

---

# Private Social Welfare Expenditures, 1972-85

by Wilmer L. Kerns and Milton P. Glanz\*

---

This article updates the private social welfare expenditures series with complete data for 1985 and information for most categories through 1986. In the United States, private sector expenditures play a substantial role in the provision of social welfare services. This article presents private social welfare expenditures in terms of the four major categories—health, education, welfare and related services, and income maintenance that includes private pensions, sickness and disability benefits, and group insurance. The private expenditures, which totaled \$429.3 billion in 1985, are distributed by major category beginning in 1972 and are also related to public social welfare expenditures and gross national product.

---

In calendar year 1985, private social welfare expenditures were \$429.3 billion—37.1 percent of the Nation's total social welfare expenditures, both public and private. Private expenditures were 10.7 percent of the gross national product (GNP), and public expenditures amounted to 18.4 percent of the GNP (table 1).

This series (originated by the Social Security Administration in 1955) was discontinued in 1978 due to difficulties associated with data collection and estimation.<sup>1</sup> It was resumed in 1987 after a redesign of the methodology for estimating several of its components.<sup>2</sup> The purpose of the series is to provide estimates of private expenditures for social welfare programs in the United States. The series indicates the significant role of the private sector in financing the Nation's social welfare programs and makes possible a comparison between public and private spending. The private sector assumes a large share in the provision of health and medical care as well as income-maintenance benefits in

the form of employment-related pensions, group life insurance, and sickness payments. Financing educational and social services is also an important aspect of the private sector's involvement in financing social welfare programs.

The ability to make decisions on public policy related to social welfare spending is greatly improved when detailed historical information is available for programs in these areas. The maintenance of historical data on social welfare spending may be compared to the maintenance of the National Income and Products Account (NIPA) system by the Department of Commerce. Data on private social welfare expenditures have been the most difficult to gather over time; however, they are essential for a complete picture of social welfare spending.

Private expenditures are grouped in four categories: health and medical care, welfare and other services, education, and income maintenance. In 1985, the health and medical care expenditures category accounted for the highest portion of private social welfare expenditures—\$246.6 billion (57.4 percent)—of the overall total.

The welfare and other services category includes individual and family social services, residential care, child day care, recreation and group work, and job training and vocational rehabilitation services. Expenditures for these items were \$33.8 billion in 1985—7.9 percent of the year's private social welfare funding.

Private expenditures for education in 1985 were \$42.7 billion—10.0 percent of all private social welfare expenditures in that year. Of this amount, \$27.0 billion was allocated to higher education and \$14.0 billion was spent on elementary and secondary education.

---

\*Mr. Kerns is with the Office of Research and Statistics, Office of Policy, Social Security Administration (SSA), and Mr. Glanz is in the Office of the Actuary, SSA.

<sup>1</sup>Traditionally, public social welfare expenditures have been presented in fiscal year terms; data for private expenditures are available on a calendar year basis. Thus, at this time, fully comparable data are available only through calendar year 1985. To provide the most current data, where information for 1986 is available, it is included in the article and tables.

<sup>2</sup>See Milton P. Glanz, Wilmer L. Kerns, and Jack Schmulowitz, "Private Social Welfare Expenditures, 1972-84," *Social Security Bulletin*, May 1987, pages 59-67, for a discussion of the resumption of this series. Annual estimates of health and medical care expenditures from public and private sources have been published continuously since 1951 by the Health Care Financing Administration.

**Table 1.—Private social welfare expenditures, by category: Public and private social welfare expenditures as a percent of gross national product, 1972-85**

[Amounts in millions]

Year	Public, total <sup>1</sup>	Private <sup>2</sup>					Percent of gross national product		
		Total	Health	Income maintenance	Education	Welfare services	Total <sup>3</sup>	Public <sup>4</sup>	Private <sup>5</sup>
1972.....	\$191,357	\$94,589	\$58,500	\$15,955	\$12,677	\$7,457	23.8	16.6	7.7
1973.....	213,942	102,942	64,000	17,087	13,610	8,245	23.7	16.6	7.6
1974.....	239,397	112,763	69,100	19,753	15,004	8,906	24.1	16.9	7.7
1975.....	290,080	124,926	76,400	21,910	16,626	9,990	26.3	19.0	7.8
1976.....	331,956	142,781	88,000	25,004	18,120	11,657	26.9	19.5	8.0
1977.....	360,925	164,113	100,100	30,662	19,927	13,424	26.2	18.6	8.2
1978.....	394,377	184,390	110,100	36,743	21,379	16,168	25.8	18.1	8.2
1979.....	430,280	208,906	124,200	42,628	23,361	18,717	25.0	17.6	8.3
1980.....	492,528	242,610	142,900	51,504	26,751	21,455	26.4	18.5	8.9
1981.....	550,545	278,784	165,800	59,095	30,062	23,827	26.5	18.4	9.1
1982.....	594,876	316,909	188,400	70,450	32,697	25,362	27.8	18.9	10.0
1983.....	641,169	356,018	209,700	82,783	35,911	27,624	28.7	19.3	10.5
1984.....	670,945	392,141	231,300	91,812	38,722	30,307	27.5	18.2	10.4
1985.....	727,861	429,264	246,600	106,110	42,735	33,819	28.0	18.4	10.7

<sup>1</sup>Fiscal year basis.

<sup>2</sup>Calendar year basis.

<sup>3</sup>The sum of public and private expenditures as a percent of gross national product, after adjustment to eliminate overlap that occurs when payments received under public or private income-maintenance programs are used to purchase medical care, educational

services, or residential care.

<sup>4</sup>Represents fiscal year expenditures as a percent of Federal fiscal year gross national product.

<sup>5</sup>Represents calendar year expenditures as a percent of calendar year gross national product.

Private income-maintenance expenditures are payments made under private employee benefit plans. These expenditures include private pension plans, group life insurance, cash disability insurance, paid sick leave, and supplemental unemployment benefits. In 1985, private income-maintenance expenditures amounted to \$106.1 billion (24.7 percent of the private expenditures total). Of this amount, private pension payments totaled \$88.0 billion.

## Health and Medical Care

Estimates of health and medical care expenditures from both public and private sources are prepared annually by the Health Care Financing Administration.<sup>3</sup> The estimates are based on the National Health Accounts, which provide a framework to help understand the nature of spending for health care. These accounts use a classification matrix with a consistent set of definitions to categorize health care goods and services and the manner in which their purchase is financed.

Private health and medical care spending increased from 4.8 percent of the GNP to 6.1 percent from 1972 through 1985, the latest year for which data are available for all four categories of private expenditures (table 2). During this 14-year period, all private social welfare expenditures as a percentage of the GNP followed an approximately parallel line, increasing from

7.7 percent of the GNP in 1972 to 10.7 percent in 1985 (table 1).

In 1986, public and private expenditures for health and medical care totaled \$458.2 billion—10.8 percent of the GNP (table 2). Of this amount, private expenditures accounted for \$268.5 billion (6.3 percent of the GNP) and public expenditures were \$189.7 billion (4.5 percent of the GNP).

Private health expenditures were 58.6 percent of overall disbursements for health and medical care in 1986, compared with 62.2 percent in 1972. This share has ranged between 58 percent and 59 percent since 1975.

Data for 1986 are presented in table 3 for various components of the personal health care category. The largest expenditure, for both public and private spending, was for hospital care and physician services. Private spending was disproportionately higher than public spending for categories such as dentist services, drugs and medical sundries, eyeglasses and appliances, and "other professional services." The information provided on expenditures for each component shows the distribution of spending in the private and public sectors.

## Welfare and Other Services

In 1986, private expenditures for welfare and other services totaled \$37.7 billion. Expenditures for 1985 were \$33.8 billion, and represented 7.9 percent of total private sector social welfare funding (tables 1 and 4). These estimates are based on data prepared by the Bureau of Economic Analysis (BEA), Department of

<sup>3</sup>See "National Health Expenditures, 1986-2000," *Health Care Financing Review*, Summer 1987, pages 1-36.

**Table 2.—Health and medical care: Expenditures under private and public programs, by source of expenditure and percent of gross national product, 1972-86**

[Amounts in billions]

Expenditures	1972	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>Source:</b>														
Total.....	\$94.0	\$116.1	\$132.7	\$150.8	\$169.9	\$189.7	\$214.7	\$248.1	\$287.0	\$323.6	\$357.2	\$391.1	\$422.6	\$458.2
Private expenditures....	58.5	69.1	76.4	88.0	100.1	110.1	124.2	142.9	165.8	188.4	209.7	231.3	246.6	268.5
Health services and supplies.....	55.3	65.8	73.0	84.5	96.7	106.6	120.4	138.7	160.6	182.2	202.8	224.7	240.7	262.5
Noncommercial medical research....	.2	.3	.3	.3	.3	.3	.3	.3	.3	.3	.4	.4	.4	.4
Medical facilities construction.....	3.0	3.1	3.1	3.2	3.2	3.3	3.5	4.0	4.8	5.8	6.6	6.3	5.6	5.6
Public expenditures....	35.4	47.0	56.3	62.8	69.7	79.6	90.5	105.2	121.2	135.3	147.4	159.7	176.0	189.7
<b>Percent of gross national product:</b>														
Total.....	7.8	7.9	8.3	8.5	8.5	8.4	8.6	9.1	9.4	10.2	10.5	10.4	10.5	10.8
Private expenditures....	4.8	4.7	4.8	4.9	5.0	4.9	5.0	5.2	5.4	6.0	6.2	6.1	6.1	6.3
Public expenditures....	2.9	3.2	3.5	3.5	3.5	3.5	3.6	3.9	4.0	4.3	4.3	4.2	4.4	4.5

**Table 3.—Health and medical care: Expenditures under private and public programs, by type of expenditure, 1986**

[Amounts in billions]

Type of expenditure	Total	Private	Public
Total.....	\$458.2	\$268.5	\$189.7
Health services and supplies.....	442.0	262.5	179.5
Personal health care.....	404.0	244.1	160.0
Hospital care.....	179.6	83.9	95.7
Physician services.....	92.0	64.9	27.1
Dentist services.....	29.6	29.0	.6
Other professional services.....	14.1	10.0	4.0
Drugs and medical sundries.....	30.6	27.3	3.2
Eyeglasses and appliances.....	8.2	6.5	1.7
Nursing home care.....	38.1	20.0	18.1
Other personal health care.....	11.9	2.4	9.5
Program administration and net cost of health insurance.....	24.5	18.4	6.1
Government public health activity....	13.4	...	13.4
Research and construction.....	16.3	6.0	10.2
Noncommercial research.....	8.2	.4	7.8
Construction of medical facilities....	8.0	5.6	2.4

Source: Health Care Financing Administration, "National Health Expenditures, 1985," *Health Care Financing Review*, Summer 1987, table 4, page 27.

Commerce, for the National Income and Product Accounts (NIPA)—Personal Consumption Expenditures. The BEA series presents expenditure data for religious and welfare activities as a major component of this category. Social welfare, the largest subgroup in this category, accounts for 60 percent of total expenditures.

The private social welfare expenditure estimate includes: Individual and family social services—counseling and referral services to families and children, family service agencies, adoption services, emergency and disaster services, child day care centers, and senior citizens centers; residential care—group foster homes,

halfway homes, domiciliary care, and shelters for the homeless; recreation and group work—YMCA, YWCA, Boy Scouts, and Girl Scouts; civic, social and fraternal organizations; and job training and vocational rehabilitation—sheltered workshops, vocational rehabilitation agencies, and skill training centers.

The principal data source for the BEA series on social welfare is the *Census of Service Industries*, which is part of the Economic Census conducted every 5 years. The latest census for which data are available in this series covered 1982. Between census years, data are extrapolated, generally on the basis of wage indexes. The 1987 census is being collected and should be ready for publication by the end of 1989 or early in 1990.

## Education

Private expenditures for education in 1986 are estimated to have been \$45.9 billion. Of this amount, \$28.7 billion was for higher education, \$15.2 billion for elementary and secondary education, and \$2.0 billion went for school construction (table 5).

The methodology for estimating private expenditures for education in the Social Security Administration's (SSA's) social welfare expenditure series was developed during the 1960's. The procedure combines data from two sources: the National Center for Education Statistics (NCES), Department of Education; and the Bureau of Economic Analysis, Department of Commerce. The following tabulation shows the components and data sources for the 1986 SSA series:

[Amounts in millions]

1986, total private education expenditures ...	\$45,933
Current operations.....	43,933
Elementary and secondary .....	15,189
Higher education .....	28,744
Construction.....	2,000

**Table 4.—Welfare and other services: Private expenditures and Department of Commerce National Income and Product Accounts data, 1960-86**

[Amounts in millions]	
Year	Expenditures
1960.....	\$1,293
1965.....	2,753
1966.....	3,110
1967.....	3,878
1968.....	3,341
1969.....	4,922
1970.....	5,444
1971.....	6,310
1972.....	7,457
1973.....	8,245
1974.....	8,900
1975.....	9,990
1976.....	11,657
1977.....	13,424
1978.....	16,168
1979.....	18,717
1980.....	21,455
1981.....	23,827
1982.....	25,362
1983.....	27,624
1984.....	30,451
1985.....	33,819
1986.....	37,658

The \$15,189 million for elementary and secondary schools represents the sum of two subcategories: \$14,789 million from the NIPA private education and research, elementary and secondary schools category; and \$400 million added from the NCES data base, representing an estimate of expenditures for student tuition and fees paid to public institutions and for private transportation costs.

The amount for higher education (\$28,744 million) includes: \$16,708 million from the NIPA private expenditures for education and research, higher education category; \$9,844 million for student tuition and fees paid to public institutions of higher education, regardless of whether these expenditures were a primary or a secondary source of income (NCES series); and \$2,151 million for private gifts and grants to public institutions (NCES series).

Use of data in the NIPA personal consumption expenditures for private education and research category offers an alternative approach. The 1986 figures for this series are shown in the following tabulation:

[Amounts in millions]	
Private education and research .....	\$46,914
Higher education .....	16,708
Elementary and secondary schools .....	14,789
Other private education and research .....	15,417

Historically, the aggregates for both the SSA private social welfare expenditures series and the BEA NIPA

series have been close, even though some of the expenditure items differ. The BEA estimate of \$46.9 billion does not include student tuition and fees in public institutions, private gifts and grants, or construction; SSA's estimate of \$45.9 billion includes these items. However, SSA does not include fees paid to business, trade, and correspondence schools; miscellaneous educational services; current expenditures by nonprofit research and educational organizations; and foundation operating expenses allocated to education, which BEA includes under the category "Other Private Education and Research." Approximately 33 percent of the total private expenditures for education in 1986 went for items in the latter category.

The NIPA estimate for personal consumption expenditures for education relates only to private expenditures in private institutions. Therefore, the SSA estimation method covers all student fees and tuition payments, including those made to public institutions.

## Income Maintenance

Private income-maintenance expenditures in the social welfare expenditures series represent outlays for private employee benefit plans. The basic elements of income maintenance are private pension plans, group life insurance, sickness and disability insurance, paid sick leave, and supplemental unemployment benefits. Of the \$106.1 billion in private income-maintenance expenditures in 1985 (table 1), private pension plan benefits accounted for \$88.0 billion. To be classified as a social welfare expenditure, a transfer of funds or services from one economic entity to another must occur.

### Group Life Insurance

In 1985, \$7.5 billion was expended for group life insurance benefits that were based on an employment relationship. This amount includes benefits under programs for government civilian employees. The estimate is based on data adjusted to remove group policies not based on an employment relationship—such as professional societies and employee associations (table 6).

### Accidental Death and Dismemberment

The estimated benefit payments under accidental death and dismemberment insurance provisions reached \$385 million in 1985 (table 6). The data for this series are based on insurance industry reports for 1972-79. Comparable data have not been available since 1979. The estimates presented in table 6 for the 1980-85 period are based on regression values obtained by relating accidental death and dismemberment benefits to total earnings in the national economy.

**Table 5.—Education: Estimated private expenditures, by category, 1970-86**

[Amounts in millions]

Year	Total	Current operations			Construction
		Total	Elementary and secondary	Higher education	
1970.....	\$10,506	\$9,641	\$3,332	\$6,309	\$865
1971.....	11,588	10,645	3,598	7,047	943
1972.....	12,677	11,709	3,939	7,770	968
1973.....	13,610	12,773	4,460	8,313	837
1974.....	15,004	14,349	5,186	9,163	655
1975.....	16,626	16,059	5,895	10,164	567
1976.....	18,120	17,460	6,385	11,075	660
1977.....	19,927	19,267	6,554	12,713	660
1978.....	21,379	20,650	7,442	13,208	729
1979.....	23,361	22,555	8,297	14,258	806
1980.....	26,751	25,576	9,534	16,042	1,175
1981.....	30,062	28,891	10,464	18,427	1,171
1982.....	32,697	31,341	11,042	20,299	1,356
1983.....	35,911	34,499	11,993	22,506	1,412
1984.....	38,872	37,472	12,936	24,536	1,400
1985.....	42,735	41,035	14,042	26,993	1,700
1986.....	45,933	43,933	15,189	28,744	2,000

### Supplemental Unemployment Benefits

Data on supplemental unemployment benefits are from the NIPA series—Other Labor Income by Industry and by Type. Expenditures for these benefits totaled \$305 million in 1985 (table 6).

### Sickness and Disability Benefits

Data on benefits received by employees in private industry for short-term sickness, for private cash-sickness insurance and self-insurance, and for sick leave are shown for 1972-85 in table 6. For years before 1980, the cost of insurance payments beyond the first 6 months of the employee's illness are included in the benefit amounts shown. For 1980 and subsequent years, long-term and short-term benefits are estimated separately.

Benefits paid under State Temporary Disability Insurance programs and the Railroad Retirement program are classified by SSA as public social welfare expenditures.<sup>4</sup> The SSA estimate for private industry short-term sickness benefits in 1985 is \$8.0 billion.

### Long-Term Disability

As noted above, data on long-term disability insurance benefits are available separately from short-term benefits beginning with 1980. These benefits, which are estimated by SSA on the basis of data supplied by the Health Insurance Association of America, totaled \$1.9 billion in 1985. Where long-term disability benefits are

paid under the provisions of employment-related pension plans, the payments are included in the private pension data.

### Private Pension Plans

Payments under private pension plans reported in this series include, in addition to benefits paid for solely by employers, all of the benefits of employment-related pension plans to which employee contributions are made (including large contributions, such as those to thrift plans). However, individual savings plans—individual retirement accounts (IRA's) and retirement plans for the self-employed (Keogh), for example—are not included.

Pension plan benefits include monthly benefits and lump-sum distributions to retired and disabled employees and their dependents and to survivors of deceased employees. In addition, preretirement lump-sum distributions are included. Benefit payments under private pension plans were \$88 billion in 1985, representing 83 percent of all income-maintenance expenditures and 21 percent of all private social welfare expenditures.

The primary data sources for estimates of private pension plan benefit payments are the reports prepared by the Department of Labor, based on their tabulations of the Department of Labor (DoL)/Internal Revenue Service (IRS) Form 5500 (Annual Return/Report of Employee Benefit Plan). However, these data are available only for 1977, 1979, 1981, 1982, and 1983.

Every employer pension or welfare fund is required to file a form 5500 every year. However, regulations reduce the amount of information required from some plans for certain years. The form is considered a complete and accurate source of information because it is prepared by pension professionals. Penalties are incurred for nonfiling and for deliberate misrepresentation of information on these forms.

For trustee plans, the information required for these estimates is contained directly in the data requested in item 14(h)(1) of the form 5500: "(h) Distribution of benefits and payments to provide benefits—(1) Directly to participants or their beneficiaries." Although the initially stated requirement that the form 5500 be filed is, for practical purposes, universal, the Employee Retirement Income Security Act (ERISA) permits the Department of Labor to exempt (through regulations) certain types of pension plans—namely, wholly insured plans that are held in the general account of an insurance company—which are exempt from fulfilling some of the requirements. The sections of the form 5500 from which these insured plans were exempted include item 14. It is essential, therefore, to obtain information on insured plans to supplement the aggregate payment data obtained from the form 5500.

Data from the American Council of Life Insurance (ACLI) are used for the purpose of supplementing the

<sup>4</sup>See Ann Kallman Bixby, "Public Social Welfare Expenditures, Fiscal Year 1985," *Social Security Bulletin*, April 1988, pages 21-31.

payment data on the form 5500. The ACLI publishes the **Life Insurance Fact Book**, an annual statistical compilation based primarily on the annual financial statement of life insurance companies. The table "Private Pension Plans in the United States With Life Insurance Companies" in the **Fact Book** provides data on all annuity payments by life insurance companies (except when the life insurance company acts solely as a paying agent and bears no risk). Individual savings plans with life insurance companies are shown separately in this table. Use of the ACLI data as a supplement to benefit payments data from the form 5500 requires an estimate of the degree of overlap that exists. The overlap payments may be described, by implication, as wholly insured plans that are not held in the general account of the insurance company. Overlap estimates for the 1972-86 period are shown in item 9 of table 7.

Data on private pensions reported by the **Current Population Survey (CPS)** are also shown in table 7. This information is obtained from the annual **March Income Supplement** to the CPS, which reports income for the previous year. Because the survey universe includes only persons alive on the interview date in March, payments to any person whose death occurred in the period between the beginning of the reference year and the survey date are excluded. All retirement plans are included—even individual retirement plans. (However, this inclusion does not impair the usefulness of the CPS series when it is used strictly as an index in the estimation process.) One point of ambiguity is the treatment of lump-sum distributions. It appears that most of the individuals who were interviewed interpreted the

word "pension" to mean only a monthly payment; however the instructions for the interviewer do not cover this point.

As indicated above, the primary data sources for estimates of private pension plan benefits in the private social welfare expenditures series are the tabulations of the DoL/IRS form 5500 and the ACLI payment data in combination with an estimate of the overlap between the two. However, the form 5500 data are available only for 5 years (1977, 1978, 1981, 1982, and 1983). Therefore, it was necessary to interpolate and extrapolate the values of the form 5500 series. For this purpose, the ratio of the form 5500 value plus the ACLI payments to the CPS value was used to fill in data for the unavailable years (1979, 1980, 1984, 1985, and 1986). Thus, the CPS series has an important role as an index, although the CPS values are not used directly to show the absolute level of pension payments.

Data on line 4 of table 7 are prepared by BEA for NIPA as the series under Other Labor Income by Industry and by Type; Benefits paid by private pension and welfare funds: Pension and profit sharing. The BEA estimate uses a different data source and therefore, has a relatively small role in the actual calculation of this private pension estimate. However, the method of estimation used in this article is based on the BEA approach.<sup>5</sup>

<sup>5</sup>In view of the national prominence of the BEA estimates, they must be considered in any discussion of the amount of private pension plan payments. The authors wish to acknowledge the contributions of the BEA and of Thae S. Park, BEA Senior Economist, in particular.

**Table 6.—Income maintenance: Expenditures from private sources, by type of benefit, 1972-86**

[Amounts in millions]

Type of benefit	1972	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Total.....	\$15,955	\$19,753	\$21,910	\$25,004	\$30,662	\$36,743	\$42,628	\$51,504	\$59,095	\$70,450	\$82,783	\$91,812	\$106,110	(1)
All wage and salary workers:														
Life insurance and death.....	3,180	3,195	3,380	3,523	3,831	4,193	4,564	5,075	5,746	6,269	6,519	6,899	7,489	7,797
Accidental death and dismemberment.....	182	243	236	284	300	294	290	335	354	354	360	379	385	(1)
Wage and salary workers in private industry:														
Private pension plan payments.....	9,710	12,638	14,398	17,091	22,064	27,316	31,602	37,560	44,569	54,325	66,683	74,880	87,968	103,518
Sickness and disability <sup>2</sup> .....	2,649	3,277	3,396	3,906	4,277	4,692	5,772	6,280	6,437	6,884	6,993	7,498	8,026	(1)
Long-term disability..	(3)	(3)	(3)	(3)	(3)	(3)	(3)	1,282	1,498	1,688	1,817	1,874	1,937	2,263
Supplemental unemployment.....	234	400	500	200	190	248	400	972	491	930	411	282	305	488

<sup>1</sup>Data not available.

<sup>2</sup>Includes long-term disability benefits for 1972-79; data not available separately.

<sup>3</sup>Not available separately for years before 1980; included with "sickness and disability benefits."

**Table 7.—Estimates for private pension plan expenditures, 1972-86**

[Amounts in millions]

Item	1972	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
(1) Pension and profit-sharing payments to individuals (based on form 5500) <sup>1</sup> .....	...	...	...	...	\$19,493	\$23,934	...	...	\$40,143	\$49,499	\$61,141	...	...	...
(2) Pension payments, CPS <sup>2</sup> .....	...	\$10,083	\$11,182	\$12,507	14,922	17,537	\$19,624	\$22,627	26,021	29,432	34,636	\$37,266	\$42,354	\$48,379
(3) ACLI data: <sup>3</sup>														
(a) Total life insurance company pensions.....	\$1,715	2,230	2,520	2,735	3,105	4,100	4,350	4,960	5,810	6,555	7,605	8,520	10,355	12,915
(b) Life insurance company pensions for individuals—not through employment relationship.....	5	5	10	15	30	35	45	45	50	55	60	105	120	175
Keogh plans....	5	5	10	15	25	25	30	30	35	35	35	55	60	70
IRA's.....	...	...	...	...	5	10	15	15	15	20	25	50	60	105
(4) Pension and profit-sharing payments, BEA <sup>4</sup> .....	10,015	12,970	14,850	17,023	21,178	24,181	27,447	31,487	38,363	45,448	53,766	63,428	78,986	94,783
(5) Ratio to CPS <sup>5</sup> ((7)÷(2)).....	...	...	...	...	1.5144	1.5986	1.6526	1.7083	1.7660	1.9045	1.9848	2.0622	2.1365	2.2070
(6) Ratio to BEA <sup>6</sup> ((7)÷(4)).....	...	...	1.0000	1.0330	1.0671	1.1593	1.1816	1.2276	1.1979	1.2334	1.2786	1.2116	1.1456	1.1265
(7) Total private pension payments before adjustment for ACLI overlap <sup>7</sup> .....	10,015	12,970	14,850	17,584	22,598	28,034	32,431	38,654	45,953	56,054	68,746	76,851	90,488	106,771
(8) Total private pension payments before adjustment for ACLI overlap through employment relationship <sup>8</sup> ((7)-(3b)).....	10,010	12,965	14,840	17,569	22,568	27,999	32,386	38,609	45,903	55,999	68,686	76,746	90,368	106,596
(9) ACLI overlap <sup>9</sup> .....	300	327	442	478	504	683	784	1,049	1,334	1,674	2,003	1,866	2,400	3,078
(10) Total private pension payments <sup>10</sup> ((7)-(9)).....	9,715	12,643	14,408	17,106	22,094	27,351	31,647	37,605	44,619	54,380	66,743	74,985	88,088	103,693
(11) Total private pension payments through employment relationship <sup>11</sup> ((8)-(9)).....	9,710	12,638	14,398	17,091	22,064	27,316	31,602	37,560	44,569	54,325	66,683	74,880	87,968	103,518

<sup>1</sup>Includes both defined benefit plans and defined contribution plans. Data for 1977 in Nicholas Greenia, "Employee Benefit Plans, 1977," *Statistics of Income Bulletin*, Internal Revenue Service, Spring 1982, page 13; data for 1978 from *Estimates of Participant and Financial Characteristics of Private Pension Plans*, Department of Labor, 1983, table 11, page 19; data for 1981 from *The Handbook of Pension Statistics, 1985* (Richard A. Ippolito and Walter W. Kolodrubetz (editors)), Commerce Clearing House, Chicago, 1986, table 35, page 12; data for 1982-83 from Department of Labor (unpublished). In all cases, this item is the aggregate of item 14(h)(1) of the IRS/DOL from 5500, for both defined benefit and defined contribution plans.

<sup>2</sup>Bureau of the Census, Current Population Survey (unpublished data).

<sup>3</sup>See *Life Insurance Fact Book*, annual issues, table on "Private Pension Plans in the United States with Life Insurance Companies," American Council of Life Insurance (ACLI), Washington, D.C.

<sup>4</sup>See Bureau of Economic Analysis, "National Income and Product Accounts—Other Labor Income by Industry and by Type." Recent values are published in *Survey of Current Business*, July 1987, table 6.13, page 63.

<sup>5</sup>For every year, the identity (item 5)=(item 7)/(item 2) holds. However, it is not always true that item 5 is calculated from this formula. For those years

where item 1 is not available, item 5 is interpolated from other years where item 1 is available (i.e. where item 5 is calculated), and item 7 is calculated derivately.

<sup>6</sup>To calculate, divide amount of total private pension payments, prior to adjustment for ACLI overlap (item 7) by pension and profit-sharing payments: Bureau of Economic Analysis (item 4).

<sup>7</sup>For those years where item 1 is available, (item 7)=(item 1)+(item 3a). For those years where item 1 is not available, (item 7)=(item 5)\*(item 2).

<sup>8</sup>To calculate, subtract ACLI data, life insurance company pensions for individuals—not through employment relationship—(item 3 (b)) from total private pension payments, (item 7).

<sup>9</sup>This is an estimate of life insurance company pension payments based on unallocated or not-fully-guaranteed contracts. Such payments are included in items 7 and 8, as well as in the ACLI data.

<sup>10</sup>To calculate, subtract ACLI overlap (item 9) from total private pension payments, before adjustment for ACLI overlap, (item 7).

<sup>11</sup>To calculate, subtract ACLI overlap (item 9) from total private pension payments, before adjustment for ACLI overlap, through employment relationship, (item 8).

---

## References

- American Council of Life Insurance, **1986 Life Insurance Fact Book**, Washington, D.C., 1987.
- American Council of Life Insurance, **1987 Life Insurance Fact Book Update**, Washington, D.C., 1988.
- Beller, Daniel J., "Financial Characteristics of Private Pension Plans, 1981," in **The Handbook of Pension Statistics, 1985** (Richard A. Ippolito and Walter W. Kolodrubetz, editors), Commerce Clearing House, Chicago, 1986.
- Department of Commerce, Bureau of Economic Analysis, **Survey of Current Business**, "Personal Consumption Expenditures by Type of Expenditure," table 2.4, page 32, for data on private education and research and religious and other welfare activities; and "Other Labor Income by Industry and Type," table 6.13, page 63, July 1987, for data on employee contributions and benefits paid by private pension and welfare funds.
- Department of Education, **Digest of Education Statistics** (annual editions), National Center for Education Statistics, Washington, D.C.
- Department of Labor, **Estimates of Participant and Financial Characteristics of Private Pension Plans**, Washington, D.C. 1983.
- Department of Labor, **Trends in Pensions, 1988** (John A. Turner and Daniel J. Beller, editors), U.S. Government Printing Office, Washington, D.C., forthcoming.
- Health Care Financing Administration, "National Health Expenditures, 1986-2000," **Health Care Financing Review**, Summer 1987, pages 1-36.
- Health Insurance Association of America, **1986-1987 Source Book of Health Insurance Data**, Washington, D.C., 1988.
- Price, Daniel N., "Cash Benefits for Short-Term Sickness: Thirty-five Years of Data, 1948-83," **Social Security Bulletin**, May 1986, pages 5-19.