

such premiums and from the matching Government contributions would have been if the Government contribution had been made simultaneously with the former. Since such simultaneous matching did not occur in the early months of operations, it is necessary to make this adjustment.

CONCLUSION

Since 1940, administrative expenses for the combined OASDHI program have risen steadily

for three principal reasons: the addition of new programs (disability insurance in 1957 and Medicare in 1965), liberalization of existing programs, and increasing numbers of beneficiaries and claims under each program. At the same time, the amount of contributions has been rising steadily because of a larger number of covered workers, higher earnings levels, and higher tax rates and taxable earnings bases. OASDI administrative expenses have remained relatively small in terms of all of the three bases of comparison.

Notes and Brief Reports

Student Beneficiaries Under OASDHI, 1965-68*

Beginning September 1965, the Social Security Amendments of 1965 established a new program of financial aid to the student sons and daughters of retired, deceased, and disabled workers insured under the old-age, survivors, disability, and health insurance program. At the end of December 1965, after only 4 months, 206,000 students were receiving monthly child's benefits under the program (table 1). By December 1968

TABLE 1.—Number of student benefits in current-payment status, by type of entitlement, 1965-68

At end of year	Total number	Annual percent increase	Number of children of—			Monthly amount (in thousands)
			Retired workers	Deceased workers	Disabled workers	
1965.....	205,677	34,152	155,088	16,437	\$13,725
1966.....	375,873	82.8	67,079	266,910	41,884	24,000
1967.....	427,267	13.7	72,087	303,338	51,842	27,413
1968.....	469,835	10.2	79,661	328,946	61,248	33,962

these beneficiaries numbered 470,000. Benefits being paid to students at the end of 1968 totaled \$34 million—an annual rate of more than \$400 million. Payments grew somewhat faster than the number of beneficiaries because of the across-the-board increase of 13 percent in benefit levels under the 1967 amendments.

* Division of Retirement and Survivor Studies, with the assistance of Marilyn Thomas, Publications Staff.

To qualify for these benefits, an individual must be at least aged 18 and not yet aged 22 and a full-time student at a public or private high school, vocational or trade school, college, or university. Defining "full-time attendance" is generally left to each individual school. (Not included are students taking certain night-school or part-time courses or those in unaccredited schools whose credits are not accepted on transfer by at least three accredited schools.)

About 38 percent of the student beneficiaries were aged 18 at the end of 1967, the latest date for which detailed age breakdowns are available. In all, nearly 66 percent of those receiving student child's benefits were younger than age 20 and only 14 percent were aged 21 (table 2).

Data on the relative number of students attending different types of schools are not yet available, but it is estimated that at least 1 in 6 student beneficiaries is still in high school. This estimate assumes that the proportion of full-time students in high school is the same for the social security beneficiaries as that shown by the Bureau of the Census for all students aged 18,

TABLE 2.—Age of student beneficiaries with benefits in current-payment status, by type of entitlement, December 1967

Age	Total		Number of children of—		
	Number	Percentage distribution	Retired workers	Deceased workers	Disabled workers
Total.....	427,267	100.0	72,087	303,338	51,842
18.....	160,694	37.6	24,712	113,401	22,581
19.....	119,720	28.0	19,763	85,213	14,744
20.....	86,019	20.1	15,302	61,667	9,050
21.....	60,834	14.2	12,310	43,057	5,467

TABLE 3.—Number of student benefits awarded, by quarter, 1965-68

Year	January-March	April-June	July-September	October-December
1965.....			(1)	218,015
1966.....	184,464	105,542	65,235	79,159
1967.....	84,000	88,621	78,547	95,668
1968.....	92,086	86,765	77,233	91,742

¹ Awards totaled 18,578 in September, the first month for which student benefits were payable.

19, 20, and 21.¹ The actual proportion of student beneficiaries still in high school may be higher than estimated in this manner because they are likely to come from families with below-average incomes and thus have a smaller representation in the post-high school group.

It took less than a year for knowledge of the new legislation to reach potential student beneficiaries and for necessary administrative actions to be completed. Thus, the 290,000 student benefit awards in January-June 1966 brought the total for the first 10 months to 527,000 (table 3). Only 376,000 students were actually receiving benefits at the end of June 1966, however. Many benefits were terminated soon after they were awarded because the student married, reached age 22, or ceased full-time study. During 1967 there were about 217,000 terminations because the beneficiary was no longer a full-time student and 50,000 because the student reached age 22. In addition, some students may have had benefits suspended because of employment.²

Awards in 1967 and 1968 leveled off at roughly 90,000 each school quarter and somewhat less in the summer quarter. They were slightly lower in each of the last 3 quarters of 1968 than in the comparable period of 1967.

Now that these benefits have been payable for several years, the majority of awards are, in effect, "conversions" at age 18 of benefits previously payable to children under that age who had been entitled because of a parent's death, retirement, or disablement. Children aged 18 received about four-fifths of awards made to students during

¹ Bureau of the Census, "School Enrollment: October 1966" (Series P-20, No. 167), August 30, 1967.

² A student may have relatively high earnings during vacation periods without losing his benefits if his annual earned income from employment does not exceed the earnings-test limit. He may receive benefits for as many as 4 months during summer vacations or other breaks in the academic year if he has attended school before that period and intends to continue to do so.

TABLE 4.—Family groups with student benefits in current-payment status, by type of entitlement and presence of children, December 1967

Family classification	Families with student beneficiaries			Families with students only as percent of total with students
	Total	Students only	Students and other entitled children	
Total.....	399,300	236,999	162,331	59.4
Retired-worker families.....	68,599	51,549	17,050	75.1
Survivor families.....	282,190	161,406	120,784	57.2
Children only.....	207,427	153,185	54,242	73.8
Others with children.....	74,763	8,221	66,542	11.0
Disabled-worker families.....	48,541	24,044	24,497	49.5

1967, for example, but only two-fifths in the last 4 months of 1965.

Students may receive a benefit award after their eighteenth birthday if they are otherwise eligible and shift from part-time to full-time school attendance or if they are attending school full time when a parent dies, retires, or becomes disabled before their twenty-second birthday.

At the end of 1968, seventy percent of the student beneficiaries were survivors of deceased workers, 17 percent were children of retired workers, and the remainder were children of disabled workers. As a proportion of all student beneficiaries, the number of children of disabled workers has increased most sharply, reflecting the relatively rapid rise in the number of disabled-worker beneficiaries.

The 427,000 student beneficiaries on the rolls at the end of 1967 were members of 399,000 families (table 4). In three-fifths of these families there are no younger children present. Few families had more than one student beneficiary on the rolls at one time. There were 153,000 families consisting of one or more student beneficiaries and no other members—a reflection of the fact that the mother of a student beneficiary is not entitled to a benefit solely because of the student's entitlement, though the mother of an entitled child under age 18 (or older if disabled in childhood) may receive a benefit while the child is in her care.

When a child under age 18 is entitled to benefits, his mother normally receives his benefits,³ although another relative or the child's guardian may act as the representative payee. Student

³ Increasingly, however, children are becoming entitled on the basis of their mothers' earnings records.

TABLE 5.—Nonwhite student beneficiaries, by age and type of entitlement, December 1967¹

Age	Number	As percent of all student beneficiaries			
		Total	Children of—		
			Retired workers	Deceased workers	Disabled workers
Total...	51,649	12.1	14.4	11.3	13.8
18.....	23,058	14.4	17.3	13.6	15.1
19.....	15,086	12.6	15.2	11.6	14.6
20.....	8,676	10.1	12.7	9.2	11.9
21.....	4,829	7.9	9.2	7.4	9.5

¹ Race of the student is that shown on the account-number application (SS-5) of the parent on whose earnings record the benefit is based.

beneficiaries may receive payment directly, but when an entitled child attains age 18 and continues to be entitled to child's benefits as a full-time student, the representative payee who has been receiving his benefits will ordinarily continue as payee unless a change is specifically requested.

About 12 percent of the total student beneficiary population at the end of 1967 was nonwhite (table 5). For the general school population of this age, the comparable figure is 13 percent.⁴ The proportion who were nonwhite among 18-year-olds in the general population was almost double the proportion among the 21-year-olds. Among student beneficiaries the proportion that are nonwhite decreases with age for each type of entitlement; it is consistently lower among survivors than among children of retired or disabled workers.

The amount of the student benefit is determined by the insured worker's primary insurance amount (PIA), the monthly amount of money he would have received if he retired at age 65. Students and other children of deceased workers receive 75 percent of the PIA; those of retired and disabled workers receive 50 percent. All benefits are subject to a family maximum, also related to the PIA.

The average amount of the monthly student benefit in December 1967 increased slightly with age for each type of entitlement (table 6), probably because the older the student the more likely it is that there are no other children eligible to share the family benefit.

Average monthly benefits for nonwhite students were close to 70 percent of those for white student beneficiaries (table 7). The lower amount

⁴ Bureau of the Census, *op. cit.*

TABLE 6.—Average monthly amount of student benefits, by age of beneficiary and type of entitlement, December 1967

Age	Total	Children of—		
		Retired workers	Deceased workers	Disabled workers
Total.....	\$64.24	\$45.07	\$72.33	\$43.57
18.....	61.60	41.90	69.89	41.54
19.....	63.80	44.29	71.91	43.09
20.....	66.79	47.42	74.61	46.30
21.....	68.49	49.77	76.35	48.69

for the nonwhite student reflects primarily the lower PIA for the parent on whose earnings record his benefit is based, which in turn reflects the lower average earnings of nonwhite workers. The difference would be even greater were it not for the fact that the benefit formula is weighted in favor of lower wage earners. It is possible also that the number of beneficiaries per family tended to be greater for nonwhite families than for white families and the student's share under the family maximum, was thus reduced.

TABLE 7.—Average monthly amount of student benefits, by age of beneficiary and race, December 1967¹

Age	White	Nonwhite
Total.....	\$66.74	\$46.09
18.....	64.47	44.48
19.....	66.38	45.89
20.....	68.85	48.45
21.....	70.06	50.21

¹ See footnote 1, table 5.

Student Benefits and Education Costs

As indicated earlier, specific data have not been compiled on the types of schools student beneficiaries attend. Nor is data available on what it costs a student or his family for him to attend high school, vocational, or trade school. Presumably such costs would be much less—on the average—than the costs of attending a college or university. An indication of the extent to which the benefits may assist in financing full-time undergraduate college study can be obtained by comparing the average benefit to the average financial needs reported for college undergraduates.

A recent Bureau of the Census report⁵ shows

⁵ Bureau of the Census, "Characteristics of Students and Their Colleges: October 1966" (Series P-20, No. 183), May 22, 1969.

Social Security Abroad

GUARANTEED INCOME FOR THE AGED IN BELGIUM*

On June 25, 1968, the Belgian Government announced a new direction for national social policy—the legal right of all citizens to a “social minimum” income. The aged are the first group to benefit from a program intended ultimately to protect all of the disadvantaged—“les déshérités.”

The first step in implementing the new policy was taken on April 29, 1969, when a guaranteed income, subject to a test of resources, was provided for the aged who have never worked, who have not been covered by the compulsory social insurance programs for wage-earners, salaried employees, the self-employed and public employees, or whose attachment to one of these programs was so limited as to preclude effective coverage.

The new Belgian program established the base annual guaranteed income at 30,000 francs (\$600) for couples and 20,000 francs (\$400) for single persons. Pensionable age is 65 for men and 60 for women, as in the social insurance system. The base is subject to automatic adjustment for changes in the retail price index, and, when the allowance became operative on May 1, 1969, it was set at 31,224 francs and 20,820 francs respectively, an increase of 5 percent over the base amount. In addition to periodic adjustment for changes in the retail price index—also a characteristic of the social insurance system—the Government plans to provide, by royal decree, an annual increase of at least 10 percent through 1974. The reason given for the annual increase is that the base amount as adjusted for changes in the cost of living does not provide the “vital minimum” to which the Government is committed.

The Government does not define the vital minimum. It is not clear, for example, whether the guaranteed income, as it matures, is intended to provide income at the subsistence level or at a higher standard. A flexible approach characterizes the wording of the statute and the commentary on it by the Minister of Social Welfare.

* Prepared by Doris K. Lewis, International Staff, Office of Research and Statistics.

that 21 percent of the persons (aged 14–34) enrolled in 4-year colleges were in institutions with tuition and fees of \$1,000 or more for the 1964–65 academic year. Thirty-one percent were in colleges with basic charges of less than \$250. Almost two-thirds of the others were in 4-year colleges with tuition and fees between \$250 and \$500.

The U.S. Office of Education has estimated that the average cost for full-time undergraduate college study during the 1966–67 school year was \$1,843,⁶ including books and personal expenses as well as tuition and fees. The report indicates that these costs vary with students in relation to the incomes of their families. Undergraduates from families in the highest income quartile, for example, were estimated to have an average cost of \$1,984, and students from families with incomes below the median have average costs of about \$1,600.

At the end of 1966, the average student benefit was \$63.32 a month. At an annual rate, such a benefit would have totaled \$760. It would have been equal to 41 percent of the cost of tuition, fees, books, and personal expenses experienced by all undergraduates in 1966–67 and to 47 percent of such costs experienced by families in the two lowest income quartiles. Since the families of the student beneficiaries are likely to have below-average incomes, the benefits were paying a substantial portion (almost half) of the out-of-pocket costs for undergraduate study by beneficiaries.

According to Office of Education data for the 1966–67 school year, assistance from other major student aid programs was as follows:

<i>Major student aid program</i>	<i>Average amount per recipient</i>
Veterans' benefits.....	\$900
Guaranteed loans.....	837
Work-study grants.....	826
National Defense Education Act loans.....	588
Educational opportunity grants.....	433
Institutional aid (scholarships, fellowships, etc.)	400

These figures give another perspective on the average student benefit under the social security program.

⁶ Department of Health, Education, and Welfare, Office of Education, Planning Paper 68-2, *Students and Buildings: An Analysis of Selected Federal Programs for Higher Education*, May 1968.