

# Economic Status of Black Persons: Findings from Survey of Newly Entitled Beneficiaries

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*Information from the Social Security Administration's Survey of Newly Entitled Beneficiaries was analyzed for economic status differences between blacks and whites. Black new beneficiaries were more likely than whites to become entitled to payable than to postponed benefits and particularly to full rather than to reduced benefits. At whatever age they became entitled and whatever their payment status was, they were less likely than whites to have high PIA's (over \$150) and retirement pensions other than social security. Those whose retirement income was limited primarily to social security benefits and whose PIA's were less than \$150 subsisted at a level around the poverty line. Included in this low economic status were 88 percent of the black women, 62 percent of the black men, 65 percent of the white women, and 32 percent of the white men. Earned income is especially important for those with inadequate retirement incomes, but low economic status was most often associated with being constrained to stop work for health or job-related reasons rather than with a positive desire to stop work. The relative disadvantage of blacks, and of women, was pervasive, holding for every characteristic tabulated.*

THE ANALYSIS REPORTED HERE is one of the series drawn from data provided by the Social Security Administration's Survey of Newly Entitled Beneficiaries. This report focuses on black new beneficiaries, relating their characteristics to economic status and comparing them with newly entitled white persons.

In each of four consecutive 6-month periods, beginning in July 1968 and ending in June of 1970, questionnaires were mailed to monthly samples of workers newly entitled to retirement benefits. For this report, data for all four sample periods were pooled to create a sufficient base for cross tabulation of data on newly entitled blacks. A 10-percent subsample of white records for the four periods was taken to have samples of approximately the same size for white and black persons. Details on the sample and sub-

sample procedures are given in the technical note at the end of the article.

The first section of this study of black beneficiaries, consonant with a major thrust of the survey, focuses on age and payment-status patterns at entitlement, particularly as they relate to economic status. Payment status and age at entitlement are closely related.<sup>1</sup> The study places black and white newly entitled workers in four economic-status categories. Classification is determined by two economic characteristics: (1) Whether or not a person is receiving or expecting to receive a second pension (any pension other than social security), and (2) whether persons in each of the two second-pension categories have primary insurance amounts (PIA's) of less than \$150 or \$150 or more as of 1970.<sup>2</sup>

An average worker with a PIA less than \$150 and without other financial resources would be likely to have had a total income below the poverty threshold, especially if he became entitled before age 65.<sup>3</sup> More than four categories could not be used, because the bases for computing proportions would be too small.

Data for men and women are dealt with separately; because of the limitations of sample size, they are not shown separately for married couples

<sup>1</sup> Payment status divides the population into three groups: (1) Those who become entitled early (from age 62 to age 64) to reduced benefits payable at award with the benefits reduced, for each month of entitlement before age 65, by 5/9 of 1 percent of the basic amount they would have been entitled to had they waited until age 65; (2) those who become entitled at age 65 and get full cash benefits; and (3) those who continue to work after entitlement at earnings levels that disqualify them under the retirement test so that their benefits are postponed at entitlement (most of them at least aged 65 at entitlement).

<sup>2</sup> The primary insurance amount is the basic benefit to which an insured worker would be entitled at age 65. It is based on average monthly covered earnings, to which a formula is applied that produces a higher replacement of preretirement covered earnings for those with low than for those with high average monthly earnings.

<sup>3</sup> In 1970, the poverty threshold for a single person aged 65 and over was \$1,860 (Bureau of the Census, "Characteristics of the Low-Income Population, 1970," *Current Population Reports*, Series P-60, No. 81, 1971.

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and nonmarried persons. Moreover, in addition to describing the distribution of characteristics within age, payment status at entitlement, or economic-status categories, differences in economic status related to several demographic and work-history characteristics are also examined.

### AGE AT ENTITLEMENT AND PAYMENT STATUS

Among all workers newly entitled to retirement benefits in the period July 1968–June 1970, about 10 percent were black. Black workers were more likely than white workers to become entitled to payable benefits—81 percent compared with 68 percent—and particularly to full rather than reduced payable benefits (table 1). These differences were true of both men and women. Among those with full benefits, white men and women were far more likely than blacks to postpone their benefits.

### Marital Status

Differences between black and white new beneficiaries are greater with respect to marital status than to sex. At the time of the survey, decidedly smaller proportions of blacks—especially black women—than of newly entitled whites were married, as the figures below indicate.

Benefit-payment status	Percent married			
	Men		Women	
	Black	White	Black	White
Total.....	69	84	39	59
Payable.....	66	81	41	65
Postponed.....	78	88	25	33

For all beneficiaries, marital status at the survey date is related to age at entitlement and payment status. Married men of both races are more likely than women to have had their benefits postponed at the time of the award. Black men, however, were less likely than white men—29 percent compared with 41 percent—to have postponed benefits (table 2). Among women, those who were not married were more likely to have been earning enough to have postponed benefits. Black women were not only less likely to be married than white

women, they were also less likely, when not married, to have had benefits postponed at award.

The fact that newly entitled black persons were less likely than new white beneficiaries to earn enough from postentitlement employment to have their benefits postponed reflects the well-known differences between the races in economic status. The extent of these differences among the newly entitled is shown in cross tabulations by the primary insurance amount under the social security program and by receipt of second pensions—the two major permanent sources of retirement income.<sup>4</sup>

### Primary Insurance Amount

About 70 percent of the black men and a little more than 90 percent of the black women had PIA's below \$150 (table 3). By contrast, 40 percent of the white men and 75 percent of the white women had PIA's that were less than \$150. These differences are, in large part, a function of the fact that, for both men and women, about twice as large a proportion of blacks as of whites received the minimum benefit of \$64.

The PIA levels of these new beneficiaries were related to age at entitlement and payment status. Among black men entitled at age 62, 88 percent had PIA's under \$150. The proportions with PIA's under \$150 were smallest among those with postponed benefits and next smallest for those entitled to payable benefits at age 65. Among black women with payable benefits, age at entitlement made relatively little difference: Nearly one-half of those with reduced benefits and about 40 percent of those with full benefits were entitled only to the \$64 minimum.

The PIA distribution for white women was remarkably like that of black men, mainly because relatively large proportions received the minimum. For white men, however, the pattern was substantially different. At age 62, a far smaller proportion of white men than of black—55 percent, compared with 88 percent—had PIA's below \$150.

Beneficiaries with postponed benefits include among them the greatest proportion with PIA's of \$150 or more. Since white persons are more likely

<sup>4</sup> See Alan Fox, *Income of Newly Entitled Beneficiaries, Preliminary Findings from the Survey of New Beneficiaries*, Report No. 10, June 1973.

TABLE 1.—Entitlement age, benefit-payment status, race, and sex: Percentage distribution of persons newly entitled to retired-worker benefits, July 1968–June 1970 awards

Race and sex	Total number (in thousands)	Percentage distribution, by benefit-payment status and age at entitlement									
		Total	Payable						Postponed		
			Total	Reduced			Full				
				Total	62	63	64	Total		65	66 and over
Black.....	189	100	81	63	42	11	10	18	9	9	19
Men.....	102	100	74	58	35	11	12	16	8	7	28
Women.....	86	100	90	69	50	10	9	21	10	11	10
White.....	2,110	100	68	58	39	10	8	10	6	4	32
Men.....	1,280	100	61	52	30	11	10	9	6	3	39
Women.....	820	100	79	68	52	9	6	12	7	5	21

to have benefits postponed at award than are the blacks, it is clear that differences between the races in economic status are in part reflected in the differences in payment status. For all new beneficiaries the proportions entitled to postponed benefits increase sharply as PIA levels pass the \$115 mark, but no significant differences between blacks and whites appear at any PIA level in the proportion with postponed benefits (table 4). The implication here is that once a certain economic level has been achieved, retirement-status variations by race may stabilize somewhat.

Black men with the minimum PIA of \$64 in 1970 were more likely to become entitled at age 62 and less likely to become entitled to full benefits at age 65 or older than white men at that PIA level. At the minimum level the larger proportion of white men with entitlement at age 66 and over suggests that white men are more likely than black men to have the relatively lucrative Federal civil-

service pensions that would compensate for their low PIA's.<sup>5</sup>

On the other hand, the fact that blacks with low PIA's are more likely to claim reduced benefits at age 62 suggests that their need for retirement income was likely to be more urgent. Among those with PIA's of \$115 or more, greater proportions of white men than of black men become entitled at age 62; black men with such PIA's tended more than the white men to become entitled to full benefits at age 65 or older. At every PIA

<sup>5</sup> New beneficiaries who became entitled at age 66 or older include a relatively large proportion of persons with pensions from Federal employment. Since these jobs are not covered by the Social Security Act, new beneficiaries with civil-service pensions often had relatively fewer quarters of coverage and hence low PIA's, frequently at the \$64 minimum. For a more complete account, see Leonard Rubin, *Late Entitlement to Retirement Benefits, Preliminary Findings from the Survey of New Beneficiaries*, Report No. 12, July 1973 (also printed in the July 1973 *Social Security Bulletin*).

TABLE 2.—Benefit-payment status and marital status: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Race, sex, and marital status	Total number (in thousands)	Percentage distribution, by benefit-payment status and age at entitlement						
		Total	Payable				Postponed	
			Total	Reduced		Full		
				Total	62			63-64
Black men.....	102	100	74	58	35	23	16	26
Married.....	70	100	71	56	32	24	15	29
Not married.....	32	100	82	65	43	22	17	18
White men.....	1,280	100	61	52	30	22	9	39
Married.....	1,070	100	59	50	30	20	8	41
Not married.....	210	100	72	59	35	24	12	28
Black women.....	86	100	90	69	50	19	21	10
Married.....	34	100	93	78	61	17	16	7
Not married.....	52	100	87	63	43	20	24	13
White women.....	820	100	79	68	52	16	12	21
Married.....	490	100	88	81	69	15	5	12
Not married.....	340	100	67	45	29	16	22	33

TABLE 3.—Primary insurance amount, entitlement age, and benefit-payment status: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Primary insurance amount (at 1970 levels)	Benefit-payment status and age at entitlement									
	Total	Payable								Post- poned
		Total	Reduced			Full				
			Total	62	63	64	Total	65	66 and over	
<b>Black men</b>										
Total number (in thousands).....	102	76	60	36	12	12	16	8	8	27
Total percent.....	100	100	100	100	100	100	100	100	100	100
\$64 00.....	18	22	21	23	20	17	25	14	38	5
64 10–79 90.....	8	10	10	13	7	6	6	7	5	3
80 00–114 90.....	23	27	30	35	21	21	17	20	15	13
115 00–149 90.....	21	20	20	17	21	27	19	21	17	28
150 00–183 90.....	25	20	18	12	28	28	26	33	17	40
184 00 or more.....	4	2	(1)	(1)	1	2	6	6	7	12
<b>White men</b>										
Total number (in thousands).....	1,280	780	680	390	140	130	120	80	40	500
Total percent.....	100	100	100	100	100	100	100	100	100	100
\$64 00.....	7	10	7	7	6	7	27	14	51	2
64 10–79 90.....	3	4	5	5	5	3	3	4	8	1
80 00–114 90.....	13	18	20	22	20	13	11	9	15	6
115 00–149 90.....	17	19	20	22	19	15	11	10	13	13
150 00–183 90.....	47	42	44	43	46	48	30	41	10	55
184 00 or more.....	13	6	5	2	4	14	17	24	3	24
<b>Black women</b>										
Total number (in thousands).....	86	78	59	43	8	7	18	9	9	9
Total percent.....	100	100	100	100	100	100	100	100	100	100
\$64 00.....	42	46	47	48	46	46	42	38	46	8
64 10–79 90.....	11	12	13	14	10	9	9	12	7	6
80 00–114 90.....	27	27	26	27	26	19	29	28	29	30
115 00–149 90.....	13	11	10	9	14	17	13	13	13	34
150 00–183 90.....	4	3	3	2	3	6	5	8	2	12
184 00 or more.....	2	1	1	(1)	1	3	1	1	1	10
<b>White women</b>										
Total number (in thousands).....	820	650	560	430	80	50	90	60	40	170
Total percent.....	100	100	100	100	100	100	100	100	100	100
\$64 00.....	22	27	28	29	29	17	26	15	44	4
64 10–79 90.....	7	8	9	10	5	4	4	4	5	2
80 00–114 90.....	23	26	28	30	20	20	18	22	13	11
115 00–149 90.....	21	20	19	17	20	31	25	29	20	28
150 00–183 90.....	19	14	14	12	19	20	18	20	13	37
184 00 or more.....	7	4	3	2	7	9	8	10	4	19

<sup>1</sup> Less than 0.5 percent

level, black women tended less than white women to become entitled at age 62 and more to become entitled at age 65 or older.

These differences between blacks and whites raise two questions: Must black men and women work longer to achieve PIA's comparable with those of the white new beneficiaries? Are fewer economic resources available to blacks upon retirement, putting a premium on earned income and on entitlement at a later age?

The relatively greater importance of earnings

for blacks than for whites may be partly inferred from the differences in employment status at the time of the survey among those who became entitled to reduced payable benefits. In this group, blacks were more likely than whites to be employed. The magnitude of these differences is more considerable among the women, as shown below:

	<i>Percent with reduced payable benefits</i>	
	<i>Men</i>	<i>Women</i>
Employed blacks .....	43	46
Employed whites .....	36	27

The relative need of blacks and whites for earned income after entitlement is shown by the differences among those who were employed at the time of the survey. It is to be expected that large proportions of those with postentitlement employment would have their benefits postponed at an award. Among employed blacks, however, large proportions—about half the men and almost two-thirds of the women—had reduced payable benefits. These proportions were notably greater than those for the employed whites, though white women and black men had similar distributions. These data, shown in the following tabulation, indicate that blacks were less likely than whites, when they were working, to be earning enough

Race	Percentage distribution, by benefit-payment status			
	Total	Payable		Postponed
		Reduced	Full	
Men:				
Black.....	100	49	11	40
White.....	100	35	6	59
Women:				
Black.....	100	64	19	17
White.....	100	46	12	42

to have their benefits postponed. Moreover, blacks more often than whites opted for early entitlement and continued to work to make ends meet, while they were receiving payable benefits that tended to be relatively small.

TABLE 4.—Entitlement age, benefit-payment status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Primary insurance amount (at 1970 levels)	Total number (in thousands)	Percentage distribution, by benefit-payment status and age at entitlement									
		Total	Payable								Postponed
			Total	Reduced			Full				
				Total	62	63	64	Total	65	66 and over	
<b>Black men</b>											
Total.....	102	100	74	58	35	11	12	16	8	7	26
\$64.00.....	18	100	92	70	45	13	11	22	7	16	8
64.10-79.90.....	8	100	90	77	59	11	7	13	8	5	10
80.00-114.90.....	24	100	86	74	53	10	11	12	7	5	14
115.00-149.90.....	22	100	68	54	28	12	15	14	8	6	32
150.00-183.90.....	26	100	58	43	16	13	13	16	11	5	42
184.00 or more.....	4	100	28	7	( <sup>1</sup> )	2	5	21	9	12	72
<b>White men</b>											
Total.....	1,280	100	61	52	30	11	10	9	6	3	39
\$64.00.....	89	100	91	54	34	10	10	37	12	25	9
64.10-79.90.....	40	100	88	78	52	17	9	10	2	8	12
80.00-114.90.....	170	100	84	76	49	17	10	8	4	4	16
115.00-149.90.....	210	100	68	62	40	13	9	6	4	3	32
150.00-183.90.....	600	100	55	49	28	11	10	6	5	1	45
184.00 or more.....	170	100	30	18	4	3	11	12	11	1	70
<b>Black women</b>											
Total.....	66	100	90	69	50	10	9	21	10	11	10
\$64.00.....	36	100	98	77	58	11	9	21	9	12	2
64.10-79.90.....	10	100	95	77	61	9	7	18	11	7	5
80.00-114.90.....	23	100	89	66	51	9	6	22	10	12	11
115.00-149.90.....	12	100	74	53	32	10	11	21	10	11	26
150.00-183.90.....	4	100	72	47	27	8	12	24	19	6	28
184.00 or more.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>White women</b>											
Total.....	820	100	79	68	52	9	6	12	7	5	21
\$64.00.....	180	100	97	83	67	12	5	13	5	9	3
64.10-79.90.....	60	100	95	87	77	7	3	8	4	3	5
80.00-114.90.....	190	100	90	81	68	8	6	9	7	2	10
115.00-149.90.....	180	100	73	59	42	9	9	14	10	4	27
150.00-183.90.....	180	100	60	50	34	10	6	11	8	3	40
184.00 or more.....	60	100	45	32	16	9	8	13	10	3	55

<sup>1</sup> Not computed, base less than 2,000.

## Second-Pension Status and PIA

Thirty-five percent of the black men with postponed benefits were receiving or expecting income from second pensions. This was not a significantly greater proportion than for those with full payable benefits (table 5). Among those who took reduced benefits the proportion with second pensions was smaller than among those with benefits postponed at award—significantly less at age 64 and dropping to but 10 percent at

age 62. Most of the black men entitled at age 62 had PIA's under \$150 and neither received nor expected a second pension; this was the situation for less than half as large a proportion of the black men with benefits postponed at award.

A greater proportion of white men than of black were receiving or expecting second pensions—36 percent, compared with 22 percent. This difference is concentrated among those with payable benefits, and no appreciable difference in second pension receipt or expectation occurs

TABLE 5.—Second-pension status, primary insurance amount, entitlement age, and benefit-payment status: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Second-pension status and primary insurance amount	Benefit-payment status and age at entitlement									
	Total	Payable								Post- poned
		Total	Reduced			Full			66 and over	
Total	62		63	64	Total	65	66 and over			
<b>Black men</b>										
Total number (in thousands).....	102	76	60	36	12	12	16	8	8	27
Total percent.....	100	100	100	100	100	100	100	100	100	100
Not receiving or expecting second pension.....	78	82	85	90	78	77	72	70	73	65
PIA under \$150.....	62	71	75	83	63	61	56	52	60	37
PIA, \$150 or more.....	16	11	10	6	15	15	16	18	13	29
Receiving or expecting second pension.....	22	18	15	10	22	23	28	30	27	35
PIA under \$150.....	9	8	6	5	7	9	13	10	16	11
PIA, \$150 or more.....	14	10	9	6	14	15	15	19	11	23
<b>White men</b>										
Total number (in thousands).....	1,280	780	660	390	140	130	120	80	40	500
Total percent.....	100	100	100	100	100	100	100	100	100	100
Not receiving or expecting second pension.....	64	65	67	70	68	56	53	49	61	62
PIA under \$150.....	32	43	44	48	44	30	35	25	54	16
PIA, \$150 or more.....	32	22	23	22	23	26	18	24	7	46
Receiving or expecting second pension.....	36	35	33	30	32	44	47	51	39	38
PIA under \$150.....	7	9	7	7	6	7	18	10	34	6
PIA, \$150 or more.....	29	26	26	22	27	37	29	42	5	32
<b>Black women</b>										
Total number (in thousands).....	86	78	59	43	8	7	18	9	9	9
Total percent.....	100	100	100	100	100	100	100	100	100	100
Not receiving or expecting second pension.....	91	93	94	95	89	92	90	88	91	72
PIA under \$150.....	88	91	92	94	88	87	87	86	88	62
PIA, \$150 or more.....	3	2	1	1	1	4	3	2	3	10
Receiving or expecting second pension.....	9	7	6	5	11	8	10	12	9	28
PIA under \$150.....	6	5	4	3	8	4	7	5	9	16
PIA, \$150 or more.....	3	2	2	2	3	5	3	6	(1)	12
<b>White women</b>										
Total number (in thousands).....	820	660	560	430	80	80	100	60	40	170
Total percent.....	100	100	100	100	100	100	100	100	100	100
Not receiving or expecting second pension.....	78	82	83	85	78	75	79	76	84	61
PIA under \$150.....	65	74	76	79	66	60	66	60	76	32
PIA, \$150 or more.....	12	8	7	6	12	16	13	16	7	29
Receiving or expecting second pension.....	22	18	17	15	22	25	21	24	16	39
PIA under \$150.....	8	7	7	6	8	11	9	10	7	13
PIA, \$150 or more.....	14	10	10	9	14	14	12	14	9	26

<sup>1</sup> Less than 0.5 percent.

among those with postponed benefits. White men were not only more likely to have second pensions than black men, they also, except if entitled at age 66 or older, tended to have had higher PIA's combined with second pensions.

Conclusions similar to these result from a comparison of black and white women. But black women with payable benefits are little likely to have either second pensions or PIA's of \$150 or more, and the proportions are little affected by age at entitlement.

### Economic Status

The distribution of newly entitled black and white beneficiaries in the four economic-status categories shows the relative economic disadvantage of black new beneficiaries in comparison with whites—the most important difference between the two racial groups. About one-third of the white men but about two-thirds of the black men and white women had low PIA's and no second pension, as table 5 shows. Most black women (88 percent) were in that group. The second economic-status group—those with relatively high

PIA's but no second pension—accounts for 32 percent of the white men but only half that proportion of black men. Twelve percent of the white women are in that group and only 3 percent of the black women. The third economic-status group, composed of those with low PIA's but with a second pension, has few new beneficiaries of either race. The fourth and highest economic-status group, those with high PIA's and second pensions, includes 29 percent of the white men and half that proportion of black men and white women; only 3 percent of the black women achieved that economic level.

The clearest economic differences between race and sex groups are found among those in the lowest or the highest economic-status groups. The two intermediate economic-status groups are most clearly distinct in the difference in second-pension receipt but less clearly different in overall economic status. Not all those with second pensions and low PIA's are significantly better off than those with no second pensions but with high PIA's. Nevertheless, some of those with second pensions and PIA's of less than \$150 have pensions substantial enough to compensate for low PIA's.

TABLE 6.—Class of worker, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Class of worker on longest job	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
Wage and salary.....	90	86	95	95	99	77	56	77	95	98
Private.....	78	77	89	51	86	66	50	73	40	84
Federal Government.....	5	3	1	30	1	4	2	1	30	2
State or local government.....	7	6	6	14	12	8	4	3	25	12
Self-employed.....	10	14	5	5	( <sup>1</sup> )	23	44	23	5	2
Women										
Total number (in thousands).....	86	76	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
Wage and salary.....	97	96	98	99	99	92	92	86	99	99
Private.....	87	91	87	66	37	73	53	74	59	68
Federal Government.....	2	2	1	11	3	3	2	1	14	2
State or local government.....	8	4	27	22	58	12	7	11	26	29
Self-employed.....	3	4	4	( <sup>1</sup> )	1	8	8	14	1	1

<sup>1</sup> Less than 0.5 percent.

## ECONOMIC STATUS AND CHARACTERISTICS

### Class of Worker on Longest Job

The great majority of new beneficiaries were wage and salary workers on their longest job (table 6). Among white men, however, a sizable proportion—about one-fourth—had been self-employed; only a small proportion of new beneficiaries reported a government job as their longest.

Although low economic status in retirement is likely to result from self-employment, it is more likely to produce such results for blacks than for whites and for women than for men (table 7). Former government workers are more likely to have second pensions than are others, but the proportion with such pensions is greater for whites than for blacks and for men than for women. Among those who were in private industry on their longest jobs, white men were about twice as likely to have second pensions as black men and white women and were eight times as likely as black women to have them. These data show that the relative economic disadvantage of blacks is not related to any one class of worker but is pervasive, present in all classes.

## Work Limitations and Employment Status

The survey respondents were asked to assess the effects of any health problems they had on their ability to work. The determination of the presence and extent of work limitations because of health problems was entirely a subjective judgment on the part of respondents.

Greater proportions of black than of white men and women reported having limitations on their ability to work (table 8). Only small proportions of those with limitations said they were able to work regularly. Of the 47 percent of the black men who specified the extent of their limitations, 28 percent said they were still able to work. White men were less severely affected by their limitations than were black men. A greater proportion of white men with limitations—28 percent out of 40 percent—were able to work. With respect to the ability to work, the kind of work usually done and the limiting effect of health problems are obviously intertwined. Those with more sedentary jobs are clearly less likely to have their ability to work impaired because of health problems. For all new beneficiaries the incidence of limitations was greatest among those with no second pensions and low PIA's.

The relationship between current employment

TABLE 7.—Second-pension status, primary insurance amount, and class of worker: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Class of worker on longest job	Black						White					
	Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount				Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount					
		Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—		
			Under \$150	\$150 or more	Under \$150			\$150 or more	Under \$150	\$150 or more	Under \$150	\$150 or more
Men												
Total.....	102	100	62	16	8	14	1,280	100	32	32	7	29
Wage and salary.....	92	100	59	18	10	15	990	100	23	31	9	36
Private.....	80	100	61	18	6	15	850	100	24	35	4	36
Federal Government.....	5	100	40	2	53	4	50	100	20	6	61	12
State or local government.....	7	100	49	12	16	23	100	100	18	12	24	46
Self-employed.....	10	100	88	8	4	1	290	100	62	33	2	3
Women												
Total.....	86	100	88	3	6	3	820	100	65	12	8	14
Wage and salary.....	81	100	88	2	6	3	760	100	63	12	9	14
Private.....	75	100	92	2	4	1	640	100	70	12	6	12
Federal Government.....	(1)	(1)	(1)	(1)	(1)	(1)	20	100	39	4	44	13
State or local government.....	7	100	48	9	17	26	100	100	37	11	18	33
Self-employed.....	3	100	95	3	(1)	2	60	100	74	23	1	2

<sup>1</sup> Not computed, base less than 2,000

<sup>2</sup> Less than 0.5 percent

TABLE 8.—Work limitations, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Work limitation	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
No limitation.....	42	36	50	44	61	52	37	60	52	61
With limitation:										
Cannot work.....	19	22	15	21	12	12	18	8	14	10
Occasional work.....	22	26	16	22	12	18	27	13	16	13
Regular work.....	6	5	7	6	7	10	10	11	10	9
Not reporting on extent.....	4	4	4	1	1	3	4	2	5	3
Not reporting.....	7	7	9	6	7	4	5	5	3	4
Women										
Total number (in thousands).....	86	76	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
No limitation.....	40	37	62	52	77	61	55	75	69	73
With limitation:										
Cannot work.....	21	22	8	18	4	13	15	8	10	6
Occasional work.....	21	22	14	11	8	12	15	5	11	7
Regular work.....	5	5	6	5	6	6	5	5	4	10
Not reporting on extent.....	4	5	4	1	1	3	4	2	3	1
Not reporting.....	9	8	6	14	4	5	6	4	3	3

and the presence or absence of work limitations is more a function of economic status than of race or sex (table 9). For men, the likelihood of being employed decreases as economic status rises. But this decline in the proportion employed as economic status rises occurs only among those with limitations. Employed black women with limitations show a similar decline. White women are the least likely of all to be employed, except for those who are best off economically. For all beneficiaries, the proportion not employed because their limitations prevent them from working is greatest among those with the fewest economic resources and, hence, the greatest need for earned income. Among those with the greatest need to work, limitations on ability to work are least likely to prevent their working.

Not all new beneficiaries who can work, with or without limitations—and whose economic status indicates that they might need earned income—do actually work. Of those who considered themselves able to work but not working at the time of the survey, 50 percent of the black men but less than half that proportion of white men were in the lowest economic-status group. Race

differences among women were similar but not so great, as the distributions below indicate. The data imply that blacks who may have needed to work were less likely to find suitable jobs than were whites. The difficulty for aged workers in finding work that they would be physically able to perform or for which they qualified by experience presented more of a problem for blacks than for whites.

Second-pension status and primary insurance amount	Percentage distribution, by race and sex			
	Men		Women	
	Black	White	Black	White
Total percent.....	100	100	100	100
No second pension.....	67	48	84	73
PIA under \$150.....	50	22	79	64
PIA, \$150 or more.....	17	26	5	9
Second pension.....	33	52	16	27
PIA under \$150.....	9	8	8	9
PIA, \$150 or more.....	24	44	8	17

Few other consistent differences relate to race. At the lowest economic level, black women were more likely than white women to work in spite of limitations. Among the women who were not

TABLE 9.—Second-pension status, primary insurance amount, employment status, and work limitation: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Employment status and work limitation	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
Employed.....	51	54	51	48	41	54	59	63	47	39
No limitation.....	27	25	33	28	30	33	27	44	31	28
With limitation.....	19	23	14	17	8	17	27	16	14	8
Not reporting on extent <sup>1</sup> .....	5	6	5	2	2	3	5	3	2	2
Not employed.....	49	46	49	52	59	46	41	37	53	61
Cannot work.....	19	22	14	21	12	12	18	8	14	10
Can work <sup>2</sup> .....	24	19	26	26	41	30	20	24	33	45
Not reporting on extent <sup>1</sup> .....	6	6	8	5	6	4	3	4	5	5
Women										
Total number (in thousands).....	86	76	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
Employed.....	49	50	41	44	43	40	36	56	39	40
No limitation.....	26	25	34	29	32	28	23	47	34	30
With limitation.....	18	20	6	8	8	9	10	7	4	8
Not reporting on extent <sup>1</sup> .....	8	6	1	7	3	2	3	2	2	2
Not employed.....	51	50	59	56	57	60	64	44	61	60
Cannot work.....	21	22	8	18	4	13	15	8	10	6
Can work <sup>2</sup> .....	22	20	42	31	51	42	41	31	46	52
Not reporting on extent <sup>1</sup> .....	7	8	8	7	2	6	7	4	4	2

<sup>1</sup> Includes nonresponse to the question of whether work limitations are reported by respondent to be present, for those who said they had work

limitations, includes nonresponse on the extent of their limitations  
<sup>2</sup> Includes those able to work with or without limitations

employed, the proportion of blacks who were nevertheless able to work was about half that for whites. These differences disappear among those in the best economic circumstances. Moreover, they may be related to the fact that white women were more likely to have been married at the time of the survey.<sup>6</sup>

### Reasons for Leaving the Last Job

New beneficiaries who were not working at the time of the survey offered a variety of reasons for leaving their last job. For all but white women, and especially for blacks, health reasons were the most important and involved 57 percent of the black men, 55 percent of the black women,

42 percent of the white men, but only 31 percent of the white women (table 10). Except for white women, the reasons given by new beneficiaries not offering health as a reason were about equally divided between job-related and personal. The proportion of white women (22 percent) who had stopped working for job-related reasons was close to that of other beneficiaries, but the 46 percent who left for personal reasons constituted a far greater proportion for them than for others.

As economic status rose, especially as reflected in PIA levels, health reasons declined in importance, most noticeably among men but more among black than white men. Thirty-six percent of the black men in the highest economic level but 68 percent in the lowest economic level left their last job for health reasons. The comparable proportions for white men are 34 percent and 55 percent. Overall, proportionally fewer blacks than whites had stopped working on their last job because they wanted to retire and felt free to do so. The differences for men are cumulative, however,

<sup>6</sup> See Virginia Reno, *Women Newly Entitled to Retired-Worker Benefits, Preliminary Findings from the Survey of New Beneficiaries*, Report No. 9, April 1973 (also in the April 1973 *Social Security Bulletin*), and Alan Fox, *op. cit.*

TABLE 10.—Reasons for leaving last job, second-pension status, and primary insurance amount: Percentage distribution of non-employed persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Reason for leaving last job	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Nonemployed men										
Total number (in thousands).....	50	29	8	4	8	590	170	150	50	220
Total percent.....	100	100	100	100	100	100	100	100	100	100
Health <sup>1</sup> .....	57	68	43	50	36	42	55	36	46	34
Job related.....	20	16	27	21	26	25	22	29	18	28
Compulsory retirement.....	7	1	9	9	21	11	1	9	10	21
Job ceased, business bad.....	9	10	15	7	4	8	11	13	5	2
Fired, laid off, quit, other.....	4	5	3	5	1	7	9	( <sup>2</sup> )	6	6
Personal.....	19	12	23	27	32	29	18	29	38	34
Wanted to retire <sup>2</sup> .....	15	9	23	24	30	25	13	24	28	33
Personal or family matters.....	2	2	( <sup>2</sup> )	1	2	3	2	3	9	1
Other, miscellaneous.....	2	1	( <sup>2</sup> )	2	( <sup>2</sup> )	1	3	1	1	( <sup>2</sup> )
Not reporting.....	4	3	6	3	5	4	5	7	2	3
Nonemployed women										
Total number (in thousands).....	44	38	( <sup>2</sup> )	3	( <sup>2</sup> )	500	340	50	40	70
Total percent.....	100	100	( <sup>2</sup> )	100	( <sup>2</sup> )	100	100	100	100	100
Health <sup>1</sup> .....	55	58	( <sup>2</sup> )	37	( <sup>2</sup> )	31	33	31	32	21
Job related.....	19	19	( <sup>2</sup> )	25	( <sup>2</sup> )	22	22	25	15	23
Compulsory retirement.....	2	( <sup>2</sup> )	( <sup>2</sup> )	9	( <sup>2</sup> )	4	1	9	8	18
Job ceased, business bad.....	11	13	( <sup>2</sup> )	4	( <sup>2</sup> )	12	14	12	4	3
Fired, laid off, quit, other.....	5	5	( <sup>2</sup> )	11	( <sup>2</sup> )	6	7	4	3	2
Personal.....	21	18	( <sup>2</sup> )	30	( <sup>2</sup> )	46	44	38	51	62
Wanted to retire <sup>2</sup> .....	10	7	( <sup>2</sup> )	20	( <sup>2</sup> )	19	13	18	37	39
Personal or family matters.....	11	11	( <sup>2</sup> )	9	( <sup>2</sup> )	25	29	20	14	13
Other, miscellaneous.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	2	2	( <sup>2</sup> )	1	3
Not reporting.....	5	5	( <sup>2</sup> )	8	( <sup>2</sup> )	2	2	6	1	1

<sup>1</sup> Includes illness, generally bad health, and injury.

<sup>2</sup> Includes those who wanted social security benefits, wanted to retire, or felt retirement age had been reached.

<sup>3</sup> Less than 0.5 percent

<sup>4</sup> Not computed, base less than 2,000.

and are insignificant at any one economic status level. Particularly for those with the lowest economic status, for whom earned income would have been especially important, being constrained to stop work for health or job reasons could produce serious economic problems. The most important race differences are focused on health reasons, which had a greater effect on blacks than on whites.

### Duration of Longest Job

Length of tenure on the longest job is indicative for many workers of how steady their earnings have been and how likely it is that they would become entitled to second pensions. For all new beneficiaries the proportion with 25 or more years of tenure on their longest job increases as economic status rises (table 11). Such long tenure, however, does not by any means ensure high aver-

age earnings or second pensions. Of the men without second pensions and with PIA's under \$150, 25 percent of the blacks and 32 percent of the whites had worked for 25 years or more on their longest job. Among women in the lowest economic-status group 12 percent of the blacks and 10 percent of the whites had worked at least 25 years on their longest job. Among all new beneficiaries, a considerable proportion had held their longest job for less than 20 years: About 60 percent of the women, 40 percent of black men, and 30 percent of white men.

When new beneficiaries are classified by duration of longest job to observe the effects of tenure on economic status, race differences emerge in familiar patterns (table 12). Short tenures have a more negative impact on the economic status of black than of white newly entitled men and of black than of white newly entitled women. Similarly, long tenure improves economic status

TABLE 11—Duration of longest job, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Duration of longest job (in years)	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
Less than 5.....	5	8	1	1	(1)	2	5	2	(1)	1
5-9.....	10	14	5	3	1	7	12	7	5	8
10-14.....	13	16	12	10	5	11	13	13	7	8
15-19.....	14	12	15	18	15	13	12	15	13	10
20-24.....	16	12	21	24	22	14	12	13	22	14
25 or more.....	32	25	35	41	52	46	32	43	56	64
Not reporting.....	10	13	10	4	4	8	14	7	2	3
Women										
Total number (in thousands).....	86	78	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
Less than 5.....	9	10	(1)	3	(1)	9	13	1	(1)	(1)
5-9.....	19	21	3	5	1	19	26	8	10	2
10-14.....	18	19	18	13	7	19	21	22	17	11
15-19.....	16	15	16	20	10	15	13	21	19	16
20-24.....	11	9	14	24	33	11	7	14	19	17
25 or more.....	14	12	39	25	44	20	10	28	33	63
Not reporting.....	14	14	11	9	5	7	9	5	2	2

<sup>1</sup> Less than 0.5 percent.

TABLE 12—Second-pension status, primary insurance amount, and duration of longest job: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Duration of longest job (in years)	Black					White						
	Total number (in thou- sands)	Percentage distribution, by second-pension status and primary insurance amount				Total number (in thou- sands)	Percentage distribution, by second-pension status and primary insurance amount					
		Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—		
			Under \$150	\$150 or more	Under \$150			\$150 or more	Under \$150	\$150 or more	Under \$150	\$150 or more
Men												
Total.....	102	100	62	16	9	14	1,280	100	32	32	7	29
Less than 5.....	5	100	96	3	1	(1)	30	100	68	25	(1)	7
5-9.....	10	100	87	8	3	2	90	100	57	31	5	6
10-14.....	13	100	74	15	6	5	140	100	38	37	5	20
15-19.....	14	100	56	17	11	16	160	100	30	39	8	23
20-24.....	16	100	48	21	13	19	180	100	29	30	12	29
25 or more.....	32	100	49	17	11	23	590	100	22	30	8	20
Women												
Total.....	86	100	88	3	6	3	820	100	65	12	8	14
Less than 5.....	8	100	98	(1)	2	(1)	70	100	99	1	(1)	(1)
5-9.....	16	100	98	(1)	1	(1)	160	100	88	5	5	2
10-14.....	16	100	92	2	4	1	160	100	71	14	7	7
15-19.....	13	100	88	3	8	2	120	100	58	18	11	14
20-24.....	9	100	73	3	14	11	90	100	46	17	15	22
25 or more.....	13	100	73	7	10	10	170	100	33	18	14	36

<sup>1</sup> Less than 0.5 percent.

more among whites than among blacks. Indeed, race differences within each sex group are typified by the greater likelihood of second pensions or PIA's of \$150 or more for whites than for blacks, whatever the duration of the longest job.

### Most Recent Occupation

The most recent job includes the last job for those who were not working and the current job for those who were working at the time of their entitlement. About half of the new beneficiaries had held their most recent job for 20 years or more and of those with less tenure, the most recent occupation is more germane than longest occupation to the study of the economic characteristics of workers near to or in retirement.<sup>7</sup>

Among wage and salary workers occupational distributions varied with economic status, race, and sex. About 70 percent of the black men

<sup>7</sup> See Virginia Reno, *Retirement Patterns of Men at OASDHI Entitlement, Preliminary Findings from the Survey of New Beneficiaries*, Report No. 2, March 1971.

and 85 percent of the black women were in semi-skilled and unskilled blue-collar occupations (table 13). For white men the distribution throughout the occupational categories was more even, but 56 percent were in white-collar or skilled blue-collar work. The largest groups of white women (78 percent) were either in lower-status white-collar jobs or in semiskilled or unskilled blue-collar work.

As economic status rises it is to be expected that occupational status will usually rise. Among black men in white-collar and skilled blue-collar work, however, the proportions did not vary significantly between economic-status groups. In the higher economic-status categories, the proportion of laborers went down and the proportion of operatives rose. The proportion of service workers in the group with second pensions but with PIA's under \$150 was about double that for any other economic-status group. Black men were the least likely of all to have been white-collar workers. Even at the highest economic-status level only 12 percent had been in white-collar work.

The general relationship of economic status to

TABLE 13—Occupation of wage and salary workers, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Most recent occupation	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	91	54	15	8	14	1,010	250	310	90	360
Total percent.....	100	100	100	100	100	100	100	100	100	100
Professional, technical, managerial.....	4	3	3	7	7	18	8	19	18	24
Clerical, sales.....	3	2	3	7	5	14	12	18	18	11
Craftsmen.....	9	8	12	11	13	24	16	26	18	28
Operatives.....	22	17	30	13	37	21	17	20	13	26
Service, domestic.....	24	23	22	40	16	10	18	7	19	5
Laborers, foremen.....	33	42	25	19	18	9	21	5	10	5
Not reporting.....	4	4	5	2	3	4	7	5	3	2
Women										
Total number (in thousands).....	84	74	2	5	3	760	490	90	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
Professional, technical, managerial.....	5	2	28	18	41	15	7	28	21	35
Clerical, sales.....	5	4	16	11	13	38	36	46	35	41
Craftsmen.....	1	1	( <sup>1</sup> )	1	( <sup>1</sup> )	2	2	4	1	3
Operatives.....	14	13	23	26	27	20	22	13	26	16
Service, domestic.....	67	72	24	36	13	20	27	6	16	4
Laborers, foremen.....	4	4	3	3	2	1	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Not reporting.....	4	4	5	3	3	3	4	3	( <sup>1</sup> )	1

<sup>1</sup> Less than 0.5 percent.

occupation noted for black men holds also for most beneficiaries, but the occupations primarily affected differ. For black women, as economic status rises the proportion in service or domestic work drops and the proportion who were operatives or white-collar workers—especially upper-status white-collar workers—goes up.

Among white men, the occupational distribution, accompanying the upward shifts in economic-status categories, changes from one that is very even among the occupations to one that shows considerable concentration in skilled work and the professions. Among white women the proportion in semiskilled blue-collar work decreased; that in white-collar work, especially the professions, increased most.

A condensation of the occupational groupings is used to account for race and sex differences in economic-status characteristics within occupational groups (table 14). The relationships between type of occupation and economic status at entitlement are the expected ones. Almost all the black women in unskilled blue-collar work, for example, are in the lowest economic-status group, compared with two-fifths of those in upper-status white-collar work. Similar relationships between occupation and economic status obtain for all other beneficiaries, though the pattern for

different occupations is not so clear cut, and white men are not nearly so concentrated in the lowest economic stratum to begin with. The point is that, as occupational status rises—more likely for whites than blacks—the size of the group in the upper economic stratum increases, again more for whites than for blacks.

### Education: Years of School

About half the black men and one-fourth of the black women had less than 6 years of school (table 15). The corresponding proportions for whites were 9 percent and 6 percent. About one-third as many black men as white men and one-half as many black women as white completed high school. Although college attendance was comparatively infrequent for all these new beneficiaries, two to three times the proportion of whites as of blacks had spent at least some time in college. Of course, as economic status rose the proportions shifted up the scale of the number of years of schooling. But the nature and implications of these changes are not independent of race and sex.

Among black men, the proportion with less than six grades of schooling declines steadily

TABLE 14.—Second-pension status, primary insurance amount, and occupation of wage and salary workers. Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Most recent occupation	Black						White					
	Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount				Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount					
		Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—		
			Under \$150	\$150 or more	Under \$150			\$150 or more	Under \$150	\$150 or more	Under \$150	\$150 or more
<b>Men</b>												
Total <sup>1</sup> .....	91	100	60	16	9	15	1,010	100	25	31	9	36
Professional, technical, managerial.....	4	100	49	11	15	25	180	100	11	33	9	47
Clerical, sales.....	3	100	33	18	22	27	140	100	21	40	11	27
Craftsmen, operatives.....	29	100	47	22	7	24	440	100	18	32	6	43
Service, domestic, labor.....	52	100	68	13	9	9	200	100	50	19	13	18
<b>Women</b>												
Total <sup>1</sup> .....	84	100	88	3	6	3	760	100	65	12	9	15
Professional, technical, managerial.....	4	100	39	13	21	27	110	100	31	22	13	34
Clerical, sales.....	4	100	67	8	15	10	290	100	62	14	8	16
Craftsmen, operatives.....	12	100	79	4	11	6	170	100	68	9	11	12
Service, domestic, labor.....	59	100	95	1	3	1	160	100	87	3	7	3

<sup>1</sup> Total includes those not reporting

TABLE 15—Years of education, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Education (years completed)	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
Men										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
Less than 6 grades.....	49	56	44	34	32	9	15	6	9	5
6-8 grades.....	31	28	35	30	35	39	43	37	34	37
High school.....	12	9	12	20	19	34	30	36	34	37
1-3 years of college.....	3	2	2	6	3	8	5	10	10	9
4 or more years of college.....	2	1	2	5	6	8	4	8	12	11
Not reporting.....	4	4	5	4	4	3	3	3	2	2
Women										
Total number (in thousands).....	86	76	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
Less than 6 grades.....	25	27	14	9	3	6	7	3	6	2
6-8 grades.....	41	42	18	36	29	28	35	15	31	15
High school.....	23	22	20	30	19	43	43	41	35	39
1-3 years of college.....	5	4	16	5	9	12	10	15	15	17
4 or more years of college.....	4	1	29	14	38	8	3	12	10	24
Not reporting.....	3	3	3	6	1	3	3	4	3	2

as economic status rises, moving from 56 percent down to 32 percent. The proportions with some high school or more rise, of course, as economic status rises, though differences in proportions are not always significant between lower and higher economic-status groups. Far more striking than these increases is the fact that, even at the highest economic-status levels, about one-third of the black men had finished less than six grades of school. For other beneficiaries, including black women, comparable proportions are many times smaller, ranging from 2 percent to 5 percent. The implication is that black men who had achieved a viable economic position had done so despite their relatively great disadvantage in schooling.

Black women had considerably more years of schooling than black men. The proportion with less than 6 years of school drops sharply as economic status rises—from 27 percent of those in the lowest economic level to 3 percent in the highest. And, as economic status rises, the increase in the proportion with 4 or more years of college is sharp, though it involved only a very small group of black women.

A similar though less dramatic increase is

evident among white women with 4 or more years of college. Evidently, a more telling relationship exists between high economic achievement and amount of schooling beyond high school for women than for men. Thirty-eight percent of black women and 24 percent of white women with the highest economic status had 4 or more years of college. Comparable proportions among black and white men are 6 percent and 11 percent. Indeed, among men at that economic level, the proportion with any college at all was smaller than it was for women.

Black women exhibit the disadvantages of both their race and their sex, as demonstrated by the economic-status distributions for each level of school achievement shown (table 16). Those with no college, the vast majority, are chiefly confined to the lowest economic stratum. The small group with 1-3 years of college has an economic distribution almost identical with that of white women with less than six grades of education, and only among those with 4 years of college do black women show levels of economic achievement at all similar to those of other beneficiaries.

Black men with no college are more likely to rise above the lowest economic level than are

TABLE 16.—Second-pension status, primary insurance amount, and years of education: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Education (years completed)	Black						White					
	Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount				Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount					
		Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—		
			Under \$150	\$150 or more	Under \$150			\$150 or more	Under \$150	\$150 or more	Under \$150	\$150 or more
<b>Men</b>												
Total.....	102	100	63	16	9	14	1,280	100	32	32	7	29
Less than 6 grades.....	50	100	71	14	6	9	110	100	55	22	8	15
6-8 grades.....	31	100	57	18	8	16	500	100	36	30	7	28
High school.....	12	100	47	16	15	22	440	100	28	34	7	31
1-3 years of college.....	3	100	48	14	20	18	100	100	19	40	9	32
4 or more years of college.....	3	100	25	13	19	42	100	100	18	32	11	39
<b>Women</b>												
Total.....	86	100	88	3	6	3	820	100	65	13	8	14
Less than 6 grades.....	22	100	96	1	2	(1)	50	100	80	6	8	6
6-8 grades.....	35	100	91	1	5	2	240	100	78	6	9	7
High school.....	19	100	87	2	8	3	350	100	66	15	7	12
1-3 years of college.....	4	100	79	9	6	7	100	100	85	15	11	19
4 or more years of college.....	3	100	28	18	21	33	60	100	25	21	12	43

<sup>1</sup> Less than 0.5 percent

white women, but they are less likely to do so than white men. Black men and white women with at least some college are very close in economic achievement, but a larger proportion of white women than black men had been to college.

#### Area of Residence

The survey provides two kinds of information on area of residence: The regions the beneficiaries lived in; and whether they lived in a metropolitan area—that is, in a standard metropolitan statistical area—or in a nonmetropolitan area (outside an SMSA).

As could be expected, beneficiaries in the lowest economic level were the least likely to live in a metropolitan area and were concentrated mostly in the South (table 17). These differences were especially notable for blacks in the lowest economic-status group, among whom 72 percent of the men and 54 percent of the women were in the South. The distribution of men between metropolitan and nonmetropolitan residence was more even than that of the women, who were more likely to live in a metropolitan area. Among whites in the lowest economic-status group, 41

percent of the men and 31 percent of the women lived in the South, with metropolitan-nonmetropolitan differences similar to those for the black new beneficiaries. Considerable proportions of the relatively small group of beneficiaries with second pensions and low PIA's also lived in the South.

Those with PIA's of \$150 or more were most likely to live in metropolitan areas of the Northeast or North Central regions. The largest proportion of black men to achieve the highest economic-status level (39 percent) lived in the latter area. Fifty-five percent of black women with similar economic achievement lived in the metropolitan Northeast. Regional distributions of whites were more even than for blacks, but the relationships between economic status and area of residence were similar.

The area of residence makes considerable difference in economic status among men but not much for women, especially black women (table 18). There are race differences, however, for both sexes. Among black women who lived in the metropolitan Northeast, 23 percent had been able to rise above the lowest economic level. By contrast, a like proportion (26 percent) of white women in the nonmetropolitan South had similar economic achievement, with 40 percent of those in the metropolitan Northeast or North Central

TABLE 17.—Area of residence, second-pension status, and primary insurance amount: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Area of residence	Second-pension status and primary insurance amount									
	Black					White				
	Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—	
		Under \$150	\$150 or more	Under \$150	\$150 or more		Under \$150	\$150 or more	Under \$150	\$150 or more
<b>Men</b>										
Total number (in thousands).....	102	63	16	9	14	1,280	410	410	90	370
Total percent.....	100	100	100	100	100	100	100	100	100	100
In SMSA.....	71	61	92	81	91	66	49	73	71	74
Northeast.....	16	10	29	18	26	20	13	22	19	27
North Central.....	19	12	34	18	39	17	9	20	13	23
South.....	30	35	19	37	18	17	19	16	24	13
West.....	6	4	10	8	8	12	8	15	15	11
Not in SMSA.....	28	39	8	20	10	34	52	27	29	25
Northeast.....	1	1	1	2	2	6	6	6	7	7
North Central.....	1	1	2	3	1	12	18	10	3	10
South.....	26	37	5	15	7	13	22	8	16	8
West.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	3	6	3	3	( <sup>1</sup> )
<b>Women</b>										
Total number (in thousands).....	86	76	2	5	3	820	540	100	70	110
Total percent.....	100	100	100	100	100	100	100	100	100	100
In SMSA.....	76	75	85	86	89	71	68	86	70	76
Northeast.....	21	19	34	35	55	24	22	32	23	30
North Central.....	16	16	22	14	9	17	16	18	21	21
South.....	31	33	15	27	20	18	19	19	17	12
West.....	8	7	14	10	5	12	11	17	9	13
Not in SMSA.....	23	25	15	14	10	30	32	14	31	24
Northeast.....	2	2	3	1	( <sup>1</sup> )	5	5	3	7	5
North Central.....	1	2	( <sup>1</sup> )	( <sup>1</sup> )	1	10	11	3	9	10
South.....	20	21	8	13	9	11	12	5	11	8
West.....	( <sup>1</sup> )	( <sup>1</sup> )	4	( <sup>1</sup> )	( <sup>1</sup> )	4	.4	3	4	1

<sup>1</sup> Less than 0.5 percent

areas above the lowest economic level. Among men, metropolitan blacks were about as well off as nonmetropolitan whites, with around half in the lowest economic-status group. A very great proportion (85 percent) of the nonmetropolitan blacks is found in the lowest of the economic-status groups.

## CONCLUSIONS AND IMPLICATIONS

It is hardly surprising that, where retirement income is particularly low, earned income becomes especially important. Those who were earning enough to have benefits postponed at award were likely to have at least adequate retirement incomes. Those who became entitled to payable benefits—especially when reduced for early entitlement—were, however, often in difficult economic circumstances, if not in poverty. For these beneficiaries, the ability to earn may come to an

abrupt end, and often at retirement age, working requires a special effort. Indeed, it is so important that those low-income beneficiaries who had limitations on their ability to work but were still able to hold jobs were about as likely to be employed after entitlement as those with no limitations.

Yet limitations stemming from health problems are hardest on those whose jobs are likely to require much physical activity. And those in the lowest economic-status group are most likely to have worked in relatively physically demanding types of occupations and to have had educational backgrounds that further limited the scope of their work and hence of their opportunities in the labor market.

The data analyzed in this report on black new beneficiaries and their status in comparison with whites show once more the comparative disadvantage under which black workers labor. One mark of their disadvantage—and of that of economically depressed whites—is that the freedom

TABLE 18—Second-pension status, primary insurance amount, and area of residence: Percentage distribution of persons newly entitled to retired-worker benefits, by race and sex, July 1968–June 1970 awards

Area of residence	Black						White					
	Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount				Total number (in thousands)	Percentage distribution, by second-pension status and primary insurance amount					
		Total	No second pension, with PIA—		Second pension, with PIA—		Total	No second pension, with PIA—		Second pension, with PIA—		
			Under \$150	\$150 or more	Under \$150			\$150 or more	Under \$150	\$150 or more	Under \$150	\$150 or more
Men												
Total.....	102	100	62	16	8	14	1,280	100	32	32	7	29
In SMSA.....	73	100	53	20	10	17	840	100	24	35	8	33
Northeast.....	16	100	39	29	10	23	260	100	21	35	7	38
North Central.....	20	100	38	27	8	28	220	100	17	38	6	39
South.....	31	100	72	10	10	8	220	100	36	30	10	23
West.....	6	100	45	26	11	18	150	100	23	40	9	28
Not in SMSA.....	29	100	85	4	6	5	440	100	48	24	6	22
South.....	26	100	89	3	5	4	160	100	54	19	9	18
Other.....	3	100	53	18	14	15	270	100	44	28	5	24
Women												
Total.....	86	100	88	3	6	3	820	100	65	12	8	14
In SMSA.....	66	100	87	3	6	4	580	100	62	15	8	15
Northeast.....	18	100	77	4	10	9	200	100	59	16	8	17
North Central.....	14	100	90	3	5	2	140	100	60	13	10	17
South.....	27	100	91	1	5	2	150	100	70	13	8	9
West.....	7	100	86	4	8	2	100	100	61	18	6	15
Not in SMSA.....	20	100	93	2	4	1	240	100	74	6	9	11
South.....	17	100	93	1	4	2	90	100	74	6	9	11
Other.....	3	100	93	4	2	1	150	100	73	6	9	11

to choose to file for entitlement to social security retirement benefits is hedged, especially for needy older workers, by the question of their being able to afford to retire. Those who are least able to afford to retire are most likely to cease working only when constrained by the condition of their health or the regulations governing their employment. Since blacks are disproportionately represented among the poorest of the new beneficiaries, they bear a disproportionate share both of the burden of having to work even as desire and ability to labor are affected by age and, when working becomes impossible, of having to accept the burden of being old and poor.

## 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 design<sup>1</sup> 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

<sup>1</sup> 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 on Methodology*, Technical Paper No. 7, 1963.

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.*—This work was performed by the Bureau of the Census, acting as collection agent for the Social Security Administration. 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. 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 followup. The remainder were included in the personal interview followup. This followup 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 inter-

view were weighted to include cases not chosen for the followup sample.

*Noninterview adjustments.*—The personal interview followup produced an effective response rate of about 92 percent for the July 1968–June 1970 period, after allowing for the weighting of the followup 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 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.

*Special subsample for this report.*—Since comparison of black and white new beneficiaries was a major purpose of this report, it was desirable to be able to estimate proportions with comparable precision. Since blacks comprised about 10 percent of the total sample, blacks were compared with a 10-percent subsample of whites. The subsample of whites was chosen by selecting every tenth record from a random start. Data for blacks and whites were pooled from all four SNEB sample periods.

TABLE I.—Response before and after personal interview follow-up, July 1968–June 1970<sup>1</sup>

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

<sup>1</sup> Does not reflect telephone and personal interview follow-up of inadequate income response for the sample period July–December 1969  
<sup>2</sup> After a maximum of three mailings for all months except December 1969, for which there was a single mailing  
<sup>3</sup> Undeliverable and nonresponse sample cases are weighted to include cases not chosen for the follow-up sample  
<sup>4</sup> Less than 0.5 percent.

## 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. In this report, table II may be used directly in finding standard errors of estimated percentages of blacks. To find the standard error of an estimated percentage of whites the final zero of the base of interest must be omitted when entering

the “size of base” column of table II because the weighted subsample counts of whites for all tables were multiplied by 10. For example, in table 3 the base for black women is 86,000 and the base for white women is 820,000. To obtain standard errors from table II the “size of base” for black women is 86,000, but the “size of base” for white women must be read without the final zero—that is, 82,000. For whites and blacks the minimum base for estimation is 50 sample cases—that is, weighted counts of 2,000 for blacks and 20,000 for whites. 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 3, of the 86,000 black women, 10 percent had benefits postponed at award. From table II, the approximate standard error is 0.8. With 95-percent confidence we say that the proportion of black women with postponed benefits is between 8.4 and 11.6 percent. Again from table 3, of the 820,000 white women, 21 percent had benefits postponed at award. From table II, with 82,000 as the base, the approximate standard error is 1.2. With 95-percent confidence we say that the proportion of white women with postponed benefits is between 18.6 percent and 23.4 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 3, the percentages of black and white women with benefits postponed at award are 10 percent and 21 percent, respectively, and the approximate standard errors read from table II are 0.8 percent and 1.2 percent, respectively. The sum of the squares of the two standard errors is 2.08, and the square root is 1.4—the standard error of the difference. The percentage-point difference between the proportions of black and white women with postponed benefits is 11 percent. Since this difference is greater than twice the standard error of the difference, it is concluded with at least 95-percent confidence that the two proportions are different.

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