

The Social Security Act: The First Twenty Years

by CHARLES I. SCHOTTLAND,
Commissioner of Social Security

ON ITS twentieth birthday, the Social Security Act is not yet of age according to the usual standard for human lives, let alone standards for laws and social institutions. It has become a basic resource for our economy and for most American families in less than half the span of the working life of youngsters who were seeking their first jobs in 1935.

During the intervening 20 years, the United States has swung through the economic arc from the depths of depression to feverish heights of wartime prosperity and has weathered the shocks of postwar readjustments to regain high economic levels. The same 20 years have also seen a significant shift in the composition of the Nation's human resources. The aged population has greatly increased, both in absolute numbers and as a share of the total, and the declining birthrates of the 1920's and 1930's have been followed by a rise that has brought unanticipated numbers of children into our homes and schools. At the same time, technological advances in factories and offices, in stores and on farms, have been making sweeping changes in the work of millions of persons.

Subsequent pages in this issue of the BULLETIN show the meaning of these and other social and economic changes, in conjunction with legislative action, for the progressive development of the structure of social security in the United States. It is a tribute to the soundness of the initial law, to the actions of subsequent Congresses, and to the effectiveness of Federal and State administration that the program has met the challenge of far-reaching change and has demonstrated its worth in circumstances that could hardly have been foreseen in 1935. It has been of signal importance for the program's development that Congress charged the Federal administrative body with

the duty of studying and recommending methods of improving social security, that the original law and subsequent amendments have been enacted with bipartisan support, and that administration at both Federal and State levels has been conceived as nonpolitical, to be carried out by staffs recruited and maintained on a merit-system basis.

The 1954 amendments to the Social Security Act were of special importance in the development and

strengthening of the social security program. They made the coverage of old-age and survivors insurance almost universal and the level of benefits more nearly adequate. In the words of President Eisenhower, the 1954 amendments "represent one of the cornerstones of our program to build a better and stronger America."

As a result of the 1954 amendments, the number of persons receiving old-age and survivors insur-

Teamwork for Individual Independence

The people of the United States can take just pride in the substantial progress which has been made under the Social Security Act toward developing basic protection against economic adversity.

The combined protective forces of individual self-reliance, the private company thrift and pension plans, and the Federal social security program now go far toward assuring the economic and social independence of American families. These forces help prevent or alleviate dependency and its train of hardships, afford better opportunities for the Nation's children, and help sustain the general welfare of our people.

The social security program illustrates the relation of Government in the United States to the well-being of individuals. By providing only basic benefits, the program stimulates individual thrift and initiative; it does not replace them. In recent years Americans have acquired through their own savings a greater degree of protection against loss of earnings than they ever before enjoyed.

Social security in the United States is a series of working partnerships between the Federal Government, the States, and the localities, and between these arms of government and the Nation's workers, employers, professions, and voluntary social organizations. They share the credit for the social security system's success.

The 1954 amendments to the Social Security Act liberalized the benefits and extended the coverage of old-age and survivors insurance. We of the Department are constantly studying the program to meet additional needs as they develop.

The good progress of the past suggests that more progress, fully consonant with our American traditions and ideals, will be made in the future.

MARION B. FOLSOM
Secretary of Health, Education, and Welfare

ance payments had passed the 7½-million mark by July 1955. These beneficiaries were receiving payments at an annual rate of \$4.6 billion.

Within a relatively few years, as the recent extensions of coverage come into full operation, most older people will look to old-age and survivors insurance to maintain an income in retirement, along with such other savings as they have made individually and, for many, benefits paid under the growing number of private pension plans. Old-age as-

sistance will increasingly represent provision for special individual needs, such as needs for costly medical care, and the provision of special services required by older men and women—aid in locating appropriate housing or medical facilities, for example, or in finding suitable part-time work.

The Federal-State partnership in assistance to other groups of needy persons, particularly children, and in the provision of health and welfare services for children is making an increasingly constructive contribution

to the well-being of individuals and of families.

As we look ahead toward the next 20 years, we can be sure that changing circumstances, new needs, and expanding knowledge will call for modifications and adjustments in the social security programs. We can also be sure that these programs will continue to have an accepted and important place among the many inter-related activities—private and public—that keep our society strong and free.

Social Security Objectives and Achievements

by WILBUR J. COHEN*

THE Social Security Act of 1935 was designed to meet certain immediate needs and to help prevent future want and dependency such as engulfed the Nation at the time of its passage. Through the Federal-State partnership implemented by Federal grants in aid, assistance soon became available under State laws for needy persons in three groups of the population that, in good times as well as bad, have little or no capacity to earn their own living—the aged, the blind, and children deprived of parental support or care through the death, absence from the home, or physical or mental incapacity of a parent. Longer-range provisions of the act were to result in insurance benefits for employees in commerce and industry that would furnish a basic income in old-age retirement and during limited periods of involuntary unemployment.

The popular idea of "social security" has often given exclusive emphasis to the provisions for the aged and to income maintenance. It is highly significant that the original law also included grants in aid to States for maternal and child health and welfare services, public health services for the whole community, and vocational rehabilitation services.

Specific changes in the social security law and administrative organi-

zation are listed elsewhere in this issue. These changes reflect not only amendment to keep the program in line with rising levels in earnings and living costs but also basic development in its character and scope and in the concept of "social security."

Independence and Integrity of the Family

The social security program has given increasing recognition to the significance of the family unit. The public assistance provisions in the original law affirmed the importance of family life by limiting use of Federal funds for needy aged or blind persons to those who were not inmates of public institutions and funds for needy children to those who were living in family homes in the care of one of a number of specified relatives. Moreover, the act affirmed the dignity and responsibility of recipients by specifying that aid was to be given in the form of money, which the receiver was free to spend as he or she deemed best, rather than as aid in kind, such as orders for groceries or fuel, which too often reflected condescension and unwarranted suspicion in past relief administration.

In 1939 the emphasis in old-age insurance was shifted from the individual to the family. Benefits were added for the aged wife and minor children of a retired insured worker and for family dependents of insured

workers who die either before or after retirement. The capacity of aid to dependent children to safeguard family life was strengthened in 1950, when Congress provided that Federal grants could be used in payments that include the needs of the mother or other relative who cares for the children as well as the children themselves.

In countless homes, therefore, insurance or assistance payments mean that an old couple can live out their remaining years together in a familiar setting, with their cherished possessions; that children in families broken by death or separation or impoverished by the breadwinner's disability can continue to receive their mothers' care instead of being parceled out among relatives or left without supervision or placed in foster homes while the mother takes outside work; that families in which earned income has been cut down or cut off by misfortune or old age have an assured income that they can use just as others in the community use their money, continuing to plan and manage their own affairs.

The dollars paid out under programs established under the Social Security Act can be added, and so can the number of persons—old, young, and in the working ages—to whom these payments have gone. What cannot be computed is the peace of mind and self-respect made possible by these programs in homes

*Director, Division of Research and Statistics, Office of Commissioner.