

Notes and Brief Reports

Old-Age Insurance Benefits, 1952

Benefits Awarded

During 1952, old-age benefits were awarded to 531,000 persons, a decline of 24 percent from the record high established a year earlier. The 1952 figure was, however, almost equal to the number of old-age benefits awarded during 1940-44—the first 5 years that awards were made. The benefits for about 58 percent of these persons were “conversion table” benefits; that is, they were based on earnings after 1936 and computed under the old benefit formula, and were increased by use of the conversion table set forth in the 1950 or the 1952 amendments to the Social Security Act. The benefits for the remaining 42 percent of the persons were “new-start formula” benefits—based on earnings after 1950 and the new benefit formula (table 2).

The benefit amounts for almost all the 203,000 old-age benefits awarded during 1952 under the provisions of the 1950 amendments were determined by use of the conversion table (table 1). Slightly more than half of them were awarded to “1939 eligibles”—persons who met the insured-status requirements contained in the 1939 legislation. The remaining 92,000 benefits were awarded to “new eligibles”—persons who qualified for old-age benefits as a result of the liberalized insured-status provisions in the 1950 amendments. Of the 328,000 old-age benefits awarded in 1952 under the 1952 amendments, about two-thirds had the benefit amount computed under the new-start formula. Six quarters of coverage after 1950 are necessary for a worker to have his benefit computed under the new-start formula.

Almost one-third of all awards were made to persons aged 65 in 1952, and about 12 percent were made to persons aged 75 or over. In instances where the conversion table was used, only 7 percent of the beneficiaries were aged 75 or over; where the new-start formula was used, about 18 percent were in this age range. Many older persons qualified for benefits

because of the extension of coverage in the 1950 amendments; most of these persons obtained the 6 quarters of coverage needed for insured status after 1950 and thus qualified for benefits computed under the new-start formula.

For all persons awarded old-age benefits, regardless of the computation method, the average ages at time of award were 68.6 for men, a decrease of six-tenths of a year from the corresponding figure in 1951, and 68.2 for women, the same average age as in 1951. For persons whose bene-

fits were computed by means of the conversion table, the average ages were 67.7 for men and 67.0 for women. For those whose benefits were determined under the new-start formula, however, the average ages were 69.8 for men and 70.0 for women. The older average ages for this group resulted partly from the relatively large number of awards to persons aged 75 or over who had become insured as a result of the coverage extension provided by the 1950 amendments. Moreover, experience has shown that the proportion of awards at age 65 is higher than at any other age. Doubtless a large number of the awards went to persons who had been out of

Table 1.—Number and average monthly amount of old-age benefits awarded in 1952 under the 1950 and the 1952 amendments, by eligibility status of beneficiary or computation method, and by age and sex of beneficiary

[Based partly on 10-percent sample]

Age ¹	Total		Male		Female	
	Number	Average monthly amount	Number	Average monthly amount	Number	Average monthly amount
Under 1950 amendments						
Total ²	203,107	\$39.65	148,430	\$42.81	54,677	\$31.09
65-69.....	153,234	40.27	108,761	44.09	44,473	30.93
70-74.....	33,862	38.11	26,367	39.98	7,495	31.49
75-79.....	13,020	38.12	10,759	39.25	2,261	32.84
80 and over.....	3,001	32.44	2,543	32.63	458	31.40
1939 eligibles.....	109,153	51.14	88,150	52.92	21,003	43.68
65-69.....	78,338	53.07	62,645	55.17	15,693	44.69
70-74.....	18,624	50.38	15,222	52.01	3,402	43.09
75-79.....	9,508	42.41	8,001	43.81	1,507	37.06
80 and over.....	2,683	31.03	2,282	30.90	401	31.79
New eligibles.....	91,825	25.92	58,728	27.50	33,097	23.13
65-69.....	74,095	26.70	45,530	28.78	28,565	23.38
70-74.....	14,761	22.61	10,863	22.97	3,898	21.63
75-77 ³	2,969	23.06	2,335	23.56	634	21.20
Under 1952 amendments						
Total.....	328,099	\$58.11	233,484	\$63.51	94,615	\$44.77
65-69.....	222,051	58.47	156,555	64.26	65,496	44.65
70-74.....	60,102	58.19	42,662	63.45	17,440	45.32
75-79.....	37,513	57.63	27,978	61.79	9,535	45.42
80 and over.....	8,433	49.99	6,289	52.98	2,144	41.20
New-start formula.....	223,165	65.92	163,009	71.57	60,156	50.59
65-69.....	134,270	69.15	99,049	74.77	35,221	53.35
70-74.....	48,228	62.97	33,874	69.49	14,354	47.59
75-79.....	33,104	60.29	24,561	65.10	8,543	46.44
80 and over.....	7,563	51.93	5,525	55.80	2,038	41.44
Conversion table.....	104,934	41.49	70,475	44.86	34,459	34.61
65-69.....	87,781	42.14	57,506	46.15	30,275	34.52
70-74.....	11,874	38.75	8,788	40.15	3,086	34.79
75-79.....	4,409	37.65	3,417	37.95	992	36.61
80 and over.....	870	33.09	764	32.60	106	36.58

¹ Age on birthday in 1952.

² Includes 2,129 old-age benefits computed under the new-start formula (average amount, \$42.80); data on new-start formula benefits by eligibility status not available.

³ Only persons reaching their seventy-seventh birthday during July-December 1952 can qualify as new eligibles.

employment for some period immediately preceding their sixty-fifth birthday. Such individuals could therefore not have acquired the 6 quarters of coverage after 1950 necessary to have their benefits computed under the new-start formula, and the relative number of awards in this age group was smaller than in earlier years. As a result the average age for persons awarded benefits computed under the new-start formula was raised.

The average old-age benefit awarded under the 1952 amendments was \$58.11, about \$18.50 more than the average amount awarded under the 1950 amendments (table 1). Only a part of this increase is attributable to the higher benefits payable under the 1952 legislation. The high average

Table 2.—Number and percentage distribution of old-age benefits awarded in 1952, by computation method, and by age and sex of beneficiary

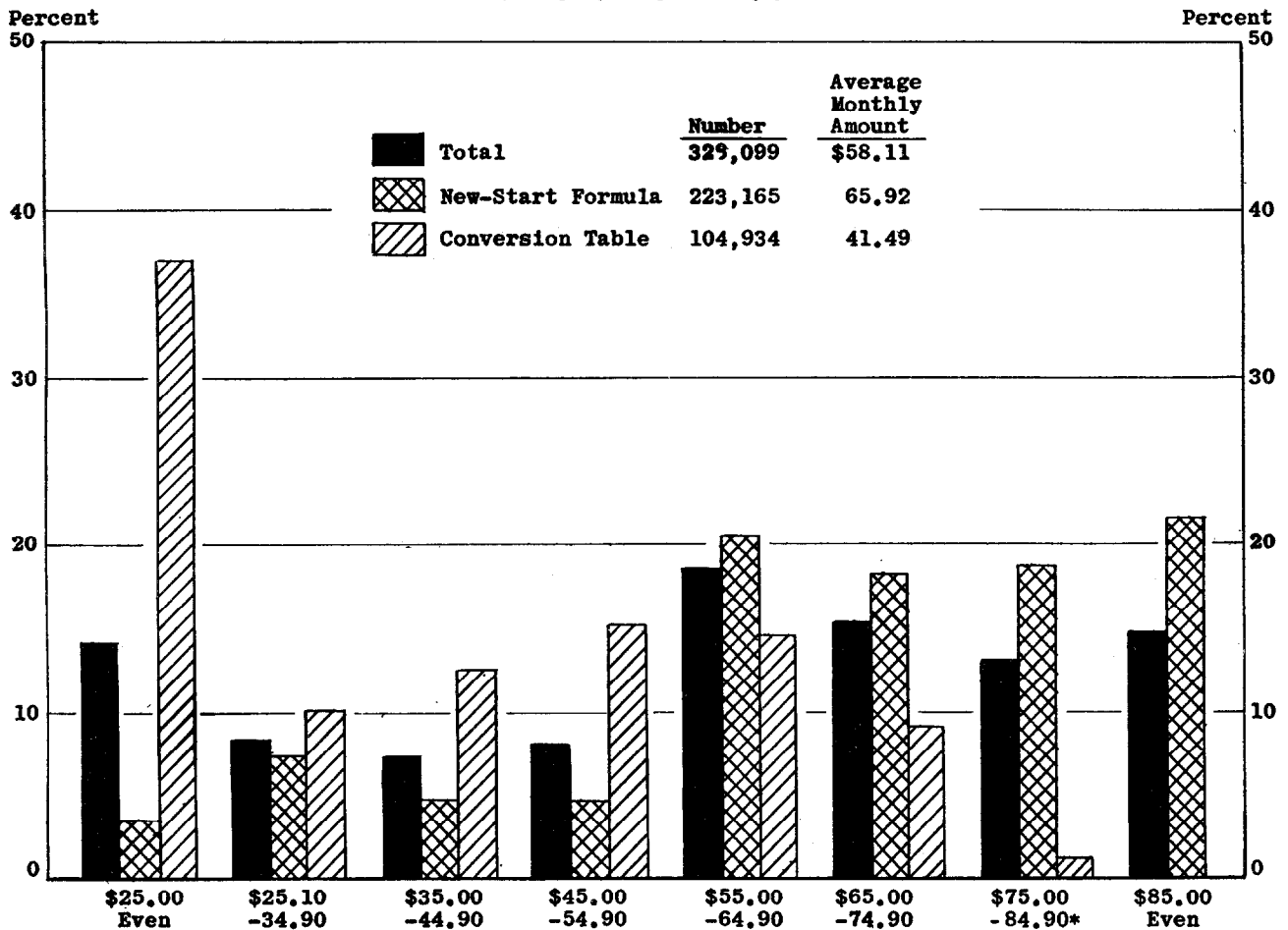
[Based partly on 10-percent sample]

Age ¹	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	531,206	100	381,914	100	149,292	100
65-69	375,285	71	265,316	69	109,969	74
70-74	93,954	18	69,029	18	24,925	17
75-79	50,533	10	38,737	10	11,796	8
80 and over	11,434	2	8,832	2	2,602	2
New-start formula	225,294	100	164,561	100	60,733	100
65-69	135,071	60	90,635	61	35,436	58
70-74	48,696	22	34,156	21	14,539	24
75-79	33,647	15	24,984	15	8,663	14
80 and over	7,881	3	5,786	4	2,095	3
Conversion table	305,912	100	217,353	100	88,559	100
65-69	240,214	79	165,681	76	74,533	84
70-74	46,259	15	34,873	16	10,386	12
75-79	16,886	6	13,753	6	3,133	4
80 and over	3,553	1	3,046	1	507	1

¹ Age on birthday in 1952.

Chart 1.—Percentage distribution of old-age benefits awarded in 1952 under the 1952 amendments, by computation method and amount of benefit

[Based partly on 10-percent sample]



* For conversion-table benefits, the maximum is \$77.10.

Table 3.—Number and percentage distribution of old-age benefits awarded in 1952 under the 1950 and the 1952 amendments, by eligibility status of beneficiary or computation method, by amount of benefit and by sex of beneficiary

[Based partly on 10-percent sample]

Amount of monthly benefit	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Under 1950 amendments						
Total ¹	203,107	100	148,430	100	54,677	100
\$20.00.....	60,094	30	34,982	24	25,112	46
20.10-20.90.....	17,262	8	10,638	7	6,624	12
30.00-39.90.....	20,989	10	15,984	9	7,005	13
40.00-49.90.....	33,637	17	24,696	17	8,941	16
50.00-59.90.....	41,425	20	35,394	24	6,031	11
60.00-68.50.....	29,700	15	28,736	19	964	2
1939 eligibles.....	109,153	100	88,150	100	21,003	100
\$20.00.....	5,441	5	4,096	5	1,345	6
20.10-29.90.....	3,420	3	1,874	2	1,546	7
30.00-39.90.....	7,339	7	3,854	4	3,505	17
40.00-49.90.....	24,950	23	17,038	19	7,862	37
50.00-59.90.....	39,298	36	33,462	38	5,836	28
60.00-68.50.....	28,705	26	27,796	32	909	4
New eligibles.....	91,825	100	58,728	100	33,097	100
\$20.00.....	54,800	59	30,800	52	23,500	71
20.10-29.90.....	13,533	15	8,577	15	4,956	15
30.00-39.90.....	13,377	15	9,948	17	3,429	10
40.00-49.90.....	8,384	9	7,351	13	1,033	3
50.00-59.90.....	1,584	2	1,430	2	154	(2)
60.00-68.50.....	647	1	622	1	25	(2)
Under 1952 amendments						
Total.....	328,099	100	233,484	100	94,615	100
\$25.00.....	46,738	14	23,547	10	23,191	25
25.10-34.90.....	27,340	8	12,349	5	14,991	16
35.00-44.90.....	23,034	7	13,530	6	10,354	11
45.00-54.90.....	26,653	8	16,432	7	10,221	11
55.00-64.90.....	61,324	19	38,843	17	22,481	24
65.00-74.90.....	50,693	15	41,903	18	8,790	9
75.00-84.90.....	42,918	13	40,062	17	2,856	3
85.00.....	48,499	15	46,768	20	1,731	2
New-start formula.....	223,165	100	163,009	100	60,156	100
\$25.00.....	7,882	4	2,376	1	5,506	9
25.10-34.90.....	16,763	8	6,201	4	10,562	18
35.00-44.90.....	10,739	5	4,716	3	6,023	10
45.00-54.90.....	10,591	5	4,887	3	5,704	9
55.00-64.90.....	45,971	21	26,293	16	19,678	33
65.00-74.90.....	41,020	18	32,867	20	8,153	14
75.00-84.90.....	41,700	19	38,901	24	2,799	5
85.00.....	48,499	22	46,768	29	1,731	3
Conversion table.....	104,934	100	70,475	100	34,459	100
\$25.00.....	38,856	37	21,171	30	17,685	51
25.10-34.90.....	10,577	10	6,148	9	4,429	13
35.00-44.90.....	13,195	13	8,864	13	4,331	13
45.00-54.90.....	16,062	15	11,545	16	4,517	13
55.00-64.90.....	15,353	15	12,550	18	2,803	8
65.00-74.90.....	9,673	9	9,036	13	637	2
75.00-77.10.....	1,218	1	1,161	2	57	(1)

¹ Includes 2,129 old-age benefits computed under the new-start formula (average amount, \$42.80); data

on new-start formula benefits by eligibility status not available.

² Less than 0.5 percent.

was due chiefly to the large number of awards to persons eligible for benefits computed under the new-start formula, who accounted for two-thirds of the awards under the 1952 amendments and whose average benefit was \$65.92. For benefits deter-

mined by use of the conversion table, the average amount awarded under the 1952 amendments was \$41.49, only \$1.84 more than the average amount awarded under the 1950 amendments — notwithstanding the \$5-8.60 increase in old-age insurance

benefits granted by the conversion table in the 1952 amendments. Awards made in the latter part of 1952 through use of the 1952 conversion table were made to persons with relatively little or no employment after 1950, since almost all persons with 6 quarters of coverage after 1950 had their benefits figured by the new-start formula. On the other hand, for virtually all awards in the first part of 1952 the 1950 conversion table was used. As in the past, the average benefit amount was lower for women than for men; for awards under the 1952 amendments, the differences amounted to \$21.42 for benefits determined under the new-start formula and \$11.54 for those computed on the basis of the conversion table.

For awards under the 1952 amendments, the maximum monthly amount of \$85.00 was payable in 22 percent of the benefits computed under the new-start formula, while the minimum monthly amount of \$25.00 was payable in only 4 percent of the cases (chart 1 and table 3). In contrast, a monthly benefit of \$77.10—the maximum monthly amount when the conversion table was used—was payable in less than 1 percent of such awards, while \$25.00 was payable in 37 percent of the cases.

Benefits in Current-Payment Status

The number of persons receiving old-age benefits totaled more than 2.6 million by the end of December 1952: the average monthly benefit was \$49.25. Persons receiving benefits computed under the new-start formula comprised about 9 percent of the total (234,900). This figure includes a number of old-age beneficiaries who had originally become entitled to benefits computed by means of the conversion table but who had remained at or returned to work and became eligible to have their benefits recomputed under the new-start formula. The average monthly amount for persons receiving benefits determined by the new-start formula was \$66.16, compared with \$47.60 for persons for whom the conversion table was used.