

and filed for benefits as soon as they reached retirement age.

Average monthly benefit.—The average old-age benefit awarded in January–June 1956 was \$69.99, nearly a dollar less than the average in the first half of 1955. The 1955 period included many awards—at a high benefit level—to persons who were working full time and who filed because of the liberalization in the retirement test under the 1954 amendments. The 1956 decrease in the average benefit awarded resulted in spite of (1) an increasing proportion of beneficiaries eligible for the dropout and (2) inclusion, to a larger extent, of earnings under the \$4,200 wage base. The average monthly amount awarded on the basis of earnings after 1950 to persons eligible for the dropout was \$77.86 (for men, \$83.47; for women, \$63.90) (table 4).

Distribution by size of benefit.—Minimum benefits of \$30 were payable in 14 percent of the awards made during the first 6 months of 1956, and benefits of \$90 or more were payable in 30 percent of the cases (table 5). For beneficiaries who were eligible for the dropout and whose benefits were based on earnings after 1950, about 40 percent were payable at a rate of \$90 or more (for men, 52 percent; for women, 12 percent) (table 6). About half the benefits in this range were more than \$100; virtually all of these were \$103.50, based on 1 year's earnings of \$3,600 and 1 year's earnings of \$4,200. For more than half the beneficiaries not eligible for the dropout, minimum benefits of \$30 were payable.

Benefits in Current-Payment Status

The growth in the proportion of persons receiving old-age benefits based on earnings after 1950 is indicated in table 7; by June 1956 this group represented 46 percent of all old-age beneficiaries. The average amount payable to all old-age beneficiaries has gone up continuously—from \$58.75 in September 1954 (when the benefit amounts were raised) to \$62.76 in June 1956—as the proportion of benefits based on earnings after 1950 has increased. The growing proportion of beneficiaries eligi-

ble for the dropout also contributed to the increase.

Proposed Social Security Budget, 1957–58

On January 16, 1957, President Eisenhower submitted to Congress the Budget of the United States Government for the fiscal year ending June 30, 1958. Of the \$71.8 billion proposed for new authorizations, \$45.3 billion is for major national security and related programs. This amount makes up 63.1 percent of the total and is within 1 percent of the proportion budgeted for the 2 previous fiscal years.

Estimated expenditures¹ for the Social Security Administration amount to \$1,730 million for 1957–58, not including the operations of the Bureau of Old-Age and Survivors Insurance and the Bureau of Federal Credit Unions, which are not included in Federal administrative budget totals. Table 1 shows the allocation of this sum within the Social Security Administration. Appropriation requests

¹ Estimated expenditure data in the Budget reflect the sums to be paid out by the Treasury in a given fiscal year rather than the total amount expended in the operation of any program for that year.

are included for all the programs that are now in operation or for which legislative authority has already been granted. The Budget envisions initiation of no new programs under proposed legislation; it does anticipate supplemental appropriations totaling more than \$277 million in the second half of 1956–57.

Total social security expenditures estimated for 1957–58 are \$104 million more than the \$1,626 million (including supplemental appropriations) estimated for 1956–57. They top the 1955–56 actual expenditures of \$1,492 million by \$238 million. The largest part of the increase is in the amounts requested for grants to the States for the four categorical public assistance programs. The 1956 amendments to the Social Security Act will be fully effective on these grant programs for the first time in 1957–58. President Eisenhower said in his Budget Message: "The social security amendments enacted in 1956 raised Federal matching funds for State public assistance to people whose needs are not met by social security insurance, and provided new grants for medical care. Largely as a result of the 1956 amendments, Federal grants for public assistance are estimated to increase \$100 million to a total of \$1.7 billion in the fiscal year 1958." The President pointed out that State

Table 1.—Expenditures for the Social Security Administration from general funds, fiscal years 1955–56, 1956–57, and 1957–58

[In thousands]

Bureau and item	Actual, 1955-56	Estimated	
		1956-57	1957-58
Total, including supplemental appropriations under existing legislation.....	\$1,492,491	\$1,625,685	\$1,730,101
Total, excluding supplemental appropriations.....	1,492,491	1,348,639	1,730,092
Bureau of Public Assistance.....	1,456,901	1,584,296	1,684,093
Grants to States for public assistance.....	1,455,275	1,582,534	1,679,400
Annual appropriation.....	1,455,275	1,305,534	1,679,400
Supplemental appropriation.....	.....	277,000	.....
Grants to States for training public welfare personnel.....	.....	.....	2,500
Salaries and expenses.....	1,626	1,762	2,193
Annual appropriation.....	1,626	1,734	2,186
Supplemental appropriation.....	.....	28	7
Children's Bureau.....	35,402	41,168	43,633
Grants to States for maternal and child health and welfare.....	33,623	39,361	41,500
Salaries and expenses.....	1,779	1,807	2,133
Office of the Commissioner.....	188	221	2,375
Cooperative research or demonstration projects in social security.....	.....	18	2,072
Annual appropriation.....	.....	.....	2,070
Supplemental appropriation.....	.....	18	2
Salaries and expenses ¹	188	203	303

¹ Includes reimbursement from the old-age and survivors insurance trust fund and, in 1956–57 and 1957–58, also from the disability insurance trust fund.

Source: *The Budget of the U. S. Government for the Fiscal Year Ending June 30, 1958.*

agencies will make assistance payments to a monthly average of 5 million persons in 1958, "including 2.5 million on the old-age assistance rolls which are declining as social insurance benefits cover more people."

The additional cost in 1957-58 of the 1956 amendments to the public assistance titles of the Act is distributed as follows:

[In millions]	
Total	\$72.0
Increase in Federal share of assistance payments, effective Oct. 1, 1956 ¹	11.8
Separate matching for vendor payments for medical and remedial care, effective July 1, 1957.....	58.0
In aid to dependent children, extension of list of relatives with whom needy children may live, and deletion of the school-attendance requirement for children aged 16-18, effective July 1, 1957.....	2.2

¹ For 4 quarters in 1957-58 compared with 3 quarters in 1956-57; cost for additional quarter is partly offset by the fact that the change in the formula applies to both money payments to recipients and vendor payments for medical care in 1956-57 and to only money payments in 1957-58, when the separate provision for medical care will be effective.

Source: *The Budget of the U. S. Government for the Fiscal Year Ending June 30, 1958*, page 680.

A supplemental appropriation of \$35,000 for salaries and expenses for the Bureau of Public Assistance in 1956-57 is also requested in connection with work needed to implement the 1956 amendments. Part of this supplemental appropriation is expected to be expended in 1957-58.

The remainder (\$30 million) of the public assistance increase for 1957-58 is requested to cover the cost of other program changes, including the increases in average monthly payments that would occur regardless of the 1956 amendments and a rise in the number of recipients in all programs but old-age assistance. The total of \$1,679 million requested for public assistance grants is \$17 million less than the estimated Federal share of public assistance payments in 1957-58 because the States will have available that amount from the Federal share of collections and adjustments for earlier years.

Two grant programs in the 1957-58 budget are "new" to the extent that Congress had made no appropri-

ation for them before although the legislative authority for both was provided in 1956. For 1957-58, \$2½ million is requested for grants to the States for training public welfare personnel, and more than \$2 million is requested for cooperative research or demonstration projects in social security. In the 1956-57 budget, \$500,000 was requested for research or demonstration projects to be transmitted later under proposed legislation; although the law was enacted no funds were appropriated to implement it. The present budget also requests \$20,000 before the end of 1956-57 to start the program.

Grants to the States and localities for public assistance and the three Children's Bureau programs amount to \$1,723 million or 99.6 percent of the total social security budget for 1957-58. The remaining 0.4 percent, \$7 million, consists of the salaries and operating expenses of the Bureau of Public Assistance, the Children's Bureau, and the Office of the Commissioner of Social Security and the cost of the requested cooperative research or demonstration projects.

Recent Publications *

General

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Intergovernmental relations as observed in Minnesota; the emphasis is on fiscal problems.

ARONSON, ALBERT H. "Merit System in Grant-in-Aid Programs." *Public Personnel Review*, Chicago, Vol. 17, Oct. 1956, pp. 231-237. \$2.

* Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

BACKMAN, JULES. "High Costs of Liberalizing SUB Plans." *Harvard Business Review*, Boston, Vol. 34, Nov.-Dec. 1956, pp. 69-75. \$2.

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NEW YORK STATE JOINT LEGISLATIVE COMMITTEE ON UNEMPLOYMENT INSURANCE. *Report . . .* (Legislative Document (1956) No. 50.) Albany: Williams Press, Inc., 1956. 47 pp.

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