

# WAGE REPORTS FOR WORKERS COVERED BY FEDERAL OLD-AGE INSURANCE IN 1937

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DURING 1937 approximately 32 million men and women worked in employment covered by Federal old-age insurance.<sup>1</sup> They received more than \$29 billion in wages taxable under title VIII of the Social Security Act. While it had been known in advance that the system would offer protection to a very large share of the working population, neither the extent of the coverage nor the volume and distribution of wages on which benefits are based could be actually determined until reports were received for this first year of operation. The 1937 wage reports now make it evident that more than half the total gainfully occupied population<sup>2</sup> was engaged in covered employment at one time or another during the year while taxable wages amounted to more than two-thirds of the \$42.8 billion<sup>3</sup> estimated for that year as total wages and salaries of employees in the United States.

Because of the movement of persons between covered and noncovered employments, and other labor turn-over, the number of different persons in covered jobs during a year is larger than the number employed at a given time. Employers' reports indicate only the total taxable wages paid to a worker during a reporting period, not the number of days or weeks for which the wages were paid. It is not known how many workers were in full-time jobs for part or all of the year and how many entered covered employment only as a secondary occupation or at certain seasons or intermittently. Since the reports show that a high proportion of these workers had only small amounts of reported wages, it is evident that many relied on other sources of income for support. The prevalence of part-time or occasional work in covered employments which is suggested by the

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<sup>1</sup> For tabulations of the basic data summarized in this article see pp. 72-81. Analyses of special aspects of these data will be published in later issues.

<sup>2</sup> The estimated number of covered workers represents 68.7 percent of the 64.5 million individuals estimated as gainfully employed or available for gainful employment in November 1937. Census of Partial Employment, Unemployment and Occupations, *Final Report on Total and Partial Unemployment*, Vol. IV, p. 19.

<sup>3</sup> U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, *Income in the United States, 1929-37*, p. 37 (table 15).

Table 1.—Total number of employees<sup>1</sup> and total taxable wages,<sup>1</sup> with percentage distributions, and average wages, by sex and race, United States, 1937

[Data are preliminary and subject to revision; corrected to Mar. 1, 1939]

Sex and race	Employees		Reported taxable wages		
	Number	Percent of total	Amount	Percent of total	Average per employee
Total <sup>1</sup> .....	30,157,694	100.0	\$20,825,360,241	100.0	<sup>1</sup> \$890
White.....	27,805,985	92.4	25,840,864,782	96.3	927
Negro.....	2,035,949	6.7	853,793,624	8.2	419
Other.....	255,760	.9	130,707,835	.5	511
Male, total.....	21,000,658	72.6	22,489,920,809	83.8	1,027
White.....	19,993,707	66.3	21,000,247,078	80.5	1,080
Negro.....	1,701,200	5.6	771,223,933	2.9	453
Other.....	211,751	.7	118,440,798	.4	559
Female, total.....	8,251,036	27.4	4,835,445,432	16.2	526
White.....	7,872,278	29.1	4,240,617,704	15.8	539
Negro.....	334,749	1.1	82,569,601	.3	247
Other.....	44,009	.2	12,258,037	.1	279

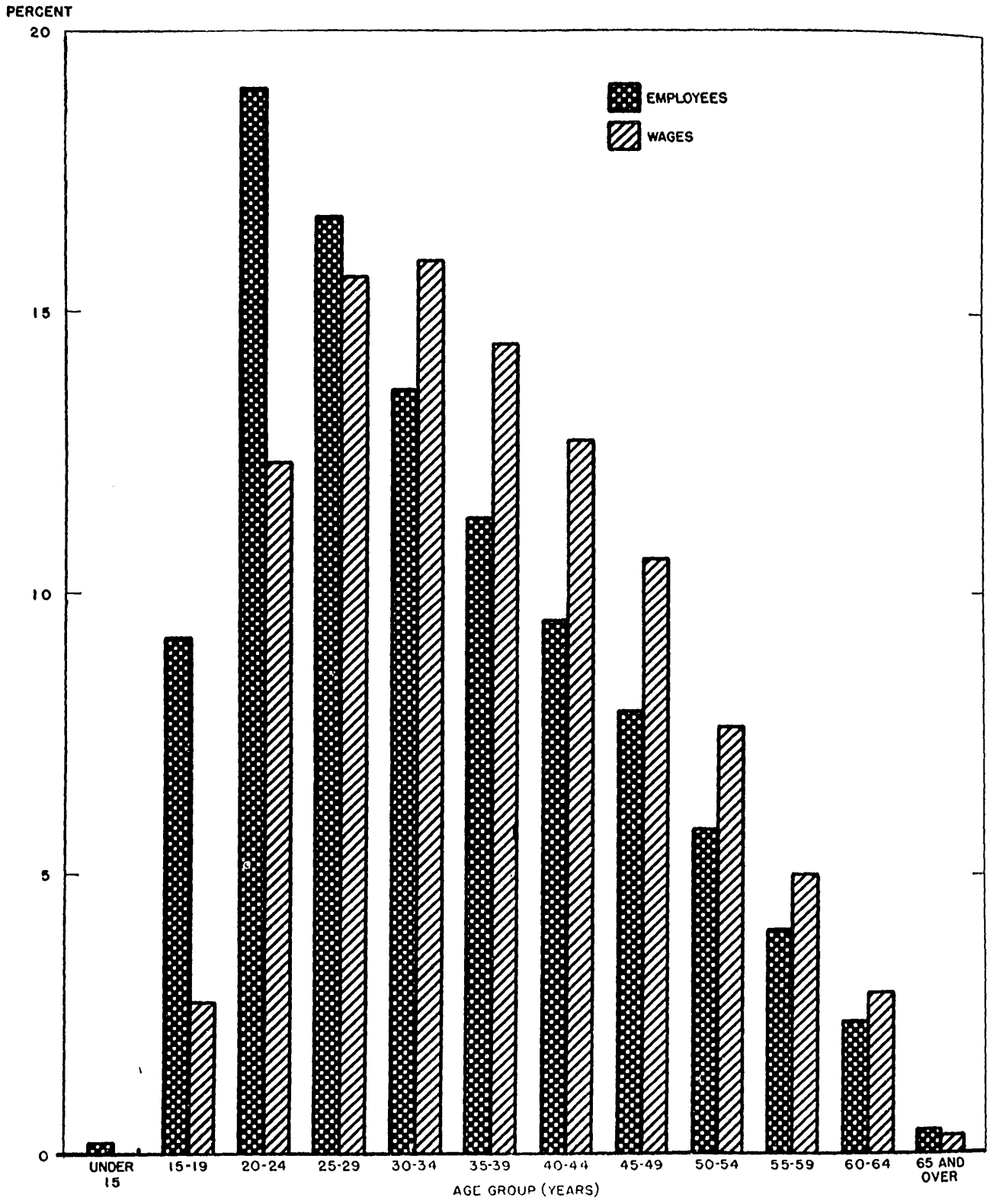
<sup>1</sup> Compilation based on wage items posted by July 9, 1938, relating to 93 percent of total taxable wages reported for 1937 and 96 percent of estimated total number of employees receiving such wages in 1937. These reports comprised \$26.9 billion in taxable wages paid to 30.5 million employees. Of these numbers there are here excluded further 77,632 employees holding railroad retirement account numbers, and their taxable wages of \$17,472,692; and 267,095 employees whose sex or race is unknown and their taxable wages of \$40,740,243. The average wage with these employees and their wages included is \$881.

wage data must be kept in mind in interpretations of all reported figures.

This article comments briefly on data from preliminary tabulations of wage items totaling \$26.9 billion which had been posted by July 9, 1938, to the accounts of some 30.5 million persons. These tabulations do not include wage items totaling \$2.1 billion which were held over for subsequent handling because the reports were received too late for posting by July 9 or lacked essential information. It is estimated that about 1.5 million additional workers are represented by these items. The present analysis therefore is based on reports for 93 percent of the total taxable wages for 1937 and 96 percent of the estimated number of employees who received such wages.<sup>4</sup>

<sup>4</sup> In the subsequent analysis data are excluded, further, for 77,632 employees holding railroad retirement account numbers and their taxable wages of \$17,472,692 received from employment covered by the Social Security Act, and for the numbers of employees specified in the tables for whom sex, race, or age was unknown.

**Chart I.—Percentage distribution, by age groups, of employees covered by old-age insurance and their reported taxable wages, 1937**



## Workers Covered by Old-Age Insurance in 1937

In applying for the account numbers used by the Social Security Board to identify the wage reports for individual employees and to maintain their wage records, workers supply information on age, race, sex, and other personal characteristics providing the minimum data essential for identification of claimants and for actuarial purposes. The records of the system therefore afford a comprehensive view of the composition of this large segment of the employed population and the relation of such factors as age and sex to reported taxable wages.

### Age, Sex, and Race

Among these workers in 1937 the largest age group was that of persons aged 20-24, who accounted for about a sixth of all men and a fourth of all women for whom wage reports have been tabulated. Next in size were, in order, the age groups 25-29, 30-34, 35-39, 40-44, and 15-19. Among 30.2 million workers for whom age and wages have been tabulated there were 0.2 percent, including approximately 42,000 boys and 5,000 girls, aged less than 15. In computing ages, the year of birth reported by a worker on his applica-

tion for an account number was subtracted from 1937. A very large proportion of the individuals classified as "65 and over" in the accompanying tabulations became 65 in 1937 and hence were eligible to participate in the program for part of that year; since the wages of such workers were not taxable for all of 1937, data for this group are not comparable to those for other age groups.

It is evident that in the coverage of the old-age insurance system, as in the working population as a whole, a majority of the workers are in their twenties and thirties. As will be observed in the age distributions given in table 2, the concentration of women in the ages 15-29 was considerably greater than that of men. Women workers constitute 27.4 percent of the whole group included in these tabulations, a considerably higher proportion than the 22.0 percent which they represented in the gainfully occupied population enumerated in the 1930 census.

White persons comprised 92.4 percent of the covered workers, and persons of Negro and other races, 7.6 percent. The relatively small representation of Negro workers doubtless is to be expected, since it has already been recognized that a high percentage of Negroes work in agriculture and domestic service in private homes—employments not covered under the act. Among Negro women,

Table 2.—Old-age insurance: Percentage distribution of employees<sup>1</sup> by age group within each sex, white and Negro race, United States, 1937

[Data are preliminary and subject to revision; corrected to Mar. 1, 1939]

Age group (years)	Percentage distribution								
	Total			Male			Female		
	Total <sup>1,2</sup>	White	Negro	Total <sup>3</sup>	White	Negro	Total <sup>4</sup>	White	Negro
All ages.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 15.....	.2	.1	.2	.2	.2	.2	.1	.1	.2
15-19.....	9.2	9.3	7.1	7.7	7.7	6.9	13.3	13.4	8.2
20-24.....	10.0	10.1	17.0	10.7	16.7	16.8	25.1	25.4	18.4
25-29.....	16.7	16.6	18.2	15.0	15.7	17.6	18.8	18.7	21.1
30-34.....	13.4	13.5	15.0	13.8	13.7	15.7	13.1	13.0	16.8
35-39.....	11.3	11.1	14.5	11.9	11.7	14.5	9.9	9.7	14.7
40-44.....	9.5	9.5	10.1	10.3	10.3	10.4	7.5	7.4	8.8
45-49.....	7.9	8.0	7.2	8.8	8.9	7.5	5.5	5.5	5.6
50-54.....	5.8	5.9	4.7	6.7	6.9	5.0	3.4	3.4	3.2
55-59.....	4.0	4.0	3.1	4.7	4.8	3.3	2.1	2.1	1.9
60-64.....	2.4	2.5	1.6	2.9	3.0	1.7	1.1	1.1	.9
65 and over <sup>4</sup> .....	.4	.4	.4	.4	.4	.4	.1	.2	.2

<sup>1</sup> Compilation based on wage items posted by July 9, 1938, relating to 93 percent of total taxable wages reported and 96 percent of estimated total number of employees receiving such wages in 1937. These reports comprised \$28.9 billion in taxable wages paid to 39.5 million employees. Of these numbers there are here excluded further 77,032 employees holding railroad retirement account numbers, and 552,437, whose sex, race, or age is unknown; these employees represent 2.0 percent of the total number of employees.

<sup>2</sup> Includes 211,751 male employees of other races.

<sup>3</sup> Includes 44,009 female employees of other races.

<sup>4</sup> Sample checks indicate that approximately 80 percent of the employees classified as aged 65 and over attained that age in 1937 and so were eligible to participate in the program for part, but not all, of the year. It is not known how many of the remainder misstated age on their account-number applications or failed to report actual age to their employers. Data for this age group are not comparable with those for others.

who comprised only 1.1 percent of all workers for whom reports have been tabulated, proportionately more were in the age groups 25-44 and fewer in the groups aged 15-24 than was the case for white women.

### Geographical Distribution of Covered Workers

As would be anticipated, the populous industrial States account for the largest groups of covered workers. New York stands first, with 4.0 million

**Table 3.—Number of employees aged 15-64,<sup>1</sup> as a percentage of total estimated population<sup>2</sup> aged 15-64, by States, 1937**

State	Employees 15-64 receiving taxable wages in 1937 (000 omitted)	Estimated population 15-64 years of age July 1, 1937 (000 omitted)	Percentage covered employment to estimated population
United States.....	20, 579	87, 101	33. 9
Alabama.....	368	1, 837	20. 0
Arizona.....	93	273	34. 1
Arkansas.....	170	1, 311	13. 0
California.....	1, 815	4, 443	40. 8
Colorado.....	227	722	31. 4
Connecticut.....	572	1, 192	48. 0
Delaware.....	71	177	40. 1
District of Columbia.....	180	471	33. 2
Florida.....	384	1, 130	34. 0
Georgia.....	480	1, 983	24. 2
Idaho.....	90	320	28. 1
Illinois.....	2, 230	5, 544	40. 2
Indiana.....	818	2, 327	35. 2
Iowa.....	372	1, 689	22. 0
Kansas.....	273	1, 236	22. 1
Kentucky.....	306	1, 847	19. 8
Louisiana.....	368	1, 401	26. 3
Maine.....	213	551	38. 6
Maryland.....	452	1, 145	39. 5
Massachusetts.....	1, 300	3, 050	42. 9
Michigan.....	1, 532	3, 278	46. 7
Minnesota.....	485	1, 771	27. 4
Mississippi.....	188	1, 200	14. 6
Missouri.....	750	2, 728	27. 8
Montana.....	99	365	27. 1
Nebraska.....	183	904	20. 2
Nevada.....	29	73	39. 7
New Hampshire.....	134	335	40. 0
New Jersey.....	1, 143	3, 039	37. 6
New Mexico.....	62	264	23. 5
New York.....	4, 000	9, 254	43. 2
North Carolina.....	600	2, 157	27. 8
North Dakota.....	55	454	12. 1
Ohio.....	1, 883	4, 602	40. 9
Oklahoma.....	318	1, 660	19. 2
Oregon.....	250	720	34. 7
Pennsylvania.....	2, 680	6, 832	39. 3
Rhode Island.....	237	465	51. 0
South Carolina.....	304	1, 158	26. 2
South Dakota.....	62	448	13. 8
Tennessee.....	458	1, 879	24. 4
Texas.....	1, 107	4, 104	27. 0
Utah.....	104	326	31. 9
Vermont.....	73	248	29. 4
Virginia.....	450	1, 736	25. 9
Washington.....	416	1, 165	35. 7
West Virginia.....	401	1, 174	34. 2
Wisconsin.....	601	1, 952	33. 9
Wyoming.....	49	161	30. 4

<sup>1</sup> For numbers of employees by States and by age groups, see table 12, pp. 78-79.

<sup>2</sup> Estimated population of States, July 1, 1937, from U. S. Department of Commerce, Bureau of the Census (press release, Dec. 3, 1937). Population under 15 years of age and over 64 years estimated by Social Security Board, Bureau of Research and Statistics, Division of Public Assistance Research, with the advice of the Bureau of the Census.

reported workers, followed by Pennsylvania with 2.7 million and Illinois with 2.2 million. Next in order are Ohio and California with 1.9 million each, Michigan with 1.5 million, Massachusetts with 1.3 million, New Jersey with 1.2 million, and Texas with 1.1 million. (See table 9, page 75.)

The extent to which the old-age insurance system covers gainfully occupied persons within a State varies greatly among the States according to the types of industries and occupations which predominate. The exclusion of agricultural employment and self-employment in the act, for example, makes for relatively low coverage in areas, especially in southern and central States, where farming is a major occupation. For lack of more precise measure, the number of covered workers reported for each State may be compared with the estimated total population of usual working age, i. e., 15-64 years. The resulting percentages are given in table 3. It will be observed that the variations in coverage disclosed by the comparison range from about 1 person in 8 of the given age group in the lowest State to about 1 in 2 in the States where percentage coverage is highest.

It must be emphasized that the estimated population used in computing these percentages comprises all persons within the age range, not merely those who are gainfully occupied, and so includes housewives, students, permanently disabled persons, and others who are not in the labor market. Persons in the ages 15-64 engaged in or available for gainful employment constitute about 60 percent<sup>3</sup> of the total population in these ages. It is evident, therefore, that in the States with the highest percentage coverage, a very large part of the total gainfully occupied population participated to some extent in the old-age insurance system in its first year of operation.

### Reported Taxable Wages in 1937

The extent of participation, as has been pointed out, can be measured only in terms of reported taxable wages, since the employer reports provide no data on the length of employment or the wage rates of employees for whom returns are made.

<sup>3</sup> 57.7 percent, computed from *Fifteenth Census of the United States: 1930, Population*, Vol. V, p. 114; 60.0 percent, computed from *Census of Partial Employment, Unemployment and Occupations*, op. cit., p. 22.

**Table 4.—Old-age insurance: Total number of employees<sup>1</sup> and total taxable wages,<sup>1</sup> with percentage distributions, and average wages, by interval of earnings, United States, 1937**

[Data are preliminary and subject to revision; corrected to Mar. 1, 1939]

Interval of earnings	Employees		Reported taxable wages		
	Number	Percent of total	Amount	Percent of total	Average per employee
Total <sup>1</sup> .....	30,157,094	100.0	\$26,825,366,241	100.0	† \$890
\$1-\$99.....	4,412,090	14.0	170,762,310	.6	39
\$100-\$199.....	2,218,961	7.5	330,018,345	1.2	147
\$200-\$299.....	1,801,661	6.0	446,532,206	1.7	248
\$300-\$399.....	1,642,590	5.5	572,185,442	2.1	348
\$400-\$499.....	1,515,237	5.1	693,815,050	2.6	449
\$500-\$599.....	1,521,163	5.0	834,116,701	3.1	518
\$600-\$699.....	1,530,184	5.1	997,467,708	3.7	648
\$700-\$799.....	1,534,485	5.1	1,152,841,818	4.3	749
\$800-\$899.....	1,393,662	4.6	1,182,686,486	4.4	848
\$900-\$999.....	1,335,994	4.4	1,265,962,141	4.7	948
\$1,000-\$1,499.....	5,272,263	17.5	6,486,142,544	24.2	1,230
\$1,500-\$1,999.....	3,047,185	10.2	5,306,682,731	19.8	1,719
\$2,000-\$2,499.....	1,334,475	4.4	2,054,638,213	11.0	2,217
\$2,500-\$2,999.....	661,891	2.0	1,617,115,903	6.2	2,723
\$3,000 and over.....	879,560	3.0	2,780,398,674	10.4	3,161

† See footnote 1, table 1.

A wage item of \$150 reported for a worker for one of the 6-month reporting periods in 1937 may represent, for example, 6 months' employment at \$25 a month, 3 months at \$50, a month at \$150, or any one of almost innumerable other combinations.

The aggregate \$26.9 billion posted to the accounts of 30.5 million individuals does not represent all the earnings of those persons in 1937, nor all their earnings in covered industry. Under the provisions of the Social Security Act wages in excess of \$3,000 received in a year from a single employer are not taxable and accordingly are not reported. Similarly, wages for employment after age 65 are not taxable, even though the employment is in a field covered by old-age insurance. It can hardly be emphasized too strongly, further, that reports are made for individuals only of the wages received in covered employment and do not include other earnings received during a year by persons for whom reports are made. A man, for example, may work on a farm for most of the year and in covered employment in a factory in the winter. In such a case, only his latter earnings, from covered employment, are reportable.

The reports of taxable wages undoubtedly provide a source for a more comprehensive and precise measure of annual earnings in industry

and commerce than has heretofore been available and, as each year's records are available, will provide an invaluable index of the volume of compensation in such fields. These data constitute, of course, the essential base for actuarial computation of benefits payable under the provisions of title II of the Social Security Act. For other types of analyses, they are subject to the limitations inherent in the scope of coverage provisions and of the required reports.

**Distribution of Workers by Amounts of Taxable Wages**

Among the 30.2 million whose reported wages are compiled in table 4, 37 percent received \$1,000 or more in taxable earnings in 1937, while 24 percent had \$500-\$999, and 39 percent had less than \$500. By far the largest part of the total \$26.8 billion reported for these employees was paid to the group who received \$1,000 or more. Their wages constitute 72 percent of the total, as compared with 20 percent paid to workers with \$500-\$999, and 8 percent to those with less than \$500.

The fact that taxable wages of less than \$100 were reported for more than 14 percent of the

**Table 5.—Old-age insurance: Total number of employees,<sup>1</sup> total taxable wages,<sup>1</sup> with percentage distributions, and average wages, by age group, United States, 1937**

[Data are preliminary and subject to revision; corrected to Mar. 1, 1939]

Age group (years)	Employees		Reported taxable wages		
	Number	Percent of total	Amount	Percent of total	Average per employee
All ages <sup>1</sup> .....	30,157,094	† 100.0	\$26,825,366,241	† 100.0	† \$890
Under 15.....	46,797	.2	2,241,403	( <sup>2</sup> )	48
15-19.....	2,747,158	9.2	723,846,668	2.7	263
20-24.....	5,674,963	19.0	3,361,115,379	12.3	582
25-29.....	4,983,478	16.7	4,192,152,891	15.6	841
30-34.....	4,077,789	13.6	4,255,581,675	15.9	1,044
35-39.....	3,391,874	11.3	3,848,004,429	14.4	1,135
40-44.....	2,810,780	9.5	3,406,726,303	12.7	1,199
45-49.....	2,360,775	7.9	2,841,658,146	10.6	1,204
50-54.....	1,726,874	5.8	2,032,513,335	7.6	1,177
55-59.....	1,188,346	4.0	1,343,754,794	5.0	1,131
60-64.....	719,338	2.4	781,127,831	2.9	1,086
65 and over <sup>4</sup> .....	114,170	.4	72,814,726	.3	638
Unknown.....	285,352	( <sup>3</sup> )	23,228,661	( <sup>3</sup> )	81

† See footnote 1, table 1.

<sup>2</sup> Employees of unknown age excluded in percentage computations.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> Sample checks indicate that approximately 80 percent of the employees classified as aged 65 and over attained that age in 1937 and so were eligible to participate in the programs for part, but not all, of the year. It is not known how many of the remainder misstated age on their account-number applications or failed to report actual age to their employers. Data for this age group are not comparable with those for others.

total group of employees, and wages of less than \$200 for 22 percent, suggests strongly that many workers engaged in covered employment only incidentally or seasonally. As has been pointed out, there is no means of determining for any workers included in the tabulations the extent to which reported wages represent continuous or full-time employment.

The group of persons for whom \$3,000 and over was reported doubtless includes many salaried employees whose total compensation from covered employment exceeded the maximum which is taxable when paid by a single employer. When an individual receives wages for covered employment from more than one employer during a year, as much as \$3,000 from each is taxable.

### Relation of Age and Taxable Wages

The relationship between age and reported taxable wages is shown in chart 1 and table 5. The highest per capita average is reported for employees aged 45-49. Low per capita averages for the youngest age groups doubtless reflect not only lower rates of pay but also intermittent or part-time employment. Among the youngest—the boys and girls under 15—the fact that the average for the year was \$48 suggests that such jobs as running errands after school probably accounted for much of the employment. Among the 40 chil-

dren of these 47,000 for whom taxable wages of \$3,000 or more were reported there were doubtless included youthful stars in the motion-picture industry.

Low averages for the age groups 15-19 and 20-24 doubtless also are influenced by prevalence of occasional and part-time covered employment as well as by the lower rates of wages of beginners in the labor market and the high representation of female workers. For women workers as a group, average reported wages were about half those of men. Here again there are doubtless present, but with unknown relative weights, such factors as characteristically lower wages, intermittent or part-time employment, and age distribution. In comparison with the per capita averages for women workers, the low average amounts reported for persons of races other than white are doubtless more a result of low wage rates or partial employment or both rather than age distribution, since for those races there is less concentration in the ages under 25 than is the case among white workers, particularly among women workers.

In view of current discussions of the situation of middle-aged and older workers in industry and commerce, there is special interest in the wage data for persons aged 40 and over. As will be seen from tables 5 and 6, there is relatively little difference either in the per capita average or in the percentage distribution of reported wages

Table 6.—Old-age insurance: Percentage distribution of employees<sup>1</sup> by interval of earnings within each age group, United States, 1937

[Data are preliminary and subject to revision; corrected to Mar. 1, 1939]

Interval of earnings	Percentage distribution within each age group											
	All ages <sup>1</sup>	Under 15 years	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years
Total <sup>1</sup> .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1-\$99.....	13.0	89.7	38.7	10.4	11.5	0.7	0.0	0.1	0.0	0.3	0.7	10.0
\$100-\$199.....	7.4	8.1	17.1	9.5	0.7	5.0	5.3	5.1	5.0	5.2	5.0	5.8
\$200-\$299.....	0.0	1.2	11.1	8.2	5.7	4.8	4.5	4.3	4.2	4.4	4.6	4.8
\$300-\$399.....	5.5	.4	8.2	7.6	5.5	4.6	4.3	4.0	4.1	4.1	4.4	4.6
\$400-\$499.....	5.2	.2	0.3	7.2	5.4	4.5	4.2	4.0	4.0	4.1	4.2	4.4
\$500-\$599.....	5.1	.1	5.2	7.0	5.5	4.0	4.3	4.1	4.1	4.1	4.3	4.6
\$600-\$699.....	5.1	.1	4.2	6.9	5.7	4.8	4.5	4.3	4.4	4.4	4.6	4.8
\$700-\$799.....	5.1	.1	3.4	7.0	5.8	5.0	4.5	4.4	4.3	4.5	4.6	4.9
\$800-\$899.....	4.7	( <sup>2</sup> )	2.2	6.4	5.5	4.0	4.2	4.0	4.0	4.1	4.3	4.5
\$900-\$999.....	4.5	( <sup>2</sup> )	1.4	5.6	5.5	4.0	4.2	4.0	4.1	4.2	4.4	4.7
\$1,000-\$1,499.....	17.7	.1	2.0	14.6	22.4	21.2	19.4	19.0	19.3	20.0	20.4	20.5
\$1,500-\$1,999.....	10.4	( <sup>2</sup> )	.2	3.1	10.4	14.6	15.0	15.3	15.0	14.3	13.2	12.2
\$2,000-\$2,499.....	4.5	( <sup>2</sup> )	( <sup>2</sup> )	.4	2.9	6.3	7.6	8.0	7.7	7.0	6.2	5.5
\$2,500-\$2,999.....	2.0	( <sup>2</sup> )	( <sup>2</sup> )	.1	.9	2.6	3.6	4.1	3.9	3.5	3.1	2.7
\$3,000 and over.....	2.9	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	.6	2.5	4.8	6.3	6.9	6.8	6.4	6.0

<sup>1</sup> See footnote 1, table 1. In addition to the exclusions there noted, this table excludes 114,170 persons aged 65 and over (see footnote 4, table 2) and 285,352 whose age was unknown.

<sup>2</sup> Less than 0.05 percent.

among the successive 5-year age groups included in the range from 40 through 64 years. The wage reports do not, of course, reflect the plight of workers at those or other ages who have been obliged to leave covered employment because of disability or who were wholly unemployed, though available for work in these fields, throughout 1937.

Wage figures for the older age groups also are influenced somewhat by the successively lower proportions of women in covered employment, since, as a group, women have lower wage rates and less continuous gainful employment than men. It may be that the older workers who have remained in jobs have steadier work than those who are younger, though, on the other hand, wage loss due to sickness probably increases with age. Whatever the weights of such factors as these and others, it is of interest that the per capita average reported for workers 60-64 exceeded that for those who were 30 years younger and that neither the total volume nor the distribution of taxable wages reported for successive age groups indicates a rapid decline in such earnings with age. Wage data for persons of 65 and over are not comparable with those for younger age groups since, as has been explained, the large majority of these employees were eligible to participate in the system for only part of 1937.

### Conclusion

Reports on the first year's operation make it evident that the Federal old-age insurance system will afford protection in old age to a large proportion of all men and women who have been engaged in gainful occupations. While extensive areas of employment are excepted from present provisions of the act, the proportion of workers so excluded is considerably less, because of the occasional covered employment of persons who ordinarily work in excepted occupations. The amount of the "in-and-out" movement suggested by the 1937 wage reports is greater than had been anticipated, though a precise measurement of its extent cannot be determined from present available data. Because of this movement and other factors affecting the extent of employment—part-time work, unemployment, and the like—the data on taxable wages must be considered with strict regard for the limitations imposed by the scope and method of the required reporting. Evidence of the wide variation among different population groups in the coverage of the system is of special interest in connection with the recommendation of the Social Security Board that coverage be extended as rapidly as is feasible to workers in agriculture, in domestic service in private homes, and in other extensive fields now excepted.