

The Story of the Social Security Number

Introduction

The Social Security Number (SSN) was created in 1936 for the sole purpose of tracking the earnings histories of U.S. workers, for use in determining Social Security benefit entitlement and computing benefit levels. Since then, use of the SSN has expanded substantially. Today the SSN may be the most commonly used numbering system in the United States. As of December 2008, the Social Security Administration (SSA) had issued over 450 million original SSNs, and nearly every legal resident of the United States had one. The SSN's very universality has led to its adoption throughout government and the private sector as a chief means of identifying and gathering information about an individual.

How did the SSN come to be, and why has it become an unofficial national identifier? This article explores the history and meaning of the SSN and the Social Security card, along with SSA's SSN master data file, generally known as the "Numident". The article also traces how use of the SSN has expanded since its introduction and the steps SSA has taken to enhance the integrity of the SSN process.

Crafting the SSN

At its inception, the SSN's only purpose was to uniquely identify U.S. workers, enabling employers to submit accurate reports of covered earnings for use in administering benefits under the new Social Security program. That is still the primary purpose for the SSN.

However, creating the SSN scheme and assigning SSNs to U.S. workers was no easy task. Passage of the Social Security Act in August 1935 set in motion a huge effort to build the infrastructure needed to support a program affecting tens of millions of individuals. Many said the task was impossible. Employers were to begin to deduct payroll taxes from worker's wages in January 1937, giving the agency little time to establish the SSN process. Besides clarifying program policy, the agency needed to hire and train employees (7,500 by March 1938), set up facilities, develop public education programs, and create an earnings-tracking.

Establishing the Social Security infrastructure was impeded for three and a half months by the lack of funds due to a filibuster of the 1936 Deficiency Bill (a government-wide appropriation bill similar to current Omnibus Budget Reconciliation bills) by Senator Huey Long (D-LA). The Roosevelt administration circumvented this obstacle by engineering a Works Progress Administration (WPA) allotment of \$112,610 from the Department of Labor and by

417 borrowing staff from the demobilizing National Recovery Administration, the Federal
430 Emergency Relief Administration, and the National Youth Administration. On February 9, 1936,
445 Congress finally passed the deficiency bill containing the fiscal year 1936 appropriation for the
462 Social Security Board (precursor of the SSA), and Roosevelt signed it on February 11. As late as
479 March 15, 1936, there were still only five employees of the Social Security Board's Bureau of
488 Old-Age Benefits—including the director and his assistant.

500 Additionally, the U.S. Supreme Court declared the Agricultural Adjustment Act invalid
516 in January 1936, raising the possibility that the Social Security Act might also be declared
532 unconstitutional. It would not be until May 1937 that a series of Supreme Court decisions
545 cemented the constitutionality of the Social Security Act (SSA).

562 One of the first steps in administering the Social Security Act was to devise a means to
576 track the earnings of each individual, as Social Security benefit computations consider a worker's
581 earnings from 1937 on.

596 Why didn't the Social Security Board just use an individual's name and address as the
611 identifier? The deficiency of such a scheme was already well known. A 1937 publication
628 recounts, "A recent news account states that the Fred Smiths of New York City have had so
644 much trouble in being identified by their creditors, the courts, and even their friends, that they
660 have joined together in forming the 'Fred Smiths, Incorporated,' to serve as a clearing house for
674 their identification problems." Some government agencies, such as the U.S. War and Navy
685 Departments, the Veterans Administration (for paying pensions and for adjusted compensation
698 certificates), and the Post Office Department (for Postal Savings depositors) used fingerprints for
712 identification. However, the use of fingerprints was associated in the public mind with criminal
725 activity, making this approach undesirable. A numbering scheme was seen as the practical
738 alternative. Thus, the employer identification number (EIN) and the SSN were created.

759 Today we take the 9-digit composition of the SSN as a given, but in 1935 and 1936 many
774 other schemes were considered. In early November 1935, the Social Security Board adopted an
786 identifier composed of 3 alphabetic characters representing geographic areas and 5 numeric
798 characters. However, the Board made this decision without consulting other federal agencies.
813 The U.S. Employment Service (USES), the Census Bureau, the Central Statistical Board, and the
826 Bureau of Labor Statistics all used numeric symbols without alphabetic characters since most
839 standard statistical machines used this scheme. With alphabetic symbols, these agencies, as well

853 as many private companies, would have had to buy new machines. Only two companies
864 manufactured tabulating machines using a combination of alphabetic and numeric characters,
878 and the government had previously brought suit against them under the Sherman Antitrust Act
884 for dividing market territory between them.

900 The Board called a meeting of all interested agencies to discuss the numeration issues. In a
912 November 1935 report, a subcommittee of this interdepartmental group proposed three
913 alternatives:

- 931 • a 9-digit number consisting of a 4-digit serial number, a 2-digit year of birth indicator,
943 and a 3-digit number indicating the geographic area of registration; or
- 960 • an 8-digit number with a 5-digit serial number and a 3-digit geographic indicator; or
- 972 • a 7-character version consisting of 4 digits and 3 alphabetic characters.

990 On December 17, 1935, the Board approved the 9-digit option. The Board planned to use the
011 year one attained age 65 as part of the SSN, thinking that once an individual attained age 65, the
029 SSN would be reassigned to someone else. But at a meeting on January 23, 1936, the
043 unemployment compensation delegates objected to the use of digits to signify age because they
061 thought a number of workers would falsify their age. As a result, a new scheme adopted by the
082 Board on February 14 consisted of a 3-digit area code, a 2-digit month of birth, and a 4-digit
084 serial number.

103 Finally, on June 2, 1936, the Board decided to keep the 9-digit scheme, although using the
119 fourth and fifth digits to represent the month of birth was abandoned. Instead, those two digits
135 would be a "group number" that could be used to maximize the utility of mechanical equipment
150 and to verify the accuracy of punch cards. This scheme would permit the prenumbering of
164 registration forms and was capable of expansion to nearly 1 billion accounts. The numbering
178 scheme would also facilitate storing the applications since the agency's files were organized by
183 region as well as alphabetically.