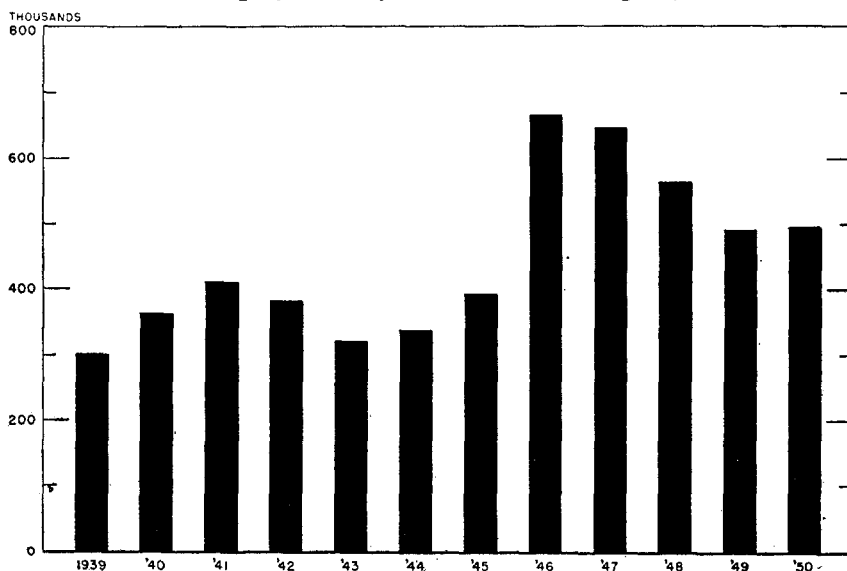


Chart 1.—Employer identification numbers assigned, 1939–50<sup>1</sup>



<sup>1</sup> Data for 1950 exclude about 6,000 numbers assigned in that year to employers whose employees were covered for the first time on Jan. 1, 1951, as a

result of the Social Security Act Amendments of 1950.

Treasury bonds, and almost \$6 million in unamortized premiums. As of the same date the unemployment trust fund held \$6,841 million in 2½-percent special certificates of indebtedness, \$4 million in 2¼-percent Treasury bonds, \$793 million in 2½-percent Treasury bonds, and from \$1 million to \$2 million in unamortized premiums.

The two social security trust funds held investments totaling \$20,970 million at the end of 1950, of which \$17,945 million, or 86 percent, was in special obligations bearing 2½-percent interest.

In addition to the old-age and survivors insurance trust fund and the unemployment trust fund, the Treasury manages 10 other social insurance and related trust funds. The interest rates on most investments of these funds are higher than those for the two large social security funds.

All types of special Government securities outstanding at the end of 1950 totaled \$33,707 million, of which the two social security trust funds held 53 percent. Other trust funds held most of the remainder. Among them, the national service life insurance fund held 16 percent, the railroad retirement account 7 percent, the postal savings system 5 percent, and the Government life insurance fund 4 percent.

The securities held by the two social insurance trust funds comprised 8.2 percent of the total interest-bearing public debt (\$254 billion). They had accounted for 7.6 percent at the end of 1949. For the year 1950, however, the combined investments of these trust funds increased while the total interest-bearing public debt declined slightly.

vivors Insurance.<sup>1</sup> Employer identification numbers are issued chiefly when a new business is started, when a business undergoes a reorganization, when a going business is transferred from one owner to another, when an employer for the first time hires a worker in covered employment, and when a business engaged in covered employment moves from one internal revenue district to another.

On the basis of the Bureau's reports of operations and other tabulated data, it is possible to show the fluctuations in the number of employer identification numbers assigned and to indicate the factors that brought about the changes observed. The data presented in this note are not directly comparable with data on new businesses published by the Department of Commerce, chiefly because the old-age and survivors insurance data exclude new businesses that have no employees and include old businesses to which new employer identification numbers have been assigned.

<sup>1</sup> In October 1950 the job of assigning employer identification numbers was transferred from the Bureau of Old-Age and Survivors Insurance to the Bureau of Internal Revenue. The Bureau of Old-Age and Survivors Insurance continues, however, to maintain records for each employer.

Between the fall of 1936 and the end of 1938, approximately 2.5 million identification numbers were assigned to employers. During the following 7 years—from 1939 through 1945—a period of large wartime expansion of industry, the number of employer identification numbers issued did not vary greatly from year to year (chart 1). There was first a rise from 301,000 in 1939 to 411,000 in 1941, when industry expanded to meet the needs of defense production, and then a decline for the next 2 years to 322,000 in 1943 as wartime economic controls became progressively more severe and the rate of

Table 1.—Index of change in the number of employer identification numbers assigned, by industry, 1946–49

Industry	[1945=100.0]			
	1946	1947	1948	1949
Total <sup>1</sup> .....	169.7	164.2	143.6	124.6
Agriculture, forestry, and fishing.....	165.8	152.8	128.1	120.2
Mining.....	132.8	143.8	169.6	116.4
Contract construction.....	244.7	225.5	205.5	166.6
Manufacturing.....	186.4	155.6	112.5	86.7
Transportation and communication.....	168.4	158.2	126.3	99.8
Wholesale trade.....	201.4	186.5	144.9	115.5
Retail trade.....	161.8	154.2	129.1	109.8
Finance, insurance, and real estate.....	134.9	119.8	105.9	93.8
Service industries.....	169.1	160.5	137.6	110.8

<sup>1</sup> Includes cases in which the industry was not reported and those not elsewhere classified.

## Employer Identification Numbers Assigned, 1937–50

Ever since the old-age and survivors insurance program began to operate, employers of covered workers have been assigned identification numbers, and records containing detailed identifying information for each employer have been maintained by the Bureau of Old-Age and Sur-

**Table 2.—Index of change in the number of employer identification numbers assigned to newly formed businesses, by industry, 1946-49**  
[1945=100.0]

Industry	1946	1947	1948	1949
Total <sup>1</sup> .....	272.5	236.6	210.9	176.1
Agriculture, forestry, and fishing.....	241.6	199.7	166.3	158.0
Mining.....	194.1	214.2	279.1	171.3
Contract construction.....	332.6	283.3	259.8	204.0
Manufacturing.....	293.8	216.0	153.7	117.3
Transportation and communication.....	251.8	209.0	161.2	125.1
Wholesale trade.....	289.5	239.1	191.0	150.1
Retail trade.....	253.3	225.3	186.1	160.6
Finance, insurance, and real estate.....	201.8	171.8	154.9	135.7
Service industries.....	247.5	223.0	203.9	161.0

<sup>1</sup> Includes cases in which industry was not reported and those not elsewhere classified.

inductions into the Armed Forces reached a peak. The number again increased in 1944 and 1945, when war production decreased and relatively more consumer goods were made available. In 1945, 394,000 employer identification numbers were assigned.

In 1946, however, the relaxation of wartime commodity and manpower controls and the demobilization of the Armed Forces resulted in an unprecedented rise in assignments of identification numbers. In that year the number rose to 668,000, an increase of 70 percent over the 1945 total. Although there was a steady decline from 1947 to 1949, the number in 1949 was still 25 percent higher than in 1945; in 1950 the total of 496,000 was 27 percent higher than that in 1945.<sup>2</sup>

The Bureau's tabulations of data on business births and successions, available through 1949, show that by far the most important factor responsible for the high level of identification-number assignments since 1945 has been the large number of new businesses formed. Because many veterans entered business after being discharged from the Armed Forces and because of the accumulated demand for consumer goods and services, the number of identification numbers assigned to newly formed businesses practically tripled from 1945 to 1946,

<sup>2</sup> The figure for 1950 excludes about 6,000 numbers assigned in that year to employers whose employees were covered for the first time on January 1, 1951, as a result of the Social Security Act Amendments of 1950.

increasing from 97,000 to 264,000. In 1949, assignments to new businesses numbered 171,000, or almost twice the 1945 total. There was also a substantial yet smaller rise from 1945 to 1949 in the number of employer identification numbers assigned because of business transfers and reorganizations and for other reasons. With 1945 as the base period, the following tabulation shows the index of change in the number of employer identification numbers assigned, by reason for assignment, for each year 1946-49.

[1945=100.0]

Reason for assignment	1946	1947	1948	1949
Total.....	169.7	164.2	143.6	124.6
New business.....	272.5	236.6	210.9	176.1
Business transfer and reorganization.....	160.0	152.6	134.8	120.2
Other.....	116.2	126.8	108.4	96.0

As a result of the relatively large increase in the number of identification numbers assigned to newly formed businesses, the proportion of all assignments attributable to this cause increased from 25 percent in 1945 to 39 percent in 1946; in 1949 it was 35 percent. Business transfers and reorganizations, on the other hand, which accounted for 45 percent of all employer identification numbers assigned in 1945, accounted for 41-43 percent of the total during 1946-49, while the relative number of assignments attributable to the other reasons declined from 30 percent to between 20 and 23 percent during the same period. The percentage distribution of all identification numbers assigned during each of the years 1945-49, by reason for assignment, is shown below.

Reason for assignment	1945	1946	1947	1948	1949
Total.....	100.0	100.0	100.0	100.0	100.0
New business.....	25.0	39.0	35.7	36.2	34.7
Business transfer and reorganization.....	45.1	41.1	41.4	41.6	42.7
Other.....	29.9	19.9	22.9	22.2	22.6

Although each industry group shared in the postwar expansion, the

**Table 3.—Index of change in the number of employer identification numbers assigned because of business transfer and reorganization, by industry, 1946-49**  
[1945=100.0]

Industry	1946	1947	1948	1949
Total <sup>1</sup> .....	160.0	152.6	134.8	120.2
Agriculture, forestry, and fishing.....	142.5	138.5	119.1	108.5
Mining.....	142.7	151.0	162.5	126.6
Contract construction.....	232.8	265.9	245.1	214.5
Manufacturing.....	199.4	179.9	136.4	106.6
Transportation and communication.....	164.8	170.1	138.1	111.7
Wholesale trade.....	209.6	207.1	162.3	130.6
Retail trade.....	148.9	141.0	120.6	104.8
Finance, insurance, and real estate.....	136.6	116.7	104.0	96.0
Service industries.....	156.4	146.1	123.2	103.6

<sup>1</sup> Includes cases in which the industry was not reported and those not elsewhere classified.

increases in the number of employer identification numbers assigned were greatest in the industries that had been most affected by the war emergency. Thus, the index of change (with 1945 as the base period) was largest in 1946 in contract construction, wholesale trade, and the manufacturing industries; it was smallest in mining and in finance, insurance, and real estate. Although the number of issuances steadily declined from the 1946 peak in practically all industry groups, in 1949 it had fallen below the 1945 level only in manufacturing, in transportation and communication, and in finance, insurance, and real estate (table 1).

There were also wide variations

**Table 4.—Index of change in the number of employer identification numbers assigned on account of "other" reasons,<sup>1</sup> by industry, 1946-49**  
[1945=100.0]

Industry	1946	1947	1948	1949
Total <sup>2</sup> .....	116.2	126.8	108.4	96.0
Agriculture, forestry, and fishing.....	104.0	114.6	94.7	89.3
Mining.....	52.5	56.2	53.2	43.0
Contract construction.....	115.8	117.2	102.8	85.8
Manufacturing.....	72.2	74.4	49.8	38.0
Transportation and communication.....	95.5	102.5	85.0	67.2
Wholesale trade.....	120.0	123.2	90.1	72.3
Retail trade.....	132.9	140.7	112.4	87.6
Finance, insurance, and real estate.....	95.4	93.0	79.6	68.1
Service industries.....	126.6	131.7	106.0	82.5

<sup>1</sup> Includes employer identification numbers issued to employers who for the first time hired 1 or more workers in covered jobs, who moved to another internal revenue district, and who were assigned numbers for miscellaneous other reasons.

<sup>2</sup> Includes cases in which the industry was not reported and those not elsewhere classified.

from industry to industry in the number of employer identification numbers assigned since 1945, for each reason-for-assignment category.

*New business.*—Between 1945 and 1946 the number of identification numbers assigned to newly formed businesses practically doubled or trebled in each industry group, but the index in 1946, based on 1945 as 100, shows the largest increases in contract construction, manufacturing, and wholesale trade and the smallest increases in mining and in finance, insurance, and real estate. While the

number assigned to new businesses decreased after 1946, the extent of the decline varied considerably among the industry groups (table 2).

*Business transfer and reorganization.*—The increase in the number of employer identification numbers assigned because of business transfers and reorganizations was considerably smaller than the number assigned because of new business formations, but the variations by industry were just as wide (table 3).

*Other reasons.*—In contrast, there was a decline between 1945 and 1946

in the number of assignments made to employers who for the first time hired one or more workers in covered jobs, who moved to another internal revenue district, and who were assigned numbers for miscellaneous other reasons. In 1946 the index of change in the number of employer identification numbers issued for these reasons was largest in retail trade and in the service industries and smallest in manufacturing and mining (table 4). In 1949, fewer numbers were assigned in this category than in 1945 in every group.

## Recent Publications\*

### Social Security Administration

CHILDREN'S BUREAU. *Children Living in Selected Public Institutions, December 31, 1947.* Washington: The Bureau, 1950. 12 pp. Processed.

Includes charts showing number of children, their ages, and the length of time spent in public institutions. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

### General

BOYLE, GEORGE. *The Poor Man's Prayer: The Story of Credit Union Beginnings.* New York: Harper & Brothers, 1951. 207 pp. \$2.50.

Tells the story of the life and work of Alphonse Desjardins, pioneer in the North American credit union movement.

EMMERICH, HERBERT. *Essays on Federal Reorganization.* University, Alabama: University of Alabama Press, 1950. 159 pp. \$2.50.

Discusses the reorganization of the Federal Government, emphasizing its relationship to the problem of making democracy work.

GILES, Y. RICHARD. *Credit for the Millions: The Story of Credit Unions.*

New York: Harper & Brothers, 1951. 208 pp. \$2.50.

Describes the growth, organization, and methods of operation of credit unions, as well as the philosophy underlying the credit union movement.

### Retirement and Old Age

ALTMeyer, ARTHUR J. "And Now a Pension for Proprietors." *Dun's Review*, New York, Dec. 1950, pp. 17-19 ff. 35 cents.

The Commissioner for Social Security explains the new benefits for the self-employed provided by the 1950 amendments to the Social Security Act.

BROWER, F. BEATRICE. "Changing Pension Patterns." *Conference Board Management Record*, New York, Vol. 13, Jan. 1951, pp. 9-12.

Includes three tables showing the main provisions of recently announced pension plans.

CERNY, FRANTISEK. "Pension Insurance in Rumania." *Bulletin of the International Social Security Association*, Geneva, Oct.-Nov. 1950, pp. 18-22.

### Employment

INDUSTRIAL RELATIONS RESEARCH ASSOCIATION. *Proceedings of the Second Annual Meeting . . . New York City, December 29-30, 1949.* Milton Derber, editor. (Industrial Relations Research Association, Publication No. 4.) Champaign, Ill.: The Association, 1950. 299 pp.

Includes Labor's Approach to the Retirement Problem, by Harry Becker; Pension Plans Under Collective Bargaining: An Evaluation of Their Social Utility, by Robert M. Ball; and

What Shall We Have: Retirement Benefit or Superannuation Plans? by Solomon Barkin.

McNICKLE, ROMA K. "Womanpower in Mobilization." *Editorial Research Reports*, Washington, Vol. 1, Jan. 24, 1951, pp. 45-61. \$1.

Includes a discussion of the community services that should be provided to care for the children of working mothers.

STRONG, JAY V. *Employee Benefit Plans in Operation.* (University of Michigan, Bureau of Industrial Relations, Report No. 4.) Washington: Bureau of National Affairs, Inc., 1951. 348 pp. \$5.

### Public Welfare and Relief

APTEKAR, HERBERT H. "Case Work, Counseling and Psychotherapy: Their Likeness and Difference." *Jewish Social Service Quarterly*, New York, Vol. 27, Dec. 1950, pp. 163-171. \$2.

HUGGINS, ROBERT. "Virginia Steps to the Front in Financing Indigent Care." *Modern Hospital*, Chicago, Vol. 76, Feb. 1951, pp. 65-67. 35 cents.

JENKINS, EDWARD C. *Philanthropy in America: An Introduction to the Practices and Prospects of Organizations Supported by Gifts and Endowments, 1924-1948.* New York: Association Press, 1950. 183 pp. \$3.75.

MUSHKIN, SELMA J. "Medical Services and the Social Security Act Amendments of 1950." *Public Health Reports*, Washington, Vol. 66, Jan. 26, 1951, pp. 98-114. 10 cents.

Discusses the amendment establishing the new Federal grant program for aid to the permanently and totally

(Continued on page 26)

\* Prepared in the Library, Federal Security Agency. The inclusion of prices of publications in this list is intended as a service to the reader, but orders must be directed to publishers or booksellers and not to the Social Security Administration or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.