

1944 to less than 12 percent at the end of 1964. A similar drop (from 9 percent to 2 percent) in the proportion of widowed-mother beneficiaries has also taken place during this period. Children of deceased workers represented more than 90 percent of all children on the beneficiary rolls through 1956; children of retired workers made up the remainder. With the extension of benefits to children of disabled workers in 1958, the proportion of survivor children has dropped steadily, reaching a low of 67 percent at the end of 1964.

Disabled workers and their spouses represented 3 percent of all beneficiaries at the end of 1959 and 5 percent by the end of 1964. When the children are included, the proportion of disabled workers and their dependents at the close of 1964 becomes 8 percent. The elimination of the age-50 requirement for receipt of disability benefits in 1960 was largely responsible for the increase.

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## Disability and Old-Age Benefits, by State, December 31, 1964\*

Benefits under the old-age, survivors, and disability insurance program were being paid at the end of 1964 to 894,000 disabled workers under age 65 and to 10,669,000 retired workers aged 62 or over. In the accompanying tables, the beneficiaries have been classified according to their State of residence<sup>1</sup> at the end of 1964. The tables also show the average old-age and disability benefits being paid in December 1964, as well as the percentage distribution of the beneficiaries according to the size of their benefit.

During 1964 the number of retired-worker beneficiaries increased by 405,000—the smallest rise since 1952. The year's growth (67,000) in the number of disabled-worker beneficiaries was the smallest in the history of the program. About 2,000 disabled workers were receiving benefits as a result of Public Law 88-650, enacted October 13, 1964, which removed the 18-month limitation on retroactivity of disability applications filed after June 30, 1962. Under this amendment, some workers who had a longstanding dis-

ability but who could not meet the insured-status requirements for disability benefits within the 18-month period before the filing date were enabled to regain insured status. Many more workers will be awarded disability benefits under this provision in 1965.

The average monthly amount for retired-worker beneficiaries rose slightly (by a few cents) each month during 1964 and at the close of the year was \$77.57, or 69 cents higher than the average a year earlier. The average monthly benefit payable to disabled-worker beneficiaries showed slight increases each month except December, and at the year's end it was \$91.12, or 53 cents higher than the average in December 1963.

The increases were the result of several influences. Most important, for both old-age and disability benefits, was the continuing rise in the proportion of benefits computed on the basis of earnings after 1950. Almost 78 percent of the old-age benefits being paid for December 1964 were based on earnings after 1950, in comparison with 72 percent in 1961 and 58 percent in 1957. The proportion of disability benefits based on such earnings was 87 percent at the end of 1964, compared with 80 percent in 1961 and 62 percent in 1957. Another factor was the increase from \$4,200 to \$4,800 in the amount of annual earnings creditable for years after 1958.

The average old-age benefit also reflected the rise in the proportion of beneficiaries whose benefits were computed under the provisions that permit as many as 5 years of lowest earnings and periods of disability to be excluded in calculating the average monthly wage. A counteracting factor, tending to hold down the average old-age benefit, was the large number of actuarially reduced benefits awarded during the year.

The amount of the average disability benefit payable at the end of 1964 reflects the substantial number of benefits that were raised as a result of a provision in Public Law 88-650. This provision enabled disabled-worker beneficiaries who had been adversely affected by the 18-month limitation on retroactivity of disability applications to have their benefits recomputed. About 19,000 disabled workers had their benefits increased by an average of \$3.77 a month. The average at the end of the year was held down, however, by the 2,000 benefits awarded in December to disabled workers who regained their in-

\* Prepared in the Division of the Actuary.

<sup>1</sup> Data for American Samoa, Guam, Puerto Rico, the Virgin Islands, and foreign countries are excluded from the State comparisons made later in this note.

sured status under Public Law 88-650. For these workers the average monthly benefit was \$74.65—about \$20 less than the average for all disabled workers awarded benefits in 1964.

Monthly benefits of \$100.00–\$127.00 were being paid at the end of 1964 to two-fifths of all disabled-worker beneficiaries (table 1). Disability benefits in the \$70.00–\$99.90 range were going to 42 percent, and benefits of \$40.10–\$69.90 were being paid to 15 percent. About 2 percent of the beneficiaries were receiving \$40.00

a month—the minimum benefit amount payable.

More than 28 percent of all old-age beneficiaries at the end of the year were receiving \$100.00–\$127.00 (table 2). Monthly benefits of \$70.00–\$99.90 were going to 29 percent of the group and benefits of \$40.10–\$69.90 to 26 percent. For 10 percent of all old-age beneficiaries the monthly benefit was exactly \$40.00; for 6 percent the benefit was in the \$32.00–\$39.90 range because of actuarial reduction for retirement before age 65.

The number of both old-age and disability

TABLE 1.—Old-age, survivors, and disability insurance: Number and average monthly amount of disability insurance benefits<sup>1</sup> in current-payment status and percentage distribution by amount of benefit, by State, at end of December 1964

State <sup>2</sup>	Average disability benefit	Number of disability beneficiaries	Percent of disability beneficiaries receiving—							
			Total	\$40.00	\$40.10–54.90	\$55.00–69.90	\$70.00–84.90	\$85.00–99.90	\$100.00–114.90	\$115.00–127.00
Total.....	\$91.12	894,173	100.0	2.0	3.6	11.7	23.1	19.2	20.8	19.6
Michigan.....	99.37	34,781	100.0	.7	1.6	6.7	16.3	16.4	27.3	31.0
Alaska.....	98.63	290	100.0	0	3.1	5.5	13.4	21.4	32.1	24.5
California.....	96.93	69,531	100.0	.6	1.9	8.2	18.8	18.8	24.9	26.8
West Virginia.....	96.75	17,540	100.0	1.0	2.2	8.4	17.9	17.2	27.1	26.2
Arizona.....	96.57	8,213	100.0	.8	2.3	8.1	19.1	18.4	24.9	26.4
Oregon.....	96.51	8,474	100.0	.5	2.0	8.3	18.6	18.8	28.5	23.3
Nevada.....	96.39	1,097	100.0	.4	2.0	8.2	20.4	18.1	27.3	23.6
Washington.....	96.35	11,457	100.0	.6	2.0	8.3	18.9	19.2	27.1	23.9
Ohio.....	96.01	44,305	100.0	.9	2.2	8.7	19.4	18.4	25.0	25.4
New Jersey.....	95.63	26,939	100.0	.7	1.9	9.2	21.2	19.0	21.6	26.4
Indiana.....	95.60	20,068	100.0	1.0	2.3	9.1	19.0	19.2	24.4	25.0
Connecticut.....	95.36	10,424	100.0	.5	1.6	8.6	21.8	20.3	24.5	22.7
Utah.....	94.73	2,466	100.0	1.2	3.2	9.3	20.6	17.4	22.7	25.6
Pennsylvania.....	94.70	62,964	100.0	1.0	2.2	9.2	20.6	19.7	25.5	21.8
Illinois.....	94.64	45,489	100.0	.9	2.2	9.8	21.5	19.3	22.8	23.5
Wisconsin.....	94.29	15,864	100.0	1.7	2.9	10.5	19.7	18.0	22.1	25.1
Montana.....	93.84	2,651	100.0	1.4	3.0	10.8	20.4	18.3	25.5	20.6
New York.....	93.34	82,930	100.0	.8	2.4	10.7	23.5	19.5	20.6	22.5
Colorado.....	92.23	6,780	100.0	.9	3.0	11.6	22.4	19.8	23.3	19.0
Idaho.....	91.84	2,371	100.0	1.3	3.4	11.3	21.2	21.5	23.8	17.5
Massachusetts.....	91.75	22,753	100.0	.6	2.2	10.9	26.3	21.3	20.2	18.5
Hawaii.....	91.74	1,938	100.0	1.6	2.4	10.1	23.8	23.4	21.1	17.6
Kansas.....	91.50	7,969	100.0	1.6	3.4	12.1	22.3	19.4	22.3	18.9
Minnesota.....	91.44	10,490	100.0	1.8	3.6	12.8	21.7	18.5	21.1	20.5
New Hampshire.....	90.91	2,579	100.0	.7	2.2	10.5	26.2	24.4	21.3	14.7
Delaware.....	90.78	2,211	100.0	1.5	3.7	13.2	24.2	18.5	17.7	21.2
Wyoming.....	90.74	1,121	100.0	1.8	3.8	11.8	23.6	19.1	20.6	19.3
Florida.....	90.66	34,516	100.0	2.0	4.2	12.2	22.5	19.3	20.6	19.2
Iowa.....	90.56	9,483	100.0	1.8	3.7	12.9	22.5	19.8	21.4	17.9
Maryland.....	90.48	11,735	100.0	1.6	3.4	12.9	24.0	19.6	19.4	10.1
New Mexico.....	89.88	3,454	100.0	1.7	4.5	13.8	23.9	17.5	19.8	18.8
Rhode Island.....	89.46	4,698	100.0	.4	2.1	12.3	29.6	23.1	19.3	13.2
Missouri.....	89.36	22,341	100.0	1.8	4.2	13.4	24.5	19.1	19.8	17.2
Oklahoma.....	88.92	13,248	100.0	2.1	5.0	12.6	24.1	20.1	20.2	15.9
Kentucky.....	88.04	21,129	100.0	2.6	4.8	13.7	23.7	20.3	20.6	14.3
Texas.....	87.73	40,427	100.0	2.7	5.3	13.8	24.6	19.1	18.3	16.2
Vermont.....	87.42	2,008	100.0	2.1	4.1	14.1	25.6	22.2	19.6	12.3
Nebraska.....	87.39	4,581	100.0	2.6	4.6	14.4	25.1	20.7	17.8	14.8
Maine.....	86.62	4,544	100.0	1.6	3.8	13.7	28.2	24.8	17.5	10.4
Virginia.....	85.79	23,095	100.0	2.9	5.4	15.2	26.8	19.5	17.0	13.2
Louisiana.....	85.56	18,619	100.0	3.6	6.2	15.6	25.6	17.7	16.5	14.8
Alabama.....	85.14	21,181	100.0	4.2	5.5	14.8	27.1	18.6	16.5	13.3
South Dakota.....	84.59	2,050	100.0	2.9	5.3	17.2	26.4	20.2	17.1	10.9
Tennessee.....	84.47	21,341	100.0	3.7	6.2	16.1	26.4	18.8	16.2	12.6
District of Columbia.....	84.11	3,678	100.0	2.1	4.5	16.5	31.9	21.1	14.8	9.1
North Dakota.....	83.45	1,735	100.0	3.6	7.1	17.5	26.4	17.5	16.3	11.6
Arkansas.....	82.71	12,334	100.0	4.6	7.2	16.6	27.1	18.6	15.2	10.7
South Carolina.....	81.20	16,344	100.0	4.2	5.8	17.2	30.5	23.5	12.4	6.4
Georgia.....	80.92	27,393	100.0	4.0	6.7	18.2	31.3	19.7	12.1	8.0
Virgin Islands.....	80.61	55	100.0	5.5	12.7	16.4	23.6	18.2	9.1	14.5
North Carolina.....	80.61	29,572	100.0	3.6	6.8	18.7	31.1	21.3	11.5	7.0
Mississippi.....	78.92	12,774	100.0	7.3	8.1	18.5	29.0	16.4	12.2	8.5
Puerto Rico.....	63.69	6,659	100.0	27.4	15.3	18.1	21.7	9.5	5.5	2.5
American Samoa <sup>3</sup> .....	99.50	2								
Guam <sup>3</sup> .....	79.38	8								
Abroad.....	96.40	2,674	100.0	.3	1.2	6.9	21.1	21.5	25.9	23.1

<sup>1</sup> Payable to disabled workers under age 65.

<sup>2</sup> Beneficiary's State of residence, based on the monthly benefit check

address; ranked by size of average benefit.

<sup>3</sup> Too few cases for a meaningful distribution.

beneficiaries in each State increased in 1964. The average old-age benefit was higher at the end of the year than at the beginning in every State, and the average disability benefit was higher in all States except Delaware, Montana, and Vermont.

In 1964 as in the past, the highest disability benefits—an average of \$99.37—were being paid to beneficiaries living in Michigan. Beneficiaries living in Connecticut were again receiving the

highest old-age benefits—an average of \$86.78. The lowest benefits were going to beneficiaries living in Mississippi; the average was \$78.92 for disabled-worker beneficiaries and \$57.89 for workers retired because of age. Most of the other States, when ranked by size of average benefits, also retained the same relative position in 1964 that they had held in earlier years.

Benefits of \$100.00–\$127.00 were being paid to almost three-fifths of the disabled-worker benefi-

TABLE 2.—Old-age, survivors, and disability insurance: Number and average monthly amount of old-age (retired-worker) insurance benefits in current-payment status and percentage distribution by amount of benefit, by State, at end of December 1964

State <sup>1</sup>	Average old-age benefit	Number of old-age (retired-worker) beneficiaries	Percent of old-age (retired-worker) beneficiaries receiving—								
			Total	\$32.00–39.90	\$40.00	\$40.10–54.90	\$55.00–69.90	\$70.00–84.90	\$85.00–99.90	\$100.00–114.90	\$115.00–127.00
Total	\$77.57	10,668,731	100.0	6.2	10.2	11.1	15.1	15.3	13.7	13.7	14.7
Connecticut	86.78	161,584	100.0	2.9	4.8	8.5	12.4	15.0	16.6	18.8	21.0
Michigan	85.71	428,942	100.0	3.9	6.6	9.4	12.5	12.5	13.7	18.0	23.4
New Jersey	85.45	381,897	100.0	3.5	5.7	8.8	13.0	14.8	16.0	17.7	20.5
New York	83.71	1,115,125	100.0	3.7	6.5	9.1	13.9	16.0	15.9	16.1	18.8
Pennsylvania	82.79	689,481	100.0	4.3	7.4	9.0	13.7	15.8	15.1	16.7	18.0
Illinois	82.55	601,227	100.0	4.3	7.9	9.5	13.6	14.9	15.1	15.8	18.9
Ohio	82.12	535,508	100.0	4.7	8.4	10.2	13.8	14.0	13.4	15.7	19.8
Massachusetts	81.42	354,526	100.0	3.7	6.6	9.7	15.4	18.0	16.3	15.2	15.1
Washington	80.27	183,763	100.0	4.7	8.7	11.1	14.5	14.6	14.0	15.9	16.5
Rhode Island	79.73	61,703	100.0	4.2	5.6	10.6	16.3	19.2	17.5	15.4	11.2
Indiana	79.58	284,972	100.0	4.9	9.6	10.6	14.6	14.9	14.5	14.9	16.0
Wisconsin	79.52	268,197	100.0	4.8	9.2	11.0	15.6	14.7	13.6	14.6	16.5
Arizona	79.38	70,616	100.0	6.4	9.1	10.9	13.9	14.0	14.1	15.0	16.6
California	79.31	932,907	100.0	5.3	8.7	11.6	14.8	14.7	14.2	14.5	16.2
Utah	79.11	38,214	100.0	5.3	9.5	10.8	14.8	15.4	14.0	14.8	15.4
Delaware	79.08	24,485	100.0	5.7	9.0	10.5	15.2	15.7	14.3	14.1	15.5
Oregon	78.79	132,189	100.0	4.7	9.0	12.0	15.4	15.1	14.0	15.5	14.3
Florida	78.77	434,088	100.0	6.3	8.4	11.4	14.5	14.7	14.6	15.3	14.8
Montana	77.94	40,175	100.0	4.6	10.8	10.5	15.8	16.4	13.5	14.1	14.3
Nevada	77.84	14,085	100.0	5.8	8.9	11.5	15.1	16.6	14.2	14.7	13.2
New Hampshire	77.27	47,461	100.0	4.5	8.7	11.1	16.8	18.4	16.5	13.4	10.6
Maryland	76.79	141,088	100.0	6.3	10.3	11.1	16.1	15.9	13.6	12.6	14.1
Wyoming	76.48	17,038	100.0	5.4	10.4	10.7	16.4	17.9	13.9	13.5	11.8
Iowa	76.24	194,712	100.0	5.0	10.7	11.1	16.8	17.1	14.7	13.2	11.4
Colorado	76.18	92,405	100.0	5.7	11.1	11.5	15.8	16.1	14.2	13.2	12.4
Minnesota	75.84	222,711	100.0	5.8	11.2	11.6	16.7	15.9	13.3	12.7	12.8
Idaho	75.21	38,646	100.0	5.3	11.1	11.9	16.4	17.5	14.2	13.1	10.5
West Virginia	75.01	102,176	100.0	6.8	12.6	11.1	15.1	15.9	13.1	13.7	11.7
Alaska	74.75	3,568	100.0	6.6	11.1	12.7	16.9	14.3	13.5	14.4	10.5
Kansas	74.62	139,315	100.0	5.5	12.2	12.2	16.8	16.2	13.7	12.2	11.2
Missouri	74.52	294,918	100.0	6.8	11.2	12.2	16.7	16.3	13.3	11.6	11.9
Hawaii	74.28	23,189	100.0	7.3	12.0	11.3	14.3	17.0	16.6	11.8	9.7
Nebraska	74.11	98,260	100.0	5.2	12.0	11.8	17.4	17.9	14.6	11.3	9.8
Vermont	73.82	27,458	100.0	5.5	11.4	12.3	18.0	17.6	14.0	11.6	9.6
North Dakota	73.32	37,242	100.0	6.1	12.0	11.8	18.3	17.4	13.5	11.2	9.7
Maine	72.76	70,746	100.0	6.2	11.5	12.8	18.1	17.7	14.1	11.0	8.6
South Dakota	72.49	44,216	100.0	6.0	12.7	12.0	18.1	17.8	14.1	10.9	8.4
District of Columbia	71.59	37,229	100.0	7.7	14.6	11.9	16.8	16.6	12.2	10.2	10.0
Oklahoma	71.00	136,811	100.0	8.9	13.6	13.3	16.8	15.3	11.8	10.2	10.3
New Mexico	70.38	31,815	100.0	8.9	15.2	13.0	16.1	15.1	11.7	10.6	9.4
Texas	69.43	441,968	100.0	10.2	14.3	13.5	16.9	15.1	11.2	9.4	9.4
Virginia	68.74	178,642	100.0	9.4	16.5	13.2	16.6	15.1	11.1	9.4	8.7
Louisiana	68.07	122,308	100.0	12.2	14.9	13.4	16.4	14.5	10.7	8.9	9.0
Kentucky	67.94	174,138	100.0	9.6	15.8	14.1	17.7	15.2	10.6	9.2	7.8
Alabama	65.67	147,187	100.0	13.0	17.9	13.5	16.3	13.8	9.6	7.9	8.0
North Carolina	65.38	213,602	100.0	11.7	15.7	14.7	18.9	15.6	10.2	7.0	6.2
Georgia	64.55	166,918	100.0	13.3	16.6	14.4	17.7	15.1	9.7	6.7	6.5
South Carolina	64.44	94,720	100.0	13.1	17.6	13.6	17.1	15.0	11.0	7.1	5.5
Tennessee	63.96	180,838	100.0	12.9	18.7	15.0	17.1	13.5	9.0	7.1	6.7
Arkansas	62.67	114,573	100.0	13.1	19.4	15.1	17.6	14.3	8.5	6.4	5.6
Virgin Islands	61.19	954	100.0	12.5	25.3	14.4	15.6	12.8	7.3	6.9	5.2
Mississippi	57.89	107,466	100.0	16.9	24.4	14.7	17.0	11.9	6.6	4.5	4.0
Puerto Rico	48.94	78,771	100.0	25.4	37.0	12.7	10.8	6.8	3.4	2.2	1.7
American Samoa <sup>2</sup>	43.94	32									
Guam <sup>2</sup>	54.24	70									
Abroad	78.55	85,726	100.0	2.8	7.7	9.6	17.9	20.8	16.4	15.2	9.6

<sup>1</sup> Beneficiary's State of residence, based on the monthly benefit check address; ranked by size of average benefit.

<sup>2</sup> Too few cases for a meaningful distribution.

ciaries in Michigan but to only about one-fifth of those in Mississippi. Only 9 percent of Michigan's beneficiaries were receiving a disability benefit of less than \$70.00, but for 34 percent of the beneficiaries living in Mississippi the amount was \$40.00-\$69.90.

Almost two-fifths of the old-age beneficiaries in Connecticut but only 8 percent of those living in Mississippi were receiving benefits of \$100.00-\$127.00. Benefits of less than \$70.00 were going to 29 percent of Connecticut's old-age beneficiaries and to 73 percent of those in Mississippi.

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## Relation of Social Security Expenditures to Gross National Product in 45 Countries\*

The International Labor Office (ILO) recently published its latest triennial statistical study of the cost of social security in a large number of countries—the fifth in a series initiated in 1952. The current study contains statistics on receipts and expenditures under social security programs in nearly 50 countries, usually for each of the financial years 1957 through 1960. With these statistics, it is possible to compare ratios of social security outlays to gross national product in different countries. This note summarizes the ratios presented in the ILO study, explains how they were derived, and discusses some of the factors that may have been responsible for differences among them.

### SOURCE OF SOCIAL SECURITY DATA

The social security financial data were derived from replies to a detailed ILO questionnaire that was sent in 1962 to all governments that were then members of the International Labor Organization. Each government was requested to submit statistical information on the financial operations of all social security programs within its territory for the years 1958, 1959, and 1960 (or the financial years ending in those years) and to revise the

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\* Prepared by Werner Hasenberg, International Social Security Branch, Division of Research and Statistics. The ILO publication from which the ratios shown in this note have been drawn is *The Cost of Social Security, 1958-1960, 1964*.

information for earlier years. Replies were received from more than 50 countries. A few of them, however, were unable to provide data for some of their more important programs. These countries are excluded from the comparative tables in the study and from this note, since the incompleteness of the data would seriously distort their comparability.

The social security system of most countries is made up of a number of different programs that usually are administered separately by various, sometimes highly decentralized, governmental or quasigovernmental agencies. Thus, the assembly and tabulation of data on the financial operations of all social security programs in a country necessarily require considerable time. Moreover, final data for individual programs often are not available for a year or two after the end of the financial year to which they relate. Thus there is an inevitable delay in publishing comprehensive international comparisons of social security operations.

The ILO study contains for each country separate data for the main categories of social security, usually for the 4 most recent financial years for which the information was available to the ILO. An objective of the study was to permit international comparison of the data and of trends in social security costs for the various countries during the period covered by the inquiry. As indicated above, the social security data contained in the study are essentially those provided by the countries themselves in response to the ILO questionnaire.

Since it is difficult to make valid comparisons at the international level of highly diverse social security systems, the ILO was obliged to provide a uniform definition of what should be included within the limits of social security for purposes of the study, instead of relying on each country to use its own concepts. The application of common definitions and classifications by all the different countries is best achieved by means of a questionnaire that enables all governments to arrange their data within a prescribed definitional framework.

### DEFINITION OF SOCIAL SECURITY

The exact meaning and content associated with the term "social security" vary considerably from