

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

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Because some beneficiaries of old-age and survivors insurance have low monthly benefits or unusual need, or both, they require public assistance in addition to their insurance benefits. Since 1948, periodic reports have been obtained to measure the extent to which aged persons and families with dependent children are receiving payments under the two programs. The article that follows is based on these reports.

THE expansion of the old-age and survivors insurance program has contributed to a gradual reduction in the size of the assistance caseloads. Usually aged persons with relatively high insurance benefits or with other retirement income or assets do not find it necessary to request assistance. Among the beneficiaries, however, are many with low benefits and few other resources who require assistance to supplement their incomes. Even individuals with relatively high insurance benefits may need assistance if they require costly types of medical care or have other unusual expenses. Some aged beneficiaries may need assistance from the time they retire and first receive benefits. Others may require help only when their savings or other assets have been used up.

A recent study of aged beneficiaries made by the Bureau of Old-Age and Survivors Insurance showed that savings were drawn upon rather generally to meet usual living expenses and disappeared at a rapid rate during periods of serious or prolonged illness. Crises of this nature may for the first time bring some beneficiaries to the assistance agency. Some families with children receiving survivor benefits also need assistance to supplement their benefits, and some recipients under other assistance programs may also get insurance benefits.

Because of the complementary nature of old-age and survivors insurance and public assistance as income-maintenance programs for a

substantial proportion of the population, periodic reports have been obtained since 1948 to measure the extent to which individuals receiving old-age assistance and families with dependent children are benefiting under both programs. Data are now available for selected months in 1948 and for the years 1950-52.

Aged persons receiving old-age and survivors insurance benefits and old-age assistance.—The number of aged persons receiving benefits under the insurance program has increased markedly since September 1950, and by February 1953 these beneficiaries represented more than 30 percent of the population aged 65 and over. Less than 20 percent of the aged population received assistance in February. Although old-age assistance caseloads have been declining, the proportion of the aged recipients who also receive benefits under the old-age and survivors insurance program has gradually risen. This increase was expected since, with the insurance program's expansion, relatively more benefi-

ciaries are found in the group potentially eligible for old-age assistance.

Following the effective date of the 1950 amendments to the Social Security Act there was a sharp rise in the number of recipients of old-age assistance who also got insurance benefits. Many of the newly eligible beneficiaries under the insurance program received minimum benefits. For a retired worker this minimum was \$20 (raised to \$25 by the 1952 amendments). Minimum benefits to aged wives or widows of insured persons are lower. Because, on the average, the benefits paid to the newly eligible beneficiaries were low, many of the recipients of old-age assistance who received benefits for the first time continued to need assistance. Aged applicants for assistance after September 1950 also included persons getting insurance benefits that were frequently at or not much above the minimums. As a result, the number of aged persons receiving both types of payments increased by 100,000 from September 1950 to August 1951 (table 1).

The rate of increase in the number of aged persons getting both assistance payments and insurance benefits slowed down after the initial effects of the 1950 amendments had been felt. From August 1951 to February 1952 the numbers increased by 29,500, and during the 12 months ended February

Table 1.—Aged persons and families with children receiving both OASI benefits and assistance payments, 1948-53

Month and year	Aged persons receiving both OASI and OAA			Families with children receiving both OASI and ADC		
	Number	Percent of—		Number	Percent of—	
		Aged OASI beneficiaries	OAA recipients		OASI beneficiary families with children	ADC families
June 1948.....	146,000	10.0	6.1	21,600	6.7	4.8
September 1950.....	276,200	12.6	9.8	32,300	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.....	428,500	10.7	16.3	30,600	5.7	5.3

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1953 there was a net increase of only 20,500. The increase during the last period amounted to 5 percent; during the same period the number of aged beneficiaries under the insurance program rose 18 percent. By February 1953, aged persons receiving both types of payments represented 10.7 percent of all aged beneficiaries under the insurance program compared with approximately 12 percent in September 1950, August 1951, and February 1952.

The increase in the number of recipients of old-age assistance who also have insurance benefits has occurred during a period when old-age assistance caseloads were declining. As a result the proportion of aged recipients with insurance benefits has gradually risen. In September 1950, 9.8 percent of the aged persons receiving assistance also received benefits; by August 1951 this proportion had risen to 13.8 percent. The rate of increase in the last two reporting periods has been slower. By February 1953, somewhat more than 16 percent of the assistance recipients received both assistance payments and benefits under the insurance program.

Differences among the States in relative number of aged persons receiving both types of payments.—The proportion of recipients of old-age assistance who also receive insurance benefits ranged from 35 percent in Nevada to 3 percent in Mississippi. In States with a relatively small proportion of beneficiaries among the aged population, the number of recipients of old-age assistance who also receive insurance benefits is bound to be small. In addition, aged persons receiving benefits are less likely to be eligible for assistance in States where limited funds result in low assistance payments.

This combination of circumstances accounts for the fact that in 10 of the Southern States fewer than 10 percent of the recipients of old-age assistance also receive insurance benefits (table 2). In nine of these 10 States, the number of aged persons receiving insurance benefits was well below the national rate of 302 per 1,000 aged persons in the population; the rates in the nine States ranged from 131 to 240 per 1,000 aged. In these States, average assistance pay-

Table 2.—Number of aged OASI beneficiaries per 1,000 population aged 65 and over and percent of OAA cases receiving OASI benefits, February 1953

OASI beneficiaries per 1,000 persons aged 65 and over, by State	Percent of OAA cases receiving OASI benefits				
	Less than 10	10-14	15-19	20-24	25 or more
100-149:					
Miss.	3.1				
N. Dak.	9.4				
S. Dak.		11.0			
150-199:					
Ark.	5.5				
Ga.	7.3				
Nebr.		14.1			
N. Mex.	7.4				
Okla.		12.6			
S. C.	4.5				
Tenn.	6.7				
Tex.		10.0			
200-249:					
Ala.	4.4				
D. C.			18.3		
Iowa.			15.9		
Kans.			15.0		
Ky.	8.0				
La.			15.4		
Minn.			15.9		
Mo.			16.6		
Mont.			17.8		
N. C.	5.9				
Va.	5.5				
250-299:					
Ariz.			19.6		
Colo.				23.7	
Idaho.			19.7		
Utah.		14.9			
Wyo.				22.2	
300-349:					
Alaska					26.1
Del.		12.7			
Ill.			16.7		
Ind.			16.7		
Md.		12.5			
Nev.					34.9
N. H.				21.4	
Ohio.			17.5		
Vt.				21.2	
W. Va.	6.5				
Wis.				20.1	
350-399:					
Calif.					29.5
Fla.			17.8		
Hawaii		14.3			
Maine				24.2	
Mass.					31.3
Mich.			22.0		
N. J.			21.5		
N. Y.			21.9		
Oreg.					26.2
Pa.			15.3		
Wash.					26.4
400 or more:					
Conn.					28.8
R. I.					26.1

ments ranged from \$26.19 to \$36.72—considerably less than the February average of \$48.79 for the country as a whole.

Data for States with relatively more aged beneficiaries of old-age and survivors insurance showed much higher proportions of beneficiaries among recipients of old-age assistance. In 15 of the 24 States with 300 or more aged beneficiaries per 1,000 aged persons, such beneficiaries comprised at least one-fifth of the assistance caseloads, with the proportions ranging

from 20 to 35 percent. In all but four of the 15 States, the average assistance payments exceeded the national average. The States where at least one-fifth of the recipients of old-age assistance also received benefits included industrial States in the north-eastern part of the country and in the Far West.

In 14 States, aged persons receiving benefits comprised from 15 percent to less than 20 percent of the assistance caseloads. All but two of these States had beneficiary rates ranging from 205 through 336 per 1,000 aged persons. Included in this group are a number of Midwestern States with considerable industrial development and scattered States in other parts of the country.

West Virginia, Colorado, and Wyoming represent departures from the general pattern. In West Virginia the beneficiary rate exceeds the national rate, but persons receiving benefits make up only 6.5 percent of the old-age assistance caseload. Because of limited funds for assistance, help can be extended to only the neediest older persons in West Virginia. In Colorado and Wyoming, on the other hand, more than one-fifth of the recipients of old-age assistance also receive benefits despite the fact that the relative number of beneficiaries among the aged in these States is below the national average. In both States, assistance standards and payments are high.

The percent of aged beneficiaries getting old-age assistance also varied widely among the States. In 22 States less than 10 percent of the persons getting benefits received assistance, and in four additional States the percentages fell below the national average of 10.7 percent (table 3). As would be expected, the proportions of beneficiaries getting assistance were low in all States with relatively low recipient rates for old-age assistance and, with a few exceptions, were relatively high in States providing old-age assistance to a larger proportion of the aged population. For the country as a whole in February 1953, there were 198 recipients of old-age assistance per 1,000 persons aged 65 and over. In eight States with recipient rates for old-age assistance of below 100, less than 6 percent of the

aged persons with benefits also received old-age assistance. In these States, therefore, relatively few aged persons in either the beneficiary or nonbeneficiary group were on the assistance rolls. Among States in which more than 100 but less than 150 per 1,000 aged persons received old-age assistance, from 3.8 percent to 10.6 percent of the aged beneficiaries also received assistance.

In most of the States in which the recipient rates for old-age assistance approached the national rate, 10-19 percent of the beneficiaries also received assistance. A mixed picture is presented by the 23 States in which the proportion of the aged population getting assistance exceeded the national rate. Included in this group are six Southern States in which less than 10 percent of the beneficiaries of insurance received old-age assistance. At the other end of the scale are nine States that provided assistance to more than one-fifth of the aged beneficiaries, including two States where more than one-third of the persons with benefits received assistance.

Families with children receiving insurance benefits and assistance.—In February 1953, there were 956,000 children in families receiving survivor benefits under the insurance program, or 1.9 percent of all children in the general population. Families receiving aid to dependent children included 1.5 million children or 3.0 percent of the child population.

A relatively small proportion of the families receiving aid to dependent children are potentially eligible for benefits under the insurance program. The death of the father is the reason for dependency for about one-fifth of the families getting aid to dependent children, and some of these families are receiving survivor benefits based on the wage record of the father. A few additional families may include a person getting benefits—for example, an aged retired father. The other families receiving aid to dependent children—about four-fifths of the total—do not include any persons eligible for old-age and survivors insurance benefits.

Because few of the assistance families are potentially eligible for insurance benefits, the expansion of the

insurance program does not tend to reduce the size of the caseload for aid to dependent children to the extent that it reduces that for old-age assistance. The proportion of all families receiving aid to dependent children with both types of payments has been and will continue to be smaller than the proportion of old-age assistance recipients getting both benefits and assistance.

In September 1950, 32,300 families or somewhat less than 5 percent of the families receiving aid to depend-

ent children were also getting old-age and survivors insurance benefits; these families represented 8.3 percent of all families with children receiving benefits under the insurance program (table 1). In February 1953, the 30,600 families receiving both types of payments represented 5.3 percent of all families getting aid to dependent children.

Beneficiary families receiving aid to dependent children generally had more children than other beneficiary families. The families getting assistance under that program in February included 5.7 percent of the beneficiary families with children but almost 9 percent of the children in the families receiving insurance benefits (table 4). Under the insurance program, benefits to families with children cannot exceed 80 percent of the average monthly wage on which the payment is based. Those families receiving benefits based on earnings of a worker who had received a low average wage would be likely to need assistance, and the need of the family would tend to increase in proportion to the number of child survivors.

State data showing the extent of concurrent receipt of payments under the two programs are presented in table 4. As in old-age assistance the variations among the States reflect the extent of insurance coverage, differences in numbers of needy families, and differences in assistance policies.

Beneficiaries receiving other types of assistance.—Information for assistance programs other than those of old-age assistance and aid to dependent children have not been obtained recently. A report for September 1950 for aid to the blind showed 1,300 blind persons receiving both types of payments. A special study of recipients of aid to the permanently and totally disabled made by 30 States in 1951 indicated that there were fewer than 400 insurance beneficiaries among 93,000 assistance cases.

There are likely to be few beneficiaries of old-age and survivors insurance receiving general assistance, since needy individuals or families among the persons receiving benefits would usually be eligible for and receive aid under the Federal-State assistance programs. Some beneficiaries who need help in paying medical bills

Table 3.—Number of OAA recipients per 1,000 population aged 65 and over and percent of aged OASI beneficiaries receiving OAA, February 1953

OAA recipients per 1,000 population aged 65 and over, by State	Percent of aged OASI beneficiaries receiving OAA			
	Less than 10	10-19	20-29	30 or more
Less than 100:				
Conn.....	5.8			
Del.....	2.3			
D. C.....	3.3			
Md.....	2.5			
N. J.....	2.8			
N. Y.....	4.8			
Pa.....	2.9			
Va.....	1.7			
100-149:				
Hawaii.....	3.8			
Ill.....	6.9			
Ind.....	5.8			
Maine.....	8.8			
Nebr.....		10.6		
N. H.....	6.5			
Ohio.....	7.7			
R. I.....	7.0			
150-199:				
Idaho.....		15.1		
Iowa.....		12.5		
Kans.....		13.2		
Mass.....		15.4		
Mich.....		10.8		
Minn.....		12.0		
Mont.....		14.5		
N. Dak.....		12.7		
Oreg.....		10.6		
Vt.....		12.0		
W. Va.....	3.6			
Wis.....		10.1		
200-249:				
Ky.....	8.3			
Nev.....			24.3	
N. C.....	5.9			
S. Dak.....		15.1		
Tenn.....	8.1			
Utah.....		11.3		
Wyo.....		18.5		
250-299:				
Ariz.....		18.9		
Calif.....			23.3	
Fla.....		12.3		
Wash.....			20.9	
300-399:				
Ala.....	6.6			
Alaska.....			25.6	
Ark.....		10.6		
Colo.....				35.1
Miss.....	8.8			
Mo.....			20.7	
N. Mex.....		11.7		
S. C.....	8.1			
Tex.....			20.1	
400 or more:				
Ga.....		15.2		
La.....				46.3
Okla.....				31.1

may have such expenses met from general assistance funds in States in which this is the customary procedure for meeting such costs.

Effect of the insurance program on assistance costs.—The insurance program, by providing income to large numbers of aged persons, has reduced assistance caseloads and costs. In February 1953, more than 24 percent of the aged who did not have insurance benefits received old-age assistance; less than 11 percent of the insurance beneficiaries were on the assistance rolls—an indication that a substantially larger number of the beneficiaries would have needed assistance if they had not received benefits. Although some beneficiaries need assistance, average payments to aged individuals getting both types of payments are lower than payments to recipients without benefits; the charge to assistance funds is thus further reduced.

The average old-age assistance payment for recipients not getting insurance benefits was \$51.55 in February; the average amount of assistance for recipients getting both insurance benefits and assistance payment was \$38.73. Total assistance payments of \$16.5 million to aged persons who also received insurance benefits in February 1953 represented 13.0 percent of total money payments to all recipients of old-age assistance.

The average insurance benefit received by aged persons getting both assistance and benefits was \$33.92 in February 1953. This amount was only about three-fourths of the average benefit of \$44.14 for all aged beneficiaries of old-age and survivors insurance.

Savings have also been effected in the program for aid to dependent children. As an increasing number of orphans have received benefits under the old-age and survivors insurance program, fewer families with children dependent because of the death of a father are receiving aid to dependent children and relatively less assistance goes to families receiving insurance benefits than to other families.

In February, the average assistance

Table 4.—Concurrent receipt of OASI benefits and assistance payments by OAA and ADC cases, February 1953

State	Persons receiving OAA and OASI as percent of—		Cases receiving ADC and OASI—	
	OAA recipients	OASI beneficiaries	Families as percent of ADC families	Children as percent of OASI child beneficiaries ¹
Total ²	16.3	10.7	5.3	8.9
Alabama.....	4.4	6.6	3.7	8.0
Alaska.....	26.1	25.6	6.7	16.6
Arizona.....	19.6	18.9	5.9	10.6
Arkansas.....	5.5	10.6	3.5	11.5
California.....	29.5	23.3	5.3	11.2
Colorado.....	23.7	35.1	6.2	10.9
Connecticut.....	28.8	5.8	9.8	9.6
Delaware.....	12.7	2.3	5.1	6.0
District of Columbia.....	18.3	3.3	3.5	5.9
Florida.....	17.8	12.3	7.2	17.7
Georgia.....	7.3	15.2	7.0	9.3
Hawaii.....	14.3	3.8	2.3	6.3
Idaho.....	19.7	15.1	7.8	10.6
Illinois.....	16.7	6.9	5.0	6.6
Indiana.....	16.7	5.8	10.1	8.8
Iowa.....	15.9	12.5	9.5	12.3
Kansas.....	15.0	13.2	6.1	6.8
Kentucky.....	8.0	8.3	6.1	14.2
Louisiana.....	15.4	46.3	2.8	8.7
Maine.....	24.2	8.8	12.2	18.6
Maryland.....	12.5	2.5	2.8	3.5
Massachusetts.....	31.3	15.4	10.6	11.9
Michigan.....	22.0	10.8	9.5	13.1
Minnesota.....	15.9	12.0	8.5	11.5
Mississippi.....	3.1	8.8	3.2	9.5
Missouri.....	16.6	20.7	5.4	13.2
Montana.....	17.8	14.5	4.4	7.8
Nebraska.....	14.1	10.6	5.4	7.3
Nevada.....	24.9	24.3		
New Hampshire.....	21.4	6.5	11.7	10.0
New Jersey.....	21.5	2.8	10.0	5.1
New Mexico.....	7.4	11.7	4.1	14.0
New York.....	21.9	4.8	3.6	5.8
North Carolina.....	5.9	5.9	4.3	7.6
North Dakota.....	9.4	12.7	6.9	15.1
Ohio.....	17.5	7.7	10.8	8.1
Oklahoma.....	12.6	31.1	3.9	13.5
Oregon.....	26.2	10.6	9.9	9.1
Pennsylvania.....	15.3	2.9	3.8	4.3
Rhode Island.....	26.1	7.0	3.7	6.6
South Carolina.....	4.5	8.1	4.4	6.4
South Dakota.....	11.0	15.1	5.3	16.5
Tennessee.....	6.7	8.1	5.4	12.9
Texas.....	10.0	20.1	5.6	5.9
Utah.....	14.9	11.3	6.0	8.8
Vermont.....	21.2	12.0	13.0	16.1
Virginia.....	5.5	1.7	4.5	4.8
Washington.....	26.4	20.9	8.4	10.4
West Virginia.....	6.5	3.6	2.6	8.1
Wisconsin.....	20.1	10.1	10.6	12.1
Wyoming.....	22.2	18.5	8.1	8.5

¹ Data given in terms of children because OASI data on beneficiary families are not available by State.

² For OAA, 53 States, and for ADC, 52 States; totals include Puerto Rico and Virgin Islands, which did not report any cases receiving both assistance payments and insurance benefits.

payment to families not receiving insurance benefits was \$87.70; for families receiving insurance benefits and assistance payments the average assistance payment was \$68.57. Total assistance payments of \$2.1 million to families receiving both insurance benefits and assistance accounted for 4.5 percent of total money payments to families receiving aid to dependent children.

The average insurance benefit received in February by families getting both aid to dependent children and a benefit under the insurance program was \$60.14. In June 1952, the last month for which data are available, the average benefit for a widowed mother with two or more children receiving survivor benefits under the insurance program exceeded \$90.