

Effect of Financing Disabled Beneficiary Rehabilitation

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To assess the effect of the trust fund reimbursement program in the Social Security Act, the benefit status and earnings of disabled beneficiaries rehabilitated during fiscal years 1967-74 with this type of reimbursement have been examined. Under the program, the Social Security Administration reimburses State vocational rehabilitation for services to severely disabled beneficiaries. About 40 percent of the disabled workers rehabilitated with this reimbursement left the benefit rolls, and about 10 percent returned to the rolls after relapses.

According to actuarial projections the savings resulting from benefit terminations because of recovery are two to three times the cost of reimbursement. In recent years, increases in funds available for reimbursement do not seem to have produced corresponding increases in beneficiary rehabilitation and recovery.

SINCE 1966, social security trust funds have been used to reimburse State vocational rehabilitation agencies for the costs of services furnished to selected disabled beneficiaries under the social security program who may be able to return to work with help. In the 9-year period between fiscal years 1966 and 1974, more than 140,000 disabled beneficiaries were reported as rehabilitated—nearly half with the use of trust funds.¹

It was intended that this financing arrangement between the Social Security Administration and the State vocational rehabilitation agencies would result in ultimate savings to the social security trust funds through the termination of disability benefit disbursements and the receipt of renewed contributions on earnings after the beneficiaries were rehabilitated and restored to competitive earnings capability.

The initial provisions for this arrangement under the 1965 amendments to the Social Security

Act stipulated that amounts up to 1 percent of social security benefits paid out to disabled beneficiaries in the preceding year would be available for reimbursement of rehabilitation service costs. Later, this limit was increased to 1.5 percent of the previous year's benefits. The amount of reimbursement from the trust funds to the rehabilitation agencies from fiscal years 1966 through 1974 was about \$220 million. For fiscal year 1975 the amount of funds available was more than \$80 million.

This report describes the demographic and benefit characteristics of the disabled beneficiaries who were reported as rehabilitated during fiscal years 1967-74 after trust fund reimbursement of rehabilitation services.² Their social security benefit status and earnings experience after rehabilitation are examined. Special attention is given to the characteristics distinguishing those who left the benefit rolls after rehabilitation from those who did not. Also noted are the differences in characteristics between those rehabilitants who recovered and retained their working capacity and those who recovered but then returned to the disability benefit rolls.

PROCESS OF BENEFICIARY REHABILITATION

The social security examiners screen claims records of disability applicants for possible referral to State vocational rehabilitation agencies. The disabled person may also be referred to the rehabilitation agencies by other sources, such as

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¹ See Rehabilitation Services Administration, *Quarterly Status Report on Social Security Disability Insurance Beneficiaries*, October 31, 1974, and earlier reports in that series.

² Previous published reports have described the initial development of the trust fund program, and the characteristics of trust fund rehabilitants and beneficiaries rehabilitated without trust fund reimbursement. See Ralph Treitel, "Recovery of Disabled after Trust Fund Financing of Rehabilitation," *Social Security Bulletin*, February 1973. See also House of Representatives, Committee on Ways and Means, *Committee Staff Report on the Disability Insurance Program*, 1974, pages 296-304.

employers, medical treatment persons, or friends.

The rehabilitation counselors provide or arrange for vocational services, such as vocational guidance, training, prosthetics, medical treatment for restoration of function, and placement in competitive or sheltered work environments. The goal of such services may be sheltered work or homemaking as well as return to gainful work. Under the trust fund program, the anticipated goal is the return to substantial, sustained gainful work so that the disabled person will again be able to support himself by his earnings.

"Rehabilitation" refers here to the vocational rehabilitation agency's administrative decision to conclude services because the worker has achieved a planned vocational goal. "Recovery" refers to the administrative decision of the Social Security Administration that the worker is again able to do sustained gainful work and no longer requires benefits to replace earnings. Persons rehabilitated to the extent they can only engage in sheltered or nongainful housekeeping would not be considered "recovered" for social security benefit purposes; individuals with substantial medical improvement may be considered "recovered" by the Social Security Administration before they have completed a rehabilitation training program.

Thus, rehabilitation and recovery may be somewhat independent events that can occur at very different points in time, and sometimes may occur more than once if relapses happen. Rehabilitation would generally be considered by the rehabilitation agencies to have occurred 1-2 months after the client has returned to work. The social security benefit termination because of recovery could occur a year after a return to work by a beneficiary who continues to have a limiting medical condition, based on a 9-month trial work period and a transitional benefit period to encourage work attempts and ensure that regained work capacity has occurred. For those with substantial medical improvement, only the 2-month transitional benefit period would be made before the benefit is terminated on account of the disabled person's recovery.

DATA SOURCE AND LIMITATIONS

The study population described here is based on records of disabled beneficiaries rehabilitated

in fiscal years 1967-74. The source for the data file is a vocational rehabilitation agency closure report on clients identified as disability beneficiaries—SSA-853, Vocational Rehabilitation Report to SSA (Case Closure of Disability Applicants). When these reports are received by the Social Security Administration, they are matched with beneficiary and earnings records. All reports made by the rehabilitation agencies go into the rehabilitation statistical file; there is no sampling. Some loss in accuracy may result from nonreceipt of reports, from incorrect account numbers on records, or from incomplete merging of records from several files.

Until recently, all closure records were also matched with an administrative file consisting of earlier verification reports that the applicant for rehabilitation services was a disabled beneficiary. Incomplete matches resulted in much statistical data loss. Beneficiaries reported as rehabilitated but not in competitive employment were excluded from the statistical file in the past.

Nonreceipt of records, incorrect identification, and processing loss may account for much of the difference between the State agency reports of more than 68,000 beneficiary rehabilitants in fiscal years 1967-74 and the Social Security Administration file of about 40,000 verified disabled beneficiary rehabilitants.

It is assumed that most of the trust fund rehabilitants omitted from the verified file were not disabled beneficiaries or not beneficiaries rehabilitated into competitive work capacity. The group of trust fund rehabilitants whose cases were closed before the fiscal year 1967 are also excluded from the data file, but that number would have been small. Not until fiscal years 1967 and 1968 had all State agencies arranged to make the trust fund reimbursement program operational.

Also excluded are beneficiaries who received services under the trust fund program but were not reported as rehabilitated. Some of these individuals may nevertheless have benefited from the services and left the disability rolls.

The new supplemental security income program may be expected to affect the provision of services to beneficiaries and the data system. The 1972 amendments to the Social Security Act established the Federal supplemental security income program for the aged, the blind, and the

disabled as a replacement for the Federal-State programs of old-age assistance, aid to the blind, and aid to the permanently and totally disabled. The program began operations in January 1974.³ The provisions of the new program call for referral and review of the rehabilitation status of persons receiving supplemental security income payments that are similar to those for disabled beneficiaries under the social security program. There are also special contractual arrangements for treatment and monitoring of drug addiction and alcoholism referrals. As a result, there may be some data processing loss in the beneficiary rehabilitation reporting system. The number of trust fund rehabilitants verified in the social security file declined from 6,000 to about 4,000 from fiscal year 1973 to 1974.

The actuarial estimation of savings from the reimbursement program is based on a comparison of the benefits no longer payable following recovery with trust fund expenditures for services. It assumes that benefit terminations for trust fund rehabilitants produce savings for every month the benefits are not paid until the rehabilitated worker reaches age 65. This projection of benefit savings is adjusted for interest and expected benefit increases.

The benefits are discounted for expected mortality before age 65 and for possible recovery that might have occurred if no services had been obtained. These adjustments are based on the past termination experience of disabled beneficiaries. Not measured are the savings that would have accrued from social security contributions on the restored earnings of the rehabilitants nor the costs of reentitlement upon relapse of the disability.

EXTENT OF TRUST FUND REIMBURSEMENT PROGRAM

The proportion of all beneficiaries rehabilitated by the vocational rehabilitation agencies increased after enactment of the reimbursement program—from an estimated 2 percent of the annual rehabilitant population before 1966 to about 6 percent in 1968 and thereafter. Currently, about 20,000 disabled beneficiaries are rehabilitated each year.

³ James Callison, "Early Experience under the Supplemental Security Income Program," *Social Security Bulletin*, June 1974.

Other factors may have contributed to the growth in the number of beneficiary rehabilitants including liberalization of the social security definition of disability in 1965 and 1967 to include more of the younger and less permanently impaired persons.⁴ Moreover, general funding for the vocational rehabilitation agencies has increased substantially, and the total number of persons reported rehabilitated each year has shown a marked increase (table 1).

The proportion of beneficiary rehabilitants among all rehabilitated clients has been fairly constant in recent years as the data that follow show.

Year	Percent of all rehabilitants
1968 -----	6.2
1969 -----	6.4
1970 -----	6.5
1971 -----	6.5
1972 -----	5.9
1973 -----	5.8
1974 -----	6.1

Since the general rehabilitation program has been growing, the actual number of beneficiary rehabilitants has therefore been increasing as well. In the 7 years from 1968 to 1974, the general rehabilitant group has increased more than 70 percent, and the number of social security rehabilitants has also grown by about the same percentage. The proportion of persons accepted after beneficiary referral has also risen in these years—from about 32 percent to nearly 40 percent, though in fiscal year 1974 it dropped back to about 32 percent. Current data do not show which of the rehabilitated beneficiaries were referred by the Social Security Administration and which by other sources.

Although the number of beneficiaries reported by the vocational rehabilitation agencies as rehabilitated has risen in these past few years, the number of disabled beneficiaries leaving the benefit rolls from 1967 to 1972 has remained within 10 percent of the 37,000 in 1967 who returned to work or had medical recovery. Why

⁴ Under the 1965 amendments, the definition of disability, which up to then had to be to permanent or of indefinite duration, was changed to include persons who had severe work disabilities but whose condition might improve and permit work after 12 months. Under the 1967 amendments, the insured-status requirements for workers under age 31 was reduced from 20 out of 40 quarters to 1 out of every 2 after age 21.

TABLE 1.—Vocational rehabilitation closure status for all cases and for disabled beneficiaries, fiscal years 1968-74

Closure status	1974	1973	1972	1971	1970	1969	1968
	Number						
Vocational rehabilitation cases ¹	1,027,528	1,008,234	901,274	824,699	699,260	707,478	596,301
Referred, not accepted ²	535,519	516,517	496,352	436,706	353,612	387,769	327,336
Served, not rehabilitated.....	130,871	125,991	108,784	96,721	78,673	78,319	61,047
Rehabilitated.....	361,138	360,726	326,138	291,272	266,975	241,390	207,918
Disabled beneficiaries ²	105,168	87,011	79,634	78,837	67,468	72,980	62,800
Referred, not accepted.....	69,657	53,668	48,740	48,473	40,546	48,345	42,900
Served, not rehabilitated.....	13,508	12,485	11,652	11,335	9,649	9,201	7,000
Rehabilitated.....	22,003	20,868	19,242	19,029	17,273	15,443	12,944
Trust fund beneficiaries.....	57,962	42,840	32,277	35,051	31,093	33,280	27,500
Referred, not accepted.....	36,163	24,054	20,889	19,408	16,617	20,363	18,300
Served, not rehabilitated.....	8,441	7,206	6,405	5,853	5,169	4,919	3,900
Rehabilitated.....	13,358	11,580	9,983	9,790	9,307	7,998	6,900
Nonbeneficiaries.....	922,360	916,223	821,640	745,862	631,792	634,489	533,501
Referred, not accepted.....	465,862	462,859	417,612	388,233	313,066	339,424	284,436
Served, not rehabilitated.....	117,363	113,506	97,132	85,386	69,024	69,118	50,047
Rehabilitated.....	339,135	339,858	306,896	272,243	249,702	225,947	194,974
	Percentage distribution						
Vocational rehabilitation cases ¹	100 0	100 0	100 0	100 0	100 0	100 0	100 0
Referred, not accepted ²	52 1	51 5	51 7	53 0	50 6	54 8	54 9
Served, not rehabilitated.....	12 7	12 6	12 1	11 7	11 3	11 1	10 2
Rehabilitated.....	35 1	36 0	36 2	35 3	38 2	34 1	34 9
Disabled beneficiaries ²	100 0	100 0	100 0	100 0	100 0	100 0	100 0
Referred, not accepted.....	66 2	61 7	61 2	61 5	60 1	66 2	68 3
Served, not rehabilitated.....	12 8	14 3	14 6	14 4	14 3	12 6	11 1
Rehabilitated.....	20 9	24 0	24 2	24 1	25 6	21 2	20 6
Trust fund beneficiaries.....	100 0	100 0	100 0	100 0	100 0	100 0	100 0
Referred, not accepted.....	62 4	56 1	56 0	55 4	53 4	61 2	66 5
Served, not rehabilitated.....	14 6	16 8	17 2	16 7	16 6	14 8	12 0
Rehabilitated.....	23 0	27 0	26 8	27 9	29 9	24 0	21 5
Nonbeneficiaries.....	100 0	100 0	100 0	100 0	100 0	100 0	100 0
Referred, not accepted.....	50 5	50 5	50 8	52 1	49 6	53 5	53 3
Served, not rehabilitated.....	12 7	12 4	11 8	11 4	10 9	10 9	10 1
Rehabilitated.....	36 8	37 1	37 4	36 5	39 5	35 6	36 6

¹ Data from Rehabilitation Services Administration, *State Vocational Rehabilitation Agency Caseload Statistics*, Oct. 10, 1974, and earlier reports.
² Includes cases that received an extended evaluation before closure.

³ Data from Rehabilitation Services Administration, *Quarterly Status Report of SSDI Beneficiaries*, Oct. 3, 1974, and earlier reports

this is so is not clear. It may be that a restriction in labor-market opportunities in recent years has reduced employment possibilities for the rehabilitated workers. It may be that the use of trust fund reimbursement is not sufficiently directed to materially change rehabilitation services available for the severely disabled.

Since the beginning of the program, the amount of funds available under the trust fund program has risen substantially—from about \$15 million in 1967 to almost \$70 million in fiscal year 1974. With the legislative increases in the funds available, total reimbursement is expected to be more than \$90 million in 1976. To date, the vocational rehabilitation agencies have requested for reimbursement nearly all the amounts available.

As table 1 indicates, the number of beneficiary clients whose cases involve trust fund reimbursement has increased from 27,500 (about 45 percent of all beneficiary closures in 1968) to about 58,000

(about 55 percent of all the beneficiary closures).

The trust fund program is intended to provide reimbursement for the costs of rehabilitation services only to those disabled beneficiaries with substantial vocational potential. The selection of beneficiaries as trust fund cases is made by the vocational rehabilitation agencies. Counselors are to designate for reimbursement only those clients who are disabled beneficiaries (or likely to be beneficiaries) and who are believed likely to be able to return to sustained, competitive employment. Those beneficiaries who may be accepted into vocational rehabilitation programs but are not to be considered for trust fund reimbursement are the more severely disabled—who may be helped but not to the extent that they can be expected to perform in competitive employment—and also the less severely disabled, who may benefit from services but may be medically recovering on their own.

RECOVERY EXPERIENCE

The study population of 39,716 beneficiaries reported as rehabilitated through 1974 under the trust fund program consists largely of 35,998 disabled-worker beneficiaries (table 2). An additional 3,683 were dependent adult children disabled since before age 18 (age 22, after 1972). The others were disabled-widow beneficiaries aged 50 or over. About 40 percent of the total number had left the disability rolls by June 1974 because of recovery, including about 10 percent who had left the rolls and later returned.

It is the rehabilitation of those beneficiaries who leave the disability rolls because they have recovered or have returned to work that is considered to have led to savings for the social security program. These "savings" are projections of the lifetime benefits that would have been paid them until death or age 65 if they had remained disabled.

"Active recovery" refers here to the subgroup for whom benefit savings continue to accrue—those rehabilitated persons who left the disability rolls for recovery and had not attained age 65 or died or returned to the disability rolls up to June 1974—the time covered by this report. "Relapse" refers to persons who left the benefit rolls for medical recovery or return to work but then were back on the rolls as of June 1974. Counted in the "active recovery" group as of June 1974 may be some who had left the rolls after recovery, returned to the rolls because of a recurrence of disability, and then went off the rolls once more. Blind persons, for example, might leave the rolls and return a number of times because of changes in the availability of work.

Nearly all those beneficiaries who recover are disabled workers. Among the rehabilitated, a much smaller proportion of disabled adult children than of the disabled workers left the rolls: less than 25 percent, compared with more than 40 percent. A little above 10 percent of the rehabilitated disabled workers had their benefits terminated for recovery but had returned to the rolls by June 1974.

Of the remaining rehabilitants, about 4 percent were deceased as of June 1974 and about 45 percent remained on the disability benefit rolls. For some, benefits may have been in the process of termination as of June 1974, including the

TABLE 2.—Disabled-worker beneficiaries and disabled dependent adults rehabilitated under the trust fund reimbursement program, fiscal years 1967–74, by benefit status in June 1974

Benefit status	Total ¹	Type of beneficiary	
		Disabled worker	Disabled dependent adult
Number			
Total.....	39,716	35,998	3,683
Active recovery.....	12,432	11,796	634
Relapse.....	4,340	4,132	206
Death.....	1,576	1,616	60
Benefit not terminated.....	18,784	16,019	2,730
Other ²	2,604	2,635	53
Percentage distribution			
Total.....	100.0	100.0	100.0
Active recovery.....	31.3	32.8	17.2
Relapse.....	10.9	11.5	5.6
Death.....	4.0	4.2	1.6
Benefit not terminated.....	47.2	44.5	74.1
Other ²	6.6	7.0	1.4

¹ Based on vocational rehabilitation agency closure reports matched to social security benefit records. Excludes persons reported as trust fund rehabilitants, not engaged in work for earnings at time of closure or those not verified as disabled-worker beneficiaries. Includes 35 disabled-widow beneficiaries.

² Includes those aged 65 and over and those with early retirement benefits.

benefits being received under trial work provisions.

SOCIAL FACTORS

Demographic and economic factors related to the proportion of rehabilitants among the disabled-worker beneficiaries who go on to leave the rolls include sex, age, type of beneficiary, family status, and previous earnings. A smaller proportion of women (25 percent) and a much higher proportion of younger workers (about 45 percent of those under age 40) in comparison with the 33 percent for the entire group, were in active-recovery status as of June 1974 (table 3).

Three out of 4 of the recovered workers had been off the rolls for over 2 years—a possible indication that, for many who are able to regain competitive working capacity after severe disability, the restoration may well be of long or permanent duration.

Of those rehabilitated during fiscal years 1969–71, 2 out of 5 were actively recovered persons under age 65 still off the rolls as of June 1974, as the following tabulation shows.

Year of closure	All cases	Percentage distribution, by benefit status				
		Total	Active recovery	Relapse	Benefit not terminated	Other ¹
Total....	35,998	100.0	32.8	11.5	44.5	11.2
1967.....	1,770	100.0	10.6	10.7	39.3	39.5
1968.....	3,732	100.0	30.8	12.1	35.2	22.0
1969.....	4,362	100.0	44.5	13.6	29.8	12.1
1970.....	4,850	100.0	44.3	11.4	33.1	11.2
1971.....	4,439	100.0	42.9	9.3	39.1	8.7
1972.....	6,288	100.0	36.8	8.6	48.0	6.7
1973.....	6,045	100.0	21.7	14.2	59.5	4.7
1974.....	3,919	100.0	17.8	12.1	63.6	6.5

¹ Includes those aged 65 and over, those with early retirement benefits, and those who died

² Includes 593 cases with year of rehabilitation unknown.

The proportion of rehabilitants still in active-recovery status in 1974 drops sharply for those rehabilitated before 1969, apparently because many reached retirement age or died. It may be that many who were rehabilitated in fiscal years 1973 and 1974 may still have been in the process of recovery as of June 1974. That situation would explain why the recovery rate declined sharply after 1972 and much higher proportions are still on the beneficiary rolls. Subsequent data should make this clear.

A greater proportion of workers with several dependents left the beneficiary rolls than those with one or none—a reflection perhaps of the younger age of persons in this group. The proportions who had relapses showed almost no differences related to sex or dependent family status, as table 3 reveals.

The level of economic status before disability is indicated indirectly by differences in the primary insurance amount (PIA) of the disability benefit being received. (The PIA is the amount payable to the disabled worker, based on his average monthly earnings in employment covered by the social security program for the years before the onset of disability.) The proportion who left the beneficiary rolls after receiving services was substantially greater for high earners than for low earners. More than half of those with a PIA of \$200 or more left the rolls because they had recovered from their disability (those still in active recovery status and those who had relapsed), compared with about one-fourth of those with a PIA less than \$100. It might be expected that persons with high earnings before disability would return to better employment opportunities after receiving services than would those at the lower earnings levels.

Relatively more high earners had relapses. Yet among high and low earners who recovered, the proportion who returned to the disability rolls was about the same—about 1 out of 4.

The proportion of rehabilitants whose benefits were terminated because of death varied little in relation to PIA level. If death is taken as an indication of the severity of the disability, no great difference in the degree of severity is apparent for high and low earners.

Among the rehabilitants, the older group appears to be less likely to have relapses. Some with recurring work difficulties may choose to be early retirees rather than seek to establish disability once more. When just the group recovered at some time—those still in active recovery status and those with relapses—is used as the base, however, older workers show a higher relapse rate (1 out of 3) than all rehabilitants (1 out of 4).

A much smaller proportion of older disabled adult children left the rolls than of those under age 30 (table 3). About 10 percent of those aged 30 and over were actively recovered, compared with 22 percent of the group under age 30.

STATE VARIATIONS

The State and regional patterns of trust fund expenditures and of trust fund rehabilitants resemble each other very closely (tables 4 and 5). This similarity is to be expected as a result of the administrative allocation procedures, which are based on the number of disabled beneficiaries in each State but include redistributions depending on actual funding needs and expenditures.⁵ About 2-3 percent of expenditures went to Region I from 1968 to 1973, and about 2-3 percent of all rehabilitants have been from that region. Similarly, Region V had 18 percent of the funds expended and about 18 percent of the rehabilitants in the trust fund program.

From the beginning of the reimbursement program, Region III—and Pennsylvania in particular—accounted for an increasing proportion of

⁵ See Social and Rehabilitation Service, Rehabilitation Services Administration, *Distribution of Funds Made Available Under the Beneficiary Rehabilitation Program (Trust Funds) for Fiscal Year 1974* (Program Instruction), February 8, 1974.

TABLE 3.—Disabled-worker beneficiaries and disabled dependent adults rehabilitated under the trust fund reimbursement program, fiscal years 1967-74, by demographic and benefit characteristics in June 1974

Demographic and benefit characteristics	Number						Percentage distribution					
	All cases	Active recovery	Relapse	Death	Benefit not terminated	Other ¹	All cases	Active recovery	Relapse	Death	Benefit not terminated	Other ¹
Disabled-worker beneficiaries												
Total.....	35,998	11,796	4,132	1,516	16,019	2,535	100 0	32 8	11.5	4 2	44 5	7.0
Sex:												
Men.....	29,499	10,173	3,399	1,296	12,523	2,108	100 0	34 5	11 5	4 4	42 5	7.1
Women.....	6,498	1,623	733	219	3,496	427	100 0	25 0	11 3	3 4	53 8	6 6
Age in year of closure												
Under 30.....	4,304	2,063	571	50	1,441	159	100 0	48 4	13 3	1 2	33 5	3 7
30-39.....	8,278	3,517	1,071	158	3,239	293	100 0	42 5	12 9	1 9	39 1	3 5
40-44.....	5,509	1,956	636	155	2,141	171	100 0	38 7	12 6	3 1	42 3	3 4
45-49.....	5,550	1,816	698	239	2,625	172	100 0	32 7	12 6	4 3	47 3	3 1
50-54.....	5,125	1,347	580	296	2,746	156	100 0	26 3	11 3	5 8	53 6	3 0
55-59.....	4,864	840	453	378	2,601	292	100 0	18 4	9 9	8 3	57 0	6 4
60-64.....	2,867	237	123	236	1,210	1,061	100 0	8 3	4 3	8 2	42 2	37 0
65 and over.....	251	0	0	4	16	231	100 0	0	0	1 6	6 4	92 0
Months off rolls												
None.....	16,227	0	0	0	15,899	328	100 0	0	0	0	98 0	2 0
1-6.....	1,720	245	1,061	35	362	362	100 0	14 2	61 7	2 0	21 0	21 0
7-12.....	1,946	445	1,109	220	163	163	100 0	22 9	57 0	11 3	8 4	8 4
13-24.....	3,724	2,052	934	430	290	290	100 0	55 1	25 1	11 5	7 8	7 8
25-36.....	3,490	2,333	492	372	271	271	100 0	67 0	14 1	10 7	7 8	7 8
37-48.....	2,950	2,096	296	304	233	233	100 0	71 1	10 0	10 3	7 9	7 9
49 or more.....	5,951	4,625	240	155	888	888	100 0	77 7	4 0	2 6	14 9	14 9
Auxiliary beneficiaries												
None.....	14,573	4,110	1,621	752	6,671	1,419	100 0	28 2	11 1	5 2	45 8	9 7
1.....	2,676	712	302	124	1,264	274	100 0	26 6	11 3	4 6	47 2	10 2
2.....	4,804	1,677	538	193	2,112	284	100 0	34 9	11 2	4 0	44 0	5 9
3.....	5,034	1,998	602	168	2,054	212	100 0	39 7	12 0	3 3	40 8	4 2
4 or more.....	8,911	3,299	1,069	279	3,918	346	100 0	37 0	12 0	3 1	44 0	3 9
With entitled spouse												
Yes.....	16,376	6,028	1,952	556	6,935	905	100 0	36 8	11 9	3 4	42 3	5 5
No.....	19,622	5,768	2,180	960	9,084	1,630	100 0	29 4	11 1	4 9	46 3	8 3
Family benefits at termination or June 1974.												
\$1-99.....	786	148	61	40	471	66	100 0	18 8	7 8	5 1	59 0	8 4
100-149.....	3,214	724	229	224	1,721	316	100 0	22 5	7 1	7 0	53 5	9 8
150-199.....	5,484	1,486	571	310	2,667	450	100 0	27 1	10 4	5 7	48 6	8 2
200-249.....	6,303	1,920	743	341	2,826	473	100 0	30 5	11 8	5 4	44 8	7 5
250-299.....	4,620	1,723	605	106	1,899	187	100 0	38 1	13 4	2 3	42 0	4 1
300 or more.....	14,901	5,791	1,879	493	6,311	427	100 0	38 9	12 6	3 3	42 4	2 9
Unknown.....	790	4	44	2	124	616	100 0	5	5 6	3	15 7	78 0
PLA at termination												
Under \$100.....	1,132	220	80	58	679	95	100 0	19 4	7 1	5 1	60 0	8 4
100-149.....	4,646	1,085	337	330	2,497	397	100 0	23 4	7 3	7 1	53 7	8 5
150-199.....	9,410	2,813	1,054	464	4,509	570	100 0	29 9	11 2	4 9	47 9	6 1
200 or more.....	20,198	7,678	2,661	664	8,332	863	100 0	38 0	13 2	3 3	41 3	4 3
Unknown.....	612	0	0	0	2	610	100 0	0	0	0	3	99 7
Year benefit terminated because of recovery.												
Never.....	17,926	16	2,552	0	15,298	60	100 0	1	14 2	0	85 3	3
1965.....	7	0	0	3	2	2	100 0	0	0	42 9	28 6	28 6
1966.....	54	0	0	0	52	52	100 0	0	0	0	96 3	96 3
1967.....	537	78	0	0	457	457	100 0	14 5	0	0	86 1	86 1
1968.....	1,549	1,350	0	3	177	177	100 0	87 2	0	2	11 4	11 4
1969.....	2,230	2,102	0	22	96	96	100 0	94 3	0	1 0	4 3	4 3
1970.....	2,710	2,256	2	228	200	200	100 0	83 2	1	8 4	7 4	7 4
1971.....	2,698	2,085	8	355	227	227	100 0	77 3	3	13 2	8 4	8 4
1972.....	3,160	2,426	2	443	265	265	100 0	76 8	1	14 0	8 4	8 4
1973.....	2,479	1,252	381	462	341	341	100 0	50 5	15 4	18 6	13 8	13 8
1974.....	2,648	231	1,187	0	658	658	100 0	8 7	44 8	0	24 8	24 8
Disabled dependent adult beneficiaries												
Total.....	3,683	634	206	60	2,730	53	100 0	17 2	5 6	1 6	74 1	1 4
Age in year of closure												
Under 30.....	2,234	497	152	29	1,540	16	100 0	22 2	6 8	1 3	68 9	.7
30-39.....	700	91	23	10	574	2	100 0	13 0	3 3	1 4	82 0	.3
40-44.....	216	14	5	4	192	0	100 0	6 5	2 3	1 0	88 9	.5
45-49.....	171	9	8	5	149	1	100 0	5 3	4 7	2 9	87 1	.0
50-54.....	138	6	9	2	115	4	100 0	4 6	6 8	1 5	86 5	.8
55-59.....	110	2	8	6	90	4	100 0	1 8	7 3	5 5	81 8	3 6
60-64.....	117	15	1	4	69	28	100 0	12 8	9	3 4	59 0	23 9
65 and over.....	2	0	0	0	1	1	100 0	0	0	0	50 0	50 0
Unknown.....	0	0	0	0	0	0	0	0	0	0	0	0
Months off rolls:												
None.....	2,169	0	0	0	2,162	17	100 0	0	0	0	99 2	.8
1-6.....	125	20	60	3	17	17	100 0	16 0	48 0	2 4	13 6	13 6
7-12.....	91	18	35	6	16	16	100 0	19 8	38 5	6 6	17 6	17 6
13-24.....	190	61	39	16	3	3	100 0	32 1	20 5	8 4	1 6	1 6
25-36.....	231	100	24	10	0	0	100 0	43 3	10 4	4 3	0	0
37-48.....	247	129	16	10	0	0	100 0	52 2	6 5	4 0	0	0
49 or more.....	630	306	32	15	0	0	100 0	48 6	5 1	2 4	0	0

¹ Includes those aged 65 and over and those with early retirement benefits

² Excludes 120 cases whose files show some months benefits were not paid

³ Excludes 721 cases whose history files show some months benefits were

not paid, most of the terminations were because of recovery and the others may be because of coding errors

⁴ Excludes 588 cases whose files show some months benefits were not paid

all trust fund rehabilitants. The opposite appears to be true in Region IX—a reflection perhaps of differences in assignment of trust fund status in California, which initially designated nearly

all disabled beneficiaries as trust fund cases subject to reimbursement.

According to vocational rehabilitation cost data, trust fund expenditures in 1972 represented about

TABLE 4.—Disabled-worker beneficiaries and disabled dependent adults rehabilitated under the trust fund reimbursement program, fiscal years 1967-74, by region and State and recovery status in June 1974

Region and State	Total rehabilitated				Recovered as percent of total rehabilitants ¹			
	1974	1973	1972	1967-71	1974	1973	1972	1967-71
Total number.....	4,296	6,690	6,804	21,900				
Total percent.....	100 0	100 0	100 0	100 0	16 6	20 1	35 1	36 4
Region I.....	3 1	3 5	1 8	2 4	21 6	23 5	34 4	36 6
Connecticut.....	1 1	1 0	. 6	. 9	14 3	26 5	31 8	31 4
Maine.....	. 5	. 3	. 2	. 3	30 0	45 0	28 6	31 5
Massachusetts.....	. 7	1 5	. 4	. 3	13 3	17 0	17 9	41 9
New Hampshire.....	. 0	. 2	. 1	. 1	50 0	36 4	62 5	30 4
Rhode Island.....	. 7	. 4	. 5	. 5	30 0	20 0	45 5	42 7
Vermont.....	. 1	. 1	(²)	. 3	33 3	20 0	100 0	42 1
Region II.....	11 2	11 4	12 2	9 3	7 5	8 9	21 8	31 5
New Jersey.....	1 8	1 8	1 7	1 6	14 5	11 8	22 4	29 9
New York.....	9 0	8 6	9 1	7 5	6 4	8 9	23 3	32 1
Puerto Rico.....	. 4	1 0	1 4	. 2	0	4 5	10 0	24 5
Virgin Islands.....	. 9	0	0	0	0	0	0	0
Region III.....	16 0	13 4	14 0	10 3	16 5	19 4	32 9	37 4
Delaware.....	. 3	. 3	. 3	. 3	25 0	29 4	33 3	25 8
District of Columbia.....	1	1	1	. 2	0	25 0	16 7	26 5
Maryland.....	1 9	2 3	3 0	2 6	16 3	15 9	23 3	39 3
Pennsylvania.....	10 8	7 3	7 9	4 6	18 4	21 6	36 1	37 2
Virginia.....	2 7	2 2	1 8	1 5	16 4	14 3	33 6	41 4
West Virginia.....	2	1 2	9	1 1	20 0	19 8	36 7	34 0
Region IV.....	16 7	19 0	19 8	20 3	22 4	25 8	40 3	39 9
Alabama.....	1 7	1 5	1 4	2 2	14 7	12 7	30 5	28 0
Florida.....	2 8	3 5	3 4	2 7	18 5	23 8	39 7	33 2
Georgia.....	1 9	2 1	2 7	3 7	30 1	30 5	53 5	43 3
Kentucky.....	6	9	1 1	1 5	14 8	25 9	41 0	47 2
Mississippi.....	2 4	2 0	2 9	3 3	25 0	26 5	38 7	42 9
North Carolina.....	2 9	3 5	3 5	2 6	21 1	23 6	38 8	44 5
South Carolina.....	2 4	2 8	2 8	2 3	31 4	38 5	42 0	42 5
Tennessee.....	2 0	2 7	2 0	2 0	17 0	21 3	31 9	36 2
Region V.....	18 3	19 2	17 6	18 6	17 6	22 0	38 0	36 0
Illinois.....	4 7	4 9	4 7	4 2	12 4	18 6	32 6	41 4
Indiana.....	8	10	1 1	8	25 7	39 1	30 1	28 5
Michigan.....	4 9	4 7	4 4	4 4	20 4	28 0	49 7	36 9
Minnesota.....	5	9	1 2	1 9	17 4	8 5	24 1	30 1
Ohio.....	4 4	4 3	3 3	5 0	19 1	22 7	44 8	34 2
Wisconsin.....	3 0	3 4	2 9	2 3	16 8	15 9	29 9	36 5
Region VI.....	12 2	12 4	12 1	9 9	14 2	13 9	27 3	33 1
Arkansas.....	1 1	1 0	1 1	1 2	12 8	17 9	20 0	23 6
Louisiana.....	2 3	1 4	2 3	2 2	12 2	15 8	33 1	37 8
New Mexico.....	. 7	. 6	. 2	. 4	10 7	9 5	31 3	40 0
Oklahoma.....	. 7	1 5	1 6	1 4	29 0	9 8	26 1	30 2
Texas.....	7 4	7 9	6 9	4 7	13 8	14 2	26 8	33 5
Region VII.....	6 8	5 9	6 2	7 7	9 2	19 3	29 6	32 2
Iowa.....	2 1	1 6	1 3	2 7	6 7	19 6	32 6	31 6
Kansas.....	. 7	. 7	. 7	. 7	9 4	31 1	43 1	34 0
Missouri.....	3 7	3 3	4 0	3 8	10 8	16 3	26 3	30 8
Nebraska.....	3	3	. 2	. 5	7 1	23 8	26 7	42 0
Region VIII.....	3 5	3 8	4 3	4 6	18 0	25 3	43 6	35 6
Colorado.....	1 0	1 3	1 5	1 9	14 3	23 8	36 0	37 2
Montana.....	. 5	. 6	. 7	. 7	30 4	33 3	47 8	43 4
North Dakota.....	. 7	. 8	. 9	. 8	18 8	23 1	42 2	30 1
South Dakota.....	. 6	. 4	. 6	. 4	20 0	24 1	55 0	35 7
Utah.....	3	. 5	. 3	. 4	16 7	22 6	59 1	34 9
Wyoming.....	. 4	. 2	. 3	. 4	6 3	26 7	36 8	24 7
Region IX.....	8 4	7 6	7 9	12 5	18 3	24 1	47 0	40 0
Arizona.....	1	. 3	. 5	. 9	40 0	40 9	48 6	40 8
California.....	7 7	6 8	6 9	11 1	17 6	23 5	47 8	40 0
Guam.....	0	0	0	0	0	0	0	0
Hawaii.....	1	. 2	. 2	. 1	50 0	25 0	37 5	50 0
Nevada.....	. 5	. 3	. 3	. 4	18 2	17 6	36 4	35 2
Region X.....	3 6	3 9	3 0	4 4	25 2	24 1	45 2	35 9
Alaska.....	. 1	. 1	1	. 2	33 3	18 7	80 0	48 5
Idaho.....	1 1	. 7	. 4	. 2	22 4	22 0	36 7	41 5
Oregon.....	1 4	1 4	1 6	1 8	23 7	20 8	43 1	33 9
Washington.....	1 0	1 7	1 8	2 2	29 5	28 1	47 6	36 1

¹ Active recoveries; excludes persons with relapses.

² Less than 0.05 percent.

4 percent of total funds spent for services (table 6). About the same proportion were trust fund clients in relation to all clients served in 1972. Indiana, New Mexico, New York, and California, in order of magnitude, tended to receive a greater

proportion of trust fund reimbursement than other States. These States also provided services to a greater proportion of beneficiaries in the trust fund program. Puerto Rico, the District of Columbia, and Alaska received a smaller propor-

TABLE 5.—Expenditures under the trust fund reimbursement program, by region and State, fiscal years 1968-73

Region and State	Amount							Percentage distribution						
	Total	1973	1972	1971	1970	1969	1968	Total	1973	1972	1971	1970	1969	1968
Total.....	\$152,213,656	\$42,934,854	\$30,372,124	\$24,375,766	\$20,963,873	\$17,557,281	\$15,989,758	100 0	100 0	100 0	100 0	100 0	100 0	100 0
Region I.....	5,016,503	1,906,618	1,081,336	818,503	528,990	362,653	318,403	3 3	4 4	3 6	3 4	2 5	2 1	2 0
Connecticut.....	1,290,238	408,236	268,399	253,272	168,710	108,798	82,823	8	10	9	10	8	6	5
Maine.....	738,099	222,931	145,878	129,105	115,629	76,588	47,968	5	5	5	5	6	4	3
Massachusetts.....	1,590,161	842,444	444,920	198,447	37,039	23,597	43,704	10	20	1 5	8	2	1	3
New Hampshire.....	378,783	126,541	69,162	56,905	54,516	43,443	38,216	2	3	2	2	3	2	2
Rhode Island.....	692,649	159,838	99,062	122,114	99,351	59,834	52,480	4	4	3	5	5	3	3
Vermont.....	426,583	146,628	63,925	58,660	53,745	50,393	53,232	3	3	2	2	3	3	3
Region II.....	18,762,039	4,814,130	4,175,765	3,209,909	2,548,040	2,182,220	1,851,975	12 3	11 2	13 7	13 2	12 1	12 3	11 6
New Jersey.....	3,687,136	833,376	760,000	718,112	517,281	525,774	337,943	2 4	1 9	2 5	2 9	2 5	3 0	2 1
New York.....	14,396,462	3,715,511	3,245,637	2,393,564	1,955,429	1,583,989	1,504,332	9 5	8 7	10 7	9 8	9 3	9 0	9 4
Puerto Rico.....	651,611	260,357	167,684	98,233	72,880	52,457	10,000	4	6	6	4	3	3	1
Virgin Islands.....	24,830	14,886	2,444	5,000	2,600			(1)	(1)	(1)	(1)	(1)		
Region III.....	19,052,416	5,007,505	3,774,859	3,130,236	2,827,202	2,301,706	2,010,908	12 5	11 7	12 4	12 8	13 5	13 1	12 6
Delaware.....	319,662	114,048	70,176	47,404	52,174	20,430	15,430	2	3	2	2	2	1	1
Dist. of Col.....	368,142	113,240	61,902	77,243	59,044	36,713	20,000	2	3	2	3	3	2	1
Maryland.....	2,684,334	680,586	468,567	376,545	440,914	358,861	358,861	1 8	6	1 5	1 5	2 1	2 0	2 2
Pennsylvania.....	8,971,025	2,262,099	1,930,762	1,560,034	1,141,488	1,123,415	953,227	5 9	5 3	6 4	6 4	5 4	6 4	6 0
Virginia.....	3,725,280	906,992	682,040	610,305	744,761	432,792	348,390	2 4	2 1	2 2	2 5	3 5	2 5	2 2
West Virginia.....	2,983,973	930,540	561,412	458,705	388,821	329,495	315,000	2 0	2 2	1 8	1 9	1 9	1 9	2 0
Region IV.....	32,659,213	9,818,426	6,487,944	4,956,533	4,346,687	3,721,569	3,327,954	21 5	22 9	21 4	20 3	20 7	21 2	20 8
Alabama.....	4,344,969	1,378,294	812,689	627,986	697,929	418,071	410,000	2 9	3 2	2 7	2 6	3 3	3 4	2 6
Florida.....	6,625,763	2,335,774	1,214,611	1,000,596	809,903	645,479	619,500	4 4	5 4	4 0	4 1	3 9	3 7	3 9
Georgia.....	4,544,610	1,252,033	858,581	740,528	593,368	550,000	550,000	3 0	2 9	2 8	3 0	2 8	3 1	3 4
Kentucky.....	2,803,848	812,505	625,487	477,346	374,630	328,880	188,000	1 8	1 9	2 1	2 0	1 8	1 9	1 2
Mississippi.....	3,318,065	712,140	603,134	521,827	499,938	490,000	491,026	2 2	1 7	2 0	2 1	2 4	2 8	3 1
North Carolina.....	4,684,739	1,306,123	1,124,645	647,016	506,821	577,619	522,715	3 1	3 0	3 7	2 7	2 4	3 3	3 3
South Carolina.....	2,884,752	886,780	525,993	430,491	335,453	367,870	338,365	1 9	2 1	1 7	1 8	1 6	2 1	2 1
Tennessee.....	3,452,567	1,134,777	722,904	510,843	528,845	343,860	211,348	2 3	2 6	2 4	2 1	2 5	2 0	1 3
Region V.....	27,060,326	7,941,776	5,608,450	4,423,420	3,788,034	2,767,320	2,491,326	17 8	18 5	18 5	18 4	18 1	15 7	15 6
Illinois.....	6,243,689	1,936,369	1,319,121	1,108,747	927,686	499,866	451,900	4 1	4 5	4 3	4 5	4 4	2 8	2 8
Indiana.....	2,037,456	663,062	625,131	283,359	219,312	146,700	99,862	1 3	1 5	2 1	1 2	1 0	8	6
Michigan.....	6,231,664	2,111,024	1,121,243	1,047,547	774,940	592,880	584,224	4 1	4 9	3 7	4 3	3 7	3 4	3 7
Minnesota.....	2,423,825	789,297	401,897	349,962	332,169	275,000	175,000	1 6	1 8	1 3	1 4	1 6	1 6	1 7
Ohio.....	7,612,095	1,689,474	1,573,264	1,242,625	1,132,588	987,072	987,072	5 0	3 9	5 2	5 1	5 4	5 6	6 2
Wisconsin.....	2,512,097	752,520	567,794	441,180	401,639	285,696	93,268	1 7	1 8	1 9	1 8	1 9	1 5	6
Region VI.....	16,093,904	4,793,836	3,041,144	2,731,869	2,166,875	1,763,283	1,596,897	10 6	11 2	10 0	11 2	10 3	10 0	10 0
Arkansas.....	2,510,461	907,011	482,255	408,173	260,842	254,783	197,397	1 6	2 1	1 6	1 7	1 2	1 5	1 2
Louisiana.....	2,650,798	467,807	409,107	511,488	312,616	278,209	173,671	1 4	1 1	1 3	2 1	1 5	1 6	1 1
New Mexico.....	1,027,556	412,184	190,999	188,096	113,177	77,035	76,065	7	10	5	8	5	4	5
Oklahoma.....	2,299,169	475,800	472,492	384,254	416,929	280,594	269,100	1 5	1 1	1 6	1 6	2 0	1 6	1 7
Texas.....	8,105,920	2,581,034	1,516,291	1,239,858	1,063,311	874,662	880,764	5 3	5 9	5 0	5 1	5 1	5 0	5 5
Region VII.....	7,294,359	1,726,955	1,395,155	1,290,210	1,092,246	966,546	823,247	4 8	4 0	4 6	5 3	5 2	5 5	5 1
Iowa.....	2,100,623	520,215	314,200	323,608	314,200	314,200	314,200	1 4	1 2	1 0	1 3	1 5	1 8	2 0
Kansas.....	1,115,128	235,843	239,041	208,188	173,580	144,104	114,072	7	5	8	9	8	8	7
Missouri.....	3,376,137	764,756	702,688	654,456	527,302	408,291	318,644	2 2	1 8	2 3	2 7	2 5	2 3	2 0
Nebraska.....	702,471	206,141	139,228	103,958	76,864	99,951	76,331	5	5	5	4	4	6	5
Region VIII.....	4,823,034	1,150,312	775,164	715,866	675,639	657,589	648,444	3 0	2 7	2 6	2 9	3 2	3 7	4 1
Colorado.....	1,582,628	368,729	264,196	241,176	236,176	236,176	236,176	1 0	9	9	1 0	1 1	1 3	1 5
Montana.....	705,972	163,824	114,731	114,240	107,960	107,598	107,619	5	4	4	5	5	6	7
North Dakota.....	875,948	221,855	144,682	131,133	128,278	125,000	125,000	6	5	5	5	6	7	8
South Dakota.....	689,179	152,602	110,711	110,670	104,262	104,264	106,770	5	4	4	5	5	6	7
Utah.....	847,358	194,177	97,564	86,224	69,963	55,551	43,879	4	5	3	4	3	3	3
Wyoming.....	221,949	59,225	43,301	32,423	29,000	29,000	29,000	1	1	1	1	1	2	2
Region IX.....	18,002,380	4,059,463	3,140,207	2,250,648	2,248,002	2,182,180	2,141,880	10 5	9 5	10 3	9 2	10 7	12 3	13 4
Arizona.....	1,198,800	146,681	170,269	210,641	205,304	233,500	232,405	8	3	6	9	10	13	15
California.....	13,652,123	3,856,423	2,769,550	1,858,167	1,879,783	1,779,100	1,779,100	9 0	8 4	9 1	7 6	9 0	10 1	11 1
Guam.....	16,456	4,126	2,365	5,000	4,965			(1)	(1)	(1)	(1)	(1)		
Hawaii.....	303,660	65,033	66,108	55,999	38,945	32,580	15,000	2	2	2	2	2	2	1
Nevada.....	831,341	227,900	131,920	120,841	119,005	117,000	115,375	5	5	4	5	6	7	7
Region X.....	5,649,482	1,715,833	892,080	798,472	762,158	702,215	778,724	3 7	4 0	2 9	3 3	3 6	4 0	4 9
Alaska.....	127,217	25,911	15,115	24,934	24,578	16,574	20,105	1	1	1	1	1	1	1
Idaho.....	653,426	329,597	97,880	80,335	78,987	48,927	20,000	4	8	3	4	4	3	1
Oregon.....	2,061,699	598,312	327,748	275,391	257,717	250,314	352,219	1 4	1 4	1 1	1 1	1 2	1 4	2 2
Washington.....	2,807,140	762,013	451,639	417,812	402,876	386,400	386,400	1 8	1 8	1 5	1 7	1 9	2 2	2 4

¹ Less than 0.05 percent.

TABLE 6.—Trust fund expenditures and cases as a percent of total vocational rehabilitation expenditures and total cases served, by region and State, fiscal year 1972

Region and State	Vocational rehabilitation expenditures				Cases		
	Total	Regular funds ¹	From trust fund		Total served	Served under trust fund	
			Amount ²	As percent of total		Number	As percent of total
Total.....	\$727,231,193	\$696,840,761	\$30,390,442	4 2	1,111,045	33,354	3.0
Region I.....	30,298,104	29,216,768	1,081,336	3.6	41,659	1,205	2.9
Connecticut.....	6,799,471	5,531,072	268,399	4.6	9,319	379	4.1
Maine.....	2,810,213	2,664,336	145,878	5.2	3,201	120	3.7
Massachusetts.....	14,646,814	14,200,894	444,920	3.0	16,934	387	2.3
New Hampshire.....	2,417,720	2,358,558	59,162	2.4	3,158	79	2.5
Rhode Island.....	2,777,689	2,678,637	99,052	3.6	6,663	159	2.4
Vermont.....	1,847,197	1,783,272	63,925	3.5	2,394	81	3.4
Region II.....	80,911,962	76,868,688	4,043,274	5.0	100,933	4,136	4.1
New Jersey.....	17,141,331	16,381,331	760,000	4.4	26,729	946	3.5
New York.....	42,804,622	39,691,476	3,113,146	7.3	53,316	2,773	5.2
Puerto Rico.....	20,537,868	20,370,184	167,684	.8	20,518	415	2.0
Virgin Islands.....	428,141	425,697	2,444	.6	370	2	.5
Region III.....	92,713,398	88,953,720	3,759,678	4.1	166,433	3,542	2.1
Delaware.....	1,669,964	1,516,516	53,448	3.4	3,371	261	7.7
District of Columbia.....	6,383,232	6,231,300	61,902	1.0	10,261	78	.8
Maryland.....	11,360,744	10,892,177	468,567	4.1	26,353	613	2.3
Pennsylvania.....	42,102,884	40,172,122	1,930,762	4.6	74,138	1,305	1.8
Virginia.....	19,981,198	19,297,611	683,587	3.4	35,039	577	1.6
West Virginia.....	11,315,376	10,753,964	561,412	5.0	17,271	708	4.1
Region IV.....	156,986,885	150,498,941	6,487,944	4.1	259,855	6,553	2.5
Alabama.....	22,134,488	21,321,809	812,689	3.7	26,898	510	(*)
Florida.....	27,062,578	25,848,067	1,214,511	4.5	46,284	1,196	2.6
Georgia.....	22,719,863	21,861,282	858,581	3.8	37,058	994	2.7
Kentucky.....	14,808,895	14,183,408	625,487	4.2	24,828	471	1.9
Mississippi.....	15,003,249	14,400,115	603,134	4.0	18,340	402	2.2
North Carolina.....	25,182,074	24,067,429	1,124,645	4.5	45,512	1,293	2.8
South Carolina.....	15,546,529	15,020,536	525,993	3.4	34,855	1,111	3.2
Tennessee.....	14,529,199	13,806,295	722,904	5.0	26,080	876	2.2
Region V.....	122,939,955	117,331,505	5,608,450	4.6	182,875	6,903	3.8
Illinois.....	27,280,936	25,961,815	1,319,121	4.8	39,443	1,638	4.2
Indiana.....	7,385,184	6,790,053	625,131	8.5	13,588	690	5.1
Michigan.....	26,413,826	25,292,583	1,121,243	4.2	37,657	1,941	5.2
Minnesota.....	14,343,965	13,942,068	401,897	2.8	25,552	610	2.4
Ohio.....	31,561,148	29,987,884	1,573,264	5.0	34,266	1,390	4.1
Wisconsin.....	15,954,896	15,387,102	567,794	3.6	32,379	634	2.0
Region VI.....	97,768,471	94,561,337	3,207,134	3.3	163,046	3,353	2.1
Arkansas.....	12,615,919	12,133,664	482,255	3.8	17,945	450	2.5
Louisiana.....	18,695,962	18,286,855	409,107	2.2	20,477	548	1.9
New Mexico.....	5,403,009	5,076,020	326,989	6.1	5,078	327	6.4
Oklahoma.....	12,144,838	11,672,346	472,492	3.9	30,471	446	1.5
Texas.....	48,908,743	47,392,452	1,516,291	3.1	80,505	1,882	2.0
Region VII.....	39,063,385	37,668,230	1,395,155	3.6	52,356	1,323	2.5
Iowa.....	10,504,807	10,190,607	314,200	3.0	18,680	282	1.5
Kansas.....	5,847,754	5,808,713	239,041	4.1	6,516	297	4.6
Missouri.....	17,399,694	16,697,006	702,688	4.0	19,321	631	3.3
Nebraska.....	5,311,130	5,171,904	139,226	2.6	7,839	113	1.4
Region VIII.....	24,464,514	23,689,330	775,184	3.2	42,698	843	2.0
Colorado.....	8,303,743	8,039,548	264,195	3.2	11,895	319	2.7
Montana.....	3,165,040	3,050,309	114,731	3.6	6,783	122	1.8
North Dakota.....	3,305,718	3,161,036	144,682	4.4	5,405	117	2.2
South Dakota.....	3,130,608	3,019,897	110,711	3.5	4,882	101	2.1
Utah.....	5,208,875	5,111,311	97,564	1.9	11,666	154	1.3
Wyoming.....	1,360,530	1,307,229	43,301	3.2	2,067	30	1.5
Region IX.....	59,039,191	55,868,984	3,140,207	5.3	70,110	4,217	6.0
Arizona.....	7,308,935	7,138,666	170,269	2.3	6,658	182	2.7
California.....	46,878,704	44,109,154	2,769,550	5.9	56,708	3,553	6.8
Guam.....	699,774	667,409	2,365	.4	332	5	1.5
Hawaii.....	2,476,725	2,410,622	66,103	2.7	3,977	78	2.0
Nevada.....	1,705,053	1,573,133	131,920	7.7	2,435	99	4.1
Region X.....	23,045,328	22,153,248	892,080	3.9	31,080	1,279	4.1
Alaska.....	1,632,078	1,616,963	15,115	.9	2,045	27	1.3
Idaho.....	3,359,418	3,261,838	97,580	2.9	4,355	279	6.4
Oregon.....	7,733,315	7,405,569	327,746	4.2	9,557	373	3.9
Washington.....	10,320,517	9,868,878	451,639	4.4	15,093	600	4.0

¹ Federal and State funds under section 2 of the Vocational Rehabilitation Act.

² Differences in data from table 5 represent adjusted allocations.

³ Less than 0.05 percent.

Source: Rehabilitation Services Administration, *State Vocational Rehabilitation Program Data, FY 1972*, and *State Vocational Rehabilitation Factsheet Booklet, FY 1972*.

TABLE 7.—Earnings in 1972 and 1973 of disabled-worker beneficiaries rehabilitated under the trust fund reimbursement program, fiscal years 1967-74, and years with earnings of \$3,000 or more, by benefit status in June 1974

Year and amount of earnings	Number						Percentage distribution					
	All cases	Active recovery	Relapse	Death	Benefit not terminated	Other ¹	All cases	Active recovery	Relapse	Death	Benefit not terminated	Other ¹
Total.....	35,998	11,796	4,132	1,516	16,019	2,535	100 0	32 8	11 5	4 2	44 5	7 0
Earnings in 1973												
None.....	17,894	1,576	1,697	1,516	11,301	1,804	100 0	8 8	8 5	8 5	63 2	10 1
\$1-999.....	3,278	525	469	0	2,212	72	100 0	16 0	14 3	0	67 5	2 2
1,000-2,999.....	3,851	1,266	671	0	1,735	159	100 0	33 4	17 1	0	45 1	4 1
3,000-4,999.....	2,895	1,810	541	0	409	135	100 0	82 5	18 7	0	14 1	4 7
5,000 or more.....	8,080	6,599	754	0	362	365	100 0	81 7	9 3	0	4 5	4 5
Earnings in 1972												
None.....	18,729	1,995	1,714	1,516	11,588	1,916	100 0	10 7	9 2	8 1	61 9	10 2
\$1-999.....	3,985	660	688	0	2,522	88	100 0	16 7	17 4	0	63 7	2 2
1,000-2,999.....	3,959	1,559	836	0	1,475	89	100 0	39 4	21 1	0	37 3	2 2
3,000-4,999.....	2,929	2,153	434	0	253	89	100 0	73 5	14 8	0	8 6	3 0
5,000 or more.....	6,423	5,429	460	0	181	353	100 0	84 5	7 2	0	2 8	5 0
Years with earnings of \$3,000 or more after rehabilitation:												
None.....	21,223	1,926	1,354	1,516	14,527	1,900	100 0	9 1	6 4	7 1	66 4	9 0
1.....	4,357	1,821	1,345	0	1,075	116	100 0	41 8	30 9	0	24 7	2 7
2.....	3,398	2,419	706	0	236	37	100 0	71 2	20 8	0	6 9	1 1
3.....	2,364	1,886	355	0	78	45	100 0	79 8	15 0	0	8 3	1 9
4.....	2,000	1,656	229	0	50	65	100 0	82 8	11 5	0	2 5	3 3
5.....	1,495	1,310	96	0	30	59	100 0	87 5	6 4	0	2 0	3 9
6.....	852	684	33	0	16	119	100 0	80 3	3 9	0	1 9	14 0
7.....	268	87	10	0	6	165	100 0	32 5	3 7	0	2 2	61 6
8.....	41	7	4	0	1	29	100 0	17 1	9 8	0	2 4	70 7

¹ Includes those aged 65 and over and those with early retirement benefits

tion of their funds from the social security program than other States, perhaps reflecting smaller programs generally.

EARNINGS AFTER REHABILITATION

About half of all disabled workers rehabilitated from 1967 to 1974 had earnings in covered employment in 1973 (the latest year with nearly complete earnings data available) and more than one-fifth had earnings of \$5,000 or more (table 7). In comparison, the median amount of earnings for all civilian full-time workers in this period was about \$5,000 for women and about \$10,000 for men; for operatives and services workers, the median was about \$5,000 for women and about \$8,000-9,000 for men. The poverty threshold for nonfarm persons in this period was a little over \$2,000 for one person and about \$3,500 for a three-person family.⁶

Of those with active recoveries who were not only rehabilitated but left the social security rolls because of medical recovery or return to substantial gainful employment and were neither aged 65 nor dead in 1974, 87 percent had some

earnings in 1973 and nearly 60 percent had earnings of \$5,000 or more. Although these earnings were lower than the average for the total employed labor force, they still indicate substantial restored employment. Many rehabilitated beneficiaries had sustained earnings over several years—including nearly half the actively recovered workers, who earned over \$3,000 for 3 or more years. About two-thirds of the disabled persons with relapses had returned to work for earnings of at least \$3,000 a year, including one-third who had attained this level in 2 or more years.

To some extent, the earlier the year of rehabilitation closure, the less likely that the rehabilitants had earnings in recent years (table 8). Among those who left the rolls because they had recovered, a high proportion—generally above 85 percent had earnings in 1973, even among those rehabilitated before 1970. The proportion with earnings of \$3,000 or more was about 55 percent whatever the year of rehabilitation closure. As might be expected, the earlier the year of rehabilitation, the more likely it was that the rehabilitants would have several years of sustained earnings. Nearly three-fourths of the workers rehabilitated before 1970 had 3 or more years of earnings in covered employment of \$3,000 or more a year.

The group reported rehabilitated in fiscal year

⁶ Bureau of the Census, *Current Population Reports*, Series P-60.

TABLE 8.—Disabled-worker beneficiaries rehabilitated under the trust fund reimbursement program, fiscal years 1967–74, and percent with and without earnings, by year of closure

Year of closure	Number rehabilitated				Percent with no earnings in 1973				Percent with earnings of \$3,000 or more in 1973				Percent with earnings of \$3,000 or more in 3 or more years after rehabilitation			
	Active recovery	Relapse	Benefit not terminated	Other ¹	Active recovery	Relapse	Benefit not terminated	Other ¹	Active recovery	Relapse	Benefit not terminated	Other ¹	Active recovery	Relapse	Benefit not terminated	Other ¹
Total ²	11,796	4,132	16,019	4,051	13.4	41.1	70.5	82.0	55.9	18.2	2.3	9.0	47.7	17.6	1.1	11.9
1967.....	187	189	695	699	13.4	68.3	85.5	87.4	52.4	3.2	.9	23.9	73.8	32.3	1.6	32.9
1968.....	1,148	451	1,312	821	19.5	68.7	82.5	80.8	55.3	4.4	.8	13.6	72.7	33.0	1.8	19.0
1969.....	1,939	594	1,302	527	14.9	64.3	77.8	88.4	58.3	7.4	1.7	5.9	72.7	31.0	2.1	8.0
1970.....	2,149	554	1,804	543	13.7	55.6	77.7	96.1	57.9	7.8	1.7	1.5	66.4	26.7	2.4	2.6
1971.....	1,904	415	1,736	384	12.3	45.8	73.3	95.3	59.0	11.6	1.5	.3	56.6	17.8	1.5	1.0
1972.....	2,313	539	3,016	420	10.3	28.6	73.6	93.6	58.8	24.1	1.7	1.0	22.3	8.2	.8	.2
1973.....	1,312	857	3,594	282	8.5	14.4	61.7	81.2	55.7	40.3	3.8	1.4	8.1	4.1	.4	.4
1974.....	697	475	2,494	253	19.5	15.8	58.2	47.4	28.8	23.4	3.1	5.5	2.6	4.2	.6	.8

¹ Includes those aged 65 and over, those with early retirement benefits, and those who died.

² Includes 593 cases with year of rehabilitation unknown

1974 tended to have a smaller proportion whose benefits were terminated because of recovery and, of those recovered, a large proportion with no earnings (20 percent) or lower earnings. This pattern may reflect the recency of their return to working capacity.

BENEFIT-COST RATIO

Congress stipulated that savings must equal or exceed the trust fund expenditures for services. The major source of savings are benefits no longer payable after rehabilitation. For those 11,796 disabled workers who left the rolls after rehabilitation and remained in active-recovery status as of June 1974 the median family benefit at termination was nearly \$300, as shown in table 3.

From the actuarial model of projected benefit savings on the basis of experience for 1966–73 the savings accumulated from nonpayment of past and future (lifetime) benefits to disabled beneficiaries because of their return to work capacity after rehabilitation have been estimated at two to three times the expenditures from social security trust funds paid to reimburse the vocational rehabilitation agencies for services to all beneficiaries in the program (table 9). The present value of the costs and benefits in terms of the value of money in 1966, the year the trust fund program began is 127.2 million in expenditures and 316.6 million in savings, as table 9 shows.

In terms of the present value of expenditures and savings as of June 1973, about \$191 million

was reimbursed between 1966–73 for the cost of services and an estimated \$565 million in trust fund expenditures was saved by the termination of benefits for 14,000 disabled workers who would have been paid the \$565 million if they had stayed on the disability rolls until age 65.

Savings are discounted in these calculations for the mortality and recovery experience these workers might have had if there were no trust fund reimbursement program. This adjustment is based on the benefit termination experience of the regular disabled-worker beneficiary population. Additional returns to the trust funds are assumed to be in the form of social security contributions on restored earnings. Similar savings for disabled widows and adult children restored to working capacity are assumed.

To a large extent, the comparison assumes that recovery and these resulting savings would not have occurred if the disabled persons had not received rehabilitation services. It also assumes that if there were no reimbursement program, they would not have received services and would not have recovered. These are difficult assumptions to validate. Alternative assumptions might be expected to result in very different benefit-cost ratios.

Some decline in the ratio of benefits to expenditures is apparent in recent years, beginning with 1970. The amount of reimbursable funds for services has risen substantially because of legislative increases and the growth of the benefits paid to disabled persons—on the basis of which a percentage, now 1½ percent, is made available for the rehabilitation program.

TABLE 9.—Benefit-cost computation for the vocational rehabilitation program, fiscal years 1966–73

Fiscal year	Number of cases terminated		Present value of expenditures ¹ (in millions)		Present value of savings ² (in millions)		Ratio of savings to expenditures	
	In year	Cumulative through year	In year	Cumulative through year	In year	Cumulative through year	In year	Cumulative through year
1966.....			\$0 5	\$0 5				
1967.....	183	183	9 5	10 0	\$4 1	\$4 1	0 43	0 41
1968.....	1,069	1,252	14 7	24 7	25 5	29 6	1 73	1 20
1969.....	2,105	3,357	15 2	39 9	57 7	87 3	3 80	2 19
1970.....	2,549	5,906	17 1	57 0	63 6	150 9	3 72	2 65
1971.....	2,365	8,271	18 8	75 8	56 9	207 8	3 03	2 74
1972.....	2,559	10,830	22 0	97 8	60 4	268 2	2 75	2 74
1973.....	2,161	12,991	29 4	127 2	48 4	316 6	1 65	2 49

¹ Represents the amount that would have had to be in the trust fund on July 1, 1966, to pay for expenses incurred in the year disabled beneficiaries received services, and if the trust fund interest accrues at 6 percent per year.

² Represents the additional amount that would have had to be in the trust fund on July 1, 1966, to pay for additional benefits if disabled beneficiaries

had remained on the rolls, and if the trust fund interest accrues at 6 percent per year.

Source: House of Representatives, Committee on Ways and Means, *Committee Staff Report on the Disability Insurance Program*, July 1974, p. 304.

CONCLUSION

About 4 out of 10 of the group of disabled workers rehabilitated under the trust fund program left the disability benefit rolls for recovery. A substantially smaller proportion of rehabilitated dependent adults, disabled before age 18, left the rolls. The younger disabled, men, and those with higher predisability earnings were more likely to have their benefits terminated because of recovery.

A substantial proportion of disabled workers continue to work after rehabilitation. Of those who left the social security rolls after rehabilitation in 1967–74, almost all had earnings in 1973 and more than half had earnings of \$5,000 or more.

About 10 percent of the rehabilitants who recovered had returned to the disability benefit rolls by June 1974. There was little difference between men and women and between those with and without dependents in the relapse rate. Older workers and low earners had a somewhat lower relapse rate—a reflection perhaps of the greater problems in attempting to return to work for older and less skilled disabled persons.

A legislative restriction underlying the trust fund financing program was that the cost of

rehabilitation services paid from the trust funds should not be greater than resulting savings to the trust funds from terminated benefits and taxes on restored earnings. According to actuarial projections, based on program experience through June 1973, the savings to the trust fund due to benefit terminations for recovery may be expected to be two to three times the costs of the program.

The growth in the number of rehabilitated beneficiaries in recent years, however, is not comparable with the growth in the amount available for reimbursement from the trust funds. Further, the actual number of disabled beneficiaries leaving the social security rolls because of more medical improvement or return to substantial gainful activity has not risen in recent years, in spite of the trust fund program and liberalization of the social security definition of disability to include more conditions likely to improve in time.

The actual effect of the trust fund program can only be evaluated in terms of the entire rehabilitation and social security systems and the changes in the labor force and income dependency in these years. Also, studies are needed that examine more closely the instrumental effect of vocational services and trust fund allocations in helping disabled workers return to work.