

# Notes and Brief Reports

## Money Income Sources of Young Survivors, December 1960\*

At the end of 1960, there were nearly 2.9 million orphaned children in the United States (table 1). Since mortality rates are lower for women than for men, most of these children had lost the father rather than the mother, and the 2.1 million paternal orphans represented 4.2 percent of the total child population under age 18. For these orphans and their mothers, finding a means of support to replace the father's earnings was a task of major priority, and public income-maintenance programs helped ease the burden for almost 9 out of 10 of the children.

Many of the mothers—including a sizable number who were receiving or were eligible for social insurance or veterans' program benefits—elected to work. The high remarriage rate for young widows makes it likely that many of the mothers acquired another means of support for the family through remarriage, thus relinquishing their own right to income from public programs and, to a much lesser extent, that of their children.

For those widows who do not remarry, there are often several years after the last child reaches age 18 and before she reaches retirement age when public programs no longer provide support. Because more and more women tend to work during a large part of their lives even when married, many widows have earnings. These women acquire eligibility under social insurance programs in their own right rather than solely as a dependent or survivor whose protection stems from their husband's earnings or military service record.

### ORPHANED CHILDREN

With 9 out of 10 workers and their families now protected by old-age, survivors, and disability insurance against the risk of the wage earner's total disability, retirement, or death, it is not surprising to find that program far and away the most important public income-maintenance

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TABLE 1.—Estimated number of orphans under age 18, by type and age, January 1, 1961<sup>1</sup>

[In thousands]

Age (years)	Total	Father dead			Mother only dead
		Total	Father only dead	Both parents dead	
Total .....	2,880	2,065	2,010	55	815
0-4 .....	210	155	155	(2)	55
5-9 .....	610	435	430	5	175
10-14 .....	1,105	785	760	20	320
15-17 .....	955	690	660	30	265

<sup>1</sup> Estimates made by the Division of the Actuary based on Census population estimates for Jan. 1, 1961, for the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Estimates based on generation mortality rates for the total United States population, by sex and race, and on the age distribution of parents of children born in each year 1942-60; not entirely consistent with those published before 1959 because of changes in methods and assumption.

<sup>2</sup> Less than 2,500.

program for orphans in terms of numbers served. Seven out of 10 paternal orphans in December 1960 were supported at least in part by benefits based on the deceased father's earnings record. (It is evidence of both the well-nigh universal coverage of this social security program and the high frequency with which mothers themselves work that 75,000 motherless children, about 9 percent of all maternal orphans, were receiving benefits based on the deceased mother's earnings credits.)

In contrast to programs designed for particular segments of the population—such as veterans, government or railroad workers, or families with incomes lower than those provided for in the public assistance standards of their home State—old-age, survivors, and disability insurance today includes almost all segments. Currently, among children newly orphaned, more than 86 percent are awarded benefits on the basis of the father's employment. The number of children who effectively share in benefits computed on the basis of a dead father's employment actually is slightly greater than the nearly 1½ million shown in table 2 with benefits in current-payment status. There may be children on whose behalf claims for benefits have not been filed because of the child's employment or because of the maximum limitation on the monthly amount payable to a family group.

One in 6 orphans received income as the child of a deceased veteran, and 1 in 25 as the survivor of a railroad or government worker. About 12 percent of the children received payments under more than one program, usually old-age, survivors, and disability insurance and veterans'

payments. Assistance in the form of aid to dependent children was going to 270,000 orphans, including about 100,000 (37 percent) whose benefit payments under another public program were insufficient by the standards of the State in which they lived.

Approximately 1 in 3 of the orphans were supported in part by a working mother, others by an adopted father or a stepfather, and still others by other relatives with whom they made their home. A small number were in foster homes or inmates of institutions.

The one marked change during 1960 in eligibility for support under a public program occurred in the non-service-connected pension programs for veterans of World War II and the Korean conflict. A revision in these programs makes needy widows and children of these veterans eligible on the same basis as survivors of veterans of World War I. As nearly as can be estimated, by the end of the year the new provisions had helped increase from 12 percent to 17 percent the proportion of paternal orphans receiving any veterans' program payments—service-connected compensation or non-service-connected pensions.<sup>1</sup>

## WIDOWS UNDER AGE 65

At the end of 1960 there were about 3.2 million widows under age 65 in the United States. It is estimated that about one-fifth of them were responsible for the care of a child or children under age 18.

The 1960 Decennial Census year affords a new benchmark for population characteristics that ordinarily can only be estimated. The 1960 Census enumerated almost a million more persons aged 65 and over than the number extrapolated from the 1950 Census on the basis of mortality and migration statistics. This "over-count" was higher for women than men and shows up strongly in the count of widows.

Although the total number of widows reported for March 1960 in the Current Population Survey sample (used regularly by the Department of

<sup>1</sup> No tabulations of payees by year of birth were available for 1960, and the proportion among survivor child beneficiaries who were under age 18 could only be approximated.

TABLE 2.—Estimated number of children under age 18 with father dead receiving money income from specified public income-maintenance programs, December 1960 <sup>1</sup>

Source of money income	Paternal orphans	
	Number (in thousands)	Percent
Total in population.....	2,065	100
Any public income-maintenance programs <sup>2</sup> .....	1,865	87
Social insurance and veterans' programs <sup>2</sup> .....	1,635	79
Old-age, survivors, and disability insurance.....	1,450	70
Railroad and government employees' retirement programs.....	80	4
Veterans' compensation and pension programs.....	36	17
Aid to dependent children <sup>3</sup> .....	270	13

<sup>1</sup> Data relate to the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

<sup>2</sup> Orphans with income from more than one program are counted only once.

<sup>3</sup> Includes about 18,000 paternal orphans for whom the assistance payment was based on factor other than father's death.

Source: Estimated in the Division of Program Research on the basis of published and unpublished data from the Division of the Actuary and from the Bureau of the Census, the Bureau of Labor Statistics, and agencies administering income-maintenance programs.

Labor in obtaining data on the labor force) is in close agreement with the Decennial Census count of 7,945,000 for April 1960, the age distributions vary considerably. The Census enumeration reported 40 percent of the widows as under age 65, compared with 44 percent in the survey sample, a difference of about 370,000. Pending reconciliation of the conflicting sets of statistics and the release of additional detail from the Census enumeration for other family characteristics of the widow population, this analysis adopts the age distribution reported in the Decennial Census and applies to it the proportion with children under age 18 as estimated from the survey sample.

Estimates of the number of widows supported by public income-maintenance programs are derived from program data, independent of the Census estimates. The smaller total number of widows under age 65 is one of the reasons that the proportion of widows assumed to have no protection under public programs was lower in December 1960 than in earlier years.

## Widows With Children in Their Care

As table 3 shows, at the end of 1960 almost three-fourths of a million widows under age 65 were bringing up a child or children under age 18. Such mothers—and their youngsters—make up one of the important groups whom public income-maintenance programs are designed to protect.

Seventy percent of the widowed mothers received such income support—61 percent from social insurance and veterans' programs and 13 percent from federally aided public assistance; 4 percent of all the mothers received payments of both types.

For the mothers as for the children, old-age, survivors, and disability insurance was the most common income-support program, paying benefits to more than half of them. Aid to dependent children and the programs for veterans' survivors each provided support for 1 in 8 of the mothers.

A larger number of widows with children in their care were eligible for old-age and survivors insurance benefits than were receiving them. In addition to the 395,000 on the rolls in December, 95,000 were having benefits withheld because their earnings were above the work-test limit. An unknown number of others never had filed a claim to the benefits to which they could have become entitled, generally because they were regularly employed and expected to earn more than is permitted without suspension of benefits or because their children's benefits already totaled the maximum payable per family.

About 17 percent of the widowed mothers on the old-age, survivors, and disability insurance rolls were also receiving veterans' compensation or pension payments, and about 8 percent received supplemental assistance under the program of aid to dependent children because insurance benefits and other resources were deemed insufficient by State standards.

Half the widowed mothers worked. About half the working mothers were themselves receiving social insurance or veterans' payments; others were receiving payments for their children even if not for themselves. As nearly as can be estimated, only 9 percent of the unremarried mothers of orphans had no income either from their own earnings or from a public program designed to replace part of the earnings that stopped with the father's death.

The figures shown are believed to be reasonably accurate approximations in the light of information presently available. The basis for estimating overlap among the several programs and the overlap between any of the programs and employment of the mother becomes less valid, however, with the passage of time since completion of the studies from which the figures are derived. For example,

TABLE 3.—Estimated number of widows under age 65 with children under age 18 receiving money income from employment and specified public income-maintenance programs, December 1960<sup>1</sup>

Source of money income <sup>2</sup>	Number (in thousands)	Percent
1. Total in population.....	725	100
2. Employment.....	365	50
3. Social insurance and veterans' programs <sup>3</sup>	440	61
Old-age, survivors, and disability insurance.....	395	54
Railroad and government employees' retirement programs.....	30	4
Veterans' compensation and pension programs.....	95	13
4. Aid to dependent children <sup>4</sup> .....	95	13
5. Support solely from other sources.....	65	9
6. Income from more than one of sources specified in lines 2-4.....	240	33
Employment and social insurance or veterans' programs.....	185	26
Employment and aid to dependent children.....	20	3
Aid to dependent children and social insurance or related programs.....	35	4

<sup>1</sup> Data relate to the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Widows with income from sources specified may also have income from such other sources as interest, dividends, cash contributions, or earnings of other relatives. Excludes widows who have remarried.

<sup>2</sup> Because persons frequently have income from more than one of the sources specified, the sum of persons shown on lines numbered 2-5 exceeds the total number in the population (line 1). The estimates of persons with income from more than one source are developed from survey data. They are therefore subject to sampling errors, as well as the error inherent in projecting survey findings to additional population groups and different dates, errors that are relatively more significant for small estimates.

<sup>3</sup> Persons with income from more than one program are counted only once.

<sup>4</sup> Includes about 6,000 mothers of orphans for whom the assistance payment was based on factor other than father's death.

Source: Estimated in the Division of Program Research on the basis of published and unpublished data from the Bureau of the Census, the Bureau of Labor Statistics, and agencies administering income-maintenance programs.

changes in old-age, survivors, and disability insurance benefit levels and in the amount of earnings permitted without reduction in benefits enacted since 1957, when the last beneficiary survey was made, as well as the easing of eligibility requirements for non-service-connected pensions to dependents of veterans of World War II and Korea, mean that any overlap estimates based on the 1957 experience may be understatements.

Perhaps of greater significance in evaluating the effectiveness of the provisions for families deprived of the father's earnings through death is the change in social patterns with respect to woman's role. Part of the thinking that led to organized programs for orphans and their mothers—public assistance, social insurance, and veterans' programs alike—was the feeling that women should not be forced to give up either their children or their own place in the home in the event of the father's death. Implicit at least was the conviction that the father was the chief if not the sole breadwinner and the mother would take employment only out of necessity.

In the social climate of today when, even among families with both the husband and wife present,

28 percent of the mothers with children under age 18 are in the labor force, the program goals may be different. Instead of operating to keep the widowed mother at home, public programs in some cases operate to enable her to choose whether she will have income from two sources rather than one. That she exercises a choice is indicated by the labor-force figures now available, showing that among mothers of children under a certain age, widowed mothers are less likely to work than those who are divorced or separated. For the latter situations there are no public programs comparable to those protecting against income loss through the father's death. As of March 1960, the percentage of mothers in the labor force, in each marital status group, was as follows:<sup>2</sup>

Age of children	Mothers under age 65		
	Married, husband present	Widowed	Divorced or married, husband absent
Any under age 18.....	28	54	56
Aged 6-17 only.....	39	58	71
Some under age 6.....	19	36	40

These data suggest that it is primarily when the children are past the age when they need constant custodial supervision that the widow is freer than other mothers not living with a husband to exercise a choice between working and not working, rather than in the child's infancy when proper care is not only expensive but often difficult to obtain. Among the mothers with some children under age 6 but none under age 3, the labor-force participation rate was 42 percent for widows and 55 percent for divorced or separated women. Among husband-wife families having children in this age group—that is, at least one aged 3-5 but none under age 3—25 percent of the mothers were working or looking for work.

Differences in labor-force rates between widowed mothers and divorced or separated mothers would be even greater if account were taken of how many worked at full-time jobs and how many worked only part time.

<sup>2</sup> Jacob Schiffman, *Marital and Family Characteristics of Workers, March 1960*, Bureau of Labor Statistics, Special Labor Force Report No. 13, reprinted from *Monthly Labor Review*, April 1961, and unpublished data.

## Widows With No Children

At the end of 1960, there were nearly 2½ million widows not yet age 65 but with no children under age 18. Generally speaking, there are few provisions in public income-support programs set up specifically for younger women without children. A major exception is the payment of widow's benefits under veterans' programs.

More and more, however, married women have tended in recent years to take paid employment even before their children have grown. In addition, as noted earlier, many widows with children work, despite payments from social insurance and veterans' programs. Many widows have thus earned protection in their own right through their earnings that will help to see them through disability or retirement.

The old-age, survivors, and disability insurance rolls on December 31, 1960, carried 213,000 women aged 62-64 who were receiving benefits as the widow of an insured worker and 5,000 widows (or "mothers") of all ages caring for disabled children past age 18. Benefits for an additional 10,000 widows aged 62-64 had been suspended temporarily because their earnings exceeded the work test stipulated by law.

The benefit rolls also included, however, almost 140,000 additional widows under age 65 with benefits awarded on the basis not of their widowhood but of their own status as an insured worker. About 120,000 were receiving actuarially reduced old-age benefits as a retired worker, and perhaps as many as 20,000 others were receiving benefits as totally disabled workers. These facts imply that, among widows under age 65 with no children to look after, about 6 receive old-age, survivors, and disability insurance benefits as a worker for every 10 who receive them under the provisions for the surviving wife of a worker.

These estimates were developed largely from statistics on old-age benefit claims of married and nonmarried female workers aged 62-64, from Census data on widows by age, and from preliminary data collected on the marital status of female workers in a 1960 pilot study of disabled old-age, survivors, and disability insurance beneficiaries. When it is assumed that similar proportions of widows prevail among female annuitants under age 65 on the disability and retirement rolls of railroad and government employees, and when

allowance is made for program overlap, it is possible to estimate that a total of 830,000 widows under age 65 without children—or 1 in 3 of the total in the population—currently receive support under a social insurance or veterans' program.

Taking into account the fact that more than half the 2,485,000 widows under age 65 with no children were employed—including perhaps one-sixth of those receiving social insurance or veterans' payments—and that an estimated 80,000 were receiving general assistance leaves roughly 1 in 6 dependent entirely on other resources. A few were, for example, probably receiving unemployment insurance or workmen's compensation benefits. A small number were in public institutions, and some were undoubtedly among the persons receiving aid to the blind and aid to the permanently and totally disabled. Others lived on investments or annuities or were supported by grown children or other relatives.

As a part of the task of assessing the effectiveness of protection for widows, orphans, and other population groups who may need income support at some stages because they have lost their source of family income, more research is necessary to see how the various social programs complement each other. It is also important from time to time to reexamine the structure and goals of protective programs in the light of changing social conditions that have a bearing on economic independence—that is, the growing employment of women, the trends to earlier marriage and parenthood that sometimes conflict with trends towards longer periods of education and training, and, perhaps, the changing patterns of family stability.

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## Forfeiture of Civil-Service Retirement Benefits\*

Persons leaving positions covered by contributory retirement systems that provide for vesting usually have the option of withdrawing their contributions, thereby forfeiting their right to a retirement benefit, or of not withdrawing their

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\* Prepared by Joseph Krislov, Division of Program Analysis, Bureau of Old-Age and Survivors Insurance. For additional information see Joseph Krislov, *Characteristics of Persons Separating and Withdrawing Contributions From the Federal Civil Service Retirement System* (Bureau of Old-Age and Survivors Insurance, Analytical Note No. 6-61), June 1961.

contributions and retaining their right to a benefit. Little information is available on the proportion and characteristics of members of either government retirement programs—Federal, State, and local—or private plans who have chosen to forfeit their vested rights by withdrawing their contributions at the time of separation from their employment.<sup>1</sup> Such information to the extent that it exists is useful in evaluating the protection that contributory pension plans afford the persons they cover and in estimating the costs of these retirement systems.

### SAMPLE STUDY

To obtain this type of information in connection with the Federal civil-service retirement program, a study was made of 4,206 persons separated from positions covered by the system. These were former employees whose records were processed by the Bureau of Retirement and Insurance of the Civil Service Commission during the week of May 23–27, 1960. (Deaths and retirements were excluded.) Four items of information were obtained at that time: name, date of birth, sex, and annual rate of pay in 1960. Because some persons may not choose to withdraw their contributions immediately upon separating from service, 6 months were allowed to elapse before additional data were obtained. In November 1960 the records of each of these separated employees were checked to determine (1) if he had withdrawn his contributions some time before November 1960 and (2) the length of his Federal civilian service unbroken by any refund of contributions before separation.

Five years of civilian service are required for an employee to acquire a vested right to a benefit under the Federal civil-service retirement system. All years of civilian service—including those for which refunds had been paid—may be counted in establishing eligibility for a vested benefit.<sup>2</sup> Although definite information is not available, it is

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<sup>1</sup> Jonas Mittleman presented data for nine pension plans in his unpublished dissertation, *The Vesting of Private Pensions* (University of Pennsylvania, 1959), page 115.

<sup>2</sup> For the details of the Federal civil-service retirement system's vesting provisions, see U.S. Civil Service Commission, *Your Retirement System* (Pamphlet 18, March 1957), pages 27–29.