

Table 5.—Hypothetical distribution of the labor force and work opportunities in 1950

[Average for 12 months, in millions]

Labor force, total.....	60.0
Frictional unemployment ("float").....	2.5
Armed forces.....	2.0
Available for civilian employment.....	55.5
Work opportunities, total.....	54.9-58.0
Public employment (Federal, State, and local governments).....	4.5
Private work opportunities.....	50.4-53.5
Agriculture.....	7.5-8.2
Independent nonagricultural work.....	6.0-6.5
Domestic service.....	2.0
Industrial employee jobs, total.....	34.9-36.8
Manufactures.....	14.0
Mines.....	.9
Building construction.....	3.0-3.4
Transportation, communication, and utilities.....	3.5-4.0
Retail and wholesale trade.....	8.0-8.5
Finance, service industries, and miscellaneous.....	5.5-6.0

3.4 million used here (as compared with 1.7 million in 1940) appears decidedly conservative.

The outlook in *transportation, communication, and public utilities* is not very clear. These industries employed 3.1 million persons in 1940 and are part of the most dynamic, speedily expanding sector of the economy. Possibly their demand for labor will rise in the same proportion as factory employment and will exceed 4 million by 1950; more conservatively, the figure may be 3.5 million.²⁵

²⁵ Wallace, Henry A., op. cit., p. 30.

Retail and wholesale trade employed 6.9 million workers in 1940, not including self-employed persons. It would employ about 8.3 million workers in 1950 if the demand for labor rises in about direct proportion to the amount of consumer goods to be distributed. For present purposes, the number of jobs in trade in 1950 is estimated at 8.0 to 8.5 million.

Finance, insurance, real estate, service industries, and professional pursuits employed about 4.5 million workers in 1940 and may employ one-third more in 1950. To be on the conservative side, their future demand for labor is set at 5.5 to 6 million.

Summarizing these estimates of work opportunities in 1950 (table 5), it appears that private industry will require from 50.4 to 53.5 million workers, while the labor force available for private employment will hardly exceed 51 million.

The cumulative margin of error for the total number of jobs may be wider than indicated in table 5. Since even the upper range of the figures cited, however, represents rather conservative assumptions, it appears that a sizable "deficiency" of jobs in 1950 is less probable than a general shortage of labor.

Further analysis may be based on the assumption that employment will be at some point between the high and low estimates and that the demand for labor will be approximately in balance with the available labor force.

Characteristic of the hypothetical distribution of work opportunities in 1950 in comparison with 1940 is the declining demand for labor in agriculture (7.5 to 8.2 million in 1950 as compared with 9.2 million in 1940) and in domestic service (2.0 million instead of 2.5 million) and a rise in almost all other industries, especially in manufactures (14 million instead of 10.8 million), building construction (3.0 to 3.4 million instead of 1.7 million) distributive trades (8.0 to 8.5 million instead of 6.9 million), government (4.5 million instead of 4.1 million), and independent nonagricultural pursuits (6.0 to 6.5 million instead of 5 million).

The trend is to a higher proportion of independent and skilled jobs and to expansion of mechanical trades. Both tendencies in the anticipated demand for labor are in harmony with the changes in the geographic and occupational distribution of the labor force.

Costs of Medical Care of Old-Age and Survivors Insurance Beneficiaries in St. Louis and 12 Ohio Cities

By Lelia M. Easson*

BENEFICIARIES under old-age and survivors insurance often face heavy medical charges, which use up their assets, cause them to seek aid from relatives, and generally deprive them of a satisfactory level of living. Information gathered from 1,544 beneficiary groups¹ surveyed in 12 Ohio middle-sized cities² and in St. Louis

*Bureau of Old-Age and Survivors Insurance, Analysis Division.

¹The "beneficiary group" includes the primary beneficiary and spouse, or the widow and unmarried children under age 18 at home.

²East Liverpool, Elyria, Findlay, Lancaster, Lorain, Mansfield, Newark, Portsmouth, Springfield, Steubenville, Sandusky, Zanesville.

between April and July 1944 (table 1) as part of a continuing study of the economic status of beneficiaries shows that the costs³ of medical care absorbed a larger proportion of the incomes of the aged beneficiaries than is devoted to this purpose by the average family. On the other hand, the widows and their dependent children

³Although all data represent charges rather than paid-for medical care, only a few had medical bills outstanding. For convenience, these charges are referred to interchangeably as costs, expenditures, or outlays. The costs of services of the practitioner, hospitalization, X-ray, physiotherapy, refractions, eye glasses, dental care, nursing care, and medical supplies are included.

appear to have had about the same health-cost experience as families in general. The cost of medical care was unevenly distributed among the beneficiary groups, some having no expenditures for this purpose and others spending relatively large amounts.

The reports of the cost of medical care received by the aged and survivor beneficiaries in the 12 Ohio cities and in St. Louis in 1943-44 may be considered reasonably reliable for the group studied. The beneficiaries discussed their medical outlays freely with the interviewers, inasmuch as the inquiry bore upon a subject which they felt confident could not be used to their disadvantage. They appeared to remember rather clearly the expenditures for doctors' bills and hospitalization, although the amounts spent for medical supplies were usually roughly estimated. The number of persons from whom data were collected provided a relatively satisfactory sample of aged persons and, to a lesser extent,

Table 1.—Number of persons and beneficiary groups by type of beneficiary group, 12 Ohio middle-sized cities and St. Louis, survey year ended April-June 1944

Type of beneficiary group	Total number of persons	Number of beneficiary groups	
		Ohio	St. Louis
Total.....	2,701	951	593
1 person:			
Nonmarried men.....	294	183	111
Nonmarried women entitled on own wage record.....	159	86	73
Aged widows.....	166	119	47
2 persons:			
Married men, wives entitled.....	766	210	173
Married men, wives not entitled.....	538	163	106
Married women entitled on own wage record, husbands not entitled.....	38	13	6
2 or more persons:			
Widows, children entitled.....	740	177	77

¹ Average for beneficiary group, 2.97 persons.
² Average for beneficiary group, 2.78 persons.

of children. A statement of the cost of medical care was obtained for 1,673 aged persons,⁴ and for 254 widows and their 486 children under age 18. Among the aged persons and probably among the children, all types of illness common to these groups and areas might be expected to have occurred.

The average cost of medical care, however, was probably a little lower for the aged beneficiaries studied than for all aged beneficiaries under the program in the 12 Ohio cities and St. Louis, since expenses of last illnesses were largely excluded by omitting from the survey beneficiaries whose spouses had died during the survey year. For example, among the 17 beneficiary groups thus excluded from the St. Louis study, 7 had medical bills for the deceased spouse ranging from \$100 to \$199; 4 had larger and 5 had smaller bills; and 1 spouse was cared for in the city hospital.

The medical costs of aged beneficiaries in this study also were probably slightly lower than those of aged persons not eligible for benefits in these survey areas during the period. In addition to the exclusion of most terminal illnesses, bias existed in the direction of comparatively good health in the case of primary beneficiaries, as they had been able to work enough since 1936 to attain in-

⁴ Excludes nonentitled wives, and husbands of female primary beneficiaries.

ured status.⁵ The noneligible aged, in contrast, included those whose ill health over a period of years had prevented them from acquiring insured status.

⁵ As the program matures, it will be possible under the present law for persons to have insured status at age 65 on account of employment in the more remote past. In the future, therefore, the proportion of aged beneficiaries in good enough health to have worked during the few years preceding entitlement may be smaller than at present.

Aged Couples

During the survey year, two-thirds of the 373 married male primary beneficiaries interviewed in Ohio and the same proportion of the 279 interviewed in St. Louis received medical care. A slightly smaller proportion of their wives received care (table 2). The outlays of the wives having expenditures were, on the average, slightly higher than those of the husbands.

Table 2.—Percent of persons receiving medical care, mean cost per person, and mean and median cost per person incurring costs, by size and type of beneficiary group, 12 Ohio middle-sized cities and St. Louis, survey year ended April-June 1944

Type of beneficiary group ¹	Ohio			St. Louis		
	Adults		Children	Adults		Children
	Male	Female		Male	Female	
Percent receiving medical care ²						
1 person:						
Nonmarried men.....	68.3			66.7		
Nonmarried women entitled on own wage record.....		69.8			79.5	
Aged widows.....		73.9			74.5	
2 persons:						
Married men, wives entitled.....	66.2	62.4		65.9	62.4	
Married men, wives not entitled.....	66.2	60.7		67.0	53.8	
2 or more persons:						
Widows, children entitled.....		64.4	³ 74.0		54.5	³ 63.6
Mean cost per person						
1 person:						
Nonmarried men.....	\$52			\$40		
Nonmarried women entitled on own wage record.....		\$38			\$39	
Aged widows.....		71			66	
2 persons:						
Married men, wives entitled.....	42	40		61	66	
Married men, wives not entitled.....	47	46		65	55	
2 or more persons:						
Widows, children entitled.....		46	³ \$19		28	³ \$16
Mean cost per person incurring costs						
1 person:						
Nonmarried men.....	\$77			\$82		
Nonmarried women entitled on own wage record.....		\$57			\$51	
Aged widows.....		98			89	
2 persons:						
Married men, wives entitled.....	65	66		96	109	
Married men, wives not entitled.....	71	76		98	104	
2 or more persons:						
Widows, children entitled.....		72	³ \$26		53	³ \$28
Median cost per person incurring costs						
1 person:						
Nonmarried men.....	\$30			\$33		
Nonmarried women entitled on own wage record.....		\$31			\$30	
Aged widows.....		60			65	
2 persons:						
Married men, wives entitled.....	31	50		30	35	
Married men, wives not entitled.....	38	50		45	71	
2 or more persons:						
Widows, children entitled.....		38	³ \$15		48	³ \$16

¹ The numbers of married women entitled on own wage record were too few for computation of percentages or averages.
² Includes persons receiving free care only.
³ Percent of beneficiary groups in which 1 or more children received medical care.

⁴ Mean cost per child (1.97 children per beneficiary group in Ohio cities and 1.78 in St. Louis).
⁵ Median cost per child receiving medical care (1.95 children per beneficiary group receiving medical care in Ohio cities and 1.73 in St. Louis).

Table 3.—Percentage distribution of beneficiary groups by amount of medical costs incurred, 12 Ohio middle-sized cities and St. Louis, survey year ended April-June 1944

Cost of medical care	1 person						2 persons				2 or more persons	
	Nonmarried men		Women entitled on own wage record ¹		Aged widows		Married men, wives entitled		Married men, wives not entitled		Widows, children entitled ²	
	Percent	Cumulative percent	Percent	Cumulative percent	Percent	Cumulative percent	Percent	Cumulative percent	Percent	Cumulative percent	Percent	Cumulative percent
Ohio												
Total.....	100.0		100.0		100.0		100.0		100.0		100.0	
No medical care.....	31.7	100.0	29.3	100.0	26.1	100.0	13.8	100.0	12.9	100.0	16.9	100.0
Free care only.....	1.1	68.3	2.0	70.7	.8	73.9	1.0	86.2	.6	87.1	.6	83.1
\$1-24.....	30.1	67.2	20.2	68.7	15.1	73.1	16.2	85.2	17.1	86.5	18.0	82.5
25-49.....	12.0	37.1	18.2	48.5	14.3	58.0	17.6	69.0	16.0	69.4	15.3	64.5
50-99.....	10.9	25.1	15.2	30.3	22.6	43.7	20.0	51.4	17.2	53.4	19.2	49.2
100-199.....	11.5	14.2	11.1	15.1	11.8	21.1	19.1	31.4	23.9	36.2	16.4	30.0
200-299.....	1.1	2.7	3.0	4.0	4.2	9.3	7.6	12.3	3.7	12.3	7.9	13.6
300 or more.....	1.6	1.6	1.0	1.0	5.1	5.1	4.7	4.7	8.6	8.6	5.7	5.7
Average cost:												
Mean—all groups.....	\$52		\$41		\$71		\$82		\$93		\$83	
Mean—groups reporting care.....	77		59		98		97		108		101	
Median—groups reporting care.....	30		35		60		65		75		69	
St. Louis												
Total.....	100.0		100.0		100.0		100.0		100.0		100.0	
No medical care.....	33.3	100.0	22.8	100.0	25.5	100.0	17.4	100.0	13.2	100.0	19.5	100.0
Free care only.....	7.2	68.7	2.5	77.2		74.5	1.7	82.6	.9	86.8	2.6	80.5
\$1-24.....	23.5	59.5	30.4	74.7	12.8	74.5	15.6	80.9	15.1	85.9	15.6	77.9
25-49.....	11.7	36.0	15.1	44.3	12.8	61.7	16.8	65.3	14.2	70.8	13.0	62.3
50-99.....	11.7	24.3	16.5	29.2	21.2	48.9	15.0	48.5	15.1	56.6	31.1	49.3
100-199.....	5.4	12.6	7.6	12.7	19.1	27.7	17.4	33.5	19.8	41.5	11.7	18.2
200-299.....	3.6	7.2	5.1	5.1	4.3	8.6	7.5	16.1	10.4	21.7	5.2	6.5
300 or more.....	3.6	3.6			4.3	4.3	8.6	8.6	11.3	11.3	1.3	1.3
Average cost:												
Mean—all groups.....	\$49		\$40		\$66		\$127		\$120		\$57	
Mean—groups reporting care.....	82		54		89		153		140		74	
Median—groups reporting care.....	33		30		65		60		90		65	

¹ Includes husbands of 13 women out of 99 in Ohio and of 6 out of 79 in St. Louis.

² Widows and children in beneficiary groups averaged 2.97 persons in Ohio, 2.73 persons in St. Louis.

The couples ⁶ in Ohio spent, on the average, \$87 for medical care; one-third of the couples spent \$100 or more, and 6 percent spent \$300 or more (table 3). The 279 St. Louis aged couples had medical expenses averaging \$125 during the year; slightly more than one-third spent \$100 or more, and 10 percent, \$300 or more.

The difference between the average expenditures of the couples in the two survey areas may be partially accounted for by the fact that five of the St. Louis couples had medical costs ranging from \$850 to \$2,000, while only one Ohio couple had expenses within this range. The Ohio men were probably in better health than those in St. Louis, judging from the proportion

⁶ Where married couples are mentioned, data in the text referring to male primary beneficiaries with entitled wives and those with nonentitled wives usually have been combined. The two beneficiary types, however, are listed separately in the tables.

employed during the survey year—58 and 45 percent, respectively. Employment opportunities for aged persons, however, may have been a factor in the difference in the proportions employed, as a smaller variation existed between the two survey areas in proportions reporting themselves unable to work—47 and 51 percent in Ohio and St. Louis. In both surveys, 30-31 percent stated they were able to work. Also, there may be a difference in the schedule of medical fees prevailing in the two survey areas, but the direction and extent of the influence of this factor are not known. Age might have been expected to account partially for the variation in medical costs between the two survey areas, since the St. Louis beneficiaries interviewed were older than the Ohio beneficiaries, if the age of husbands is taken as the basis for comparison. While there were no primary beneficiaries under age 68 in the St. Louis sample, 18 percent of the men with entitled wives

and 48 percent of those with nonentitled wives in the Ohio cities were aged 66 or 67 at the end of the survey year.⁷ Nevertheless, an analysis of the costs of medical care of these married men by age revealed no evidence that the older men were responsible for the higher medical expenditures.

Expenditures incurred for medical care averaged 6 percent of the total

⁷ Difference in the ages of beneficiaries of the same type in the two survey areas was to some extent a result of the selection of the sample. The St. Louis survey was a recontact with beneficiaries first interviewed in November-December 1941 who were still available for interview in 1944. This group comprised about three-fourths of a 50-percent sample of the major types of beneficiaries under the program in St. Louis during its first year of disbursement. On the other hand, the Ohio sample was a cross-section of the major types of beneficiaries under the program in the 12 cities surveyed, excluding entitlements of the first 15 months' operation of the program and the 3 months preceding the beginning of the survey year.

Table 4.—Percentage distribution of beneficiary groups according to proportion medical costs formed of beneficiary group income, 12 Ohio middle-sized cities and St. Louis, survey year ended April-June 1944

Medical costs as percent of beneficiary group income	Male primary			Female primary	Aged widow	Widow, children entitled
	Non-married	Married, wife entitled	Married, wife not entitled			
Ohio						
Total number.....	183	210	163	99	119	177
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
No medical costs.....	31.7	13.8	12.9	29.3	26.1	16.9
Free care only.....	1.1	1.0	.6	2.0	.8	.6
Total incurring medical costs.....	67.2	85.2	86.5	68.7	73.1	82.5
Less than 5.00 percent.....	32.7	38.5	39.9	28.3	20.2	49.2
5.00-14.99 percent.....	19.7	27.6	27.0	24.2	23.5	21.5
15.00-29.99 percent.....	8.2	10.5	9.8	9.1	11.8	7.3
30.00 percent and over.....	6.6	8.6	9.8	7.1	17.6	4.5
Average (mean) percent.....	6.5	8.6	6.1	6.2	11.9	4.8
St. Louis						
Total number.....	111	173	106	79	47	77
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
No medical costs.....	33.3	17.4	13.2	22.8	25.5	19.5
Free care only.....	7.2	1.7	.9	2.5	-----	2.6
Total incurring medical costs.....	59.5	80.9	85.9	74.7	74.5	77.9
Less than 5.00 percent.....	29.8	31.2	34.0	32.8	12.8	41.5
5.00-14.99 percent.....	16.2	27.2	25.5	24.1	29.8	29.9
15.00-29.99 percent.....	7.2	12.7	15.1	8.9	8.5	6.5
30.00 percent and over.....	6.3	9.8	11.3	8.9	23.4	-----
Average (mean) percent.....	6.9	10.4	8.1	7.3	18.4	3.8

incomes of all the aged couples surveyed in Ohio and 9 percent of the incomes of those in St. Louis (table 4). The average income of the couples in the Ohio cities was \$1,380, and in St. Louis, \$1,321, but a much larger proportion of these couples than of families as a whole had incomes under \$500. These proportions may be contrasted with the 4-5 percent of income which other surveys⁸ show is the customary burden of medical costs on the average family. Nearly half of the married aged beneficiaries had spent 5 percent or more of their money incomes on medical care during the preceding 12 months. More than one-fifth had spent 15 percent or more, while one-tenth had an outlay for medical care amounting to at least 30 percent of their incomes. Low incomes and relatively high medical expenditures were characteristic of the 139 couples who spent 15 percent or more of their incomes for medical

care. Only 44 of these 139 couples had incomes over \$900, all but 11 had medical costs of \$100 or more, and 79 had medical costs of more than \$200.

Illness of male primaries and their entitled wives in the Ohio and St. Louis surveys was responsible for expenditures equal to 22 and 33 percent, respectively, of the old-age insurance benefits paid them during the survey year (table 5). These proportions are somewhat higher than they would have been had benefit suspensions for employment been less frequent.

In many cases, current income was not sufficient to cover both medical and other living costs. Thirty of the 652 male primary beneficiary couples had care furnished free, for the most part because of inadequate means. Thirteen of the recipients of free care were receiving old-age assistance. Half of the 139 aged couples for whom medical costs comprised at least 15 percent of income were unable to meet this extraordinary expense out of current income. They liquidated assets, went into debt, or received help from relatives outside the household. Some drew on more than one of these resources. The amount of assets they used ranged from \$45 to \$6,500. They incurred debts during the year ranging as high as \$1,300 and received financial help from relatives outside the household ranging up to \$600.

Relatives in the household also constituted a potential source of subsidy.

Table 5.—Average proportion medical costs formed of benefits received, by type of beneficiary group, 12 Ohio middle-sized cities and St. Louis, survey year ended April-June 1944

Type of beneficiary group	Entitled beneficiaries	Primary beneficiary or widow	Entitled spouse or children
Total			
Aged beneficiaries, total.....	25.6	23.0	41.0
Nonmarried men.....	22.4	22.4	-----
Married men, wives entitled.....	27.0	20.0	41.0
Married men, wives not entitled.....	26.4	26.4	-----
Women entitled on own wage record.....	19.3	19.3	-----
Aged widows.....	30.1	30.1	-----
Widows, children entitled.....	16.9	¹ 23.5	² 12.9
Ohio			
Aged beneficiaries, total.....	23.1	21.7	32.1
Nonmarried men.....	22.9	22.9	-----
Married men, wives entitled.....	21.8	16.7	32.1
Married men, wives not entitled.....	22.4	22.4	-----
Women entitled on own wage record.....	19.1	19.1	-----
Aged widows.....	30.8	30.8	-----
Widows, children entitled.....	18.2	¹ 26.0	² 13.6
St. Louis			
Aged beneficiaries, total.....	29.2	25.0	51.7
Nonmarried men.....	21.6	21.6	-----
Married men, wives entitled.....	33.3	24.1	51.7
Married men, wives not entitled.....	32.9	32.9	-----
Women entitled on own wage record.....	19.6	19.6	-----
Aged widows.....	28.3	28.3	-----
Widows, children entitled.....	13.6	¹ 17.7	² 11.2

⁸ Bureau of Labor Statistics, *Income and Spending and Saving of City Families in Wartime*, Bulletin No. 724 (Washington: U. S. Government Printing Office, 1942), table 8, p. 9; National Resources Planning Board, *Family Expenditures in the United States* (Washington: U. S. Government Printing Office, 1941), tables 196, 198, and 200, pp. 66-67.

¹ Excludes medical costs of nonentitled widows.

² Excludes medical costs of nonentitled children.

A larger proportion of the couples living with others (16 percent) than of those living by themselves (6 percent) had medical expenditures amounting to more than 30 percent of their incomes. Among couples who spent 30 percent or more of their incomes on medical care, those who lived with others had, on the average, slightly lower incomes than those who lived by themselves, but they also had lower medical expenditures on the average. The fact that a larger proportion of beneficiaries in joint households devoted an excessively large share of their incomes to medical care was apparently due to the economy of living in a larger household as well as partial assumption of the beneficiaries' living costs, in some cases, by the relatives who shared the home. Several aged beneficiaries stated that certain medical bills had been paid by sons or daughters in the household.

Many married beneficiaries, as well as beneficiaries of other types, said they needed more medical care than they had received during the survey year. Others felt they were getting whatever medical aid would benefit them. To what extent beneficiaries actually needed medical care is not known. However, among the 365 married men in the two surveys having no medical outlay or having expenditures of less than \$25 and no free care, 153 men (42 percent), two-thirds of whom had incomes of less than \$900, reported they were unable to work. This group of men reporting disability, low medical expenditures, and low incomes constituted 16 percent of all the married men but accounted for 29 percent of the married men spending less than \$25 on medical care. They were reported as suffering from deafness, impaired vision, loss of memory, paralysis, heart and circulatory diseases, rheumatism, the effect of old injuries, and so forth, but none had acute illnesses during the survey period. Chronic illness to which they were accustomed and the effects of uncomplicated senescence, as well as limited income, probably accounted for the fact that some had not consulted a physician. It is probable that at least some did need medical care and would have sought medical aid for preventive or curative treatment, or would have spent more to improve their health, if other demands of living had been less pressing upon their incomes. An

association between low income and low medical outlays is customary among families in general, but this group suffered, in addition, the disabilities of old age.

Nonmarried Men

The three other aged beneficiary types show somewhat varying patterns of expenditure for medical care. About the same proportion (two-thirds) of nonmarried men as of married men reported having had medical care during the survey year (table 2). The average outlay for nonmarried men was \$52 in the Ohio cities (a little higher than for married men) and \$49 in St. Louis (lower than for married men). The average expenditure in St. Louis was doubtless lowered by the relatively large amount of free care received by the nonmarried men; 7 percent had medical care during the year with no charges, in contrast with only 1 percent in the Ohio cities. In addition, a larger proportion in St. Louis than in the Ohio survey had both free and paid-for care.

Among the St. Louis nonmarried men, 13 percent had spent \$100 or more for medical care and nearly 4 percent had spent \$300 or more (table 3). In the Ohio cities, the corresponding proportions were 14 percent and less than 2 percent. Medical costs averaged 6 percent of the incomes of all the nonmarried men interviewed in Ohio and 7 percent in St. Louis (table 4). Their average incomes were \$939 in Ohio and \$707 in St. Louis. Nearly a third in each survey area had spent 5 percent or more of their money incomes on medical care during the survey year, while about one-seventh had spent 15 percent or more. Their total expenditures for medical care amounted to a little more than one-fifth of the aggregate amount of old-age insurance benefits paid them during the period (table 5).

Aged Widows and Women Entitled to Benefits on Their Own Wage Records

The proportion receiving medical care was larger for the aged widows (74 percent in each survey) and for the women who were entitled to benefits on their own wage records (70 and 80 percent in Ohio and St. Louis, respectively) than for any other type of aged beneficiary (table 2). Here,

however, the resemblance between the two types of aged female beneficiaries ends. On the average, the female primary beneficiaries in the two surveys spent \$38 and \$39 for medical care, while aged widows spent \$66 and \$71 (table 2). Twenty-one and 28 percent of the aged widows in Ohio and St. Louis, respectively, had medical expenditures of \$100 or more during the year. Less than 13 percent of the female primary beneficiaries spent that much—probably in part because their health was better, on the average, than that of wives and widows. To become entitled on their own wage records, they must have been in good enough health to have worked after 1936.

The funds spent for medical care by the retired women wage earners amounted to nearly 7 percent of their incomes and nearly 20 percent of their benefits (tables 4 and 5). Those in Ohio had an average income of \$659, and those in St. Louis, \$554. Aged widows interviewed in Ohio had incomes of \$600 on the average, of which 12 percent was allocated to medical care. These expenditures were equivalent to 31 percent of their benefits. Incomes of aged widows in St. Louis averaged \$495, of which 13 percent—equivalent to 28 percent of their insurance benefits—went for medical treatment and supplies.

Widows and Children

Medical expenditures of the younger survivor beneficiaries were smaller than those of the aged, not only in average amount but also in the relative proportional drain on the family purse.

In the Ohio survey the widows having beneficiary children spent an average of \$46 for their own medical care during the year; nearly two-thirds reported some expenditures for this purpose. Slightly more than half the corresponding group of widows interviewed in St. Louis had made some outlay for medical care, the amounts averaging \$28 for the group as a whole (table 2). The more recent widowhood of the Ohio group may account for the larger proportion having medical care and its higher average cost, because the study indicates that the death of the husband was frequently followed by a period of ill health on the part of the widow.

In the families of widows with dependent children, the cost of medical

care for the children averaged \$19 per child in the Ohio cities, and children in three-fourths of the families had medical attention. Among St. Louis families of a similar type, the average amount spent per child was \$16, and slightly less than two-thirds of the families had incurred medical expense for children. The larger proportion of widows having outlay for children's health and the higher cost per child in the Ohio survey can possibly be accounted for by the fact that on the average the children were younger than the St. Louis children.⁹

When the medical outlays of the widow and her dependent children are combined to obtain a total for the beneficiary group, it is found that only 18 percent in St. Louis, but 30 percent in Ohio, had spent over \$100 for medical care. On the average, 4-5 percent of the aggregate beneficiary group income went for health care of the widow and her children under 18, a proportion which is about the same as that allocated to medical care by families in general (table 4). The average income of the widows with beneficiary children interviewed in Ohio and St. Louis was \$1,714 and \$1,504 respectively. Medical expenditures amounted to 18 percent of the survivors benefits paid to such Ohio beneficiaries during the year, and 14 percent of benefits paid to the St. Louis beneficiaries (table 5).

Free Medical Care

In both survey areas some beneficiaries of each type received free

⁹ Evidence that younger children have higher medical expense than older children may be found in table 102 of "Medical Care and Costs in Relation to Family Income," Bureau of Research and Statistics, Social Security Board, Bureau Memorandum No. 51.

medical care, but the proportion receiving such care tended to be larger in St. Louis. A few of those who paid for medical care also had some free care; in addition, there was another small group who had only free care. During the survey year, 7 percent of the St. Louis beneficiary groups had some free hospitalization, examination, or treatment. Nearly half of these had no medical expenditures. In the Ohio cities, only 3 percent of the beneficiary groups had any free care, and of these about one-third made no outlay whatever for medical care.

No attempt has been made to set a value on the services for which no charge was made to the beneficiaries, but these services ranged all the way from one or two clinic visits to an appendectomy and a throat cancer operation. The following tabulation indicates the sort of care given and who paid for it in the first instance:

Type of care and payer	Number of beneficiary groups reporting	
	Ohio	St. Louis
Total.....	32	42
Consultation, examination, X-ray, or treatment.....	25	30
Cost defrayed by:		
Private physician.....	13	3
Former employer.....	2	0
Fraternal organization or church.....	4	0
Hospitals, clinics, and public health service.....	6	27
Hospitalization.....	7	12

Nearly all the 16 families reporting free care by a private physician were related to him. Most of the persons receiving free hospitalization were cared for at city or county hospitals.

Conclusions

The burden of the cost of medical care upon the beneficiaries during the year studied was relatively heavy. Various factors indicate that for at least the aged beneficiaries it will grow heavier with the passage of time. Many of the aged beneficiaries worked during the survey year, and their earnings provided an income which will cease at some not distant date. Had it not been for earnings from employment, their income would have approximated half of the income reported for the survey year. Many beneficiaries, moreover, are using up assets they had at the time of entitlement. Expenditures for medical care, on the other hand, presumably will mount from year to year as the lives of these beneficiaries near an end. Many beneficiaries with prolonged illnesses will have neither the income nor the assets to pay for the care required. They will exist without it, will receive free care if it is available, will receive aid from relief agencies, or will be subsidized by children, most of whom have relatively heavy financial responsibilities in supporting their own families.

The adequacy of the living of many families, and particularly of retired persons who are self-supporting, depends to a large extent on the amount they must spend for medical care. Heavy, or sometimes even relatively small, outlays for medical care may deprive the aged person of what might otherwise be an adequate level of living. Orderly provision for these expenditures could best be made through a system of prepaid medical care.

(Continued from page 7)

ing the United States to an additional contribution of \$1,350 million was passed by the House on December 6 by an overwhelming majority—327 to 39—and by the Senate on December 17, and signed by the President on December 18 (Public Law No. 262). An initial appropriation of

\$750 million was included in the 1946 deficiency bill, signed December 28.

Australia and New Zealand Increase Benefits

Both Australia and New Zealand acted during 1945 to increase social security benefit rates. The Austra-

lian legislation, enacted in June and effective July 5, increased the maximum rate of invalid and old-age pensions from 27s. (\$4.36) to 32s. 6d. (\$5.25) per week. Some 310,500 pensioners received the full increase. New Zealand's increases in basic benefit rates, effective October 1, 1945, are summarized elsewhere in this issue.