

**TABLE 2.—Estimated average taxable wage<sup>1</sup> per wage item<sup>2</sup> by size of concern, first calendar quarter of 1945 and 1946**

[Although these data are based on tabulations of almost 100 percent of the quarterly employer tax reports, they are estimates in that they are adjusted to include employers who reported too late for inclusion in the tabulations, and the number of employees in the mid-March pay period was estimated for the employing organizations that failed to report such information. Estimates corrected to Feb. 15, 1948]

Number of employees <sup>3</sup>	1945	1946	Percentage change, 1945 to 1946
Total.....	\$417	\$386	-7.4
0.....	234	206	-12.0
1-3.....	266	280	+5.3
4-7.....	285	302	+6.0
8-19.....	300	329	+9.7
20-49.....	334	357	+6.9
50-99.....	365	376	+3.0
100-499.....	385	394	+2.3
500-999.....	427	417	-2.3
1,000-9,999.....	485	452	-6.8
10,000 and over.....	584	461	-21.1

<sup>1</sup> Wages paid for covered employment during first calendar quarter; excludes wages over \$3,000 paid by any employer to any 1 worker.

<sup>2</sup> A wage item represents a single report of taxable wages as indicated on the individual employer tax return.

<sup>3</sup> Number employed during the mid-March pay period.

billion in taxable wages reported for the first calendar quarter of 1946 was about 6 percent less than the amount reported for the corresponding period of 1945. The average taxable wage per wage item<sup>2</sup> decreased from \$417 in 1945 to \$386 in 1946 (table 2). This decline can be accounted for almost entirely by the smaller average among firms with 500 or more employees in the mid-March pay period of 1946 as compared with the corresponding figure for 1945. The decrease was especially large among firms with 10,000 or more employees. In firms with from 1 to 499 employees, by contrast, the average taxable wage per wage item during the first quarter increased in 1946.

Among the factors responsible for the decrease in the average per wage item were: an increase in work stoppages in the first quarter of 1946 over those in the same period in 1945,<sup>4</sup> higher labor turn-over, less overtime employment, and a postwar decrease

<sup>1</sup> A wage item represents a single report of taxable wages as indicated on the individual employer tax return.

<sup>4</sup> Bureau of Labor Statistics, *Work Stoppages Caused by Labor-Management Disputes in 1946*, Bulletin No. 918, 1947, p. 10, table 2.

in the number of wage bonuses. Apparently these factors were most significant among firms that employed 500 or more employees. Among firms with fewer employees the slight increase in the average reflects increasing continuity of operation after wartime restrictions on production had been lifted and the competitive position of the smaller employers had been improved.

Both in 1945 and in 1946 the average taxable wage per wage item increased with the size of the firm as measured by the number of employees in the pay period nearest March 15 (table 2). For the first quarter of 1946 the average increased from \$280 for concerns that had from one to three employees in this pay period to \$461 for those with 10,000 or more employees. The extent to which the differences in these averages are due to differences in the duration of covered employment during January-March or to differences in wage rates and types of labor employed cannot be determined from the data reported. Inasmuch as the same individual may have had wage items reported by more than one employer during the quarter, the average taxable wage per wage item does not indicate the average amount of taxable wages received by each person with wage credits during the quarter.<sup>5</sup>

<sup>5</sup> Data are not available on the number of employees in covered jobs during the quarter by size of firm. Data like those in table 1, classified by the industry, State, and county of the employing organization, are tabulated by the Bureau of Old-Age and Survivors Insurance.

### Nonrelief Income of Retired Insurance Beneficiaries in Boston\*

In the fall of 1946, representatives of the Bureau of Old-Age and Survivors Insurance interviewed 556 primary beneficiaries and aged widows in Boston to obtain information about their resources. All of them had become entitled to insurance benefits during the period 1940-44, and all had

\* Prepared in the Analysis Division, Bureau of Old-Age and Survivors Insurance.

received a benefit check each month of the year covered by the study—12 months ending in September to December 1946. Most of the beneficiaries were completely retired, but six earned less than \$15 in 1 month or more in jobs covered by the insurance program, and 53 worked in noncovered employment; a few of the latter group received relatively high earnings. Some indication of the economic situation of the 556 beneficiaries is provided by comparing their income, excluding any public assistance payments, with the cost of their requirements at the Massachusetts public assistance level.

A majority of the retired beneficiaries and aged widows interviewed had less income (exclusive of public assistance payments) than the amount budgeted for old-age assistance recipients in Boston. The proportion of beneficiaries with such low incomes varied somewhat according to beneficiary type. From 60 to 64 percent of the nonmarried men, the men whose wives were entitled to a wife's benefit, and the men whose wives were not entitled had nonrelief incomes below the local public assistance level. The corresponding proportion for aged widows was 68 percent and for aged women who were entitled on their own wage records, 74 percent.

The costs of the beneficiaries' requirements at the Massachusetts public assistance level were calculated from the basic data given in the Massachusetts Department of Public Welfare standard budget. To these amounts was added \$55 per person for medical care, an item not included in the standard budget.<sup>1</sup>

The following comparison of the median nonrelief incomes<sup>2</sup> of the insurance beneficiaries with the costs of their requirements at the public assistance level when living alone in their own home<sup>3</sup> indicates the rela-

<sup>1</sup> Massachusetts pays for medical care as required by each recipient. The \$55 allowance is the average annual cost of medical care for public assistance recipients in Massachusetts.

<sup>2</sup> Includes noncash income from an owned home.

<sup>3</sup> The budgeted costs of requirements at the public assistance level are less if aged persons share households with sons and daughters or if they room and board.

tively low incomes of the majority of the insurance beneficiaries:

Type of beneficiary	Median nonrelief income	Cost of requirements at the public assistance level when living alone in own home
Single beneficiaries:		
Nonmarried men.....	\$480	\$921
Female primary beneficiaries <sup>1</sup> .....	368	915
Aged widows.....	444	915
Couples:		
Men with entitled wife.....	1,109	1,283
Men with nonentitled wife.....	1,075	1,283

<sup>1</sup> A few female primary beneficiaries were married and living with their husbands. The cost of the requirements of these couples was the same as for the men and their wives, entitled and nonentitled. The married female primary beneficiaries are not included in this tabulation.

Some beneficiaries, of course, supplemented their incomes by using their savings, and some received public assistance during the year studied. The proportions receiving public assistance were as follows: 17 percent of the couples in which the wife was entitled, 18 percent of the couples in which the wife was not entitled, 18 percent of the aged widows, 24 percent of the nonmarried men, and 27 percent of the female primary beneficiaries.

From 39 to 50 percent of the different beneficiary types had below-assistance incomes and did not receive public assistance. Some of them would have been disqualified for public assistance because they had more assets than public assistance recipients could have or because they had adult children able to contribute to their support. Those who had below-assistance incomes and whose other resources probably would not have disqualified them for assistance if they had applied for it constituted from 13 to 18 percent of the beneficiaries of the different types. Altogether, 31 percent of the aged widows and the couples with the wife not entitled to benefits, 35 percent of the couples with the wife entitled to benefits, 38 percent of the nonmarried men, and 45 percent of the female primary beneficiaries either received public assistance or probably could have qualified for it on the basis of their resources.

These findings, of course, are limited to a group of retired primary

beneficiaries and aged widows in Boston and in a State whose public assistance level is one of the highest in the country. A comparison of beneficiary incomes with the standard budget for public assistance in another State might lead to far different results, particularly if the assistance standard was markedly lower.

## Hearings in Public Assistance, January 1945–December 1947

Since the latter part of 1944, State assistance agencies have been reporting to the Bureau of Public Assistance, on a voluntary basis, statistical data on hearings in the programs for the three special types of public assistance. The data include the kind of agency action questioned by the claimant who requests a hearing, the method of disposing of the request (by hearing decision or otherwise), the result of the request for the claimant, the time lapse from receipt of the request by the State agency to its disposition, and the principal issue involved in the request.

Most State agencies participated in this project during all or part of the period January 1945–December 1947.<sup>1</sup> A total of 54 agencies in 45 jurisdictions (including Alaska and the District of Columbia) have submitted reports for one or more semiannual periods, and data are available for the entire 3 years for 44 agencies in 41 States.<sup>2</sup> As of January 1948, statistical reports on hearings will be required from all State agencies.

A very wide range exists among the States in the relative numbers of hearing requests. This range reflects differences not only in State policy and practice directly related to hearings but also in many other aspects of public assistance administration.

<sup>1</sup> Additional data based on State reports are published in *Hearings in Public Assistance*, semiannual release of the Bureau of Public Assistance. For a general discussion of the role of hearings in the public assistance program, see Bernard W. Scholz, "Hearings in Public Assistance," *Social Security Bulletin*, July 1948, pp. 14–18.

<sup>2</sup> Data are not available for the entire period for one or more programs in each of four of the 41 States.

The Social Security Act provides that any person whose claim for assistance is denied shall have an opportunity for a fair hearing before the State agency. The extent to which this right is recognized in practice is, of course, not indicated by statistical information alone. Many types of qualitative information are also needed for evaluating hearing procedures.

Although the right to a fair hearing is one of the most important safeguards of the individual's right to an equitable determination of his eligibility for assistance and the amount of his payment, hearings cannot substitute for sound administration. The statistical data provide no ready answer to the question of how many hearing requests may reasonably be expected in a well-administered assistance program. The receipt of relatively few requests may reflect successful efforts to meet actual and potential dissatisfaction of claimants by other methods. Yet the fact that an agency receives few hearing requests may also indicate that all claimants are not aware of their right to a hearing or that the agency does not completely accept the existence of that right or the operation of both factors. In general a relatively large number of requests presumably shows that the agency has recognized the right to a hearing by making sure that claimants are notified of the right and of the means by which they may exercise it. But the agency may sometimes be using the hearing process to meet dissatisfaction that would not arise if agency policies were more clearly defined, equitably applied, and satisfactorily explained to the claimants.

During the 3 calendar years 1945–47 the number of hearing requests filed in the 38 States for which complete reports are available for all programs<sup>3</sup> ranged from fewer than five in three States to more than 7,000 in one State. The agencies in each of 10 States received more than 500 hearing requests within the 3 years. All the others received fewer than 300, and agencies in 18 States received fewer than 100. Substantial differ-

<sup>3</sup> Except the Massachusetts aid to the blind program, for which data are not available for one 6-month period.