

# Resources of Old-Age and Survivors Insurance Beneficiaries in Three Southern Cities

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ONE OR MORE PERSONS in 1,773 families in Atlanta, Birmingham, and Memphis were awarded benefits under the old-age and survivors insurance program in 1940. In the spring of 1942, after these persons had been beneficiaries for more than a year, personnel of the Bureau of Old-Age and Survivors Insurance visited 53 percent of the families which were entitled to benefits and living in the area. Information was obtained on the living arrangements of the beneficiaries; the composition of their families; the amount and source of all income of each family member in the year ending with the month preceding the interview; the amount of assets used for current living; the extent and nature of the property, investments, debts, and insurance of beneficiaries; and certain other information about their health, reasons for termination of covered employment, and attitudes toward the insurance program.

The three largest cities of Social Security Board Region VII—Atlanta, Birmingham, and Memphis—were surveyed because they furnished a sample comparable in size to those obtained for other sections of the country and because they had a diversity of industry and commerce. Although the sample was controlled by city, as well as by race, type of beneficiary, and amount of old-age or survivors benefit awarded, the data for the three cities are combined. A relatively small number of families whose living conditions were rural or semi-rural was included with the larger number of city-dwellers covered in each survey. This was especially the case in Birmingham, where the survey covered all Jefferson County in order to include persons from the coal and iron mines. The distribution of beneficiary groups<sup>1</sup> included

\*Bureau of Old-Age and Survivors Insurance, Analysis Division. The field survey in these cities was part of a survey of 7 cities conducted by the Bureau, findings from 4 of which were reported in the Bulletin for July 1943, pp. 3-20. The latter article should be consulted for a more detailed discussion of the purpose of the survey, methods of sample selection, definitions, concepts, and so forth.

<sup>1</sup> The term beneficiary group, except for female primary beneficiaries, indicates the persons in the family who were actually or potentially eligible for benefits, with respect to the wage record of the primary beneficiary or deceased wage earner. The primary beneficiary, his or her spouse and unmarried children under age 18, or the widow and unmarried children of the deceased wage earner under age 18, are included.

in the survey by cities was as follows:

	Number	Percent
Total.....	800	100.0
Atlanta.....	238	29.8
Birmingham.....	352	44.0
Memphis.....	210	26.2

During 1940, the first year of the payment of monthly benefits under the old-age and survivors insurance program, persons who could qualify for old-age benefits were a selected group. They must have worked in covered employment after age 61, and have received \$50 or more for 6 or 7 calendar quarters in the period from January 1937 to their entitlement in 1940. They could not have left covered employment permanently until some time in April 1938. Thus, they are not a cross section of persons 65 years of age or over in the community.

Since the characteristics of the survivor beneficiaries are entirely different from those of primary beneficiaries, they are discussed separately at the end of this article, although for convenience the data concerning them are included with the other data in the tables. Because of the small number, widows 65 years of age or over are excluded from the tables and from the discussion of survivor beneficiaries.

## *Personal Characteristics of Primary Beneficiaries*

The personal, social, and economic differences found among the beneficiaries were wide, leading to the conclusion often reached by studies of older persons, that they cannot be considered a homogeneous group with common characteristics peculiar to "old age." One investigator states this clearly, saying, "there are no aged characteristics as such, . . . the traits exhibited by the old are as varied as those shown by a group of young people, and . . . are determined by the same factors—by cultural, educational, and economic backgrounds and sex differences."<sup>2</sup>

<sup>2</sup> Morgan, Christine Margaret, "The Attitudes and Adjustments of Recipients of Old-Age Assistance in Upstate and Metropolitan New York," *Archives of Psychology*, No. 214, 1937, p. 109.

As a group, the beneficiaries were long-time residents of their respective cities, the men having lived there an average of 35 years and the women somewhat longer. Eight percent of both men and women had lived all their lives in the same city, and only 3 percent had been there less than 10 years.

*Sex and race.*—Nine-tenths of the primary beneficiaries surveyed in Atlanta, Birmingham, and Memphis were men. Women entitled on their own wage records were a small proportion of the beneficiaries in each of the seven cities but especially in the three Southern cities, where they constituted approximately 9 percent as compared with 14–20 percent in the other four cities.

White persons constituted approximately two-thirds of the male primary beneficiaries in the sample, Negroes the remainder. Among the small group of 53 women primary beneficiaries, however, only 7 were Negroes.

**Table 1.—Age at entitlement: Percentage distribution of specified types of male<sup>1</sup> primary beneficiaries by age at entitlement, three Southern cities**

Age at entitlement	Total	Non-married	Married, wife entitled	Married, wife not entitled
Total number.....	2 604	113	139	270
Total percent.....	100.0	100.0	100.0	100.0
65.....	32.0	27.5	20.8	39.7
66.....	19.1	15.9	13.7	23.7
67.....	14.7	14.2	15.8	14.8
68.....	7.4	8.8	7.2	6.3
69.....	5.9	2.7	5.8	7.4
70.....	5.5	9.7	6.5	3.7
71 and over.....	14.5	21.2	30.2	4.4
Average age at entitlement.....	67.6	68.4	69.1	66.7

<sup>1</sup> Number of female primary beneficiaries, 53, was too small for computation of percentage distributions.

<sup>2</sup> Includes 42 male primary beneficiaries, with child entitled.

*Age.*—In 1940, the number of years during which persons 65 years of age or over could have earned the 6 or 7 quarters of coverage required by law for entitlement to old-age benefits affected greatly the distribution of the beneficiaries by age. Among the primary beneficiaries, 67 percent of the men (table 1) and 72 percent of the women were 65, 66, or 67 years old when they became entitled to benefits.

Persons who became 65 or 66 years of age in 1940 could have had the covered employment required for entitlement at any time during the entire period from January 1, 1937, to the time of their entitlement. Persons who became 65 years

old after January 1, 1937, and before January 1, 1939, could not earn quarters of coverage between the time they became 65 and January 1, 1939; during that interval, their earnings in covered employment were not "wages" under the law, and no taxes were paid on them. Hence, fewer persons at these ages were eligible for benefit in 1940. All those who became 69 years of age or older in 1940 were aged 65 before 1937 and could not begin to earn credits toward benefits until January 1, 1939, when the provisions of the amended act became effective. In 1940, they had less than 2 years in which to obtain the required 6 quarters. Since all the persons who were 69 years of age or over at their last birthday, and some of those who were 68, fall in this last group, it is surprising that they form more than one-fourth of the primary beneficiaries.

*Marital status.*—All but 13 of the 564 men who were beneficiaries had been married, and 80 percent were married men living with their wives during the year surveyed. The group of non-married men was composed of 13 single men, 19 who were separated or divorced, and 81 widowers. They formed single-member beneficiary groups. Since a male primary beneficiary and, if they meet the conditions prescribed by the act, his wife and unmarried children under 18 years of age are eligible to benefits on the primary beneficiary's wage record, the married men formed 3 types of multiple-member beneficiary groups, namely: those, without children, whose wives were at least 65 years of age and entitled to benefit (31 percent); those whose wives were not entitled to benefit, usually because they were not 65 years old (60 percent); and those with entitled children but nonentitled wives (9 percent). The men with entitled wives were naturally older as a group than those in the other two groups; 63 percent of the men with nonentitled wives were aged 65 or 66, while only 35 percent of the men with entitled wives were of these ages. Because of the coverage conditions of the law, as well as the restrictions in employment opportunities generally affecting older workers, the age of the primary beneficiary is correlated with average monthly wage, the amount of benefits awarded, and possibly other factors. This fact should be considered when comparisons are made between the groups of married men.

Relatively more of the women primary beneficiaries (10 of 53) than of the men were single;

none was separated or divorced; 36 were widowed; and 7 were married and living with their husbands.

### *Employment History of Primary Beneficiaries*

Sixty-nine percent of the male primary beneficiaries were employed up to the time of their entitlement to benefit—66 percent in covered and 3 percent in noncovered employment. Approximately the same percentages applied to the women. Ninety-one percent of the men and all the women aged 69 or over were in covered employment until they became entitled; only one man was in noncovered employment, and none had a lapse of more than 3 months between his last covered employment and entitlement. This situation was due to the fact that, to qualify for benefits, persons 69 years of age or over had to work in covered employment all of 1939 and at least 2 quarters of 1940.

By contrast, there was a period of unemployment between the last job in covered employment and entitlement for more than one-third of the beneficiaries aged 65 and 66, and for about one-fifth of all male primary beneficiaries. This lapse lowered their average monthly wage. About 7 percent of the beneficiaries aged 65 or 66 had not worked in covered employment from 1 to 2 years prior to entitlement. No information was obtained about their employment experience throughout this period, but it is significant to note that very few were working in noncovered employment when they became entitled. In fact, noncovered employment at the time of entitlement was not a resource for many in the total group of beneficiaries: only 15 men and 3 women reported such employment.

*Covered employment before entitlement.*—According to the records of the Bureau of Old-Age and Survivors Insurance, 55 percent of the male beneficiaries included in the surveys in the three cities had been employed in mining or manufacturing, 20 percent in trade, and the rest in other industries prior to the termination of covered employment. Their occupations varied: 23 percent had been employed as craftsmen, foremen, and kindred workers; 19 percent as operatives and kindred workers, a majority of them in mines; 17 percent as clerical, sales, and kindred workers; 14 percent as laborers, usually in manufacturing; 11 percent as service workers, mostly as janitors, porters, and cleaners; 9 percent as watchmen and guards;

7 percent as professional or semiprofessional workers, managers, and officials. Negroes were employed in all but the last type of work and constituted most of the laborers and service workers.

Old-age and survivors insurance wage records also show that 71 percent of the beneficiaries in this survey had worked for only one employer in the entire period from January 1, 1937, to entitlement, and 17 percent for only two employers. For the majority, therefore, the last industry represents the employment in which all taxed wages were earned.

The majority of the male primary beneficiaries had worked fairly steadily for \$50 or more a quarter.<sup>3</sup> Fifty-two percent of the men had earned at least \$50 in every quarter between 1937 and the quarter of their entitlement in which they could have earned taxed wages. Forty-eight percent had had one or more quarters in this period with either no earnings or earnings of less than \$50. For the male primary beneficiaries, only 15 percent of all the elapsed quarters were not quarters of coverage. Quarters with no taxed wages (12 percent) were more common than quarters with taxed wages of less than \$50 (3 percent).

The average monthly wage in covered employment, on which insurance benefits were based, averaged \$77.23 for the male and \$49.35 for the female primary beneficiaries. It was \$90.85 for white men, as compared with \$50.41 for Negro men. The range in the men's averages was considerable, 7 percent reporting less than \$25 and 2 percent, the maximum of \$250. Twenty-nine percent—the modal group—had received average monthly wages of \$50–74.99.

*Reasons for termination of covered employment.*—The beneficiaries were asked whether they had voluntarily left covered employment prior to entitlement and the reason for leaving (table 2). Proportionately more men reported that they lost their jobs than that they quit voluntarily, while the opposite was true for the women. About half (49 percent) of the white but 63 percent of the Negro men stated that they had lost their jobs. Decidedly larger proportions of the older primary

<sup>3</sup> Under title II of the Social Security Act, a quarter is 3 calendar months, ending on March 31, June 30, September 30, or December 31; elapsed quarters for persons 22 years of age or over are all quarters from January 1, 1937, up to, but excluding, the quarter of entitlement or death, in which taxed wages may be paid; and a quarter of coverage is a quarter in which taxed wages of \$50 or more are paid.

**Table 2.—Reasons for termination of covered employment: Percentage distribution of male primary beneficiaries by reason for termination of covered employment prior to entitlement, by age at entitlement, three Southern cities**

Reason for termination of covered employment prior to entitlement	Total	Age at entitlement			
		65	66	67-68	69 and over
Total number.....	564	185	108	185	146
Total percent.....	100.0	100.0	100.0	100.0	100.0
Quit job, total.....	46.6	45.4	46.3	40.8	53.4
Health.....	34.2	32.4	30.6	28.8	43.8
Other personal reasons.....	12.4	13.0	15.7	12.0	9.6
Lost job, total.....	53.4	54.6	53.7	59.2	46.6
Retired by company.....	17.8	8.6	9.3	7.2	6.2
Other company reasons.....	45.6	46.0	44.4	52.0	40.4

<sup>1</sup> Receiving retirement pay. An additional 5.0 percent of male primary beneficiaries who quit their jobs also received retirement pay.

beneficiaries quit their jobs because they were ill or in poor health. Heart attacks, injuries at work, failing eyesight, and high blood pressure were frequently cited as evidence of poor health.

A majority of the persons who lost their jobs for "other company reasons" reported "old age" as the cause for their discharge. Among other causes were "the plant went out of business," "work was slack," or, "there was a change in management or a reorganization with consequent lay-offs." Ill health, failing strength, or decreased speed and skill due to age were important causes of unemployment but not the only ones.

**Employability.**—Additional information about the health of the beneficiaries was obtained by inquiring whether they considered themselves able to work at the time of the interview. The results were as follows:

Beneficiary's opinion as to his ability to work <sup>1</sup>	Percent
Male primary beneficiary, total.....	100.0
Able to work, without reservation.....	35.3
Able to work, with reservations.....	30.5
Unable to work.....	34.2
Female primary beneficiary, total.....	100.0
Able to work, without reservation.....	26.4
Able to work, with reservations.....	7.5
Unable to work.....	66.1

<sup>1</sup> If a beneficiary specified "light work," "part-time work," etc., because of his physical condition, he has been classified as, "able to work, with reservations."

Thus, about one-third of the men felt unable to work, although some of them were employed during the year surveyed; for women, the proportion reported unable to work was nearly twice that of the men.

**Reemployment after entitlement.**—The extent to which beneficiaries worked after entitlement is further evidence that they were not all "unemployable," or permanently out of the labor market. Employment opportunities increased during the year studied—from February 1941 to April 1942. As in other areas surveyed, the old-age benefits were sometimes more in the nature of unemployment payments than retirement pensions, since some beneficiaries who had an opportunity to do so returned to work after a period of unemployment. This was true for the 12 percent of the male beneficiaries who reported earnings in employment of \$600 or more in the survey year, and it was probably true, also, for some of the 33 percent who reported earnings of less than \$600. Some men had returned to covered employment and suffered benefit suspensions; others, after a period of unemployment, worked in noncovered jobs or self-employment without loss of benefit.

All the beneficiaries interviewed had received benefits after entitlement, but more than 3 percent of the men and 2 percent of the women were working for at least \$15 a month in covered employment before the beginning of the survey year and continued in this employment all year, with suspension from benefit for the entire period. An equal percentage of men were suspended from benefit for 6-11 months of the year, making a total of 6-7 percent whose earnings in covered employment caused benefit suspensions for 6 months or more. Eleven percent of the men were employed in either covered or noncovered employment for at least 35 hours a week during 11 months of the year, the standard used for full-time employment (table 3).

More of the beneficiaries reported earnings in

**Table 3.—Employment status: Percentage distribution of beneficiary groups<sup>1</sup> by employment status of beneficiary during survey year, three Southern cities**

Employment status	Male primary beneficiary	Widow, child entitled
Total number.....	564	183
Total percent.....	100.0	100.0
Employed, total.....	45.0	45.4
Full time.....	11.0	11.5
Part time.....	34.0	33.9
Unemployed, total.....	54.4	54.6
Sought employment.....	12.1	9.2
Did not seek employment.....	42.3	45.4

<sup>1</sup> The group of female primary beneficiaries was too small for computation of percentage distribution.

noncovered than in covered employment. When interviewed, only 6 percent of the male beneficiaries in Birmingham and 16 percent in Atlanta and Memphis were in covered employment. Included in the fairly large amount of part-time noncovered employment were full-time jobs for part of the year, or part-time jobs for part or all of the year. Some persons worked less than a week at various odd jobs, such as carpentry or gardening for a neighbor; others worked for fairly long periods in noncovered jobs, such as those in government depots or defense plants, or as independent contractors, commission salesmen, and so on; and some were engaged in professional work—lawyers or consultants, for example.

As would be expected, reemployment depended on the beneficiaries' health, age, skill, and experience, as well as on their desire for employment and their financial resources, such as retirement pay and income from assets. Especially among the beneficiaries aged 65 or 66, there were persons who were able to work but were hunting jobs, unhappy and dissatisfied because skills developed through many years went unused. This was true of both Mr. and Mrs. D.

Mr. D had managed a lumber business for many years before he lost his job when the ownership of the

company changed hands. He knew lumber and felt able to earn his own living. Since he became entitled, he had sought all kinds of work and tried unsuccessfully to make money by keeping chickens, selling brushes and raincoats on a commission basis, and distributing advertisements from door to door. Mrs. D, aged 62, had been an expert accountant. For several years she had been unable to find an office job and, when interviewed, was running a boarding house that supplied most of the family income. Both Mr. and Mrs. D felt hurt and bewildered at not being able to get the type of work to which they were accustomed.

Forty-two percent of the male and 53 percent of the female primary beneficiaries made no effort to get jobs; the majority of them reported that they were unable to work or could do only light or part-time work.

### Living Arrangements and Family Composition

The living arrangements and family composition of the primary beneficiaries (tables 4 and 5), regrouped and summarized, were as follows:

**Table 4.—Living arrangement: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by type of living arrangement at end of survey year, three Southern cities**

Type of living arrangement	Male primary beneficiary				Widow, child entitled
	Total	Non-married	Married, wife entitled	Married, wife not entitled	
Total number.....	1 564	115	159	270	183
Total percent.....	100.0	100.0	100.0	100.0	100.0
Living alone, total.....	50.2	54.9	51.8	48.1	51.9
Keeping house, total.....	43.0	23.0	50.4	46.6	50.3
Home owned.....	21.8	8.8	28.1	23.3	20.8
Home rented.....	21.8	15.1	22.3	23.3	29.5
Rooming and boarding.....	6.2	26.5	.7	1.5	
All others.....	1.0	4.5	.7		1.6
Living with others, total.....	49.8	45.1	48.2	51.9	48.1
Relatives living with beneficiary group, total.....	39.8	25.7	39.5	44.5	38.2
Home owned by beneficiary group.....	23.9	18.6	25.9	23.3	16.9
Home rented by beneficiary group.....	15.7	6.2	13.6	21.2	21.3
Rooming and boarding.....	.2	.9			
Beneficiary group living with relatives.....	10.0	19.4	8.7	7.4	9.9

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions. 42 married male primary beneficiaries, with child entitled, are included in male primary beneficiary total.

Living arrangements	Male primary beneficiaries		Female primary beneficiaries
	Number	Percent	
All primary beneficiaries.....	564	100	53
Aged person—lived alone.....	62	11	26
Aged couple—lived alone.....	202	36	4
Aged person or couple—lived with children <sup>2</sup> .....	234	41	17
Aged person or couple—lived with relatives other than children.....	66	12	6

<sup>1</sup> Number too small for computation of percents.  
<sup>2</sup> Includes any child of the beneficiary, regardless of age or eligibility to benefit. In a negligible number of instances, other relatives were in the family group.

The male primary beneficiary groups were about equally divided as between living alone and with others. Practically all the aged couples living alone were keeping house, about half in owned homes and half in rented ones. Among those living with others, larger proportions of the non-married men than of the married couples were not the heads of the household.

Owned homes were a resource for 45 percent of the men and 26 percent of the women primary beneficiaries. In this respect, the experience of the nonmarried men was similar to that of the women, while larger proportions of the married men were home owners, as shown by the tabulation at the top of the next page. Except for the

Beneficiary group	Percent with owned homes		
	Total	Without mortgage	With mortgage
Male primary beneficiary, total.....	45.4	26.4	19.0
Nonmarried.....	27.4	16.8	10.6
Married, wife entitled.....	54.0	33.0	20.1
Married, wife not entitled.....	40.6	27.0	19.6
Married, child entitled.....	57.1	23.8	33.3
Female primary beneficiary.....	26.4	17.0	9.4
Widow, child entitled.....	37.7	18.0	19.7

nonmarried men, few of whom lived alone in their homes, about the same proportion of beneficiaries owning homes lived alone as had relatives with them (table 4).

A majority of the children in the families of married beneficiaries were single sons or daughters, almost half of whom were under 30 years of age, while married children were most common in the families of the nonmarried men. Most of the adult children living with the beneficiaries were self-supporting, and many aided their parents. A number of younger single children who were the chief wage earners in their families found it difficult to carry the responsibility of partial support of their parents.

Family living, on the other hand, involved some male primary beneficiary groups in obligations and financial responsibility for the support of others; 8 percent lived with relatives who had no income, and a number of others lived with relatives whose

**Table 5.—Relationship of other household members: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by relationship<sup>2</sup> of other household members, three Southern cities**

Relationship <sup>2</sup> of other household members	Male primary beneficiary				Widow, child entitled
	Total	Non-married	Married, wife entitled	Married, wife not entitled	
Total.....	100.0	100.0	100.0	100.0	100.0
No other members of household.....	50.2	54.9	51.8	48.1	51.9
Married children, grandchildren and/or great grandchildren.....	12.8	19.4	12.9	10.4	4.4
Nonmarried children age 18 and over.....	18.0	7.1	22.3	19.3	20.7
Parents and grandparents.....	1.1	.....	.....	1.5	7.7
Brothers and sisters.....	2.7	4.4	2.2	2.6	3.8
All others.....	15.2	14.2	10.8	18.1	11.5

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions.

<sup>2</sup> Relationship to primary beneficiary or, in survivor claims, to deceased wage earner. Groups are mutually exclusive.

incomes were not adequate for self-support. Responsibility for the support of others was reported by approximately the same proportion of beneficiaries at all income levels. It was reported by both nonmarried and married men, but more commonly by the latter. A large number of the relatives supported by the beneficiaries were grandchildren, particularly among the Negro families.

A slightly larger proportion of the women primary beneficiaries than of the nonmarried men lived alone, and more of the women than of the men were keeping house instead of rooming and boarding. Women more generally prepared their own meals, often in rooms which permitted light housekeeping.

### *Income of the Beneficiary Group*

Information on the amount of income and its source was obtained for each individual family member regardless of membership in the beneficiary group. In analyzing the data, however, the income of the beneficiary group was kept distinct from that of "others in the family"; the two combined formed the total family income.

As defined in the survey, income included all earnings, net profits from self-employment, interest on and net yield from assets, payments from insurance policies, pensions, retirement pay, unemployment compensation, workmen's compensation, gifts from persons outside the household but not from those in the household, all relief received, cash from the sale of consumer's goods, and that part of inheritances used for current living. Whenever possible, a cash value was determined for gifts of goods or free rent and included as income, but no value was estimated for the garden, poultry, hogs, or dairy produce raised by

**Table 6.—Income of beneficiary groups, three Southern cities**

Type of beneficiary group	Number of beneficiary groups	Average income	
		Arithmetic mean	Median
Male primary beneficiary, total.....	504	\$885	\$551
Nonmarried.....	113	532	347
Married, wife entitled.....	139	980	689
Married, wife not entitled.....	270	988	621
Married, child entitled.....	42	803	677
Female primary beneficiary.....	63	578	350
Widow, child entitled.....	183	841	607

the beneficiaries. Such produce, and occasional gifts on which no value could be placed, were reported by about 40 percent of the beneficiaries in Atlanta, Birmingham, and Memphis. Similar noncash income was less frequently mentioned in the other cities surveyed.

The most striking characteristics of beneficiary group income, as shown in tables 6 and 8, are its wide range and the concentration of beneficiary groups—54 percent of the male and 70 percent of the female—in the income brackets of less than \$600 a year (\$50 a month) with resultant differences between arithmetic mean and median income. It should be noted further that a larger proportion of the single-member beneficiary groups—the nonmarried men and the female primary beneficiaries—than of the married male beneficiaries fell in the lower income levels.

On the average, only about 12 percent of the total income of male primary beneficiary groups was reported by wives or children. Forty-five percent of all male primary beneficiaries reported some income from earnings in employment during the year covered. Such amounts were so small for the large majority that the beneficiary may be considered to have retired. That was not the case, however, for most of the 12 percent of the men who earned an average of \$50 or more a month in employment. Their income formed 29 percent of all beneficiary group income. If their group income were excluded, the average income would be \$716 (or median income, \$478) for the 88 percent of male primary beneficiary groups in which the primary beneficiary reported no earnings or earnings of less than \$600.

*Old-age and survivors insurance benefits.*—Insurance benefits were the largest single source of beneficiary group income. Moreover, since they will be paid for the lifetime of most aged beneficiaries, they are also permanent in nature.

Of the \$389 average annual benefits received by married men with entitled wives, \$130 represented wife's benefits; of the \$430 average annual benefits received by married men with entitled children, \$177 was child's benefits.

Old-age benefits were the only income of 12 percent of all male primary beneficiaries. They were practically the only income of many more beneficiary groups, amounting to more than all the other income combined for 55 percent of all

male primary beneficiary groups and constituting the largest single income source for 61 percent.

While, for all male beneficiary groups, old-age benefits were, on the average, 33 percent of the total beneficiary group income, they formed 42 percent of the average income of the nonmarried men, 40 percent for married men with entitled wives, 25 percent for married men with nonentitled wives, and 50 percent for married men with entitled children.

The proportions that benefits formed of the total beneficiary group income at various levels were as follows:

Beneficiary group income	Male primary beneficiary	Widow, child entitled
All beneficiary groups.....	32.8	54.6
Less than \$300.....	85.4	90.4
300-599.....	69.0	85.5
600-899.....	42.7	72.8
900-1,499.....	27.3	44.6
1,500 or more.....	11.4	24.9

At all income levels, benefits, because of their permanency, were appreciated more than their amount seemed to justify. Often benefits were used to meet some fixed obligation, such as mortgage payments or taxes.

A 21-year-old son was the chief wage earner in the home of Mr. and Mrs. N. He was earning \$25 a week as a semiskilled machine-operator in a paper company and turning over all his wages to his mother for family use. Mr. N's benefit check of \$20.63, his only income, was practically all used to meet mortgage payments on the home. A weak heart had forced the beneficiary to retire at age 71. His wife, who was 50 years old, would not be entitled for 15 years. She kept a few chickens for family use and managed to finance the family on \$1,337, of which \$234 was paid on the mortgage. The interviewer described their 5-room bungalow as "neat and comfortably furnished." Since they had no assets except the \$1,135 equity in their home, they were concerned about how they would live if the son were drafted, not knowing at that time that soldiers' dependents would receive allowances from the Government.

*Income in addition to benefit.*—Most beneficiary groups, as has been noted, reported income from some source other than benefits. Comparison of total beneficiary group income with the amount of benefit has indicated that many beneficiaries received only small amounts of additional income. For 45 percent, all other income did not equal

the amount of benefit received. Half the male primary beneficiary groups reported less than \$220 additional income. Twenty-six percent of the men had from \$1 to \$150, and 30 percent had \$600 or more yearly income from other sources, as is shown by the following distribution:

Income in addition to benefit	Male primary beneficiary	Widow, child entitled
All beneficiary groups.....	100.0	100.0
None.....	11.7	18.0
Less than \$150.....	26.4	29.5
150-299.....	17.9	12.6
300-599.....	14.6	18.9
600-899.....	11.2	11.5
900 or more.....	18.3	11.5

<sup>1</sup> This figure is slightly different from the one given in table 8, because groups with minus income in addition to insurance benefits are included.

The varied nature of the sources of income for aged men is particularly interesting. It is influenced by the fact that the group included persons who were working, as well as others who were retired or unemployed. The sources from which income was received and the percent of male beneficiary groups reporting income from each source were as follows:

**Reasonably permanent sources:**

Insurance benefit.....	96.6
Retirement pay.....	13.7
Veteran's pension.....	2.7
Annuity.....	2.8
Income from assets.....	31.4

**Probably temporary sources:**

Earnings from covered employment.....	21.5
Earnings from noncovered employment.....	43.1
Unemployment compensation.....	17.7
Private insurance benefits <sup>1</sup> .....	2.1
Other income.....	1.6

**Private and public supplement:**

Gift from person not in household.....	13.7
WPA, NYA, CCC wages.....	1.2
Relief payments.....	4.4

<sup>1</sup> Includes private insurance payments for accident, death, illness, or unemployment; and workmen's compensation.

The two classifications, "reasonably permanent" and "probably temporary," distinguished between the sources that will continue to yield income for the recipient's lifetime and those that ordinarily would not. Income from only one source, other than benefits, was reported by 38 percent of the

male beneficiary groups, and from only two sources by practically the same percent.

Most of the public supplementation noted was work relief or allowances for food and cotton stamps, although a few beneficiary groups were receiving old-age assistance or general relief. In Birmingham and Jefferson County, the average old-age assistance payment per case, during the survey year, was about equal to the \$10 minimum old-age and survivors insurance benefit; in Memphis and Atlanta, it was less than \$14. It is obvious, therefore, that few persons who were receiving benefits would also receive public relief.

The amount of income received from each source cannot be considered in the scope of this article, but it is indicated for the four groupings of sources in table 8. The entire income of more than one-fourth of the male beneficiary groups was permanent in nature; one-fourth more had some per-

**Table 7.—Family insurance benefit: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by monthly amounts awarded and average benefit awarded and received, three Southern cities**

Type of beneficiary group and monthly family insurance benefit awarded	Percentage distribution	Average (mean) family insurance benefit		
		Awarded monthly	Received <sup>1</sup>	
			Monthly	Yearly
<b>Male primary beneficiary,<sup>1</sup> total..</b>	<b>100.0</b>	<b>\$25.92</b>	<b>\$24.17</b>	<b>\$290</b>
\$10.00-19.99.....	28.2			
20.00-29.99.....	41.5			
30.00-39.99.....	22.5			
40.00-62.40.....	9.8			
<b>Nonmarried, total.....</b>	<b>100.0</b>	<b>\$20.20</b>	<b>\$18.67</b>	<b>\$224</b>
\$10.00-19.99.....	42.5			
20.00-29.99.....	48.7			
30.00-39.99.....	6.1			
40.00-41.60.....	2.7			
<b>Married, wife entitled, total.....</b>	<b>100.0</b>	<b>\$33.87</b>	<b>\$32.42</b>	<b>\$389</b>
\$10.00-19.99.....	10.1			
20.00-29.99.....	14.4			
30.00-39.99.....	55.4			
40.00-62.40.....	20.1			
<b>Married, wife not entitled, total.....</b>	<b>100.0</b>	<b>\$22.35</b>	<b>\$20.42</b>	<b>\$245</b>
\$10.00-19.99.....	31.8			
20.00-29.99.....	67.0			
30.00-39.99.....	8.5			
40.00-41.60.....	3.0			
<b>Widow, child entitled, total.....</b>	<b>100.0</b>	<b>\$40.00</b>	<b>\$38.33</b>	<b>\$460</b>
\$10.00-29.99.....	25.1			
30.00-39.99.....	26.2			
40.00-49.99.....	26.8			
50.00-83.20.....	21.9			

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small to be presented in detail. A average annual insurance benefit received by these groups was \$430 for former and \$202 for latter.

<sup>2</sup> Amount of insurance benefit received in survey year is not necessarily 12 times the monthly benefit awarded, because of benefit suspensions.



manent income other than benefits; and nearly one-half had only temporary and/or supplemental income in addition to benefits. Of the 27 percent whose income was entirely from permanent sources, two-thirds had less than \$600 total annual income. Three-fifths of those whose additional income was derived entirely from temporary and/or supplemental sources had total incomes of less than \$600.

**Table 8.—Sources of income: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by annual income during survey year and by source<sup>2</sup> of income, three Southern cities**

Type of beneficiary group and annual income during survey year	Total	Insurance benefit only	Additional income from —		
			Perman-ent source only	Perman-ent and temporary and/or supplementary sources	Tempo-rary and/or supplementary sources only
<b>Male primary beneficiary, total.....</b>	<b>100.0</b>	<b>11.2</b>	<b>16.0</b>	<b>24.8</b>	<b>48.0</b>
Less than \$300.....	19.1	7.1	1.4	.5	10.1
300-599.....	35.0	4.1	5.1	5.7	20.1
600-899.....	18.1	.....	2.0	6.2	9.0
900-1,199.....	10.3	.....	1.0	3.5	4.9
1,200-1,499.....	4.9	.....	1.2	2.5	1.2
1,500 or more.....	12.6	.....	3.5	6.4	2.7
<b>Nonmarried, total.....</b>	<b>100.0</b>	<b>15.9</b>	<b>9.7</b>	<b>23.0</b>	<b>51.4</b>
Less than \$300.....	40.8	14.2	2.7	.....	23.9
300-599.....	38.8	1.7	3.5	10.6	23.0
600-899.....	5.3	.....	.9	3.5	.9
900-1,199.....	7.1	.....	.9	3.5	2.7
1,200-1,499.....	.9	.....	.....	.9	.....
1,500 or more.....	7.1	.....	1.7	4.5	.9
<b>Married, wife entitled, total.....</b>	<b>100.0</b>	<b>9.5</b>	<b>28.7</b>	<b>21.5</b>	<b>40.3</b>
Less than \$300.....	7.9	2.2	.6	.6	4.5
300-599.....	40.3	7.3	10.0	3.6	19.4
600-899.....	23.1	.....	7.3	7.9	7.9
900-1,199.....	11.5	.....	2.9	2.9	5.7
1,200-1,499.....	5.7	.....	2.2	2.9	.6
1,500 or more.....	11.5	.....	5.7	3.6	2.2
<b>Married, wife not entitled, total.....</b>	<b>100.0</b>	<b>9.6</b>	<b>12.6</b>	<b>28.5</b>	<b>49.3</b>
Less than \$300.....	18.5	7.4	1.5	.7	8.9
300-599.....	29.6	2.2	3.3	5.6	18.5
600-899.....	18.5	.....	1.5	6.7	10.3
900-1,199.....	11.5	.....	1.5	4.4	5.6
1,200-1,499.....	6.7	.....	1.5	3.3	1.9
1,500 or more.....	15.2	.....	3.3	7.8	4.1
<b>Widow, child entitled, total.....</b>	<b>100.0</b>	<b>18.0</b>	<b>9.3</b>	<b>31.7</b>	<b>41.0</b>
Less than \$300.....	4.4	2.7	.....	.6	1.1
300-599.....	35.5	10.9	4.8	4.4	15.4
600-899.....	29.2	4.4	3.3	7.6	10.9
900-1,199.....	18.0	.....	.6	8.7	8.7
1,200-1,499.....	6.0	.....	.....	3.8	2.2
1,500 or more.....	9.9	.....	.6	6.6	2.7

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions.

<sup>2</sup> Sources of additional income are classified as follows: Permanent—retirement pay, private annuity payments, veterans' pensions, income from assets; temporary—earnings in employment, unemployment compensation, private insurance benefit (such as sickness, accident, death, unemployment, workmen's compensation), and miscellaneous; supplementary—relief payments, earnings under WPA, NYA, and CCC programs, and gifts from relative or friend outside household.

The 54 percent of male primary beneficiary groups who had incomes of less than \$600, a major part of which came from insurance benefit, are among those whose additional income was less than \$300, and, although some income from other reasonably permanent sources was received, the larger part of their additional income was temporary or supplemental.

#### Assets Used for Current Living

Fourteen percent of the male primary beneficiary groups drew on assets to supplement the group income. The assets used by male beneficiaries amounted to 4 percent of the total of income and savings expended. Only about half as many beneficiaries drew on assets in Atlanta, Birmingham, and Memphis as in other cities surveyed, though the average amount used by the persons reporting such withdrawals was approximately the same. Beneficiaries at all income levels used assets; of those who did so, the proportion was greater for those who lived alone or had relatives to support than for the total group of primary beneficiaries. Illness sometimes made it necessary to dip into savings, but efforts to maintain established living arrangements and standards of living were also causes.

After a lifetime of saving, it was difficult for some individuals to watch their emergency reserve dwindle and disappear. This was true of Mr. and Mrs. M, who were living modestly in a home that they owned in a working section of Birmingham.

Mr. M, aged 70, had lost his job as superintendent of a small manufacturing plant after 20 years of service. The company changed hands and the new managers had retained him just long enough to enable him to qualify for old-age insurance. Mr. M was frail and could only do odd jobs around the house and yard. To increase their income, he and Mrs. M had taken one roomer into their home as soon as he lost his job, and were planning to take another. Nevertheless, their income of \$815 (\$336 of which came from benefit) was inadequate for their needs, and they were supplementing it by using about \$40 a month from their \$8,000 savings account. Since Mrs. M, who had never worked away from home, was only 52 years of age, Mr. M's chief worry was for her future. Especially on her account he dreaded having his savings decrease.

Some of the beneficiaries living with relatives felt less concern about the future.

Mr. F had lived with a married daughter, her husband, and three children for more than 3 years. As

soon as he was old enough to receive benefits, he quit his job as a clerk in a retail grocery store because of pain in his feet. His monthly benefit check was \$23.71, while his former wages had averaged \$78 monthly. During the survey year, he had worked at the store on Saturdays, earning around \$12 a month. The beneficiary seemed happy in his daughter's home, which was described by the interviewer as especially pleasant. He paid his daughter \$6 a week, an amount slightly larger than his benefit check, and in return received his board and room and part of his clothing. During the year surveyed, the beneficiary had used \$100 of a \$200 savings account that was his sole asset. At this rate, his own resources would soon be exhausted, and he would become more dependent on his daughter's family. The son-in-law, who was the only other wage earner, received \$2,156 during the year in railroad employment. Of the total family income of \$2,579, the beneficiary reported \$423.

### Family Income

The family income of the beneficiaries is shown in table 9. A comparison of the average number of persons in the beneficiary group (1 for non-married men, 2 for married men with wives but no children, 4 for married men with child entitled, and 3 for widows and children) with the number of persons in the family indicates the average number of persons in the family in addition to the beneficiary group. In general, the average family was small—usually 2 or 3 people.

Seventy-four percent of the male beneficiary families with incomes under \$600 were composed of the beneficiary group alone, 37 percent of them

being nonmarried men. As family income increased, the percent of families composed entirely of the beneficiary group decreased. When beneficiary group income and family income are compared, one finds that 54 percent of all male primary beneficiary groups had incomes of less than \$600 but that the family income for 32 percent of them was at this level. For the other 22 percent, the income of others in the family had increased family income to more than \$600. At the other extreme, while only 10 percent of the beneficiary groups had incomes of \$1,800 or more, 29 percent of them lived in families whose total income was \$1,800 or more.

An examination of the income of others in the family shows that 97 percent of it came from earnings—78 percent from covered and 19 percent from noncovered employment.

Other factors than the income of the beneficiary group appeared to have more weight in determining the proportion living alone or with others, although relatively fewer married beneficiaries with incomes of less than \$600, and relatively more of those with \$1,200 or more, lived alone.<sup>4</sup>

*Aged person living alone.*—It will be recalled that one-tenth of the male and one-half of the female primary beneficiaries were aged persons living alone. The distribution of these 60 men

<sup>4</sup> In the following sections, a beneficiary group that lived with others any part of the survey year is classified as "living with others." The data therefore differ slightly from the living arrangements at the end of the survey year, as shown in tables 4 and 5.

Table 9.—Family income and size of family: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by family income, median income of each group, and average size of family by family income, three Southern cities

Family income group	Percentage distribution by family income					Average size of family <sup>2</sup>				
	Male primary beneficiary				Widow, child entitled	Male primary beneficiary				Widow, child entitled
	Total	Non-married	Married, wife entitled	Married, wife not entitled		Total	Non-married	Married, wife entitled	Married, wife not entitled	
Total.....	100.0	100.0	100.0	100.0	100.0	3.0	2.1	3.0	3.1	4.1
Less than \$600.....	32.1	52.1	27.3	27.4	23.0	2.2	1.4	2.2	2.0	3.7
\$600-1,199.....	23.0	13.3	24.4	24.4	32.3	2.8	2.3	2.4	2.0	3.7
1,200-1,799.....	16.0	9.7	14.4	10.3	21.3	3.4	3.1	3.1	3.3	4.5
1,800-2,399.....	12.4	14.2	10.8	13.0	13.1	3.6	3.1	3.8	3.6	4.3
2,400-2,999.....	6.0	8.0	0.4	4.8	3.8	4.3	( <sup>3</sup> )	4.4	3.0	( <sup>3</sup> )
3,000-3,999.....	5.3	1.8	5.8	7.0	3.8	3.0	( <sup>3</sup> )	( <sup>3</sup> )	3.8	( <sup>3</sup> )
4,000 or more.....	4.3	.9	7.9	4.1	2.7	3.8	( <sup>3</sup> )	4.1	3.4	( <sup>3</sup> )
Median income.....	\$1,029	\$609	\$1,125	\$1,100	\$1,054					

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions. Median income for married men, with child entitled, was \$915; for female primary beneficiaries, \$858; average size of family, 5.4 and 2.1, respectively.

<sup>2</sup> Average number of persons in family 52 weeks.  
<sup>3</sup> Not computed on base of less than 10.

and 29 women by annual income was:

Annual income	Total	Aged man	Aged woman
Total.....	89	60	29
Less than \$300.....	36	28	8
300-599.....	30	21	9
600-899.....	9	3	6
900-1,199.....	5	4	1
1,200-1,499.....	3	3	0
1,500 or more.....	6	4	2

Eleven white men and 17 Negroes composed the group of aged men living alone on incomes of less than \$300. They were younger than the average age of all nonmarried men, and most of them had been irregularly employed; their average monthly wage was only \$34.59, while the average for all nonmarried men was \$67.37. Only 5 felt able to work when interviewed; 16 reported some earnings during the year, although no benefits had been suspended. All but 8 had small amounts of income in addition to benefits; old-age and survivors insurance benefits, averaging \$171, provided 79 percent of their total income. None had received any public or private aid, and only 5 reported gifts from relatives or friends, none of which averaged as much as \$10 a month. Sixteen reported that they had lived in the same place for 2 years or more. Occasional meals from the "landlady" or friends, clothing, free medical care from former employers, and garden, poultry, and dairy produce were among the types of noncash income they received.

A great many different living arrangements that in some way supplemented cash income explain how most of the men "got along" on less than \$50 a month. Mr. R's situation illustrates this point:

Formerly a watchman for a coal company, he stopped working and filed for benefits when he was 75 years of age. His average monthly wage of \$58.88 yielded him benefits of \$21.31 monthly, which was his only income except 75 cents interest on a savings account. For 15 years he had lived alone in a shack on the property of his former employer, for which he had never paid rent. He had always done odd jobs around the property, considering himself well paid for them through special meals and many courtesies from the family.

At the opposite extreme there were 4 nonmarried men living alone on incomes ranging from \$2,199 to \$2,806. Three of them earned most of their income; the fourth received retirement pay (\$864), private annuity insurance payments (\$1,186),

and \$18 income from other assets, in addition to \$475 in old-age benefits. One was a professional man, the others were skilled laborers.

Fewer of the women living alone than of the men were concentrated at the lower income levels. Although 8 of the 29 had incomes of less than \$300, there were 5 with incomes from \$1,251 to \$2,196.

*Aged couples living alone.*—More than one-third of all the male primary beneficiary groups, and 3 of the female, were aged couples living alone. Their distribution by income group was:

Income group	Number	Percent
Total.....	193	100.0
Less than \$300.....	22	11.4
300-599.....	57	29.5
600-899.....	43	22.3
900-1,199.....	23	11.9
1,200-1,499.....	14	7.3
1,500-1,999.....	13	6.7
2,000-2,999.....	12	6.2
3,000-3,999.....	6	3.1
4,000 or more.....	3	1.6

<sup>1</sup> Excludes 13 couples who lived alone at the end of the survey year, but lived with relatives part of the year.

The 22 couples whose incomes were less than \$300 had few additional resources; only 5 owned their homes and 2 used assets that increased their total cash to \$573 and \$996, respectively. They were living at a poverty level, several renting one or two rooms for \$5 or \$6 a month. Gifts of fuel, food, clothing, free medical care, or garden produce were mentioned as noncash income by practically every family. Many of them had sought assistance, but only 2 received small amounts of public aid and 2 others received some cash from their churches. Since 16 were men with nonentitled wives, the family income will be increased when the wives become entitled to wife's benefits at age 65, but in general this will not occur for 8 years. Often the interviewer quoted the beneficiary as saying that they "missed a meal now and then," or, "when we don't have money, we don't eat."

Home ownership was an additional resource for nearly half of the modal group of 57 couples whose incomes were \$300-599. Assets were used by 9, increasing incomes by \$60-450. Slightly more than half of the 114 couples whose incomes were \$600 or more owned their homes; nearly all the rest were living in rented ones. Proportionately more of the couples with incomes of \$600 or more used assets for living expenses than did those with incomes of less than \$600. Six couples had in-

**Table 10.—Net worth: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by net worth, and median net worth, three Southern cities**

Net worth	Male primary beneficiary				Widow, child entitled
	Total	Non-married	Married, wife entitled	Married, wife not entitled	
Total number.....	1 564	113	139	270	183
Total percent.....	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets	12.4	5.3	7.2	16.7	24.0
No assets or liabilities <sup>2</sup>	29.4	52.2	22.3	25.2	17.5
Assets exceed liabilities by:					
Less than \$1,000.....	19.7	17.7	18.7	19.3	20.8
1,000-4,999.....	27.1	21.2	32.3	27.4	25.1
5,000-9,999.....	7.1	1.8	13.7	6.2	10.4
10,000 or more.....	4.3	1.8	5.8	5.2	1.6
Median net worth.....	\$500	0	\$1,104	\$353	\$287

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions. Median net worth of these groups was \$314 and \$440, respectively. <sup>2</sup> 42 married male primary beneficiaries, with child entitled, are included in male primary beneficiary total.

<sup>3</sup> Includes beneficiary groups whose assets and liabilities balance, and those who had no assets or liabilities.

comes ranging from \$2,216 to \$6,179, derived entirely from permanent sources. Three of them received maximum benefits of \$61.20 monthly.

*Aged persons or couples living with others.*—More than half of the male primary and nearly half of the female primary beneficiary groups lived in families in which there were persons other than the beneficiaries. These aged persons enjoyed the advantages of group living, many of which are noneconomic in character but of great value, especially to older persons. Among these are companionship, care during illness, help in daily housekeeping, and special assistance in meeting emergencies. On the other hand, independence and privacy were undoubtedly sacrificed by some of the aged couples.

There was very little difference in the family income levels of families in which there were single aged men or women and those with aged couples, as is shown by the following figures:

Family income	Aged person living with others		Aged couple living with others	
	Number	Percent	Number	Percent
Total.....	73	100.0	223	100.0
Less than \$600.....	13	17.8	33	14.8
600-1,199.....	10	13.7	36	16.1
1,200-1,799.....	14	19.2	51	22.8
1,800-2,399.....	15	20.6	37	16.6
2,400-2,999.....	9	12.3	24	10.8
3,000-3,999.....	9	12.3	22	9.9
4,000 or more.....	3	4.1	20	9.0

The income of both the aged persons and the aged couples formed large proportions of the total family income at levels below \$1,200; above that amount, the income of others in the family was relatively more important. At all family income levels, some beneficiaries also owned the home in which the family lived.

Family income	Families in which aged man or woman lived with others		Families in which aged couple lived with others			
	Average number of persons per family	Percent of family income from beneficiary group		Average number of persons per family	Percent of family income from beneficiary group	
		Total beneficiary group income	Insurance benefit only		Total beneficiary group income	Insurance benefit only
Total.....	3.4	26.2	12.7	3.9	44.3	13.4
Less than \$600.....	3.2	68.7	47.0	3.6	87.8	64.2
600-1,199.....	3.2	41.2	25.3	3.5	61.0	30.7
1,200-1,799.....	3.1	25.3	16.9	3.8	37.8	18.9
1,800-2,399.....	3.3	31.8	11.2	4.2	38.4	13.0
2,400-2,999.....	3.8	23.7	10.9	4.4	35.3	10.8
3,000-3,999.....	3.8	13.7	7.2	4.4	32.5	7.9
4,000 or more.....	3.4	20.9	3.1	4.1	64.3	5.8

<sup>1</sup> The beneficiary group income includes old-age and survivors insurance benefits.

More than 60 percent of the aged persons or couples living with others lived with persons whose per capita incomes were larger than the per capita incomes of the beneficiary group.

*Aged couple and entitled children.*—Fifteen of the 42 beneficiary groups composed of an aged couple and one or more child beneficiaries lived alone; 6 had incomes of \$300-599, 5 incomes of \$600-899, and the remaining 4 had higher incomes. Of the 6 owning homes, 5 had mortgages. In 27 families there were others beside the beneficiary group, the father being the head of the household in all but 2 instances and owning the home in 18 cases. Family income was less than \$600 in 4 families, \$600-1,199 in 9 families, \$1,200-1,799 in 6, and \$1,800 or more in 8 families. The beneficiary group reported all or more than half the income in 15 families.

### Net Worth and Life Insurance

Equity in owned homes accounted for a large part of the assets held by the beneficiaries (table 10). Cash and savings accounts, the majority of which amounted to less than \$1,000, were another fairly common resource. Stocks, bonds, business property, and other investments were reported by the small number of beneficiaries worth \$5,000 or

**Table 11.—Life insurance: Percentage distribution of specified types of beneficiary groups<sup>1</sup> by face value of life insurance policies held, and median face value of policies held by each group, three Southern cities**

Face value of policies <sup>2</sup>	Male primary beneficiary				Widow, child entitled
	Total	Non-married	Married, wife entitled	Married, wife not entitled	
Total number.....	1 584	113	139	270	185
Total percent.....	100.0	100.0	100.0	100.0	100.0
No policy.....	15.2	24.8	14.4	12.6	6.0
Policies:					
Less than \$1,000.....	50.6	58.4	48.9	47.5	55.2
1,000-1,999.....	16.3	4.4	22.3	17.0	23.0
2,000-2,999.....	5.5	7.1	3.6	5.9	9.8
3,000 or more.....	12.4	5.3	10.8	17.0	6.0
Median face value <sup>3</sup> .....	\$550	\$250	\$600	\$625	\$750

<sup>1</sup> The groups of married male primary beneficiaries, with child entitled, and of female primary beneficiaries were too small for computation of percentage distributions. Median face value for these groups was \$693 and \$300, respectively. 42 married male primary beneficiaries, with child entitled, are included in male primary beneficiary total.

<sup>2</sup> Face value in most burial insurance policies included was a service, not cash value.

<sup>3</sup> Based on total number of beneficiary groups for whom information on life insurance was obtained.

more. One-third of the male beneficiary groups reported debts other than mortgages on their homes. Twelve percent had debts that exceeded their assets; most of these were beneficiary groups without assets but with debts of less than \$100.

Life insurance policies were not included in net worth; their face value is shown in table 11 as an additional resource. The great majority of beneficiaries carried policies on some member of the beneficiary group, a large number of them burial policies with little or no cash value. Such policies were common in Birmingham and Memphis but prohibited by law in Georgia.

### Relationship Between Family Insurance Benefit and Resources of Beneficiaries

Old-age and survivors insurance benefits are based on the average monthly wage, but the benefit formula is heavily weighted for the lower wage levels, on the assumption that persons whose average monthly wages were larger would be more able to make some provision for their own old age. Among the beneficiaries studied, there was a decided correlation between the amount of benefit awarded and the resources of the beneficiary group. As is shown in tables 12 and 13, there was a tendency for the income and assets of beneficiaries at the lower benefit levels to be less than those of

beneficiaries in the higher brackets. In this respect, the situation was similar to that found in other cities.

### Summary of Resources of Male Primary Beneficiaries

As in other cities surveyed, there was a wide variation in the resources of the beneficiaries in Atlanta, Birmingham, and Memphis. Being a cross section of the beneficiaries of the old-age and survivors insurance program—from unskilled laborers to professional workers—they naturally differed in their standards or mode of living and in the amount of their resources. The single experience common to the majority was reduced income because recently employed wage earners were no longer in covered employment. Old-age benefits, which averaged \$25.92 monthly for male primary beneficiaries, were a relatively small proportion of their previous monthly wages, which averaged \$77.23. Seventy percent of the male primary beneficiary groups had less monthly income than the primary beneficiary's average monthly wage before entitlement.

**Table 12.—Income and net worth: Percentage distribution of male primary beneficiaries<sup>1</sup> by total income of the beneficiary group and distribution by net worth, by amount of family insurance benefit; and median income and median net worth by amount of family insurance benefit, three Southern cities**

Type, income, and net worth of beneficiary group	Family insurance benefit				
	Total	\$10.00-19.99	\$20.00-29.99	\$30.00-39.99	\$40.00 or more
<i>Income</i>					
Male primary beneficiary:					
Total number.....	564	148	234	127	55
Median income.....	\$551	\$303	\$510	\$589	\$280
Total percent.....	100.0	100.0	100.0	100.0	100.0
Less than \$300.....	19.1	47.3	15.8	.8	.....
300-599.....	35.0	28.4	40.2	42.5	12.8
600-899.....	18.1	13.5	17.5	18.1	32.8
900 or more.....	27.8	10.8	20.5	38.6	54.4
<i>Net worth</i>					
Male primary beneficiary:					
Total number.....	564	148	234	127	55
Median net worth.....	\$507	0	\$451	\$1,000	\$2,509
Total percent.....	100.0	100.0	100.0	100.0	100.0
Liabilities exceed assets.....	12.4	14.9	12.0	13.4	5.5
No assets or liabilities <sup>2</sup> .....	29.4	52.0	26.5	17.3	9.1
Assets exceed liabilities by:					
Less than \$1,000.....	19.7	15.5	22.6	18.9	20.0
1,000-4,999.....	27.1	14.9	31.0	32.3	29.1
5,000-9,999.....	7.1	2.0	4.3	11.8	21.8
10,000 or more.....	4.3	.7	3.0	6.3	14.5

<sup>1</sup> The group of female primary beneficiaries was too small for computation of percentage distributions.

<sup>2</sup> Includes beneficiary groups whose assets and liabilities balance, and those who had no assets or liabilities.

Forty-one percent of the nonmarried men reported incomes of less than \$300, and 48 percent of the two large groups of married men shown in table 8, incomes of less than \$600. By contrast, 18 percent of the male beneficiary groups reported incomes of \$100 or more a month, and 7 percent incomes of \$75 or more, entirely derived from sources that will normally continue to yield such income during the lifetime of the beneficiary. Other resources than income were also reported. Among these the most important were that the beneficiaries lived with relatives whose income supplemented that of the beneficiary group; and ownership of homes, other property, and assets.

Relatively few of the beneficiaries had made changes in their living arrangements during the 1 to 2 years that had elapsed since they became entitled to benefit. Most of them were endeavoring to maintain their customary manner of living, and many were bewildered about how they could continue to do so. Generally speaking, however, as the beneficiaries become older, are less able to work, and have decreased their savings, the situations of many will become increasingly insecure. They must find other resources or make further adjustments. Old-age and survivors insurance benefits will be increased 50 percent for almost half of the male beneficiary families when the wives become eligible for wife's benefits, which on the average will occur in 8 years.

#### *Comparison of Three Southern Cities and Other Cities Surveyed*

The amounts of the insurance benefits, which are based on earnings in covered employment, naturally differ somewhat from city to city with changes in wage levels, industry, employment opportunities, and the type of wage earners who become beneficiaries. This was the case in each of the three Southern cities surveyed, as well as for all three cities combined, as compared with those surveyed in other parts of the country. As wage earners, the male primary beneficiaries had earned lower average monthly wages in the three Southern cities (\$77.23) than in Philadelphia and Baltimore (\$87.48), St. Louis (\$90.10), or Los Angeles (\$89.41). They also were awarded lower average monthly benefits—\$25.92 in the three Southern cities, \$27.65 in Philadelphia and Baltimore, \$28.09 in St. Louis, and \$27.20 in Los Angeles.

**Table 13.—Assets used to meet living expenses: Percent of beneficiary groups<sup>1</sup> using assets to meet living expenses and average annual amount of assets used, by amount of family insurance benefit, three Southern cities**

Type of beneficiary group and family insurance benefit	Percent of beneficiary groups using assets	Average annual amount of assets used per beneficiary group
Male primary beneficiary, total.....	13.5	\$41
\$10.00-19.99.....	0.5	23
20.00-29.99.....	12.0	39
30.00-39.99.....	16.5	46
40.00 or more.....	23.6	127
Widow, child entitled.....	31.1	96

<sup>1</sup> The group of female primary beneficiaries was too small for computation of percentage distributions. Assets were used by 13.2 percent; the average annual amount per beneficiary group was \$43.

It should be borne in mind, however, that the relationship between the average monthly wage and the family benefit awarded is not direct or completely comparable from city to city. It is influenced by certain factors, one of which is the proportion of male primary beneficiaries whose wives or children were entitled to benefit; these proportions were 35 percent in Philadelphia and Baltimore combined, 37 percent in St. Louis, 31 percent in Los Angeles, and 32 percent in the three Southern cities. A second factor is the proportion of male primary beneficiaries who were nonmarried—wage earners whose average monthly wages were lower than those of married men in each city; nonmarried men were only 20 percent of all male primary beneficiaries in the three Southern cities, but they were 27-30 percent in the other cities surveyed.

Other income in addition to benefit was also less in the Southern cities, with consequent lower median beneficiary group income; for male primary beneficiary groups the median was \$551 in the Southern cities, \$599 in Philadelphia and Baltimore, \$610 in St. Louis, and \$814 in Los Angeles. Finally, the median family income was less—\$1,029 in the Southern cities as compared with \$1,088-1,302 in the others.

Possibly as a result of the lower benefits and smaller amounts of other income, a larger percentage of the Southern male beneficiaries were employed—46 percent in contrast to 38 percent in Los Angeles, the city with the next highest percentage employed. This was true in spite of the fact that the Los Angeles survey was completed 3 months later, when employment opportunities were even more favorable.

Differences more difficult to evaluate also existed. To a certain extent these differences were due to the fact that each Southern city was smaller than the others surveyed. They were also due to Southern community conditions and employer attitudes and policies that affected the type of housing, the standard of relief payments, racial employment opportunities, and the treatment of retired aged persons.

#### ***Survivor Beneficiaries—Widow and Entitled Child***

The 183 widow and entitled child beneficiary groups included in the survey constituted 52 percent of those in the universe from which the sample was drawn. Sixty-seven (37 percent) were Negro families and 116 white families. Sixty-five lived in Atlanta, 82 in Birmingham, and 36 in Memphis. At their deaths, the fathers had ranged in age from under 30 to over 65 years, and 42 percent had been 40-49 years of age. The loss of the chief wage earner in the family, often when he was in the age group with the highest earning capacity, was a financial as well as personal calamity. The widows facing this situation ranged in age from under 20 to over 60 years; 59 percent were aged 30-44. On the average, they had slightly more than 2 children under 18 years of age. The widow and 1 child formed the beneficiary group in 70 families, the widow and 2 children in 63, and the widow and 3 or more children in 50.

Ninety percent of the widows were the heads of their own households, which for 52 percent were composed of the beneficiary group alone. Most of the relatives living with the widow were single children over 18 years of age. One-half of the beneficiary groups had annual incomes of less

than \$667. The median old-age and survivors insurance benefit was \$455 a year. Benefits formed 55 percent of the beneficiary group income. This percentage, naturally, varied for different income levels; benefits constituted 75-90 percent of the total beneficiary group income at income levels of less than \$900 and only 25 percent of the income of those with \$1,500 or more. Eighteen percent of the widows and children had no income other than benefits. The income, in addition to benefits, of 41 percent was entirely derived from earnings, unemployment compensation, private insurance benefits, and supplemental sources; most of it came from the widow's earnings. Nearly one-fourth of the widows and their children lived in families with annual incomes of less than \$600 for an average of 3.7 persons. Earnings of single children over 18 years of age were the chief source of income of the non-beneficiary group relatives in the family.

Thirty-one percent of the widow and child beneficiaries used assets for current living, a large part of which were insurance payments received at the death of the wage earner. The widows' median net worth was less, and the proportion of widows in debt larger, than in any other type of beneficiary group. More than half the widows were in family groups with less total annual income than the taxed wages of their deceased husbands in the year preceding the quarter of death. The reduction in standards of living suffered by these families since the wage earner's death was considerable. To meet this condition, some widows and children started to work, a few moved into larger family units, and others moved to less expensive homes or apartments. All were grateful for their survivor benefits; many commented, "I could not have kept my family together without our benefits."