

Notes and Brief Reports

Workers With Insured Status on January 1, 1954

At the beginning of 1954, approximately 69.2 million persons were fully insured under the old-age and survivors insurance program, an increase of 2.6 million from the number a year earlier.¹ There were no persons currently but not fully insured on January 1, 1954, nor can there be such insured individuals before the middle of the year, when 7 quarters of coverage will, in general, be needed for fully insured status.

Table 1.—*Workers fully insured at the beginning of each year, 1940-54*
[Number in millions]

Year	Fully insured workers				
	Total	Permanently insured workers			
		Total	Requiring less than 40 quarters of coverage	Requiring 40 quarters of coverage	Percent of fully insured
1940...	22.9	0.6	0.6	-----	2.6
1941...	24.2	1.1	1.1	-----	4.5
1942...	25.8	1.4	1.4	-----	5.4
1943...	28.1	1.8	1.8	-----	6.4
1944...	29.9	2.3	2.3	-----	7.7
1945...	31.0	2.8	2.8	-----	8.8
1946...	33.4	3.4	3.4	-----	10.2
1947...	35.4	8.6	3.8	4.8	24.3
1948...	37.3	11.6	4.0	7.6	31.1
1949...	38.9	13.2	4.0	9.2	33.9
1950...	40.1	14.9	4.0	10.9	37.2
1951...	59.8	21.0	14.0	7.0	35.1
1952...	62.6	22.9	14.3	8.6	36.6
1953...	66.6	25.1	14.9	10.2	37.7
1954...	69.2	27.1	15.1	12.0	39.2

An estimated 27.1 million workers had permanently insured status on January 1, 1954; this total is 2.0 million more than the number with such status on January 1, 1953. To be permanently insured, workers must have the number of quarters of coverage required for fully insured status when they reach age 65. Persons who attain

¹The estimates presented in this note are based on data through the calendar year 1951, derived from the 1-percent continuous work-history sample; none of the estimates of the insured population has been adjusted to reflect changes in insurance status arising from (1) provisions that coordinate the old-age and survivors insurance and railroad retirement programs; and (2) wage credits for military service.

age 65 after 1970 will need 40 quarters of coverage to be permanently insured. For persons who reach age 65 before 1971—that is, those at least 48 years of age on January 1, 1954—the required number of quarters will range from 39 down to 6 for those at the oldest ages. Once they are permanently insured, they can, regardless of their future employment, qualify for old-age benefits at or after age 65; in the event of their death, their survivors can qualify for monthly benefits and/or lump-sum death payments. The distribution of workers who were permanently insured at the beginning of 1954 is shown by sex, age, and quarters-of-coverage requirement in the following tabulation.

Age at beginning of 1954	Quarters of coverage required for permanently insured status	Workers permanently insured on Jan. 1, 1954 (in millions)		
		Total	Male	Female
		Total.....	6-40	27.1
Under 48.....	40	12.0	9.1	2.9
At least 48 but less than 64½.....	7-39	10.3	7.7	2.6
64½ and over.....	6	4.9	3.8	1.1

¹ Includes 4.6 million workers aged at least 65, of whom about 3.2 million were receiving at the end of 1953.

Almost 40 percent of the workers who were fully insured at the beginning of 1954 were permanently insured. The requirements for permanently insured status are more liberal for older than for younger workers, as shown in the following tabulation.

Age at beginning of 1954	Workers fully insured as of Jan. 1, 1954		
	Total number	Number permanently insured	
		Number	Percent of fully insured
Total.....	69.2	27.1	39
Under 48.....	48.9	12.0	25
At least 48 but less than 64½.....	15.4	10.3	67
64½ and over.....	4.9	4.9	100

Table 1 compares the permanently insured group with the total fully insured population at the beginning of each year since 1940.

There was a fairly regular growth, ranging between 1.2 million and 2.3 million, in the number fully insured each year during the period 1940-49. A marked increase occurred in 1950, primarily as a result of the "new start" in insured-status requirements in the 1950 amendments. The extension of coverage under the 1950 amendments, effective in 1951, made it possible for many persons in the newly covered occupations to become insured for the first time in 1952 and thus contributed to the more-than-normal increase in the number fully insured during that year.

Until 1971 the number of quarters of coverage required for fully insured status will, in general, increase each year and thus narrow the difference between the number of quarters of coverage required for permanently insured status and for fully insured status. In the long run, therefore, the permanently insured group will constitute an increasing proportion of the entire fully insured population. For those workers whose elapsed period will exceed 20 years, the requirement for permanently insured status is easier to fulfill than the requirement of 1 quarter of coverage for every two elapsed quarters. Consequently, all persons who are over age 41 at any time after 1970 and who are fully insured will also be permanently insured.

Worker Mobility During Working-Life Cycle

The proposal sometimes made that the Federal old-age and survivors insurance system be replaced by separate State systems invites speculation on the effect such a change would have on the benefit rights of the average worker on retirement. With about 2 million members of the labor force changing their State of residence in an average year, the ability of many workers to acquire and retain insured status in any one State system would be seriously handicapped. Interstate migration was, of course, a principal consideration in the adoption by Con-