

policy, which—should Mrs. Smith live till age 75—will pay out \$13,000 or more to his widow and children.

The Social Security Board believes that, in justice to an occupational group which stands in serious need of insurance protection, the Social Security Act should be amended to provide old-age and survivors insurance for all persons engaged in "agricultural labor" as well as farmers,

and that unemployment compensation likewise should cover farm employees. The Board has also recommended that the present social insurance program be broadened to include insurance against wage losses due to disability and medical and hospitalization insurance. Agricultural labor and farmers would benefit from such broadened insurance protection. The social insurance

principle is already being used by almost 50 million industrial and commercial workers who earned wage credits under old-age and survivors insurance in 1940. More than a million persons already are entitled to monthly insurance benefits. By building on the existing foundation, agricultural labor and farmers can obtain maximum social security protection at minimum cost.

Children and Family Security

By Thomas J. Woolfer, Jr.*

THE CONCENTRATION OF children in families with low incomes was discussed in a previous article.¹ Some of this analysis of the composition and income of nonfarm families receiving wages or salaries only is recapitulated in table 1. It was pointed out that nearly half of the children (under 18 years of age) were in the one-seventh of the families which had three or more children apiece; that more than two-thirds of the children were in families in the lower half of the income distribution; and that geographic variations in wage levels and family sizes create areas of especially pronounced disadvantage.

The present article explores the problem of judging the adequacy both of private incomes and of incomes derived from social insurance benefits and public assistance payments, particularly those benefits and payments which affect the largest numbers of families with children.

In the first article it was demonstrated that it is necessary to reduce total family income to a modified per capita or unit basis in order to compare families of varying compositions. The method of reduction used was to allocate a value of one unit to adults and one-half unit to children in order to calculate the number of family units in the family. By this method

it appeared that the income per unit of families without children was more than twice the unit income of the families with three or more children, which included nearly half the children. The same device is used in this article to reduce incomes which support families of varying sizes and the costs of fixed budgets to a comparable basis. The family unit incomes cited are, therefore, to be interpreted as income per adult person or per adult equivalent.

Measures of Adequacy

To measure the adequacy of the income of a family or group of families, two scales are at hand, both having advantages and disadvantages. These scales are, first, the cost of an independently determined budget of goods and services which are considered as a minimum necessary for an acceptable level of living for wage-earning families² and,

² Fuller discussion of the budgetary method of determining adequacy, together with description of various budgets, may be found in *Security, Work, and Relief Policies*, National Resources Planning Board, Committee on Long-Range Work and Relief Policies, 1942, pp. 161-164 and Appendix 15.

second, the median income available in the area under consideration, which is the measure of the level below which half of the families actually live.

The application of both yardsticks to incomes in 33 cities is shown in table 2 and chart 1, which compare the lower half and lower quarter of family unit incomes from wages or salaries with the family unit cost of the maintenance budget. This budget comprises the goods and services originally selected by the WPA as the measure of the normal needs of a wage-earning or white-collar family. It was subsequently revised by the Bureau of Labor Statistics and priced in the 33 cities shown.

The average unit cost of the maintenance budget in these cities in 1940 was \$427 as against a median national urban unit income of \$533. The range in the unit cost of the budget was from \$365 to \$467. The range in median unit income on the other hand was from \$303 to \$704. In 6 of the low-wage cities the unit cost of the budget was above the median income, and in all of the 33 cities the unit cost of the budget was above the lower quarter of the incomes, indicating that from about 25 to 70 percent of the families, including about 35

Table 1.—Families and children, by number of children in family and family unit income [Nonfarm families, 1940, with only wage or salary income in 1939]

Family type and family unit income	United States		South		New York City	
	Percent of families	Percent of children	Percent of families	Percent of children	Percent of families	Percent of children
Family type:						
No child.....	47	0	37	0	52	0
1 child.....	24	20	26	18	24	27
2 children.....	15	32	17	24	15	35
3 or more children.....	14	48	20	58	9	38
Family unit income:						
Under \$150.....	11	16	20	26	3	4
150-299.....	17	32	23	33	9	21
300-449.....	20	20	22	19	15	21
450-599.....	15	13	13	8	10	15
600-749.....	17	8	12	6	20	23
750 and over.....	20	11	12	6	37	19

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¹ "Children and Family Income," *Social Security Bulletin*, Vol. 8, No. 1 (January 1945), pp. 4-9. This analysis, based on the census of 1940, covered the urban and rural nonfarm families receiving income in 1939 from wages or salaries only—42 percent of all families. Family income was reduced to unit (modified per capita) income by dividing it by family units which value adults as one unit and children as one-half. Full definitions of terms and categories are given in the technical note of the article cited above.

to 80 percent of the children, were living at a level below that represented by the maintenance budget.

The income distributions of families and children in one of the higher-income cities, New York, are also shown in table 1. Here, over 45 percent of the children were in families with less than the national median nonfarm unit income of \$474, which was about the same as the unit cost of the maintenance budget in New York (\$467). Thus, even in the most prosperous areas, disadvantaged families may be found in considerable numbers, no matter which of the two measuring rods is used, and these families include a disproportionate number of the children.

The differences in the two measures may lead to two conclusions—either that the so-called maintenance budget is an artificial standard because it defines a level higher than that at which considerable proportions of the families live, or that earnings in many instances are too low to support a satisfactory level of living.

Probably both of these conclusions are to some extent justified. The relative emphasis placed on these alternative interpretations will depend upon the philosophy of the interpreter. The liberal will urge that every normal family should have earnings which would support the maintenance standard or better, while the conservative will advocate a standard of adequacy nearer the actual living level of the less well-to-do family.

It is noteworthy from the comparisons in table 2 and chart 1 that among these cities, most of which are rather large, the range of median family income is 132 percent of the lowest income. This range would be somewhat wider if smaller cities and towns had been included, the national average unit incomes for all urban workers being \$533, and for rural nonfarm workers, \$336. Thus, average family incomes of the highest-wage cities are more than 200 percent above those in the lowest-wage villages.

In contrast to this wide fluctuation in family incomes, the cost of the

maintenance budget is relatively inflexible. The cost in the highest city is only 28 percent above the cost in the cheapest city, and the variation from village to city is probably in the neighborhood of only 20 percent.³

In contrast to the 200-percent range in average income there is an approximate range of only 50 percent in budget cost, with the result that the budget yardstick exceeds the family incomes of widely varying proportions of the workers in cities and towns of varying sizes in different regions.

These differences between the cost of a fixed budget of goods and services and the income available in various circumstances for its purchase emphasize the inappropriateness of the cost of a single budget as a yardstick of adequacy in all places and for all purposes.

Budgets are usually designed as a means of expressing quantitatively the goods and services considered necessary for a normal level of living of a particular class of families, such as wage-earner families, relief families, and low-income farm families. Such specific budgets must, therefore, be used with caution in measuring the income of groups other than those for which they were designed. This difficulty would be lessened if more varied types of budgets were available as measures.

Also, levels of living change as the general level of income changes and as local conditions and customs vary. Economies are practiced in large families in low-income areas which tend to become accepted as in accord with a satisfactory standard of living but which are not measurable by means of a standard budget designed for the average family type.

In general, it may be said that measurement of family income by comparison with the cost of a fixed budget indicates its relationship to the amount of money necessary to maintain the level described by the budget. On the other hand, measurement by comparison with the average family income indicates the relationship of the average amount of money available for living and, hence, involves a comparison with the prevailing pattern of living in the area under consideration.

Table 2.—Comparison of median and lower quartile income,¹ 1939, and cost of maintenance budget, 1940, 33 cities

City	Family unit			Percent of families living below maintenance
	Income ¹		Cost of maintenance budget	
	Median	Lower quartile		
United States, ² urban	\$533	\$321	³ \$427	38
Washington, D. C.	704	435	461	27
San Francisco, Calif.	685	437	446	26
Seattle, Wash.	633	397	426	28
Portland, Oreg.	630	388	402	26
Los Angeles, Calif.	620	400	407	26
Chicago, Ill.	612	395	447	31
New York, N. Y.	611	386	467	35
Detroit, Mich.	611	411	442	29
Minneapolis, Minn.	596	380	434	30
Milwaukee, Wis.	566	373	430	32
Buffalo, N. Y.	554	378	403	29
Boston, Mass.	540	350	444	38
Denver, Colo.	536	324	395	34
Cleveland, Ohio	527	341	429	37
Kansas City, Kans. and Mo.	523	300	385	34
Philadelphia, Pa.	510	341	407	35
Pittsburgh, Pa.	515	337	409	36
St. Louis, Mo.	514	309	426	36
Indianapolis, Ind.	508	313	395	35
Baltimore, Md.	505	321	408	35
Cincinnati, Ohio	494	304	411	39
Houston, Tex.	488	263	401	40
Richmond, Va.	484	253	408	41
Portland, Maine ⁴	459	313	413	38
Manchester, N. H. ⁴	458	296	410	44
Norfolk, Va.	416	235	407	48
Jacksonville, Fla.	412	222	398	47
Scranton, Pa.	411	245	424	52
Atlanta, Ga.	381	213	412	55
New Orleans, La.	355	198	393	56
Birmingham, Ala.	349	188	392	57
Memphis, Tenn.	309	179	399	67
Mobile, Ala. ⁴	303	160	365	63

¹ For nonfarm families, 1940, with only wage or salary income in 1939.

² U. S. rural nonfarm family unit income: median \$336, lower quartile \$180.

³ Average for the 33 cities listed. The total content of the maintenance budget was designed to support 2 adults, 1 child about the average age of

children, and 1 child older than the average; allowing $\frac{1}{2}$ unit for the average child and $\frac{1}{4}$ unit for the older child, the maintenance budget would support $3\frac{1}{4}$ units. This factor has been used in reducing total cost to unit cost.

⁴ Represents income for State urban population.

⁵ This rough estimate is based upon the difference in prices of the maintenance budget in the 33 cities in table 2 and 15 villages in which the same budget was priced in 1940.

In the appraisal of private incomes, such as those provided by basic minimum wages or by the wages of a certain occupational group, adequacy may be most appropriately determined by comparison with the cost of the maintenance budget or a similar budget. This is the case because the budget provides an absolute measuring rod which is determined independently of the wage level of a community or industry. Also, it makes allowances for variations in living costs from time to time and place to place without being influenced by wide variations in wages. In order to develop the maximum utility of budgets for this purpose, it would be desirable to have not only more varied types of budgets but also more frequent pricing in a greater variety of areas.

Relation of Inadequate Income to Assistance Needs

Few families above the average in size and below the average in income are able to accumulate substantial savings. Pressing current necessities demand so much of their money that

little surplus remains for future security. Consequently, an interruption or even partial interruption to regular earning may cause need for assistance.

The extent of this precarious living in times of depression is shown in the Consumer Purchase Study of 1935-36.¹ In this study all types of families with incomes up to \$1,000 and the larger families with incomes up to \$1,750 reported average expenditures in excess of income. These families were accumulating debts instead of reserves. The proportion of families with inadequate private incomes fluctuates with the relative level of wages and living costs. There are other families in which there is no fully employable breadwinner. Even in periods of high economic prosperity they need assistance. The extent of this type of need is evidenced by the fact that, at the peak of war-created labor demand, public assistance payments were being made to 2 million aged persons, 73,000 blind, 253,000

¹ National Resources Planning Board, *Family Expenditures in the United States, Statistical Tables and Appendices*, pp. 20-21.

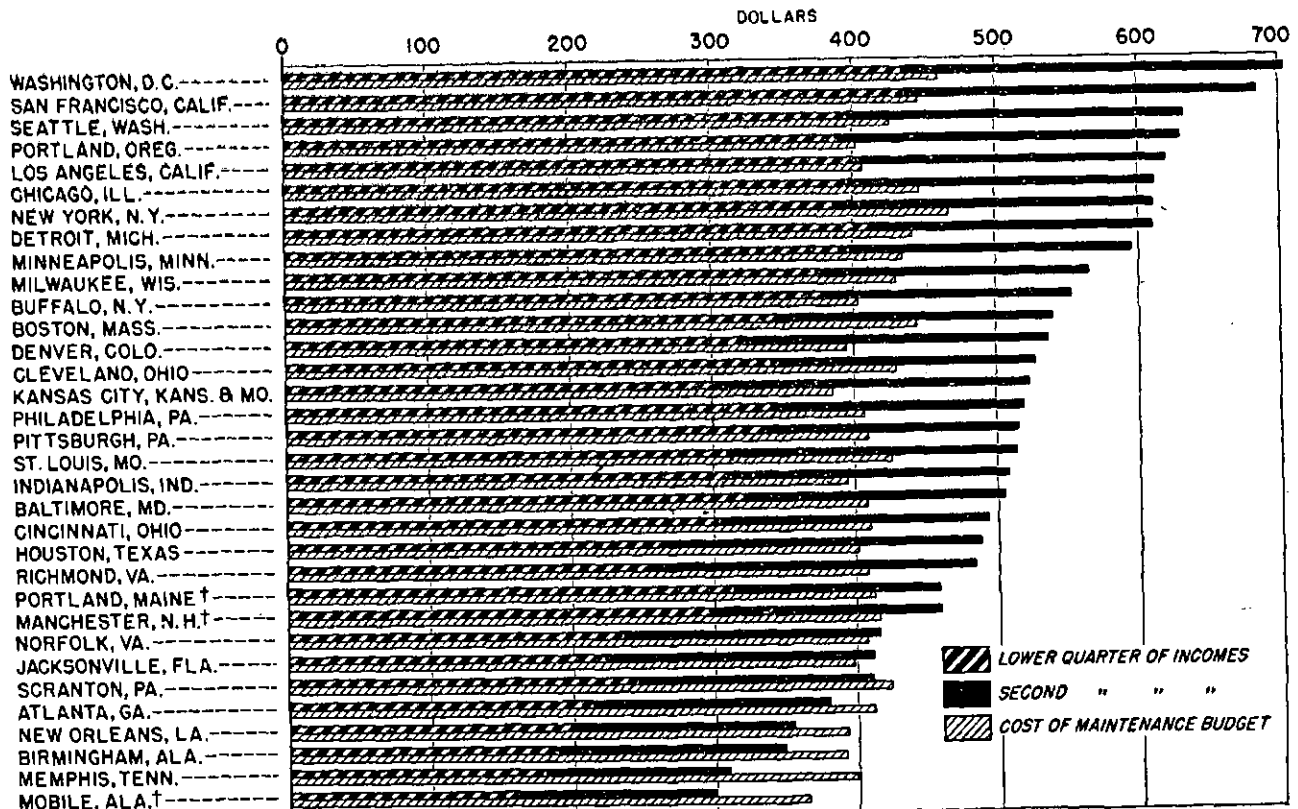
families with dependent children, and 254,000 families or individuals in need of general assistance.²

Aid to Dependent Children

Needy families with children are eligible for aid to dependent children in the event of the death, incapacity, or absence of one or both parents. At the end of 1944 there were over 600,000 child recipients under this program. Since most of these families have limited relationship to the labor supply except in periods of abnormal demand, there is not the same compulsion to scale their benefits below potential earnings as is the case with unemployment compensation. Sound policy should, therefore, allow benefits in these cases which would be nearer to an accepted standard of adequacy. This, however, is not the case. The traditional philosophy of the poor laws in conjunction with the limited funds available from many State treasuries for assistance programs has resulted in a scale of assistance grants which are far below

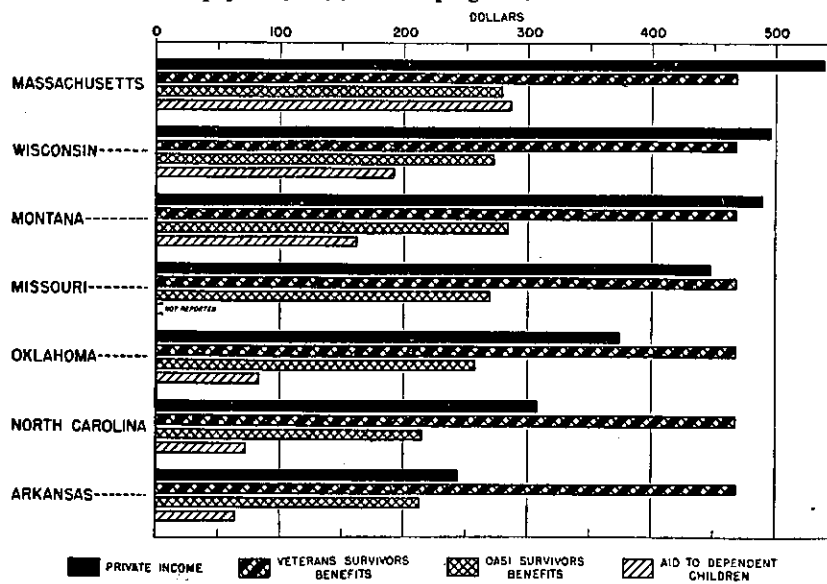
² August 1944.

Chart 1.—Comparison of median and lower quartile family unit income,¹ 1939, and family unit cost of maintenance budget, 1940, 33 cities



¹ For nonfarm families, 1940, with only wage or salary income in 1939.
 † Represents income for State urban population.

Chart 2.—Average annual family unit income,¹ 1939, and average annual family unit payment, 1940, selected programs,² 7 States



¹ For nonfarm families, 1940, with only wage or salary income in 1939.
² For aid to dependent children, represents October 1942 payments in terms of 1940 purchasing power; see table 3, footnote 3.

average incomes. Information on aid to dependent children payments to families with no other income is available for only six States. In only one of these six—Massachusetts—did payments for aid to dependent children approximate survivor benefits under old-age and survivors insurance (table 3 and chart 2). The aid to dependent children program in that State is well established, and assistance payments have risen over a number of years. In amount of assistance per case Massachusetts topped all States in 1940 and was considerably above the second ranking State.

The range of payments for aid to dependent children among the States in table 3 is from \$286 to \$64 per family unit. These figures are for families having little or no other income.

The limitation of matching by Federal funds to a maximum of one-half of \$18 for the first child and \$12 for each subsequent child discourages States from making payments which exceed those amounts. Many States have imposed the same or other maximums. If these maximums were met for all families without other resources, the program would still not provide adequate support, especially since such a family usually includes a mother or other person whose presence in the home is necessary for the care of the children.

The operation of this limitation is

illustrated in table 4, in which the Federal matching maximums are translated into annual amounts and divided by the family units supported (including one adult unit for the family head).

If no maximums were imposed, as in Massachusetts, public assistance agencies could provide a closer approximation to adequacy for all types of families by allowing for the family head and for the children in relation to their needs. To accomplish this, increased State appropriations would be needed as well as the removal of the maximums and the variation of the proportion of Federal funds for matching in accordance with the needs and taxpaying capacities of the States.

Old-Age and Survivors Insurance—Survivor Benefits

Under the provisions of old-age and survivors insurance, the widow* of an insured worker, if she has the custody of dependent children, receives on her own account a monthly sum equal to three-fourths of what would have been the workers' primary (retirement) benefit and on account of each child under 16 years of age (or under 18 if in school) an amount equal to one-half of the

* Under certain circumstances, children of a deceased insured woman may receive child's benefits.

worker's primary benefit. Thus, a widow with two children would receive three-fourths of the primary benefit for herself and two halves of the benefit for the children, or 1¾ times the primary benefit for the family. This formula makes some adjustment of the benefits according to family size, but there is a family group maximum of twice the primary benefit; hence, for the third child only a partial benefit is added and nothing is added for children beyond the third.

Since survivor benefits were established only in 1939 and since deaths are more frequent among older workers after many of their children have reached age 18, this program in late 1944 included only 300,000 child beneficiaries, but the number was increasing at the rate of 7,000 per month and extension of coverage would substantially increase the number of eligible children.

In judging the adequacy of survivor benefits, it should be kept in mind that they were not intended to provide full adequacy but are considered as supplementary to other resources. As an indication of the extent to which additional resources were available to survivor families, special

Table 3.—Average annual family unit income,¹ 1939, and average annual family unit payment, survivors' insurance and aid to dependent children, 1940, 7 States

State	Family unit income ¹	Survivor benefit ² per family unit	Aid to dependent children ³ per family unit
Massachusetts.....	\$540	\$279	\$286
Wisconsin.....	497	271	192
Montana.....	490	284	162
Missouri.....	448	269	(⁴)
Oklahoma.....	374	257	83
North Carolina.....	308	215	72
Arkansas.....	244	213	64

¹ For nonfarm families, 1940, with only wage or salary income in 1939.

² Based on the 1940 monthly family benefit for widow with entitled children. Owing to the limitation of family benefit to 2 times the primary benefit, there are slightly more children in these families than there are entitled children; hence these figures slightly exaggerate the unit amount available per family member. Unpublished data, Bureau of Old-Age and Survivors Insurance.

³ Based on October 1942 payments reduced to 1940 value by allowing a 17-percent advance in cost of living from January 1940-June 1942. Since payments to dependent children are reduced in accordance with other income received by the family, it was necessary to estimate payments to families having no other income. Such estimates were prepared by the Bureau of Public Assistance, on the basis of a special study of aid to dependent children in October 1942, in which such data were available for 6 States. Families included received no cash income above \$5 and, for the most part, no commodity income above \$5, except surplus stamps and commodities available through the Agricultural Marketing Administration and, in some instances, clothing processed by WPA.

⁴ Not reported.

Table 4.—Maximum payments toward which matching Federal funds are available for aid to dependent children

Family type	Monthly payment	Annual equivalent	Unit equivalent
Adult, 1 child.....	\$18	\$216	\$144
Adult, 2 children.....	30	360	180
Adult, 3 children.....	42	604	202

studies which were made by the Bureau of Old-Age and Survivors Insurance of these beneficiaries in seven cities⁷ indicated that in all these cities, except Los Angeles, about 50 percent of their income was from benefits and about 50 percent from other sources. In Los Angeles, about 60 percent was from other sources.

There are, nevertheless, circumstances in which families live entirely or almost entirely on insurance benefits. In the beneficiary studies referred to above, again with the exception of Los Angeles, from 12 to 18 percent of the survivor families had no income besides the benefit, and from 20 to 33 percent had less than \$150 of other income in the survey year. In view of this prevalence of other income, the benefit comparison which follows should be interpreted as measuring adequacy only for those families whose income over and above benefits is negligible. The United States average unit value of family-group survivor benefits was \$268, or 58 percent of the national median family income.

The scale of family survivor benefits in seven selected States is shown in table 3.

Benefits for Families of Members of the Armed Services

In determining payments to survivors of deceased members of the armed forces whose death was the result of service-connected causes, the Congress recognized the need for and justice of adequate support. The resulting payments (reduced to a unit basis) in some cases exceed and in some cases are somewhat below the unit cost of the maintenance budget in 1940 in the cities shown in table 2. As against an average unit cost of \$427 of the maintenance budget in the 33 cities, the veteran's widow alone is provided \$600 a year, while the family including a widow with two children

⁷ For a general description of, and summary data on, these studies see the *Bulletin* for July 1943, pp. 3-20, and September 1943, pp. 3-17.

receives unit income of \$468, and that of a widow with three children, \$437 (table 5).

The allowances which are paid to families of men now serving in the armed forces are much more adequate than the benefits to veterans' survivors. The allowance for the wife is also \$50 a month, but the added amount for the first child is \$30 and for each additional child is \$20.

Since both of these are flat scales which provide no variation from time to time or place to place, it is obvious that the adequacy of living provided in some areas will materially exceed that in others and that the purchasing power of the allowance or benefit will be greater in periods of low prices than in periods of high prices.

Unemployment Compensation

Although unemployment compensation is not especially designed with the needs of children in mind, considerable numbers of children are affected by the adequacy of unemployment compensation benefits. The data at hand are not satisfactory for measuring these benefits by the same methods as have been applied to other programs, largely because of the difference between the wages of workers with families and those of workers without families, and also because of the high percentage of families whose income comes from more than one wage earner and who hence may receive unemployment benefits from one earner and wages from another. Likewise, unemployment benefits are short-run payments and not designed for the full permanent support of a family.

Nevertheless, it is possible to infer certain facts from the benefit formula. This formula is such that an individual weekly benefit equals approximately 50 percent of recent wages up to a maximum. This maximum varies in the different States from \$15 to \$22 per week. The imposition of this maximum reduces the percentage of the higher wages which are compensated and causes the average proportion of wages compensated to fall considerably below 50 percent. In periods of high wages, average compensation payments tend to cluster at the maximum, and the proportion of wage loss compensated is reduced.

The principal justification for fixing unemployment compensation below wages is that the benefits are extended to employable people who should be

Table 5.—Benefit rates for widows and children of deceased veterans (service-connected deaths)¹

Survivors	Actual monthly rate	Annual unit value
Widow alone.....	\$50	\$600
Widow, 1 child.....	65	620
Widow, 2 children.....	78	468
Widow, 3 children.....	91	487

¹ Payments provided under Public, No. 144, 78th Cong. Family group maximum, \$100 per month.

encouraged to return to private employment at the first opportunity. Granting the validity of this argument, the question still remains as to how far below previous wages it is necessary to fix benefit payments in order to accomplish this purpose. Is it necessary to reduce the family to from 30 to 50 percent of previous wages, or would the same purpose be served by a reduction to from 60 to 80 percent of previous wages?

As long as benefits are scaled below previous wages, it stands to reason that the families which are above the average in size and below the average in wages would receive benefits which have little relationship to family needs. This dilemma led the agencies recommending the revision of the British system of social security to recommend a flat unemployment benefit scale related in a general way to adequacy for the support of a man and/or a woman and also the provision of allowances for children which would be payable whether the breadwinner were employed or unemployed. This device of extending aid to children places a floor under the resources of large families in all circumstances. Thus, it is possible to approximate adequacy of support regardless of the employment status of the family head and at the same time keep unemployment benefits below previous earnings.

This failure of unemployment benefits to provide adequate support for large families has given rise in the United States to suggestions for the addition of dependents' allowances to unemployment benefits. All such proposals, however, provide that there shall be a family maximum benefit which is somewhat lower than previous wages. While such a proposal would undoubtedly be of some assistance to the smaller families, it would still not reach the root of the problem of large families whose previous low earnings would result in a relatively small benefit.

Conclusion

In determining the optimum scale of insurance benefits and assistance grants, legislators and administrators need a clearer picture of the relationship between the operation of proposed policies and the maintenance of an adequate level of living. Since insurance payments are related to

wage loss and since aid to dependent children usually supports families with unemployable or partially employable workers, the most appropriate measure is usually the median level of private income or the way in which the average family actually lives. In any event, the relationship between income and budget costs needs to be considered. The effect of

the use of either of these measures should be appraised by knowledge of their interrelationship. For this reason, technicians should endeavor to increase the utility of both tools by continued analysis of their content and of the way in which their characteristics vary in relation to variations in total national income and to its geographic variation.

Employment and Earnings Under Old-Age and Survivors Insurance During the First Year of the War

By Jacob Perlman and Howard J. Kumin*

DURING 1942, the first full year of American participation in the war, an estimated 47 million persons had some employment in occupations covered by old-age and survivors insurance. This number was 14 percent more than the number of covered workers in 1941 and 32 percent more than that in 1940.

Taxable wages in 1942 are estimated at \$52.8 billion, or 26 percent more than in 1941 and 60 percent more than in 1940; they amounted to 80 percent of the estimated total wages and salaries paid in 1942 by all nonagricultural industries except government.

In the years 1937-40, business was climbing out of a long depression. Although 1937 was perhaps the best year between 1929 and 1940, business slumped badly in 1938 and had only partially revived when the war in Europe began in September 1939.

Shortly after the fall of France and the Low Countries in the spring of 1940, the United States undertook its national defense program, adopted the Selective Service Act under which men were first drafted in November 1940, and began to support with arms and other supplies the nations at war with the Axis countries. By these and other actions, the Government provided a succession of stimuli to business, which gathered momentum.

The formal entry of this country into the war in December 1941 threw the whole war-production program into high gear and gave an effective stimulus to increased employment and higher wages. The number of unemployed persons declined from approximately 8 million in June 1940, when

the defense program got under way, to only about 1.5 million at the end of the first full year of the war.

Changes in Characteristics of Persons in the Covered Labor Force

Between 1940 and 1942, the armed forces of the United States added 5.4 million persons, about 90 percent of whom came from the civilian labor force. Despite these withdrawals, the civilian labor force actually expanded because of delayed retirement of older workers and the employment of housewives, school children, and others not normally in the labor market, increasing by about half a million persons, or 1 percent, between 1940 and 1942. Nonagricultural employment increased 16 percent, while agricultural employment decreased 6 percent from 1940 to 1941 and showed no change from 1941 to 1942.

These shifts resulted in significant changes in the characteristics of the labor force, as shown particularly by comparison of the workers who received wage credits for the first time in the years preceding the war with those who entered covered employment during the first year of the war (table 1).

The proportion of women among workers entering covered employment

for the first time increased from 36 percent in 1940 to 48 percent in 1942. The demand for labor in manufacturing industries in 1942 also gave large numbers of Negroes, usually employed in noncovered employments, an opportunity to find jobs in the relatively high-paid covered occupations. For all workers, the proportion of new entrants who were under age 20 increased from 35 to 43 percent, and the proportion aged 40 and over, from 20 to 24 percent; but the group aged 20-39 years decreased from 45 to 32 percent. This decline was substantially a result of the withdrawal of men for the armed forces.

Changing from a peacetime to a wartime economy caused shifts in the distribution of workers among the various industries, which materially increased the proportion of the labor force engaged in covered employment. The expansion of manufacturing, for example, attracted workers from agriculture and domestic service, where rates of pay are low and there is usually a surplus of labor. These movements of workers increased the proportion of the total labor force in covered employment from about 48 percent in June 1940 to about 59 percent in June 1942.

The relative number of all white male workers with wage credits declined from 66 percent of the total number of persons in covered employment in 1940 to 62 percent in 1942 (table 2). The shift of a large number of Negroes to covered employment caused the percentage of Negro men to increase from 5.8 to 6.6 percent of

Table 1.—Percentage distribution of workers with first wage credits in 1940, 1941, and 1942, by sex, age, and race

Year	Total	Male	Female	Age (as of end of year)					Race		
				Total	Under 20	20-39	40-64	65 and over	Total	White ¹	Negro
1940.....	100.0	64.4	35.6	100.0	35.3	45.2	18.0	1.5	100.0	66.7	9.3
1941.....	100.0	62.4	37.6	100.0	40.5	40.5	17.7	1.3	100.0	60.0	10.0
1942.....	100.0	52.1	47.9	100.0	43.1	32.5	22.4	2.0	100.0	88.3	11.7

*Bureau of Old-Age and Survivors Insurance, Analysis Division.

¹ Represents all races other than Negro.