

Concurrent Receipt of Public Assistance and Old-Age, Survivors, and Disability Insurance

by ROBERT H. MUGGE*

COVERAGE OF the Nation's aged population by the old-age, survivors, and disability insurance program has expanded rapidly in recent years. By February 1960 an estimated 10.1 million persons aged 65 and over—646 of every 1,000 persons in that age group—were receiving benefits under that program.

Largely as a result of the increasing financial protection afforded the aged population by old-age, survivors, and disability insurance, the number of persons receiving old-age assistance has been declining. In September 1950 there were 2.8 million recipients of old-age assistance, representing 226 per 1,000 population aged 65 and over; by February 1960 the number had dropped to 2.4 million, and the rate had fallen to 151 per 1,000. Old-age assistance recipients far outnumbered aged beneficiaries of old-age, survivors, and disability insurance in 1950, but by the beginning of 1960 aged beneficiaries outnumbered aged recipients of assistance by more than 4 to 1.

The influence of old-age, survivors, and disability insurance has also been felt in the other public assistance programs. As the protection under that program for the surviving children of deceased workers has expanded, the number of paternal orphans needing aid to dependent children has been reduced. As a proportion of all families receiving aid to dependent children, those with the father dead declined from 17.1 percent early in 1953 to an estimated 10.0 percent early in 1960. The growth of old-age, survivors, and disability insurance has undoubtedly been a factor also in the gradual but continuing decline since December 1958 in the number of persons receiving aid to the blind.

In the program of aid to the permanently and totally disabled, created by the 1950 amendments to the Social Security Act, the number of recipients has increased each month. This growth has occurred despite the fact that since July 1957

workers aged 50-64¹ have been eligible for disability benefits under old-age, survivors, and disability insurance if they were so incapacitated that they could not engage in substantial gainful employment and if they had the required amount of work in covered employment. It is highly probable, however, that the rate of growth since July 1957 in the assistance program would have been faster had it not been for the disability insurance program. Recipients of aid to the permanently and totally disabled are currently increasing in number by approximately 2,000 a month and disability insurance beneficiaries by about 8,000 a month. In March 1960, for the first time, more persons were receiving disability insurance benefits (357,134) than were receiving aid to the permanently and totally disabled (356,140).

In most States the great majority of insurance

TABLE 1.—Aged persons and families with children receiving both OASDI benefits and assistance payments, 1948-60

Month and year	Aged persons receiving both OASDI and OAA			Families with children receiving both OASDI and ADC		
	Number	Percent of—		Number	Percent of—	
		Aged OASDI beneficiaries	OAA recipients		OASDI 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 ¹	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 ²	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
February 1958.....	596,500	7.1	24.2	37,200	4.5	5.4
March 1959 ³	647,900	6.9	26.7	41,900	4.6	5.4
February 1960 ⁴	675,600	6.7	28.5	41,000	4.2	5.2

¹ November 1953 data for ADC families.

² For ADC, March data for 20 States, November 1955 data for 1 State, and May 1956 data for 1 State.

³ For OAA, February data for 18 States, April data for 1 State, and May data for 1 State. For ADC, February data for 17 States and April data for 1 State.

⁴ For OAA and ADC, March data for 13 States and April data for 1 State. For OAA, December 1959 data for 1 State.

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¹ The "age 50" requirement was abolished by the 1960 amendments to the Social Security Act.

beneficiaries are not in need under State standards for the public assistance programs. Similarly, most public assistance recipients have failed to meet the eligibility requirements for insurance benefits. There is, however, a large and growing number of insurance beneficiaries whose needs, as recognized by the State assistance programs, are not fully met by their old-age, survivors, and disability insurance benefits and other resources; these beneficiaries receive supplementary monthly assistance payments. Thus, some retired workers and aged dependents or survivors of retired or deceased workers are receiving old-age, survivors, and disability insurance benefits as well as old-age assistance or aid to the blind; some disabled workers receive aid to the permanently and totally disabled or aid to the blind in addition to disability benefits; and some children, together

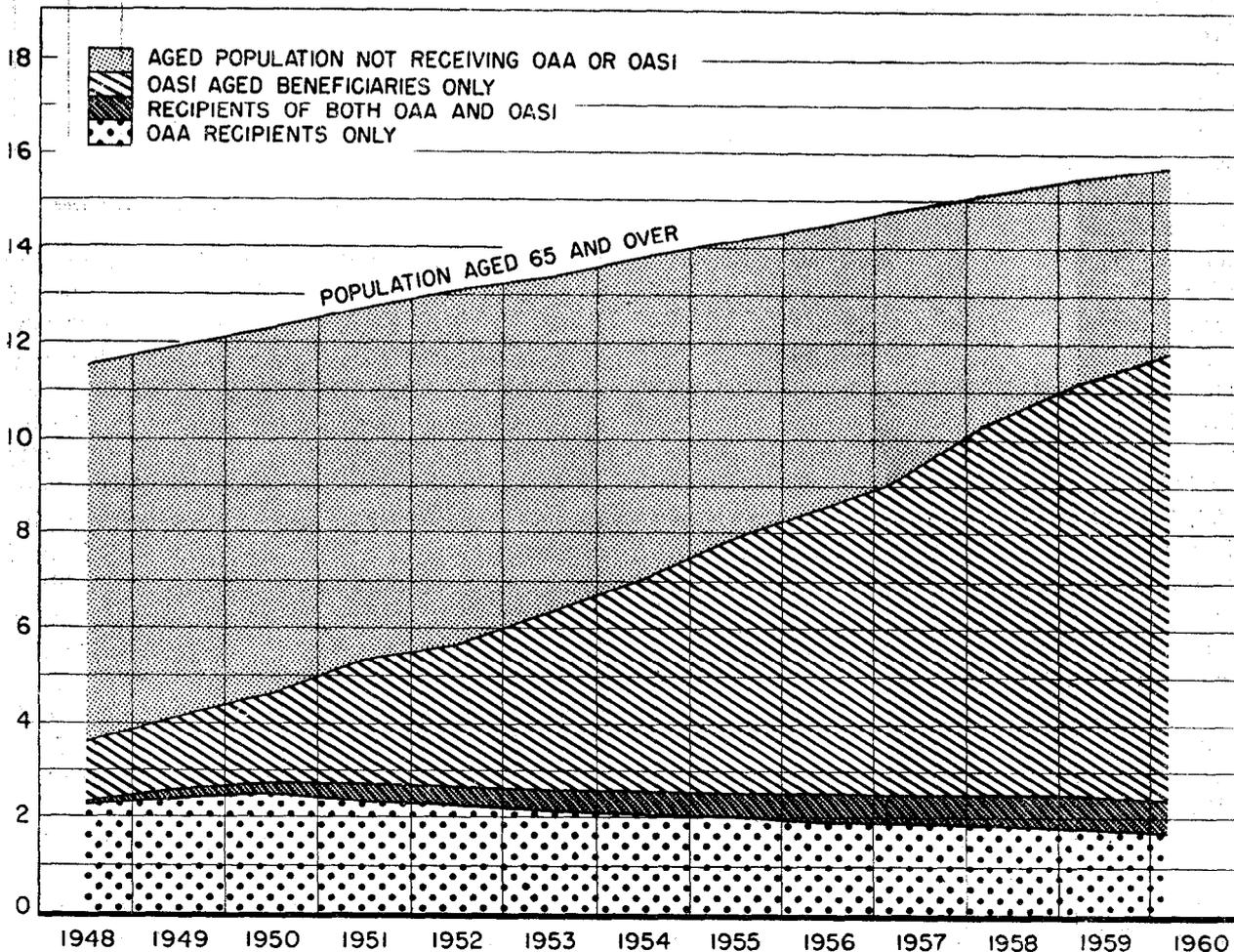
with their mothers, receive aid to dependent children in addition to benefits as the dependents of retired, deceased, or disabled workers.

The extent to which individuals receive payments under both the insurance and assistance programs and the trends in the size of this group within the several public assistance categories are subjects of widespread interest. There is special interest in the possible influence that two recent developments in the insurance program may have had: the initiation of the disability benefits program, effective in July 1957, and the extension of benefits to dependents of disabled workers, effective in September 1958.

For this reason the State welfare departments report annually on the number of public assistance recipients who are also beneficiaries of old-age, survivors, and disability insurance, the

CHART 1.—Population aged 65 and over in the United States and persons receiving payments under Social Security Act programs for the aged, 1948-60

MILLIONS OF PERSONS



amount of their monthly assistance payments, and the amount of their monthly insurance benefits. The reports were expanded in 1960 to include the programs of aid to the blind and aid to the permanently and totally disabled, with concurrent recipients in these two programs classified by age group (18-49, 50-64, and 65 and over). For the three adult programs the States were asked to show separately (1) insurance benefits to recipients and (2) total insurance benefits to recipients and the persons who were essential to their welfare and whose needs were included in the recipients' assistance budgets. The States were given the option of reporting for February or March of this year; more than two-thirds of the reports were for February.

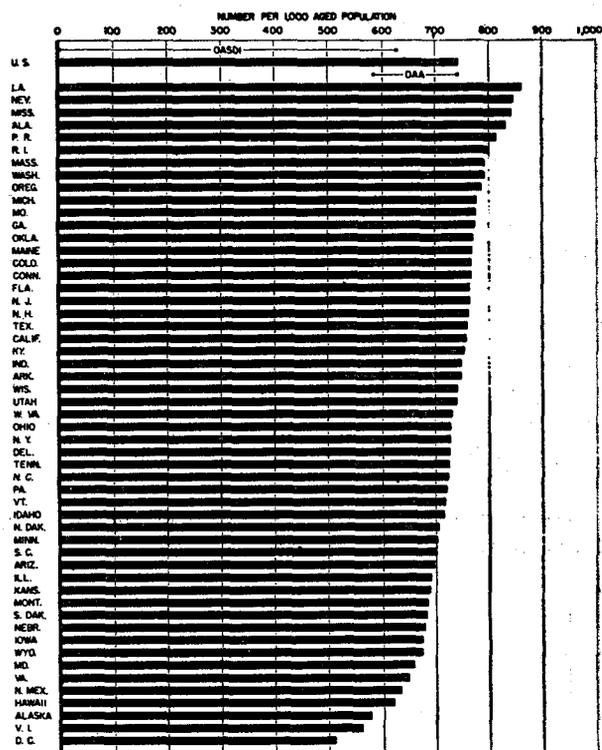
AGED PERSONS RECEIVING OAA AND OASDI

Trends since 1948 in the size of the aged population and in the relative importance to this population of old-age assistance and old-age, survivors, and disability insurance are indicated in chart 1. From 1948 to 1960 the number of persons in the Nation aged 65 and over has increased by more than a third. In this period a large proportion of the aged population became newly covered under old-age, survivors, and disability insurance, and the number of aged beneficiaries increased from 1.5 million to more than 10.1 million. The old-age assistance caseload increased moderately from mid-1948 to mid-1950 and then began a gradual but steady decline; it has dropped more than 15 percent since 1950. However, the number of aged persons receiving concurrently both public assistance and insurance benefits has increased markedly; in February 1960, 675,000 persons were receiving both types of payments—more than four and one-half times the number in June 1948.

In 1950 barely one-sixth of the Nation's aged persons received old-age, survivors, and disability insurance benefits; today nearly two-thirds of them do. In 1950 almost one-fourth of all aged persons received old-age assistance; in 1960 the proportion is less than 1 in 6. Persons receiving neither old-age assistance nor old-age, survivors, and disability insurance benefits today account for less than 25 percent of the population aged 65 or over.

Since 1950 the number of old-age assistance

CHART 2.—Trends in OAA recipient rates¹ for the total aged population and for beneficiaries and nonbeneficiaries of OASDI, 1955-60



¹ OAA recipients per 1,000 population aged 65 and over.

recipients has been declining, while the number of persons receiving both assistance payments and insurance benefits has been increasing by 20,000-40,000 each year. Each year, therefore, has seen an increase in the proportion of assistance recipients who are also beneficiaries under the insurance program—to 28.5 percent in 1960. (Of all persons aged 65 and over not receiving old-age assistance in 1960, 71.0 percent were receiving insurance benefits.) The total number of aged beneficiaries of old-age, survivors, and disability insurance has been increasing faster, however, than the number of persons receiving benefits plus assistance. Consequently, the proportion of all aged beneficiaries who receive supplementary old-age assistance has been steadily dropping—from 12.6 percent in September 1950 to 6.7 percent in February 1960.

Chart 2 suggests what might have happened to the size of the old-age assistance caseload in recent years had it not been for the old-age, survivors, and disability insurance program. The propor-

tion of aged insurance beneficiaries receiving assistance declined from 86 per 1,000 in early 1955 to 67 per 1,000 in early 1960, and the proportion of all persons aged 65 and over receiving old-age assistance dropped from 179 per 1,000 to 151 per 1,000. In contrast, the proportion of persons aged 65 and over not receiving old-age, survivors, and disability insurance benefits who receive old-age assistance has been increasing, from 239 per 1,000 to 305 per 1,000. If the recipient rate were the same for aged beneficiaries as for nonbeneficiaries there would now be nearly 4.8 million recipients of old-age assistance instead of less than half that number.

State Trends

In most States the same trends have been occurring that are observed for the Nation as a whole: the aged population is growing, old-age assistance recipients are declining in number, the number of aged beneficiaries of old-age, survivors, and disability insurance is increasing, and the number of persons receiving both types of payment is rising. In recent years, however, the number and proportion of aged persons receiving insurance benefits have been increasing faster in those States that have had the smallest proportion of the total aged population in the beneficiary group.

The net result of these trends has been to reduce State differences in beneficiary rates (the number of persons aged 65 or over receiving old-age, survivors, and disability insurance per 1,000 population aged 65 or over). In February 1955, for example, the beneficiary rate in the United States, excluding Alaska and Hawaii, ranged from 198 in North Dakota to almost triple that figure or 561 in Rhode Island. In June 1959, the latest date for which State rates have been computed, the rates ranged from a low of 440 in Louisiana to a high of 745 in Rhode Island, and the highest rate was only 1.7 times the lowest. It is believed that the reduction in the range has resulted largely from the extension of coverage in 1954 to various occupational groups, especially farmers and farm workers.

Increases in the number of persons receiving old-age assistance payments and old-age, survivors, and disability insurance benefits concurrently were rather general among the States from March 1959 to February 1960. Only 13 States

reported a decline, and in 10 of these States the total old-age assistance caseloads decreased at exceptionally high rates. The greatest increases were in the heavily agricultural States and in the South. The States with the largest relative rise in the number of recipients who also received insurance benefits were New Mexico (32 percent), Mississippi (23 percent), North Carolina and Arkansas (17 percent each), and Kentucky and Texas (15 percent each).

OAA Cases Opened and Closed

The upward trends in the concurrent-receipt group are underlined by recent voluntary reports from States on reasons for opening and closing cases in the public assistance programs. Twelve States reported such information for old-age assistance cases opened and closed from July 1 through December 31, 1959.

Each of the 12 States reported that the proportion of recipients with old-age, survivors, and disability insurance benefits was substantially higher among cases opened than among cases closed. In addition, the proportion of all case openings in July-December 1959 in the concurrent-receipt group exceeded the proportion this group made up of the old-age assistance caseload in February 1960. In nine of the 12 States the proportion of closed cases in the concurrent-receipt group also exceeded the proportion on the assistance rolls in February 1960. Many of the cases were, however, closed entirely or partly because of the receipt of or an increase in old-age, survivors, and disability insurance benefits.

Death accounted for two-thirds of all the case closings reported in old-age assistance. However, only about one-half of the closed cases among those receiving both types of payment were closed because of death.

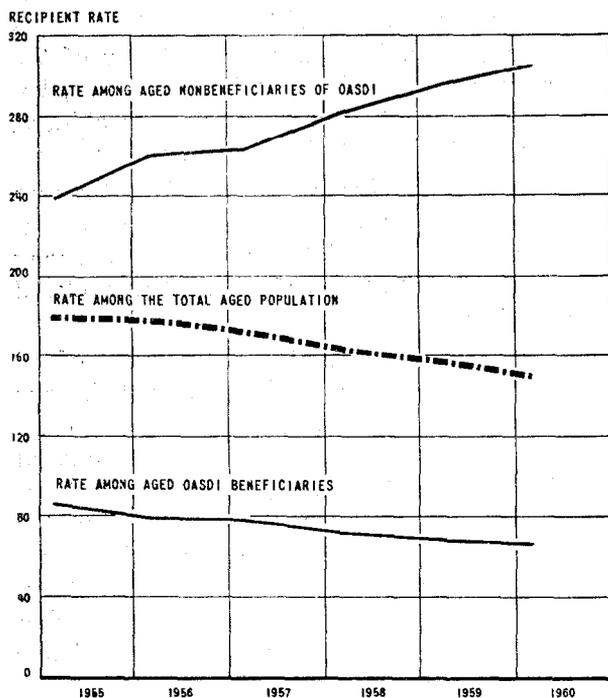
In the 12 reporting States, 27.6 percent of all cases receiving old-age assistance in February 1960 also received old-age, survivors, and disability insurance benefits. Of the cases opened July-December 1959, 43.4 percent received insurance benefits; of all cases closed during the same 6 months, 31.1 percent received insurance benefits; and in 11 States (one State not reporting), 24.8 percent of all cases closed during the 6-month period because of the recipient's death were insurance beneficiaries.

State Differences

Chart 3 shows the extent to which the population aged 65 and over in each State was receiving old-age assistance, old-age, survivors, and disability benefits, or both on June 30, 1959, the latest date for which State estimates of the population aged 65 and over have been made. (Figures for February 1960 would, if available, be similar.) As the chart indicates, old-age assistance tends to take up the slack left by old-age, survivors, and disability insurance in meeting the financial needs of older people. States with high old-age, survivors, and disability insurance beneficiary rates tend to have low old-age assistance recipient rates, and those with low beneficiary rates tend to have high recipient rates. As a result there is much less variation among States in the proportion of the aged population receiving assistance and/or insurance benefits than there is in either the beneficiary rate or the recipient rate taken separately.

Considerable variation, however, continues to exist among States in the extent to which older persons are found to be included in one or both of the two programs. In June 1959 the proportion

CHART 3.—Number of persons aged 65 and over receiving OASDI benefits, OAA payments, or both per 1,000 aged population, by State, June 30, 1959



of persons aged 65 and over receiving assistance payments, insurance benefits, or both ranged from as low as 509 per 1,000 in the District of Columbia, 560 in the Virgin Islands, and 578 in Alaska to as high as 842 in Mississippi, 845 in Nevada, and 860 in Louisiana. Undoubtedly various factors influence the size of this proportion in each State. These factors include the extent of old-age, survivors, and disability insurance coverage among elderly and retired workers, the extent of need existing among nonbeneficiaries of the insurance program, the extent to which aged persons are protected by other public and private retirement programs, and the standards for determining who is a needy person under the State program for old-age assistance.

The States vary greatly in the number and proportion of aged persons receiving both assistance payments and insurance benefits. In June 1959 there were 13 States in which less than 2 percent of the aged population and 12 States in which 6 percent or more were receiving payments under both programs. Relatively high percentages were found in the Gulf States, from Florida to Texas; in the adjoining States of Arkansas, Georgia, Oklahoma, and Missouri; and in the Pacific and Rocky Mountain States. A large concentration of States with relatively low percentages are located along the East Coast, extending from New York to South Carolina and including the contiguous States of Pennsylvania, Tennessee, and West Virginia. Two smaller concentrations of low-percentage States are in the Middle West.

No single factor appears to explain for all States the proportion of the elderly population concurrently receiving both old-age assistance and old-age, survivors, and disability insurance benefits. A number of the low-income States of the South have relatively high proportions, but several low-income States of the upper South have relatively low proportions, and high proportions are also found in a number of high-income States.

The proportion of the aged population receiving payments under both programs concurrently has been found to correlate positively both with the old-age assistance recipient rate and the State's standards for living requirements of recipients. This correlation suggests that States with high recipient rates or high standards, or

both, will tend to have a high proportion both of insurance beneficiaries and of nonbeneficiaries in the old-age assistance program, whereas States with low recipient rates and/or standards will tend to have relatively low proportions of both groups receiving old-age assistance. It has been found, on the other hand, that a correlation does not exist between the proportion of old-age, survivors, and disability insurance beneficiaries in the aged population of States and the concurrent-receipt proportion.

The distribution of the States with respect to the proportion of aged insurance beneficiaries who received old-age assistance in February 1960 is similar to their distribution with respect to the proportion of all aged persons who were receiving the two types of payment concurrently in June 1959. Again, the extent to which aged insurance beneficiaries receive assistance appears to be largely a function of the old-age assistance recipient rate, which in turn depends on the extent to which the State's aged population is determined to be in need under the State standards for living requirements for aged recipients of assistance.

When the States are distributed according to the percentage of all aged assistance recipients who received insurance benefits in February 1960, the pattern is found to be similar to that in June 1959 in terms of the overall beneficiary rate for persons aged 65 and over. It appears, therefore, that the proportion of old-age assistance recipients in the State who receive insurance benefits tends to reflect the proportion of all aged persons in the State who receive old-age, survivors, and disability insurance benefits.

FAMILIES RECEIVING ADC AND OASDI

All States reported on the number of families receiving both aid to dependent children payments and old-age, survivors, and disability insurance benefits in February 1960. The number (41,000) was slightly smaller than the all-time high of 41,900 reported in March 1959. In February 1960 the families receiving payments under both programs represented 4.2 percent of all beneficiary families with one or more children under age 18, compared with 4.6 percent the year before. This percentage has been fluctuating

between 4.6 and 4.2 since February 1956, however, and no significance can be attached to the percentage drop this year. In September 1950, families receiving assistance and insurance payments concurrently represented 8.3 percent of all beneficiary families with one or more children, but from that point the percentage dropped steadily to 4.6 in February 1956 and 4.2 in February 1957.

Families in receipt of aid to dependent children who also received insurance benefits represented 5.2 percent of all assistance families in February 1960 and 5.4 percent in March 1959. This percentage has remained almost constant through the years; it increased from 4.8 in June 1948 to 5.3 in February 1953, and since then has fluctuated only between 5.1 and 5.4 with one exception. In November 1953, the percentage reached 5.9, but this figure is not fully comparable with the others because of a difference in seasonal timing and in the nature of the report through which it was obtained.

The number of children receiving insurance benefits and the number of families including such children almost doubled from 1952 to early 1960. The proportion of beneficiary families among all families receiving aid to dependent children remained, however, virtually constant. Children of disability insurance beneficiaries have been eligible for benefits since September 1958, and by February 1960 more than 80,000 children of disabled workers were receiving insurance benefits; yet, even though the total number of families on the assistance rolls rose moderately from early 1959 to early 1960, the number of such families receiving insurance benefits declined slightly.

It appears that the number of families concurrently receiving both types of payment is the result of several factors, the net effect of which has been to keep the proportion of assistance families receiving insurance benefits relatively constant. Thus, the mortality rate of parents of young children has been declining, as well as the proportion of orphans among the child population. With increasing old-age, survivors, and disability insurance protection, fewer orphaned children need aid to dependent children. The proportion of assistance families with the father dead has been declining, but among families with the father dead who continue to receive aid to

dependent children a rising proportion are concurrently receiving insurance benefits.

Similarly, it may be expected that the new benefits under old-age, survivors, and disability insurance for the families of disabled workers will tend to keep many families from needing aid to dependent children; at the same time there will be a growing number of families with a disabled father needing some supplementation of their disability insurance benefits and other income. On the other hand, the relatively faster growing number of assistance families with absent fathers that are not eligible for old-age, survivors, and disability insurance benefits tends to depress the proportion of such families concurrently receiving insurance benefits.

Case Openings and Closings

Twelve States reported on reasons for opening and closing cases of aid to dependent children in the period July-December 1959 and on the beneficiary status of such cases under the insurance program at the time of opening or closing. In each of these States, families receiving insurance benefits made up a lower—in most instances a much lower—proportion of the cases opened during the 6 months than of all cases in February 1960 (table 2). In all but three of the 12 States during the 6 months, the proportion of cases closed in which old-age, survivors, and disability insurance benefits were being received was higher than the proportion of all assistance families receiving insurance benefits in February 1960.

On the average, 3.9 percent of the cases opened in the 12 States during July-December 1959 and 10.5 percent of the cases closed were receiving insurance benefits, and 7.8 percent of all families receiving aid to dependent children in February 1960 were receiving insurance benefits. Of all cases closed in July-December 1959, only 4.9 percent were closed because the family began receiving insurance benefits or had an increase in the monthly amount of such benefits. The relatively high proportion of beneficiary families among all closed cases indicates, however, that the insurance benefits also helped many other families to achieve a level of living above the assistance standards of the States in which they live.

Families receiving both types of payment had an average of 3.2 children receiving some insurance benefits in February 1960; the average in all assistance families was 2.9 children that month. Of all the children receiving assistance in the beneficiary families, 86.4 percent were reported as being beneficiaries themselves. The status of the remaining 13.6 percent is not known.

TABLE 2.—Concurrent receipt of OASDI benefits and assistance payments by recipients of OAA, AB, and APTD and children receiving ADC, by State, February 1960

State	Persons receiving OAA and OASDI as percent of—		Persons receiving AB and OASDI as percent of AB recipients	Persons receiving APTD and OASDI as percent of APTD recipients	Children receiving ADC and OASDI as percent of—	
	OAA recipients	Aged OASDI beneficiaries			Children receiving ADC	Child beneficiaries
Total.....	28.5	6.7	15.7	6.7	5.0	6.6
Ala. ¹	21.5	16.1	2.7	3.5	5.4	7.8
Alaska.....	36.4	17.1	9.7	(²)	10.2	16.3
Ariz.....	30.2	8.5	10.6	(²)	5.3	7.6
Ark. ³	15.6	8.5	5.2	3.3	5.4	5.4
Calif.....	47.9	15.1	24.4	16.0	4.4	6.9
Colo. ⁴	39.2	21.8	2.4	6.5	4.7	6.6
Conn. ⁵	44.1	3.8	20.1	19.4	3.8	3.6
Del. ⁴	26.4	1.5	26.8	3.7	3.4	4.6
D. C. ⁴	27.6	2.5	6.4	3.6	2.4	5.7
Fla. ⁴	32.4	6.9	11.5	11.8	8.0	11.9
Ga.....	16.5	11.6	6.1	6.0	9.6	8.7
Hawaii.....	21.5	1.7	8.4	3.0	3.0	4.2
Idaho.....	31.5	6.2	9.9	10.1	7.6	6.3
Ill.....	26.3	3.2	10.2	5.2	3.3	4.4
Ind. ⁴	25.4	2.3	14.0	(²)	8.1	5.6
Iowa ⁴	27.0	4.7	19.2	9.7	8.0	8.8
Kans.....	24.2	4.9	10.6	6.2	4.6	4.7
Ky.....	18.9	6.3	5.9	4.1	14.0	17.5
La. ⁴	28.8	35.2	5.5	3.6	4.7	10.3
Maine.....	38.3	6.2	14.9	13.5	12.9	17.6
Md. ⁴	23.2	1.7	4.4	2.7	2.1	2.4
Mass.....	48.7	10.4	27.3	19.4	6.7	5.5
Mich.....	33.2	4.7	13.8	18.7	7.0	6.7
Minn.....	27.8	6.1	13.7	9.6	8.7	8.0
Miss.....	24.8	21.2	6.8	5.4	7.4	15.6
Mo.....	29.4	11.9	17.3	10.9	6.7	13.0
Mont. ⁴	31.9	5.5	16.6	11.7	6.9	5.2
Nebr.....	23.0	3.5	14.5	10.2	7.8	5.9
Nev.....	52.5	13.6	24.7	(²)	5.3	5.6
N. H.....	36.4	3.8	17.8	13.0	7.7	3.9
N. J. ⁴	34.3	1.7	12.0	8.7	5.1	3.7
N. Mex.....	17.8	7.9	2.6	5.0	5.6	11.0
N. Y. ⁴	34.1	2.6	15.0	7.4	2.6	4.0
N. C. ⁴	15.4	4.1	11.1	4.5	5.5	7.7
N. Dak.....	21.3	4.4	6.5	6.2	10.3	9.8
Ohio.....	30.1	4.6	11.7	5.0	5.6	4.9
Okla.....	24.0	18.1	6.3	8.4	4.4	8.7
Oreg.....	35.3	4.8	10.6	9.4	5.5	5.0
Pa. ⁴	27.1	1.8	34.0	5.5	2.6	3.6
P. R.....	.1	.1	.5	.1	.4	2.7
R. I.....	42.2	4.5	11.0	6.6	2.9	4.9
S. C.....	6.6	2.7	2.6	2.1	3.6	3.1
S. Dak.....	22.6	4.7	3.1	7.3	8.2	11.2
Tenn. ⁴	11.1	3.7	3.7	3.5	5.7	8.2
Tex.....	23.6	14.3	8.2	7.2	6.0	4.2
Utah.....	25.3	5.5	5.6	4.4	3.3	3.5
Vt. ⁴	35.0	7.0	19.4	15.7	10.5	8.7
V. I.....	.2	.2	0	0	1.0	1.9
Va.....	9.5	.8	4.5	3.1	3.8	2.5
Wash.....	40.0	11.1	17.3	11.1	4.4	5.1
W. Va.....	9.8	1.8	3.3	2.9	5.1	9.4
Wis ⁴	30.9	4.0	13.2	14.1	8.1	6.0
Wyo.....	36.4	7.9	20.6	9.7	4.7	3.1

¹ April data for public assistance programs.

² No program of APTD.

³ March data for public assistance programs.

⁴ March data for AB.

⁵ December data for OAA.

⁶ Number of children receiving OASDI estimated.

Undoubtedly many of them were half-brothers or half-sisters of the beneficiary children or bore some other relationship to the family and were not themselves personally eligible for benefits. In some cases, however, it is possible that children were reported as nonbeneficiaries because they were in large families in which the maximum monthly benefit was reached by counting only some of the children who are eligible.

State Differences

For the Nation as a whole, 5.0 percent of all children receiving aid were receiving old-age, survivors, and disability insurance benefits in February 1960. This percentage ranges from as low as 0.4 in Puerto Rico, 1.0 in the Virgin Islands, and 2.1 in Maryland to as high as 10.5 in Vermont, 12.9 in Maine, and 14.0 in Kentucky. The highest percentages tended to be found in the Middle West and in the New England States from Massachusetts north. A group of States with low percentages was found along the East Coast, stretching from Rhode Island to Virginia. Percentages in most States of the other regions tended to be close to average.

It was found that these percentages were moderately correlated with the percentages of child beneficiaries in each State who were in receipt of aid to dependent children. A moderate negative correlation was found, however, between the percentage of children on the assistance rolls receiving insurance benefits and the percentage of all children in the State under age 18 receiving aid to dependent children. Thus, the States in which the smallest proportions of all children receive aid to dependent children tend to be the States in which the largest proportions of all children receiving assistance also receive old-age, survivors, and disability insurance benefits.

Children receiving both types of payment represented 6.6 percent of all child beneficiaries under age 18 in February 1960. This percentage ranged all the way from 1.9 in the Virgin Islands, 2.4 in Maryland, and 2.5 in Virginia to 16.3 in Alaska, 17.5 in Kentucky, and 17.6 in Maine. There were groupings of States with high percentages in the West North Central Region (Iowa, Minnesota, Missouri, North Dakota, and South Dakota) and in the Southeast (Alabama, Florida,

Georgia, Kentucky, Louisiana, Mississippi, North Carolina, and Tennessee). The percentages were low in a group of States on the East Coast, extending from Rhode Island to Virginia and including Pennsylvania, and in another group in the Northwest (Oregon, Montana, Washington, and Wyoming).

The percentage of all child beneficiaries receiving aid to dependent children tended to be moderately correlated with both the overall recipient rate in aid to dependent children (number receiving aid per 1,000 children under age 18 in the population) and, as noted earlier, with the percentage of all children receiving aid who were beneficiaries under the insurance program.

PERSONS RECEIVING APTD AND OASDI

Aid to the permanently and totally disabled is now in effect in all but four States and is used for the most part to provide assistance to needy and disabled adults under age 65. Nearly two-thirds of all recipients are aged 50-64. Disability insurance benefits under the old-age, survivors, and disability insurance program were payable, at the time of the State reports, to qualified workers aged 50-64. In addition, disabled persons aged 18 and over who are the children of persons entitled to old-age or disability insurance benefits, or the children of deceased insured workers, have been eligible since September 1958 for insurance benefits, if the disability began before the eighteenth birthday. It is expected that both provisions will have important and increasing effects upon aid to the permanently and totally disabled, just as the old-age and survivors insurance provisions have affected old-age assistance.

In February 1960, 6.7 percent of all recipients of aid to the permanently and totally disabled were reported to be receiving insurance benefits. The incidence of beneficiaries in the assistance caseload is, thus, somewhat higher than in aid to dependent children but less than one-fourth the incidence in old-age assistance. The fact that the group of beneficiaries is relatively much smaller among recipients of aid to the permanently and totally disabled than among old-age assistance recipients may result partly from the comparative newness of both aid to the perma-

nently and totally disabled and disability insurance but is also probably related to the fact that disability insurance benefits tend to be considerably higher than benefits to aged beneficiaries. Reasons for the latter circumstances are that the disability insurance beneficiaries tend to have higher average wage credits than retired workers and that the aged beneficiaries include relatively large numbers of wife, widow, and widower beneficiaries who receive smaller benefits than retired workers.

Persons receiving both aid to the permanently and totally disabled and insurance benefits numbered 23,600 in February 1960. Twenty-three percent were aged 18-49; presumably most persons in this group were child beneficiaries who had become disabled before their eighteenth birthday. Sixty-nine percent of the persons receiving both types of payment were aged 50-64; it seems probable that most of them were disability insurance beneficiaries, although some undoubtedly were women aged 62-64 who were eligible for retirement benefits or for benefits as the wife of a disabled or retired worker or the widow of an insured worker. If all the assistance recipients aged 50-64 who received insurance benefits had been disabled-worker beneficiaries, they would have represented 4.7 percent of all such beneficiaries in February 1960. Eight percent, or nearly 2,000, of the 23,600 persons receiving both types of payment concurrently were aged 65 and over.

The proportion of all recipients of aid to the permanently and totally disabled who were insurance beneficiaries ranged from lows of zero in the Virgin Islands, 0.1 percent in Puerto Rico, and 2.1 percent in South Carolina to highs of 18.7 percent in Michigan and 19.4 percent in Connecticut and Massachusetts. In general, the highest proportions were in New England, the West North Central States, and the Northwest, and the lowest percentages were in the Southern States.

Reports submitted by 12 States on reasons for opening and closing aid to the permanently and totally disabled cases from July 1 through December 31, 1959, and on the beneficiary status under old-age, survivors, and disability insurance of such cases at the time of opening or closing demonstrate further the important influence that the insurance program has on this assistance pro-

gram. In these States, on the average, 8.8 percent of the assistance cases in February 1960 were also receiving benefits, and in July-December 1959 7.9 percent of the cases opened and 26.8 percent of those closed were receiving benefits. Thus, there was little difference in the proportion of all cases receiving insurance benefits in February 1960 and the proportion receiving benefits among cases opened in the last 6 months of 1959; however, a much larger proportion—more than one-fourth—of the cases closed in the latter half of 1959 were beneficiaries.

Of all cases closed in the 12 States during the 6 months, 16.6 percent were closed because of the receipt of new or increased insurance benefits. Receipt of benefits was also involved in an additional 10 percent of all cases closed, although some other factor was given as the principal reason assistance was discontinued.

PERSONS RECEIVING AB AND OASDI

Nearly 1 in every 6 (15.7 percent) recipients of aid to the blind also received old-age, survivors, and disability insurance benefits in February 1960. This proportion is considerably lower than that in old-age assistance but much higher than for aid to dependent children and aid to the permanently and totally disabled.

Of the persons reported as receiving payments under both programs concurrently, 4.5 percent were under age 50, 19.6 percent were aged 50-64, and 75.9 percent were aged 65 and over. This distribution indicates that aid to the blind is still affected to a much greater extent by the old-age and survivor provisions of the insurance program than by the newer disability provisions.

Though for the Nation as a whole insurance beneficiaries represented 15.7 percent of the caseload in aid to the blind, the proportion ranged from lows of zero in the Virgin Islands, 0.5 percent in Puerto Rico, and 2.4 percent in Colorado to highs of 26.8 percent in Delaware, 27.3 percent in Massachusetts, and 34.0 percent in Pennsylvania. The highest proportions tended to be in the States of the Northeast, the Middle West, and the Far West regions, and the lowest proportions in the Southeast and Southwest. The highest proportions of the assistance recipients who were also receiving insurance benefits tended to be in

the States with the highest average monthly payments in aid to the blind.

Eleven States reported on reasons for opening and closing cases of aid to the blind during July-December 1959 and the beneficiary status of these cases at time of opening or closing. On the average, 13.2 percent of the cases opened during the indicated period were old-age, survivors, and disability insurance beneficiaries; this figure is not significantly different from the proportion

TABLE 3.—Average OASDI benefits to OAA, AB, and APTD recipients and ADC families receiving both OASDI benefits and assistance payments, by State, February 1960¹

State	Average OASDI benefits to recipients of OASDI and—			Average OASDI benefits to families receiving OASDI and ADC
	OAA	AB	APTD	
Total.....	\$43.30	\$50.38	\$50.89	\$74.95
Alabama.....	32.77	26.52	25.91	54.52
Alaska.....	50.02	(*)	(*)	73.78
Arizona.....	42.71	47.24	(*)	70.23
Arkansas.....	32.34	34.68	30.70	46.74
California.....	48.72	52.34	55.85	87.07
Colorado.....	45.01	(*)	43.35	62.53
Connecticut.....	51.54	56.78	63.04	79.94
Delaware.....	40.05	50.41	(*)	74.89
District of Columbia.....	43.89	(*)	54.67	77.53
Florida.....	41.09	46.79	60.71	74.94
Georgia.....	33.76	39.27	39.93	56.04
Hawaii.....	39.73	(*)	24.77	55.32
Idaho.....	40.02	(*)	49.48	76.13
Illinois.....	45.29	44.93	50.83	84.33
Indiana.....	41.37	55.03	(*)	55.38
Iowa.....	39.81	48.45	(*)	82.16
Kansas.....	38.63	46.60	44.22	64.49
Kentucky.....	35.03	27.47	23.30	65.14
Louisiana.....	43.15	50.67	40.98	61.08
Maine.....	44.13	46.33	47.30	95.27
Maryland.....	41.29	43.90	47.31	72.01
Massachusetts.....	51.72	66.09	61.43	95.51
Michigan.....	47.86	53.76	65.43	104.31
Minnesota.....	43.91	49.54	59.31	88.55
Mississippi.....	34.97	35.06	31.63	62.62
Missouri.....	44.35	51.00	54.32	91.68
Montana.....	42.19	47.13	46.73	70.22
Nebraska.....	38.56	43.73	47.44	77.01
Nevada.....	54.86	61.20	(*)	96.68
New Hampshire.....	43.02	47.42	56.46	81.44
New Jersey.....	49.87	55.43	59.25	91.66
New Mexico.....	36.56	(*)	42.76	62.67
New York.....	46.22	50.15	53.93	78.06
North Carolina.....	36.61	40.15	41.76	62.42
North Dakota.....	39.00	(*)	44.83	80.79
Ohio.....	42.80	44.81	50.07	78.58
Oklahoma.....	38.76	47.31	48.20	53.96
Oregon.....	46.51	52.07	57.56	72.28
Pennsylvania.....	42.77	53.40	48.61	66.42
Puerto Rico.....	27.18	(*)	21.36	31.62
Rhode Island.....	48.80	(*)	59.72	86.40
South Carolina.....	35.07	37.04	38.01	56.74
South Dakota.....	37.89	(*)	50.52	88.43
Tennessee.....	31.41	33.98	30.44	61.35
Texas.....	37.17	41.16	49.29	64.44
Utah.....	41.78	(*)	54.04	75.76
Vermont.....	44.05	41.23	53.10	92.92
Virgin Islands.....	(*)	(*)	(*)	(*)
Virginia.....	38.26	39.82	44.80	61.00
Washington.....	45.99	55.10	60.96	63.26
West Virginia.....	33.23	33.38	30.53	78.45
Wisconsin.....	44.39	52.24	58.79	94.70
Wyoming.....	43.51	(*)	49.38	77.60

¹ See table 2 for States reporting data for other than February.

² Averages computed on 20-49 sample cases, which is less than the number considered necessary to produce a reliable average.

³ Not computed; less than 20 cases in sample.

⁴ No program of APTD.

in February 1960. An average of 23.8 percent of the cases closed, however, were receiving insurance benefits. The receipt of or increase in old-age, survivors, and disability insurance benefits was given as the primary reason for closing 11.1 percent of the cases closed in the 6-month period.

EFFECT OF OASDI ON ASSISTANCE COSTS

It is impossible to determine with any degree of precision either the number of additional recipients there would be in each of the public assistance programs or what the average assistance payments to these recipients would be were it not for old-age, survivors, and disability insurance, but the indications are that the additions would be considerable and the costs large. It is possible, however, to determine for those receiving assistance payments and insurance benefits concurrently the amount of income provided by each program and the additional expenditures for assistance that would be necessary to replace for this group of recipients the income received through the insurance program.

Old-Age Assistance

The average old-age assistance payment, including vendor payments for medical care, for all recipients was \$66.98 in February 1960. For recipients who were also receiving old-age, survivors, and disability insurance benefits the average old-age assistance payment was \$55.80, and for nonbeneficiaries it was \$71.71. Assistance payments to beneficiaries thus averaged about \$11 less than payments to all recipients and about \$16 less than payments to nonbeneficiaries.

In the absence of other information, these data suggest that assistance payments to beneficiaries would probably average \$16 more a month if it were not for their monthly income from insurance benefits. Aged persons receiving both types of payment had, however, an average monthly insurance benefit of \$45.21 in February 1960, and their average assistance payment would have to be increased by that amount to maintain current income without the insurance benefits. The 675,600 persons with payments under both programs were receiving more than \$30.5 million in

old-age, survivors, and disability insurance benefits in February 1960. To add this amount to assistance payments that month would have increased total old-age assistance costs by nearly 20 percent.

Recipient-beneficiaries received, on the average, \$101.01 in monthly income from old-age assistance and old-age, survivors, and disability insurance combined, compared with the old-age assistance payment average of \$71.71 for nonbeneficiaries. (Amounts of cash income from sources other than the two programs are relatively small

for both beneficiaries and nonbeneficiaries in the old-age assistance caseload.) It is to be expected that the combined income from these two programs will exceed, on the average, old-age assistance average payments to nonbeneficiary recipients, since beneficiaries under the insurance program do not need supplementation to begin with unless their individual requirements are relatively high. Moreover, under a number of State programs many assistance payments are kept below determined need through arbitrary ceilings on payments or through percentage re-

TABLE 4.—Average assistance payments to OASDI beneficiaries and nonbeneficiaries among OAA, AB, and APTD recipients and among ADC families, by State, February 1960¹

State	OAA payments to—		AB payments to—		APTD payments to—		ADC payments to—	
	OASDI beneficiaries	Non-beneficiaries	OASDI beneficiaries	Non-beneficiaries	OASDI beneficiaries	Non-beneficiaries	Families receiving OASDI	Families not receiving OASDI
Total.....	\$55.80	\$71.71	\$67.46	\$72.75	\$52.07	\$65.73	\$82.80	\$112.80
Alabama.....	35.26	58.14	² 26.02	38.89	26.33	36.20	27.19	37.59
Alaska.....	52.86	70.38	⁽²⁾	73.63	⁽⁴⁾	⁽⁴⁾	110.54	112.20
Arizona.....	45.64	69.14	49.26	75.33	⁽⁴⁾	⁽⁴⁾	90.05	119.94
Arkansas.....	27.59	58.22	28.73	59.11	21.62	39.68	46.65	63.00
California.....	74.65	106.24	85.02	115.03	54.64	100.36	122.39	165.41
Colorado.....	70.89	122.05	⁽²⁾	78.05	46.60	70.04	83.95	131.47
Connecticut.....	88.54	125.03	79.61	107.03	81.60	145.12	98.64	161.40
Delaware.....	30.69	56.41	47.88	79.29	⁽³⁾	67.47	87.17	87.24
District of Columbia.....	42.59	72.42	⁽³⁾	71.11	45.96	76.17	106.62	149.81
Florida.....	39.03	55.73	39.24	59.28	39.37	58.39	61.19	69.41
Georgia.....	26.52	51.37	32.22	53.59	27.58	53.34	71.69	90.10
Hawaii.....	50.34	65.90	⁽³⁾	70.66	[*] 64.97	78.11	102.31	132.39
Idaho.....	46.57	77.59	⁽³⁾	74.16	42.19	75.28	101.48	153.67
Illinois.....	57.49	79.04	57.96	84.69	43.80	84.01	108.15	164.29
Indiana.....	39.72	70.18	52.00	75.00	⁽⁴⁾	⁽⁴⁾	80.79	106.52
Iowa.....	42.03	86.57	52.67	101.05	⁽²⁾	83.51	89.49	142.44
Kansas.....	51.37	88.20	59.81	85.18	43.80	87.41	87.41	144.29
Kentucky.....	26.86	49.03	² 25.54	44.58	² 27.13	44.98	52.59	75.16
Louisiana.....	55.78	78.13	50.06	82.87	33.41	56.94	77.22	100.30
Maine.....	51.52	71.40	47.27	67.25	48.87	61.19	84.48	98.73
Maryland.....	37.41	68.04	² 34.45	66.32	31.04	66.12	58.38	122.60
Massachusetts.....	68.12	131.25	78.96	129.40	80.01	129.33	105.60	156.57
Michigan.....	56.71	79.45	47.53	84.78	64.91	91.35	99.76	131.96
Minnesota.....	67.88	91.85	71.85	99.39	49.74	62.43	109.78	160.13
Mississippi.....	22.85	32.14	26.71	39.33	19.59	30.81	33.43	41.91
Missouri.....	54.43	61.59	68.75	64.22	56.55	62.09	95.00	91.22
Montana.....	42.25	74.00	42.27	78.40	41.45	75.82	89.73	127.96
Nebraska.....	47.44	77.22	66.29	91.53	45.30	71.35	100.19	114.88
Nevada.....	58.21	83.76	² 61.66	107.94	⁽⁴⁾	⁽⁴⁾	² 70.83	92.39
New Hampshire.....	54.65	91.59	² 56.91	89.12	70.56	97.33	100.74	166.67
New Jersey.....	62.31	102.84	51.75	89.51	65.90	96.87	109.64	159.46
New Mexico.....	45.52	72.03	⁽³⁾	61.79	46.29	66.29	84.79	119.81
New York.....	97.09	111.69	100.50	113.08	77.48	106.13	² 138.59	170.06
North Carolina.....	27.01	43.43	42.71	55.85	29.36	48.05	53.48	79.84
North Dakota.....	78.30	98.34	⁽³⁾	88.31	74.86	99.63	122.07	154.74
Ohio.....	53.10	80.40	62.93	71.40	45.11	71.76	79.87	129.08
Oklahoma.....	53.19	85.13	58.24	97.59	51.71	90.35	66.62	114.12
Oregon.....	39.90	99.04	² 46.04	87.01	45.21	88.98	100.39	141.47
Pennsylvania.....	45.28	76.40	73.32	74.22	31.03	62.23	74.59	125.90
Puerto Rico.....	² 4.50	8.21	⁽³⁾	8.23	² 6.61	8.71	10.94	15.56
Rhode Island.....	55.24	94.69	⁽³⁾	80.49	² 64.75	84.50	² 100.76	132.68
South Carolina.....	28.57	41.06	² 24.80	44.10	26.94	43.36	44.19	57.93
South Dakota.....	43.38	65.68	⁽³⁾	62.69	44.10	64.17	98.55	116.67
Tennessee.....	25.36	43.87	31.29	46.86	30.28	46.06	59.41	69.11
Texas.....	36.26	58.09	41.66	59.57	42.66	54.99	62.73	71.31
Utah.....	38.43	76.09	⁽³⁾	75.95	37.93	76.72	69.55	137.24
Vermont.....	49.65	68.42	² 42.12	66.27	47.40	66.38	87.40	110.46
Virgin Islands.....	⁽³⁾	23.53	⁽³⁾	⁽³⁾	⁽³⁾	25.54	⁽³⁾	47.82
Virginia.....	38.60	44.20	40.22	53.99	38.25	49.68	56.99	83.92
Washington.....	66.42	92.51	67.04	95.23	63.87	95.92	119.82	159.42
West Virginia.....	19.74	38.89	² 22.32	41.76	20.08	42.30	58.20	96.82
Wisconsin.....	65.48	93.82	69.80	83.55	92.78	109.40	111.53	180.98
Wyoming.....	53.75	79.51	⁽³⁾	76.06	43.77	75.65	² 79.12	134.34

¹ See table 2 for States reporting data for other than February.

² Averages computed on 20-49 sample cases, which is less than the number considered necessary to produce a reliable average.

³ Not computed; less than 20 cases in sample.

⁴ No program of APTD.

ductions applied to all payments after need is determined. Program policies such as these tend to depress the incomes of nonbeneficiaries more than the incomes of beneficiaries.

Twenty-four States, according to reports received for September 1959, made old-age assistance payments of less than 100 percent of determined need or held 90 percent or more of their cases to maximum payments of \$80 a month or less. In these States the average old-age assistance payment in February 1960 was \$55.08 for all cases, \$43.42 for beneficiaries of old-age, survivors, and disability insurance, and \$58.57 for nonbeneficiaries. Recipient-beneficiaries in these States received average insurance benefits in February of \$43.25; thus, they had, on the average, a total income from both programs of \$86.67 per month, compared with the old-age assistance average of \$58.57 for the nonbeneficiaries.

In the other 29 States the average old-age assistance payment in February was \$85.82 for all cases, \$67.69 for beneficiaries, and \$96.46 for nonbeneficiaries. In these States persons receiving both types of payment average \$47.09 in insurance benefits, and they had a total income, on the average, of \$114.78 from the two programs combined, compared with an average assistance payment of \$96.46 to nonbeneficiaries.

It thus appears that in the States applying a percentage reduction to determined need in making old-age assistance payments or holding such payments to relatively low maximums, the combined income of concurrent-receipt cases from the assistance and insurance programs exceeds, on the average, old-age assistance payments to nonbeneficiaries by about \$28 or 48 percent. In the other States the combined income of concurrent-receipt cases is only about \$18 higher, on the average, than assistance payments to nonbeneficiaries, exceeding the latter payments by only 19 percent. These figures demonstrate that the application of maximums and the percentage reductions from determined needs contribute substantially to the overall differentials between the incomes of the beneficiary and nonbeneficiary groups among old-age assistance recipients.

As noted earlier, the recipient-beneficiaries received, on the average, \$45.21 in monthly insurance benefits. Included in this figure were benefits to persons, other than the old-age assistance recipients themselves, who were also in need and

were essential in the home to give care to the recipient and whose requirements were included in the assistance budget for the recipient. Insurance benefits to essential persons included in old-age assistance cases were found to constitute 4.2 percent of all benefits to the assistance cases. The benefits to the assistance recipients themselves averaged \$43.30.

The average monthly benefit of all old-age, survivors, and disability insurance beneficiaries aged 65 or over in February 1960 was about \$65.70. The average benefit for old-age assistance recipients who also received insurance benefits was less than two-thirds of this amount. Clearly, then, the concurrent-receipt cases in old-age assistance are largely made up of persons whose insurance benefits are at or not far above the minimum (\$33 for most retired workers).

Aid to Dependent Children

The average assistance payment for all families receiving aid to dependent children in February 1960 was \$110.29. For families also receiving old-age, survivors, and disability insurance benefits the average assistance payment was \$82.80, and for those without insurance benefits it was \$112.80. Monthly insurance benefits to the assistance families receiving such benefits averaged \$74.95 and totaled almost \$3.1 million.

On the average, the total income from insurance benefits and assistance payments for families receiving both these forms of income was \$157.75, and the average assistance payment for families receiving only aid to dependent children was \$112.80—a difference of almost \$45. This difference is partly accounted for by the fact that the families receiving both types of payment tend to include more children than the families receiving only assistance, but the application of arbitrary maximums to the assistance payments in a number of States is also a factor.

In September 1959, 23 States reported applying maximums of less than \$200 a family or less than \$51 for the first child, with lower maximums for each additional child, or making payments that represented only a percentage of the budget deficit. In the 23 States the average assistance payment in February 1960 for families not receiving insurance benefits was \$67.52, compared with

\$62.56 for families receiving benefits. The average insurance benefit for the latter group of families amounted to \$68.42, which, when added to their average assistance payment, yielded for them a total income from the two sources of \$130.98, on the average. The average income for these families from the two sources was thus almost twice the income from assistance payments alone for the families without insurance benefits.

In the 30 States without such maximum payments or percentage reductions in September 1959, the average assistance payment in February 1960 was \$149.60 to families not receiving insurance benefits and \$103.35 to beneficiary families. For the latter group the average insurance benefit was \$81.57, which, when added to the assistance payment, yielded a total income of \$184.92, on the average, from the two sources. This total exceeds the average assistance payment to non-beneficiary families by only \$35 or 24 percent. Thus, in these 30 States the combined income from the two sources exceeds, on the average, the assistance payments to families receiving only aid to dependent children by much smaller amounts and percentages than in the 23 States that apply maximums or percentage reductions to payments. For the Nation as a whole the State limitations on payments contribute substantially to the overall differences between incomes from these sources for the two groups of families receiving aid to dependent children.

Under old-age, survivors, and disability insurance the average family benefit for a widowed mother and one or more children under age 18 was about \$156 in February 1960, or more than double the average insurance benefit of \$74.95 paid to assistance families receiving such benefits.

Aid to the Permanently and Totally Disabled

The average assistance payment in aid to the permanently and totally disabled was \$64.59 in February 1960. Assistance payments averaged \$65.73 for persons not receiving old-age, survivors, and disability insurance benefits and \$52.07 for those with benefits. Insurance benefits to the latter group averaged \$53.41 in February 1960 and totaled nearly \$1.2 million.

Of the total insurance benefits to recipients of

aid to the permanently and totally disabled, 95.3 percent was paid to the recipients themselves and 4.7 percent to persons whose needs were included in the recipients' assistance budgets. The benefits to the recipients themselves averaged \$50.89.

Average assistance payments and insurance benefits were found to vary by age group for the group receiving both types of income, as follows:

Age group	Average OASDI benefit	Average APTD payment
All APTD recipient-beneficiaries.....	\$50.89	\$52.07
18-49.....	28.52	43.35
50-64.....	58.52	53.90
65 and over.....	50.41	61.37

Insurance benefits to recipients under age 50 averaged less than half the average paid to recipients aged 50-64. Probably the major reason is that most recipient-beneficiaries under age 50 were child beneficiaries who had become disabled before their eighteenth birthday. As child beneficiaries they are entitled to only half the old-age or disability benefit from which their benefits derive. Most recipient-beneficiaries aged 50-64 are disabled-worker beneficiaries and are entitled to the full amount of their benefits.

The benefits are lower, on the average, for recipient-beneficiaries aged 65 and over than for those aged 50-64. One reason may be that the retired-worker beneficiaries in the program have not accumulated as high wage credits, on the average, as have the disabled-worker beneficiaries. Another reason is the fact that a number of the recipient-beneficiaries aged 65 and over receive benefits as dependents or survivors of insured workers and therefore receive less than the full old-age benefit.

The recipient-beneficiary under age 50 had lower average assistance payments than the older recipient-beneficiaries, even though they also had lower insurance benefits. This fact suggests that the needs of the younger recipients are less than those of the older recipients—possibly because they are more likely than older recipients to be living with parents who can provide part of their needed support.

The recipient-beneficiaries aged 50-64 received higher insurance benefits but lower assistance payments on the average than did those aged 65

and over. As a result, average benefits and average assistance payments totaled almost the same for the two age groups—approximately \$112 per month.

Aid to the Blind

The average assistance payment in February 1960 was \$71.86 for all persons receiving aid to the blind, \$72.75 for nonbeneficiaries of old-age, survivors, and disability insurance, and \$67.46 for recipient-beneficiaries. The insurance benefits paid to recipients of aid to the blind averaged \$52.07 and totaled \$882,500; this amount was more than 11 percent of total payments under aid to the blind that month.

Of the total insurance benefits paid to recipients of aid to the blind in February, 96.8 percent was paid to the recipients themselves and 3.2 percent to persons whose needs were included in the recipients' assistance budgets. The recipients in concurrent-receipt cases received an average of \$50.38 in insurance benefits in their own right.

Assistance payments and insurance benefits varied according to age group for the recipient-beneficiaries. The average insurance benefit was \$34.31 for recipient-beneficiaries aged 18-49, \$61.11 for the group aged 50-64, and \$48.62 for those aged 65 and over. The average payments under aid to the blind to these three groups were \$49.36, \$57.82, and \$71.34.

The pattern of differences here is similar to that found in aid to the permanently and totally disabled and probably for much the same reasons. The lowest average benefits went to recipients aged 18-49 and the highest to those aged 50-64, perhaps because the youngest group would not be eligible for full benefits and those aged 50-64 are more likely than the group aged 65 and over to be receiving full benefits. The average payments indicate, also, that need for assistance increases with age. Again, as in aid to the permanently and totally disabled, the total of average benefits and average assistance payments is about the same for the two older age groups—\$119 per month for the group aged 50-64 and \$120 per month for the group aged 65 and over.

VOLUNTARY HEALTH INSURANCE

(Continued from page 11)

potential areas of service as yet unmet. The reader may establish the kinds and amounts of medical expenditures that he considers potentially insurable, using the data in table 1.

THE SURVEY DATA indicate that there has been relatively little growth in the past 3 years in the extent to which voluntary health insurance is meeting medical costs other than hospitalization.

Recovery from the 1958 recession occurred in the area of hospital insurance, and when the 3 last years in the series are considered together a 2-percent average yearly increase was registered. The slower rate of expansion, however, in the coverage of physicians' services—an area where there is still room for great expansion in the protection for physicians' services outside the hospital—cannot be viewed lightly by those concerned with removing the financial barrier to medical care through voluntary insurance.