

Overview of Public Social Welfare Expenditures, Fiscal Year 1990

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During fiscal year 1990, Federal, State, and local governments spent \$1,045.4 billion on public social welfare expenditures; that is, the cost of cash benefits, services, and administration of programs operating under public law that are of direct benefit to individuals and families. The 1990 total was \$87.9 billion, or 9.2 percent higher than the amount spent the previous year. In constant (1990) dollars, the increase was \$39.9 billion, or 4.0 percent of the 1989 amount. Table 1 shows current dollar expenditures for fiscal years 1965 to 1990.

Table 1 also presents social welfare spending as a percent of both gross national product (GNP) and gross domestic product (GDP). In December of

1991, the Bureau of Economic Analysis (BEA), Department of Commerce, announced a revision of the National Income and Product Accounts (NIPA) that included a switch from GNP to GDP as the primary measure of production. Most U.S. Government statistical systems have since followed suit.

The essential difference between GNP and GDP is that GDP measures goods and services *produced by labor and property located in the United States*, regardless of the residency status of the workers or owners, while GNP measures those *produced by labor and property supplied by U.S. residents*, regardless of their geographic location. The GDP is, therefore, more consistent in coverage with other indicators such as employment, industry output, and capital investment, which are concerned solely with the United States. In addition, virtually all other countries have adopted GDP as their primary measure of production. The BEA action therefore facilitates U.S. entry into international economic accounting and

comparisons. The data in table 1 show that while social welfare spending may represent a slightly larger or smaller percent of the GNP or GDP in a given year, the year-to-year trends are not affected. In 1990, social welfare accounted for 19.1 percent of both GNP and GDP, up half a percentage point from the year before.

The percent of all government spending devoted to social welfare rose from 1989 to 1990, reaching 56.6 percent. State and local governments spent proportionally more (68 percent) of their funds for this purpose than did the Federal Government (51 percent). State and local governments, of course, have no expenditures for defense or international relations.

Social insurance expenditures accounted for nearly one-half of all social welfare spending in 1990. Education represented one-fourth of the total, and public aid represented a further one-seventh. All health and medical expenditures combined accounted for one-fourth of social welfare spending.

* Division of Statistics Analysis, Office of Research and Statistics, Social Security Administration. A more detailed description of public social welfare expenditures will be published in a forthcoming issue of the *Bulletin*.

Table 1.—Social welfare expenditures under public programs, fiscal years 1965-90¹

[Amounts in millions]

Fiscal year	Program								Total health care spending ⁴	Total social welfare as a percent of—		
	Total ²	Social insurance	Public aid	Health and medical care	Veterans' programs	Education	Housing	Other social welfare ³		Gross national product	Gross domestic product	Government expenditures for all purposes ⁵
	Total expenditures											
1965...	\$77,065	\$28,123	\$6,264	\$6,155	\$6,031	\$28,108	\$318	\$2,066	\$9,424	11.5	11.5	42.4
1966...	87,803	31,935	7,301	6,740	6,358	32,825	335	2,309	10,605	11.9	11.9	43.4
1967...	99,465	37,339	8,811	7,383	6,898	35,807	378	2,849	15,552	12.5	12.6	42.4
1968...	113,551	42,740	11,091	8,172	7,246	40,589	427	3,286	19,731	13.4	13.4	43.2
1969...	126,971	48,772	13,439	8,828	7,934	43,673	533	3,792	22,730	13.7	13.7	44.7
1970...	145,557	54,692	16,488	9,606	9,078	50,846	702	4,145	25,061	14.7	14.8	46.5
1971...	171,258	66,369	21,262	10,437	10,456	56,704	1,047	4,983	28,125	16.2	16.3	50.2
1972...	190,314	74,809	26,078	11,824	11,522	59,385	1,332	5,364	32,415	16.5	16.6	52.0
1973...	213,294	86,166	28,691	12,799	13,026	64,734	2,180	5,698	36,005	16.7	16.7	53.6
1974...	238,652	99,001	31,531	14,198	14,113	70,534	2,554	6,721	40,768	16.9	17.0	54.4
1975...	289,174	123,013	41,447	16,742	17,019	80,834	3,172	6,947	51,401	19.0	19.1	56.6
1976...	331,518	145,703	48,929	18,356	18,958	87,729	3,371	8,472	58,494	19.5	19.7	59.1
1977...	360,316	160,884	53,667	19,441	19,015	93,878	4,359	9,072	67,006	18.6	19.3	58.6
1978...	393,829	175,090	59,849	22,201	19,384	101,518	5,224	10,563	76,340	18.1	18.2	57.9
1979...	429,851	194,130	65,247	24,040	20,602	109,262	5,493	11,077	86,019	17.6	17.7	57.3
1980...	492,713	229,754	72,703	27,263	21,466	121,049	6,879	13,599	100,259	18.4	18.6	57.2
1981...	553,836	267,395	83,634	29,236	23,441	130,108	8,039	11,983	115,687	18.5	18.7	56.8
1982...	601,101	302,614	82,206	32,628	24,708	138,089	9,202	11,654	130,683	19.1	19.2	55.6
1983...	649,365	331,161	88,624	33,934	25,802	146,415	10,963	12,466	142,234	19.5	19.5	55.6
1984...	678,140	341,121	93,048	35,682	26,275	157,189	11,530	13,295	153,771	18.4	18.3	53.6
1985...	732,246	369,595	98,356	39,053	27,042	172,049	12,599	13,552	171,285	18.5	18.4	52.2
1986...	781,769	390,770	104,205	43,952	27,445	189,275	11,962	14,160	185,818	18.7	18.5	53.3
1987...	834,084	412,874	112,093	48,067	28,051	204,549	13,173	15,277	203,409	18.8	18.7	55.3
1988...	887,484	434,048	119,669	53,096	29,254	219,382	16,556	15,479	217,697	18.4	18.4	54.9
1989...	957,426	468,046	128,684	57,085	30,104	238,771	18,127	16,609	241,426	18.5	18.5	55.2
1990...	1,045,372	510,616	145,642	62,428	30,916	258,385	19,468	17,917	271,530	19.1	19.1	56.6
	Federal expenditures											
1965...	\$37,592	\$21,807	\$3,594	\$2,660	\$6,011	\$2,470	\$238	\$812	\$4,482	5.6	5.6	32.6
1966...	45,243	25,664	4,366	3,010	6,337	4,580	251	1,035	5,218	6.1	6.1	34.9
1967...	53,173	30,545	5,244	3,588	6,875	5,278	283	1,360	9,715	6.7	6.7	35.0
1968...	60,168	35,390	6,455	4,087	7,214	5,000	325	1,697	12,901	7.1	7.1	35.1
1969...	68,146	40,847	7,829	4,334	7,883	4,923	426	1,904	14,993	7.3	7.4	37.5
1970...	77,132	45,246	9,649	4,568	8,952	5,876	582	2,259	16,363	7.8	7.8	40.0
1971...	92,348	53,903	12,990	4,909	10,331	6,597	872	2,746	18,527	8.8	8.8	44.8
1972...	105,868	61,248	16,291	5,865	11,405	6,721	1,183	3,155	21,608	9.2	9.2	47.2
1973...	122,155	72,249	18,061	6,286	12,903	7,360	1,750	3,546	23,853	9.5	9.6	50.3
1974...	136,734	82,832	20,398	6,677	13,874	7,042	2,009	3,902	27,032	9.7	9.7	52.1

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, fiscal years 1965-90¹—Continued

[Amounts in millions]

Fiscal year	Program								Total health care spending ⁴	Total social welfare as a percent of—		
	Total ²	Social insurance	Public aid	Health and medical care	Veterans' programs	Education	Housing	Other social welfare ³		Gross national product	Gross domestic product	Government expenditures for all purposes ⁵
Federal expenditures—Continued												
1975 ...	\$166,885	\$99,715	\$27,276	\$7,890	\$16,570	\$8,629	\$2,541	\$4,264	\$33,469	11.0	11.0	53.7
1976 ...	196,672	119,600	32,670	9,079	18,796	9,023	2,906	4,598	39,464	11.6	11.7	56.8
1977 ...	217,897	134,745	35,655	9,419	18,861	9,741	4,006	5,470	45,618	11.3	11.7	56.1
1978 ...	239,428	147,365	40,392	10,724	19,210	10,901	4,887	5,949	52,023	11.0	11.1	55.2
1979 ...	263,289	163,722	44,247	11,282	20,412	12,108	5,069	6,449	58,580	10.7	10.8	54.8
1980 ...	303,166	191,162	49,394	12,840	21,254	13,452	6,278	8,786	68,939	11.3	11.4	54.4
1981 ...	346,485	224,574	56,818	13,837	23,229	13,372	7,351	7,304	80,746	11.6	11.7	54.3
1982 ...	370,172	250,551	53,434	14,883	24,463	11,917	8,424	6,500	91,060	11.8	11.8	52.9
1983 ...	402,251	274,315	57,835	15,153	25,561	12,399	9,960	7,028	99,833	12.1	12.1	53.1
1984 ...	421,195	288,743	59,868	16,029	25,970	13,010	10,226	7,349	108,199	11.4	11.4	50.8
1985 ...	450,785	310,175	63,474	18,029	26,704	13,796	11,059	7,548	122,139	11.4	11.3	48.7
1986 ...	472,766	326,016	67,304	19,440	27,072	15,022	10,090	7,822	130,671	11.3	11.2	48.6
1987 ...	497,910	342,933	70,913	20,813	27,641	16,062	11,044	8,504	141,226	11.2	11.1	50.2
1988 ...	527,003	360,265	75,935	22,875	28,845	16,966	14,006	8,111	149,315	11.0	10.9	49.5
1989 ...	565,082	387,281	81,763	24,064	29,638	18,660	15,184	8,492	166,087	11.0	10.9	49.5
1990 ...	613,821	419,337	92,650	27,515	30,428	18,374	16,612	8,905	187,864	11.2	11.2	51.1
State and local expenditures												
1965 ...	\$39,473	\$6,316	\$2,670	\$3,495	\$20	\$25,638	\$80	\$1,254	\$4,942	5.9	5.9	61.7
1966 ...	42,560	6,271	2,935	3,730	21	28,245	84	1,274	5,387	5.8	5.8	60.0
1967 ...	46,292	6,794	3,567	3,795	23	30,529	95	1,489	5,837	5.8	5.9	57.8
1968 ...	53,383	7,350	4,636	4,085	32	35,589	102	1,589	6,830	6.3	6.3	60.0
1969 ...	58,825	7,925	5,610	4,494	51	38,750	107	1,888	7,737	6.3	6.4	58.8
1970 ...	68,425	9,446	6,839	5,038	126		44,970	1,886	8,698	6.9	6.9	57.9
1971 ...	78,910	12,466	8,272	5,528	125	50,107	175	2,237	9,598	7.5	7.5	59.3
1972 ...	84,446	13,561	9,787	5,959	117	52,664	149	2,209	10,807	7.4	7.4	60.4
1973 ...	91,139	13,917	10,630	6,513	123	57,374	430	2,152	12,152	7.1	7.1	59.3
1974 ...	101,918	16,169	11,133	7,521	239	63,492	545	2,819	13,736	7.2	7.3	58.1
1975 ...	122,289	23,298	14,171	8,852	449	72,205	631	2,683	17,932	8.0	8.1	61.6
1976 ...	134,846	26,103	16,259	9,277	162	78,706	465	3,874	19,030	7.9	8.0	63.2
1977 ...	142,419	26,139	18,012	10,022	154	84,137	353	3,602	21,388	7.4	7.7	63.2
1978 ...	154,401	27,725	19,457	11,477	174	90,617	337	4,614	24,317	7.1	7.2	63.2
1979 ...	166,562	30,408	21,000	12,758	190	97,154	424	4,628	27,439	6.8	6.8	62.1
1980 ...	189,547	38,592	23,309	14,423	212	107,597	601	4,813	31,320	7.1	7.2	62.9
1981 ...	207,351	42,821	26,816	15,399	212	116,736	688	4,679	34,941	6.9	7.0	62.3
1982 ...	230,929	52,063	28,772	17,745	245	126,172	778	5,154	39,623	7.4	7.4	61.1
1983 ...	247,114	56,846	30,789	18,781	241	134,016	1,003	5,438	42,401	7.4	7.4	61.0
1984 ...	256,945	52,378	33,180	19,653	305	144,179	1,304	5,946	45,572	7.0	7.0	59.9

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, fiscal years 1965-90 ¹—Continued

[Amounts in millions]

Fiscal year	Program								Total health care spending ⁴	Total social welfare as a percent of—		
	Total ²	Social insurance	Public aid	Health and medical care	Veterans' programs	Education	Housing	Other social welfare ³		Gross national product	Gross domestic product	Government expenditures for all purposes ⁵
State and local expenditures—Continued												
1985...	\$ 281,461	\$ 59,420	\$ 34,882	\$ 21,024	\$ 338	\$ 158,253	\$ 1,540	\$ 6,004	\$ 49,146	7.1	7.1	59.9
1986...	309,003	64,754	36,901	24,512	373	174,253	1,872	6,338	55,147	7.4	7.3	64.2
1987...	336,174	69,941	41,180	27,254	410	188,487	2,129	6,773	62,183	7.6	7.6	66.6
1988...	360,481	73,783	43,734	30,221	409	202,416	2,550	7,368	68,382	7.5	7.5	67.0
1989...	392,344	80,765	46,921	33,021	466	220,111	2,943	8,117	75,339	7.6	7.6	68.0
1990...	431,551	91,279	52,992	34,913	488	240,011	2,856	9,012	83,666	7.9	7.9	68.2

¹ Revised data for the years 1974-89.

² Includes expenditures under public laws and from trust fund accounts, including administration, capital outlay, and some payments outside the United States. The sum of individual categories may not equal the totals due to independent rounding.

³ Includes outlays for vocational rehabilitation, institutional care, child nutrition and welfare, and social welfare expenditures not elsewhere classified

⁴ Combines health and medical programs with medical services provided in connection with social insurance, public aid, veterans' programs, and other social welfare programs.

⁵ Expenditures for that part of workers' compensation and temporary disability insurance payments made through private carriers and self-insurers are omitted in computing percentages.