

EXPLORATION OF DIFFERENCES BETWEEN LINKED SOCIAL SECURITY AND CURRENT
POPULATION SURVEY EARNINGS DATA FOR 1972*

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The Social Security Administration has been participating in a joint study with the Census Bureau which is designed to measure and improve the quality of income distribution statistics. (See the introductory comments to this session.) As part of this work the March 1973 Current Population Survey (CPS) was matched to Social Security (SSA) earnings records.

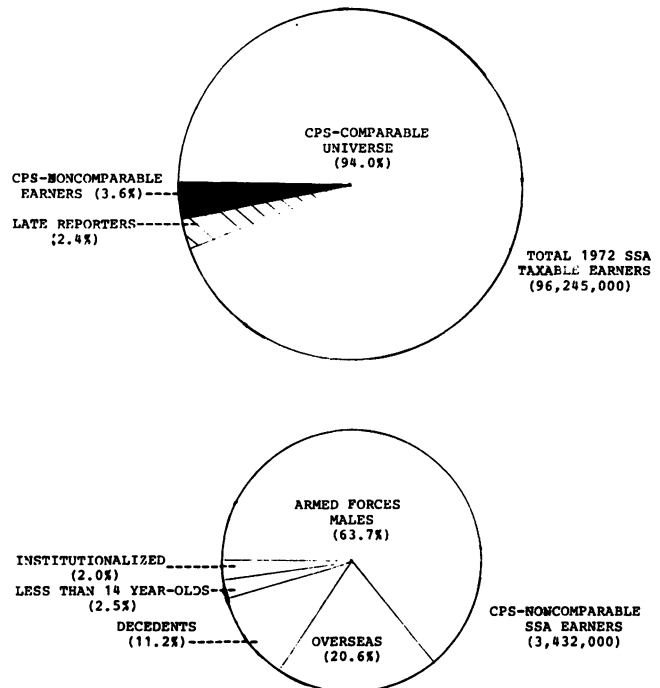
This paper is a preliminary attempt to reconcile the major dissimilarities that exist between SSA administrative earnings data and the Census Bureau's CPS information on earnings for income year 1972. Coverage differences between the SSA and CPS populations are dealt with in section 1. After arriving at an SSA population which can be conceptually equated to the CPS universe, definitional and reporting differences are then examined (in section 2) for individuals with earnings reported to both sources.

1. RECONCILIATION OF CPS AND SSA POPULATIONS

The Census Bureau's Current Population Survey is conducted using a sample of the U.S. civilian non-institutional population living in the fifty states and the District of Columbia. Armed Forces members are included in the CPS only if they are residing off-post or on-post with their families. Social Security earnings, on the other hand, are reported by employers for any individual working in covered employment. The CPS, of course, includes individuals in both covered and uncovered employment. Hence, there are certain obvious conceptual dissimilarities between the two data sources which need to be reconciled. First of all, unlike the CPS, SSA information includes all Armed Forces members, institutionalized earners, and persons working for American concerns overseas. To achieve comparability, these groups must be eliminated from the SSA population. There are also several other differences which must be reconciled. For instance, the March Supplement to the CPS does not ask income questions for children under age 14. There is also the problem of decedents. There are some people who were alive and had earnings information posted to their Social Security record in 1972 who died prior to the CPS interview date (March 1973). Adjustments must be made for these people as well.

According to the Social Security Bulletin: Annual Statistical Supplement, 1973, there were 96.2 million Social Security taxable earners in the United States in 1972. About 3.4 million of them fall into one of the groups just mentioned. As figure 1 illustrates, they account for just under 4 percent of the total 1972 SSA taxable earners (the shaded area). Another 2.3 million, or just about two and a half percent, were late reporters (the cross-hatched section). These were individuals whose Social Security earnings had not been posted in time for matching. Hence, they

FIGURE 1.--SSA AND CPS CONCEPTUAL DIFFERENCES IN COVERAGE FOR 1972.



were ineligible for inclusion in our universe of SSA earners. The second part of this chart displays the percentage distribution of the noncomparable earners in the shaded area of the first pie. A brief description of each of the components of this noncomparable earner group (and how they were estimated) is given below:

1. About 64 percent, or 2.2 million, of those who had to be excluded were males in the Armed Forces. An estimate of this group was obtained through two separate samples totaling 21,000 persons altogether. One of the samples was selected for all military personnel active as of December 31, 1972. The other was a sample of all persons who entered or left military service in the first quarter of 1973. Since Armed Forces women are treated as civilians in the CPS, only male service personnel were excluded. Furthermore, because the fraction of the total male Armed Forces population which was living off-post or on-post with their families (and, hence, includable in the CPS) could not be identified, it was decided to limit the scope of the analysis in this paper to civilians only.¹
2. Persons living abroad accounted for over 700,000, or about 21 percent, of the SSA earners dropped. (Most of these were residents of Puerto Rico.) Figures for

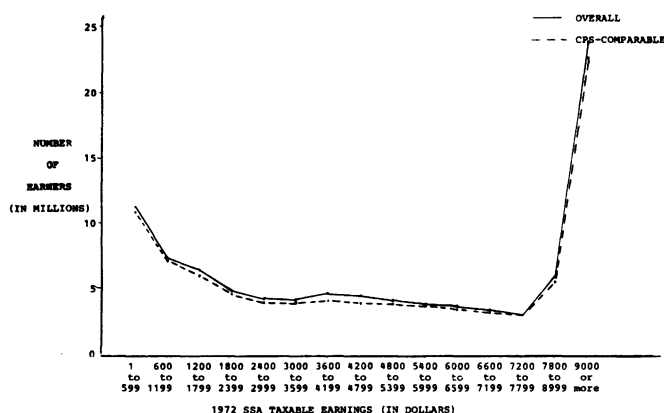
this group were obtained by looking at trends in covered overseas employment from 1963 to 1970. These data were derived from the Continuous Work History Sample, a public-use file which is routinely made available by Social Security.

3. Another 11 percent of the noncomparable individuals were decedents. These persons had some earnings posted to SSA files for 1972 but died in 1972 or the first quarter of 1973. Our estimate of about 384,000 decedents was also obtained from the Continuous Work History file.
4. The remaining five and a half percent of the eliminated cases were about evenly divided into two groups: around 85,000 were persons under age 14 at the end of March 1973, and about 69,000 were persons living in institutions during that time.

Having eliminated 2.3 million late reporters and 3.4 million CPS-noncomparable SSA taxable earners through this reconciliation process, 90.5 million persons remain who fall into what we are going to call the CPS-comparable SSA universe. In other words, about 94 percent of all 1972 SSA earners were actually eligible for matching to the CPS.

Figure 2 compares 1972 SSA earnings distributions for the original 96.2 million taxable earners with the 90.5 million in the CPS-comparable population. The vertical axis represents millions of earners. As you can see, there is little difference in earnings distributions before and after adjusting for conceptual dissimilarities. This is, no doubt, mainly due to the small size of the eliminated population. Median earnings for both groups shown here are about \$4,870. The greatest difference between the original and reconciled SSA populations occurs in the \$3,600 to \$4,800 earnings classes. Since military personnel have median earnings of \$4,615, that could well explain the wider gap at this point. Besides differences in median earnings, the excluded population is more likely to be male (76 percent vs. 60 percent for the SSA population as a whole). Once again,

FIGURE 2.--DISTRIBUTION OF 1972 SSA EARNERS BEFORE AND AFTER RECONCILIATION.



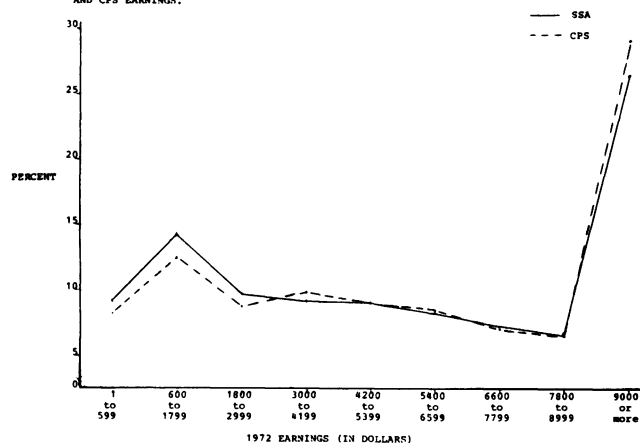
this is probably largely due to the importance of the Armed Forces cases. Nonetheless, it is evident from figure 2 that, while the excluded individuals apparently differ from the original universe, their net effect on the overall distribution is minimal.

2. DEFINITIONAL AND REPORTING DIFFERENCES IN EARNINGS

Figure 3 illustrates the percentage distribution of CPS-comparable SSA earners by their SSA and CPS earnings. The 1972 earnings are plotted along the horizontal axis in intervals of \$1,200, with the exception of the first class (which is \$600) and the last (\$9,000 or more). The solid line represents SSA earnings, and the broken line depicts the CPS distribution. Persons without positive CPS or SSA earnings have been excluded.

For the most part, it appears that reporting of earnings to both sources is fairly similar. Two main exceptions to this occur: for persons earning less than \$3,000, reporting of SSA

FIGURE 3.--PERCENTAGE DISTRIBUTION OF THE CPS-COMPARABLE SSA EARNERS BY THEIR 1972 SSA AND CPS EARNINGS.



earnings noticeably exceeds that of the CPS. For the \$9,000 or more earnings class, however, the reverse is true. The number of CPS earners far exceeds the number with SSA earnings in this class. In other words, it would seem that people report higher earnings to Census than are reported to Social Security. Definitional differences are, no doubt, the major factor:

1. To begin with, CPS wages and salaries are defined as all money earnings received for work performed as an employee during the previous calendar year. Included in this amount is all gross income from regular wages, plus commissions, tips, cash bonuses, piece-rate payments, etc. SSA taxable wages, on the other hand, are all wages and salaries received by an employee for services rendered in covered employment up to the annual taxable maximum for each employer (\$9,000 in 1972). Most, but not all, kinds of wage work are covered by Social Security law; notable exceptions include Federal civilian employees under a Federal retirement program, railroad

workers covered by railroad retirement, and some workers in State and local government or non-profit organizations who have elected not to pay Social Security taxes.^{2/} In March 1973 about 90 percent of all paid employment was covered.^{3/}

2. In addition to wages and salaries, there are also differences in the treatment of self-employment income. In the CPS, self-employment earnings refer to all net money income or loss from one's own farm or nonfarm business. Social Security self-employment earnings must be reported only if they equal or exceed \$400 a year. Furthermore, like wages and salaries, this type of earnings need only be reported up to the taxable annual limit (\$9,000 in 1972).

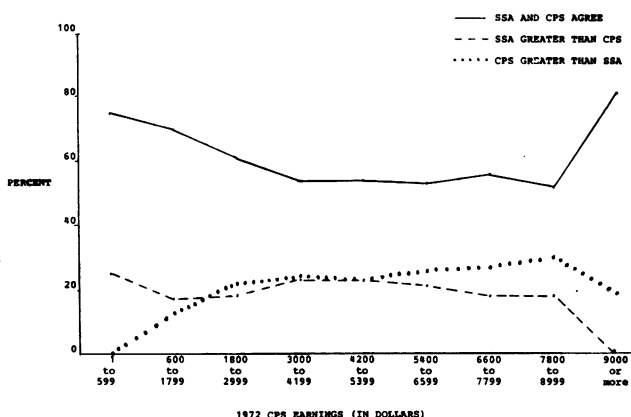
Overall Earnings Class Agreement.--With these differences in mind, let us now compare SSA and CPS earnings distributions in a little more detail. Figure 4 presents the percentage distribution of CPS-SSA earnings class agreement by CPS earnings groups. Again, only persons with positive CPS and SSA earnings have been included in these comparisons. The solid line depicts those persons for whom reported earnings fall in the same dollar size-class. The broken line represents individuals whose administrative earnings are in a higher interval than the amount they reported to Census, and the dotted line is for those whose survey earnings group is greater than their SSA class. Evidently the majority of the time definitional differences are inconsequential, since about two-thirds of all the cases fall along the solid line of agreement. Furthermore, it seems as though agreement is greater at the extremes than is so of the middle dollar categories. This is partly a function of the fact that individuals at the tails can only disagree in one direction, while persons with earnings in the middle size-classes can have earnings reported to Social Security which are either in a higher or lower interval than their survey amount.

In looking at the two "disagreement" distributions, it is evident that a greater

proportion of Census earnings (about 20 percent) fall into higher dollar classes than do SSA earnings (around 14 percent). For the most part, these patterns must be attributed to definitional differences and reporting irregularities:

1. As already mentioned, unlike the administrative data, the CPS includes earnings from uncovered employment.
2. The CPS may also include self-employment earnings not necessarily reportable to SSA.
3. As Roger Herriot will discuss later in this session, unlike the SSA, Census earnings are allocated for individuals whose earnings were not available. Also, people often tend to report rounded earnings to the CPS interviewer, leading to over- or understatement of the Census amount.
4. We have mentioned that there were 2.3 million late reporters whose SSA earnings were not provided in time for inclusion in our matched results. In addition to these individuals, there were also some persons for whom the SSA earnings information that was available was incomplete due to delinquency and late reporting.
5. Although we have attempted to minimize the impact of mismatches and erroneous non-matches in linking the SSA and CPS files, it is inevitable that both these problems should occur. As has been said in the general session introduction, preliminary adjustments for erroneous nonmatches have already been made to the data used for this paper. However, at this point, we have not yet made any correction for the small number of mismatches. Their presence on the data file undoubtedly inflates the proportion of observed disagreement slightly.
6. Finally, it is important to remember that earnings classes, and not exact earnings amounts, are being compared here. Hence, the placement of the upper and lower limits of each interval, as well as the length of each class, also affect agreement.

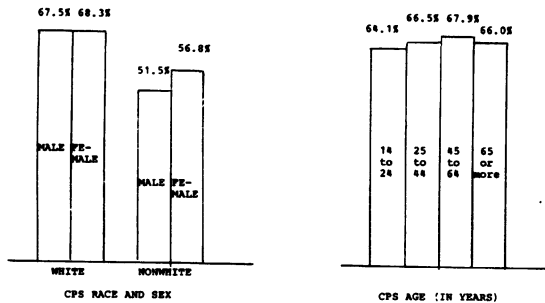
FIGURE 4.--PERCENTAGE DISTRIBUTION OF CPS-SSA EARNINGS CLASS AGREEMENT AND DISAGREEMENT BY 1972 CPS EARNINGS FOR CIVILIANS WITH CPS AGE 14 OR OLDER AND BOTH CPS AND SSA EARNINGS.



Earnings Class Agreement by Race, Sex, and Age.--Having discussed Census and Social Security earnings-class agreement for the population as a whole, let us now consider briefly the major demographic subgroups. Figure 5 presents CPS race, sex, and age distributions for individuals who were reported as having both CPS and SSA positive earnings in the same earnings class. Among whites, both males and females have reported earnings in the same intervals about 68 percent of the time. Nonwhite agreement is considerably lower: around 54 percent overall, with women having somewhat greater agreement than men (57 percent vs. 51 percent). Perhaps some of the disparity in earnings-class agreement by race is due to a difference in the incidence of uncovered and part-time employment. No doubt, however, multiple causes are responsible.

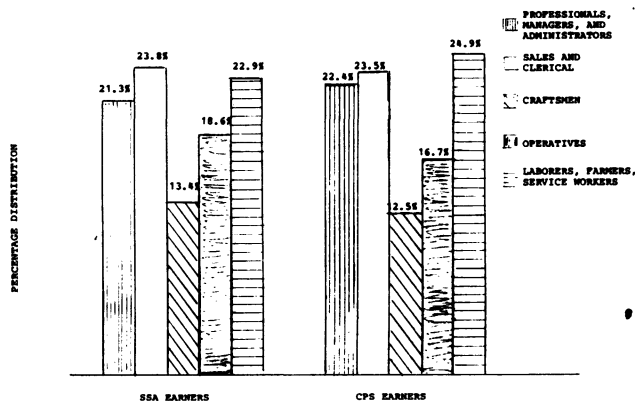
The second part of this chart looks at earnings-class agreement distributions by age. This time few apparent differences emerge. Regardless of age, CPS and SSA earnings groups coincide for about two-thirds of the cases, ranging from 64.0 percent for 14 to 24 year-olds to 67.9 percent for persons 45 to 64 years of age.

FIGURE 5.—PERCENTAGE OF CPS-SSA EARNINGS CLASS AGREEMENT BY CPS RACE, SEX, AND AGE FOR CIVILIANS WITH CPS AGE 14 OR OLDER AND BOTH CPS AND SSA EARNINGS IN 1972.



CPS and SSA Earnings by Occupation.—Another interesting variable to consider in comparing an individual's reported earnings from different sources is occupation. Figure 6 looks at two groups of earners by major CPS occupational categories: the first distribution is for SSA earners in our CPS-comparable population; the second is a distribution of CPS earners obtained from the Census Bureau's published Consumer Income (P-60) series for 1972. ^{4/} For the most part, the relative proportions in each occupational grouping are quite similar. Differences between CPS and SSA earners range from 0.3 percent, for sales and clerical personnel (the white bars), to 2.0 percent, for laborers, farmers, and service workers (the horizontally striped bars). CPS earners exceed SSA earners in the first and last categories shown—probably due to higher incidences of self-employment and uncovered employment in these groups. Conversely, SSA earners are better represented than their CPS counterparts among salesmen, clerks, craftsmen, and operatives.

FIGURE 6.—PERCENTAGE DISTRIBUTION OF CPS OCCUPATION FOR SSA AND CPS 1972 CIVILIAN EARNERS WITH CPS AGE 14 OR OLDER.



Furthermore, not only do the distributions of these two populations compare favorably, but, as can be seen in table 1 below, so do their median earnings. On an overall basis, SSA median earnings was about 88 percent of the CPS median. In fact, for all groups except laborers, farmers, and service workers, CPS median earnings exceeds the SSA median. As was stated earlier, this is to be expected due to the effects of definitional and reporting differences between the administrative and survey data.

Table 1.—CPS and SSA Median Earnings Comparisons by Occupation

CPS Occupation	Median Earnings (in dollars)		Percent of SSA to CPS
	SSA	CPS	
All Earners	4875	5550	87.8
Professionals, managers, and administrators	9000	9772	92.1
Sales and clerical	4355	4641	93.8
Craftsmen	8588	8926	96.2
Operatives	5241	5430	96.5
Laborers, farmers, and service workers	2344	2056	114.0

Table 2 is included in these Proceedings so that researchers, should they wish to do so, can pursue CPS and SSA earnings comparisons by occupation in more detail. Also available on request are tabular summaries of the CPS-SSA earnings comparisons by age, race, and sex. Copies of these were provided as handouts at the session, but space limitations do not permit their inclusion here.

FOOTNOTES

* In addition to the individuals mentioned in the session introduction, the authors would also like to thank Felix Bamberger, Harold Grossman, and Al Resneck of Social Security for their help in providing estimates of the number of SSA earners who were in the various groups excludable from the CPS.

- 1/ Armed Forces members in the CPS sample were matched to Social Security records whenever possible. The characteristics of this subpopulation can be examined on the public-use file which has been prepared.
- 2/ For fuller treatment, see Earnings Distribution in the United States, 1968, Social Security Administration, 1973.
- 3/ See appendix table A for details on coverage by type of worker for March 1973.
- 4/ Calculated from U. S. Bureau of the Census, Current Population Reports, Series P-60, no. 90, 1973, pp. 136-138.

TABLE 2.--NUMBER OF CIVILIANS WITH CPS AGE 14 OR OLDER WHO HAD 1972 SSA EARNINGS: 1972 SSA TAXABLE EARNINGS BY CPS OCCUPATION OF LONGEST JOB IN 1972

PART I--TOTAL

(NUMBER IN THOUSANDS)

1972 SSA TAXABLE EARNINGS (IN DOLLARS)		TOTAL	1972 CPS OCCUPATION OF LONGEST JOB												
PROFES- SIONALS EXCEPT MGRS AND ADMINS	MANA- GERS AND ADMINS		SALES	CLER- ICAL	GRAFTS- MEN	OPERA- TIVES, EXCEPT PORT	TRANS- PORT EXCEPT TIVES	LABOR- ERS, FARM EXCEPT FARM	FARM- ERS, FARM EXCEPT GERS	LABOR- ERS	PRIVATE WORKERS HHTD	SERVICE WORKERS EXCEPT HHTD	NON- WORKERS		

MEDIAN\$														
1 TO 599	10,854	654	180	690	1,367	340	825	155	779	91	375	362	2,103	2,932
600 TO 1,199	7,113	444	182	516	1,184	356	882	161	506	133	223	184	1,482	860
1,200 TO 1,799	6,037	434	200	420	1,033	350	784	197	430	191	152	136	1,220	489
1,800 TO 2,399	4,609	353	160	368	943	289	635	134	332	111	98	79	859	249
2,400 TO 2,999	4,085	318	207	267	791	318	642	113	266	81	85	38	799	160
3,000 TO 3,599	3,995	322	198	298	759	321	734	139	244	62	56	26	689	150
3,600 TO 4,199	4,071	268	212	257	911	355	779	150	224	66	60	23	605	160
4,200 TO 4,799	3,989	313	215	167	1,009	305	792	159	242	62	57	11	503	153
4,800 TO 5,399	3,911	284	226	135	1,122	415	701	138	198	48	77	9	459	101
5,400 TO 5,999	3,665	305	248	172	981	465	628	190	192	46	29	6	378	63
6,000 TO 6,599	3,531	356	262	155	843	469	635	190	181	33	38	2	303	63
6,600 TO 7,199	3,275	376	254	144	760	487	530	157	169	43	18	2	288	45
7,200 TO 7,799	3,032	377	252	131	646	517	509	139	155	31	17	2	214	41
7,800 TO 8,399	2,872	444	267	133	456	515	464	149	157	34	15	4	199	35
8,400 TO 8,999	2,772	434	272	115	378	606	456	137	138	28	16	0	164	28
9,000 OR MORE	22,672	4,794	4,215	1,428	1,584	5,277	2,455	1,084	688	360	43	4	591	150
TOTAL														
90,483	10,475	7,550	5,395	14,767	11,385	12,449	3,355	4,902	1,419	1,361	886	10,857	5,679	

See notes at end of table.

TABLE 2.--NUMBER OF CIVILIANS WITH CPS AGE 14 OR OLDER WHO HAD 1972 SSA EARNINGS: 1972 SSA TAXABLE EARNINGS BY CPS OCCUPATION OF LONGEST JOB IN 1972

PART II--CPS MALES

(NUMBER IN THOUSANDS)

CPS	1972 CPS OCCUPATION OF LONGEST JOB														TOTAL	1972 SSA TAXABLE EARNINGS (IN DOLLARS)
	SERVICE WORKERS NON-WORKERS	PRIVATE WORKERS	PRIVATE WORKERS	FARM LABORERS	FARMERS, FARM MANA-GERS	LABORERS, EXCEPT FARM	TRANS-PORT OPERA-TIVES	OPERA-TION PORT	TRANS-PORT	CHAFFS-MEN	CLEAR-ICAL	SALES	CLER-ICAL	PROFES-SIONALS AND MGRS EXCEPT ADMIN-ISTRATORS		

1,154	773	12	263	77	704	131	338	301	255	161	252	174	118	94	4,515	1 70 599
353	773	12	263	161	463	142	368	307	202	140	118	179	116	172	2,851	1,200 70 1,799
221	448	0	122	186	398	167	361	328	199	127	116	84	127	172	2,119	1,800 70 2,399
100	302	0	92	109	308	121	313	260	131	127	144	133	133	146	1,838	2,400 70 2,999
54	255	0	68	79	251	107	274	283	105	85	144	133	138	146	1,838	3,000 70 3,599
48	215	2	57	57	219	127	290	289	96	115	133	138	1,776	1,796	1,811	3,600 70 4,199
86	202	2	59	63	204	136	277	306	105	93	141	121	1,796	1,796	1,811	4,200 70 4,799
83	181	0	51	59	220	154	316	266	131	78	125	146	1,811	1,811	1,811	4,800 70 5,399
49	189	0	70	48	178	136	320	376	146	80	145	128	1,863	1,863	1,863	5,400 70 5,999
34	154	2	44	33	179	151	354	419	138	107	150	126	1,885	1,885	1,885	6,000 70 6,599
22	163	0	34	43	161	152	346	467	165	113	158	157	1,977	1,977	1,977	6,600 70 7,199
12	187	0	15	29	154	139	367	502	152	113	191	166	1,987	1,987	1,987	7,200 70 7,799
12	149	0	14	34	156	149	369	503	127	118	208	195	2,039	2,039	2,039	7,800 70 8,399
17	150	0	14	26	136	137	387	598	149	109	228	216	2,115	2,115	2,115	8,400 70 8,999
10	104	0	15	39	683	1,080	2,327	5,249	1,037	1,375	3,960	3,765	20,486	20,486	20,486	9,000 OR MORE
632	2,868	729	1,797	4,105	3,461	6,797	6,779	8,801	6,620	8,177	9,000	9,000	7,063	7,063	7,063	MEDIANS

See notes at end of table.

TABLE 2.--NUMBER OF CIVILIANS WITH CPS AGE 14 OR OLDER WHO HAD 1972 SSA EARNINGS: 1972 SSA TAXABLE EARNINGS BY CPS OCCUPATION OF LONGEST JOB IN 1972

PART III--CPS FEMALES

(NUMBER IN THOUSANDS)

1972 SSA TAXABLE EARNINGS (IN DOLLARS)	TOTAL	1972 CPS OCCUPATION OF LONGEST JOB												CPS NON- WORKERS
		PROFES- SIONALS EXCEPT MGRS AND ADMINS	MANA- GERS AND ADMIN- ISTRA- TORS	SALES	CLER- ICAL	CRAFTS- MEN	OPERA- TIVES, EXCEPT TRANS- PORT	TRANS- PORT OPERA- TIVES	LABOR- ERS, EXCEPT FARM	FARM- ERS, FARM MANA- GERS	FARM LABOR- ERS	PRIVATE HHLD WORKERS	SERVICE WORKERS EXCEPT PRIVATE HHLD	
TOTAL	36,323	4,257	1,365	2,340	11,519	491	5,065	140	319	50	269	859	6,314	3,334
1 TO 599	6,339	402	87	529	1,112	39	487	25	75	14	112	350	1,329	1,778
600 TO 1,199	4,002	270	64	376	982	49	513	19	43	10	62	174	933	508
1,200 TO 1,799	3,186	255	84	293	834	22	423	30	32	5	30	136	772	268
1,800 TO 2,399	2,490	181	76	241	811	29	322	13	24	2	7	79	557	149
2,400 TO 2,999	2,247	185	63	182	686	35	368	7	15	2	17	38	544	105
3,000 TO 3,599	2,219	184	65	183	663	32	444	12	25	4	8	24	474	101
3,600 TO 4,199	2,275	146	71	164	806	49	502	14	19	3	2	20	404	74
4,200 TO 4,799	2,178	167	90	89	878	39	476	5	22	3	6	11	321	70
4,800 TO 5,399	2,048	156	81	55	977	39	380	2	20	0	7	9	270	52
5,400 TO 5,999	1,781	179	98	65	843	46	274	2	13	2	3	4	224	29
6,000 TO 6,599	1,539	208	70	41	732	29	258	3	10	0	4	2	140	41
6,600 TO 7,199	1,299	219	97	31	595	20	185	5	8	0	3	2	101	33
7,200 TO 7,799	1,045	211	61	18	494	16	142	0	2	1	3	2	66	29
7,800 TO 8,399	833	248	59	15	329	13	95	0	2	0	1	4	49	18
8,400 TO 8,999	656	218	44	6	230	7	69	0	2	2	2	0	60	17
9,000 OR MORE	2,186	1,029	255	54	547	28	128	4	5	2	3	4	68	59
MEDIANS	2,973	6,015	5,408	1,743	4,099	4,079	3,567	1,734	2,032	1,376	819	872	1,931	563

Note: The data in this table are preliminary. Adjustments have been made for nonmatches, but no adjustment has been made for the small number of undetected mismatches. The occupation groupings shown in this table are based on the 1970 Census (3-digit) classifications used by the Census Bureau in the Current Population Survey. Nonworkers may include mismatches (bringing together information for two different people), "false negatives" (persons who claimed they weren't working in 1972, but were actually working), and those for whom work experience had to be allocated (answers to questions from the March 1973 CPS about 1972 work experience were not usable and had to be replaced by the responses of a person with similar economic and demographic characteristics).

Source: Derived from the CPS-SSA portion of the 1973 CPS-SSA-IRS Exact Match Study conducted by the Census Bureau and Social Security Administration with the assistance of the Internal Revenue Service.

APPENDIX TABLE A.--MARCH 1973 SOCIAL SECURITY COVERAGE*

Coverage Status Under Social Security of Principal Jobs of Workers in Paid Employment in the United States
(in thousands of workers)

Coverage Group	Total	Not Covered		Covered March 1973
		Excluded by Federal Law	Federal Law Permits Coverage	
Total paid employment . . .	84,170	4,410	4,180	75,580
Wage and salary workers	76,840	3,590	3,650	69,600
Industry and commerce	54,200	350	—	53,850
Farm	930	120	—	810
Railroad	580	—	—	580
Nonprofit organizations	3,640	170	300	3,170
Domestic service	1,400	420	—	980
Federal civilian	2,620	2,310	—	310
Federal Uniformed Services	2,300	—	—	2,300
State and local government	11,170	220	3,350	7,600
Self-employed	7,330	820	530	5,980
Nonfarm	5,410	780	150	4,480
Farm	1,700	40	360	1,300
Clergymen	220	—	20	200

Sources — The major source of data is the Current Population Survey of the Bureau of the Census, as presented in the Bureau of Labor Statistics' **Employment and Earnings and Monthly Report on the Labor Force**. Total paid employment is keyed to the total number of persons aged 16 and over in paid employment in the 50 States, the District of Columbia, and the Armed Forces.

Coverage Group — Groups of workers are classified according to the provisions of the social security law which relate to the group. A worker with more than one job during the survey week is included only in the coverage group of his major employment or self-employment.

Wage and Salary Workers

Industry and Commerce — Excluded are newsboys under age 18.

Farm — Excluded are persons who neither receive \$150 from one farm employer during the year nor work for pay on a time basis for 20 days or more for one farm employer during the year.

Railroad — All workers covered by the railroad retirement system are, in effect, jointly covered under social security.

Nonprofit Organizations — Excluded are persons paid less than \$50 for work performed in a calendar quarter, student nurses, and students employed by colleges or universities which they regularly attend.

Coverage for the employees of religious, charitable, educational and certain other nonprofit organizations specified in section 501(c)(3) of the Internal Revenue Code is provided at the request of the employer; the "nonprofit" figures in the table refer to only this cate-

gory—others are included in the table as employees in industry and commerce. Coverage for members of religious orders who have taken a vow of poverty is available at the option of the religious order.

Domestic Service — Excluded are persons not receiving \$50 or more in a calendar quarter from at least one household employer.

Federal Civilian — Persons under Federal staff-retirement systems are generally excluded from coverage. Figures include District of Columbia employees, Job Corps enrollees, VISTA volunteers, and Peace Corps volunteers in the United States.

Federal Uniformed Services — This group includes commissioned officers of the U.S. Public Health Service and the National Oceanic and Atmospheric Administration.

State and Local Government — Excluded are policemen under retirement systems in 30 States. For all other employees coverage is available under State agreements.

Self-Employed

Self-Employed — Excluded are persons who have less than \$400 net earnings and less than \$600 gross income from self-employment. A person has the option of being covered in any year in which his gross income is \$600 or more and his net is less than \$400 (or in which his net is at least \$400 and his gross is less than \$600). There are additional limitations on the use of this option by nonfarm self-employed.

Clergymen — Excluded are clergymen who have obtained an exemption on grounds of conscience or religious principle, and those who have combined net earnings from the ministry and other self-employment of less than \$400 in the year.

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