

# Notes and Brief Reports

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

The expanding program of old-age and survivors insurance has not yet reduced the old-age assistance rolls to the extent that was generally expected when the Social Security Act became law. One reason that the caseloads have continued high is the presence of a considerable number of aged beneficiaries of old-age and survivors insurance. These persons have applied for old-age assistance and been found eligible because their insurance benefits and other income do not meet their necessary expenses. In setting benefit rates, Congress recognized that some beneficiaries with unusually small benefits or unusually great need, or both, would require assistance. The proportion of aged beneficiaries receiving old-age assistance has been higher in many States than was anticipated and has tended to increase.

*Aged persons receiving old-age and survivors insurance benefits and old-age assistance payments.*—Assistance agencies obtain information on the sources and amounts of an individual's income as part of the process of establishing his original and continuing eligibility. Since June 1948, when State reports were first obtained on the concurrent receipt of old-age assistance and old-age and survivors insurance,<sup>1</sup> the number of persons receiving both types of payment has been increasing steadily. From 146,000 in June 1948, the number rose to 406,000 in February 1952 (table 1). Because the total number of aged insurance beneficiaries more than doubled between these two dates, the increase in the proportion getting old-age assistance was not large and, in fact, only a little more than kept pace with the expansion in the number of aged beneficiaries.

Ten percent of all aged beneficiaries received old-age assistance in

<sup>1</sup> See the *Bulletin*, October 1949.

the earlier month, and 12.0 percent in the later month. The proportion was highest (12.6 percent) in September 1950, the month before beneficiaries received their first liberalized benefits under the 1950 amendments; it dropped to 11.9 percent in August 1951, after the assistance agencies had discontinued payments to beneficiaries who no longer needed assistance either because they received larger benefits or had become eligible for benefits under these amendments.

In contrast to the large increase in the number of aged insurance beneficiaries, the number of old-age assistance recipients was only 12 percent higher in February 1952 than in June 1948. Recipients of old-age assistance who also received insurance benefits comprised a steadily growing proportion of all recipients of old-age assistance in each month for which data were reported; they made up 6 percent of the total in June 1948 and 15 percent in February 1952.

*Aged beneficiaries receiving other types of assistance.*—The number of aged beneficiaries who received supplementary assistance is slightly understated in the reports. In addition to the beneficiaries who received old-age assistance, there were some who received aid to the blind or aid to the permanently and totally disabled; others received general assistance, and still others doubtless were included in families receiving aid

to dependent children. Comparable reports, available only for September 1950 with respect to aid to the blind, showed 1,300 aged beneficiaries aided under that program. Beneficiaries who apply for assistance to meet the cost of hospitalization or other medical services may have such cost met by general assistance in States in which this is the customary procedure for meeting such costs. Sometimes in aid to dependent children a grandmother getting an insurance benefit is included in a case as the adult who cares for the children. In such instances she may be omitted in a report on the number of aged beneficiaries receiving assistance.

*Difference in State ratios.*—In February 1952 the proportion of old-age assistance recipients who also received insurance benefits ranged from a high of 32 percent in Nevada to a low of less than 2 percent in Mississippi (table 2). High State ratios reflect a combination of two conditions—extensive old-age and survivors insurance coverage in the State, and assistance standards and policies that enable assistance agencies to supplement insurance benefits for a substantial proportion of the aged beneficiaries who apply for assistance.

In 14 States, most of them industrial, the insurance beneficiaries made up more than 30 percent of the aged population. In all but four of these States they also comprised at least 20 percent of the persons receiving old-age assistance. Agricultural States, particularly in the

Table 1.—*Aged persons and families with children receiving both OASI benefits and assistance payments, 1948-52*

| 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   | 18.3                                    | 4.9          |
| August 1951.....    | 376,500                                  | 11.9                    | 13.8           | 30,700   | 26.8                                    | 5.0          |
| February 1952.....  | 406,000                                  | 12.0                    | 15.3           | 30,000   | 26.6                                    | 5.2          |

<sup>1</sup> Based on beneficiary data for June 1950.

<sup>2</sup> Based on beneficiary data for June 1951.

South, usually had small proportions of old-age and survivors insurance beneficiaries on the assistance rolls, not only because they have relatively small proportions of insurance beneficiaries in their total aged population but also because their eligibility conditions make it more difficult for persons with insurance benefits to get assistance.

*Children receiving both old-age and survivors insurance benefits and assistance payments.*—The number of families receiving one or more

benefits under old-age and survivors insurance and payments under the aid to dependent children program increased between June 1948 and September 1950 and then declined. The reduction after the effective date for the 1950 amendments was relatively greater for families with children than for aged persons, and it persisted longer. The number of families (30,000) reported as receiving both insurance benefits and aid to dependent children was actually smaller in February 1952 than in either September 1950 or August 1951. Moreover, the proportion of all beneficiary families with children that also receive aid to dependent children was slightly smaller in February 1952 than in any of the other months for which reports are available. Increases in benefits provided by the 1950 amendments were larger for survivor families with children than for aged beneficiaries, and the number of cases closed because of the increases was relatively larger in aid to dependent children than in old-age assistance.

In aid to dependent children, as in old-age assistance, cases receiving both types of payment have represented a slightly increasing proportion of all cases—rising to 5.2 percent in February 1952 from 4.8 percent in June 1948.

If insurance coverage were universal, most of the recipients of old-age assistance might be beneficiaries of old-age and survivors insurance. A large segment of the caseload in aid to dependent children cannot include old-age and survivors insurance beneficiaries because the adults who would normally be the family wage earners are neither retired nor dead. The proportion of all aid to dependent children families with both insurance benefits and assistance payments will always tend to be smaller than the proportion of the old-age assistance recipients with both benefits and assistance payments.

The causes that underlie State variations in the proportion of old-age assistance recipients getting old-age and survivors insurance benefits (extent of insurance coverage and differences in assistance policy)

operate also in aid to dependent children (table 3). Their effect is partly concealed, however, by variations among the States in the proportions of assistance families with living fathers absent from the home or incapacitated but not old enough to retire.

*Cost of supplementary assistance to insurance beneficiaries.*—Assist-

Table 3.—*Percent of ADC families with OASI benefits and percent of ADC payments received by beneficiary families with children, February 1952*

| States ranked by number of aged OASI beneficiaries per 1,000 aged population | Persons receiving OASI and OAA as percent of— |                | Number receiving both types of payments as percent of— | Percent of ADC payments received by OASI beneficiary families |
|--|---|----------------|--|---|
|  | Aged OASI beneficiaries                       | OAA recipients |  |   |
| Total, 51 States   | 12.0  | 15.3           | 12.5   |   |
| Rhode Island   | 8.1   | 25.0           | 16.6   |   |
| Connecticut  | 8.2   | 30.0           | 20.1   |   |
| Massachusetts  | 17.2  | 29.3           | 17.8   |   |
| New Jersey   | 3.0   | 19.8           | 12.9   |   |
| New Hampshire  | 7.0   | 20.0           | 11.7   |   |
| Hawaii   | 4.1   | 12.2           | 8.7  |   |
| Maine  | 11.1  | 24.3           | 18.4   |   |
| Pennsylvania   | 3.6   | 14.4           | 8.5  |   |
| Oregon   | 11.8  | 23.7           | 15.9   |   |
| New York   | 5.6   | 20.7           | 13.6   |   |
| Washington   | 24.4  | 25.3           | 15.1   |   |
| Alaska   | 27.4  | 24.5           | 21.2   |   |
| California   | 27.0  | 29.0           | 22.7   |   |
| Delaware   | 1.9   | 9.6            | 6.0  |   |
| Florida  | 14.0  | 16.1           | 11.9   |   |
| Michigan   | 13.4  | 21.0           | 16.3   |   |
| Ohio   | 8.8   | 16.2           | 11.2   |   |
| West Virginia  | 2.7   | 4.2            | 2.0  |   |
| Illinois   | 8.4   | 16.2           | 11.1   |   |
| Nevada   | 26.7  | 31.8           | 29.6   |   |
| Maryland   | 2.8   | 11.3           | 7.1  |   |
| Indiana  | 7.0   | 15.8           | 11.6   |   |
| Vermont  | 12.8  | 19.0           | 14.3   |   |
| Wisconsin  | 11.4  | 18.1           | 13.2   |   |
| Arizona  | 20.6  | 17.8           | 15.1   |   |
| Utah   | 12.0  | 13.3           | 9.8  |   |
| Colorado   | 26.6  | 15.1           | 10.1   |   |
| Wyoming  | 19.7  | 19.4           | 14.7   |   |
| Idaho  | 16.5  | 17.3           | 12.3   |   |
| Montana  | 16.5  | 16.5           | 11.2   |   |
| Missouri   | 23.1  | 15.4           | 12.3   |   |
| Minnesota  | 13.5  | 14.3           | 9.8  |   |
| District of Columbia   | 3.9   | 17.2           | 11.6   |   |
| Virginia   | 2.2   | 5.2            | 4.6  |   |
| Alabama  | 8.0   | 4.1            | 3.3  |   |
| Kentucky   | 10.3  | 7.1            | 3.9  |   |
| Louisiana  | 49.2  | 14.2           | 11.1   |   |
| North Carolina   | 6.6   | 5.6            | 4.3  |   |
| Iowa   | 14.9  | 14.7           | 9.1  |   |
| Tennessee  | 8.3   | 5.8            | 4.0  |   |
| Kansas   | 14.3  | 12.9           | 9.2  |   |
| Georgia  | 15.9  | 6.5            | 4.5  |   |
| Texas  | 21.1  | 8.0            | 6.4  |   |
| South Carolina   | 8.5   | 4.0            | 2.9  |   |
| New Mexico   | 12.7  | 6.5            | 4.1  |   |
| Oklahoma   | 31.0  | 10.2           | 7.5  |   |
| Arkansas   | 9.4   | 3.9            | 2.6  |   |
| Nebraska   | 13.4  | 12.4           | 9.9  |   |
| South Dakota   | 16.0  | 9.0            | 7.2  |   |
| Mississippi  | 6.1   | 1.9            | 1.2  |   |
| North Dakota   | 14.9  | 8.3            | 6.0  |   |
|  |   |                |  |   |
| Total, 50 States   |   |                | 9.7  | 5.2   |
| West Virginia  |   |                | 7.3  | 2.5   |
| New Hampshire  |   |                | 11.3   | 6.8   |
| Maine  |   |                | 21.3   | 11.0  |
| Pennsylvania   |   |                | 5.3  | 2.4   |
| Ohio   |   |                | 8.5  | 9.9   |
| Massachusetts  |   |                | 14.2   | 11.7  |
| Florida  |   |                | 17.3   | 6.4   |
| Kentucky   |   |                | 16.8   | 4.2   |
| Rhode Island   |   |                | 11.0   | 3.8   |
| Oregon   |   |                | 9.7  | 6.7   |
| Indiana  |   |                | 10.8   | 10.9  |
| Arizona  |   |                | 11.2   | 4.5   |
| Alabama  |   |                | 8.5  | 2.8   |
| Michigan   |   |                | 13.9   | 6.8   |
| Virginia   |   |                | 5.4  | 3.2   |
| New Jersey   |   |                | 5.7  | 7.2   |
| Illinois   |   |                | 7.3  | 3.2   |
| District of Columbia   |   |                | 9.1  | 3.3   |
| California   |   |                | 10.8   | 3.5   |
| Connecticut  |   |                | 12.3   | 5.7   |
| Vermont  |   |                | 16.0   | 12.9  |
| South Carolina   |   |                | 6.5  | 4.7   |
| Delaware   |   |                | 5.3  | 3.5   |
| Georgia  |   |                | 13.8   | 4.9   |
| Maryland   |   |                | 4.7  | 2.4   |
| Washington   |   |                | 10.2   | 5.8   |
| Hawaii   |   |                | 8.6  | 1.8   |
| North Carolina   |   |                | 9.9  | 4.0   |
| Tennessee  |   |                | 12.8   | 4.6   |
| New York   |   |                | 7.8  | 2.5   |
| Colorado   |   |                | 6.3  | 2.0   |
| Utah   |   |                | 9.3  | 3.9   |
| Alaska   |   |                | 23.1   | 8.9   |
| Texas  |   |                | 5.7  | 4.5   |
| Missouri   |   |                | 15.0   | 4.6   |
| Oklahoma   |   |                | 14.7   | 2.8   |
| New Mexico   |   |                | 13.2   | 2.6   |
| Wisconsin  |   |                | 12.4   | 6.7   |
| Louisiana  |   |                | 9.4  | 1.9   |
| Idaho  |   |                | 12.2   | 4.5   |
| Montana  |   |                | 10.7   | 3.5   |
| Kansas   |   |                | 8.1  | 4.1   |
| Arkansas   |   |                | 5.1  | .7  |
| Minnesota  |   |                | 14.2   | 6.6   |
| Wyoming  |   |                | 8.8  | 5.0   |
| Iowa   |   |                | 15.0   | 7.3   |
| Mississippi  |   |                | 6.7  | 2.4   |
| Nebraska   |   |                | 8.8  | 4.9   |
| South Dakota   |   |                | 17.3   | 4.9   |
| North Dakota   |   |                | 14.5   | 4.6   |

<sup>1</sup> Data given in terms of children because OASI data on beneficiary families are not available by State. Percents shown for total and for some States overstated because ADC children not getting OASI benefits were included in report if benefits were received by the family.

ance payments to insurance beneficiaries are, of course, smaller on the average than payments to other recipients. For this reason, supplementary assistance payments to insurance beneficiaries made up a smaller percent of all assistance payments than the recipients with both types of payments made of all assistance recipients. In February 1952 the cost to assistance agencies of payments to aged beneficiaries of old-age and survivors insurance amounted to approximately \$15 million—about 12.5 percent of the total money payments of old-age assistance. Payments under aid to dependent children to cases including one or more insurance beneficiaries amounted to \$2 million or 4.2 percent of the total amount paid to families under this program.

Although supplementation of old-age and survivors insurance benefits accounts for part of the cost of assistance, the net effect of the insurance program, of course, has been a reduction in this cost. Beneficiary-recipients are persons who would have been getting assistance even if the insurance program had not been in operation; the cost of their assistance is, moreover, less than it would have been if they had not received benefits under old-age and survivors insurance. Furthermore, without the insurance program, a considerable proportion of the other persons now receiving insurance benefits would also be on the assistance rolls.

## Employers, Workers, and Wages, Third Quarter 1951

During July-September 1951 an estimated 47 million workers—not including the newly covered self-employed—received taxable wages in employment covered under the old-age and survivors insurance provisions of the Social Security Act. The number was approximately the same as that in April-June 1951 but was 15.5 percent higher than that in July-September 1950. The increase from the previous year resulted partly from the extension of coverage under the 1950 amendments, ef-

## Old-age and survivors insurance: Estimated number of employers<sup>1</sup> and workers and estimated amount of wages in covered employment, by specified period, 1940-51

[Corrected to June 1, 1952]

| Year and quarter              | Employers reporting wages <sup>2</sup> (in thousands) | Workers with taxable wages during period <sup>3</sup> (in thousands) | Taxable wages <sup>4</sup> |                    | All workers in covered employment during period <sup>4</sup> (in thousands) | Total payrolls in covered employment <sup>5</sup> |                    |
|-------------------------------|---|--|----------------------------|--------------------|---|---|--------------------|
|                               |   |  | Total (in millions)        | Average per worker |   | Total (in millions)                               | Average per worker |
| 1940                          | 2,500   | 35,393   | \$32,974                   | \$932              | 35,393  | \$35,668  | \$1,008            |
| 1941                          | 2,646   | 40,976   | 41,848                     | 1,021              | 40,976  | 45,463  | 1,110              |
| 1942                          | 2,655   | 46,363   | 52,939                     | 1,142              | 46,363  | 58,219  | 1,256              |
| 1943                          | 2,394   | 47,656   | 62,423                     | 1,310              | 47,656  | 69,653  | 1,462              |
| 1944                          | 2,469   | 46,296   | 64,426                     | 1,392              | 46,296  | 73,349  | 1,584              |
| 1945                          | 2,614   | 46,392   | 62,945                     | 1,357              | 46,392  | 71,560  | 1,543              |
| 1946                          | 3,017   | 48,845   | 69,088                     | 1,414              | 48,845  | 79,280  | 1,623              |
| 1947                          | 3,246   | 48,908   | 78,372                     | 1,602              | 48,908  | 92,449  | 1,800              |
| 1948                          | 3,298   | 49,018   | 84,122                     | 1,716              | 49,018  | 102,255   | 2,086              |
| 1949 <sup>4</sup>             | 3,316   | 47,000   | 81,808                     | 1,741              | 47,000  | 99,989  | 2,127              |
| 1950 <sup>4</sup>             | 3,340   | 48,400   | 87,524                     | 1,808              | 48,400  | 109,791   | 2,268              |
| 1943                          |   |  |                            |                    |   |   |                    |
| January-March                 | 1,971   | 36,537   | 15,462                     | 423                | 36,537  | 15,760  | 431                |
| April-June                    | 2,008   | 37,483   | 16,561                     | 442                | 37,557  | 17,400  | 463                |
| July-September                | 1,998   | 37,682   | 15,888                     | 420                | 38,057  | 17,498  | 460                |
| October-December              | 2,001   | 36,016   | 14,562                     | 404                | 37,593  | 18,995  | 505                |
| 1944                          |   |  |                            |                    |   |   |                    |
| January-March                 | 2,010   | 36,326   | 17,362                     | 478                | 36,326  | 17,696  | 487                |
| April-June                    | 2,048   | 36,893   | 17,284                     | 468                | 36,992  | 18,185  | 492                |
| July-September                | 2,038   | 37,301   | 16,243                     | 435                | 37,752  | 18,359  | 486                |
| October-December              | 2,039   | 35,629   | 13,537                     | 380                | 37,789  | 19,109  | 506                |
| 1945                          |   |  |                            |                    |   |   |                    |
| January-March                 | 2,076   | 35,855   | 17,874                     | 499                | 35,855  | 18,262  | 509                |
| April-June                    | 2,149   | 35,854   | 17,541                     | 489                | 35,949  | 18,558  | 516                |
| July-September                | 2,176   | 35,684   | 14,982                     | 420                | 36,285  | 17,261  | 476                |
| October-December              | 2,199   | 33,598   | 12,548                     | 373                | 35,973  | 17,478  | 486                |
| 1946                          |   |  |                            |                    |   |   |                    |
| January-March                 | 2,287   | 36,038   | 16,840                     | 467                | 36,038  | 17,397  | 483                |
| April-June                    | 2,416   | 38,055   | 17,845                     | 469                | 38,153  | 19,079  | 500                |
| July-September                | 2,478   | 39,670   | 17,709                     | 446                | 40,228  | 20,222  | 503                |
| October-December              | 2,513   | 37,945   | 16,694                     | 440                | 39,930  | 22,562  | 565                |
| 1947                          |   |  |                            |                    |   |   |                    |
| January-March                 | 2,500   | 38,765   | 20,805                     | 537                | 38,765  | 21,497  | 555                |
| April-June                    | 2,587   | 39,801   | 20,655                     | 519                | 40,175  | 22,245  | 554                |
| July-September                | 2,617   | 40,255   | 19,555                     | 486                | 41,155  | 23,035  | 560                |
| October-December              | 2,609   | 37,448   | 17,357                     | 463                | 40,748  | 25,672  | 630                |
| 1948                          |   |  |                            |                    |   |   |                    |
| January-March                 | 2,588   | 39,560   | 23,080                     | 583                | 39,560  | 23,923  | 605                |
| April-June                    | 2,690   | 40,245   | 22,708                     | 564                | 40,524  | 24,668  | 609                |
| July-September                | 2,699   | 40,585   | 21,150                     | 521                | 41,675  | 25,700  | 617                |
| October-December              | 2,661   | 36,790   | 17,184                     | 467                | 41,540  | 27,964  | 673                |
| 1949                          |   |  |                            |                    |   |   |                    |
| January-March <sup>4</sup>    | 2,639   | 38,200   | 23,376                     | 612                | 38,200  | 24,254  | 635                |
| April-June <sup>4</sup>       | 2,693   | 38,970   | 22,571                     | 579                | 39,250  | 24,570  | 626                |
| July-September <sup>4</sup>   | 2,697   | 38,805   | 20,160                     | 520                | 39,820  | 24,971  | 627                |
| October-December <sup>4</sup> | 2,692   | 35,400   | 15,701                     | 444                | 39,160  | 26,194  | 669                |
| 1950                          |   |  |                            |                    |   |   |                    |
| January-March <sup>4</sup>    | 2,671   | 37,400   | 23,490                     | 628                | 37,400  | 24,316  | 650                |
| April-June <sup>4</sup>       | 2,766   | 39,500   | 24,052                     | 609                | 39,800  | 26,210  | 659                |
| July-September <sup>4</sup>   | 2,768   | 40,700   | 22,382                     | 550                | 41,900  | 28,165  | 672                |
| October-December <sup>4</sup> | 2,740   | 37,300   | 17,600                     | 472                | 41,600  | 31,100  | 748                |
| 1951 <sup>5</sup>             |   |  |                            |                    |   |   |                    |
| January-March <sup>4</sup>    | 3,520   | 46,000   | 30,200                     | 657                | 46,000  | 31,100  | 676                |
| April-June <sup>4</sup>       | 3,600   | 47,000   | 30,600                     | 661                | 47,300  | 32,200  | 681                |
| July-September <sup>4</sup>   | 3,540   | 47,000   | 27,500                     | 585                | 48,000  | 33,000  | 688                |

<sup>1</sup> Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

<sup>2</sup> Quarterly and annual data for 1937-39 were presented in the *Bulletin* for February 1947, p. 31; quarterly data for 1940 in the *Bulletin* for August 1947, p. 30; and quarterly data for 1941 and 1942 in the *Bulletin* for February 1948, p. 31.

<sup>3</sup> A description of these series and quarterly data for 1940 were presented in the *Bulletin* for August 1947, p. 30; quarterly data for 1941 and 1942 were presented in the *Bulletin* for February 1948, p. 31.

<sup>4</sup> Preliminary.

<sup>5</sup> Includes data for new coverage under the 1950 amendments, except for newly covered self-employed persons and their earnings.