

# Notes and Brief Reports

## Overview of Public Social Welfare Expenditures, Fiscal Year 1986\*

During fiscal year 1986, Federal, State, and local governments spent \$770.5 billion on public social welfare expenditures.<sup>1</sup> This amount was \$40.1 billion, or 5.5 percent, higher than the amount spent in 1985. In constant (1986) dollars, this increase was \$24.5 billion higher, or 3.3 percent of the 1985 figure.

Social welfare spending accounted for 18.4 percent of the gross national product (GNP) in 1986. In fact, this percentage is typical of the 1980's, the exception being

\*Ann Kallman Bixby, Office of Research and Statistics, Office of Policy, Social Security Administration. A more detailed description of public social welfare expenditures will appear in a future issue of the *Social Security Bulletin*.

<sup>1</sup>Public social welfare expenditures are defined in this series as the cost of cash benefits, services, and administration of all programs operating under public law that are of direct benefit to individuals and families.

1983, when the larger percentage of social welfare outlays (19.4 percent) reflected a reaction to the recession of 1981-82. The relationship of social welfare spending to the GNP tends to reflect cyclical changes in the economy.

The accompanying table shows the expenditures for selected fiscal years from 1950 to 1986. The percent of all government spending devoted to social welfare programs continued to decline in 1986, reaching 51.5 percent. State and local governments continued to spend proportionally more on social welfare than did the Federal Government—58.2 percent compared with 48.4 percent. The difference between Federal and State-local spending widened somewhat from its level in the early 1980's: In 1985 and 1986, it was 10 percentage points, compared with 6 percentage points in 1980.

The distribution of government spending among various program categories has been stable throughout the 1980's. In 1986, social insurance again accounted for slightly more than one-half of all expenditures, education for slightly less than one-fourth, and public aid for about one-eighth.

**Table 1.—Social welfare expenditures under public programs, selected fiscal years 1950-86**

[Amounts in millions]

Fiscal year	Program									Total social welfare as a percent of—	
	Total <sup>1</sup>	Social insurance	Public aid	Health and medical care	Veterans' programs	Educa-tion	Housing	Other social welfare <sup>2</sup>	Total health care spending <sup>3</sup>	Gross national product	Government ex-penditures for all purposes <sup>4</sup>
	Total expenditures										
1950.....	\$23,508	\$4,947	\$2,496	\$2,064	\$6,866	\$6,674	\$15	\$448	\$3,065	8.2	37.4
1955.....	32,640	9,835	3,003	3,103	4,834	11,157	89	619	4,421	8.2	32.7
1960.....	52,293	19,307	4,101	4,464	5,479	17,626	177	1,139	6,395	10.3	38.4
1965.....	77,175	28,123	6,283	6,246	6,031	28,108	318	2,066	9,535	11.5	42.4
1970.....	145,856	54,691	16,488	9,907	9,078	50,845	701	4,145	25,391	14.7	48.2
1975.....	290,084	123,013	41,308	17,788	17,019	80,834	3,172	6,947	52,063	19.0	57.3
1976.....	331,955	145,703	48,693	19,029	18,958	87,730	3,371	8,472	58,978	19.5	60.3
1977.....	360,602	160,883	53,266	20,129	19,015	93,878	4,358	9,071	67,068	18.6	58.6
1978.....	394,377	175,090	59,394	22,844	19,744	101,518	5,225	10,563	76,853	18.1	58.4
1979.....	430,280	194,288	64,662	24,899	20,602	109,262	5,493	11,076	86,757	17.5	57.2
1980.....	492,528	229,754	71,799	27,650	21,466	121,050	7,210	13,599	100,294	18.5	56.5
1981.....	550,545	267,395	82,424	30,424	23,441	128,145	6,734	11,983	116,537	18.4	56.5
1982.....	594,876	302,615	80,852	33,218	24,708	133,874	7,954	11,654	130,869	18.9	55.0
1983.....	643,437	331,161	86,644	34,585	25,802	141,815	10,964	12,466	136,742	19.4	54.6

See footnotes at end of table.

**Table 1.—Social welfare expenditures under public programs, selected fiscal years 1950-86—Continued**

[Amounts in millions]

Fiscal year	Program								Total health care spending <sup>3</sup>	Total social welfare as a percent of—	
	Total <sup>1</sup>	Social insurance	Public aid	Health and medical care	Veterans' programs	Educa-tion	Housing	Other social welfare <sup>2</sup>		Gross national product	Government expenditures for all purposes <sup>4</sup>
<b>Total expenditures—Continued</b>											
1984.....	\$671,969	\$341,120	\$90,685	\$37,006	\$26,275	\$152,056	\$11,532	\$13,295	\$148,467	18.2	52.8
1985.....	730,399	372,529	96,777	41,060	27,042	166,418	12,627	13,946	167,542	18.5	51.8
1986 <sup>5</sup> .....	770,522	390,404	103,079	44,334	27,445	178,518	12,036	14,705	179,614	18.4	51.5
<b>Federal expenditures</b>											
1950.....	\$10,541	\$2,103	\$1,103	\$604	\$6,386	\$157	\$15	\$174	\$1,362	3.7	26.2
1955.....	14,623	6,385	1,504	1,150	4,772	485	75	252	1,948	3.7	22.3
1960.....	24,957	14,307	2,117	1,737	5,367	868	144	417	2,918	4.9	28.1
1965.....	37,712	21,807	3,594	2,781	6,011	2,470	238	812	4,625	5.6	32.6
1970.....	77,337	45,246	9,649	4,775	8,952	5,876	582	2,259	16,600	7.8	40.1
1975.....	167,426	99,715	27,186	8,521	16,570	8,629	2,541	4,264	33,013	11.0	52.0
1976.....	197,003	119,600	32,527	9,552	18,796	9,023	2,906	4,598	39,937	11.6	57.0
1977.....	218,371	134,745	35,399	10,150	18,861	9,741	4,006	5,470	46,012	11.3	54.7
1978.....	239,753	147,365	40,013	11,068	19,570	10,901	4,887	5,949	52,366	11.0	55.3
1979.....	263,037	163,879	43,722	11,398	20,412	12,108	5,069	6,449	58,696	10.7	54.6
1980.....	302,631	191,162	48,666	12,703	21,254	13,452	6,608	8,786	68,801	11.3	54.3
1981.....	344,120	224,574	55,946	13,650	23,229	13,372	6,045	7,304	80,560	11.5	53.9
1982.....	367,620	250,551	52,485	14,528	24,463	11,917	7,176	6,500	90,705	11.7	52.6
1983.....	401,413	274,315	56,709	15,440	25,561	12,399	9,961	7,028	94,910	12.1	52.2
1984.....	420,399	288,743	58,480	16,622	25,970	13,010	10,226	7,349	102,966	11.4	50.2
1985.....	452,860	313,108	61,985	18,630	26,704	13,796	11,088	7,548	116,916	11.5	48.6
1986 <sup>5</sup> .....	472,364	326,588	65,615	19,926	27,072	15,022	10,164	7,977	124,162	11.3	48.4
<b>State and local expenditures</b>											
1950.....	\$12,967	\$2,844	\$1,393	\$1,460	\$480	\$6,517	..	\$274	\$1,704	4.5	59.2
1955.....	18,017	3,450	1,499	1,953	62	10,672	\$15	367	2,473	4.5	55.3
1960.....	27,337	4,999	1,984	2,727	112	16,758	33	723	3,478	5.4	60.1
1965.....	39,464	6,316	2,690	3,466	20	25,638	80	1,254	4,911	5.9	60.4
1970.....	68,519	9,446	6,839	5,132	127	44,970	120	1,886	8,791	6.9	64.0
1975.....	122,654	23,298	14,122	9,267	449	72,205	631	2,683	18,249	8.0	65.3
1976.....	134,953	26,103	16,165	9,477	162	78,706	465	3,874	18,795	7.9	66.2
1977.....	142,231	26,139	17,867	9,979	155	84,137	353	3,602	21,055	7.3	66.3
1978.....	154,624	27,725	19,381	11,776	174	90,617	337	4,614	24,464	7.1	66.6
1979.....	167,243	30,408	20,940	13,500	190	97,154	424	4,628	28,061	6.8	62.4
1980.....	189,897	38,592	23,133	14,948	212	107,597	601	4,813	31,492	7.1	60.8
1981.....	206,424	42,821	26,477	16,774	212	114,773	688	4,679	35,977	6.9	61.9
1982.....	227,226	52,063	28,367	18,690	245	121,957	778	5,154	40,164	7.2	60.0
1983.....	242,023	56,846	29,935	19,144	241	129,416	1,003	5,438	41,910	7.3	59.8
1984.....	251,569	52,378	32,206	20,383	305	139,046	1,306	5,946	45,501	6.8	58.6
1985.....	277,540	59,420	34,792	22,430	338	152,622	1,540	6,398	50,627	7.0	59.0
1986 <sup>5</sup> .....	298,158	63,816	37,464	24,408	373	163,495	1,872	6,728	55,451	7.1	58.2

<sup>1</sup>Includes expenditures under public laws and from trust fund accounts, including administration, capital outlay, and some payments outside the United States. The sum of individual categories may not equal the totals due to independent rounding.

<sup>2</sup>Includes outlays for vocational rehabilitation, institutional care, child nutrition and welfare, and social welfare expenditures not elsewhere classified.

<sup>3</sup>Combines health and medical programs with medical services provided in

connection with social insurance, public aid, veterans' programs, and other social welfare programs.

<sup>4</sup>Expenditures for that part of workers' compensation and temporary disability insurance payments made through private carriers and self-insurers are omitted in computing percentages.

<sup>5</sup>Preliminary data.