

women); married couples with the husband the retired-worker beneficiary and with the wife either a beneficiary or a nonbeneficiary; married couples with the wife the retired-worker beneficiary and the husband a nonbeneficiary; aged-widow beneficiaries; and widowed mothers with entitled minor children. Because they were relatively few in number and would have created difficulties in statistical analysis if combined with the types selected for the study, the following beneficiary types were excluded from the survey sample: retired-worker and aged-widow beneficiaries with entitled children; women retired-workers with husband

receiving benefits based on his wife's earnings record; parents; widowers receiving benefits based on the deceased wife's earnings record; and children not living with their mothers. The aged beneficiaries in the types included in the sample comprised 98 percent of all aged beneficiaries with benefits in current-payment status in December 1956.

The sample was drawn from 70 sampling areas, which were selected in such a way as to produce a national probability sample when combined. It is a cross section of beneficiaries who became entitled to benefits from 1940 through September 1956 and represents different

racial, cultural, and types of communities in the United States.

The data were obtained in personal interviews in the homes of the beneficiaries by district office staff of the Bureau of Old-Age and Survivors Insurance. In addition to the source and amount of beneficiary group income, information was obtained on the amount and type of assets, liabilities and life insurance, health status of the beneficiaries at the time of the interview, health insurance coverage, medical care costs during the survey year and means of meeting these costs, longest and last regular occupation, and employment during the survey year.

## Notes and Brief Reports

### Money Income Sources for Young Survivors, December 1957\*

The old-age, survivors, and disability insurance program continued to grow in importance in 1957 as a source of support for orphaned children. At the end of that year, there were 1,230,000 children under age 18 in the continental United States drawing survivor benefits based on the employment record of a deceased father and 55,000 with benefits based on the mothers' work record. About 320,000 widowed mothers were receiving payments, and more than 70,000 others would have been receiving benefits if their earnings were reduced below the work-test limit.

*Orphaned children.*—The 1,230,000 paternal orphans receiving old-age and survivors insurance benefits in December 1957 made up 63 percent of the estimated 1,940,000 children with father dead (table 1). Although the total number of paternal orphans is estimated to have increased only fractionally during 1957, the number receiving insurance benefits under the social security program rose 8 percent. Veterans Administration payments went to some 250,000 surviving children of veterans, or 13 percent of all paternal orphans.

\* Prepared by Lenore A. Epstein, Division of Program Research, Office of the Commissioner.

Both number and proportion were slightly less than in 1956; there were few additions to the rolls and a considerable number of children of World War I and World War II veterans attained age 18. About 5 percent of all paternal orphans received benefits as survivors of railroad or government employees. Because many survivors of veterans were also entitled to social insurance benefits, the unduplicated number of paternal orphans receiving benefits under one or more of these four programs was barely 70 percent.

Another 10 percent—more than 200,000—were receiving payments under the program of aid to dependent children, if it is correct to assume that in the continental United States the proportion of children on the rolls whose father was dead was about the same (12 percent) in December 1957 as in early 1956, when the status of fathers in families receiving aid to dependent children was last studied. The number of paternal orphans receiving assistance to supplement old-age and survivors insurance benefits increased about one-sixth during 1957 to more than 80,000, at least in part because of the recession.

In all, about one-fourth of the paternal orphans had no income from a public income-maintenance program. Of these half million children, some had been adopted and

some had acquired a stepfather when their mother remarried.<sup>1</sup> Many were supported by the earnings of a widowed mother or other relative, and a relatively small number from asset income. A few of the older children were doubtless self-supporting. Some were in foster-family homes with board paid by the welfare agencies, and some were in public institutions.

*Widows under age 65.*—Employment and social insurance and related programs vied as the most frequent source of income for widows with children; slightly more than half the widows had income of each type. Widowed mothers were somewhat less likely than paternal orphans to receive benefits under the old-age, survivors, and disability insurance and the veterans' programs, primarily because of their employment. Moreover, some widowed mothers with three or more children had not claimed old-age and survivors insurance benefits for themselves because of the legal maximum on the monthly payment to a family (80 percent of the deceased worker's average monthly earnings or \$200). Payments under aid to dependent children went to fewer than 1 in 10 of the widowed mothers, and about one-third of this group were receiving insurance benefits.

Women responsible for the support of their children are likely to feel

<sup>1</sup> See the *Bulletin*, August 1957, page 15. Many who acquired a new parent, by adoption or by the remarriage of the mother, were receiving benefits.

**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, December 1957**

[Continental United States; numbers rounded to nearest 10,000]

Source of money income <sup>1</sup>	Number (in thousands)				Percentage distribution			
	Children under age 18 with natural father dead	Widows under age 65 <sup>2</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	With 1 or more children under age 18	Other
Total in population.....	1,940	3,490	690	2,800	100.0	100.0	100.0	100.0
Employment <sup>3</sup> .....	(4)	2,040	360	1,680	(4)	58.5	52.2	60.0
Social insurance and related programs <sup>5</sup> .....	1,350	930	360	570	69.6	28.6	52.2	20.4
Old-age and survivors insurance.....	1,230	490	320	170	63.4	14.0	46.4	6.1
Veterans' compensation and pension programs.....	250	380	70	310	12.9	10.9	10.1	11.1
Railroad and government employees' retirement programs.....	90	130	30	100	4.6	3.7	4.3	3.6
Aid to dependent children <sup>6</sup> .....	200	70	70	0	10.3	2.0	10.1	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 sources not specified.

<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> Estimated number of persons with income from one or more of the programs.

<sup>6</sup> Approximately two-fifths of the children and one-third of the widows receiving aid to dependent children are estimated to have received old-age, survivors, and disability insurance benefits.

Source: Estimated in the Division of Program Research on the basis of published and unpublished data from the Division of the Actuary and from the Bureau of the Census, the National Office of Vital Statistics, and agencies administering income-maintenance programs.

strong financial pressure to work. Payments under a public income-maintenance program are not intended to provide all the amenities of living. In the spring of 1957, slightly more than half of all women with children in their care who were widowed, divorced, or married but living apart from their husbands were in the labor force—between one-third and two-fifths of those with children under age 6 and more than three-fifths of those whose children were all of school age. Since widows tend to be older than other women whose homes are broken, and more than 30 percent of the children with father dead are aged 15-17 and 70 percent are over age 10 (table 2), widows might be expected to enter the job market more often than other mothers who have no husband to share family responsibilities. The security that social insurance or veterans' payments provide until the children reach age 18 appears, however, to be an offsetting factor.

Preliminary findings of the survey of old-age and survivors insurance beneficiaries conducted in November and December 1957<sup>2</sup> indicate that almost two-thirds of the widows with entitled children had earnings at some time during the year; almost

one-third earned \$1,000 or more, and one-eighth \$3,000 or more. The total money income for the year was less than \$2,830 for half the mother-child groups and more than that for the others. One-fifth had less than \$1,800 to live on the entire year, and the fifth who were best off had \$4,000 or more from all sources. More than one-fifth had practically no cash income besides their benefit. Some interest, dividends, or net rental income were reported by nearly two-fifths of the widowed mothers, but the amounts were characteristically small, with 46 percent of them reporting less than \$75 for the year.

Since widows under age 65 without children are not eligible for old-age or survivors insurance benefits until they reach age 62, only 1 in 16 widows under age 65—a total of 172,000—were on the rolls in December 1957. The number receiving disability benefits is not known, but could not have been very large.<sup>3</sup> More

<sup>3</sup> It can be assumed that the 150,000 workers receiving disability insurance benefits at the end of 1957 differed little in their characteristics from the workers aged 50-64 for whom a period of disability was allowed in 1956 or the first half of 1957. Of these workers, only 16 percent were women, less than half the women were nonmarried (according to data for January-June 1957), and by no means all the nonmarried women were widows.

than 1 in 9 were receiving a pension or compensation as a veteran's widow. In all, about one-fifth had income from social insurance or related programs, and three-fifths were employed. Among the widows under age 65 who received no such income were some who were dependent on relatives, some in public institutions, some living on their assets, and some receiving general assistance.

The pressure to work is probably stronger on widows under age 65 without children than on widowed mothers, because the former are so much less likely to have payments under income-maintenance programs.

**Table 2.—Estimated number of orphans under age 18, by type and age, January 1, 1958 <sup>1</sup>**

[Continental United States; numbers in thousands, rounded to nearest 5,000]

Age	Total	Father dead			Mother only dead
		Total	Father only dead	Both parents dead	
Total....	2,745	1,945	1,890	55	800
0-4 years....	205	155	155	(2)	50
5-9 years....	565	405	400	5	160
10-14 years....	1,090	770	750	20	320
15-17 years....	885	615	585	30	270

<sup>1</sup> Projections made by the Division of the Actuary from estimates for Jan. 1, 1957; see the *Bulletin*, August 1957, p. 15.

<sup>2</sup> Fewer than 2,500;

The fact that they tend, however, to be concentrated at the older ages (54 percent of all widows under age 65 were aged 55-64 in 1957) makes it relatively more difficult for them to obtain employment if they are out of a job.

Characteristically, employment of women is relatively high in December because of Christmas work in retail stores. Although late in 1957 unemployment among men was climbing rapidly, it was not much higher among women than it had been a year earlier. Data are not available on the number of widows under age 65 receiving unemployment insurance benefits in that month, but probably it was roughly the same as in December 1956, when it was estimated at 35,000-45,000.

## Trustees Report on Old-Age and Survivors Insurance and Disability Insurance Trust Funds

The Board of Trustees of the old-age and survivors insurance and the disability insurance trust funds recently submitted to Congress its eighteenth annual report. The report shows trust fund operations for the fiscal year 1956-57 and, as required by statute, estimates of projected operations of the trust funds during the next 5 years, as well as an analysis of the funds' long-range actuarial status. The Board is composed of the Secretary of the Treasury, who is the funds' Managing Trustee; the Secretary of Labor; and the Secretary of Health, Education, and Welfare. The Commissioner of Social Security is the Secretary of the Board. Excerpts from the report follow.

### Fiscal Year Highlights

The contribution provisions of the Federal disability insurance program, adopted by Congress in 1956, became effective on January 1, 1957. Under this program, contribution receipts are appropriated to the Federal disability insurance trust fund, which is entirely separate from the Federal

old-age and survivors insurance trust fund. Disability insurance benefits, which became payable beginning with July 1957, and the administrative expenses of the disability insurance program, are paid from this fund.

The 1956 amendments to the Social Security Act also extended the contributory coverage of the old-age and survivors insurance program to about 4,000,000 additional persons, including members of the Armed Forces, additional farm owners and operators, certain self-employed professional persons, certain groups of Federal civilian employees, and addi-

tional State and local government employees.

During fiscal year 1957, other Social Security Act amendments went into effect liberalizing the conditions under which persons may become eligible for benefits under the old-age and survivors insurance program; providing monthly benefits to the dependent, disabled, unmarried child aged 18 and over of a retired or deceased insured worker if the disability began before age 18; and also providing monthly benefits at age 62 instead of age 65 to eligible women workers, wives of retired work-

Table 1.—Operations of the Federal old-age and survivors insurance trust fund, fiscal years 1937-62<sup>1</sup>

[In millions]

Fiscal year	Transactions during period					Fund at end of period <sup>5</sup>
	Income		Disbursements		Transfers to railroad retirement account	
	Tax contributions <sup>2</sup>	Interest on investments <sup>3</sup>	Benefit payments	Administrative expenses <sup>4</sup>		
Past experience:						
1937-57.....	\$48,618	\$4,478	\$28,967	\$1,100	-----	\$23,029
1941.....	688	56	64	27	-----	653
1942.....	896	71	110	27	-----	830
1943.....	1,130	87	149	27	-----	1,041
1944.....	1,292	103	185	33	-----	1,178
1945.....	1,310	124	240	27	-----	1,167
1946.....	1,238	148	321	37	-----	1,028
1947.....	1,460	163	426	41	-----	1,157
1948.....	1,617	191	512	47	-----	1,248
1949.....	1,694	230	607	53	-----	1,263
1950.....	2,110	257	727	57	-----	1,583
1951.....	3,124	287	1,498	70	-----	1,843
1952.....	3,598	334	1,982	85	-----	1,864
1953.....	4,097	387	2,627	89	-----	1,766
1954.....	4,589	451	3,276	89	-----	1,676
1955.....	5,087	448	4,333	103	-----	1,098
1956.....	6,442	495	5,361	124	-----	1,452
1957.....	6,540	561	6,515	150	-----	436
Estimated future experience:						
1958.....	7,140	544	7,835	167	\$110	-428
1959.....	7,353	536	8,620	178	220	-1,129
1960:						
Assumption I:						
a.....	8,355	519	9,100	168	240	-634
b.....	8,195	516	9,194	169	240	-892
c.....	8,035	513	9,301	170	240	-1,163
Assumption II.....	7,502	507	9,452	175	240	-1,858
1961:						
Assumption I:						
a.....	9,759	521	9,520	164	235	361
b.....	9,579	509	9,714	166	235	-97
c.....	9,399	497	9,910	168	235	-417
Assumption II.....	8,444	467	10,171	172	235	-1,667
1962:						
Assumption I:						
a.....	10,019	530	9,872	168	220	-289
b.....	9,819	506	10,172	170	220	-237
c.....	9,619	483	10,459	171	220	-748
Assumption II.....	8,355	417	10,705	172	220	-2,325

<sup>1</sup> In interpreting the estimates, reference should be made to the accompanying text which describes the underlying assumptions. Estimates were prepared February 1958.

<sup>2</sup> Include adjustments for (1) refunds of contributions beginning in 1953, and (2) transfers during fiscal years 1947-52 from general funds equivalent to additional payments arising from the extension of survivors' insurance protection to certain veterans of World War II (Social Security Act Amendments of 1946).

<sup>3</sup> Includes (1) profits on marketable investments, and (2) for fiscal years 1954-58, interest transferred

from the railroad retirement account.

<sup>4</sup> Include administrative expenses, less receipts for sale of surplus material, services, etc. For fiscal years 1954-60, include cost of construction of an office building for the Bureau of Old-Age and Survivors Insurance. Beginning fiscal year 1957, expenses incurred by the Department of Health, Education, and Welfare under the disability insurance program are initially charged to the old-age and survivors insurance trust fund. Reimbursements are then made in the following fiscal year.

<sup>5</sup> Totals do not necessarily equal the sum of rounded components.