

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

by SUE OSSMAN*

Two of the public assistance programs—old-age assistance and aid to dependent children—and the old-age, survivors, and disability insurance program have a common purpose in that they are income-maintenance programs for aged persons and for children. For this reason, the Bureau of Public Assistance summarizes in the Bulletin each year information obtained by State and local public assistance agencies on the extent to which aged persons and families with dependent children are receiving payments under the public assistance and insurance programs. This year's article also discusses briefly trends in the aged population.

THE complementary programs of old-age, survivors, and disability insurance and public assistance established by the Social Security Act are a major source of income for a substantial number of persons aged 65 and over and for many dependent children. Before 1951, more aged persons were receiving assistance payments than social insurance benefits. Today there are about three and one-half times as many aged insurance beneficiaries as there are recipients of old-age assistance—8.4 million compared with approximately 2.5 million. In addition, a substantial number of families that formerly would have received financial assistance under the program for aid to dependent children are now receiving benefits under the insurance program. In the early days of the assistance program, for example, more than a third of the families received assistance because the father was dead. At present, with the decrease in the number of paternal orphans and with the survivor protection provided by the insurance program, only about 1 family in 8 receives aid to dependent children because of the death of the father.

Since both old-age, survivors, and disability insurance and public assistance are income maintenance programs for the aged and for paternal orphans, the relationship between them is of continuing interest. Recent liberalizations in the insurance pro-

gram have greatly increased this interest. The following article discusses the interprogram relationship, on the basis of information reported by all States in early 1958, and reviews the trend in and relationships between the two programs during the past 10 years.¹ Because both programs relate to persons aged 65 and over, trends in the aged population from 1940 to 1970 are also discussed.

Trends in Aged Population

Statements are often made that our population is "rapidly becoming an aged population" and that the American people are becoming a "nation of elders." Although such statements may be an overdramatization, used to focus attention on the problem of old-age dependency, the number of older persons in our population is increasing. From April 1940 to December 1957, the number of persons aged 65 and over in the continental United States² was greater by almost 6 mil-

¹ Only the relationship between old-age, survivors, and disability insurance and the assistance programs for the aged and for children is discussed here. Information on the relationship between the insurance program and the two assistance programs for the disabled—aid to the permanently and totally disabled and aid to the blind—will be discussed in a later *Bulletin* article analyzing the effect on public assistance of the 1956 amendments to the insurance provisions of the Social Security Act.

² Analysis of the population data is limited to the continental United States because Bureau of the Census estimates of the 1970 population aged 65 and over are not available for Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

lion, or 66 percent (chart 1). During this period of more than 17 years, their number rose from 9.0 million to about 14.9 million and their ratio to the total population increased from 6.8 percent to 8.7 percent.

Although all the States have experienced a growth in aged population, the rate of increase has varied considerably from one State to another. The increase between 1940 and the end of 1957 was less than 40 percent in only five States—Iowa, Maine, New Hampshire, North Dakota, and Vermont. The population aged 65 and over increased more than 225 percent in Florida, more than 200 percent in Arizona, and more than 110 percent in California. With the addition of considerably more than one-quarter million persons to the aged population of Florida, that State at the end of 1957 had about 430,000 persons aged 65 and over. In California the aged population increased by more than one-half million, to a total of nearly 1.2 million—greater than the population aged 65 and over in all the New England States. Only New York, with nearly 1.5 million aged persons, now outranks California.

Persons aged 65 and over in December 1957 made up 10 percent or more of the total population in 11 States. Heading the list were Vermont, with 11.2 percent, and Iowa and New Hampshire, with 11.1 percent each. In Florida, 10.5 percent of the population is aged 65 and over. Despite their rapid increase in number, the aged in California still constitute only about 8.4 percent of the total population in the State—a smaller proportion than that for the Nation as a whole.³

The number of persons aged 65 and over in the continental United States may be greater by somewhat more than 4.5 million in 1970, though the

³ Percentages are derived from estimates of State populations made by the Bureau of Public Assistance.

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rate of increase in the aged population may not be as rapid from 1957 to 1970 as it was from 1940 to 1957. Those aged 65 and over may then total 19.5 million and represent about 9.4 percent of the total population. The population aged 65 and over is expected to exceed the 2-million mark in New York State and to reach 1.7 million in California, 1.3 million in Pennsylvania, nearly 1.2 million in Illinois, and somewhat more than 1 million in Ohio.

The increase in the aged population from 1957 to 1970 is expected to be less than 10 percent in only four States—Arkansas, Iowa, Kansas, and Vermont. In Nevada the population aged 65 and over is expected to double; in Arizona, Maryland, and the District of Columbia it is expected to increase by 50 percent or more. According to present indications, 20

States will then have more than 10 percent of their populations in the age group 65 and over. The proportion is expected to be as large as 14.0 percent in Arkansas and 12.8 percent in Oklahoma.⁴

Aged Persons Receiving OASI and OAA

The gradual maturing of the insurance program and the extension of that program's coverage under the amendments to the Social Security Act during the 1950's have greatly increased the number of insurance beneficiaries among the population aged 65 and over in the past 10 years. From June 1948 to February 1958 the total number of insurance beneficiar-

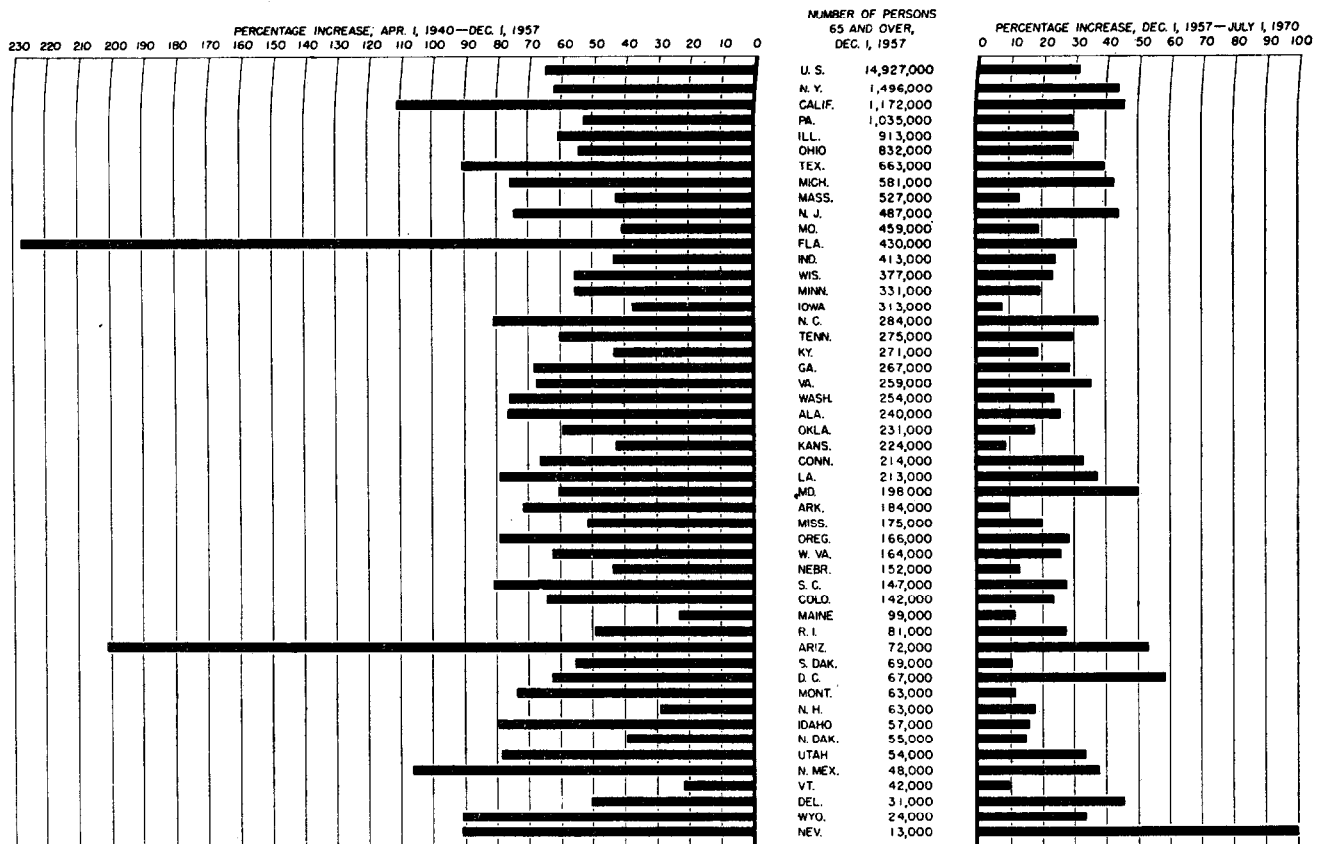
⁴ Percentages were derived from Bureau of the Census, *Current Population Estimates*, Series P-25, No. 160, pages 8-11, projection series 1.

ies aged 65 and over⁵ rose from 1.5 million to 8.4 million, or 460 percent (chart 2). During the same period the old-age assistance rolls declined somewhat, although they experienced a slight rise from 1948 to 1950. From September 1950, the month before the 1950 amendments to the Social Security Act went into effect, to February 1958 the number of recipients of old-age assistance decreased 12 percent—from 2.8 million to approximately 2.5 million. This decline is significant when measured against the growth in the aged population throughout this period. Persons re-

⁵ Women aged 62-64 who are receiving benefit payments under the social insurance program are excluded from this report since they are not eligible for old-age assistance. For comparison with recipients of old-age assistance, only insurance beneficiaries aged 65 and over are included in the analysis.

Chart 1.—Percentage increase in the number of persons aged 65 and over, continental United States, 1940-57 and 1957-70¹

(STATES RANKED ACCORDING TO NUMBER OF PERSONS 65 AND OVER, DEC. 1, 1957)



¹ Data for 1940 and 1970 from the Bureau of the Census; data for 1957 estimated by the Bureau of Public Assistance.

Table 1.—Aged persons and families with children receiving both OASI benefits and assistance payments, 1948–58

| 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..... | 426,500 | 10.7 | 16.3 | 30,600 | 5.7 | 5.3 |
| February 1954 ¹ | 468,000 | 9.7 | 18.0 | 31,900 | 5.4 | 5.9 |
| February 1955..... | 488,800 | 8.7 | 19.2 | 32,100 | 4.9 | 5.2 |
| February 1956 ² | 516,300 | 8.0 | 20.4 | 32,600 | 4.6 | 5.3 |
| February 1957..... | 555,300 | 7.8 | 22.2 | 31,900 | 4.2 | 5.1 |
| February 1958..... | 596,500 | 7.1 | 24.2 | 37,200 | 4.5 | 5.4 |

¹ November 1953 data for ADC families.

² Data for ADC families for March for 20 States, November 1955 for 1 State, and May 1956 for 1 State.

ceiving both insurance benefits and assistance payments advanced in number from 146,000 in June 1948 to 596,500 in February 1958—a rise of 309 percent.

The shift in the roles of the two income-maintenance programs is even more dramatic when the changes in the proportion of the aged population receiving payments under each program are compared. From September 1950 to February 1958 the proportion receiving insurance benefits rose from 177 per 1,000 persons aged 65 and over in the population to 559 per 1,000, an increase of 216 percent. In contrast, the proportion receiving old-age assistance declined 27 percent, from 226 per 1,000 aged persons to 164 per 1,000. Now that coverage under the insurance program has been extended to farmers, all States except Louisiana, Mississippi, Puerto Rico, and the Virgin Islands have more aged insurance beneficiaries per 1,000 population aged 65 and over than old-age assistance recipients. In June 1948, fewer than one-fourth of the States had a higher beneficiary rate than recipient rate.

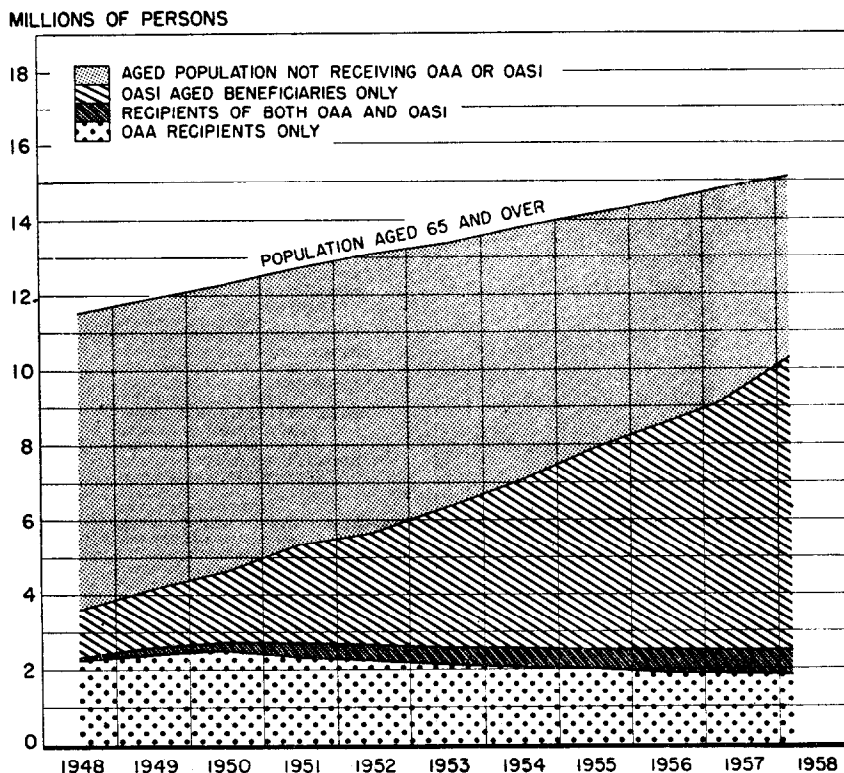
There are several reasons why the decline in the recipient rate for old-age assistance has not been as sharp as the rise in the beneficiary rate under the insurance program. The assistance rolls include many persons who did not have an opportunity to obtain insured status under the insurance program and, because of their age, are likely never to have an op-

portunity to obtain such status. Another group of assistance recipients is made up of individuals whose insurance benefits are small—because of either low wages or irregular work in covered employment—and whose incomes from benefits and other sources

combined are inadequate to meet their basic needs. Finally, benefits under the insurance program were not designed to provide complete protection for persons with special needs, such as medical care. Public assistance will continue to supplement the benefits for such individuals.

Although the old-age assistance caseload continues to decline, the number of insurance beneficiaries who receive old-age assistance to supplement their benefits continues to increase. In February 1958, both old-age assistance payments and insurance benefits were going to 596,500 persons (40 persons per 1,000 aged population), an increase of 41,200 or 7.4 percent from the number the preceding February (table 1). As indicated earlier, more than four times as many persons were receiving both types of payments in February 1958 as in June 1948. Except for the period 1948–51, the annual increases have been more or less gradual, ranging from 20,000 to about 41,000. Insurance benefits awarded in 1950 and 1951 to persons who became newly

Chart 2.—Population aged 65 and over in the United States and persons receiving payments under Social Security Act programs for the aged, 1948–58



eligible under the 1950 amendments were, in general, at or near the minimum,⁶ and many recipients of old-age assistance then on the rolls who received benefits for the first time continued to need assistance. As a result, the number of aged persons receiving both types of payments was greater by more than 100,000 in September 1950 than in June 1948; an increase of about the same size occurred during the following year.

Although the number of aged insurance beneficiaries who also receive assistance has increased, the proportion that such beneficiaries represent of all aged beneficiaries has declined. By February 1958, only 1 out of every 14 aged beneficiaries also received payments under the old-age assistance program, compared with 1 out of every 8 in September 1950. As the proportion of benefits computed on the basis of earnings after 1950 continues to grow, the average benefit paid to all aged beneficiaries will continue to increase, and thus relatively fewer aged beneficiaries may need supplementary assistance.

On the other hand, as the number of aged assistance recipients with insurance benefits increases and the total number of recipients of old-age assistance declines, the proportion of the aged who are receiving both types of payments will continue to go up. The proportion of all old-age assistance recipients who were also beneficiaries under the insurance program was four times as great in February 1958 as it was in June 1948—24.2 percent compared with 6.1 percent.

State Changes, February 1957—February 1958

The number of beneficiary-recipients was larger in February 1958 than it had been a year earlier in all but nine of the 52 States⁷ and in all but two—Nevada and South Carolina—represented a higher proportion of all recipients. In Nevada the percentage of recipients also getting insurance benefits dropped from 48.8 in February 1957 to 45.6 in February 1958. In South Carolina the propor-

⁶ The minimum benefit then payable to retired workers was \$20.

⁷ Puerto Rico was excluded from the State analysis since it did not report any cases receiving both assistance payments and insurance benefits.

Table 2.—Number of aged OASI beneficiaries per 1,000 population aged 65 and over and percent of OAA recipients with OASI benefits, February 1958¹

| State ² and beneficiary-rate group | OASI beneficiaries per 1,000 population aged 65 and over ³ | Percent of OAA recipients with OASI benefits | | | |
|-----------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------|-------|-------|-------------|
| | | Less than 15 | 15-24 | 25-34 | 35 and over |
| Total, 53 States..... | 559 | 24.2 | | | |
| Less than 399: | | | | | |
| Virgin Islands..... | 210 | 0.2 | | | |
| Louisiana..... | 379 | | 24.8 | | |
| New Mexico..... | 396 | 11.8 | | | |
| 400-449: | | | | | |
| Georgia..... | 407 | 11.6 | | | |
| South Carolina..... | 412 | 6.3 | | | |
| Oklahoma..... | 412 | | 20.1 | | |
| Mississippi..... | 414 | 14.1 | | | |
| Texas..... | 431 | | 17.8 | | |
| Alabama..... | 440 | | 16.0 | | |
| Arkansas..... | 441 | 10.1 | | | |
| District of Columbia..... | 442 | | 23.5 | | |
| 450-499: | | | | | |
| North Dakota..... | 458 | | 16.8 | | |
| Tennessee..... | 465 | 9.1 | | | |
| North Carolina..... | 474 | 10.2 | | | |
| Alaska..... | 478 | | | 34.9 | |
| Colorado..... | 491 | | | 34.3 | |
| 500-549: | | | | | |
| South Dakota..... | 500 | | 17.5 | | |
| Kentucky..... | 502 | 14.1 | | | |
| Arizona..... | 513 | | | 28.4 | |
| Nebraska..... | 515 | | 20.5 | | |
| Iowa..... | 516 | | 22.9 | | |
| Wyoming..... | 518 | | | 32.9 | |
| Virginia..... | 522 | 7.3 | | | |
| Kansas..... | 525 | | 21.1 | | |
| Montana..... | 525 | | | 26.2 | |
| Hawaii..... | 526 | | 17.7 | | |
| Missouri..... | 527 | | | 28.0 | |
| Minnesota..... | 530 | | 23.4 | | |
| Idaho..... | 548 | | | 27.2 | |
| 550-599: | | | | | |
| Utah..... | 553 | | 21.5 | | |
| Maryland..... | 557 | | 19.7 | | |
| Illinois..... | 562 | | 23.5 | | |
| West Virginia..... | 568 | 8.5 | | | |
| California..... | 581 | | | | 42.9 |
| Ohio..... | 583 | | 24.2 | | |
| Vermont..... | 586 | | | 29.6 | |
| Wisconsin..... | 593 | | | 26.6 | |
| 600-649: | | | | | |
| Florida..... | 604 | | | 29.3 | |
| Washington..... | 609 | | | | 37.1 |
| Pennsylvania..... | 616 | | 21.7 | | |
| Indiana..... | 621 | | 20.8 | | |
| Michigan..... | 627 | | | 29.1 | |
| New York..... | 627 | | | 31.8 | |
| Nevada..... | 632 | | | | 45.6 |
| Massachusetts..... | 637 | | | | 43.0 |
| Delaware..... | 641 | | 20.8 | | |
| 650 or more: | | | | | |
| New Hampshire..... | 654 | | | 29.7 | |
| Oregon..... | 659 | | | 33.6 | |
| Maine..... | 660 | | | 32.9 | |
| Connecticut..... | 667 | | | | 37.7 |
| New Jersey..... | 668 | | | 29.1 | |
| Rhode Island..... | 708 | | | | 37.6 |

¹ March data for Arizona and Iowa.

² Puerto Rico is not shown because it did not report any cases receiving both assistance payments and insurance benefits.

³ Number of aged beneficiaries for February for each State estimated on the basis of change in na-

tional data from December to February. Data adjusted to exclude (1) women beneficiaries aged 62-64, (2) wife beneficiaries under age 62 with child beneficiaries in their care, and (3) duplicate counts for beneficiaries receiving both old-age and wife's or husband's benefits.

tion was the same as in the preceding year.

The largest percentage increase (65 percent) in the number of aged recipients with both types of payments occurred in Mississippi, where the number rose from 6,900 in February

1957 to almost 11,500 in February 1958. The maximum on payments for old-age assistance was increased in that State in January 1958. Application of a higher maximum tends, of course, to increase the number of insurance beneficiaries on the assistance

rolls, since many with minimum benefits then become eligible for a small assistance payment to supplement their benefits.

Four States—Alabama, Arkansas, the District of Columbia, and New Mexico—each had an increase of more than 20 percent in the number of recipients of old-age assistance who also received insurance benefits.

State Differences

When the Virgin Islands—where only one recipient of old-age assistance also received insurance benefits—are excluded, the proportion of aged persons receiving both types of payments in February 1958 ranged from a low of 6.3 percent in South Carolina to a high of 45.6 in Nevada (table 2). Small percentages reflect one or both of two conditions—(1) a relatively small proportion of aged persons in the State receiving insurance benefits and (2) assistance payments that are low because State funds are small in relation to the number of needy persons, with the result that relatively few aged beneficiaries are eligible for assistance.

In 11 States, fewer than 15 percent of the aged assistance recipients also received insurance benefits. Except for West Virginia, the aged beneficiary rates for these States were substantially less than the national rate of 559 per 1,000 persons aged 65 and over. Though West Virginia's rate of 568 per 1,000 was somewhat higher than the national average, limited assistance funds made it possible to assist only the neediest aged persons and thus the recipient rate was held down. Some of the aged insurance beneficiaries in that State are retired mine workers who also receive payments from the United Mine Workers Retirement Fund. This group would not be eligible for assistance even if funds were not so limited, since in addition to their insurance benefits they receive a flat monthly benefit of \$100 from the fund.

With the Virgin Islands excluded from this group of States, all except one (New Mexico) are in the agricultural South, where many of the farm operators and farm workers did not gain coverage under the insurance program until 1954. The average assistance payment in these 10 States ranged from \$30.02 to \$53.80; the

national average in February 1958 was \$61.08.

In six States, 37 percent or more of the old-age assistance recipients also received insurance benefits. All but one (Nevada) are industrialized States, and all have average benefits and old-age assistance payments substantially higher than the national

averages. The beneficiary rate for these six States ranged from 581 to 708 per 1,000 aged persons; their average assistance payments ranged from \$68.15 to \$118.05.

In 19 States the proportion of recipients getting both insurance benefits and old-age assistance ranged from 16 percent to 25 percent. Only

Table 3.—Number of OAA recipients per 1,000 population aged 65 and over and percent of aged OASI beneficiaries receiving OAA, February 1958¹

| State ² and recipient-rate group | OAA recipients per 1,000 population aged 65 and over | Percent of aged beneficiaries receiving OAA ³ | | | |
|---------------------------------------------|------------------------------------------------------|----------------------------------------------------------|-----|-------|------------|
| | | Less than 5 | 5-9 | 10-14 | 15 or more |
| Total, 53 States..... | 164 | 7.1 | | | |
| Less than 100: | | | | | |
| New Jersey..... | 39 | 1.7 | | | |
| District of Columbia..... | 47 | 2.5 | | | |
| Pennsylvania..... | 48 | 1.7 | | | |
| Maryland..... | 49 | 1.7 | | | |
| Delaware..... | 51 | 1.7 | | | |
| Hawaii..... | 53 | 1.8 | | | |
| New York..... | 60 | 3.0 | | | |
| Virginia..... | 61 | .9 | | | |
| Connecticut..... | 71 | 4.0 | | | |
| Indiana..... | 75 | 2.5 | | | |
| New Hampshire..... | 85 | 3.9 | | | |
| Rhode Island..... | 90 | 4.8 | | | |
| Illinois..... | 91 | 3.8 | | | |
| 100-149: | | | | | |
| Wisconsin..... | 102 | 4.6 | | | |
| Oregon..... | 108 | | 5.5 | | |
| Nebraska..... | 109 | 4.4 | | | |
| Ohio..... | 110 | 4.6 | | | |
| Michigan..... | 116 | | 5.4 | | |
| Iowa..... | 120 | | 5.3 | | |
| Maine..... | 123 | | 6.2 | | |
| Montana..... | 127 | | 6.4 | | |
| West Virginia..... | 132 | 2.0 | | | |
| North Dakota..... | 139 | | 5.1 | | |
| Kansas..... | 139 | | 5.6 | | |
| Idaho..... | 142 | | 7.0 | | |
| South Dakota..... | 142 | | 5.0 | | |
| Minnesota..... | 148 | | 6.5 | | |
| Vermont..... | 148 | | 7.5 | | |
| 150-199: | | | | | |
| Wyoming..... | 153 | | 9.7 | | |
| Florida..... | 161 | | 7.8 | | |
| Massachusetts..... | 162 | | | 10.9 | |
| Utah..... | 163 | | 6.3 | | |
| North Carolina..... | 179 | 3.8 | | | |
| Arizona..... | 196 | | | 10.8 | |
| Nevada..... | 197 | | | 14.2 | |
| 200-299: | | | | | |
| Tennessee..... | 208 | 4.1 | | | |
| New Mexico..... | 211 | | 6.4 | | |
| Kentucky..... | 214 | | 6.0 | | |
| Washington..... | 219 | | | 13.3 | |
| California..... | 227 | | | | 16.7 |
| South Carolina..... | 245 | 3.7 | | | |
| Alaska..... | 259 | | | 14.3 | 19.1 |
| Missouri..... | 270 | | | | |
| 300-399: | | | | | |
| Arkansas..... | 305 | | 7.0 | | |
| Virgin Islands..... | 315 | .2 | | | |
| Texas..... | 339 | | | 14.0 | |
| Georgia..... | 368 | | | 10.5 | |
| Colorado..... | 368 | | | | 23.7 |
| 400 or more: | | | | | |
| Oklahoma..... | 406 | | | | 19.8 |
| Alabama..... | 433 | | | | 15.8 |
| Mississippi..... | 462 | | | | 15.8 |
| Louisiana..... | 583 | | | | 38.2 |

¹ March data for Arizona and Iowa.

² Puerto Rico is not shown because it did not report any cases receiving both assistance payments and insurance benefits.

³ Number of aged beneficiaries for February for each State estimated on the basis of change in na-

tional data from December to February. Data adjusted to exclude (1) women beneficiaries aged 62-64, (2) wife beneficiaries under age 62 with child beneficiaries in their care, and (3) duplicate counts for beneficiaries receiving both old-age and wife's or husband's benefits.

five of these States (Illinois, Ohio, Pennsylvania, Indiana, and Delaware) had beneficiary rates above the national average. Average assistance payments varied widely among the 19 States, ranging from \$38.49 to \$85.14.

The remaining 16 States had 26–35 percent of the old-age assistance recipients also getting insurance benefits. Nine of the States had beneficiary rates above the national average, and 10 had average assistance payments higher than that for the Nation.

As the number of aged insurance beneficiaries increases, the proportion who also receive old-age assistance usually declines. The District of Columbia, Maine, Mississippi, and Pennsylvania were exceptions to the general rule and showed a slightly higher percentage of beneficiaries on the assistance rolls in February 1958 than in the preceding February.⁸ In six States—Delaware, Hawaii, New Jersey, New Mexico, Virginia, and West Virginia—the proportion was the same as in the preceding year.

The proportion of beneficiaries receiving old-age assistance to supplement their other income varied widely from State to State. In 21 States fewer than 5 percent of the aged beneficiaries received assistance in February 1958 (table 3), but in seven States more than 15 percent of the aged beneficiaries were also getting supplementary assistance. When the Virgin Islands are excluded, the proportion was smallest in Virginia (0.9 percent) and largest in Louisiana (38.2 percent).

The proportion of insurance beneficiaries receiving assistance is usually low in States with relatively low old-age assistance recipient rates and high in States where the recipient rate is relatively high. For example, in all 13 States where the number of recipients per 1,000 aged 65 and over in the population was less than 100, fewer than 5 percent of the aged beneficiaries received supplementary assistance. Most of these States are highly industrialized and rank near the top in the number of beneficiaries per 1,000 aged in their populations. Benefit payments are higher than the

⁸ The Virgin Islands have been excluded from the comparisons with the 1957 data, because no beneficiary-recipient cases were reported in that jurisdiction for 1957.

national average in most of these States because of the generally higher wage levels in industry and the opportunity for continuing work in covered employment. As a result, fewer beneficiaries need assistance to supplement their income.

Among the 19 States with old-age assistance recipient rates of more than 100 but less than the national average of 164, 15 reported that 5–11 percent of the aged insurance beneficiaries were receiving old-age assistance. In the other four States in the group the percentage ranged from 2.0 to 4.6.

The 20 States with old-age assistance recipient rates exceeding the national average presented a mixed situation. Four States had fewer than 5 percent of the beneficiaries on the old-age assistance rolls, and in seven States more than 15 percent of the aged insurance beneficiaries received assistance. The proportion of beneficiaries getting assistance payments ranged from 6.0 percent to 14.3 percent in the remaining nine States in this group. All four States with old-age assistance recipient rates that were higher than 400 per 1,000 aged population had more than 15 percent of their aged insurance beneficiaries on the assistance rolls.

Families With Children Receiving OASI and ADC

The extension of old-age and survivors insurance coverage and the increase in the benefit amount have also affected the program of aid to dependent children. The effect is not reflected in a decrease in caseload, as in old-age assistance, but rather in the changing characteristics of the caseload with respect to reasons for deprivation of parental support or care of the children. The most usual reason for deprivation of support or care of a child who would be entitled to receive survivor benefits under the insurance program is death of the father. In February 1958 approximately 1 out of every 8 families receiving aid to dependent children was eligible for assistance on this basis. The ratio is substantially different from that in 1948, when 1 out of every 4 of the assistance families was receiving aid because of the father's death. The decline in the ratio resulted not only from the growth of

the insurance program but also to some extent from the decrease in recent years in the proportion of children under age 18 who are paternal orphans. This proportion has dropped one percentage point in the past 10 years—from 4.2 percent to 3.2 percent.

The number of families with one or more child beneficiaries under the insurance program rose from about 322,000 in June 1948 to about 829,000 in February 1958, a rise of 157 percent. During the same period the number of families receiving both insurance benefits and aid to dependent children increased from 21,600 to 37,200, or 72 percent.

In February 1958, children in families receiving benefits under the insurance program numbered about 1.5 million—2.4 percent of all children under age 18 in the population. Families receiving aid to dependent children included 2.0 million children, or 3.2 percent of the total child population.

The number of families receiving both insurance benefits and payments under the program of aid to dependent children increased by 5,300 or 17 percent from February 1957 to February 1958. The 37,200 families getting both insurance benefits and assistance payments in February 1958 represented 5.4 percent of all families getting aid to dependent children. From 1950 through February 1957, the number of families receiving both types of payments remained more or less stationary, but the proportion of beneficiary families receiving aid to dependent children to supplement their benefits declined continuously. From February 1957 to February 1958, however, this proportion increased.

Just as the increase in the total number of persons receiving aid to dependent children during these 12 months reflected widespread growth in unemployment, the increase in the number of families receiving both types of payments may well be due to the same reason. One of the most frequent sources of income for widows with children is employment.⁹ Since most of the beneficiary families with children consist of a widow and her children, it is likely that some of the beneficiary families who previous-

⁹ See the *Bulletin*, August 1958, page 23.

ly had income from employment to supplement their benefits lost such income because of the adverse economic conditions and found it necessary to apply for aid to dependent children.

Of the total number of families receiving payments under both the program of aid to dependent children and the insurance program, it is estimated that about 80 percent had benefits based on the wage record of a

father who had died, 17 percent on the basis of an aged retired father's wage record, and the remaining 3 percent on the basis of the wage record of a deceased mother.

The families receiving both types of payments were generally larger than families receiving only insurance benefits. In February 1958 the average number of children in families receiving both types of payments was 2.9; the average in families receiving

only insurance benefits was 1.7. Although 4.5 percent of the beneficiary families with children were receiving assistance in February 1958, the children in these families represented 7.2 percent of all child beneficiaries (table 4). Because of the overall maximum on family benefits written into the Social Security Act, large families are more likely to need supplementation of their insurance benefits than are those with fewer children. Families receiving benefits based on a low average wage are also most likely to need supplementary assistance, and the need tends to increase in proportion to the number of child survivors.

Although the families receiving both types of payments were larger, on the average, than other beneficiary families, they were generally about the same size as families receiving only aid to dependent children. The average number of children in families receiving only assistance increased slightly from February 1957 to February 1958. In February 1958 the average number of children in these families was 2.9; in the preceding February it was 2.8.

Variations among the States in the proportion of assistance families receiving benefits are the result of the same factors that underlie State variations in the extent of concurrent receipt of benefits and assistance by aged persons—differences in the proportion of persons in the State who receive insurance benefits and in the amount of State funds available for needy persons. In addition, State differences in the proportion of needy families in which the father is dead affect the percentage of assistance families in receipt of insurance benefits.

Effect of OASI on Assistance Costs

Assistance payments made to persons receiving old-age and survivors insurance benefits are, on the average, lower than those to persons receiving only old-age assistance. Since such benefits, like all other income and resources of the recipient, are taken into account in determining the amount of his need, in February 1958, average assistance payments were approximately one-fourth lower for aged beneficiary-recipients than for other old-age assistance recipients—\$49.09

Table 4.—Concurrent receipt of OASI benefits and assistance payments by OAA recipients and ADC cases, February 1958¹

| State ² | 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 ³ |
| Total, 58 States..... | 24.2 | 7.1 | 5.4 | 7.2 |
| Alabama..... | 16.0 | 15.8 | 4.8 | 8.4 |
| Alaska..... | 34.9 | 19.1 | 10.0 | 21.1 |
| Arizona..... | 28.4 | 10.8 | 7.2 | 8.8 |
| Arkansas..... | 10.1 | 7.0 | 5.2 | 6.6 |
| California..... | 42.9 | 16.7 | 5.0 | 7.5 |
| Colorado..... | 34.3 | 23.7 | 5.6 | 7.8 |
| Connecticut..... | 37.7 | 4.0 | 4.7 | 4.0 |
| Delaware..... | 20.8 | 1.7 | 2.6 | 4.0 |
| District of Columbia..... | 23.5 | 2.5 | 3.0 | 4.7 |
| Florida..... | 29.3 | 7.5 | 7.9 | 13.9 |
| Georgia..... | 11.6 | 10.5 | 7.8 | 6.9 |
| Hawaii..... | 17.7 | 1.8 | 2.7 | 4.2 |
| Idaho..... | 27.2 | 7.0 | 5.8 | 6.9 |
| Illinois..... | 23.5 | 3.8 | 4.0 | 4.0 |
| Indiana..... | 20.8 | 2.5 | 10.2 | 7.6 |
| Iowa..... | 22.9 | 5.3 | 7.4 | 11.5 |
| Kansas..... | 21.1 | 5.6 | 5.6 | 5.1 |
| Kentucky..... | 14.1 | 6.0 | 9.6 | 16.4 |
| Louisiana..... | 24.8 | 38.2 | 4.4 | 9.8 |
| Maine..... | 32.9 | 6.2 | 11.4 | 13.6 |
| Maryland..... | 19.7 | 1.7 | 3.1 | 3.1 |
| Massachusetts..... | 43.0 | 10.9 | 6.7 | 5.8 |
| Michigan..... | 29.1 | 5.4 | 7.6 | 6.6 |
| Minnesota..... | 23.4 | 6.5 | 8.7 | 8.1 |
| Mississippi..... | 14.1 | 15.8 | 5.9 | 15.4 |
| Missouri..... | 28.0 | 14.3 | 6.8 | 12.0 |
| Montana..... | 26.2 | 6.4 | 6.0 | 5.8 |
| Nebraska..... | 20.5 | 4.4 | 6.7 | 6.1 |
| Nevada..... | 45.6 | 14.2 | 4.6 | 5.3 |
| New Hampshire..... | 29.7 | 3.9 | 10.0 | 4.3 |
| New Jersey..... | 29.1 | 1.7 | 5.9 | 3.6 |
| New Mexico..... | 11.8 | 6.4 | 6.0 | 12.7 |
| New York..... | 31.8 | 3.0 | 3.0 | 5.5 |
| North Carolina..... | 10.2 | 3.8 | 6.0 | 8.6 |
| North Dakota..... | 16.8 | 5.1 | 9.5 | 11.0 |
| Ohio..... | 24.2 | 4.6 | 7.6 | 5.5 |
| Oklahoma..... | 20.1 | 19.8 | 6.5 | 12.4 |
| Oregon..... | 33.6 | 5.5 | 6.5 | 4.3 |
| Pennsylvania..... | 21.7 | 1.7 | 3.4 | 3.8 |
| Rhode Island..... | 37.6 | 4.8 | 3.3 | 5.9 |
| South Carolina..... | 6.3 | 3.7 | 4.2 | 5.6 |
| South Dakota..... | 17.5 | 5.0 | 6.4 | 10.7 |
| Tennessee..... | 9.1 | 4.1 | 5.6 | 10.1 |
| Texas..... | 17.8 | 14.0 | 7.3 | 6.5 |
| Utah..... | 21.5 | 6.3 | 5.5 | 5.7 |
| Vermont..... | 29.6 | 7.5 | 10.5 | 8.5 |
| Virgin Islands..... | .2 | .2 | .4 | 2.5 |
| Virginia..... | 7.3 | .9 | 4.1 | 3.3 |
| Washington..... | 37.1 | 13.3 | 7.4 | 8.5 |
| West Virginia..... | 8.5 | 2.0 | 5.6 | 10.7 |
| Wisconsin..... | 26.6 | 4.6 | 9.2 | 7.1 |
| Wyoming..... | 32.9 | 9.7 | 6.7 | 4.9 |

¹ March data for Arizona and Iowa.

² Puerto Rico is not shown because it did not report any cases receiving both assistance payments and insurance benefits.

³ Data given in terms of children because OASI data on beneficiary families are not available by State.

compared with \$64.73. These amounts represented increases from the previous February of \$1.09 for beneficiary-recipients and \$3.96 for other recipients. Less than one-fifth of the old-age assistance payments in February 1958, or somewhat less than \$29.3 million, was paid to aged beneficiaries as a supplement to their insurance payments.

In February 1958 the average insurance benefit received by persons getting both assistance payments and insurance benefits was \$40.68, or about 70 percent of the average benefit paid to all aged beneficiaries. It was only 60 cents higher than the average a year earlier.

The cost of assistance for beneficiary families with children amounted to slightly more than \$2.9 million in February 1958. Although the number of beneficiary families increased 17 percent from February 1957 to February 1958, the proportion of total assistance payments going to these families remained about the same as in the preceding February—4 percent. The average assistance payment in February 1958 to families receiving both types of payments was \$78.27, compared with \$102.71 for families not receiving insurance benefits. The increase in the average assistance payment from the preceding February was smaller for beneficiary families than for nonbeneficiary families—\$2.52 compared with \$6.32.

The average benefit paid to beneficiary families receiving assistance was \$66.19 in February 1958, or \$2.78 more than it had been a year earlier. For all families consisting of widows and children the average family benefit in February 1958 was \$133.50, or more than twice that received by those who

were also receiving aid to dependent children.

Summary and Future Trends

The problem of old-age dependency has been of growing importance for a number of years. One reason for increased interest in the question is the shift, which has been continuing for some time, in the age distribution of the population—a shift that has meant a rise in both the number of persons aged 65 and over and the proportion they represent of the total population. Since 1950, however, there has been some decline in both the number of persons receiving old-age assistance and the proportion of the population aged 65 and over receiving assistance.

The downward trend in the proportion of the aged population receiving assistance results largely from the increase in the number of persons receiving benefits under the old-age, survivors, and disability insurance program. About three and one-half times as many persons aged 65 and over are now receiving benefits as are dependent on public assistance. In February 1958, old-age assistance payments were going to 16.4 percent of the Nation's aged population. Of the population aged 65 and over who did not have insurance benefits, 28.2 percent received old-age assistance. Only 7.1 percent of the aged insurance beneficiaries were on the assistance rolls. Many more aged persons would be receiving assistance if it were not for their insurance benefits. A rough estimate can be obtained of the size of the old-age assistance caseload, if there were no insurance program, by applying the recipient rate of the nonbeneficiary aged population to the

total population aged 65 and over. On this basis, it is estimated that, without the insurance program, almost 1.8 million (72 percent) more aged persons would be receiving old-age assistance than are on the assistance rolls today.

Only slightly more than 4 percent of the beneficiary families with children receive payments under the program for aid to dependent children. The payments to these families represent 4 percent of all payments made to families receiving such aid. Only 10 percent of the 1.9 million paternal orphans in the Nation today receive aid to dependent children, but about 63 percent receive survivor benefits.

In the years ahead, as the old-age assistance caseload declines and the proportion of the aged population receiving insurance benefits continues to grow, the supplementary role of the assistance program will become more and more evident. Old-age assistance will increasingly be a program primarily for aged persons who do not qualify for insurance benefits and for beneficiaries who have special needs that cannot be met from their insurance benefits and whatever other resources they may have.

In terms of the number of persons on the assistance rolls, the program of aid to dependent children has already become the largest public assistance program, with the old-age assistance program taking second place. It may be said that, in the not too distant future, death of the father will become a negligible factor in the need for aid to dependent children and that the program will be almost wholly confined to meeting need arising from the disability or absence of the father from the home.