

# Concurrent Receipt of Public Assistance and Old-Age and Survivors Insurance

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*The extent to which old-age and survivors insurance benefits meet the total needs of the beneficiaries has important implications for the size and cost of public assistance. To measure the relationship between the two programs, reports are obtained once each year from all States on the concurrent receipt of insurance benefits and assistance payments. This article is based on reports for early 1957.*

OLD-age and survivors insurance benefits have had an increasingly significant effect on public assistance in the past few years. Before the 1950 amendments to the Social Security Act, the number of insurance beneficiaries and the amount of the individual benefit paid were both so low that the effect on public assistance was relatively small. In 1948, for example, when the Advisory Council to the Senate Finance Committee was conducting studies that led to the amendments of 1950, about 75 percent more aged persons were receiving old-age assistance than were receiving benefits under the insurance program. Today the trend is reversed, and the difference between the numbers benefited by each of the two programs is considerably greater—there are almost three times as many aged beneficiaries as recipients of old-age assistance. In addition, there were twice as many orphans in 1948 receiving survivor benefits under the insurance program as were receiving payments under the program of aid to dependent children. Today orphans receiving survivor benefits under the insurance program outnumber by more than 6 to 1 those receiving aid to dependent children.

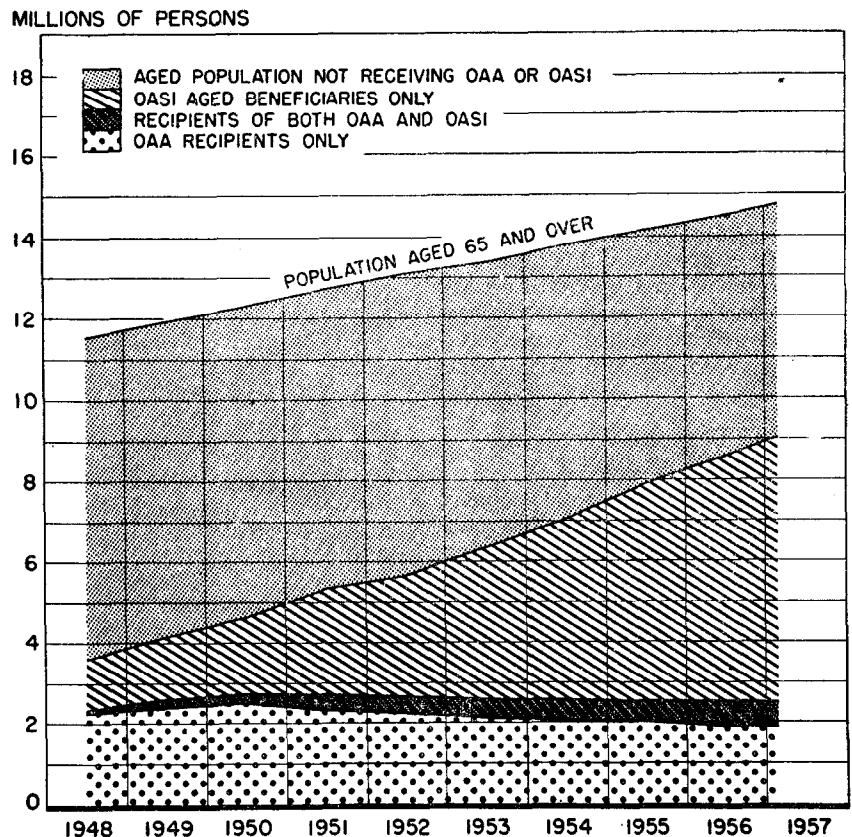
Because of the growing importance of old-age and survivors insurance benefits as a source of income for aged persons and paternal orphans and the increasingly supplementary role of public assistance, annual reports are obtained from all the States

to measure the extent to which aged persons and families with dependent children receive payments under the two programs. This article summarizes information reported early in 1957. It discusses also the trends in and relationships between the two programs during the past 9 years

and the changes the 1956 amendments to the Social Security Act made in old-age and survivors insurance that affect public assistance.

Individuals qualify for insurance benefits through their own earnings in covered employment or the earnings of specified relatives. These benefits are paid no matter what resources the beneficiaries may have. Public assistance payments, on the other hand, are made only if the recipients do not have enough income to meet their minimum basic needs at the standard set by the State assistance agency. Insurance beneficiaries, therefore, may receive

*Population aged 65 and over in the United States and persons receiving payments under Social Security Act programs for the aged, 1948-57*



\* Division of Program Statistics and Analysis, Bureau of Public Assistance.

assistance if their benefits and other income do not meet their needs as defined by the State. They must, of course, also meet the other eligibility requirements set by the State in which they live.

Major changes in old-age and survivors insurance under the 1956 amendments made benefits payable to more persons. The provisions that will have the greatest impact on the public assistance programs are those that (1) lowered the minimum eligibility age for women from 65 to 62, with actuarially reduced benefits to women workers and wives (effective November 1956); (2) extended child's benefits to dependent disabled children aged 18 and over who became totally disabled before age 18 (first payable for January 1957); and (3) provided for the payment of benefits to totally disabled workers aged 50-64 who meet specified eligibility requirements pertaining to work history and disability (first payable for July 1957).

To meet Federal and State needs for data to be used for planning purposes and in interpreting program relationships, the Bureau of Public Assistance has developed a plan for measuring the effect of these amendments on the assistance programs; the immediate effect is not expected to be large. Because of the different effective dates of the amendments and the time factor involved both in identifying persons as possibly eligible for benefits and in the filing and adjudication of claims, this plan will continue to be used by State assistance agencies through December 1957. An article analyzing the data will appear in the BULLETIN next year.

### Aged Persons Receiving OASI and OAA

The growth in the total population aged 65 and over from the middle of 1948 to early 1957 is shown in the accompanying chart. The chart also shows the number in the aged population who were receiving old-age and survivors insurance benefits and the number who were recipients of old-age assistance. The growth in the total number of persons aged 65 and over was slow but steady throughout this period, amounting to 28 percent or about 3 percent a year. Al-

though the yearly rate of increase for this group was considerably less rapid than the yearly rate of increase in beneficiaries, it was twice the rate for the general population. The number of insurance beneficiaries aged 65 and over increased from 1.5 million to 7.1 million, or 389 percent, during the same period. The old-age assistance rolls rose somewhat from 1948 to 1950 and then started to decline after the 1950 amendments were passed. From September 1950 to February 1957 the number of recipients of old-age assistance decreased 11 percent—from 2.8 million to 2.5 million. Finally, the number of persons aged 65 and over receiving both insurance benefits and old-age assistance increased from 146,000 in July 1948 to 555,300 in February 1957, an increase of 280 percent (table 1).

The shift in the roles of the insurance program and the old-age assistance program is clear from a comparison of the changes in the proportion of the aged population benefiting under each program. From September 1950 to February 1957 the proportion receiving insurance benefits almost ~~doubled~~ <sup>tripled</sup>, rising from 177 per 1,000 persons aged 65 and over to 490 per 1,000. In contrast, the proportion receiving old-age assistance declined from 226 per 1,000 aged persons to 172 per 1,000, a drop of almost 24 percent.

Only five States now have more old-age assistance recipients per 1,000 aged persons in the population than

aged insurance beneficiaries. These States are largely rural, and large segments of their populations are farmers. Because coverage under the insurance program was not extended to many of these workers until 1954, very few of the retired workers in the five States have had an opportunity to attain insured status. In addition, many of the aged were unable to save for their retirement because the average income levels in these States are relatively low. Consequently, when they were no longer able to work, they became dependent. The proportion of the aged population receiving benefits will increase substantially in these States, however, after the full effect of the extension of coverage to farm operators and farm workers is felt.

There are several reasons why the old-age assistance recipient rate for the country as a whole has not dropped as sharply as the beneficiary rate has risen in the past few years. First, the assistance rolls include many persons who are too old to have acquired insured status under the insurance program. The typical recipient of old-age assistance is a widow, almost 75 years old, who lives in a rural area.<sup>1</sup> Many aged recipients have not worked in recent years, and some are widows whose husbands had died before they had an oppor-

<sup>1</sup> Frank J. Hanmer, "Recipients of Old-Age Assistance: Personal and Social Characteristics," *Social Security Bulletin*, April 1957.

Table 1.—Aged persons and families with children receiving both OASI benefits and assistance payments, 1948-57

Month and year	Aged persons receiving both OASI and OAA			Families with children receiving both OASI and ADC		
	Number	Percent of—		Number	Percent of—	
		Aged OASI beneficiaries	OAA recipients		OASI beneficiary families with children	ADC families
June 1948.....	146,000	10.0	6.1	21,600	6.7	4.8
September 1950.....	276,200	12.6	9.8	32,300	8.3	4.9
August 1951.....	376,500	11.9	13.8	30,700	6.7	5.0
February 1952.....	406,000	12.0	15.1	30,000	6.1	5.0
February 1953.....	426,500	10.7	16.3	30,600	5.7	5.3
February 1954 <sup>1</sup> .....	463,000	9.7	18.0	31,900	5.4	5.9
February 1955.....	488,800	8.7	19.2	32,100	4.9	5.2
February 1956 <sup>2</sup> .....	516,300	8.0	20.4	32,600	4.6	5.3
February 1957.....	555,300	7.8	22.2	31,900	4.2	5.1

<sup>1</sup> November 1953 data for ADC families.

<sup>2</sup> Data for ADC families for March 1956 for 20

States, November 1955 for 1 State, and May 1956 for 1 State.

tunity to obtain insured status under the insurance program. They will very likely need assistance the rest of their lives. Secondly, many retired persons have had too little time in covered employment to entitle them to benefits large enough to meet all their basic needs. They too may have to apply for assistance to supplement their benefits. Finally, the insurance benefit is scaled to replace only part of the worker's wage loss at retirement. Complete protection for beneficiaries who have special needs, especially medical care needs, is therefore not provided. Public assistance will continue to be a necessary supplement for such persons.

While the total number of old-age assistance recipients continues to decline, the number of insurance beneficiaries who receive old-age assistance to supplement their benefits continues to increase. In February 1957, 555,300 persons received both insurance benefits and old-age assistance—a rise of 39,000 or 7.4 percent from the preceding February (table 1). The increase can be attributed both to the growth of the insurance program and to changes in State policies governing old-age assistance. Congress had amended the Social Security Act early in the fiscal year to provide increased Federal participation in payments to recipients of the federally aided programs. With need determined on a more nearly adequate basis in most States as a result of this amendment, it was possible for a larger number of persons who received small insurance benefit checks also to qualify for old-age assistance.

More than twice as many persons were receiving both types of payment in February 1957 (555,300) as in September 1950 (276,200). In general, the annual increases amounted to between 20,000 and 40,000. Immediately after the 1950 amendments, however, there was a much sharper rise, primarily because of the large number of newly eligible beneficiaries who were awarded benefits near or at the minimum. With the minimum benefit then payable to retired workers set at \$20, a considerable number of the old-age assistance recipients who received benefits for the first time continued to need assistance.

Although the number of aged beneficiaries who also receive assistance

**Table 2.—Number of aged OASI beneficiaries per 1,000 population aged 65 and over and percent of OAA recipients with OASI benefits, February 1957**

State <sup>1</sup> and beneficiary-rate group	OASI beneficiaries per 1,000 population aged 65 and over	Percent of OAA recipients with OASI benefits					
		Less than 10	10-14	15-19	20-24	25-29	30 or more
Total, 53 States.....	490	22.2					
Less than 350:							
Mississippi.....	267	8.8					
North Dakota.....	279		14.7				
South Carolina.....	320	6.3					
Arkansas.....	332	8.0					
South Dakota.....	335			15.6			
Oklahoma.....	336			17.7			
Georgia.....	336		10.8				
Louisiana.....	339				22.9		
New Mexico.....	341		10.1				
350-399:							
Tennessee.....	355	8.5					
North Carolina.....	356	8.8					
Texas.....	358			15.1			
Alabama.....	360		13.1				
Nebraska.....	384			18.9			
Kentucky.....	385		12.4				
Iowa.....	397				20.3		
400-449:							
Montana.....	407				24.4		
Kansas.....	412			19.7			
Wyoming.....	419						30.0
District of Columbia.....	422				20.4		
Minnesota.....	433			19.9			
Virginia.....	434	6.3					
Colorado.....	441						31.4
Missouri.....	441					26.4	
Idaho.....	442					25.4	
450-499:							
Arizona.....	472					<sup>2</sup> 26.7	
Utah.....	496				20.7		
West Virginia.....	499	7.2					
500-549:							
Illinois.....	500				23.3		
Vermont.....	500					28.8	
Hawaii.....	506			15.2			
Wisconsin.....	508				21.3		
Maryland.....	509			17.9			
Alaska.....	520						33.8
Indiana.....	523			19.6			
Ohio.....	524				23.8		
California.....	527						40.9
550-599:							
Washington.....	551						33.9
Michigan.....	557					27.1	
Florida.....	558					27.9	
Delaware.....	566			17.9			
Pennsylvania.....	571			18.2			
New York.....	582						30.4
Nevada.....	585						<sup>2</sup> 48.8
Oregon.....	587						32.3
Maine.....	588					29.0	
New Hampshire.....	593					27.1	
600 or more:							
Massachusetts.....	614						39.5
Connecticut.....	621						37.1
New Jersey.....	623					25.8	
Rhode Island.....	649						37.1

<sup>1</sup> Puerto Rico and the Virgin Islands are not shown because they did not report any cases receiving both assistance payments and insurance benefits.

<sup>2</sup>For Arizona, March 1957 data; for Nevada, January 1957 data.

has risen, the percentage that such beneficiaries represent of all aged beneficiaries has declined. Less than 8 percent of the 7.1 million persons aged 65 and over receiving insurance benefits in February 1957 also received payments under the old-age assistance program. In September 1950, August 1951, and February 1952 the proportion had been ap-

proximately 12 percent. Since the average benefit paid to all aged beneficiaries has increased and will continue to increase for some time—partly as a result of the growing proportion of benefits being computed on the basis of earnings after 1950—relatively fewer aged beneficiaries need to apply for supplementary assistance.

On the other hand, as total old-age assistance caseloads decline and the number of aged recipients with both assistance and insurance payments increases, the proportion of recipients with benefits goes up. By February 1957, more than 22 percent of all old-age assistance recipients were beneficiaries under the insurance program, compared with less than 10 percent in September 1950.

### *State Changes, February 1956–February 1957*

Although old-age assistance caseloads in most States were smaller in February 1957 than they had been a year earlier, the number of recipients who also had insurance benefits was larger in all but 12 of the 51 States<sup>2</sup> and in all but three States represented a somewhat higher proportion of all recipients. One of the 12 States (Oregon) reported the same number of beneficiary-recipients in both years. All the States with no increase in the number of beneficiary-recipients had percentage decreases in their total assistance caseloads during the 12 months that exceeded the national average. The changes in the number of recipients who also received benefits were small in most States. Only three States showed changes of as much as 3,000. Texas reported 4,200 more beneficiary-recipients, Louisiana 3,800, and Alabama 3,500—changes that represent increases of 14.2 percent for Texas, 15.6 percent for Louisiana, and 34.3 percent for Alabama.

Of the States with fewer beneficiary-recipients only two—Maryland and South Carolina—had decreases of more than 100. In Maryland the number of aged persons receiving both types of payment dropped by 157, and in South Carolina the decrease was 164.

### *State Differences*

The proportion of recipients of old-age assistance who also received insurance benefits ranged from 6.3 percent in South Carolina and Virginia to 48.8 percent in Nevada (table 2). The proportion tends to be small in

States with relatively few beneficiaries among the aged population. In addition, the aged who receive benefits are less likely to be eligible for assistance in States where limited funds in relation to the number of needy persons result in low assistance payments. Both conditions are most likely to be found in States whose economies are largely agricultural. Although the 1954 amendments that extended the coverage of the insurance program to farm operators and additional agricultural workers will raise the proportion of beneficiaries among the aged population in the agricultural States, few insurance beneficiaries will be eligible for assistance because of limited assistance funds in these States.

In seven States, fewer than 9 percent of the aged assistance recipients also received benefits. All are located in the South, and in all except West Virginia the aged beneficiary rate was substantially less than the national rate of 490 per 1,000 persons aged 65 and over. West Virginia's rate of 499 per 1,000 was slightly higher than the national average; because the State's assistance standards and payments are low, however, few beneficiaries are likely to have resources that are less than the standard set by the agency to measure need. Some of the aged beneficiaries in West Virginia also receive payments from the United Mine Workers Welfare and Retirement Fund. The fund pays benefits at a flat monthly rate of \$100, and retired mine workers who receive benefits both from it and under the Federal insurance program would not be eligible for assistance. The average assistance payments to all aged recipients in the seven States in this group ranged from \$28.77 to \$36.92; nationally, the average payment was \$58.00.

At the other extreme, in 11 States 30 percent or more of the old-age assistance recipients also received insurance benefits. All the States in this group are located in the Northeast and West, and most of them are highly industrialized. Nine have beneficiary rates that are substantially higher than the national average, and all make assistance payments that are higher than the national average. The States that make

the highest assistance payments are in this group.

Insurance beneficiaries make up 10–20 percent of the old-age assistance caseload in 16 States. Most of these States have beneficiary rates less than the national average, but in five (Delaware, Hawaii, Indiana, Maryland, and Pennsylvania) the rates are higher than the rate for the Nation as a whole. Average assistance payments vary widely among the 16 States, ranging from \$38.64 to \$84.13.

In the remaining 17 States, 20–30 percent of the assistance recipients also had insurance benefits. In only three (the District of Columbia, Iowa, and Utah) was the percentage of recipients also getting benefits less than that for the country as a whole. The beneficiary rates were less than the national average in seven of these States, and in six the average assistance payment was less than the national average. None of the 17 States is among those with the highest or lowest average payment per recipient.

In general, as the number of insurance beneficiaries increases, the proportion also receiving assistance decreases. Eight States, however, showed a higher percentage of beneficiaries on the assistance rolls in February 1957 than in the preceding February. Since all but one of them (New Mexico) are located in the agricultural South, the increase reflects the extension of coverage in 1950 and 1954 to a total for the Nation of approximately 2.1 million farm workers. The 1954 amendments also extended coverage to about 3.3 million self-employed farm operators, but few of them are likely to be eligible for assistance in these Southern States because of low assistance standards.<sup>3</sup> The increase in the percentage of beneficiaries on the assistance rolls in New Mexico reflects to some extent the elimination of the State's lien law and liberalizations in its relatives' responsibility law. Only four States—Delaware, Illinois, New York, and Virginia—showed no

<sup>3</sup> Farm operators have to clear at least \$400 a year on their farms to be eligible for coverage, and in some Southern States this amount of income would make them ineligible for old-age assistance.

<sup>2</sup> Puerto Rico and the Virgin Islands, which reported no cases receiving both assistance payments and insurance benefits, are excluded from the State analyses.

change in the proportion of aged beneficiaries also receiving assistance.

There is extreme variation among the States in the proportion of aged beneficiaries who receive assistance to supplement their incomes. In 14 States less than 5 percent of the aged beneficiaries received assistance; Virginia reported the smallest proportion—0.9 percent (table 3). In

four States more than 20.0 percent of the aged beneficiaries received supplementary assistance, and in Louisiana the percentage was 40.7.

As would be expected, the proportions of beneficiaries getting assistance are low in States with relatively low recipient rates for old-age assistance and, with a few exceptions, are relatively high in States

providing old-age assistance to a larger proportion of the aged population. In February 1957, for the country as a whole, there were 172 old-age assistance recipients per 1,000 persons aged 65 and over. Of the 12 States with recipient rates of less than 100, only one showed that more than 5 percent of the aged insurance beneficiaries were also receiving old-age assistance. It is clear, therefore, that in these States relatively few aged persons in either the beneficiary or nonbeneficiary group were on the assistance rolls. As the State rates approached the national recipient rate for old-age assistance, the proportion of insurance beneficiaries who received old-age assistance generally increased. A mixed picture is presented by the 22 States in which the proportion of the aged population getting assistance exceeded the national rate. Included in this group are four States with more than 20 percent of the aged beneficiaries also receiving old-age assistance. In one State, Louisiana, more than 2 out of 5 aged beneficiaries were receiving supplementary assistance. At the other end of the scale, three States—North Carolina, South Carolina, and Tennessee—provided assistance to only 1 aged beneficiary out of every 20.

### Families With Children Receiving OASI and ADC

In February 1957, children in families receiving old-age and survivors insurance benefits numbered more than 1.3 million—2.3 percent of all children in the general population. Families receiving aid to dependent children included almost 1.8 million children or 3.0 percent of the total child population. Only 6.7 percent of the children in beneficiary families received aid to dependent children (table 4).

The assistance program provides financial assistance to children deprived of parental support or care by the death, physical or mental incapacity, or continued absence from home of a parent. Because of the growth of the insurance program and the sharp decline in recent years in the total number of orphans, only a relatively small proportion of the families receiving aid to dependent children are on the assistance rolls

**Table 3.—Number of OAA recipients per 1,000 population aged 65 and over and percent of aged OASI beneficiaries receiving OAA, February 1957**

State <sup>1</sup> and recipient-rate group	OAA recipients per 1,000 population aged 65 and over	Percent of aged OASI beneficiaries receiving OAA			
		Less than 5	5-9	10-19	20 or more
Total, 53 States.....	172	7.8			
Less than 100:					
New Jersey.....	42	1.7			
District of Columbia.....	48	2.3			
Pennsylvania.....	51	1.6			
Maryland.....	53	1.9			
Delaware.....	54	1.7			
Hawaii.....	61	1.8			
New York.....	64	3.4			
Virginia.....	65	.9			
Connecticut.....	77	4.6			
Indiana.....	82	3.1			
New Hampshire.....	91	4.1			
Rhode Island.....	95		5.4		
100-149:					
Illinois.....	100	4.7			
Wisconsin.....	111		5.3		
Oregon.....	114		6.2		
Nebraska.....	115		5.7		
Maine.....	117		5.8		
Ohio.....	119		5.4		
Michigan.....	126		6.1		
Iowa.....	127		6.5		
Montana.....	136		8.1		
West Virginia.....	139	2.0			
North Dakota.....	145		7.6		
150-199:					
South Dakota.....	152		7.1		
Vermont.....	153		8.8		
Kansas.....	154		7.3		
Idaho.....	154		8.8		
Minnesota.....	157		7.2		
Wyoming.....	162			11.6	
Massachusetts.....	173			11.1	
Florida.....	179		9.0		
Utah.....	183		7.7		
North Carolina.....	188	4.7			
200-299:					
Nevada.....	212			17.7	
New Mexico.....	213		6.4		
Kentucky.....	217		7.0		
Tennessee.....	219		5.2		
Arizona.....	219			12.3	
Washington.....	226			13.9	
California.....	234			18.2	
South Carolina.....	265		5.2		
Missouri.....	284			17.0	
Arkansas.....	299		7.2		
300-399:					
Alaska.....	315				20.6
Texas.....	355			15.0	
Colorado.....	358				25.4
Georgia.....	376			12.1	
400 or more:					
Oklahoma.....	411				21.7
Alabama.....	442			16.0	
Mississippi.....	446			14.7	
Louisiana.....	603				40.7

<sup>1</sup> Puerto Rico and the Virgin Islands are not shown because they did not report any cases receiving both assistance payments and insurance benefits.

<sup>2</sup> For Arizona, March 1957 data; for Nevada, January 1957 data.

because of the death of a parent. In early 1956, the latest period for which data are available, 13 percent of all families were receiving aid to dependent children because of the father's death, compared with 17 percent in late 1953 and 24 percent in 1948. About 23,000 families, or 3 out of 10 assistance families with the father dead, received both survivor benefits under the insurance program and payments under aid to dependent children in February 1957.

Children who are eligible for insurance benefits are also found among the families in which the father is reported as absent or incapacitated. Data on fathers in families receiving aid to dependent children are reported by States biennially in terms of the "most recent" father in the family. Some families in which the most recent father is absent or incapacitated include children who are receiving insurance benefits on the basis of the earnings record of a father who has died. In other families an aged, retired father is an insurance beneficiary, and the children receive insurance benefits based on his earnings. Children in a few families are reported receiving insurance benefits on the basis of the earnings record of a deceased mother. In still other families a retired grandparent is the beneficiary.

These are the situations accounting for more than 9,000 of the families in which both assistance payments and insurance benefits were being received in February 1957. Of all the families receiving both types of payments, about 80 percent received insurance benefits based on the earnings record of a father who died, about 17 percent received benefits on the basis of a retired father's earnings record, and about 3 percent received benefits on the basis of a deceased mother's earnings record.

The number of families receiving insurance benefits and aid to dependent children concurrently—unlike the number of aged receiving benefits and assistance payments—decreased from February 1956 to February 1957. About 31,900 families, or 5.1 percent of all families getting aid to dependent children, received both insurance benefits and assistance payments in February 1957, compared with 32,600 families in the

preceding February. The proportion of beneficiary families with children who received aid to dependent children to supplement their insurance benefits continued to decline, indicating that increased insurance benefits are more often meeting the total needs of families made dependent because of the father's death. About 4.2 percent of the beneficiary families received aid to dependent children in February 1957; in Septem-

ber 1950 the proportion had been twice as large—8.3 percent.

Beneficiary families receiving aid to dependent children generally had more children than other beneficiary families. Although such families made up 4.2 percent of all beneficiary families with children, the child beneficiaries in these families represented 6.7 percent of all child beneficiaries. Under the insurance program, benefits to families with chil-

Table 4.—Concurrent receipt of OASI benefits and assistance payments by OAA recipients and ADC cases, February 1957<sup>1</sup>

State <sup>2</sup>	Persons receiving OAA and OASI as percent of—		Cases receiving ADC and OASI—	
	OAA recipients	OASI beneficiaries	Families as percent of ADC families	Children as percent of OASI child beneficiaries <sup>3</sup>
Total, 53 States.....	22.2	7.8	5.1	6.7
Alabama.....	13.1	16.0	4.3	7.9
Alaska.....	33.8	20.6	7.8	19.8
Arizona.....	26.7	12.3	5.5	7.8
Arkansas.....	8.0	7.2	4.5	6.7
California.....	40.9	18.2	4.9	7.1
Colorado.....	31.4	25.4	5.1	7.3
Connecticut.....	37.1	4.6	5.9	5.4
Delaware.....	17.9	1.7	3.5	4.6
District of Columbia.....	20.4	2.3	3.3	4.6
Florida.....	27.9	9.0	7.3	13.4
Georgia.....	10.8	12.1	6.9	6.8
Hawaii.....	15.2	1.8	2.4	4.3
Idaho.....	25.4	8.8	9.2	7.8
Illinois.....	23.3	4.7	3.9	3.9
Indiana.....	19.6	3.1	9.9	7.4
Iowa.....	20.3	6.5	7.8	9.8
Kansas.....	19.7	7.3	5.5	4.7
Kentucky.....	12.4	7.0	9.5	17.5
Louisiana.....	22.9	40.7	4.1	9.2
Maine.....	29.0	5.8	11.9	13.9
Maryland.....	17.9	1.9	2.5	2.5
Massachusetts.....	39.5	11.1	6.8	6.0
Michigan.....	27.1	6.1	6.8	5.7
Minnesota.....	19.9	7.2	9.4	9.4
Mississippi.....	8.8	14.7	4.6	9.6
Missouri.....	26.4	17.0	6.6	11.2
Montana.....	24.4	8.1	5.7	7.0
Nebraska.....	18.9	5.7	6.6	5.8
Nevada.....	48.8	17.7	6.1	5.5
New Hampshire.....	27.1	4.1	8.6	4.2
New Jersey.....	25.8	1.7	6.3	3.4
New Mexico.....	10.1	6.4	5.2	12.1
New York.....	30.4	3.4	3.1	4.8
North Carolina.....	8.8	4.7	4.9	7.4
North Dakota.....	14.7	7.6	8.5	13.7
Ohio.....	23.8	5.4	7.7	5.5
Oklahoma.....	17.7	21.7	5.3	11.4
Oregon.....	32.3	6.2	7.3	4.7
Pennsylvania.....	18.2	1.6	3.5	3.7
Rhode Island.....	37.1	5.4	3.2	5.3
South Carolina.....	6.3	5.2	2.9	3.4
South Dakota.....	15.6	7.1	6.2	12.2
Tennessee.....	8.5	5.2	5.2	8.7
Texas.....	15.1	15.0	6.5	6.1
Utah.....	20.7	7.7	6.3	6.1
Vermont.....	28.8	8.8	11.0	9.6
Virginia.....	6.3	.9	3.7	3.4
Washington.....	33.9	13.9	7.2	7.6
West Virginia.....	7.2	2.0	3.0	5.5
Wisconsin.....	24.3	5.3	8.1	7.1
Wyoming.....	30.0	11.6	6.9	4.8

<sup>1</sup> For Arizona, March 1957 data; for California, October 1956 data for ADC; and for Nevada, January 1957 data for OAA.

<sup>2</sup> Puerto Rico and the Virgin Islands are not shown because they did not report any cases receiving both

assistance payments and insurance benefits.

<sup>3</sup> Data given in terms of children because OASI data on beneficiary families are not available by State.

dren cannot be more than 80 percent of the wage earner's average monthly earnings or more than \$200, whichever is less. Those families receiving benefits based on a low average wage would be most likely to need supplementary assistance, and the need would tend to increase in proportion to the number of child survivors. In early 1956 the average number of children per family receiving both insurance benefits and aid to dependent children was 3.1, compared with an average of 2.7 children per family receiving aid to dependent children only.

State data showing the extent of concurrent receipt of payments under the two programs are presented in table 4. The variations among the States reflect, as in old-age assistance, the extent of insurance coverage and differences in assistance policies. They also are affected by differences in the proportion of needy families in which the father is dead.

### Effect of OASI on Assistance Costs

Because all income and resources of the recipient are taken into account in determining the amount of his need, assistance payments to persons receiving old-age and survivors insurance benefits were, on the average, 21 percent less than payments to recipients of old-age assistance alone. The average old-age assistance payment for recipients getting both insurance benefits and assistance payments was \$48.00 in February 1957; the average amount of assistance for recipients not getting insurance benefits was \$60.77. These amounts represented an average increase from the preceding February of \$3.26 for beneficiary-recipients and \$4.38 for other recipients. Assistance payments to aged persons who also received insurance benefits in February 1957 amounted to \$26.7 million, or 18.4 percent of total old-age assistance payments.

The average insurance benefit received by aged persons getting both assistance and benefits in February 1957 was \$40.08 or about 30 percent less than the average benefit for all aged beneficiaries. The average benefit was \$1.38 higher than that a year earlier, partly because of the growing proportion of benefits computed

on the basis of earnings after 1950.<sup>1</sup>

Old-age and survivors insurance benefits have also reduced costs in the program for aid to dependent children. As an increasing number of orphans have received insurance benefits, fewer families with children dependent because of the father's death are receiving aid to dependent children and relatively less assistance goes to families receiving insurance benefits than to other families. The average assistance payment in February 1957 to families receiving both types of payments was \$75.75; to families not receiving insurance benefits the average payment was \$96.39. Assistance payments to families receiving both insurance benefits and assistance totaled \$2.4 million and accounted for 4 percent of all payments to families receiving aid to dependent children.

The average benefit to families receiving both aid to dependent children and insurance benefits was \$63.41 in February 1957, virtually the same as that a year earlier. The average family benefit for all survivor families consisting of widows and children in February 1957 was \$126.20, or about twice that received by those who were also receiving aid to dependent children.

### Summary and Future Trends

Since 1950, old-age and survivors insurance has increasingly assumed the major role in providing basic economic security to aged persons and to survivors of deceased wage earners. Almost three times as many aged persons now receive insurance benefits as are dependent on public assistance. In February 1957, 26.3

<sup>1</sup> The average benefit paid to beneficiary-recipients may be slightly overstated because of the inclusion of insurance benefits paid to wives aged 62-64 whose personal requirements (food, clothing, or medical care, for example) were included in the budget for the recipient. A few old-age assistance cases included a wife aged 62-64 who became eligible for a wife's benefit under the provision in the 1956 amendments that reduced the retirement age for women. Because her insurance benefit was taken into consideration in determining the amount of the assistance payment to the recipient, the combined benefit of the recipient and spouse was included in the reports.

percent of the population aged 65 and over who did not have insurance benefits received old-age assistance, but less than 8 percent of the insurance beneficiaries aged 65 and over were on the assistance rolls. Some persons aged 65 and over would be receiving old-age assistance if it were not for their insurance benefits. A rough estimate of what the size of the old-age assistance program would be if there were no social insurance program is obtained by applying the old-age assistance recipient rate of the nonbeneficiary aged population (26.3 percent) to all persons aged 65 and over in the population. If it were not for the insurance program, there would be at least half again as many persons receiving old-age assistance as are on the assistance rolls today.

Only a small proportion of the payments made under the program for aid to dependent children (13 percent) go to children in need because of the death of a parent, the major risk to children for which the insurance program makes provision. Of the almost 2 million paternal orphans in the Nation today, only 10 percent are dependent on public assistance for support.<sup>5</sup> This percentage includes 4 percent of the paternal orphans who receive aid to dependent children and survivor insurance benefits concurrently. In contrast, almost 60 percent of the children under age 18 with the natural father dead are in receipt of survivor benefits.

With the gradual maturing of the insurance program, there is reason to believe that in the years ahead old-age assistance will tend more and more to assume its role as a residual or supplementary program and old-age and survivors insurance will be the primary income-maintenance program for the aged to an even greater extent than it is today. Since 9 out of every 10 families would receive benefits if the breadwinner should die, practically all those who become orphans in the future will get insurance benefits. Because the insurance program will be providing income to a larger and larger proportion of the population aged 65

<sup>5</sup> See the *Bulletin*, August 1957, pages 15-16.

and over, it is reasonable to expect that aid to dependent children will become the largest public assistance program and that old-age assistance will take a secondary role. Aid to dependent children will be almost wholly confined to meeting need arising from causes other than death of a parent.

The percentage of the aged population receiving old-age assistance will continue to decline; because of the growth in the aged population, however, the number of aged recipients will decline very slowly and old-age assistance will remain a relatively

large-scale program for years to come. A higher proportion of the total old-age assistance caseload will be insurance beneficiaries, since most persons reaching retirement age in the future will have benefit rights either as workers or dependents of insured workers. The proportion of recipients of old-age assistance who receive insurance benefits concurrently—now 22.2 percent—may be more than doubled by 1970. Old-age assistance will be a program primarily for aged persons who do not qualify for benefits and for beneficiaries who have special needs that cannot be met

from their insurance benefits plus whatever other resources or savings they may have.

Cash insurance benefits to permanently and totally disabled workers aged 50-64, first payable for July 1957, will not have much effect on persons now receiving aid to the permanently and totally disabled. Most of the recipients under the assistance program will not be able to meet the earnings requirements under the insurance program, and it is estimated that only 1 out of every 20 will become a beneficiary under the new provision.

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## SOCIAL SECURITY IN REVIEW

*(Continued from page 2)*

before reaching age 18; applications from 3,600 persons had been denied because the requirements for disability were not met.

● Unemployment among workers covered under the State unemployment insurance programs and under the program of unemployment compensation for Federal workers declined seasonally in August. During

the month workers filed 842,000 initial claims, which represent new unemployment; this total was about a third less than that in July. Insured unemployment dropped less sharply, by 10 percent, to a weekly average of 1,150,700. Slightly more than 1 million workers received benefit payments in August—4 percent less than in July but 10 percent more than in August 1956. Although total benefits fell off 7 percent from the July total to \$121.3 million, they were

8 percent greater than the amount paid a year earlier.

The average weekly check for total unemployment was the highest paid in the history of the program. For the Nation as a whole the average was \$27.87—82 cents more than the average a year earlier. A substantial part of the increase resulted from changes in State laws; in six States the average weekly check was more than \$5 higher than that paid in August 1956.