joint living arrange-

ments cannot be assumed to be permanent. Single children get married and establish their own homes; others take jobs out of the city; a brother or sister dies—all developments that may bring a change in living arrangements. Because a fifth of the single men retired-worker beneficiaries lived in rooming houses, it seemed desirable to obtain a separate budget estimate for old persons who lived in rooms and ate in restaurants.

The Bureau of Old-Age and Survivors Insurance obtained the State public assistance budget requirements and their costs from each State. With the help of staff members of the Bureau of Public Assistance, a form was prepared that was sent to the State departments of public welfare. Assistance budget costs for aged persons were requested as of December 1951 for three situations—(1) a couple living by themselves in a rented dwelling and doing their own cooking

and housework, (2) a single person keeping house in rented quarters, and (3) a single person living in rented quarters and eating in restaurants. Each State department entered the amount budgeted for each of the basic items.⁷ If a maximum amount were applicable on any item, such as rent, the maximum was entered.

To eliminate one variable it was specified that the budget estimates should be given for persons who had no health problems that required medical care or special diets. The budget amounts, therefore, do not include anything for medical care.

Budget estimates are available for 47 States and the District of Columbia. The budget cost estimates at the end of 1951 in these States for aged couples living alone in rented quar-

⁷ Food, clothing, personal care, rent, fuel for heating, fuel for cooking, electricity, medicine chest supplies, transportation, and other items included in all cases.

Table 1.—Percent of beneficiary groups with funds from specified sources in addition to independent money retirement income¹ during survey year

Source of additional funds	Independent money retirement income					
	Total	Less than \$600	\$600-899	\$900-1,199	\$1,200-1,499	\$1,500 or more
<i>Nonmarried men retired workers</i>						
One-person beneficiary group						
Number, total ²	4,352	2,299	1,110	265	251	427
Percent, total	100.0	100.0	100.0	100.0	100.0	100.0
No additional funds ³	40.3	28.6	42.6	59.2	70.1	67.9
Additional funds ⁴	59.7	71.4	57.4	40.8	29.9	32.1
Income ⁴	47.2	63.5	39.5	22.6	13.5	14.3
Earnings	21.2	24.1	22.9	17.0	9.6	10.5
Contributions ⁵	5.5	6.7	6.2	3.0	1.6	1.2
Public assistance	23.4	39.6	9.4	1.9	—	—
Other ⁶	3.6	2.7	5.7	2.3	3.2	3.7
Used assets	19.0	14.4	25.9	24.9	20.3	21.5
<i>Nonmarried women retired workers</i>						
Number, total	2,064	1,391	334	139	108	92
Percent, total	100.0	100.0	100.0	100.0	100.0	*100.0
No additional funds ³	39.0	33.3	41.3	56.8	63.0	*62.0
Additional funds ⁴	61.0	66.7	58.7	43.2	37.0	*38.0
Income ⁴	48.3	57.7	36.2	24.5	14.8	*25.0
Earnings	21.2	21.9	24.3	15.8	12.0	*19.6
Contributions ⁵	9.9	12.0	6.9	5.0	3.7	*4.3
Public assistance	21.0	29.6	6.0	1.4	—	—
Other ⁶	2.7	2.6	3.9	2.9	—	*1.1
Used assets	21.5	18.3	32.6	25.2	24.1	*20.6
<i>Aged widows</i>						
Number, total	2,527	1,781	338	170	70	168
Percent, total	100.0	100.0	100.0	100.0	*100.0	100.0
No additional funds ³	45.6	43.0	42.6	59.4	*52.9	63.1
Additional funds ⁴	54.4	57.0	57.4	40.6	*47.1	36.9
Income ⁴	35.0	41.0	26.0	17.6	*22.9	11.9
Earnings	12.9	12.9	16.0	9.4	*18.6	8.9
Contributions ⁵	10.4	12.8	5.6	5.9	*2.9	1.8
Public assistance	12.8	17.7	1.5	1.8	—	—
Other ⁶	1.5	1.1	3.3	2.4	*1.4	1.8
Used assets	26.4	23.3	41.1	25.9	*34.3	27.4

See footnote 1 at end of table.

ters ranged from \$756 to \$1,836 a year; for single aged persons keeping house, from \$480 to \$1,260; and for single aged persons eating in restaurants and renting a room, from \$480 to \$1,380.

For purposes of analysis, the States are grouped into the lowest fourth, the middle half, and the highest fourth on the basis of the budget costs for the couples. The annual cost of the couples' budgets ranged from \$756 to \$1,080 in the lowest 12 States; from \$1,104 to \$1,500 in the middle half; and from \$1,536 to \$1,836 in the highest 12. In general the lowest 12 are Southern States; the highest 12 States include 7 Western, 2 Midwestern, and 3 Eastern States.

Beneficiary incomes below assistance standard.—One-sixth of all single beneficiaries and couples combined received public assistance throughout the year or at some time during the year. Some beneficiaries

who were assistance recipients because of medical needs had their nonassistance incomes supplemented by public assistance to higher amounts than the State budget standard adopted for this analysis. A few beneficiaries received relatively large assistance payments because they required institutional or nursing care.

As might be expected, the proportion of beneficiaries receiving public assistance was higher in States with relatively high assistance budgets (table 2). For the single retired-worker beneficiaries (men and women) the proportion receiving assistance increased from 16 percent in the lowest fourth of the States, to 22 percent in the middle half, and to 27 percent in the highest fourth. Comparable percentages for aged widows were 9, 11, and 16 and for the two types of couples combined, 12, 12, and 16.

Almost half (48 percent) of all the beneficiaries did not receive assistance although they had incomes less than the assistance standards. Because the standards were so low in the lowest 12 States, the proportion with below-assistance-standard incomes and not receiving assistance was the smallest in those States (two-fifths); it was one-half both in States in the middle group and in the highest 12 States.

A majority of beneficiaries, therefore—about three-fourths of all the single retired workers and aged widows, two-thirds of the couples with entitled wife, and half the couples with nonentitled wife—either received assistance or had below-assistance-standard incomes. The lower proportion for couples with nonentitled wives is explained by the fact that, for this group, the husbands had earnings during the survey year more frequently than other retired workers; a significant proportion of the wives also had earnings.

How beneficiaries with incomes below assistance standards got along.—It is not known how many with incomes below the assistance standards actually lived at a level that was lower than that permitted public assistance recipients in their States. Half (53 percent) of those with such low incomes lived with relatives; some of them were living comfortably. Forty-seven percent—22 percent of all the beneficiaries—lived alone on incomes below the assistance standards. How did they manage?

The interviewers' comments on the survey schedules indicate that many were having a hard time; some of them used savings, but not many had assets to use; a few went in debt. A small proportion were provided free housing by relatives with whom they did not live. A few ate regularly with married sons or daughters who lived nearby. Some had gardens. Some said they ate but two meals a day, a late breakfast and an early dinner. One old lady offered the interviewer a piece of hard candy, saying that it took away the appetite.

Eligibility for assistance.—No attempt has been made to determine how many beneficiaries with below-assistance-standard incomes would have been eligible for public assist-

Table 1.—Percent of beneficiary groups with funds from specified sources in addition to independent money retirement income¹ during survey year—Continued

Source of additional funds	Independent money retirement income							
	Total	Less than \$600	\$600-899	\$900-1,199	\$1,200-1,499	\$1,500-1,799	\$1,800-2,399	\$2,400 or more
Two-person beneficiary group								
<i>Married men retired workers, wife entitled</i>								
Number, total ²	4,054	468	884	1,117	460	353	455	317
Percent, total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No additional funds ³	35.0	15.2	26.9	31.2	38.3	41.9	58.5	54.6
Additional funds ⁴	65.0	84.8	73.1	68.8	61.7	58.1	41.5	45.4
Income ⁵	47.6	78.4	61.1	50.3	36.1	34.3	21.8	23.7
Earnings of husband.....	23.9	30.8	26.9	26.9	20.2	22.4	12.3	18.6
Earnings of wife.....	7.0	9.8	8.7	6.7	7.0	7.4	4.4	2.5
Contributions ⁶	7.3	13.2	10.4	8.5	5.0	3.4	2.4	.6
Public assistance.....	13.8	42.9	23.5	11.1	2.8	2.0	.9	.3
Other ⁶	4.6	6.3	2.6	6.2	5.4	3.4	3.9	4.0
Used assets.....	27.3	17.3	24.3	30.1	35.2	34.0	24.0	26.5
<i>Married men retired workers, wife not entitled</i>								
Number, total.....	2,447	871	591	203	222	181	221	158
Percent, total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No additional funds ³	26.4	11.1	20.1	34.5	35.1	45.3	50.7	55.1
Additional funds ⁴	73.6	88.9	79.9	65.5	64.9	54.7	49.3	44.9
Income ⁵	63.5	84.6	70.1	52.2	49.1	39.8	30.8	31.0
Earnings of husband.....	31.5	40.9	37.2	24.1	21.6	17.7	18.1	16.5
Earnings of wife.....	28.9	34.2	35.4	26.1	30.2	19.3	12.7	11.4
Contributions ⁶	6.3	8.9	7.5	5.9	3.2	5.6	1.8	.6
Public assistance.....	13.4	30.4	9.0	3.0	.9	1.1
Other ⁶	5.7	5.1	6.6	5.4	7.3	4.5	5.1	6.4
Used assets.....	23.9	18.6	27.6	29.6	27.9	27.6	24.9	20.9

³ Percentage distribution computed on small base and therefore subject to large sampling variation.

¹ Represents 12 months' OASI benefits and money income received during survey year from employer, union, and veterans' pensions; rents, interest, dividends, and annuities; and income from trust funds.

² Number reporting on all items in this table. Because the number reporting on different combinations of items varies slightly from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

³ Represents beneficiary groups who had no income in addition to their money retirement income and used no assets.

⁴ Total is less than the sum of the percents of beneficiary groups with additional sources since some had funds from more than one source.

⁵ From relatives and friends outside household.

⁶ Represents unemployment insurance, workmen's compensation, private accident insurance, and death benefits payable over a limited period of time; back pay for services rendered; and private assistance.

ance if they had applied. Some may have been disqualified because they owned their homes. Public assistance agencies generally budget less for housing if the dwelling is owned than if it is rented, and some beneficiary home owners with incomes below the assistance budget estimates for renters would have been disqualified on the basis of their incomes. Likewise, some of those sharing homes with relatives would have been disqualified on the basis of their incomes.

Some would have been disqualified for assistance because of their liquid assets or life insurance, or because adult children living in the State had sufficient income for the State agency to consider them able to contribute. Others may not have met the citizenship or the State residence requirements.

Dependency

The third method of describing the resources of beneficiaries is an analysis of the extent of dependency during the survey year. A beneficiary group is classified, for purposes of this analysis, as economically dependent if it met any one of four criteria: (1) receipt of public assistance one or more months of the survey year; (2) receipt of free hospitalization or medical services; (3) receipt of \$100 or more during the year from relatives outside their household; and (4) partial support by relatives within the household.

According to the criteria used, 50 percent of all beneficiaries were partially dependent during the year. The proportion was highest for the retired single-worker beneficiaries and aged widows (about three-fifths) and lowest for the couples (slightly less than two-fifths).

Public assistance.—Approximately a sixth of the single beneficiaries and couples received cash payments from public assistance at some time during the year. Most of these beneficiaries received old-age assistance.

The proportion receiving public assistance was largest among beneficiaries with the smallest insurance benefits. For example, almost half (47 percent) of the single men old-age beneficiaries who received insurance benefits of \$20–29 also received public assistance, compared with 30

Table 2.—Percentage distribution of beneficiary groups by relationship of income¹ during survey year to State public assistance standards² at end of year

Relationship of income to PA standard	Total	12 States with lowest PA standards	24 States with middle PA standards	12 States with highest PA standards
One-person beneficiary group				
<i>Nonmarried men retired workers</i>				
Number, total ²	4, 288	943	1, 635	1, 710
Percent, total.....	100. 0	100. 0	100. 0	100. 0
Income at or above standard and no PA.....	31. 2	42. 2	30. 3	26. 0
Income below standard and no PA, or received PA.....	68. 8	57. 8	69. 7	74. 1
Income below standard.....	45. 2	41. 5	46. 2	46. 3
Received PA.....	23. 6	16. 3	23. 5	27. 8
<i>Nonmarried women retired workers</i>				
Number, total ²	2, 037	383	766	888
Percent, total.....	100. 0	100. 0	100. 0	100. 0
Income at or above standard and no PA.....	25. 3	39. 4	22. 2	22. 0
Income below standard and no PA, or received PA.....	74. 7	60. 6	77. 8	78. 0
Income below standard.....	53. 6	46. 2	59. 3	51. 9
Received PA.....	21. 1	14. 4	18. 5	26. 1
<i>Aged widows</i>				
Number, total ²	2, 500	525	938	1, 037
Percent, total.....	100. 0	100. 0	100. 0	100. 0
Income at or above standard and no PA.....	22. 4	30. 3	21. 5	19. 3
Income below standard and no PA, or received PA.....	77. 5	69. 7	78. 5	80. 7
Income below standard.....	64. 7	60. 6	67. 2	64. 6
Received PA.....	12. 8	9. 1	11. 3	16. 1
Two-person beneficiary group				
<i>Married men retired workers, wife entitled</i>				
Number, total ²	4, 007	837	1, 542	1, 628
Percent, total.....	100. 0	100. 0	100. 0	100. 0
Income at or above standard and no PA.....	43. 7	60. 0	45. 6	33. 6
Income below standard and no PA, or received PA.....	66. 3	40. 0	54. 4	66. 4
Income below standard.....	42. 4	28. 2	42. 9	49. 1
Received PA.....	13. 9	11. 8	11. 5	17. 3
<i>Married men retired workers, wife not entitled</i>				
Number, total ²	2, 398	596	944	858
Percent, total.....	100. 0	100. 0	100. 0	100. 0
Income at or above standard and no PA.....	49. 0	55. 0	48. 6	45. 1
Income below standard and no PA, or received PA.....	51. 0	45. 0	51. 3	54. 9
Income below standard.....	37. 7	33. 4	38. 0	40. 3
Received PA.....	13. 3	11. 6	13. 3	14. 6

¹ Incomes of nonmarried men and women retired workers and aged widows living alone in rented quarters or in an owned home, or sharing a home with relatives, were compared with budget costs for single aged persons living alone in rented quarters; incomes of those living in furnished rooms and eating in restaurants were compared with budget costs for this particular living arrangement. Incomes of all couples were compared with budget costs for aged couples living alone in rented quarters.

² The State public assistance standard was the total of the amounts budgeted for food, clothing, personal care, fuel for heating and cooking, electricity, medi-

cine chest supplies, transportation, and such other items as a particular State always included, plus the effective maximum allowed for rent. Budgets did not include anything for medical care or for special diets. The annual cost of the couples' budgets ranged from \$756 to \$1,080 in the lowest 12 States; from \$1,104 to \$1,500 in the middle half; and from \$1,536 to \$1,836 in the highest 12. Budget costs for single aged persons were less.

³ Number of beneficiary groups in the District of Columbia and the 47 States that provided public assistance budget amounts.

percent of those with benefits of \$30–39, 22 percent of those with benefits of \$40–49, 9 percent of those with benefits of \$50–59, and 1 percent of those with benefits of \$60.00–68.50. The proportions for the aged couples with the wife receiving wife's benefits showed a similar relationship to benefits: 32, 23, 15, 9, and 2 percent, respectively. Beneficiaries with the

smallest benefits had little in resources beside their benefits; those with the largest benefits also had other sources of income and assets. In some States the larger insurance benefits alone would disqualify them for assistance.

Free hospital care.—A small proportion of beneficiaries—6 percent—were classified as partially dependent

because they received free medical care during the year. Some beneficiaries who were not receiving cash payments from public assistance had their hospital or doctor bills paid by the public assistance agencies; for others, hospitalization was provided by city or county hospitals, or the costs were paid by private organizations.

Money contributions from children outside household.—Only 5 percent of the beneficiaries reported money contributions of \$100 or more during the year from children or other relatives with whom they did not share a home. Sometimes—but not often—money was paid to the beneficiaries regularly. The payments were more likely to have been made in connection with specific bills—such as medical or hospital bills, taxes, or repairs on the home.

Support from relatives in household.—The national survey obtained information on payments to the joint household and on food and housing costs for a subsample of beneficiaries, provided the same persons were in the family during the entire survey year. The estimate of the proportion of beneficiaries who were dependent on relatives in the household is based on information from 964 joint households (one-seventh of all joint households). It has been assumed that the findings for this subsample are representative of all joint households.

The households were divided into three classes—(1) those in which the beneficiary group made payments to relatives; (2) those in which relatives made money payments to beneficiaries; and (3) those in which the beneficiaries made no payments toward joint household expenses and had no payments made to them by relatives in the household. The total amount of the payments was entered on the schedule, and the expenditure categories covered by the payments, such as food, housing, and medical care, were checked. The annual household expenditures were obtained for food, rent, taxes, special assessment, interest, payments on the mortgage principal, insurance on the dwelling, repairs, water, fuel for heating, gas, electricity, fuel for cooking and light, telephone, and any other joint bills. The number of rela-

tives in the household and their ages and sex were entered on the schedule. The number of food units, based on food scales provided by the Department of Agriculture's Bureau of Human Nutrition and Home Economics was computed for the relatives and the beneficiary group, and foods costs were prorated on this basis. Housing, fuel, and utilities were prorated on a per capita basis.

The proportion of beneficiaries who were considered to be partially dependent on relatives with whom they lived was determined by balancing the food and housing costs prorated to the beneficiaries and the relatives against payments by either the beneficiaries or relatives. To allow for errors in food cost estimates and reports on payments, only beneficiaries estimated to have received more than \$50 in cash or in kind have been considered to have received help from relatives within the household.

Two-fifths of the single beneficiaries and couples shared homes with relatives. Fifty-six percent of these—a fourth of all beneficiaries—were partially dependent on relatives with whom they lived.

Annual Retirement Funds

The fourth method used in analyzing the resources of beneficiaries was to combine independent money retirement income and liquid assets and to determine how much they would have over a given number of years. It was assumed that liquid assets would be used up at a constant rate over a 10-year period. The combination of annual retirement income and one-tenth of the liquid assets is referred to as "retirement funds."

Retirement income represents only a part of the retirement resources of beneficiaries. Three-fifths had liquid assets (cash, bank deposits, all types of stocks and bonds, and loans to others). Forty-five percent owned their homes, and a few had investments in other real estate or in an owned business.

In combining retirement income and assets, home ownership has purposely been excluded because the surveys indicate that retired-worker beneficiaries tend to keep the same living arrangement after retirement that they had before retirement and

that they do not sell their homes. Inclusion of owned homes would assume that the homes would be sold and the funds used for current living, an assumption that is unrealistic. Moreover, beneficiaries do not usually sell their homes after they are accepted for public assistance. Combining liquid assets with retirement income may be justified on the grounds that savings are generally used in old age.

The picture presented is undoubtedly overoptimistic, because most beneficiaries do not draw on assets at a fixed rate to pay their usual current expenses. They husband their savings to pay hospital and doctor bills; some have their assets wiped out almost overnight by a serious illness. It also overstates the situation because about half the beneficiaries will live longer than 10 years. The combination therefore indicates the best possible picture for a 10-year period for the beneficiaries studied.

The retirement funds of single beneficiaries have been appraised in terms of \$900 for single beneficiaries and \$1,500 for couples. These amounts might be characterized as "public assistance standards" because three-fifths of the States reported public assistance budgets of \$900–1,200 for single aged persons living alone and keeping house and 30 percent of the States reported budgets of \$1,500–1,800 for couples having a similar living arrangement. Moreover, half the benefit checks sent out each month go to beneficiaries living in States that reported budgets of \$1,500 or more for couples.

Proportion with specified amount of retirement funds.—Only 1 in 5 of all the single beneficiaries had independent retirement incomes of \$900 or more; 1 in 4 of the couples had retirement incomes of \$1,500 or more (table 3). When one-tenth of each beneficiary's liquid assets is combined with his annual independent retirement income, the proportions with retirement funds of \$900 and of \$1,500 are increased to 1 in 4 for single persons and 1 in 3 for couples. Although three-fifths of all the beneficiaries had some liquid assets, only a small proportion of those who had small retirement incomes had enough liquid assets to bring their retirement

Table 3.—Percent of beneficiary groups with retirement funds¹ of specified amount available for current living during survey year, by primary insurance amount

Primary insurance amount	Number of groups ²	\$600 or more	\$900 or more	\$1,200 or more	\$1,500 or more	\$1,800 or more	\$2,100 or more	\$2,400 or more
One-person beneficiary group								
<i>Nonmarried men retired workers</i>								
Total.....	4,358	48.9	27.0	19.9	13.7	9.4	6.3	4.9
\$20-29.....	975	13.9	9.5	6.4	3.0	1.3	1.0	.8
30-39.....	669	19.6	13.8	10.5	7.9	3.9	2.7	2.1
40-49.....	1,169	27.0	17.3	10.9	6.8	4.4	2.6	2.1
50-59.....	1,054	99.7	39.8	26.4	17.5	12.3	7.0	5.2
60-68.50.....	491	100.0	74.5	63.5	50.3	37.3	27.9	22.6
<i>Nonmarried women retired workers</i>								
Total.....	2,058	35.6	22.2	14.1	8.8	6.4	4.8	3.4
\$20-29.....	812	18.5	10.7	5.9	3.8	2.3	1.5	1.2
30-39.....	382	20.2	13.1	7.6	6.0	5.2	3.7	2.9
40-49.....	559	35.8	22.7	10.9	5.5	3.8	2.7	1.4
50-59.....	258	100.0	57.4	41.1	25.2	17.8	15.1	10.5
60-68.50.....	47	*100.0	*83.0	*76.6	*59.6	*48.9	*40.4	*34.0
<i>Aged widows</i>								
Total.....	2,528	33.5	24.4	16.0	12.0	9.0	7.2	6.0
\$20-29.....	234	18.4	10.3	6.4	4.3	3.0	1.7	1.3
30-39.....	290	15.5	10.0	5.9	3.8	3.1	2.8	1.7
40-49.....	662	24.5	15.7	9.4	6.0	4.4	2.9	2.0
50-59.....	858	31.5	22.8	13.5	9.6	6.6	5.1	4.2
60-68.50.....	484	66.5	51.0	39.0	31.2	26.0	21.5	18.0
Two-person beneficiary group								
<i>Married men retired workers, wife entitled</i>								
Total.....	4,059	89.0	68.7	44.9	34.7	25.8	18.5	13.1
\$20-29.....	602	35.2	25.2	19.6	13.8	9.0	6.5	4.7
30-39.....	466	87.1	33.9	23.4	17.2	11.2	7.5	5.4
40-49.....	950	99.9	45.6	31.7	24.3	17.5	10.0	7.1
50-59.....	1,222	100.0	99.7	49.3	33.1	22.2	15.5	9.6
60-68.50.....	819	100.0	99.8	83.8	73.1	59.2	46.5	35.4
<i>Married men retired workers, wife not entitled³</i>								
Total.....	2,447	66.2	44.8	36.0	27.6	20.4	14.5	11.0
\$20-29.....	407	25.1	19.2	14.3	7.6	5.9	4.7	2.9
30-39.....	268	30.6	20.9	17.2	12.3	8.2	6.0	5.6
40-49.....	545	37.8	27.5	20.7	14.9	7.0	5.1	3.9
50-59.....	702	100.0	54.0	38.5	29.1	20.7	12.4	8.5
60-68.50.....	525	99.8	81.5	73.9	61.3	49.7	38.5	30.5

* Percent computed on small base and therefore subject to large sampling variation.

¹ Represents independent money retirement income (12 months' OASI benefits and money income received during survey year from employer, union, and veterans' pensions; rents, interest, dividends, and annuities; and income from trust funds), plus liquid assets prorated over a 10-year period. In 1951, the minimum amount received as 12 months' benefits by an aged widow was \$180; by a nonmarried man,

nonmarried woman, and married man with nonentitled wife, \$240; and by a married man and entitled wife, \$360.

² Number reporting on all items in this table. Because the number reporting on different combinations of items varies slightly from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

³ Independent money retirement income will be increased when the wife becomes entitled to benefits

funds to \$900 and \$1,500, respectively. Significant amounts of savings were generally reported by beneficiaries who also had retirement incomes of at least \$900 if single and \$1,500 if married.

Retirement resources are, of course, related to the amount of the insurance benefit, because for many the benefits constitute the only or the chief income. The proportion of beneficiaries with retirement funds of \$900 if single and \$1,500 if married increases markedly as primary insur-

ance amount increases; only 10 or 11 percent had the specified funds in the lowest benefit interval (\$20-29); in the highest benefit interval (\$60.00-68.50), three-fourths of all the single retired-worker beneficiaries, two-thirds of the couples, and half the aged widows had at least these amounts.

The retirement resources of beneficiaries in the \$50-59 benefit class were on the whole substantially smaller. Only 43 percent of the single retired workers and about a fourth

of the aged widows would have \$900 a year for 10 years; not more than a third of the couples would have \$1,500.

A more detailed examination of the situation of the single retired-worker beneficiaries receiving benefits of \$50-59 a month indicates the relative importance of benefits, other retirement income, and assets in their retirement situation. Forty-three percent would have retirement funds of \$900 or more a year for 10 years. Benefits alone provided incomes of \$600-720 for the year for this group of beneficiaries. A third had additional retirement incomes that brought their total retirement income for the year up to at least \$900. The most important source of additional independent income was employer pensions, but only 27 percent received such pensions. A few others had investment income (mostly rent) or veterans' pensions sufficient to raise their total retirement incomes to \$900 or more. About a tenth had total retirement incomes that were less than \$900 but had enough liquid assets to bring their retirement funds to \$900 or more a year for 10 years. All the others—57 percent—did not have sufficient retirement income and liquid assets to provide as much as \$900 a year in retirement funds for 10 years.

If the single retired workers with benefits of \$50-59 a month had had no retirement income besides their benefits they would have needed \$1,800-3,000 in liquid assets in order to have retirement funds of \$900 a year for a 10-year period. Twenty-seven percent had liquid assets of \$2,000 or more; a fifth had \$3,000 or more. Most of those with liquid assets in these amounts, however, already had retirement incomes of at least \$900 a year. Higher incomes and higher assets went together. Only a sixth of those with less than \$900 in retirement incomes had enough liquid assets to bring their retirement funds to \$900 a year.

Conclusions

During the survey year many beneficiaries enjoyed a higher level of living than their own independent retirement income could have provided.

(Continued on page 26)

Table 2.—Contributions and taxes collected under selected social insurance and related programs, by specified period, 1951-54

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions ¹	Federal civil-service contributions ²	Taxes on carriers and their employees	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions ⁵
Fiscal year:						
1951-52.....	\$3,594,248	\$722,850	\$734,990	\$1,431,997	\$258,945	\$25,734
1952-53.....	4,096,602	744,646	626,050	1,367,806	275,825	25,066
7 months ended:						
January 1952.....	1,801,770	551,724	426,452	863,272	49,302	13,072
January 1953.....	1,996,679	579,781	329,431	790,912	57,581	12,654
January 1954.....	1,811,711	288,295	329,425	757,855	43,421	10,614
1953						
January.....	118,136	43,098	14,173	77,047	15,680	70
February.....	491,734	25,407	89,381	170,926	181,750	534
March.....	428,978	35,297	51,761	8,367	14,024	5,837
April.....	233,630	34,782	12,599	150,230	1,713	39
May.....	524,532	33,082	89,581	240,818	19,578	813
June.....	421,048	36,296	53,297	6,553	1,178	5,189
July.....	213,774	37,474	14,608	160,096	3,946	103
August.....	529,884	70,290	93,283	222,900	12,979	2,063
September.....	258,748	36,611	52,960	7,208	2,380	4,231
October.....	173,686	33,072	14,392	102,289	2,088	17
November.....	398,352	36,431	89,986	187,421	16,769	768
December.....	152,597	38,097	51,430	13,776	-3,293	5,593
1954						
January.....	84,670	36,320	12,765	64,165	8,552	-2,161

¹ Represents contributions of employees and employers in employments covered by old-age and survivors insurance (beginning December 1952, adjusted for employee-tax refunds); from May 1951, includes deposits made in the trust fund by States under voluntary coverage agreements; beginning January 1951, on an estimated basis.

² Represents employee and Government contributions to the civil-service retirement and disability fund; Government contributions are made in 1 month for the entire fiscal year.

³ Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 2 States, contributions from employees; excludes contributions collected for deposit in State sickness insurance funds. Data reported by State agencies, corrected to Mar. 4, 1954.

⁴ Represents taxes paid by employers under the Federal Unemployment Tax Act.

⁵ Beginning 1947, also covers temporary disability insurance.

⁶ Includes contributions from the Federal Government.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

OASIS BENEFICIARIES

(Continued from page 22)

Half of them had either temporary or supplementary income, an additional 15 percent used savings, and another 22 percent shared homes with relatives. The receipt of supplementary income (largely public assistance and contributions from relatives outside the home), help from relatives in the household, and free hospitalization meant, however, that half the beneficiaries were partially dependent during the year studied. Some who were independent because of earnings or withdrawal of savings may have to seek help when they are no longer able to work and their assets are exhausted. Benefits postpone that day; they lessen the amount of assistance that will be required.

The old-age and survivors insurance beneficiaries include many persons who have been marginal and low-paid workers and who have accumulated little in the way of savings

for old age. Many of these persons have received public assistance or help from their children before coming on the the old-age and survivors insurance rolls. Any evaluation of the resources of a cross section of beneficiaries therefore shows that a substantial proportion do not have the resources required to maintain economic independence after retirement.

Two-fifths of the retired-worker beneficiaries in the study received old-age benefits of \$50.00-68.50. Most of these retired workers had been regularly employed, although probably more than half of them had a few quarters with unusually low earnings or with no taxed earnings and their average monthly wages had been lowered as a result. Nevertheless, these workers had undoubtedly been economically independent during their working lives, and their comments to the interviewers indicate a strong desire to remain independent after retirement. The various appraisals of the resources of retired

workers with benefits of \$50-59 indicate that the majority did not have enough retirement resources of their own to be economically independent for the rest of their lives at what might be characterized as a public assistance level, and even in the group with benefits of \$60.00-68.50 a significant proportion was similarly situated.

The economic situation of aged widows with survivor benefits based on primary insurance amounts of \$50.00-68.50 was markedly poorer than that of retired workers. They had less independent income than the retired workers; they had somewhat more liquid assets, but the combination of their independent income and liquid assets was less than that of the retired workers.

In September 1952 benefits of persons already on the rolls were increased by Congress, but the increase does not alter the conclusions derived from the various analyses of the resources of beneficiaries.