

steadily, from 52 percent in 1950 to 57 percent in 1954, to 61 percent in 1958, and to 64 percent in 1962.

As indicated by the reports of the Securities and Exchange Commission,²⁴ the portfolios of corporate pension funds have shifted from U.S. Government securities to stock and other high-yield investments. In 1962, corporate pension fund investments in common stocks (based on book value) represented 39 percent of total assets, compared with 30 percent in 1958 and only 16 percent in 1950. The amount invested in mortgages increased to 3 percent in 1962 from 1 percent in 1955 (the first year for which separate data are available).

Investments in Government securities declined from 32 percent in 1951 to 6 percent in 1962. Most of this shift occurred in the early 1950's, and by 1958 only 9 percent of corporate pension fund investments was in Government securities. Investments in corporate bonds, which increased somewhat during the early 1950's to a high of 54 percent in 1957, have dropped significantly since that year and in 1962 were only 45 percent of the total—an alltime low.

A study of the assets of the 100 largest plans²⁵ filed in compliance with the Welfare and Pension Plans Disclosure Act indicates a similar pattern and shift in assets from 1959 to 1961. Forty percent of the assets of these 100 plans (including a few welfare plans) was invested in stocks in 1961

²⁴ Securities and Exchange Commission, *Corporate Pension Funds*, annual series.

²⁵ Department of Labor, *Welfare and Pension Statistics: The 100 Largest Plans, 1959-1961*, 1963.

and 34 percent in 1959. Investments in Government obligations declined from 10 percent of the total in 1959 to 7 percent in 1961 and investments in bonds from 45 percent to 41 percent.

A recent study of collectively bargained multi-employer plans²⁶ showed distinct differences in the asset holdings among plans that had a corporate trustee and those reporting individual trustees. The assets of the corporate-trusted plans were similar to those of all noninsured plans, with most of the assets in nongovernment bonds, some in common stock, and little in Government securities. The assets of individual-trusted plans were heavily invested in Government bonds (30 percent) and mortgages (32 percent).

Some shift in asset holdings has also occurred in the reserves of insured pension funds.²⁷ In 1951 the assets of all insurance company reserves (including pension reserves) were concentrated in nongovernment bonds (38 percent), mortgages (28 percent), and Government bonds (20 percent). The proportion invested in Government bonds declined gradually to 9 percent in 1962, and the proportion invested in mortgages increased to 35 percent. Investments in corporate bonds have fluctuated only narrowly since 1951; in 1962 they represented 39 percent of the total. All other assets equaled 17 percent (including 5 percent in stocks) in 1962 and 14 percent (including 3 percent in stocks) in 1951.

²⁶ Joseph J. Melone, *Collectively Bargained Multi-Employer Pension Plans* (Richard D. Irwin, Inc., 1963), pages 69-70.

²⁷ Institute of Life Insurance, *Life Insurance Fact Book* (1963), page 65.

Notes and Brief Reports

Employers, Workers, and Earnings Under OASDI*

In the calendar year 1962, according to preliminary estimates, 74.6 million persons had earnings of \$219 billion that were taxable under the old-age, survivors, and disability insurance program. These

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totals were 2.3 percent and almost 4.5 percent higher than those in 1961. Average annual taxable earnings in 1962, estimated at \$2,940, were about 2 percent higher than the average a year earlier.

Total annual earnings (which include both taxable and nontaxable earnings) were estimated at \$288 billion, an increase of almost 5.5 percent from the 1961 total. Average annual earnings, estimated at \$3,860, were 3.2 percent higher than in the preceding year.

The changes from 1961 to 1962 in employment and earnings were the result of improvements in

Estimated number of employers and workers and amount of earnings in covered employment during specified periods, 1940-63²

[Data through 1950 relate to wage-and-salary employment; beginning 1951, annual data include self-employment; quarterly data exclude self-employment and, beginning 1955, agricultural labor. Data corrected to Feb. 7, 1964; preliminary, beginning 1958]

Year and quarter	Employers reporting taxable wages ¹ (in thousands)	Workers reported with taxable earnings ² (in thousands)	Reported taxable earnings ³		Workers employed during period ⁴ (in thousands)	Total earnings of workers reported ⁵	
			Total (in millions)	Average per worker		Total (in millions)	Average per worker
1940.....	2,500	35,393	\$32,974	\$932	35,393	\$35,668	\$1,008
1941.....	2,646	40,976	41,848	1,021	40,976	45,463	1,110
1942.....	2,655	46,363	52,939	1,142	46,363	58,219	1,256
1943.....	2,394	47,656	62,423	1,310	47,656	69,653	1,462
1944.....	2,469	46,296	64,426	1,392	46,296	73,349	1,584
1945.....	2,614	46,392	62,945	1,357	46,392	71,560	1,543
1946.....	3,017	48,845	69,088	1,414	48,845	79,260	1,623
1947.....	3,246	48,908	78,372	1,602	48,908	92,449	1,890
1948.....	3,298	49,018	84,122	1,716	49,018	102,255	2,086
1949.....	3,316	46,796	81,808	1,748	46,796	99,989	2,137
1950.....	3,345	48,283	87,498	1,812	48,293	109,804	2,274
1951.....	4,440	58,120	120,968	2,081	58,120	148,000	2,550
1952.....	4,450	59,576	128,724	2,161	59,576	160,000	2,690
1953.....	4,350	60,839	136,003	2,235	60,839	173,000	2,840
1954.....	4,350	59,610	133,588	2,241	59,610	172,000	2,890
1955.....	5,050	65,203	157,772	2,420	65,203	195,000	2,990
1956.....	5,100	67,612	170,689	2,525	67,612	214,000	3,170
1957.....	5,100	70,699	181,421	2,566	70,699	231,000	3,270
1958.....	5,100	70,200	180,892	2,580	70,200	233,000	3,320
1959.....	5,200	71,700	202,346	2,820	71,700	254,000	3,540
1960.....	5,270	72,600	207,177	2,850	72,600	265,000	3,650
1961.....	5,290	72,900	209,886	2,880	72,900	273,000	3,740
1962.....	5,310	74,600	219,250	2,940	74,600	288,000	3,860
1955							
January-March.....	3,830	46,699	38,053	815	46,699	39,000	840
April-June.....	3,951	48,660	38,776	797	48,888	41,000	840
July-September.....	3,948	49,259	35,621	723	50,509	43,000	850
October-December.....	3,985	44,847	28,054	626	50,120	46,000	920
1956							
January-March.....	3,976	49,333	43,031	872	49,333	44,000	890
April-June.....	4,086	50,940	42,547	835	51,234	45,000	880
July-September.....	4,074	50,735	36,811	726	52,373	46,000	880
October-December.....	4,088	45,182	28,958	641	51,533	49,000	950
1957							
January-March.....	4,027	53,044	47,662	899	53,044	49,000	920
April-June.....	4,123	54,544	46,364	850	54,858	50,000	910
July-September.....	4,086	53,846	39,462	733	55,786	51,000	910
October-December.....	4,085	46,561	28,884	620	54,274	52,000	960
1958							
January-March.....	4,032	52,200	47,283	906	52,200	49,000	940
April-June.....	4,130	53,300	45,690	857	53,600	50,000	930
July-September.....	4,110	53,600	39,320	734	55,800	51,000	910
October-December.....	4,115	46,600	29,279	628	55,100	53,000	960
1959							
January-March.....	4,088	53,200	50,499	949	53,200	51,000	960
April-June.....	4,192	55,300	51,368	929	55,600	55,000	990
July-September.....	4,170	55,200	44,566	807	56,900	56,000	930
October-December.....	4,180	50,400	35,403	702	57,100	60,000	1,050
1960							
January-March.....	4,110	54,700	54,108	989	54,700	55,000	1,010
April-June.....	4,240	56,700	53,604	945	57,000	59,000	1,040
July-September.....	4,230	55,900	45,693	817	57,900	60,000	1,040
October-December.....	4,250	49,000	33,430	682	57,000	61,000	1,070
1961							
January-March.....	4,200	54,300	54,842	1,010	54,300	56,000	1,030
April-June.....	4,310	56,100	54,061	964	56,500	60,000	1,060
July-September.....	4,260	55,800	45,642	818	58,200	61,000	1,050
October-December.....	4,300	49,000	34,476	704	57,400	63,000	1,100
1962							
January-March.....	4,280	55,500	59,050	1,064	55,500	60,000	1,080
April-June.....	4,360	58,300	58,040	996	58,600	65,000	1,110
July-September.....	4,330	57,500	47,210	821	60,300	65,000	1,080
October-December.....	4,360	49,000	33,990	694	58,400	66,000	1,130
1963							
January-March.....	4,290	56,400	61,500	1,090	56,400	62,000	1,100

¹ Annual data represent number of different employers filing returns for year; quarterly data, number of returns for quarter. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

² Annual data represent unduplicated count of persons reported; quarterly data include some persons who received taxable limit in a previous quarter of calendar year from a different employer (a wage-and-salary worker is not reported by a given employer in quarters of calendar year following the quarter in which wages from the employer reached the taxable limit)

³ Wages up to the taxable limit from each employer and self-employment income. The annual taxable limit on wages from a given employer or on self-employment income was \$3,000 through 1950, \$3,600 for 1951-54, \$4,200

for 1955-58, and \$4,800 beginning 1959. Not completely adjusted for erroneously reported taxable earnings in excess of taxable limit. Averages based on unrounded estimates.

⁴ Annual data represent persons reported; quarterly data include estimates of wage-and-salary workers who received taxable limit in previous quarter of calendar year from a given employer.

⁵ Annual data represent total earnings, including estimates of wages above annual taxable limit and net earnings from self-employment of workers reported. Quarterly data exclude net earnings from self-employment and, beginning 1955, agricultural wages. Beginning 1951, totals are rounded to nearest billion; corresponding averages are rounded to nearest \$10.

economic conditions. The rate of change, however, is somewhat less for the second half of the year because the business decline of 1960-61 had reached a low point in January-March 1961 and the last half of that year saw an expansion of economic activity.

The number of workers with taxable earnings during January-March 1963 (excluding the self-employed and agricultural labor) was estimated at 56.4 million—1.6 percent higher than in the first quarter of 1962. Average earnings, taxable and nontaxable, were estimated at \$1,100 for the first quarter of 1963 and represented an increase of 1.9 percent from the average in the corresponding quarter of 1962. Average taxable wages in covered employment in the first quarter of 1963 (\$1,090) were 2.4 percent higher than the average in January-March 1962. These changes were in line with the increases in average weekly earnings and average hourly earnings in covered industries.

An estimated 5.3 million employers paid taxable wages in the calendar year 1962, about the same number as in 1961. In each quarter of 1962, the number of employers was from 1 percent to 2 percent larger than in the corresponding quarter of 1961, but there was practically no change from the first quarter of 1962 to the first quarter of 1963.

Recent Publications*

SOCIAL SECURITY ADMINISTRATION

DIVISION OF MANAGEMENT. *Maintaining Work Flow*. Washington: U. S. Govt. Print. Off., Jan. 1964. 22 pp. 25 cents.

DIVISION OF MANAGEMENT. *Planning and Organizing Work*. Washington: U. S. Govt. Print. Off., Jan. 1964. 23 pp. 20 cents.

Planning for the Later Years. Washington: U. S. Govt. Print. Off., 1963. 49 pp. 35 cents.

Digest of experts' opinions concerning income of the aged, nutrition, legal problems, and use of leisure time.

WELFARE ADMINISTRATION

BUREAU OF FAMILY SERVICES. *Convalescent Leave from Mental Hospitals: Recommendations for Agreements Be-*

tween State Public Assistance Agencies and State Agencies Responsible for Institutions for Mental Diseases, by Iris Clark Padgett. Washington: U. S. Govt. Print. Off., 1963. 26 pp.

The first of a series on the subject of mental health in public assistance. Limited free distribution; apply to the Bureau of Family Services, Welfare Administration, Washington, D.C. 20201.

BUREAU OF FAMILY SERVICES. *Public Assistance in the Counties of the United States, June 1960*. Washington: The Bureau, November 1963. 179 pp.

Recipient rates and average payments in old-age assistance, aid to families with dependent children, and aid to the permanently and totally disabled. Limited free distribution; apply to the Bureau of Family Services, Welfare Administration, Washington, D.C. 20201.

GENERAL

BERNSTEIN, MERTON. "Tax Regulation of Private Pension Plans: Some Problems and Proposals." *UCLA Law Review* (University of California, Los Angeles), May 1963, pp. 808-836. \$5 a year.

BERNSTEIN, MERTON. "Employee Pension Rights When Plants Shut Down: Problems and Some Proposals." *Harvard Law Review*, vol. 76, Mar. 1963, pp. 952-981. \$9.50 a year.

How to protect the pension expectations of employees who are separated as a result of plant shutdowns, mergers, and consolidation.

"The Crisis in the American Trade-Union Movement." *Annals of the American Academy of Political and Social Science*, vol. 350, Nov. 1963, entire issue. \$2.

DAITSMAN, GEORGE. "Labor and the 'Welfare State' in Early New York." *Labor History*, vol. 4, Fall 1963, pp. 248-256. \$1.50.

Measures taken in New York State in 1808 because of large-scale unemployment.

HEATH, MONNA, and DUNHAM, ARTHUR. *Trends in Community Organization: A Study of the Papers on Community Organization Published by the National Conference on Social Welfare, 1874-1960*. Chicago: University of Chicago, 1963. 146 pp. (Social Service Monographs, Second Series.) \$1.75.

HEILBRONER, ROBERT L. *The Great Ascent: The Struggle for Economic Development in Our Time*. New York: Harper & Row, 1963. 189 pp. \$4.

Urges rethinking of the attitudes toward the worldwide problem of underdevelopment.

HENRY, JULES. *Culture Against Man*. New York: Random House, 1963. 495 pp. \$7.50.

Analyzes basic contemporary American institutions and suggests remedies for some social ills.

MYERS, ROBERT J. *The Role of Social Security in Developing Countries*. Washington: U. S. Department of State, Agency for International Development, Dec. 1963. 85 pp.

Report prepared for the Agency for International Development by the Chief Actuary of the Social Security Administration.

SOMERS, GERALD G. *Labor, Management and Social Policy: Essays in the John R. Commons Tradition*.

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