

Note

Overview of Public Social Welfare Expenditures, Fiscal Year 1989

by Ann Kallman Bixby*

During fiscal year 1989, Federal, State, and local governments spent \$955.9 billion on public social welfare expenditures.¹ This amount was \$69.7 billion, or 7.9 percent, higher than the amount spent in 1988. In constant (1989) dollars, the increase was \$29.0 billion, or 3.1 percent of the 1988 figure. Table 1 shows current dollar expenditures for fiscal years from 1965 to 1989; data for years 1985-88 have been revised.

Social welfare expenditures are defined as the cost of cash benefits, services, and administration of programs operating under public law that are of direct benefit to individuals and families.

Social welfare spending accounted for 18.6 percent of the gross national product (GNP) in 1989, slightly more than the proportion in the previous year. This percentage (18-19 percent) has been typical of the 1980's with the exception of 1983, when the larger percentage of social welfare outlays represented a reaction to the recession of 1981-82.

The percent of all government spending devoted to social

welfare rose from 1988 to 1989, reaching 53.0 percent. State and local governments continued to spend proportionally more of their funds on social welfare than the Federal Government, 60.2 compared with 49.3 percent. The gap between Federal and State-local spending percentages has widened from that found in the early 1980's—averaging nearly 11 percentage points from 1984 to 1989.

The distribution of spending among the various program categories has been stable throughout the 1980's. In 1989, social insurance accounted for nearly one-half of all expenditures, education for one-fourth, and public aid for approximately one-eighth. All public health and medical expenditures combined accounted for one-fourth of social welfare expenditures in 1989.

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

Table 1.—Social welfare expenditures under public programs, fiscal years, 1965–89¹
 [Amounts in millions]

Fiscal year	Program								Total health care spending ¹	Total social welfare as a percent of—	
	Total ²	Social insurance	Public aid	Health and medical care	Veterans' programs	Education	Housing	Other social welfare ³		Gross national product	Government expenditures for all purposes ³
	Total expenditures										
1965	\$77,084	\$28,123	\$6,283	\$6,155	\$6,031	\$28,108	\$318	\$2,066	\$9,424	11.5	42.4
1966	87,803	31,935	7,301	6,740	6,358	32,825	335	2,309	10,605	11.9	43.4
1967	99,465	37,339	8,811	7,383	6,898	35,808	378	2,848	15,552	12.5	42.4
1968	113,553	42,740	11,092	8,172	7,247	40,590	428	3,285	19,731	13.4	43.2
1969	126,971	48,772	13,439	8,828	7,934	43,673	532	3,792	22,730	13.7	44.7
1970	145,555	54,691	16,488	9,606	9,078	50,846	701	4,145	25,061	14.7	46.5
1971	171,258	66,369	21,262	10,437	10,456	56,705	1,047	4,983	28,125	16.2	50.2
1972	190,315	74,809	26,078	11,824	11,522	59,385	1,332	5,364	32,415	16.5	52.0
1973	213,294	86,166	28,691	12,799	13,026	64,734	2,180	5,698	36,005	16.7	53.6
1974	238,642	99,001	31,520	14,198	14,112	70,534	2,554	6,722	40,768	16.9	54.4
1975	289,084	123,013	41,357	16,742	17,019	80,834	3,172	6,946	51,401	19.0	56.6
1976	331,377	145,703	48,786	18,356	18,958	87,730	3,371	8,472	58,494	19.5	59.1
1977	360,058	160,883	53,412	19,441	19,014	93,878	4,358	9,071	67,006	18.6	58.5
1978	393,450	175,090	59,470	22,201	19,384	101,518	5,225	10,563	76,340	18.1	57.8
1979	429,482	194,288	64,722	24,040	20,602	109,262	5,493	11,076	86,019	17.6	57.2
1980	491,986	229,754	71,975	27,263	21,466	121,050	6,879	13,599	100,259	18.4	57.1
1981	552,965	267,395	82,763	29,236	23,441	130,108	8,039	11,983	115,687	18.5	56.7
1982	600,154	302,615	81,257	32,628	24,708	138,089	9,202	11,654	130,683	19.1	55.5
1983	648,240	331,161	87,498	33,934	25,802	146,415	10,964	12,466	142,234	19.5	55.5
1984	676,753	341,120	91,660	35,682	26,275	157,189	11,532	13,295	153,771	18.4	53.5
1985	731,073	369,595	97,185	39,053	27,042	172,048	12,599	13,552	171,552	18.5	52.2
1986	780,503	390,770	102,944	43,945	27,445	189,276	11,962	14,161	186,081	18.6	52.3
1987	833,036	412,874	111,022	48,089	28,051	204,549	13,174	15,278	203,943	18.8	53.4
1988	886,173	434,048	118,495	52,958	29,254	219,367	16,556	15,479	218,143	18.5	52.8
1989	955,866	468,055	127,475	56,866	30,104	238,631	18,127	16,609	241,646	18.6	53.0
	Federal expenditures										
1965	\$37,591	\$21,807	\$3,594	\$2,660	\$6,011	\$2,470	\$238	\$812	\$4,482	5.6	32.6
1966	45,243	25,664	4,366	3,010	6,337	4,580	251	1,035	5,218	6.1	34.9
1967	51,174	30,545	5,244	3,588	6,875	5,278	283	1,360	9,715	6.7	35.0
1968	60,168	35,390	6,455	4,087	7,214	5,000	325	1,697	12,901	7.1	35.1
1969	68,146	40,847	7,829	4,334	7,883	4,923	426	1,904	14,993	7.3	37.5
1970	77,130	45,246	9,649	4,568	8,952	5,876	582	2,259	16,363	7.8	40.0
1971	92,348	53,903	12,990	4,909	10,331	6,597	872	2,746	18,527	8.8	44.8
1972	105,870	61,248	16,291	5,865	11,405	6,721	1,183	3,155	21,608	9.2	47.2
1973	122,154	72,249	18,061	6,286	12,903	7,360	1,750	3,546	23,853	9.5	50.3
1974	136,724	82,832	20,388	6,677	13,874	7,042	2,009	3,902	27,032	9.7	52.1
1975	166,795	99,715	27,186	7,890	16,570	8,629	2,541	4,264	33,469	11.0	53.6
1976	196,530	119,600	32,527	9,079	18,796	9,023	2,906	4,598	39,464	11.6	56.8
1977	217,640	134,745	35,399	9,419	18,861	9,741	4,006	5,470	45,618	11.3	56.1
1978	239,049	147,365	40,013	10,724	19,210	10,901	4,887	5,949	52,023	11.0	55.1
1979	262,921	163,879	43,722	11,282	20,412	12,108	5,069	6,449	58,580	10.7	54.7

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, fiscal years, 1965–89¹—Continued

[Amounts in millions]

Fiscal year	Program								Total health care spending ⁴	Total social welfare as a percent of—	
	Total ²	Social insurance	Public aid	Health and medical care	Veterans' programs	Education	Housing	Other social welfare ³		Gross national product	Government expenditures for all purposes ⁵
Federal expenditures—continued											
1980	\$302,438	\$191,162	\$48,666	\$12,840	\$21,254	\$13,452	\$6,278	\$8,786	\$68,939	11.3	54.2
1981	345,614	224,574	55,946	13,837	23,229	13,372	7,351	7,304	80,746	11.6	54.2
1982	369,223	250,551	52,485	14,883	24,463	11,917	8,424	6,500	91,060	11.8	52.8
1983	401,126	274,315	56,709	15,153	25,561	12,399	9,960	7,028	99,833	12.1	52.9
1984	419,806	288,743	58,480	16,029	25,970	13,010	10,226	7,349	108,199	11.4	50.6
1985	449,297	310,175	61,985	18,029	26,704	13,796	11,059	7,548	122,139	11.4	48.6
1986	471,177	326,016	65,722	19,433	27,072	15,022	10,090	7,822	130,664	11.3	48.4
1987	496,234	342,933	69,233	20,806	27,641	16,062	11,044	8,504	141,220	11.2	50.0
1988	525,225	360,265	74,137	22,894	28,845	16,966	14,006	8,111	149,315	11.0	49.3
1989	563,191	387,290	79,852	24,215	29,638	18,520	15,184	8,492	166,087	11.0	49.3
State and local expenditures											
1965	\$39,493	\$6,316	\$2,670	\$3,495	\$20	\$25,638	\$80	\$1,254	\$4,942	5.9	61.7
1966	42,560	6,271	2,935	3,730	21	28,245	84	1,274	5,387	5.8	60.0
1967	46,291	6,794	3,567	3,795	23	30,529	95	1,489	5,837	5.8	57.8
1968	53,385	7,350	4,636	4,085	32	35,589	102	1,589	6,830	6.3	60.0
1969	58,824	7,925	5,610	4,494	51	38,750	107	1,888	7,737	6.3	58.8
1970	68,425	9,446	6,839	5,038	126	44,970	120	1,886	8,698	6.9	57.9
1971	78,910	12,466	8,272	5,528	125	50,107	175	2,237	9,598	7.5	59.3
1972	84,446	13,561	9,787	5,959	117	52,664	149	2,209	10,807	7.4	60.4
1973	91,140	13,917	10,630	6,513	123	57,374	430	2,152	12,152	7.1	59.3
1974	101,918	16,169	11,133	7,521	239	63,492	545	2,819	13,736	7.2	58.1
1975	122,289	23,298	14,171	8,852	449	72,205	631	2,683	17,932	8.0	61.6
1976	134,847	26,103	16,259	9,277	162	78,706	465	3,874	19,030	7.9	63.2
1977	142,418	26,139	18,012	10,022	154	84,137	353	3,602	21,388	7.4	63.2
1978	154,401	27,725	19,457	11,477	174	90,617	337	4,614	24,317	7.1	63.2
1979	166,561	30,408	21,000	12,758	190	97,154	424	4,628	27,439	6.8	62.1
1980	189,548	38,592	23,309	14,423	212	107,597	601	4,813	31,320	7.1	62.9
1981	207,352	42,821	26,816	15,399	212	116,736	688	4,679	34,941	6.9	62.3
1982	230,931	52,063	28,772	17,745	245	126,172	778	5,154	39,623	7.4	61.1
1983	247,114	56,846	30,789	18,781	241	134,016	1,003	5,438	42,401	7.4	61.0
1984	256,947	52,378	33,180	19,653	305	144,179	1,304	5,946	45,572	7.0	59.9
1985	281,777	59,420	35,200	21,024	338	158,253	1,540	6,004	49,413	7.1	60.2
1986	309,325	64,754	37,223	24,512	373	174,253	1,872	6,338	55,417	7.4	60.7
1987	336,813	69,941	41,789	27,283	410	188,487	2,129	6,773	62,724	7.6	60.0
1988	360,948	73,783	44,358	30,064	409	202,416	2,550	7,368	68,828	7.5	59.7
1989	392,676	80,765	47,623	32,651	466	220,111	2,943	8,117	75,559	7.7	60.2

¹Revised data for years 1965–88.

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

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

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

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