

formulas shows that the benefit paid under the latter for a worker who does not have an eligible wife and who retires in 1980 is considerably less than that under the 1935 act—the result of the different philosophy underlying the two acts. In fact, based on the wage history assumed, for each of the three scales used the benefit under the 1939 formula for a worker with an eligible wife is virtually the same as for a single individual under the 1935 act. Under the benefit formulas developed after 1939, the amounts are considerably increased, but not until the 1954 formula does the benefit based on the assumed wage history exceed the corresponding figure for the 1935 formula for all three wage scales for a worker without an eligible wife. On the other hand, the benefit amount for a worker and eligible wife is in all instances greater under the several amended formulas than the benefit under the 1935 law.

Even under the 1954 formula, the benefit for a retired worker without an eligible wife is significantly lower as a percentage of the wage at retire-

ment than the amount the individual would have anticipated on the basis of the 1935 formula and his wage at that time; the reverse is the case, to a slight extent, for a worker and eligible wife. On the basis of wage scale A, for example, the individual would have expected a retirement benefit arising from the 1935 formula and his wage at that time equal to 60 percent of that wage, but under the 1954 formula the benefit is only 41 percent (although it is 62 percent if he has an eligible wife).

Summary

Five different benefit formulas have been prescribed for the old-age and survivors insurance system, although the first one was never operative. The first change in the benefit formula, made in 1939, reflected a change in benefit philosophy. Benefits payable in the early years of the program's operation were made relatively larger; presumptive family needs were recognized by provision of supplementary benefits for dependents; and, offsetting these two changes, benefits for long-term contributors

and for those without dependents were reduced. Although the second change (in 1950) carried further the philosophy underlying the payment of larger benefits currently by making no distinction in benefit amount based on years of coverage (for those continuously in covered employment), it consisted primarily of adjustments to changes in wage levels and the cost of living. The third change (in 1952) was also primarily a reflection of wage-level and cost-of-living changes. The fourth change, that in the 1954 amendments, reflected both an adjustment to higher wage levels and an increase of about 10 percent in the relative adequacy of the benefits.

For workers retiring currently, the benefits paid are larger than the original program would have provided, both in terms of dollars and also in relation to wage at time of retirement. The relative adequacy of the benefits was increased significantly by the 1954 amendments—a fact that is, of course, reflected by the increased financial support of the program provided by the higher ultimate contribution rates scheduled in that law.

Notes and Brief Reports

Assistance Expenditures per Inhabitant, 1953-54

The amount expended per inhabitant for public assistance payments is determined by the proportion of the population that has received assistance during the year and the average amount of assistance granted per recipient. Wide variations exist among the States with respect to both factors. Some States aid a relatively small proportion of the population and make relatively high payments per recipient; others have a relatively high proportion of the population receiving aid, but the average payments are low. Still others provide assistance to a relatively large segment of the population and also make relatively high payments per recipient. When costs are expressed as an

amount per inhabitant, the overall factor of differences among States in total population is removed and only the two remaining variables—the proportion of the population aided and the average payment per recipient—are reflected. The per capita costs, when used in trend analysis, also give perspective on the relative growth in population and assistance costs.

During the fiscal year 1953-54, payments from Federal, State, and local funds for all five public assistance programs combined amounted, for the country as a whole, to \$2.6 billion or \$15.89 per inhabitant, about the same as the per capita expenditure in the preceding fiscal year. The population of the United States increased 1.60 percent from July 1952 to July 1953, and the total amount spent

for assistance went up 1.57 percent. A smaller proportion of the population was aided under the programs in 1954 than in 1953, but average payments to recipients for the Nation as a whole increased. The cost of living, as measured by the consumer price index of the Bureau of Labor Statistics, remained practically unchanged from June 1953 to June 1954. Some States, however, raised assistance standards to reflect price changes that had occurred in the preceding year or earlier.

Changes From 1953

The percentage changes in 1954 were small for all programs except aid to the permanently and totally disabled. Expenditures per inhabitant for this program rose 18 percent (12 cents). Changes from the preceding fiscal year for all programs combined and for the individual programs are shown in the tabulation that follows.

Table 1.—Amount expended per inhabitant¹ for assistance payments, including vendor payments for medical care, by State and by program, fiscal years 1952-53 and 1953-54

Program	Expenditures per inhabitant		Percentage change
	Amount including vendor payments for medical care		
	1953-54	1952-53	
All programs.....	\$15.89	\$15.91	-0.1
Old-age assistance.....	9.86	9.96	-1.0
Aid to dependent children.....	3.48	3.54	-1.7
Aid to the blind.....	.41	.41	0
Aid to the permanently and totally disabled.....	.78	.66	+18.2
General assistance.....	1.36	1.34	+1.5

Per inhabitant expenditures in the year ended June 1954 went down slightly for both old-age assistance and aid to dependent children, the two largest assistance programs, because the decreases in the number of recipients a little more than offset a slight rise in average payments. The drop of 10 cents per inhabitant in old-age assistance costs therefore reflects a decline in the caseload for the year 1953-54 that was due primarily to the growth in the program of old-age and survivors insurance, accelerated by the 1952 amendments to the Social Security Act. In a few States, also, the recipient loads were smaller because the States applied stricter policies than formerly on relatives' responsibility for support of the aged. The average monthly number of recipients of aid to dependent children likewise was smaller than in the preceding year despite a steady rise in the caseload during the last 7 months of the fiscal year. The drop in the per inhabitant cost of this program was 6 cents.

The combined decrease of 16 cents for these two programs was not fully offset by increases in per capita expenditures for aid to the permanently and totally disabled (12 cents) and for general assistance (2 cents). The program for aid to the permanently and totally disabled, which was initiated with Federal participation in October 1950, continued to expand as three more States¹ began operation under approved plans and the number of recipients in other States continued to grow. The average monthly number of recipients was 19 percent

State	Total		Old-age assistance		Aid to dependent children		Aid to the blind		Aid to the permanently and totally disabled		General assistance	
	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54
	U. S. average.....	\$15.91	\$15.89	\$9.96	\$9.86	\$3.54	\$3.48	\$0.41	\$0.41	\$0.66	\$0.78	\$1.34
Ala.....	10.78	10.47	6.99	6.85	2.71	2.60	.16	.15	.91	.86	.01	.01
Alaska.....	11.63	11.45	6.17	5.85	4.23	4.39	.14	.18	(³)	(³)	1.09	1.02
Ariz.....	16.06	16.19	10.40	10.01	4.23	4.64	.57	.57	(³)	(³)	.86	.97
Ark.....	15.96	14.10	11.04	10.61	4.07	2.43	.46	.46	.09	.43	.30	.17
Calif.....	28.54	27.16	19.76	18.53	6.31	6.04	1.05	1.01	(³)	(³)	1.42	1.57
Colo.....	43.37	44.68	34.97	35.36	4.27	4.79	.19	.19	1.76	2.10	2.18	2.23
Conn.....	11.89	12.54	6.76	7.21	3.04	2.99	.15	.16	(³)	(³)	1.94	1.89
Del.....	6.32	6.56	2.28	2.22	2.26	2.22	.41	.42	.24	.16	1.13	1.53
D. C.....	7.00	7.52	2.02	2.12	2.96	3.22	.20	.20	1.19	1.39	.63	.60
Fla.....	15.24	15.38	10.73	10.91	3.64	3.64	.56	.52	(⁴)	(³)	.31	.31
Ga.....	15.21	16.45	11.30	11.85	3.04	3.15	.42	.44	.29	.86	.16	.14
Hawaii.....	12.14	10.37	1.83	1.78	6.72	6.07	.11	.12	1.37	1.47	2.11	.93
Idaho.....	16.45	16.80	9.53	9.71	4.30	4.37	.21	.23	.89	.97	1.52	1.53
Ill.....	15.32	15.21	8.14	7.88	3.61	3.32	.32	.31	.39	.54	2.86	3.17
Ind.....	8.30	8.31	5.32	5.20	1.85	1.86	.23	.26	(³)	(³)	.90	.99
Iowa.....	16.21	16.54	11.70	11.52	2.93	3.25	.40	.45	(³)	(³)	1.18	1.31
Kans.....	17.72	18.11	12.33	13.28	2.25	2.59	.22	.25	.96	1.21	1.96	.78
Ky.....	13.40	13.19	7.71	7.83	5.02	4.64	.36	.39	(³)	(³)	.31	.32
La.....	35.97	33.96	26.15	25.48	5.76	4.79	.39	.40	2.53	2.17	1.14	1.12
Maine.....	16.21	16.36	8.10	7.93	4.55	4.47	.37	.36	(³)	(³)	3.19	3.60
Md.....	5.96	6.18	2.21	2.22	2.27	2.37	.11	.11	.73	.94	.64	.55
Mass.....	25.69	25.08	17.77	17.08	3.77	3.65	.35	.37	1.79	2.12	2.01	1.88
Mich.....	14.99	13.51	8.06	7.36	4.12	3.28	.19	.19	.18	.22	2.44	2.46
Minn.....	18.15	18.40	12.84	12.95	3.12	3.12	.32	.35	(³)	(³)	4.02	1.87
Miss.....	10.58	12.72	8.32	9.82	1.57	1.96	.49	.59	.14	.29	.06	.06
Mo.....	25.76	26.53	18.93	19.37	3.58	3.85	.52	.59	1.84	2.12	.89	.59
Mont.....	22.10	21.00	12.45	11.11	4.51	4.34	.67	.59	1.49	1.57	2.98	3.38
Nebr.....	12.05	12.22	9.56	8.89	2.08	2.03	.41	.40	(³)	(³)	(³)	⁵ 8.89
Nev.....	14.25	12.72	10.13	8.75	⁶ .07	⁶ .05	⁴ .16	³ .30	(³)	(³)	3.89	3.61
N. H.....	13.75	14.25	8.44	8.94	3.51	3.19	.39	.40	.10	.24	1.31	1.47
N. J.....	5.55	5.92	2.90	2.97	1.27	1.28	.12	.13	.30	.41	.96	1.13
N. Mex.....	16.01	17.31	8.02	8.45	6.00	6.93	.30	.31	1.39	1.18	.30	.43
N. Y.....	15.16	15.19	6.08	6.17	4.75	4.78	.27	.28	1.92	2.24	2.14	1.72
N. C.....	8.31	9.22	4.12	4.40	2.63	2.90	.48	.53	.61	.85	.47	.55
N. Dak.....	14.82	14.50	9.79	9.56	3.23	3.13	.13	.12	.94	.98	.73	.72
Ohio.....	12.93	13.43	8.58	8.41	1.50	1.65	.28	.28	.41	.47	2.16	2.61
Okla.....	43.07	38.20	31.91	29.56	8.49	6.05	.92	.79	1.28	1.41	.47	.40
Oreg.....	16.96	17.78	10.00	9.90	2.62	2.90	.19	.19	1.13	1.38	3.02	3.40
Pa.....	9.15	8.80	3.41	3.20	3.09	2.88	.91	.92	.56	.66	1.18	1.13
P. R.....	3.90	4.54	1.71	1.84	1.60	1.93	.04	.05	.46	.64	.09	.06
R. I.....	17.65	17.35	7.75	7.23	5.23	5.08	.19	.20	.43	1.05	4.05	3.80
S. C.....	10.31	11.13	7.14	7.51	1.60	1.79	.31	.34	.96	1.15	.30	.34
S. Dak.....	14.95	15.59	9.10	9.13	3.70	4.04	.15	.16	.25	.40	1.75	1.86
Tenn.....	12.30	14.23	7.91	8.50	3.83	5.04	.44	.46	(³)	(³)	4.10	.12
Texas.....	13.98	14.70	11.91	12.34	1.48	1.72	.37	.38	(³)	(³)	.22	.26
Utah.....	17.00	18.22	9.01	9.32	5.06	5.45	.22	.23	1.53	1.67	1.18	1.55
Vt.....	13.23	14.27	9.06	9.60	2.16	2.47	.25	.26	.32	.46	1.44	1.49
V. I.....	7.42	7.04	3.95	4.15	1.90	1.52	.25	.23	.17	.42	1.15	.72
Va.....	3.89	4.36	1.56	1.65	1.53	1.75	.16	.16	.42	.53	.22	.28
Wash.....	29.86	28.52	20.58	19.06	4.83	4.41	.32	.30	1.82	1.95	2.31	2.81
W. Va.....	15.66	15.45	5.19	4.79	8.04	8.03	.26	.25	.98	1.24	1.19	1.13
Wis.....	14.83	15.18	9.62	9.47	3.31	3.27	.27	.26	.25	.31	1.38	1.87
Wyo.....	14.17	14.51	9.34	9.47	2.10	2.14	.20	.18	1.02	1.02	1.51	1.69

¹ Based on population data from the Bureau of the Census; excludes Armed Forces overseas.
² Excludes Nebraska; data for 1952-53 not available.
³ No program approved by the Social Security Administration.
⁴ Program not in operation for full year. States

approved to receive Federal participation as follows: Connecticut and Minnesota, January 1954; Tennessee, August 1953; and Nevada, May 1953.
⁵ Represents data for January-June 1954 only.
⁶ Program administered under State law without Federal participation.

higher in 1954 than in the preceding fiscal year. The rise in general assistance, on the other hand, resulted primarily from an increase of \$3.28 per case in average payments for the year.

Underlying these national shifts was a considerable variation among the individual States. During the

fiscal year ended in June 1954, assistance expenditures per capita for all programs combined dropped in 19 States and rose in 34 States; the change was less than 50 cents, however, in almost half the States. Shifts of more than \$1.50, on the other hand, occurred in seven States; in Mississippi and Tennessee, per capita costs

¹ Connecticut, Minnesota, and Tennessee.

Table 2.—Distribution of States by amount of expenditures per inhabitant for vendor payments for medical care and by program, fiscal year 1953-54

Expenditures per inhabitant for vendor payments for medical care	Total, all programs	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance
Total number of States.....	53	53	53	53	42	53
No vendor payments.....	12	27	29	20	20	13
Vendor payments.....	41	26	24	24	22	40
Less than \$0.50.....	14	14	24	24	21	23
0.50-0.99.....	5	4	0	0	1	7
1.00-1.49.....	6	4	0	0	0	5
1.50-1.99.....	7	1	0	0	0	3
2.00 or more.....	9	3	0	0	0	2

increased, and in Arkansas, Hawaii, Louisiana, Nevada, and Oklahoma costs declined.

Total expenditures went up \$1.93 in Tennessee and \$2.14 in Mississippi, largely as a result of actions taken to liberalize eligibility provisions or increase assistance payments in the latter part of the fiscal year 1952-53. In determining the amount of assistance in aid to dependent children, Tennessee added the needs of an adult relative up to a maximum of \$24. A large part (\$1.50) of the increase in expenditures per capita in Mississippi occurred in old-age assistance, primarily because the percent of budget deficit met by the assistance grant was raised from 65 percent to 75 percent.

In the States where costs went down by more than \$1.50, decreases were due to initiation of limitations on eligibility and/or to reductions in the amount of assistance provided to recipients. Oklahoma found it necessary, because of limited funds, to discontinue meeting 100 percent of need for all programs in 1953-54; total expenditures per capita fell \$4.87. In 1952-53, expenditures had been higher because a surplus in the assistance fund was distributed to recipients during that year. Assistance expenditures during the year 1953-54, therefore, were down from those of the preceding year because only the year's proceeds of the regularly earmarked sales tax were available to finance the programs.

Tightened eligibility requirements for aid to dependent children brought drops in per capita expenditures of \$1.64 in Arkansas and 97 cents in Louisiana for that program and accounted for the largest part of the

decreases of \$1.86 and \$2.01 in the total cost in these two States for all programs combined. Hawaii's per capita expenditure for general assistance dropped \$1.18 when, effective in August 1953, assistance to employables was discontinued and a 30-percent cut was made in assistance payments to those who remained on the rolls. In Nevada, where total expenditures per capita dropped \$1.53, a 12-percent increase in population and a 1-percent drop in old-age assistance payments resulted in a decline of \$1.38 in per capita expenditures for that program.

A distribution of the States by amount of change from 1952-53 to 1953-54 in per inhabitant expenditures for all programs combined is shown below:

Change in expenditures per inhabitant	Number of States with specified—	
	Increase	Decrease
Total number of States.....	34	19
Less than \$0.50.....	16	9
0.50-0.99.....	11	1
1.00-1.49.....	5	4
1.50 or more.....	2	5

State Variations, 1954

The States varied considerably in amounts spent per inhabitant during the year 1953-54 for each program and for all programs combined (table 1). Expenditures for the five public assistance programs in Colorado, for example, totaled \$44.68 per capita, more than ten times Virginia's \$4.36. A third of the States spent from \$10 to \$15 per inhabitant for public assistance in 1953-54 and about another third spent from \$15 to \$20. At the

extremes were 10 States² with per capita costs of less than \$10 and eight States³ where assistance expenditures averaged more than \$20 per inhabitant.

Differences among the States in the amount spent per inhabitant are influenced by their relative wealth, as it affects the proportion of population who are needy and the amount of funds available to meet need, and by State laws and policies governing eligibility for assistance and the amount of assistance that can be granted. State laws and policies may in turn be influenced by the fiscal position of the State. For old-age assistance, the largest program in terms of expenditures in most States, costs are also affected by differences in the proportion of population receiving old-age and survivors insurance benefits and the average amount of benefits paid.

Of the eight States that spent more than \$20 per capita for all programs combined, all but one (Massachusetts) lie west of the Mississippi River. In general, these States have comparatively liberal eligibility requirements and assistance standards, particularly in old-age assistance, and, with the exception of Montana, they had in 1953-54 the largest per capita expenditures for old-age assistance in the Nation (chart 1). All eight States have recipient rates and assistance standards for old-age assistance that are greater than or near the national average. All but Louisiana and Oklahoma have per capita incomes above the median for the Nation. In five of the eight States the proportion of the aged population receiving old-age and survivors insurance benefits is less than the median.

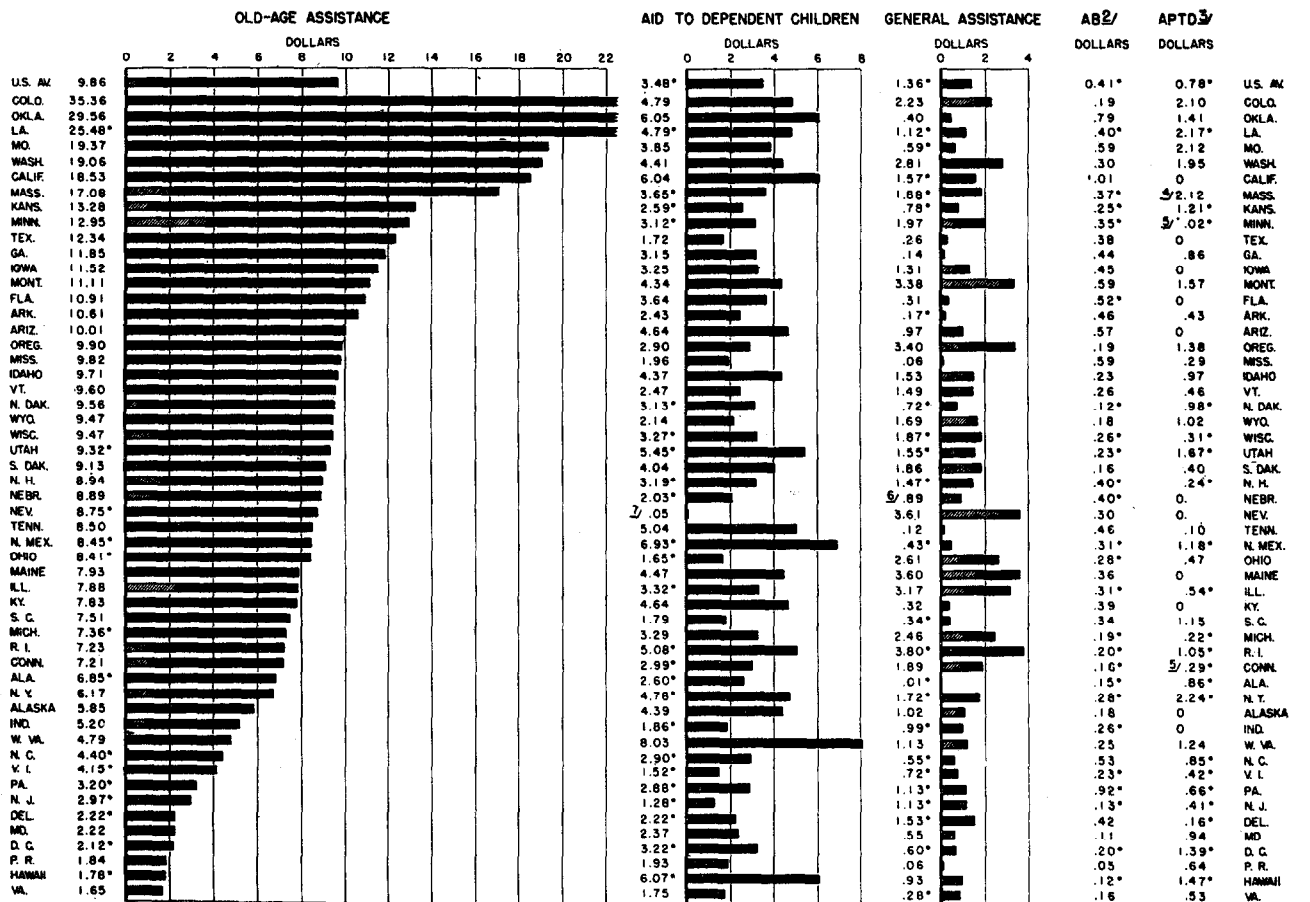
Per capita income is higher than average also for six⁴ of the 10 States with the lowest total expenditures per capita. These six States differ considerably in other respects, however, from the group of States with rela-

² Delaware, the District of Columbia, Indiana, Maryland, New Jersey, North Carolina, Pennsylvania, Puerto Rico, the Virgin Islands, and Virginia.

³ California, Colorado, Louisiana, Massachusetts, Missouri, Montana, Oklahoma, and Washington.

⁴ Delaware, the District of Columbia, Indiana, Maryland, New Jersey, and Pennsylvania.

Chart 1.—Amount expended per inhabitant¹ for assistance payments, including vendor payments for medical care, fiscal year 1953-54



1/ BASED ON TOTAL POPULATION ESTIMATED BY BUREAU OF CENSUS AS OF JULY 1, 1953; EXCLUDES ARMED FORCES OVERSEAS. 2/ AID TO THE BLIND. 3/ AID TO THE PERMANENTLY AND TOTALLY DISABLED.
 4/ VENDOR PAYMENTS FOR MEDICAL CARE OF 87 CENTS PER INHABITANT. 5/ APPROVED BY THE SOCIAL SECURITY ADMINISTRATION TO RECEIVE FEDERAL PARTICIPATION BEGINNING JANUARY 1, 1954.
 6/ REPRESENTS DATA FOR JANUARY-JUNE 1954 ONLY; DATA FOR JULY-DECEMBER 1953 NOT AVAILABLE. 7/ PROGRAM ADMINISTERED UNDER STATE LAW WITHOUT FEDERAL PARTICIPATION.
 ■ TOTAL PAYMENTS ■ VENDOR PAYMENTS * VENDOR PAYMENTS FOR MEDICAL CARE OF LESS THAN 50 CENTS PER INHABITANT

tively high expenditures per capita. All six, for example, have relatively low old-age assistance recipient rates, low per capita expenditures for that program, and, with the exception of New Jersey, grants to recipients that are less than or near the average. Because old-age and survivors insurance beneficiary rates are higher than the national average in each of these States, the need for old-age assistance is considerably reduced. Although average payments per recipient of aid to dependent children in four⁵ of the six States are higher than that for the Nation, only the District of Columbia had a recipient rate above the national average.

In contrast to the six States men-

⁵ District of Columbia, Indiana, New Jersey, and Pennsylvania.

tioned above, the other four States with low per inhabitant expenditures have characteristics that indicate a high incidence of need for public assistance. They are all low in relation to other States in per capita income, old-age and survivors insurance beneficiary rates, and average payments for old-age assistance and aid to dependent children. Except for Virginia, they have above-average recipient rates for old-age assistance and aid to dependent children.

Considerable variation among the individual States also occurred in the per capita expenditures for each of the assistance programs. Per capita expenditures for old-age assistance were less than the national average of \$9.86 in two-thirds of the States. The range was from \$1.65 in Virginia to \$35.36 in Colorado; seven States

spent less than \$3.00, and a like number spent more than \$15.00.

For aid to dependent children, the average expenditure per inhabitant was \$3.48—only a little more than one-third of the old-age assistance costs. Three out of 5 States spent less than the national average. Expenditures for this program were more than \$5.00 per capita in eight States, including West Virginia, where they reached \$8.03. Nevada, which has been operating its program without Federal participation, was at the other end of the scale with an expenditure of 5 cents, and was one of 10 States with expenditures of less than \$2.

Expenditures for aid to the blind and aid to the permanently and totally disabled were relatively small, averaging only 41 cents and 78 cents,

respectively, for the country as a whole. All States spent less than \$1.50 per capita for aid to the blind and less than \$3 for aid to the permanently and totally disabled.

General assistance costs, which averaged \$1.36 per inhabitant for the Nation, were less than those for old-age assistance in all States and less than those for aid to dependent children in all but three States. Relative variations among the States in per capita expenditures were considerably greater in general assistance, however, than in any of the other four programs. Thus, the cost of general assistance in Rhode Island was 380 times that in Alabama (1 cent). Almost half the States spent less than \$1 per capita for general assistance, and only six States spent more than \$3. There are two main reasons for these large variations: There is no Federal financial participation in the program, and in many States the program is a local responsibility without State financial or administrative responsibility. The distribution of States by amount of assistance expenditures per inhabitant for each of the assistance programs for the fiscal year 1953-54 is shown below.

Expenditures per inhabitant	OAA	ADC	AB	APTD	GA
Total number of States.....	53	53	53	42	53
Less than \$0.50.....	0	1	44	14	13
0.50-0.99.....	0	0	8	10	11
1.00-1.49.....	0	1	1	10	8
1.50-1.99.....	3	8	0	3	11
2.00-2.99.....	4	12	0	5	4
3.00-3.99.....	1	12	0	0	6
4.00-4.99.....	3	11	0	0	0
5.00-7.49.....	7	7	0	0	0
7.50-9.99.....	19	1	0	0	0
10.00-14.99.....	9	0	0	0	0
15.00-19.99.....	4	0	0	0	0
20.00 or more.....	3	0	0	0	0

Vendor Payments for Medical Care

Medical needs of recipients of public assistance may be met from public assistance funds either by including an amount for this purpose in the money payment to the recipient or by direct payment to the vendor of the medical service. Some agencies use both methods of payment. Federal participation in expenditures for medical care is limited to amounts within stated maximums on the total

amount of aid for each recipient.⁶ Before October 1950, Federal matching was restricted to medical costs met through money payments to recipients. Since that time, however, Federal funds have been available for payments to vendors also. Amounts paid to vendors for medical care are readily identifiable and are reported periodically by State agencies. Data on the amounts included for medical care in the direct payments to recipients have been obtained through special studies but are not reported periodically because of the obvious difficulty and expense of compiling such data on a continuing basis.

For all programs combined, vendor payments in the fiscal year ended June 1954 amounted to \$175 million or \$1.09 per inhabitant. The per capita expenditures for vendor payments for medical care, by program, are as follows:

Program	Expenditure per inhabitant for vendor payments
Old-age assistance.....	\$0.54
Aid to dependent children.....	.10
Aid to the blind.....	.02
Aid to the permanently and totally disabled.....	.09
General assistance.....	.34

Almost three-fourths of this amount came from funds for the four special types of public assistance; vendor payments, however, comprised only a small proportion—5 percent—of the total spent under these four programs. Expenditures for vendor payments from general assistance funds, on the other hand, represented about a fourth of the total spent under this program. In 13 States⁷ payments to vendors of medical care accounted for more than half the total general assistance expenditures. Not all States are able to report the amount expended from general assistance funds for vendor medical payments for recipients of the special

⁶The current maximums are \$55 in old-age assistance, aid to the blind, and aid to the permanently and totally disabled; in aid to dependent children the maximums are \$30 for a needy adult caretaker, \$30 for the first child, and \$21 for each additional child in a family aided.

⁷Alaska, Arkansas, Colorado, Idaho, Iowa, Montana, Nebraska, Nevada, New Mexico, North Carolina, South Dakota, West Virginia, and Wyoming.

types of public assistance, but at least a tenth of all general assistance expenditures went for this purpose.

Table 2 shows a distribution of the States by size of per capita expenditures for vendor payments under each of the assistance programs. Per inhabitant expenditures to vendors of medical care were small except for old-age assistance and general assistance, where expenditures in a few States amounted to \$2 or more.

Fifteenth Trustees Report on OASI Trust Fund

The Board of Trustees of the old-age and survivors insurance trust fund recently submitted to Congress its fifteenth annual report on the operations of the trust fund for the fiscal year 1953-54 and, as required by statute, its estimate of projected fund operations during the next 5 years, as well as an analysis of the actuarial status of the fund. The Board of Trustees is composed of the Secretary of Labor, the Secretary of the Treasury, and the Secretary of Health, Education, and Welfare. The Secretary of the Treasury is the Managing Trustee of the Fund, and the Commissioner of Social Security is the Secretary of the Board. Excerpts from their report follow.

Summary and Conclusion

During the past 5 fiscal years, the contribution income of the trust fund has increased substantially for a number of reasons. In addition to a rise in earnings levels and the normal uptrend in the labor force, contribution rates increased in 1950 and 1954; moreover, coverage was extended to additional employments and the maximum limit on taxable earnings was raised in 1951. A further extension of coverage and another increase in the taxable earnings limit, both effective on January 1, 1955, will materially raise trust fund receipts in the immediate future. With the growth of the trust fund, interest received on investments has also increased.

Trust fund disbursements have risen even more sharply than contribution income. Basic factors in this increase are the long-term growth in