

Notes and Brief Reports

Money Income Sources of the Aged, December 1956*

The basic analysis of the income sources of the aged, prepared regularly in the Division of Program Research, is confined in this note as in the past to sources for persons aged 65 and over. The current analysis is supplemented, however, by a summary of available data relating to the income of women approaching age 65. Their economic status is of particular interest at this time because, under the 1956 amendments to the Social Security Act, women may now receive old-age, survivors, and disability insurance benefits at age 62.

Persons Aged 65 and Over

In 1956, for the first time, aged persons eligible for old-age and survivors insurance benefits on their own wage record made up more than two-fifths of the total aged population. By the end of the year, 44 of every 100 persons aged 65 and over (more than 70 out of every 100 men and more than 20 out of every 100 women) were eligible to receive benefits on the basis of their own earnings record. In addition, about one-sixth of all aged persons—primarily wives and widows—were eligible for dependents' benefits. In all, more than three-fifths of the Nation's aged men and women were eligible for benefits either in their own right or as dependents.

Fewer than half of all persons aged 65 and over were actually receiving benefit checks in December 1956, however. The benefits of about one-fourth of the men and one-eighth of the women who were fully insured were not in current-payment status. Some 250,000 had their benefits withheld, generally because of employment, and nearly 1.2 million had not yet retired and filed a claim. In addition, some 400,000 wives would have been entitled to benefits had

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their husbands' benefits been in current-payment status.

With total employment setting a new record in 1956, demand for experienced workers was heavy, and the steady decline in the labor-force participation rate for men aged 65 and over was halted for the first time since 1947. It is estimated that nearly 3.2 million aged persons had some money earnings in an average week in December 1956 and that more than 900,000 women who were not themselves employed were supported in part at least by their husband's earnings. Thus, about 28 percent of all aged persons, including earners' wives, had some money income from employment. For many of them, however, the amounts earned were probably small. More than one-fourth of the aged men and about two-fifths of the aged women at work in non-agricultural industries in December—

as throughout 1956—were employed part time (1-34 hours during the survey week).¹

No one source is available that gives the number of aged persons with money earnings who also received retirement or survivor benefits in December 1956. It appears probable, however, on the basis of estimates pieced together from various sources, that the number exceeded 1.2 million—30 percent of those with some income from employment or 14 percent of those receiving benefits under social insurance or veterans' programs.

Among the old-age and survivors insurance beneficiaries with earnings, some had doubtless reached age 72, when benefits continue to be paid regardless of employment—that is, as a straight annuity rather than as a retirement benefit. The great ma-

¹ Bureau of the Census, *Current Population Reports: Labor Force*, Series P-50, No. 72.

Table 1.—Estimated number of persons aged 65 and over in the United States receiving money income from specified sources, by sex, December 1956¹

Source of money income ²	Number of persons (in thousands)			Percentage distribution		
	Total	Men	Women	Total	Men	Women
Total aged 65 and over ³	14,750	6,800	7,950	100.0	100.0	100.0
1. Employment.....	4,090	2,420	1,670	27.7	35.6	21.0
Earners.....	3,170	2,420	750	21.5	35.6	9.4
Earners' wives not themselves employed.....	920		920	6.2		11.6
2. Social insurance and related programs ⁴	8,510	4,340	4,170	57.7	63.8	52.4
Old-age and survivors insurance.....	6,980	3,560	3,420	47.3	52.4	43.0
Railroad retirement insurance.....	520	270	250	3.5	4.0	3.1
Government employees' retirement programs.....	500	300	200	3.4	4.4	2.5
Veterans' compensation and pension programs.....	740	470	270	5.0	6.9	3.4
Beneficiaries' wives not in direct receipt of benefits.....	230		230	1.6		2.9
3. Public assistance ⁵	2,560	980	1,580	17.4	14.4	19.9
4. No money income or income solely from other sources.....	1,490	100	1,390	10.1	1.5	17.5
Income from more than one of specified sources.....	1,900	1,040	860	12.9	15.3	10.8
Employment and social insurance or assistance.....	1,340	720	620	9.1	10.6	7.8
Employment and old-age and survivors insurance.....	930	480	450	6.3	7.1	5.7
Social insurance and public assistance.....	560	320	240	3.8	4.7	3.0
Old-age and survivors insurance and public assistance.....	540	310	230	3.7	4.6	2.9

¹ Persons with income from sources specified may also have received money income from other sources, such as interest, dividends, private pensions or annuities, or cash contributions from relatives.

² The sum of the persons shown on lines numbered 1-4 exceeds the number in the population by the estimated number with income from more than one of the specified sources (1-3). The estimates of persons with income from more than 1 source, developed from survey data, are subject to sampling variability (which may be relatively large for the smaller estimates) and to such errors as may result from attempts to adjust for developments since the sample surveys were conducted. They are not entirely consistent with those published in the *Bulletin* for periods before 1955 because of the availability of some new data and slight changes in methodology.

³ Estimated number of aged persons in the continental United States, Alaska, Hawaii, Puerto Rico,

and the Virgin Islands.

⁴ Persons with income from more than one of the programs listed are counted only once. In addition to the programs shown, unemployment insurance programs provided benefits for more than 84,000 aged men and 16,000 aged women in the continental United States; workmen's compensation and temporary disability insurance programs provided income for an unknown number. For these 3 programs the overlap with other programs cannot be estimated.

⁵ Old-age assistance recipients and persons aged 65 and over receiving aid to the blind. Includes some 16,000 persons receiving vendor payments for medical care but no direct cash payment.

Source: Estimated in the Division of Program Research on the basis of published and unpublished data from the Bureau of the Census and agencies administering income-maintenance programs.

majority, however, were undoubtedly among the part-time workers referred to above, and some doubtless worked full time in December but had low earnings or had worked only part of the year.

In all, an estimated 11.4 million aged persons had some money income in December 1956 from employment or social insurance or both. They represented 77 percent of all aged persons. Nine-tenths of the aged men and two-thirds of the aged women had income from either or both of these sources, roughly the same proportions as in June 1956 when employment was seasonally somewhat higher.

Of persons in the labor force in 1956, the percentage unemployed continued to be less for the aged than for all age groups combined. The proportion of unemployed workers out of a job 15 weeks or longer, however, showed the characteristic increase with age, averaging 36 percent for persons aged 65 and over and 21 percent for those aged 25-44.² In December more than 100,000 aged persons were receiving unemployment insurance benefits under State or Federal laws. Information is not available on the proportion who may have been receiving retirement benefits concurrently.

Beneficiaries under retirement and survivor programs made up more than 70 percent of all aged persons who did not rely primarily on earnings for their livelihood—a group defined to include all those without earnings plus those with earnings who received a payment under a public income-maintenance program. For men the corresponding proportion was 85 percent and for women 60 percent.

Old-age and survivors insurance beneficiaries, numbering almost 7 million in December 1956, constituted more than four-fifths of all aged persons receiving benefits under one or more of the social insurance and related programs. Beneficiaries of the programs for railroad workers and for government employees totaled about half a million each. The number of aged persons receiving pensions or compensation under pro-

grams for veterans was half again as large. In addition, an estimated 230,000 women were supported in whole or part by benefits paid to their husbands under the programs for public employees and veterans. More than one-fifth of these 2 million persons were also receiving old-age and survivors insurance benefits. In other words, roughly 1 in 16 of the old-age and survivors insurance beneficiaries also benefited under another public program. Moreover, probably at least 1 in 6 of the beneficiaries—an estimated 1.2 million, including aged wives—received payments under private pension plans.

Public assistance payments provided the main support for about 2 million aged persons—two-thirds of them women—and supplemented social insurance benefit checks for some 560,000 others who received very small benefits or had special needs, as for medical care.

Most of the aged men without income from employment or social insurance were on the public assistance rolls. It is estimated that only some 100,000 were supported entirely from other sources or were without money income. The number of aged women in this situation continued to decline in 1956, but there were probably still about 1.4 million, most of them widows, who were supported by their children, in public institutions, or living on savings or annuities.

Women Aged 60-64

For women the lowered eligibility age for old-age, survivors, and disability insurance benefits (from 65 to 62) became effective November 1956. It is estimated that at the end of 1956 about 340,000, or one-sixth of the 2.1 million women aged 62-64, were already on the benefit rolls. More than 470,000 women in this age group had filed claims by the end of December.

Under the Railroad Retirement Act, the eligibility age for receipt of monthly survivor benefits by a widow (without children) or dependent parent was lowered from 65 to 60 years, effective September 1954; by December 1956 almost 28,000 aged 60-64 were receiving these benefits. Since 1946, benefits have been payable at age 60 to women with 30 or more

years of service and to disabled employees with 10 or more years, but the number of women employed in the railroad industry is so small that there are probably no more than 1,000-1,500 women annuitants aged 60-64.

Retirement programs for public employees have characteristically had lower eligibility ages than these two Federal programs for workers in private industry, but there is at present no basis for estimating the total number of women aged 60-64 on the benefit rolls of public employee programs.

Under the programs for veterans' survivors, it is probable that considerably more than 100,000 widows and dependent mothers aged 60-64 were receiving pensions or compensation in December 1956.

Thus it appears that, of the 3.6 million women aged 60-64 in the United States in December 1956, those who were direct beneficiaries of social insurance and related programs must have numbered substantially more than half a million. Information is lacking on the extent of duplication, but it is probably less than that estimated for women aged 65 and over.

Employment is, of course, much more common among women aged 60-64 than among older women. In December, according to the Bureau of the Census estimates, the proportion of older women in the labor force declined for each age group over 54, as shown below:

Age	Percent
55-59	38.0
60-64	29.4
65-69	17.4
70 and over	6.9

The number of women aged 60-64 reporting some employment (including unpaid family work) during the survey week exceeded 1 million. It seems likely, moreover, that proportionately many more women in this age group than in the older ages can rely on their husband's earnings for support since at least 55 percent of them but only 35 percent of the older women were married and living with their husbands.

² Bureau of the Census, *ibid.*