

ments in a number of industries covered by old-age and survivors insurance.

Average taxable wages and average wages in covered industry, estimated at \$584 and \$634, respectively, were 3.2 percent and 3.8 percent higher than in the corresponding quarter of 1948. Gains in average hourly earnings more than offset the drop in average weekly hours in the period. The operation of the \$3,000 limitation on taxable wages, however, caused a decline of 3.2 percent in average taxable wages from the first to the second quarter of 1949. The average wage per worker in covered industry increased by 1.3 percent.

An estimated 2.8 million employers reported payment of taxable wages during the second quarter of 1949, 2.2 percent more than in the second quarter of 1948 and in the first quarter of 1949.

Civil-Service Refunds

The number of contributions refunded in the fiscal year 1948-49 to employees who left the Federal civil service fell 48 percent below that in the preceding year, while payments declined 47 percent. From January to June 1949 there were 103,900 refunds to Federal employees, 15 percent fewer than the July-December 1948 figure of 122,400, while the \$28 million disbursed represented a decline of more than \$4 million or approximately 14 percent.

Refunds to former Federal employees reached their high point—1,599,500—in the calendar year 1946, with the liquidation of war agencies. The number dropped in 1947 to 683,000 and again in 1948 to 271,200. During the first 6 months of 1949 the level of refunds indicated an annual rate of approximately 200,000. This figure is still high in comparison with prewar refunds, but it has undoubtedly been inflated by the legislation effective April 1, 1948, which permits refunds of contributions to persons leaving Federal employment who have less than 20 years of service. Previously no refunds could be made to employees who had 10 years or more of service.

In the calendar year 1940 the average refund was \$184. During the next

few years the average dropped continuously, reaching a low point of \$53 in 1943. After slight increases in 1944 and 1945 the average amount showed a very sharp rise, from \$94 in 1945 to \$150 in 1946. By 1948 the average refund was \$261, and for the first 6 months of 1949 it was \$269. Undoubtedly this large increase during the past several years indicates that more older workers, in point of service, are leaving Federal employment and withdrawing their contributions from the retirement fund. The legislation referred to above—as well as the change in legislation effective July 30, 1947, that raised the limit on refunds from 5 years' service to 10 years—would tend to stimulate such withdrawals. Another factor affecting the average amount that must be taken into account is the increase in contribution rate. Originally 3 percent, the rate has been raised several times and is now 6 percent.

Number and amount of civil-service refunds, by specified period, 1940-49¹

Period	Refunds	
	Number	Amount
[In thousands]		
Calendar year:		
1940.....	17.8	\$3,277
1941.....	32.4	4,616
1942.....	67.3	6,357
1943.....	204.3	10,809
1944.....	704.2	42,156
1945 ²	858.1	80,992
1946 ³	1,599.5	238,594
1947.....	683.0	155,892
1948.....	271.2	70,664
January-June.....	148.7	38,370
July-December.....	122.4	32,294
1949:		
January-June.....	103.9	27,918
January.....	11.9	3,129
February.....	12.2	3,126
March.....	20.6	5,344
April.....	18.7	4,821
May.....	18.8	5,125
June.....	21.8	6,373

¹ Refunds principally from civil-service retirement and disability fund but also from Canal Zone and Alaska Railroad retirement and disability funds administered by the Civil Service Commission.

² Excludes War Department refunds for July-December; see footnote 3.

³ Includes \$13,926,000 refunded during the fiscal year ended June 30, 1946, to 183,000 civilian employees of the War Department.

Source: Civil Service Commission.

Applicants for Account Numbers, April-June 1949

Although the long-term downward trend in the volume of employee ac-

counts established in the April-June quarter was interrupted in 1948, it was resumed in 1949 at an accelerated rate. Fewer account numbers were issued in April-June 1949 than in any previous second quarter; the total of 616,000 (table 2) was 19 percent less than that in the corresponding quarter in 1948. From 1947 to 1948, by contrast, the second-quarter total increased by 0.7 percent, and from 1946 to 1947 it decreased only 2 percent. The relatively sharp decline in the number of account numbers issued in April-June 1949 undoubtedly reflected the rise in unemployment and the scarcity of jobs available to students and youths entering the labor market. The seasonal increase from the first to the second quarter was therefore small—only 44 percent—as compared with 61 percent in 1948 and 48 percent in 1947.

The number of accounts issued in April-June was smaller in 1949 than in 1948 for both men and women. The decline for men, however, was relatively more marked, and the proportion they formed of all applicants therefore fell to 47.5 percent as compared with 48.4 percent for the second quarter of 1948. This slight decline brought to a halt the continuous rise that had begun in 1944 in the ratio of men to total applicants in the second quarter. Although among all applicants in April-June 1949 there were more women than men, men were more numerous than women in the age group under 16, at ages 21, 22, and 24, and at ages over 60.

For the first time since October-December 1946, both the number and proportion of applications received from persons under 20 years of age were less than those in the corresponding quarter of the previous year. The 429,000 social security account numbers issued to persons in this age group in April-June 1949 represented a drop of 20 percent from the number in the corresponding quarter in 1948. Applicants under age 20, however, still accounted for 70 percent of all account numbers issued, a proportion only slightly less than the all-time high of 71 percent in April-June 1948. For each sex, the relative number of young applicants declined in about the same proportion. The 214,000 applications received from young men and