
Social Security Beneficiaries Enrolled in the Direct Deposit Program, December 1983

by Joseph Bondar*

In 1975, Social Security beneficiaries were given the option of having their monthly benefit payments sent directly to their banks through an electronic funds transfer system. Since then, beneficiaries have been enrolling in this program in rapidly increasing numbers. At the end of 1976, fewer than 5 million beneficiaries—14 percent of the total—were enrolled in the program. By the end of 1983, the number of direct depositors had risen to nearly 14 million—or 2 of every 5 beneficiaries. This article gives an overview of the direct deposit program and the events that led to the initiation of the electronic funds transfer system. Detailed data on the demographic characteristics of those using the program are also presented.

Each month, nearly 14 million Social Security beneficiaries have a total of \$6 billion in benefit payments deposited directly into their bank accounts via an electronic funds transfer (EFT) system. The Social Security Administration (SSA) has been using the EFT system for monthly benefit payments since late 1975. Through a series of electronic financial transactions involving SSA, the Department of the Treasury, and the Federal Reserve Banks, the monthly amount is credited to the individual's bank account.¹

The transition to this modern EFT system was a gradual result of various policy decisions as well as legislation. Before November 1970, direct deposit was restricted to those individuals who specifically requested it because of extenuating circumstances. This was accomplished by the beneficiary filing a "power-of-attorney" with the bank receiving the deposit. In November 1970, the direct deposit option was extended to all beneficiaries.

On August 7, 1972, with the enactment of Public Law

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¹ For further information on the EFT system, see *Computers and Banking: Electronic Funds Transfer Systems and Public Policy*, Kent W. Colton and Kenneth L. Kraemer, editors (New York: Plenum Press, 1980), and August Bequai, *The Cashless Society: EFTs at the Crossroads* (New York: John Wiley and Sons, Inc., 1981).

92-366, the power-of-attorney requirement was eliminated, and Federal agencies were authorized to draw checks payable to a financial institution for crediting to the beneficiary's account. Under the power-of-attorney payment method in effect until that time, the check was drawn to the individual but was mailed to the bank. The legislation also permitted the issuance of composite checks in situations where a single financial institution received monthly checks for more than one beneficiary. Thus, Public Law 92-366 cleared the way for the present direct deposit program.

In November 1973, SSA and the Department of the Treasury conducted a study and issued a report recommending a comprehensive direct deposit program, preferably accomplished through an EFT system. The report concluded that direct deposit should result in improved service to beneficiaries and reduced administrative costs.²

In 1977, 2 years after implementation of the EFT program, SSA and the Department of the Treasury contracted with Temple University to have data collected for a study of direct deposit.³ The two principal objectives of the study were to determine why Social Security beneficiaries had enrolled in, had not enrolled in, or had

² Social Security Administration, Department of Health, Education, and Welfare, and Department of the Treasury, *Report on the Method of Paying Social Security Beneficiaries by Credit to Accounts in Financial Organizations*, November 1973.

³ See Operations Planning and Research Staff, Department of the Treasury, *Direct Deposit of Social Security Payments: A Beneficiary Survey*, May 1979, and Office of Program Planning and Policy, Social Security Administration, Department of Health, Education, and Welfare, *Direct Deposit of Social Security Checks*, December 1978.

cancelled enrollment in the direct deposit program, and to see if any modifications were necessary. Among the important findings of the study were the following:

- (1) Convenience was the primary reason for requesting direct deposit, followed by safety/security and physical problems involved in going to the bank.
- (2) The major reasons for beneficiary withdrawal from the program were change of address, dissatisfaction with bank procedures, and belief that it was more convenient to receive checks directly.
- (3) The desire to see and personally handle their checks was the principal reason given by beneficiaries for not electing the option.
- (4) A considerable percentage of beneficiaries was unaware that direct deposit was available.
- (5) The more educated the beneficiary, the more likely he or she was to elect direct deposit.

The Temple University study concentrated on why beneficiaries chose to use or not use direct deposit and explored possible changes to be made in the existing program. This article provides insight into who among the beneficiaries has opted to participate in the direct deposit program, identifying the depositors by such demographic characteristics as age, race, sex, and area of residence.

General Characteristics

At the end of December 1983, 13.8 million Social Security beneficiaries—38.2 percent of the beneficiary population—were using the direct deposit option (table 1). Seven years earlier, only 4.7 million beneficiaries (14.3 percent of all beneficiaries) had been using the op-

tion. During that same 1976–83 period, the monthly amount of direct deposit payments rose from \$1.1 billion to \$6.0 billion.

Among all beneficiary groups, more retired workers (43 percent) than any other group were enrolled in the direct deposit program. The next highest proportion was found among aged widows, widowers, and parents (41 percent), followed by spouses of retired workers (36 percent). The high participation rate of these groups can be attributed to their ages rather than to the type of benefit received. As indicated in table 2, older beneficiaries are generally more likely than younger beneficiaries to enroll in the program. At age 80, however, the percentage declines.

Although the proportion of minority beneficiaries using direct deposit has increased substantially since 1978, minorities continue to be direct depositors less frequently. At the end of 1978, 9 percent of black beneficiaries were using direct deposit, compared with 25 percent of white beneficiaries.⁴ In December 1983, 17 percent of black beneficiaries were enrolled, compared with 41 percent of white beneficiaries.

As the Social Security benefit amount increases, the percentage of direct depositors increases; but white beneficiaries participate in larger proportions at every benefit level than do blacks. This pattern holds true at both the national level and when individual State data are examined.

The beneficiary's sex, in itself, was not a significant factor affecting the use of direct deposit. Generally, the proportion of women enrolled in the direct deposit program is slightly higher than that of men.

⁴ Barbara A. Lingg, *Social Security Beneficiaries Using the Direct Deposit Procedure, December 1978* (Research and Statistics Note No. 3), Social Security Administration, 1980, page 2.

Table 1.—Number and percent of beneficiaries using direct deposit, by type of beneficiary, 1976–83

Type of beneficiary	December 1976		December 1978		December 1980		December 1982 ¹		December 1983 ¹	
	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent
Total	4,716,111	14.3	7,947,425	23.0	10,393,684	29.2	12,602,920	35.2	13,757,740	38.2
Retired workers and dependents	3,374,514	16.3	5,617,632	25.5	7,429,390	32.0	9,284,770	38.2	10,281,110	41.3
Retired workers	2,908,752	16.9	4,871,222	26.5	6,498,125	33.2	8,185,050	39.5	9,092,550	42.5
Wives and husbands	424,847	14.7	677,096	22.7	847,968	28.1	1,013,560	33.5	1,103,710	36.4
Children	40,915	6.3	69,314	10.5	83,297	13.0	86,160	15.4	84,850	16.5
Disabled workers and dependents	449,465	9.7	818,034	16.8	990,721	21.2	993,770	24.9	1,001,540	26.3
Disabled workers	325,395	12.2	597,670	20.8	735,609	25.7	773,420	29.6	794,140	31.0
Wives and husbands	37,669	7.9	69,037	14.0	80,040	17.3	72,810	19.8	63,210	20.4
Children	86,401	5.8	151,327	10.1	175,072	12.9	147,540	14.7	144,190	15.4
Survivors	875,478	11.7	1,490,166	19.6	1,952,234	25.7	2,307,020	31.1	2,459,630	34.0
Widows, widowers, and parents	605,937	15.1	1,032,043	24.4	1,394,436	31.5	1,730,170	37.6	1,903,360	40.6
Widowed mothers and fathers	54,153	9.4	93,523	16.2	115,192	20.5	120,320	23.4	100,730	25.2
Children	215,388	7.4	364,600	13.1	442,606	17.0	456,530	19.7	455,540	21.3
Special age-72	16,654	8.9	21,593	16.1	21,339	23.0	17,360	28.1	15,460	30.8

¹ Based on 10-percent sample.

Table 2.—Number and percent of beneficiaries and average monthly amount of benefits, by depositor status, age, sex, and race, December 1983

[Based on 10-percent sample]

Age, sex, and race	All beneficiaries		Direct depositors			Nondirect depositors		
	Number	Average monthly amount	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount
Total	36,018,290	\$392.86	13,757,740	38.2	\$432.53	22,260,550	61.8	\$368.34
Age								
Adults	32,392,000	410.11	13,068,250	40.3	440.20	19,323,750	59.7	389.76
Under 30.....	170,980	306.09	30,970	18.1	346.73	140,010	81.9	297.10
30-39.....	487,600	356.76	124,930	25.6	406.65	362,670	74.4	339.57
40-49.....	603,760	372.59	147,910	24.5	423.96	455,850	75.5	355.92
50-59.....	1,139,050	406.23	323,720	28.4	448.33	815,330	71.6	389.51
60-69.....	12,566,440	406.08	4,939,000	39.3	434.93	7,627,440	60.7	387.40
70-79.....	11,972,250	427.79	5,240,900	43.8	455.71	6,731,350	56.2	406.06
80 or older.....	5,451,920	393.58	2,260,820	41.5	418.78	3,191,100	58.5	375.72
Children	3,626,290	238.80	689,490	19.0	287.33	2,936,800	81.0	227.41
Under 18.....	2,794,980	238.88	541,190	19.4	295.31	2,253,790	80.6	225.33
18-21.....	319,750	209.58	46,390	14.5	199.90	273,360	85.5	211.23
22 or older.....	511,560	256.64	101,910	19.9	284.77	409,650	80.1	249.64
Sex								
Men	13,153,470	494.12	5,228,300	39.7	525.00	7,925,170	60.3	473.74
Under 30.....	74,340	364.63	12,680	17.1	404.24	61,660	82.9	356.48
30-39.....	187,660	480.81	47,640	25.4	530.77	140,020	74.6	463.82
40-49.....	255,630	503.98	64,760	25.3	553.56	190,870	74.7	487.16
50-59.....	623,100	496.38	181,930	29.2	533.68	441,170	70.8	481.00
60-69.....	5,344,690	505.16	2,125,880	39.8	534.86	3,218,810	60.2	485.54
70-79.....	4,896,720	501.56	2,092,980	42.7	531.13	2,803,740	57.3	479.49
80 or older.....	1,771,330	444.84	702,430	39.7	473.84	1,068,900	60.3	425.77
Women	19,238,530	352.67	7,839,950	40.8	383.64	11,398,580	59.2	331.38
Under 30.....	96,640	261.06	18,290	18.9	306.87	78,350	81.1	250.37
30-39.....	299,940	279.14	77,290	25.8	330.15	222,650	74.2	261.44
40-49.....	348,130	276.10	83,150	23.9	323.02	264,980	76.1	261.38
50-59.....	515,950	297.36	141,790	27.5	338.83	374,160	72.5	281.64
60-69.....	7,221,750	332.75	2,813,120	39.0	359.41	4,408,630	61.0	315.74
70-79.....	7,075,530	376.73	3,147,920	44.5	405.56	3,927,610	55.5	353.63
80 or older.....	3,680,590	368.91	1,558,390	42.3	393.96	2,122,200	57.7	350.51
Race								
White	31,966,390	402.81	13,041,010	40.8	435.65	18,925,380	59.2	380.17
Black	3,430,890	313.60	576,700	16.8	370.43	2,854,190	83.2	302.12
Other	621,010	318.87	140,030	22.5	397.96	480,980	77.5	295.85

Monthly Benefit

Direct depositors had higher average monthly benefits than nondirect depositors in all beneficiary categories. In December 1983, retired and disabled workers enrolled in the direct deposit program had average monthly benefits of \$466.65 and \$491.09, respectively. The corresponding averages for nondirect depositors were \$421.72 and \$440.26 (table 3).

As shown in table 4 and previously stated, the higher the monthly benefit, the higher the percentage of beneficiaries using the direct deposit option. Generally, the pattern holds true regardless of the type of benefit received. For example, only 29 percent of retired workers with a benefit amount of less than \$200 were enrolled in the program, compared with 50 percent of those receiving benefits of \$600 or more (table 5). Similarly, the percentage of disabled workers using direct deposit increased from 16 percent to 40 percent as the benefit rose from the less than \$200 to the \$600 or more level (table 6).

As noted earlier, generally the proportion of women

using direct deposit (41 percent) was slightly higher than that of men (40 percent). At the higher benefit levels, however, the percentage of women enrolled in the program became significantly higher: at the \$600 or more benefit level, 54 percent of the women, compared with 47 percent of the men, used direct deposit (table 4). In fact, the proportion of women enrolled at all benefit levels exceeding \$200 was substantially higher than that for men. For the total beneficiary population, however, the difference was only 1 percent. This narrow gap occurs because many more women than men are at the lower benefit levels, which have a relatively low participation rate, thus reducing the overall participation rate for women.

State of Residence

Beneficiaries residing in the Western United States used direct deposit more frequently than those in other areas. Of the 10 States with the highest participation rates, only Florida and Kansas were outside the West

Table 3.—Number and percent of beneficiaries, monthly amounts, and average monthly amount of benefit, by type of beneficiary and depositor status, December 1983

[Based on 10-percent sample]

Type of beneficiary	All beneficiaries			Direct depositors				Nondirect depositors					
	Number	Monthly amount (in thousands) ¹	Average monthly amount	Number	Percent	Monthly amount (in thousands) ¹	Percent	Average monthly amount	Number	Percent	Monthly amount (in thousands) ¹	Percent	Average monthly amount
Total	36,018,290	\$14,150,246	\$392.86	13,757,740	38.2	\$5,950,702	42.1	\$432.53	22,260,550	61.8	\$8,199,544	57.9	\$368.34
Retired workers and dependents	24,922,040	10,198,555	409.22	10,281,110	41.3	4,532,269	44.4	440.83	14,640,930	58.7	5,666,287	55.6	387.02
Retired workers	21,373,920	9,422,401	440.84	9,092,550	42.5	4,243,045	45.0	466.65	12,281,370	57.5	5,179,356	55.0	421.72
Wives and husbands	3,032,330	685,145	225.95	1,103,710	36.4	271,270	39.6	245.78	1,928,620	63.6	413,875	60.4	214.60
Children	515,790	91,009	176.45	84,850	16.5	17,954	19.7	211.59	430,940	83.5	73,056	80.3	169.53
Disabled workers and dependents	3,810,860	1,336,561	350.72	1,001,540	26.3	423,916	31.7	423.26	2,809,320	73.7	912,644	68.3	324.86
Disabled workers	2,565,530	1,169,873	456.00	794,140	31.0	389,997	33.3	491.09	1,771,390	69.0	779,876	66.7	440.26
Wives and husbands	309,710	40,084	129.42	63,210	20.4	9,610	24.0	152.04	246,500	79.6	30,474	76.0	123.63
Children	935,620	126,603	135.31	144,190	15.4	24,309	19.2	168.59	791,430	84.6	102,294	80.8	129.25
Survivors	7,235,130	2,608,627	360.55	2,459,630	34.0	992,513	38.0	403.52	4,775,500	66.0	1,616,115	62.0	338.42
Aged widows, widowers, and parents	4,584,560	1,817,860	396.52	1,872,320	40.8	794,759	43.7	424.48	2,712,240	59.2	1,023,101	56.3	377.22
Disabled widows and widowers	109,150	27,233	249.50	31,040	28.4	8,363	30.7	269.43	78,110	71.6	18,869	69.3	241.57
Widowed mothers and fathers	399,470	123,649	309.53	100,730	25.2	34,988	28.3	347.35	298,740	74.8	88,661	71.7	296.78
Children	2,141,950	639,886	298.74	455,540	21.3	154,403	24.1	338.94	1,686,410	78.7	485,483	75.9	287.88
Special age-72	50,260	6,503	129.38	15,460	30.8	2,004	30.8	129.62	34,800	69.2	4,499	69.2	129.27

Table 4.—Number and percent of beneficiaries using direct deposit, by race, monthly amount, and sex, December 1983

[Based on 10-percent sample]

Monthly amount	Total			White			Black			Other		
	Number	Percent of direct depositors ¹	Percent of all beneficiaries	Number	Percent of direct depositors ¹	Percent of all beneficiaries	Number	Percent of direct depositors ¹	Percent of all beneficiaries	Number	Percent of direct depositors ¹	Percent of all beneficiaries
Total	13,757,740	100.0	38.2	13,041,010	100.0	40.8	576,700	100.0	16.8	140,030	100.0	22.5
Less than \$100.00	145,830	1.1	12.7	125,300	1.0	15.1	16,250	2.8	6.4	4,280	3.1	6.4
\$100.00-\$199.90	1,052,220	7.6	24.4	955,490	7.3	27.7	79,880	13.9	10.8	16,850	12.0	13.5
\$200.00-\$299.90	2,344,090	17.0	33.3	2,193,490	16.8	36.0	123,530	21.4	15.1	27,070	19.3	20.8
\$300.00-\$399.90	2,386,910	17.3	36.6	2,236,330	17.1	39.0	124,570	21.6	18.4	26,010	18.6	24.0
\$400.00-\$499.90	3,034,700	22.1	43.3	2,906,340	22.3	44.9	103,940	18.0	22.7	24,420	17.4	29.7
\$500.00-\$599.90	2,669,820	19.4	47.4	2,572,960	19.7	48.7	75,320	13.1	25.3	21,540	15.4	36.0
\$600.00 or more	2,124,170	15.4	48.9	2,051,100	15.7	50.0	53,210	9.2	27.9	19,860	14.2	40.8
Men, total	5,228,300	38.0	39.7	4,976,780	38.2	42.2	192,470	33.4	17.1	59,050	42.2	25.8
Less than \$100.00	5,560	...	17.3	5,210	...	19.6	230	...	5.4	120	...	9.8
\$100.00-\$199.90	182,110	1.3	26.0	166,620	1.3	29.4	12,000	2.1	10.8	3,490	2.5	15.0
\$200.00-\$299.90	335,850	2.4	27.1	306,210	2.3	30.1	23,740	4.1	12.6	5,900	4.2	17.3
\$300.00-\$399.90	546,000	4.0	30.9	502,970	3.9	34.1	34,420	6.0	14.0	8,610	6.1	19.8
\$400.00-\$499.90	1,093,800	8.0	39.4	1,040,510	8.0	41.6	42,020	7.3	18.3	11,270	8.0	24.7
\$500.00-\$599.90	1,530,780	11.1	45.1	1,472,790	11.3	46.7	43,660	7.6	22.0	14,330	10.2	33.7
\$600.00 or more	1,534,200	11.2	47.2	1,482,470	11.4	48.4	36,400	6.3	24.8	15,330	10.9	39.0
Women, total	7,844,860	57.0	40.7	7,482,630	57.4	42.9	298,020	51.7	18.9	64,210	45.9	25.8
Less than \$100.00	83,690	.6	18.4	75,860	.6	21.0	6,040	1.0	8.3	1,790	1.3	9.0
\$100.00-\$199.90	713,970	5.2	27.0	660,510	5.1	30.2	44,690	7.7	11.3	8,770	6.3	15.0
\$200.00-\$299.90	1,831,590	13.3	36.9	1,738,830	13.3	39.2	75,950	13.2	16.6	16,810	12.0	25.0
\$300.00-\$399.90	1,698,340	12.3	40.8	1,610,000	12.3	42.6	73,790	12.8	22.1	14,550	10.4	29.0
\$400.00-\$499.90	1,845,510	13.4	47.3	1,780,850	13.7	48.3	53,000	9.2	28.0	11,660	8.3	38.4
\$500.00-\$599.90	1,093,500	7.9	52.2	1,058,650	8.1	53.2	28,520	4.9	32.5	6,330	4.5	43.8
\$600.00 or more	578,260	4.2	54.4	557,930	4.3	55.1	16,030	2.8	38.3	4,300	3.1	48.9
Children, total ²	684,580	5.0	19.1	581,600	4.5	21.4	86,210	14.9	11.8	16,770	12.0	11.8
Less than \$100.00	56,580	.4	8.6	44,230	.3	10.1	9,980	1.7	5.7	2,370	1.7	5.2
\$100.00-\$199.90	156,140	1.1	16.1	128,360	1.0	18.5	23,190	4.0	10.0	4,590	3.3	10.7
\$200.00-\$299.90	176,650	1.3	20.8	148,450	1.1	22.9	23,840	4.1	13.7	4,360	3.1	14.9
\$300.00-\$399.90	142,570	1.0	23.9	123,360	.9	25.5	16,360	2.8	16.9	2,850	2.0	19.1
\$400.00-\$499.90	95,390	.7	28.3	84,980	.7	29.2	8,920	1.5	22.2	1,490	1.1	23.6
\$500.00 or more	57,250	.4	31.6	52,220	.4	31.9	3,920	.7	27.7	1,110	.8	32.5

¹ Totals may not add due to rounding.

² Data by sex not available for children.

Table 5.—Number and percent of retired-worker beneficiaries using direct deposit, by race, monthly amount, and sex, December 1983

[Based on 10-percent sample]

Monthly amount	Total			White			Black			Other		
	Number	Percent of direct depositors ¹	Percent of retired-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of retired-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of retired-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of retired-worker beneficiaries
Total.....	9,092,550	100.0	42.5	8,678,360	100.0	44.7	325,110	100.0	19.5	89,080	100.0	29.8
Less than \$200.00.....	521,160	5.7	28.9	479,400	5.5	32.6	35,000	10.8	11.8	6,760	7.6	17.1
\$200.00-\$299.90.....	1,247,710	13.7	35.3	1,167,620	13.5	37.9	65,160	20.0	16.5	14,930	16.8	25.1
\$300.00-\$399.90.....	1,430,200	15.7	38.8	1,345,830	15.5	41.1	68,330	21.0	19.3	16,040	18.0	26.6
\$400.00-\$499.90.....	1,997,410	22.0	44.7	1,916,510	22.1	46.3	63,580	19.6	23.1	17,320	19.4	31.2
\$500.00-\$599.90.....	2,124,910	23.4	48.8	2,053,970	23.7	50.2	53,630	16.5	25.6	17,310	19.4	38.1
\$600.00 or more.....	1,771,160	19.5	50.2	1,715,030	19.8	51.2	39,410	12.1	28.0	16,720	18.8	42.9
Men, total.....	4,680,530	51.5	41.3	4,480,050	51.6	43.5	148,940	45.8	17.4	51,540	57.9	27.2
Less than \$200.00.....	170,060	1.9	26.8	155,990	1.8	30.4	11,100	3.4	11.1	2,970	3.3	14.6
\$200.00-\$299.90.....	309,330	3.4	28.5	284,060	3.3	31.4	20,020	6.2	13.1	5,250	5.9	18.7
\$300.00-\$399.90.....	478,610	5.3	32.9	445,830	5.1	35.8	25,480	7.8	14.5	7,300	8.2	21.3
\$400.00-\$499.90.....	999,770	11.0	41.0	957,850	11.0	43.0	31,770	9.8	18.8	10,150	11.4	26.2
\$500.00-\$599.90.....	1,393,760	15.3	46.5	1,347,410	15.5	48.0	33,660	10.4	22.3	12,690	14.2	35.4
\$600.00 or more.....	1,329,000	14.6	48.8	1,288,910	14.9	49.9	26,910	8.3	24.8	13,180	14.8	40.9
Women, total.....	4,412,020	48.5	43.9	4,198,310	48.4	46.1	176,170	54.2	21.6	37,540	42.1	34.2
Less than \$200.00.....	351,100	3.9	29.9	323,410	3.7	33.8	23,900	7.4	12.2	3,790	4.3	19.7
\$200.00-\$299.90.....	938,380	10.3	38.3	883,560	10.2	40.6	45,140	13.9	18.6	9,680	10.9	30.8
\$300.00-\$399.90.....	951,590	10.5	42.7	900,000	10.4	44.4	42,850	13.2	24.0	8,740	9.8	33.6
\$400.00-\$499.90.....	997,640	11.0	49.1	958,660	11.0	50.2	31,810	9.8	30.2	7,170	8.0	42.9
\$500.00-\$599.90.....	731,150	8.0	54.0	706,560	8.1	55.0	19,970	6.1	34.0	4,620	5.2	48.3
\$600.00 or more.....	442,160	4.9	55.0	426,120	4.9	55.7	12,500	3.8	38.8	3,540	4.0	52.3

¹ Totals may not add due to rounding.

Table 6.—Number and percent of disabled-worker beneficiaries using direct deposit, by race, monthly amount, and sex, December 1983

[Based on 10-percent sample]

Monthly amount	Total			White			Black			Other		
	Number	Percent of direct depositors ¹	Percent of disabled-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of disabled-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of disabled-worker beneficiaries	Number	Percent of direct depositors ¹	Percent of disabled-worker beneficiaries
Total.....	794,140	100.0	31.0	712,890	100.0	33.7	70,210	100.0	17.8	11,040	100.0	20.6
Less than \$200.00.....	18,950	2.4	15.8	15,680	2.2	18.2	2,750	3.9	9.3	520	4.7	12.1
\$200.00-\$299.90.....	78,390	9.9	22.5	66,800	9.4	25.5	10,180	14.5	13.4	1,410	12.8	14.0
\$300.00-\$399.90.....	153,180	19.3	26.7	132,700	18.6	29.6	17,950	25.6	16.1	2,530	22.9	18.1
\$400.00-\$499.90.....	150,440	18.9	30.9	132,930	18.6	33.4	15,420	22.0	19.6	2,090	18.9	21.6
\$500.00-\$599.90.....	170,300	21.4	36.0	155,660	21.8	37.9	12,650	18.0	22.8	1,990	18.0	25.7
\$600.00 or more.....	222,880	28.1	39.6	209,120	29.3	40.8	11,260	16.0	26.4	2,500	22.6	32.1
Men, total.....	524,250	66.0	30.3	475,010	66.6	33.0	42,300	60.2	16.6	6,940	62.9	18.8
Less than \$200.00.....	5,190	.7	11.5	4,450	.6	12.9	520	.7	6.2	220	2.0	10.8
\$200.00-\$299.90.....	21,180	2.7	15.8	17,140	2.4	18.0	3,470	4.9	10.4	570	5.2	10.3
\$300.00-\$399.90.....	64,370	8.1	21.6	54,340	7.6	24.6	8,750	12.5	12.8	1,280	11.6	14.4
\$400.00-\$499.90.....	92,110	11.6	27.7	80,850	11.3	30.4	10,150	14.5	17.1	1,110	10.1	16.6
\$500.00-\$599.90.....	136,360	17.2	34.5	124,810	17.5	36.6	9,930	14.1	20.8	1,620	14.7	24.5
\$600.00 or more.....	205,040	25.8	39.1	193,420	27.1	40.4	9,480	13.5	24.9	2,140	19.4	30.4
Women, total.....	269,890	34.0	32.3	237,880	33.4	35.0	27,910	39.8	20.1	4,100	37.1	24.4
Less than \$200.00.....	13,760	1.7	18.3	11,230	1.6	21.8	2,230	3.2	10.4	300	2.7	13.2
\$200.00-\$299.90.....	57,210	7.2	26.7	49,660	7.0	29.7	6,710	9.6	15.8	840	7.6	18.6
\$300.00-\$399.90.....	88,810	11.2	32.2	78,360	11.0	34.4	9,200	13.1	21.3	1,250	11.3	24.5
\$400.00-\$499.90.....	58,330	7.3	37.9	52,080	7.3	39.6	5,270	7.5	27.2	980	8.9	32.6
\$500.00-\$599.90.....	33,940	4.3	43.4	30,850	4.3	44.6	2,720	3.9	34.4	370	3.4	32.2
\$600.00 or more.....	17,840	2.2	45.9	15,700	2.2	46.9	1,780	2.5	38.3	360	3.3	48.6

¹ Totals may not add due to rounding.

(chart 1). For the most part, participation rates were lowest—below 30 percent—in the South.

As indicated in table 7, six States had more than half their beneficiary population enrolled in the direct deposit program: Florida (58 percent), Arizona (57 percent), Oregon (55 percent), Washington (55 percent), Idaho (52 percent), and Montana (50 percent). An additional 16 States had a participation rate between 40 percent and 50 percent.

With few exceptions, the same characteristics described earlier in this article about direct depositors on the national level were applicable in individual States. Just as the highest proportion of direct depositors was found nationally among retired workers, older beneficiaries, and white beneficiaries, so it was in the individual States. In December 1983, more than 50 percent of retired workers in the States of Arizona, Florida, Washington, Oregon, Idaho, Montana, New Mexico, Utah,

Wyoming, Nevada, and Kansas had elected direct deposit (table 8).

References

Further information on the direct deposit program and related issues may be found in the following publications: Jacob Deutch, "Direct Deposit of Social Security Benefits," paper presented at the Atlantic Economic Conference, Washington, D.C., October 1976; Peat, Marwick, Mitchell and Company and Electronic Banking, Inc., **The Costs and Benefits of Participation in the Treasury's Direct Deposit Program**, 1981; and Office of the Inspector General, Department of Health and Human Services, **Float Allowance Revisions Could Increase Interest Income to Trust Funds—Social Security Administration**, 1982.

Chart 1.—Percent of beneficiaries using direct deposit, December 1983

[Based on 10-percent sample]

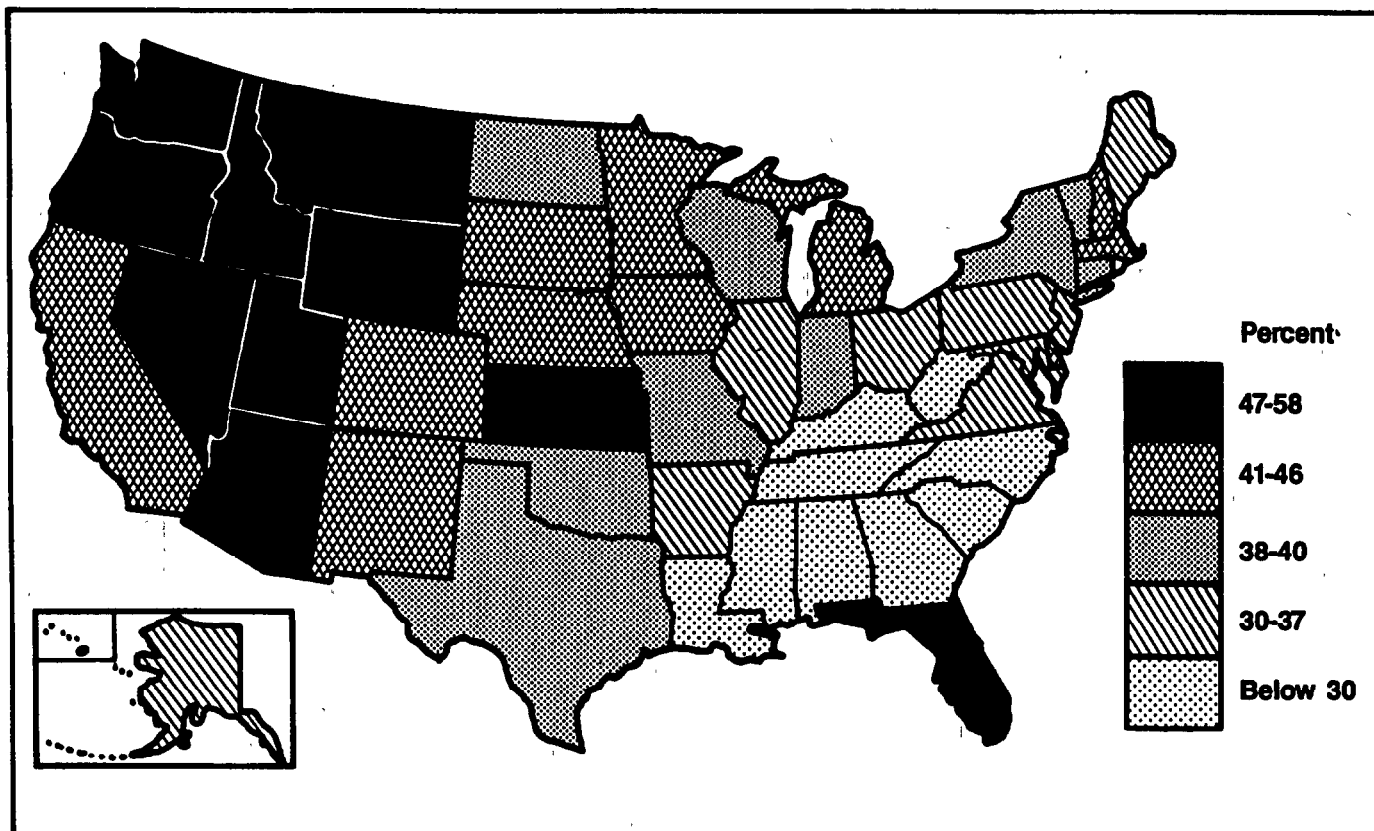


Table 7.—Direct depositor rank, number, and average monthly amount of benefits, by State and depositor status, December 1983

[Based on 10-percent sample]

State	Rank ¹	All beneficiaries		Direct depositors			Nondirect depositors		
		Number	Average monthly amount	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount
Total.....	...	36,018,180	\$392.86	13,757,740	38.2	\$432.53	22,260,440	61.8	\$368.34
Alabama.....	46	640,090	345.92	179,150	28.0	404.72	460,940	72.0	323.07
Alaska.....	39	23,550	389.93	7,420	31.5	426.27	16,130	68.5	373.22
Arizona.....	2	461,580	402.58	264,070	57.2	433.45	197,510	42.8	361.31
Arkansas.....	37	433,860	337.61	146,390	33.7	388.60	287,470	66.3	311.64
California.....	18	3,263,370	405.03	1,391,760	42.6	432.25	1,871,610	57.4	384.79
Colorado.....	14	345,490	387.38	157,310	45.5	409.97	188,180	54.5	368.49
Connecticut.....	23	486,490	445.34	191,940	39.5	473.66	294,550	60.5	426.88
Delaware.....	16	91,910	415.53	39,740	43.2	459.20	52,170	56.8	382.27
District of Columbia.....	42	82,490	349.91	24,730	30.0	378.68	57,760	70.0	337.60
Florida.....	1	2,187,420	402.02	1,270,160	58.1	429.02	917,260	41.9	364.64
Georgia.....	43	781,800	350.91	234,350	30.0	406.54	547,450	70.0	327.09
Hawaii.....	33	118,950	384.49	44,290	37.2	424.47	74,660	62.8	360.77
Idaho.....	5	140,140	386.70	72,670	51.9	413.18	67,470	48.1	358.16
Illinois.....	34	1,650,750	424.29	610,720	37.0	453.57	1,040,030	63.0	407.10
Indiana.....	29	829,710	415.27	320,950	38.7	445.05	508,760	61.3	396.49
Iowa.....	15	499,550	400.05	223,950	44.8	421.00	275,600	55.2	383.02
Kansas.....	9	381,890	401.89	185,680	48.6	421.63	196,210	51.4	383.21
Kentucky.....	50	596,240	345.73	160,890	27.0	398.93	435,350	73.0	326.07
Louisiana.....	51	573,950	344.25	127,740	22.3	408.80	446,210	77.7	325.77
Maine.....	32	196,870	370.97	73,930	37.6	403.56	122,940	62.4	351.38
Maryland.....	40	547,440	402.84	167,700	30.6	434.82	379,740	69.4	388.71
Massachusetts.....	21	928,270	411.29	380,810	41.0	441.43	547,460	59.0	390.31
Michigan.....	19	1,383,840	422.71	585,350	42.3	454.09	798,490	57.7	399.70
Minnesota.....	20	622,670	387.62	258,330	41.5	417.17	364,340	58.5	366.66
Mississippi.....	44	421,400	314.96	121,440	28.8	383.57	299,960	71.2	287.19
Missouri.....	30	858,070	385.64	329,070	38.4	414.69	529,000	61.6	367.56
Montana.....	6	122,890	388.66	61,650	50.2	414.55	61,240	49.8	362.59
Nebraska.....	12	255,380	391.44	118,200	46.3	412.73	137,180	53.7	373.10
Nevada.....	10	110,590	408.39	51,980	47.0	429.51	58,610	53.0	389.66
New Hampshire.....	11	144,210	407.55	66,970	46.4	430.86	77,240	53.6	387.34
New Jersey.....	36	1,160,380	437.93	399,660	34.4	469.82	760,720	65.6	421.18
New Mexico.....	13	176,990	357.36	80,970	45.7	405.44	96,020	54.3	316.80
New York.....	27	2,797,010	429.19	1,087,530	38.9	464.36	1,709,480	61.1	406.82
North Carolina.....	49	918,760	356.88	251,640	27.4	419.70	667,120	72.6	333.18
North Dakota.....	26	105,020	364.59	40,980	39.0	392.24	64,040	61.0	346.89
Ohio.....	35	1,651,620	408.15	587,370	35.6	439.35	1,064,250	64.4	390.93
Oklahoma.....	25	484,780	370.83	190,420	39.3	407.16	294,360	60.7	347.32
Oregon.....	3	431,010	410.50	238,820	55.4	431.71	192,190	44.6	384.13
Pennsylvania.....	38	2,102,080	416.67	679,500	32.3	449.19	1,422,580	67.7	401.14
Rhode Island.....	31	171,670	407.44	64,890	37.8	437.20	106,780	62.2	389.35
South Carolina.....	45	463,240	353.27	131,500	28.4	419.03	331,740	71.6	327.20
South Dakota.....	17	120,740	361.24	51,630	42.8	385.90	69,110	57.2	342.81
Tennessee.....	48	744,070	353.41	206,880	27.8	414.93	537,190	72.2	329.71
Texas.....	24	1,869,230	366.57	735,440	39.3	409.13	1,133,790	60.7	338.97
Utah.....	8	158,990	402.41	78,280	49.2	424.36	80,710	50.8	381.11
Vermont.....	22	82,290	387.72	33,690	40.9	414.55	48,600	59.1	369.13
Virginia.....	41	740,230	366.39	222,990	30.1	411.56	517,240	69.9	346.92
Washington.....	4	606,920	416.36	333,300	54.9	437.66	273,620	45.1	390.42
West Virginia.....	47	352,960	370.23	98,240	27.8	419.49	254,720	72.2	351.23
Wisconsin.....	28	776,580	410.65	300,590	38.7	442.41	475,990	61.3	390.59
Wyoming.....	7	52,530	392.95	26,170	49.8	414.77	26,360	50.2	371.29
Puerto Rico.....	53	543,740	221.70	27,810	5.1	343.69	515,930	94.9	215.12
Abroad ²	52	326,480	290.13	20,100	6.2	371.73	306,380	93.8	284.78

¹ Ranked by percentage of direct depositors.

² Includes American Samoa, Guam, and the Virgin Islands.

Table 8.—Number and percent of beneficiaries using direct deposit, by State and type of beneficiary, December 1983

[Based on 10-percent sample]

State	Total		Retired workers ¹		Disabled workers		Wives and husbands		Widows, widowers, and parents ²		Children	
	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent
Total	13,757,740	38.2	9,108,010	42.5	794,140	31.0	1,166,920	34.9	2,004,090	39.3	684,580	19.1
Alabama	179,150	28.0	107,690	32.5	12,680	23.4	14,460	22.6	31,300	29.7	13,020	15.3
Alaska	7,420	31.5	4,490	37.4	460	25.0	470	33.3	960	37.8	1,040	18.1
Arizona	264,070	57.2	181,890	63.6	15,740	49.6	24,820	55.0	30,210	56.4	11,410	25.4
Arkansas	146,390	33.7	90,370	38.0	11,340	30.0	13,110	28.4	22,010	34.8	9,560	19.6
California	1,391,760	42.6	953,770	47.1	82,910	33.8	122,950	41.4	177,020	43.4	55,110	19.0
Colorado	157,310	45.5	102,140	49.8	8,240	35.8	15,010	41.7	23,150	48.5	8,770	26.0
Connecticut	191,940	39.5	139,190	42.2	8,490	30.5	13,110	39.7	24,420	40.0	6,730	19.2
Delaware	39,740	43.2	26,190	46.9	2,430	34.4	3,360	44.0	5,900	46.3	1,860	21.5
District of Columbia	24,730	30.0	17,460	33.7	1,170	20.2	1,330	26.9	3,610	30.8	1,160	14.1
Florida	1,270,160	58.1	898,910	62.5	64,760	47.6	117,570	57.6	147,950	57.4	40,970	27.1
Georgia	234,350	30.0	143,280	34.2	19,930	25.7	17,120	26.2	36,000	31.9	18,020	16.9
Hawaii	44,290	37.2	31,220	41.8	2,310	35.8	3,130	29.8	4,590	38.3	3,040	19.8
Idaho	72,670	51.9	49,120	56.6	3,560	43.3	7,140	48.2	9,230	54.9	3,620	26.7
Illinois	610,720	37.0	407,990	39.9	29,270	30.1	48,150	34.8	94,790	39.7	30,520	19.9
Indiana	320,950	38.7	210,220	42.3	18,960	32.5	24,890	34.2	48,540	40.8	18,340	22.4
Iowa	223,950	44.8	144,060	47.2	9,050	35.9	21,980	39.4	39,060	51.2	9,800	26.3
Kansas	185,680	48.6	121,230	50.8	7,710	40.4	17,100	43.2	31,240	55.6	8,400	29.6
Kentucky	160,890	27.0	93,750	31.3	13,130	23.7	14,170	20.9	28,590	29.2	11,250	14.9
Louisiana	127,740	22.3	69,760	26.0	9,880	19.5	13,350	20.6	24,680	24.6	10,070	11.2
Maine	73,930	37.6	49,240	40.7	4,660	33.1	6,010	34.5	10,110	37.5	3,910	22.6
Maryland	167,700	30.6	111,490	33.6	9,460	25.6	12,110	28.1	25,190	30.9	9,450	17.5
Massachusetts	380,810	41.0	264,910	43.4	18,620	34.5	28,540	41.4	52,460	41.9	16,280	23.4
Michigan	585,350	42.3	376,260	47.1	39,650	37.0	51,000	39.5	89,050	43.3	29,390	20.4
Minnesota	258,330	41.5	171,340	43.9	9,850	33.3	24,460	37.4	41,540	46.3	11,140	23.5
Mississippi	121,440	28.8	70,530	33.3	10,650	25.6	9,370	23.5	20,580	32.4	10,310	15.9
Missouri	329,070	38.4	210,550	40.9	20,860	34.1	26,750	33.1	52,880	43.4	18,030	22.7
Montana	61,650	50.2	39,640	54.2	3,460	44.2	6,010	46.5	9,170	55.3	3,370	27.2
Nebraska	118,200	46.3	77,260	48.4	4,940	40.4	11,350	39.9	19,520	54.1	5,130	27.0
Nevada	51,980	47.0	36,350	51.6	3,880	42.7	3,620	44.1	5,300	44.3	2,830	25.8
New Hampshire	66,970	46.4	47,270	49.0	3,520	40.5	5,480	50.6	7,690	46.1	3,010	25.9
New Jersey	399,660	34.4	280,490	37.5	21,080	26.7	27,490	33.4	53,780	34.6	16,820	17.6
New Mexico	80,970	45.7	51,850	53.8	5,020	39.8	7,710	39.8	10,820	45.8	5,570	22.2
New York	1,087,530	38.9	761,450	42.8	60,580	31.5	73,760	35.6	144,230	38.8	47,510	19.4
North Carolina	251,640	27.4	162,510	30.7	18,710	23.4	17,500	23.9	36,020	27.2	16,900	16.3
North Dakota	40,980	39.0	25,130	41.3	1,920	38.3	4,580	32.5	7,420	46.0	1,930	21.5
Ohio	587,370	35.6	368,280	39.0	35,280	29.9	56,530	33.2	99,590	37.6	27,690	18.0
Oklahoma	190,420	39.3	118,960	42.2	11,300	36.6	16,720	33.0	32,520	42.8	10,920	24.0
Oregon	238,820	55.4	165,320	59.4	12,180	47.5	20,630	51.5	30,260	56.8	10,430	30.9
Pennsylvania	679,500	32.3	439,610	34.5	40,940	29.1	57,170	29.5	109,690	33.6	32,090	19.4
Rhode Island	64,890	37.8	45,440	40.0	3,900	30.8	4,050	38.1	8,500	39.8	3,000	22.4
South Carolina	131,500	28.4	82,190	32.6	12,070	25.0	9,140	26.0	17,810	27.7	10,290	16.2
South Dakota	51,630	42.8	31,660	44.2	2,270	36.4	5,060	36.3	9,420	51.4	3,220	30.3
Tennessee	206,880	27.8	125,470	31.0	15,170	22.7	17,210	23.6	34,260	30.4	14,770	17.1
Texas	735,440	39.3	451,390	43.8	36,300	31.8	73,860	36.4	128,290	43.7	45,600	20.0
Utah	78,280	49.2	52,160	53.3	3,000	39.4	7,450	45.3	9,890	51.3	5,780	32.6
Vermont	33,690	40.9	22,180	44.1	1,770	31.6	2,780	38.3	4,970	43.6	1,990	25.7
Virginia	222,990	30.1	142,050	33.8	14,110	23.0	17,690	26.6	35,370	31.9	13,770	17.0
Washington	333,300	54.9	232,180	59.7	16,780	44.0	28,790	51.8	41,870	56.0	13,680	27.5
West Virginia	98,240	27.8	54,630	32.6	8,160	23.9	9,120	21.6	19,530	31.1	6,800	14.7
Wisconsin	300,590	38.7	202,690	41.6	15,690	34.4	24,530	33.1	44,330	41.7	13,350	21.0
Wyoming	26,170	49.8	17,370	53.1	980	36.4	2,250	47.1	3,880	57.0	1,690	30.6
Puerto Rico	27,810	5.1	14,480	7.2	4,380	5.7	2,760	3.8	2,730	4.9	3,460	2.5
Abroad ³	20,100	6.2	12,950	8.7	980	9.1	2,220	5.3	2,170	3.3	1,780	3.0

¹ Includes special age-72 beneficiaries.² Includes widowed mothers and fathers.³ Includes American Samoa, Guam, and the Virgin Islands.