

# Notes and Brief Reports

## Characteristics of 'New, Old-Age Assistance Recipients, 1965 \*

Sixty-nine percent of the persons who were added to the old-age assistance (OAA) rolls in the last half of 1964 and the first half of 1965 were concurrently receiving monthly cash benefits under the old-age, survivors, disability, and health insurance program. The comparable figure for all recipients of OAA in 1965 was 46 percent. The difference was due to the extension of covered employment under the social security program and to relaxations in insured-status requirements. Persons who became OAA recipients in 1965 were more likely than older recipients to be able to acquire insured status themselves or to be the dependent or survivor of an insured worker. This difference indicates that the proportion of all OAA recipients who also receive old-age, survivors, and disability insurance (OASDI) benefits will increase in the next few years. The trend will be offset to some extent by the 1966 provision that makes benefits payable to uninsured persons aged 72 and over but excludes those receiving public assistance payments. In addition, OASDI benefit increases since 1965 and in the future should reduce the need for assistance among beneficiaries.

The data for this study were obtained from the most recent survey of OAA recipients (conducted in April, May, and June 1965 by the Bureau of Family Services of the Welfare Administration) and from the Social Security Administration study of those recipients who came on the OAA rolls within the 12 months preceding the survey month. The Bureau of Family Services survey indicated that there were 2.1 million OAA recipients as of mid-1965, and 237,000 of them had become recipients within the preceding year. Of these "recent" recipients, 164,000 were OASDI beneficiaries.<sup>1</sup>

The purpose of the Social Security Administration study is to examine the reasons why nonbeneficiaries are not eligible for benefits and why

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<sup>1</sup> Bureau of Family Services, *Findings of the 1965 Survey of Old-Age Assistance Recipients, Part I, May 1967*.

beneficiaries need public assistance in addition to OASDI benefits. The study is not yet complete, but preliminary data on some recipient characteristics are available.

### Age

The median age of OAA recipients added to the rolls in 1965 was 70 (table 1). Compared to the total aged population and to all OAA recipients, the "recent" recipients had higher proportions in the 65-69 age level and fewer at ages 70-74—an indication that persons are likely to apply for assistance soon after they meet the age requirements. It may also reflect the deterioration of economic opportunity after the traditional retirement age of 65.

Among those newly coming on the assistance rolls, a larger proportion of beneficiaries than of nonbeneficiaries were between age 70 and age 80, but nonbeneficiaries aged 80 and over were relatively twice as numerous. This distribution reflects the smaller opportunities that the very old have had to obtain coverage during their working years, and it may also show a greater deterioration of assets among nonbeneficiaries.

### Sex

Women, who comprised 55 percent of the total population aged 65 and over, made up 68 percent of all OAA recipients and 60 percent of all recent recipients in 1965. Such figures indicate the greater economic insecurity of aged women.

TABLE 1.—Persons aged 65 and over: Total U.S. population and OAA recipients, by age, 1965

| Age                              | Total U.S. <sup>1</sup> | All OAA recipients | Recent <sup>2</sup> OAA recipients |                     |                  |
|----------------------------------|-------------------------|--------------------|------------------------------------|---------------------|------------------|
|                                  |                         |                    | Total number                       | OASDI beneficiaries | Nonbeneficiaries |
| Total number (in thousands)..... | 18,156                  | 2,119              | 237                                | 164                 | 73               |
| Total percent.....               | 100                     | 100                | 100                                | 100                 | 100              |
| 65-69.....                       | 35                      | 19                 | 52                                 | 52                  | 51               |
| 70-74.....                       | 29                      | 23                 | 17                                 | 19                  | 12               |
| 75-79.....                       | 20                      | 24                 | 15                                 | 16                  | 12               |
| 80 and over.....                 | 16                      | 34                 | 16                                 | 12                  | 25               |

<sup>1</sup> Population estimates from *Current Population Report* (Series P-25, No. 329), Bureau of the Census, Mar. 10, 1966.

<sup>2</sup> Those who came on the OAA rolls within the 12 months preceding the survey month.

TABLE 2.—Marital status of persons aged 65 and over: Total U.S. population and recent OAA recipients, 1965

| Marital status                   | Total U.S. <sup>1</sup> | All OAA recipients | Recent <sup>2</sup> OAA recipients |               |                   |
|----------------------------------|-------------------------|--------------------|------------------------------------|---------------|-------------------|
|                                  |                         |                    | Total                              | Beneficiaries | Non-beneficiaries |
| Total number (in thousands)..... | 18,077                  | 2,119              | 237                                | 164           | 73                |
| Total percent.....               | 100                     | 100                | 100                                | 100           | 100               |
| Married.....                     | 49                      | 26                 | 34                                 | 37            | 21                |
| Widowed.....                     | 39                      | 54                 | 42                                 | 39            | 49                |
| Divorced or separated.....       | 5                       | 11                 | 15                                 | 15            | 14                |
| Never married.....               | 7                       | 9                  | 9                                  | 8             | 14                |

<sup>1</sup> Population Characteristics: *Current Population Report* (Series P-20, No. 144) Bureau of the Census, Nov. 10, 1965.  
<sup>2</sup> See footnote 2, table 1.

### Marital Status

Old-age assistance recipients differed in marital status from the total aged population: fewer were married and more were widowed, divorced, or separated (table 2). Among those newly receiving OAA payments, more OASDI beneficiaries than nonbeneficiaries were married and fewer were widowed or had never married. Among all OAA recipients, a much higher proportion of men than women were married and a much higher proportion of the women were widowed (table 3). These relative differences between men and women were not changed by age, but the actual proportion of married recipients decreased and the proportion of widowed recipients increased markedly for both sexes with advancing age (table 4).

TABLE 3.—Marital status of persons aged 65 and over: Total U.S. population and OAA recipients, by sex, 1965

| Marital status                   | Total U.S. <sup>1</sup> |        | All OAA |       | Recent <sup>2</sup> OAA Recipients |       |                   |       |
|----------------------------------|-------------------------|--------|---------|-------|------------------------------------|-------|-------------------|-------|
|                                  |                         |        |         |       | Beneficiaries                      |       | Non-beneficiaries |       |
|                                  | Men                     | Women  | Men     | Women | Men                                | Women | Men               | Women |
| Total number (in thousands)..... | 7,910                   | 10,167 | 670     | 1,449 | 78                                 | 87    | 18                | 55    |
| Total percent.....               | 100                     | 100    | 100     | 100   | 100                                | 100   | 100               | 100   |
| Married.....                     | 70                      | 36     | 48      | 17    | 50                                 | 29    | 40                | 16    |
| Widowed.....                     | 19                      | 53     | 27      | 66    | 22                                 | 53    | 22                | 58    |
| Divorced or separated.....       | 5                       | 3      | 12      | 10    | 16                                 | 14    | 13                | 15    |
| Never married.....               | 6                       | 8      | 13      | 7     | 12                                 | 4     | 25                | 10    |

<sup>1</sup> Population Characteristics: *Current Population Report* (Series P-20, No. 144), Bureau of the Census, Nov. 10, 1965.  
<sup>2</sup> See footnote 2, table 1.

TABLE 4.—Marital status of recent <sup>1</sup> recipients of OAA, by age, 1965

| Marital status                   | 65-72 |       | 73-79 |       | 80 or over |       |
|----------------------------------|-------|-------|-------|-------|------------|-------|
|                                  | Men   | Women | Men   | Women | Men        | Women |
| Total number (in thousands)..... | 62    | 86    | 19    | 32    | 14         | 24    |
| Total percent.....               | 100   | 100   | 100   | 100   | 100        | 100   |
| Married.....                     | 53    | 31    | 47    | 18    | 29         | 7     |
| Widowed.....                     | 13    | 43    | 32    | 69    | 48         | 81    |
| Divorced or separated.....       | 19    | 19    | 11    | 7     | 7          | 5     |
| Never married.....               | 15    | 7     | 10    | 6     | 17         | 6     |

<sup>1</sup> See footnote 2, table 1.

### Living Arrangements

Two out of three recent OAA recipients were living in their own homes (table 5), but recipients who also received OASDI benefits were consistently more likely to be living in their own home—regardless of sex, marital status, age, or race. Married recipients, of course, were much more likely to be living in their own homes than the nonmarried. Twice as many nonbeneficiaries as beneficiaries lived in the homes of children or in institutions. Almost as many of the nonmarried nonbeneficiaries were living in their children's homes or in institutions as in their own homes.

There was a definite relationship between age and living arrangements, with 75 percent of the OAA recipients under age 73 living in their own homes and only 4 percent in institutions. Of those recipients aged 80 and over, only 40 percent lived

TABLE 5.—Percent of recent <sup>1</sup> OAA recipients with specified living arrangements, by beneficiary status, marital status, age, and race, 1965

| Characteristic        | Total number (in thousands) | Percent in— |                        |             |
|-----------------------|-----------------------------|-------------|------------------------|-------------|
|                       |                             | Own home    | Child or parents' home | Institution |
| Total.....            | 237                         | 68          | 11                     | 12          |
| Married:              |                             |             |                        |             |
| Beneficiaries.....    | 64                          | 91          | 4                      | 3           |
| Nonbeneficiaries..... | 16                          | 84          | 10                     | 5           |
| Nonmarried:           |                             |             |                        |             |
| Beneficiaries.....    | 100                         | 64          | 8                      | 14          |
| Nonbeneficiaries..... | 57                          | 45          | 22                     | 19          |
| Age:                  |                             |             |                        |             |
| 65-72.....            | 148                         | 75          | 10                     | 4           |
| 73-79.....            | 51                          | 67          | 9                      | 15          |
| 80 and over.....      | 38                          | 40          | 14                     | 37          |
| Race:                 |                             |             |                        |             |
| White.....            | 182                         | 67          | 10                     | 14          |
| Nonwhite.....         | 54                          | 72          | 12                     | 4           |

<sup>1</sup> See footnote 2, table 1.

TABLE 6.—Mobility and need for care from others of recent<sup>1</sup> OAA recipients, by age, 1965

| Mobility and need for care       | All           |                  | Aged 65-72    |                  | Aged 73-79    |                  | Aged 80 and over |                  |
|----------------------------------|---------------|------------------|---------------|------------------|---------------|------------------|------------------|------------------|
|                                  | Beneficiaries | Nonbeneficiaries | Beneficiaries | Nonbeneficiaries | Beneficiaries | Nonbeneficiaries | Beneficiaries    | Nonbeneficiaries |
| Total number (in thousands)..... | 164           | 73               | 105           | 42               | 39            | 13               | 20               | 18               |
| Total percent.....               | 100           | 100              | 100           | 100              | 100           | 100              | 100              | 100              |
| Confined to home.....            | 14            | 21               | 8             | 12               | 18            | 24               | 39               | 42               |
| Not confined but needs care..... | 6             | 11               | 4             | 7                | 8             | 17               | 14               | 18               |
| Needs no care.....               | 78            | 66               | 87            | 80               | 71            | 57               | 42               | 39               |

<sup>1</sup> See footnote 2, table 1.

in their own homes and 37 percent lived in institutions.

Race also played a role in determining living arrangements. Nonwhite recipients lived more often in their own homes and less often in institutions than white recipients did, regardless of sex, marital status, or beneficiary status. These differences may mean that, because of segregation practices, less space in institutions may be available for nonwhite recipients and that the cost of institutional care may be unmanageable for more nonwhite recipients.

Fewer beneficiary than nonbeneficiary recipients lived in households of three or more persons. More beneficiaries owned or were buying the home they were living in.

### Mobility and Need for Care

Beneficiary-recipients were more mobile and required less care than those who were nonbeneficiaries (table 6). Mobility decreased and the

TABLE 7.—Percent of recent<sup>1</sup> OAA recipients with children contributing to their support, by beneficiary status, sex, and age, 1965

| Sex and age         | Beneficiaries | Nonbeneficiaries |
|---------------------|---------------|------------------|
| Percent of:         |               |                  |
| All recipients..... | 6             | 17               |
| Male.....           | 5             | 10               |
| Female.....         | 7             | 19               |
| Aged:               |               |                  |
| 65-72.....          | 4             | 12               |
| 73-79.....          | 8             | 19               |
| 80 and over.....    | 11            | 27               |

<sup>1</sup> See footnote 2, table 1.

TABLE 8.—Selected characteristics of OAA recipients by time approved and beneficiary status, 1965

| Characteristic                                  | All recipients | Recent <sup>1</sup> OAA recipients |               |                  |
|---|----------------|------------------------------------|---------------|------------------|
|   |                | Total                              | Beneficiaries | Nonbeneficiaries |
| Total number (in thousands).....                | 2,119          | 237                                | 164           | 73               |
| Percent:  |                |                                    |               |                  |
| Married.....                                    | 26             | 34                                 | 37            | 21               |
| Living in own home.....                         | 69             | 68                                 | 75            | 53               |
| Owning home.....                                | 34             | 29                                 | 33            | 22               |
| Living in household with 3 or more persons..... | 25             | 22                                 | 17            | 30               |
| Needing no care.....                            | 71             | 74                                 | 78            | 66               |
| Receiving contributions from children.....      | 12             | 9                                  | 6             | 17               |
| Median age.....                                 | 77             | 70                                 | 70            | 70               |

<sup>1</sup> See footnote 2, table 1.

need for care increased sharply with age, of course, and at age 80 there was little difference between beneficiary and nonbeneficiary recipients.

### Financial Status of Children

Although more than 70 percent of OAA recipients newly added to the rolls had living children, less than 1 percent had children who were dependent upon them and only 9 percent (6 percent of the beneficiaries and 17 percent of the nonbeneficiaries) were receiving contributions from children (table 7). The difference between beneficiaries and nonbeneficiaries was consistent, regardless of sex or age, but more women than men recipients received such contributions, and the proportions went up with age. At 80 and over, 11 percent of the beneficiaries and 27 percent of the nonbeneficiaries received contributions from children.

### INTERPRETATION

Comparisons of all OAA recipients and those recently added to the rolls (table 8) indicate only small differences, except that the latter group are younger and a greater proportion of them are married. Beneficiaries and nonbeneficiaries among the "recent" recipients, however, show no difference in age, but definite differences appear in marital status, living arrangements, homeownership, mobility and care, and contributions from children.

This pattern of differences appears to be associated with past employment, either on the part of the recipient or the spouse on whom she is or was dependent. The characteristics associated with the recipients' failure to qualify for OASDI benefits—nonmarried status, not owning one's home, not living in one's own home, needing care, and receiving financial aid from children—may also be associated with less employment experience.

actually payable when the new rates became effective with the amounts that would have been payable under the old rates.

As the table shows, the total amount of monthly cash benefits in current-payment status at the end of February was \$2.0 billion—about one-fourth of a billion dollars or 14.2 percent higher than it would have been under the earlier benefit rates. Annually, the increases mean an additional \$3 billion in benefit payments, apart from any rise occurring through program expansion.

The relative increases varied slightly by type of benefit—from a high of 14.8 percent for the wives and husbands of retired workers to 13.2 percent for widowed mothers and for the children of disabled workers.

In terms of broad beneficiary categories, benefits increased the most, relatively, for retired workers and their dependants and for persons with special "age-72" benefits. Benefits for disabled workers and their dependants showed the smallest percentage increase.

The average benefit amount payable in February 1968 was \$98.25 for retired workers; it would have been \$85.90 without the benefit increase. For disabled workers, the February average was \$111.58; under the old rate, it would have been \$98.52.

## Immediate Effects of Benefit Increases in 1967 Amendments

Higher amounts for monthly cash benefits under the old-age, survivors, disability, and health insurance program were authorized by the 1967 amendments to the Social Security Act.<sup>1</sup> The new rates were first payable for the month of February 1968. The immediate effects of the increases are illustrated by the data in the accompanying table, which compares the amounts

<sup>1</sup> See Wilbur J. Cohen and Robert M. Ball, "Social Security Amendments of 1967," *Social Security Bulletin*, February 1968.

Monthly benefits in current-payment status, end of February 1968, under old and new rates and percentage increase from January 1968, by type of beneficiary

| Type of beneficiary                       | Number     | Total amount (in thousands) |             | Average benefit amount |           | Percentage increase from January |
|---|------------|-----------------------------|-------------|------------------------|-----------|----------------------------------|
|   |            | Old rates                   | New rates   | Old rates              | New rates |                                  |
| Total.....                                | 23,986,063 | \$1,753,235                 | \$2,001,732 |                        |           | 14.2                             |
| Retired workers and dependents.....       | 15,365,996 | 1,182,294                   | 1,352,569   |                        |           | 14.4                             |
| Retired workers.....                      | 12,179,460 | 1,046,196                   | 1,196,646   | \$85.90                | \$98.25   | 14.4                             |
| Wives and husbands.....                   | 2,664,355  | 118,431                     | 135,911     | 44.45                  | 51.01     | 14.8                             |
| Children.....                             | 522,181    | 17,667                      | 20,012      | 33.83                  | 38.32     | 13.3                             |
| Disabled workers and dependents.....      | 2,177,747  | 150,581                     | 170,556     |                        |           | 13.3                             |
| Disabled workers.....                     | 1,212,639  | 119,468                     | 135,305     | 98.52                  | 111.58    | 13.3                             |
| Wives and husbands.....                   | 232,519    | 8,105                       | 9,196       | 34.86                  | 39.55     | 13.5                             |
| Children.....                             | 732,589    | 23,008                      | 26,055      | 31.41                  | 35.57     | 13.2                             |
| Survivors of deceased workers.....        | 5,722,364  | 395,738                     | 450,441     |                        |           | 13.8                             |
| Widowed mothers.....                      | 498,528    | 32,854                      | 37,206      | 65.90                  | 74.63     | 13.2                             |
| Children.....                             | 2,385,747  | 149,514                     | 169,698     | 62.67                  | 71.13     | 13.5                             |
| Widows and widowers.....                  | 2,804,921  | 210,807                     | 240,629     | 75.16                  | 85.79     | 14.1                             |
| Parents.....                              | 33,168     | 2,563                       | 2,908       | 77.26                  | 87.66     | 13.5                             |
| Persons with special age-72 benefits..... | 719,956    | 24,622                      | 28,166      |                        |           | 14.4                             |
| Primary.....                              | 697,545    | 24,231                      | 27,718      | 34.74                  | 39.74     | 14.4                             |
| Wives.....                                | 22,411     | 391                         | 448         | 17.47                  | 19.97     | 14.6                             |