

was smaller than one-sixth in 13 States, which were mostly rural and included Puerto Rico and the Virgin Islands.

Workman's Compensation Payments and Costs, 1957*

An estimated \$1,064 million for wage loss and medical care under workmen's compensation programs was paid out in 1957 to workers injured on the job. Despite a slight drop in the number of disabling work injuries—compensable and noncompensable—reported by the Bureau of Labor Statistics, the 1957 payments were \$61 million higher than the 1956 estimate of \$1,003 million. The rate of increase (6.2 percent) was less than the 9.5-percent gain registered in the preceding year but larger than the annual increase of 4 percent recorded in both 1954 and 1955.

As in other recent years, the factors most influential in pushing benefits to new heights were (1) rising wage levels, (2) higher medical care costs, and (3) liberalization of State workmen's compensation laws. Average wages, to which cash benefits are related, rose by 4 percent from 1956 to 1957, and medical care prices, according to the consumer price index of the Bureau of Labor Statistics, also went up 4 percent.

During 1956 and 1957, about 35 States enacted legislation that increased cash benefits for death and one or more types of disability. For temporary total disability—the most common type of disability sustained—the increase in the maximum weekly benefit payable ranged from 6 percent to 40 percent, with a median of about 15 percent. Fourteen of the States also improved their medical coverage by extending the total time or money limit on payments or by providing additional services. Slightly more than half the amended laws were in effect for all or most of the calendar year 1957.

The estimated number of workers covered by workmen's compensation in an average week in 1957 was 42-42½ million, almost one-half million more than in the preceding year. This

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Estimates of workmen's compensation payments, by State and type of insurance, 1957 and 1956¹

[In thousands]

State	1957				1956				Percentage change in total payments, 1957 from 1956
	Total	Insurance losses paid by private insurance carriers ²	State fund disbursements ³	Self-insurance payments ⁴	Total	Insurance losses paid by private insurance carriers ²	State fund disbursements ³	Self-insurance payments ⁴	
Total	\$1,064,422	\$660,232	\$272,055	\$132,135	\$1,002,578	\$618,108	\$259,074	\$125,396	+6.2
Alabama	5,550	4,440		1,110	4,862	3,892		970	+14.2
Arizona	8,600	253	8,099	248	7,972	199	7,573	200	+7.9
Arkansas	6,370	5,220		1,150	5,603	4,593		1,010	+13.7
California	107,730	71,212	24,888	11,630	98,031	64,322	23,131	10,578	+9.9
Colorado	8,039	2,563	4,746	3,730	7,190	2,534	4,001	655	+11.8
Connecticut	18,165	16,350		1,815	16,812	15,132		1,680	+8.0
Delaware	2,604	1,284		320	1,445	1,155		290	+11.0
District of Columbia	3,476	3,186		290	2,925	2,660		265	+18.8
Florida	24,012	22,017		1,995	20,810	19,080		1,730	+15.4
Georgia	9,714	8,304		1,410	9,333	7,978		1,355	+4.1
Idaho	4,199	2,818	791	590	3,669	2,417	737	515	+14.4
Illinois	56,544	46,340		10,204	53,326	43,728		9,598	+6.0
Indiana	16,692	14,217		2,475	16,538	14,088		2,450	+9.9
Iowa	7,994	6,394		1,600	7,759	6,209		1,550	+3.0
Kansas	9,810	7,850		1,960	9,442	7,552		1,890	+3.9
Kentucky	11,329	7,659		3,670	10,491	7,011		3,480	+8.0
Louisiana	26,114	22,229		3,885	22,254	18,859		3,395	+17.3
Maine	2,639	2,294		345	2,427	2,112		315	+8.7
Maryland	14,820	11,100	1,690	2,030	13,995	10,411	1,679	1,905	+5.9
Massachusetts	37,892	35,087		2,805	36,517	33,812		2,705	+3.8
Michigan	38,287	25,478	2,490	10,319	34,819	22,612	2,217	9,900	+10.0
Minnesota	17,501	14,561		2,940	16,508	13,733		2,775	+6.0
Mississippi	5,683	5,149		534	5,520	5,027		493	+3.0
Missouri	19,502	16,727		2,775	17,945	15,390		2,555	+8.7
Montana	5,215	1,390	2,988	837	4,878	1,452	2,715	711	+6.9
Nebraska	3,675	3,570		105	3,777	3,671		106	-2.7
Nevada	4,326	2	4,119	205	4,125	(⁵)	3,930	195	+4.9
New Hampshire	2,795	2,740		55	2,635	2,585		50	+8.1
New Jersey	49,287	42,959		6,328	45,463	39,526		5,937	+8.4
New Mexico	5,511	5,136		375	5,513	5,143		370	0
New York	151,948	93,099	39,522	19,327	149,038	92,171	37,910	18,957	+2.0
North Carolina	11,608	9,593		2,015	11,041	9,126		1,915	+5.1
North Dakota	2,072	3	2,069		1,914	1	1,913		+8.3
Ohio	75,502	156	65,518	9,828	76,562	114	66,478	9,970	-1.4
Oklahoma	14,914	11,838	1,916	1,160	15,404	12,226	1,980	1,198	-3.2
Oregon	19,923	1,590	17,733		18,605	1,600	17,005		+3.9
Pennsylvania	46,156	28,431	3,800	13,925	42,928	26,438	3,540	12,950	+7.5
Rhode Island	6,470	6,100		370	5,994	5,634		360	+8.5
South Carolina	5,743	4,633		1,110	5,571	4,491		1,080	+3.1
South Dakota	1,106	931		175	1,129	949		180	-2.0
Tennessee	12,512	9,998		2,514	11,186	8,886		2,300	+11.9
Texas	58,423	58,423			54,136	54,136			+7.9
Utah	3,250	1,157	1,553	540	3,021	1,063	1,463	505	+7.6
Vermont	1,655	1,505		150	1,465	1,330		135	+13.0
Virginia	10,101	8,246		1,855	9,222	7,527		1,695	+9.5
Washington	20,734	474	19,900	360	19,416	396	18,660	360	+6.8
West Virginia	13,715	43	12,777	895	13,068	57	12,124	887	+5.0
Wisconsin	18,637	15,561		3,076	18,278	15,062		3,216	+2.0
Wyoming	1,386	22	1,364		1,415	18	1,397		-2.0
Federal employees ⁶	56,092		56,092		50,631		50,631		+10.8

¹Data for 1957 preliminary. Calendar-year figures, except that data for Montana and West Virginia, for Federal employees, and for State fund disbursements in Maryland, Nevada, North Dakota, Oregon, and Utah represent fiscal years ended in 1956 and 1957. Includes benefit payments under the Longshoremen's and Harbor Workers' Compensation Act and the Defense Bases Compensation Act for the States in which such payments are made.

²Net cash and medical benefits paid by private insurance carriers under standard workmen's compensation policies. Data primarily from the *Specifier: Insurance by States of Fire, Marine, Casualty, Surety and Miscellaneous Lines*, 85th and 86th annual issues.

³Net cash and medical benefits paid by State funds; compiled from State reports (published and unpublished) and from the *Specifier*; estimated for some States.

⁴Cash and medical benefits paid by self-insurers, plus the value of medical benefits paid by employers carrying workmen's compensation policies that do not include the standard medical coverage. Estimated from available State data.

⁵Less than \$500.

⁶Includes compensation payments made to individuals under the War Claims Act, to dependents of reservists who died while on active duty with the Armed Forces, and to war-risk and enemy-action cases.

expansion in coverage plus higher wage rates resulted in an increase of 4.8 percent in covered payroll—from

an estimated \$176.9 billion in 1956 to \$185.4 billion in 1957. Aggregate benefit payments were equivalent to 0.57

percent of covered payroll in both years.

All but six States—Nebraska, New Mexico, Ohio, Oklahoma, South Dakota, and Wyoming—reported increased benefit payments for 1957. Eleven States and the system for Federal employees, with about 18 percent of the covered workers, had increases of 10 percent or more; increases were 15 percent or more in three jurisdictions—the District of Columbia, Florida, and Louisiana. In 21 States, with approximately one-half of all covered employment, the increases ranged from 5.0 percent to 9.9 percent. The remaining 11 States, with one-fourth of the coverage, had increases of less than 5 percent. Regionally, the Southeastern States showed the greatest relative advance, with the Rocky Mountain States second. The smallest percentage gains were scored in the industrial and Plains States of the Middle West.

As in 1956, private carriers were responsible for 62 percent of total benefit payments, State funds (including the system for Federal employees) for 26 percent, and self-insurers for 12 percent. Differences among the three types of insurance in the rate of increase—6.8 percent for private carriers, 5.0 percent for State funds, and 5.4 percent for self-insurers—were not sufficiently great to change the proportions of the total paid by each type of insurer in the 2 years.

In keeping with the increased benefit payments, the cost of workmen's compensation rose both in dollar amounts and as a percentage of covered payroll in 1957. The 1957 estimate of more than \$1,760 million spent by employers to insure or self-insure their risks under workmen's compensation programs was about \$100 million higher than the amount estimated for 1956 and represented about 95 cents per \$100 of covered payroll, compared with 94 cents in 1956. The 1957 total consists of (a) \$1,223 million in premiums paid to private insurance carriers; (b) \$399 million in premiums paid to State funds (for the Federal employees' program, which is financed through congressional appropriations, these "premiums" are the sum of the benefit payments and the cost of the administrative agency); and (c) about \$140

million as the cost of self-insurance (benefits paid by self-insurers, with the total increased 5-10 percent to allow for administrative costs).

The \$1,064 million paid in medical and cash benefits amounted to 60 cents for every dollar of the \$1.8 billion spent in premiums by employers during 1957 to insure their workers. This proportion is approximately the same as that recorded for 1955 and 1956. The loss ratio (losses paid as a percentage of direct premiums written) of private carriers was 54 percent—the same percentage as in 1956. State funds (exclusive of the Federal employees' system) showed a drop of 1 percentage point in their loss ratio—from 64 percent in 1956 to 63 percent in 1957.

Medical and hospitalization benefits amounted to an estimated \$365 million in 1957, about a third of total benefits. Of the \$699 million in non-medical payments, more than seven-eighths took the form of cash compensation for nonfatal injuries and the remainder was paid in death cases. The estimated distributions by type of payment are shown below; data for 1957 are preliminary.

(In millions)

Type of payment	1957	1956
Total.....	\$1,064	\$1,003
Medical and hospitalization.....	365	350
Compensation, total.....	699	653
Disability.....	619	578
Survivor.....	80	75

Employers, Workers, and Earnings Under OASDI*

In the calendar year 1957, according to preliminary estimates, 74 million persons had earnings under old-age, survivors, and disability insurance that amounted to \$183 billion. These totals represented increases of 8.8 percent and 7.6 percent, respectively, from those in 1956. Average annual taxable earnings in 1957 are estimated at \$2,470—slightly less than the average a year earlier. These changes in covered employment, tax-

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

able earnings, and average taxable earnings resulted from the extension of coverage. On the one hand, the inclusion of members of the Armed Forces under the program contributed significantly to the increase in the number of persons and the total amount of earnings. The level of taxable earnings for this newly covered group was, on the other hand, the direct cause of the decline from 1956 in estimated average taxable earnings for all covered employment, since the average increased for persons in civilian employment.

The effect of the extension of coverage is also apparent in the estimates of total earnings and average earnings (taxable and nontaxable combined) in covered employment in the calendar year 1957. Total annual earnings are estimated at \$233 billion, an increase of 8.9 percent from 1956. Average annual earnings, estimated at \$3,150, were about the same as in the preceding year.

Because of the extension of coverage, each quarter of 1957 showed increases from the corresponding quarter of 1956 in the number of workers with taxable wages, the total number of workers with wages in covered employment, and the amount of their total and taxable wages. The increases for the fourth quarter of 1957 were, however, smaller than those for the earlier quarters as a result of the slowing up of economic activity in the last part of 1957. (Quarterly data exclude those whose earnings are reported on an annual basis—agricultural workers, whose taxable earnings were first reported annually in 1955, and the self-employed.)

There was a seasonal decline in average taxable wages and average wages in covered employment during the third quarter of 1957 as young, lower-paid workers took jobs during the summer vacation or entered the labor market upon completion of their schooling. Another seasonal decline occurred in the fourth quarter of 1957; the number of workers with taxable wages (48 million), their taxable wages (\$30 billion), and their average taxable wages (\$620) were less than in the third quarter because of the limitation on wages taxable under old-age, survivors, and disability insurance.