

Characteristics of Aged Old-Age and Survivors Insurance Beneficiaries Who Receive Public Assistance

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THREE out of every 4 persons aged 65 and over in the United States receive either old-age and survivors insurance benefits or old-age assistance payments, or both. For this reason the socio-economic characteristics of aged insurance beneficiaries and assistance recipients under these social security programs have an important bearing on planning for the security of the aged. Findings of the national sample survey of beneficiaries conducted by the Bureau of Old-Age and Survivors Insurance in the fall of 1957 were therefore analyzed to determine how the beneficiary who receives public assistance to supplement his benefits resembles other beneficiaries and other assistance recipients. A comparison of this kind should furnish a partial answer to the two questions often asked about this group. Are they more like other insurance beneficiaries, or are they indistinguishable in most respects from the other assistance recipients? Do they come on the assistance rolls primarily because of medical care needs, primarily because their insurance benefit plus other income is inadequate to meet their maintenance needs, or because of a combination of reasons?

Summary of Findings

Aged persons receiving both old-age and survivors insurance benefits and old-age assistance payments number more than 650,000 and constitute more than a fourth of all old-age assistance recipients. They resemble, according to the 1957 survey of beneficiaries, all aged insurance beneficiaries more closely than they resemble all aged assistance recipients in several significant respects. As shown in the chart, they are younger, on the average, than assistance recipients; they are more likely

to be men, to live in cities, and to have their own households; but they are less likely to live in the home of a relative.

On the other hand, like all old-age assistance recipients, the beneficiary-recipients differ from other aged beneficiaries with respect to race, the proportion living in institutions, and the extent of homeownership. More of the beneficiary-recipients than of all aged beneficiaries are nonwhite, more reside in institutions, but fewer are homeowners. They also differ from other beneficiaries in that they are more likely to be in poor health and thus more likely to incur high medical costs and to have a higher incidence of hospitalization within a year.

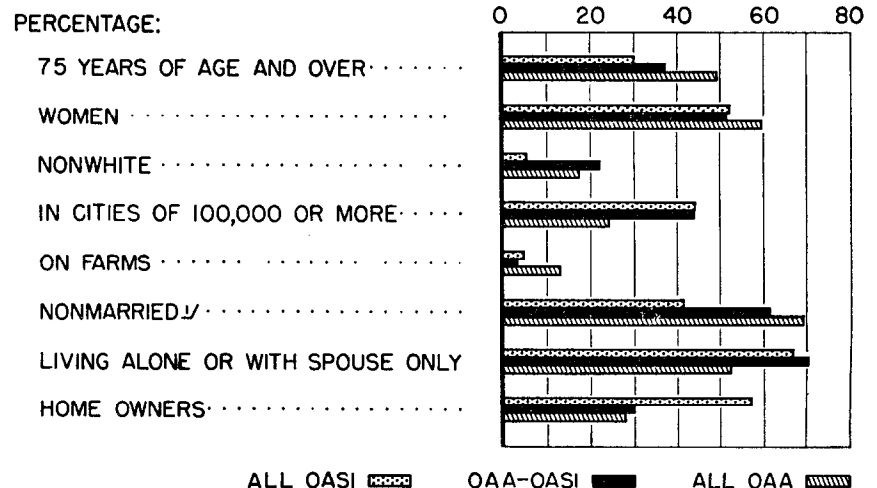
The benefits of beneficiary-recipients are, as would be expected, lower than those for all aged beneficiaries—about 40 percent lower, on the average; a considerable number get no more than the minimum. In

addition, beneficiaries who also receive public assistance are less likely to have income from sources other than their benefits, such as income from earnings or assets or contributions from relatives. It is only when the amount of the assistance payment is added to their benefits and whatever other income they may have that the total income per beneficiary-recipient approaches the average for all aged beneficiaries. In other words, it is clear that, were it not for public assistance supplementation, a substantial proportion of the beneficiary-recipients would have incomes that would be meager or inadequate for their subsistence.

Sources of Data

The 1957 survey of old-age and survivors insurance beneficiaries covered a cross-section sample of the major types of aged beneficiaries (98 percent of all beneficiaries with benefits in current-payment status

Comparison of selected characteristics of all aged OASI beneficiaries, [beneficiary-recipients, and all OAA recipients, 1957*



* Data on aged beneficiaries and beneficiary-recipients from the 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance; data on old-age assistance recipients based on a study made by

the Bureau of Public Assistance in early 1953.
¹ Widowed, separated, divorced, or never married during the year.

in December 1956) and young widowed mothers with entitled minor children.¹ Because the sample design excluded beneficiaries who had not received at least one benefit before October 1956, the survey includes no disability insurance beneficiaries and no women aged 62-64 except newly eligible wives of beneficiaries already on the rolls.

The sample was drawn from 70 sampling areas that were selected in such a way as to produce a national probability sample when combined. It is a cross section of beneficiaries who became entitled to benefits from 1940 through September 1956 and represents different races, cultures, and types of communities in the United States. The data were obtained in personal interviews in the homes of the beneficiaries.

Nine percent of all aged beneficiaries included in the survey received public assistance some time during the survey year. The "survey year" was a period of 12 consecutive months ending with the month before the interview. Since virtually all (more than 98 percent) of the beneficiaries whose benefits were supplemented by public assistance payments received old-age assistance and almost all (about 92 percent) received assistance payments throughout the full survey year, all the assistance recipients shown in the beneficiary survey were included in this analysis. They are hereafter referred to as "beneficiary-recipients" or "beneficiaries who also received old-age assistance."

Because eligibility for public assistance is determined on an individual basis and not on a family basis, data from the 1957 national beneficiary survey were not tabulated and analyzed in this report in the same manner as in earlier reports.² The beneficiary-recipients are treated as individuals throughout. The total group of aged beneficiaries in the sample, for the purpose of this analysis, included all nonmarried beneficiaries—that is, those widowed, separated, divorced, or never

married during the survey year—and all married beneficiaries and their entitled spouses. Spouses who were not entitled to benefits at the end of the survey year were excluded. This procedure—consideration of each beneficiary as an individual—was followed whenever separate information was available for the beneficiary and the spouse—that is, data on age, sex, income from earnings, indication of health handicaps, health status, total medical costs, and total hospital costs. Race, marital status, place of residence, size of community, and living arrangements are generally the same for both spouses, and these data were also analyzed for all beneficiaries on an individual basis.

When separate information concerning the spouse was not available, the entire group of beneficiaries was considered in two classes—(1) the nonmarried beneficiaries and (2) the beneficiary couples. The "beneficiary couples" included both entitled and nonentitled spouses, and the data on income obtained for a couple represented the combined amount for two aged persons (husband and wife). This procedure was used in the analysis of total money income, contributions from relatives outside the household, income from assets, net worth, liquid assets, and means of meeting medical costs.

Information concerning all recipients of old-age assistance was obtained from a study conducted by the Bureau of Public Assistance in cooperation with State public welfare agencies in 1953. Since most of the data on social characteristics obtained in that study are believed to be applicable today, comparison of the social data concerning beneficiary-recipients was made with the data for all aged assistance recipients as well as with data for all aged beneficiaries. No comparisons of income data for beneficiary-recipients with those for all aged assistance recipients were possible.

Beneficiary-Recipients Date of Entitlement

The distribution of beneficiary-recipients by year of first entitlement to old-age and survivors insurance benefits contrasts sharply with that

for all aged beneficiaries. The beneficiary-recipient group was heavily weighted with persons who were first entitled to benefits in 1950 or earlier. Forty-one percent of the group first became entitled to benefits in 1950 or earlier, 45 percent in 1951-54, and only 14 percent in 1955 and 1956.³ By contrast, only one-fourth of the total beneficiary sample aged 65 and over became first entitled to benefits in 1950 or earlier, 43 percent in 1951-54, and almost a third in 1955 and 1956.

The longer a beneficiary had been entitled, the more likely he was to be receiving supplementary public assistance. Of the beneficiaries first entitled to benefits in 1950 or earlier, more than 15 percent were receiving assistance during the survey year; of those first entitled in 1951-54, slightly less than 10 percent were on the assistance rolls; and of the number first entitled in 1955 and 1956, only 4 percent also received assistance. The differences in these proportions can be attributed to two factors. First, beneficiaries who began to draw benefits in 1950 or earlier were considerably older in 1957 than beneficiaries who received their first benefits after 1950. (The average age at which male workers start drawing old-age benefits is about 68.) It seems reasonable to assume, therefore, that more of the beneficiaries who first received benefits in the earlier years of the program had used up their savings and, being too old to work, needed public assistance supplementation. Secondly, retired workers who become entitled now get, on the average, a larger benefit amount than those who retired in 1950 or earlier because their benefits are based on a higher average wage. The average benefit awarded to a retired worker aged 65 or over in the fall of 1957 was more than \$9 higher than the average benefit received by all aged retired workers with benefits in current-payment status.

³ None of the beneficiaries in the sample were first entitled in 1957 because, to be included in the survey, they had to have been entitled to benefits for a full year and to have received at least one payment before October 1956. A few of the beneficiary couples in the survey did include, however, a spouse who became entitled in 1957.

¹ See the *Bulletin* for April 1959, pages 8-9, for scope of survey.

² See the *Bulletin* for August 1958, pages 17-23; December 1958, pages 3-7; January 1959, pages 3-6; and April 1959, pages 3-9.

Personal Characteristics

Age, sex, and race.—Beneficiary-recipients were, on the average, somewhat younger than all old-age assistance recipients but older than the total beneficiary population aged 65 and over (table 1). In the fall of 1957, 37 percent were aged 75 or over, compared with 49 percent of all aged assistance recipients and only 30 percent of all aged beneficiaries. These differences have an important bearing on differences in marital status and living arrangements.

Aged women are, on the average, somewhat older than aged men in the general population aged 65 and over because of differences in mortality rates. For the three groups of aged persons being studied here, however, the situation is reversed, although less markedly for all aged assistance recipients than for all aged insurance beneficiaries. The reversal for the beneficiaries reflects, of course, the gradual aging of persons who became entitled to benefits in the earlier years of the insurance program and the fact that many women who today are in the older age groups never had an opportunity to become beneficiaries. In the total

Table 1.—Percentage distribution of all aged beneficiaries, beneficiary-recipients, and all old-age assistance recipients, by age and sex, end of survey year, 1957

Age and sex	Aged beneficiaries	Beneficiary-recipients	OAA recipients
Total.....	100.0	100.0	100.0
65-69.....	33.3	22.0	21.2
70-74.....	36.6	40.8	29.9
75-79.....	20.7	24.6	24.9
80 and over.....	9.3	12.5	24.1
Median age.....	72.3	73.0	74.8
Men, total.....	100.0	100.0	100.0
65-69.....	29.1	16.7	19.6
70-74.....	36.9	41.2	29.8
75-79.....	23.1	27.5	25.6
80 and over.....	10.9	14.6	25.0
Median age.....	72.8	73.5	75.1
Women, total.....	100.0	100.0	100.0
65-69.....	37.5	27.0	22.2
70-74.....	36.3	40.4	30.0
75-79.....	18.3	22.0	24.4
80 and over.....	7.8	10.6	23.4
Median age.....	71.7	72.0	74.6

Source: Data on aged beneficiaries and beneficiary-recipients from the 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance; data on old-age assistance recipients based on a study made by the Bureau of Public Assistance in early 1953.

Table 2.—Percentage distribution of all aged beneficiaries, beneficiary-recipients, and all old-age assistance recipients, by sex and race, end of survey year, 1957

Sex and race	Aged beneficiaries	Beneficiary-recipients	OAA recipients
Total.....	100.0	100.0	100.0
Male.....	47.9	48.5	40.3
Female.....	52.1	51.5	59.7
Total.....	100.0	100.0	100.0
White.....	94.6	77.8	82.6
Nonwhite.....	5.2	22.0	17.4
Unknown.....	.1	.2
White, total.....	100.0	100.0	100.0
Male.....	47.5	46.2	40.2
Female.....	52.5	53.8	59.8
Nonwhite, total.....	100.0	100.0	100.0
Male.....	54.6	56.0	41.1
Female.....	45.4	44.0	58.9

Source: Data on aged beneficiaries and beneficiary-recipients from the 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance; data on old-age assistance recipients based on a study made by the Bureau of Public Assistance in early 1953.

assistance group the difference in age between men and women is probably because of the greater incidence of need among women, particularly in the younger age intervals. Widows with no protection under the old-age, survivors, and disability insurance program have difficulty in finding employment because they have spent almost all their married life as housewives. In any case, employment opportunities begin tapering off at an earlier age for women than for men. Then too, since women, on the average, marry men older than themselves and since dependency among such women frequently results from changes in marital status and family relationships, it is to be expected that more women than men in the lower age groups would be out of the labor force and on the assistance rolls.

Because of their greater longevity, women outnumbered men in all three groups, with the ratio largest among those receiving only old-age assistance and smallest in the beneficiary-recipient group (table 2). As the insurance program matures and as coverage has been extended to practically all jobs, the proportion of women on the beneficiary rolls will increase. More women may be expected to gain eligibility as dependents or to work long enough in cov-

ered employment to be entitled to benefits on the basis of their own earnings when they reach retirement age.

As would be expected, there were proportionately fewer nonwhite persons than white persons in each of the groups. Almost 1 out of every 4 beneficiary-recipients was nonwhite, compared with only 1 out of every 20 in the total aged beneficiary group.

With a relatively high proportion of nonwhite workers in domestic service and in farming—types of employment that gained coverage only in recent years—and with their higher incidence of unemployment, fewer of the nonwhite population than of the white population are entitled to benefits. For the nonwhite persons who are entitled, monthly benefits are usually small and supplementary assistance is often necessary. For the same reasons—type of employment and high unemployment rates—women among the nonwhite insurance beneficiaries are outnumbered by the men. Other reasons men outnumber women among the nonwhite beneficiaries are that a smaller proportion of the nonwhite men (52 percent) were married than of the white men (69 percent), and more of the nonwhite wives (27 percent) than of the white wives (16 percent) were not entitled to benefits during the survey year and were therefore excluded from this analysis. As more and more of the nonwhite population gains enough coverage to become eligible for benefits, the ratio of women to men among nonwhite beneficiaries will tend to increase.

The proportion of nonwhite per-

Table 3.—Percentage distribution of all aged beneficiaries and beneficiary-recipients, by marital status, end of survey year, 1957

Marital status	Aged beneficiaries	Beneficiary-recipients
Total.....	100.0	100.0
Married.....	58.5	38.2
Nonmarried.....	41.5	61.8
Never married.....	7.1	12.2
Widowed.....	30.8	42.2
Divorced.....	2.1	4.2
Separated.....	1.4	3.2

Source: 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance.

Table 4.—Percentage distribution of all aged beneficiaries, beneficiary-recipients, and old-age assistance recipients, by place of residence, end of survey year, 1957

Place of residence	Aged beneficiaries	Beneficiary-recipients	OAA recipients ¹
Size of community			
Total.....	100.0	100.0	100.0
City with population of 100,000 or more.....	44.2	44.0	24.6
City with population of less than 100,000.....	34.3	33.9	31.9
Rural-nonfarm.....	16.7	19.0	30.5
Farm.....	4.8	3.0	13.0
Geographic region			
Total.....	100.0	100.0	100.0
Northeast.....	35.4	17.4	12.0
North Central.....	30.4	25.8	24.3
South.....	19.9	36.4	45.4
West.....	14.3	20.4	18.2

¹ Data by geographic region as of end of 1957.

Source: Data on aged beneficiaries and beneficiary-recipients from the 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance; data on old-age assistance recipients based on a study made by the Bureau of Public Assistance in early 1953.

sons among recipients of old-age assistance was substantially larger than among the total aged beneficiary population but significantly smaller than among the beneficiary-recipients.

Marital status.—Out of every 10 aged beneficiary-recipients, 4 were married and living with their spouse, 4 were widowed, and 2 had either never married or were divorced or separated from their spouse (table 3). Among all aged insurance beneficiaries in the fall of 1957, a somewhat higher proportion were married (59 percent) and smaller proportions widowed (31 percent) and never married, divorced, or separated (11 percent). Since the 1957 survey showed that beneficiary couples have larger incomes and more assets than single beneficiaries, it is possible that they have less need for supplementation by old-age assistance.

Married persons were relatively fewer among all aged assistance recipients than among either the beneficiary-recipients or the total aged beneficiary population. Only 3 out of every 10 recipients of old-age assistance, according to the 1953 study, were married and living with their spouse. One reason is that women

on the assistance rolls outnumber men by 3 to 2, and—as in the general aged population—there is a greater prevalence of widowhood among women than among men.

Place of residence.—The distribution of the beneficiary-recipients among urban and rural areas tended to follow virtually the same pattern as that for all beneficiaries (table 4). Almost half (44 percent) lived in cities of 100,000 or more population; a third (34 percent) lived in smaller cities, and fewer than 5 percent were residing on farms. This distribution reflects the extent of insurance coverage in these areas. Because agricultural workers and farm operators were only recently covered under the insurance program, the rural areas and farms can be expected to account for a larger proportion of beneficiaries in the future. By contrast the assistance recipients, according to the 1953 study, were concentrated in cities with a population of less than 100,000 and in rural-nonfarm areas. At that time, almost a third of the aged recipients were living in each of these types of communities and 13 percent were living on farms.

In terms of geographic regions, the largest concentrations of beneficiary-recipients (36 percent) and of all aged assistance recipients (45 percent) were found in the South. The region with the largest concentration of all aged beneficiaries (35 percent) was the Northeast.

Living arrangements.—More than

two-thirds of the beneficiary-recipients and of all aged beneficiaries maintained their own households, either by themselves or with a spouse only, compared with half of all aged assistance recipients (table 5). Data from the Bureau of the Census suggest that the relative number of aged persons maintaining their own households is higher for men than for women, for married persons than for those of other marital status, for the aged in their 60's and early 70's than for those of more advanced years, for rural than for urban residents, and for nonwhite than for white persons. Since the insurance beneficiaries were younger, on the average, than the assistance recipients and included relatively fewer women and more married persons, a larger proportion of them therefore maintained their own households. Most of the beneficiaries who shared living arrangements were in their own home rather than in the home of a relative. Because of their less favorable economic circumstances, however, almost twice the proportion of assistance recipients as of insurance beneficiaries lived in the home of a relative—21 percent compared with 12 percent.

Beneficiary-recipients resembled all recipients of old-age assistance with respect to the proportion who lived in institutions such as homes for the aged and nursing and convalescent homes. There were three and one-half times as many residing in institutions among these two

Table 5.—Percentage distribution of all aged beneficiaries, beneficiary-recipients, and all old-age assistance recipients, by living arrangements, end of survey year, 1957

Living arrangements	Aged beneficiaries	Beneficiary-recipients	OAA recipients
Total.....	100.0	100.0	100.0
Lived alone (or with spouse only).....	66.9	70.1	52.7
Owned home.....	42.0	22.8	49.0
Rented home, apartment, or housekeeping room.....	17.8	34.7	
Free housing.....	4.1	3.8	
Rented room.....	2.7	8.5	3.5
Other.....	.2	.2	.2
Shared joint household (with other than spouse).....	31.7	25.1	42.7
Owned home.....	14.7	7.3	18.1
Rented home, apartment, or housekeeping room.....	4.5	6.5	
Free housing.....	.8	.8	
Rented room.....			4.0
Home of relative.....	11.7	10.5	20.6
Institution ¹	1.4	4.8	4.7

¹ Includes nursing homes, homes for aged, and other public or private institutions.

Source: Data on aged beneficiaries and beneficiary-recipients from the 1957 beneficiary survey,

Bureau of Old-Age and Survivors Insurance; data on old-age assistance recipients based on a study made by the Bureau of Public Assistance in early 1953.

groups as among the total group of aged beneficiaries—almost 5 percent compared with somewhat more than 1 percent.

The proportion of beneficiary-recipients who owned their home in the fall of 1957 was about the same as that reported in the 1953 study for all aged assistance recipients—30 percent compared with 28 percent. Although the proportion of the total group of beneficiaries owning homes (57 percent) was almost twice that of the other two groups, the proportion of homeowners who shared their households with persons other than a spouse was about the same for the beneficiary-recipients and for all aged beneficiaries—1 out of every 4.

Economic Resources

Money income, for purposes of the survey, included income from such sources as insurance benefits, assistance payments, earnings, cash contributions from relatives outside the household, income from assets, unemployment insurance, private annuities, employer pensions, and veterans' compensation and pensions. It did not include such items as lump-sum proceeds from life insurance policies or profit-sharing plans, inheritances, or cash contributions from relatives within the household.

Insurance benefits and assistance payments.—Beneficiaries who also received supplementary public assistance had, on the average, smaller benefits than all aged insurance beneficiaries. Low benefits are usually associated with retired workers who either (1) retired many years ago, with their benefits calculated on amounts earned when the general level of wages was lower, or (2) were marginal workers in their younger days. In the fall of 1957, 6 out of every 7 beneficiaries in the group consisting of nonmarried beneficiaries and married couples with only one spouse entitled to benefits, and almost 9 out of every 10 couples with both spouses entitled, were receiving more than \$30 per person, the minimum payable to a retired worker at that time. Almost half of all beneficiaries had benefits of \$60 or more per person. Among the beneficiary-recipients in the fall of 1957, only 11 percent had benefits that high, and, as shown in the following tabulation,

2 out of every 5 were getting no more than \$30.

<i>OASI benefits</i>	<i>Percentage distribution of beneficiary-recipients</i>
Total	100.0
Less than \$30.00	18.9
30.00	33.5
31.00-49.99	33.3
50.00-59.99	13.1
60.00-69.99	7.7
70.00-99.99	3.4
100.00-108.50	0.0

¹ Beneficiary-recipients entitled to benefits as wives of retired wage earners who were receiving old-age benefits of less than \$60.

The median monthly benefit paid to beneficiary-recipients in the fall of 1957 was \$34, or 40 percent less than the median amount paid to all aged beneficiaries in the survey. Not all low-benefit beneficiaries in the survey received supplementary public assistance payments. There are several reasons for this situation: benefits tend to be relatively small in the low-income States, where public assistance standards also tend to be relatively low; some beneficiaries do not apply for assistance; and others are ineligible for assistance because they have additional income or assets or are supported by their adult children.

The total amount of public assistance paid to insurance beneficiaries or paid in their behalf (in the form of vendor payments for medical care) during the survey year could not be ascertained in every case. Many of the beneficiaries for whom vendor payments for medical care were made did not know the total amount of such payments. For those whose total amount of public assistance was known, the median was slightly more than \$450 for the survey year, or about \$38 a month. For somewhat more than a fourth, the amount of assistance, including vendor payments, averaged less than \$25 a month during the survey year; for about 15 percent the monthly amount averaged about \$63 or more. The average monthly old-age assistance payment (including vendor payments) for all recipients during the survey year was about \$60, or 58 percent larger than the average for beneficiary-recipients in the 1957 beneficiary survey.

Earnings.—Relatively few of the insurance beneficiaries had some earnings during the survey year, but

the proportion among all beneficiaries was double that among the beneficiary-recipients. Only about 1 out of every 8 beneficiary-recipients had income from earnings, compared with 1 out of every 4 for all beneficiaries aged 65 and over. The amount of such earnings was substantially lower for the beneficiary-recipient group. Two out of every 5 beneficiary-recipients with income from earnings but fewer than 1 out of every 10 of the total beneficiary group earned less than \$75 for the entire survey year. Moreover, none of the beneficiary-recipients but a third of all beneficiaries had income from earnings averaging \$100 or more a month. Since all income is taken into account in determining eligibility for assistance, beneficiaries with earned income of \$100 or more are generally ineligible for public assistance.

Contributions from relatives outside the household.—Fewer than 4 percent of the beneficiary-recipients reported cash contributions from relatives outside the household. In the 1957 survey, about 9 percent of all nonmarried beneficiaries—that is, those widowed, separated, divorced, or never married—and 5 percent of all the couples received some cash contributions from relatives outside the home. Among those receiving cash contributions the median amount for the survey year was about \$100 for beneficiary-recipients, \$250 for all nonmarried beneficiaries, and \$300 for all beneficiary couples.

The 1953 study of old-age assistance recipients showed that more than half the recipients who lived in joint households with their adult children received some contributions from them but that only a sixth of the recipients who had children living elsewhere received a contribution. Although the contributions were less frequently in cash when children lived with the recipient than when they lived elsewhere, most of the support from adult children or other relatives was provided by relatives within the joint households. At that time only 5 percent of all recipients of old-age assistance received some cash contribution from children outside the household.

Money income from assets.—An additional source of income for the

aged is the assets they accumulated in earlier years. More than 9 out of every 10 of the beneficiary-recipients, compared with about half of all beneficiaries, had received no asset income (that is, interest, dividends, or net rents) during the survey year. Of the few beneficiary-recipients who did have asset income, 72 percent received less than \$75. In contrast, of the total beneficiary group with asset income, almost a fourth of all the couples and more than a sixth of the nonmarried beneficiaries had amounts of \$600 or more during the year. None of the beneficiary-recipients received as much as \$600 in asset income.

Total money income.—For beneficiary-recipients the median amount of money income from all sources, including public assistance, was \$970, or about \$80 a month. For all nonmarried beneficiaries the median was approximately \$90 a month; for all married beneficiaries and their spouses (whether or not entitled to benefits), it was about \$94 a month per person.⁴

Only 1 beneficiary-recipient in 12 had money income totaling \$125 or more a month (\$1,500 or more for the survey year) compared with 3 in 10 nonmarried beneficiaries and a similar proportion of the beneficiary couples (\$3,000 or more for the couple). The following tabulation shows the percentage distribution of beneficiary-recipients according to their total money income for the survey year.

Total money income	Percentage distribution of beneficiary-recipients
Total	100.0
Less than \$600	11.7
600-899	33.7
900-1,199	29.9
1,200-1,499	16.0
1,500-1,999	7.5
2,000 or more	1.2

Assets and net worth. — Three-fifths of the beneficiary-recipients, compared with a third of all nonmarried beneficiaries and an eighth of all beneficiary couples, had no as-

sets of any kind or had debts or liabilities that exceeded assets.⁵ Out of every 10 beneficiary-recipients with assets, 3 had a net worth of less than \$500 and for an additional 3 the net worth was \$500-\$1,999. None had a net worth of \$15,000 or more. In contrast, more than a fifth of the nonmarried beneficiaries among all beneficiaries with assets and more than a third of the beneficiary couples had a net worth of \$15,000 or more. Among those with assets, beneficiary-recipients had a median net worth roughly one-fourth that of the nonmarried beneficiaries and one-seventh that of the married beneficiaries and their spouses. The median net worth of beneficiary-recipients was \$1,525, compared with \$6,250 for the nonmarried beneficiaries and slightly less than \$10,500 for the married couples.

Equity in the home was the beneficiary's most important asset. Liquid assets, such as reserve money at home or in a bank or other assets readily converted into cash, accounted for only a small fraction of the net worth of most aged beneficiaries. One out of every 7 beneficiary-recipients had some liquid assets; the median amount was slightly less than \$150. Three out of 5 nonmarried beneficiaries and 3 out of 4 of the beneficiary couples had some liquid assets. The median amount for those who had any liquid assets was about \$2,150 for the nonmarried individuals and slightly more than \$2,800 for the couples.

Health Status and Medical Care Costs

With a substantial proportion of both the beneficiary and the old-age assistance rolls consisting of persons aged 75 and over—a proportion increasing each year—facts on the health status and medical expendi-

tures of aged beneficiaries and assistance recipients are of paramount importance. The extent to which aged individuals have unmet medical needs is difficult to determine. The 1957 survey did ascertain, however, the total medical care costs of the beneficiaries during the survey year, as well as their impressions of their health status.

Health status.—Beneficiaries in the sample were asked their opinion of their health, how it compared with that of other persons the same age, and what health handicaps or ailments they had. Responses to these questions are subjective and may have been influenced by the very fact that such questions were asked. Moreover, some of the beneficiaries who received public assistance may have felt a need to justify being on the assistance rolls by emphasizing their poor health. There is generally an inverse relationship, however, between income and the need for medical care. Frequently persons who are least able to pay have the greatest need for medical care. More of the beneficiary-recipients than of all beneficiaries stated that they were in poor health, that they were worse off than others their own age, and that they had more handicaps and ailments that bothered them. Only 25 percent of the beneficiary-recipients stated that their health was good, and 44 percent called it poor. Among all aged beneficiaries these percentages were reversed; 44 percent stated their health was good, and only 24 percent called it poor. The proportion designating their health as fair was about the same for both groups.

As to their opinion of how their health compared with that of other persons their own age, about a fourth of the beneficiary-recipients stated it was better and slightly more than a third said it was worse. Among the total group of aged beneficiaries, more than a third called their health better than that of others of the same age and only a fifth considered it worse.

Most of the aged beneficiaries complained of health handicaps or ailments that bothered them. The proportion without such complaints was half as large for beneficiary-recipients as for all beneficiaries—16 percent compared with 32 percent. The

⁴ Because vendor payments for medical care are included in total money income of beneficiary-recipients but excluded for all beneficiaries, the comparisons may be somewhat distorted. This distortion is believed to be relatively slight since in many cases the amount of the vendor payments was unknown to the beneficiary.

⁵ Assets represented money at home (except amounts held for current operating expenses), bank deposits, stocks and bonds, loans to others, equity in an owner-occupied home and other real estate, interest in a business, and the market value of a professional practice, patents, and copyrights. Liabilities represented balances owed on installment purchases; bills past due on open accounts and for rent, taxes, interest on mortgages, and medical care; and borrowings on securities and unsecured borrowings. The net worth of a beneficiary group was obtained by subtracting its liabilities from its assets.

most frequent types of complaints included arthritis or rheumatism, heart trouble, shortness of breath, bronchitis or asthma, hardness of hearing, stomach trouble, trouble with vision, and foot trouble.

Information on the health status of all old-age assistance recipients is not available. The 1953 study showed, however, that 82 percent were able to care for themselves, about 14 percent required considerable care from others because of some physical or mental condition, and about 4 percent were bedridden. A specific handicapping condition about which information was obtained was blindness. About 3 percent of all recipients were either known to be blind or believed to be blind; for about a third of them there was substantial evidence of blindness.

Total medical costs.—Because total medical costs, in the 1957 national beneficiary survey, included household medicine-chest items as well as prescription medicines and services rendered by hospitals, physicians, and others, only a small proportion of the beneficiaries were expected not to have such costs during the survey year. Of the beneficiaries who also received public assistance, only 1 in

Table 6.—Percentage distribution of all aged beneficiaries and beneficiary-recipients, by amount of total medical costs incurred during survey year, 1957

Total medical costs ¹	Aged beneficiaries ²	Beneficiary-recipients
Total.....	100.0	100.0
None incurred.....	9.8	5.7
\$1-49.....	30.2	22.6
50-99.....	15.5	14.9
100-199.....	16.3	12.7
200-499.....	14.2	15.4
500 or more.....	7.0	9.7
Unknown ³	6.9	19.0
Median known costs:		
Excluding those with no costs.....	\$87	\$100
Including those with no costs.....	\$71	\$91

¹ Represents household medicine-chest items, prescription medicines, and services rendered by hospitals, physicians, and others.

² Represents incurred medical expenses of each entitled beneficiary; excludes those of nonentitled spouse.

³ In most of these cases the beneficiary received some free medical care—that is, care supplied by a hospital or doctor who rendered no bill to anyone and care for which a public assistance or other agency made payment directly to the hospital, doctor, or other vendor.

Source: 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance.

20 reported they had incurred no medical costs during the survey year; for all beneficiaries the ratio was 1 in 10 (table 6). The proportion of beneficiary-recipients who had some medical services of which they did not know the cost was almost three times as large as that of all beneficiaries—19 percent compared with 7 percent. Most of these beneficiaries received some free care—that is, care supplied by a hospital or doctor who rendered no bill to anyone and care for which a public assistance or other agency made payment directly to the hospital, doctor, or other vendor—for which they did not know the cost. On the other hand, some beneficiaries who received free care were able to state the cost of such care and could therefore be included with those having total costs of known amount rather than unknown.

Beneficiaries who also received public assistance more often reported having incurred high medical costs and less often low medical costs for the survey year than other beneficiaries. Since more of the beneficiary-recipients than of the other beneficiaries were in poor health, and since public welfare agencies in virtually all States provide medical care to some extent to aged assistance recipients who need such care, beneficiary-recipients can be expected to make use of medical care services extensively; the costs of such services can therefore be expected to be higher for them than for other beneficiaries. Almost 23 percent of all beneficiary-recipients and 30 percent of all aged beneficiaries had known total medical costs of less than \$50. At the other end of the range, almost 10 percent of all beneficiary-recipients and 7 percent of all beneficiaries had known costs totaling \$500 or more.

Among beneficiaries incurring medical costs and for whom the costs were known for all items of care, the median expense was about 15 percent higher for those who also received assistance than it was for the total group of beneficiaries—\$100 compared with \$87. If the beneficiaries incurring no costs are included, the median would be 28 percent higher for beneficiary-recipients with known costs than for all beneficiaries—\$91 compared with \$71. If the dol-

lar value of the medical care for which the cost was unknown to the beneficiary could be estimated, medians both for beneficiary-recipients and for all beneficiaries would probably be higher and the difference still larger, because a large proportion of these unknown costs were incurred in connection with hospitalization.

Hospital and nursing-home costs.—A period of hospitalization or nursing-home care was much more common among beneficiaries who received supplementary public assistance than among all aged beneficiaries, 23 percent compared with 13 percent (table 7). For about a third of the beneficiary-recipients and a fifth of all beneficiaries receiving such care, the care was either free or the cost was unknown for other reasons. The median cost for those reporting hospital or nursing-home care, excluding any for whom the care was free or the cost unknown, was \$445 for beneficiary-recipients and \$390 for the total beneficiary population. These median amounts would undoubtedly be higher if the hospital and nursing-home costs of all beneficiaries were known or could be estimated. In comparison with all beneficiaries reporting at least one period of hospitalization, beneficiary-recipients were much less likely to have hospital or nursing-home costs

Table 7.—Percentage distribution of all aged beneficiaries and beneficiary-recipients, by number hospitalized and by amount of total hospitalization costs incurred during survey year, 1957

Total hospitalization costs ¹	Aged beneficiaries ²	Beneficiary-recipients
Total.....	100.0	100.0
Number hospitalized.....	12.9	22.6
Number not hospitalized.....	87.1	77.4
Hospitalization costs, total.....	100.0	100.0
\$1-99.....	11.1	11.6
100-399.....	30.0	18.8
400-999.....	23.6	22.3
1,000 or more.....	15.6	16.1
Unknown ³	19.6	31.3
Median known costs (excluding those with no costs).....	\$390	\$445

¹ Data for beneficiaries who spent any time in a general hospital or who were in an institution for long-term care, such as a nursing home or mental or tuberculosis hospital.

² See footnote 2, table 6.

³ See footnote 3, table 6.

Source: 1957 beneficiary survey, Bureau of Old-Age and Survivors Insurance.

of less than \$400 but more likely to have such care provided free or paid for by a person or agency, with the amount unknown to the beneficiary. Because the costs of nursing-home care are relatively high, it is of interest to note that much of the costs of such care, particularly for nonmarried beneficiaries, was assumed by public assistance agencies.

Medical costs and income.—There was apparently little direct relationship between the amount of medical costs incurred by aged insurance beneficiaries and the amount of their cash income.⁶ Although there appears to be some relationship between incurred medical costs and the total cash income of beneficiary-recipients, it has limited meaning because expensive medical care provided through public assistance funds would in itself raise their total computed money income. In this analysis, total computed money income of beneficiary-recipients included total medical expenses paid by the assistance agency—those paid directly to the vendor and those included in the money payment to the recipient.

Means of meeting total medical costs.—Almost all the beneficiaries with medical expenses assumed some of the responsibility for such expenses incurred by them during the year. Of those who incurred medical costs, 9 out of every 10 beneficiary-recipients, a similar proportion of all nonmarried beneficiaries, and virtually all the beneficiary couples (97 percent) assumed some responsibility for meeting these costs. Since beneficiaries who also received public assist-

ance had very little in the way of income or assets other than their insurance benefit and assistance payment, any payments for medical care that they themselves made had to come from either their benefit or assistance check. Other beneficiaries, as shown above, were more likely to have other sources of income to draw on—assets, earnings, and contributions from relatives. Some of the beneficiaries who shared a household with relatives were able to pay their own medical bills only because the relative contributed to the household expense. Information to determine the extent to which relatives shared in the household expense was not analyzed.

Relatively few of the beneficiaries incurring medical costs—6 percent of the beneficiary-recipients, 14 percent of all beneficiary couples, and 9 percent of all nonmarried beneficiaries—had some of their medical expenses covered by health insurance. As would be expected, since health insurance usually provides protection against hospitalization costs, many of the beneficiaries who had some of their medical expenses covered by insurance had at least one period of hospitalization during the survey year.

Relatives paid all or part of the medical bills for 6 percent of the beneficiary couples and for almost twice that proportion of the nonmarried beneficiaries, compared with 10 percent of the beneficiary-recipients.

Medical care for all old-age assistance recipients is provided in two ways. The State welfare agency may include an amount for medical care in the requirements on which the recipient's money payment is based, or it may make payments directly to the suppliers of medical care (vendor

payments), or it may do both. Because the type and amount of medical care to be provided are decided by each State agency, there are wide differences among the States in both the quality and quantity of medical care provided. Most States provide medical care services under the assistance programs only if a person receives a money payment to meet basic maintenance needs; in a few States a person may be provided medical care even though he does not receive a money payment. Medical expenses for such individuals are paid directly to the medical supplier by the agency. An aged person receives medical care under the old-age assistance program only if he is in need, has inadequate resources to meet that need, and the needed type of medical service is one of those provided by the agency.

Information on the number of aged recipients with medical care included in their requirements or on the amount of such medical care is generally not collected. Reports from 24 States obtained as the result of a special inquiry made by the Bureau of Public Assistance in early 1957 showed, however, that only 1 recipient in 5 had medical care needs taken into account in determining his requirements. State by State, the proportions ranged from zero to 72 percent. Payments made directly to the suppliers of medical care (vendor payments) for 1957 represented about 9 percent of the total payments to recipients of old-age assistance. The largest proportion of the vendor payments in old-age assistance went for hospitalization (37 percent). Nursing- and convalescent-home care represented 34 percent of the vendor payments, drugs and supplies 13 percent, and practitioner's services 12 percent.

⁶See "Medical Care Costs of Aged OASI Beneficiaries: Highlights From Preliminary Data, 1957 Survey," *Social Security Bulletin*, April 1959.

Notes and Brief Reports

Applicants for Account Numbers, 1958*

The 2.9 million social security account numbers issued in 1958 brought

* Prepared in the Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

to 128.3 million the total number of accounts established since the beginning of the program (table 1). The number issued in 1958 was, however, 20 percent less than the total in 1957. It was also the smallest number issued since the recession year 1954, when only 2.7 million new accounts

were established. The decline in 1958 reflected in part the scarcity of job opportunities during the first half of the year. It also reflected the fact that the number of applications in 1957 had been increased by the 1956 amendments to the Social Security Act, which extended the protection of the program to several additional occupational groups.

The rate of decline from 1957 to