

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.

[Number in millions]

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-

gress in 1935 of a national old-age insurance system instead of a Federal-State system like that established for unemployment insurance. While for the 1-2 years used to establish eligibility for out-of-work benefits nearly all workers can be expected to remain in their State of residence, the same cannot be said for the period covered by a working lifetime.

"The mobility of population across State lines would make the use of the actuarial procedures necessary in any workable plan impossible on any but a country-wide basis," stated a staff report to the 1934 Committee on Economic Security, whose work laid the basis for congressional action in the field of social security. "With varying standards of benefits and the probability that many States would fail to act, large numbers of workers moving from one State to another in the course of adult life would reach old age without adequate protection."¹

How many workers, upon retirement, have been employed in more than one State? The wage records

Table 2.—Percent of workers in covered employment last employed outside State of issuance of account number, by years elapsed since first employment, 1938-42¹

Time lapse since first employment	Percent
1 year or less.....	10
2 years.....	13
3 years.....	14
4 years.....	16
5 years.....	18

¹ Estimated from 1942 tabulations of workers with covered earnings at any time during 1938-42, continuous work-history sample of the Bureau of Old-Age and Survivors Insurance.

6 percent and 12 percent over the 13-year period 1938-50, the peaks coinciding with the intensive mobilization of manpower resources during the war years and the expansion of civilian production in the immediate postwar years of 1946 and 1947 (table 1). These proportions for multistate workers are considerably higher than the 3 percent reported for interstate migrants among labor-force members interviewed in the Bureau of the Census monthly survey of the population, 1948-52.²

The difference is due in part to lower migration rates among the self-employed, included in the Bureau of the Census survey but not in the old-age and survivors insurance tabulations, and in part to differences in the basis of classification used by the two Bureaus. Persons who live in a labor-market area (for example, Philadelphia-Camden) that is partly in one State and partly in another may work in both at different times during the year while retaining residence in one. Such persons would be counted as nonmigrants by the Bureau of the Census but would appear as two-State earners in old-age and survivors insurance records. Furthermore, workers making one or more interstate moves during the year but returning to the State of original residence by the end of the year would be classified as nonmigrants by the Bureau of the Census and as multistate workers by the Bureau of Old-Age and Survivors Insurance.

Old-age and survivors insurance

² Bureau of the Census, *Current Population Reports, Population Characteristics*, Series P-20, Nos. 36, 39, and 47; and *Current Population Reports, Labor Force*, Series P-50, Nos. 10 and 20.

data on the relative number of interstate workers are available for the 5 years 1938-42. As might be expected, the data show a progressive increase in mobility with each elapsed year of employment (table 2). The items cross-tabulated in this sample of old-age and survivors insurance wage records were State of issuance of account number and State of last employment.

Table 3.—Percent of workers in covered employment employed outside State of issuance of account number, by year of issuance of account number, 1951¹

Year of issuance of account number	Percent
1951.....	7
1950.....	10
1949.....	13
1948.....	16
1947.....	18
1946.....	21
1945.....	22
1944.....	24
1943.....	25
1942.....	26
1941.....	27
1940.....	28
1939.....	28

¹ Estimated from 1951 tabulations, continuous work-history sample of the Bureau of Old-Age and Survivors Insurance.

The data, which relate to workers with covered earnings at any time between 1938 and 1942, indicate that, among wage earners with 1 year or less than 1 year of employment, 10 percent last worked in a State other than the State in which the account number

Table 4.—Percent of native-born population residing in State other than State of birth, 1850-1950

Year	Percent
1950.....	25.2
1940.....	22.4
1930.....	23.4
1920.....	22.1
1910.....	21.6
1900.....	20.6
1890.....	20.8
1880.....	22.1
1870.....	23.2
1860.....	24.7
1850.....	24.0

Source: Bureau of the Census, *U. S. Census of Population: 1950*, vol. iv, *Special Reports*, part 4, chapter A, *State of Birth*, table 1.

was issued. This proportion rose to 18 percent, or almost 1 in 5, among earners with 5 years between their first and last years of employment. The period covered by the data took in both the low employment levels of the depression and the rapid expansion

Table 1.—Percent of workers in covered employment with taxable wages during the year in more than one State, 1938-50

Year	Percent
1950.....	6.8
1949.....	5.8
1948.....	7.7
1947.....	10.2
1946.....	11.7
1945.....	9.1
1944.....	9.9
1943.....	10.6
1942.....	11.2
1941.....	9.1
1940.....	6.7
1939.....	6.4
1938.....	5.5

Source: Bureau of Old-Age and Survivors Insurance, *Quarterly Summary of Wage, Employment and Benefit Data*, August 1953, table 4.

maintained under the old-age and survivors insurance program provide one source of information on this question. The continuous work-history sample of covered workers yields annual estimates of the proportion of all workers who had taxable wages during a calendar year in more than one State. The ratios varied between

¹ *Social Security in America* (Social Security Board Publication No. 20), 1937, pp. 200-201.

sion of employment of the defense and early war years.

Evidence of the extent of interstate migration over a somewhat longer period comes from a special tabulation made as part of the 1951 continuous work-history sample and covering the years 1939-51. The data suggest, again, that about 18 percent of all earners who have had 5 years of covered employment have worked in at least two States. The proportion with earnings in two or more States rises to approximately 25 percent for workers with 9 years of covered employment and to 28 percent for workers with 12 years (table 3).³

Data covering a working lifetime are not available, but a minimum estimate of the numbers affected by changes in the State of employment is afforded by decennial Census data comparing State of residence with State of birth. In 1950 about 1 in every 4 native-born persons was living in a State other than that in which he was born (table 4). This ratio has shown a remarkable consistency over the past 100 years, reflecting both the continuing expansion of population into the Western States, which has always been a feature of our life as a Nation, and the exchange of population among the older, more settled States in response to shifting economic opportunities. The gradual increase between 1900 and 1950 in the proportion of interstate migrants (table 4) does not necessarily indicate an accelerated rate of migration, since over this 50-year period the median age of the population rose from 23 to 30 years, and the likelihood of residence in a State other than the one in which birth occurred increases with age. For the same reason, the relative number of interstate migrants in the population declined between 1850 and 1900 more than the figures in table 4 by themselves show.

The 1-in-4 ratio is, of course, an average for persons of all ages. More to the point, for present purposes,

³ These proportions are higher than those reported by the Bureau of the Census (*Current Population Reports, Population Characteristics*, Series P-20, No. 14). One in every 10 persons in the labor force in the April 1947 census survey was living in a State other than the State of residence in April 1940.

Table 5.—Percent of native-born population residing in State of birth or other State, by age, 1950

Age	Total ¹	Born in State of residence	Born elsewhere ²
Total.....	100.0	74.4	25.6
Under 5.....	100.0	91.3	8.7
5-9.....	100.0	86.4	13.6
10-19.....	100.0	84.3	15.7
20-29.....	100.0	71.9	28.1
30-39.....	100.0	67.5	32.5
40-49.....	100.0	65.5	34.5
50-59.....	100.0	64.7	35.3
60-69.....	100.0	63.9	36.1
70 and over.....	100.0	62.1	37.9

¹ Excludes 1.4 million persons of native birth with State of birth not reported.

² Excludes persons born in U. S. Territories and possessions, and persons born abroad of American parents.

Source: Bureau of the Census, *U. S. Census of Population: 1950*, vol. iv, *Special Reports*, part 4, chapter A, *State of Birth*, table 10.

would be a ratio for persons in their later years. This information is available for the first time from the 1950 Census. The data indicate that about 38 percent of the native-born population aged 70 and over was living in that year in a State other than the State of birth (table 5). Some of these migrants, to be sure, left their native State as children, before entry into the labor force. When allowance is made for such migration, by excluding the estimated proportion who had migrated before they had reached age 18, the relative number of persons who had changed State of residence while in the working years of life drops to about 15-20 percent.

This estimate is probably too low, since it does not take into account persons who moved to another State but eventually returned to their home State and still other persons who may work in two States at different times of the year but retain residence in one State. The State-of-birth and the State-of-residence data, furthermore, relate to the total population, whose interstate migration rates, it is known from other sources, tend to be somewhat lower than those for persons in the labor force. Taken in conjunction with the old-age and survivors insurance data these Census data suggest that perhaps as many as 1 in every 3 earners has worked in more than one State by the time he retires.

The spectacular increases in aged population in such "retirement" States as Arizona, California, and Florida may lead some persons to be-

lieve that a substantial number of the aged living outside their native State migrated in their later years and that it is therefore inaccurate to say that up to one-third of all retired persons have been employed in two or more States in the course of their working life. The age data on migrants in the Bureau of the Census annual series would not support this conclusion. Most persons who change State of residence are in their twenties and thirties. The interstate migration rate declines thereafter and is lowest in the group aged 65 and over.⁴

⁴ Bureau of the Census, *Current Population Reports, Population Characteristics*, Series P-20, Nos. 4, 14, 22, 28, 36, 39, and 47.

Recent Publications*

General

ARTHUR, JOHN. *Through Movement to Life: The Economic Employment of the Disabled*. London: Chapman & Hall, 1952. 93 pp. \$1.10.

Describes a 3-year experiment in sheltered employment and rehabilitation of the disabled in a furniture factory in Great Britain.

BODMER, LAURA. "Relations Between Social Security Institutions and Members of the Medical Profession." *Bulletin of the International Social Security Association*, Geneva, June-July 1953, pp. 189-209. \$2.50 a year.

Compares the policies of the International Labor Organization, the International Social Security Association, and the World Medical Association.

CHAMBER OF COMMERCE OF THE UNITED STATES. COMMITTEE ON ECONOMIC POLICY. *The Economics of the Guaranteed Wage. Report . . .* Washington: The Chamber, 1953. 35 pp. 50 cents.

DAVIS, JOSEPH. "The Population Up-surge and the American Economy, 1945-80." *Journal of Political Economy*, Chicago, Vol. 61, Oct. 1953, pp. 369-388. \$1.50.

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