

**Table 3.—Estimated progress of old-age and survivors insurance trust fund, 2.4 percent interest**

[In millions]					
Calendar year	Contributions <sup>1</sup>	Benefit payments	Administrative expenses	Interest on fund	Fund at end of year
Actual data (excluding effect of railroad coverage)					
1953.....	\$3,945	\$3,006	\$88	\$414	\$18,707
1954.....	5,163	3,670	92	<sup>2</sup> 468	20,576
1955.....	5,713	4,968	119	<sup>2</sup> 461	21,663
Actual data (including effect of railroad coverage)					
1953.....	\$4,099	\$3,246	\$91	\$424	\$19,084
1954.....	5,323	3,920	96	<sup>2</sup> 477	20,896
Low-cost estimate					
1965.....	\$10,928	\$9,108	\$135	\$887	\$38,706
1970.....	13,671	11,180	151	1,189	51,910
1980.....	17,730	15,066	181	2,223	96,108
1990.....	19,355	18,270	208	3,252	139,208
2000.....	21,543	19,494	226	4,442	190,443
High-cost estimate					
1965.....	\$10,794	\$10,419	\$171	\$605	\$25,923
1970.....	13,526	12,681	192	673	29,036
1980.....	17,265	17,034	232	1,026	43,763
1990.....	18,133	20,856	268	909	37,269
2000.....	19,375	22,762	289	226	7,810
Intermediate-cost estimate					
1965.....	\$10,861	\$9,763	\$153	\$746	\$32,314
1970.....	13,568	11,931	172	931	40,473
1980.....	17,498	16,050	206	1,624	69,936
1990.....	18,744	19,565	238	2,080	88,239
2000.....	20,459	21,129	258	2,334	99,126

<sup>1</sup> Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 4 percent for 1955-59, 5 percent for 1960-64, 6 percent for 1965-69, 7 percent for 1970-74, and 8 percent for 1975 and after. The self-employed pay ½ of these rates.

<sup>2</sup> Preliminary; partially estimated.  
<sup>3</sup> Includes interest transfer from railroad retirement account to OASI trust fund (\$11.6 million in 1954 and \$7.4 million in 1955).  
 Note: The estimated figures in this table are based on high-employment assumptions.

insurance system of this expected change in the number of aged persons will be even greater than may at first appear, because 50 years hence a much larger proportion of aged persons is expected to be eligible to receive benefits under the program than at present. The future financial soundness of this system, with its rising rate of disbursements, is of the utmost importance to the millions of persons who are already within its scope and to the Nation as a whole.

The estimated cost of benefits as a percentage of payroll through the year 2050 and also the level-premium cost of the program—that is, the level percentage of payroll which, in perpetuity, would be sufficient to meet the cost of the benefits—ranges from

6.55 to 8.74 percent of payroll, depending upon the combination of assumptions selected. *Table 3* shows the estimated contributions, benefit payments, administrative expenses, interest accumulations, and assets of the trust fund through the year 2000, under alternative combinations of assumptions with respect to benefit costs and levels of employment.

The estimates are based on level earnings assumptions (slightly below the present levels). If in the future earnings levels should be considerably above that which now prevails, and if at the same time the benefits for those on the roll are adjusted upward so that annual costs in relation to payroll remain the same, then the resulting increased dollar outgo will offset the increased dollar income.

This is an important reason for considering costs relative to payroll rather than in dollars.

The cost estimates have not taken into account the possibility of a rise in earnings levels, although such rises have characterized the past history of this country. If such an assumption were used in the cost estimates, along with the unlikely assumption that the benefit formula nevertheless would not be changed, the cost relative to payroll would, of course, be lower. If benefits are adjusted continuously and without any time-lag to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. However, such an adjustment would raise the level-premium cost, since under these circumstances the relative value of the interest earnings on the trust fund would diminish with the passage of time.

## State and Local Government Employment Under OASI, April 1956\*

At the beginning of April 1956, coverage of State and local government employees under old-age and survivors insurance through voluntary agreements had reached 1.7 million. This total is more than a quarter of a million higher than the coverage at the beginning of the year, a considerably larger increase than during the preceding 3-month period.

The April estimate indicates that 1 in every 3 State and local employees (other than those for whom coverage is compulsory) is now cov-

\* Prepared by Dorothy McCamman, Division of Research and Statistics, Office of the Commissioner, from estimates developed in the Division of Program Analysis, Bureau of Old-Age and Survivors Insurance. For similar data as of October 1955 and a summary of the 1954 provisions, see the *Bulletin* for February 1956, pages 15-17. More detailed data by State and type of government appear in a quarterly statistical report, *State and Local Government Employment Covered by OASI Under Section 218 of the Social Security Act* (Division of Program Analysis).

ered through the voluntary agreement provisions. This approximate percentage, shown in table 1 for each

State, is subject to a number of qualifications, including the major one of being based on data on total

employment for October 1955 and on covered employment estimates for a different time period. (Data from the Bureau of the Census on employment by type of government are collected only for October of each year and are not published until the following spring.)

**Table 1.—Rough estimates of State and local government employment covered under old-age and survivors insurance through voluntary agreements and of dual coverage, by State, as of April 1956**

[Continental United States]

State	Covered by old-age and survivors insurance		Number with dual coverage <sup>3</sup>			
	Number <sup>1</sup>	Approximate percent of all State and local government employment <sup>2</sup>	Total	Previous system dissolved and reinstated	No previous system (added after OASI coverage)	Retirement system members covered under referendum provisions
Total.....	1,655,700	33	799,400	347,640	30,070	421,690
Alabama.....	71,900	88	39,790	150	10	<sup>5</sup> 39,630
Arizona.....	28,400	93	15,920	<sup>5</sup> 8,920	0	<sup>6</sup> 7,000
Arkansas.....	24,600	54	3,480	0	100	3,380
California.....	24,800	5	4,120	420	100	3,600
Colorado.....	16,500	30	960	0	0	960
Connecticut.....	7,300	11	730	0	730	0
Delaware.....	9,000	77	6,500	<sup>5</sup> 6,500	0	0
District of Columbia <sup>7</sup>						
Florida.....	12,300	10	100	0	100	0
Georgia.....	15,400	16	1,160	610	550	0
Idaho.....	15,700	72	0	0	0	0
Illinois.....	9,200	4	110	90	20	0
Indiana.....	59,500	48	25,000	0	0	<sup>5</sup> 25,000
Iowa.....	87,000	92	79,090	<sup>5</sup> 78,930	70	90
Kansas.....	60,400	81	24,750	6,590	250	<sup>6</sup> 17,910
Kentucky.....	39,200	55	300	0	0	300
Louisiana.....	23,600	24	11,830	1,400	5,700	4,730
Maine.....	6,000	20	260	0	0	260
Maryland.....	7,400	10	410	0	410	0
Massachusetts.....	200	( <sup>8</sup> )	0	0	0	0
Michigan.....	71,400	30	35,620	0	190	<sup>5</sup> 35,430
Minnesota.....	2,100	2	960	0	0	960
Mississippi.....	49,600	87	40,000	<sup>6</sup> 20,000	<sup>5</sup> 20,000	0
Missouri.....	65,600	59	600	0	600	0
Montana.....	9,700	42	8,600	0	0	8,600
Nebraska.....	49,800	95	26,690	920	0	<sup>6</sup> 25,770
Nevada.....	300	4	0	0	0	0
New Hampshire.....	4,500	22	300	0	0	300
New Jersey.....	129,500	82	120,700	<sup>5</sup> 72,500	0	<sup>6</sup> 48,200
New Mexico.....	1,600	6	1,130	0	0	1,130
New York.....	101,500	18	0	0	0	0
North Carolina.....	79,500	71	65,000	0	0	<sup>5</sup> 65,000
North Dakota.....	600	2	0	0	0	0
Ohio <sup>9</sup>						
Oklahoma.....	40,100	52	4,870	10	0	4,860
Oregon.....	55,900	94	48,150	<sup>5</sup> 44,000	0	4,150
Pennsylvania.....	30,300	11	2,520	1,290	1,230	0
Rhode Island.....	9,200	39	2,630	0	0	2,630
South Carolina.....	59,700	98	53,110	0	0	<sup>5</sup> 53,110
South Dakota.....	22,400	85	390	0	0	390
Tennessee.....	22,100	25	0	0	0	0
Texas.....	101,900	42	48,070	0	0	<sup>5</sup> 48,070
Utah.....	29,100	99	11,900	<sup>6</sup> 11,770	0	130
Vermont.....	4,600	35	1,410	0	10	<sup>5</sup> 1,400
Virginia.....	92,900	93	51,290	<sup>5</sup> 50,540	0	750
Washington.....	28,100	29	17,840	0	0	17,840
West Virginia.....	20,300	41	0	0	0	0
Wisconsin.....	41,800	33	35,110	<sup>5</sup> 35,000	0	110
Wyoming.....	12,400	92	8,000	<sup>5</sup> 8,000	0	0

<sup>1</sup> Current estimate of employment for which coverage has been approved, regardless of effective dates. Includes, in addition to employment shown in wage reports, data on employees recently covered but not yet represented in tabulated wage reports.

<sup>2</sup> Approximate percent of all State and local government employment (other than that under compulsory old-age and survivors insurance coverage) that is actually covered. Based on data from the Bureau of the Census for total State and local government employment as of October 1955 (latest available).

<sup>3</sup> Based on estimates furnished by the State or made by the Bureau of Old-Age and Survivors Insurance at the time the groups were brought under old-age and survivors insurance rather than on wage reports. (Employees with dual coverage are not identified in

wage reports.) Some retirement systems, particularly the smaller ones, may not be included because States are not required to report information of this type.

<sup>4</sup> Includes 600 employees of interstate instrumentalities not distributed by State.

<sup>5</sup> Includes State employees.

<sup>6</sup> Includes public school teachers.

<sup>7</sup> Not included in statutory definition of State for purposes of agreement.

<sup>8</sup> Less than 0.5 percent.

<sup>9</sup> No agreement.

<sup>10</sup> Special Federal legislation made dissolution of previous system unnecessary.

Source: Estimates by Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

In this as in the preceding quarter, the increase in coverage was primarily attributable to the results of referendums among employees of State governments and among teachers under retirement systems in all three types of government. In these first 3 months of the year the approximate proportion of State government employees covered rose from 34 percent to 42 percent, in contrast to an addition, for county employees and for other local government employees, of only a few percentage points that brought their coverage proportions up to 49 percent and 23 percent, respectively.

During the quarter the number of States in which fewer than one-fifth of all government employees were covered by old-age and survivors insurance dropped from 19 to 14. The following tabulation shows the number of States distributed by the proportion of employment covered in April.

Approximate percent of employment covered	Number of States			
	Total	Type of government		
		State	County	Local
Total.....	48	48	147	48
None or unknown.....	1	2	5	2
Less than 20.....	13	19	8	16
20-39.....	10	1	4	15
40-59.....	8	2	6	5
60-79.....	3	5	2	3
80 or more.....	13	19	22	7
80-89.....	5	6	2	3
90 or more.....	8	13	20	4

<sup>1</sup> Rhode Island has no county governments.

**Dual coverage.**—The great majority of employees brought under coverage in the 3 months already had retirement protection through special State and local retirement systems. Of the additional quarter of a million employees covered, more than 188,000 were members of existing retirement

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**Table 11.—Aid to dependent children: Recipients and payments to recipients, by State, April 1956<sup>1</sup>**

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
		Total <sup>2</sup>	Children	Total amount	Average per—		March 1956 in—		April 1955 in—	
					Family	Recipient	Number of families	Amount	Number of families	Amount
Total.....	615,985	2,253,738	1,708,484	\$55,239,202	\$89.68	\$24.51	+0.4	+0.8	-1.6	+1.8
Alabama.....	19,660	76,181	58,613	810,706	41.24	10.64	+2	+3	+10.6	+5.3
Alaska.....	1,422	4,931	3,630	129,275	90.91	26.22	+1.2	-9.0	+15.7	+17.8
Arizona.....	4,761	18,403	13,957	431,887	90.71	23.47	+1.0	+1.0	-2.7	+3.0
Arkansas.....	8,480	32,279	25,073	478,024	56.44	14.81	+3.7	+4.0	-10.1	-8.6
California.....	53,299	182,646	140,338	6,094,233	125.60	36.65	-1	-1.0	-6.2	-6.2
Colorado.....	5,913	22,445	17,291	654,021	110.61	29.14	+3	+4	-2.1	+2
Connecticut.....	5,399	17,463	12,985	734,168	135.98	42.04	+4	+5	+5.3	+3.7
Delaware.....	1,207	4,669	3,579	102,686	85.08	21.99	+2.2	+2.1	+7.9	+7.3
District of Columbia.....	2,143	9,170	7,157	235,988	110.12	25.73	+1.4	+2.2	-5.3	-3.3
Florida.....	21,324	75,403	58,025	1,173,085	55.01	15.56	+1	+2	+1.1	+2.0
Georgia.....	15,036	55,212	42,200	1,139,703	75.80	20.64	+1	+1	( <sup>3</sup> )	+6
Hawaii.....	3,123	11,843	9,401	260,144	83.30	21.97	-1.9	-1.9	-5.7	-14.8
Idaho.....	1,823	6,598	4,855	237,259	130.15	35.96	-1.1	-1.4	-5.3	-3.4
Illinois.....	24,183	94,275	71,404	3,302,949	136.68	35.04	+6.5	+6.6	+15.8	+19.8
Indiana.....	8,674	30,703	22,821	795,518	91.71	25.91	( <sup>4</sup> )	+8	-1.4	+1.3
Iowa.....	6,879	24,819	18,502	765,088	111.22	30.83	+8	+1.0	+3.3	-1.1
Kansas.....	4,662	17,109	13,181	531,448	114.00	31.06	-1	-7	+4.3	+6.1
Kentucky.....	18,720	67,695	50,762	1,193,102	63.73	17.62	+1	+2	-6	+5
Louisiana.....	19,515	76,422	58,518	1,429,119	73.23	18.70	-3	-6	+7.2	+20.7
Maine.....	4,511	15,635	11,512	380,910	84.44	24.36	+6	+5	+4	+3.7
Maryland.....	6,383	26,092	20,285	620,006	97.13	23.76	-9	-1.1	-1.6	-6
Massachusetts.....	12,785	42,708	31,643	1,086,781	131.83	39.50	+1	+1.3	-1.9	-1
Michigan.....	18,865	65,384	47,766	2,182,839	115.71	33.38	( <sup>5</sup> )	+4	-8.6	-4.7
Minnesota.....	8,130	27,617	21,242	1,041,266	128.08	37.70	+4	+2.9	+2.1	+9.1
Mississippi.....	11,714	43,368	33,668	323,305	27.60	7.45	+6	+6	-19.8	-9.4
Missouri.....	20,533	73,414	54,752	1,424,612	69.38	19.41	-1	+1.0	-7.0	-4.5
Montana.....	1,994	7,053	5,362	214,326	107.49	30.39	+3.4	+3.4	-7.7	-6.1
Nebraska.....	2,717	9,986	7,506	268,034	98.65	26.84	+1	-1	+5.1	+9.6
Nevada.....	421	1,477	1,115	38,053	90.39	25.76	+6.9	+8.7	( <sup>6</sup> )	( <sup>6</sup> )
New Hampshire.....	1,015	3,783	2,848	137,268	135.24	36.29	+4	+2.2	-4.2	-8
New Jersey.....	6,518	21,790	16,491	790,829	121.33	36.29	+1.4	+1.6	+10.0	+14.4
New Mexico.....	6,009	22,377	17,094	505,838	84.18	22.61	-2	+7.0	-11.8	+9.6
New York.....	54,470	199,904	147,556	7,741,832	142.13	38.73	-3	-4	+2	+2.9
North Carolina.....	20,127	77,595	59,455	1,264,605	62.83	16.30	+8	+9	+5	+2.0
North Dakota.....	1,627	5,978	4,567	204,377	125.62	34.19	+1.1	+2.6	+5.9	+15.1
Ohio.....	17,017	65,010	49,223	1,556,113	91.44	23.94	+1.0	+3	+10.0	+9.9
Oklahoma.....	15,732	52,649	40,095	1,277,241	81.19	24.31	+3	+5	+4	+6.9
Oregon.....	3,606	12,870	9,730	440,878	122.26	34.26	+2	+4	-9.6	-8.8
Pennsylvania.....	29,338	112,670	85,400	3,169,395	108.03	28.13	-3	+5	-4.0	-1.6
Puerto Rico.....	41,288	145,320	111,299	434,641	10.53	2.99	-1	+2	-2.3	-3
Rhode Island.....	3,476	12,038	8,883	398,953	114.77	33.14	+1.3	+1.2	+3	+4.7
South Carolina.....	8,233	31,814	24,817	390,144	47.39	12.26	+2	( <sup>7</sup> )	-2.5	-3.0
South Dakota.....	2,770	9,264	7,053	228,183	82.38	24.63	-3	-5	-3.0	-1.8
Tennessee.....	19,641	70,891	52,951	1,187,117	60.44	16.75	( <sup>4</sup> )	+1	-9.5	-8.6
Texas.....	21,601	87,542	66,208	1,400,843	64.85	16.00	+1.2	+1.4	-9.1	( <sup>4</sup> )
Utah.....	2,934	10,318	7,669	332,682	113.39	32.24	-1.4	-2	-7.7	-7.1
Vermont.....	1,105	3,842	2,878	89,283	80.80	23.24	+3	-2	+1.0	+3.9
Virgin Islands.....	219	816	668	7,769	35.47	9.52	+5	+2.3	+16.5	+15.5
Virginia.....	9,108	35,725	27,715	610,666	67.05	17.09	-4	( <sup>5</sup> )	+1.7	+5.3
Washington.....	9,265	31,926	23,486	1,106,046	119.38	34.64	+3	( <sup>5</sup> )	-2	+13.2
West Virginia.....	17,754	67,460	52,460	1,397,487	78.71	20.72	+1.0	+4.5	-6.5	+3
Wisconsin.....	8,231	29,017	21,487	1,219,689	148.18	42.03	+8	+2.6	-1.4	+2.8
Wyoming.....	626	2,239	1,708	68,798	109.90	30.73	+1.0	+1.2	+6.3	+6.5

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

<sup>3</sup> Increase of less than 0.05 percent.

<sup>4</sup> Decrease of less than 0.05 percent.

<sup>5</sup> Not computed; July 1955 first month of operation under approved plan.

<sup>6</sup> In addition, supplemental payments of \$173,980 were made from general assistance funds to 4,676 families.

<sup>7</sup> Based on data excluding vendor payments for medical care for April 1955.

**OASI COVERAGE**

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systems whose old-age and survivors insurance coverage was achieved through the referendum provisions of the 1954 amendments.

By the beginning of April, an esti-

mated 799,400 persons were covered under both old-age and survivors insurance and a State or local retirement system (table 1). The group with dual coverage represented almost half the total with old-age and survivors insurance coverage.

Among the States with significant increases in dual coverage—affecting markedly the proportion of total employment covered as well as the number with dual coverage—were Montana, Nebraska, New Jersey, North Carolina, and Washington.