
Notes and Brief Reports

Public Social Welfare Expenditures, Fiscal Year 1985*

In fiscal year 1985, Federal, State, and local governments spent \$727.9 billion on public social welfare expenditures, an amount equal to 18.4 percent of the gross national product (GNP). That amount was an increase of 8.5 percent—4.8 percent in constant (1985) dollars—over the 1984 expenditures, and accounted for 51.6 percent of government spending for all purposes.

The social welfare expenditures series measures direct expenditures from public funds or under public programs. The data encompass expenditures for the major programs of income maintenance, health, education, housing, veterans' programs, and other welfare services directed specifically toward promoting the economic and social well-being of individuals and families. The series is on a fiscal-year basis and includes expenditures from trust funds as well as from general revenues. The data include the value of benefits and the amounts expended for administrative expenses, research and training, and capital outlay.

Measured in this way, social welfare expenditures as a percentage of the GNP rose slightly in 1985 (table 1). The percentage increases occurred at both the Federal level and the State and local levels. The relationship between the GNP and social welfare expenditures from 1975 to 1985 is shown in chart 1.

Public social welfare spending increased \$56.9 billion from 1984 to 1985 (table 2). More than half of this increase (53 percent) occurred in the category of "social insurance." This category, which includes the program of Old-Age, Survivors, and Disability Insurance (OASDI) commonly known as Social Security, has become steadily more important in the distribution of social welfare funds. The OASDI program, in particular, affects a large proportion of the public; in 1985 more than 15 percent of the civilian population received monthly Social Security benefits. The size of the

program means that relatively small programmatic changes have a large fiscal impact. In 1985, the 2-percent increase in the size of the beneficiary population and the 3.5-percent cost-of-living benefit increase resulted in an \$11.4 billion increase in spending. The cost of care under the similarly large Health Insurance (Medicare) program increased 15.5 percent from 1984 to 1985. The increase was partly fueled by a 6.6 percent increase in the Consumer Price Index for medical care. Together, the Social Security and Medicare programs accounted for 37 percent of the total increase in social welfare spending in fiscal year 1985.

The effect of rising health care costs is also visible in the area of "public aid." Seventy-three percent of the 1985 increase in this category was attributable to spending for vendor medical payments, chiefly under the Medicaid program. Health care costs are distributed in this series according to the program category under which they are met. The social insurance, public aid, veterans' programs, and "other public aid" categories include such expenditures, in addition to the category specifically devoted to "health and medical care." When the costs of these programs among all categories are combined, spending for all public health and medical care accounted for one-third of the total increase in social welfare expenditures in 1985.

Chart 2 shows the distribution of spending among the various categories in the series for selected years, 1970 through 1985. It demonstrates the growing importance of social insurance programs; in those 15 years, such programs grew from slightly more than one-third to approximately one-half of all social welfare spending. Education was consistently the second largest category and accounted for about one-fourth of the total spending from 1975 to 1985. Public aid typically represented 14 percent of spending during that period, although the share allotted to the Medicaid program rose steadily.

Per capita spending for social welfare increased in 1985 in both current and constant dollars (table 3). The categories of "social insurance" and "public aid," both of which showed real declines from 1983 to 1984, increased in constant dollars in 1985. The only category for which spending declined in real terms in 1985 was "veterans' programs;" spending for such pro-

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Table 1.—Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1950-85

Fiscal year	Gross national product (in billions) ¹	All programs ²			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 ³
1950	\$286.5	8.2	3.7	4.5	1.7	0.9	0.7	2.4	2.3	0.1	1.1
1955	400.0	8.2	3.6	4.5	2.4	.8	.8	1.2	2.8	.2	1.2
1960	506.5	10.3	4.9	5.4	3.8	.8	.9	1.1	3.5	.2	1.3
1965	673.6	11.2	5.5	5.7	4.1	.9	.9	.9	4.1	.3	1.4
1970	990.5	14.7	7.8	6.9	5.5	1.7	1.0	.9	5.1	.4	2.6
1975	1,523.5	19.0	11.0	8.0	8.1	2.7	1.2	1.1	5.3	.5	3.4
1976	1,699.6	19.5	11.6	7.9	8.6	2.9	1.1	1.1	5.2	.5	3.5
1977	1,935.8	18.6	11.3	7.3	8.3	2.8	1.0	1.0	4.8	.5	3.5
1978	2,173.4	18.1	11.0	7.1	8.1	2.7	1.1	.9	4.7	.5	3.5
1979	2,452.2	17.5	10.7	6.8	7.9	2.6	1.0	.8	4.5	.5	3.5
1980	2,667.6	18.5	11.3	7.2	8.6	2.7	1.0	.8	4.5	.5	3.8
1981	2,986.2	18.4	11.5	6.9	9.0	2.8	1.0	.8	4.3	.4	3.9
1982	3,141.5	18.9	11.7	7.2	9.6	2.6	1.1	.8	4.3	.4	4.2
1983	3,322.4	19.3	12.0	7.3	10.0	2.6	1.1	.8	4.3	.4	4.3
1984	3,695.7	18.2	11.3	6.8	9.3	2.4	1.0	.7	4.1	.4	4.2
1985 ⁴	3,947.1	18.4	11.4	7.0	9.4	2.4	1.0	.7	4.2	.3	4.4

¹Revised in 1986 by the Bureau of Economic Analysis, Department of Commerce.

²Includes housing, not shown separately here.

³Combines "health and medical programs" with medical services

provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

⁴Preliminary estimates.

Chart 1.—Social welfare expenditures as a percent of gross national product, fiscal years, 1975-85

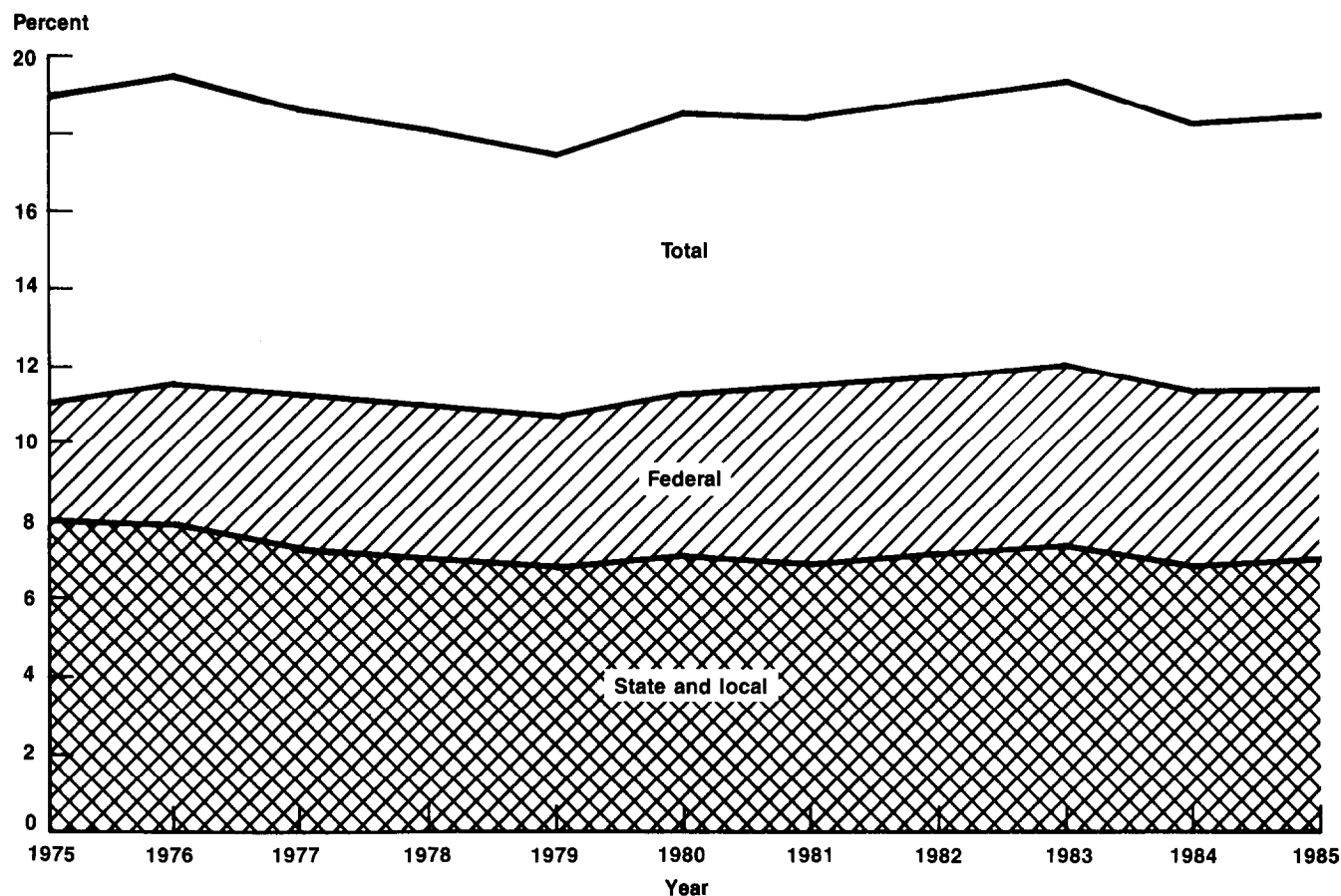


Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-85¹

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ²
	Total expenditures									
Total	\$23,508.4	\$52,293.2	\$77,175.3	\$145,855.7	\$290,080.4	\$492,527.7	\$594,876.0	\$641,168.5	\$670,944.9	\$727,861.2
Social insurance	4,946.6	19,306.7	28,122.8	54,691.2	123,013.1	229,754.3	302,614.8	331,058.1	342,264.5	372,582.5
Old-age, Survivors, Disability, and Health Insurance (OASDHI) ...	784.1	11,032.3	16,997.5	36,835.4	78,429.9	152,110.4	204,567.8	224,709.2	239,395.0	260,468.7
OASDI	784.1	11,032.3	16,997.5	29,686.2	63,648.5	117,118.9	154,144.8	167,778.9	176,914.2	188,275.2
HI (Medicare) ³ .....	...	...	...	7,149.2	14,781.4	34,991.5	50,423.5	56,930.3	62,480.8	72,193.5
Railroad Retirement ⁴	306.4	934.7	1,128.1	1,609.9	3,085.1	4,768.7	5,766.4	6,081.5	6,143.8	6,275.6
Public employee retirement ⁵	817.9	2,569.9	4,528.5	8,658.7	20,118.6	39,490.1	50,464.2	54,834.3	58,887.7	63,042.0
Unemployment Insur- ance and employment services ⁶	2,190.1	2,829.6	3,002.6	3,819.5	13,835.9	18,326.4	23,256.5	25,349.7	16,103.5	18,343.7
Railroad Unemployment Insurance	119.6	215.2	76.7	38.5	41.6	155.4	298.8	386.6	183.3	138.4
Railroad Temporary Disability Insurance ...	31.1	68.5	46.5	61.1	32.9	68.7	62.2	61.3	46.7	50.6
State Temporary Disability Insurance ⁷ ...	72.1	347.9	483.5	717.7	990.0	1,377.7	1,695.7	1,766.9	1,821.0	2,000.0
Hospital and medical benefits ⁸	2.2	40.2	50.9	62.6	72.9	49.6	52.5	57.5	56.0	55.8
Workers' Compen- sation ⁹	625.1	1,308.5	1,859.4	2,950.4	6,479.1	13,457.2	16,503.2	17,868.6	19,683.5	22,263.5
Hospital and medical benefits ⁸	193.0	420.0	580.0	985.0	2,470.0	3,725.0	4,640.0	5,082.0	6,010.0	7,080.0
Public aid	2,496.2	4,101.1	6,283.4	16,487.8	41,308.3	71,799.4	80,852.4	85,829.5	89,871.3	95,965.3
Public assistance ¹⁰	2,490.2	4,041.7	5,874.9	14,433.5	27,360.4	44,888.3	53,455.0	56,620.6	61,000.2	66,079.9
Vendor medical payments ¹¹	51.3	492.7	1,367.1	5,212.8	13,501.6	27,394.1	34,399.5	36,326.6	39,462.8	43,911.5
Social services ¹² .....	...	...	...	712.6	2,622.4	2,342.8	2,567.5	2,507.8	3,985.3	2,742.8
Supplemental Security Income .....	...	...	...	...	6,091.6	8,226.5	9,753.0	10,793.7	11,136.7	11,840.0
Food stamps .....	...	...	35.6	577.0	4,693.9	9,083.3	10,761.0	11,726.5	11,561.0	11,701.2
Other ¹³	6.0	59.4	373.0	1,477.3	3,162.4	9,601.3	6,883.4	6,688.6	6,173.4	6,344.2
Health and medical programs ¹⁴	2,063.5	4,463.8	6,246.4	9,906.8	17,787.6	27,650.3	33,218.0	35,068.4	37,089.5	39,955.3
Hospital and medical care	1,222.3	2,853.3	3,452.3	5,313.4	9,219.6	12,287.3	14,943.0	15,626.2	16,345.8	17,663.5
Civilian programs	886.1	1,973.2	2,515.5	3,553.8	6,405.6	8,187.3	9,432.0	9,297.7	9,447.8	9,612.5
Defense Department ¹⁵	336.2	880.1	936.8	1,759.6	2,814.0	4,100.0	5,511.0	6,328.5	6,898.0	8,051.0
Maternal and child health programs ¹⁶	29.8	141.3	227.3	431.4	567.0	869.5	951.5	1,058.0	1,060.8	1,156.0
Medical research	69.2	448.9	1,165.2	1,635.4	2,928.0	4,822.8	5,342.5	5,583.2	6,071.2	6,634.4
School health (education agencies)	30.6	101.0	142.2	246.6	350.0	574.8	691.5	741.8	790.0	856.0
Other public health activities	350.8	401.2	671.0	1,348.0	2,919.0	6,955.7	9,119.0	9,793.0	10,659.6	11,644.0
Medical facilities construction	360.8	518.1	588.3	932.1	1,804.0	2,140.2	2,170.5	2,266.2	2,162.1	2,001.4
Defense Department	1.1	40.0	31.1	52.5	94.0	31.0	...	...	...	...
Veterans' programs	6,865.7	5,479.2	6,031.0	9,078.0	17,018.9	21,465.5	24,708.1	25,825.9	26,127.4	27,171.3
Pensions and compen- sation ¹⁷	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	11,306.0	13,301.6	13,849.9	13,947.0	14,255.8
Health and medical programs	748.0	954.0	1,228.7	1,784.0	3,516.8	6,203.9	7,825.8	8,387.8	8,854.9	9,713.2
Hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,287.1	5,749.9	7,210.2	7,762.6	8,141.2	8,906.3
Hospital construction	161.5	59.6	77.0	70.9	136.7	323.0	480.3	473.5	527.4	591.8
Medical and prosthetic research	3.7	15.1	36.9	61.8	93.0	131.0	135.3	151.6	186.3	215.1
Education	2,691.6	409.6	40.9	1,018.5	4,433.8	2,400.7	1,816.3	1,707.5	1,412.9	1,168.4
Life insurance ¹⁸	475.7	494.1	434.3	502.3	556.1	664.5	747.0	744.0	745.5	795.5
Welfare and other	858.3	218.8	185.8	379.4	933.7	890.4	1,017.4	1,091.7	1,165.1	1,238.4
Education ¹⁹	6,674.1	17,626.2	28,107.9	50,845.5	80,834.2	121,049.6	133,874.1	141,812.6	152,045.3	166,361.8
Elementary and secondary	5,596.2	15,109.0	22,357.7	38,632.3	59,745.6	87,149.9	97,419.5	102,651.7	110,066.6	120,742.0
Construction ²⁰	1,019.4	2,661.8	3,267.0	4,659.1	5,746.0	6,524.0	6,772.2	7,189.5	7,258.0	8,358.0

See footnotes at end of table

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-85¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ²
Total expenditures—Continued										
Education ³ —Cont.										
Higher	\$914.7	\$2,190.7	\$4,826.4	\$9,907.1	\$16,384.1	\$26,175.9	\$28,153.8	\$30,467.4	\$32,663.6	\$35,445.4
Construction	310.0	357.9	1,081.4	1,566.9	1,512.7	1,528.1	144.1	2,058.6	2,270.7	2,716.9
Vocational and adult ⁴	160.8	298.0	853.9	2,144.4	4,441.3	7,375.2	7,997.3	8,386.4	9,069.5	9,891.2
Housing	14.6	176.8	318.1	701.2	3,171.7	7,209.5	7,954.2	9,089.6	10,374.2	11,878.5
Public housing	14.5	143.5	234.5	459.9	1,456.4	5,246.9	5,651.6	6,659.4	7,716.4	9,069.5
Other social welfare	447.7	1,139.4	2,065.7	4,145.2	6,946.6	13,599.1	11,654.4	12,484.4	13,176.7	13,946.5
Vocational rehabilitation ⁵	30.0	96.3	210.5	703.8	1,036.4	1,251.1	1,233.7	1,333.1	1,447.7	1,536.7
Medical services	7.4	17.7	34.2	133.8	217.7	279.4	310.0	369.0	341.6	355.0
Medical research ²¹ .....	...	6.6	22.4	29.6	...	13.5	...	...	...	...
Institutional care ²²	145.5	420.5	789.5	201.7	296.1	482.4	594.4	660.0	721.1	774.3
Child nutrition ²³	160.2	398.7	617.4	896.0	2,517.6	4,852.3	4,490.6	4,981.4	5,198.9	5,308.5
Child welfare ²⁴	104.9	211.5	354.3	585.3	597.0	800.0	160.2	160.1	165.0	200.0
Special OEO and ACTION programs ²⁵ .....	...	...	51.7	752.8	638.3	2,302.7	521.5	475.4	479.1	503.8
Social welfare, not elsewhere classified ²⁶	7.1	12.4	42.3	1,005.6	1,861.2	3,910.6	4,654.0	4,874.3	5,283.2	5,623.2
Federal expenditures										
Total	\$10,541.1	\$24,956.7	\$37,711.7	\$77,337.2	\$167,426.0	\$302,631.1	\$367,620.2	\$398,721.2	\$419,435.3	\$451,143.3
Social insurance	2,103.0	14,307.2	21,806.6	45,245.6	99,715.0	191,162.0	250,551.4	274,212.2	289,883.5	313,106.3
Old-age, Survivors, Disability, and Health Insurance (OASDHI)	784.1	11,032.2	16,997.5	36,835.4	78,429.9	152,110.4	204,567.8	224,709.2	239,395.0	260,468.7
OASDI	784.1	11,032.2	16,997.5	29,686.2	63,648.5	117,118.9	154,144.8	167,778.9	176,914.2	188,275.2
HI (Medicare) ¹ .....	...	...	...	7,149.2	14,781.4	34,991.5	50,423.5	56,930.3	62,480.8	72,193.5
Railroad Retirement ⁴	306.4	934.7	1,128.1	1,609.9	3,085.1	4,768.7	5,766.4	6,081.5	6,143.8	6,275.6
Public employee retirement ¹	507.9	1,519.9	2,780.5	5,516.7	13,338.9	26,982.9	34,401.5	36,920.2	38,587.3	40,502.0
Unemployment Insurance and employment services ⁶	328.6	473.5	699.8	1,036.1	3,429.2	4,407.6	2,634.7	3,144.1	2,528.6	2,604.1
Railroad Unemployment Insurance	119.6	215.2	76.7	38.5	41.6	155.4	298.8	386.6	183.3	138.4
Railroad Temporary Disability Insurance	31.1	68.5	46.5	61.1	32.9	68.7	62.2	61.3	46.7	50.6
Workers' Compensation ⁷	25.1	63.1	77.6	147.9	1,357.4	2,668.3	2,820.0	2,909.3	2,998.8	3,066.9
Hospital and medical benefits ⁸	5.2	9.0	11.3	20.7	50.2	129.5	172.3	263.5	281.5	280.2
Public aid	1,103.2	2,116.9	3,593.9	9,648.6	27,186.5	48,666.5	52,485.3	55,894.6	57,665.8	61,173.7
Public assistance ⁹	1,097.2	2,057.5	3,185.4	7,594.3	14,528.6	23,542.1	27,181.5	28,796.4	30,837.7	33,523.1
Vendor medical payments ² .....	...	199.8	555.0	2,607.1	7,056.4	14,550.2	17,514.3	18,828.1	20,212.1	22,650.4
Social services ³ .....	...	...	...	522.0	1,962.6	1,757.1	1,925.6	180.9	2,091.7	2,057.1
Supplemental Security Income .....	...	...	...	...	4,801.6	6,439.8	7,659.4	8,683.1	9,093.7	9,605.2
Food stamps .....	...	...	35.6	577.0	4,693.9	9,083.3	10,761.0	11,726.5	11,561.0	11,701.2
Other ²	6.0	59.4	373.0	1,477.3	3,162.4	9,601.3	6,883.4	6,688.6	6,173.4	6,344.2
Health and medical programs ¹⁰	603.5	1,737.1	2,780.6	4,775.2	8,521.0	12,702.8	14,527.7	15,524.0	16,666.1	18,402.8
Hospital and medical care	382.6	983.5	1,074.7	2,045.0	4,045.0	6,477.8	7,965.5	8,663.0	9,293.8	10,381.0
Civilian programs	46.4	103.4	137.9	285.8	1,231.0	2,377.8	2,454.5	2,334.5	2,395.8	2,330.0
Defense Department ¹¹	336.2	880.1	936.8	1,759.6	2,814.0	4,100.0	5,511.0	6,328.5	6,898.0	8,051.0
Maternal and child health programs ¹²	20.1	35.3	73.4	196.0	271.0	354.0	352.0	401.0	371.0	412.0
Medical research	69.2	425.9	1,110.2	1,485.4	2,642.0	4,377.8	4,785.7	5,002.2	5,463.4	6,002.2
Other public health activities	63.8	57.3	222.9	590.3	1,150.0	1,257.2	1,253.5	1,278.8	1,343.8	1,399.2
Medical facilities construction	67.8	235.1	299.3	458.1	413.0	236.0	171.0	179.0	194.1	208.4
Defense Department	1.1	40.0	31.1	52.5	94.0	31.0	...	...	...	...

See footnotes at end of table.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-85¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ²
Federal expenditures—Continued										
Veterans' programs	\$6,386.2	\$5,367.3	\$6,010.6	\$8,951.5	\$16,569.8	\$21,253.6	\$24,462.7	\$25,561.1	\$25,882.3	\$26,833.4
Pensions and compensation ³	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	11,306.0	13,301.6	13,849.9	13,949.0	14,255.8
Health and medical programs	748.0	954.0	1,228.7	1,784.0	3,516.8	6,203.9	7,825.8	8,387.8	8,854.9	9,713.2
Hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,287.1	5,749.9	7,210.2	7,762.6	8,141.2	8,906.3
Hospital construction	161.5	59.6	77.0	70.9	136.7	323.0	480.3	473.5	527.4	591.8
Medical and prosthetic research	3.7	15.1	36.9	61.8	93.0	131.0	135.3	151.6	186.3	215.1
Education	2,691.6	409.6	40.9	1,018.5	4,433.8	2,400.7	1,816.3	1,707.5	1,412.9	1,168.4
Life insurance ⁷	475.7	494.1	434.3	502.3	556.1	664.5	747.0	744.0	745.5	795.5
Welfare and other	378.8	106.9	165.4	252.9	484.6	678.5	772.1	826.9	860.0	900.5
Education ⁸	156.7	867.9	2,469.8	5,875.8	8,629.4	13,452.2	11,917.0	12,396.7	12,999.1	13,740.1
Elementary and secondary	47.1	441.9	776.8	2,956.8	4,562.5	7,429.6	6,422.5	6,139.5	6,659.0	7,267.6
Construction ⁹	5.2	70.6	77.0	35.9	20.9	40.9	16.0	77.1	28.5	23.0
Higher	48.5	293.1	1,217.0	2,154.6	2,863.5	4,467.5	4,253.8	5,051.8	5,048.1	5,102.1
Construction	5.7	1.2	324.0	466.3	273.9	42.1	144.1	84.6	35.0	32.1
Vocational and adult ⁹	58.7	104.5	406.2	602.6	940.2	1,206.5	937.1	898.4	1,046.4	1,087.2
Housing	14.6	143.5	238.2	581.6	2,540.7	6,608.1	7,175.9	8,086.6	9,068.3	10,338.8
Public housing	14.5	143.5	234.5	459.9	1,456.4	5,246.9	5,651.6	6,659.4	7,716.4	9,069.5
Other social welfare	174.0	416.7	812.0	2,258.9	4,263.6	8,785.9	6,500.2	7,046.0	7,330.9	7,548.2
Vocational rehabilitation ⁹	21.0	64.3	143.3	567.5	814.0	1,006.1	918.0	1,007.5	1,109.3	1,186.7
Medical services	5.1	11.2	21.2	107.0	174.2	223.5	241.8	269.4	259.0	275.0
Medical research ²¹ . . . . .	...	6.6	22.4	29.6	...	13.5	...	...	...	...
Institutional care ²²	20.5	20.5	34.5	22.5	20.3	74.2	92.6	107.1	117.9	120.8
Child nutrition ²³	121.2	306.1	503.7	710.9	2,064.0	4,209.3	3,685.4	4,099.0	4,270.5	4,348.7
Child welfare ²⁴	4.2	13.4	36.5	44.7	49.8	57.0	160.2	160.1	165.0	200.0
Special OEO and ACTION programs ²⁵ . . . . .	...	...	51.7	752.8	638.3	2,302.7	521.5	475.4	479.1	503.8
Social welfare, not elsewhere classified ²⁶	7.1	12.4	42.3	160.6	677.2	1,136.6	1,122.5	1,196.9	1,207.4	1,188.2
State and local expenditures										
Total	\$12,967.3	\$27,336.6	\$39,463.5	\$68,518.5	\$122,654.4	\$189,896.7	\$227,225.7	\$242,447.1	\$251,612.7	\$276,718.2
Social insurance	2,843.6	4,999.4	6,316.2	9,445.6	23,298.1	38,592.4	52,063.4	56,845.7	52,380.8	59,476.4
Public employee retirement ³	310.0	1,050.0	1,748.0	3,142.0	6,779.7	12,507.3	16,062.7	17,914.1	20,300.4	22,540.0
Unemployment Insurance and employment services ⁴	1,861.5	2,356.1	2,302.8	2,783.4	10,406.7	13,918.8	20,621.8	22,205.6	13,574.9	15,739.7
State Temporary Disability Insurance ⁷	72.1	347.9	483.5	717.7	990.0	1,377.4	1,695.7	1,766.9	1,821.0	2,000.0
Hospital and medical benefits ⁵	2.2	40.2	50.9	62.6	72.9	49.6	52.5	57.5	56.0	55.8
Workers' Compensation ⁹	600.0	1,245.4	1,781.8	2,802.5	5,121.7	10,788.9	13,683.2	14,959.1	16,684.5	19,196.7
Hospital and medical benefits ⁴	187.8	411.0	568.7	964.3	2,419.8	3,595.5	4,467.7	4,818.5	5,728.5	6,799.8
Public aid	1,393.0	1,984.2	2,689.5	6,839.2	14,121.8	23,132.9	28,367.1	29,934.9	32,205.5	34,791.6
Public assistance ⁶	1,393.0	1,984.2	2,689.5	6,839.2	12,831.8	21,346.2	26,273.5	27,824.2	30,162.5	32,556.8
Vendor medical payments ¹¹	51.3	292.9	812.1	2,605.6	6,445.2	12,843.9	16,885.2	17,498.5	19,250.7	21,261.1
Social services ¹¹ . . . . .	...	...	...	190.6	659.8	585.7	641.9	627.0	697.2	685.7
Supplemental Security Income . . . . .	...	...	...	...	1,290.0	1,786.7	2,093.6	2,110.7	2,043.0	2,234.8
Health and medical programs ²	1,460.0	2,726.8	3,465.8	5,131.6	9,266.6	14,947.5	18,690.3	19,544.4	20,423.4	21,552.5
Hospital and medical care	839.7	1,869.8	2,377.6	3,268.0	5,174.6	5,809.5	6,977.5	6,963.2	7,052.0	7,282.5
Maternal and child health programs ¹⁵	9.7	106.1	153.9	235.3	296.0	515.5	599.5	657.0	689.8	744.0

See footnotes at end of table.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-85¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ²
State and local expenditures—Continued										
Health and medical programs ¹² —Cont.										
Medical research.....	...	\$23.0	\$55.0	\$150.0	\$286.0	\$445.0	\$556.8	\$581.0	\$607.8	\$632.2
School health (education agencies).....	\$30.6	101.0	142.2	246.6	350.0	574.8	691.5	741.8	790.0	856.0
Other public health activities.....	287.0	343.9	448.1	757.7	1,769.0	5,698.5	7,865.5	8,514.2	9,315.8	10,244.8
Medical facilities construction.....	293.0	283.0	289.0	474.0	1,391.0	1,904.2	1,999.5	2,087.2	1,968.0	1,793.0
Veterans' programs.....	479.5	111.9	20.4	126.5	449.1	211.9	245.3	264.8	305.1	337.9
Education ³	6,517.5	16,758.3	25,638.1	44,969.7	72,204.8	107,597.4	121,957.1	129,415.9	139,046.2	152,621.7
Elementary and secondary.....	5,549.1	14,667.1	21,580.0	35,675.5	55,183.1	79,720.3	90,997.0	96,512.2	103,407.6	113,474.4
Construction ⁴	1,041.2	2,591.2	3,190.0	4,623.2	5,725.1	6,483.1	6,756.0	7,112.4	7,229.5	8,335.0
Higher.....	866.3	1,897.7	3,609.4	7,752.4	13,520.6	21,708.4	23,900.0	25,415.7	27,615.5	30,343.3
Construction ⁵	304.6	356.7	757.4	1,100.6	1,238.8	1,486.0	...	1,974.0	2,235.7	2,684.8
Vocational and adult ⁶	102.1	193.5	447.7	1,541.8	3,501.1	6,168.7	7,060.1	7,488.0	8,023.1	8,804.0
Housing.....	...	33.2	80.0	119.6	631.0	601.4	778.3	1,003.0	1,305.0	1,539.8
Other social welfare.....	273.7	722.8	1,253.6	1,886.3	2,683.0	4,813.2	5,154.2	5,438.4	5,945.8	6,398.3
Vocational rehabilitation ⁷	9.0	32.1	67.1	136.3	222.4	245.0	315.7	325.7	338.4	350.0
Medical services ²¹	2.3	6.6	13.0	26.8	43.5	55.9	68.3	99.6	82.6	80.0
Institutional care ²²	125.0	400.0	755.0	179.3	275.8	408.2	501.8	552.9	603.2	653.5
Child nutrition ²³	39.0	92.6	113.7	185.1	453.6	643.0	805.2	882.4	928.4	959.8
Child welfare ²⁴	100.7	198.1	317.8	540.7	547.2	743.0	...	...	...	...
Social welfare, not elsewhere classified ²⁵.....	...	...	...	845.0	1,184.0	2,774.0	3,531.5	3,677.4	4,075.8	4,435.0

¹Expenditures from Federal, State, and local revenues under public law; includes capital outlay and administrative expenditures unless otherwise noted. Includes some payments abroad. Until 1977, fiscal years for the Federal Government, most States, and some localities ended June 30. Federal fiscal years subsequently ended September 30.

²Preliminary figures.

³Includes Part A (Hospital Insurance) and Part B (Supplementary Medical Insurance).

⁴Excludes financial interchange between OASDHI and Railroad Retirement programs.

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

⁶Includes unemployment compensation under State programs; programs for Federal employees and ex-servicemen; trade adjustment and cash training allowances; and payments under extended, emergency, disaster, and special Unemployment Insurance programs.

⁷Cash and medical benefits in five geographical areas. Includes private plans, where applicable, and State costs of administering State plans and overseeing private plans. Administrative expenses of all private plans and all data for Hawaii not available.

⁸Included in total directly above; excludes administrative expenses not available separately but included for entire program in preceding line.

⁹Cash and medical benefits paid under Federal and State laws by private insurance carriers, State funds, and self-insurers. Includes Alaska and Hawaii beginning 1960. Administrative cost of private carriers and self-insurers not available. Starting 1970, Federal expenditures include Black Lung benefit program.

¹⁰Represents categorical cash and medical payment programs under the Social Security Act and general assistance. Starting 1969, includes work incentive activities.

¹¹Included in public assistance total above; includes administrative expenses of Medicaid program.

¹²Work relief, other emergency aid, surplus food for the needy, repatriate and refugee assistance, temporary and emergency employment assistance, and work-experience training programs under the Economic Opportunity Act and the Comprehensive Employment and Training Act. Starting 1981, includes Low-Income Home Energy Assistance program.

¹³Excludes State and local expenditures for domiciliary care in

institutions other than those for mental or tuberculosis patients. Services in connection with OASDHI, State Temporary Disability Insurance, Workers' Compensation, public assistance, vocational rehabilitation, and veterans' and antipoverty programs are included in total expenditures for these programs.

¹⁴Includes medical care for military dependent families.

¹⁵Includes services for crippled children.

¹⁶Includes burial awards. Starting 1965, includes special allowances for survivors of veterans who did not qualify under OASDHI. Starting 1974, subsistence payments to disabled veterans undergoing training shifted from veterans' pensions and compensation to veterans' education subgroup. Starting 1973, includes clothing allowances.

¹⁷Excludes the servicemen's group life insurance program.

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

¹⁹Construction for vocational and adult education included with elementary-secondary school construction. For 1981 and 1982, higher education construction expenditures are Federal only.

²⁰Starting 1974, excludes administrative expenses.

²¹Medical research included in vocational rehabilitation total. Starting 1981, no longer available separately.

²²Federal expenditures represent primarily surplus food for institutions.

²³Surplus food for schools and programs under National School Lunch and Child Nutrition Acts. State and local funds represent direct appropriations through 1979, all such expenditures starting in 1980.

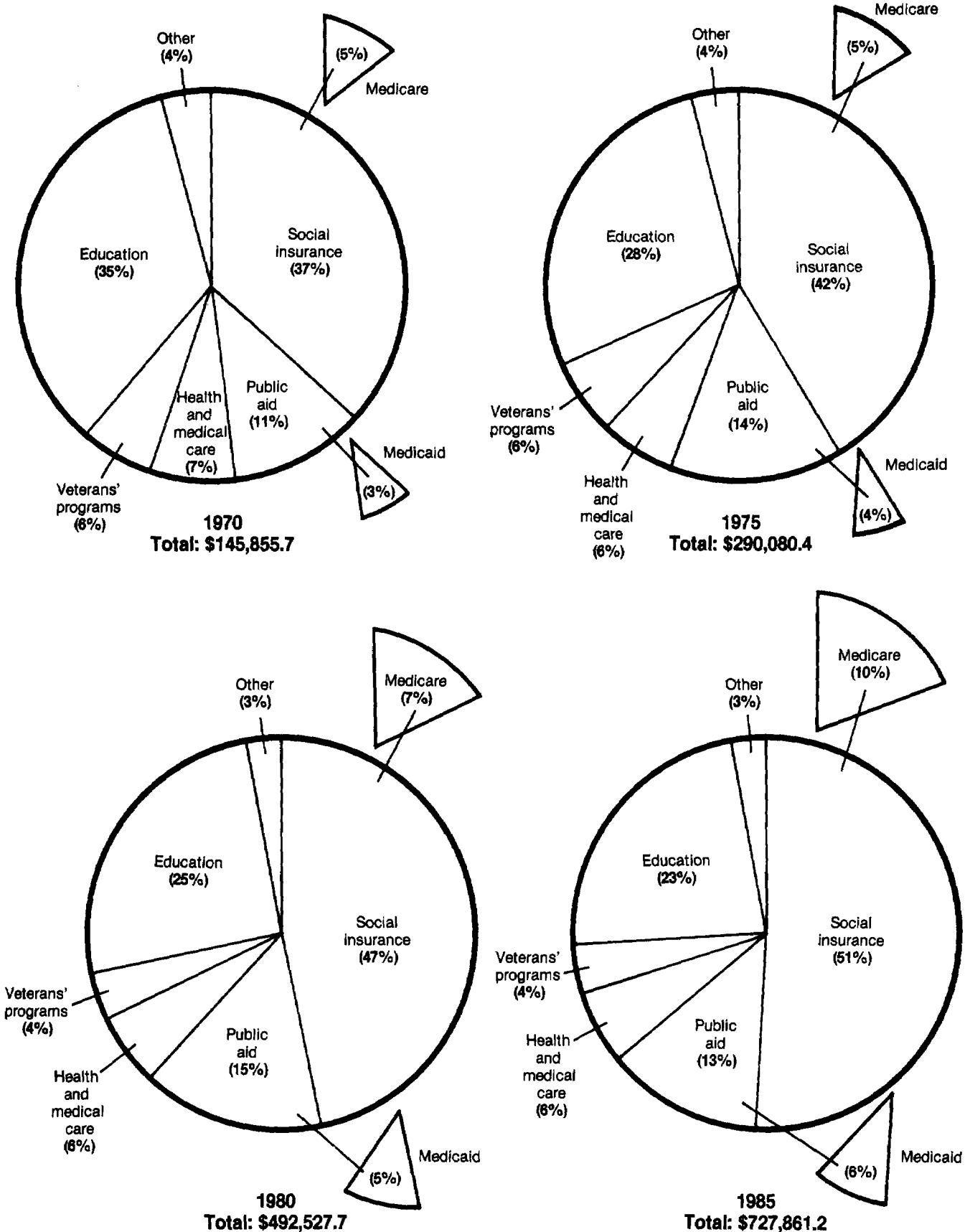
²⁴Represents primarily child welfare services under the Social Security Act. Starting 1969, excludes administrative expenses. State and local data not available after 1980.

²⁵Includes domestic programs consolidated in fiscal year 1972 under ACTION and special OEO programs consolidated in fiscal year 1974 under Community Services Administration. Other OEO programs listed in appropriate subsections under public aid and education.

²⁶Federal expenditures include administrative and related expenses of the Secretary of Health and Human Services, Indian welfare and guidance, aging and juvenile delinquency activities, 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 included with institutional care.

Chart 2.—Percentage distribution of social welfare expenditures, selected fiscal years, 1970-85

(Amounts in millions)



grams has been decreasing since the 1970's. The combined programs of "all health and medical care" showed the largest real increase of any category (7 percent over the previous year).

As it had since the late 1970's, the Federal Government provided slightly more than 60 percent of all social welfare funding (table 4). Education continued to be largely a State and local responsibility, while social insurance and veterans' programs were predominantly federally funded. The Federal Government provided more than 70 percent of the funds for the combined programs in the category "all health and medical care."

Governments at all levels spent proportionately less of their money on social welfare in 1985—51.6 percent, compared with 52.8 percent the previous year (table 5). From 1980 to 1985, the share of the Federal budget devoted to social welfare dropped 5.9 percentage points; the analogous State and local figure dropped 2 points. The decline occurred in the area of non-trust-fund

spending; over the same period expenditures from trust funds remained stable. In 1980, the Federal Government allocated more than one-third of its general revenue funds to social welfare programs; by 1985, that percentage had dropped to one-fourth. The States and localities, which spent a majority of their funds for social welfare purposes in 1980, continued to allocate more than half of their discretionary funds for such purposes in 1985.

Public and private spending for health care rose \$38.9 billion in 1985, reaching \$418.6 billion (table 6). That amount was equal to 10.6 percent of the GNP and was an increase of 10.2 percent over 1984 spending. In constant dollars, the increase was 6.5 percent. Private spending, which accounted for 59 percent of the total, grew more slowly than public spending. Private expenditures increased 9 percent over their 1984 level, while public expenditures increased 12 percent.

Table 3.—Total and per capita social welfare expenditures under public programs in current and constant (1984) dollars, selected fiscal years, 1950-85

Fiscal year	Total expenditures		Per capita expenditures for—						
	Amount (in millions)	Per capita ²	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ¹
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.....	76,928.6	391.15	142.29	31.95	31.76	30.30	142.73	10.50	48.48
1970.....	145,483.9	698.90	261.75	79.26	46.88	43.16	244.56	19.93	121.32
1975.....	289,369.2	1,326.20	561.34	189.32	81.52	77.32	370.32	31.84	239.91
1976.....	331,181.7	1,518.98	665.60	223.33	87.28	86.23	402.23	38.86	267.94
1977.....	359,753.6	1,616.19	719.83	239.30	90.43	84.71	421.59	40.75	302.87
1978.....	393,451.0	1,749.18	775.20	264.05	101.56	87.04	451.14	46.96	341.67
1979.....	429,274.2	1,887.80	850.96	284.36	111.10	89.83	480.28	48.71	381.53
1980.....	491,410.9	2,136.51	995.06	312.16	120.22	92.50	526.11	59.12	436.05
1981.....	549,100.6	2,360.84	1,144.48	354.38	130.81	99.95	550.75	51.52	501.05
1982.....	593,314.7	2,525.90	1,282.75	344.21	141.42	104.32	569.73	49.62	557.15
1983.....	639,480.7	2,696.44	1,389.93	361.91	147.87	108.04	597.73	52.64	599.69
1984.....	669,334.1	2,796.64	1,424.21	375.50	154.97	108.33	635.22	55.05	644.68
1985.....	726,225.5	2,990.55	1,528.44	395.18	164.53	111.06	685.00	57.43	713.49

See footnotes at end of table.

Table 3.—Total and per capita social welfare expenditures under public programs in current and constant (1984) dollars, selected fiscal years, 1950-85—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 1985									
1950	3,001	1,860	4,648	2,330	1,124	151	1,476	1,867	3,473
1960	1,294	948	1,351	1,659	573	276	610	820	1,937
1965	844	665	974	1,137	418	267	380	447	1,372
1970	399	328	484	399	251	157	180	188	488
1975	151	125	172	109	102	44	85	80	197
1976	119	97	130	77	89	29	70	48	166
1977	102	85	112	65	82	31	62	41	136
1978	85	71	97	50	62	28	52	22	109
1979	69	58	80	39	48	24	43	18	87
1980	48	40	54	27	37	20	30	-3	64
1981	32	27	34	12	26	11	24	11	42
1982	22	18	19	15	16	6	20	16	28
1983	14	11	10	9	11	3	15	9	19
1984	8	7	7	5	6	3	8	4	11
Constant (1985) dollars									
1950	\$100,030.1	\$651.58	\$137.48	\$69.45	\$57.40	\$188.69	\$185.66	\$12.47	\$85.29
1960	177,224.8	970.78	358.32	76.39	83.16	100.40	327.98	21.22	119.14
1965	241,806.5	1,229.49	447.25	100.43	99.83	95.24	448.64	33.00	152.39
1970	379,479.0	1,823.00	682.75	206.74	122.28	112.58	637.91	51.99	316.45
1975	546,966.4	2,506.79	1,061.05	357.85	154.09	146.15	699.98	60.18	453.48
1976	592,000.5	2,715.24	1,189.79	399.21	156.02	154.14	719.00	69.46	478.95
1977	603,544.6	2,711.42	1,207.63	401.46	151.71	142.11	707.29	68.36	508.11
1978	614,904.6	2,733.70	1,211.52	412.67	158.72	136.03	705.06	73.39	533.98
1979	614,268.3	2,701.34	1,217.68	406.90	158.98	128.54	687.25	69.70	545.95
1980	634,975.5	2,760.69	1,285.76	403.36	155.34	119.52	679.81	76.39	563.44
1981	649,517.5	2,792.58	1,353.78	419.19	154.73	118.23	651.47	60.94	592.68
1982	663,919.1	2,826.48	1,435.40	385.17	158.25	116.73	637.53	55.52	623.45
1983	687,395.7	2,898.48	1,494.07	389.03	158.95	116.14	642.52	56.58	644.62
1984	692,863.0	2,894.95	1,474.27	388.70	160.42	112.14	657.55	56.99	667.34
1985	726,225.5	2,990.55	1,528.44	395.18	164.53	111.06	685.00	57.43	713.49
Percentage increase from selected year to 1985									
1950	626	359	1,012	469	187	-41	269	360	737
1960	310	208	327	417	98	11	109	171	499
1965	200	143	242	293	65	17	53	74	368
1970	91	64	124	91	35	-1	7	10	125
1975	33	19	44	10	7	-24	-2	-5	57
1976	23	10	28	-1	5	-28	-5	-17	49
1977	20	10	27	-2	8	-22	-3	-16	40
1978	18	9	26	-4	4	-18	-3	-22	34
1979	18	11	26	-3	3	-14	0	-18	31
1980	14	8	19	-2	6	-7	1	-25	27
1981	12	7	13	-6	6	-6	5	-6	20
1982	9	6	6	3	4	-5	7	3	14
1983	6	3	2	2	4	-4	7	1	11
1984	5	3	4	2	3	-1	4	1	7

¹Excludes expenditures in foreign countries for OASDHI benefits, civil service retirement benefits, veterans' programs, and education. See table 1 for data including foreign payments.

²Includes housing, not shown separately.

³Combines "health and medical care" with medical services

provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

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 a percent of total expenditures, selected fiscal years, 1950-85

Program	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ¹
Total	44.8	47.7	48.9	53.0	57.7	61.4	61.8	62.2	62.5	62.0
Social insurance	42.5	74.1	77.5	82.7	81.1	83.2	82.8	82.8	84.7	84.0
Public aid	44.2	51.6	57.2	58.5	65.8	67.8	64.9	65.1	64.2	63.7
Health and medical programs	29.2	38.9	44.5	48.2	47.9	45.9	47.3	44.3	44.9	46.0
Veterans' programs	93.0	98.0	99.7	98.6	97.4	99.0	99.0	99.0	98.8	98.8
Education	2.3	4.9	8.8	11.6	10.7	11.1	8.9	8.7	8.5	8.3
Housing	100.0	81.2	74.9	82.9	80.1	91.7	90.2	89.0	87.4	87.0
Other social welfare	38.9	36.6	39.3	54.5	61.4	64.6	55.8	56.4	56.6	54.1
All health and medical care ²	44.4	45.6	48.5	65.4	65.1	68.6	69.3	70.5	70.5	71.3

¹Preliminary estimates.

²Combines "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 funds¹ as a percent of government expenditures for all purposes, by type of fund, selected fiscal years, 1950-85

Type of fund	1950	1960	1965	1970	1975	1980	1982	1983	1984	1985 ²
All public social welfare expenditures										
Total as percent of all government expenditures	34.7	38.4	42.2	48.2	57.3	56.5	55.0	54.4	52.8	51.6
Federal as percent of all Federal expenditures	26.2	28.1	32.6	40.1	53.8	54.3	52.6	51.9	50.1	48.4
State and local as percent of all State and local expenditures	59.2	60.1	60.4	64.0	63.5	60.8	60.0	59.9	58.6	58.8
Trust fund social welfare expenditures										
Total as percent of all government expenditures	6.8	13.2	14.3	17.0	22.4	24.4	26.4	26.5	25.5	25.0
Federal as percent of all Federal expenditures	4.5	15.2	17.7	22.0	29.1	31.3	33.2	33.1	32.3	31.4
State and local as percent of all State and local expenditures	11.2	9.1	7.8	7.1	11.0	10.7	12.2	12.4	10.3	10.6
Non-trust-fund social welfare expenditures										
Total as percent of all expenditures from general revenues	30.6	25.2	27.8	31.3	34.9	43.4	39.3	38.6	37.4	36.2
Federal as percent of all Federal expenditures from general revenues:										
All programs	21.7	12.9	14.8	18.1	24.7	34.7	29.6	28.8	27.2	25.6
Public aid	2.7	2.4	3.1	5.0	8.8	13.2	11.5	11.2	10.5	9.9
State and local as percent of all State and local expenditures from general revenues:										
All programs	48.1	51.1	52.6	56.9	52.8	56.1	54.4	54.2	54.0	53.9
Education	31.6	40.1	42.4	45.6	40.7	43.1	41.2	41.0	40.9	41.2
Public aid	6.8	4.8	4.5	6.9	8.0	9.3	9.3	9.5	9.5	9.4

¹Excluding that part of Workers' Compensation and Temporary Disability insurance payments made through private carriers and self-insurers.

²Preliminary estimates.

From State and local sources, excluding Federal grants.

Table 6.—Health and medical care: Private expenditures and expenditures under public programs, selected fiscal years, 1950-85

[Amounts in millions]

Source of expenditure	1950	1960	1965	1970	1975 ¹	1980	1982	1983	1984	1985 ²
Total	\$12,027.3	\$25,856.2	\$38,892.3	\$69,201.1	\$124,716	\$238,544	\$313,584	\$346,556	\$379,731	\$418,583
Private funds.....	8,962.0	19,461.0	29,357.0	43,810.0	72,367	138,249	182,713	204,333	225,433	245,318
Health and medical services.....	8,710.0	18,816.0	28,028.0	41,329.0	69,092	134,105	176,837	197,696	218,812	239,278
Medical research.....	37.0	121.0	157.0	193.0	258	304	329	349	361	374
Medical facilities construction.....	215.0	524.0	1,172.0	2,288.0	3,016	3,840	5,547	6,288	6,260	5,666
Public funds.....	3,065.3	6,395.2	9,535.3	25,391.1	52,349	100,295	130,871	142,223	154,298	173,265
Health and medical services.....	2,470.2	5,346.3	7,641.2	22,661.4	47,387	92,878	122,742	133,748	145,350	163,822
Medicare.....	...	...	...	7,149.2	14,781	34,992	50,424	56,930	62,481	72,194
Temporary Disability Insurance.....	2.2	40.2	50.9	62.6	73	50	52	58	56	56
Workers' Compensation.....	193.0	420.0	580.0	985.0	2,470	3,725	4,640	5,082	6,010	7,080
Public assistance medical payments...	51.3	492.1	1,367.1	5,212.8	13,502	27,394	34,400	36,327	39,463	43,912
General hospital and medical care...	886.1	1,973.2	2,515.5	3,553.8	6,406	8,187	9,432	9,298	9,448	9,612
Defense Department hospital and medical care (Armed Forces and dependents).....	336.2	880.2	936.8	1,759.6	2,814	4,100	5,511	6,328	6,898	8,051
Maternal and child health programs...	29.8	140.7	223.0	431.4	567	870	952	1,058	1,061	1,156
School health (education agencies)...	30.6	101.0	142.2	246.6	350	575	692	742	790	856
Other public health activities.....	350.8	401.2	671.0	1,348.0	2,919	6,956	9,119	9,793	10,660	11,644
Veterans' hospital and medical care...	582.8	879.4	1,114.8	1,651.4	3,287	5,750	7,210	7,763	8,141	8,906
Medical vocational rehabilitation.....	7.4	17.7	34.2	133.8	218	279	310	369	342	355
OEO health and medical care.....	...	...	5.6	127.3	...	...	...	...	...	...
Medical research.....	72.9	471.2	1,228.8	1,726.8	3,021	4,954	5,478	5,735	6,258	6,850
Medical facilities construction.....	522.3	577.7	665.3	1,003.0	1,941	2,463	2,651	2,740	2,690	2,593
Defense Department.....	1.1	40.0	31.1	52.5	94	31	...	...	...	...
Veterans' Administration.....	161.5	59.6	77.0	70.9	137	323	480	474	527	592
Total as percent of gross national product.....	4.2	5.1	5.8	8.2	8.2	8.9	10.0	10.4	10.3	10.6
Public as percent of total expenditures...	25.5	24.7	24.5	36.7	42.0	42.0	41.7	41.0	40.6	41.4

¹Beginning 1975, revisions in source data preclude decimal fractions.
²Preliminary estimates.
 Includes medical benefits paid under public law by private insurance carriers and self-insurers.

⁴Not available after 1980.
 Source: Health Care Financing Administration, Office of the Actuaries, Division of National Cost Estimates.