Income of Old-Age and Survivors Insurance Beneficiaries, 1941 and 1949

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The average primary benefit paid under old-age and survivors insurance in 1940 was $23—an amount that was low in terms of basic security for the average worker even then. That benefit is the same today unless the worker has had subsequent employment. A recent survey of the income of beneficiaries entitled in 1941, reported in the following pages, indicates the extent to which their economic situation has grown worse in the past 10 years.

THE Social Security Administration has long been interested in knowing how adequately the monthly benefits under old-age and survivors insurance provide the beneficiaries with basic necessities. Since 1941 a number of studies of the resources of old-age and survivors insurance beneficiaries have been made for that purpose.[1] Until 1949, these studies, with a single exception,[2] had been made to ascertain how the beneficiaries were getting along a year or so after their entitlement, not to trace the history of their benefit status.

On the basis of the early studies, it was apparent that the resources of beneficiaries as they were a year or two or three after their entitlement might not be representative for their entire remaining life span. Beneficiaries who managed fairly well during the first years after entitlement because of occasional jobs, or by sharing a home with their children, or by using their accumulated savings, might not be so well situated if they stopped work entirely, or if their children died or married and left home, or if, eventually, their savings were completely exhausted by the demands of a costly illness or by steady nibbling to meet current expenses. What then? Would they ask for public assistance or would some hitherto nonapparent resource provide a minimum of independence from public aid?

In the fall of 1949, insurance beneficiaries in Philadelphia and Baltimore who in the summer of 1941 had been interviewed about their resources were again visited in order to find out what had happened to them in the years that intervened.[3] The results of this study supported a general assumption that the situation of beneficiaries would worsen as the years went by. The wartime period of full employment, however, which provided jobs for many marginal workers, both men and women, changed the anticipated pattern in some respects. During the war years, at least, beneficiaries who worked were financially independent; some were able to pay off mortgages on their homes and to increase their savings. Some continued in their jobs after the war was over. Beneficiaries who were unable to work, however, had to dip more deeply into their savings or rely more heavily on the help of relatives, especially after the rapid rise of prices following the cessation of hostilities. The increased dependence on relatives is the most important single explanation of how beneficiaries who could not work got along.

Other findings of the resurvey show that most of the wives who were not entitled to benefits in 1941 had become entitled and were receiving benefits in 1949. This additional income from benefits helped some couples, but in many instances it did not equal the income they had received from temporary sources in 1941, and it was not enough to compensate for increases in the cost of living. Women who had been widowed since 1941 and were receiving aged widows' benefits in 1949 had only half the benefit income the couples had received in the first year; retirement pay from former employers stopped entirely at the death of the husband. Many widows were left with only their insurance benefits, which were not enough to live on; they used savings or moved in with their married children.

Real estate values increased between 1941 and 1949. An occasional beneficiary who sold his home actually had more savings in the bank in 1949 than the 1941 value of his home and savings combined. The increase in real estate values was only a paper increase, however, for those who continued to live in their homes. If the change in the value of the home is disregarded, many of the beneficiaries had a smaller net worth in 1949 than in 1941.

Adequacy of Income

A study of the income of 377 insurance beneficiaries in Philadelphia and Baltimore in 1941 and again in 1949 indicates that three-fourths of the

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[1] See the *Bulletin* for July and September 1943; March 1944; January, April, September, and November 1945; January 1946; August and October 1947; February and September 1948; and November 1949. See also the June 1946 *Bulletin* for a comparison of aged insurance beneficiaries with aged assistance recipients and the aged in the general population, and the October 1949 issue for a study of public assistance supplementation of income of insurance beneficiaries.

[2] A resurvey in St. Louis in the spring of 1944 of beneficiaries originally interviewed in the fall of 1941 was made to ascertain the effect of the passage of time on their resources. The interval of 2½ years was not long enough to provide conclusive evidence, particularly in view of the abnormal situation created by the war.

[3] The initial interviews were conducted in June, July, and August 1941, and the second interviews in October, November, and December 1949; the 12 calendar months ended in the month preceding the date of the interview made up the survey year in each instance.

237 aged beneficiary groups whose composition remained unchanged and two-fifths of the 31 widow-child groups had less real income in the 1949 survey year than in the year ended in 1941 (table 1).[4] Nine-tenths of the 105 aged beneficiaries who had lost a spouse between 1941 and 1949 had less real income in the second year than the couple had in the first.

The decrease in the real income of these beneficiaries is particularly important because in the 1941 survey year the total income of two-fifths of the aged beneficiary groups and three-fifths of the widow-child groups fell below the cost of a maintenance level of living.[5] If in this first survey year they had received only their retirement income,[6] three-fifths of the aged beneficiary groups and seven-eighths of the widow-child groups would have had less than the cost of a maintenance level of living. In 1941 the cost of a maintenance level for a single old person living alone in Philadelphia or Baltimore was about $450, for an elderly couple it was approximately $775, and for a widow and two dependent children, $1,025.

Comparable figures for the costs of a maintenance level of living in 1949 are not available; hence a comparison of beneficiary group incomes with maintenance level costs cannot be made for that year. The money income of the aged beneficiaries[7] revisited in 1949 can be evaluated, however, although on a somewhat different basis, by comparing it with the amount that public assistance standards allowed for old-age assistance recipients in the same year. The maximum costs of the goods and services included in the public assistance standards for an aged man or woman and an aged couple having no special needs, such as medical care, and living in rented quarters by themselves at the time of the study were as follows:

	Single aged person	*Aged couple*
Philadelphia	$660	$1,008
Baltimore	672	960

The cost of the public assistance standard in these cities in 1949 was probably somewhat lower than the cost of maintenance budgets. Nevertheless, during the survey year ended in 1949, almost two-thirds of the aged beneficiary groups revisited had less money income, other than assistance payments, than the maximum amount that the public assistance standards would have allowed; not all these beneficiaries, however, would have been eligible for public assistance.[8] Four-fifths of the 223 aged beneficiary groups with these low incomes got along because they either shared

Table 1.—*Percentage distribution of beneficiary groups in Philadelphia-Baltimore by change in money income and in real income between 1941 and 1949 survey years, by beneficiary type at end of 1949 survey year*

[Preliminary]

Type of beneficiary group at end of second survey year	Number	Change in money income: Total	Change in money income: Increase of $50 or more	Change in money income: Within $50	Change in money income: Decrease of $50 or more	Change in real income [1]: Total	Change in real income [1]: Increase of $50 or more	Change in real income [1]: Within $50	Change in real income [1]: Decrease of $50 or more
Nonmarried men:									
Total	93	100.0	33.3	21.5	45.2	100.0	14.0	2.2	83.9
Same type in both years	62	100.0	41.9	24.2	33.9	100.0	16.1	3.2	80.6
Married in first year	31	100.0	16.1	16.1	67.7	100.0	9.7	------	90.3
Married men, wife entitled:									
Total	91	100.0	68.1	14.3	17.6	100.0	27.5	4.4	68.1
Same type in both years	37	100.0	54.1	21.6	24.3	100.0	24.3	2.7	73.0
Wife not entitled in first year	54	100.0	77.8	9.3	13.0	100.0	29.6	5.6	64.8
Married men, wife not entitled:									
Total	20	*100.0	*45.0	*30.0	*25.0	*100.0	*25.0	*5.0	*70.0
Same type in both years	18	*100.0	*38.9	*33.3	*27.8	*100.0	*27.8	------	*72.2
Wife entitled in first year [2]	2	*100.0	*100.0	------	--------	*100.0	--------	*50.0	*50.0
Female primary beneficiaries, total [3]	57	100.0	35.1	36.8	28.1	100.0	14.0	3.5	82.5
Aged widows:									
Total	85	100.0	24.7	7.1	68.2	100.0	9.4	------	90.6
Same type in both years	8	*100.0	*12.5	*37.5	*50.0	*100.0	--------	------	*100.0
Widow with entitled children in first year	4	*100.0	*25.0	------	*75.0	*100.0	*25.0	------	*75.0
Married in first year	73	100.0	26.0	4.1	69.9	100.0	9.6	------	90.4
Widows with entitled children, total [4]	31	100.0	74.2	6.5	19.4	100.0	51.6	6.5	41.9

*Percentage distribution based on fewer than 30 cases.

[1] Money income in 1949 survey year adjusted for changes in cost of living since 1941 according to the Bureau of Labor Statistics consumers' price index.

[2] The entitled wives in the 1941 survey year had died, the men had remarried, and the wives in the 1949 survey year were ineligible for benefits on their husbands' wage records.

[3] Same type in both years; 4 female primary beneficiaries were married in the 1941 survey year, and 3 in the 1949 survey year.

[4] Same type in both years; the number of children in the beneficiary group averaged 2.4 in the 1941 survey year and 1.7 in the 1949 survey year. The smaller number in 1949 was largely accounted for by children entitled in 1941 attaining age 18 and no longer eligible for benefits in 1949.

[4] Six types of beneficiary groups were included in the study: nonmarried men, married men with entitled wife, married men with nonentitled wife, female primary beneficiaries, aged widows, and widows with entitled children. The beneficiary group is made up of one person for the nonmarried men and aged widows; one person for most of the female primary beneficiaries and two for the few who were married; two persons for the married men with entitled wife or with nonentitled wife; and two or more persons for the widows with entitled children. In the first survey year, that ended in 1941, the type of beneficiary group remained unchanged throughout the year, but in the interval between the 2 survey years and during the second year, ended in 1949, some beneficiaries changed from one type to another as a result of the entitlement of a wife, death of a spouse, separation of a couple, or marriage of a beneficiary.

[5] In this comparison of income with the cost of a maintenance level of living, imputed income from an owned home has been added to money income.

[6] Includes money retirement income and imputed income from an owned home.

[7] A similar comparison for widow-child groups is not made because of the varying number of children in the beneficiary group.

[8] The budgeted needs of some groups would have been less than the amounts used in the comparison because the beneficiaries paid less rent than the maximum allowed in the budget, or owned their homes, or shared homes with relatives; some of these beneficiaries would have had incomes equal to their budgeted needs although less than the amounts used in this comparison. Others would have been disqualified for public assistance because of their assets or because of the income of their adult children. On the other hand, some beneficiaries with incomes larger than the budget amounts used in the comparison might have been eligible for assistance because of special needs.

a home with relatives or received public assistance. A seventh of the 223 were public assistance recipients.

Money Income

The total money income of about half the aged beneficiary groups whose composition in 1949 was the same as in 1941 and of about three-fourths of the widow-child groups was larger in the second year than in the first (table 1). Almost a fourth of the aged beneficiaries whose spouses had died between 1941 and 1949 had larger incomes in the second survey year. The increases in income ranged from $51 to $3,125 but in many instances were not sufficient to compensate for the approximately 70-percent rise in the cost of living that occurred in the interval.

A little more than a fourth of the aged beneficiary groups whose composition remained unchanged and a fifth of the widow-child groups had smaller money incomes in the 1949 survey year than in 1941. Of the aged men and women who had been married in 1941 but were widowed or separated in 1949, two-thirds had less income in the second year than the couples had in the first. All the beneficiary groups with lower money income and the groups whose money income was not materially different

Table 2.—*Percentage distribution of beneficiary groups in Philadelphia-Baltimore by amount of money income in 1941 and 1949 survey years, by beneficiary type at end of 1949 survey year*

[Preliminary]

Type of beneficiary group and money income during survey year	Total		No change in type		Change in type	
	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year
Nonmarried men, number	93	93	62	62	[1] 31	[1] 31
Total	100.0	100.0	100.0	100.0	100.0	100.0
Less than $300	21.5	29.0	27.4	32.3	9.7	22.6
300–599	31.2	22.6	30.6	16.1	32.3	35.5
600–899	20.4	18.3	17.7	19.4	25.8	16.1
900–1,199	9.7	10.8	9.7	11.3	9.7	9.7
1,200–1,499	6.5	7.5	4.8	9.7	9.7	3.2
1,500–1,799	3.2	1.1	4.8	-	-	3.2
1,800–2,099	7.5	4.3	4.8	3.2	12.9	6.5
2,100–2,399	-	4.3	-	4.8	-	3.2
2,400–2,999	-	2.2	-	3.2	-	-
3,000 or more	-	-	-	-	-	-
Median amount	$578	$557	$458	$604	$706	$490
Married men, wife entitled, number	91	91	37	37	[2] 54	[2] 54
Total	100.0	100.0	100.0	100.0	100.0	100.0
Less than $300	9.9	2.2	2.7	2.7	14.8	1.9
300–599	27.5	22.0	45.9	27.0	14.8	18.5
600–899	20.9	12.1	27.0	10.8	16.7	13.0
900–1,199	16.5	14.3	5.4	21.6	24.1	9.3
1,200–1,499	8.8	20.9	8.1	18.9	9.3	22.2
1,500–1,799	5.5	6.6	5.4	8.1	5.6	5.6
1,800–2,099	4.4	6.6	2.7	5.4	5.6	7.4
2,100–2,399	2.2	4.4	-	-	3.7	7.4
2,400–2,999	1.1	8.8	-	2.7	1.9	13.0
3,000 or more	3.3	2.2	2.7	2.7	3.7	1.9
Median amount	$762	$1,999	$626	$1,088	$938	$1,312
Married men, wife not entitled, number	20	20	18	18	[3] 2	[3] 2
Total	*100.0	*100.0	*100.0	*100.0	*100.0	*100.0
Less than $300	*15.0	*15.0	*16.7	*16.7	-	-
300–599	*20.0	*15.0	*22.2	*16.7	-	-
600–899	*25.0	*15.0	*16.7	*11.1	*100.0	*50.0
900–1,199	*20.0	*10.0	*22.2	*11.1	-	-
1,200–1,499	*10.0	*30.0	*11.1	*27.8	-	*50.0
1,500–1,799	-	*5.0	-	*5.6	-	-
1,800–2,099	*10.0	-	*11.1	-	-	-
2,100–2,399	-	*5.0	-	*5.6	-	-
2,400–2,999	-	*5.0	-	*5.6	-	-
3,000 or more	-	-	-	-	-	-
Median amount	$724	$990	$762	$990	**$702	**$1,075

Type of beneficiary group and money income during survey year	Total		No change in type		Change in type	
	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year
Female primary beneficiaries, number	57	57	[4] 57	[4] 57	([5])	([5])
Total	100.0	100.0	100.0	100.0	([5])	([5])
Less than $300	36.8	35.1	36.8	35.1	([5])	([5])
300–599	43.9	38.6	43.9	38.6	([5])	([5])
600–899	10.5	17.5	10.5	17.5	([5])	([5])
900–1,199	7.0	8.8	7.0	8.8	([5])	([5])
1,200–1,499	-	-	-	-	([5])	([5])
1,500–1,799	-	-	-	-	([5])	([5])
1,800–2,099	1.8	-	1.8	-	([5])	([5])
2,100–2,399	-	-	-	-	([5])	([5])
2,400–2,999	-	-	-	-	([5])	([5])
3,000 or more	-	-	-	-	([5])	([5])
Median amount	$360	$403	$360	$403	([5])	([5])
Aged widows, number	85	85	8	8	[6] 77	[6] 77
Total	100.0	100.0	*100.0	*100.0	100.0	100.0
Less than $300	10.6	40.0	*25.0	*50.0	9.1	39.0
300–599	36.5	30.6	*37.5	*50.0	36.4	28.6
600–899	25.9	12.9	*25.0	-	26.0	14.3
900–1,199	12.9	7.1	*12.5	-	13.0	7.8
1,200–1,499	7.1	4.7	-	-	7.8	5.2
1,500–1,799	4.7	2.4	-	-	5.2	2.6
1,800–2,099	2.4	2.4	-	-	2.6	2.6
2,100–2,399	-	-	-	-	-	-
2,400–2,999	-	-	-	-	-	-
3,000 or more	-	-	-	-	-	-
Median amount	$620	$339	**$472	**$284	$636	$361
Widows with entitled children, number	31	31	[7] 31	[7] 31	([5])	([5])
Total	100.0	100.0	100.0	100.0	([5])	([5])
Less than $300	-	3.2	-	3.2	([5])	([5])
300–599	38.7	16.1	38.7	16.1	([5])	([5])
600–899	16.1	6.4	16.1	6.4	([5])	([5])
900–1,199	25.8	3.2	25.8	3.2	([5])	([5])
1,200–1,499	6.5	16.1	6.5	16.1	([5])	([5])
1,500–1,799	6.5	6.5	6.5	6.5	([5])	([5])
1,800–2,099	3.2	25.8	3.2	25.8	([5])	([5])
2,100–2,399	3.2	16.1	3.2	16.1	([5])	([5])
2,400–2,999	-	3.2	-	3.2	([5])	([5])
3,000 or more	-	3.2	-	3.2	([5])	([5])
Median amount	$751	$1,795	$751	$1,795	([5])	([5])

*Percentage distribution based on fewer than 30 cases.

**Average computed for fewer than 10 cases.

[1] Married and living with wife in 1941 survey year, nonmarried in 1949 survey year.

[2] Wife not entitled in 1941 survey year, entitled in 1949 survey year.

[3] Wife entitled in 1941 survey year, not entitled in 1949 survey year. The entitled wives in the 1941 survey year had died, the men had remarried, and the wives in the 1949 survey year were ineligible for benefits on their husbands' wage records.

[4] Same type in both years; 4 female primary beneficiaries were married in the 1941 survey year, and 3 in the 1949 survey year.

[5] No change in type.

[6] Seventy-three were married in the 1941 survey year, widowed in the 1949 survey year; 4 received survivor benefits because they had entitled children in their care in the 1941 survey year, and they received aged widows' benefits in the 1949 survey year.

[7] Same type in both years; the number of children in the beneficiary group averaged 2.4 in the 1941 survey year and 1.7 in the 1949 survey year. The smaller number in 1949 was largely accounted for by children entitled in 1941 attaining age 18 and no longer eligible for benefits in 1949.

in the 2 years had experienced an especially severe decline in real income.

In table 2 the distribution of the beneficiary groups is given by amount of money income in 1941 and 1949 and by type at the end of the 1949 survey year. The groups who remained in the same type in both years and those who changed type are shown separately. Table 3 shows the distribution of the beneficiary groups by amount of money income and by type in each of the 2 years.

Money Retirement Income

Income received in a given year is not necessarily representative of a beneficiary's independent retirement income, since it may include amounts derived from sources that are probably temporary or that place the recipient more or less in a position of dependency. The amount of income that is reasonably permanent and derived wholly from independent sources, together with assets, determines the extent of a beneficiary's financial independence when completely retired.

Money retirement income is defined here to include 12 months' insurance benefits, retirement pay from a former employer, veterans' pensions, union pensions, privately purchased annuities, and income from assets. As indicated in the following tabulation and in table 4, the money retirement income of most beneficiary groups was small in both the 1941 and the 1949 survey years.

Beneficiary group	Percent having less than $300 in survey year		Percent having less than $600 in survey year	
	1941	1949	1941	1949
Aged beneficiary groups:				
Single both years	63	59	84	82
Married both years	30	15	62	57
Married first year, single second	26	64	64	83
Widow-child groups	10	10	71	84

Home Ownership

Home ownership often enabled beneficiaries to enjoy better housing than if they had paid the same amount in rent as was required for the necessary expenses on their home. Fewer beneficiaries, however, owned their homes in the 1949 survey year (48 percent) than in 1941 (58 percent). Forty-six aged beneficiaries had either sold their homes in the interval—some because they were unable to carry the fixed charges and some following the death of a spouse—or had deeded their homes to sons, daughters, or other relatives in exchange for being taken care of for the rest of their lives. In contrast, 11 beneficiaries who had not owned their homes in the first survey year were living in owned homes in the second year. Several had used their savings for a down payment on a house; several had moved into a dwelling they had owned but had rented to tenants in the first year; and for a few others an adult child or other relative—a nephew in one instance—had made a down payment on a house with the title to the property entered in the name of the beneficiary.

How the Beneficiaries Managed

Few beneficiaries were able to live on their money retirement income. How then did they get along?

Some lived in joint households and were either partially supported by relatives or were able to live more economically by this arrangement than by living alone, some received contributions of $50 or more during the year from relatives outside the household, and some received public or private assistance. In the 1941 survey year, 59 percent of the aged beneficiary groups had one or more of these resources.[9] In the 1949 survey year the proportion had increased to 77 percent. The proportion of the widow-child groups that had such resources had decreased slightly—from 64 percent in 1941 to 58 percent in 1949.

A few of the beneficiaries who shared households with or received contributions from relatives also had earnings. A much larger proportion of those beneficiaries who lived by themselves and received no outside assistance added to their retirement income by working. When these are also taken into consideration, 74 percent of the aged beneficiaries and 81 percent of the widow-child groups in 1941 either had earnings, shared a home with relatives, had help from relatives outside the household, or received public or private assistance. In 1949 the proportion was still greater—84 percent of the aged beneficiaries and 100 percent of the widow-child groups. In addition, a few beneficiaries had savings on which they drew year by year, but this fact has not been considered here because the use of savings reduces their independent retirement income.

Joint households.—Most beneficiaries who shared a home with relatives were helped by the joint living arrangement. Although the over-all proportion of aged beneficiaries who shared a home with relatives—61 percent—remained unchanged between 1941 and 1949, 33 of the 346 aged beneficiary groups had combined households with relatives between the end of the first and second survey years, while an equal number had given up joint living arrangements previously established. The relatives with whom the beneficiaries had combined households in most instances were married sons or daughters, but some were nieces and nephews, sisters, or brothers. In one instance, a lifelong friend had moved to the home of a female primary beneficiary to look after her. Most beneficiaries combined households because they did not have resources enough to live alone, but several with adequate resources moved to secure nursing care. Joint households that had been given up were usually discontinued because sons and daughters married and left home; a few, because the relatives—particularly aged relatives—died; and some, because the relatives moved out of the city or established their own homes.

Contributions from relatives outside the household.—The proportion of aged beneficiary groups who received contributions from relatives outside the household increased from 7 percent in 1941 to 22 percent in 1949; the proportion of the widow-child groups increased from 6 to 13

[9] Includes only joint households in which the relatives had enough income or used enough assets to cover their share of the joint housing expenses.

Table 3.—*Percentage distribution of beneficiary groups in Philadelphia-Baltimore by amount of money income in 1941 and 1949 survey years, by beneficiary type at end of each survey year* [1]

[Preliminary]

Total money income	Nonmarried men		Married men, wife entitled		Married men, wife not entitled		Female primary beneficiaries		Aged widows		Widows with entitled children	
	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year
Number of beneficiary groups	62	93	100	91	115	20	57	57	8	85	35	31
Total	100.0	100.0	100.0	100.0	100.0	*100.0	100.0	100.0	*100.0	100.0	100.0	100.0
Less than $300	27.4	29.0	2.0	2.2	17.4	*15.0	36.8	35.1	*25.0	40.0	-------	3.2
300-599	30.6	22.6	40.0	22.0	21.7	*15.0	43.9	38.6	*37.5	30.6	40.0	16.1
600-899	17.7	18.3	31.0	12.1	16.5	*15.0	10.5	17.5	*25.0	12.9	20.0	6.4
900-1,199	9.7	10.8	10.0	14.3	19.1	*10.0	7.0	8.8	*12.5	7.1	22.9	3.2
1,200-1,499	4.8	7.5	9.0	20.9	8.7	*30.0	-------	-------	-------	4.7	5.7	16.1
1,500-1,799	4.8	1.1	5.0	6.6	6.1	*5.0	-------	-------	-------	2.4	5.7	6.5
1,800-2,099	4.8	4.3	2.0	6.6	6.1	-------	1.8	-------	-------	2.4	2.9	25.8
2,100-2,399	-------	4.3	-------	4.4	1.7	*5.0	-------	-------	-------	-------	2.9	16.1
2,400-2,999	-------	2.2	-------	8.8	.9	*5.0	-------	-------	-------	-------	-------	3.2
3,000 or more	-------	-------	1.0	2.2	1.7	-------	-------	-------	-------	-------	-------	3.2
Median amount	$458	$557	$662	$1,199	$753	$990	$360	$403	**$472	$339	$717	$1,795

*Percentage distribution based on fewer than 30 cases.
**Average computed for fewer than 10 cases.

[1] All the beneficiaries in each type in 1941 and in 1949 whether or not they had been in the same type in the other year.

percent. Moreover, the amount contributed by the relatives was much larger in the second year than in the first.

Public or private assistance.—The number of aged beneficiary groups who received public or private assistance increased from 26 in 1941 to 31 in 1949, out of a total of 346. The number of widow-child groups decreased from six in the first year to four in the second. Sixteen of the aged individuals or couples received assistance in both years, 15 received assistance in the second year and not in the first, and 10 who received it in the first year had been dropped from the rolls in the second. In most cases in which assistance had been discontinued, relatives—adult sons and daughters, sons-in-law, a grandson, or a nephew—had assumed responsibility for the support of the beneficiaries. One old man had found employment, as had the wife of another, and one beneficiary had entered an institution.

Earnings.—Earlier studies by the Bureau of Old-Age and Survivors Insurance have shown that aged beneficiaries return to work whenever possible rather than apply for public assistance or ask their children to supplement their inadequate retirement resources. In 1949, although the youngest beneficiary was 73 years old, 15 percent of the 261 men and women receiving primary benefits in the Philadelphia-Baltimore resurvey had some employment during the survey year. In view of their age it is not surprising to find this proportion smaller than the corresponding proportion (26 percent) for these 261 persons in the year ended in 1941. Fourteen of the men and women were employed in the second year and not in the first, and 24 worked in both years. A few wives were gainfully employed in both years, usually renting rooms.

Forty of the 45 primary beneficiaries who had some income from employment in 1941 but not in 1949, and therefore had less independent income in the 1949 survey year, either shared a home with relatives, received public assistance, or had gifts of at least $100 from relatives outside the household in the 1949 survey year. Of the others, one old man was in a Masonic home; one couple had money retirement income of $100 a month, owned their home, and had about $2,000 in savings; and three with incomes of $228–555 had spent assets of $300–400 during the year and at the end of the year had savings of $1,200–3,000.

The marked increase between 1941 and 1949 in the number of younger widows who were employed indicates their effort to supplement their permanent resources, which as a rule were less adequate than those of the aged beneficiaries. In 1941 a fifth of the widows with entitled children were employed; in 1949 the proportion had increased to two-thirds.

Beneficiaries Whose Money Income Increased

Many of the primary beneficiaries whose group incomes showed the greatest increase were employed in 1949, and their relatively high earnings accounted for their improved economic situation; a few had considerably larger incomes from investments. Smaller increases in primary beneficiary group income are explained by the receipt of benefits by wives who were not entitled in the first year, by more and larger contributions from children or other relatives outside the household, and by larger public assistance payments. Veterans' pensions had been raised, and retirement pay from a former employer occasionally had been increased; proceeds from the sale of furniture or jewelry added to the income of several beneficiaries in the second survey year. The aged widows who had higher incomes in 1949 than they and their husbands had received in 1941 owed the increase to more generous gifts from their children, but the increase for the widow-child groups came almost entirely from the earnings of the widows.

Those who were employed in both years earned more in the year ended in 1949 than in the year ended in 1941.

The beneficiaries whose circumstances are described below are typical of those with larger money incomes in 1949 than in 1941.

Mr. A had been a yardman for a manufacturing establishment. He was laid off at the end of 1938 and received unemployment insurance benefits for 13 weeks in 1939. Then he was employed again. After another lay-off early in 1940, he applied for retirement benefits under the old-age and survivors insurance program and was awarded $22.10 a month on an average monthly wage of $61.00. He was 66 years old and was "downright angry" at being retired, he told the interviewer, because he felt he was a good worker. His wife, also aged 66, was employed at the time and did not apply for wife's benefits then or later when she quit working. The couple's total money retirement income if Mrs. A had been paid wife's benefits would have been only $401, including $3 in interest on savings of $150. They owned their home, but it was mortgaged for $1,000.

Toward the end of 1940 Mr. A got a job in a manufacturing plant and earned $605 in the survey year ending in May 1941; his benefits were suspended 8 months of that year. From then on he continued to work steadily until the latter part of 1948, in the second survey year, when he missed 4 months' employment to undergo an operation. He failed to notify the old-age and survivors insurance field office, however, and did not receive benefits while away from work. The operation cost $600, of which $350 was paid by Blue Cross carried by his employer and $250 was paid by Mr. A himself.

During the years between 1941 and

Table 4.—*Percentage distribution of beneficiary groups in Philadelphia-Baltimore by amount of money retirement income [1] in 1941 and 1949 survey years, by beneficiary type at end of 1949 survey year*

[Preliminary]

Type of beneficiary group and money retirement income during survey year	Total		No change in type		Change in type	
	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year
Nonmarried men, number	93	93	62	62	[2] 31	[2] 31
Total	100.0	100.0	100.0	100.0	100.0	100.0
Less than $300	47.3	46.2	59.7	51.6	22.6	35.5
300–599	23.7	24.7	17.7	22.6	35.5	29.0
600–899	14.0	11.8	9.7	8.1	22.6	19.4
900–1,199	7.5	6.5	6.5	6.5	9.7	6.5
1,200–1,499	2.2	6.5	1.6	8.1	3.2	3.2
1,500–1,799	3.2	1.1	3.2	--------	3.2	3.2
1,800 or more	2.2	3.2	1.6	3.2	3.2	3.2
Median amount	$306	$307	$268	$298	$516	$422
Married men, wife entitled, number	91	91	37	37	[3] 54	[3] 54
Total	100.0	100.0	100.0	100.0	100.0	100.0
Less than $300	22.0	4.4	5.4	5.4	33.3	3.7
300–599	36.3	47.3	59.5	59.5	20.4	38.9
600–899	8.8	8.8	8.1	--------	9.3	14.8
900–1,199	11.0	8.8	8.1	16.2	13.0	3.7
1,200–1,499	8.8	14.3	10.8	10.8	7.4	16.7
1,500–1,799	3.3	3.3	2.7	2.7	3.7	3.7
1,800 or more	9.9	13.2	5.4	5.4	13.0	18.5
Median amount	$516	$588	$483	$465	$548	$722
Married men, wife not entitled, number	20	20	18	18	[4] 2	[4] 2
Total	*100.0	*100.0	*100.0	*100.0	*100.0	*100.0
Less than $300	*55.0	*60.0	*61.1	*61.1	--------	*50.0
300–599	*20.0	*15.0	*16.7	*16.7	*50.0	--------
600–899	*5.0	*5.0	--------	--------	*50.0	*50.0
900–1,199	*10.0	*5.0	*11.1	*5.6	--------	--------
1,200–1,499	--------	*5.0	--------	*5.6	--------	--------
1,500–1,799	*5.0	*5.0	*5.6	*5.6	--------	--------
1,800 or more	*5.0	*5.0	*5.6	*5.6	--------	--------
Median amount	$289	$284	$287	$284	**$546	**$448

Type of beneficiary group and money retirement income during survey year	Total		No change in type		Change in type	
	1941 survey year	1949 survey year	1941 survey year	1949 survey year	1941 survey year	1949 survey year
Female primary beneficiaries, number	57	57	[5] 57	[5] 57	([6])	([6])
Total	100.0	100.0	100.0	100.0	([6])	([6])
Less than $300	68.4	66.7	68.4	66.7	([6])	([6])
300–599	22.8	22.8	22.8	22.8	([6])	([6])
600–899	5.3	7.0	5.3	7.0	([6])	([6])
900–1,199	3.5	3.5	3.5	3.5	([6])	([6])
1,200–1,499	--------	--------	--------	--------	([6])	([6])
1,500–1,799	--------	--------	--------	--------	([6])	([6])
1,800 or more	--------	--------	--------	--------	([6])	([6])
Median amount	$246	$253	$246	$253	([6])	([6])
Aged widows, number	85	85	8	8	[7] 77	[7] 77
Total	100.0	100.0	*100.0	*100.0	100.0	100.0
Less than $300	29.4	74.1	*62.5	*62.5	26.0	75.3
300–599	38.8	16.5	*25.0	*37.5	40.3	14.3
600–899	16.5	3.5	*12.5	--------	16.9	3.9
900–1,199	7.1	4.7	--------	--------	7.8	5.2
1,200–1,499	4.7	1.2	--------	--------	5.2	1.3
1,500–1,799	2.4	--------	--------	--------	2.6	--------
1,800 or more	1.2	--------	--------	--------	1.3	--------
Median amount	$410	$228	**$252	**$251	$418	$227
Widows with entitled children, number	31	31	[8] 31	[8] 31	([6])	([6])
Total	100.0	100.0	100.0	100.0	([6])	([6])
Less than $300	9.7	9.7	9.7	9.7	([6])	([6])
300–599	61.3	74.2	61.3	74.2	([6])	([6])
600–899	22.6	9.7	22.6	9.7	([6])	([6])
900–1,199	6.5	--------	6.5	--------	([6])	([6])
1,200–1,499	--------	6.5	--------	6.5	([6])	([6])
1,500–1,799	--------	--------	--------	--------	([6])	([6])
1,800 or more	--------	--------	--------	--------	([6])	([6])
Median amount	$524	$453	$524	$453	([6])	([6])

*Percentage distribution based on fewer than 30 cases.
**Average computed for fewer than 10 cases.
[1] Represents money income from 12 months' insurance benefits, retirement pay, veterans' pensions, union pensions, private annuities, and assets.
[2] Married and living with wife in 1941 survey year, nonmarried in 1949 survey.
[3] Wife not entitled in 1941 survey year, entitled in 1949 survey year.
[4] Wife entitled in 1941 survey year, not entitled in 1949 survey year. The entitled wives in the 1941 survey year had died, the men had remarried, and the wives in the 1949 survey year were ineligible for benefits on their husbands' wage records.
[5] Same type in both years; 4 female primary beneficiaries were married in the 1941 survey year, and 3 in the 1949 survey year.
[6] No change in type.
[7] Seventy-three were married in the 1941 survey year, widowed in the 1949 survey year; 4 received survivor benefits because they had entitled children in their care in the 1941 survey year, and they received aged widows' benefits in the 1949 survey year.
[8] Same type in both years; the number of children in the beneficiary group averaged 2.4 in the 1941 survey year and 1.7 in the 1949 survey year. The smaller number in 1949 was largely accounted for by children entitled in 1941 attaining age 18 and no longer eligible for benefits in 1949.

1949, Mr. A paid off the $1,000 mortgage on his home and increased his savings from $150 to $1,500. The value of his house also went up because of the rise in real estate values. Although Mr. A was 75 years old when interviewed in 1949, he said that he expected to continue working as long as possible. He planned to have his wife apply for insurance benefits whenever he should quit working. At that time their money retirement income will consist of their insurance benefits and a few dollars' interest on their savings. The benefits may be somewhat larger than those originally awarded because a recomputation will be made to take into account Mr. A's earnings since 1941. The couple probably will not have much more than $425 a year, however, in independent retirement income. Their total money income in the 2 survey years was as follows:

	1941	*1949*
Total	$696	$1,465
Old-age and survivors insurance benefits	88	------
Interest on savings	3	16
Covered employment	605	1,449

Mr. B, who had been a tailor, was 66 years old when he quit work in the middle of 1939 because of his health. He filed a claim for benefits in January 1940 and was awarded $27.03 a month, on an average monthly wage of $112. Mrs. B, 10 years younger, did not become entitled to benefits until 1948. The couple owned a home that they had bought in 1923 and later converted into two apartments. Its market value in 1941 was estimated to be $3,500. When Mr. and Mrs. B were first interviewed, they had about $100 in savings. Their total money retirement income amounted to $445, including the benefits, net rent from the apartment, and $2 in interest on their savings. The survey interviewer in 1941 commented: "The couple's only income is their social security benefits and the rent from the apartment. The rent pays the upkeep of the house and the benefits pay all other expenses."

Mr. and Mrs. B could not make ends meet, particularly after prices began to rise sharply, and in 1946 they sold their house and moved to an apartment in a building owned by a son who had his professional office on the first floor. The son supplied the apartment rent-free, and two married daughters gave their parents money from time to time. At the end of 1949 the couple still had $3,500 from the sale of the house on deposit in a savings account. Their money retirement income in the 1949 survey year amounted to $538. The children were unwilling for them to use up their savings and were making contributions so they would not have to do so.

Their money income in the 2 survey years, including the estimated income value of their rent-free apartment in 1949, was as follows:

	1941	*1949*
Total	$445	$1,158
Old-age and survivors insurance benefits	324	486
Interest on savings	2	52
Real estate rent	119	---
Gifts	---	620

"This beneficiary is a very poor widower who has to work at least part of the year in order to keep off public assistance," the interviewer wrote of Mr. C in 1941. "He might be better off on old-age assistance as he just can't make the grade financially and he isn't really able physically to do heavy work." Mr. C had been a bartender and was laid off in 1940 at the age of 66. His old-age and survivors insurance benefits were $15.48 a month—his only money retirement income. He received unemployment insurance benefits for several weeks before he got another job. This job, however, lasted only 7 months, all of it in the survey year; thereafter he was paid unemployment benefits again. Although he and his wife, now dead, had received public assistance off and on since 1938, Mr. C preferred to be independent and put off applying for aid as long as he could. Shortly after the date of the 1941 interview, he began to get old-age assistance and received it from then on. He had no children or other relatives, no assets, no life insurance. He roomed in a house where he also got his meals, he visited a clinic twice a week for medical treatment, and at the age of 75 he was getting along as well as could be expected. His money income in the 2 survey years was as follows:

	1941	*1949*
Total	$444	$675
Old-age and survivors insurance benefits	93	186
Covered employment	336	----
Unemployment insurance benefits	15	----
Old-age assistance	----	489

Beneficiaries Whose Money Income Decreased

The primary beneficiaries whose money incomes were smaller in the 1949 survey year than in 1941 had experienced a decline in income chiefly because earnings and unemployment insurance payments were received in the first year but not in the second. Some beneficiaries received less from miscellaneous sources, such as workmen's compensation, disability benefits, or sale of household goods, or they had less help from relatives outside the household. Retirement pay from a few former employers had been reduced; some beneficiaries had sold income-producing property they had owned in the first survey year and so derived no income from this source in the second year.

Of the 73 women who had been widowed since 1941 and were receiving aged widows' benefits in 1949, 51 (70 percent) had smaller money incomes in the second year than the couples had in the first year. Three-fifths of these 51 widows had less than half as much income in the second year, many far less than half. Family benefits, of course, had decreased. Retirement pay that the husbands of 16 aged widows had received in the first survey year had been discontinued in every instance. Expenses connected with the husband's illness and death had usually taken all the lump-sum proceeds of his life insurance and sometimes had exhausted the family's savings.

The following cases are illustrative of beneficiaries whose money incomes were smaller in the survey year ending in the fall of 1949 than in the year ending in 1941.

Mr. D had worked for the same company for 45 years. The business had its slack season, and in January 1940, because he was already 65 years old and had been laid off, Mr. D applied for insurance benefits. He was awarded $22.54 a month, based on an average monthly wage of $69. Mrs. D was 59 years old and therefore not entitled to wife's benefits. The benefits, totaling $270, were the couple's only possible retirement income except for a few dollars' interest on their savings account. When they were interviewed in the spring of 1941 they were living in a home that they

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had purchased 35 years earlier; it was clear of mortgage. The front room had been made over into a store that Mr. D operated as a cleaning and tailoring establishment. He estimated his net income from this business at about $25 a month. In addition, Mr. D worked at home for his former employer and earned about $65 a month on piece work. Since he was in covered employment, his benefits were suspended 9 months of the first survey year.

Mr. D was again interviewed in the late fall of 1949. Mrs. D had died 4 years earlier. The proceeds of her industrial life insurance policy of $150 were applied on the funeral expenses. A few months after his wife's death, Mr. D rented his house to a grandson and moved in with his daughter and son-in-law. He worked for the War Department for 3 years during the war period and increased his savings from $200 at the end of the 1941 survey year to $1,200 at the end of the 1949 year. He was not employed after 1946 although his health was still good. His grandson paid $30 a month rent for his house, but during the 1949 survey year the house required major repairs, and Mr. D withdrew $250 from his savings for this purpose and to augment his income for living expenses.

The couple's total money income in 1941 and Mr. D's total money income in 1949, which was also his retirement income, was as follows:

	1941	*1949*
Total	$1,185	$385
Old-age and survivors insurance benefits	68	270
Interest	4	20
Real estate rent	------	95
Earnings	1,113	----

Mr. E became entitled to insurance benefits in January 1940. Six weeks earlier he had reached age 65 and had been laid off by his employer without retirement pay. Mrs. E was 63 years old, hence only the primary insurance benefit of $22.03 a month was awarded. After Mr. E lost his job, he applied for unemployment insurance benefits and received $157 during the survey year ending in 1941. At that time the couple owned two houses that had been divided into two apartments each; they lived in one of the apartments and netted about $285 from the three rented units during the first survey year. Their annual money retirement income amounted to $549.

When Mr. and Mrs. E were interviewed again in 1949 they had sold the house they were living in during the first survey year and had moved to the other. They derived rent income from only one apartment instead of from three as in 1941. Mrs. E had become entitled to old-age and survivors insurance benefits shortly after the end of the first survey year, but her annual benefits of $132 did not make up for the loss of rent and unemployment benefits received in 1941. The couple had put the money from the sale of the house into a savings account. During the 1949 survey year they withdrew $760 to pay for repairs on the house they had kept and to help meet their current bills. They had only $90 left at the end of the survey year and said they did not know how they would manage when all their savings were gone. They had four married children but said the children "have enough to do." They thought they would be ineligible for public assistance because they owned their home. Their money income in the 2 survey years was as follows:

	1941	*1949*
Total	$706	$466
Old-age and survivors insurance benefits	264	396
Real estate rent	285	61
Interest on savings	----	9
Unemployment insurance benefits	157	----

Mr. F was retired and given $64 a month retirement pay in 1939, when he reached age 65, the age at which his company retired its workers. In 1940 he and his wife, also aged 65, were awarded insurance benefits of $44.66 a month. The amount of $109 a month constituted the couple's money retirement income. They owned their home but had a mortgage of $750 on it. During the survey year ending in 1941 they used the last $200 of their savings for living expenses. Their only other assets were insurance policies with face values of $2,052 on Mr. F's life and $544 on Mrs. F's. Mr. F died in 1945 and Mrs. F received aged widow's benefits of $22.33 a month in place of the couple's benefits. His retirement pay stopped immediately. Mrs. F used most of the proceeds of Mr. F's life insurance to pay the cost of his burial and a gravestone and to meet her own living expenses.

At the time of the second interview in the fall of 1949 Mrs. F had about $600 left in her savings account. She continued to live in her home but was having a hard time financially. The cost of utilities and of the upkeep and repairs on the house was $480 in the second survey year. Her only independent income was $268 from old-age and survivors insurance benefits and $14 in interest on her bank account. She had used $370 of her savings, and her married daughter and married son who lived in the same city helped her by cash contributions and meals furnished regularly each week. She hesitated to reveal the amount of her son's gifts because she said his wife did not know he was helping his mother. The money income of the couple in 1941 and of the widow in 1949, including the estimated value of regularly furnished meals, was as follows:

	1941	*1949*
Total	$1,306	$563
Old-age and survivors insurance benefits	536	268
Retirement pay	770	----
Interest on savings	----	14
Gifts	----	281

Mrs. G, a widow, had worked 19 years for her last employer. She quit work in 1939 at the age of 65 because of her health and in January 1940 was awarded monthly insurance benefits of $21.23, her only money retirement income. With $600 of her savings she bought a rooming-house business. She did not own the property but paid $65 a month rent. The house required repairs before she could rent rooms, and so she borrowed $380. She had repaid all but $100 of the loan by the middle of 1941, when she was interviewed the first time. She kept no books, but the interviewer estimated from the information given that she had netted about $912 from her business during the year.

Mrs. G operated the rooming house until 1944 when her health forced her to stop and she moved into a small apartment, for which she paid $10.50 a month. In 1949, she stated, a friend was contributing $10 a month to her support; this together with her insurance benefits was her only income. She had no children or close relatives, no savings, and only a small industrial life insurance policy. Mrs. G had never applied for public assistance and said she would not do so. "Too much pride," the interviewer

(*Continued on page 14*)

For children who cannot be cared for in their own homes, the programs include foster care. If possible the placement is temporary, lasting only while the child's home is being rehabilitated or strengthened so that he may return to his own family. A foster family home or an institution may be used for a temporary placement of this kind. When children have no families of their own or must be cared for away from their own families permanently, they may be placed for adoption.

In giving these services to children, child welfare workers cooperate with church groups, schools, health agencies, child guidance clinics, recreational programs, and various community activities for children and youth.

Because child welfare services require qualified personnel, a substantial proportion of Federal funds is used for the training and development of staff. Agencies grant staff members educational leave, with a stipend, for study in graduate schools of social work. On-the-job training is provided through orientation, supervision, consultation, group discussions, and institutes. Funds are used also to provide field-work experience for students in schools of social work.

Extent of Case-Work Service

Data in table 3, which shows the number of children receiving case-work service from public welfare agencies, are based on reports from State departments of welfare. Reporting coverage in 47 of the 53 jurisdictions receiving grants under the Social Security Act is substantially complete, but six States are still reporting incompletely; that is, they report on fewer than 90 percent of the children served. The data for all States exclude case-work service given by public assistance workers to families receiving public assistance.

The variation among the States in the living arrangements of the children, which the table shows, reflects the different emphases of the child welfare programs of the different States. Some States, for example, concentrate on programs serving children in their own homes, and programs in other States provide services primarily to children in foster homes.

INCOME OF BENEFICIARIES

(*Continued from page 10*)

noted. Her money income in the 2 survey years was as follows:

	1941	*1949*
Total	$1,167	$375
Old-age and survivors insurance benefits	255	255
Receipts from roomers	912	---
Gifts	------	120

Summary

The total money income of half the aged beneficiary groups whose composition remained the same and of three-fourths of the widow-child groups was greater in 1949 than in 1941. In most cases this increase was more than offset by the rise in the cost of living. Three-fourths of the aged groups with the same composition and two-fifths of the widow-child groups had smaller real incomes in 1949 than in 1941.

Two-thirds of all the aged beneficiary groups had less money income from sources other than public assistance in 1949 than the maximum cost of the local public assistance budgets for single aged persons and couples living by themselves in rented quarters.

The independent money retirement income of both the aged beneficiaries and the widow-child groups was low in each survey year; in 1949, 70 percent of the aged beneficiary groups whose composition remained unchanged and 84 percent of the widow-child groups had less than $600; in 1941 the corresponding proportions were 74 percent and 71 percent.

Because of low money retirement incomes most of the beneficiaries had to rely on relatives for help; a few received public assistance, and a small proportion were able to help themselves by gainful employment. In both survey years the large majority of all the beneficiary groups utilized one or more of these resources to supplement their money retirement incomes: in 1949 the proportions were 85 percent of the aged and 100 percent of the widow-child groups; in 1941 they were 75 percent and 81 percent, respectively.