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ABSTRACT

The impact of the tax-transfer system on the distribution of income among economic units is the subject of a number of studies by the Office of Research and Statistics of the Social Security Administration. One of the most important data sources for the work is the Census Bureau's March Current Population Survey (CPS). To conduct such studies, the Office of Research and Statistics has developed a method of estimating social security tax liability for each person in the March CPS sample. This paper presents a detailed description and evaluation of the method developed, called the payroll tax algorithm or PTA. For evaluation purposes PTA results based on the March 1972 CPS are compared with agency program data. PTA estimates of taxes or contributions for the other major nationally uniform social insurance programs are also presented. (Author)

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STUDIES IN INCOME DISTRIBUTION

ESTIMATION OF SOCIAL SECURITY TAXES
ON THE MARCH CURRENT POPULATION SURVEY

by

Benjamin Bridges, Jr.
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EDUCATION & WELFARE
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ABSTRACT

The impact of the tax-transfer system on the distribution of income among economic units is the subject of a number of studies by the Office of Research and Statistics of the Social Security Administration. One of the most important data sources for the work is the Census Bureau's March Current Population Survey (CPS). To conduct such studies, the Office of Research and Statistics has developed a method of estimating social security tax liability for each person in the March CPS sample.

This paper presents a detailed description and evaluation of the method developed, which we call the payroll tax algorithm or PTA. For evaluation purposes PTA results based on the March 1972 CPS are compared with agency program data. PTA estimates of taxes or contributions for the other major nationally uniform social insurance programs are also presented.

NOTE

This is the fourth in a series of studies presenting information on the distribution of income, taxes, and transfer payments in the population. Analyses in this series focus on the following:

1. Short-term projections of the March Current Population Survey (CPS)--the principal data base currently available for analyses of distribution of annual income--under alternative assumptions about population growth and marriage rates;
2. estimation of tax liabilities on the CPS;
3. changes in the distribution of income as a result of changes in the tax-transfer system;
4. evaluations of the quality of income and demographic data, as reported in the CPS.

The early studies in the series present analyses based on population and income as reported in the CPS and do not incorporate corrections for population undercounts, understatement of income, and other errors.

The projection and modeling work underlying the studies is an ongoing project of the Division of Economic and Long-Range Studies, which is headed by Dorothy S. Projector, and the methods used are under continuing review and development. The publication of this series will report the methods and results to policymakers and to research analysts.

Dorothy S. Projector, Daniel Radner, and Frederick Scheuren made helpful suggestions and comments at various stages of the study. Joan Reynolds assisted in preparing the manuscript.

John J. Carroll
Assistant Commissioner for
Research and Statistics

March 1976

TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
Social Security Earnings and Taxes.....	1
I. Wage and Salary Income: Description of the PTA	2
A. General Description of the PTA.....	2
B. Detailed Description of the PTA.....	5
1. PTA Class of Worker, Industry, and Occupation.....	5
2. Armed Forces.....	6
3. Government Civilian.....	6
Federal Government Civilian.....	7
State-Local Government Civilian.....	7
4. Private Farm.....	8
5. Private Household.....	9
6. Other Private.....	10
Miscellaneous Other Private.....	10
Nonprofit.....	10
Main Other Private.....	11
7. Unknown.....	11
C. Using the PTA for Later Years.....	12
II. Wage and Salary Income: Evaluation of the PTA.	12
A. Overall Evaluation.....	14
B. Evaluation by Major Job Groups.....	20
1. Armed Forces.....	20
2. Federal Government Civilian.....	23
3. State-Local Government Civilian.....	23
4. Private Farm.....	24
5. Private Household.....	24
6. Other Private: Nonprofit.....	24
7. Other Private: Main.....	24
III. Self-Employment Income.....	25
Some Other Programs.....	30
I. Railroad Retirement Program.....	30
II. Railroad Unemployment Compensation Program.....	32

TABLE OF CONTENTS--Continued

	<u>Page</u>
III. Federal Government Civilian Employee Retirement System.....	32
References.....	37

APPENDIXES

A. Description Tables.....	40
B. Evaluation Tables.....	61

LIST OF TABLES

Text Tables

<u>Table</u>	<u>Page</u>
1. Wage workers in 1971 by PTA class of worker, PTA type of wage job and PTA social security coverage status: March 1972 CPS.....	4
2. Workers with social security employee tax in 1971. Estimated number, covered wages, taxable wages, and employee tax: comparison of March 1972 CPS with SSA program data.....	13
3. Workers with social security employee tax in 1971. Estimated number, wages, average wages, employee tax, and average employee tax: comparison of March 1972 CPS with SSA program data.....	15
4. Civilian workers in 1971, age 14 or over as of March 1972, in U.S. by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	19
5. Workers with social security employee tax in 1971 by kind of job. Estimated numbers, wages, average wages, employee tax, and average employee tax: comparison of March 1972 CPS with SSA program data.....	21
6. Self-employed workers in 1971 by amount and type of self-employment income, amount of social security taxable wages, sex, and PTA social security coverage status: March 1972 CPS.....	26
7. Workers in 1971 with taxable self-employment income: summary comparison of March 1972 CPS with SSA program data.....	28
8. Workers in 1971 with taxable self-employment income by sex and taxable earnings intervals: comparison of March 1972 CPS with SSA program data.....	29
9. Railroad programs: summary comparison of March 1972 CPS with 1971 Railroad Retirement Board program data.....	31

LIST OF TABLES--Continued

<u>Table</u>		<u>Page</u>
10.	Railroad workers by railroad retirement taxable wage intervals in 1971: comparison of March 1972 CPS with Railroad Retirement Board program data.....	33
11.	Railroad workers by railroad unemployment compensation taxable wage intervals in 1971: March 1972 CPS.....	33
12.	Workers under Federal civilian employee retirement system by wage intervals: March 1972 CPS	35

LIST OF APPENDIX TABLES

Appendix A--Description Tables

<u>Table</u>		<u>Page</u>
A-1	PTA class of wage worker by CPS population status and class of worker: March 1972 CPS...	41
A-2	Derivation of PTA wage-job industry and occupation.....	42
A-3	1970 Decennial Census: Government civilian workers age 16 and over by industry and level of government.....	43
A-4	March 1972 CPS: Government civilian workers age 14 and over by PTA industry and PTA level of government.....	44
A-5	Derivation of PTA type of wage job for PTA class of worker of wage job= Armed Forces or government civilian.....	45
A-6	Full-time State and local government employees by kind of job, State of employment, and social security coverage status in October 1971: 1972 Census of Governments.....	46
A-7	Derivation of factor to adjust SSA 0.1-percent sample data for farm workers to CPS concept: March 1972 CPS.....	49
A-8	Estimation of number of farm workers not included in the 1971 SSA 0.1-percent sample data due to late, incomplete, or incorrect earnings reports.....	50
A-9	Derivation of PTA social security coverage ratios for PTA farm wage workers: March 1972 CPS.....	51
A-10	Derivation of factor to adjust SSA 0.1-percent sample data for household workers to CPS concept: March 1972 CPS.....	52

LIST OF APPENDIX TABLES--Continued

<u>Table</u>	<u>Page</u>
A-11 Estimation of number of household workers not included in the 1971 SSA 0.1-percent sample data as household workers due to late, incomplete, or incorrect earnings reports or due to having their earnings reported on Form 941.....	53
A-12 Derivation of PTA social security coverage ratios for PTA household workers: March 1972 CPS.....	54
A-13 Derivation of PTA type of wage job for PTA class of worker of wage job ≠ Armed Forces or government civilian.....	55
A-14 Nonprofit workers with coverage permitted by law in 1971.....	56
A-15 Workers with SSA record data coverage codes = tips, nonprofit and other by coverage code and industry: 1971.....	56
A-16 Wage workers age 14 or over excluding Armed Forces and workers with unknown job by wage income, PTA type of job, and PTA social security coverage status: March 1972 CPS.....	57
A-17 Derivation of PTA-imputed type of wage job and PTA social security coverage status for workers with unknown wage job: March 1972 CPS.....	58
A-18 Derivation of social security coverage status for workers with self-employment income of \$400 or more and taxable wages less than \$7,800 in 1971.....	59
A-19 Calculation of annual taxable wages for the railroad retirement and railroad unemployment compensation programs: March 1972 CPS.....	60

LIST OF APPENDIX TABLES - Continued

Appendix B--Evaluation Tables

<u>Table</u>	<u>Page</u>
B-1 Civilian workers in 1971, age 14 or over as of March 1972, inside U.S. by sex and covered wage intervals: comparison of March 1972 CPS with SSA program data.....	62
B-2 Civilian workers in 1971, age 14 or over as of March 1972, inside U.S. by age and sex: comparison of March 1972 CPS with SSA program data.....	63
B-3 Workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	64
B-4 Armed Forces in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	65
B-5 Federal Government civilian workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	66
B-6 State and local government workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	67
B-7 Farm workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	68
B-8 Household workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	69
B-9 Nonprofit workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	70
B-10 Other private workers by covered wage intervals: comparison of March 1972 CPS with SSA program data.....	71

LIST OF APPENDIX TABLES--Continued

<u>Table</u>	<u>Page</u>
B-11 Workers in 1971 with taxable self-employment income by sex and age: comparison of March 1972 CPS with SSA program data.....	72
B-12 Workers in 1971 with taxable farm self-employment income by taxable earnings intervals: March 1972 CPS.....	73
B-13 Railroad workers in 1971 by age: comparison of March 1972 CPS with Railroad Retirement Board program data.....	73
B-14 Federal civilian workers by age: comparison of March 1972 CPS with Civil Service Commission data.....	74

INTRODUCTION

The impact of the tax-transfer system on the distribution of income among economic units is the subject of a number of studies by the Office of Research and Statistics (ORS) of the Social Security Administration (SSA). An important data source for this work is the March Current Population Survey (CPS) conducted by the Census Bureau. ORS conducts various studies of social security financing; for example, a recent paper examined payroll tax relief plans for low-income workers. 1/ To conduct such studies, ORS has developed a method of estimating social security earnings and tax liability for each person in the March CPS sample.

This paper presents a detailed description and evaluation of this estimating method, called the Payroll Tax Algorithm or PTA. For evaluation, PTA results based on the March 1972 CPS are compared with agency program data. 2/ The PTA also estimates earnings and taxes or contributions for the other major nationally uniform social insurance programs: The railroad retirement program, the railroad unemployment compensation program, and the Federal Government civilian employee retirement program. Most of the paper deals with social security; the remainder, with the other three programs.

SOCIAL SECURITY EARNINGS AND TAXES

The PTA operates on the March CPS, which covers the civilian population living outside institutions and members of the Armed Forces living off post or with their families on post in the 50 States and the District of Columbia. The CPS computer files contain, for most persons age 14 or over in the survey sample, records of information on demographic and labor-force characteristics at time of interview in March and on income and work experience during the preceding

1/ See (4); this denotes the fourth source document in the list of references given on pages 37-39.

2/ The March 1972 CPS contains earnings data for 1971. When the study reported here was undertaken, 1971 was the latest year for which detailed SSA program data were available.

year. For most persons age 14 or over, the March 1972 CPS data record contains dollar amounts of 1971 income by type along with information on 1971 class of worker, industry, and occupation. Wage and salary income, nonfarm self-employment income, and farm self-employment income are recorded separately. 3/

The PTA estimation of social security earnings and taxes is described in detail and evaluated in the three subsections that follow. The first two deal with the taxation of wage income; the third, with self-employment income. Overall the PTA results are fairly similar to the SSA program figures.

I. Wage and Salary Income: Description of the PTA

This subsection presents a general description, a detailed description, and a brief discussion of using the PTA for later years.

A. General Description of the PTA

For each wage worker in the CPS, the PTA calculates covered wage, taxable wage, employee wage tax, and employer wage tax. Covered wage is total wage income in covered employment, including wage income (if any) in excess of the taxable maximum. PTA taxable wage is wage income in covered employment up to the taxable maximum; in 1971 this maximum was \$7,800. The PTA employee (employer) wage tax is the product of the employee (employer) tax rate and taxable wage; in 1971 the employee and employer rates were each 5.2 percent. (Under social security law for a worker with two or more covered jobs and total covered wage income greater than the taxable maximum, taxable wage exceeds the taxable maximum and employer wage tax thus exceeds the product of the employer tax rate and the taxable maximum. This is so because each employer is taxed on wage income up to the taxable maximum paid by him to each of his employees. On the other hand, employees are entitled to and usually claim refunds of any employee tax collected on taxable wages in excess of the taxable maximum.)

3/ For a further discussion of CPS concepts see {14}.

In addition to calculating social security wages and taxes under the existing law, the PTA can calculate the effect of various changes in the law. The PTA can handle changes in tax rates and the taxable maximum; it can also handle some coverage changes (for example, introducing coverage for all State-local government workers) and some tax rate structure changes (for example, introducing a graduated rate structure).

The PTA procedure for determining coverage status (whether or not a person's wage income is covered under social security) is rather complex. But once covered wage has been determined, the calculation of taxable wage and wage taxes is quite simple. The method was described two paragraphs earlier.

PTA coverage status depends for all workers on type of PTA wage job, for some workers on size of wage income, and for State and local government workers on State of residence. Type of PTA job depends on longest wage job information (class of worker, industry, and occupation) and other variables. 4/ PTA job types were chosen to approximate job categories in the social security law. 5/

All persons 14 or over (civilian and Armed Forces) in March 1972 were asked 1971 dollar amounts of wage income, nonfarm self-employment income, and farm self-employment income. Persons age 14 or over who were civilians in March 1972 were asked questions about their longest 1971 civilian job. Such questions were not put to persons in the Armed Forces in March 1972. Thus, for most wage workers the CPS record contains total wage income and information on longest wage job, but no information on other wage jobs (if any). Accordingly, the PTA treats a worker's wage income as being either fully covered or fully uncovered. In fact a number of workers have at least one covered job and at least one uncovered job: for some the longest job is covered; for others it is not. This issue is discussed further in section II.A below.

The results of the PTA for wage workers are summarized in table 1. Approximately 89 million workers reported 1971

4/ The terms "type of PTA job" used in this paper, "OASDHI wage and salary code" used in {4}, p. 2 ff., and "PTA employment class" used in {2} refer to essentially the same concept.

5/ For a description of social security coverage provisions, see {19}, {21}, and {22}.

TABLE 1.--Wage workers in 1971 by PTA class of worker, PTA type of wage job and PTA social security coverage status: March 1972 CPS 1/
(in thousands)

PTA class of worker and type of wage job in 1971	Total	PTA social security coverage status	
		Covered	Not covered
Total.....	89,341	78,439	10,902
Armed Forces.....	1,188	1,188	0
Government civilian.....	14,834	8,149	6,685
Federal.....	13,207	173	3,034
Post office, part-time.....	50	50	0
Post office, full-time, 1-13 weeks.....	27	27	0
Other public administration, part-time.....	75	75	0
Other public administration, full-time, 1-13 weeks, student All other.....	21 3,034	21 0	0 3,034
State and local.....	11,627	7,976	3,651
Teachers, except college.....	2,509	1,338	1,121
All other.....	9,118	6,588	2,530
Private.....	72,171	68,160	4,011
Farm.....	2,329	1,763	566
Household.....	3,154	943	2,211
Other private.....	66,687	65,454	1,234
Miscellaneous other private....	1,025	0	1,025
Railroad.....	699	0	699
Newsboys.....	39	0	39
Students employed by their colleges.....	157	0	157
Clergy.....	130	0	130
Nonprofit.....	4,559	4,349	209
Wages < \$50.....	25	0	25
Wages ≥ \$50.....	4,534	4,349	184
Main other private.....	61,104	61,104	0
Unknown.....	1,148	942	205
Government civilian.....	131	90	41
Federal.....	7	0	7
State and local.....	124	90	34
Private.....	1,016	852	164
Farm.....	66	30	36
Household.....	149	21	128
Nonprofit.....	52	52	0
Main other private.....	750	750	0

1/ Includes 130,000 clergy who are not included in the wage worker tables in [4]. Clergy are treated as self-employed under social security. [4] denotes the fourth source document in the list of references given on pages 37-39.

Source: Tabulation prepared by SSA/ORS from the March 1972 CPS.

wage income in the March 1972 CPS; and according to the PTA estimate, about 78 million were covered under social security. 6/ For some types of jobs social security coverage status is completely determined by the type of job code. For example, all persons with PTA type of job "Armed Forces" were considered covered under social security, and all persons with PTA type of job "railroad" were considered not covered under social security. For other types of jobs, more information is needed to determine social security status. For example, as noted above, coverage status for State and local government workers depends on State of residence.

B. Detailed Description of the PTA

Next, we present a detailed description of the determination of PTA job type and coverage status. The text discussion is supplemented by appendix A, tables A-1 through A-17. Because type of PTA wage job depends on class of worker, industry, and occupation, the derivation of the codes for these characteristics is discussed first. This discussion is followed by the determination of PTA job type and coverage status for each of the PTA class of worker of 1971 wage job groups-- Armed Forces, government civilian, private farm, private household, other private, and unknown.

1. PTA Class of Worker, Industry, and Occupation

For most wage workers PTA class of worker, industry, and occupation are given by the CPS codes for longest 1971 job {see tables A-1 and A-2}. For 2,814,000, or 3.2 percent, of the 1971 wage earners, longest 1971 wage job data {class of worker, industry, and occupation} were not given by the March 1972 CPS because they were in the Armed Forces or the CPS longest job data are not for their longest 1971 wage job. These wage workers were assigned longest 1971 wage job data as follows:

The 1,188,000 workers who were in the Armed Forces in March 1972 were assigned Armed Forces as their longest 1971 wage job.

6/ In this paper CPS figures are based on the family supplement weight.

Of the other 1,626,000 workers, 545,000 were civilians in March 1972 without longest 1971 job data and 1,081,000 had self-employment or unpaid job as their longest 1971 job. ^{7/} Of the 1,626,000 workers, 478,000 held a wage job the week before the survey in March 1972 and were assigned this 1972 wage job as their longest 1971 wage job. The remaining 1,148,000 of these 1,626,000 workers were coded as "unknown" in the PTA longest 1971 wage job fields.

2. Armed Forces

There are 1,188,000 workers whose PTA class of worker and type of 1971 wage job is Armed Forces (tables 1 and A-1). Because under social security law Armed Forces members are covered workers, the PTA treats them as covered (table 1).

3. Government Civilian

There are 14,834,000 workers whose PTA class of worker of 1971 wage job is government civilian (table 1). Since social security law treats State-local and Federal workers differently, the PTA also treats them differently. The PTA industry of 1971 wage job code identified the 4,670,000 public administration workers (postal and other) as Federal (2,316,000) or State-local (2,354,000) (table A-4).

However, this code does not identify the 10,164,000 government workers not in public administration (such as those in education and health) by level of government. These workers were randomly assigned to Federal or State-local employment on the basis of 1970 Decennial Census ratios of Federal workers to total government civilian workers within industry groups (table A-3). The random assignment procedure was constrained to produce ratios within industry groups in the March 1972 CPS similar to those in the 1970 Decennial Census (tables A-3 and A-4). This random process assigned 891,000 workers to Federal employment and 9,273,000 to State-local employment (table A-3). Thus, of the 14,834,000 government civilian workers, 3,207,000 are Federal and 11,627,000 are State-local (tables 1 and A-4).

^{7/} Most of these 545,000 had less than \$5,000 of wage income.

Federal Government Civilian.--Part-time workers and temporary workers are covered by social security and not by the Federal employee retirement program. Permanent full-time workers are not covered by social security but are covered by the Federal employee retirement program. On the basis of four work-experience codes {CPS full-time or part-time work in 1971, CPS weeks worked in 1971, PTA student code, and PTA industry of 1971 wage job}, the PTA classified 173,000 public administration workers as part-time or temporary and 3,034,000 workers as permanent full-time {table 1}. The PTA substantially understates the number of covered Federal civilian workers; for discussion of this matter see section II.8.2 below. The PTA assigned social security coverage to the following workers: Part-time workers in the postal service or other public administration, full-time workers in the postal service who worked 1-13 weeks, and full-time workers in other public administration who worked 1-13 weeks and were students {table A-5}. 8/

State-Local Government Civilian.--Social security coverage of State-local government workers varies greatly from State to State and by type of job within States; each State decides what groups of eligible employees will be covered, subject to certain restrictions in the social security law. As shown in table 1, the PTA classifies these workers into two job types: Teachers, except college {2,509,000}, and other {9,118,000}. Details of this job type classification procedure are presented in table A-5.

For each State {or group of States} and each job type, these workers were randomly assigned coverage status on the basis of the 1972 Census of Governments ratio of covered workers to all workers in the corresponding State-job type category {table A-1}. The random assignment procedure was constrained to produce ratios within State-job type categories in the March 1972 CPS similar to those in the 1972 Census of Governments. This random process assigned social security coverage to 7,976,000, or 68.6 percent, of the 11,627,000 State-local government workers {table 1}.

8/ The PTA attempts to identify full-time summer student employees in both the post office and in other public administration and full-time post office Christmas-season employees {whether students or nonstudents}.

4. Private Farm

There are 2,329,000 workers whose PTA class of worker and type of 1971 wage job is private farm {tables 1 and A-1}. SSA program data {adjusted to the CPS private farm concept} show an estimated 1,854,000 workers with farm wage income as their major wage income source {table A-7}. ^{9/} Most farm workers are covered under social security. However, some low-wage farm workers are not legally covered and other farm workers who are legally covered do not report their wage income to SSA. For each of our taxable wage intervals, the ratio of such SSA program data farm workers to PTA farm workers was computed: the ratio increases from 13 percent for the \$1-\$149-wage class to 65 percent for the \$150-\$399 class, to 90 percent for the \$400-\$999 class, and to 110 percent for the \$1,000 or over class {table A-9}. PTA farm workers were randomly assigned coverage status on the basis of these ratios. For the \$1,000 or over class, the PTA used a ratio of 100 percent {tables 1 and A-9}. The random assignment procedure was constrained to produce farm worker coverage ratios in the March 1972 CPS similar to those used by the assignment procedure itself.

^{9/} Since we are interested in the distribution of farm workers by wage intervals, we approximate the CPS private farm concept as best we can, using codes on the 0.1-percent sample {of social security earnings records} data tape. We then tabulate this tape to get the required distribution. The concept used in this distribution is shown on line 3 of table A-7 and in column 1 of table A-9 as the "partially adjusted" SSA program figure; this concept excludes workers under age 14 or outside the United States.

Additional adjustments which allow us to approximate the CPS private farm concept more closely cannot be made using codes on the 0.1-percent sample tape but can be made at the aggregate level. The concept, which incorporates both sets of adjustments, is shown on line 7 of table A-7 as the "adjusted" SSA program figure.

The ratio of the "adjusted" figure of 1,854,000 to the "partially adjusted" figure of 1,784,000 which equals 1.04 was applied to each of the four wage intervals {see column 2 of table A-9}.

5. Private Household

There are 3,154,000 workers whose PTA class of worker and type of 1971 wage job is private household {tables 1 and A-1}. SSA program data {adjusted to the CPS private household concept} show an estimated 945,000 workers with household wage income as their major wage income source {table A-10}. ^{10/} Some low-wage household workers are not legally covered by social security and other household workers who are legally covered do not report their wage income to SSA. The procedure for assigning coverage status to PTA household workers is similar to that for PTA farm workers. For each of five taxable wage intervals, the ratio of such SSA program data household workers to PTA household workers was computed; the ratio increases from 0 percent for the \$1-\$49-wage class to 60 percent for the \$600 or over class {table A-12}. PTA household workers were randomly assigned coverage status on the basis of these ratios {tables 1 and A-12}. The random assignment procedure was constrained to produce household worker coverage ratios in the March 1972 CPS similar to those used by the assignment procedure itself.

^{10/} Since we are interested in the distribution of household workers by wage intervals, we approximate the CPS private household concept as best we can, using codes on the 0.1-percent sample {of social security earnings records} data tape. We then tabulate this tape to get the required distribution. The concept used in this distribution is shown on line 1 of table A-10 and in column 1 of table A-12 as the "partially adjusted" SSA program figure. This concept excludes workers under age 14 or outside the United States.

Additional adjustments which allow us to approximate the CPS private household concept more closely cannot be made using codes on the 0.1-percent sample tape but can be made at the aggregate level. The concept which incorporates both sets of adjustments is shown on line 4 of table A-10 as the "adjusted" SSA program figure.

The ratio of the "adjusted" figure of 945,000 to the "partially adjusted" figure of 743,000, which equals 1.27, was applied to each of the five wage intervals {see column 2, table A-12}.

b. Other Private

There are 66,687,000 workers whose PTA class of worker of 1971 wage job is other private, that is, private other than farm or household {table 1}. The PTA treats miscellaneous other private, nonprofit, and main other private differently, as the next sections explain.

Miscellaneous Other Private.--The miscellaneous other private group includes railroad workers, newsboys, students employed by their colleges, and clergymen. Railroad workers are not covered under social security but are covered under the railroad retirement program. There are 699,000 other private workers whose PTA industry and type of 1971 wage job is railroad {tables 1 and A-13}. Newsboys and students employed by their colleges are not covered by social security; clergymen are treated as self-employed under social security. Using a number of PTA and CPS codes the PTA classified 39,000 workers as newsboys, 157,000 as such students, and 130,000 as clergymen {tables 1 and A-13}. 11/

Nonprofit.--Some low-wage nonprofit workers are exempt from social security coverage. In addition, some nonprofit workers are not covered because they or their employers do not elect coverage. About 96 percent of the nonprofit workers eligible for coverage are actually covered {table A-14}.

Excluding the 1,025,000 miscellaneous other private workers, there are 65,663,000 other private workers {table 1}. These 65,663,000 workers were randomly assigned to nonprofit employment or to main other private employment on the basis of ratios of nonprofit workers to all private workers within industry groups {tables A-13 and A-15}. 12/ The random

11/ Some March CPS tapes include separate occupation codes for newsboys and clergymen. The March 1972 CPS tape being used by ORS does not contain these two codes.

12/ These ratios were used only for each of five service industries {hospitals, other medical, education, religion and welfare, and other professional services}, which industries account for 94 percent of the nonprofit workers shown in SSA program data. Workers in all other industries are assigned to main other private employment.

In computing these ratios we did not add to the numerators and denominators the 4 percent of eligible nonprofit workers who did not elect coverage. Thus, each of these ratios {except for religion and welfare} is very slightly too low.

assignment procedure was constrained to produce ratios in the March 1972 CPS similar to those in the SSA program data. This random process assigned 4,559,000 workers to nonprofit employment and 61,104,000 to main other private employment {table 1}.

The PTA treats the 25,000 nonprofit workers with less than \$50 of wage income as not covered by social security {table 1}. The remaining 4,534,000 nonprofit workers were randomly assigned coverage status on the basis of the 96-percent figure given above {tables 1 and A-14}. This random assignment procedure was constrained to produce a coverage ratio in the March 1972 CPS similar to 96 percent.

Main Other Private. -- There are 61,104,000 main other private workers in the March 1972 CPS {table 1}. The PTA treats all these workers as covered under social security.

7. Unknown

There are 1,148,000 workers whose PTA class of worker of 1971 wage job is coded as unknown {table 1}. These workers were civilians in March 1972 who had no CPS wage-job information for 1971 or for March 1972. Of these workers, 300,000 had no CPS job reported in 1971, 586,000 reported that they were self-employed in their longest CPS job in 1971, and 262,000 were unpaid workers in their longest CPS job in 1971 {table A-1}.

PTA type of job and coverage status were imputed to these unknown job civilian workers on the basis of PTA type of job and coverage status already determined for civilian workers with known PTA wage job in 1971. Known job civilian workers distributed by PTA type of job and coverage status within wage income intervals are shown in table A-16. Columns in table A-16 which included less than 2 percent of the workers within each wage interval {columns 2, 10, and 12} were dropped and the remaining cells in each wage interval were increased proportionately to make the sum of the entries in each wage interval equal 100 percent. The resulting distribution is shown in table A-17. The unknown job workers in each wage interval were then randomly assigned PTA type of job and coverage status on the basis of table A-17. This random assignment procedure was constrained to produce ratios in the March 1972 CPS similar to those in table A-17. As shown in table 1, this random process assigned 942,000 workers to covered employment {750,000 to main other private} and 205,000 workers to uncovered employment {128,000 to private household}.

C. Using the PTA for Later Years

Obviously, ORS researchers need to make various social security tax estimates for years later than 1971. To do so, the PTA can operate on later March CPS computer files {that is, later than the March 1972 CPS file} and on projected March CPS computer files. For example, in the payroll tax relief paper {4}, an earlier version of the PTA operated on the March 1972 CPS projected forward 4 years and produced tax estimates for income year 1975. The projection method used is described in {3}.

In making social security tax estimates for later years, the researcher will want to change some PTA parameters. In addition to changing the social security tax-law parameters {taxable maximum, tax rates}, the researcher may want to update other PTA parameters.

As more recent March CPS data and SSA program data become available, the following parameters can be revised: The coverage assignment ratios for farm workers {tables A-7, A-8, and A-9}, the coverage assignment ratios for household workers {tables A-10, A-11, and A-12}, and the assignment ratios for nonprofit workers {table A-15}. The level of government assignment ratios {table A-3} are derived from the 1970 Decennial Census; data from the Governments Division of the Census Bureau {16} suggest there is no present need to revise these ratios. The coverage ratios for State and local government workers {table A-6} are derived from the 1972 Census of Governments; a comparison of data from the censuses for 1967 and 1972 {11} and {12} suggests there is no need to revise these ratios. The coverage ratios for unknown job workers {tables A-16 and A-17} can be revised, based on PTA results for the chosen later year {later March CPS file or projected March CPS file}.

II. Wage and Salary Income: Evaluation of the PTA

This subsection contains an overall evaluation and an evaluation by major wage job groups. The text discussion and tables are supplemented by appendix tables B-1 through B-10.

TABLE 2.—Workers with social security employee tax in 1971. Estimated number, covered wages, taxable wages, and employee tax: comparison of March 1972 CPS with SSA program data

Item	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Number of workers (in millions)		Aggregate amount of covered wages (in billions)		Aggregate amount of taxable wages (in billions)		Aggregate amount of employee tax (in billions)		SSA program data		March 1972 CPS		SSA program data 1/		March 1972 CPS	
	SSA program data	March 1972 CPS	SSA program data	March 1972 CPS	SSA program data	March 1972 CPS	SSA program data 1/	March 1972 CPS	SSA program data 1/	March 1972 CPS	SSA program data 1/	March 1972 CPS	SSA program data 1/	March 1972 CPS	SSA program data 1/	March 1972 CPS
1. Workers with employee tax 2/.....	88.1		\$509.0		\$397.2		\$20.1									
2. Civilian noninstitutional workers in U.S., age 14 or over as of March 1972 plus Armed Forces in U.S. off post or on post with their families (population covered by CPS).....		78.4		\$477.4		\$366.2		\$19.1								
3. Workers with employee tax excluding delinquent earnings reports (population covered by 0.1-percent sample of social security earnings records).....	87.4		502.3		395.2		20.0									
4. Delinquent earnings reports: late, incomplete, or incorrect reports not included on 0.1 percent sample tape (line 1-line 3).....	.7		6.7		2.0		.1									
5. Civilians outside U.S..	.9		4.0		3.2		.2									
6. Under age 14 as of March 1972.....	.1		.1		.1		.0									
7. Armed Forces (including reservists) 3/.....	3.3		14.5		12.8		.7									
8. Worker deaths: January 1971-March 1972.....	.4		1.6		1.1		.1									
9. Institutional population	.1		.3		.2		.0									
10. Armed Forces in U.S. off post or on post with their families...		1.2		8.8		7.0		.4								
11. Civilian noninstitutional workers in U.S., age 14 or over as of March 1972 (SSA-line 1-line 5-line 6-line 7-line 8-line 9; CPS-line 2-line 10)..	83.3	77.3	488.5	468.6	379.8	359.2	19.1	18.7								
12. Civilian workers in U.S., age 14 or over as of March 1972, not excluding deaths and the institutional population and not including delinquent reports (line 3-line 5-line 6-line 7).....	83.1		483.7		379.2		19.2									

1/ 5.2 percent times wages subject to the employee tax. For an employee wages subject to the employee tax equal the lesser of taxable wages and \$7,800. (Employee tax on taxable wages in excess of \$7,800 is refundable and is refunded to employees requesting such refunds; we estimate that refunded taxes amount to almost 90 percent of refundable taxes [23], table 1.4.)

2/ From [20]. Figures shown in table 4 of [4] are from [19].

3/ There were .2 million workers with reservist as their major covered wage job in 1971. However, the longest 1971 wage job of most of these workers was probably an uncovered job.

Sources: SSA program data:

line 1: Columns (1), (3) and (5): [20], table 35; column (7): see footnote 1.
lines 3 and 5-7: Tabulation prepared by SSA/ORS from 0.1-percent sample tape of social security earnings records.
line 8: Our rough estimate; based in part on social security earnings record data.
line 9: Our rough estimate.

CPS data: Tabulation prepared by SSA/ORS from March 1972 CPS.

A. Overall Evaluation

For 1971 the PTA finds 78.4 million covered wage workers in the CPS, while SSA program data show 88.1 million wage workers {table 2, lines 1 and 2}. These two figures, however, are not comparable. The SSA program figure includes all Armed Forces members {over 3 million}, but the PTA figure includes only Armed Forces members in the United States living off post or on post with their families {1.2 million}. In addition, the following groups of workers are included in the SSA program figure but are not included in the PTA figure: Civilians living outside the United States {0.9 million}, workers under age 14 {0.1 million}, workers who died during the January 1971-March 1972 period {0.4 million}, and workers living in institutions--hereafter referred to as the institutional population {0.1 million}. 13/

For civilian workers {in the United States, noninstitutional, age 14 and over}, PTA and SSA program figures are shown on line 11 of table 2 and in block 3 of table 3. The PTA finds 77.3 million civilian wage workers {93 percent of the SSA program figure of 83.3 million}, aggregate covered wages of \$468.6 billion {96 percent of the SSA program figure of \$488.5 billion}, aggregate taxable wages of \$359.2 billion {95 percent of the SSA program figure of \$379.8 billion}, and aggregate employee tax of \$18.7 billion {98 percent of the SSA program figure of \$19.1 billion}. 14/

13/ Our colleagues Wendy Alvey and Cynthia Cobleigh helped us with our estimates for deceased workers and for the institutional population. See {1}.

14/ These CPS figures, like all CPS figures in this paper, are based on the family supplement weight. Use of the person supplement weight produces slightly different figures. For example, using the person supplement weight the PTA figures for covered wage workers and aggregate taxable wages are 78.0 million and \$362.7 billion.

TABLE 3.--Workers with social security employee tax in 1971. Estimated number, wages, average wages, employee tax, and average employee tax: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Item	SSA program data	March 1972 CPS	CPS as percent of SSA (2)+(1)
1. Workers with 1971 employee tax:			
Number (millions).....	88.1		
Covered wages (billions).....	\$509.0		
Taxable wages (billions).....	\$397.2		
Employee tax (billions).....	\$20.1		
Average covered wage.....	\$5,778		
Average taxable wage.....	\$4,506		
Average employee tax.....	\$228		
2. Civilian noninstitutional workers in U.S. age 14 or over as of March 1972 plus Armed Forces in U.S. off post or on post with their families with 1971 employee tax (population covered by CPS):			
Number (millions).....		78.4	
Covered wages (billions).....		\$477.4	
Taxable wages (billions).....		\$366.2	
Employee tax (billions).....		\$19.1	
Average covered wage.....		\$6,086	
Average taxable wage.....		\$4,669	
Average employee tax.....		\$243	
3. Civilian noninstitutional workers in U.S. age 14 or over as of March 1972 with 1971 employee tax:			
Number (millions).....	83.3	77.3	93
Covered wages (billions).....	\$488.5	\$468.6	96
Taxable wages (billions).....	\$379.8	\$359.2	95
Employee tax (billions).....	\$19.1	\$18.7	98
Average covered wage.....	\$5,864	\$6,065	103
Average taxable wage.....	\$4,559	\$4,650	102
Average employee tax.....	\$229	\$242	106
4. Civilian workers in U.S. age 14 or over as of March 1972 with 1971 employee tax (SSA: not including delinquent reports and not excluding deaths and the institu- tional population. CPS: same as block 3; excluding deaths and the institutional population):			
Number (millions).....	83.1	77.3	93
Covered wages (billions).....	\$483.7	\$468.6	97
Taxable wages (billions).....	\$379.2	\$359.2	95
Employee tax (billions).....	\$19.2	\$18.7	97
Average covered wage.....	\$5,820	\$6,065	104
Average taxable wage.....	\$4,561	\$4,650	102
Average employee tax.....	\$231	\$242	105

Source: Derived from table 2.

In general, these PTA and SSA aggregates are not very different. And PTA-SSA percentage differences seem consistent with what we know about the reporting of wages in the CPS, to SSA, and to the Internal Revenue Service (IRS). The CPS estimates of number of wage workers and of wage income are about 3 and 2 percent low because CPS weights fail to fully adjust for undercount of the population (the "Census undercount") (7) and (8). In addition, CPS response error causes further understatement of the number of CPS wage workers and of wage income. Moreover, as discussed in the next paragraph, the "longest job problem" also causes understatement of the number of CPS wage workers. We would expect the quality of reporting of wages to SSA and to IRS to be similar: For 1971 dollar aggregates, the ratio of CPS wages to IRS wages (after adjusting for conceptual differences) is about 98 percent. 15/

Several factors ("longest job problem" and missing CPS workers) primarily account for the greater relative understatement by the PTA of number of workers than of the wage and tax aggregates.

As explained above, the PTA treats a worker's wage income as being either fully covered or fully uncovered based on his longest job. For any worker having at least one covered job and at least one uncovered job, this treatment causes problems:

For such workers with uncovered longest jobs, the PTA understates social security number of workers, wages and taxes. On the other hand, for such workers with covered longest jobs, the PTA correctly estimates social security number of workers but overstates social security wages and taxes. Thus, this "longest job problem" causes understatement of number of workers; however, the direction of its effect on wage and tax aggregates is not clear.

15/ Our colleague Daniel Radner helped us with the adjustments for conceptual differences. Our estimate of the denominator of this ratio was based on an unpublished worksheet from the Bureau of Economic Analysis, U.S. Department of Commerce.

The average wage of workers missing from the CPS count of wage workers (due to "Census undercount" or CPS response error) is very probably lower than that of workers included in the CPS count. 16/ Thus, the resulting understatement of number of workers would be relatively greater than the understatement of wage (and tax) aggregates.

The reason for the greater relative understatement by the PTA of taxable wages (and hence employer tax) than of the employee tax is that the PTA, unlike social security law, does not allow taxable wages for a worker to exceed \$7,800. In the 1971 SSA program data taxable wages in excess of \$7,800 amount to about \$10 billion. As explained, under social security law taxable wage income for a worker can exceed \$7,800; all taxable wage is subject to the employer tax, but only taxable wage income up to \$7,800 is subject to the employee tax.

As shown in block 3 of table 3 for civilian workers, the PTA finds average per-worker covered wages of \$6,065 (103 percent of the SSA program figure of \$5,864), average taxable wages of \$4,650 (102 percent of the SSA program figure of \$4,559), and average employee tax of \$242 (106 percent of the SSA program figure of \$229).

Most of the SSA program data for wage workers used here were derived from a computer file of SSA's 0.1-percent sample of social security earnings records. 17/ Using this computer file, it was easy to identify Armed Forces workers, reservists, civilian workers outside the United States, and workers under age 14 and to exclude these groups from tabulations for civilian workers. However, this computer file does not include delinquent (late, incomplete, or incorrect) earnings reports, does not identify the institutional population, and incompletely identifies deceased workers. Thus (unless otherwise indicated), our tabulations for wage workers do not include delinquent earnings reports, do not exclude deceased workers, and do not exclude the institutional population. For all civilian workers, the very small net effect of these three coverage differences on number of workers, aggregate wages, average wages, and average employee tax can be seen by

16/ See {7}, table 14.

17/ See {18}.

comparing blocks 3 and 4 of table 3. 18/

Table 4 presents distributions of civilian PTA and SSA workers by wage intervals. The PTA and SSA distributions are not very different. For most wage intervals (except for the intervals under \$200) the ratio of PTA workers to SSA workers falls between 0.85 and 1.15. However, note the low ratios in the under-\$200 wage intervals and the ratios of 1.00 or more in all but one of the \$9,000 or over intervals. The primary factors accounting for this pattern of ratios--the "longest job problem" and missing CPS workers--have been discussed earlier. For most SSA workers in the \$7,800 or over intervals, covered wages are estimated worker by worker based on worker quarterly taxable wage information. 19/

For civilian workers additional comparisons are shown in tables B-1 and B-2. Table B-1 presents distributions of civilian PTA and SSA workers by sex and wage intervals: The ratio of PTA workers to SSA workers shows little difference by sex (0.93 for men and 0.92 for women). Table B-2 presents distributions of civilian PTA and SSA workers by sex and age intervals: For men and women combined, the ratio of PTA workers to SSA workers shows no consistent pattern by age intervals: the ratio ranges from 0.89 to 0.96. Table B-3 presents distributions of all PTA and SSA workers by wage intervals; no attempt is made in this table to make these distributions comparable.

18/ Failure to include delinquent earnings reports affects the relative distribution of SSA workers by wage intervals. Inclusion of delinquent reports, in addition to increasing the number of SSA workers by some 0.7 million, also increases the wage income of some workers already included in the count of SSA wage workers. Comparing published data from {20}, table 4, and 0.1-percent sample data, we estimate that inclusion of delinquent reports would decrease the number of SSA workers in the \$1-\$599 and \$600-\$2,999 wage intervals by 0.7 percent and 0.4 percent, and would increase the number of workers in the \$3,000-\$5,999, \$6,000-\$7,799, and \$7,800 or over intervals by 0.2 percent, 2.6 percent, and 2.4 percent. Failure to exclude deceased workers and the institutional population probably had very little effect on the relative distribution of SSA workers by wage intervals; for deceased workers this conclusion is based partly on social security earnings record data.

19/ Covered wages are estimated by Method II. See {18}.

TABLE 4.--Civilian workers in 1971, age 14 or over as of March 1972, in U.S. by covered wage intervals: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages ^{1/}	SSA program data ^{2/} No. of workers (in thousands)	March 1972 CPS ^{3/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	83,123	77,251	93
\$1-49.....	1,445	618	43
50-99.....	1,154	774	67
100-199.....	1,985	1,524	77
200-299.....	1,712	1,534	90
300-399.....	1,730	1,592	92
400-599.....	2,720	2,484	91
600-999.....	4,711	4,083	87
1,000-1,999.....	9,224	7,675	83
2,000-2,999.....	6,508	5,618	86
3,000-3,999.....	6,474	6,007	93
4,000-4,999.....	6,505	6,013	92
5,000-5,999.....	6,057	5,958	98
6,000-6,999.....	5,413	5,339	99
7,000-7,799.....	3,945	4,247	108
7,800-7,999.....	1,764	1,037	59
8,000-8,999.....	4,210	4,148	98
9,000-9,999.....	3,465	3,675	106
10,000-10,999.....	3,246	3,428	106
11,000-11,999.....	2,115	2,273	107
12,000-12,999.....	1,797	2,191	122
13,000-13,999.....	1,328	1,339	101
14,000-14,999.....	941	1,032	110
15,000-19,999.....	3,027	2,913	96
20,000-24,999.....	767	868	113
25,000 or over.....	880	882	100

^{1/} SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based primarily on quarterly taxable wage information.

^{2/} Does not include delinquent reports and does not exclude deceased workers and the institutional population.

^{3/} Includes 942 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

The PTA described and evaluated in this paper is a revised version of the PTA used in the payroll tax relief paper (4). For example, in assigning government civilian workers to Federal or State-local employment, the revised PTA uses data from the 1970 Decennial Census (rather than from the 1967 Census of Governments). In assigning coverage status to State-local government workers, the revised PTA uses data from the 1972 Census of Governments (rather than from the 1967 Census of Governments). And in assigning coverage status to farm and household workers, the revised PTA uses ratios based on comparisons of March 1972 CPS data with 1971 SSA program data (rather than on comparisons of March 1969 CPS data with 1968 SSA program data). This revised PTA finds slightly more wage workers (78.4 million as opposed to 77.9 million) and slightly more taxable wage income (\$366.2 billion as opposed to \$364.0 billion). The revised and unrevised distributions of workers by wage interval are quite similar.

B. Evaluation by Major Job Groups

Next we present an evaluation of the PTA results for each of the major covered job groups (Armed Forces, government civilian--Federal and State-local--private farm, private household, and other private--nonprofit and main).

1. Armed Forces

For 1971 the PTA finds 1,188,000 Armed Forces workers in the CPS, while SSA program data show 3,050,000 workers with Armed Forces as their major job (table 5). ^{20/} As pointed out earlier, these two figures are not comparable. Most important, the CPS excludes about 1,400,000 persons who were in the Armed Forces in March 1972, about half of whom were outside the United States and the other half in the United States on post without their families. In addition, Armed Forces workers in the CPS are those in the Armed Forces in March 1972, and their covered wage income is their 1971 wage income (Armed Forces plus civilian).

^{20/} This SSA program figure excludes 219,000 workers with reservist as their major covered wage job. Seventy percent of these reservists had less than \$1,000 of covered wages and almost 90 percent had less than \$2,000; thus, it seems likely that the longest wage job of many of them was in uncovered employment.

TABLE 5.--Workers with social security employee tax in 1971 by kind of job. Estimated number, wages, average wages, employee tax, $\frac{1}{2}$ and average employee tax: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Item	SSA program data	March 1972 CPS	CPS as percent of SSA (2)÷(1)
Armed Forces:^{2/}			
Number (thousands).....	3,050	1,188	39
Covered wages (millions).....	\$14,235	\$8,848	62
Taxable wages (millions).....	\$12,561	\$6,978	56
Employee tax (millions).....	\$650	\$363	56
Average covered wage.....	\$4,667	\$7,448	160
Average taxable wage.....	\$4,118	\$5,874	143
Average employee tax.....	\$213	\$306	144
Federal Government civilian:			
Number (thousands).....	687	173	25
Covered wages (millions).....	\$1,614	\$351	22
Taxable wages (millions).....	\$1,460	\$335	23
Employee tax (millions).....	\$75	\$17	23
Average covered wage.....	\$2,350	\$2,026	86
Average taxable wage.....	\$2,126	\$1,933	91
Average employee tax.....	\$109	\$101	93
State-local government civilian:^{3/}			
Number (thousands).....	8,625	8,066	94
Covered wages (millions).....	\$51,776	\$51,472	99
Taxable wages (millions).....	\$42,170	\$40,295	96
Employee tax (millions).....	\$2,148	\$2,096	98
Average covered wage.....	\$6,003	\$6,382	106
Average taxable wage.....	\$4,889	\$4,996	102
Average employee tax.....	\$249	\$260	104
Private farm:^{3/}			
Number (thousands).....	$\frac{4}{1}$ 1,855	1,793	97
Covered wages (millions).....	$\frac{4}{4}$ \$4,982	\$4,515	91
Taxable wages (millions).....	$\frac{4}{4}$ \$4,571	\$4,132	90
Employee tax (millions).....	$\frac{4}{4}$ \$234	\$215	92
Average covered wage.....	\$2,685	\$2,518	94
Average taxable wage.....	\$2,463	\$2,304	94
Average employee tax.....	\$126	\$120	95
Private household:^{3/}			
Number (thousands).....	$\frac{5}{5}$ 944	964	102
Covered wages (millions).....	$\frac{5}{5}$ \$1,308	\$1,327	101
Taxable wages (millions).....	$\frac{5}{5}$ \$1,301	\$1,304	100
Employee tax (millions).....	$\frac{5}{5}$ \$67	\$68	101
Average covered wage.....	\$1,386	\$1,376	99
Average taxable wage.....	\$1,379	\$1,352	98
Average employee tax.....	\$71	\$70	99

TABLE 5.--Workers with social security employee tax in 1971 by kind of job. Estimated number, wages, average wages, employee tax, 1/ and average employee tax: comparison of March 1972 CPS with SSA program data (continued)

Item	(1) SSA program data	(2) March 1972 CPS	(3) CPS as percent of SSA (2)÷(1)
Nonprofit:^{3/}			
Number (thousands).....	4,505	4,401	98
Covered wages (millions).....	\$20,168	\$22,860	113
Taxable wages (millions).....	\$17,340	\$18,520	107
Employee tax (millions).....	\$884	\$963	109
Average covered wage.....	\$4,477	\$5,194	116
Average taxable wage.....	\$3,849	\$4,208	109
Average employee tax.....	\$196	\$219	112
Main other private:^{3/}			
Number (thousands).....	66,779	61,854	93
Covered wages (millions).....	\$404,361	\$388,033	96
Taxable wages (millions).....	\$312,785	\$294,642	94
Employee tax (millions).....	\$15,819	\$15,329	97
Average covered wage.....	\$6,055	\$6,273	104
Average taxable wage.....	\$4,684	\$4,764	102
Average employee tax.....	\$237	\$248	105

1/ 5.2 percent of taxable wage subject to employee tax. For an employee taxable wage subject to employee tax equals the lesser of taxable wage and \$7,800.

2/ SSA program data excludes 219 thousand workers with reservist as major covered wage job.

3/ 942 thousand CPS unknown job workers were assigned to coverage categories as follows:

	Thousand
State-local government civilian	90
Private farm	30
Private household	21
Nonprofit	52
Main other private	750

4/ Figure from 0.1 percent sample of social security earnings records multiplied by adjustment factor of 1.04 (see table A-7).

5/ Figure from 0.1 percent sample of social security earnings records multiplied by adjustment factor of 1.27 (see table A-10).

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of SSA earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

Average covered wage {taxable wage} for CPS workers is 60 percent {43 percent} higher than average covered wage {taxable wage} for SSA program data workers {table 5}. Table B-4 presents the distributions of CPS and SSA workers by wage intervals. Examination of this table shows relatively small numbers of CPS workers in the under-\$6,000 wage intervals and relatively large numbers of CPS workers in the \$6,000 or over intervals.

2. Federal Government Civilian

For 1971 the PTA finds only 173,000 covered Federal Government civilian workers in the CPS, while SSA program data show 687,000 workers with Federal civilian employment as their major job {table 5}. Apparently, the PTA incorrectly classifies a sizable number of temporary but full-time Federal civilian workers in public administration as uncovered by social security. In addition, the PTA treated all Federal civilian workers not in the postal service or in other public administration {such as those in education and health} as uncovered by social security. When we revise the PTA, we plan to incorporate several changes which will substantially improve PTA estimates of covered Federal civilian workers.

Average covered wage and average taxable wage for PTA workers are 14 percent and 9 percent lower than the comparable figures for SSA program data workers {table 5}. Table B-5 presents the distributions of PTA and SSA workers by wage intervals.

3. State-local Government Civilian

As shown in table 5, the PTA and SSA program-data aggregates and averages for State-local government workers are similar. Table B-6 presents the distributions of PTA and SSA workers by wage intervals. As shown in table B-6, for most of the \$8,000 or over intervals, PTA workers exceed SSA workers in number. A factor accounting at least in part for this pattern is the "longest job problem."

Other factors in addition to CPS-SSA data differences may contribute to these PTA-SSA differences. The PTA randomly assigned level of government code to most government civilian workers on the basis of 1970 Decennial Census data by industry and social security coverage status to State-local government workers on the basis of 1972 Census of Governments data by State-job type category. There are a number of differences among these two censuses and the March 1972 CPS. In addition,

the assignment process was random and gave no role to size of wage income.

4. Private Farm

Given the method used by the PTA in assigning coverage status to farm workers, the results of PTA-SSA comparisons are predictable. The PTA and SSA program data aggregates and averages for farm workers are fairly similar. Each PTA figure is a bit lower than the corresponding SSA figure {table 5}. The distributions of PTA and SSA workers by wage intervals are fairly similar; however, for most of the \$1,000 or over intervals, SSA workers exceed PTA workers in number {table B-7}.

5. Private Household

Again, given the method used in assigning coverage status, the results of PTA-SSA comparisons are predictable. As shown in table 5, the PTA and SSA program-data aggregates and averages for household workers are quite similar. The distributions of PTA and SSA workers by wage intervals are fairly similar {table B-8}.

6. Other Private: Nonprofit

The numbers of PTA and SSA program-data nonprofit workers are very similar; however, the PTA dollar aggregates and averages are all higher than the corresponding SSA figures {table 5}. As shown in table B-9, for the \$8,000-or-over wage intervals {especially for the \$12,000 or over intervals} PTA workers substantially exceed SSA workers in number. This PTA-SSA difference appears mostly because the PTA assigned nonprofit status to more high-wage other professional service workers than it should have. Some of these workers should have been assigned to the main other private group. 21/

7. Other Private: Main

Aggregates and averages for main other private workers are given in table 5, and distributions of workers by wage intervals are shown in table B-10. These results for main other

21/ Correspondingly, the PTA assigned nonprofit status to too few low-wage other professional service workers.

private workers are very similar to those for all civilian workers presented in tables 3 and 4. This similarity was to be expected since main other private workers account for 80 percent of all covered civilian workers.

III. Self-Employment Income

For each self-employed worker in the CPS subject to the self-employment income {SEI} tax, the PTA calculates covered SEI, taxable SEI, and SEI tax. Workers with SEI of less than \$400 or taxable wages equal to the taxable maximum are not subject to the SEI tax. ^{22/} For other self-employed workers who report their SEI to SSA, covered SEI equals total SEI and taxable SEI equals the lesser of covered SEI and the taxable maximum less taxable wage income. SEI tax is the product of the SEI tax rate and taxable SEI. In 1971 the SEI tax rate and the taxable maximum were 7.5 percent and \$7,800. In addition to calculating social security SEI and taxes for the existing law, the PTA can calculate the effect of various changes in the law {for example, changes in tax rates and the taxable maximum}.

SSA program data show 6,200,000 workers with aggregate covered SEI of \$50,000 million. On the other hand, there are 7,258,000 SEI workers with aggregate SEI of \$56,812 million in the March 1972 CPS, each with SEI of \$400 or more and taxable wages {if any} less than \$7,800. We call these persons "assignable" workers {table 6}. For number of workers and aggregate SEI, the SSA-CPS ratios are 85 percent {6,200,000 ÷ 7,258,000} and 88 percent {\$50,000 million ÷ \$56,812 million}.

The reasons for this SSA-CPS difference are not clear. However, the difference seems generally consistent with what we know about the reporting of SEI in the CPS and to SSA and to IRS. Taxpayers report SEI for social security purposes not directly to SSA but to IRS at the same time they report SEI for income tax purposes. IRS transmits social-security-tax SEI information to SSA. Thus, we would expect the quality of reporting of social security tax SEI data and of income tax SEI data to be similar. For 1971-dollar aggregates

^{22/} Under social security law some self-employed workers with SEI of less than \$400 may elect to pay SEI tax on their gross SEI. In 1971 this option was available only to workers with farm SEI.

TABLE 6.--Self-employed workers in 1971 by amount and type of self-employment income (SEI), amount of social security taxable wages, sex, and PTA social security coverage status: March 1972 CPS

(in thousands)

Amount and type of SEI, amount of social security taxable wages, and sex	PTA social security coverage status		
	Total	SEI is taxable	SEI is not taxable
Total	2/10,669	6,192	4,477
Less than \$400 of SEI	2/ 2,715	0	2,715
\$400 or more of SEI	7,953	6,192	1,761
Taxable wages (if any) less than taxable maximum <u>1/</u>	7,255	6,192	1,063
Male	5,932	5,284	648
With farm SEI (excluding clergy)	1,717	1,426	291
With no farm SEI (excluding clergy)	4,084	3,729	355
Clergy	130	130	0
Female	1,323	908	415
With farm SEI	212	94	118
With no farm SEI	1,112	814	298
Taxable wages equal to taxable maximum	698	0	698

1/ (in thousands)

PTA social security coverage status

	Total	SEI is taxable	SEI is not taxable
With no taxable wages	6,205	5,299	906
With taxable wages > 0, but < taxable maximum	1,050	893	157

2/ The slightly different figures in table 2 of [4] contain a small error.

Source: Tabulation prepared by SSA/ORS from March 1972 CPS.

the ratio of income tax SEI to CPS SEI (after adjusting for conceptual differences) is about 83 percent. 23/

The PTA deals with this SSA-CPS difference as follows: all the 130 thousand clergymen in the CPS (identified as shown in table A-13) were treated as covered self-employed workers. For each of four types of self-employed workers other than clergymen (men with farm SEI, men with no farm SEI, women with farm SEI, and women with no farm SEI), the ratio of SSA program data workers to CPS "assignable" workers was computed (table A-18). CPS "assignable" workers were randomly assigned coverage status on the basis of these ratios (table 6). The random assignment procedure was constrained to produce coverage ratios in the March 1972 CPS similar to those used by the assignment procedure itself.

In making social security tax estimates for later years, the researcher will want to change some of the PTA's SEI parameters. Of course, he must change the social-security tax-law parameters. In addition, as more recent March CPS and SSA program data become available, he will want to revise the SEI coverage ratios shown in table A-18.

PTA covered SEI (\$50,106 million) is almost the same as SSA program data SEI (\$50,000 million); however, PTA taxable SEI is 8 percent, or \$2.1 billion, higher than SSA program data SEI (table 7). The distributions of PTA and SSA workers by earnings intervals and sex are compared in table 8; for men and women combined (except for the \$400-\$599 earnings interval) the ratio of PTA workers to SSA workers generally increases as earnings increase. Table B-11 compares the distributions of PTA and SSA workers by age intervals and sex; for men and women combined (except for the under-25 age interval), the ratio of PTA workers to SSA workers ranges from 0.89 to 1.09. The distribution of PTA workers with taxable farm SEI by earnings intervals is presented in table B-12; no roughly comparable SSA program data were readily available.

23/ Our colleague Daniel Radner helped us with the adjustments for conceptual differences. Our estimate of the denominator of this ratio was based on unpublished worksheets from the Bureau of Economic Analysis, U.S. Department of Commerce.

TABLE 7.--Workers in 1971 with taxable self-employment income (SEI):
summary comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Item	1971 SSA program data <u>1/</u>	March 1972 CPS <u>2/</u>	CPS as percent of SSA (2)÷(1)
With SEI:			
No. of workers (thousands)....	6,200	6,192	100
Covered SEI (millions).....	\$50,000	\$50,106	100
Taxable SEI (millions).....	\$27,300	\$29,442	108
Average covered SEI.....	\$8,065	\$8,092	100
Average taxable SEI.....	\$4,403	\$4,755	108
With farm SEI:			
No. of workers (thousands)....	1,510	1,519	101
Taxable SEI (millions).....	\$4,820	\$5,784	120
Average taxable SEI.....	\$3,192	\$3,807	119
With no farm SEI:			
No. of workers (thousands)....	4,690	4,673	100
Taxable SEI (millions).....	\$22,480	\$23,658	105
Average taxable SEI.....	\$4,793	\$5,063	106

1/ Includes 34 thousand workers outside U.S. [19], table 46.
Does not exclude workers under age 14.

2/ Clergy included as nonfarm.

Sources: Column (1): [19], tables 35-36.

Column (2): Tabulation prepared by SSA/ORS from
March 1972 CPS.

TABLE 8.--Workers in 1971 with taxable self-employment income (SEI) by sex and taxable earnings intervals: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Taxable earnings <u>1/</u>	No. of workers (in thousands)						CPS as percent of SSA		
	1971 SSA program data <u>2/</u>			March 1972 CPS data			Total (4)÷(1)	Male (5)÷(2)	Female (6)÷(3)
	Total	Male	Female	Total	Male	Female			
Total.....	6,200	5,300	900	6,192	5,284	908	100	100	101
\$400-599.....	168	108	60	246	158	88	146	146	147
600-1,799.....	1,051	749	302	851	589	262	81	79	87
1,800-2,999.....	732	576	156	578	450	128	79	78	82
3,000-4,199.....	641	539	92	622	488	134	97	91	146
4,200-5,399.....	559	485	74	533	459	74	95	95	100
5,400-6,599.....	505	453	52	527	456	71	104	101	137
6,600-7,799.....	474	425	39	497	449	48	105	106	123
7,800 and over....	2,080	1,965	115	2,337	2,234	103	112	114	90

1/ Taxable earnings is sum of taxable SEI and taxable wage (if any).

2/ Includes 34 thousand workers outside U.S. [19], table 46. Does not exclude workers under age 14.

Sources: Column (1): [19], table 45.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

As pointed out, the PTA described and evaluated in this paper is a revised version of the PTA used in the payroll tax relief paper {4}. For example, in assigning coverage status to self-employed workers, the revised PTA uses ratios based on comparisons of March 1972 CPS data with 1971 SSA program data {rather than on comparisons of March 1971 CPS data with 1970 program data}. This revised PTA finds fewer covered SEI workers {6.2 million as opposed to 6.4 million} and less taxable SEI {#29.4 billion as opposed to #30.8 billion}. The revised and unrevised distributions of workers by earnings intervals are similar.

SOME OTHER PROGRAMS

The PTA also estimates earnings and taxes or contributions for the other major nationally uniform social insurance programs: The railroad retirement program, the railroad unemployment compensation program, and the Federal Government civilian employee retirement system. This section briefly describes and evaluates this part of the PTA.

I. Railroad Retirement Program

There are 699,000 workers in the March 1972 CPS whose PTA industry of 1971 wage job is railroad {tables 1 and A-13}. The PTA treats these workers as covered under the railroad retirement program. For each railroad worker in the CPS, the PTA calculates annual covered wage, annual taxable wage, annual employee wage tax, and annual employer wage tax. Covered wage is total annual railroad wage income, including wage income {if any} in excess of the monthly taxable maximums. Taxable wage is the sum of monthly railroad wage incomes up to the monthly taxable maximums. In 1971 the monthly maximum was \$650. As shown in table A-19, the maximum applied to annual covered wages in computing annual taxable wages depends directly on the number of weeks worked during the year. The employee {employer} wage tax is the product of the employee {employer} tax rate and annual taxable wage. In 1971 the employee and employer rates were 9.55 percent. In addition to calculating railroad retirement wages and taxes under the existing law, the PTA can calculate the effect of various possible changes in the law.

Covered and taxable railroad retirement wages in the CPS are 99 percent and 100 percent of the corresponding Railroad Retirement Board {RRB} program figures {table 9}. Railroad workers in the CPS are 91 percent of the corresponding RRB

TABLE 9.--Railroad programs: summary comparison of March 1972 CPS with 1971 Railroad Board (RRB) program data

Item	(1)	(2)	(3)
	1971 RRB program data	March 1972 CPS	CPS as percent of RRB (2)÷(1)
Wages:			
1. Covered (millions).....	\$6,602	\$6,561	99
2. Taxable retirement program (millions).....	<u>1/</u> \$4,824	\$4,814	100
3. Taxable unemployment compensation program (millions).....	\$3,055	\$3,082	101
No. of workers (thousands)			
4. Total.....	767	699	91
5. Male.....	717	662	92
6. Female.....	50	37	74
Average wages:			
7. Covered.....	\$8,608	\$9,386	109
8. Taxable retirement program.....	\$6,289	\$6,887	110
9. Taxable unemployment compensation program.....	\$3,983	\$4,409	111

1/ A slightly different figure appears in [5], table D-8.

Sources: Column (1): lines 1-2 from [5], table D-1;
line 3 from [5], table D-8;
lines 4-6 from [5], table D-15;
line 7 = line 1 ÷ line 4; line 8 = line 2 ÷ line 4;
line 9 = line 3 ÷ line 4.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

figure, but average covered and average taxable railroad-retirement wages in the CPS are 109 percent and 110 percent of the corresponding RRB figures. Table 10 presents the distributions of CPS and RRB workers by taxable wage intervals. Examination of this table shows relatively small numbers of CPS workers in the lower wage intervals (especially in the \$1-\$999 interval) and a relatively large number of CPS workers in the top wage class (>\$7,800 of taxable wages). A substantial part of the differences between CPS and RRB numbers of workers, CPS and RRB average wages, and CPS and RRB wage distributions may be due to the fact that multiple job holders in the CPS with both railroad and nonrailroad wage income are classified by longest wage job in 1971.

No attempt was made to adjust the RRB figures to make them more comparable to the CPS figures (for example, adjustments for deaths during the January 1971-March 1972 period). Table 10, in addition to showing a relatively large number of CPS workers in the \$7,800-wage class, shows a relatively low number of CPS workers in the \$7,000-\$7,799 class. Part of this CPS-RRB difference may be the result of the PTA's not adequately simulating the effect of the "monthliness" of the taxable maximum.

Ninety-four percent of CPS workers and 95 percent of RRB workers are men (table 9). Table B-13 presents the distributions of CPS and RRB workers by age intervals.

II. Railroad Unemployment Compensation Program

Under the PTA railroad unemployment compensation program coverage is the same as that for the railroad retirement program. For each railroad worker in the CPS, the PTA calculates annual taxable wage. In this instance, taxable wage is the sum of monthly railroad wage incomes up to the monthly taxable maximum, which in 1971 was \$400. As shown in table A-19, the maximum applied to annual covered wages in computing annual taxable wages again depends directly on the number of weeks worked during the year.

Taxable wages and average taxable wages in the CPS are 101 percent and 111 percent of the corresponding RRB figures (table 9). Table 11 presents the distribution of CPS workers by taxable wage intervals.

III. Federal Government Civilian Employee Retirement System

There are 3,034,000 workers in the March 1972 CPS who are classified by the PTA as permanent full-time Federal civilian employees (tables 1 and A-5). The PTA treats these workers

TABLE 10.--Railroad workers by railroad retirement taxable wage intervals in 1971: comparison of March 1972 CPS with Railroad Retirement Board (RRB) program data

(in thousands)

	(1)	(2)	(3)
Taxable wages	RRB program data	March 1972 CPS	CPS as percent of RRB (2)÷(1)
Total.....	767.1	698.9	91
\$1-999.....	58.8	5.7	10
1,000-2,999.....	56.3	30.4	54
3,000-4,999.....	51.6	39.1	76
5,000-6,999.....	100.2	77.2	77
7,000-7,799.....	225.6	58.8	26
7,800.....	274.7	487.5	177

Sources: Column (1): [5], table D-10.

Column (2): Tabulation prepared by SSA/ORS from the March 1972 CPS.

TABLE 11.--Railroad workers by railroad unemployment compensation taxable wage intervals in 1971: March 1972 CPS

Taxable wages	No. in thousands
Total.....	698.9
\$1-999.....	5.7
1,000-2,999.....	61.9
3,000-4,799.....	94.8
4,800.....	536.5

Source: Tabulation prepared by ORS/SSA from the March 1972 CPS.

as covered under the Federal civilian employee retirement system. For each such worker in the CPS, the PTA calculates covered wage and employee contribution. Covered wage is total wage income in covered Federal civilian employment. Employee contribution is the product of the employee contribution rate and covered wage; in 1971 the contribution rate was 7 percent. 24/

Aggregate PTA employee contributions are 98 percent of the corresponding national income and product account figure. 25/ Seventy percent of CPS workers are men; the corresponding figure from Civil Service Commission (CSC) data is 67 percent. The distributions of CPS and CSC workers by age intervals are fairly similar (table B-14). Table 12 presents the distribution of CPS workers by wage intervals.

24/ For a few covered workers, for example --legislative branch employees --the employee rate was not 7 percent.

25/ The national income and product account figure is from (10), table 3.8.

TABLE 12.—Workers under Federal civilian employee retirement system by wage intervals: March 1972 CPS

Wage and salary income	Number of workers ^{1/} (in thousands)
Total.....	3,042
\$1-999.....	148
1,000-1,999.....	124
2,000-2,999.....	77
3,000-3,999.....	135
4,000-4,999.....	140
5,000-5,999.....	165
6,000-6,999.....	195
7,000-7,999.....	231
8,000-8,999.....	294
9,000-9,999.....	328
10,000-10,999.....	339
11,000-11,999.....	168
12,000-12,999.....	158
13,000-13,999.....	97
14,000-14,999.....	79
15,000-19,999.....	235
20,000-24,999.....	65
25,000 and over.....	62

^{1/} Permanent full-time Federal civilian employees (see tables 1 and A-5).

Source: Tabulation prepared by SSA/ORS from March 1972 CPS.

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APPENDIX A

Description Tables

TABLE A-1.--PTA class of wage worker by CPS population status and class of worker: March 1972 CPS

(Workers with 1971 wages in thousands)

CPS population status and CPS class of worker	Total	PTA class of wage worker					
		Armed Forces	Government civilian	Private farm	Private household	Other private	Unknown
Total.....	89,341	1,188	14,834	2,329	3,154	66,687	1,148
1. Armed Forces.....	1,188	1,188	0	0	0	0	0
Civilian 14 and over.....	88,153	0	14,834	2,329	3,154	66,687	1,148
Class of worker of longest 1971 job:							
2. Government.....	14,769	0	14,769	0	0	0	0
Private.....	71,758	0	0	2,311	3,142	66,305	0
3. Agriculture: wage and salary.....	2,311	0	0	2,311	0	0	0
4. Household.....	3,142	0	0	0	3,142	0	0
5. Other.....	66,305	0	0	0	0	66,305	0
None, self-employed or unpaid.....	1,626	0	65	18	12	383	1,148
Class of worker of March 1972 job:							
6. Government.....	65	0	65	0	0	0	0
Private.....	413	0	0	18	12	383	0
7. Agriculture.....	18	0	0	18	0	0	0
8. Household.....	12	0	0	0	12	0	0
9. Other.....	383	0	0	0	0	383	0
10. None, self-employed or unpaid.....	1,148	0	0	0	0	0	1,148

Source: Tabulation prepared by ORS/SSA from March 1972 CPS.

TABLE A-2.--Derivation of PTA wage-job industry and occupation

Table A-1	PTA industry	PTA occupation
Line 1	Armed Forces	Armed Forces
Lines 2-5	CPS industry of longest 1971 job	CPS occupation of longest 1971 job
Lines 6-9	CPS industry of March 1972 job	CPS occupation of March 1972 job
Line 10	Unknown	Unknown

TABLE A-3.--1970 Decennial Census: Government civilian workers age 16 and over by industry and level of government 1/

Industry last week	Total (in thous.)	Federal (in thous.)	State and local (in thous.)	Percent Federal
Total.....	12,321	3,284	9,036	
Postal.....	719	719	0	100
Public administration/postal..	3,483	1,620	1,863	
Federal.....	1,620	1,620	0	100
State.....	554	0	554	0
Local.....	1,309	0	1,309	0
Agriculture, forestry, and fisheries.....	82	36	46	44
Construction.....	507	50	457	10
Manufacturing.....	349	244	105	70
Transportation.....	232	29	202	12
Communication, utilities, and sanitary services.....	372	40	333	11
Wholesale and retail trade....	151	67	84	44
Finance, insurance, and real estate.....	138	64	74	46
Professional and related services.....	6,152	374	5,777	
Health services.....	1,059	179	880	17
Education.....	4,472	110	4,362	2
Welfare services.....	241	24	217	10
Other professional.....	380	62	318	16
All other.....	136	39	97	29

1/ The last column of this table was used in the derivation of the *PTA* level of government code.

Source: [13], table 17.

TABLE A-4.--March 1972 CPS: Government civilian workers age 14 and over by PTA industry and PTA level of government

PTA industry	Total (in thous.)	Federal (in thous.)	State and local (in thous.)	Percent Federal
Total.....	14,834	3,207	11,627	
Postal.....	802	802	0	100
Public administration & postal.....	3,868	1,514	2,354	
Federal.....	1,514	1,514	0	100
State.....	749	0	749	0
Local.....	1,605	0	1,605	0
Agriculture, forestry, and fisheries..	51	23	28	45
Construction.....	656	67	589	10
Manufacturing.....	175	123	51	71
Transportation.....	288	37	252	13
Communication, utilities, and sanitary services.....	470	52	418	11
Wholesale and retail trade.....	132	61	72	46
Finance, insurance, and real estate...	109	51	58	47
Professional and related services.....	8,074	427	7,646	
Health services.....	1,467	251	1,217	17
Education.....	6,178	124	6,054	2
Welfare services.....	333	35	297	11
Other professional.....	95	17	78	18
All other.....	209	50	159	24

Source: Tabulation prepared by ORS/SSA from the March 1972 CPS.

TABLE A-5. --Derivation of PTA type of wage job for PTA class of worker of wage job = Armed Forces or government civilian

PTA type of wage job	PTA class of worker of wage job <u>1/</u>	PTA level of government code <u>2/</u>	PTA industry of wage job <u>3/</u>	PTA occupation of wage job <u>3/</u>	CPS full-time / part-time work last year	CPS weeks worked last year	PTA student code <u>4/</u>
1. Armed Forces.....	Armed Forces	Any	Any	Any	Any	Any	Any
Government civilian:							
Federal:							
2. Post office, part-time.....	Government	Federal	Postal	Any	Part-time	Any	Any
3. Post office, full-time, 1-13 weeks.....	Government	Federal	Postal	Any	Full-time	1-13	Any
4. Other public administration, part-time.....	Government	Federal	Other public administration	Any	Part-time	Any	Any
5. Other public administration, full-time, 1-13 weeks, student.....	Government	Federal	Other public administration	Any	Full-time	1-13	Student
6. Other.....	Government	Federal	(Other than lines 2-5]
State-local:							
7. Teachers, except college.....	Government	State-local	Educational services	Teacher except college	Any	Any	Any
8. Other.....	Government	State-local	(Other than line 7]

1/ For derivation, see table A-1.

2/ For derivation, see table A-3.

3/ For derivation, see table A-2.

4/ PTA students must meet at least one of the following conditions:

- (a) Part-year work in calendar year preceding March CPS interview because attending school;
- (b) No work in calendar year preceding interview because attending school;
- (c) Major activity at time of interview was attending school.

TABLE A-6.--Full-time State and local government employees by kind of job, State of employment, and social security coverage status in October 1971: 1972 Census of Governments ^{1/}

(Numbers of workers in thousands)

State of employment	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Total	Respondents to social security coverage question						
		Total	Local teachers			Other		
Total	Total		Covered by social security	% covered by social security (4)÷(3)	Total	Covered by social security	% covered by social security (7)÷(6)	
Total.....	8,578	7,402	1,942	1,022		5,460	1,931	
Alabama.....	138	113	27	18	67	87	73	84
Arizona.....	87	76	20	20	97	57	53	92
Arkansas.....	71	56	16	14	89	40	36	90
California.....	884	846	212	25	12	634	453	72
Colorado.....	107	98	27	(3/)	1	71	20	29
Connecticut.....	117	106	35	4	11	71	55	78
Delaware.....	28	24	6	5	75	18	16	92
District of Columbia....	48	47	8	1	8	39	5	12
Florida.....	314	275	63	42	66	212	174	82
Georgia.....	208	163	38	27	71	125	105	85
Hawaii ^{2/}	39	38	13	13	98	25	22	86
Illinois.....	432	377	103	6	6	274	102	37
Indiana.....	193	151	41	35	86	110	93	85
Iowa.....	112	92	30	27	91	62	57	93
Kansas.....	99	85	25	21	83	60	47	78
Kentucky.....	116	101	29	2	6	71	56	78
Louisiana.....	164	139	36	2	6	102	41	40
Maryland.....	175	154	40	36	91	114	99	86
Massachusetts.....	240	199	52	3	6	147	12	8
Michigan.....	350	316	94	70	74	221	190	86

TABLE A-6.--Full-time State and local government employees by kind of job, State of employment, and social security coverage status in October 1971: 1972 Census of Governments 1/ (continued)

(Numbers of workers in thousands)

State of employment	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Total	Respondents to social security coverage question						
		Total	Local teachers			Other		
Total	Total		Covered by social security	% covered by social security (4)+(3)	Total	Covered by social security	% covered by social security (7)+(6)	
Minnesota.....	161	135	39	33	83	96	68	71
Mississippi.....	96	74	20	17	87	54	46	85
Missouri.....	181	148	38	8	20	110	102	93
New Jersey.....	281	218	59	42	71	159	124	78
New Mexico.....	53	38	8	7	90	30	24	82
New York.....	882	785	188	153	81	598	518	87
North Carolina.....	196	164	44	38	85	119	91	76
Ohio.....	390	334	105	6	5	229	8	3
Oklahoma.....	109	88	22	20	91	66	59	89
Oregon.....	96	88	24	20	83	64	58	90
Pennsylvania.....	421	349	80	66	82	268	215	80
Rhode Island.....	38	32	8	3	31	24	16	66
South Carolina.....	107	94	29	25	86	64	57	89
Tennessee.....	172	149	34	25	74	115	85	74
Texas.....	473	382	98	19	19	284	220	78
Utah.....	50	46	12	11	89	34	27	81
Virginia.....	192	169	45	32	71	124	112	91
Washington.....	156	134	28	26	93	106	94	89
West Virginia.....	76	68	18	15	85	50	41	83
Wisconsin.....	182	156	43	33	76	113	103	91

TABLE A-6.--Full-time State and local government employees by kind of job, State of employment, and social security coverage status in October 1971: 1972 Census of Governments ^{1/} (continued)

(Numbers of workers in thousands)

State of employment	(1) Total	(2) Total	(3)-(8) Respondents to social security coverage question					
			(3)-(5) Local teachers			(6)-(8) Other		
			(3) Total	(4) Covered by social security	(5) % covered by social security (4)+(3)	(6) Total	(7) Covered by social security	(8) % covered by social security (7)+(6)
Maine, New Hampshire and Vermont ^{4/}	89	70	19	9	47	51	32	63
Nebraska, North Dakota and South Dakota ^{4/}	126	107	31	26	82	76	64	84
Alaska, Idaho, Montana, Nevada, and Wyoming ^{4/}	132	118	31	20	67	87	57	65

^{1/} Columns 5 and 8 of this table were used in the derivation of PTA social security coverage status for State and local government employees.

^{2/} State teachers in Hawaii are included in local teachers' category.

^{3/} Less than 500.

^{4/} Before releasing the March 1972 CPS tape to ORS the Census Bureau grouped these small states together in order to maintain confidentiality of the CPS data.

Source: [12], table 15.

TABLE A-7.--Derivation of factor to adjust SSA 0.1-percent sample data for farm workers to CPS concept: March 1972 CPS

Kind of worker or ratio	Source of number	Number of workers (in thousands) or ratio
1. Age 14 or over, in U.S. and major job coverage code = farm.....	0.1% sample	1,374
2. Age 14 or over, in U.S., major job coverage code = other private ^{1/} and major job industry = agricultural production or services, hunting or trapping.....	0.1% sample	410
3. "Partially adjusted" SSA program figure.....	line 1 + line 2	<u>1,784</u>
4. Farm workers not included in line 3 because their earnings reports were late, incomplete, or incorrect and hence were not included on the 0.1% sample tape.....	table A-8, line 8	42
5. Farm workers not included in line 3 because their earnings were reported on IRS Form 941 (the form for industrial and commercial employees) and hence were listed in SSA record data as nonfarm workers.....	(2/)	43
6. Household workers not excluded from line 3 because their earnings were reported on IRS Form 943 (the form for agricultural employees) and hence were listed in SSA record data as farm workers.....	(3/)	15
7. "Adjusted" SSA program figure comparable to CPS concept.....	line 3 + line 4 + line 5 - line 6	<u>1,854</u>
8. Ratio of "adjusted" SSA program figure to "partially adjusted" SSA program figure: factor to adjust SSA 0.1% sample data to CPS concept.....	line 7 ÷ line 3	1.04

^{1/} Coverage code "other private" means other than military, reservists, Federal civilian government, State and local government, farm, household, tips, or unknown.

^{2/} Line 5 = $\frac{\text{line 1}}{.97} - \text{line 1}$. According to [24], p. 5, about 3 percent of workers with farm wages had their earnings reported on Form 941 (the form for industrial and commercial employees).

^{3/} Line 6 = $\frac{\text{line 1 from table A-10}}{.98} - \text{line 1 from table A-10}$. Line 1 from table A-10 = number of workers 14 or over, in U.S., and with major job coverage code = household. 3 percent of household workers in the March 1971 CPS lived in rural farm areas; we assume that a somewhat lower proportion (2 percent) of household workers had their earnings reported on Form 943.

Source: Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

TABLE A-8.--Estimation of number of farm workers not included in the 1971 SSA 0.1-percent sample data due to late, incomplete, or incorrect earnings reports

Kind of worker or ratio	Source of number	Number of workers (in thousands) or ratio
1. With farm wage income (includes estimate of number of workers whose earnings reports were late, incomplete, or incorrect).....	Published in [19], table 36	1,890
2. Age 14 or over, in U.S. and major job coverage code = farm.....	0.1% sample	1,374
3. Age 14 or over, in U.S., and major job coverage code ≠ farm, but with some farm wage income.....	0.1% sample	385
4. Under 14 or not in U.S. and with farm wage income.....	0.1% sample	75
5. With farm wage income (excludes workers whose earnings reports were late, incomplete, or incorrect)	line 2 + line 3 + line 4	1,834
6. Estimated number of workers with farm wage income whose earnings reports were late, incomplete or incorrect..	line 1 - line 5	56
7. Ratio of workers age 14 or over, in U.S., and major job coverage code = farm to workers with wage income on Form 943 (the form for agricultural employees).....	line 2 ÷ line 5	.75
8. Farm workers not included in line 2 because their earnings reports were late, incomplete, or incorrect and hence were not included on the 0.1% sample tape.....	line 6 x line 7	42

Source: Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

TABLE A-9.-Derivation of PTA social security coverage ratios for PTA farm wage workers: March 1972 CPS

Wage income <u>1/</u>	Number of farm workers (in thousands)			Ratio of "adjusted" SSA program figure to March 1972 CPS figure (2)÷(3)
	(1) "Partially adjusted" 1971 SSA program figure <u>2/</u>	(2) "Adjusted" 1971 SSA program figure <u>2/</u> [1.04 x (1)]	(3) March 1972 CPS figure for 1971 <u>3/</u>	
Total.....	1,784	1,854	2,329	
\$1-149.....	54	56	435	.13
150-399.....	263	274	423	.65
400-999.....	363	378	422	.90
1,000 or over.....	1,104	1,148	1,046	<u>4/</u> 1.10

1/ Includes all wage income, not just that from farm work.

2/ For definition, see table A-7.

3/ PTA type of wage job = farm.

4/ The coverage ratio used by the PTA was 1.00.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (3): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE A-10.--Derivation of factor to adjust SSA 0.1-percent sample data for household workers to CPS concept: March 1972 CPS

Kind of worker or ratio	Source of number	Number of workers (in thousands) or ratio
1. Age 14 or over, in U.S., and major job coverage code = household ("partially adjusted" SSA program figure).....	0.1% sample	743
2. Household workers not included in line 1 because (1) their earnings reports were late, incomplete, or incorrect and hence were not included on the 0.1% sample tape, or (2) their earnings were reported on IRS Form 941 (the form for industrial and commercial employees) and hence were coded on the 0.1% sample tape as nonhousehold workers.....	table A-11, line 8	187
3. Household workers not included in line 1 because their earnings were reported on IRS Form 943 (the form for agricultural employees) and hence were listed in SSA record data as farm workers.....	table A-7, line 6	15
4. "Adjusted" SSA program figure: comparable to CPS concept.....	line 1 + line 2 + line 3	945
5. Ratio of "adjusted" SSA program figure to "partially adjusted" SSA program figure: factor to adjust SSA 0.1% sample data to CPS concept.	line 4 ÷ line 1	1.27

Source: Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.



TABLE A-11.--Estimation of number of household workers not included in the 1971 SSA 0.1-percent sample data as household workers due to late, incomplete, or incorrect earnings reports or due to having their earnings reported on Form 941

Kind of worker or ratio	Source of number	Number of workers (in thousands) or ratio
1. With household wage income (includes (1) workers whose earnings reports were late, incomplete, or incorrect, and (2) workers whose earnings were reported on Form 941-- the form for industrial and commercial employees).	1/	1,135
2. Age 14 or over, in U.S., and major job coverage code = household.....	0.1% sample	743
3. Age 14 or over, in U.S., major job coverage code ≠ household, but with some household wage income.....	0.1% sample	158
4. Under 14 or not in U.S., and with household wage income.....	0.1% sample	6
5. With household wage income on Form 942 --the form for household employees (excludes (1) workers whose earnings reports were late, incomplete, or incorrect, and (2) some workers whose earnings were reported on Form 941)..	line 2 + line 3 + line 4	907
6. Estimated number of workers with household wage income whose (1) earnings reports were late, incomplete or incorrect, or (2) whose earnings were reported on Form 941...	line 1 - line 5	228
7. Ratio of workers age 14 or over, in U.S., and major job coverage code = household to workers with household income on Form 942.....	line 2 ÷ line 5	.82
8. Household workers not included in line 2 because (1) their earnings reports were late, incomplete, or incorrect and hence were not included on the 0.1% sample tape, or (2) their earnings were reported on IRS Form 941 and hence were coded on the 0.1% sample tape as nonhousehold workers..	line 6 x line 2	187

1/ Figure for 1971 estimated on basis of 1966-70 trend. These 1966-70 data from [19], table 33, include household workers reporting on Form 941.

Source: Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

TABLE A-12.--Derivation of PTA social security coverage ratios for PTA household workers: March 1972 CPS

	(1)	(2)	(3)	(4)
Wage income ^{1/}	Number of household workers (in thousands)			Ratio of "adjusted" SSA program figure to March 1972 CPS figure (2)÷(3)
	"Partially adjust- ed" 1971 SSA pro- gram figure ^{2/}	"Adjusted" 1971 SSA program figure ^{2/} [1.27 x (1)]	March 1972 CPS figure for 1971 ^{3/}	
Total.....	743	945	3,154	
\$1-49.....	0	0	523	0.00
50-149.....	41	52	656	.08
150-299.....	63	80	466	.17
300-599.....	133	169	439	.38
600 or over.....	504	640	1,070	.60

^{1/} Includes all wage income, not just that from household work.

^{2/} For definition, see table A-10.

^{3/} PTA type of wage job = household.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (3): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE A-13.--Derivation of PTA type of wage job for PTA class of worker of wage job ^{1/} Armed Forces or government civilian

(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PTA type of wage job	PTA class of worker of wage job ^{1/}	PTA industry of wage job ^{2/}	PTA occupation of wage job ^{2/}	CPS full-time/part-time work last year	PTA student code ^{3/}	CPS sex	CPS age	CPS years of school completed	CPS wage and salary income last year (\$)	% of persons with code combination given in cols. (1)-(9) who are assigned the code shown in col. (0)
Private:										
1. Farm.....	Farm	Any	Any	Any	Any	Any	Any	Any	>0	100
2. Household	Household	Any	Any	Any	Any	Any	Any	Any	>0	100
Other private:										
Miscellaneous:										
3. Railroad.....	Other private	Railroad	Any	Any	Any	Any	Any	Any	>0	100
4. Newboys.....	Other private	Retail ^{4/} eating and drinking places	Sales worker: retail trade	Part-time	Any	Male	14-17	Any	>0 but <1200	100
5. Students employ- ed by their colleges	Other private	Educational services	^{4/} Teachers, except college	Any	Student	Any	Any	>11	>0	100
6. Clergy.....	Other private	Welfare and religious	Other professional ^{4/}	Any	Any	Male	Any	>16	>399	100
7. Nonprofit.....	Other private	Medical, except hospitals	Any	Any	Any	Any	Any	Any	>0	<u>6/</u> 7
8. Nonprofit.....	Other private	Hospitals	Any	Any	Any	Any	Any	Any	>0	<u>6/</u> 88
9. Nonprofit.....	Other private	Educational services	[Other than line 5						>0	<u>6/</u> 77
10. Nonprofit.....	Other private	Welfare and religious	[Other than line 6						>0	100
11. Nonprofit.....	Other private	Other professional services ^{5/}	Any	Any	Any	Any	Any	Any	>0	<u>6/</u> 37
12. Main other private	Other private	[Other than lines 3-11							>0	100
13. Main other private	Other private	[<u>6/</u>							>0	

^{1/} For derivation, see table A-1.

^{2/} For derivation, see table A-2.

^{3/} For derivation, see note 4 to table A-5.

^{4/} Other professional: professional, technical and kindred (wage and salary ^{4/} engineer, medical or teacher, except college).

^{5/} Other professional services: professional and related services ^{4/} medical (except hospitals), hospitals, welfare and religious, or educational services.

^{6/} For derivation of these ratios, see text section 1, p. 6 and table A-15. Persons with the code combination given in columns (1)-(9) who are not assigned the code shown in column (0) are coded main other private. See line 13.

TABLE A-14.--Nonprofit workers with coverage permitted by law in 1971 1/

Date	Number of workers (in thousands)			Percent of those permitted coverage who are covered (2)÷(1)
	Total	Covered	Not covered	
March.....	3,140	3,020	120	96.2
June.....	3,030	2,890	140	95.4
September.....	2,990	2,860	130	95.7
December.....	3,150	3,020	130	95.9

1/ Rough estimates made by SSA's Office of Program Evaluation and Planning based primarily on CPS job last week data.

Source: [17].

TABLE A-15.--Workers with SSA record data coverage codes = tips, nonprofit and other 1/by coverage code and industry 2/: 1971 3/

(Number of workers in thousands)

Major SSA record data industry	Major SSA record data coverage code			
	Tips, nonprofit and other	Nonprofit	Tips and other	Percent nonprofit
Total.....	71,694	4,505	67,189	
Professional services				
Medical, except hospitals.....	1,573	118	1,455	7
Hospitals.....	2,131	1,882	249	88
Education.....	1,132	867	265	77
Welfare and religious.....	586	586	0	100
Other professional	2,117	795	1,322	37
All other.....	64,155	257	63,898	(4/)

1/ Other ≠ military, reservists, Federal civilian government, State-local government, farm, household, nonprofit, or tips.

2/ Excludes workers under age 14 and workers outside 50 states and D.C.

3/ The last column of this table was used by the PTA in determining nonprofit status for workers.

4/ Less than 0.5 percent.

Source: Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

TABLE A-16.—Wage workers age 14 or over excluding Armed Forces and workers with unknown job by wage income, PTA type of job, and PTA social security coverage status: March 1972 CPS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Wage income	Total (in thousands)	Percent 1/ by PTA type of job and PTA social security coverage status											
		Fed. Govt. civ.		State-local govt.		Farm		Household		Miscellaneous other private	Nonprofit		Main other private
		Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered	Not covered	Covered	Not covered	Covered
Total...	87,005												
\$1-49	1,264	0.21	0.12	6.43	2.43	1.56	9.30	0	41.33	0.43	0	1.97	36.17
50-149.....	2,392	.59	.57	5.78	2.60	1.58	10.88	2.11	25.29	.67	4.03	.35	45.48
150-399.....	4,571	.27	1.20	8.96	2.83	6.05	3.21	3.21	10.69	.67	4.52	.08	58.24
400-999.....	7,128	.52	1.09	8.06	3.43	5.34	.57	4.04	3.83	1.00	5.33	.25	66.48
1,000-1,999..	8,116	.66	1.53	8.38	2.72	3.53	0	3.01	2.08	.63	6.39	.29	70.73
2,000-2,999..	5,980	.30	1.28	7.41	4.01	3.78	0	1.61	1.23	.83	6.39	.15	72.95
3,000-4,999..	12,828	.12	2.12	7.95	3.58	1.96	0	.69	.44	.58	7.13	.27	75.11
5,000 or over	44,725	.04	5.39	10.34	5.05	.63	0	.06	.04	1.61	4.13	.18	72.48

1/ Expressed as percents of column (1) totals.

Source: Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE A-17.--Derivation of PTA imputed type of wage job and PTA social security coverage status for workers with unknown wage job: March 1972 CPS

Wage income	(1)	(2)	Percent ^{1/} with wages covered						Percent ^{1/} with wages not covered				
	Number of unknown workers (in thousands)	Total percent	Total	Imputed type of wage job code					Total	Imputed type of wage job code			
				State and local govt.	Farm	Household	Nonprofit	Main other private		Federal Govt. civilian	State local govt.	Farm	Household
Total.....	1,148												
\$1-49.....	124	100.0	44.5	6.7	0	0	0	37.8	55.5	0	2.5	9.7	43.2
50-149.....	157	100.0	59.7	6.0	0	2.2	4.2	47.3	40.3	0	2.7	11.3	26.3
150-399.....	223	100.0	82.9	9.2	6.2	3.3	4.6	59.6	17.1	0	2.9	3.3	10.9
400-999.....	179	100.0	92.5	8.4	5.5	4.2	5.5	68.9	7.5	0	3.6	0	4.0
1,000-1,999...	156	100.0	95.0	8.6	3.6	3.1	6.6	73.0	5.0	0	2.8	0	2.2
2,000-2,999...	92	100.0	95.8	7.8	4.0	0	6.8	77.2	4.2	0	4.2	0	0
3,000-4,999...	97	100.0	94.0	8.3	0	0	7.4	78.3	5.9	2.2	3.7	0	0
5,000 or over	119	100.0	89.3	10.6	0	0	4.2	74.4	10.7	5.5	5.2	0	0

^{1/} See table A-16. Columns in table A-16 which included less than 2 percent of the workers in each wage interval were dropped from table A-17. The remaining cells in each wage interval were increased proportionately to bring the total percent in each wage interval to 100 percent.

Source: Table A-16.

TABLE A-18.--Derivation of social security coverage status for workers with self-employment income (SEI) of \$400 or more and taxable wages less than \$7,800 in 1971

(Number of workers in thousands)

	(1)	(2)	(3)
Type of SEI worker	SSA program data <u>1/</u>	March 1972 CPS data	SSA program data ÷ CPS data % (1)÷(2)
1. Total.....	<u>6,200</u>	<u>7,258</u>	
2. Male.....	5,300	5,935	
3. Female.....	900	1,323	
4. With farm SEI....	<u>1,510</u>	<u>1,929</u>	
5. Male.....	1,419	1,717	83
6. Female.....	91	212	43
7. With no farm SEI.	<u>4,690</u>	<u>5,329</u>	
8. Male (excluding clergy) <u>2/</u> ...	3,751	4,087	92
9. Female.....	809	1,112	73
10. Clergy <u>2/</u>	130	130	100

1/ Includes 34 thousand persons living outside the U.S. Does not exclude persons under age 14.

2/ All persons classified as clergy by the PTA are male.

Sources: Column (1): lines 1-3 from [19], table 44; line 4 from [19], table 36; line 5 = .94 x line 4 (according to [24], p. 1, in 1966 about 94 percent of persons with farm SEI were male); line 6 = line 4 - line 5; line 7 = line 1 - line 4; line 8 = line 2 - line 5 - line 10; line 9 = line 3 - line 6; line 10 from March 1972 CPS.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE A-19.--Calculation of annual taxable wages for the railroad retirement and railroad unemployment compensation programs:
March 1972 CPS

Weeks worked last year	Annual maximum applied to covered wages in computing taxable wages	
	Railroad retirement program	Railroad unemployment compensation program
0 ^{1/}	\$1,950	\$1,200
1-13.....	1,950	1,200
14-26.....	3,900	2,400
27-39.....	5,850	3,600
40-47.....	7,150	4,400
48-52, blank ^{1/}	7,800	4,800

^{1/} The small number of 0's and blanks reflect inconsistencies between earnings information and weeks worked information.

APPENDIX B

Evaluation Tables

TABLE B-1.--Civilian workers in 1971 age 14 or over as of March 1972 in U.S. by sex and covered wage intervals: comparison of March 1972 CPS with SSA program data

Covered wages ^{1/}	(1)	(2)	(3)	(4)	(5)	(6)
	SSA program data ^{2/}		March 1972 CPS		CPS as percent of SSA	
	No. of workers (in thousands)		No. of workers (in thousands)		Male (3)÷(1)	Female (4)÷(2)
	Male	Female	Male ^{3/}	Female ^{4/}		
Total.....	48,905	34,218	45,665	31,586	93	92
\$1-49.....	629	816	241	376	38	46
50-99.....	522	632	273	501	52	79
100-199.....	853	1,132	583	941	68	83
200-299.....	753	959	659	875	88	91
300-399.....	743	987	677	915	91	93
400-599.....	1,177	1,543	1,054	1,429	90	93
600-999.....	2,067	2,644	1,703	2,380	82	90
1,000-1,999.....	4,220	5,004	3,184	4,492	75	90
2,000-2,999.....	2,864	3,644	2,256	3,362	79	92
3,000-3,999.....	2,636	3,838	2,382	3,625	90	94
4,000-4,999.....	2,755	3,750	2,502	3,511	91	94
5,000-5,999.....	3,062	2,995	2,954	3,004	96	100
6,000-6,999.....	3,149	2,264	3,159	2,180	100	96
7,000-7,999.....	4,020	1,689	3,791	1,494	94	88
8,000-8,999.....	3,304	906	3,250	898	98	99
9,000-9,999.....	2,976	489	3,121	555	105	113
10,000-10,999.....	2,915	331	3,035	392	104	119
11,000-11,999.....	1,969	146	2,064	208	105	142
12,000-12,999.....	1,698	99	2,015	176	119	178
13,000-14,999.....	2,154	115	2,248	123	104	107
15,000 or over.....	4,439	235	4,515	147	102	63

^{1/} SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based primarily on quarterly taxable wage information.

^{2/} Does not include delinquent reports and does not exclude deaths and the institutional population.

^{3/} Includes 717 thousand unknown job workers.

^{4/} Includes 225 thousand unknown job workers.

Sources: Columns (1) and (2): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Columns (3) and (4): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-2.--Civilian workers in 1971, age 14 or over as of March 1972, in U.S. by age and sex: comparison of March 1972 CPS with SSA program data

Age as of March 1972	(1)			(2)			(3)		
	SSA program data ^{1/}			March 1972 CPS			CPS as percent of SSA		
	No. of workers (in thousands)			No. of workers (in thousands)					
	Total	Male	Female	Total ^{2/}	Male	Female	Total (4)÷(1)	Male (5)÷(2)	Female (6)÷(3)
Total.....	83,123	48,905	34,218	77,251	45,665	31,586	93	93	92
14-19.....	9,460	5,383	4,077	9,111	5,351	3,760	96	99	92
20-24.....	12,947	6,785	6,162	11,793	6,244	5,549	91	92	90
25-29.....	10,295	6,353	3,942	9,301	5,764	3,537	90	91	90
30-34.....	7,858	5,083	2,775	7,321	4,584	2,738	93	90	99
35-39.....	7,130	4,398	2,732	6,582	3,996	2,586	92	91	95
40-44.....	7,330	4,345	2,985	7,040	4,148	2,893	96	95	97
45-49.....	7,693	4,451	3,242	7,045	4,163	2,882	92	94	89
50-54.....	7,022	4,090	2,932	6,754	3,936	2,818	96	96	96
55-59.....	5,856	3,442	2,414	5,486	3,285	2,201	94	95	91
60-64.....	4,346	2,592	1,754	3,976	2,381	1,595	91	92	91
65 or over.....	3,186	1,983	1,203	2,841	1,814	1,027	89	91	85

^{1/} Does not include delinquent reports and does not exclude deceased workers and the institutional population.

^{2/} Includes 942 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by ORS/SSA from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by ORS/SSA from March 1972 CPS.

TABLE B-3.--Workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages ^{1/}	SSA program data ^{2/} No. of workers (in thousands)	March 1972 CPS ^{3/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	87,406	78,439	90
\$1-49.....	1,474	617	42
50-99.....	1,195	774	65
100-199.....	2,096	1,524	73
200-299.....	1,796	1,538	86
300-399.....	1,804	1,593	88
400-599.....	2,825	2,490	88
600-999.....	4,950	4,090	83
1,000-1,999.....	9,750	7,719	79
2,000-2,999.....	7,307	5,710	78
3,000-3,999.....	7,081	6,124	86
4,000-4,999.....	6,902	6,130	89
5,000-5,999.....	6,371	6,050	95
6,000-6,999.....	5,669	5,493	97
7,000-7,799.....	4,103	4,335	106
7,800-7,999.....	1,798	1,067	59
8,000-8,999.....	4,292	4,247	99
9,000-9,999.....	3,535	3,746	106
10,000-10,999.....	3,335	3,477	104
11,000-11,999.....	2,161	2,304	107
12,000-12,999.....	1,831	2,248	123
13,000-13,999.....	1,362	1,371	101
14,000-14,999.....	970	1,063	110
15,000-19,999.....	3,107	2,953	95
20,000-24,999.....	802	885	110
25,000 or over....	809	891	110

^{1/} SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based primarily on quarterly taxable wage information.

^{2/} Includes all regular Armed Forces members (in or out of U.S., on or off post, with or without their families--3,050 thousand), reservists (219 thousand), civilian workers outside U.S. (935 thousand), and workers under age 14 as of March 1972 (79 thousand). Also includes the institutional population (.1 million), and deceased workers (.4 million). Does not include delinquent reports (.7 million).

^{3/} Includes Armed Forces in U.S. living off post or with their families on post (1,188 thousand). Excludes about 700 thousand Armed Forces outside of U.S. and about 700 thousand Armed Forces in U.S. [15], table 7. Does not include workers outside of U.S., workers under age 14 as of March 1972, the institutional population, or deceased workers. Includes 942 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-4.--Armed Forces in 1971 by covered wage intervals:
comparison of March 1972 CPS with SSA program data

Covered wages ^{1/}	(2) SSA program data ^{2/}		(3) March 1972 CPS ^{3/}	
	No. of workers (in thousands)	Percent	No. of workers (in thousands)	Percent
Total.....	3,050	100.0	1,188	100.0
\$1-599.....	87	2.9	11	.9
600-999.....	141	4.6	7	.6
1,000-1,999.....	351	11.5	44	3.7
2,000-2,999.....	661	21.7	93	7.8
3,000-3,999.....	459	15.0	117	9.9
4,000-4,999.....	320	10.5	117	9.8
5,000-5,999.....	255	8.4	92	7.7
6,000-6,999.....	230	7.5	154	12.9
7,000-7,999.....	134	4.4	87	7.4
7,800-7,999.....	24	.8	30	2.5
8,000-8,999.....	67	2.2	99	8.3
9,000-9,999.....	62	2.0	71	6.0
10,000-11,999.....	110	3.6	81	6.8
12,000-14,999.....	69	2.3	119	10.0
15,000 or over.....	80	2.6	66	5.6

1/ SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based on quarterly taxable wage information.

2/ Includes all regular Armed Forces members (in or out of U.S., on or off post, with or without their families). Excludes 219 thousand workers with reservist as their major wage job. Does not include delinquent reports and does not exclude deceased workers and the institutional population.

3/ Includes only Armed Forces in U.S. living off post or with their families on post. Excludes about 700 thousand outside of U.S. and about 700 thousand in U.S. [15], table 7.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (3): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-5.--Federal Government civilian workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)	(4)
Covered wages	SSA program data ^{1/}		March 1972 CPS	
	No. of workers (in thousands)	Percent	No. of workers (in thousands)	Percent
Total.....	687	100.0	173	100.0
\$1-399.....	165	24.0	30	17.3
400-599.....	39	5.7	14	7.9
600-999.....	94	13.7	24	13.6
1,000-1,999.....	144	21.0	54	31.2
2,000-2,999.....	66	9.6	18	10.5
3,000-4,999.....	81	11.8	15	8.7
5,000-7,799.....	67	9.8	10	5.8
7,800 or over.....	31	4.5	8	4.8

^{1/} Does not include delinquent reports and does not exclude deaths and the institutional population.

Source: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings.

Column (3): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-6.--State and local government workers in 1971 by covered wage intervals: comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages ^{1/}	SSA program data ^{2/} No. of workers (in thousands)	March 1972 CPS ^{3/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	8,625	8,066	94
\$1-99.....	237	172	73
100-199.....	176	149	85
200-299.....	143	166	116
300-399.....	208	178	86
400-599.....	226	250	111
600-999.....	406	339	83
1,000-1,999.....	781	693	89
2,000-2,999.....	604	450	74
3,000-3,999.....	646	476	74
4,000-4,999.....	626	552	88
5,000-5,999.....	661	587	89
6,000-6,999.....	703	616	88
7,000-7,799.....	538	542	101
7,800-7,999.....	235	139	59
8,000-8,999.....	565	585	104
9,000-9,999.....	403	457	113
10,000-10,999.....	337	441	131
11,000-11,999.....	235	280	119
12,000-14,999.....	373	540	145
15,000-19,999.....	419	337	80
20,000 or over.....	103	114	111

^{1/} SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based on quarterly taxable wage information.

^{2/} Does not include delinquent reports and does not exclude deaths and the institutional population.

^{3/} Includes 90 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-7.--Farm workers in 1971 by covered wage intervals:
comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages	"Adjusted" SSA program data ^{1/} No. of workers (in thousands)	March 1972 CPS ^{2/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	1,854	1,793	97
\$1-199.....	127	118	93
200-299.....	107	132	123
300-399.....	96	99	103
400-599.....	154	160	104
600-999.....	224	230	103
1,000-1,999.....	334	292	87
2,000-2,999.....	235	229	97
3,000-3,999.....	157	138	88
4,000-4,999.....	123	114	93
5,000-5,999.....	88	74	84
6,000-7,799.....	100	116	116
7,800 or over....	111	92	83

^{1/} "Adjusted data" = 1.04 x "partially adjusted" data. See table A-7.

^{2/} Includes 30 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-8.--Household workers in 1971 by covered wage intervals:
comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages	"Adjusted" SSA program data ^{1/} No. of workers (in thousands)	March 1972 CPS ^{2/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	945	964	102
\$1-49.....	0	0	-
50-199.....	86	77	90
200-399.....	107	129	121
400-599.....	108	108	100
600-999.....	174	188	108
1,000-1,999.....	274	249	91
2,000-2,999.....	94	97	103
3,000-7,799.....	142	112	79
7,800 or over.....	4	5	125

^{1/} "Adjusted" data = 1.27 x "partially adjusted" data. See table A-10.

^{2/} Includes 21 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-9.--Nonprofit workers in 1971 by covered wage intervals:
comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages ^{1/}	SSA program data ^{2/} No. of workers (in thousands)	March 1972 CPS ^{3/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	4,505	4,401	98
\$1-49.....	74	0	0
50-199.....	186	145	78
200-299.....	143	69	48
300-399.....	189	106	56
400-599.....	160	148	92
600-999.....	266	242	91
1,000-1,999.....	577	528	92
2,000-2,999.....	398	388	97
3,000-3,999.....	446	452	101
4,000-4,999.....	491	470	96
5,000-5,999.....	377	417	111
6,000-6,999.....	283	275	97
7,000-7,799.....	197	213	108
7,800-7,999.....	49	39	80
8,000-8,999.....	158	202	128
9,000-9,999.....	138	161	117
10,000-11,999.....	142	176	124
12,000-14,999.....	101	167	165
15,000 or over....	130	203	156

^{1/} SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based on quarterly taxable wage information.

^{2/} Does not include delinquent reports and does not exclude deaths and the institutional population.

^{3/} Includes 52 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-10.--Other private^{1/} workers in 1971 by covered wage intervals:
comparison of March 1972 CPS with SSA program data

	(1)	(2)	(3)
Covered wages ^{2/}	SSA program data ^{3/} No. of workers (in thousands)	March 1972 CPS ^{4/} No. of workers (in thousands)	CPS as percent of SSA (2)÷(1)
Total.....	66,779	61,854	93
\$1-49.....	1,146	506	44
50-99.....	933	581	62
100-199.....	1,534	1,147	75
200-299.....	1,258	1,101	88
300-399.....	1,165	1,138	98
400-599.....	2,062	1,805	88
600-999.....	3,593	3,060	85
1,000-1,999.....	7,185	5,859	82
2,000-2,999.....	5,140	4,435	86
3,000-3,999.....	5,143	4,865	94
4,000-4,999.....	5,217	4,848	93
5,000-5,999.....	4,888	4,864	100
6,000-6,999.....	4,336	4,358	100
7,000-7,799.....	3,168	3,450	109
7,800-7,999.....	1,468	851	58
8,000-8,999.....	3,467	3,336	96
9,000-9,999.....	2,911	3,039	104
10,000-10,999.....	2,813	2,874	102
11,000-11,999.....	1,818	1,905	105
12,000-12,999.....	1,545	1,848	120
13,000-13,999.....	1,159	1,130	97
14,000-14,999.....	830	862	104
15,000-19,999.....	2,506	2,454	98
20,000-24,999.....	675	749	111
25,000 or over.....	819	788	96

1/ Other private in SSA program data: Major job coverage code is private other than farm, household, and nonprofit. Includes workers whose major job coverage code is tips or unknown. Other private in CPS data: PTA type of job is main other private.

2/ SSA program data: For workers with taxable wages of \$7,800 from at least one employer covered wages are estimated based on quarterly taxable wage information.

3/ Does not include delinquent reports and does not exclude deceased workers and the institutional population.

4/ Includes 750 thousand unknown job workers.

Sources: Column (1): Tabulation prepared by SSA/ORS from 0.1-percent sample of social security earnings records.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-11.--Workers in 1971 with taxable self-employment income (SEI) by sex and age: comparison of March 1972 CPS with SSA program data

Age ^{1/}	No. of workers (in thousands)						CPS as percent of SSA		
	1971 SSA program data ^{2/}			March 1972 CPS data			Total (4)÷(1)	Male (5)÷(2)	Female (6)÷(3)
	Total	Male	Female	Total	Male	Female			
Total	6,200	5,300	900	6,192	5,284	908	100	100	101
Under 25.....	211	182	29	344	302	42	163	166	145
25-29.....	356	307	49	370	308	63	104	100	129
30-34.....	472	415	57	514	422	92	109	102	161
35-39.....	571	505	66	578	494	84	101	98	127
40-44.....	713	625	88	702	616	86	98	99	98
45-49.....	791	683	108	743	630	114	94	92	106
50-54.....	828	702	126	782	683	99	94	97	79
55-59.....	839	700	139	747	619	128	89	88	92
60-64.....	705	589	116	656	572	84	93	97	72
65 and over.....	714	592	122	755	640	116	106	108	95

^{1/} SSA program data age as of end of 1971; CPS data age as of March 1972.

^{2/} Includes 34 thousand workers outside U.S. [19], table 46. Does not exclude workers under age 14.

Sources: Column (1): [19], table 44.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-12.--Workers in 1971 with taxable farm self-employment income (SEI) by taxable earnings intervals: March 1972 CPS

Taxable earnings ^{1/}	Number of workers (in thousands)
Total.....	1,519
\$400-599.....	73
600-1,799.....	278
1,800-2,999.....	196
3,000-4,199.....	183
4,200-5,399.....	159
5,400-6,599.....	149
6,600-7,779.....	126
7,800 or over.....	355

^{1/} Taxable earnings is sum of taxable SEI and taxable wage (if any).

Source: Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-13.--Railroad workers in 1971 by age: comparison of March 1972 CPS with Railroad Retirement Board (RRB) program data

(in thousands)

	(1)	(2)	(3)
Age ^{1/}	RRB program data	March 1972 CPS	CPS as percent of RRB (2)÷(1)
Total.....	767.1	698.9	91
Less than 24.....	108.5	58.7	54
25-29.....	78.1	60.9	78
30-34.....	54.6	52.3	96
35-39.....	53.2	44.1	83
40-44.....	73.8	81.5	110
45-49.....	96.5	129.6	134
50-54.....	102.3	88.3	86
55-59.....	96.3	100.7	105
60 or over.....	102.4	82.8	81

^{1/} Column (1) age is as of end of 1971; column (2) age is as of March 1972.

Sources: Column (1): [5], table D-15.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

TABLE B-14.--Federal civilian workers by age: comparison of March 1972 CPS with Civil Service Commission (CSC) data

Age ^{1/}	CSC data ^{2/}	March 1972 CPS ^{3/}
Number (thousands).....	2,617 ^{4/}	3,042 ^{5/}
Percent:.....	100.0	100.0
Under 20.....	0.6	4.0
20-24.....	7.7	10.0
25-29.....	10.4	9.8
30-34.....	9.2	8.7
35-39.....	10.2	10.3
40-44.....	12.3	10.1
45-49.....	16.4	15.0
50-54.....	16.0	13.7
55-59.....	10.3	10.1
60-64.....	5.0	5.5
65 and over.....	1.8	2.7

^{1/} CSC data: age as of June 30, 1971; CPS data: age as of March 1972.

^{2/} Full-time and part-time Federal civilian employees in the U.S. on June 30, 1971. Includes 67 thousand part-time workers and excludes 56 thousand intermittent workers [9], table 5.

^{3/} Covered by Federal civilian employee retirement system. Includes 7 thousand unknown workers and excludes 173 thousand part-time or temporary workers.

^{4/} 1,842 thousand male and 774 thousand female.

^{5/} 2,036 thousand male and 1,006 thousand female.

Sources: Column (1): Unpublished tabulation from CSC.

Column (2): Tabulation prepared by SSA/ORS from March 1972 CPS.

INDEX OF THE STUDIES FROM INTERAGENCY DATA LINKAGES

<u>Number</u>	<u>Title</u>	<u>Date</u>
	Some Observations on Linkage of Survey and Administrative Record Data	August 1973
1	Subsampling the Current Population Survey: 1963 Pilot link Study	August 1973
2	Coverage Differences, Noninterview Nonresponse, and the 1960 Census Undercount: 1963 Pilot Link Study	December 1973
3	Workers Covered Under Social Security: 1963 Administrative Informative and Pilot Link Results Compared. (In preparation).	
4	Exact Match Research Using March 1973 CPS: Initial Steps. (In preparation).	
5	1973 Current Population Survey-Summary Earnings Record Exact Match File Codebook, Part I-Basic Information	June 1975
6	1973 Current Population Survey Summary Earnings Record Exact Match File Codebook, Part II-Supplemental Information	June 1975

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