

Notes and Brief Reports

Assistance Expenditures Per Inhabitant, 1952-53*

In the fiscal year 1952-53, expenditures per inhabitant for the five public assistance programs combined amounted to \$16.17—an increase of 66 cents or 4.3 percent from the amount spent in 1951-52. The most substantial increase (44 cents) was for old-age assistance (table 1), but aid to the

permanently and totally disabled had proportionately the greatest increase (31.9 percent).

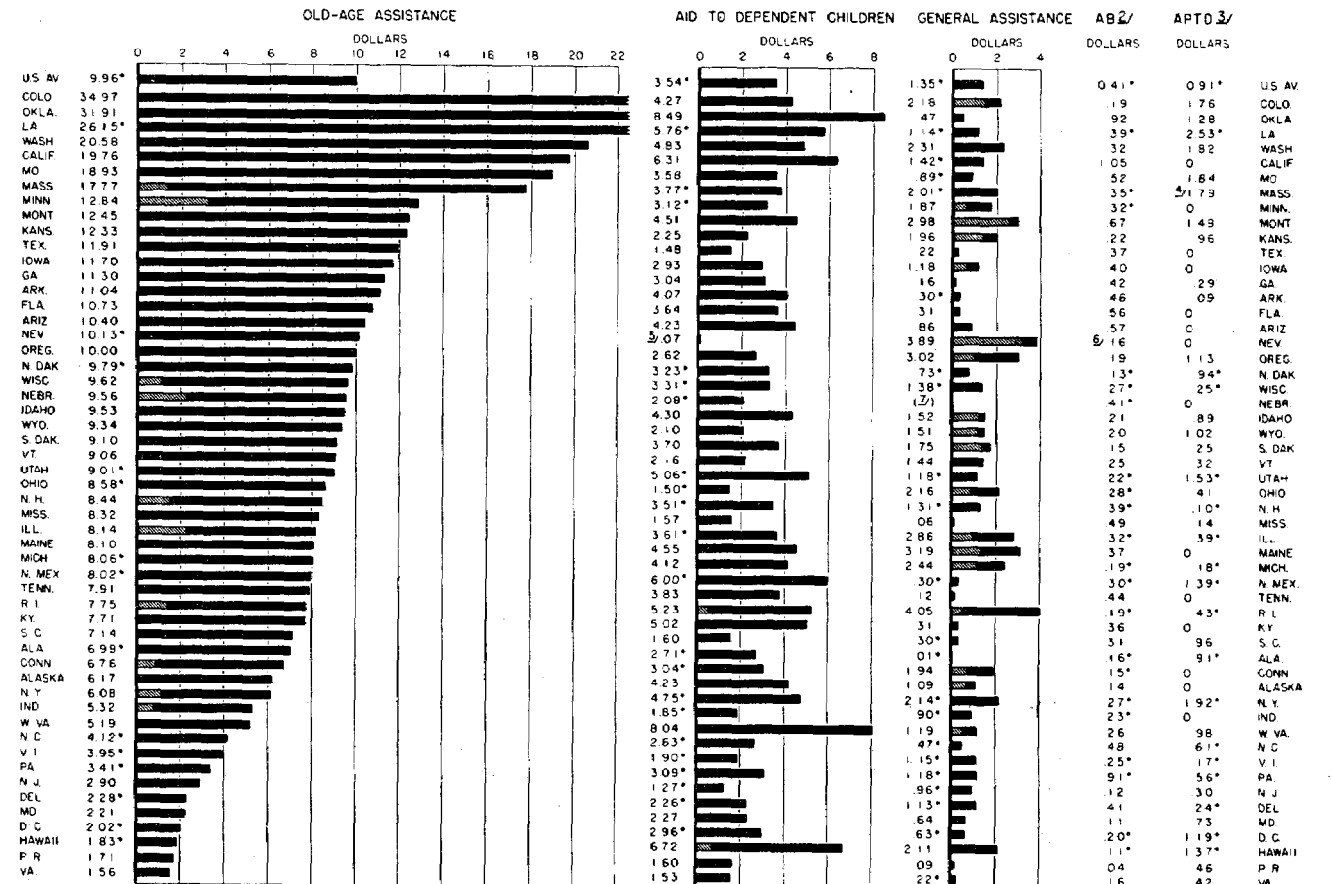
Federal, State, and local governments spent a total of \$2,524 million for the assistance programs, a rise of \$131 million or 5.5 percent from the expenditures for the previous fiscal year. Federal funds in 1952-53 were larger by \$144 million, primarily as a result of the 1952 amendments to the Social Security Act. The amendments, which became effective October 1, 1952, raised maximums on the amounts of individual assistance payments in which the Federal Government participates and increased the Federal share of the payments within the new maximums. The States and localities, as a group, maintained their

outlays for assistance at about the same level in 1952-53 as in the previous year. State funds for public assistance for the Nation as a whole decreased \$11 million, or 1.1 percent, and expenditures from local funds dropped \$2 million or only 0.7 percent. Some of the States, of course, spent considerably smaller sums from their own funds than in 1951-52, while others increased State and local expenditures.

With the additional Federal funds provided in a period of generally declining caseloads in old-age assistance, aid to dependent children, and general assistance, the States were able to meet need more nearly adequately. Most States with maximums on assistance payments raised them; some States that had been making percentage reductions in assistance payments because of inadequate funds eliminated the cuts or restored part of

* Prepared in the Division of Program Statistics and Analysis, Bureau of Public Assistance. Fiscal-year data on expenditures per inhabitant are carried regularly in the *Bulletin*; analysis of the 1951-52 data appeared in the May 1953 issue. State and local expenditures for assistance in relation to income payments will be shown in an early issue.

Amount expended per inhabitant¹ for assistance payments, including vendor payments for medical care, 1951-5



1/ BASED ON TOTAL POPULATION ESTIMATED BY BUREAU OF THE CENSUS AS OF JULY 1, 1952. EXCLUDES ARMED FORCES OVERSEAS. 2/ AID TO THE BLIND. 3/ AID TO THE PERMANENTLY AND TOTALLY DISABLED. 4/ VENDOR PAYMENTS FOR MEDICAL CARE OF 71 CENTS PER INHABITANT. 5/ PROGRAM ADMINISTERED UNDER STATE LAW WITHOUT FEDERAL PARTICIPATION. 6/ APPROVED BY THE SOCIAL SECURITY ADMINISTRATION TO RECEIVE FEDERAL PARTICIPATION BEGINNING MAY 1, 1953. 7/ DATA NOT AVAILABLE. 8/ TOTAL PAYMENTS. 9/ VENDOR PAYMENTS FOR MEDICAL CARE. * VENDOR PAYMENTS FOR MEDICAL CARE OF LESS THAN 50 CENTS PER INHABITANT.

Table 3.—States with increases in total expenditures per inhabitant for the special types of public assistance, by change in amount of State and local funds, 1952-53 from 1951-52¹

Program	Change in State and local funds	
	Increase	Decrease or no change
All programs.....	Ariz., Ark., Colo., Del., D.C., Ga., Ill., Iowa, Kans., Ky., Miss., Mo., Mont., N.J., N.Mex., N.C., N.Dak., Ohio, Okla., Oreg., R.I., S.C., Tex., W.Va., Wis.	Ala., Fla., Hawaii, La., Md., Mass., Minn., S.Dak., Tenn., Vt., Va., Wash.
Old-age assistance.....	Ariz., Ark., Colo., Del., Ga., Ill., Kans., Miss., Mo., Mont., N.J., N.Mex., Okla., R.I., S.C., Tenn., Tex., W.Va., Wis.	Ala., D.C., ² Fla., Hawaii, ² Idaho, ² Iowa, ² La., ² Mass., ² Minn., N.H., N.Y., N.C., ² N.Dak., ² Oreg., ² Utah, ² Vt., Va.
Aid to dependent children.....	Ariz., Ark., Hawaii, Iowa, Ky., Miss., Mont., N.Mex., N.Dak., Okla., R.I., S.Dak., Tex., Vt., Wash., W.Va.	Ala., Del., ² Fla., Ill., Maine, Md., Mo., N.J., ² N.C., Ohio, S.C., Tenn., Va. ²
Aid to the blind.....	Alaska, Ark., Calif., Conn., Del., Fla., Ga., Ill., Iowa, Kans., Mass., Mich., Minn., Miss., Mont., Nev., N.J., N.Y., Okla., Pa., R.I., S.C., Tenn., Tex., W.Va.	Ala., Ky., ² La., ² Mo., N.H., N.C., N.Dak., Ohio, Wash. ²
Aid to the permanently and totally disabled. ³	Ala., Colo., Del., D.C., Hawaii, Idaho, Ill., Kans., Md., Mich., Miss., Mo., Mont., N.J., N.Mex., N.Y., N.C., N.Dak., Ohio, Okla., Oreg., R.I., S.C., S.Dak., Utah, Vt., Va., Wash., W.Va., Wis.	La., Pa.

¹ Excludes Puerto Rico and the Virgin Islands, which were not affected by the 1952 amendments, and Nevada for aid to dependent children, which is administered under State law without Federal participation.

² No significant change in State and local funds.

³ Excludes Arkansas, Georgia, Massachusetts, and New Hampshire, which initiated programs after June 30, 1951.

average payments to the fullest possible extent.

Thirty-nine of the 53 States had larger outlays for public assistance per inhabitant in 1952-53 than in 1951-52 (table 2). In 12 of these States,¹ State and local expenditures declined from 1951-52 to 1952-53, and the increase in total expenditures per inhabitant was due entirely to the additional Federal money. Of the remaining 27 States with increases in total expenditures per inhabitant, 13² reported rises of more than 10 percent. Arkansas, Mississippi, Oklahoma, Puerto Rico, and West Virginia had increases of more than 25 percent.

In 14 States³ expenditures per inhabitant declined—in Alaska and

Connecticut by more than 10 percent—despite the increases in Federal funds. All these States except Alaska spent less from State and local funds for the five programs combined in 1952-53 than in 1951-52. Each of them spent less from their own funds for the special types of public assistance, and seven also spent less for general assistance. Twelve of the 14 States had fewer recipients on the rolls at the end of the fiscal year than at the beginning.

Program Expenditures

Expenditures for the four special types of public assistance amounted to \$2,312 million, or 91.6 percent of total assistance expenditures. For old-age assistance, costs totaled \$1,581 million or 62.6 percent of the total; for aid to dependent children, \$562 million or 22.3 percent; for aid to the blind, \$64 million or 2.5 percent; for aid to the permanently and totally disabled, \$104 million or 4.1 percent; and for general assistance, \$212 million or 8.4 percent.

As in earlier years, the national average of assistance expenditures per

inhabitant in 1952-53 was heavily influenced by expenditures in a few States with relatively large public assistance costs. Fewer than a third of the States spent more per inhabitant for all five programs combined than the national average of \$16.17; the median State—Wisconsin—spent \$14.83 per inhabitant. The three States with the highest per inhabitant expenditures were Colorado (\$43.37), Oklahoma (\$43.07), and Louisiana (\$35.97). These States, and the other States with high expenditures per inhabitant, give aid to relatively large proportions of their populations, particularly among the aged, and also make above-average payments. Thirty-seven States (including Alaska, Hawaii, Puerto Rico, and the Virgin Islands) had expenditures less than the national average; 27 of these States had per capita expenditures ranging between the national average and \$10.00, and the remaining 10 States less than \$10.00. The States making the lowest expenditures generally aided a smaller proportion of their populations or made comparatively low payments, or both.

Within each assistance program, expenditures per inhabitant varied considerably among the States. For old-age assistance, Colorado's high of \$34.97 was 22 times greater than Virginia's low of \$1.56. The national average was \$9.96, somewhat higher than the \$8.58 spent by Ohio, the median State. For aid to dependent children, more than half the States spent more per inhabitant than the national average of \$3.54. Expenditures per inhabitant in the 52 States receiving Federal funds ranged from the high of \$8.49 in Oklahoma to the low of \$1.27 in New Jersey. The national average of 41 cents for aid to the blind was the smallest expenditure in any of the five assistance programs; California had the highest expenditure per inhabitant (\$1.05) and Puerto Rico the lowest (4 cents). For aid to the permanently and totally disabled, the expenditures per inhabitant amounted to 91 cents for the country as a whole; among the 39 federally aided programs, costs per inhabitant ranged from Louisiana's high of \$2.53 to a low of 9 cents for Arkansas. Thirty-five of the 39 programs have been in operation for the

last two fiscal years; three States⁴ started operations some time after July 1, 1951, and one State—Georgia—at the beginning of 1952-53.

The range in general assistance costs continued to be the widest of the five assistance programs. The cost per inhabitant in Rhode Island (\$4.05) was more than 400 times that in Alabama (1 cent) and almost 70 times that in Mississippi (6 cents). The distribution of States by size of per inhabitant expenditures for each of the assistance programs for the fiscal year 1952-53 is shown below.

Expenditures per inhabitant ¹	OAA	ADC	AB	APTD	GA
Less than \$0.50.	0	1	46	16	14
0.50-0.99	0	0	6	9	7
1.00-1.49	0	2	1	7	12
1.50-1.99	3	7	0	6	6
2.00-2.99	4	11	0	1	9
3.00-3.99	2	13	0	0	3
4.00-4.99	1	10	0	0	1
5.00-7.49	7	7	0	0	0
7.50-9.99	18	2	0	0	0
10.00-14.99	11	0	0	0	0
15 or more	7	0	0	0	0

¹ Based on population data from the Bureau of the Census; excludes Armed Forces overseas.

Most of the increases from 1951-52 to 1952-53 in expenditures per inhabitant for old-age assistance, aid to dependent children, and aid to the blind were due to the additional Federal money made available under the 1952 amendments. For aid to the permanently and totally disabled, however, 30 of the States expended more money from State and local as well as from Federal sources. In a few of the States that spent less State and local money in 1952-53, the decline was due primarily to the fact that they aided fewer recipients than in the preceding year. From September 1952 to June 1953, four States (Alabama, the District of Columbia, Kentucky, and New Hampshire) raised average payments for old-age assistance, and three States (Georgia, Oregon, and Tennessee) raised the averages for aid to dependent children by the full amount possible with the additional Federal money. Their expenditures from State and local funds, however, declined because of the relatively large drop in number of recipients. For the other States in this

⁴ Arkansas, Massachusetts, and New Hampshire.

Table 4.—States with no change or decrease in total expenditures per inhabitant for the special types of public assistance, by change in amount of State and local funds, 1952-53 from 1951-52¹

Program	Change in State and local funds	
	Increase	Decrease or no change
All programs		Alaska, Calif., Conn., Idaho, Ind., Maine, Mich., Nebr., Nev., N.H., N.Y., Pa., Utah, Wyo.
Old-age assistance		Alaska, Calif., Conn., Ind., Ky., Maine, Md., Mich., Nebr., Nev., Ohio, Pa., S.Dak., Wash., Wyo.
Aid to dependent children	Alaska	Calif., Colo., Conn., D.C., Ga., Idaho, Ind., Kans., La., Mass., Mich., Minn., Nebr., N.H., N.Y., Oreg., Pa., Utah, Wis., Wyo.
Aid to the blind	Md., ² Utah, ² Hawaii ^{2,3}	Ariz., Colo., ² D.C., ² Idaho, Ind., ² Maine, ² Nebr., ² N.Mex., ² Oreg., ² S.Dak., ² Vt., ² Va., ² Wis., ² Wyo.
Aid to the permanently and totally disabled		Wyo.

¹ Excludes Puerto Rico and the Virgin Islands, which were not affected by the 1952 amendments, and Nevada for aid to dependent children, which is

administered under State law without Federal participation.

² No change in total expenditures per inhabitant.

³ No significant change in State and local funds.

group, expenditures were smaller not only because, in most instances, case-loads were declining but also because the additional Federal money replaced some State and local funds formerly used for the programs. Tables 3 and 4 show, for the four special types of public assistance, the change in expenditures for State and local funds underlying the changes in total outlay per inhabitant from 1951-52 to 1952-53.

Vendor Payments for Medical Care

During the year, vendor payments for medical care amounted to \$154.4 million, or 6.1 percent of total assistance expenditures. General assistance funds continued to be an important source for financing vendor payments. Expenditures from these funds took care of about a third of all vendor payments, though they represented only a tenth of total assistance expenditures in all programs combined. At least a fifth of the vendor payments from general assistance funds were made on behalf of recipients of the special types of public assistance; the exact proportion remains in doubt because some general assistance expenditures for vendor payments—about 30 percent of the total—cannot be allocated by program.

Twenty-three of the 41 States using vendor payments for remedial or medical care met at least half the

costs with general assistance funds; the remaining 18 States used funds from the special types of public assistance to defray most of the vendor payment expenditures. Twelve States made no vendor payments from any assistance funds, but money for medical care may have been provided directly to the recipient as part of his assistance payment. In three of these States medical care was provided largely by the State health agency. A distribution of States by amount of vendor payment for medical care per inhabitant is shown below.

Expenditures per inhabitant for vendor payments for medical care	OAA	ADC	AB	APTD	GA
Total number of States	53	53	53	39	52
No vendor payments	29	30	32	21	13
Vendor payments—					
Less than \$0.50	24	23	21	18	39
0.50-0.99	14	21	21	17	21
1.00-1.49	2	2	0	1	9
1.50-1.99	4	0	0	0	6
2.00 or more	1	0	0	0	1
	3	0	0	0	2

For the country as a whole, vendor payments for medical care for all programs combined amounted to 97 cents per inhabitant in 1952-53 and to 78 cents in 1951-52. Costs were small in all the programs, amounting to 47 cents per inhabitant for old-age as-

sistance, 33 cents for general assistance, 9 cents for aid to dependent children, 7 cents for aid to the permanently and totally disabled, and 1 cent for aid to the blind. To meet the cost of vendor payments, old-age assistance funds were used by 24 States, aid to dependent children funds by 23 States, aid to the blind by 21 States, aid to the permanently and totally disabled by 18 States, and general assistance by 39 States.

Old-Age Benefits, January-June 1953

Benefits awarded.—During the first half of 1953, old-age benefits were awarded to 428,900 persons—more than double the number to whom awards were made in the first 6 months of 1952 and almost equal to the record number awarded in the first 6 months of 1951. Less than the normal number of awards were made in January-June 1952, however; many workers deferred filing applications for benefits until after June 1952 in order to acquire 6 quarters of coverage after 1950 and thus qualify for higher monthly benefit amounts through use of the new-start formula. The number awarded in the first half of 1953 was swelled by many awards

Table 2.—Number and percentage distribution of old-age benefits awarded in January-June 1953, by computation method, amount of benefit, and sex of beneficiary

[Based partly on 10-percent sample]

Amount of monthly benefit	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total.....	428,903	100	309,347	100	119,556	100
\$25.00.....	57,453	13	28,552	9	28,901	24
25.10-34.90.....	41,836	10	21,494	7	20,342	17
35.00-44.90.....	34,087	8	20,788	7	13,299	11
45.00-54.90.....	38,013	9	25,345	8	12,668	11
55.00-64.90.....	84,745	20	58,740	19	26,005	22
65.00-74.90.....	63,724	15	52,623	17	11,101	9
75.00-84.90.....	50,611	12	46,269	15	4,342	4
85.00.....	58,434	14	55,536	18	2,898	2
New-start formula.....	301,824	100	225,244	100	76,580	100
\$25.00.....	8,676	3	2,810	1	5,866	8
25.10-34.90.....	28,009	9	13,328	6	14,681	19
35.00-44.90.....	18,362	6	10,046	4	8,316	11
45.00-54.90.....	18,710	6	11,220	5	7,490	10
55.00-64.90.....	66,476	22	43,807	19	22,669	30
65.00-74.90.....	53,323	18	42,995	19	10,328	13
75.00-84.90.....	49,834	17	45,502	20	4,332	6
85.00.....	58,434	19	55,536	25	2,898	4
Conversion table.....	127,079	100	84,103	100	42,976	100
\$25.00.....	48,777	38	25,742	31	23,035	54
25.10-34.90.....	13,827	11	8,166	10	5,661	13
35.00-44.90.....	15,725	12	10,712	13	4,983	12
45.00-54.90.....	19,303	15	14,125	17	5,178	12
55.00-64.90.....	18,269	14	14,933	18	3,336	8
65.00-74.90.....	10,401	8	9,628	11	773	2
75.00-77.10.....	777	1	767	1	10	(¹)

¹ Less than 0.5 percent.

to self-employed persons who, after January 1, 1953, could for the first time become entitled to full-rate benefits based solely on self-employment income. Another reason for the

larger number of awards in 1953 is the growth in insured population as a result of the extension of coverage provided by the 1950 amendments.

About 70 percent of the old-age benefits awarded in January-June 1953 were computed under the new-start formula—that is, they were based on earnings after 1950, and the new benefit formula was used to determine the amount (table 1). The benefits for the remaining 30 percent of the persons were determined by applying the 1939 formula to earnings after 1936 and increasing the result through use of the conversion table. Awards to women represented one-fourth of the benefits computed under the new-start formula and one-third of the benefits determined by use of the conversion table.

Insured persons who upon reaching age 65 are disabled, retired, or unable to obtain employment or who are currently working in noncovered employment usually file applications for benefits immediately. Such persons are unlikely to have enough quarters of coverage after 1950 to qualify for a benefit computation under the new-start formula. Old-age

Table 1.—Number, percentage distribution, and average monthly amount of old-age benefits awarded in January-June 1953, by computation method, age, and sex of beneficiary

[Based partly on 10-percent sample]

Age ¹	Total			Male			Female		
	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount
Total.....	428,903	100	\$56.91	309,347	100	\$61.57	119,556	100	\$44.85
65-66.....	178,165	42	54.86	123,080	40	60.45	55,085	46	42.35
67-69.....	105,848	25	60.34	77,726	25	64.76	28,122	24	48.13
70-74.....	85,287	20	57.08	62,531	20	61.21	22,756	19	45.74
75-79.....	46,680	11	57.80	36,049	12	61.05	10,631	9	46.76
80 and over.....	12,923	3	52.70	9,961	3	54.58	2,962	2	46.35
New-start formula.....	301,824	100	\$63.99	225,244	100	\$68.38	76,580	100	\$51.08
65-66.....	90,597	30	67.65	67,475	30	72.47	23,122	30	53.56
67-69.....	85,485	28	65.67	63,393	28	70.30	22,092	29	52.37
70-74.....	72,146	24	61.02	52,949	24	65.59	19,197	25	48.42
75-79.....	41,865	14	60.31	32,359	14	63.85	9,506	12	48.26
80 and over.....	11,731	4	54.98	9,068	4	56.99	2,663	3	48.13
Conversion table.....	127,079	100	\$40.08	84,103	100	\$43.32	42,976	100	\$33.74
65-66.....	87,568	69	41.62	55,605	66	45.86	31,963	74	34.25
67-69.....	20,363	16	37.98	14,333	17	40.24	6,030	14	32.61
70-74.....	13,141	10	35.44	9,582	11	36.98	3,559	8	31.29
75-79.....	4,815	4	35.95	3,690	4	36.53	1,125	3	34.08
80 and over.....	1,192	1	30.26	893	1	30.18	299	1	30.47

¹ Age on birthday in 1953.