

Public Social Welfare Expenditures, Fiscal Year 1989

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Expenditures for social welfare under public law amounted to \$955.9 billion in fiscal year 1989, an increase of 7.9 percent over the previous year. The 1989 amount represented 18.6 percent of the national output of goods and services, as measured by the gross national product (GNP). Social insurance programs accounted for about one-half of all expenditures, followed in importance by the education and public aid categories.

Social welfare expenditures, which are defined in this series as the cash benefits, services, and administrative costs of public programs that directly benefit individuals and families, have been relatively stable since the early 1980's. The average annual growth in social welfare spending from 1982 to 1988 was 6.9 percent, and such spending represented between 18.4 percent and 19.5 percent of the GNP. The 1989 data continue this pattern.

Table 1 shows the individual components of the series and the changes that took place from year to year. The data for 1985-88 have been revised, particularly in the area of health and medical care. These revisions are in accordance with those made by the Office of the Actuary, Health Care Financing Administration, and the main categories affected are "Public aid" and "Health and medical programs."

Overall spending for social welfare rose \$69.7 billion from 1988 to 1989. Of that increase, \$34.0 billion—48.8 percent—was accounted for by social insurance expenditures. The Social

Security program (Old-Age, Survivors, and Disability Insurance) and the Medicare program (Hospital Insurance and Supplementary Medical Insurance) together were responsible for \$24.1 billion, or 34.5 percent of the entire increase.

Public aid spending rose \$9.0 billion in 1989, accounting for 12.9 percent of the total increase. Most of the growth was in the area of medical assistance payments, which made up slightly more than one-half of all public aid expenditures in that year.

The education category was second only to social insurance in the size of its increase, \$19.2 billion or 27.6 percent of the total. The bulk of this increased spending was at the elementary and secondary levels.

Table 2 shows the relationship of social welfare expenditures to the GNP. The 1989 ratio of 18.6 percent was typical of the 1980's; the average for the decade was 18.7 percent.

Social welfare spending per capita was \$3,783 in 1989, 6.9 percent higher than in 1988 (table 3). In constant (1989) dollars the increase was reduced to 2 percent. With the effects of inflation removed, all of the categories except "Veterans' programs" showed growth from 1988 to 1989. The comprehensive category of "All health and medical care," which includes medical spending from all programs, grew 4.9 percent in real terms, more than twice the overall average.

In 1989, the Federal Government share of all social welfare expenditures was 58.9 percent, down slightly from the previous year (table 4). Federal responsibility for spending varied considerably by category, however. Social insurance has traditionally been

heavily federally funded; since 1966, the percentage ranged from 80 percent to 84 percent of the total. The 1989 figure was 82.7 percent. Veterans' programs have always been primarily federally financed as well, while education has been largely the responsibility of State and local governments. Those trends continued in 1989, with the Federal Government paying for 98.5 percent of veterans' expenditures, but only 7.8 percent of expenditures for education.

States and localities spent comparatively more money on housing as the decade progressed. In 1980, the Federal Government paid 91.3 percent of the housing bill; by 1989, that share was 83.8 percent. The same was true in the area of "Other social welfare;" the Federal share dropped from 64.6 percent in 1980 to 51.1 percent in 1989. The Federal share of the "health and medical care" category was 42.6 percent in 1989. The comprehensive category of "All health and medical care," however, which includes the Medicare program, was nearly 69 percent federally financed in the same year.

Table 5 concerns social welfare as a percentage of all government expenditures. More than one-half of all government spending was for social welfare programs in 1989; 49 percent of Federal and 60 percent of State and local money went for these purposes. Nearly one-third of Federal spending on social welfare came from trust funds. The equivalent figure for States and localities was about 10 percent. The picture is reversed for non-trust fund spending; about one-fourth of Federal money went for social welfare, compared with more than one-half of

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State and local funds. This disparity reflects the large Social Security trust funds and the fact that Federal non-trust fund spending includes defense expenditures.

Governments at all levels spent

\$241.7 billion on health and medical care in 1989, 10.8 percent more than in the previous year (table 6). The increasing cost of medical care is shown in the rise in the Consumer Price Index (CPI) between 1988 and

1989. The CPI as a whole rose 4.8 percent, while its medical care component rose 7.7 percent. Spending for health and medical care represented 4.7 percent of GNP in 1989, slightly higher than in the previous year.

Table 1.—Social welfare expenditures under public programs, selected fiscal years 1950-89¹

(In millions)

Program	1950	1960	1970	1975	1980	1985 ²	1987 ²	1988 ²	1989
Total expenditures									
Total	\$23,508.4	\$52,293.2	\$145,555.1	\$289,093.7	\$491,986.0	\$731,073.4	\$833,036.2	\$866,172.3	\$955,866.5
Social insurance	4,946.6	19,306.7	54,691.2	123,013.1	229,754.4	369,595.2	412,873.9	434,047.9	468,055.1
Old-Age Survivors, Disability, and Health									
Insurance (OASDHI)	784.1	11,032.3	36,835.4	78,429.9	152,110.4	257,535.1	286,339.7	300,048.2	324,109.5
OASDI	784.1	11,032.3	29,686.2	63,648.5	117,118.9	186,150.8	204,708.4	216,438.7	229,557.5
HI (Medicare) ³ .....	...	...	7,149.2	14,781.4	34,991.5	71,384.3	81,631.3	83,609.5	94,552.0
Railroad retirement ⁴	306.4	934.7	1,609.9	3,085.1	4,768.7	6,275.6	6,549.1	6,675.9	6,971.2
Public employee retirement ⁵	817.9	2,569.9	8,658.7	20,118.6	39,490.2	63,044.0	72,151.7	78,048.2	83,794.0
Unemployment insurance and									
employment services ⁶	2,190.1	2,829.6	3,819.5	13,835.9	18,326.4	18,343.8	18,045.7	16,117.8	16,381.2
Railroad unemployment insurance	119.6	215.2	38.5	41.6	155.4	138.4	124.1	82.1	73.8
Railroad temporary disability insurance	31.1	68.5	61.1	32.9	68.7	50.6	64.9	18.3	35.0
State temporary disability insurance ⁷	72.1	347.9	717.7	990.0	1,377.7	1,944.1	2,545.4	2,753.6	2,886.3
Hospital and medical benefits ⁸	2.2	40.2	62.6	72.9	49.6	55.3	56.4	62.4	67.3
Workers' compensation ⁹	625.1	1,308.5	2,950.4	6,479.1	13,457.2	22,263.6	27,053.3	30,303.8	33,804.1
Hospital and medical benefits ⁹	193.0	420.0	985.0	2,470.0	3,725.0	7,080.0	9,618.3	11,110.4	12,825.0
Public aid	2,496.2	4,101.1	16,487.8	41,357.3	71,975.4	97,185.1	111,022.4	118,494.9	127,474.7
Public assistance ¹⁰	2,490.2	4,041.7	14,433.5	27,409.4	45,064.3	66,488.2	78,858.2	84,776.2	92,097.6
Medical payments ¹¹	51.3	492.7	5,212.8	13,550.6	27,570.1	44,126.6	53,633.4	58,628.4	65,173.3
Social services .....	...	...	712.6	2,622.4	2,342.8	2,742.8	2,696.7	2,700.0	2,670.6
Supplemental security income .....	...	...	...	6,091.6	8,226.5	11,840.0	13,638.0	14,687.1	15,823.3
Food stamps .....	...	...	577.0	4,693.9	9,083.3	12,512.7	12,362.1	13,071.1	13,589.3
Other ¹²	6.0	59.4	1,477.3	3,162.4	9,601.3	6,344.2	6,164.1	5,960.5	5,964.5
Health and medical programs ¹³	2,063.5	4,463.8	9,606.0	16,742.0	27,263.0	39,053.0	48,089.0	52,958.0	56,866.0
Hospital and medical care	1,222.3	2,853.3	4,983.0	8,836.0	12,303.0	16,565.0	21,979.0	23,941.0	25,169.0
Civilian programs	886.1	1,973.2	3,301.0	6,019.0	8,105.0	9,143.0	12,854.0	14,271.0	15,011.0
Defense Department ¹⁴	336.2	880.1	1,682.0	2,817.0	4,198.0	7,422.0	9,125.0	9,670.0	10,158.0
Maternal and child health programs ¹⁵	29.8	141.3	450.0	567.0	870.0	1,222.0	1,584.0	1,665.0	1,791.0
Medical research	69.2	448.9	1,684.0	2,648.0	4,924.0	6,891.0	7,847.0	9,132.0	9,909.0
School health (education agencies)	30.6	101.0	247.0	352.0	575.0	788.0	889.0	939.0	992.0
Other public health activities	350.8	401.2	1,312.0	2,815.0	6,931.0	11,912.0	14,299.0	15,837.0	17,172.0
Medical facilities construction	360.8	518.1	930.0	1,524.0	1,660.0	1,675.0	1,491.0	1,444.0	1,833.0
Veterans' programs	6,865.7	5,479.2	9,078.1	17,018.9	21,465.5	27,042.3	28,050.8	29,254.4	30,103.7
Pensions and compensation ¹⁶	2,092.1	3,402.7	5,393.8	7,578.5	11,306.0	14,333.0	14,522.1	14,913.9	15,279.2
Health and medical programs	748.0	954.0	1,784.1	3,516.8	6,203.9	9,493.2	10,503.0	11,331.0	11,662.9
Hospital and medical care	582.8	879.4	1,651.4	3,287.1	5,749.9	8,808.6	9,521.7	10,151.5	10,782.3
Hospital construction	161.5	59.6	70.9	136.7	323.0	458.0	771.8	964.1	645.8
Medical and prosthetic research	3.7	15.1	61.8	93.0	131.0	226.6	209.5	215.3	234.7
Education	2,691.6	409.6	1,018.5	4,433.8	2,400.7	1,170.8	742.2	653.0	647.3
Life insurance ¹⁷	475.7	494.1	502.3	556.1	664.5	795.5	937.9	963.1	1,002.2
Welfare and other	858.3	218.8	379.4	933.7	890.4	1,249.8	1,345.6	1,393.4	1,512.1
Education ¹⁸	6,674.1	17,626.2	50,845.5	80,834.1	121,049.6	172,047.5	204,548.7	219,382.2	238,631.2
Elementary and secondary	5,596.2	15,109.0	38,632.3	59,745.6	87,149.9	120,696.6	154,902.5	167,834.9	183,170.7
Construction	1,019.4	2,661.8	4,659.1	5,746.0	6,524.0	8,358.0	11,325.0	11,789.0	14,584.0
Higher	914.7	2,190.7	9,907.1	16,384.1	26,175.0	41,130.4	48,022.1	49,898.3	54,028.5
Construction	310.0	357.9	1,566.9	1,512.7	1,528.1	2,346.6	3,086.9	3,199.3	3,313.0
Vocational and adult ¹⁹	160.8	298.0	2,144.4	4,441.3	7,375.2	9,891.2	1,247.4	1,288.0	1,069.4
Housing	14.6	176.8	3,171.7	6,879.0	12,598.5	12,598.5	13,173.5	16,555.9	18,126.7
Public housing	14.5	143.5	459.9	1,456.4	4,680.5	9,340.3	9,230.6	12,176.5	13,210.9
Other social welfare	4,447.7	1,139.4	4,145.3	6,946.6	13,599.1	13,551.8	15,277.9	15,479.0	16,609.1
Vocational rehabilitation	30.0	96.3	703.7	1,036.4	1,251.1	1,536.7	1,773.4	1,905.5	1,999.4
Medical services	7.4	17.7	133.8	217.7	279.4	344.0	412.4	444.0	499.9
Medical research ²⁰ .....	...	6.6	29.6	...	13.5	...	...	...	...
Institutional care ²¹	145.5	420.5	201.8	296.1	482.4	379.6	514.0	530.2	587.2
Child nutrition ²²	160.2	398.7	896.0	2,517.6	4,852.3	5,308.5	6,230.6	6,250.0	6,644.9
Child welfare ²³	104.9	211.5	585.4	597.0	800.0	200.0	222.5	239.4	246.7
Special OEO and ACTION programs ²⁴ .....	...	...	752.8	638.3	2,302.7	503.8	519.6	153.3	162.9
Social welfare, not elsewhere classified ²⁵	7.1	12.4	1,005.6	1,861.2	3,910.6	5,623.2	6,017.8	6,400.6	6,968.0

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, selected fiscal years 1950-89¹—Continued

[In millions]									
Program	1950	1960	1970	1975	1980	1985 ²	1987 ²	1988 ²	1989
Federal expenditures									
Total	\$10,541.1	\$24,956.7	\$77,130.1	\$166,794.9	\$302,437.8	\$449,296.5	\$496,223.5	\$525,225.5	\$563,190.9
Social insurance	2,103.0	14,307.2	45,245.6	99,715.0	191,162.0	310,174.7	342,932.7	360,265.0	387,290.0
Old-Age, Survivors, Disability, and Health Insurance (OASDHI).....	784.1	11,032.2	36,835.4	78,429.9	152,110.4	257,535.1	286,339.7	300,048.2	324,109.4
OASDI.....	784.1	11,032.2	29,686.2	63,648.5	117,118.9	186,150.8	204,708.4	216,438.7	229,557.5
HI (Medicare) ³.....	...	...	7,149.2	14,781.4	34,991.5	71,384.3	81,631.3	83,609.5	94,552.0
Railroad retirement ⁴	306.4	934.7	1,609.9	3,085.1	4,768.7	6,275.6	6,549.1	6,675.9	6,971.2
Public employee retirement ⁵	507.9	1,519.9	5,516.7	13,338.9	26,982.9	40,504.0	44,092.0	47,606.3	50,247.6
Unemployment insurance and employment services ⁶	\$328.6	\$473.5	\$1,036.1	\$3,429.2	\$4,407.6	\$2,604.1	\$2,946.8	\$2,965.3	\$2,893.1
Railroad unemployment insurance.....	119.6	215.2	38.5	41.6	155.4	138.4	124.1	82.1	73.8
Railroad temporary disability insurance.....	31.1	68.5	61.1	32.9	68.7	50.6	64.9	18.3	35.0
Workers' compensation ⁹	25.1	63.1	147.9	1,357.4	2,668.3	3,066.9	2,816.1	2,868.6	2,959.8
Hospital and medical benefits ⁸	5.2	9.0	20.7	50.2	129.5	280.2	347.7	367.1	409.7
Public aid.....	1,103.2	2,116.9	9,648.6	27,186.5	48,666.5	61,985.2	69,233.2	74,137.1	79,851.6
Public assistance ¹⁰	1,097.2	2,057.5	7,594.3	14,528.6	23,542.1	33,523.1	39,907.4	43,431.3	47,828.5
Medical payments ¹¹.....	...	199.8	2,607.1	7,056.4	14,550.2	22,677.4	27,612.8	30,770.7	34,857.7
Social services.....	...	...	522.0	1,962.6	1,757.1	2,057.1	2,022.6	2,025.0	2,002.9
Supplemental security income.....	...	...	...	4,801.6	6,439.8	9,605.2	10,799.6	11,674.2	12,469.3
Food stamps.....	...	...	577.0	4,693.9	9,083.3	12,512.7	12,362.1	13,071.1	13,589.3
Other ¹²	6.0	59.4	1,477.3	3,162.4	9,601.3	6,344.2	6,164.1	5,960.5	5,964.5
Health and medical programs ¹³	603.5	1,737.1	4,568.0	7,890.0	12,840.0	18,029.0	20,806.0	22,894.0	24,215.0
Hospital and medical care.....	383.6	983.5	1,973.0	3,970.0	6,636.0	9,877.0	11,861.0	12,751.0	12,881.0
Civilian programs.....	46.4	103.4	291.0	1,153.0	2,438.0	2,455.0	2,736.0	3,081.0	2,723.0
Defense Department ¹⁴	336.2	880.1	1,682.0	2,817.0	4,198.0	7,422.0	9,125.0	9,670.0	10,158.0
Maternal and child health programs ¹⁵	20.1	35.3	190.0	271.0	351.0	422.0	441.0	468.0	494.0
Medical research.....	69.2	425.9	1,515.0	2,362.0	4,428.0	5,992.0	6,667.0	7,839.0	8,548.0
Other public health activities.....	63.8	57.3	589.0	1,017.0	1,215.0	1,399.0	1,573.0	1,836.0	2,031.0
Medical-facilities construction.....	67.8	235.1	301.0	270.0	210.0	339.0	264.0	...	261.0
Veterans' programs.....	6,386.2	5,367.3	8,951.6	16,569.8	21,253.6	26,704.4	27,640.8	28,844.9	29,638.2
Pensions and compensation ¹⁶	2,092.1	3,402.7	5,393.8	7,578.5	11,306.0	14,333.0	14,522.1	14,913.9	15,279.2
Health and medical programs.....	748.0	954.0	1,784.1	3,516.8	6,203.9	9,493.2	10,503.0	11,331.0	11,662.9
Hospital and medical care.....	582.8	879.4	1,651.4	3,287.1	5,749.9	8,808.6	9,521.7	10,151.5	10,782.3
Hospital construction.....	161.5	59.6	70.9	136.7	323.0	458.0	771.8	964.1	645.8
Medical and prosthetic research.....	3.7	15.1	61.8	93.0	131.0	226.6	209.5	215.3	234.7
Education.....	2,691.6	409.6	1,018.5	4,433.8	2,400.7	1,170.8	742.2	653.0	647.3
Life insurance ¹⁷	475.7	494.1	502.3	556.1	664.5	795.5	937.9	963.1	1,002.2
Welfare and other.....	378.8	106.9	252.9	484.6	678.5	911.9	935.6	983.9	1,046.6
Education ¹⁸	156.7	867.9	5,875.8	8,629.3	13,452.2	13,796.2	16,062.0	16,966.4	18,520.2
Elementary and secondary.....	47.1	441.9	2,956.8	4,562.5	7,429.6	7,277.6	8,247.2	8,825.6	9,683.7
Construction.....	5.2	70.6	35.9	20.9	40.9	23.0	21.0	45.7	18.4
Higher.....	48.5	293.1	2,154.6	2,863.5	447.5	5,102.1	6,190.7	6,491.8	7,404.4
Construction.....	5.7	1.2	466.3	273.9	42.1	32.1	2.4	0.8	22.5
Vocational and adult.....	58.7	104.5	602.6	940.2	1,206.5	1,087.2	1,247.4	1,288.0	1,069.4
Housing.....	14.6	143.5	581.6	2,540.7	6,277.6	11,058.8	11,044.2	14,005.9	15,183.9
Public housing.....	14.5	143.5	459.9	1,456.4	4,680.5	9,340.3	9,230.6	12,176.5	13,210.0
Other social welfare.....	174.0	416.7	2,258.9	4,263.6	8,785.9	7,548.2	8,504.5	8,111.4	8,492.1
Vocational rehabilitation.....	21.0	64.3	567.5	814.0	1,006.1	1,186.7	1,386.3	1,489.1	1,560.0
Medical services.....	5.1	11.2	107.0	174.2	223.5	275.0	318.7	343.1	390.1
Medical research ²⁰.....	...	6.6	29.6	...	13.5	...	...	...	...
Institutional care ²¹	20.5	20.5	22.5	20.3	74.2	120.8	130.0	137.6	140.9
Child nutrition programs ²²	121.2	306.1	710.9	2,064.0	4,209.3	4,348.7	5,050.1	4,955.9	5,197.0
Child welfare ²³	4.2	13.4	44.7	49.8	57.0	200.0	222.5	239.4	246.7
Special OEO and ACTION programs ²⁴.....	...	...	752.8	638.3	2,302.7	503.8	519.6	153.3	162.9
Social welfare, not elsewhere classified ²⁵	7.1	12.4	160.6	677.2	1,136.6	1,188.2	1,196.0	1,136.1	1,184.2
State and local expenditures									
Total	\$12,967.3	\$27,336.6	\$68,425.0	\$122,239.8	\$189,372.2	\$281,776.8	\$336,812.0	\$360,947.4	\$392,675.7
Social insurance	2,843.6	4,999.4	9,445.6	23,298.1	38,592.4	59,420.5	69,941.2	73,783.2	80,765.2
Public employee retirement ⁵	310.0	1,050.0	3,142.0	6,779.7	12,507.3	22,540.0	28,059.7	30,441.9	33,546.4
Unemployment insurance and employment services ⁶	1,861.5	2,356.1	2,783.4	10,406.7	13,918.8	15,739.7	15,098.9	13,152.5	13,488.2
State temporary disability insurance ⁷	72.1	347.9	717.7	990.0	1,377.4	1,944.1	2,545.4	2,753.6	2,886.3
Hospital and medical benefits ⁸	2.2	40.2	62.6	72.9	49.6	55.3	56.4	62.4	67.3
Workers' compensation ⁹	600.0	1,245.4	2,802.5	5,121.7	10,788.9	19,196.7	24,237.2	27,435.2	30,844.3
Hospital and medical benefits ⁸	187.8	411.0	964.3	2,419.8	3,595.5	6,799.8	9,270.6	10,743.2	12,415.3

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, selected fiscal years 1950-89¹ —Continued

(In millions)

Program	1950	1960	1970	1975	1980	1985 ²	1987 ²	1988 ²	1989
State and local expenditures—Continued									
Public aid.....	\$1,393.01	\$1,984.2	\$6,839.2	\$14,170.8	\$23,308.9	\$35,199.8	\$41,788.4	\$44,357.8	\$47,623.1
Public assistance ¹⁰	1,393.0	1,984.2	6,839.2	12,880.8	21,522.2	32,965.0	38,950.0	41,344.9	44,269.1
Medical payments ¹¹	51.3	292.9	2,605.6	6,494.2	13,019.9	21,449.3	26,020.6	27,857.7	30,315.6
Social services.....	...	...	190.6	659.8	585.7	685.7	674.2	675.0	667.6
Supplemental security income.....	...	...	...	1,290.0	1,786.7	2,234.8	2,838.4	3,012.9	3,354.0
Health and medical programs ¹³	1,460.0	2,726.8	5,038.0	8,852.0	14,423.0	21,024.0	27,283.0	30,064.0	32,651.0
Hospital and medical care.....	839.7	1,869.8	3,010.0	4,866.0	5,667.0	6,688.0	10,118.0	11,190.0	12,288.0
Maternal and child health programs ¹⁵	9.7	106.1	260.0	296.0	519.0	800.0	1,143.0	1,197.0	1,297.0
Medical research.....	...	23.0	169.0	286.0	496.0	899.0	1,180.0	1,293.0	1,361.0
School health (education agencies).....	30.6	101.0	247.0	352.0	575.0	788.0	889.0	939.0	992.0
Other public health activities.....	287.0	343.9	723.0	1,798.0	5,716.0	10,513.0	12,726.0	14,001.0	15,141.0
Medical-facilities construction.....	293.0	283.0	629.0	1,254.0	1,450.0	1,336.0	1,227.0	1,444.0	1,572.0
Veterans' programs.....	479.5	111.9	126.5	449.1	211.9	337.9	410.0	409.0	465.5
Education.....	6,517.5	16,758.3	44,969.7	72,204.8	107,597.4	158,251.3	188,486.7	202,415.8	220,111.1
Elementary and secondary.....	5,549.1	14,667.1	35,675.5	55,183.1	79,720.3	113,419.0	146,655.3	159,009.3	173,487.0
Construction.....	1,041.2	2,591.2	4,623.2	5,725.1	6,483.1	8,335.0	11,304.0	11,743.3	14,565.6
Higher.....	866.3	1,897.7	7,752.4	13,520.6	21,708.4	36,028.3	41,831.4	43,406.5	46,624.1
Construction.....	304.6	356.7	1,100.6	1,238.8	1,486.0	2,314.5	3,084.5	3,198.5	3,290.5
Vocational and adult ¹⁹	102.1	193.5	1,541.8	3,501.1	6,168.7	8,804.0	...	...	...
Housing.....	...	33.2	119.6	631.0	601.4	1,539.7	2,129.3	2,550.0	2,942.8
Other social welfare.....	273.7	722.8	1,886.4	2,683.0	4,813.2	6,003.6	6,773.4	7,367.6	8,117.0
Vocational rehabilitation.....	9.0	32.1	136.3	222.4	245.0	350.0	387.1	416.4	439.0
Medical services.....	2.3	6.6	26.8	43.5	55.9	85.0	93.7	100.9	109.3
Institutional care.....	125.0	400.0	179.3	275.8	408.2	258.8	384.0	392.6	446.3
Child nutrition programs ²²	39.0	92.6	185.1	453.6	643.0	959.8	1,180.5	1,294.1	1,447.9
Child welfare ²³	100.7	198.1	540.7	547.2	743.0	...	...	...	...
Social welfare, not elsewhere classified ²⁵.....	...	...	845.0	1,184.0	2,774.0	4,435.0	4,821.8	5,264.5	5,783.8

¹ Expenditures from Federal, State, and local revenues and trust funds under public law; includes capital outlays and administrative expenditures unless otherwise noted. Includes some payments abroad. Through 1976, fiscal year ended June 30 for Federal Government, most States, and some localities; for Federal Government, beginning in 1977, fiscal year ends September 30.

² Revised data.

³ Hospital Insurance and Supplementary Medical Insurance. Included in total shown directly above.

⁴ Excludes financial interchange between OASDI and Railroad Retirement.

⁵ Excludes refunds of employee contributions; includes payments to retired military personnel and survivors. Administrative expenses for Federal noncontributory retirement not available.

⁶ Includes unemployment compensation under State programs, programs for Federal military and civilian employees, trade adjustment and cash training allowances, and payments under extended, emergency, disaster, and special unemployment insurance programs.

⁷ Cash and medical benefits in five areas; includes private plans where applicable and State costs of administering State plans and supervising private plans. Administrative expenses of private plans and all data for Hawaii not available.

⁸ Included in total directly above.

⁹ Cash and medical benefits paid under Federal and State laws by private insurance carriers, State funds, and self-insurers. Beginning in 1959-60, includes Alaska and Hawaii. Administrative costs of private carriers and self-insurers not available. Beginning in 1970, includes Federal "black lung" benefit program.

¹⁰ Categorical cash and medical payments under the Social Security Act, and general assistance from State and local funds. Beginning in 1969, includes work-incentive activities.

¹¹ Includes medical payments and administrative expenses under the Medicaid and General Assistance programs.

¹² Work relief, other emergency aid, surplus food for the needy, repatriate and refugee assistance, and work-experience training programs. Beginning in 1981, includes Low-Income Home Energy Assistance.

¹³ Excludes State and local expenditures for domiciliary care in institutions other than mental and tuberculosis, and services in connection with OASDI, State

temporary disability insurance, workers' compensation, public assistance, vocational rehabilitation, and veterans' programs, included in expenditures for these programs.

¹⁴ Includes medical care program for military dependents.

¹⁵ Includes services for disabled children.

¹⁶ Includes burial awards. Beginning in 1965, includes special allowances for survivors of veterans who did not qualify under OASDI. Beginning in 1974, includes clothing allowances.

¹⁷ Excludes the service persons' group life insurance program.

¹⁸ Federal administrative expenditures (Department of Education) and research costs included in total only.

¹⁹ Beginning in 1986, State and local expenditures for vocational and adult education no longer available separately.

²⁰ Beginning in 1981, no longer available separately.

²¹ Federal expenditures represent primarily surplus food for institutions.

²² Surplus food for schools and programs under National School Lunch and Child Nutrition Acts.

²³ Represents primarily child welfare services under the Social Security Act. State and local data not available after 1980.

²⁴ Includes domestic programs consolidated in 1972 under ACTION and special Office of Economic Opportunity programs. Beginning 1988, represents ACTION funds only.

²⁵ Federal expenditures include administrative and related expenses of the Secretary of Health and Human Services; Indian welfare and guidance, aging and juvenile delinquency, and certain manpower and human development activities. State and local expenditures include amounts for antipoverty and manpower programs, day care, child placement and adoption services, foster care, legal assistance, care of transients, and other unspecified welfare services; before 1970, these amounts were included with institutional care.

Source: Data taken or estimated from *Federal Budgets, Census of Governments*, and reports of administrative agencies. See for greater detail, social welfare expenditures article, *Social Security Bulletin*, May 1991.

Table 2.—Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1950-89

Fiscal year	Gross national product (in billions)	All programs ¹			Program category						
		Total	Federal	State and local	Social Insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ²
1950	\$266.8	8.8	3.9	4.7	1.8	0.9	0.8	2.6	2.5	0.2	1.1
1955	386.4	8.5	3.8	4.7	2.4	.8	.8	1.2	2.8	.2	1.2
1960	506.7	10.3	4.9	5.4	3.8	.8	.9	1.1	3.5	.2	1.3
1965	672.6	11.5	5.6	5.9	4.2	.9	.9	.9	4.2	.3	1.4
1970	990.2	14.7	7.8	6.9	5.5	1.7	1.0	.9	5.1	.4	2.5
1975	1,522.5	19.0	11.0	8.0	8.1	2.7	1.1	1.1	5.3	.5	3.4
1976	1,698.2	19.5	11.6	7.9	8.6	2.9	1.1	1.1	5.2	.5	3.4
1977	1,933.0	18.6	11.3	7.4	8.3	2.8	1.0	1.0	4.9	.5	3.5
1978	2,171.8	18.1	11.0	7.1	8.1	2.7	1.0	.9	4.7	.5	3.5
1979	2,447.8	17.5	10.7	6.8	7.9	2.6	1.0	.8	4.5	.5	3.5
1980	2,670.6	18.4	11.3	7.1	8.6	2.7	1.0	.8	4.5	.5	3.8
1981	2,986.4	18.5	11.6	6.9	9.0	2.8	1.0	.8	4.4	.4	3.9
1982	3,139.1	19.1	11.8	7.4	9.6	2.6	1.0	.8	4.4	.4	4.2
1983	3,321.9	19.5	12.1	7.4	10.0	2.6	1.0	.8	4.4	.4	4.3
1984	3,687.7	18.4	11.4	7.0	9.3	2.5	1.0	.7	4.3	.4	4.2
1985 ³	3,952.4	18.5	11.4	7.1	9.4	2.5	1.0	.7	4.4	.3	4.3
1986 ³	4,186.8	18.6	11.3	7.4	9.3	2.5	1.0	.7	4.5	.3	4.4
1987 ³	4,428.0	18.8	11.2	7.6	9.3	2.5	1.1	.6	4.6	.3	4.6
1988 ³	4,783.2	18.5	11.0	7.5	9.1	2.5	1.1	.6	4.6	.3	4.6
1989	5,130.9	18.6	11.0	7.7	9.1	2.5	1.1	.6	4.7	.3	4.7

¹ Includes housing, not shown separately.

² Combines "health and medical programs" with medical services provided under the social insurance, public aid, veterans', "and other social welfare categories."

³ Revised data.

Table 3.—Total and per capita social welfare expenditures under public programs in current and constant (1989) dollars, selected fiscal years, 1950-89

Fiscal year	Total expenditures		Per capita expenditures for —						
	Amount (in millions) ¹	Per capita ²	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ³
Current dollars									
1950	\$23,420.8	\$152.56	\$32.19	\$16.26	\$13.44	\$44.18	\$43.47	\$2.92	\$19.97
1960	52,106.3	285.42	105.35	22.46	24.45	29.52	96.43	6.24	35.03
1965	76,837.0	390.69	142.29	31.95	31.30	30.30	142.73	10.50	47.92
1970	145,183.3	697.91	262.18	79.26	46.18	43.16	244.27	19.93	120.47
1975	288,368.3	1,315.33	558.66	188.64	76.36	76.95	368.56	31.69	234.45
1976	330,600.9	1,493.26	655.47	220.36	82.91	84.92	396.11	38.27	264.21
1977	359,203.5	1,606.08	716.40	238.81	86.92	84.30	419.59	40.56	299.60
1978	392,523.9	1,736.50	771.42	263.09	98.22	85.02	448.93	46.73	337.72
1979	428,475.5	1,874.60	846.59	283.16	105.18	89.37	477.82	48.46	376.34
1980	490,869.1	2,123.20	989.95	311.32	117.92	92.02	523.41	58.82	433.66
1981	551,520.0	2,361.06	1,139.57	354.31	125.16	99.52	556.79	51.30	495.26
1982	598,592.7	2,536.22	1,276.63	344.28	138.24	103.83	584.87	49.38	553.70
1983	646,512.3	2,712.77	1,383.40	367.14	142.39	107.41	614.12	52.31	596.81
1984	675,101.4	2,820.74	1,419.28	382.98	149.09	108.95	656.71	55.55	642.49
1985	729,400.0	3,003.62	1,515.98	400.20	160.82	110.53	708.41	55.81	706.44
1986 ⁴	778,760.4	3,177.99	1,588.46	420.10	179.33	111.18	772.32	57.79	759.37
1987 ⁴	831,283.7	3,358.44	1,661.87	448.54	194.28	112.49	826.31	61.72	823.94
1988 ⁴	884,322.9	3,540.07	1,731.09	474.35	212.00	116.31	878.08	61.96	873.26
1989	953,919.1	3,783.17	1,849.41	505.56	225.53	118.60	946.32	65.87	958.35
Percentage increase from selected year to 1989									
1950	3,973	2,380	5,645	3,009	1,578	168	2,077	2,156	4,699
1960	1,731	1,225	1,655	2,151	822	302	881	956	2,636
1965	1,142	868	1,200	1,482	621	291	563	527	1,900
1970	557	442	607	538	388	175	287	231	696
1975	231	188	231	168	195	54	157	108	309
1976	189	153	182	129	172	40	139	72	263
1977	166	136	158	112	159	41	126	62	220
1978	143	118	140	92	130	39	111	41	184
1979	123	102	118	78	114	33	98	36	155
1980	94	78	87	62	91	29	81	12	121
1981	73	60	62	43	80	19	70	28	94
1982	59	49	45	47	63	14	62	33	73
1983	48	39	34	38	58	10	54	26	61
1984	41	34	30	32	51	9	44	19	49
1985 ⁴	31	26	22	26	40	7	34	18	36
1986 ⁴	22	19	16	20	26	7	23	14	26
1987 ⁴	15	13	11	13	16	5	15	7	16
1988 ⁴	8	7	7	7	6	2	8	6	10
Constant (1989) dollars									
1950	\$116,120.7	\$756.39	\$159.60	\$80.62	\$66.64	\$219.04	\$215.52	\$14.48	\$99.01
1960	205,732.8	1,126.93	415.96	88.68	96.54	116.55	380.74	24.64	138.31
1965	280,368.7	1,425.57	519.20	116.58	114.19	110.58	520.80	38.32	174.85
1970	439,611.0	2,113.26	792.57	239.99	139.82	130.68	739.65	60.34	364.78
1975	632,754.1	2,886.16	1,225.84	413.93	167.56	168.85	808.71	69.53	514.45
1976	686,023.3	3,098.63	1,360.15	457.26	172.05	176.21	821.96	79.41	548.25
1977	699,558.2	3,127.87	1,395.20	465.10	169.29	164.18	817.17	78.99	583.48
1978	712,134.8	3,150.44	1,399.52	477.31	178.19	154.25	814.46	84.78	612.71
1979	711,751.5	3,113.95	1,406.29	470.36	174.71	148.45	793.71	80.50	625.14
1980	736,303.7	3,184.80	1,484.92	466.98	176.88	138.04	785.11	88.23	650.49
1981	757,319.7	3,242.09	1,564.80	486.52	171.86	136.65	764.56	70.44	680.06
1982	777,571.9	3,294.54	1,658.34	447.23	179.58	134.87	759.74	64.14	719.26
1983	806,743.0	3,385.10	1,726.26	458.13	177.68	134.03	766.32	65.27	744.73
1984	811,245.8	3,389.58	1,705.50	460.21	179.15	130.92	789.15	66.75	772.06
1985 ⁵	849,005.9	3,496.15	1,764.57	465.83	187.19	128.65	824.57	64.96	822.28
1986 ⁴	885,047.9	3,611.73	1,805.25	477.44	203.81	126.35	877.73	65.67	863.01
1987 ⁴	902,874.2	3,647.67	1,805.00	487.17	211.01	122.18	897.47	67.04	894.90
1988 ⁴	924,907.8	3,702.53	1,810.53	496.12	221.73	121.64	918.38	64.81	913.33
1989	953,919.1	3,783.17	1,849.41	505.56	225.53	118.60	946.32	65.87	958.35

See footnotes at end table.

Table 3.—Total and per capita social welfare expenditures under public programs in current and constant (1989) dollars, selected fiscal years, 1950-89 —Continued

Fiscal year	Total expenditures		Per capita expenditures for —							
	Amount (in millions) ¹	Per capita ²	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ³	
	Percentage increase from selected year to 1989									
1950	721	400	1,059	527	238	-46	339	355	868	
1960	364	236	345	470	134	2	149	167	593	
1965	240	165	256	334	97	7	82	72	448	
1970	117	79	133	111	61	-9	28	9	163	
1975	51	31	51	22	35	-30	17	-5	86	
1976	39	22	36	11	31	-33	15	-17	75	
1977	36	21	32	9	33	-28	16	-17	64	
1978	34	20	32	6	27	-23	16	-22	56	
1979	34	21	32	7	29	-20	19	-18	53	
1980	30	19	25	8	28	-14	21	-25	47	
1981	26	17	18	4	31	-13	24	-6	41	
1982	23	15	12	13	26	-12	25	3	33	
1983	18	12	7	10	27	-11	23	1	29	
1984	18	12	8	10	26	-9	20	-1	24	
1985 ⁴	12	8	5	9	20	-8	15	1	16	
1986 ⁴	8	5	2	6	11	-6	8	0	11	
1987 ⁴	7	4	2	4	7	-3	5	-2	7	
1988 ⁴	3	2	2	2	2	-3	3	2	5	

¹ Excludes expenditures in foreign countries for OASDHI benefits, civil service retirement benefits, veterans' programs, and education.

² Includes housing, not shown separately.

³ Combines 'health and medical care' with medical services provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

⁴ Revised data.

Source: Constant dollar figures based on implicit price deflators for personal consumption expenditures prepared by the Bureau of Economic Analysis, Department of Commerce.

Table 4.— Social welfare expenditures under public programs: Federal funds as percent of total expenditures, selected fiscal years, 1950-89

Program	1950	1960	1965	1970	1975	1980	1985 ¹	1987 ¹	1988 ¹	1989
Total	44.8	47.7	48.8	53.0	57.7	61.5	61.5	59.6	59.3	58.9
Social insurance	42.5	74.1	77.5	82.7	81.1	83.2	83.9	83.1	83.0	82.7
Public aid	44.2	51.6	57.2	58.5	65.7	67.6	63.8	62.4	62.6	62.6
Health and medical	29.2	38.9	43.2	47.6	47.1	47.1	46.2	43.3	43.2	42.6
Veterans	93.0	98.0	99.7	98.6	97.4	99.0	98.8	98.5	98.6	98.5
Education	2.3	4.9	8.8	11.6	10.7	11.1	8.0	7.9	7.7	7.8
Housing	100.0	81.2	74.9	82.9	80.1	91.3	87.8	83.8	84.6	83.8
Other social welfare	38.9	36.6	38.9	54.5	61.4	64.6	55.7	55.7	52.4	51.1
All health and medical care ²	44.4	45.6	47.6	65.3	65.1	68.8	71.2	69.2	68.4	68.7

¹ Revised data.

² Combines "health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

Table 5.— Social welfare expenditures from public funds ¹ as a percent of government expenditures for all purposes, by type of funds, selected fiscal years, 1950-89

Type of funds	1950	1960	1965	1970	1975	1980	1985 ²	1987 ²	1988 ²	1989
All public social welfare expenditures										
Total as percent of all government expenditures.....	34.7	38.4	42.2	46.5	56.6	57.1	52.1	53.3	52.8	53.0
Federal as percent of all Federal expenditures.....	26.2	28.1	32.6	40.0	53.6	54.2	48.6	50.0	49.3	49.3
State and local as percent of all State and local expenditures ³	59.2	60.1	60.4	57.9	61.6	62.9	60.0	60.0	59.7	60.2
Trust fund social welfare expenditures										
Total as percent of all government expenditures.....	6.8	13.2	14.3	16.4	22.2	24.7	25.0	25.0	24.5	24.5
Federal as percent of all Federal expenditures.....	4.5	15.2	17.7	22.0	29.1	31.3	31.4	32.5	31.8	32.0
State and local as percent of all State and local expenditures ³	11.2	9.1	7.8	6.5	10.5	11.1	10.7	10.2	9.9	9.8
Non-trust-fund social welfare expenditures										
Total as percent of all expenditures from general revenues.....	30.6	25.2	27.8	36.6	45.0	44.0	37.1	38.5	38.3	38.3
Federal as percent of all Federal expenditures from general revenues:										
All programs.....	21.7	12.9	14.8	23.8	35.8	34.7	26.1	26.8	26.6	26.2
Public aid.....	2.7	2.4	3.1	6.6	12.8	13.2	10.2	10.7	10.6	10.6
State and local as percent of all State and local expenditures from general revenues ³ :										
All programs.....	48.1	51.1	52.6	55.0	57.1	58.3	55.2	55.5	55.3	55.9
Education.....	31.6	40.1	42.2	44.1	44.3	44.9	42.7	42.2	42.3	42.2
Public aid.....	6.8	4.8	4.5	6.7	8.7	9.7	9.5	9.4	9.3	9.1

¹ Excluding that part of workers' compensation and temporary disability insurance payments made through private carriers and self-insurers.

² Revised data.

³ From State and local sources, excluding Federal grants.

Table 6.— All public expenditures for health and medical care, selected fiscal years, 1950-89

[In millions]

Source of expenditure	1950	1960	1965	1970	1975	1980	1985 ¹	1987 ¹	1988 ¹	1989
Total.....	\$3,065	\$6,394	\$9,418	\$24,943	\$51,401	\$100,259	\$171,537	\$203,943	\$218,143	\$241,646
As a percent of gross national product.....	1.1	1.3	1.4	2.5	3.4	3.8	4.3	4.6	4.6	4.7
Health and medical services.....	\$2,470	\$5,345	\$7,533	\$22,196	\$46,999	\$93,221	\$162,286	\$193,624	\$206,388	\$229,024
Medicare.....	...	...	...	7,149	14,781	34,992	71,384	81,631	83,610	94,552
Temporary disability insurance ²	2	40	51	63	73	50	55	56	62	67
Workers' Compensation ²	193	420	580	985	2,470	3,725	7,080	9,618	11,110	12,825
Public assistance medical payments.....	51	492	1,367	5,213	13,600	27,746	44,127	53,633	58,628	65,173
General hospital and medical care.....	886	1,973	2,510	3,310	6,019	8,105	9,143	12,854	14,271	15,011
Defense Department hospital and medical care.....	336	880	881	1,682	2,817	4,198	7,422	9,125	9,670	10,158
Maternal and child health programs.....	30	141	239	450	567	870	1,222	1,584	1,665	1,791
School health (education agencies).....	31	101	142	247	352	575	788	889	939	992
Other public health activities.....	351	401	614	1,312	2,815	6,931	11,912	14,299	15,837	17,172
Veterans' hospital and medical care.....	583	879	1,115	1,651	3,287	5,750	8,809	9,522	10,152	10,782
Medical vocational rehabilitation.....	7	18	34	134	218	279	344	412	444	500
Medical research.....	73	471	1,264	1,746	2,741	5,055	7,118	8,056	9,347	10,144
Medical facilities construction.....	522	578	621	1,001	1,661	1,983	2,133	2,263	2,408	2,525
Department of Veterans' Affairs.....	162	60	77	71	137	323	458	772	964	646

¹ Revised data.

² Includes medical benefits paid under public law by private insurance carriers and self-insurers.

Source: Health Care Financing Administration, Office of the Actuary, Division of National Cost Estimates.