

in the preceding year. Public expenditures for education were about \$1 billion more in 1950-51 than in the preceding year but continued to represent 3 percent of the larger national income.

Workmen's Compensation Payments, 1951

More work injuries and higher rates of payment brought workmen's compensation benefits to an estimated \$707 million in 1951, about 15 percent above the 1950 total. The proportionate increase was considerably greater than that for immediately preceding years and has not been exceeded at any time during the 13-year period for which estimates of payments are available. Even in the year 1942, marked by the shift into high gear for the war effort, payments of \$330 million topped the preceding year's total by only 13 percent.

Contributing to the record increase in payments was a 9-percent rise in disabling work injuries—compensable and noncompensable—between 1950 and 1951. The Bureau of Labor Statistics estimate of 2.1 million work injuries in 1951 reflects not only higher employment with more hours of exposure to industrial injuries but also an increase in the rate of injuries. Compensation payments to injured workers were based on the high wages of recent years; medical benefits showed the effect of higher costs of hospitalization and medical services. Thus, the continuing upward trend in workmen's compensation payments was greatly accelerated in 1951.

The increase was far from uniform from State to State. Under nine programs, payments in 1951 were at least 25 percent higher than in 1950. Most of these were in States that had failed to register as large a gain as the national increase during the preceding year; they had enacted legislation during 1951 to liberalize the maximum on the weekly benefit amount. In nine other States, 1951 payments were at more or less the same level as 1950 payments. A few of these States had outstepped the

national increase between 1949 and 1950.

Of the estimated \$707 million, \$444 million (63 percent) was paid by

Preliminary estimates of workmen's compensation payments, by State, 1950 and 1951¹

State	[In thousands]		
	1950	1951	Percentage change, 1951 from 1950
Total	\$616,789	\$707,075	+14.6
Alabama	2,137	3,264	+52.7
Arizona	5,800	5,900	+1.7
Arkansas	3,705	4,430	+19.6
California	57,070	66,570	+16.6
Colorado	3,568	3,200	-10.3
Connecticut	9,500	11,182	+17.7
Delaware	720	840	+16.7
Dist. of Col.	2,360	2,635	+11.7
Florida	7,418	9,340	+25.9
Georgia	4,287	5,150	+20.1
Idaho	1,950	2,008	+3.0
Illinois	31,370	35,090	+11.9
Indiana	8,920	11,270	+26.3
Iowa	4,985	5,510	+10.5
Kansas	4,260	4,917	+15.4
Kentucky	6,767	7,400	+9.4
Louisiana	11,400	13,070	+14.6
Maine	1,600	2,040	+27.5
Maryland	6,920	8,410	+21.5
Massachusetts	24,100	27,600	+14.5
Michigan	23,243	24,100	+3.7
Minnesota	9,662	11,200	+15.9
Mississippi	2,420	3,310	+36.8
Missouri	10,520	12,146	+15.5
Montana	2,544	2,990	+17.5
Nebraska	2,360	2,758	+16.9
Nevada	1,500	2,295	+53.0
New Hampshire	1,670	1,855	+11.1
New Jersey	29,010	36,390	+25.4
New Mexico	2,330	2,640	+13.3
New York	119,188	134,590	+12.9
North Carolina	6,430	7,500	+16.6
North Dakota	1,100	1,256	+14.2
Ohio	40,000	40,600	+1.5
Oklahoma	8,044	9,890	+22.9
Oregon	8,983	11,248	+25.2
Pennsylvania	30,830	34,370	+11.5
Rhode Island	3,800	4,520	+18.9
South Carolina	4,000	3,920	-2.0
South Dakota	950	963	+1.4
Tennessee	5,429	6,352	+17.0
Texas	33,380	38,970	+16.8
Utah	1,880	2,090	+11.2
Vermont	900	1,115	+23.9
Virginia	5,610	6,250	+10.8
Washington	14,770	17,300	+17.1
West Virginia	9,632	10,096	+4.4
Wisconsin	13,356	15,049	+12.7
Wyoming	1,011	1,050	+3.9
Federal employees	23,370	30,427	+30.2

¹ Payments represent cash and medical benefits and include insurance losses paid by private insurance carriers (compiled from the *Spectator: Insurance by States of Fire, Marine, Casualty, Surety and Miscellaneous Lines*, 79th and 80th annual issues), net disbursements of State funds (data from the *Spectator, the Argus Casualty and Surety Chart* (52d and 53d annual editions), and State reports; estimates for some States), and self-insurance payments (estimated from available State data). Data for calendar years except for West Virginia, and for Federal employees, and for State fund disbursements in Maryland, Montana, North Dakota, Oregon, and Utah, for which data for fiscal years ended in 1950 and 1951 were used. Includes benefit payments under the Longshoremen's and Harbor Workers' Compensation Act and the Defense Bases Compensation Act for the States in which such payments are made.

private insurance carriers. State funds paid out close to 24 percent of the total, and self-insurers about 14 percent. Preliminary estimates of the national totals for each type of insurer are shown below.

Type of insurer	1950	1951
Total	\$616,789	\$707,075
Private carriers	381,080	433,681
State funds	148,509	166,745
Self-insurers	87,200	95,549

In contrast to a 16-percent rise in private carrier payments, State fund disbursements went up only 12 percent. Excluding the program for Federal employees with its 30-percent increase, payments from other State funds rose less than 9 percent.

It is estimated that medical and hospitalization benefits accounted for about one-third of the total payments under workmen's compensation programs. Of the nonmedical payments, about 87 percent was cash compensation for nonfatal injuries and the remaining 13 percent was paid in death cases. Following are the preliminary estimates for each year:

Type of payment	1950	1951
Total	\$617	\$707
Medical and hospitalization	200	232
Compensation, total	417	475
Disability	362	415
Survivor	55	60

OASI Benefit Formulas

Up to the present time there have been four different formulas for the determination of a benefit amount under the old-age and survivors insurance program, as shown in chart 1. The formula established by the original Social Security Act never became effective, since it was superseded by that in the 1939 amendments before any monthly benefits were payable. The formula provided in the 1950 legislation was effective only for the period from April 1952 to August of that year, when it was replaced by the formula in the 1952 amend-