

# Old-Age, Survivors, and Disability Insurance: Earnings of Older Workers and Retired-Worker Beneficiaries

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*This article presents three separate but related analyses of the earnings of older persons, all based on information from the Continuous Work-History Sample of workers under old-age, survivors, and disability insurance (OASDI). In Part I, earnings in 1960 in covered employment are shown for older workers, classified by their status with respect to entitlement to retired-worker benefits and by age and sex. Part II gives information for each year 1957-60 on the covered employment and earnings of persons aged 65 and over who were entitled to retired-worker benefits throughout the year. In Part III the covered employment and earnings in each year 1951-60 are analyzed for men who were entitled to retired-worker benefits on January 1, 1961.*

## **PART I. EARNINGS OF OLDER WORKERS IN 1960**

Almost 3.3 million persons aged 65 and over—about 1 out of every 5 in the aged population—worked at some time during 1960 in covered employment. The amount of their earnings credited under the program averaged \$2,078. The average for aged men was \$2,284, and for women it was \$1,552. Creditable earnings varied not only with the sex of the worker, but also with entitlement to OASDI benefits and age, as shown in table 1.

The data represent all persons aged 65 and over by the end of 1960 who worked and had earnings credited under OASDI in 1960; only persons who received such credits are included. The earnings are limited to those reported for covered employment. Since they do not include earnings above \$4,800 (the maximum amount creditable for OASDI purposes, beginning in 1959) and earnings in noncovered employment,

they do not represent the earnings of all older persons or all the earnings that might have caused suspension of OASDI benefits.<sup>1</sup>

## **Entitlement to Benefits and Earnings, 1960**

A worker is “entitled” to benefits when he has filed a claim and has been found to meet the applicable requirements. At any given time some persons entitled to old-age benefits do not receive monthly benefits and thus in one sense are not “beneficiaries.” Their benefits are withheld for various reasons, chiefly because of earnings. Of those entitled to old-age benefits on January 1, 1961, slightly more than 97 percent received benefits for December 1960. Throughout the article, entitled persons are sometimes referred to as beneficiaries; the data do not show which ones actually received benefits for the specified period of entitlement.

At the end of 1960, old-age or survivor benefits had been awarded on the basis of the earnings records of 8 in every 10 older persons who worked at some time during that year. Practically all (97 percent) of these workers were old-age (retired-worker) beneficiaries who were living at the end of the year. The others were workers who had died in 1960 and were either entitled to old-age benefits at the time of their death or were survived by dependents who were awarded benefits.

Slightly more than 5 out of every 10 of the older workers in 1960 had been awarded old-age benefits before 1960, and somewhat more than 2

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<sup>1</sup> For information on the extent of employment among all men aged 65 and over in 1962, see Erdman Palmore, “Work Experience of the Aged in 1962: Findings of the 1963 Survey of the Aged,” *Social Security Bulletin*, June 1964.

in 10 became entitled during the year (table 2).<sup>2</sup> The remaining 2 out of every 10 were not entitled—that is, no benefits based on their earnings records had been awarded at the end of the year. This pattern was characteristic of both older men and older women workers.

The great majority of older workers in 1960 were thus either entitled to old-age benefits or,

<sup>2</sup> The data do not show whether the persons in this second group continued to work in 1960 after they became entitled to benefits.

because almost 90 percent of the nonentitled were insured, presumably could have become entitled to benefits at any time. Their earnings are significant in relation to the legal requirements for suspension of benefits because of earnings (the earnings test, generally referred to as the “retirement” test), particularly when the workers are classified according to beneficiary status and age. Under the law in effect in 1960, beneficiaries under age 72 had benefits withheld for 1 month for each \$80 (or fraction of \$80) of earnings over \$1,200 in the year from any source—whether or

TABLE 1.—Percentage distribution of workers aged 65<sup>1</sup> and over by amount of earnings credited under OASDI in 1960 and by sex, age, and entitlement to benefits, January 1, 1961

[Numbers of workers are rough estimates based on simple inflation of 1-percent sample data]

Earnings credits in 1960	Total	Total				Men				Women					
		Entitled to old-age insurance benefits, Jan. 1, 1961 <sup>2</sup>			Non-entitled, Jan. 1, 1961 <sup>2</sup>	Total	Entitled to old-age insurance benefits, Jan. 1, 1961 <sup>2</sup>			Non-entitled, Jan. 1, 1961 <sup>2</sup>	Total	Entitled to old-age insurance benefits, Jan. 1, 1961 <sup>2</sup>			Non-entitled, Jan. 1, 1961 <sup>2</sup>
		Total	Before 1960	In 1960			Total	Before 1960	In 1960			Total	Before 1960	In 1960	
Total															
Number (in thousands)	3,286.0	2,635.1	1,785.7	780.9	650.9	2,359.6	1,904.0	1,234.8	611.9	455.6	926.4	731.1	550.9	169.0	195.3
Percent	100.0	100.0	100.0	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 \$1,200	45.7	51.7	61.8	27.8	21.7	41.6	48.2	58.4	26.5	14.0	56.3	60.8	69.3	32.6	39.7
\$1,200-2,399	17.4	18.8	18.1	20.4	11.7	16.5	17.9	17.5	18.6	10.3	19.7	21.0	19.3	26.6	14.9
2,400-3,599	11.5	10.7	7.8	17.4	15.1	11.4	11.0	8.7	16.0	12.7	12.0	9.8	6.0	22.1	20.5
3,600-4,199	4.4	3.6	2.4	6.7	7.7	4.7	4.0	2.7	6.7	7.9	3.7	2.8	1.6	6.8	7.1
4,200-4,799	4.0	3.2	2.1	5.9	7.2	4.5	3.7	2.6	6.3	7.8	2.5	1.7	.9	4.2	5.6
4,800	16.9	12.1	7.9	21.9	36.7	21.3	15.2	10.2	25.8	47.2	5.7	4.0	2.9	7.6	12.2
Average (mean)	\$2,078	\$1,815	\$1,474	\$2,629	\$3,144	\$2,284	\$1,979	\$1,616	\$2,761	\$3,559	\$1,552	\$1,385	\$1,155	\$2,153	\$2,176
Aged 65-71															
Number (in thousands)	2,377.3	1,781.9	1,015.7	726.5	595.4	1,678.7	1,251.5	644.2	574.3	427.2	698.6	530.4	371.5	152.2	168.2
Percent	100.0	100.0	100.0	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 \$1,200	44.8	53.6	71.7	28.0	18.5	40.2	49.9	69.7	27.1	11.7	56.0	62.3	75.2	31.0	36.0
\$1,200-2,399	15.5	16.9	14.0	20.9	11.3	14.4	15.9	12.9	19.1	9.8	18.4	19.4	16.0	27.7	15.0
2,400-3,599	11.6	10.2	5.2	17.4	15.5	11.1	10.5	5.7	16.2	12.9	12.6	9.6	4.3	22.3	22.1
3,600-4,199	4.9	3.8	1.8	6.7	8.1	5.2	4.2	2.0	6.6	8.2	4.1	2.9	1.3	6.9	7.9
4,200-4,799	4.4	3.4	1.7	5.8	7.5	5.1	4.1	2.2	6.2	8.1	2.8	1.8	.9	4.2	5.9
4,800	18.8	12.0	5.6	21.2	39.0	24.1	15.5	7.5	24.8	49.3	6.2	4.0	2.3	7.9	13.1
Average (mean)	\$2,177	\$1,807	\$1,246	\$2,610	\$3,284	\$2,416	\$1,987	\$1,358	\$2,721	\$3,672	\$1,602	\$1,383	\$1,054	\$2,191	\$2,296
Aged 72 and over															
Number (in thousands)	908.7	853.2	770.0	54.4	55.5	680.9	652.5	590.6	37.6	28.4	227.8	200.7	179.4	16.8	27.1
Percent	100.0	100.0	100.0	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 \$1,200	48.1	47.6	48.6	26.3	55.7	45.1	44.9	46.0	17.0	49.3	57.3	56.6	57.2	47.0	62.4
\$1,200-2,399	22.2	22.6	23.4	13.6	16.2	21.7	21.8	22.5	12.2	18.0	24.0	25.3	26.1	16.7	14.4
2,400-3,599	11.5	11.6	11.4	16.4	10.3	11.9	12.0	12.0	14.4	9.9	10.4	10.3	9.4	20.8	10.7
3,600-4,199	3.3	3.3	3.1	6.8	2.7	3.6	3.6	3.4	7.2	3.5	2.5	2.6	2.3	6.0	1.8
4,200-4,799	2.8	2.7	2.5	6.6	3.6	3.2	3.2	2.9	7.7	3.5	1.5	1.2	1.0	4.2	3.7
4,800	12.1	12.1	11.0	30.3	11.5	14.7	14.6	13.2	41.5	15.8	4.3	4.0	4.0	5.4	7.0
Average (mean)	\$1,819	\$1,830	\$1,774	\$2,888	\$1,646	\$1,959	\$1,964	\$1,898	\$3,369	\$1,850	\$1,397	\$1,392	\$1,364	\$1,809	\$1,432

<sup>1</sup> Represents all persons aged 65 and over at their birthday in 1960 who worked in 1960 and had earnings credits under OASDI; all data are from the 1-percent continuous work-history sample for 1937-61.

<sup>2</sup> Includes all aged workers during 1960 with benefits based on their own wage records. Ninety-seven percent were living; 3 percent had died during 1960. Most of these deceased workers were entitled to old-age benefits at

the time of their death; the others were never themselves entitled to old-age benefits, but monthly benefits to their survivors or lump-sum death benefits had been awarded.

<sup>3</sup> Includes some persons who died in 1960 without becoming entitled to old-age benefits and without the award of benefits to their survivors.

not such earnings were covered by OASDI.<sup>3</sup> Benefits were not withheld for any month, however, in which a beneficiary neither earned more than \$100 in wages nor rendered substantial services in self-employment. In that year, as at present, a beneficiary aged 72 or over could earn any amount without having benefits suspended for earnings.

About 3 out of every 4 older workers were aged 65-71 and could therefore be affected by the earnings test. Of those in this age group who became entitled to old-age insurance benefits before 1960, about 7 out of every 10 (men as well as women) had earnings in covered employment of less than \$1,200—not enough to cause suspension of benefits (table 1). Thus, unless they had other earnings not covered by OASDI, they could receive all 12 monthly benefits in addition to their earnings.

The average earnings credits of the more than 1 million workers aged 65-71 entitled to old-age insurance benefits throughout the year were lower than those of any other group shown in table 1—\$1,358 for men and \$1,054 for women. The approximately 700,000 who became old-age beneficiaries during 1960 averaged more than twice these amounts—\$2,721 for men and \$2,191 for women. About 600,000 men and women aged 65-71 were not entitled to old-age benefits, and their reported earnings were the highest—an average of \$3,672 for men and \$2,296 for women. Half the men in this group and 13 percent of the women earned the maximum creditable for OASDI benefit purposes—\$4,800. The proportion earning less than \$1,200 was 12 percent among the men and 36 percent among the women.

One-fourth of the older workers in 1960 were aged 72 and over at the end of the year, and the earnings test no longer applied; 96 percent of the men and 88 percent of the women in this age group were entitled to old-age benefits at that time. Earnings were about the same for entitled and nonentitled workers aged 72 and over and earning credits were largest, on the average, for the small group newly entitled in 1960.

As would be expected because of the additional curtailment of employment that is characteristic of advance in age, earnings credits were lower,

<sup>3</sup> Under amendments that became effective in 1961, \$1 in benefits is withheld for each \$2 of earnings between \$1,200 and \$1,700 and for each \$1 in excess of \$1,700.

on the average, for all persons aged 72 and over (\$1,819) than for the younger group (\$2,177). The difference resulted from the higher earnings of the younger, nonentitled workers, since average earnings were higher at ages 72 and over than at ages 65-71—presumably because of the suspension of the earnings test at age 72—for all persons entitled throughout the year and for men who became entitled during the year. Only 46 percent of the men aged 72 and over who were beneficiaries throughout the year earned less than \$1,200. The proportion earning the maximum of \$4,800 was 13 percent—markedly more than the 7.5 percent of men aged 65-71 with maximum earnings credits. The women who were beneficiaries throughout the year earned less than the men, but again the amounts were larger at ages 72 and over than at ages 65-71.

The data thus point up marked differences in the amounts earned in covered employment by older workers entitled to old-age insurance benefits and those not entitled. The data also suggest that the decision to apply for benefits is considerably influenced by earning capacity.

## **PART II. EARNINGS OF RETIRED-WORKER BENEFICIARIES, 1957-60**

For beneficiaries<sup>4</sup> comparable data from the continuous work-history sample on employment experience and earnings credited under OASDI are presented for 1957-59 as well as 1960 in tables 3 and 4. During this period, no major changes became effective in the law governing qualifications for old-age benefits at ages 65 and over<sup>5</sup> or the suspension of benefits for earnings. As might be expected in these circumstances, the proportion of beneficiaries who worked in employment covered by OASDI and the amount of their earnings varied only slightly during the period. The total number of old-age beneficiaries who were employed increased almost 13 percent—from 1.6 million in 1957 to 1.8 million in 1960. Nevertheless, as the number entitled to old-age benefits

<sup>4</sup> Persons entitled to old-age benefits throughout the specified year, even though their benefits may have been suspended for 1 or more months during the year.

<sup>5</sup> Effective October 1, 1960, however, the number of quarters of coverage required for old-age benefits was decreased from one-half to one-third of the number of quarters elapsed after 1950.

TABLE 2.—Percentage distribution of workers aged 65 and over<sup>1</sup> with OASDI earnings credits in 1960, by status with respect to entitlement to OASDI benefits, January 1, 1961

[Based on 1-percent sample data]

Age in 1960 and entitlement on Jan. 1, 1961	Total	Men	Women
Aged 65 and over, total.....	100.0	100.0	100.0
Entitled to benefits <sup>2</sup> .....	80.2	80.7	78.9
Became old-age beneficiary before 1960.....	54.3	52.3	59.5
Became old-age beneficiary in 1960.....	23.8	25.9	18.2
Not entitled <sup>3</sup> .....	19.8	19.3	21.1
Aged 65-71.....	100.0	100.0	100.0
Entitled to benefits <sup>2</sup> .....	75.0	74.6	75.9
Became old-age beneficiary before 1960.....	42.7	38.4	53.2
Became old-age beneficiary in 1960.....	30.6	34.2	21.8
Not entitled <sup>3</sup> .....	25.0	25.4	24.1
Aged 72 and over.....	100.0	100.0	100.0
Entitled to benefits <sup>2</sup> .....	93.9	95.8	88.1
Became old-age beneficiary before 1960.....	84.7	86.7	78.8
Became old-age beneficiary in 1960.....	6.0	5.5	7.4
Not entitled <sup>3</sup> .....	6.1	4.2	11.9

<sup>1</sup> See footnote 1, table 1.

<sup>2</sup> See footnote 2, table 1.

<sup>3</sup> See footnote 3, table 1.

rose, the proportion with earnings dropped off slightly (table 4). In general, slightly more of the men than of the women and more of those aged 65-71 than of those aged 72 and over were employed. In each age and sex group the proportion employed tended to decline from 1957 to 1960.

During the 4 years 1957-60 the amounts earned by old-age beneficiaries were similar and showed similar trends by age and sex. The proportion aged 65 and over who earned \$4,200 or more increased from 7.8 percent in 1957 to 10 percent in 1960. In spite of the 1959 change in maximum earnings creditable under OASDI, however, the proportion with maximum earnings was practically the same in each of the 4 years, ranging from 7.0 percent to 7.9 percent.

In 1957-59 as in 1960, the great majority of beneficiaries under age 72 did not have enough earnings to cause their benefits to be suspended under the earnings test. Each year the more than 7 out of every 10 at these ages whose earnings were less than \$1,200 could receive all of their benefits, unless they had noncovered earnings that raised their total earnings above \$1,200.

### PART III. EMPLOYMENT EXPERIENCE, 1951-60, OF MEN ENTITLED TO RETIRED-WORKER BENEFITS

About 5.8 million men aged 65 and over were entitled on January 1, 1961, to retired-work-

er benefits under OASDI. These men had earned old-age benefits through their own employment. Most of them were no longer working, but about one-third had earnings in 1960 from work that was covered by OASDI. Others undoubtedly worked in employment not covered by the program, but such employment is not entered in Social Security Administration records. The following analysis is limited to employment and earnings under OASDI during 1951-60.

#### Employment in 1960

Approximately 58 percent of the men who were entitled to old-age benefits on January 1, 1961, had become entitled in the preceding 5 years, 28 percent in the 5 years 1951-55, and 14 percent in 1950 or earlier (table 5).<sup>6</sup> As would be expected, most of those with employment covered by OASDI had become entitled recently—78 percent in 1956-60, compared with 18 percent in 1951-55 and 4 percent before 1951.

Thus the length of time that the men had been beneficiaries had considerable bearing on the number and proportion employed in 1960. Nine percent of the men entitled in 1950 or before had covered employment in 1960 (table 6). Of those who became entitled in 1951, 13 percent had covered employment in 1960. In other words, when they were all over age 73, 13 out of every 100 of those living on January 1, 1961, got earnings credits in 1960. The proportion still working in that year increased with recency of entitlement. For those beneficiaries who became entitled in 1960, employment during 1960 may represent work either before or after entitlement. Because this group is exceptional in this respect, it is not comparable to other year-of-entitlement groups covered by the study.

Although the length of the period that they had been entitled affected the proportion still employed, it appears to have had comparatively little effect on average earnings credits in 1960, except among workers who became entitled in

<sup>6</sup> In most of this report, beneficiaries are classified by "year of entitlement" to old-age benefits. Because benefits may be payable retroactively from the date a worker applies for them, or because of the time elapsing between the date of application and the date of award, the year of entitlement may be earlier than either of these dates.

1960. For all those entitled to benefits before 1960, average 1960 earnings were \$1,617.<sup>7</sup> The range was only from an average of \$1,355 earned in 1960 by men who became entitled in 1951 to \$1,858 for those who became entitled in 1959. Thus, regardless of how long they had been entitled to benefits, the old-age beneficiaries averaged roughly the same amount of earnings credits in 1960—an amount only slightly larger than the maximum of \$1,200 a year that persons under age 72 may earn without suspension of benefits.

As would be expected, the men who worked in 1960 even though they were entitled to old-age benefits were younger than the beneficiaries who did not work. The proportion employed declined steadily with advance in age (table 7). At age 65, 66 percent of the men had covered employment; at age 66, only 48 percent. The proportion

<sup>7</sup> Average earnings credits are, of course, affected by the maximum on taxable earnings.

continued to decrease with age, leveling off to about 30 percent at ages 70-73, where the elimination of the earnings test at age 72 may have had some influence. Among the men aged 84 and over, barely 10 percent had 1960 earnings.

Of the 5.8 million men who were old-age beneficiaries on January 1, 1961, 4 out of every 10 had become entitled at age 65 (table 8). Fifteen percent had become entitled at age 66—less than the proportion entitled at age 65 but larger than the proportion entitled at older ages.

The percentage of each "age-at-entitlement group" with work experience in 1960 was roughly similar at all ages except 72. About a third of those entitled at ages under 72 had 1960 employment, but half of those aged 72 at entitlement had continued to work. The suspension since January 1, 1955, of the earnings test at age 72 accounts, of course, for the large proportion of those entitled at this age who were still working. Some of

TABLE 3.—Earnings of employed full-year old-age beneficiaries, 1957-60

[Numbers of workers are rough estimates based on simple inflation of 1-percent sample data]

Amount of earnings credits and age in specified year	Total				Men				Women			
	1957	1958	1959	1960	1957	1958	1959	1960	1957	1958	1959	1960
	Total											
Number (in thousands).....	1,582.4	1,669.9	1,707.2	1,785.7	1,153.3	1,194.5	1,196.3	1,234.8	429.1	475.4	510.9	550.9
Percent.....	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 \$1,200.....	62.4	63.0	63.3	61.8	58.2	59.3	59.7	58.4	73.9	72.3	71.8	69.3
\$1,200-2,399.....	19.4	18.9	18.1	18.1	19.7	18.9	18.1	17.5	18.7	18.9	18.2	19.3
2,400-3,599.....	7.8	7.8	7.5	7.8	9.0	8.8	8.3	8.7	4.4	5.1	5.6	6.0
3,600-4,199.....	2.5	2.6	2.3	2.4	3.1	3.2	2.8	2.7	1.0	1.2	1.4	1.6
4,200 or more.....	7.8	7.7	8.7	10.0	10.0	9.8	11.2	12.8	1.9	2.6	3.1	3.8
4,200-4,799.....	(1)	(1)	1.7	2.1	(1)	(1)	2.1	2.6	(1)	(1)	1.0	.9
4,800.....	(1)	(1)	7.0	7.9	(1)	(1)	9.1	10.2	(1)	(1)	2.1	2.9
	Aged 65-71											
Number (in thousands).....	870.1	911.1	958.7	1,015.7	584.3	593.3	612.1	644.2	285.8	317.8	346.6	371.5
Percent.....	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 \$1,200.....	74.1	75.5	74.9	71.7	70.9	73.6	72.8	69.7	80.5	79.1	78.6	75.2
\$1,200-2,399.....	15.5	14.6	13.9	14.0	15.5	14.3	13.6	12.9	15.6	15.2	14.5	16.0
2,400-3,599.....	4.4	4.1	4.3	5.2	5.4	4.6	4.6	5.7	2.4	3.1	3.8	4.3
3,600-4,199.....	1.5	1.5	1.6	1.8	1.9	1.8	2.0	2.0	.6	.9	1.0	1.3
4,200 or more.....	4.5	4.2	5.2	7.3	6.2	5.6	7.0	9.7	.9	1.6	2.1	3.2
4,200-4,799.....	(1)	(1)	1.2	1.7	(1)	(1)	1.5	2.2	(1)	(1)	.8	.9
4,800.....	(1)	(1)	4.0	5.6	(1)	(1)	5.5	7.5	(1)	(1)	1.3	2.3
	Aged 72 and over											
Number (in thousands).....	712.3	758.8	748.5	770.0	569.0	601.2	584.2	590.6	143.3	157.6	164.3	179.4
Percent.....	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 \$1,200.....	48.2	47.9	48.5	48.6	45.1	45.1	46.0	46.0	60.8	58.4	57.3	57.2
\$1,200-2,399.....	24.2	24.0	23.5	23.4	24.0	23.4	22.8	22.5	25.0	26.3	26.1	26.1
2,400-3,599.....	11.8	12.2	11.5	11.4	12.7	13.0	12.1	12.0	8.4	9.1	9.4	9.4
3,600-4,199.....	3.8	4.0	3.3	3.1	4.3	4.6	3.6	3.4	1.9	1.7	2.2	2.3
4,200 or more.....	11.9	11.9	13.2	13.5	14.0	13.9	15.5	16.1	3.9	4.4	5.0	5.0
4,200-4,799.....	(1)	(1)	2.4	2.5	(1)	(1)	2.7	2.9	(1)	(1)	1.3	1.0
4,800.....	(1)	(1)	10.8	11.0	(1)	(1)	12.8	13.2	(1)	(1)	3.7	4.0

<sup>1</sup> Earnings credits limited to maximum of \$4,200.

the younger men who continued to earn too much to be paid benefits delayed filing their application until benefits were payable regardless of their earnings.

The effect of exemption from the earnings test at age 72 is also shown in average earnings credits. The average was largest (\$3,089) for those entitled at age 72. At age 71 it also was markedly larger (\$2,575) than for other ages at entitlement, probably because many of those entitled at age 71 applied in anticipation of receiving benefits at age 72 even though they continued to be employed.

The complex of conditions (retirement, lack of employment, short-term employment, low earnings) that cause men to apply for benefits at the earliest age possible—age 65 during the period covered by this analysis—continued to affect the earnings of this group in 1960. Working beneficiaries who had become entitled at age 65 had

lower average earnings in 1960 (\$1,725) than those who were older at entitlement.

To summarize, age at entitlement was significantly related to the proportion of male old-age beneficiaries who were employed in 1960 and to their average earnings. The proportion entitled at age 72 reflects the differences in experience that naturally occur under the provisions of the law that permit payment of old-age benefits beginning at age 72 regardless of the amount the beneficiary earns.

### Employment and Earnings After Entitlement

The preceding paragraphs dealt with the employment of men retired-worker beneficiaries in a single year, the latest for which the data were tabulated at the time of this analysis (1964). The following section analyses the employment ex-

TABLE 4.—Old-age beneficiaries at beginning of year, throughout the year, and employed during the year, 1957–60

[Numbers of workers (in thousands) are rough estimates based on simple inflation of 1-percent sample data]

Age and status as old-age beneficiary	1957		1958		1959		1960	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total								
Total:								
Beneficiary at beginning of year.....	5,828.9	100.0	6,594.2	100.0	7,175.6	100.0	7,762.6	100.0
Continued as beneficiary throughout year.....	5,527.5	94.8	6,237.9	94.6	6,797.0	94.7	7,344.4	94.6
Had covered employment during year.....	1,582.4	27.1	1,669.9	25.3	1,707.2	23.8	1,785.7	23.0
Aged 65-71:								
Beneficiary at beginning of year.....	2,837.8	100.0	3,185.8	100.0	3,453.3	100.0	3,670.9	100.0
Continued as beneficiary throughout year.....	2,737.2	96.5	3,068.4	96.3	3,340.5	96.7	3,549.2	96.7
Had covered employment during year.....	870.1	30.7	911.1	28.6	958.7	27.8	1,015.7	27.7
Aged 72 and over:								
Beneficiary at beginning of year.....	2,991.1	100.0	3,408.4	100.0	3,722.3	100.0	4,091.7	100.0
Continued as beneficiary throughout year.....	2,790.3	93.3	3,169.5	93.0	3,456.5	92.9	3,795.2	92.8
Had covered employment during year.....	712.3	23.8	758.8	22.3	748.5	20.1	770.0	18.8
Men								
Total:								
Beneficiary at beginning of year.....	4,123.6	100.0	4,592.7	100.0	4,925.9	100.0	5,251.4	100.0
Continued as beneficiary throughout year.....	3,872.3	93.9	4,299.9	93.6	4,615.6	93.7	4,916.2	93.6
Had covered employment during year.....	1,153.3	28.0	1,194.5	26.0	1,196.3	24.3	1,234.8	23.5
Aged 65-71:								
Beneficiary at beginning of year.....	1,839.1	100.0	2,031.5	100.0	2,175.6	100.0	2,283.5	100.0
Continued as beneficiary throughout year.....	1,756.4	95.5	1,937.7	95.4	2,086.1	95.9	2,188.0	95.8
Had covered employment during year.....	584.3	31.8	593.3	29.2	612.1	28.1	644.2	28.2
Aged 72 and over:								
Beneficiary at beginning of year.....	2,284.5	100.0	2,561.2	100.0	2,750.3	100.0	2,967.9	100.0
Continued as beneficiary throughout year.....	2,115.9	92.6	2,362.2	92.2	2,529.5	92.0	2,728.2	91.9
Had covered employment during year.....	569.0	24.9	601.2	23.5	584.2	21.2	590.6	19.9
Women								
Total:								
Beneficiary at beginning of year.....	1,705.3	100.0	2,001.5	100.0	2,249.7	100.0	2,511.2	100.0
Continued as beneficiary throughout year.....	1,655.2	97.1	1,938.0	96.8	2,181.4	97.0	2,428.2	96.7
Had covered employment during year.....	429.1	25.2	475.4	23.8	510.9	22.7	550.9	21.9
Aged 65-71:								
Beneficiary at beginning of year.....	998.7	100.0	1,154.3	100.0	1,277.7	100.0	1,387.4	100.0
Continued as beneficiary throughout year.....	980.8	98.2	1,130.7	98.0	1,254.4	98.2	1,361.2	98.1
Had covered employment during year.....	285.8	28.6	317.8	27.5	346.6	27.1	371.5	26.8
Aged 72 and over:								
Beneficiary at beginning of year.....	706.6	100.0	847.2	100.0	972.0	100.0	1,123.8	100.0
Continued as beneficiary throughout year.....	674.4	95.4	807.3	95.3	927.0	95.4	1,067.0	94.9
Had covered employment during year.....	143.3	20.3	157.6	18.6	164.3	16.9	179.4	16.0

TABLE 5.—Year of entitlement: Percentage distribution, by year of entitlement, of men retired-worker beneficiaries on the rolls January 1, 1961, for total and for those in covered employment in 1960

[Based on 1-percent sample data]

Year of entitlement	Total entitled on Jan. 1, 1961	Employed in 1960
Total.....	100.0	100.0
1950 and earlier.....	14.1	4.0
1951-55.....	28.4	17.9
1951.....	2.9	1.2
1952.....	4.8	2.2
1953.....	5.7	3.2
1954.....	7.4	4.9
1955.....	7.6	6.4
1956-60.....	57.5	78.1
1956.....	11.2	9.4
1957.....	11.0	10.0
1958.....	10.1	10.7
1959.....	10.7	14.8
1960.....	14.5	33.2

perience and earnings of these men in the years that they were entitled to benefits.

The data reflect for men retired-worker beneficiaries on the rolls as of January 1, 1961, their employment history in the years after entitlement. The findings show changes in employment as the beneficiaries advanced in age. This type of study does not, however, show the employment experience of all the men who became entitled to old-age benefits in the specified years, because by January 1, 1961, many of these men had died. For example, the men who were entitled to old-age benefits on January 1, 1961, whose year of entitlement was 1951 represented approximately 48 percent of all men entitled in that year. As entitlement became more recent the corresponding proportion increased; it was 95 percent for those who became entitled in 1959.

The retired workers who had become entitled in 1951 had been beneficiaries for more than 9 years by January 1, 1961. During this period the proportion who worked in covered employment declined as follows:

<i>Employed in—</i>	<i>Percent</i>
Year entitled (1951) .....	73
1st following year (1952) .....	43
2d following year (1953) .....	34
3d following year (1954) .....	31
4th following year (1955) .....	28
5th following year (1956) .....	25
6th following year (1957) .....	20
7th following year (1958) .....	17
8th following year (1959) .....	14
9th following year (1960) .....	13

The data do not show whether the same men were employed from one year to the next, but probably the majority working in recent years had also worked in earlier years. As shown in table 9, those who became entitled in years after 1951 experienced a decline in employment after entitlement similar to that for men who became entitled in 1951. It is surprising that the proportion employed after entitlement should change so little during a 10-year period in which coverage under the program was extended considerably and employment and economic conditions fluctuated. In addition, some of the men had been entitled to old-age benefits for only 2 or 3 years and others for 8 or 9 years.

Except in 1952, 1955, and 1956, when newly covered groups could first qualify for old-age benefits after they had acquired 6 quarters of coverage, the proportion in covered employment in the year of entitlement was approximately 75 percent. At least 4 out of every 10 of the entitled men (and in most years nearly 5 out of 10) worked in the first year after their entitlement. Undoubtedly, some did not in fact continue to work in covered employment after being notified of their entitlement but, because of retroactive entitlement before the date of filing for benefits, appear to have done so. In the period under study, until 1954-55, old-age benefits could be paid retroactively for only 6 months before the benefit application was filed; under the 1954 amendments to the Social Security Act, the period of possible retroactivity was increased to 12 months. The similarity among the various year-of-entitlement

TABLE 6.—Year of entitlement and covered employment in 1960: Percent employed and average earnings credits, for men retired-worker beneficiaries on the rolls January 1, 1961, by year of entitlement

[Based on 1-percent sample data]

Year of entitlement	Percent employed in 1960	Average (mean) earnings credits in 1960
Total.....	32	\$1,997
Total, excluding 1960 entitlements.....	25	1,617
1950 and earlier.....	9	1,517
1951.....	13	1,355
1952.....	15	1,565
1953.....	18	1,444
1954.....	21	1,498
1955.....	27	1,640
1956.....	27	1,420
1957.....	29	1,582
1958.....	34	1,667
1959.....	44	1,858
1960.....	74	2,739

TABLE 7.—Age and covered employment in 1960: Percentage distribution, by age, of men retired-worker beneficiaries on the rolls January 1, 1961, for total and for those employed

[Based on 1-percent sample data]

Age in 1960	Total entitled on Jan. 1, 1961	Employed in 1960	
		Percentage distribution	Percent of total
Total aged 65 and over.....	100.0	100.0	32
65.....	7.6	15.6	66
66.....	7.7	11.6	48
67.....	7.7	9.6	40
68.....	7.9	9.1	37
69.....	7.1	7.2	32
70.....	6.8	6.5	31
71.....	7.0	6.5	30
72.....	6.9	6.3	29
73.....	5.7	5.3	30
74.....	5.3	4.5	27
75.....	5.1	4.3	27
76.....	4.4	3.3	24
77.....	3.6	2.4	21
78.....	3.2	1.8	18
79.....	2.7	1.6	19
80.....	2.6	1.3	16
81.....	1.8	.9	15
82.....	1.6	.6	13
83.....	1.4	.6	14
84.....	1.1	.3	9
85 and over.....	2.8	.9	10

groups in the decline in the second and following years in the proportion employed suggests that age was chiefly responsible for the drop.

Although fewer beneficiaries continue to work as time passes after entitlement and as they age, those who are employed earn similar amounts, on the average, from year to year (table 10). The data show considerable stability in earnings after entitlement, with average annual earnings credits during the period 1951-60 falling in general between \$1,400 and \$1,500.

Preentitlement earnings affect average earnings credits in the year of entitlement and, because of retroactive entitlement for up to 12 months, also in the first year after entitlement. Thereafter, however, the averages reflect only postentitlement earnings. A change in the law, effective January 1, 1955, accounts for the higher average earnings credits of men who became entitled in 1955. At this time the age of exemption from the earnings test was lowered from 75 to 72, and persons aged 72-74 whose earnings previously would have caused benefits to be suspended became beneficiaries.

The consistently low level of average annual earnings credits after entitlement suggests that many beneficiaries who work continue to receive most or all of their benefits. Analysis of the experience of each age-at-entitlement group confirms this conclusion. For the large number of

men who became entitled at age 65, average annual postentitlement earnings were lower than those for all men entitled to old-age benefits on January 1, 1961. With few exceptions, workers under age 72 at entitlement had average annual earnings credits of less than \$2,000 in all post-entitlement years. By contrast, those who delayed their entitlement to ages 72 or 73 and over were higher-wage workers with annual earnings credits that frequently averaged \$2,000 or more. Such credits raised the overall average of men beneficiaries.

Thus, men's average annual earnings credits after entitlement were modest in amount, and there was no definite tendency during 1951-60 for the average earnings of those who continued to work to decrease with advancing age as the period they were entitled lengthened. Exemption at age 72 from the earnings test was, of course, a factor in maintaining about the same average earnings for a number of years after entitlement.

#### Earnings Before and After Entitlement

For men who were old-age beneficiaries on January 1, 1961, the data also afford a comparison of the number employed and of average annual earnings before and after entitlement. The data in table 11 show the decline in earnings credits that occurred in the second year after entitlement to benefits. (The averages compared are for men in the same year-of-entitlement groups who were still beneficiaries on January 1, 1961, but not necessarily for the same individuals.) Average

TABLE 8.—Age at entitlement and employment in 1960: Men retired-worker beneficiaries on the rolls January 1, 1961, percentage distribution, percent employed and average earnings credits, by age in year of entitlement

[Based on 1-percent sample data]

Age in year of entitlement	Total entitled on Jan. 1, 1961	Employed in 1960	
		Percent	Average earnings credits
Total.....	100.0	32	\$1,997
65.....	41	30	1,725
66.....	15	34	1,844
67.....	9	33	2,090
68.....	7	32	1,953
69.....	5	30	1,954
70.....	5	32	2,091
71.....	4	36	2,575
72.....	5	51	3,089
73 and over.....	9	26	2,079



TABLE 9.—Period of entitlement and covered employment: Percent of men retired-worker beneficiaries on the rolls January 1, 1961, who were employed in year of entitlement and of those employed in succeeding years, 1951-60

[Based on 1-percent sample data]

Year of entitlement	Percent with earnings credits reported in—									
	Year of entitlement	Years after entitlement								
		1st	2d	3d	4th	5th	6th	7th	8th	9th
1951	73	43	34	31	28	25	20	17	14	13
1952	80	47	35	33	30	26	21	18	15	-----
1953	74	43	37	34	31	26	22	18	-----	-----
1954	74	49	41	35	30	26	21	-----	-----	-----
1955	80	53	43	36	31	27	-----	-----	-----	-----
1956	85	50	40	32	27	-----	-----	-----	-----	-----
1957	76	44	34	29	-----	-----	-----	-----	-----	-----
1958	75	43	34	-----	-----	-----	-----	-----	-----	-----
1959	74	44	-----	-----	-----	-----	-----	-----	-----	-----
1960	74	-----	-----	-----	-----	-----	-----	-----	-----	-----

annual earnings in the year immediately preceding entitlement prove to be roughly the same as in other years preceding but close to retirement. For this reason, average annual earnings in the year immediately preceding entitlement are used to represent preentitlement earnings. Postentitlement earnings are represented by average annual earnings in the second year, rather than the first, after the year of entitlement, primarily to avoid including the preentitlement earnings of persons whose entitlement was retroactive. For most year-of-entitlement groups, however, average annual earnings were about the same in each of the first few years immediately following the year of entitlement.

Of the male old-age beneficiaries on January 1, 1961, whose year of entitlement was in one of the years 1952-60, more than 80 percent had covered employment in the year before entitlement. Their

TABLE 10.—Period of entitlement and earnings: Average earnings credits of men retired-worker beneficiaries on the rolls January 1, 1961, who were employed in year of entitlement and of those employed in succeeding years, 1951-60

[Based on 1-percent sample data]

Year of entitlement	Average amount of earnings credits reported in—									
	Year of entitlement	Years after entitlement								
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th
1951	\$1,526	\$1,460	\$1,590	\$1,465	\$1,452	\$1,439	\$1,363	\$1,349	\$1,423	\$1,355
1952	1,848	1,424	1,429	1,499	1,458	1,464	1,408	1,478	1,565	-----
1953	1,761	1,339	1,443	1,467	1,386	1,348	1,371	1,444	-----	-----
1954	1,714	1,476	1,512	1,487	1,421	1,446	1,498	-----	-----	-----
1955	1,884	1,638	1,656	1,600	1,662	1,640	-----	-----	-----	-----
1956	1,824	1,410	1,430	1,445	1,420	-----	-----	-----	-----	-----
1957	1,930	1,499	1,570	1,582	-----	-----	-----	-----	-----	-----
1958	1,992	1,673	1,667	-----	-----	-----	-----	-----	-----	-----
1959	2,320	1,858	-----	-----	-----	-----	-----	-----	-----	-----
1960	2,759	-----	-----	-----	-----	-----	-----	-----	-----	-----

average earnings credits in the year preceding entitlement ranged from \$2,221 for those entitled in 1956 to \$3,359 for those entitled in 1960. Three years later—that is, in the second year after entitlement—the proportion employed ranged from 34 percent to 43 percent, and the average annual earnings credits of this much smaller employed group ranged from \$1,429 to \$1,667.

On the average, the annual earnings credits

TABLE 11.—Earnings before entitlement and after entitlement: Average earnings credits of men retired-worker beneficiaries on the rolls January 1, 1961, who were employed before entitlement and of those employed after entitlement

Year of entitlement	Year before entitlement		Second year after entitlement		
	Percent employed	Average earnings credits	Percent employed	Average earnings credits	
				Amount	Percentage decrease
1952	84	\$2,253 (1951)	35	\$1,429 (1954)	-37
1953	83	2,361 (1952)	37	1,443 (1955)	-39
1954	81	2,405 (1953)	41	1,512 (1956)	-37
1955	83	2,479 (1954)	43	1,656 (1957)	-33
1956	89	2,221 (1955)	40	1,430 (1958)	-36
1957	87	2,695 (1956)	34	1,570 (1959)	-42
1958	86	2,935 (1957)	34	1,667 (1960)	-43
1959	84	2,971 (1958)	-----	-----	-----
1960	82	3,359 (1959)	-----	-----	-----

after entitlement for those who continued to work was about two-fifths less than preentitlement earnings credits. In other words, the relatively small group of men who worked after entitlement had about three-fifths as much in earnings credits as those who worked in the year before entitlement.

If total rather than taxable earnings were reported, the decline would probably appear larger because earnings above the taxable limit are much more prevalent before entitlement than thereafter. In any case it may be worth noting that the aggregate annual earnings credits of the men employed in the second year after entitlement were only one-fourth to one-third of the aggregate annual earnings credits of those employed in the year before entitlement.

It is difficult to account for the year-to-year variations in the averages shown in table 11 and in the relationship of earnings credits after entitlement to preentitlement earnings credits. Increases in the maximum amount of earnings creditable—from \$3,600 during 1951-54 to \$4,200 during 1955-58 and to \$4,800 beginning in 1959—

(Continued on page 33)

TABLE 9.—Unemployment insurance: Selected data on claims and benefits, by State, January 1965<sup>1</sup>

State	Average weekly insured unemployment		Initial claims (weekly average) <sup>4</sup>	First payments	All types of compensated unemployment			Average weekly benefit for total unemployment <sup>6</sup>	Number of claimants exhausting benefits <sup>7</sup>	Funds available for benefits, end of period <sup>8</sup> (in thousands)
	Number of workers <sup>2</sup>	Percent of covered employment <sup>3</sup>			Weeks compensated	Benefits paid <sup>5</sup> (in thousands)	Average weekly number of beneficiaries			
Total.....	1,995,578	4.6	354,606	765,341	7,003,006	\$252,098	1,667,382	\$37.18	104,529	\$7,149,958
Alabama.....	18,948	3.4	3,987	6,339	59,293	1,533	14,117	26.25	1,335	78,391
Alaska.....	5,014	14.4	814	1,647	17,466	677	4,159	39.08	202	11,006
Arizona.....	14,072	5.2	2,719	4,325	41,900	1,562	9,976	37.67	841	65,399
Arkansas.....	20,924	6.6	3,456	7,841	56,264	1,495	13,396	27.27	860	28,240
California.....	307,745	7.2	48,384	97,272	1,109,308	50,020	264,121	45.04	20,009	617,264
Colorado.....	13,089	3.4	2,558	3,690	36,238	1,586	8,628	44.96	417	56,447
Connecticut.....	31,551	3.9	5,362	14,906	108,440	4,239	25,819	39.83	2,149	177,663
Delaware.....	4,129	3.1	871	2,554	16,859	602	4,014	36.88	271	19,449
District of Columbia.....	6,926	2.3	1,274	1,987	23,019	917	5,481	40.13	301	62,886
Florida.....	21,642	2.1	4,505	5,838	51,938	1,409	12,366	27.93	1,578	156,771
Georgia.....	22,352	2.7	4,850	9,345	65,408	1,732	15,573	28.88	1,980	173,535
Hawaii.....	6,079	3.5	817	1,493	20,947	772	4,987	39.05	289	19,654
Idaho.....	8,583	7.0	1,319	3,515	28,027	1,056	6,673	39.49	313	27,742
Illinois.....	79,505	2.9	13,779	30,254	275,375	10,632	65,565	39.70	4,746	482,403
Indiana.....	30,497	2.7	7,150	18,932	108,906	3,283	25,930	31.50	2,640	163,662
Iowa.....	12,082	2.6	2,167	4,924	36,225	1,088	8,625	31.24	737	111,258
Kansas.....	13,754	3.8	2,485	5,437	45,093	1,719	10,736	38.89	677	61,273
Kentucky.....	23,035	4.8	4,569	8,775	64,668	2,065	15,397	33.59	1,172	111,347
Louisiana.....	21,966	3.8	4,578	5,621	66,329	2,013	15,793	31.42	1,440	113,195
Maine.....	10,966	5.7	1,460	2,160	37,433	893	8,913	24.70	544	29,984
Maryland.....	28,958	3.9	5,594	15,550	106,853	3,585	25,441	34.70	1,228	146,067
Massachusetts.....	91,221	6.0	13,455	42,690	340,036	13,031	80,961	41.21	4,446	188,932
Michigan.....	55,730	3.0	8,971	21,979	186,918	6,899	44,504	37.72	3,002	424,568
Minnesota.....	41,344	5.5	5,636	16,681	132,040	3,973	31,438	30.56	1,837	20,084
Mississippi.....	13,239	4.4	2,917	5,436	43,900	1,065	10,452	24.87	699	49,625
Missouri.....	39,795	4.0	8,263	14,019	121,175	3,908	28,851	34.44	1,875	220,784
Montana.....	8,454	7.5	1,542	3,532	28,336	902	6,747	31.78	412	19,348
Nebraska.....	8,812	3.6	1,325	4,498	32,604	1,120	7,763	35.18	468	41,407
Nevada.....	7,944	6.8	1,558	2,900	31,388	1,219	7,473	39.69	491	28,772
New Hampshire.....	5,593	3.5	969	1,577	19,564	611	4,658	33.72	143	25,647
New Jersey.....	102,838	6.3	17,066	43,507	394,492	15,223	93,927	39.97	6,085	279,193
New Mexico.....	8,419	5.1	1,563	2,790	27,893	821	6,641	30.34	354	34,078
New York.....	300,894	5.9	51,440	111,197	1,228,634	46,251	292,532	39.85	11,807	1,139,409
North Carolina.....	37,983	3.8	12,692	24,599	152,110	3,402	36,217	23.34	1,767	215,669
North Dakota.....	7,082	9.8	898	2,932	20,770	810	4,945	39.01	264	7,203
Ohio.....	79,813	3.3	15,193	31,075	245,590	9,636	58,474	40.10	2,778	226,236
Oklahoma.....	17,904	4.5	2,952	4,806	56,060	1,483	13,348	27.04	1,067	43,586
Oregon.....	32,997	7.0	5,988	15,984	114,717	4,193	27,314	37.29	880	83,296
Pennsylvania.....	139,508	4.8	28,095	56,418	485,252	14,511	115,536	31.45	4,707	228,607
Puerto Rico.....	<sup>9</sup> 24,439	7.2	<sup>9</sup> 2,910	5,258	50,364	896	11,991	16.67	3,018	50,252
Rhode Island.....	14,653	6.0	2,812	7,192	53,236	1,642	12,675	32.26	777	45,513
South Carolina.....	14,561	3.1	3,858	5,031	44,454	1,198	10,584	27.83	1,172	86,466
South Dakota.....	4,497	5.6	644	1,766	13,370	408	3,183	31.76	256	14,855
Tennessee.....	35,196	4.8	7,323	15,700	103,097	2,797	24,547	28.09	1,484	86,265
Texas.....	50,760	2.6	8,846	15,724	175,985	5,196	41,901	30.20	5,264	284,034
Utah.....	12,919	6.4	1,797	4,395	39,811	1,549	9,479	39.44	562	38,106
Vermont.....	5,114	6.6	814	2,057	17,607	590	4,192	35.33	175	6,587
Virginia.....	14,785	1.9	4,100	7,441	42,893	1,252	10,165	29.82	838	136,008
Washington.....	61,252	9.8	8,552	19,124	236,523	7,847	56,315	33.58	2,163	194,264
West Virginia.....	19,948	6.2	4,002	9,386	63,356	1,554	15,085	25.44	687	58,766
Wisconsin.....	32,824	3.5	5,206	12,313	115,897	4,855	27,595	42.72	1,249	199,714
Wyoming.....	3,243	4.9	528	932	9,145	356	2,177	39.94	83	8,447

<sup>1</sup> Excludes programs for Federal employees and for ex-servicemen; includes unemployment compensation for State and local government employees where covered by State law.

<sup>2</sup> Workers reporting completion of at least 1 week of unemployment.

<sup>3</sup> Based on average covered employment for most recent 12-month period.

<sup>4</sup> Notices filed by workers to indicate they are starting period of unemployment. Excludes transitional claims.

<sup>5</sup> Adjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes payments made under temporary extended

unemployment insurance provisions.

<sup>6</sup> Includes dependents' allowances in States that provide such benefits.

<sup>7</sup> Includes temporary extended benefit exhaustions.

<sup>8</sup> Sum of balances in State clearing accounts, benefit-payment accounts, and State accounts in Federal unemployment trust fund.

<sup>9</sup> Includes data under the Puerto Rican sugarcane workers' program for average weekly insured unemployment and initial claims (other data not available).

Source: Department of Labor, Bureau of Employment Security.

## OASDI: EARNINGS OF OLDER WORKERS

(Continued from page 17)

may partly explain the fairly gradual increase in average annual earnings credits before entitlement. Extension of coverage to additional types of employment and generally rising wage levels

are among other factors that affected earnings credits and retirement during 1951-60. In spite of these changes, however, postentitlement average earnings credits did not vary much from year to year and the relationship of average annual earnings credits in the years before and after entitlement remained fairly similar.