

benefits, available to women since November 1956 and to men since August 1961, at ages 62 to 64. The majority of these early retirees had little income besides their small benefit. The problem of generally low-benefit levels is thus compounded for a group with many years ahead of them. It appears that a provision intended to ease the way for workers forced out of the labor force prematurely may be creating a new group of very poor people, and this trend is continuing. According to a newly developed statistical series,³ just over half of the men retiring in each year 1962–66 accepted an actuarial reduction in order to obtain a benefit before age 65. For women it was slightly above 60 percent in 1966, as it had been in 1960–62, but closer to 70 percent in 1963–65. The average monthly benefit awarded in 1966 to men who elected a reduction was barely \$84, compared to \$102 for men awarded a regular benefit (not reduced) payable immediately. For women the pattern was similar—\$64 for those electing a reduction, compared with \$80 for women awarded a regular benefit currently payable. Research is in progress on the reasons why so many workers choose early benefits in reduced amounts.

It has been customary to look to the characteristics of the younger beneficiaries for an indication of the shape of things to come. The oldest have always been in the worst financial plight. It has been assumed that, as older beneficiaries died and others entered retirement with years of higher wage levels behind them, beneficiaries as a group would be much better off. The small income advantage enjoyed by the age group 65 to 72 compared with the beneficiaries aged 73 and over raises a question concerning this assumption, even for those who retired on full-rate benefits. So, too, does the fact that for beneficiary couples the asset holdings were about the same for those aged 65 to 72 as for those older. True, persons under 73 and not yet retired had larger assets than those on the benefit rolls, but in this group, men aged 62 to 64 had less than those aged 65 to 72.

The proportion of the aged who are eligible for OASDHI benefits is still growing. As of July 1, 1967, an estimated 89 percent of persons aged 65 and over were either OASDHI beneficiaries or eligible for OASDHI but not retired. As even more persons become eligible, there will be fewer with cash incomes as pitifully small as those reported in 1962 by most nonbeneficiaries aged 73 and over. Moreover, rising earnings levels will be reflected in slowly increasing basic benefit levels, and the growing proportion of women eligible for retirement benefits should improve the situation of couples and nonmarried women alike, unless these gains are offset by the large numbers taking reduced benefits. Also, the almost universal availability of medicare to those over 65 should release some cash income and free for other living costs some assets that might otherwise have been held for medical emergencies. Relatively fewer persons should need public assistance.

If the labor-force participation rate for aged men continues downward, however, as it did between 1962 and 1966, the numbers of the aged with relatively high incomes may be decreased. There may be relatively fewer past age 65 who will do as well as the nonbeneficiary couples and nonmarried men aged 65 to 72 did in 1962. Although some

³ "Another Dimension to Measuring Early Retirement," Social Security Bulletin, December 1967.