

Aged Persons Receiving Both OASDI and PA, Early 1963*

work or carry on their major activity, and 6.3 million were partially limited in the amount or kind of work or major activity that they could pursue.¹ The National Health Survey data exclude disabled persons in institutions—numbering perhaps as many as 800,000–900,000—but include persons with chronic conditions of less than 6 months' duration.

Much of the variation in the estimates can be attributed to the fact that the definition of disability used in this note includes some of the persons who would be classified in the National Health Survey as having a partial limitation of activity. In the series of sample household-interview surveys that form the basis of the estimates presented here, persons were classified as disabled who stated on the date of interview that for 6 months or longer they had been unable to do their regular work because of disease or injury, as well as those who acknowledged a long-term physical or mental condition that permitted only occasional work. This concept of disability includes some workers who are unable to engage in their usual or regular occupation although not totally disabled for any type of substantial gainful work. Under the National Health Survey procedures, such workers would tend to classify themselves as "able to work but limited in amount or kind of work" rather than "not able to work at all."

Estimates of would-be workers in the disabled population are based on National Health Survey data, which show that about 73 percent of the persons aged 17–64 who were completely limited in their activities and 61 percent who were partially limited were working up to the time their limitation began.² Adjustments were made to allow, on the one hand, for those with childhood impairments who never had any labor-force experience and, on the other hand, for housewives and others with previous labor-force experience, who would no longer normally be in the labor force.

¹ Public Health Service, U.S. National Health Survey, *Chronic Conditions Causing Limitation of Activities, United States, July 1959–June 1961, 1962.*

² Public Health Service, U.S. National Health Survey, *Duration of Limitation of Activity Due to Chronic Conditions, United States, July 1959–June 1960, 1961.*

Old-age, survivors, and disability insurance and public assistance are both designed to provide security against want in old age by helping maintain income through the vicissitudes of the later years. Today almost three-fourths of all men and women aged 65 and over have some degree of security provided through the benefit they receive each month under old-age, survivors, and disability insurance (OASDI). Others—a declining proportion—do not qualify for OASDI monthly benefits because they or the worker on whom they were or are dependent did not work long enough or perhaps not at all in covered employment. Still others may qualify but find that the benefits, with whatever other resources they may have, are not enough to meet their special needs, including their medical bills. For the last group, public assistance payments supplement the OASDI benefit.

Data on the extent to which aged persons receive benefits under both OASDI and public assistance and on the changes that occur in this insurance-assistance relationship are important for the evaluation, interpretation, and planning of both programs. The Bureau of Family Services of the Welfare Administration has collected information from the States annually since 1948 on the incidence of the concurrent receipt of payments under old-age assistance (OAA) and OASDI and on the amounts of such payments. Similar data about recipients of medical assistance for the aged (MAA) were collected for February 1962 and February 1963.

Liberalizations of the OASDI provisions of the Social Security Act in 1950 and also more recently—broadening eligibility requirements, expanding coverage, and raising benefit levels—have had great impact on the public assistance caseloads, as well as on the size of the group receiving both insurance and assistance payments. These revisions in the law do not fully account, however, for the changes during the past decade and a half in the relationship between public

* Adapted from David B. Eppley, "Concurrent Receipt of Public Assistance and Old-Age, Survivors, and Disability Insurance by Persons Aged 65 and Over, Early 1963." *Welfare in Review* (Welfare Administration), March 1964.

assistance and social insurance for persons aged 65 and over. Other factors are the continuing growth in the aged population; higher State standards for measuring need, with higher assistance payments as a result; and the changing composition of the OAA caseload (as more often the recipients are also OASDI beneficiaries, who tend to have lower death rates,¹ and as some of the recipients have been transferred to MAA).

TABLE 1.—Aged persons receiving both OAA payments and OASDI benefits, 1948–63

Month and year	Aged persons receiving both OAA and OASDI		
	Number	Percent of—	
		OAA recipients	OASDI beneficiaries aged 65 and over
June 1948.....	146,000	6.1	10.0
September 1950.....	276,200	9.8	12.6
August 1951.....	376,500	13.8	11.9
February 1952.....	406,000	15.1	12.0
February 1953.....	428,500	16.3	10.7
February 1954.....	463,000	18.0	9.7
February 1955.....	488,800	19.2	8.7
February 1956.....	516,300	20.4	8.0
February 1957.....	555,300	22.2	7.8
February 1958.....	596,500	24.2	7.1
March 1959.....	647,900	26.7	6.9
February 1960.....	675,600	28.5	6.7
February 1961.....	715,400	31.0	6.6
February 1962.....	753,800	33.7	6.5
February 1963 ¹	816,100	37.2	6.5

¹ March data for 3 States, April data for 1 State, May data for 4 States, and June data for 1 State. Part of the New York data (New York City) are for January.

To qualify for aid under the two assistance programs for the aged, the recipient must be in financial need. Consequently, factors that tend to reduce or increase such need in the total aged population affect, in both these programs, the number of recipients and the number and proportion receiving both assistance payments and OASDI benefits. The liberalizations in the OASDI program, as well as its gradual maturing, have meant greater financial protection for the aged person and reduced his need for public assistance. In OAA, the older of the two assistance programs for the aged, the effect is particularly clear. Since 1950, the number of persons receiving OAA payments has declined significantly; at the same time, the number of aged men

¹ In July–December 1962, 72 percent of the cases closed in OAA among persons not receiving OASDI benefits were terminated because the recipient died. Among OAA recipients with OASDI benefits, death was the reason for closing in only 49 percent of the cases closed.

and women receiving both OASDI benefits and OAA has continued to rise.

OAA AND OASDI

As the total number of OAA recipients has declined and the number of beneficiary-recipients has increased, persons getting both types of payments have, of course, represented a growing proportion of the OAA caseload. In early 1963, they accounted for 37 percent of all recipients—a proportion six times greater than that in 1948 (table 1). As a proportion of all OASDI beneficiaries aged 65 and over, however, these beneficiary-recipients have gradually become less significant. Though their number has increased substantially, the total number of aged OASDI beneficiaries has grown at a much faster rate.

The average OAA payment made in February 1963 to persons not receiving OASDI benefits rose \$6.92 from the amount paid a year earlier, to \$85.79. As in the past, those with OASDI benefits received a much smaller assistance payment. Their payment was \$26.45 lower than the amount going to recipients without benefits (\$3 more than the difference between the two recipient groups in 1962, and \$8 more than the difference in 1961).

The average OASDI benefit paid to OAA recipients in February 1963 was \$47.75—less than 50 cents higher than the average a year earlier and only about two-thirds of the average amount received by all OASDI beneficiaries aged 65 and over in early 1963. The low average insurance benefit received by persons getting both types of payments reflects, of course, the fact that these individuals, more than other aged beneficiaries, had relatively low wages or irregular periods of covered employment or both. Undoubtedly, many of them were aged widows whose husbands died many years ago when earnings levels were lower.

For persons with payments from both OASDI and OAA in February 1963, the combined amount from the two programs totaled \$107.09, on the average. The extent of the difference between this amount and the \$85.79 averaged by those receiving only assistance payments may be attributed in part to the relatively high needs of the beneficiary-recipients and in part to the effect, in many States, of maximums and/or percentage

TABLE 2.—Concurrent receipt of OASDI benefits by OAA recipients, by State, February 1963 ¹

State	Aged persons receiving OASDI and OAA as percent of—	
	OAA recipients	OASDI beneficiaries aged 65 and over
Total.....	37.2	6.5
Alabama.....	35.0	21.4
Alaska.....	42.3	17.1
Arizona.....	37.4	7.0
Arkansas.....	25.8	11.1
California.....	57.4	14.5
Colorado.....	45.8	19.5
Connecticut.....	45.8	2.1
Delaware.....	35.4	1.4
District of Columbia.....	31.7	2.2
Florida.....	45.2	7.0
Georgia.....	25.6	12.9
Guam.....	0	0
Hawaii.....	30.9	1.7
Idaho.....	38.8	4.6
Illinois.....	34.4	2.9
Indiana.....	35.8	2.4
Iowa.....	35.7	4.4
Kansas.....	33.6	4.9
Kentucky.....	29.0	7.3
Louisiana.....	36.7	33.4
Maine.....	46.0	6.2
Maryland.....	29.2	1.6
Massachusetts.....	54.7	7.1
Michigan.....	39.0	3.8
Minnesota.....	36.8	6.0
Mississippi.....	33.5	21.2
Missouri.....	38.6	11.6
Montana.....	38.9	4.7
Nebraska.....	33.3	3.6
Nevada.....	60.9	11.1
New Hampshire.....	42.6	3.6
New Jersey.....	42.9	1.7
New Mexico.....	24.3	7.6
New York.....	39.6	1.7
North Carolina.....	20.9	3.9
North Dakota.....	28.1	3.6
Ohio.....	42.1	5.2
Oklahoma.....	32.0	17.1
Oregon.....	47.8	4.7
Pennsylvania.....	35.5	1.9
Puerto Rico.....	.4	.1
Rhode Island.....	50.0	4.2
South Carolina.....	9.8	2.6
South Dakota.....	31.0	4.5
Tennessee.....	16.4	3.8
Texas.....	34.2	15.4
Utah.....	32.1	4.0
Vermont.....	45.4	7.4
Virgin Islands.....	.4	.2
Virginia.....	16.5	1.1
Washington.....	47.5	9.5
West Virginia.....	11.8	1.4
Wisconsin.....	38.1	3.5
Wyoming.....	39.0	5.2

¹ March data for 3 States, April data for 1 State, May data for 4 States, and June data for 1 State. Part of the New York data (New York City) are for January.

reductions from determined need that are applied to assistance payments. When States limit payments in this manner, the maximums and reductions apply, of course, only to the amount of assistance—not to the OASDI benefit or other income. The income of recipients without OASDI benefits is therefore affected to a greater degree than the combined income of those with payments from the two programs.

For both the beneficiary group and the non-beneficiary group the average amount received was higher than it had been a year earlier. The average assistance payment of nonbeneficiaries rose appreciably more, however, than did the average combined amount going to the beneficiary-recipients.

MAA AND OASDI

Twenty-one of the 28 States making payments under the program of MAA during the report month made payments in behalf of 500 or more recipients.² The discussion here is limited to the data for these States.

During the report month, more than half the MAA recipients in the 21 States were receiving OASDI benefits (table 3), a larger proportion than among OAA recipients. Not surprisingly, in view of MAA's more liberal financial requirements, 17 of the States reported a higher rate for beneficiary-recipients in this program than in OAA. The four States where the reverse was true are among those with the highest percentage of transfers to MAA from other assistance programs.

Medical assistance for the aged is a program designed for older persons whose income and resources are above the financial level of OAA recipients but are not sufficient to meet the costs of necessary medical care. It is to be expected, therefore, that the OASDI benefits of persons who were also MAA recipients in early 1963 were generally higher than the insurance benefits of those who were getting payments under both OAA and OASDI.

For all but one³ of the 21 States, the data show that the OASDI benefit for beneficiary-recipients was larger in this program than in OAA. The differences were generally greater in those States with recipient loads having high proportions of persons not previously getting aid under another assistance program. The average OASDI benefit

² For the 6 States reporting fewer recipients (Alabama, Louisiana, Maine, New Hampshire, Vermont, and the Virgin Islands), the recipient loads were considered too small for analysis. Guam did not report.

³ In Massachusetts, where the MAA caseload had a high proportion of transfers from other assistance programs, the average OASDI benefit of OAA recipients was larger than that of MAA recipients by \$1.09.

TABLE 3.—Concurrent receipt of OASDI benefits by recipients of MAA, 21 States, ¹ February 1963 ²

State (ranked by percent of recipients receiving OASDI)	Recipients of MAA ³	
	Total number	Percent receiving OASDI
Total, 21 States.....	116,978	57.5
South Carolina.....	543	86.0
Washington.....	1,181	85.0
Oregon.....	581	84.0
Kentucky.....	4,197	83.4
Arkansas.....	1,882	83.4
Illinois.....	904	83.0
West Virginia.....	7,510	81.1
Oklahoma.....	815	78.4
Maryland.....	6,996	77.6
Puerto Rico.....	1,082	71.8
Tennessee.....	1,036	69.5
New York.....	32,207	57.0
Michigan.....	5,021	54.8
Massachusetts.....	21,938	53.7
Pennsylvania.....	4,854	51.9
Idaho.....	1,442	47.8
California.....	17,058	40.2
Connecticut.....	4,735	40.1
North Dakota.....	904	39.2
Hawaii.....	507	34.5
Utah.....	1,585	27.4

¹ Includes only those States reporting 500 or more MAA recipients in the report month. Seven other States made payments in the report month: Alabama, Louisiana, Maine, New Hampshire, Vermont, and the Virgin Islands reported fewer than 500 recipients, and Guam did not report.

² March data for Tennessee and Utah; May data for Hawaii and Illinois. Part of the New York data (New York City) are for January. Data for Puerto Rico are for December 1962.

³ Persons for whom vendor payments were made during the report month.

of persons transferred to the MAA program from other assistance programs (many of whom were nursing-home cases) would tend to be lower than the average benefit of MAA recipients who did not previously receive assistance. The average OASDI benefit of MAA beneficiary-recipients in States with a high proportion of transfers was therefore likely to approach more closely the average OASDI benefit of OAA recipients.

For the average MAA recipient who was also receiving an OASDI benefit, the assistance payment was much smaller than the payment made in behalf of the recipient who was not an OASDI beneficiary. In early 1963 the average assistance payment for the beneficiary group was \$174.12 a month; for the nonbeneficiary group it was \$255.74. The smaller assistance payment for the beneficiary-recipients reflects the fact that the amount of their OASDI benefit (averaging \$58.81) was taken into account when their medical assistance needs were determined. It may also reflect a need on the part of nonbeneficiaries for more medical care or more expensive care, resulting perhaps from a lifetime of inadequate income.

The OASDI benefit received by MAA beneficiary-recipients was about \$8 higher, on the average, than the insurance benefit of persons

receiving both OAA and an OASDI benefit. For those concurrently receiving both MAA and an OASDI benefit, the average benefit of \$58.81 represented about five-sixths of the average benefit amount for all OASDI beneficiaries aged 65 and over.

Recent Publications*

SOCIAL SECURITY ADMINISTRATION

DIVISION OF RESEARCH AND STATISTICS. *Social Security Programs Throughout the World, 1964*. Washington: U.S. Govt. Print. Off., 1964. 223 pp. \$1.75. Revision of the 1961 edition.

WELFARE ADMINISTRATION

BELL, WINIFRED. "Demonstration Projects in Public Assistance." *Welfare in Review*, vol. 2, May 1964, pp. 3-9. 30 cents.

CHILDREN'S BUREAU. *Homemaker Services: History and Bibliography*, by Maud Morlock. Washington: U.S. Govt. Print. Off., 1964. 116 pp. (Publication No. 410, 1964.) 40 cents.

OFFICE OF AGING. *A Rural County Cares for Its Aging*, by Ada Barnett Stough. Washington: U.S. Govt. Print. Off., 1964. 25 pp. (Patterns for Progress in Aging, Case Study No. 17, OA No. 187.) 15 cents.

Report of a program carried out by a Citizen's Committee on Aging in a rural Minnesota county.

GENERAL

BAGDIKIAN, BEN H. *In the Midst of Plenty: The Poor in America*. Boston: Beacon Press, 1964. 207 pp. \$4.50. Describes the plight of the Nation's poor.

BUDGET STANDARD SERVICE. RESEARCH DEPARTMENT. COMMUNITY COUNCIL OF GREATER NEW YORK, INC. *Annual Price Survey and Family Budget Costs, October 1963*. New York: The Council, April 1964. (7th ed.) 66 pp. \$2.

Brings up to date the cost data in two earlier publications—*A Family Budget Standard* (1963) and *How to Measure Ability to Pay for Social and Health Services* (1957).

CONFERENCE ON RESEARCH IN INCOME AND WEALTH. *The Behavior of Income Shares, Selected Theoretical and Empirical Issues*. Princeton: Princeton University Press, 1964. 394 pp. (Studies in Income and Wealth, vol. 27.) \$8.

COSER, ROSE LAUB, editor. *The Family: Its Structure* (Continued on page 35)

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