

income but rather in how much they add to the retirement incomes of persons receiving both types of payment. Such persons probably represented about one-seventh of the retired workers and wives receiving old-age and survivors insurance benefits at the end of 1955.

The number of old-age and survivors insurance beneficiaries with some earned income as of December 1955 is estimated at roughly 700,000, compared with barely 300,000 in December 1950. The margin of error in the estimate for December 1955 is considerable, however, because sufficient information is not yet available on the effect that the liberalization of the retirement test in the Social Security Act has had on the labor-force participation of beneficiaries. Moreover, until reports by beneficiaries on 1955 earnings have been processed, it will not be known how many persons receiving benefits in December should have had those benefits suspended (and will therefore lose benefits in 1956) or how many benefits that were withheld in December should in fact have been in current-payment status then.

Available data² point to a relatively large number of beneficiaries who do some work for pay. While the number of persons aged 65 and over who had some earnings increased slightly between December 1950 and December 1955, the number who were fully insured under old-age and survivors insurance but not drawing benefits dropped from 1,368,000 to 1,212,000. As a proportion of all aged persons fully insured, the decline was from 44 percent to 21 percent. Most of them had never filed a claim for benefits; the others had filed and then returned to work or lost benefits for other reasons. If only those who had filed for benefits at some time—including wives, widows, and parents of insured workers—are considered, it is found that in December of both 1950 and 1955, benefits were withheld from about 220,000 aged persons because of employment. This number represented a decline in the ratio of such suspensions to benefits in current-payment status from 8.5 per 100

² The data relate to all beneficiaries, including those living outside the continental limits of the United States.

Table 2.—Comparison of estimated number of men and women aged 65 and over receiving money income from specified sources, December 1955 and December 1950¹

[Continental United States; numbers in millions]

Source of money income	Men			Women		
	Number		Percentage change, 1955 from 1950	Number		Percentage change, 1955 from 1950
	1955	1950		1955	1950	
Total.....	6.6	5.9	+13	7.7	6.6	+17
Employment.....	2.4	2.4	-----	1.7	1.5	+17
Social insurance and related programs.....	3.9	2.0	+100	3.7	1.6	+129
OASI.....	3.2	1.5	+121	3.0	1.1	+167
Other.....	.9	.6	+59	.8	.5	+53
Public assistance.....	1.0	1.2	-15	1.5	1.6	-5
No money income or income solely from other sources.....	.2	.9	-76	1.4	2.2	-36

¹ For items included in each category, definitions, and source, see table 1. Percentage changes computed from unrounded figures.

in December 1950 to 3.5 per 100 in December 1955. Just before the present retirement test became effective, in December 1954, benefits were withheld because of employment from 268,000 aged persons, or 5 per 100 in current-payment status.

Public assistance continues to play an important if diminishing role in the economic protection of the aged. At the end of 1955, it is estimated to have been the major source of support for more than 1 in 10 of all aged men and 1 in 6 of all aged women in the continental United States. It was also important as a supplementary source of income for others whose social insurance benefits failed to meet their needs as determined by State welfare department standards. Between December 1950 and December 1955 the total number of aged persons in the continental United States receiving any help under old-age assistance or aid to the blind declined by about 250,000, even though the aged population increased almost 1.9 million. The number receiving public assistance but no social insurance benefit is estimated to have dropped 500,000 to 2 million. Preliminary reports on concurrent receipt of old-age and survivors insurance and old-age assistance in February 1956 suggest a continuation of the steady upward trend

since 1948 in the proportion of old-age assistance recipients who are insurance beneficiaries.

The estimated number of aged persons without money income or with income solely from sources other than employment or a public-income maintenance program dropped from about 3.1 million at the end of 1950 to some 1.6 million in December 1955. Such persons live on income from investments, savings, or proceeds of private insurance policies, rely on relatives or friends for support, or live in public institutions and have no income from public income-maintenance programs. In December 1955, about seven-eighths of them were women, and probably more than three-fourths of these women were widows.

Old-Age Benefits in Current-Payment Status, December 31, 1955

Old-age benefits under the old-age and survivors insurance program were being paid on December 31, 1955, to almost 4.5 million persons—about 0.7 million more than in December 1954. The accompanying table shows the average monthly benefit amount and gives a percentage distribution of the number of beneficiaries according to the size of their benefit. The data are classified by the beneficiaries' State of residence at the close of 1955.

The average old-age benefit being paid in December 1955 was \$61.90, about \$2.76 higher than the average a year earlier. The higher average resulted partly from the increasing proportion of benefits computed on the basis of earnings after 1950. Contributing to the increase, also, was the progressively rising proportion of beneficiaries whose benefits were computed under the provisions of the 1954 amendments that permit the 4 or 5 years of lowest covered earnings to be dropped in the computation of the average monthly wage. This method generally produces higher benefits than those obtained without the dropout.

Persons receiving old-age benefits may also be receiving secondary (wife's, husband's, widow's, widower's, or parent's) benefits. If the second-

ary benefit is the larger, both types of benefit are payable, but the secondary benefit is reduced by the amount of the concurrent old-age benefit. Before December 1955, aged persons who were receiving survivor benefits, as well as old-age benefits in their own right, were included both as old-age beneficiaries and as widow, widower, or parent beneficiaries. Beginning with benefit data for December 1955, aged survi-

or beneficiaries who are also receiving old-age benefits are included only as old-age beneficiaries, and the amount of the reduced secondary survivor benefit is combined with the amount of the old-age benefit. Since the amount of the reduced secondary survivor benefits is small compared with the total amount of old-age benefits, the increase in the average old-age benefit resulting from this combination may be less than 25 cents.

One out of 4 old-age beneficiaries was receiving monthly benefits of \$80.00-\$108.50 at the end of 1955. Slightly more than two-fifths of all old-age beneficiaries were receiving benefits in the \$50.00-\$79.90 range, while one-third were receiving monthly benefits of less than \$50.00. Minimum benefits of \$30.00 were being paid to about 711,000 old-age beneficiaries—35,000 more than at the end of 1954—but as a proportion of all old-age beneficiaries the number of persons receiving minimum benefits declined 2.0 percent to 15.9 percent.

Among the 48 States the average monthly old-age benefit at the end of 1955 ranged from \$68.69 in Connecticut to \$49.27 in Mississippi. Benefits of \$80.00-\$108.50 were being paid to 34 percent of the old-age beneficiaries in Connecticut and to 10 percent in Mississippi. Only 22 percent of the old-age beneficiaries in Connecticut but 56 percent of those in Mississippi were receiving benefits of \$30.00-\$49.90. In Puerto Rico, where the average benefit was only \$41.39, 77 percent of the old-age beneficiaries were receiving less than \$50.00.

The average old-age benefit was highest in the Northeastern States and in certain North Central States, somewhat lower in the Middle West and Far West, and for the most part lowest in the Southern States. Four of the six States with the highest average old-age benefits are in the Northeast, and five of the six States with the lowest average benefits are in the South. The difference arises mainly because in the Southern States workers had more periods of noncovered employment in their earnings histories; the result was a reduction in the average monthly earnings from which their benefits were computed. The averages also reflected, to some extent, regional differences in wage rates.

Employers, Workers, and Wages Under OASI

The 1954 amendments to the Social Security Act extended the coverage of the old-age and survivors insurance program effective January 1, 1955, to certain groups formerly with-

Number and average monthly amount of old-age benefits in current-payment status and percentage distribution by amount of benefit,¹ by State, December 31, 1955

(Percentage distribution based on 10-percent sample)

State ² (ranked by size of aver- age benefit)	Aver- age old-age benefit	Number of old-age benefi- ciaries	Percent of old-age beneficiaries receiving—									
			Total	\$30.00	\$30.10- 39.90	\$40.00- 49.90	\$50.00- 59.90	\$60.00- 69.90	\$70.00- 79.90	\$80.00- 89.90	\$90.00- 99.90	\$100.00- 108.50
Total	\$61.90	4,473,971	100.0	15.9	8.1	9.3	12.4	16.8	12.9	9.7	14.7	0.2
Conn	68.69	80,160	100.0	9.2	5.4	6.9	11.1	16.7	17.0	13.3	20.1	.3
Mich	67.18	185,743	100.0	12.2	6.6	8.3	11.5	14.0	13.0	10.8	23.1	.5
N. J.	67.11	176,461	100.0	10.8	5.8	7.8	11.6	17.4	14.8	12.9	18.6	.3
Pa.	65.48	355,227	100.0	11.2	6.9	7.9	12.0	18.0	15.6	11.3	16.9	.2
Ohio	65.32	267,717	100.0	13.1	7.0	8.4	11.4	15.7	13.5	10.7	19.9	.3
Mass	65.17	198,616	100.0	10.1	6.3	8.6	12.8	20.2	15.4	11.6	14.7	.3
Ill.	65.11	276,930	100.0	13.1	6.8	8.4	11.6	16.2	14.0	11.2	18.4	.3
N. Y.	64.45	538,179	100.0	12.0	7.2	8.9	12.6	18.0	14.3	11.1	15.6	.3
R. I.	64.14	33,342	100.0	9.6	6.0	8.9	15.0	20.2	16.3	11.8	12.0	.2
Wis.	62.58	112,898	100.0	17.4	8.3	8.3	10.7	15.0	12.9	9.5	17.7	.2
Del.	62.41	10,500	100.0	15.8	6.9	9.4	12.4	16.0	14.1	11.2	14.0	.2
Fla.	62.20	128,275	100.0	17.1	7.9	8.9	11.7	15.1	12.1	11.9	14.9	.4
Wash	62.18	89,006	100.0	14.2	7.9	9.9	14.2	16.0	12.7	8.8	16.1	.2
Calif.	61.56	359,864	100.0	15.2	7.9	10.8	13.7	15.9	12.6	9.4	14.3	.2
Utah	61.46	14,804	100.0	18.5	7.8	9.3	11.1	16.3	13.5	9.0	14.2	.3
Ind.	61.26	129,251	100.0	17.7	8.4	9.1	11.9	15.6	11.9	9.2	16.0	.2
Oreg.	61.14	61,990	100.0	15.9	7.5	10.6	14.5	16.4	11.5	8.5	14.8	.3
W. Va.	60.94	49,781	100.0	17.5	7.6	8.5	12.3	18.6	14.7	8.0	12.6	.2
Ariz.	60.83	19,019	100.0	20.6	8.2	9.6	11.9	14.2	11.4	10.2	13.6	.3
Md.	60.67	60,837	100.0	16.6	8.6	9.3	13.2	17.6	12.0	9.4	13.1	.2
Nev.	60.29	4,920	100.0	19.5	9.3	8.9	13.9	15.4	12.7	6.8	13.5	0
D. C.	60.17	17,710	100.0	14.3	8.9	10.3	13.8	19.3	13.6	8.3	11.1	.4
Minn.	60.13	85,315	100.0	19.1	8.3	9.6	12.2	16.3	12.2	8.4	13.7	.2
N. H.	60.10	24,552	100.0	12.9	9.0	10.9	15.7	18.6	13.8	9.4	9.4	.3
Alaska	59.84	2,116	100.0	16.3	9.3	10.5	11.7	17.9	12.5	6.2	15.6	0
Mo.	59.68	122,143	100.0	18.2	8.7	10.1	12.5	17.0	12.4	8.7	12.2	.2
Wyo.	59.67	6,530	100.0	20.6	9.1	7.1	12.2	17.2	14.3	7.5	11.8	.2
Colo.	59.61	38,149	100.0	20.1	8.9	9.0	12.9	15.0	13.1	8.8	12.0	.2
Hawaii	58.73	9,355	100.0	18.1	9.0	11.8	12.1	16.1	14.4	10.0	8.4	.1
Mont.	58.65	16,123	100.0	21.1	9.6	9.8	11.8	17.3	10.2	7.8	12.2	.2
Vt.	58.23	13,494	100.0	17.3	10.7	9.4	13.8	17.3	11.5	9.6	10.4	0
Maine	57.67	39,179	100.0	18.3	9.7	10.4	14.8	17.8	12.0	7.9	9.0	.1
Iowa	57.50	74,656	100.0	21.4	10.3	10.6	11.8	16.4	10.7	7.5	11.2	.1
Kans.	56.86	52,527	100.0	21.2	10.4	11.4	12.3	16.5	10.5	7.3	10.3	.1
Va.	56.86	66,151	100.0	20.8	9.9	10.5	12.3	18.3	10.7	8.0	9.2	.3
Idaho	56.67	15,167	100.0	22.9	10.3	11.9	10.3	15.7	9.4	7.7	11.7	.1
Nebr.	56.66	34,822	100.0	22.4	10.9	10.3	10.6	17.6	10.9	7.7	9.5	.1
KY.	56.27	62,735	100.0	21.9	10.5	10.3	12.9	17.0	11.1	6.5	9.7	.1
Tex.	55.40	136,397	100.0	24.1	10.4	10.9	12.4	15.6	9.5	6.9	10.1	.1
Okla.	55.38	47,461	100.0	24.4	10.8	11.1	10.9	16.4	10.0	6.6	9.6	.2
S. Dak.	54.87	13,480	100.0	24.1	11.6	10.2	12.4	17.3	10.1	6.4	7.9	0
N. Mex.	54.60	9,263	100.0	25.9	9.6	10.9	12.0	14.1	10.4	6.6	11.4	0
N. C.	54.31	58,878	100.0	23.7	10.5	10.8	14.1	17.3	10.8	6.0	6.7	.1
S. C.	54.24	27,630	100.0	24.2	10.5	11.6	13.6	16.3	10.1	6.2	7.5	0
La.	54.16	43,808	100.0	24.0	11.8	11.1	14.2	14.3	8.9	6.2	9.3	.2
Ala.	53.73	51,609	100.0	25.7	10.8	10.9	13.4	15.9	9.2	5.6	8.4	.1
Tenn.	53.44	67,937	100.0	26.1	11.5	11.2	13.3	16.0	8.6	5.6	6.6	.1
Ga.	53.04	54,133	100.0	26.8	12.4	11.6	12.2	15.3	8.8	5.6	7.2	.1
N. Dak.	52.90	9,173	100.0	27.5	12.0	11.4	10.4	16.6	9.0	6.6	6.4	.1
Ark.	50.67	37,828	100.0	30.4	12.4	11.4	12.0	14.9	7.8	4.4	6.6	.1
Miss.	49.27	28,496	100.0	32.4	12.4	10.9	12.5	15.4	6.9	4.2	5.3	0
V. I. ³	42.78	222										
P. R.	41.39	14,574	100.0	36.3	29.4	11.3	6.6	10.3	2.7	1.2	2.2	0
Foreign	63.61	28,818	100.0	10.6	6.1	8.3	13.6	23.7	18.0	8.6	11.1	0

¹ For persons receiving both an old-age benefit and a widow's, widower's, or parent's secondary benefit, the amount of the reduced secondary benefit is combined with the amount of the old-age benefit.

² Beneficiary's State of residence.

³ Too few cases in the sample for a reliable distribution.