

Actually, personal advice is a less compelling means of stimulating prompt application than the advice of the individual's physician, his employer, or union officials. For example, only 5 percent of those advised to file by their employer or union and 11 percent of those advised to file by their physicians waited more than 18 months to do so, in contrast to 19 percent for the sample as a whole.

Information received from public assistance and other welfare agencies is least likely to be associated with early filing. More than a fourth of those advised to file by such a source waited more than 18 months. It is probable that claimants who come into contact with such agencies do so when their disabilities are already well advanced.

Claimants receiving benefits from some other

public program because of their disability are least likely to file a prompt claim for disability benefits under OASDI. Those with benefits from a private insurance, union, or employer plan are most likely to file promptly. Of the claimants reporting that they received workmen's compensation, unemployment insurance, or Veterans Administration benefits or public assistance payments, the proportion filing within the first 6 months after the onset of disability ranged from a fifth to a third. In contrast, almost half those who reported that they were receiving benefits from a private insurance, union, or employer plan filed within the 6 months. Apparently many disabled workers do not initiate a claim under OASDI until benefits from other public programs have been fully exhausted or until they learn they can collect multiple benefits.

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## Notes and Brief Reports

### Persons Receiving Payments From Public Programs for Long-Term Disability, December 1939-63\*

During the past decade there has been a substantial increase in the number of persons receiving cash benefits or payments for long-term total disability under public income-maintenance programs. As of December 1963, about 1.8 million persons aged 14-64 were receiving such benefits. They represented 54 percent of the estimated 3.3 million persons in the population with long-term disabilities (of more than 6 months' duration), including those in institutions. In December 1954 only about 30 percent of the Nation's long-term disabled were receiving support from public programs, as shown in the accompanying table.

Largely responsible for this dramatic change is the old-age, survivors, and disability insurance (OASDI) program, which initiated payments to the severely disabled in 1957. By the end of 1963, roughly 1 million persons were receiving disability benefits through the insurance system. They represented three-tenths of all persons aged

14-64 with long-term disabilities and 55 percent of those receiving disability benefits from any public program.

#### PROGRAM DEVELOPMENTS

Before World War II, disability protection through public programs was confined to workmen's compensation and to programs for select groups in the population—veterans, railroad workers, the Armed Forces, civilian government employees, and the needy blind. Cash payments for long-term disability were made under such provisions in December 1939 to about 290,000 persons, or a little more than one-tenth of the Nation's long-term disabled aged 14-64.

During the next 10 years, with the attention of the country largely directed toward foreign affairs, no additional public income-maintenance programs for persons with a protracted disability were introduced. The number of beneficiaries under existing programs, however, had almost doubled by December 1949 and constituted almost one-fifth of the long-term disabled population. The primary reason was the rapid increase in the number of totally disabled persons receiving veterans' pensions or compensation (defined here as those with disability ratings of 70 percent or more).

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\* Prepared by Alfred M. Skolnik, Division of Research and Statistics.

In the 1950's, two new income-maintenance programs of general scope for persons with long-term disability were added by amendments to the Social Security Act. The first, in 1950, was a program of Federal grants to the States for aid to needy persons who were permanently and totally disabled. By December 1954 this public assistance program was second only to the veterans' programs in size and was making payments to 220,000 of the more than 850,000 persons under age 65 receiving payments for extended disability.

The second program, adopted under 1956 legislation, provided for the payment of benefits under OASDI to severely disabled workers aged 50-64 and also disabled persons—children of deceased and retired workers—whose disability had started before they attained age 18. (In 1958, the disabled children of disabled workers were also included.) Primarily as a result of this program, the number of persons receiving extended disability benefits rose by more than 400,000 from 1954 to 1959, to an unduplicated total of 1.3 million. In 1959 they represented more than two-fifths of the estimated 3.1 million persons aged 14-64 in the Nation's institutional and noninstitutional population with prolonged disabilities.

## CURRENT TRENDS

In 1960 the requirement that the disabled worker must have reached age 50 was removed,

and benefits could be payable at any age under 65. The effect was to accelerate the increase in the number of disabled-worker beneficiaries, which rose from 335,000 in December 1959 to 620,000 in December 1961 and to 825,000 in December 1963. The OASDI program during this period clearly became the basic program for disability benefits. By the end of 1963 beneficiaries under the program, including the 165,000 childhood disability beneficiaries, accounted for 55 percent of the 1.8 million long-term disabled persons receiving payments under public programs.

The Federal-State program of aid to the permanently and totally disabled has also grown substantially, partly because of greater State participation in the relatively new program. From 1959 to 1963, the number of recipients under this program increased by more than a third, the greatest growth in any of the programs except OASDI. The only other programs to experience any sizable increases are the public employee retirement systems, including that of the uniformed services. Maturity of these systems, plus the growth in public employment and in the numbers covered by the retirement systems, probably accounted for most of the increase in the number of disability beneficiaries under such systems.

The veterans' programs represent a contrasting trend. As increasing numbers of World War I veterans have reached age 65, the number under age 65 (with disability ratings of 70 percent or more) on the compensation or pension rolls has dwindled. The veterans' programs, which as re-

Estimated number of persons aged 14-64 in the United States receiving cash payments for long-term total disability<sup>1</sup> from public income-maintenance programs, December of selected years, 1939-63

[In thousands]

| Source of cash payment   | 1939  | 1949  | 1954  | 1959  | 1961  | 1963  |
|--|-------|-------|-------|-------|-------|-------|
| Long-term disabled aged 14-64:                                 |       |       |       |       |       |       |
| Total number in population.....                                | 2,300 | 2,700 | 2,900 | 3,100 | 3,200 | 3,300 |
| Number receiving payments <sup>2</sup> .....                   | 290   | 490   | 865   | 1,290 | 1,500 | 1,790 |
| Federal civilian and uniformed services retirement.....        | 40    | 80    | 110   | 135   | 145   | 165   |
| State and local government employee retirement.....            | 10    | 20    | 30    | 35    | 45    | 50    |
| Workmen's compensation.....                                    | 45    | 00    | 70    | 75    | 75    | 75    |
| Veterans' compensation and pension programs <sup>3</sup> ..... | 160   | 275   | 385   | 330   | 280   | 275   |
| Railroad retirement.....                                       | 15    | 40    | 45    | 45    | 45    | 40    |
| Old-age, survivors, and disability insurance:                  |       |       |       |       |       |       |
| Worker disability.....   |       |       |       | 335   | 620   | 825   |
| Childhood disability.....                                      |       |       |       | 80    | 125   | 165   |
| Public assistance:   |       |       |       |       |       |       |
| Aid to the blind.....  | 40    | 50    | 55    | 55    | 50    | 60    |
| Aid to the permanently and totally disabled.....               |       |       | 220   | 340   | 385   | 465   |
| Percent of long-term disabled receiving payments.....          | 12.6  | 18.1  | 29.8  | 41.6  | 46.9  | 54.2  |

<sup>1</sup> Physical or mental disease or impairments that for more than 6 months have prevented persons from working or following their normal activities on a regular basis.

<sup>2</sup> Because some persons received payments from more than one source, the sum of the recipients under the individual programs is larger than the total.

<sup>3</sup> Payments to veterans reported as having disability ratings of 70 percent or more.

Source: Estimated in the Division of Research and Statistics on the basis of published and unpublished data from agencies administering income-maintenance programs.

cently as 1954 were responsible for the largest group of disability beneficiaries (385,000), had some 110,000 less than that number by December 1963. With the aging of the veteran population of World War II and the Korean conflict, it may be expected that the trend will again be reversed.

It is estimated that in December 1963 about 330,000 persons, or more than 1 out of every 6 of the 1.8 million beneficiaries, were receiving benefits from more than one type of public program. In contrast, only about 1 out of 15 beneficiaries in 1954 was receiving disability benefits from more than one public income-maintenance program. The largest amount of the overlap today — perhaps half — involves recipients of veterans' benefits and of disability benefits under OASDI.

The income-maintenance programs listed in the accompanying table do not include aid to families with dependent children and general assistance. In 1963 about 170,000 needy families with dependent children were receiving aid as a result of the partial or total incapacity of a parent. Perhaps 115,000 individuals, with disabilities of varying severity, were receiving relief through State and local general assistance programs. An unknown number of the recipients in both groups would be persons suffering from long-term total disabilities.

The data also exclude the State rehabilitation programs that provide for the maintenance of disabled clients who are undergoing rehabilitation and who otherwise have no adequate means of support. In addition, the data exclude programs that primarily furnish services rather than cash benefits to persons with an extended disability—patients in mental, tuberculosis, and chronic disease hospitals and in other institutions and homes providing long-term care.

#### **"WOULD-BE" WORKERS**

In assessing the amount of protection that persons with an extended disability are receiving through public programs, it might be well to note that some of the disabled have not been or would not be regularly attached to the labor market. It is estimated that, of the 3.3 million persons aged 14-64 with prolonged disabilities in 1963,

perhaps 2.3 million on an average day would have been in the labor force but for their disability. The others, if not disabled, would have been engaged in some activity other than gainful employment. Most likely, they would be keeping house or attending school.

For some purposes, then, it is more meaningful to confine the analysis to "would-be" workers among the disabled who presumably are suffering a loss of earnings—actual or potential—because of an extended disability. Such an analysis, however, would have to take into consideration the fact that not all the disability programs listed in the table are paying benefits as replacement for lost earnings. The public assistance programs and the childhood disability program under OASDI, for example, are making payments unrelated to the disabled person's past employment (though undoubtedly many of these individuals are former or would-be workers).

If it is assumed that the proportion of would-be workers among public assistance recipients and childhood disability beneficiaries is the same as in the disabled population in general, then the total number of would-be workers receiving disability payments in December 1963 becomes 1.6 million, or about 70 percent of the estimated 2.3 million would-be workers in the disabled population under age 65.

#### **TECHNICAL NOTE**

As used here, the term "long-term disabled" refers to persons who, because of some physical or mental disease or impairment, have for more than 6 months been unable to work or to follow other normal activities—such as keeping house or attending school—on a regular basis. Estimates of the total number of long-term disabled in the population were projected from earlier estimates published in the June 1955 and September 1960 issues of the *BULLETIN*, using the same methodology.

The estimates presented here for the number of long-term disabled in the population (3.1-3.3 million aged 14-64 during the period 1959-63) differ from the estimates of the National Health Survey. According to the Survey, about 1.5 million persons aged 17-64 with chronic conditions were completely limited in their ability to

## Aged Persons Receiving Both OASDI and PA, Early 1963\*

work or carry on their major activity, and 6.3 million were partially limited in the amount or kind of work or major activity that they could pursue.<sup>1</sup> The National Health Survey data exclude disabled persons in institutions—numbering perhaps as many as 800,000–900,000—but include persons with chronic conditions of less than 6 months' duration.

Much of the variation in the estimates can be attributed to the fact that the definition of disability used in this note includes some of the persons who would be classified in the National Health Survey as having a partial limitation of activity. In the series of sample household-interview surveys that form the basis of the estimates presented here, persons were classified as disabled who stated on the date of interview that for 6 months or longer they had been unable to do their regular work because of disease or injury, as well as those who acknowledged a long-term physical or mental condition that permitted only occasional work. This concept of disability includes some workers who are unable to engage in their usual or regular occupation although not totally disabled for any type of substantial gainful work. Under the National Health Survey procedures, such workers would tend to classify themselves as "able to work but limited in amount or kind of work" rather than "not able to work at all."

Estimates of would-be workers in the disabled population are based on National Health Survey data, which show that about 73 percent of the persons aged 17–64 who were completely limited in their activities and 61 percent who were partially limited were working up to the time their limitation began.<sup>2</sup> Adjustments were made to allow, on the one hand, for those with childhood impairments who never had any labor-force experience and, on the other hand, for housewives and others with previous labor-force experience, who would no longer normally be in the labor force.

<sup>1</sup> Public Health Service, U.S. National Health Survey, *Chronic Conditions Causing Limitation of Activities, United States, July 1959–June 1961, 1962.*

<sup>2</sup> Public Health Service, U.S. National Health Survey, *Duration of Limitation of Activity Due to Chronic Conditions, United States, July 1959–June 1960, 1961.*

Old-age, survivors, and disability insurance and public assistance are both designed to provide security against want in old age by helping maintain income through the vicissitudes of the later years. Today almost three-fourths of all men and women aged 65 and over have some degree of security provided through the benefit they receive each month under old-age, survivors, and disability insurance (OASDI). Others—a declining proportion—do not qualify for OASDI monthly benefits because they or the worker on whom they were or are dependent did not work long enough or perhaps not at all in covered employment. Still others may qualify but find that the benefits, with whatever other resources they may have, are not enough to meet their special needs, including their medical bills. For the last group, public assistance payments supplement the OASDI benefit.

Data on the extent to which aged persons receive benefits under both OASDI and public assistance and on the changes that occur in this insurance-assistance relationship are important for the evaluation, interpretation, and planning of both programs. The Bureau of Family Services of the Welfare Administration has collected information from the States annually since 1948 on the incidence of the concurrent receipt of payments under old-age assistance (OAA) and OASDI and on the amounts of such payments. Similar data about recipients of medical assistance for the aged (MAA) were collected for February 1962 and February 1963.

Liberalizations of the OASDI provisions of the Social Security Act in 1950 and also more recently—broadening eligibility requirements, expanding coverage, and raising benefit levels—have had great impact on the public assistance caseloads, as well as on the size of the group receiving both insurance and assistance payments. These revisions in the law do not fully account, however, for the changes during the past decade and a half in the relationship between public

\* Adapted from David B. Eppley, "Concurrent Receipt of Public Assistance and Old-Age, Survivors, and Disability Insurance by Persons Aged 65 and Over, Early 1963." *Welfare in Review* (Welfare Administration), March 1964.