

State Differences in Insurance Status Under Old-Age and Survivors Insurance

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FROM THE BEGINNING OF 1937, when contributions for old-age and survivors insurance were first payable, to the end of 1940, about 46 million persons received wages in covered employment. At the beginning of 1941, almost half this number were neither fully nor currently insured.¹ The failure of these workers to be insured was chiefly the result of the brevity and intermittency of their covered employment.

Some of the workers uninsured at the beginning of 1941 were boys and girls who had recently entered the labor force; they will acquire insured status as their employment history lengthens. Others were persons who, because of invalidity, death, or other reasons, had left the labor force permanently after only a brief period of covered employment. Still others were seasonal workers; persons who, because of physical handicaps or inability to find work during the depression, were unemployed most of the time; and persons not regularly in the labor force who had held paid jobs for only a few months in one or more of the years. Many uninsured work-

ers, on the other hand, were persons who were at work more or less continuously throughout the 4 years but were in noncovered jobs most of the time.²

The number of workers who, although regularly in the labor force, nevertheless lack insured status because they have only brief periods of covered employment is, of course, closely related to the number of persons in employments excluded from coverage. Moreover, the number who find only temporary covered employment is affected by the extent to which highly seasonal industries, like canning, construction, and lumbering, absorb large numbers of additional workers during the industry's peak periods of activity. Because some States have more of these seasonal industries than others, the amount of short-term covered employment varies among the States. This fact, together with the relatively large amount of noncovered employment in some States, is responsible for the failure of many workers to be insured. State data which have recently become available throw considerable light on the way in which these factors operate in determining the extent to which workers with wage credits lack insured status under old-age and survivors insurance.³

Tabulations from the continuous work-history sample⁴ provide infor-

mation, by State, on the insurance status at the beginning of 1941 of workers who received wage credits in one or more of the years 1937-40. Moreover, a fairly accurate estimate of the relative number of workers in excluded occupations can be derived from the census data for 1940, which distribute the employed labor force in each State by specific industry and occupation. By comparing these two sets of data, it is possible to determine the relationship between the proportion of workers with insured status and the distribution of workers between covered and noncovered employments.

Both sets of data, of course, have limitations. The continuous work-history tabulations classify by State of employment⁵ only the workers who were in covered jobs in 1940. Other workers with wage credits are classified by the State in which their social security account number was issued. Both groups include some workers who did not receive all their taxable wages in the State to which they are attributed. Interstate migration of workers during these years probably affected some States appreciably more than others, but the extent of such differences is not shown by the data. Persons who were in covered employment in 1940, however, received at least part of their taxable wages in the designated State. This fact cannot be ascertained for workers who were not in covered employment in that year; therefore, the following discussion is focused primarily on the workers who received wage credits in 1940.

The census data on the labor force relate only to the single week of March 24-30, 1940. The persons classified as the employed labor force comprise only those who were at work, not including public emergency relief work, during that week.

All Workers With Wage Credits

In the country as a whole, 45 percent of all persons who received wage credits under old-age and survivors insurance at some time during the 4 years 1937-40 did not have insured

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¹To be eligible for old-age benefits under the social security system, a worker must be "fully insured." In general, to be fully insured at the beginning of 1941, a person must have acquired quarters of coverage at least equal in number to one-half the calendar quarters elapsing after 1936 or after the quarter in which he attained age 21, whichever was later, and up to but excluding the quarter in which he attained age 65 or until the beginning of 1941, whichever occurred first. He must have acquired at least 6 quarters of coverage. A quarter of coverage is a calendar quarter in which a worker has been paid \$50 or more in taxable wages.

Survivors of an individual with either fully or "currently" insured status at the time of his death may be qualified to receive survivor benefits on the basis of his wage record. To be currently insured at the beginning of 1941, a worker must have earned \$50 or more in taxable wages in at least 6 of the 12 calendar quarters 1938-40.

All individuals who fail to satisfy the requirements for either fully or currently insured status are uninsured. In this discussion, however, only the uninsured who have received some taxable wages are considered.

²See Trafton, George H., "Uninsured Workers With Wage Credits Under Old-Age and Survivors Insurance," *Social Security Bulletin*, Vol. 7, No. 6 (June 1944), pp. 3-10.

³Previous studies of State differences under old-age and survivors insurance, based on data for a single year, were summarized in the *Bulletin* in Murray, Merrill G., and Wood, Dorothy, "State Differences in Characteristics and Average Taxable Wages of Covered Employees, 1937," Vol. 2, No. 9 (September 1939), pp. 13-24; and in Slomin, Herman, "State and Regional Differences in Covered Employment and Taxable Wages, 1939," Vol. 5, No. 1 (January 1942), pp. 35-44.

⁴See Perlman, Jacob, and Mandel, Benjamin, "The Continuous Work History Sample Under Old-Age and Survivors Insurance," *Social Security Bulletin*, Vol. 7, No. 2 (February 1944), pp. 12-22.

⁵Workers are classified by State on the basis of an employer report for the third quarter or, if not in covered employment in that quarter, an employer report for the first, second, or fourth quarter—in that order.

status at the beginning of 1941. Among the States the proportion uninsured ranged from 35 percent in Rhode Island to 68 percent in Mississippi. Of some 35 million workers who received wage credits in 1940, 32 percent were uninsured at the beginning of 1941, with proportions in the States ranging from 24 percent in Rhode Island and Connecticut to 53 percent in Arkansas.

In the New England States (except Maine and Vermont), the Middle Atlantic and East North Central States, and in West Virginia and the District of Columbia, the percentage uninsured was smaller than the proportion for the United States as a whole (chart 1). Although these 14 States, which are all highly industrialized, accounted for 59 percent of all covered employment in 1940, they included only 49 percent of the uninsured workers with wage credits in that year.

By contrast, the States with the highest proportions of workers uninsured at the beginning of 1941 comprised the predominantly agricultural States of the South and West. Included among them were 3 West North

Central States (North Dakota, South Dakota, and Kansas), 2 South Atlantic States (Georgia and Florida), 2 East South Central States (Alabama and Mississippi), 3 West South Central States (Arkansas, Louisiana, and Texas), and 2 Mountain States (Idaho and New Mexico). These 12 States accounted for 18 percent of all uninsured persons, but only 13 percent of all workers with taxable wages in 1940.

Insurance Status by Sex

Among women with 1940 wage credits, 39 percent were uninsured at the beginning of 1941 as against 29 percent for men. In all States except South Carolina and Georgia, relatively fewer men than women were uninsured. The range among the States in the proportion uninsured was large for both men and women—for women, from 28 percent in Rhode Island to 65 percent in New Mexico and Arkansas, and for men, from 21 percent in Connecticut to 50 percent in Arkansas, Mississippi, and North Dakota. For women as well as for men, the proportions uninsured were

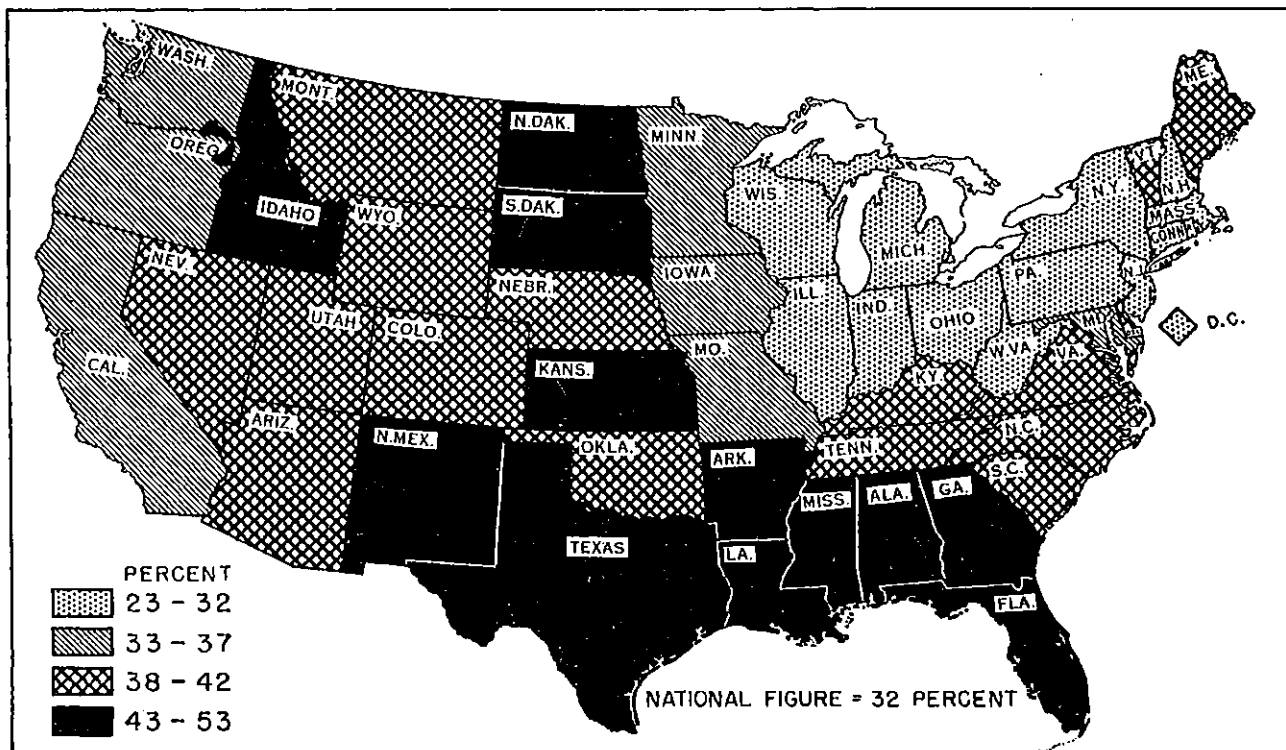
relatively small in the industrial States and relatively large in the agricultural States.

For the United States as a whole, the proportion of women uninsured was 35 percent greater than the corresponding proportion for men. This relationship, of course, varied from State to State (table 1). Except for Rhode Island, the 16 States in which the relative differences between the proportions of men and women uninsured were least were agricultural States of the West North Central, South Atlantic, East South Central, and West South Central regions. This fact suggests that the extent of short-term covered employment in agricultural States is almost as great among men as among women. In the industrial States, on the other hand, where the relative differences in the proportions uninsured are exceptionally large, men are generally employed much more regularly in covered occupations than are women.

Insurance Status of Negroes

Although they accounted for only 7 percent of all persons who worked

Chart 1.—Percent of workers with wage credits in 1940 who were uninsured on January 1, 1941



in covered employment in 1940, Negroes comprised at least 10 percent of all covered workers in 15 Southern States⁶ and as much as 25 percent or more in 8 of them. These 15 States accounted for approximately two-thirds of all Negroes with taxable wages in 1940, but only 19 percent of all workers in covered employment in that year. Six other States—Illinois, Michigan, New Jersey, New York, Ohio, and Pennsylvania—accounted for most of the remaining Negroes.

Of all Negroes who received taxable wages in 1940, 48 percent were uninsured at the beginning of 1941, an even higher proportion than that for all women. Among the 28 States for which the sample is large enough to justify computations,⁷ the proportion of Negroes uninsured was less than 40 percent in only 6 States;⁸ and it exceeded 50 percent in 8 States, all of which were in the South. Among Negroes, as among white persons, the proportions uninsured are higher in the Southern than in the Northern States. The high proportion of all Negroes uninsured therefore results partly from their concentration in the predominantly agricultural South, and also from their concentration in agriculture and domestic service.

In all States except West Virginia, the proportion of Negroes uninsured was higher than that for white workers. In West Virginia, the proportion uninsured among Negro men was only 17 percent as against 27 percent for all men in that State. This figure for Negro men was in fact lower than the corresponding proportion for men or women, white or Negro, in any other State. The explanation undoubtedly lies in the fact that Negro men in West Virginia were employed mainly in coal mines. According to census data, approximately two-thirds of the Negro men who were employed in that State during the census week worked in coal mines, as compared with about one-fourth of the white men.

⁶ All the South Atlantic, East South Central, and West South Central States, except West Virginia and Oklahoma.

⁷ Percentages were not computed for States with fewer than 100 Negroes in the sample.

⁸ District of Columbia, Indiana, Michigan, New York, Pennsylvania, West Virginia.

Workers With Wage Credits in All 4 Years

Wide State differences in the proportion of workers who were uninsured at the beginning of 1941 existed even among the most steadily employed—the workers who received some taxable wages in all 4 years, 1937-40. The range was from 3 percent in Connecticut to 19 percent in Florida (table 1). Although the ranking of the States according to

the proportion uninsured among the 4-year workers differs somewhat from their ranking according to the proportion uninsured among all workers with covered employment in 1940, the variations for the 4-year workers follow essentially the same regional pattern. The relatively low percentages occurred in the predominantly commercial and industrial States, and the relatively high percentages in agricultural States.

Table 1.—Percent of workers with wage credits in 1940 and in each of the 4 years 1937-40 who were uninsured on Jan. 1, 1941, and percent of workers with wage credits in specified number of years 1937-40, by State¹

State ²	Percent uninsured on Jan. 1, 1941, among—									Percent of workers with wage credits, 1937-40, in covered employment in—	
	Workers with wage credits in 1940						Workers with wage credits in each of the 1 years 1937-40				
	All workers			Negro workers			Total	Male	Female	All 4 years	Only 1 or 2 years
	Total	Male	Female	Total	Male	Female					
United States.....	32.0	29.2	39.4	48.1	40.5	56.6	7.1	6.2	9.9	49.7	37.2
Rhode Island.....	21.3	22.4	27.7	(3)	(3)	(3)	4.8	4.5	5.6	58.5	39.7
Connecticut.....	21.3	21.5	30.8	40.0	(3)	(3)	3.4	2.8	5.0	58.0	27.0
Pennsylvania.....	21.9	21.7	33.8	33.2	33.4	31.0	4.2	3.2	7.6	55.5	31.8
Massachusetts.....	25.7	22.9	31.6	45.3	46.3	(3)	4.8	4.2	6.3	57.0	31.1
New York.....	26.0	23.5	31.4	36.8	35.4	41.8	4.4	3.8	5.9	51.6	32.8
New Jersey.....	27.0	24.4	33.0	47.4	45.0	57.6	4.5	3.8	6.3	55.5	31.7
Illinois.....	27.2	23.7	35.5	41.7	39.5	48.0	5.0	4.2	7.1	51.7	32.7
Michigan.....	27.6	24.1	41.8	36.2	33.1	(3)	5.0	3.8	9.8	55.2	33.3
Ohio.....	27.6	23.8	38.8	40.6	38.7	53.2	5.2	4.0	9.4	51.3	33.8
New Hampshire.....	28.6	25.4	35.0	(3)	(3)	(3)	6.1	4.8	9.4	53.2	33.8
West Virginia.....	29.3	26.6	42.4	17.5	16.3	(3)	5.0	4.8	12.6	52.1	35.3
Wisconsin.....	29.6	25.6	41.3	(3)	(3)	(3)	6.5	5.3	11.0	53.3	34.7
District of Columbia.....	31.5	28.5	38.7	36.8	35.5	41.6	5.6	5.4	6.0	49.9	35.2
Indiana.....	31.7	27.7	42.9	36.8	35.4	(3)	6.2	5.0	10.3	50.1	37.0
Maryland.....	32.8	29.1	42.2	50.2	43.4	75.1	7.4	4.8	14.8	52.4	34.7
Missouri.....	33.3	31.4	37.8	49.3	47.6	56.8	6.4	6.0	7.8	43.7	41.3
California.....	33.8	29.2	45.4	48.7	43.8	(3)	8.7	6.7	14.8	48.0	37.2
Oregon.....	35.0	31.6	44.1	(3)	(3)	(3)	8.6	6.0	14.8	47.1	39.0
Minnesota.....	35.1	32.5	41.2	(3)	(3)	(3)	9.1	8.1	11.0	46.5	39.7
Washington.....	36.1	31.7	48.1	(3)	(3)	(3)	9.6	7.4	16.6	46.9	39.2
Iowa.....	37.2	34.7	43.6	(3)	(3)	(3)	9.6	8.8	12.5	45.0	40.7
Wyoming.....	37.5	35.3	46.2	(3)	(3)	(3)	9.1	9.2	(3)	45.2	41.2
Delaware.....	37.6	33.8	49.8	63.0	57.6	(3)	8.3	6.4	16.0	45.8	38.4
Kentucky.....	37.8	35.4	47.1	43.7	41.3	(3)	12.6	10.4	19.0	43.8	42.7
North Carolina.....	37.8	37.0	38.4	53.0	53.0	55.7	10.9	9.0	13.0	46.4	40.5
Maine.....	38.3	35.1	45.8	(3)	(3)	(3)	14.1	12.3	18.7	49.2	37.2
Vermont.....	38.4	34.7	52.1	(3)	(3)	(3)	9.1	7.1	16.5	43.5	42.6
Nevada.....	39.0	35.6	52.7	(3)	(3)	(3)	8.0	8.2	(3)	40.3	43.0
Colorado.....	39.2	35.6	49.3	(3)	(3)	(3)	11.1	10.5	13.4	42.3	42.2
Tennessee.....	39.4	39.1	40.4	47.0	44.4	61.6	9.0	8.5	10.0	41.7	41.2
Virginia.....	39.6	38.0	44.6	49.5	49.5	49.7	9.5	8.7	12.0	45.8	40.0
Montana.....	39.7	36.5	52.8	(3)	(3)	(3)	9.0	8.7	10.4	40.0	45.2
Arizona.....	40.5	36.7	57.1	(3)	(3)	(3)	10.8	10.6	(3)	39.8	44.4
South Carolina.....	40.8	41.4	39.1	69.5	57.5	75.2	11.4	12.1	0.6	42.1	43.8
Utah.....	41.3	34.2	61.2	(3)	(3)	(3)	11.9	11.2	25.0	41.8	43.2
Nebraska.....	41.9	39.8	47.1	(3)	(3)	(3)	12.0	10.7	16.0	38.5	45.7
Oklahoma.....	42.0	38.4	51.3	40.6	43.2	(3)	12.1	10.6	18.0	39.5	45.5
Texas.....	42.8	39.2	51.0	50.3	48.1	66.7	13.5	12.2	19.3	41.0	44.1
Alabama.....	42.9	41.7	47.8	47.6	45.8	55.8	10.1	9.5	12.8	40.1	46.0
Kansas.....	43.0	39.6	52.8	(3)	(3)	(3)	13.0	13.0	17.2	41.9	44.3
Louisiana.....	44.3	42.2	52.7	51.2	52.5	61.6	13.6	12.9	17.3	41.3	44.0
Georgia.....	44.4	44.4	44.2	57.8	56.0	61.6	12.6	12.0	14.3	39.0	40.0
South Dakota.....	46.2	44.3	51.2	(3)	(3)	(3)	11.7	12.5	(3)	36.0	51.0
Idaho.....	46.9	45.3	60.3	(3)	(3)	(3)	14.3	14.8	(3)	36.7	46.0
New Mexico.....	47.1	42.6	65.0	(3)	(3)	(3)	11.8	10.9	(3)	34.9	49.1
Mississippi.....	50.0	49.9	60.4	57.5	56.6	(3)	17.3	17.3	17.4	31.0	51.3
Florida.....	50.1	47.4	67.8	59.9	58.1	71.3	18.6	17.4	22.6	35.0	47.5
North Dakota.....	51.0	50.0	53.8	(3)	(3)	(3)	14.0	14.7	(3)	32.7	51.0
Arkansas.....	52.8	50.2	64.6	57.2	56.2	(3)	17.0	15.3	27.3	32.8	52.2

¹ Based on a 1-percent continuous work-history sample of workers who received some wage credits during 1937-40.

² Ranked according to the percent of workers with

wage credits in 1940 who were uninsured on Jan. 1, 1941.

³ No computations were made for States with fewer than 100 persons in the sample.

Among men and among women who received taxable wages in each of the 4 years, the proportions uninsured also followed substantially the same geographic pattern as for all men and all women in covered employment in 1940. Moreover, in the 4-year group, as among all workers with 1940 wage credits, the relative differences between the percentages of men and women who were uninsured were generally smaller in the Southern States than in the industrial North. For the United States, the proportion uninsured among women in the 4-year group (9.9 percent) exceeded the corresponding proportion for men (6.2 percent) by 60 percent. In 14 States, almost all of which were predominantly agricultural, the relative difference between the proportion of women and men uninsured was 40 percent or less. On the other hand, the ratio was at least 2 to 1 in 13 States, most of which are highly industrialized, and almost 3 to 1 in West Virginia and Maryland. Because West Virginia is predominantly a coal-mining State, women there have much less opportunity than men for regular covered employment. Maryland ranks high industrially but has many canneries which attract a substantial number of women. Since canning is a highly seasonal industry, a relatively large proportion of women with wage credits in that State probably have only brief periods of covered employment in each year.

Seventeen percent of the Negroes with taxable wages in all 4 years were uninsured at the beginning of 1941, or more than twice the proportion for all workers. Among the 24 States for which the sample was large enough to justify computations, the proportions ranged from 3.3 percent in West Virginia to 31 percent in Florida. The proportion was 10 percent or less in 8 industrialized States⁹ and at least 20 percent in 9 States,¹⁰ all of which are predominantly agricultural.

Extent of Noncovered Employment

It is apparent that State differences in insurance status are related to the

⁹ The District of Columbia, Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania, West Virginia.

¹⁰ Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Texas.

distribution of workers between covered and noncovered employments.

The exclusion of agricultural employment and self-employment, particularly agricultural self-employment, from coverage results in a relatively heavy concentration of covered employment in the commercial and predominantly manufacturing States of the North and East.

Table 2.—Estimated percent of employed labor force in noncovered employments,¹ by State and sex, March 24-30, 1940²

State	Total	Male	Female
United States.....	46.6	46.7	43.9
Rhode Island.....	27.0	28.6	23.6
Connecticut.....	27.3	29.0	28.2
Massachusetts.....	29.1	29.2	28.8
New Jersey.....	29.4	29.1	29.9
Pennsylvania.....	32.4	31.6	31.7
New York.....	33.4	33.3	33.0
Michigan.....	34.7	33.7	38.5
Illinois.....	35.0	37.2	32.0
New Hampshire.....	36.7	37.6	34.4
Ohio.....	36.0	36.8	37.4
West Virginia.....	39.7	37.1	61.6
Maryland.....	40.0	40.3	42.7
Delaware.....	42.8	42.0	42.6
Maine.....	42.8	43.7	40.4
California.....	43.1	43.2	42.7
Indiana.....	43.1	44.3	39.7
Washington.....	46.0	47.1	44.8
Oregon.....	48.5	49.0	46.8
Wisconsin.....	50.3	52.3	43.0
Missouri.....	50.0	53.7	40.0
Utah.....	50.6	52.6	42.1
Florida.....	51.5	48.1	59.0
Vermont.....	53.4	54.1	50.0
Nevada.....	53.8	51.2	62.3
Colorado.....	54.1	55.8	48.4
North Carolina.....	55.0	56.7	50.1
Virginia.....	55.2	55.8	53.5
Arizona.....	56.5	55.1	61.5
District of Columbia.....	57.3	51.2	67.0
Minnesota.....	58.2	61.8	46.0
Tennessee.....	58.8	60.5	53.2
Texas.....	59.7	59.5	60.4
Louisiana.....	60.3	58.3	60.7
Georgia.....	60.4	59.0	61.8
Kentucky.....	60.7	62.7	51.1
Montana.....	62.1	63.7	54.3
Oklahoma.....	62.2	63.1	63.8
South Carolina.....	62.3	60.3	67.1
Alabama.....	62.7	60.6	69.4
Kansas.....	63.1	65.3	51.5
Iowa.....	63.2	66.4	50.2
Idaho.....	64.2	60.4	63.0
New Mexico.....	65.5	65.2	60.9
Wyoming.....	65.6	66.6	60.4
Nebraska.....	67.3	70.6	54.2
Arkansas.....	73.7	74.3	71.6
South Dakota.....	74.8	78.0	60.4
Mississippi.....	77.7	77.3	70.3
North Dakota.....	78.8	82.0	62.7

¹ Represent government workers, self-employed, unpaid family workers, workers in agriculture, railroad, domestic service, and charitable, religious, and membership organizations. Percentages shown in this table are based on data which exclude 1,450,347 wage and salary workers in the following partially covered industry groups: medical and health services, educational services, and casual labor in industry not reported. For the United States as a whole, it is estimated that about 651,000 of these workers were in noncovered employments, but available information does not permit distribution into covered and noncovered employments within each State. See footnote 11 in text.

² Percentages in this table are based on final census data and therefore differ somewhat from previously published estimates based on preliminary census releases.

From census data on the employed labor force during March 24-30, 1940, it is estimated that for the United States as a whole about 47 percent¹¹ of all employed persons were engaged in noncovered employments during that week. As would be anticipated, the range among the States was wide—from 27 percent in Rhode Island to 79 percent in North Dakota. The 16 States¹² with the lowest percentages in noncovered employments included 12 of the 14 States in the New England, Middle Atlantic, and East North Central regions (all except Vermont and Wisconsin), 3 South Atlantic States (Delaware, Maryland, and West Virginia), and 1 Pacific State (California). At the other end of the array, the 18 States¹³ in which 60 percent or more of the working population were engaged in noncovered employments comprised chiefly the agricultural States of the South and West.

There is a high correlation between the ranking of States by proportion of workers in noncovered employments and their ranking by proportion of workers with covered employment in 1940 who were uninsured. In considering this relationship it is important to bear in mind that the insurance status of an individual depends on the number of quarters in which he was engaged in covered employment and the amount of his tax-

¹¹ The estimated total of workers in noncovered employments includes 20.8 million persons classified by the census as government workers, employers and owner-account workers, unpaid family workers, and private wage and salary workers engaged in agriculture, railroad and railway express, domestic service, and charitable, religious, and membership organizations. Also included are about 651,000 workers comprising the following roughly estimated proportions of the wage and salary workers in 3 other census classifications: medical and other health services, 20 percent; educational services, 80 percent; and casual labor in industry not reported, 50 percent. Available information does not provide a basis for estimating the State distributions of these 651,000 workers, who comprised 1 percent of the employed labor force.

¹² California, Connecticut, Delaware, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, West Virginia.

¹³ Alabama, Arkansas, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Wyoming.

Table 3.—Percentage distribution of persons in noncovered employments, by occupation, for each sex, March 24–30, 1940

Occupation	Total	Male	Female
Total.....	100.0	100.0	100.0
Self-employment.....	45.5	51.5	18.0
Government service.....	17.0	15.6	25.1
Agricultural labor.....	9.5	11.0	2.1
Domestic service.....	10.3	1.0	37.1
Other ¹	16.8	16.4	17.7

¹ Represents unpaid family workers, railroad workers, workers in charitable, religious, and membership organizations, and roughly estimated proportions of workers in educational services, medical and health services, and casual labor in industry not reported. See footnote 11 in text.

able wages in each quarter. Data by State are not available from the continuous work-history sample on either of these factors, but a distribution of workers in each State by number of quarters with wage credits has been obtained for the year 1940. These data show that in the predominantly agricultural States of the South and West the proportion of workers who received wage credits in only 1 or 2 quarters during that year was considerably larger than in the highly industrial States.¹⁴

Moreover, the continuous work-history data make it possible to classify workers in each State by number of years in which taxable wages were received. For the United States as a whole, 50 percent of all persons who received some taxable earnings during 1937–40 had at least some covered employment in each of the 4 years. The proportions varied from 31 percent in Mississippi to 59 percent in Connecticut. There is a direct relationship between the concentration of covered industries and number of years with wage credits. The 15 States in which the percentage of workers with wage credits in all 4 years equaled or exceeded that for the United States as a whole included all 8 of the highly industrial Middle Atlantic and East North Central States,¹⁵ 4 New England States,¹⁶ and 3 South Atlantic States.¹⁷ The States

¹⁴ Social Security Board, *Old-Age and Survivors Insurance Statistics: Employment and Wages of Covered Workers, 1940*, pp. 28–33.

¹⁵ Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, Wisconsin.

¹⁶ Connecticut, Massachusetts, New Hampshire, Rhode Island.

¹⁷ District of Columbia, Maryland, West Virginia.

with a relatively large amount of noncovered employment on the other hand had the lowest proportions of workers with wage credits in all 4 years.

The percentage of workers who received taxable wages in only 1 or 2 years of this 4-year period ranged from 27 in Connecticut to 55 in North Dakota and was 44 or more in 20 States,¹⁸ most of which were predominantly agricultural. All these 20 States except Florida and Missouri, moreover, were among the 20 States with the largest proportion of their employed labor force in noncovered occupations during the census week.

Workers in Noncovered Occupations, by Occupation and Sex

In almost all States, the self-employed represented the largest single group of men in excluded occupations during the census week. They constituted 54 percent of all noncovered male workers in the employed labor force (table 3). A substantial proportion of the self-employed men in the agricultural States were, of course, farm operators. In South Carolina, South Dakota, North Dakota, Arkansas, and Mississippi, at least four-fifths of the self-employed males were engaged in agriculture; in Mississippi, 97 percent.

Farm laborers made up another sizable group affected by the statutory exclusions and accounted for 12 percent of all noncovered male workers in the employed labor force. The range among the States was from 5 percent in Rhode Island to 23 percent in Florida.

The majority of States with a high proportion of men engaged in agriculture had a high proportion of uninsured workers among men who received taxable wages in 1940. A recent survey conducted by the Bureau of Old-Age and Survivors Insurance showed that a considerable number of farm operators and farm laborers resorted to short-term employment in other industries, chiefly because of the seasonality of agriculture and the

¹⁸ Kansas, Missouri, Nebraska, North Dakota, South Dakota (West North Central region); Florida, Georgia, South Carolina (South Atlantic region); Alabama, Mississippi, Tennessee (East South Central region); Arkansas, Louisiana, Oklahoma, Texas (West South Central region); Arizona, Idaho, Montana, New Mexico, Nevada (Mountain region).

inadequacy of the income it yields. This short-term employment was mainly in mining, lumbering, and construction work,¹⁹ all of which are covered. Data on the extent of the corresponding "in-and-out" movement among the self-employed who are primarily in nonagricultural pursuits are not now available.

Except for a high concentration of Government workers in the District of Columbia and a substantial proportion of men in railroad employment in Nevada, State differences in the relative numbers of men engaged in the other excluded occupations were not sufficiently wide to be reflected in significant differences in the amount of covered employment. Nevertheless, the effect of the exclusion of these other employments on the insurance status of many workers should not be minimized. A recent study of persons who divided their working time between employment covered by old-age and survivors insurance and that covered by the railroad retirement system reveals that during 1937–39 nearly 750,000 workers received wages under both programs. Most of these workers did not meet the eligibility requirements under old-age and survivors insurance at the end of 1939, and a considerable number lost their insurance protection under both systems because, by thus dividing their earnings, they lacked sufficient wage credits under either.

The differences among States in the relative number of employed women working in noncovered occupations during the census week were almost as great as those for men. The women in the labor force who were not in covered employments, however, were for the most part in public employment and domestic service, rather than in agriculture. Many married women have paid employment for only a few days or weeks during the year. Differences in the extent to which married women shift in and out of the labor force, therefore, may be as important a factor in State variations in the duration of covered employment among women as shifts between covered and noncovered employments.

¹⁹ Saifer, Fred; Usein, John; and Quinn, Walter, "Farmers and Farm Laborers in Employment Covered by Old-Age and Survivors Insurance," *Social Security Bulletin*, Vol. 6, No. 0 (June 1943), pp. 18–24.

Summary and Conclusions

The present analysis has necessarily been confined to State differences in insurance status at a time when the system had been in effect for only 4 years. These differences, nevertheless, result from factors which may be expected to continue to operate as long as the present eligibility and coverage provisions remain unchanged. Although the specific proportions of workers uninsured in the various States may change, the relative standing of the States in this respect is not likely to be greatly altered.

The wide differences among the States in the proportion of the labor force who work in employments covered by old-age and survivors insur-

ance result chiefly from the fact that self-employment and agricultural employment are excluded from coverage. In the States where relatively high proportions of the labor force are in excluded employments a high percentage of workers have only short periods of covered employment. Evidently, the number of workers who shift between covered and noncovered employments in those States is greater, in relation to the total number of workers with wage credits, than in States with a higher proportion of the labor force in covered employment. Probably this situation reflects in part the extent to which low-income farmers and farm laborers take advantage of the seasonal character of their farming to supplement their incomes by occasional covered employment.

This type of short-term employment is one of the chief factors responsible for lack of insured status. As a result, interstate differences in the proportion of workers with wage credits who are uninsured at any given time follow the same pattern as do variations in the amount of noncovered employment. Extension of coverage to employments now excluded would greatly reduce the differences among the States in the proportion of workers who are insured. There would remain, however, the variations caused by differences in the amount of seasonal work performed by persons, particularly housewives and students, who are not regularly attached to the labor force, and also the differences caused by variations in amount of unemployment, intermittent work, and low wage rates.

A National Health Service: Report of the Council of the British Medical Association*

ON FEBRUARY 17, the British White Paper on a National Health Service was made public. On February 18, the British Medical Association issued a brief statement indicating that, while it was clearly too early to give a considered judgment, "the White Paper provides a framework within which we believe it to be possible to evolve a good comprehensive medical service, though its worth to the public and its acceptability to the profession will depend on clarification and on negotiations on many important points . . . Our immediate reaction is one of cautious welcome."¹

A detailed "draft statement of policy," a report of the Council of the BMA to the Association's Representative Body, was issued in the *British Medical Journal* of May 13. This report is to provide a basis for discussion at meetings of the whole medical profession, nonmembers as well as members of the Association, throughout

the country. Professional opinion is invited in the form of resolutions and instructions to representatives at the annual representative meeting of the Association on July 18.²

The Council's report reaffirms the position taken by the BMA over a period of years. In 1930 and again in 1938 the Association issued proposals for a comprehensive medical service in *A General Medical Service for the Nation*. In 1942 a draft *Interim Report*, summing up for submission to the profession various suggestions for improving the medical services, was issued by the Medical Planning Commission, made up preponderantly of representatives of the Association, the Royal Colleges, the Society of Medical Officers of Health, and the Medical Women's Federation. In September 1943, before the White Paper was issued, the Representative Body adopted a statement of principles which should govern future health services.³

Preparation of a final report of

the Medical Planning Commission, based on the recommendations received from the profession concerning the draft *Interim Report*, was postponed by "the appearance of the Beveridge report, with its serious medical implications."⁴ Out of the Commission came a smaller representative committee which entered into discussions with the Ministry of Health, but without power to negotiate.

A negotiating body is to be set up at the next meeting of the Representative Body. It will be composed of 30 members—16 appointed by the BMA, the remainder representing other professional societies.

An editorial in the same issue of the *British Medical Journal* as the Council's report, urges that "between now and the moment when negotiations begin . . . doctors both individually and in groups will give as much time as they can spare from their daily work to an intensive study of the White Paper and to any other published matter that has a bearing on it, and more especially to the report of the Council to the Representative Body."

Stressing the importance of the Council's document, the *Journal* declares, "Out of many admirable statements in the Council's report we

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¹The complete statement was carried in *Social Security Bulletin*, Vol. 7, No. 3 (March 1944), pp. 12-18. For some comparisons between the British White Paper and health service proposals of the Medical Association of South Africa, see "A Health Service Plan for South Africa" in the May 1944 issue, pp. 18-21.

²At the request of the Government, the meeting was postponed to avoid additional strain on the transportation facilities.

³Reprinted, with an analysis of the White Paper in relation to the principles, in the Supplement to the *British Medical Journal*, March 18, 1944, pp. 47-53.

⁴*British Medical Journal*, May 13, 1944, p. 663.