

**Table 7.—Workers with railroad service, 1937-52, by year of last railroad employment and year of last old-age and survivors insurance employment<sup>1</sup>**

[Workers in thousands]

Year of last railroad service	Total	Workers with no employment under OASI	Year of last employment under OASI							
			Total	1946 or earlier	1947	1948	1949	1950	1951	1952
Total.....	8, 085	1, 525	6, 560	825	185	190	165	225	520	4, 450
1946 or earlier.....	4, 040	775	3, 265	415	80	75	35	65	155	2, 440
1947.....	495	25	470	20	20	15	10	15	30	360
1948.....	535	75	460	10	10	20	30	20	60	310
1949.....	345	20	325	15	-----	10	5	30	30	235
1950.....	295	20	275	5	-----	10	10	15	40	195
1951.....	375	5	370	5	-----	5	15	10	40	295
1952.....	2, 000	605	1, 395	355	75	55	60	70	165	615

<sup>1</sup> Excludes workers who have died or retired.

insurance credits alone and 3,880,000 were fully but not permanently insured. An additional 430,000 workers were insured on the basis of only railroad service, and 185,000 were insured on the basis of their combined old-age and survivors insurance and railroad retirement records though uninsured under either program separately.

The remaining 1,345,000 workers were uninsured since they had less than the equivalent of 6 quarters of coverage (based on actual and deemed quarters of coverage). They probably included most of the 775,000

workers who had no old-age and survivors insurance credits and whose last railroad service was before 1947.

### Last Employment

While the cross-classification of "last year of employment" under each program does not give the complete picture of employee-service patterns under both programs, it does indicate certain significant features of the most recent employment of railroad workers. Table 7 shows that about 50 percent of the living, non-entitled workers having railroad employment at some time during 1937-

52 did not work in such employment after 1946. It cannot be assumed that they had withdrawn from the labor force, since the majority had quarters of coverage under old-age and survivors insurance as late as 1952. The shift to employment covered by old-age and survivors insurance is clear when it is noted that for 4.5 million railroad workers the year of last employment under old-age and survivors insurance was more recent than the year of last railroad employment.

Eighty percent of the 6,560,000 railroad workers who had old-age and survivors insurance credits at some time during 1937-52 were actively employed under one or the other program in 1952. Of these dual-coverage workers, 1,395,000 had railroad employment in 1952; 4,450,000 workers had old-age and survivors insurance credits, and of these about 615,000 also had railroad employment in that year. In contrast, only 40 percent of the 1,525,000 workers with no old-age and survivors insurance credits were employed during 1952. Complete withdrawal from employment thus appears to be a major factor in failure to earn old-age and survivors insurance credits.

## Notes and Brief Reports

### Money Income Sources for Young Widows and Orphans, Mid-1955\*

Old-age and survivors insurance benefits were being paid in mid-1955 to more than half of all paternal orphans under age 18 in the continental United States and to almost two-fifths of the widows with children (table 1). In the event of the death of the family breadwinner, some 50 million of the Nation's 56 million children are assured of monthly benefits under the old-age and survivors insurance program until they reach age 18. Old-age and survivors insurance also helps to protect 90 percent of the married women with children under age 18 against

the loss of support because of the husband's death. The amount of life insurance now in force under the program for these mothers and children is estimated at some \$270 billion.<sup>1</sup>

Almost half the 700,000 widowed mothers under age 65 in the continental United States were entitled to old-age and survivors insurance benefits in mid-1955, but the benefits of about one-fifth of those entitled were withheld—characteristically because of employment. About one-fifth of the 340,000 who were entitled to benefits at the end of June 1955 had become entitled during the

preceding 12 months; about 15 percent of those entitled to benefits at the end of June 1954 had their benefits terminated before June 1955. (During the calendar year 1954, attainment of age 18 by the last entitled child was responsible for the termination of the mother's benefits in more than half the cases and remarriage of the mother in about two-fifths.) This high rate of turnover for the widowed mothers entitled to benefits and the large number of beneficiary families in which only children draw benefits<sup>2</sup> mean that the program helps more widows during a year than would appear from the number of beneficiaries at any one date. It is clear not only that the old-

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<sup>1</sup> T. N. E. Greville, *Estimated Amount of Life Insurance in Force as Survivor Benefits Under OASI—1955* (Actuarial Study No. 43), Division of the Actuary, Social Security Administration, September 1955. See also pages 13-15 of this issue.

<sup>2</sup> In June 1955 there were some 270,000 beneficiary groups composed of children under age 18 with mother not entitled. Included among the child survivors were about 45,000 maternal orphans who received benefits on the basis of the mother's wage record.

**Table 1.—Estimated number of children under age 18 with father dead and of widows under age 65 receiving money income from employment and public income-maintenance programs, June 1955**

[Continental United States; numbers in millions]

Source of money income <sup>1</sup>	Children under age 18 with natural father dead	Widows under age 65 <sup>2</sup>		
		Total	With 1 or more children under age 18	Other
Total in population.....	1.9	3.5	0.7	2.8
Employment <sup>3</sup> .....	(4)	1.9	.4	1.5
Social insurance and related programs <sup>5</sup> .....	1.3	.8	.4	.4
Old-age and survivors insurance.....	1.0	.3	.3	0
Veterans' compensation and pension programs.....	.3	.4	.1	.3
Railroad and government employees' retirement programs.....	.1	.1	(6)	.1
Aid to dependent children.....	.2	.1	.1	0

<sup>1</sup> Persons with no money income and income solely from sources other than those specified are included in the total but are not shown separately because of lack of data. Some persons received income from more than one of the specified sources; some with income from sources specified also received income from other sources.

<sup>2</sup> Excludes widows who have remarried.

<sup>3</sup> Includes only persons working for pay or profit and not those supported by the earnings of a relative.

<sup>4</sup> Data not available.

<sup>5</sup> Persons with income from more than one program are counted only once.

<sup>6</sup> Fewer than 50,000.

Source: Number of persons of specified age, sex, and marital and employment status estimated from published and unpublished data of the Bureau of the Census. Number of children under age 18 with natural father dead based on estimates by the Division of the Actuary, Social Security Administration. Number receiving payments under social insurance and related programs and from aid to dependent children reported by administrative agencies (partly estimated). Number receiving benefits from more than one program estimated roughly from sample data and subject to a considerable margin of error.

age and survivors insurance program lightens the financial burden of support for many a widowed mother who does not herself receive a benefit but also that it facilitates personal adjustments, permitting her to remarry without making it necessary that her husband assume the full support of stepchildren.

In mid-1955, more than half of all widows under age 65—both widowed mothers and childless widows—had some earnings. For the latter, who numbered about 2.8 million, employment was by far the most frequent of the sources of money income under consideration, even though more than two-thirds of these childless widows were aged 55-64 and therefore at a disadvantage in the labor market. The estimated number of widowed mothers with earnings (including old-age and survivors insurance beneficiaries with part-time work) was about 40 percent larger than the number receiving old-age and survivors insurance benefits. Many are marginal workers, however, and in the event of reduced job opportunities the ratio might be reversed with only a moderate increase in the number entitled to benefits. Undoubtedly a large proportion of the paternal orphans are supported at least in part by the earnings of the mother or an-

other relative in the home, and perhaps one-tenth of them receive some earnings from their own employment.

Except for employment, the pension and compensation programs for survivors of veterans rank next in importance to old-age and survivors insurance as a source of money income for survivors under age 65. In mid-1955, benefits under the veterans' programs were being paid to approximately 15 percent of the paternal orphans and of the widowed mothers and to about 12 percent of the childless widows under age 65.

Because of the rapid expansion in the number of old-age and survivors insurance beneficiaries in recent years, there are now relatively few widowed mothers or orphans receiving aid to dependent children. In June 1955, only about 7 percent of the 1.9 million paternal orphans and of the 700,000 widowed mothers were primarily dependent on payments made under aid to dependent children. For about an additional 4 percent, an assistance payment was being made to supplement an old-age and survivors insurance benefit that did not meet the basic needs of the children—generally because the benefit was based on low or irregular earnings.

Precise data are still lacking on the

relative numbers receiving both an old-age and survivors insurance benefit and a veterans' pension or compensation payment and also on the proportion of beneficiaries under various programs who have some earned income. Nevertheless, it is possible to make a rough adjustment for the probable extent of such duplication. It appears that in mid-1955 roughly half the widowed mothers and two-thirds of the fatherless children were receiving monthly social insurance benefits. Most widows with children under age 18 had some income from employment, social insurance, or aid to dependent children. For childless widows, however, the situation was very different, with at most two-thirds having income from earnings or social insurance, or both. Unquestionably many were forced to apply for general assistance, but there are no data on the proportion who received aid through such State and local programs. Some, of course, had income from assets and private insurance, and a considerable number were supported by their adult children.

Effective September 1954, the eligible age for receipt of survivor benefits under the railroad retirement program by a widow, dependent widower, or parent was reduced from 65 to 60. By the end of 1954, about 17,100 widows aged 60-64 with no children in their care were receiving benefits, and by the end of June 1955 benefits were going to about 23,500. During the same period, the total number of widows aged 65 and over receiving survivor benefits under the railroad retirement program increased less than 8,000 to 113,600.

There is an inverse correlation between the age of the widow and the receipt of either old-age and survivors insurance benefits or of payments under aid to dependent children—a correlation that reflects the greater frequency with which the younger widows have children under age 18. In June 1955 the proportion of widows receiving income from either old-age and survivors insurance or aid to dependent children, or both, was about seven times as large for those under age 45 as for those aged 45-64.

These younger widows, however,

**Table 2.—Estimated number of orphans under age 18, by type and by age, July 1, 1955<sup>1</sup>**

[In thousands]

Age	Orphans under age 18				
	Total		Father only dead	Mother only dead	Both parents dead
	Number	Per-cent of child population			
Total.....	2,700	4.8	1,830	820	60
0-4.....	180	.9	130	50	( <sup>2</sup> )
5-9.....	600	3.5	410	180	10
10-14.....	1,020	7.6	690	310	20
15-17.....	900	13.1	600	280	30

<sup>1</sup> Estimated in accordance with procedures developed by the Division of the Actuary. See the *Bulletin*, March 1955, pp. 17-19.

<sup>2</sup> Less than 5,000.

formed a relatively small proportion—only one-sixth—of the 3.5 million widows under age 65. Fewer than 1 in 25 were under age 35. More than half were aged 55-64.

Orphans also are much more heavily concentrated at the older than at the younger ages, as shown in table 2. Moreover, the younger the child is, the more frequent the insurance benefits, as shown by the following figures on the proportion of paternal orphans with old-age and survivors insurance benefits in current-payment status at the end of December 1954:

Age	Percent
Under 5 .....	64
5-9 .....	60
10-14 .....	57
15-17 .....	41

The higher beneficiary rates for younger children mean that benefits are most likely to go to those for whom income support is most urgent, when the mother should be in the home to care for a young child instead of being away at work. This difference, however—at least below the age when children may start work—is likely to disappear in the future because it reflects the fact that the older the orphan the more likely it is that his father had died at a time when the coverage of the old-age and survivors insurance program was more restricted.

## Old-Age Insurance Benefit Awards, January-June 1955

During the first half of 1955, old-age benefits were awarded to nearly 511,000 persons, a record number. The previous high, established in the first 6 months of 1951, was due primarily to the liberalized insured-status provisions of the 1950 amendments. The sharp increase in January-June 1955 was due mainly to the liberalization in the retirement test under the 1954 amendments. These later provisions, which became effective

in January 1955, changed the earnings test for wage earners from a monthly to an annual basis, raised to \$1,200 the amount that beneficiaries can earn in a year before any benefits are withheld, and lowered from 75 to 72 the age at which beneficiaries can receive benefits regardless of the amount of their earnings. Thus, many persons between age 72 and age 75 and others under age 72 with moderate earnings, who had delayed filing for benefits because they were working in covered employment, filed and began receiving monthly benefits.

*Method of benefit computation.*—

**Table 1.—Percentage distribution of old-age benefits awarded in January-June 1955, by benefit-computation method and sex**

[Based on 10-percent sample]

Benefit-computation method	Total	Male	Female
Total number.....	510,796	361,787	149,009
Total percent.....	100	100	100
Benefit based on earnings after 1936.....	23	20	30
Benefit based on earnings after 1950.....	77	80	70
Total percent.....	100	100	100
Beneficiary not eligible for the dropout.....	16	15	18
Benefit based on earnings after 1936.....	8	7	9
Benefit based on earnings after 1950.....	8	8	9
Beneficiary eligible for the dropout.....	84	85	82
Benefit based on earnings after 1936.....	15	13	21
Beneficiary not eligible for benefit based on earnings after 1950.....	10	8	15
Beneficiary eligible for benefit based on earnings after 1950.....	5	4	6
Benefit based on earnings after 1950.....	69	72	61
1952 benefit formula plus 1954 conversion table.....	3	2	7
1954 benefit formula.....	65	70	54

**Table 2.—Number, percentage distribution, and average monthly amount of old-age benefits awarded in January-June 1955, by starting date used in benefit computation, age, and sex**

[Based partly on 10-percent sample]

Age <sup>1</sup>	Total			Male			Female		
	Number	Per-cent	Average monthly amount	Number	Per-cent	Average monthly amount	Number	Per-cent	Average monthly amount
Total.....	510,796	100	\$70.91	361,787	100	\$76.73	149,009	100	\$56.80
65-69.....	334,941	66	69.28	226,750	63	75.74	108,191	73	55.74
70-74.....	130,322	26	75.55	100,441	28	80.00	29,881	20	60.62
75-79.....	40,309	8	71.89	30,947	9	75.97	9,362	6	58.40
80 and over.....	5,224	1	52.13	3,640	1	54.07	1,575	1	47.62
Based on earnings after 1950.....	394,850	100	77.40	290,208	100	82.79	104,642	100	62.45
65-69.....	237,564	60	77.44	168,545	58	83.48	69,019	66	62.69
70-74.....	116,684	30	78.78	90,651	31	83.30	26,033	25	63.06
75-79.....	36,238	9	75.30	28,033	10	79.58	8,205	8	60.69
80 and over.....	4,364	1	55.90	2,979	1	58.82	1,385	1	49.60
Based on earnings after 1936.....	115,946	100	48.81	71,579	100	52.12	44,367	100	43.46
65-69.....	97,377	84	49.38	58,205	81	53.34	39,172	88	43.49
70-74.....	13,638	12	47.93	9,790	14	49.44	3,848	9	44.09
75-79.....	4,071	4	41.52	2,914	4	41.26	1,157	3	42.20
80 and over.....	860	1	32.99	670	1	32.94	190	( <sup>2</sup> )	33.17

<sup>1</sup> Age on birthday in 1955.

<sup>2</sup> Less than 0.5 percent.