

peak of the post-World War II period; in 1957, the ratio was 0.57 percent. The 1958 rise in benefit payments of 4.8 percent represented, however, a lower rate of increase than those registered in 1956 and 1957—9.5 percent and 5.9 percent.

All but seven States—Connecticut, Iowa, Massachusetts, New Hampshire, Pennsylvania, Wisconsin, and Wyoming—reported higher benefit payments for 1958. The increases ranged from less than 1 percent in Montana, Nevada, Ohio, and Vermont to more than 14 percent in Oregon and South Dakota. Thirteen States, with about 35 percent of the covered workers, had increases of 1.0-4.9 percent. In the systems of 17 jurisdictions and the Federal system, which combined took in one-fourth of all covered employment, the increases ranged from 5.0 percent to 9.9 percent. The remaining six States, accounting for 16 percent of the coverage, had increases of 10.0-13.9 percent.

Payments were higher in all regions except New England. The greatest relative advances took place in the Far West and Southeast. The smallest percentage gains were scored in the Middle Atlantic States and the industrial States of the Middle West.

Private carriers were responsible for 62 percent of total benefit payments, State funds (including the Federal workmen's compensation system) for 26 percent, and self-insurers for 12 percent. This distribution is unchanged from that in 1956 and 1957, although payments under self-insurance are not increasing at quite the same pace as the benefit amounts paid through the other two types of insurance.

Data usually presented in the accompanying table on the Federal workmen's compensation system have been refined this year to show separately benefit payments to civilian employees of the Federal Government (including workers employed under emergency relief acts). Injuries sustained by such employees accounted for two-thirds of the benefit disbursements from the Federal employee's compensation fund in the fiscal year 1957-58. The remaining one-third was attributable to cases involving military reservists on active

duty, members of the Civil Air Patrol, employees injured or killed as a result of enemy action or detention while performing duties for Government contractors outside the United States, and other civilians incurring injury or death as a result of enemy action or a war-risk hazard.

A decline in payrolls, combined with a leveling off in the dollar amounts spent by employers to insure or self-insure their risks under workmen's compensation programs, produced a relative increase in costs for 1958. The more than \$1,760 million estimated as having been spent by employers in 1958 represented about 96 cents per \$100 of covered payroll, compared with 94 cents in 1957. The 1958 total consists of (a) \$1,235 million in premiums paid to private insurance carriers; (b) \$384 million in premiums paid to State funds (for the Federal workmen's compensation programs, which are financed through congressional appropriations, these "premiums" are the sum of the benefit payments and the cost of the administrative agency); and (c) about \$145 million as the cost of self-insurance (benefits paid by self-insurers, with the total increased 5-10 percent to allow for administrative costs).

Of the total employer cost of almost \$1.8 billion, the benefit payments of \$1,113 million represented 63 percent—an increase of 2 percentage points from the preceding year. The loss ratio (losses paid as a percentage of direct premiums written) of private carriers experienced a similar increase—from 54 percent to 56 percent. The latter was the highest loss ratio reported for private carriers in the past decade. A loss ratio based on losses incurred (which include amounts set aside to cover liabilities for future claims payments) would have been still higher. According to *Spectator* data, direct losses incurred by private carriers, as a percentage of direct premiums earned, amounted to 63 percent in 1958.

State funds (with the Federal fund excluded) showed a rise of 3 percentage points in their loss ratio (based on losses paid)—from 68 percent in 1957 to 71 percent in 1958. The loss ratios of private carriers and, to some extent, of State funds do not take

into account the amount of premium income that is returned to employers in the form of dividends or retrospective rating credits.

Medical and hospital benefits probably account for as much as \$380 million of the total of \$1,113 million. Though the greatest liberalizations in workmen's compensation laws have been made in the area of cash benefits, the higher costs of providing these benefits have been matched by the increased cost of medical services rendered to injured workmen. The estimated distributions by types of payment are shown below; data for 1958 are preliminary, and those for 1957 have been revised.

[In millions]

Type of payment	1958	1957
Total.....	\$1,113	\$1,062
Medical and hospitalization.....	380	365
Compensation, total.....	733	697
Disability.....	648	617
Survivor.....	85	80

Old-Age Benefits in Current-Payment Status, by State, February 28, 1959*

Old-age insurance benefits under the old-age, survivors, and disability insurance program were being paid on February 28, 1959, to 7 million persons—830,000 more than in December 1957.

The average old-age benefit amounted to \$71.62, which was \$7.04 higher than the average in December 1957. A large part of this increase in average amount was due to the provisions of the 1958 amendments that raised benefit rates by about 7 percent, effective January 1959. The higher average resulted also from (1) the greater proportion of benefits computed on the basis of earnings after 1950 and (2) the rise in the proportion of beneficiaries whose benefits were computed under the provision that permits up to 5 years of lowest earnings to be excluded in

* Prepared in the Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

calculating the average monthly wage. The average old-age benefit amount went up each month from December 1957 to February 1959.

More than one-sixth of all old-age beneficiaries were receiving monthly benefits of \$105.00-\$116.00; about 478,000 of them were receiving \$116.00, which, for all practical purposes, was the maximum amount payable in February.¹ More than three-sevenths were receiving benefits in the \$60.00-\$104.90 range, almost one-fourth were receiving benefits of \$33.10-\$59.90, and about one-eighth were receiving \$33.00 or less. Actuarially reduced benefits payable to women aged 62-64 at entitlement account for all benefits of \$26.40-\$32.90 and may be present in the other amount-of-benefit intervals.

Benefits of exactly \$33.00, going generally to persons entitled to the statutory minimum, were being paid to about 815,000 old-age beneficiaries—10,000 more than those receiving the minimum (\$30) at the end of 1957. As a proportion of all old-age beneficiaries, however, the number of persons receiving a minimum benefit declined from 13.0 percent at the end of 1957 to 11.6 percent in February 1959. The proportion of old-age beneficiaries receiving the maximum monthly benefit—\$116.00 in February 1959 and \$108.50 in December 1957—increased from 3.8 percent in December 1957 to 6.8 percent in February 1959.

In February 1959, as in past years, old-age beneficiaries living in Connecticut were receiving the highest monthly benefits—an average of \$79.64—and those in Mississippi were receiving the lowest, \$54.66. The three States with the highest average benefits and the five States with the lowest average benefits were the same in February 1959 as in December

¹ A benefit larger than \$116 would be payable only under conditions that would rarely occur. For example, a fully insured individual, with at least 6 quarters of coverage after 1950, aged 65 or over at the beginning of 1959, would qualify for a monthly benefit amount of \$121 beginning January 1959 if he (1) had a disability freeze effective in 1951-52, (2) was eligible for a 5-year dropout for 1953-57, (3) was paid \$4,200 in wages in 1958, and (4) in January 1959, was paid \$4,800 in wages earned in 1958.

Number and average monthly amount of old-age insurance benefits in current-payment status and percentage distribution by amount of benefit,¹ by State, February 28, 1959

State ² (ranked by size of average benefit)	Average old-age benefit	Number of old-age beneficiaries	Percent of old-age beneficiaries receiving--									
			Total	\$26.40- 32.90	\$33.00	\$33.10- 44.90	\$45.00- 59.90	\$60.00- 74.90	\$75.00- 89.90	\$90.00- 104.90	\$105.00- 115.90	\$116.00
Total.....	\$71.62	7,026,854	100.0	1.7	11.6	8.3	14.8	18.3	16.2	11.0	11.3	6.8
Conn.....	79.64	114,639	100.0	1.0	5.9	5.5	11.7	17.2	18.9	14.8	15.8	9.2
Mich.....	79.08	293,055	100.0	1.2	8.2	6.4	12.7	15.1	14.9	11.4	18.1	12.0
N. J.....	78.18	260,628	100.0	1.3	7.0	6.1	12.3	17.5	17.5	13.9	15.3	9.1
Ill.....	76.03	419,924	100.0	1.4	9.0	6.8	13.0	17.2	17.3	12.8	13.7	8.8
Pa.....	75.75	493,730	100.0	1.4	8.5	6.7	12.6	18.6	18.1	13.1	13.4	7.6
Ohio.....	75.74	379,611	100.0	1.4	9.4	7.1	13.5	17.2	15.9	11.4	14.6	9.5
N. Y.....	75.53	778,434	100.0	1.2	8.1	6.8	13.4	19.1	18.2	12.8	12.5	7.9
Mass.....	74.84	266,070	100.0	1.2	7.2	6.5	13.5	21.3	19.9	13.0	11.3	6.1
R. I.....	73.65	45,931	100.0	1.5	6.7	6.6	14.4	22.1	20.7	13.6	9.9	4.5
Fla.....	73.63	229,109	100.0	1.8	10.8	7.8	13.8	16.8	15.8	11.6	14.1	7.5
Wash.....	73.41	129,349	100.0	1.3	10.6	7.6	15.0	17.6	16.0	11.2	13.3	7.4
Utah.....	73.08	24,582	100.0	1.6	11.6	7.5	13.5	17.6	16.6	12.2	12.2	7.2
Ariz.....	72.69	33,932	100.0	1.7	12.1	7.7	14.3	16.8	15.5	11.4	12.7	7.8
Mont.....	72.55	28,893	100.0	1.2	12.5	7.8	14.6	18.1	15.0	10.6	11.2	9.0
Nev.....	72.47	7,761	100.0	1.6	11.0	7.7	14.9	18.6	16.1	10.8	12.6	6.7
Wis.....	72.44	184,376	100.0	1.6	11.6	7.8	15.4	17.3	15.2	11.4	12.5	7.2
Ind.....	72.37	205,879	100.0	1.5	11.6	8.2	14.5	17.6	15.8	11.7	11.9	7.2
Calif.....	72.30	585,751	100.0	1.6	10.5	8.1	15.7	18.0	16.2	10.8	12.0	7.1
Del.....	72.13	16,048	100.0	1.9	10.4	8.0	14.1	20.1	16.1	11.4	11.2	6.8
Oreg.....	71.94	92,023	100.0	1.3	11.1	7.9	16.3	18.2	15.4	11.2	12.3	6.3
Alaska.....	71.66	2,768	100.0	1.7	11.1	8.6	16.0	18.3	14.0	11.2	13.0	6.1
Wyo.....	70.27	11,013	100.0	1.5	12.5	8.2	15.1	19.3	17.3	10.5	10.4	5.2
Minn.....	70.23	147,374	100.0	1.6	12.7	8.4	15.6	18.7	15.8	10.8	10.5	5.9
Colo.....	70.09	59,344	100.0	1.5	13.1	8.4	15.2	18.3	16.8	11.1	10.0	5.6
Md.....	69.91	89,942	100.0	2.0	12.0	8.8	15.2	19.6	16.3	10.5	9.8	5.8
N. H.....	69.90	33,855	100.0	1.3	10.3	8.5	15.6	21.9	18.5	11.7	8.4	3.8
N. Dak.....	69.66	23,871	100.0	1.6	13.0	8.7	16.1	19.1	15.3	11.5	8.2	6.5
Iowa.....	69.45	135,232	100.0	1.5	12.8	8.9	15.6	19.6	15.7	11.9	9.0	5.0
Mo.....	69.16	200,043	100.0	1.7	12.4	9.3	16.1	19.3	16.1	10.4	9.1	5.6
Idaho.....	69.12	26,485	100.0	1.5	13.8	8.4	16.2	18.8	15.9	10.9	9.4	5.1
W. Va.....	69.10	71,395	100.0	1.5	14.5	8.7	13.9	19.2	17.3	9.8	10.0	5.1
D. C.....	68.39	25,199	100.0	1.9	12.9	9.3	15.4	20.3	16.7	9.7	8.8	5.0
Nehr.....	67.78	67,103	100.0	1.5	13.4	9.5	16.5	20.1	16.1	10.7	7.7	4.5
S. Dak.....	67.74	29,218	100.0	1.6	13.9	9.6	16.0	19.8	16.0	10.9	7.7	4.5
Hawaii.....	67.62	13,787	100.0	2.4	14.3	9.0	14.8	17.7	19.3	11.5	7.1	3.9
Vt.....	67.30	19,772	100.0	1.5	12.7	9.7	17.1	21.0	16.5	10.4	7.3	3.8
Kans.....	67.23	96,007	100.0	1.6	13.8	10.1	17.3	19.2	15.0	10.3	8.0	4.7
Maine.....	66.47	52,851	100.0	1.8	13.6	9.7	16.9	21.1	16.5	9.9	7.2	3.3
Okla.....	65.42	80,824	100.0	2.3	16.1	10.7	16.8	18.5	14.5	8.5	7.7	4.9
N. Mex.....	65.13	16,660	100.0	1.9	18.2	10.2	16.7	17.9	13.2	8.7	8.6	4.6
Texas.....	64.45	245,626	100.0	2.7	16.5	11.0	17.4	18.6	13.8	8.0	7.4	4.6
La.....	63.73	67,784	100.0	2.8	17.7	11.1	16.9	18.7	13.4	7.7	7.1	4.6
Va.....	63.46	113,385	100.0	2.4	18.0	11.5	16.6	18.6	14.1	8.2	6.8	3.8
Ky.....	63.27	115,047	100.0	2.0	17.0	11.7	17.8	20.0	13.5	7.8	6.7	3.5
Ala.....	61.22	87,849	100.0	3.0	20.8	12.1	16.3	18.3	12.6	7.2	6.0	3.7
S. C.....	60.92	54,853	100.0	3.3	18.7	12.2	17.9	19.1	13.8	7.4	4.9	2.7
N. C.....	60.85	125,211	100.0	2.9	17.4	12.2	19.8	20.2	13.6	6.6	4.6	2.7
Ga.....	60.82	95,630	100.0	3.6	18.7	12.2	18.3	19.0	13.2	6.5	5.1	3.4
Tenn.....	59.52	111,935	100.0	3.1	20.3	13.4	18.7	18.3	11.6	6.3	5.2	3.1
Ark.....	58.50	69,296	100.0	2.9	22.5	13.0	18.1	18.7	11.8	5.7	4.7	2.6
Miss.....	54.66	64,791	100.0	3.4	26.7	15.0	18.2	17.9	9.1	4.2	3.4	2.1
V. I.....	52.52	437	100.0	3.9	27.9	20.7	15.6	14.2	7.8	3.2	4.4	2.3
P. R.....	45.91	35,881	100.0	4.2	39.5	21.7	13.6	11.2	5.0	2.2	1.6	1.0
Foreign.....	73.36	46,561	100.0	.3	8.0	5.8	13.4	25.2	21.5	11.7	10.7	3.4

¹ For persons receiving both an old-age benefit and a widow's, widower's, or parent's secondary benefit or a wife's or husband's secondary benefit that was awarded, reinstated, or adjusted after Sept. 13, 1956, the amount of the reduced secondary benefit is combined with the amount of the old-age benefit.

Actuarially reduced benefits payable to women aged 62-64 at entitlement account for all cases in the \$26.40-\$32.90 interval and may be represented in the other amount-of-benefit intervals.

² Beneficiary's State of residence.

1957. The other States, in general, also retained the same relative positions in the ranking.

Monthly benefits ranging in amount from \$75.00 to \$116.00 were being paid at the end of February 1959 to almost 59 percent of the old-age beneficiaries in Connecticut but to only 19 percent of the beneficiaries in Mississippi. Only 24 percent of the

old-age beneficiaries in Connecticut but 63 percent of those in Mississippi were receiving benefits of \$26.40-\$59.90. In Puerto Rico the average benefit was only \$45.91 and 65 percent of the old-age beneficiaries were receiving less than \$45.00.