

Notes and Brief Reports

Age and Sex of Persons Receiving Both OASI Benefits and OAA Payments*

One way of measuring the effectiveness of the two programs of the Social Security Act that provide cash payments to persons aged 65 and over is to compare the number of persons receiving such payments with the total population aged 65 and over. Such comparisons are made from time to time,¹ but only occasionally can more significant comparison and analysis be made according to the age and sex of the beneficiary-recipients.

Data are readily available each year on the age and sex of old-age, survivors, and disability insurance beneficiaries but not of old-age assistance recipients, for whom sample studies are made at intervals of several years. The latest survey of assistance recipients was a 1-percent sample taken in 1960; the data were classified not only by age and sex but also by status as a beneficiary under the insurance program. In addition, the results of the 1960 Decennial Census have made it possible to prepare estimates of the number of persons receiving payments under these two social security programs in relation to the enumerated total population.

Data were obtained from the Bureau of the Census on the population aged 65 and over resident in the area covered by the provisions of the Social Security Act—the 50 States and the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands. The data, as of the Census enumeration date of April 1, 1960, were projected to August 1, 1960.

Annual tabulations of old-age and survivors insurance beneficiaries with benefits in current-payment status, by age and sex, are available as of the end of both 1959 and 1960. These figures were adjusted to take into account beneficiaries who were residing in areas not covered by the Social Security Act. By interpolation, estimated

data as of August 1, 1960, were obtained, and further adjustment was then made to conform these data with the monthly estimates of the total beneficiary population aged 65 and over.

The 1-percent sample survey of old-age assistance recipients made in the State agencies during a selected month in the period July-September 1960 was inflated to the total reported universe for August 1960 and was assumed to apply as of August 1.

Table 1 presents estimates of the three populations aged 65 and over as of August 1, 1960—the total population, old-age and survivors insurance beneficiaries, and old-age assistance recipients—for various age and sex groups. The table also shows the number receiving only one type of payment and the number receiving both insurance benefits and assistance payments.

TABLE 1.—Estimated population¹ aged 65 and over by receipt of payments under OASI and OAA, by sex and age, August 1, 1960

[In thousands]

Sex and age	Total population	OASI beneficiaries	OAA recipients	Persons receiving—			
				OASI only	OAA only	Both OASI and OAA	OASI, OAA, or both
Total.....	16,780	10,537	2,350	9,838	1,651	699	12,188
65-69.....	6,282	3,895	404	3,732	241	163	4,136
70-74.....	4,830	3,471	582	3,252	363	219	3,834
75-79.....	3,111	2,068	628	1,875	435	193	2,503
80-84.....	1,614	839	426	748	335	91	1,174
85 and over.....	944	264	310	231	277	35	541
Male.....	7,592	5,097	791	4,794	488	303	5,585
65-69.....	2,936	1,723	115	1,674	66	49	1,789
70-74.....	2,223	1,697	191	1,604	98	98	1,795
75-79.....	1,385	1,071	229	973	131	98	1,202
80-84.....	680	453	145	408	100	45	553
85 and over.....	368	153	111	135	93	18	246
Female.....	9,188	5,440	1,559	5,044	1,163	396	6,603
65-69.....	3,346	2,172	289	2,058	175	114	2,347
70-74.....	2,607	1,774	391	1,648	265	126	2,039
75-79.....	1,726	997	399	902	304	95	1,301
80-84.....	934	386	281	340	235	46	621
85 and over.....	576	111	199	96	184	15	295

¹ Persons resident in areas of the United States covered by old-age, survivors, and disability insurance.

The percentage distributions for each of several major categories by age and by sex are shown in table 2. The insurance beneficiaries are somewhat younger, in general, than the total population aged 65 and over. For men aged 65-69, however, the proportion is slightly lower for the old-age and survivors insurance beneficiaries than for the total population because many men in that age group have earnings in full-time work and thus do not receive insurance benefits. The retirement

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¹ For the most recent report making such a comparison, see Robert H. Mugge, "Concurrent Receipt of Public Assistance and Old-Age, Survivors, and Disability Insurance," *Social Security Bulletin*, December 1960.

test operates to permit payment of full benefits at ages under 72 only when earnings are \$1,200 or less in a year.

The proportion of men is, of course, somewhat higher among the insurance beneficiaries than among the total population aged 65 and over because of the work-connected nature of the benefits. Many women at the older ages now are neither former workers in covered employment nor widows of covered workers. Women of their generation were much less likely to work outside the home than women now under age 65, and the husbands of many died before coverage of their employment became effective.

When the age distribution of assistance recipients is compared with that of the total population aged 65 and over, an entirely different picture is obtained. The recipients are a much older group and contain relatively many more women.

When all those who are receiving insurance benefits, assistance payments, or both are compared with the entire population aged 65 and over, the distributions by age are somewhat similar. There is underrepresentation in the age group 65-69, however, for the population receiving insurance or assistance because relatively more persons of that age are still working.

Table 3 shows, for each age-sex group, the proportion of persons to whom payments of insurance or assistance, or both, were being made. It should be noted, however, that significant changes

TABLE 2.—Estimated percentage distribution of the population¹ aged 65 and over by receipt of payments under OASI and OAA and by sex and age, August 1, 1960

Sex and age	Total population	OASI beneficiaries	OAA recipients	Persons receiving OASI, OAA, or both
Total.....	100.0	100.0	100.0	100.0
65-69.....	37.4	36.9	17.2	34.0
70-74.....	28.7	32.9	24.7	31.4
75-79.....	18.6	19.7	26.7	20.5
80-84.....	9.7	8.0	18.2	9.6
85 and over.....	5.6	2.5	13.2	4.4
Male.....	45.2	48.4	33.7	45.9
65-69.....	17.5	16.3	4.9	14.7
70-74.....	13.2	16.1	8.1	14.7
75-79.....	8.3	10.2	9.7	9.9
80-84.....	4.1	4.3	6.2	4.5
85 and over.....	2.2	1.5	4.7	2.0
Female.....	54.8	51.6	66.3	54.1
65-69.....	19.9	20.6	12.3	19.3
70-74.....	15.5	16.8	16.6	16.7
75-79.....	10.3	9.5	17.0	10.6
80-84.....	5.6	3.7	12.0	5.1
85 and over.....	3.4	1.0	8.5	2.4

¹ See footnote 1, table 1.

in the aged populations have occurred since August 1960, the latest month for which detailed, complete information on age and sex is available. These changes are summarized in the following tabulation.

[Numbers in thousands]

Item	August 1960	December 1962
Total population.....	16,780	17,600
Insurance beneficiaries:		
Number.....	10,537	12,426
Percent of total population.....	62.8	70.6
Assistance recipients:		
Number.....	¹ 2,350	¹ 2,223
Percent of total population.....	14.0	12.6
Beneficiary-recipients:		
Number.....	600	805
Percent of total population.....	4.2	4.6
Percent of insurance beneficiaries.....	6.6	6.5
Percent of assistance recipients.....	29.7	36.2

¹ Based entirely on reported data; all other figures estimated by author, largely from reported data that were adjusted for differences in date or the geographical area included.

In August 1960, about 63 percent of the population aged 65 and over were insurance beneficiaries, but by December 1962 the proportion had risen to 71 percent. During the same period the number of aged assistance recipients declined from 14.0 percent of the population to 12.6 percent, while the number of persons receiving one or both types of payments rose from 73 percent to 79 percent.

OASI BENEFICIARIES

The detailed data for August 1960 show that about 77 percent of all men aged 70-79 were insurance beneficiaries. The proportion was smaller among men aged 65-69, because many of them were in full-time work and thus did not receive retirement benefits. It was also smaller among men aged 80 and over, many of whom had retired before the passage of the 1954 and 1950 amendments to the Social Security Act extending the program's coverage. There were, for example, many ex-farmers aged 80 and over in 1960 who had retired from employment at least 4 years earlier and thus had not obtained eligibility for benefits. Their counterparts who were 5 or 10 years younger had far greater chances of being covered for the necessary 2 calendar years after 1954.

Among persons aged 65 and over, relatively fewer women than men are now insurance beneficiaries. Not only are these women unlikely to have had covered employment of their own but in many instances their husbands had died before

coverage became applicable to their type of employment. Widow's benefits are not available, for example, to the widow of a farmer who died in 1955 or earlier who had had no other type of employment. These widows make up a substantial portion of the women aged 65 and over—particularly those at the very oldest ages.

TABLE 3.—Estimated percentage of persons aged 65 and over in specified age-sex groups by receipt of payments under OASI and OAA, August 1, 1960

Sex and age	OASI beneficiaries	OAA recipients	Persons receiving—			
			OASI only	OAA only	Both OASI and OAA	OASI, OAA, or both
Total.....	62.8	14.0	58.6	9.8	4.2	72.6
65-69.....	62.0	6.4	59.4	3.8	2.6	65.8
70-74.....	71.9	12.0	67.3	7.5	4.5	79.4
75-79.....	66.5	20.2	60.3	14.0	6.2	80.5
80-84.....	52.0	26.4	46.3	20.8	5.6	72.7
85 and over.....	28.0	32.8	24.5	29.3	3.5	57.3
Male.....	67.1	10.4	63.1	6.4	4.0	73.6
65-69.....	58.7	3.9	57.0	2.2	1.7	60.9
70-74.....	76.3	8.6	72.2	4.4	4.2	80.7
75-79.....	77.3	16.5	70.3	9.5	7.1	86.8
80-84.....	66.6	21.3	60.0	14.7	6.6	81.3
85 and over.....	41.6	30.2	36.7	25.3	4.9	66.8
Female.....	59.2	17.0	54.9	12.7	4.3	71.9
65-69.....	64.9	8.6	61.5	5.2	3.4	70.1
70-74.....	68.0	15.0	63.2	10.2	4.8	78.2
75-79.....	57.8	23.1	52.3	17.6	5.5	75.4
80-84.....	41.3	30.1	36.4	25.2	4.9	66.5
85 and over.....	19.3	34.5	16.7	31.9	2.6	51.2

In future years the ratio of insurance beneficiaries to the total population aged 65 and over will inevitably increase. It is likely that in time the proportion of beneficiaries among all persons aged 70 or over will be at least 90 percent, and more probably about 95 percent, with little difference by age and sex. Because so many persons aged 65-69 continue to work, the proportion will always be significantly lower for that age group than for older groups. Within the age group 65-69, the proportion of beneficiaries will be higher, as at present, for women than for men, since women tend to retire earlier than men and since many women in this age group are likely to be receiving benefits as the wives of men aged 70 or over who had retired.

OAA RECIPIENTS

The proportion of the total population that is receiving assistance varies considerably with age and sex. About 17 percent of all women aged

65 and over are assistance recipients, but the proportion moves steadily upward as age advances, from a low of 9 percent for women aged 65-69 to a high of 35 percent for women aged 85 and over. The same general trend is also present for men, with the proportion receiving assistance rising from 4 percent at ages 65-69 to 30 percent at ages 85 and over.

It seems likely that in the future the proportion of the total population aged 65 and over that is receiving assistance will be somewhat lower than it is at present. The decrease will probably be less at the younger ages than among the older groups, where there will be a much greater proportion receiving insurance benefits than now and an accompanying drop in the need for assistance. Nevertheless, it is likely that in future years the ratio of assistance recipients to the total population will have an upward trend as age advances. As the aged use up the assets they have accumulated, the likelihood grows that they will require supplementation of their income through assistance, even though most of them will have income from old-age and survivors insurance.

BENEFICIARY-RECIPIENTS

Aged persons receiving concurrently insurance benefits and assistance payments represented about 4 percent of the total population aged 65 and over in August 1960. In contrast to the other categories, the proportion for this group showed relatively little variation according to age and sex, although it was somewhat higher for the middle age groups of the population aged 65 and over and somewhat lower for the oldest and youngest groups. In the future it is likely that, as a greater proportion of the population aged 65 and over becomes eligible for insurance benefits, the proportion of the total population that receives both types of payment will rise significantly, especially at the older ages.

Men receiving insurance benefits, assistance payments, or both represented as much as 87 percent of the total male population aged 75-79. For women the maximum proportion, 78 percent, was found among those aged 70-74. When the rather considerable lag resulting from the lack of maturity of the insurance program disappears, it is likely that this proportion will be about 95 per-

cent or even higher for both men and women in all age groups beyond 65-69. Although there is a steady growth toward this ultimate level, it will take many years before it will be reached.

Perhaps the most significant factor to consider in determining the future size of the old-age assistance rolls is the proportion that the beneficiary-recipients represent of all insurance beneficiaries. Eventually, the vast majority of the population aged 65 and over—or at least those aged 70 and over—will be insurance beneficiaries. There will thus be relatively few recipients of "old-age assistance only," and virtually all assistance recipients will also be receiving insurance benefits.

In comparing the aged receiving both types of social security payments with those receiving only insurance benefits and with those receiving only assistance payments, the data for August 1960 and also those from the last previous comparison of similar scope (made as of February 1956) should be considered in order to study the changes in the intervening period. Beneficiary-recipients in 1960 represented 6.6 percent of all insurance beneficiaries (table 4); for men the proportion was somewhat lower, and for women it was somewhat higher. The proportion showed a sharply rising trend with age. For men the increase was from 3 percent at ages 65-69 to 12 percent at ages 85

TABLE 4.—Estimates of persons aged 65 and over receiving both OASI benefits and OAA payments as percentage of all OASI beneficiaries and of all OAA recipients, by sex and age, August 1960 and February 1956

Sex and age	Persons receiving both OASI and OAA as percent of—			
	OASI beneficiaries		OAA recipients	
	1960	1956 ¹	1960	1956 ¹
Total.....	6.6	8.1	30	20
65-69.....	4.2	7.1	40	33
70-74.....	6.3	9.1	38	26
75-79.....	9.3	9.0	31	16
80-84.....	10.8	7.2	22	6
85 and over.....	12.5		11	
Male.....	5.9	8.7	38	28
65-69.....	2.8	8.0	43	47
70-74.....	5.5	9.8	48	37
75-79.....	9.2	9.1	43	23
80-84.....	9.9	6.6	31	6
85 and over.....	11.8		17	
Female.....	7.3	7.5	25	15
65-69.....	5.2	6.3	39	25
70-74.....	7.1	8.4	32	19
75-79.....	9.5	8.8	24	12
80-84.....	11.9	8.1	17	5
85 and over.....	13.5		8	

¹ Data from "Age and Sex of Persons Concurrently Receiving OASI and OAA," *Social Security Bulletin*, October 1956, p. 17.

and over, and for women it was from 5 percent to 14 percent. In contrast, the 1956 data showed a somewhat higher ratio of beneficiary-recipients to insurance beneficiaries—8 percent; the ratio was higher for men than for women, and there was relatively little change with the age of the group.

If the present relationship of the age-sex pattern for beneficiary-recipients and insurance beneficiaries continues, then the proportion for all ages combined will rise as the insurance beneficiary rolls become relatively older. It is therefore likely that this ratio of beneficiary-recipients to insurance beneficiaries will eventually rise to about 8 percent—the same proportion, as it happens, that the 1956 study shows for all ages combined.

In recent years the number of assistance recipients has been slowly declining, and it is likely that this trend will continue for a number of years. It seems probable, however, that the trend will eventually be reversed; it is likely that at least about 8 percent of all insurance beneficiaries will also be assistance recipients, and the number of insurance beneficiaries will rise for many years as the population aged 65 and over grows. Thus, according to the intermediate long-range cost estimates for the old-age, survivors, and disability insurance system, in 1980 there will be about 20 million beneficiaries aged 65 and over, and 20 years later there will be about 28 million. If the projected recipient-beneficiary rate were 8 percent, then in 1980 the old-age assistance recipients getting old-age and survivors insurance benefits would number 1.6 million, and 20 years later the corresponding level would be about 2.2 million or the same as the total old-age assistance rolls at present.

On the basis of the foregoing discussion, it would naturally be anticipated that as time goes by a larger and larger proportion of the persons on the assistance rolls will be beneficiary-recipients. The impact of rising standards and more liberal provisions for old-age assistance will also probably have a significant effect in raising the proportion. From 20 percent in the 1956 survey this proportion rose to 30 percent for August 1960 and 36 percent by December 1962; further increases, it may safely be predicted, are inevitable.

In 1960 the ratio of beneficiary-recipients to all recipients is significantly higher for men (38 percent) than for women (25 percent). This ratio tends to decrease sharply with age, dropping off

from 43 percent for men aged 65-69 to 17 percent for men aged 85 and over and falling from 39 percent for women at ages 65-69 to 8 percent at ages 85 and over. The same general trends by sex and age were present in the 1956 data, although at a significantly lower level.

SUMMARY

The data presented here on total population, beneficiaries under old-age and survivors insurance, and old-age assistance recipients highlight the growth of the insurance program and foreshadow its fulfillment of its primary role in providing economic security for substantially all persons aged 65 or over. At the same time, the declining role of old-age assistance as the primary source of economic security for the aged is clearly shown, but, equally significantly, it is indicated that the assistance program will always have an important role to play as a supplementary and supporting program. Ever since the passage of the Social Security Act it has been generally recognized that the old-age assistance program will not bow completely out when the old-age and survivors insurance program eventually reaches maturity but will still play a supplementary, although declining, role.²

² For more detail and for historical references see Robert J. Myers, "Long-Range Trends in Old-Age Assistance," *Social Security Bulletin*, February 1953.

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WELFARE ADMINISTRATION

BUREAU OF FAMILY SERVICES and CHILDREN'S BUREAU. *Public Social Welfare Personnel, 1960*. Washington: U.S. Govt. Print. Off., 1962. 140 pp. 70 cents.

Results of a survey conducted by State and local public assistance and child welfare agencies.

Welfare in Review, July 1963, 40 pp. \$2.50 a year.

The first issue of the new Administration's official monthly publication carries, in addition to the program and operating statistics that it will present regularly, the following articles and notes: "The Welfare Administration," "Three New Welfare Programs Launched," "The Nationwide Study of AFDC," and "Child Welfare Services, 1962: Their Range and Extent," by Seth Low. A limited number of copies are available for administrative use; requests should be addressed to the Editor, *Welfare in Review*, Welfare Administration, Department of Health, Education, and Welfare, Washington, D.C. 20201.

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"The Curious Quandary in Social Security: It's Neither Sound Insurance nor Pure Welfare, but What is it, and Where is it Headed?" *Journal of American Insurance*, vol. 39, June 1963, pp. 1-4.

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