

Late Entitlement to Retirement Benefits: Findings From the Survey of New Beneficiaries

by LEONARD RUBIN*

The Survey of New Beneficiaries provides information on why people claim retired-worker benefits at a particular time. A small portion of new claimants become entitled at age 66 or later. This report describes these newly entitled older persons, considers the circumstances and implications of their late entitlement, and compares them with other beneficiaries. Older beneficiaries were less likely to have reached high school and more likely to be black, to have been unskilled, and to have had PIA's at the minimum level of \$64. At that level, though many had been Federal Government or railroad workers with second pensions, many others had no such additional pensions. Generally, older beneficiaries were not so well off with regard to retirement income, and a greater proportion continued to work after entitlement despite their age and presumably because they needed the income. Many of them, however, could have become entitled to full payable benefits earlier and may have lost benefits for which they were eligible.

INCLUDED AMONG WORKERS who file claims for retirement benefits under the social security program are a group who do not become entitled until they are aged 66 or older. The fact that some of them lose benefits to which they would have been entitled had they filed earlier is a matter of concern to the Social Security Administration, which tries to ensure that no eligible individual forgoes benefits. To provide information about why workers claim benefits at different ages, the Social Security Administration has undertaken the Survey of Newly Entitled Beneficiaries (SNEB).

Findings from the survey on economic, demographic, work, and program characteristics of new beneficiaries have been described and analyzed in 11 earlier articles. In this article drawn from SNEB data, late claimants are compared with all newly entitled retired workers aged 62 and over, and some attempt is made to find out how the circumstances of the older beneficiaries may have affected their late entitlement.

* Division of Retirement and Survivor Studies, Office of Research and Statistics.

The estimates presented here are based on a sample and may differ somewhat from figures that might have been obtained had the same questions been asked of all persons in the subject population. Estimates of sampling variability are given in the Technical Note at the end of the article. Differences between percentages are presented only if they appear significant according to procedures described in the note.

Data for beneficiaries entitled at age 66 or older were accumulated for the entire survey period, which covered new entitlements during the 2 years July 1968–June 1970. In view of the large size of the total sample, it was deemed inefficient and too costly to tabulate comparable data for the full 2 years for those aged 65 and under. At the time, it was believed necessary to include 12 months to cover all seasons as for the group aged 66 and over. The two populations are not mutually exclusive, but differences observed between the two populations would generally be even greater if they were independent. Exclusion of older beneficiaries from the total would have had little effect on the estimated percentages for all beneficiaries because that population would have been reduced only by somewhat less than 5 percent.

Only 5 percent of the SNEB sample population—104,000 persons—became entitled to retired-worker benefits at age 66 or later. More than three-fourths of these late claimants were entitled to benefits that were payable at award, a larger proportion than among all newly entitled beneficiaries, particularly for the men, as the data below indicate. The 22 percent of the older

Benefit-payment status	Aged 66 and over			All beneficiaries		
	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	104	57	47	1,173	697	476
Total percent.....	100	100	100	100	100	100
Payable.....	77	74	83	69	61	80
Postponed.....	22	26	17	31	39	20

persons who became entitled to benefits postponed at award were, as a group, not so old at entitlement as those with payable benefits: 68 percent of the former became entitled at ages 66 or 67 but only 40 percent of the latter (table 1). It is not surprising that the incidence of postponed benefits is greatest for the younger persons among the late claimants because postponement implies substantial if not full-time employment that would tend to lessen with age. As the tabulation above indicates, among the men, the older beneficiaries are less likely to have postponed awards. This difference is consistent with the fact that it is less usual among older persons to have employment that would lead to postponement of benefits at entitlement.

Differences by payment status are presented in the following tabulation. Two-thirds of the older beneficiaries with postponed benefits were men, but men and women were about equally represented among those with payable benefits. Roughly the same relationship between sex and payment status existed among all those newly entitled. There is, however, a greater proportion of women among late claimants than among all newly entitled beneficiaries, notably for those with postponed benefits. This is predictable, because women tend to outlive men and may often have to continue to work to support themselves.

Benefit-payment status	Total number (in thousands)	Percentage distribution		
		Total	Men	Women
Aged 66 and over				
Total.....	104	100	55	45
Payable.....	80	100	53	48
Postponed.....	23	100	65	35
All beneficiaries				
Total.....	1,173	100	60	40
Payable.....	805	100	53	47
Postponed.....	368	100	74	26

PROGRAM CHARACTERISTICS

Interval Between Entitlements to Hospital and Retirement Benefits

Among late claimants with payable benefits, 42 percent became entitled to hospital benefits

under the Social Security Act at least 1 year before becoming entitled to the cash retirement benefits (table 2). One factor that would account for the time lapse is the difference in quarters of coverage required for each. Workers could become entitled to hospital benefits either if they had reached age 65 before 1968 or if they reached age 65 at or after 1968 and had acquired a certain number of quarters of coverage. Fewer quarters of coverage are needed for hospital benefits than for retirement benefits, as shown below.

Age at entitlement	Quarters required for entitlement					
	In 1968			In 1970		
	Hospital benefits	Retired-worker benefits		Hospital benefits	Retired-worker benefits	
Men		Women	Men		Women	
66.....	0	16	13	6	18	15
67.....	0	15	12	3	17	14
68.....	0	14	11	0	16	13
69.....	0	13	10	0	15	12
70.....	0	12	9	0	14	11
71.....	0	11	8	0	13	10
72.....	0	10	7	0	12	9
73 and over.....	0	19	16	0	11	18

¹ Or fewer quarters.

Persons with sufficient quarters of coverage for hospital benefit entitlement may have needed additional quarters of coverage for the fully insured status required for cash benefits as retired workers. Having earned those quarters, they may, through oversight or choice, have delayed filing and then claimed retroactive entitlement. In any case, at least some of the time may be accounted for by their efforts to achieve fully insured status. For those who had to earn quarters of coverage, the amount of elapsed time between the two entitlements may reflect either the number of quarters yet to be earned or the amount of work they could undertake. For some late claimants, the kind of work they could do may not have been available or health problems may have made any work difficult. Hence, those who were older at entitlement to retirement benefits were more likely to have experienced a lapse of time after they became entitled to hospital benefits.

Of those entitled late to payable benefits, 58 percent became entitled to hospital and retired-worker benefits in the same year. Some of them may have been eligible before they filed but did

TABLE 1.—Age at entitlement of older beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, July 1968–June 1970 awards

Age at entitlement	Benefit-payment status								
	Total			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	104	57	47	80	42	38	23	15	8
Total percent.....	100	100	100	100	100	100	100	100	100
66.....	29	28	29	23	21	25	47	47	47
67.....	18	17	19	17	16	19	21	21	21
68.....	12	13	12	12	12	11	15	14	16
69.....	10	10	10	11	11	11	8	8	7
70.....	7	7	7	7	7	7	8	8	7
71.....	6	7	5	7	9	6	(1)	(1)	1
72.....	5	4	5	6	6	6	(1)	(1)	1
73 and over.....	13	13	12	16	18	5	1	1	1

¹ 0.5 percent or less.

not claim retired-worker benefits because they were fully employed. Others may have needed additional quarters of coverage for fully insured status. This would be the situation for Federal employees who wish to enroll in Medicare for hospital benefits. If they were to continue to be covered by the Federal employees health benefits program they would have to continue to pay premiums. Hospital coverage under Medicare does not require premium payments but Federal employees must earn full coverage for retired-worker benefits before they are eligible for Medicare hospital benefits. Since Federal employment is not covered under the social security program, many would have to earn quarters of coverage relatively late in life if they wanted Medicare coverage.

The newly entitled whose benefits had been postponed more often became entitled to hospital and retired-worker benefits simultaneously than did those with payable benefits. They may have waited to claim hospital benefits until they felt they were near actual retirement—reducing their amount of work or stopping altogether. Indeed, entitlement to cash benefits may have been only a byproduct of their filing for hospital benefits to cover hospitalization in the previous year or anticipated hospitalization. For the 21 percent who had benefits postponed at award and who had 1 or more years between entitlements, the need to earn quarters of coverage for fully insured status may well have been the determining factor in their late entitlement to cash benefits. They must have been informed of the rules governing entitlement as a result of visiting a district office to file for hospital benefits. Their fail-

ure to claim retirement benefits at that time most probably reflected lack of sufficient quarters of coverage.

Retroactive Entitlement

Persons claiming their retirement benefits may request retroactive entitlement for up to 12 months before the date of filing if at the desired date of entitlement they had the necessary quarters of coverage and were at least aged 62. They receive in a lump sum the benefits that accumulated during the period of retroactivity. (Not included in this article are those persons who filed at age 66 for retroactive benefits effective in their 65th year because the concern here is only with those entitled at age 66 or later.)

As could be expected, the great majority (about 95 percent) of persons who became entitled to retirement benefits at age 66 or later chose retroactive entitlement (table 3). Furthermore, the greatest proportion—at least two-thirds—had retroactive entitlements for the full 12-month period allowed by law. A far smaller proportion of all the newly entitled had retroactive entitlements—43 percent of those with payable benefits and 26 percent of those with postponed benefits—partly because a large proportion of the new beneficiaries became entitled at age 62.

As evinced by their retroactive status the vast majority of late claimants were eligible for full benefits before they actually filed their claims. The extent of filing for retroactive entitlements is a phenomenon among older beneficiaries rendered even more curious by the large proportion

TABLE 2.—Interval between entitlement to hospital and retired-worker benefits among older beneficiaries, by age at entitlement: Percentage distribution of persons initially entitled to retired-worker benefits, July 1968-June 1970 awards¹

Interval between entitlements	Age at entitlement ²					
	Total	66	67	68	69-70	71 and over
Payable benefits						
Number (in thousands):						
Total.....	80	19	14	9	14	24
Reporting.....	79	18	14	9	14	23
Total percent.....	100	100	100	100	100	100
Hospital benefit at retired-worker entitlement.....	58	67	61	60	49	55
Hospital benefit 1 year before entitlement.....	19	23	14	14	21	19
Hospital benefit 2 years before entitlement.....	16	10	19	20	21	14
Hospital benefit 3 years or more before entitlement.....	7	-----	* 6	6	9	13
Postponed benefits						
Number (in thousands):						
Total.....	23	11	5	4	4	(³)
Reporting.....	23	11	5	3	4	(³)
Total percent.....	100	100	100	100	100	100
Hospital benefit at retired-worker entitlement.....	78	85	82	72	60	(⁴)
Hospital benefit 1 year before entitlement.....	9	11	4	10	10	(⁴)
Hospital benefit 2 years before entitlement.....	9	4	9	16	19	(⁴)
Hospital benefit 3 years or more before entitlement.....	3	-----	* 5	3	11	(⁴)

¹ Percentages exclude 2 percent of the survey population who were not entitled to hospital benefits at the time of the survey.

² Data obtained by subtracting date of hospital benefit entitlement from date of entitlement to retired-worker benefits.

³ The reason that intervals of 3 years may be shown for persons aged 67 is that, if a worker with entitlement to retired-worker benefits in his 67th year became entitled to hospital benefits in his 65th year but at an earlier point in the calendar year than his retired-worker benefit entitlement, the interval between entitlements is counted as 3 years. It actually represents 2 full years and part of another.

⁴ Not computed because base less than 2,000.

Others among the older beneficiaries may have felt no urgency or perhaps initially may not have cared about getting retirement benefits, or they may not have felt the need to include them in their retirement plans but later changed their minds.

Interval Between Last Job and Entitlement of Nonworking Older Beneficiaries

Of those with benefits postponed at award, only 19 percent were no longer working at the time they were interviewed. Practically all of them (92 percent) reported that they had stopped work at or after entitlement (table 4). Fifty-nine percent of those with benefits payable at award, however, were not working at the time of the survey, and these persons were far more likely to have been without work for some time before becoming entitled: almost half had not worked for 3 or more years before entitlement. Though a smaller proportion of the older group had stopped work before becoming entitled (37 percent compared with 61 percent), relatively more of them had stopped work 3 or more years before becoming entitled—roughly half of the older group but only one-third of all the newly entitled. There is, then, a significant proportion of the nonworking older beneficiaries with payable benefits who could have become entitled earlier than they did. If they reported accurately when they had stopped work, during this interval they could not have been earning the quarters of coverage essential to entitlement. In other words, they must have had the required coverage when they stopped work.

Key Questions

The description of program characteristics of the older beneficiaries raises key questions about their late entitlement. These questions center on three points: (1) the extent of beneficiaries' program knowledge before entitlement, (2) the extent to which they felt that benefits were important to them before they became entitled, and (3) the need to continue working to earn the requisite number of quarters of coverage for fully insured status.

who had already become entitled to hospital benefits. Two general questions arise: Why did they delay filing for retired-worker benefits for which they were eligible earlier? And what proportion of them had been eligible even more than 12 months before they filed? Perhaps some persons did not understand or did not have adequate information on some aspects of the program regulations, especially with respect to the number of quarters of coverage needed at different ages for fully insured status. They may not have understood that benefits may be claimed (and possibly postponed) by an employed person and that the benefit rate may later be adjusted upward on the basis of postentitlement earnings.

TABLE 3.—Retroactive entitlement among older and all beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Retroactive awards	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	80	42	38	23	15	8	805	425	380	368	272	96
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Not retroactive.....	6	7	4	4	5	2	57	55	60	74	77	65
Retroactive.....	94	93	96	96	95	98	43	45	41	26	23	35
Less than 12 months.....	29	32	26	10	13	6	27	30	25	18	15	24
12 months.....	65	61	70	86	82	93	16	16	16	8	8	11

DEMOGRAPHIC CHARACTERISTICS

Race

Among older beneficiaries with benefits payable at award, 20 percent are black; among those with postponed benefits, 13 percent are black (table 5). Black women are three times as likely to have payable rather than postponed benefits, but no such variation is observed among black men.

Except among women with postponed benefits, black persons constitute a much higher proportion (about twice as great) of older beneficiaries than of all the newly entitled. Only among older new beneficiaries—and particularly among the older men with payable benefits—does the proportion of persons who are of other minority races rise above 1 percent. Generally, those with postponed benefits have a higher economic status

than do persons with payable benefits and thus are likely to include fewer persons from disadvantaged groups.

Education

Fifty-four percent of the older beneficiaries with payable benefits and 38 percent of those with postponed benefits had a grade-school education or less. Those who went beyond grade school were relatively evenly distributed among the levels of educational attainment.

Older beneficiaries were far less likely to have gone beyond grade school than were all beneficiaries, but those among the older group who finished secondary school were more likely than were all beneficiaries to have gone even further in their education and to have completed at least

TABLE 4.—Interval between last job and entitlement among older and all beneficiaries who are not employed, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Interval between last job and entitlement	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	47	24	23	4	3	2	541	274	267	72	52	20
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Stopped work at or after entitlement.....	53	57	49	92	93	(1)	33	41	26	83	83	84
Stopped work before entitlement.....	37	33	40	5	3	(1)	61	54	68	13	13	13
3 years or more before.....	17	16	18	3	2	(1)	21	10	31	2	2	3
Not reporting on date stopped work.....	10	10	11	3	4	(1)	6	5	7	4	4	3

¹ Not computed because base less than 2,000.

TABLE 5.—Selected demographic characteristics of older and all beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Characteristic	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	80	42	38	23	15	8	805	425	390	368	272	96
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Race:												
White.....	77	78	75	85	82	90	90	90	90	94	94	95
Black.....	20	17	24	13	16	8	10	9	10	5	5	5
Other.....	3	5	1	2	2	1	(1)	1	(1)	(1)	(1)	(1)
Education:												
Grade school or less.....	54	60	48	38	44	28	17	21	13	10	11	5
Less than high school.....	13	12	15	14	12	18	30	33	17	27	29	21
Completed high school.....	11	10	14	16	13	23	36	32	41	36	34	42
Some college.....	7	6	9	11	8	16	9	7	10	11	11	14
Completed college or more.....	10	9	10	17	20	10	6	6	6	13	13	14
Not reporting on education.....	4	4	5	4	3	5	2	2	2	2	2	3
Marital status:												
Married.....	52	69	33	59	78	22	71	79	63	73	88	32
Not married.....	48	31	67	41	22	78	29	21	37	27	12	68
SMSA ² and region:												
In SMSA.....	68	66	70	80	80	81	71	68	73	76	75	80
Northeast.....	19	16	21	25	23	28	20	17	22	27	26	30
North Central.....	15	16	15	20	21	19	16	15	16	19	19	18
South.....	22	24	21	23	22	24	24	24	23	20	19	31
West.....	12	10	13	12	13	10	12	11	12	11	11	11
Not in SMSA.....	32	34	30	20	22	19	29	32	27	24	25	20
Northeast.....	4	3	5	4	4	5	5	5	5	5	5	4
North Central.....	9	9	9	5	6	4	9	10	9	9	9	7
South.....	15	16	13	8	8	9	13	15	11	8	8	7
West.....	4	6	2	3	4	1	2	2	2	2	2	2

¹ 0.5 percent or less.

² Standard Metropolitan Statistical Area, as defined by the Bureau of the Census.

4 years of college. This finding suggests that older beneficiaries had been at least as well prepared for professional careers as were all beneficiaries.

Marital Status

Among those who became entitled to retirement benefits at age 66 or later, somewhat more than half were married at the time of the survey. Women beneficiaries were far less likely to be married than were men, a reflection in part of different death rates. Women who were earning enough to have their benefits postponed at entitlement were more likely to be single and mostly self-supporting than were women with payable benefits.

It is not surprising that older beneficiaries were much less likely to be married at the time of the survey than were all beneficiaries, who were far younger as a group. This difference is especially noteworthy for women with payable benefits: 63 percent among all the newly entitled were married—a proportion almost twice that

among the older beneficiaries, the majority of whom were widows.

Residence

Two-thirds of the older beneficiaries with payable benefits and four-fifths of those with postponed benefits lived in metropolitan areas. Of those outside metropolitan areas, about one-half were concentrated in the Southern States. No meaningful differences related to place of residence are evident for older beneficiaries and all the newly entitled, but the older beneficiaries in rural areas may be more disadvantaged than younger ones because services and amenities are less accessible or nonexistent.

Summing Up

Four-fifths of the older beneficiaries had payable benefits. Of this group almost one-fourth belonged to a minority group. More than one-half had only a grade-school education or less,

TABLE 6.—Work limitation and employment status of older and all beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Work limitation and employment status	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	80	42	38	23	15	8	805	425	380	368	272	96
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Work limitation:												
No limitation.....	44	42	46	72	69	76	48	43	54	74	71	80
With limitation.....	49	51	46	24	27	17	47	53	40	23	25	16
Cannot work.....	21	20	21	4	5	2	17	18	15	2	2	2
Can work.....	28	31	25	20	22	15	30	35	25	21	23	14
Not reporting on limitation.....	7	7	8	5	4	7	5	4	6	4	3	4
Employment status:												
Employed.....	41	43	40	81	82	78	33	35	30	80	81	79
Not employed.....	59	57	60	19	18	22	67	65	70	20	19	21

about one-half were married, and about one-third lived in rural areas, often in the South. Comparison of these demographic data for late claimants with data for all newly entitled beneficiaries suggests that the older beneficiaries include somewhat greater proportions of persons of lower social and economic status and perhaps of the poor. Moreover, both poverty and old age increase the likelihood of living a relatively restricted life, if not one of relative social isolation. Such conditions could affect not only the extent to which the regulations governing social security coverage and entitlement are understood but also the ability of some late claimants to make the effort to contact a district office. In addition, this group of late filers may be slower in accumulating the required quarters of coverage, given their lower level of school achievement with its concomitant of little skill and resulting limited access to the labor market—especially where health problems restrict the ability to work in physically demanding unskilled or semi-skilled jobs.

were unable to work at all, when they were asked to assess the affects of any health problems on their ability to work. Those with payable benefits were twice as likely as those that had their benefits postponed to report limitations, and 21 percent said that their limitations prevented them from working. There were no notable differences between the older group and all the newly entitled beneficiaries with respect to work limitations.

Employment Status

When they were interviewed, 80 percent of the older beneficiaries with postponed benefits were employed. Although those with payable benefits were far less likely to have been employed at the time of the survey, 41 percent were in fact working when interviewed. Surprisingly, a smaller proportion (33 percent) of all new beneficiaries with payable benefits were working at the time of the survey.

EMPLOYMENT CHARACTERISTICS

Limitations on Ability to Work

Older beneficiaries with postponed benefits, clearly likely to be working, were also likely to be able to work (table 6). Twenty-four percent of this group said they had limitations on their ability to work, but only 4 percent said they

Occupation

Generally, occupational status is related to both sex and benefit-payment status (table 7).¹

¹The occupation categories used in the survey data are very broad. Included among others in the household and service category, for example, are domestics, policemen, waitresses, and delivery persons. Clearly, these occupations will reflect differences related to sex.

TABLE 7.—Occupation and employment status of older and all beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Employment status and occupation	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
	Employed beneficiaries											
Total number (in thousands).....	33	18	15	19	12	6	264	150	113	296	220	76
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Current occupation:												
Self-employed.....	27	35	16	21	27	10	27	38	13	18	22	6
Wage and salary.....	69	62	78	75	72	82	70	59	84	80	77	93
Professional, technical, and managerial.....	9	9	9	16	14	19	8	6	11	20	20	21
Clerical and sales.....	13	12	16	21	13	37	15	9	22	20	13	40
Craftsmen and operatives.....	99	11	6	18	23	8	17	20	13	26	30	17
Service and household.....	29	18	43	16	16	18	22	11	36	10	9	14
Laborers.....	9	12	4	4	6	(¹)	8	13	2	4	5	1
Not reporting on occupation.....	4	3	6	4	1	9	3	3	3	2	2	2
	Not employed beneficiaries											
Total number (in thousands).....	47	24	23	4	3	2	541	274	267	72	52	20
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Occupation on longest job:												
Self-employed.....	11	14	8	2	2	(²)	9	12	5	6	7	3
Wage and salary.....	85	83	88	94	92	(²)	89	87	94	93	92	96
Professional, technical, and managerial.....	9	9	10	17	16	(²)	12	12	12	22	19	29
Clerical and sales.....	17	10	24	27	17	(²)	22	10	34	19	13	36
Craftsmen and operatives.....	22	29	15	32	47	(²)	34	44	25	40	47	21
Service and household.....	26	17	35	15	8	(²)	15	10	20	8	8	9
Laborers.....	11	18	4	3	4	(²)	6	11	2	4	5	1
Not reporting on occupation.....	3	2	4	5	6	(²)	1	1	2	1	1	1

¹ 0.5 percent or less.

² Not computed because base less than 2,000.

Men, for example, are much more likely than women to be self-employed and, if they are wage and salary workers, to be craftsmen or operatives or laborers. Women are more frequently in household or service work or, when they are in white-collar occupations, in clerical or sales positions. Older persons with postponed benefits are more likely to be employees rather than self-employed and to be in white-collar or relatively skilled blue-collar positions than are the workers to whom benefits were payable at award.

Among older beneficiaries who were working at the time of the survey and whose benefits were postponed, 72 percent of the men and 82 percent of the women were wage and salary workers. About one-half of the wage and salary workers were in white-collar occupations, about one-fourth were in skilled blue-collar work, and the remaining one-fourth were in blue-collar occupations of lower status.

Among older beneficiaries with payable benefits who were still employed at the time of the survey, 62 percent of the men and 78 percent of

the women were wage and salary workers. Within this group, about one-half of the men and more than one-half of the women were in unskilled or semiskilled blue-collar occupations; about one-third were white-collar workers; the remainder were in skilled blue-collar work. Of all those working at the time of the interview a large proportion were self-employed—35 percent of the men and 16 percent of the women.

Differences between the late filers and all new beneficiaries still employed at the time of the survey vary with sex and payment status. The conclusion may also be drawn that older beneficiaries are not so fortunate as all newly entitled beneficiaries in their occupational status: Generally, smaller proportions of older beneficiaries were craftsmen or operatives and larger proportions were in service or household work or were laborers.

Beneficiaries who had stopped work by the time of the interview were considerably more likely to have been wage and salary workers in their longest jobs than to have been self-

TABLE 8.—Most important reason for leaving last job among older and all beneficiaries who are not employed, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Reason for leaving last job	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number (in thousands).....	47	24	23	4	3	2	541	274	267	72	52	20
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Health reasons.....	45	48	42	31	(1)	(1)	40	47	34	21	22	19
Sick, disabled.....	23	25	21	13	(1)	(1)	22	25	18	11	11	10
Accident, injury.....	3	2	3	2	(1)	(1)	2	2	2	1	1	2
Generally poor health.....	20	21	18	16	(1)	(1)	16	18	13	9	10	7
Job-related reasons.....	21	21	21	27	(1)	(1)	21	22	21	42	41	44
Compulsory retirement age.....	4	6	2	16	(1)	(1)	4	6	2	31	32	29
Job discontinued.....	13	12	14	5	(1)	(1)	11	9	13	6	5	8
Laid off, fired.....	2	2	2	3	(1)	(1)	2	3	2	2	2	2
Quit work, dissatisfied.....	2	1	3	3	(1)	(1)	4	4	4	3	3	5
Private reasons.....	30	28	32	40	(1)	(1)	36	30	43	34	35	35
To receive social security or pension benefits.....	2	2	3	1	(1)	(1)	1	2	1	1	2	1
Reached retirement age.....	6	7	5	9	(1)	(1)	3	4	2	9	10	8
Wanted to retire.....	12	15	10	21	(1)	(1)	16	19	13	19	19	19
Wanted new job.....	1	1	1	1	(1)	(1)	1	1	1	1	1	(2)
Family or personal.....	8	2	14	7	(1)	(1)	14	3	25	3	2	6
Miscellaneous.....	1	1	1	1	(1)	(1)	1	1	1	1	1	1
Not reporting on reason.....	4	3	5	2	(1)	(1)	3	2	3	2	3	2

¹ Not computed because base less than 2,000.

² 0.5 percent or less.

employed. The wage and salary workers were much more likely to have been skilled blue-collar workers. Older beneficiaries who were no longer employed when they were interviewed were, however, clearly less well off in their occupational status than all new beneficiaries who had stopped working at that time.

Nonemployed Beneficiaries' Reasons for Leaving Last Job

Each nonemployed respondent was asked the most important reason for leaving his last job. Since the nonemployed older beneficiaries with postponed benefits constitute a very small group, estimates for them are not reliable. One significant difference from those with payable benefits appears: Those with postponed awards are more likely to have left their last job because they reached a compulsory retirement age (table 8).

Among older beneficiaries with payable benefits, health problems were the most significant reason for stopping work; most of the 45 percent who left work for health reasons became sick or disabled or experienced generally bad or deteriorating health. Rarely was accident or injury mentioned. Of the 21 percent who left because of

rules or conditions relating to their work, most said that their jobs had been discontinued. Job-related reasons were less frequently given, however, than were the private or personal reasons cited by 30 percent of the older beneficiaries. Only in this category of reasons is there a significant difference related to sex. Women are much more likely than men to have left their last job for family reasons. Older women, however, are less likely than all newly entitled women to have offered family reasons as the impetus to leaving work; for the older women private reasons are less important and health reasons are more important.

Implications

Although older beneficiaries with payable benefits were as subject to work limitations as all those with payable benefits, they were more likely to have been working at the time of the survey. Of the 41 percent still working as wage and salary employees, half were relatively unskilled and dependent upon blue-collar work of low status. Those no longer working who had been wage and salary workers were more likely to have held white-collar or skilled blue-collar

jobs. Older beneficiaries generally had lower occupational status than did all beneficiaries.

The data suggest the strong possibility of some interplay between little education, poor work history, economic need, and insufficient understanding of program regulations. Indeed, among older beneficiaries—and perhaps especially among those who continued to work in low-status occupations after becoming entitled to payable benefits—larger proportions than of all beneficiaries had only a grade-school education or less and were of minority races. The significant proportion still working seems to indicate that, despite the receipt of social security benefits, continued earnings were not only possible but necessary for the older group. Some may have realized before becoming entitled that they would have to supplement benefits with earnings and might well have put off filing a claim because they were concerned over the restrictions on earnings resulting from the earnings test.

Those who had stopped work, given their occupational distribution, might be somewhat more likely to have second pensions, higher primary insurance amounts, and better education and to have been better informed of social security provisions through their places of work. That a number of these persons had continued to work beyond age 65 to earn requisite quarters of coverage is also likely. Those who continued working in good and interesting jobs may have felt no impetus to apply for retirement benefits.

LEVEL OF RETIREMENT BENEFITS

Primary Insurance Amount

The primary insurance amount (PIA) payable to a retired worker at age 65, based on the level and duration of past covered earnings, is indicative of his economic status upon retiring—both directly, as far as social security benefits are concerned, and indirectly as a reflection of his work history.

Close to 50 percent of the older beneficiaries with postponed awards had PIA's of \$150 a month or more, expressed at 1970 levels. Another large group, 38 percent, had PIA's in the middle

range between \$80 and \$150. Only 15 percent had minimal PIA's between \$64 and \$80 (table 9).

Those with payable benefits are not so fortunate with regard to PIA levels. Nearly one-half (48 percent) had PIA's at the statutory minimum of \$64; 29 percent were in the middle range (\$80-\$150). Only 13 percent were at the upper end—\$150 or more.

Among older beneficiaries, PIA amounts show little variation related to sex, unlike those for the total group of newly entitled persons, among whom benefit levels are very definitely related to sex. Women in the later group tend to have lower PIA's than do men, as might be expected. In general, older beneficiaries are more heavily concentrated at the lower PIA levels, but the differences are smaller for women than for men. The proportion of men with PIA's of \$150 or more was about one-third as large among those who became entitled after age 65 to payable benefits as among those entitled at or before age 65.

Among older beneficiaries a very small group—those aged 72 before 1969 but without sufficient quarters of coverage to be fully insured—were entitled to a flat-rate benefit (\$46 in 1968-70), less than the statutory minimum for fully insured status. This benefit is payable under the transitional insured-status provisions, and persons receiving it constitute only 3 percent of the older beneficiaries with payable benefits.

Second Pension Receipt or Expectation

Among late claimants with postponed benefits, 39 percent of the men and 29 percent of the women were receiving or expecting a pension in addition to their social security benefit. About one-half were receiving and one-half expecting such additional benefits. Among those who were receiving second pensions at the time of the survey, most were getting them from former public employment or railroad work. Only about one-fourth received second pensions from jobs in the private sector. By contrast, for most of those who were still expecting benefits from second pensions, private employment was the principal source.

Among those with payable benefits, 45 percent of the men and 19 percent of the women were receiving or expecting second pensions. Most of

TABLE 9.—Primary insurance amount and second-pension status of older and all beneficiaries, by benefit-payment status and sex: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards

Primary insurance amount and second-pension status	Benefit-payment status											
	Older beneficiaries						All beneficiaries					
	Payable			Postponed			Payable			Postponed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
	Primary insurance amount at 1970 levels											
Total number (in thousands).....	80	42	38	23	15	8	805	425	380	368	272	96
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
\$46.00.....	3	2	3	(1)	(1)	(1)	(1)	(1)	(1)			
64.00.....	48	49	48	11	13	8	18	10	27	2	2	3
64.10-79.90.....	7	7	6	4	4	4	8	6	10	2	1	3
80.00-114.90.....	17	15	20	15	17	12	22	18	27	9	7	13
115.00-149.90.....	12	12	12	23	17	32	18	18	19	18	14	31
150.00-183.90.....	9	10	8	24	26	22	27	40	13	39	42	29
184.00 or more.....	4	5	3	23	23	22	6	9	4	30	33	20
	Second-pension status											
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Receiving or expecting.....	33	45	19	36	39	29	31	41	20	42	43	39
Receiving.....	31	44	17	18	20	14	27	36	17	18	19	14
Private.....	3	4	3	5	5	4	17	25	9	13	14	9
Public.....	26	36	14	11	14	10	10	11	7	4	5	4
Railroad.....	10	17	3	2	3	3	2	2	1	(1)	1	(1)
Federal Government ²	11	15	5	6	9	5	4	5	2	2	2	1
State and local government.....	5	4	6	3	2	4	4	4	4	2	2	3
Public and private.....	2	4	(1)	1	1	(1)	1	1	(1)	(1)	1	(1)
Expecting.....	2	1	2	18	19	15	4	5	3	24	24	25
Private.....	1	1	1	11	13	7	3	4	2	16	17	14
Public.....	1	(1)	1	7	6	8	1	1	1	6	5	9
Not receiving or expecting.....	67	53	81	65	61	71	69	59	80	58	57	61

¹ 0.5 percent or less.

² Includes a small proportion with military retirement pension.

these men and women were actually getting the pensions at the time of the survey. Again, public programs dominated as the source, particularly for men, who were most likely to have such benefits from employment with the Federal Government or railroads.

Pension expectation is confined mostly to those with postponed awards. Older beneficiaries receiving second pensions differ from all the newly entitled with respect to pension source. A far smaller proportion of the older beneficiaries receiving second pensions receive them from private sources. Among all beneficiaries receiving a pension in addition to a social security benefit, the private sector predominates as the source, regardless of payment status.

Relationships Between PIA Amounts and Second-Pension Status

Social security benefits and second pensions are the major sources of income in retirement be-

cause they tend to be more substantial than asset income and more permanent than earnings. Relating PIA levels to receipt or expectation of second pensions brings the economic status of older beneficiaries into sharper focus and makes comparisons with all beneficiaries easier.

Differences in second-pension receipt and expectation are related not only to sex and payment status but also to PIA level.² Differences with respect to sex are confined mostly to those newly entitled persons whose PIA's are less than \$115. Within this group—the largest among older beneficiaries—men are far more likely than women to be receiving or expecting benefits from second pensions (tables 10 and 11). The differences between men and women disappear as PIA's increase above the \$115 level. The likelihood of

² The PIA intervals for older beneficiaries with postponed awards are larger than the intervals for those with payable benefits. This difference results from the difficulty in finding adequate estimation bases for the former group because of its small initial size, without obscuring interesting variations in second-pension receipt and expectation.

TABLE 10.—Second-pension status, by sex and primary insurance amount for older and all beneficiaries entitled to postponed benefits: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards¹

Second-pension status	Primary insurance amount (at 1970 levels,) for those entitled to postponed benefits							
	Men				Women			
	Total	Under \$115.00	\$115.00–149.90	\$150.00 or more	Total	Under \$115.00	\$115.00–149.90	\$150.00 or more
Older beneficiaries								
Total number (in thousands).....	15	5	3	7	8	2	3	4
Total percent.....	100	100	100	100	100	100	100	100
Receiving or expecting.....	39	58	17	34	29	(2)	14	39
Receiving.....	20	34	14	12	14	(2)	3	21
Private.....	5	3	3	7	4	(2)	2	8
Public.....	14	31	8	4	10	(2)	1	12
Railroad.....	3	9	-----	-----	1	(2)	-----	1
Federal Government ²	9	18	6	3	5	(2)	-----	7
State or local government.....	2	4	2	1	4	(2)	-----	4
Public and private.....	1	1	1	-----	-----	(2)	1	-----
Expecting.....	19	24	3	22	14	(2)	10	18
Private.....	13	11	1	18	7	(2)	5	12
Public.....	6	12	2	3	8	(2)	6	6
Not receiving or expecting.....	61	42	83	66	71	(2)	86	61
All beneficiaries								
Total number (in thousands).....	272	28	38	206	96	19	29	48
Total percent.....	100	100	100	100	100	100	100	100
Receiving or expecting.....	43	42	18	48	39	25	24	53
Receiving.....	19	17	7	22	14	9	7	20
Private.....	14	2	2	18	9	1	5	15
Public.....	5	15	5	5	4	8	2	6
Railroad.....	1	5	(*)	(*)	(*)	(*)	(*)	-----
Federal Government ²	2	7	2	2	1	4	1	1
State or local government.....	2	3	2	2	3	4	1	5
Public and private.....	1	(*)	1	1	(*)	-----	-----	-----
Expecting.....	25	25	11	28	25	16	18	(*) 33
Private.....	17	4	6	21	14	3	14	20
Public.....	7	21	5	5	11	14	5	13
Not receiving or expecting.....	57	58	82	52	61	75	76	47

¹ Excludes those with transitional awards.
² Not computed because base less than 2,000.

* Includes a small proportion with military retirement pension.
 0.5 percent or less.

second pensions is greatest for both men and women in the lowest and the highest PIA categories. Older men with payable benefits are more likely than are those with postponed benefits to have second pensions and to be receiving them, not expecting them. On the other hand, women with postponed benefits are more likely than are those with payable benefits to have second pensions.

Sources of second pensions vary with PIA level, reflecting in part the differences in sources for those who are receiving and those who are expecting them. Persons with postponed awards are more likely than those with payable benefits to have high PIA's and still to be expecting rather than receiving second pension benefits. Moreover, their expected second pensions come mostly from private sector jobs. Persons with PIA's below \$115 are more likely to have or to expect their second pensions from the public sector. Older beneficiaries are at least as likely

to have second pensions as are all the newly entitled but are much less likely to have high PIA's, as the following tabulation shows.

Second-pension status and primary insurance amount	Newly entitled with payable benefits	
	Aged 66 and over	All beneficiaries
Total number (in thousands).....	80	802
Total percent.....	100	100
Receiving or expecting second pension.....	34	31
\$64.00–79.90.....	24	4
80.00–149.90.....	5	6
150.00 or more.....	4	21
Not receiving or expecting second pension.....	66	69
\$64.00–79.90.....	34	21
80.00–149.90.....	24	35
150.00 or more.....	8	13

Late claimants, including as they do relatively fewer persons with high PIA's, are far less likely than are all beneficiaries to have their second

TABLE 11.—Second-pension status, by sex and primary insurance amount for older and all beneficiaries entitled to payable benefits: Percentage distribution of persons initially entitled to retired-worker benefits, for older beneficiaries, July 1968–June 1970 awards, and for all beneficiaries, July 1969–June 1970 awards¹

Second-pension status	Primary insurance amount (at 1970 levels) for those entitled to payable benefits											
	Men						Women					
	Total	\$64.00	\$64.10-79.90	\$80.00-114.90	\$115.00-149.90	\$150.00 or more	Total	\$64.00	\$64.10-79.90	\$80.00-114.90	\$115.00-149.90	\$150.00 or more
Older beneficiaries												
Total number (in thousands).....	41	21	3	6	5	6	37	18	2	8	5	4
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Receiving or expecting.....	47	60	61	37	15	34	19	23	(²)	7	14	35
Receiving.....	45	60	59	36	14	28	17	23	(²)	7	10	21
Private.....	4	2			2	22	3	1	(²)	(¹)	3	11
Public.....	40	59	59	35	12	6	14	21	(²)	6	7	11
Railroad.....	17	26	27	10	8	1	3	5	(²)	(¹)	1	
Federal Government.....	15	21	16	20	2	1	5	7	(²)	5	2	2
State or local government.....	4	7	7	1	1	2	6	7	(²)	1	4	9
Public and private.....	4	5	9	4	1	2	(³)	9	(²)	1		
Expecting.....	1		2	(¹)	1	5	2		(²)		3	15
Private.....	1				1	4	1		(²)		2	8
Public.....	(¹)		2	(¹)	1	1	(¹)	(²)	(¹)	(¹)	1	7
Not receiving or expecting.....	53	40	39	63	85	66	81	77	(²)	93	86	65
All beneficiaries												
Total number (in thousands).....	424	42	24	76	74	206	380	103	38	103	73	63
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Receiving or expecting.....	41	40	24	14	18	61	20	9	7	8	24	61
Receiving.....	36	39	23	13	14	54	17	9	7	6	19	50
Private.....	25	2	1	1	6	48	9	1	1	2	13	35
Public.....	12	38	22	11	9	6	8	8	5	4	6	15
Railroad.....	2	12	5	2	1	(¹)	1	2	2	1	(¹)	1
Federal Government.....	5	17	11	7	4	1	3	4	2	2	1	1
State or local government.....	4	5	5	2	4	4	4	2	1	1	4	13
Public and private.....	1	4	1	(¹)	(¹)	1	(¹)	1				
Expecting.....	5	1	1	2	3	8	3	(³)	(¹)	2	4	12
Private.....	4	(¹)	1	1	2	6	2	(³)	(¹)	1	4	6
Public.....	1	(¹)		1	1	2	1	(¹)	(¹)	1	1	6
Not receiving or expecting.....	59	60	76	86	82	39	80	91	93	92	76	39

¹ Excludes those with transitional awards.
² Not computed because base less than 2,000.

³ 0.5 percent or less.
⁴ Includes a small proportion with military retirement pension.

pensions from private sources. Despite their low PIA levels, they are much more likely than the total group to have the comparatively lucrative Federal or railroad pensions.

CONCLUSION

Late claimants who have been awarded payable benefits constitute four-fifths of all late claimants. Any attempt to understand their late entitlement to retired-worker benefits must be guided by the crucial differences observed in economic status. When classified by economic status—as indicated by the relation of PIA and second-pension status—only a few notable differences can be observed, mostly in terms of second-pension status (tables 12 and 13). In comparison with persons having second pensions, those without second pensions are more likely to include

individuals with minimal education, members of minority races, and persons who became entitled to hospital benefits 2 or more years before they claimed retired-worker benefits. These distinctions, without a more clearly defined context, cannot readily, or perhaps even usefully, be related to the reasons for late entitlement. When the implications of the key differences in economic status are elaborated, however, the causes of late entitlement are made clearer.

One-third of the late claimants with payable benefits have second pensions, and therefore, though most of them have low PIA's, they are not likely to be included among the depressed and poverty-stricken of the country; they may have health and other problems but they are also likely to have the resources to compensate. Most of these beneficiaries do not suffer the disadvantages stemming from illiteracy. Moreover, their working lives have provided reasonable security,

TABLE 12.—Selected characteristics, by second-pension status, sex, and primary insurance amount for older beneficiaries entitled to payable benefits: Percentage distribution of persons initially entitled to retired-worker benefits, July 1968–June 1970 awards

Characteristic	Primary insurance amount (at 1970 levels) for those entitled to payable benefits											
	No second pension						With second pension ¹					
	Men			Women			Men			Women		
	Total	\$64.00–79.90	\$80.00–or more	Total	\$64.00–79.90	\$80.00–or more	Total	\$64.00–79.90	\$80.00–or more	Total	\$64.00–79.90	\$80.00–or more
Total number (in thousands).....	22	10	12	31	17	14	20	14	5	7	5	3
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Race:												
White.....	75	78	72	73	74	71	87	91	76	88	90	86
Black.....	21	19	23	27	25	28	13	9	22	11	10	14
Other.....	4	3	5	1	1	(²)	1		2		1	
Education:												
Less than 6 years.....	25	30	21	12	18	5	11	11	12	3	3	3
Less than 8 years.....	21	25	17	19	20	19	20	22	14	10	9	10
8 years.....	19	19	19	21	22	20	24	22	28	15	15	14
Less than 12 years.....	8	6	10	14	12	17	16	14	22	16	17	15
12 years.....	8	7	9	13	10	17	12	13	7	15	14	19
Less than 16 years.....	3	3	3	8	7	9	9	10	7	13	13	12
16 years or more.....	11	5	16	6	6	7	7	6	9	25	26	25
Not reporting on education.....	6	6	5	5	5	6	2	3	1	3	3	1
Work limitations:												
No limitations.....	40	34	45	46	38	55	44	44	46	50	50	49
With limitations.....	53	59	49	46	53	37	49	50	46	46	47	45
Cannot work.....	22	27	18	21	26	14	19	19	18	21	23	19
Can work.....	31	32	31	25	27	23	30	31	28	25	24	26
Not reporting on limitations.....	7	8	6	9	9	8	7	7	8	4	3	6
Employment status:												
Employed.....	47	44	49	41	32	51	38	42	26	37	37	38
Not employed.....	53	56	51	59	68	49	62	58	74	63	64	62

¹ Includes those receiving or expecting second pensions.

² 0.5 percent or less.

continuity, and probably also a context that would militate against the sense of isolation and any overwhelming lack of incentive.

For many of them, late entitlement was likely to have resulted from their need or desire to earn quarters of coverage to secure hospital or retirement benefits or both after retiring from Federal or other jobs not covered by the social security program. The work undertaken to earn quarters of coverage may have interested them or entailed a commitment on their part to achieve a particular goal, so that they worked beyond the point at which they had acquired sufficient quarters for fully insured status. Those with private pensions may have continued working also out of interest, other type of commitment, or to secure a pension based on some set minimum number of years with the firm. For them, entitlement to social security benefits may not have been a pressing matter.

As noted before, many had still to earn quarters of coverage for fully insured status. For these persons, late entitlement must be considered not so much as entitlement of the elderly but rather as entitlement delayed by active and fully employed persons. Of particular interest, in view of their age and relatively secure financial

position at retirement, are their ability to work and the rate of their continued employment after becoming entitled. These points lead to the conclusion that for persons with second pensions a major factor in their late entitlement was unwillingness to commit themselves in any way to retirement until they were ready to retire from work either fully or partly. For them, earlier entitlement, even to postponed awards, may have carried with it unwanted implications of their coming to an end of their effective, active lives and the acceptance of the condition of being old before they needed to do so. For older beneficiaries with second pensions, one motivating force behind late entitlement appears to be the association of social security benefits with retirement into old age.

Two-thirds of the late claimants with payable benefits have no second pensions: only one-eighth of those without second pensions have PIA's of \$150 or more and more than one-half have low PIA's. With other sources of income excluded, what emerges is the picture of a population that for the most part is, and probably has been for some years, economically pressed if not in actual penury. Many had been dependent upon low paid or unsteady work or both—situations that imply

TABLE 13.—Interval between entitlements and between last job and entitlement among older beneficiaries, by second-pension status, sex, and primary insurance amount: Percentage distribution of persons initially entitled to retired-worker benefits, July 1968–June 1970 awards

Interval	Primary insurance amount (at 1970 levels) for those entitled to payable benefits											
	No second pension						With second pension					
	Men			Women			Men			Women		
	Total	\$64.00–79.90	\$80.00 or more	Total	\$64.00–79.90	\$80.00 or more	Total	\$64.00–79.90	\$80.00 or more	Total	\$64.00–79.90	\$80.00 or more
Interval between hospital and retired-worker benefit entitlement												
Total number with hospital benefits (in thousands).....	22	10	12	31	17	14	18	13	5	7	5	3
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Hospital benefit at retired-worker entitlement.....	67	48	82	52	40	68	59	49	87	52	44	65
Hospital benefit 1 year before entitlement.....	13	19	8	18	24	11	28	34	10	19	17	22
Hospital benefit 2 years before entitlement.....	17	27	7	21	25	16	7	8	3	15	20	7
Hospital benefit 3 years or more before entitlement.....	3	6	1	9	11	5	6	8	1	14	19	6
Interval between last job and entitlement												
Total number not employed (in thousands).....	12	6	6	19	12	7	12	8	4	5	3	2
Total percent.....	100	100	100	100	100	100	100	100	100	100	100	100
Stopped work at or after entitlement.....	56	38	73	46	45	47	58	49	75	56	45	(1)
Stopped work up to 1 year before entitlement.....	6	7	4	4	3	7	5	6	3	4	2	(1)
Stopped work 1–3 years before entitlement.....	3	4	2	6	7	6	8	10	4	12	18	(1)
Stopped work 3 years or more before entitlement.....	24	32	16	31	32	30	21	28	6	21	25	(1)
Not reporting on when stopped work.....	11	20	4	12	13	11	8	6	12	7	10	(1)

¹ Not computed because base less than 2,000.

disadvantages often due to physical or mental conditions but also often associated with sex or race discrimination, or poverty generally. The insecurities and uncertainties to be expected in such circumstances must be exacerbated by the debilities of old age, unrewarding working lives, the continuing struggle to earn because of economic need, and the dearth of the sort of involvements that encourage awareness or confidence.

These very conditions and the uncertainties associated with them may encourage a sense of isolation and withdrawal and, it is suggested, be important factors in late entitlement, particularly where receipt of benefits will not permit these late claimants to surmount their poverty. Moreover, any lack of understanding of the regulations pertaining to entitlement would make the social security program seem that much more distant and perhaps even irrelevant. The effect might well be the same where additional quarters of coverage were needed for retirement benefits after sufficient coverage was earned for hospital benefits. For beneficiaries who have had small if any success in their working lives, the struggle to meet program requirements could be very discouraging.

It may be true that despite the Social Security Administration's continuing effort to reach all potential beneficiaries, still more effort is needed to make the program known and understood by the less fortunate. Furthermore, some effort at encouragement is required to help these individuals avoid the loss of benefits they have earned—benefits that, however small, are at least certain from one month to the next.

Technical Note

Survey Design

Population.—The SNEB universe consists of all persons initially awarded retired-worker benefits during each month between July 1968 and June 1970. To receive an initial retired-worker benefit award, an individual must: (1) be at least age 62; (2) have earned retired-worker insured status from his own covered experience; and (3) have filed a claim to establish his entitlement to retired-worker benefits. Disabled-worker beneficiaries, whose benefits are automatically converted to retired-worker benefits at

age 65, as well as persons entitled to special age-72 monthly cash payments, are excluded from the SNEB universe.

Sample design.—The sample for SNEB was selected by means of a two-stage design. The first stage was the selection of a single primary sampling unit (PSU) from each of 100 strata by appropriate probability procedures. The selection of the PSU's was made by the Bureau of the Census as one of several combinations of the basic 357 PSU designs¹ of the Current Population Survey. Each PSU comprises a single county or group of counties (town or group of towns in the New England States). Twenty-one of the PSU's used in the first stage consist of the counties comprising the 21 largest metropolitan areas. Each of these self-representing PSU's is identical to its stratum. The remaining metropolitan areas were grouped in 33 strata, and one PSU (a single metropolitan area) was selected from each stratum. Remaining counties not in metropolitan areas were grouped into 46 strata, and one PSU was selected to represent each such stratum.

The second stage of the sampling process was the monthly selection of new beneficiaries to whom questionnaires would be mailed. These are individuals who had been awarded retired-worker benefits for the first time during the preceding month and who resided in a sample PSU.

Sample size.—The size of the SNEB sample was originally set at about 3,200 cases per month, or 1 in 27 of the persons receiving retired-worker benefit awards each month. From July through December 1969 the sample was reduced to about 1,500 cases per month.

Data collection.—Questionnaires were mailed to persons in the sample by the end of the month following their benefit awards. A second questionnaire was mailed to those persons who did not respond to the first mailing within 2 weeks. A third questionnaire was sent by certified mail to those who did not respond within 4 weeks.

¹ For details on the Current Population Survey sampling procedures, a description of PSU's stratification, and selection of first-stage units, see the Bureau of the Census, *The Current Population Survey—A Report of Methodology*, Technical Paper Number 7.

These three mailings yielded about a 75-percent response. The second and third mailings were omitted for the December 1969 sample to avoid overlap with the 1970 decennial census.

Starting with July 1969, mail responses were screened clerically for completeness of response to income questions. About two-thirds of the incomplete income reports were rectified by telephone follow-up. The remainder were included in the personal interview follow-up. This follow-up was conducted at the end of each calendar quarter: It included, in addition to all respondents whose incomplete income reports were not corrected by telephone, a 50-percent random sample of persons who did not return the questionnaires or whose questionnaires were returned by the post office as undeliverable. (For the December 1969 sample, only a 25-percent random sample of nonrespondents was selected for personal interview.) Nonresponse cases selected for personal interview were weighted to include cases not chosen for the follow-up sample.

Noninterview adjustment.—The personal interview follow-up produced an effective response rate of about 92 percent for the July 1968–June 1970 period, after allowing for the weighting of the follow-up cases (table I). To meet the minimum acceptance criteria for an adequate response, the person had to indicate his employment status. If he was not employed, he had to give a reason why he left his former job. The 8 percent who did not provide an adequate re-

TABLE I.—Response before and after personal interview follow-up, July 1968–June 1970¹

Status of the questionnaire	Before personal interview follow-up ²		After personal interview follow-up ³	
	Number	Percent	Number	Percent
Total sample.....	70,661	100	70,661	100
Questionnaires with adequate response.....	54,339	77	64,695	92
Questionnaires without adequate response.....	4,204	6	5,486	8
Undeliverable.....	836	1	153	(⁴)
Deceased.....	466	(⁴)	670	(⁴)
Refusal.....	1,472	2	4,433	6
Failed quality check.....	1,197	2	142	(⁴)
Miscellaneous.....	53	(⁴)	89	(⁴)
Questionnaires not returned.....	12,298	17	480	(⁴)

¹ Does not reflect telephone and personal interview follow-up of inadequate income response for the sample period July–December 1969.

² After a maximum of three mailings for all months except December 1969, for which there was a single mailing.

³ Undeliverable and nonresponse sample cases are weighted to include cases not chosen for the follow-up sample.

⁴ Less than 0.5 percent.

response include 6 percent who refused to participate in the survey.

In order to represent the nonrespondents, the originally assigned weights were adjusted by multiplying them by the reciprocal of the response ratio. To allow for possible variation in response rates, this adjustment was made for 12 sex, residence, age-at-entitlement, and payment-status groups separately for each calendar quarter of data.

Sampling Variability

Since the SNEB estimates are based on a sample, they may differ from the figures that would have been obtained if every person initially awarded retired-worker benefits from July 1968 to June 1970 were included in the survey. In this survey, as in others, the results are also subject to errors due to response and nonreporting.

The standard error measures the sampling variability of estimates—that is, the variations that occur by chance simply because a sample of the population rather than the population as a whole is surveyed. The chances are about 68 out of 100 that an estimate from the sample would differ by less than the standard error from the results based on the same procedures for the entire population. The chances are about 95 out of 100 that the differences would be less than twice the standard error.

Estimated percentages.—A measure of precision for an estimated percentage is provided by a confidence interval. For example, the values that lie two standard errors above and below the estimated percentage form a 95-percent confidence interval. The population value of interest is said to lie within this interval with 95-percent confidence.

The standard error of an estimated percentage depends on the size of the percentage and the size of its base. Table II presents rough approximations of standard errors of estimated percentages for the entire period of the SNEB. Linear interpolation applied to the base or the percentage or both may be used to calculate the value of a standard error not specifically shown. For example:

In table 5, of the 15,000 men with postponed benefits (among the older beneficiaries) 13 percent had

finished high school. From table II, the approximate standard error is 2.1 percent. With 95-percent confidence we say that the proportion of older men with postponed benefits who finished high school is between 8.8 and 17.2 percent.

Differences between two independent percentages.—Before reporting that two percentages are in fact different, some measure of assurance that this conclusion is correct is needed. Generally, the conclusion that there is a difference will be drawn if it can be done with 95-percent confidence. It is understood that such a conclusion may be wrong only about 5 percent of the time. To compare two independent percentages to determine if the difference between them is statistically significant, the standard error of the difference is estimated by taking the square root of the sum of the squares of the standard error of each of the percentages. For example:

In table 5, among older beneficiaries with postponed benefits, 23 percent of the 8,000 women finished high school and 13 percent of the 15,000 men did so. The approximate standard errors of the two percentages are, respectively, 3.5 percent and 2.1 percent. The sum of the squares of the two standard errors is 16.66, and the square root is 4.08, which is the standard error of the difference. The percentage-point difference between the proportions of older men and women who finished high school is 10 percent. Since this is greater than twice the standard error of the difference, it is concluded with 95-percent confidence that the two proportions are different.

Editing for age at entitlement.—The proportion of respondents who became entitled to social security benefits at age 66 or later is small. To provide larger bases for estimation, data for those persons who were aged 66 or older at entitlement in each of the four SNEB sample periods were combined. The editing procedures

TABLE II.—Approximations of standard errors of estimated percentages for the total SNEB sample, July 1968–June 1970

Size of base	Estimated percentages						
	2 or 98	5 or 95	10 or 90	20 or 80	30 or 70	40 or 60	50
2,000.....	2.4	3.7	5.1	6.8	7.7	8.3	8.4
3,000.....	1.9	3.0	4.1	5.5	6.3	6.8	6.9
4,000.....	1.7	2.6	3.6	4.8	5.5	5.9	6.0
5,000.....	1.5	2.3	3.2	4.3	4.9	5.2	5.3
10,000.....	1.1	1.6	2.3	3.0	3.5	3.7	3.8
25,000.....	.7	1.0	1.4	1.9	2.2	2.3	2.4
50,000.....	.5	.7	1.0	1.4	1.5	1.7	1.7
100,000.....	.3	.5	.7	1.0	1.1	1.2	1.2
200,000.....	.2	.4	.5	.7	.8	.8	.8
300,000.....	.2	.3	.4	.6	.6	.7	.7

employed resulted in two minor changes in SNEB data. One change relates to the original decisions on how to divide the SNEB population by payment status at award and the other to a minor error in the editing of the data to show age at entitlement.

First, with respect to the decision on how to divide the population, all those with full postponed awards were included in one group regardless of age at entitlement, since the vast majority were aged 65 at entitlement. Therefore, for this report, persons with full postponed awards at age 66 or later had then to be culled from the group of all with postponed awards. Those with full postponed awards constitute about one-third of all beneficiaries; of this group, only about 3 percent were aged 66 or older at entitlement.

The second point relates to a change in the original SNEB specifications for age at entitle-

ment, the object of which had been to distinguish beneficiaries entitled to payable benefits at age 65 from those entitled to payable benefits at age 66 or later. The original editing ignored the small group of beneficiaries aged 64 years and 11 months who were born on the first of the month. This group was left with those aged 66 or older at entitlement when they should have been included with those entitled at age 65. Entitlement in the preceding month for those born on the first of the month—that is, entitlement with the age group that is 1 calendar month older—is established administrative procedure (section 2306 of the 1969 edition of the *Social Security Handbook*). Correcting this error reduced the number of persons entitled to payable benefits at age 66 or later, in favor of those entitled at age 65, by about 6 percent or approximately 5,000 persons for all four SNEB sample periods.