

provisions and the granting of the additional 25 percent of the primary insurance amount, divided equally, to child survivor beneficiaries. Under the 1950 amendments the maximum family benefit is the lesser of \$150 or 80 percent of the average monthly wage, except that in no case will the total family benefit be reduced to less than \$40. In cases where the family maximum provisions are applicable, children receive a larger proportion, and widowed mothers a smaller proportion, of the total family benefit than they did under the 1939 amendments. Moreover, the probability that the family maximum provisions will be applied is, generally speaking, greater under the 1950 amendments than under the 1939 amendments, since now they may apply to family units consisting of only three children or of only a mother and two children, whereas formerly the smallest family units to which they applied were four children or a mother and three children.

The largest proportionate increase in average benefits took place among parent beneficiaries. This expected result stems from the compound liberalizations represented by the use of the conversion table coupled with the 50-percent increase in the benefit-rate fraction (from 50 percent to 75 percent of the primary insurance amount).

### *Average Monthly Benefits Awarded*

Table 1 presents a comparison of the average monthly amount of benefits for new awards processed during July, October, and November 1950, by type of benefit. The most important and significant observation to be made from the comparison is the markedly lower proportionate increase in the average benefit awarded in retirement claims, as contrasted with survivor claims. The average old-age benefit awarded in October and November reflects the combined effect of two factors. First, persons who qualify solely as a result of the liberalized insured-status provisions have, on the whole, substantially lower average monthly wages and fewer credited increment years than do persons insured under the 1939 amendments. The average monthly amount of old-

age benefits awarded in October and November to persons eligible under the 1939 provisions was about \$50, in contrast to an estimated average of about \$23-25 in the case of the newly eligible group. Second, the number of awards in October and November to persons who qualified under the liberalized insured-status provisions of the 1950 amendments exceeded by far the number who had sufficient quarters of coverage to qualify under the 1939 amendments. Awards to "new eligibles" were roughly three times as numerous as awards to "1939 eligibles."

The emergence of this benefit pattern was anticipated, and plans were made for the identification of a random sample of old-age benefit awards, from which data will be obtained on age, sex, and size-of-benefit distributions for the "new eligibles" and the "1939 eligibles" separately. A summary of these results will appear in this section in an early issue of the *BULLETIN*.

Virtually no survivor claims could have been awarded in October on the basis of the wage records of newly insured individuals, because of (1) the short interval of time during which death must have occurred; (2) the usual delays in filing claims after death; and (3) the normal administrative processing lags. Thus the low accrued average primary insurance amount of such individuals was not reflected in the awards of survivor benefits.

The average monthly amount of old-age benefits being awarded will continue to be low until the backlog of life claims is worked off. Thereafter, old-age benefit awards to "1939 eligibles" will constitute a larger proportion of the total than at present, and the average old-age benefit amount awarded will rise. Deaths among newly insured individuals, in contrast, will be represented to a greater extent than at present, and hence average survivor benefit awards may be expected to decline. When the "new start" average monthly wage provisions become effective in 1952, still another series of changes in benefit levels will begin.

### *Trend Since Conversion*

The following tabulation compares average monthly benefits in current-payment status at the end of Septem-

ber and at the end of November by type of benefit.

Type of benefit	Average monthly amount in current-payment status		Percentage decrease
	Sept. 30	Nov. 30	
Old-age.....	\$46.62	\$44.38	5
Wife's.....	24.50	23.79	3
Child's.....	28.04	27.82	1
Widow's.....	36.63	36.59	( <sup>1</sup> )
Mother's.....	35.22	34.59	2
Parent's.....	36.73	36.72	( <sup>1</sup> )

<sup>1</sup> Less than 0.5 percent.

The decrease in the average old-age benefit in current-payment status was caused primarily by the large number of awards during October and November to "new eligibles." Of the 116,000 old-age benefits newly awarded in each of the two months, roughly three-fourths were to "new eligibles" at a substantially lower average rate, as noted above, than the average rate for old-age benefits in current-payment status at the end of September.

The termination during October and November of approximately 15,000 old-age benefits because of the death of the beneficiary also contributed to the decrease. Practically all these beneficiaries were "1939 eligibles"; their average monthly benefit was about \$46. This factor tended to increase the proportion of "new eligibles" with low benefits in current-payment status and thus to decrease the average monthly old-age benefit.

## **Workers With Insured Status, Beginning of 1951**

An estimated 19 million persons, who under the 1939 amendments would not have been fully insured on January 1, 1951, were fully insured on that date solely as a result of the "new start" in insured-status requirements for old-age and survivors insurance, contained in the 1950 amendments.<sup>1</sup> The sweep-

<sup>1</sup> None of the estimates of the insured population, presented in this note, have been adjusted to reflect changes in insured status for (1) workers with combined earnings under coordinated survivor provisions of the old-age and survivors insurance and railroad retirement program, and (2) persons with military service in World War II.

ing revision in the eligibility provisions makes it possible for individuals to be fully insured with only 6 quarters of coverage. About 700,000 of these persons, who did not meet the earlier requirements, are at least 65 years of age and hence eligible to receive old-age benefits.

A total of approximately 60 million persons, including the 19 million with newly insured status, were fully insured under the old-age and survivors insurance program at the beginning of 1951 (table 1). There were, of course, no persons currently but not fully insured on that date; nor can there be such insured individuals before the middle of 1954, when 7 quarters of coverage will, in general, be needed for fully insured status.

An estimated 21.0 million workers had permanently insured status on January 1, 1951, an increase of 6.1 million over the number permanently insured as of January 1, 1950. Had the 1939 amendments remained in effect on January 1, 1951, only 30 percent of this increase would have materialized. The remaining number — 4.3 million—became permanently insured as a result of the liberalization in the insured-status requirements. To be permanently insured, workers must have the number of quarters of coverage required for fully insured status at age 65. Regardless of their future employment, they can therefore qualify for old-age benefits at or after age 65; in the event of their death, their survivors can qualify for monthly benefits and/or lump-sum death payments.

The distribution of the permanently insured workers by sex, age, and quarter-of-coverage requirement is as follows:

Age at birthday in 1950	Quarters of coverage required for permanently insured status	Workers permanently insured on Jan. 1, 1951 (in millions)		
		Total	Male	Female
Total...	6-40	21.0	16.4	4.5
Under 45.....	40	6.9	5.4	1.5
45-61½.....	7-39	9.3	7.2	2.1
61½ and over.....	6	4.7	3.8	0.9

<sup>1</sup> Includes 3.0 million workers at least 65 years of age, of whom about 1.8 million were receiving benefits at the end of 1950.

Table 1.—Estimated number of insured workers, by insurance status on January 1, 1951, if 1950 amendments had not been enacted

[In millions]

Insured status on Jan. 1, 1951, under 1950 amendments	Total number of insured workers	Insurance status if 1939 amendments were in effect on Jan. 1, 1951				
		Fully insured			Currently insured only	Not insured
		Total	Permanently insured	Not permanently insured		
Total.....	60.0	41.1	16.7	24.4	5.2	13.8
Permanently insured.....	21.0	18.4	16.7	1.7	0.7	1.9
Fully, not permanently insured.....	3.90	22.7	-----	22.7	4.5	11.8

Slightly more than one-third of the workers who were fully insured at the beginning of 1951 were permanently insured. The effect of the more liberal requirements for permanently insured status at the older ages is illustrated in table 2, which gives a comparison, by age, of the number of fully insured workers and permanently insured workers.

The following tabulation shows a comparison of the permanently insured group with the total fully insured population at the beginning of each year since 1940.

Year	Workers fully insured at beginning of year (number in millions)				
	Total number	Permanently insured			
		Total number	Requiring less than 40 quarters of coverage	Requiring 40 quarters of coverage	Percent of fully insured
1940..	22.9	0.6	0.6	-----	2.6
1941..	24.2	1.1	1.1	-----	4.5
1942..	25.8	1.4	1.4	-----	5.4
1943..	28.1	1.8	1.8	-----	6.4
1944..	29.9	2.3	2.3	-----	7.7
1945..	31.9	2.8	2.8	-----	8.8
1946..	33.4	3.4	3.4	-----	10.2
1947..	35.4	8.6	3.8	4.8	24.3
1948..	37.3	11.0	4.0	7.0	31.1
1949..	38.9	13.2	4.0	9.2	33.9
1950..	40.1	14.9	4.0	10.9	37.2
1951..	60.0	21.0	14.1	6.9	35.0

Largely as a result of the 1950 amendments, the permanently insured group increased during the calendar year 1950 by about 41 percent, whereas the entire fully insured population increased by approximately 50 percent. Consequently, the permanently insured group as a proportion of the entire fully insured population failed to show any growth

for the first time since the start of the program. Had the 1939 amendments remained in effect, the permanently insured group would have constituted 41 percent of the fully insured population, thus continuing the trend of earlier years. Two groups were important in effecting the sharp increase during 1950 in the number permanently insured among those requiring less than 40 quarters of coverage: (1) the 4.3 million persons who became permanently insured as a result of the 1950 amendments, and (2) the 5.8 million persons, born between 1892 and 1905, who formerly needed 40 quarters of coverage for permanently insured status but now need less than 40.

During the next two decades, the number of quarters of coverage required for fully insured status will, in general, increase each year and thus narrow the difference between the number of quarters of coverage required for permanently insured status and for fully insured status. The permanently insured group is therefore expected to constitute an increasing

Table 2.—Estimated number of fully insured and permanently insured workers on January 1, 1951, by age

Age at birthday in 1950	Workers fully insured on Jan. 1, 1951 (number in millions)		
	Total number	Permanently insured	
		Number	Percent of fully insured
Total....	60.0	21.0	35
Under 45.....	41.1	6.9	17
45-61½.....	14.2	9.3	65
61½ and over.....	4.7	4.7	100

proportion of the entire fully insured population, except possibly during the next few years. When a worker's elapsed period exceeds 20 years, the requirement for permanently insured status will be easier to fulfill than the requirement of 1 quarter of coverage

for every 2 elapsed quarters. Consequently, all fully insured persons over 41 years of age will also be permanently insured. Many of the younger fully insured workers—that is, those with less than 10 years of employment—will not be permanently insured.

During the next few years, however, the proportion of fully insured persons who are also permanently insured may fail to show any increase, because relatively few persons in newly covered employment who become fully insured will be permanently insured.

## Recent Publications\*

### Social Security Administration

**BUREAU OF PUBLIC ASSISTANCE.** *Public Assistance Goals, 1951.* Washington: The Bureau, 1950. 21 pp. Processed.

Recommendations for improving State public assistance legislation. Limited free distribution; apply to the Bureau of Public Assistance, Social Security Administration, Washington 25, D. C.

**CHILDREN'S BUREAU.** *Changes in Infant, Childhood, and Maternal Mortality Over the Decade 1939-1948: A Graphic Analysis.* (Children's Bureau Statistical Series No. 6.) Washington: The Bureau, 1950. 31 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

**CLENDENEN, RICHARD.** *After the Training School—What?* Washington: Children's Bureau, 1950. 9 pp. Processed.

Discusses plans for providing after-care services for children when they leave the training schools. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

**SMITH, ANNA KALET.** *Adoption Laws in Latin America.* (Children's Bureau Publication No. 335.) Washington: U. S. Govt. Print. Off., 1950. 34 pp. 15 cents.

Traces the evolution of adoption laws in Latin America, analyzes present legislation, and summarizes individual laws.

### Some Basic Readings in Social Se-

\* Prepared in the Library, Federal Security Agency. The inclusion of prices of publications in this list is intended as a service to the reader, but orders must be directed to publishers or booksellers and not to the Social Security Administration or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

*curity, 1950 Supplement.* (Publication No. 28, August 1950.) Prepared in the Library, Federal Security Agency. Washington: U. S. Govt. Print. Off., 1950. 55 pp. Free distribution; apply to the Social Security Administration, Washington 25, D. C.

### General

**ELLIOTT, MABEL A., and MERRILL, FRANCIS E.** *Social Disorganization.* (3d ed.) New York: Harper & Brothers, 1950. 748 pp. \$4.50.

Analyzes social disorganization as it affects the individual, the family, the local community, the Nation, and the world. This new edition includes an interpretation of significant postwar changes in the juvenile delinquency, crime, and divorce rates, and a detailed discussion of minority groups and of totalitarianism.

**FEDERAL PERSONNEL COUNCIL.** *Guide for Planning Supervisory Development in Agencies of the Federal Government.* Approved by the Council, Sept. 28, 1950. Washington: U. S. Civil Service Commission, 1950. 12 pp. Processed.

**GRAY, GORDON.** *Report to the President on Foreign Economic Policies.* Washington: U. S. Govt. Print. Off., 1950. 131 pp. 40 cents.

### Retirement and Old Age

**BROWN, ROLLO WALTER.** "Must 65 Be Fatal?" *The Atlantic Monthly*, Boston, Vol. 186, Dec. 1950, pp. 51-54. 50 cents.

Believes that retirement age should vary with the individual.

**CLOW, HOLLIS E.** "Psychiatric Factors in the Rehabilitation of the Aging." *Mental Hygiene*, New York, Vol. 34, Oct. 1950, pp. 592-599. \$1.25.

**COHEN, WILBUR J.** "New Social Security for Nurses." *Public Health Nursing*, New York, Vol. 42, Dec. 1950, pp. 635-637 f. 45 cents.

Explains what the program provides

for nurses who are newly covered under the Social Security Act.

**KANSAS LEGISLATIVE COUNCIL. RESEARCH DEPARTMENT.** *Retirement and Insurance Planning for State and Local Government Employees.* Prepared for the Committee on Federal, State, and Local Governments. (Publication No. 169.) Topeka: The Council, 1950. 24 pp.

Analyzes the 1950 amendments of the Social Security Act as they relate to the extension of coverage to public employees in Kansas, compares the Federal plan with the proposed retirement plan introduced in the State Legislature in 1949, and considers supplementation of the Federal plan.

**LAVERTY, RUTH.** "Nonresident Aid—Community Versus Institutional Care for Older People." *Journal of Gerontology*, Baltimore, Vol. 5, Autumn 1950, pp. 370-374. \$2.

**NEW YORK STATE ASSOCIATION OF COUNCILS OF SOCIAL AGENCIES.** *Community Action for the Aging.* New York: The Association, 1950. 15 pp.

**UNITED NATIONS. ECONOMIC AND SOCIAL COUNCIL.** *Welfare of the Aged: Old Age Rights. Summarized Documentation on Measures for the Benefit of Aged Persons and the Effect of Such Measures on Their Standard of Living: Report by the Secretary-General to the Social Commission and the Commission on Human Rights.* Lake Success: The Council, 1950. 104 pp.

### Employment

**CHAMBER OF COMMERCE OF THE UNITED STATES. ECONOMIC RESEARCH DEPARTMENT.** *Investment for Jobs.* Washington: The Chamber, 1950. 36 pp. 25 cents.

Discusses ways of creating job opportunities for the rapidly growing labor force.

**COLIN, DAVID H.** *The Law of Unemployment Insurance in New York.* New York: New York University, Institute of Labor Relations and Social Security, 1950. 412 pp.

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