

under the 1952 amendments reflects the combined effect of two factors. First, persons whose benefits were computed under the new formula that uses only earnings after 1950 have, on the whole, substantially higher average monthly wages than do persons whose benefits were determined by applying the 1939 formula to earnings after 1936 and increasing the result through use of the conversion table. The estimated average monthly benefit for old-age benefits awarded in this period under the 1952 amendments to persons eligible under the new formula provisions was about \$66, in contrast to an average of about \$42 for benefits computed through use of the conversion table. Second, the awards under the 1952 amendments made to persons who qualified for new formula benefits were roughly twice as numerous as awards of conversion table benefits. (Relatively few new formula benefits were awarded under the 1950 amendments.)

In survivor claims, the percentage increase in the average benefit awarded under the 1952 amendments from the average awarded under the 1950 amendments was less than the increase for retirement claims. The difference resulted chiefly from the fact that, with respect to awards made under the 1952 amendments, the primary insurance amount was computed by use of the conversion table in a larger proportion of survivor than of retirement claims.

The larger proportion of conversion-table benefits was due to (1) the usual delays in filing claims after death and the normal administrative processing time coupled with the relatively short period in which death must have occurred in order that the new formula could be used, and (2) for widow's, widower's, and parent's benefits, the presence of many cases where the beneficiary only currently met the age requirement for entitlement to monthly benefits even though the wage earner died before April 1952. In case of death before April 1952, it was impossible for the wage earner to have acquired the 6 quarters of coverage after 1950 necessary to permit a new-formula benefit computation.

The emergence of this benefit pat-

**Table 1.—Average monthly amount of benefits in current-payment status, by type of benefit, end of September, October, and November 1952**

Type of benefit	Average monthly amount in current-payment status on—			Amount of increase, November 30 from September 30
	Sept. 30	Oct. 31	Nov. 30	
Old-age.....	\$48.79	\$49.01	\$49.12	\$0.33
Wife's or husband's.....	25.72	25.86	25.92	0.20
Child's (retired worker's).....	14.26	14.47	14.62	0.36
Child's (survivor).....	31.02	31.15	31.23	0.21
Widow's or widower's.....	40.65	40.66	40.66	0.01
Mother's.....	36.52	36.40	36.08	-0.44
Parent's.....	41.23	41.26	41.29	0.06

<sup>1</sup> Distribution by type of claim partly estimated.

tern was anticipated, and plans were made for the further identification of benefit awards so that data may be obtained on age, sex, and size-of-benefit distributions for new-formula and conversion-table beneficiaries separately. A summary of those results will appear in an early issue of the BULLETIN.

### *Trend Since Conversion*

Table 1 shows a comparison of average monthly benefits in current-payment status at the end of September, October, and November, by type of benefit. The increase in the average old-age benefit in current-payment status was caused primarily by the large number of new-formula awards during October and November. Of the 118,000 old-age benefits newly awarded in those 2 months, about two-thirds were new-formula benefits at a substantially higher average monthly rate, as noted above, than the average rate for old-age benefits in current-payment status at the end of September.

The decline in the average mother's benefit in current-payment status resulted principally from the fact that, under the 1952 amendments, for the first time, benefits payable to family units consisting of a mother and one child were affected by the maximum family benefit provisions. Under the 1950 amendments such family units were not affected by those provisions; accordingly, when the mother was working for wages in excess of the exempt amount, her

benefit payments were suspended. The result was different in other types of families—those consisting, for example, of a mother and two children. If the maximum family benefit was being paid and the mother began working, the mother's benefit was not suspended but was reduced and the children's benefits remained unchanged, so that the total amount payable to the mother and two children was equal to the amount payable for a two-child family.<sup>1</sup>

Under the 1952 amendments, in families made up of a mother and one child, when the maximum family benefit is payable and the mother begins working, the mother's benefit is not suspended but is reduced. Following enactment of the 1952 amendments, the benefits for all working mothers in such families that were affected by the maximum family benefit provisions and whose benefits had been suspended previously were refigured and transferred to current-payment status, with a small benefit amount payable. The large number of such cases reinstated in October and November more than offset the higher averages for newly awarded mother's benefits.

## **New Types of Benefits, September 1950–September 1952**

Two types of benefits—husband's and widower's—were added to the old-age and survivors insurance program by the 1950 amendments to the Social Security Act; the eligibility provisions for two others—wife's and mother's benefits—were broadened. Data for the period September 1950–June 1951 were presented in the January 1952 issue of the BULLETIN. A summary of those figures and preliminary data for July 1951–September 1952 are shown below.

*Wife's and mother's benefits.*—The 1950 amendments provide for payment of benefits to the wife of an old-age insurance beneficiary when she is under age 65 if she has a child beneficiary in her care. Monthly benefit awards to wives in this group

<sup>1</sup> For a discussion of this provision see the *Bulletin*, April 1951, p. 1.

totalled 51,000 in the 25 months ended September 30, 1952 (table 1). Almost 32,000 of these benefits were awarded in the first 10 months; many of them represented awards to wives whose husbands had become entitled to old-age benefits before the 1950 amendments were enacted.

About 19,000 benefits of this type were awarded during the 15-month period July 1951-September 1952; the number of wives under age 65 receiving benefits, however, increased by only 7,000. This small gain points up the fact that in many cases the period during which the wife receives benefits is of relatively short duration, since benefit payments to such a wife terminate when there is no longer a child under age 18 entitled to benefits.

At the end of September 1952, almost 32,000 wives under age 65 were receiving monthly benefits (table 2). The average of \$15.91 represents an increase of about \$1.50 from the average for June. The increase was due to (1) the liberalization in benefit rates provided by the 1952 amendments for persons already receiving benefits, and (2) the effect of the higher benefit amounts newly awarded in July-September 1952—the result of using the new-start average monthly wage and the new benefit formula in a larger proportion of the

**Table 1.—Number of benefits awarded in specified periods, for selected types of benefits, September 1950-September 1952**

[Corrected to Jan. 30, 1953]

Period	Type of benefit			
	Wife's (under age 65)	Husband's	Widower's	Mother's (former wife divorced)
Total.....	51,141	5,118	559	229
Sept.-Dec. 1950..	9,646	812	63	12
Jan.-June 1951...	22,297	2,062	146	74
July-Dec. 1951...	9,547	1,015	121	68
Jan.-June 1952...	6,090	650	172	60
July-Sept. 1952..	3,561	579	57	15

**Table 2.—Number and average monthly amount of benefits in current-payment status at the end of specified months, for selected types of benefits, December 1950-September 1952**

[Corrected to Jan. 30, 1953]

End of month	Type of benefit							
	Wife's (under age 65)		Husband's		Widower's		Mother's (former wife divorced)	
	Number	Average monthly amount	Number	Average monthly amount	Number	Average monthly amount	Number	Average monthly amount
December 1950.....	8,865	\$12.85	797	\$20.01	63	\$37.23	12	\$37.29
June 1951.....	24,951	14.41	2,340	19.46	155	30.02	73	36.88
December 1951.....	29,388	14.33	2,989	19.49	254	30.03	120	36.35
June 1952.....	30,604	14.31	3,382	19.51	403	29.98	154	34.00
September 1952.....	31,751	15.91	3,656	21.91	440	33.60	157	38.77

awards. These two factors also accounted for the increases registered in the averages over the same period for the other types of benefits mentioned below.

Under the broadened eligibility provisions of the 1950 amendments for mother's insurance benefits, the "former wife divorced" of an insured deceased worker is eligible for monthly benefits if she was receiving at least half her support from him at the time of his death and is the mother of his entitled child. The largest number of awards (74) to divorced wives was made in the first half of 1951, though the numbers awarded in each of the two succeeding half-year periods were only slightly smaller. At the end of September 1952 about 160 divorced wives were receiving benefits; the average monthly amount was \$38.77, about \$4.75 more than in June.

**Husband's and widower's benefits.**—The dependent husband, or the dependent widower, of a woman who was both fully and currently insured when she became entitled to old-age insurance benefits or when she died (after August 1950) may qualify at or after age 65 for monthly benefits on his wife's record. Awards to dependent husbands reached a peak of 2,100 in the first half of 1951; many of these awards were made to husbands of retired workers who had

become entitled to old-age benefits before the 1950 amendments were enacted. A sharp drop occurred in the number of husband's benefits awarded in the two succeeding half-year periods. The number (579) awarded in the July-September 1952 quarter, however, was almost as large as the number awarded in the entire first half of 1952. This upturn reflects the increased claims activity as applications were received from workers newly covered by the 1950 amendments and from workers who had deferred filing until they could qualify for larger benefits through use of a new-formula benefit computation. At the end of September almost 3,700 dependent husbands were receiving monthly benefits; the average amount of \$21.91 represents an increase of about \$2.50 from the June average.

Since widower's benefits are payable only with respect to deaths after August 1950, no backlog of potentially eligible widowers comparable to that for dependent husbands was established by the 1950 amendments. In general, awards to dependent widowers have shown an upward trend; the largest number (172) was awarded in the first half of 1952. By the end of September, 440 widowers were receiving benefits; the average monthly amount was \$33.60, about \$3.50 more than in June.