The great extent to which private sources finance the care provided by hospitals, other than tuberculosis and mental institutions, is indicated in Table 2. A total of $4,308 million—72 percent of all hospitalization expenditures in 1955—went for care in the general and special hospitals; nearly three-fourths of this sum represented private expenditures from private sources. Of the 23 percent of the Nation’s expenditures for treatment in psychiatric institutions in 1955, less than 3 percent represented private payments and the balance came from public funds. Somewhat less than $300 million was spent for care in tuberculosis sanatoriums; only one-seventh of this amount was accounted for by private payments.

In the 3 years for which the combined data on public and private expenditures have been compiled, care in nervous and mental institutions has required a constantly growing share of the Nation’s total outlay for hospital care. This increase was achieved mainly by an expansion in public expenditures for care in such institutions; $298 million more was paid in 1955 than in 1953 for the care of mental patients, and the total public share of this increase was paid in mental institutions rose from $932 million to $1,228 million. Private payments for care in mental hospitals rose $28 million in the corresponding period. As a result, there was no change in the percentage of the total hospital bill represented by private payments to mental hospitals.

For other types of care there was also little change in the proportion of the total met by public payments for care of other than the mentally ill. Public payments for general and special hospital care increased only $116 million, and private payments rose $504 million. The percentage, however, that private payments for general and special hospital care represented of the total hospital bill remained at 53 percent all 3 years.

Table 3 permits comparisons of the sources of income of hospitals classified according to the three major types. Only slightly more than a fourth of the expenditures for general and special short- and long-term hospitals came from public funds in each of the 3 years, but 86–88 percent of the support of nervous and mental hospitals and of tuberculosis institutions for these years has come from public sources.

In Table 4 the percentage distribution of public expenditures for hospital care in 1955 ($2.6 billion) among four different types of hospitals is given, and those for 1954 and 1953 as well. Because of their rising outlays for mental hospitals, State and local expenditures accounted for an increasing percentage of tax money spent on hospital care, with a proportionate decline in Federal outlays.

Table 4 also distributes for 1953–55 private expenditures for care in all types of hospitals. The only significant change from 1953 to 1955 is the increase in the proportion of private payments financing care in publicly controlled hospitals. The extent of the expansion is as yet, however, small. The data point up the slight amount of privately financed care in chronic and mental illnesses.

Employers, Workers, and Wages Under OASI

In the calendar year 1955, according to preliminary estimates, 66 million persons had earnings taxable...
under old-age and survivors insurance that amounted to $159 billion, increases of 11 percent and 19 percent, respectively, from the 1954 totals. Average annual taxable earnings in 1955 are estimated at $2,410, or 7.6 percent higher than the average a year earlier. These increases in covered employment and average taxable earnings resulted from the extension of coverage; the rise to $4,200 in the maximum taxable earnings limit, effective January 1, 1955, and the resumption of the uptrend in economic activity.

In the fourth quarter of 1955, declines occurred both in the number of workers with taxable wages and in the average taxable wage. (Quarterly data exclude those whose earnings are reported on an annual basis—(a) the self-employed and (b) agricultural workers, whose taxable earnings were first reported annually in 1955.) The number of workers with taxable wages was 9.9 percent less than in July-September, and the average taxable wage was 13.7 percent less. These were seasonal declines—the result of the limitation on wages taxable under old-age and survivors insurance.

The extension of coverage and the expansion of economic activity are also evident in the increases shown in the total and average earnings (taxable and nontaxable combined) in covered employment in the calendar year 1955. Total annual earnings are estimated at $197 billion, an increase of 15 percent from 1954. Average annual earnings, estimated at $2,980, were 3.5 percent greater than in the preceding year.

During January-March 1956 the number of workers with taxable wages (excluding the self-employed and agricultural labor) is estimated at 47 million, or 1.7 percent more than in the first quarter of 1955. Their average taxable wages are estimated at $870—a 6.9-percent increase—and their average earnings, taxable and nontaxable, increased 0.0 percent to an estimated $890. These increases are in line with the changes in average hourly and weekly earnings in manufacturing industries.

It is estimated that 5.0 million employers paid taxable wages in the cal-

<table>
<thead>
<tr>
<th>Year and quarter</th>
<th>Employers reporting wages (in thousands)</th>
<th>Workers with taxable earnings during period (in thousands)</th>
<th>Taxable earnings</th>
<th>All workers in covered employment during period (in thousands)</th>
<th>Total earnings in covered employment (in millions)</th>
<th>Average per worker</th>
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<tbody>
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<td>2,500</td>
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1 Annual figures correspond to the number of different employers filing returns for the year. Quarterly figures correspond to the number of returns for the quarter. A return may relate to more than one establishment if employer operates several separate establishments but reports for concern as a whole.
2 Excludes workers with earnings in excess of annual taxable limit.
3 Excludes joint coverage under the railroad retirement and old-age and survivors insurance programs.
4 Represents reported workers with taxable earnings.

The annual limit on taxable earnings was $3,000 through 1950; for 1951-54, it was $3,600; and, beginning 1955, it is $4,200.

For 1951-54, data exclude self-employment and, after 1954, agricultural labor.

Beginning 1955, estimates are preliminary.

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Bulleten, February 1957 15
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