

Notes and Brief Reports

Social Welfare Expenditures, 1981 and 1982*

In fiscal year 1982, Federal, State, and local governments spent \$592.6 billion for public social welfare purposes.¹ This was an increase of \$42.1 billion, or 7.6 percent, over the amount spent on social welfare the previous year. Measured in constant dollars, such expenditures rose 1.7 percent from 1981 to 1982.

Social welfare spending represented 19.3 percent of Gross National Product (GNP) in 1982. The Federal Government's share of such outlays amounted to 61.9 percent.

Social Welfare Expenditures and GNP, 1976-82

Before 1976, social welfare expenditures were characterized by rapid growth. After 1976, social welfare spending slowed; expenditures in 1981 and 1982 were typical of this slow-growth period. The point is illustrated when the relationship between social welfare expenditures and GNP is compared. In 1950, social welfare outlays represented 8.2 percent of GNP. Over the next 25 years, these expenditures grew steadily, reaching 19.3 percent in 1976 (with the average annual increase being 0.4 percentage point). There have been slight increases and slight decreases since 1976, and in 1982 social welfare expenditures again reached 19.3 percent of GNP.

The same recent stabilization of expenditures is seen when they are measured in constant (1982) dollars. On this basis, spending rose by nearly 250 percent from 1960 to 1976 and by 60 percent from 1970 to 1976. In the following 6 years, the largest annual increase was 4 percent—in the recession year of 1980—and the cumulative increase was less than 14 percent. This slowdown is reflected variously in the different categories of this series.

The largest single component of social welfare spending is the Old-Age, Survivors, Disability, and Health In-

surance (OASDHI) program.² By 1982, OASDHI accounted for slightly more than one-third of total expenditures. As can be determined from table 1, OASDHI outlays rose 72 percent in constant dollars during the 1970-76 period, but increased only 45 percent during 1976-82. OASDI expenditures alone also increased 72 percent in the first period, but only 36 percent in the second.

The same slowing of the growth rate occurs when OASDHI is measured as a percentage of GNP. During 1970-76, this proportion rose from 3.7 to 5.3 percent. During 1976-82, this proportion grew to 6.7 percent.

Entitlement programs other than OASDHI showed even more reduced growth rates after 1976. These income-tested programs, the largest of which are Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Medicaid, and Food Stamps, are shown in the "public aid" category in table 2. Such programs accounted for 13.6 percent of total social welfare spending in 1982. Measured in constant dollars, these programs grew 108 percent between 1970 and 1976, and 6.5 percent between 1976 and 1982. Moreover, constant dollar spending for public aid decreased between 1978 and 1982.

In addition, spending for the categories of "veterans' programs," "education," and "other social welfare" declined in constant dollars each year from 1975 through 1982. All of these have contributed to the slowdown in total constant dollar spending. Expenditures for "health and medical programs" remained stable over the period 1975-82.

The stabilization of social welfare spending is also illustrated by per capita real expenditures (table 3). Such expenditures rose 40 percent during 1970-76, but only 16 percent during 1976-82. All but two of the cate-

² Health Insurance (Medicare) includes Hospital Insurance and Supplementary Medical Insurance.

Table 1.—Social Security and Medicare outlays in constant (1982) dollars

[In millions]

Year	Total OASDHI	Health Insurance (Medicare)	Social Security (OASDI)
1970.....	\$81,675	\$15,852	\$65,823
1976.....	140,873	27,691	113,182
1982.....	204,568	50,424	154,144

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¹ 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 or families. See table 2 for a detailed list of the programs included.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950–82¹

[In millions]

Program	1950	1960	1965	1970	1975	1976	1978	1980	1981 ²	1982 ²
Total expenditures										
Total	\$23,508.4	\$52,293.2	\$77,175.3	\$145,855.7	\$290,080.4	\$331,955.7	\$394,377.1	\$492,534.2	\$550,476.5	\$592,550.7
Social insurance	4,946.6	19,306.7	28,122.8	54,691.2	123,013.1	145,703.4	175,089.6	229,754.4	267,362.9	300,740.9
Old-Age, Survivors, Disability, and Health Insurance (OASDHI) ³	784.1	11,032.3	16,997.5	36,835.4	78,429.9	90,440.7	117,431.9	152,110.4	180,425.0	204,567.8
OASDI	784.1	11,032.3	16,997.5	29,686.2	63,648.5	72,663.3	92,242.7	117,118.9	137,970.2	154,144.3
HI (Medicare) ⁴ .....	...	...	...	7,149.2	14,781.4	17,777.4	25,189.2	34,991.5	42,454.8	50,423.5
Railroad Retirement ³	306.4	934.7	1,128.1	1,609.9	3,085.1	3,499.6	4,019.8	4,768.7	5,323.4	5,766.4
Public employee retirement ⁵	817.9	2,569.9	4,528.5	8,658.7	20,118.6	23,441.4	29,935.8	39,490.2	45,711.0	50,090.8
Unemployment insurance and employment services ⁶	2,190.1	2,829.6	3,002.6	3,819.5	13,835.9	19,585.2	12,598.4	18,326.4	19,022.3	21,355.5
Railroad unemployment insurance	119.6	215.2	76.7	38.5	41.6	148.2	134.0	155.4	208.1	298.8
Railroad temporary disability insurance	31.1	68.5	46.5	61.1	32.9	78.6	73.4	68.7	60.9	62.2
State temporary disability insurance ⁷	72.1	347.9	483.5	717.7	990.0	1,022.4	1,124.6	1,377.4	1,597.7	1,688.3
Hospital and medical benefits ⁸	2.2	40.2	50.9	62.6	72.9	75.5	77.6	49.6	50.3	52.1
Workers' compensation ⁹	625.1	1,308.5	1,859.4	2,950.4	6,479.1	7,487.3	9,771.7	13,457.2	15,014.5	16,911.1
Hospital and medical benefits ⁸	193.0	420.0	580.0	985.0	2,470.0	2,205.0	2,830.0	3,725.0	4,165.0	4,710.0
Public aid	2,496.2	4,101.1	6,283.4	16,487.8	41,308.3	48,692.6	59,394.2	71,799.4	82,423.5	80,785.5
Public assistance ¹⁰	2,490.2	4,041.7	5,874.9	14,433.5	27,360.4	31,196.5	37,208.3	44,888.3	51,405.9	53,388.1
Vendor medical payments ¹¹	51.3	492.7	1,367.1	5,212.8	13,501.6	15,614.8	20,395.9	27,394.2	32,153.3	34,443.5
Social services ¹¹ .....	...	...	...	712.6	2,622.4	2,799.4	2,840.1	2,342.8	2,489.8	2,456.3
Supplemental Security Income ¹² .....	...	...	...	...	6,091.6	6,539.8	7,193.7	8,226.5	9,287.9	9,753.0
Food Stamps .....	...	...	35.6	577.0	4,693.9	5,700.0	5,139.5	9,083.3	11,136.4	10,761.0
Other ¹³	6.0	59.4	373.0	1,477.3	3,162.4	5,256.3	9,852.7	9,601.3	10,593.3	6,883.4
Health and medical programs ¹⁴	2,063.5	4,463.8	6,246.4	9,906.8	17,787.6	19,028.8	22,844.1	27,656.8	30,121.7	32,892.0
Hospital and medical care	1,222.3	2,853.3	3,452.3	5,313.4	9,219.6	9,311.8	10,542.1	12,202.8	13,113.7	14,968.0
Civilian programs	886.1	1,973.2	2,515.5	3,553.8	6,405.6	6,457.8	7,209.1	8,142.8	8,260.7	9,496.0
Defense Department ¹⁵	336.2	880.1	936.8	1,759.6	2,814.0	2,854.0	3,333.0	4,060.0	4,833.0	5,472.0
Maternal and child health programs ¹⁶	29.8	141.3	227.3	431.4	567.0	614.0	713.0	798.0	849.0	888.0
Medical research	69.2	448.9	1,165.2	1,635.4	2,928.0	3,296.0	3,975.0	4,756.0	5,209.0	5,270.0
School health (education agencies)	30.6	101.0	142.2	246.6	350.0	367.0	485.0	569.0	623.0	709.0
Other public health activities	350.8	401.2	671.0	1,348.0	2,919.0	3,431.0	5,067.0	6,848.0	7,601.0	8,452.0
Medical facilities construction	360.8	518.1	588.3	932.1	1,804.0	2,009.0	2,062.0	2,483.0	2,726.0	2,605.0
Defense Department	1.1	40.0	31.1	52.5	94.0	230.0	226.7	31.0	...	...
Veterans' programs	6,865.7	5,479.2	6,031.0	9,078.0	17,018.9	18,957.9	19,744.0	21,465.5	23,440.8	24,708.1
Pensions and compensation ¹⁷	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	8,279.7	9,676.5	11,306.0	12,453.6	13,301.6
Health and medical programs	748.0	954.0	1,228.7	1,784.0	3,516.8	4,060.9	5,237.5	6,203.9	7,000.0	7,825.8
Hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,287.1	3,754.7	4,855.6	5,749.9	6,429.3	7,210.2
Hospital construction	161.5	59.6	77.0	70.9	136.7	212.2	269.9	323.0	435.0	480.3
Medical and prosthetic research	3.7	15.1	36.9	61.8	93.0	94.0	112.0	131.0	135.3	135.3
Education	2,691.6	409.6	40.9	1,018.5	4,433.8	5,350.6	3,045.6	2,400.7	2,335.6	1,816.3
Life insurance ¹⁸	475.7	494.1	434.3	502.3	556.1	564.3	614.3	664.5	709.0	747.0
Welfare and other	858.3	218.8	185.8	379.4	933.7	702.5	810.1	890.4	943.1	1,017.4
Education ¹⁹	6,674.1	17,626.2	28,107.9	50,845.5	80,834.2	87,729.7	101,517.8	121,049.6	128,145.5	133,874.1
Elementary and secondary	5,596.2	15,109.0	22,357.7	38,632.3	59,745.6	63,234.9	73,133.1	87,149.9	92,327.7	97,419.5
Construction ^{8,20}	1,019.4	2,661.8	3,267.0	4,659.1	5,746.0	5,920.1	5,245.2	6,524.0	6,756.9	6,772.2
Higher	914.7	2,190.7	4,826.4	9,907.1	16,384.1	18,741.9	21,893.3	26,175.9	27,652.2	28,153.8
Construction ⁸	310.0	357.9	1,081.4	1,566.9	1,512.7	1,557.7	1,458.5	1,528.1	14.6	144.1
Vocational and adult ²⁰	160.8	298.0	853.9	2,144.4	4,441.3	5,504.9	6,133.3	7,375.2	7,854.9	7,997.3
Housing	14.6	176.8	318.1	701.2	3,171.7	3,370.8	5,224.7	7,209.5	6,733.5	7,954.2
Public housing	14.5	143.5	234.5	459.9	1,456.4	1,716.0	3,626.0	5,246.9	4,587.3	5,651.6
Other social welfare	447.7	1,139.4	2,065.7	4,145.2	6,946.6	8,472.5	10,562.7	13,599.1	12,248.4	11,596.0
Vocational rehabilitation ²¹	30.0	96.3	210.5	703.8	1,036.4	1,189.7	1,297.6	1,251.1	1,195.1	1,233.7
Medical services ²²	7.4	17.7	34.2	133.8	217.7	216.0	255.7	261.8	...	...
Medical research ²² .....	...	6.6	22.4	29.6	...	...	22.5	13.5	...	...
Institutional care ²³	145.5	420.5	789.5	201.7	296.1	322.1	410.1	482.4	548.9	594.4
Child nutrition ²⁴	160.2	398.7	617.4	896.0	2,517.6	2,806.3	3,584.9	4,852.3	4,508.7	4,045.4
Child welfare ²⁵	104.9	211.5	354.3	585.3	597.0	752.6	800.0	800.0	800.0	800.0
Special OEO and ACTION programs ²⁶ .....	...	...	51.7	752.8	638.3	572.1	881.4	2,302.7	814.5	268.5
Social welfare, not elsewhere classified ²⁷	7.1	12.4	42.3	1,005.6	1,861.2	2,829.7	3,588.7	3,910.6	4,381.2	4,654.0

See footnotes on following pages.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950–82¹—Continued

Program	[In millions]									
	1950	1960	1965	1970	1975	1976	1978	1980	1981 ²	1982 ²
	Federal expenditures									
Total	\$10,541.1	\$24,956.7	\$37,711.7	\$77,337.2	\$167,426.0	\$197,002.7	\$239,753.1	\$302,814.2	\$344,747.2	\$366,581.9
Social insurance	2,103.0	14,307.2	21,806.6	45,245.6	99,715.0	119,600.2	147,364.7	191,162.0	224,540.8	249,304.2
Old-Age, Survivors, Disability, and Health Insurance (OASDHI) ³	784.1	11,032.2	16,997.5	36,835.4	78,429.9	90,440.7	117,431.9	152,110.4	180,425.0	204,567.8
OASDI	784.1	11,032.2	16,997.5	29,686.2	63,648.5	72,663.3	92,242.7	117,118.9	137,970.2	154,144.3
HI (Medicare) ⁴ .....	...	...	...	7,149.2	14,781.4	17,777.4	25,189.2	34,991.5	42,454.8	50,423.5
Railroad Retirement ³	306.4	934.7	1,128.1	1,609.9	3,085.1	3,499.6	4,019.8	4,768.7	5,323.4	5,766.4
Public employee retirement ⁵	507.9	1,519.9	2,780.5	5,516.7	13,338.9	15,664.3	20,144.7	26,982.9	31,510.4	34,028.1
Unemployment insurance and em- ployment services ⁶	328.6	473.5	699.8	1,036.1	3,429.2	8,250.7	3,767.6	4,407.6	4,230.6	1,760.9
Railroad unemployment insur- ance	119.6	215.2	76.7	38.5	41.6	148.2	134.0	135.4	208.1	298.8
Railroad temporary disability in- surance	31.1	68.5	46.5	61.1	32.9	78.6	73.4	68.7	60.9	62.2
Worker's compensation ⁹	25.1	63.1	77.6	147.9	1,357.4	1,518.1	1,793.3	2,668.3	2,782.4	2,820.0
Hospital and medical bene- fits ⁸	5.2	9.0	11.3	20.7	50.2	67.9	88.2	129.5	153.2	172.3
Public aid	1,103.2	2,116.9	3,593.9	9,648.6	27,186.5	32,527.3	40,012.9	48,666.5	55,946.5	52,401.9
Public assistance ¹⁰	1,097.2	2,057.5	3,185.4	7,594.3	14,528.6	16,528.6	19,447.3	23,542.1	26,979.9	27,098.1
Vendor medical payments ¹¹ .....	...	199.8	555.0	2,607.1	7,056.4	8,306.3	10,578.6	14,550.3	17,073.5	17,514.3
Social services ¹¹ .....	...	...	...	522.0	1,962.6	2,111.2	2,130.1	1,757.1	1,867.4	1,842.2
Supplemental Security Income ¹² .....	...	...	...	...	4,801.6	5,042.4	5,573.4	6,439.8	7,236.9	7,659.4
Food Stamps .....	...	...	35.6	577.0	4,693.9	5,700.0	5,139.5	5,983.3	11,136.4	10,716.0
Other ¹³	6.0	59.4	373.0	1,477.3	3,162.4	5,256.3	9,852.7	9,601.3	10,593.3	6,883.4
Health and medical programs ¹⁴	603.5	1,737.1	2,780.6	4,775.2	8,521.0	9,552.0	11,068.0	12,886.0	14,309.0	15,073.0
Hospital and medical care	382.6	983.5	1,074.7	2,045.0	4,045.0	4,454.0	5,292.0	6,451.0	7,224.0	7,981.0
Civilian programs	46.4	103.4	137.9	285.8	1,231.0	1,600.0	1,959.0	2,391.0	2,391.0	2,509.0
Defense Department ¹⁵	336.2	880.1	936.8	1,759.6	2,814.0	2,854.0	3,333.0	4,060.0	4,853.0	5,472.0
Maternal and child health pro- grams ¹⁶	20.1	35.3	73.4	196.0	271.0	301.0	338.0	351.0	387.0	352.0
Medical research	69.2	425.9	1,110.2	1,485.4	2,642.0	2,984.0	3,582.0	4,294.0	4,722.0	4,744.0
Other public health activities	63.8	57.3	222.9	590.3	1,150.0	1,277.0	1,211.0	1,250.0	1,307.0	1,351.0
Medical facilities construction	67.8	235.1	299.3	458.1	413.0	536.0	645.0	540.0	649.0	645.0
Defense Department	1.1	40.0	31.1	52.5	94.0	230.0	226.7	31.0	...	...
Veterans' programs	6,386.2	5,367.3	6,010.6	8,931.5	16,569.8	18,796.0	19,570.3	21,253.6	23,228.7	24,462.7
Pensions and compensation ¹⁷	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	8,279.7	9,676.5	11,306.0	12,453.6	13,301.6
Health and medical programs	748.0	954.0	1,228.7	1,784.0	3,516.8	4,060.9	5,237.5	6,203.9	7,000.0	7,825.8
Hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,287.1	3,754.7	4,855.6	5,749.9	6,429.3	7,210.2
Hospital construction	161.5	59.6	77.0	70.9	136.7	212.2	269.9	323.0	435.0	480.3
Medical and prosthetic research	3.7	15.1	36.9	61.8	93.0	94.0	112.0	131.0	135.3	135.3
Education	2,691.6	409.6	40.9	1,018.5	4,433.8	5,350.6	3,405.6	2,400.7	2,335.6	1,816.3
Life insurance ¹⁸	475.7	494.1	434.3	502.3	556.1	564.3	614.3	664.5	709.0	747.0
Welfare and other	378.8	106.9	165.4	252.9	484.6	540.6	636.4	678.5	731.0	772.1
Education ¹⁹	156.7	867.9	2,469.8	5,875.8	8,629.4	9,023.2	10,900.8	13,452.2	13,372.2	11,917.0
Elementary and secondary	47.1	441.9	776.8	2,956.8	4,562.5	4,305.3	5,507.4	7,429.6	7,014.5	6,422.5
Construction ^{8, 20}	5.2	70.6	77.0	35.9	20.9	23.4	19.3	40.9	44.9	16.0
Higher	48.5	293.1	1,217.0	2,154.6	2,863.5	3,572.0	4,077.0	4,467.5	4,852.2	4,253.8
Construction ⁸	5.7	1.2	324.0	466.3	273.9	265.7	132.6	42.1	14.6	144.1
Vocational and adult ²⁰	58.7	104.5	406.2	602.6	940.2	897.9	958.3	1,206.5	1,195.0	937.1
Housing	14.6	143.5	238.2	581.6	2,540.7	2,906.0	4,887.3	6,608.1	6,045.2	7,175.9
Public housing	14.5	143.5	234.5	459.9	1,456.4	1,716.0	3,626.0	5,246.9	4,587.3	5,651.6
Other social welfare	174.0	416.7	812.0	2,258.9	4,263.6	4,598.0	5,949.1	8,785.8	7,304.5	6,247.2
Vocational rehabilitation ²¹	21.0	64.3	143.3	567.5	814.0	936.7	1,006.6	1,006.1	918.8	918.0
Medical services ²²	5.1	11.2	21.2	107.0	174.2	172.8	204.5	212.8	...	...
Medical research ²² .....	...	6.6	22.4	29.6	...	...	22.5	13.5	...	...
Institutional care ²³	20.5	20.5	34.5	22.5	20.3	16.7	20.0	74.2	89.9	92.6
Child nutrition ²⁴	121.2	306.1	503.7	710.9	2,064.0	2,316.3	3,039.9	4,209.3	4,148.7	3,685.4
Child welfare ²⁵	4.2	13.4	36.5	44.7	49.8	52.5	56.5	56.9	172.7	160.2
Special OEO and ACTION pro- grams ²⁶ .....	...	...	51.7	752.8	638.3	572.1	881.4	2,302.7	814.5	268.5
Social welfare, not elsewhere clas- sified ²⁷	7.1	12.4	42.3	160.6	677.2	703.7	944.7	1,136.6	1,159.9	1,122.5

¹ Expenditures from Federal, State, and local revenues under public law; includes capital outlay and administrative expenditures unless otherwise noted. Includes some payments abroad. Until 1977, fiscal years for the Federal Government, most States, and some localities ended June 30. Federal fiscal years subsequently ended September 30.

² Preliminary figures.

³ Excludes financial interchange between OASDHI and Railroad Retirement.

⁴ Included in OASDHI total.

⁵ Excludes refunds of employee contributions; includes payments to retired military personnel and survivors. Administrative expenses for Federal noncontributory retirement not available.

⁶ Includes unemployment compensation under State programs; programs for

Footnotes continued on next page.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950–82¹—Continued

[In millions]

Program	1950	1960	1965	1970	1975	1976	1978	1980	1981 ²	1982 ²
State and local expenditures										
Total	\$12,967.3	\$27,336.6	\$39,463.5	\$68,518.5	\$122,654.4	\$134,953.0	\$154,624.0	\$189,720.0	\$205,729.3	\$225,968.8
Social insurance	2,843.6	4,999.4	6,316.2	9,445.6	23,298.1	26,103.2	27,724.9	38,592.4	42,822.1	51,436.7
Public employee retirement ⁵	310.0	1,050.0	1,748.0	3,142.0	6,779.7	7,777.1	9,791.1	12,507.3	14,200.6	16,062.7
Unemployment insurance and employment services ⁶	1,861.5	2,356.1	2,302.8	2,783.4	10,406.7	11,334.5	8,830.8	13,918.8	14,791.7	19,594.6
State temporary disability insurance ⁷	72.1	347.9	483.5	717.7	990.0	1,022.4	1,124.6	1,377.4	1,597.7	1,688.3
Hospital and medical benefits ⁸	2.2	40.2	50.9	62.6	72.9	75.5	77.6	49.6	50.3	52.1
Workers' compensation ⁹	600.0	1,245.4	1,781.8	2,802.5	5,121.7	5,969.2	7,978.4	10,788.9	12,232.1	14,091.1
Hospital and medical benefits ⁸	187.8	411.0	568.7	964.3	2,137.1	2,419.8	2,742.3	3,595.5	4,011.8	4,537.7
Public aid	1,393.0	1,984.2	2,689.5	6,839.2	14,121.8	16,165.3	19,381.3	23,132.9	26,477.1	28,383.6
Public assistance ¹⁰	1,393.0	1,984.2	2,689.5	6,839.2	12,831.8	14,667.9	17,761.0	21,346.2	24,426.0	26,290.0
Vendor medical payments ¹¹	51.3	292.9	812.1	2,605.6	6,445.2	7,308.5	9,817.3	12,843.9	15,079.8	16,929.2
Social services ¹¹ .....	...	...	...	190.6	659.8	688.2	710.0	585.7	622.5	614.1
Supplemental Security Income ¹² .....	...	...	...	...	1,290.0	1,497.4	1,620.3	1,786.7	2,051.1	2,093.6
Health and medical programs ¹⁴	1,460.0	2,726.8	3,465.8	5,131.6	9,266.6	9,476.8	11,776.1	14,770.8	15,812.7	17,819.0
Hospital and medical care	839.7	1,869.8	2,377.6	3,268.0	5,174.6	4,857.8	5,250.1	5,751.8	5,869.7	6,987.0
Maternal and child health programs ¹⁶	9.7	106.1	153.9	235.3	296.0	313.0	375.0	447.0	462.0	536.0
Medical research .....	...	23.0	55.0	150.0	286.0	312.0	393.0	462.0	487.0	526.0
School health (education agencies)	30.6	101.0	142.2	246.6	350.0	367.0	485.0	569.0	623.0	709.0
Other public health activities	287.0	343.9	448.1	757.7	1,769.0	2,154.0	3,856.0	5,598.0	6,294.0	7,101.0
Medical facilities construction	293.0	283.0	289.0	474.0	1,391.0	1,473.0	1,417.0	1,943.0	2,077.0	1,960.0
Veterans' programs	479.5	111.9	20.4	126.5	449.1	161.9	173.7	211.9	212.1	245.3
Education ¹⁹	6,517.5	16,758.3	25,638.1	44,969.7	72,204.8	78,706.5	90,617.0	107,597.4	114,773.1	121,957.1
Elementary and secondary	5,549.1	14,667.1	21,580.0	35,675.5	55,183.1	58,929.6	67,625.7	79,720.3	85,313.2	90,997.0
Construction ^{8, 20}	1,041.2	2,591.2	3,190.0	4,623.2	5,725.1	5,896.7	5,225.9	6,483.1	6,712.0	6,756.0
Higher	866.3	1,897.7	3,609.4	7,752.4	13,520.6	15,169.9	17,816.3	21,708.4	22,800.0	23,900.0
Construction ⁸	304.6	356.7	757.4	1,100.6	1,238.8	1,292.0	1,325.9	1,486.0	...	...
Vocational and adult ²⁰	102.1	193.5	447.7	1,541.8	3,501.1	4,607.0	5,175.0	6,168.7	6,659.9	7,060.1
Housing .....	...	33.2	80.0	119.6	631.0	464.8	337.4	601.4	688.3	778.3
Other social welfare	273.7	722.8	1,253.6	1,886.3	2,683.0	3,874.5	4,613.6	4,813.2	4,943.9	5,348.8
Vocational rehabilitation ²¹	9.0	32.1	67.1	136.3	222.4	253.0	291.0	245.0	276.3	315.7
Medical services ²²	2.3	6.6	13.0	26.8	43.5	43.2	51.1	49.0	...	...
Institutional care ²³	125.0	400.0	755.0	179.3	275.8	305.4	390.1	408.2	459.0	501.8
Child nutrition ²⁴	39.0	92.6	113.7	185.1	453.6	490.0	545.0	643.0	360.0	360.0
Child welfare ²⁵	100.7	198.1	317.8	540.7	547.2	700.1	743.5	743.0	627.3	639.8
Social welfare, not elsewhere classified ²⁷ .....	...	...	...	845.0	1,184.0	2,126.0	2,644.0	2,774.0	3,221.3	3,531.5

Federal employees and ex-servicemen; trade adjustment and cash training allowances; and payments under extended, emergency, disaster, and special unemployment insurance programs. 1982 totals exclude extended unemployment insurance.

⁷ Cash and medical benefits in five geographical areas. Includes private plans where applicable and State costs of administering State plans and supervising private plans. Administrative expenses of all private plans and all data for Hawaii not available.

⁸ Included in total directly above; excludes administrative expenses not available separately but included for entire program in preceding line. For 1981 and 1982, higher education construction expenditures are Federal only.

⁹ Cash and medical benefits paid under Federal and State laws by private insurance carriers, State funds, and self-insurers. Includes Alaska and Hawaii beginning 1960. Administrative cost of private carriers and self-insurers not available. Starting 1970, Federal expenditures include Black Lung benefit programs.

¹⁰ Represents categorical cash and medical payment programs under the Social Security Act and General Assistance. Starting 1969, includes work incentive activities.

¹¹ Included in public assistance total above; includes administrative expenses of Medicaid program.

¹² Benefits began January 1974; fiscal year 1973 data represent administrative expenses only.

¹³ Work relief, other emergency aid, surplus food for the needy, repatriate and refugee assistance, temporary and emergency employment assistance, and work-experience training programs under the Economic Opportunity Act and the Comprehensive Employment and Training Act. Starting 1981, includes Low-Income Energy Assistance program. See footnote 27.

¹⁴ Excludes State and local expenditures for domiciliary care in institutions other than mental or tuberculosis. Services in connection with OASDHI, State temporary disability insurance, workers' compensation, public assistance, vocational rehabilitation, and veterans' and antipoverty programs are included in total expenditures for these programs.

¹⁵ Includes medical care for military dependent families.

¹⁶ Includes services for crippled children.

¹⁷ Includes burial awards. Starting 1965, includes special allowances for survivors of veterans who did not qualify under OASDHI. Starting 1974, subsistence payments to disabled veterans undergoing training shifted from veterans' pensions and compensation to veterans' education subgroup. Starting 1973, includes clothing allowance.

¹⁸ Excludes the Servicemen's Group Life Insurance program.

¹⁹ Federal expenditures for administrative costs (Department of Education) and research included in total only.

²⁰ Construction for vocational and adult education included with elementary-secondary school construction.

²¹ Starting 1974, excludes administrative expenses.

²² Medical services and research included in vocational rehabilitation total. Starting 1981, no longer available separately.

²³ Federal expenditures represent primarily surplus food for institutions.

²⁴ Surplus food for schools and programs under National School Lunch and Child Nutrition Acts. State and local funds represent direct appropriations through 1979, all such expenditures starting in 1980.

²⁵ Represents primarily child welfare services under the Social Security Act. Starting 1969, excludes administrative expenses.

²⁶ Includes domestic programs consolidated in fiscal year 1972 under ACTION and special OEO programs consolidated in fiscal year 1974 under Community Services Administration. Other OEO programs listed in appropriate subsections under public aid and education.

²⁷ Federal expenditures include administrative and related expenses of the Secretary of Health and Human Services, Indian welfare and guidance, aging and juvenile delinquency activities, and certain manpower and human development activities. State and local expenditures include amounts for antipoverty and manpower programs, day care, child placement and adoption services, foster care, legal assistance, care of transients, and other unspecified welfare services; before 1970, these amounts included with institutional care.

gories—"social insurance" and "health and medical programs"—showed declines in per capita real spending beginning in 1975-76. By 1982, these declines ranged from 1 to 11 percent, and collectively they nearly offset the growth in the other two categories. The aggregation

"all health and medical care," combining the category of "health and medical programs" with medical services provided in all other categories, increased each year in real per capita terms. Total per capita real spending in 1982 rose 1 percent from the previous year.

Table 3.—Total and per capital social welfare expenditures under public programs in current and constant (1982) dollars, selected fiscal years, 1950-82

Fiscal year	Total expenditures		Per capita expenditures for—						
	Amount in millions ¹	Per capita ²	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ³
Current dollars									
1950	\$23,420.8	\$152.56	\$32.19	\$16.26	\$13.44	\$44.18	\$43.47	\$2.92	\$19.97
1960	52,106.3	285.42	105.35	22.46	24.45	29.52	96.43	6.24	35.03
1965	76,928.6	391.15	142.29	31.95	31.76	30.30	142.73	10.50	48.48
1970	145,483.9	698.90	261.75	79.26	46.88	43.16	244.56	19.93	121.32
1975	289,369.2	1,326.20	561.34	189.32	81.52	77.32	370.32	31.84	239.91
1976	331,181.7	1,518.98	665.60	223.33	87.28	86.23	402.23	38.86	267.94
1977	359,753.6	1,616.19	719.83	239.30	90.43	84.71	421.59	40.75	302.87
1978	393,451.0	1,749.18	775.20	264.05	101.56	87.04	451.14	46.96	341.67
1979	428,765.2	1,885.56	850.96	282.87	109.78	89.83	480.28	47.68	381.82
1980	491,417.4	2,136.54	995.06	312.16	120.24	92.50	526.11	59.12	436.07
1981	549,172.2	2,362.15	1,145.44	354.53	129.56	99.99	550.99	52.68	498.71
1982	591,150.0	2,518.82	1,276.53	344.22	140.15	104.40	570.21	49.41	555.39
Percentage increase from selected year to 1982									
1950	2,424	1,551	3,866	2,017	943	136	1,212	1,592	2,681
1960	1,035	782	1,112	1,433	473	254	491	692	1,485
1965	668	544	797	977	341	245	300	371	1,046
1970	306	260	388	334	199	142	133	148	358
1975	104	90	127	82	72	35	54	55	131
1976	78	66	92	54	61	21	42	27	107
1977	64	56	77	44	55	23	35	21	83
1978	50	44	65	30	38	20	26	5	63
1979	38	34	50	22	28	16	19	4	45
1980	20	18	28	10	17	13	8	-16	27
1981	8	7	11	-3	8	4	3	-6	11
Constant (1982) dollars									
1950	\$84,551.6	\$550.76	\$116.21	\$58.70	\$48.52	\$159.49	\$156.93	\$10.54	\$72.09
1960	148,875.1	815.49	301.00	64.17	69.86	84.34	275.51	17.83	100.09
1965	204,597.3	1,040.29	378.43	84.97	84.47	80.59	379.60	27.93	128.94
1970	322,580.7	1,549.67	580.38	175.74	103.95	95.70	542.26	44.19	269.00
1975	474,375.7	2,174.10	920.23	310.36	133.64	126.75	607.08	52.20	393.30
1976	515,859.3	2,366.01	1,036.76	347.87	135.95	134.31	626.53	60.53	417.35
1977	530,610.0	2,383.76	1,061.70	352.95	133.38	124.94	621.81	60.10	446.71
1978	541,943.5	2,409.34	1,067.77	363.71	139.89	119.89	621.40	64.68	470.62
1979	541,370.2	2,380.76	1,074.44	357.16	138.61	113.42	606.41	60.20	482.10
1980	563,552.1	2,450.16	1,141.12	357.98	137.89	106.08	603.34	67.80	500.08
1981	581,134.6	2,499.63	1,212.11	375.16	137.10	105.81	583.06	55.75	527.74
1982	591,150.0	2,518.82	1,276.53	344.22	140.15	104.40	570.21	49.41	555.39
Percentage increase from selected year to 1982									
1950	599	357	998	486	189	-34	263	369	670
1960	297	209	324	436	101	24	107	177	455
1965	189	142	237	305	66	30	50	77	331
1970	83	62	120	96	35	9	5	12	106
1975	25	16	39	11	5	-18	-6	-5	41
1976	15	6	23	-1	3	-22	-9	-18	33
1977	11	6	20	2	5	-16	-8	-18	24
1978	9	4	20	-5	0	-13	-8	-24	18
1979	9	6	19	-4	1	-8	-6	-18	15
1980	5	3	12	-4	2	-2	-5	-27	11
1981	2	1	5	-8	2	-1	-2	-11	5

¹ Excludes expenditures in foreign countries for OASDHI, Civil Service retirement benefits, veterans' programs, and education. See table 1 for data including foreign payments.

² Includes housing, not shown separately.

³ Combines "health and medical care" with medical services provided in

connection with social insurance, public aid, veterans', and vocational rehabilitation programs.

Source: Constant dollar figures based on implicit price deflators for personal consumption expenditures, prepared by the Bureau of Economic Analysis, Department of Commerce.

Measures of Change in Social Welfare Expenditures

Distribution by Category

The proportion of social welfare spending allotted to each category changed considerably from 1950 to 1982 (chart 1). "Social insurance" grew from less than one-fourth to slightly more than half of the total expenditures. (Social insurance spending is currently more than twice that for "education," the next largest category.) Conversely, "veterans' programs" fell from nearly 30 percent of the 1950 total to less than 5 percent in 1982. "Health and medical programs" also declined, chiefly because the primary growth occurred in the Medicare and Medicaid programs, which are included in "social insurance" and "public aid," respectively.

As previously mentioned, social welfare expenditures

increased as a percentage of GNP during most years until 1976 (table 4). As chart 2 shows, this proportion declined during the 1976-79 period and rose again during the 1980-82 period.

Since 1976, however, both GNP and social welfare expenditures have increased by the same amount—somewhat more than 14 percent in constant dollars and 79 percent in current dollars. Therefore, the percentage of GNP represented by social welfare expenditures was the same in 1982 as in 1976—19.3 percent. The "social insurance" category was nearly 10 percent of GNP in 1982, and "education" accounted for slightly more than 4 percent.

In 1976, social welfare spending reached 60 percent of all government outlays. This percentage has dropped in each succeeding year, and in 1982 was 56 percent (table 5).

Table 4.—Social welfare expenditures under public programs as percent of GNP, selected fiscal years, 1950-82

Fiscal year	Gross national product (in billions) ¹	All programs ²			Program category						All health and medical care ³
		Total	Federal	State and local	Social insurance	Public aid	Health and medical programs	Veterans' programs	Educational	Other social welfare	
1950	\$286.5	8.2	3.7	4.5	1.7	0.9	0.7	2.4	2.3	0.1	1.1
1955	400.0	8.2	3.6	4.5	2.4	.8	.8	1.2	2.8	.2	1.2
1960	506.5	10.3	4.9	5.4	3.8	.8	.9	1.1	3.5	.2	1.3
1965	691.1	11.2	5.5	5.7	4.1	.9	.9	4.1	5.3	.3	1.4
1970	992.7	14.7	7.8	6.9	5.5	1.7	1.0	.9	5.1	.4	2.6
1975	1,549.2	18.7	10.8	7.9	7.9	2.7	1.2	1.1	5.2	.4	3.4
1976	1,718.0	19.3	11.5	7.9	8.5	2.8	1.1	1.1	5.1	.5	3.4
1977	1,918.3	18.8	11.4	7.4	8.4	2.8	1.0	1.0	4.9	.5	3.5
1978	2,163.9	18.2	11.1	7.1	8.1	2.7	1.1	.9	4.7	.5	3.6
1979	2,417.8	17.8	10.9	6.9	8.0	2.7	1.0	.8	4.5	.4	3.6
1980	2,631.7	18.7	11.5	7.2	8.7	2.7	1.0	.8	4.6	.5	3.8
1981 ⁴	2,957.8	18.6	11.6	7.0	9.0	2.8	1.0	.8	4.3	.4	3.9
1982 ⁴	3,069.3	19.3	11.9	7.4	9.8	2.6	1.1	.8	4.4	.4	4.2

¹ Revised in 1980 by the Bureau of Economic Analysis, Department of Commerce.

² Includes housing, not shown separately here.

³ Combines "health and medical programs" with medical services provided

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

⁴ Preliminary estimates.

Table 5.—Social welfare expenditures from public funds¹ as a percent of government expenditures for all purposes, by type of fund, selected fiscal years, 1950-82

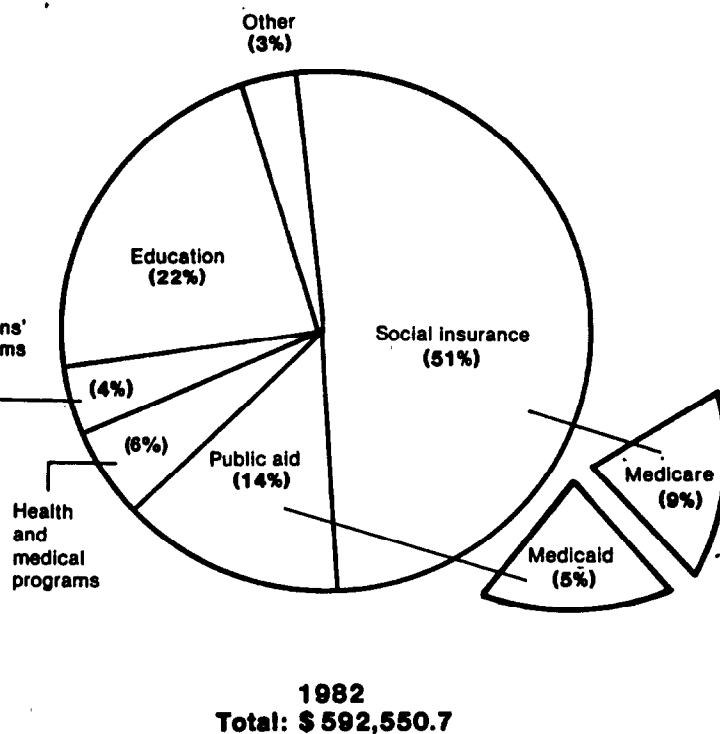
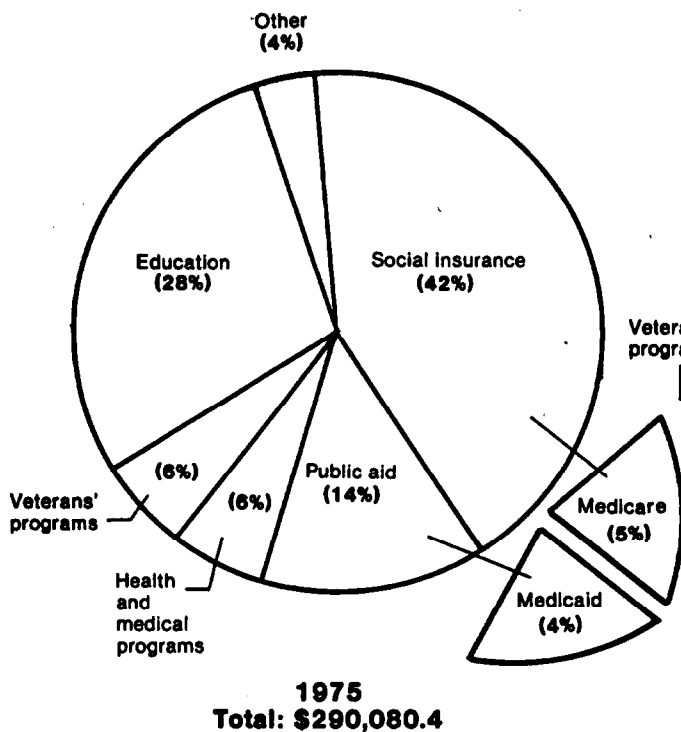
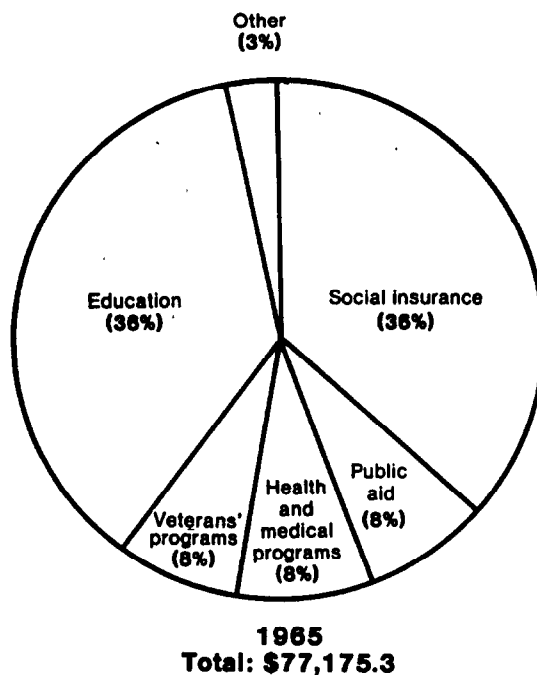
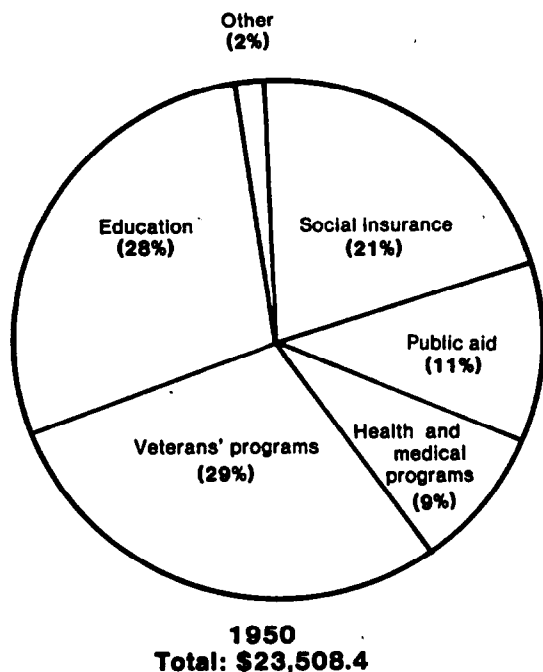
Type of fund	1950	1960	1965	1970	1975	1978	1979	1980	1981 ²	1982 ²
All social welfare expenditures, public funds:										
Total as percent of all government expenditures	37.4	38.4	42.2	48.2	57.3	58.4	57.8	57.6	56.9	55.5
Federal as percent of all Federal Government expenditures	26.2	28.1	32.6	40.1	53.8	55.3	54.9	54.4	54.0	52.4
State and local as percent of all State and local government expenditures ³	59.2	60.1	60.4	64.0	63.5	64.7	63.8	64.4	63.1	62.3
Social welfare trust fund expenditures:										
Total as percent of all government expenditures	6.8	13.2	14.3	17.0	22.4	24.0	24.3	24.9	25.7	26.6
Federal as percent of all Federal Government expenditures	4.5	15.2	17.7	22.0	29.1	31.1	31.4	31.3	32.3	33.2
State and local as percent of all State and local government expenditures ³	11.2	9.1	7.8	7.1	11.0	9.8	9.7	11.2	11.2	12.3
Social welfare non-trust fund expenditures:										
Total as percent of all government expenditures	30.6	25.2	27.8	31.3	34.9	34.4	33.5	32.8	31.2	28.9
Federal as percent of all Federal Government expenditures for—										
All programs	21.7	12.9	14.8	18.1	24.7	24.2	23.4	23.1	21.8	19.2
Public aid	2.7	2.4	3.1	5.0	8.8	9.2	9.0	8.7	8.8	7.5
State and local as percent of all State and local government expenditures ³										
All programs	48.1	51.1	52.6	56.9	52.8	54.9	54.0	53.2	51.9	50.0
Education	31.6	40.1	42.4	45.6	40.7	42.1	41.1	40.9	39.6	37.9
Public aid	6.8	4.8	4.5	6.9	8.0	9.0	8.9	8.8	9.1	8.8

¹ Excluding that part of workers' compensation and temporary disability insurance payments made through private carriers and self-insurers.

² Preliminary estimates.

³ From State and local sources, excluding Federal grants.

Chart 1.—Percentage distribution of social welfare expenditures under public programs, selected fiscal years, 1950–82
 [Totals in Millions]



Sources of Funds

The Federal Government share of social welfare expenditures grew from 45 percent in 1950 to more than 60 percent in the 1980's (table 6). Throughout the period, "veterans' programs" and "housing" were primarily federally financed. On the other hand, "education" was chiefly a State and local responsibility. In the areas of "social insurance" and "public aid," the Federal share grew from 43 percent and 44 percent in 1950 to 83 percent and 65 percent in 1982, respectively. This increase was largely due to the growth of Social Security and the advent of Medicare and Medicaid.³

During the period covered by this series, an increasing

³ No attempt has been made to include revenue sharing funds in the Federal component of expenditures. These funds appear in the gross expenditures of State and local governments as they are used for specific social welfare programs.

amount of the money spent on social welfare came from trust funds. As shown below, this spending rose from 18 to 48 percent over the 32-year period ending in 1982.

Type of spending	Percent of social welfare expenditures from trust funds					
	1950	1960	1970	1980	1981	1982
Total.....	18	34	35	43	45	48
Federal.....	17	54	55	58	60	63
State and local.....	19	15	11	17	18	20

Expenditures for Health and Medical Care

In fiscal year 1982, public and private expenditures for health and medical care were \$311 billion, \$36 billion higher than in 1981 (table 7). Most of that

Table 6.—Social welfare expenditures under public programs: Federal funds as percent of total expenditures, selected fiscal years, 1950–82

Program	1950	1960	1965	1970	1975	1978	1979	1980	1981 ¹	1982 ¹
Total.....	44.8	47.7	48.9	53.0	57.7	60.9	61.3	61.6	62.6	61.9
Social insurance.....	42.5	74.1	77.5	82.7	81.1	84.2	84.3	83.2	84.0	82.9
Public aid.....	44.2	51.6	57.2	58.5	65.8	67.4	67.4	67.8	67.9	64.9
Health and medical programs.....	29.2	38.9	44.5	48.2	47.9	48.4	46.9	46.6	47.5	45.8
Veterans' programs.....	93.0	98.0	99.7	98.6	97.4	99.1	99.1	99.0	99.1	99.0
Education.....	2.3	4.9	8.8	11.6	10.7	10.7	11.1	11.1	10.4	8.9
Housing.....	100.0	81.2	74.9	82.9	80.1	93.5	92.3	91.7	89.8	90.2
Other social welfare.....	38.9	36.6	39.3	54.5	61.4	56.3	61.3	64.6	59.6	53.9
All health and medical care ²	44.4	45.6	48.5	65.4	65.1	68.2	68.0	68.8	69.8	69.8

¹ Preliminary estimates.

² Combines "health and medical programs" with medical services provided

in connection with social insurance, public aid, and veterans', vocational rehabilitation, and antipoverty programs.

Table 7.—Health and medical care: Private expenditures and expenditures under public programs, selected fiscal years, 1950–82

[Amounts in millions]

Source of expenditure	1950	1960	1965	1970	1975 ¹	1978	1979	1980	1981 ²	1982 ²
Total.....	\$12,027.3	\$25,856.2	\$38,892.3	\$69,201.1	\$124,716	\$183,653	\$207,323	\$238,398	\$275,344	\$310,947
Private funds.....	8,962.0	19,461.0	29,357.0	43,810.0	72,367	106,800	120,500	138,100	159,400	180,600
Health and medical services.....	8,710.0	18,816.0	28,028.0	41,329.0	69,092	103,300	116,800	134,000	154,400	174,800
Medical research.....	37.0	121.0	157.0	193.0	258	300	300	300	300	300
Medical facilities construction.....	215.0	524.0	1,172.0	2,288.0	3,016	3,200	3,400	3,800	4,600	5,400
Public funds.....	3,065.3	6,395.2	9,535.3	25,391.1	52,349	76,853	86,823	100,298	115,944	130,347
Health and medical services.....	2,470.2	5,346.3	7,641.2	22,661.4	47,387	70,412	80,074	92,591	107,439	121,857
OASDHI (Medicare).....	...	...	...	7,149.2	14,781	25,189	29,124	34,992	42,455	50,424
Temporary disability insurance ³	2.2	40.2	50.9	62.6	73	78	76	50	50	52
Workers' compensation ³	193.0	420.0	580.0	985.0	2,470	2,830	3,250	3,725	4,165	4,710
Public assistance medical payments.....	51.3	492.7	1,367.1	5,212.8	13,502	20,396	23,431	27,394	32,153	34,444
General hospital and medical care.....	886.1	1,973.2	2,515.5	3,553.8	6,406	7,209	7,623	8,143	8,261	9,496
Defense Department hospital and medical care (Armed Forces and dependents).....	336.2	880.2	936.8	1,759.6	2,814	3,333	3,692	4,060	4,853	5,472
Maternal and child health programs.....	29.8	140.7	223.0	431.4	567	713	760	798	849	888
School health (education agencies).....	30.6	101.0	142.2	246.6	350	485	520	569	623	709
Other public health activities.....	350.8	401.2	671.0	1,348.0	2,919	5,067	6,025	6,848	7,601	8,452
Veterans' hospital and medical care.....	582.8	879.4	1,114.8	1,651.4	3,287	4,856	5,308	5,750	6,429	7,210
Medical vocational rehabilitation.....	7.4	17.7	34.2	133.8	218	256	265	262	...	...
OEO health and medical care.....	...	...	5.6	127.3	...	...	...	...	...	...
Medical research.....	72.9	471.2	1,228.8	1,728.8	3,021	4,109	4,352	4,901	5,344	5,405
Medical facilities construction.....	522.3	577.7	665.3	1,003.0	1,941	2,332	2,397	2,806	3,161	3,085
Defense Department.....	1.1	40.0	31.1	52.5	94	270	276	323	435	480
Veterans' Administration.....	161.5	59.6	77.0	70.9	137	...	...	...	...	...
Total as percent of gross national product.....	4.2	5.1	5.6	7.0	8.0	8.5	8.6	9.1	9.3	10.1
Public as percent of total expenditures.....	25.5	24.7	24.5	36.7	42.0	41.8	41.9	42.1	42.1	41.9

¹ Beginning 1975, revisions in source data preclude decimal fractions.

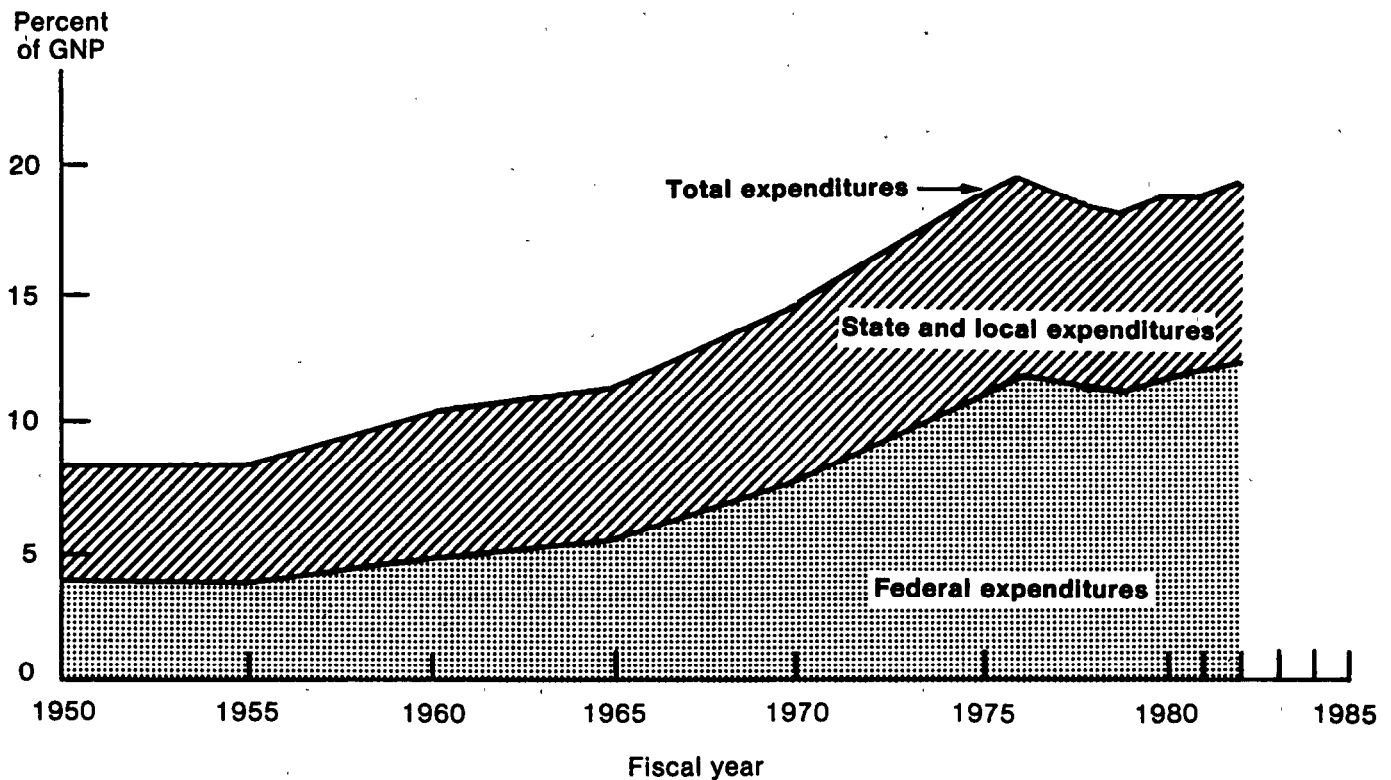
² Preliminary estimates.

³ Includes medical benefits paid under public law by private insurance carriers and self-insurers.

ers and self-insurers.

Source: Health Care Financing Administration, Office of Research, Demonstrations, and Statistics, Division of National Cost Estimates.

Chart 2.—Social welfare expenditures under public programs as a percent of GNP, selected fiscal years, 1950–82



amount—97 percent of private funds and 93 percent of public funds—was spent for health and medical services. The public sector spent 4 percent on medical research and the private sector less than 1 percent. Each spent 2–3 percent of their funds on the construction of medical facilities.

Health care spending as a proportion of the Nation's

output continued to increase and reached 10 percent of GNP in 1982. The ratio was 8 percent in 1975 and 9 percent in 1980. The increase reflected the continued rise of health care costs and the slow growth in the real value of GNP. The constant dollar value of health and medical costs increased 52 percent from 1975 to 1982, while the real value of GNP rose only 21 percent.

Goldfarb and Mathews: Legal Challenges to the Dependency Test for Spouse's Benefits*

In 1977, the U.S. Supreme Court struck down provisions of the Social Security Act that required a man—but not a woman—to prove economic dependence on his insured spouse to establish eligibility for spousal benefits.¹ Congress responded by enacting the government pension offset provision as part of the Social Security

Amendments of 1977 (Public Law 95-216). That provision required a dollar-for-dollar reduction in the spouse's monthly benefit if the individual also received a government pension based on his or her own work in noncovered public employment.² The offset provision

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¹ See *Califano v. Goldfarb*, 430 U.S. 199 (1977); *Califano v. Silbo-witz*, 430 U.S. 924 (1977); and *Califano v. Jablon*, 430 U.S. 924 (1977). Spousal benefits (or spouse's benefits) refer to Social Security auxiliary benefits for spouses, surviving spouses, divorced spouses, and surviving divorced spouses.

² In December 1982, Congress enacted Public Law 97-455, which modified the exception to the offset provision and extended it until July 1983. Under the modified exception (which does not affect those who qualified for the earlier exception), both men and women are exempted from the government pension offset if they become eligible for a public pension based on their own noncovered work before July 1983 and if they can meet the one-half support test previously applicable only to men. In the Social Security Amendments of 1983 (Public Law 98-21), Congress amended the government pension offset provision for recipients of spousal benefits who become eligible for a public pension based on noncovered work after June 1983: only two-thirds of the amount of the public pension will be used to offset the spouse's benefit. On October 11, 1984, Congress passed H.R. 5386, which extends the two-thirds limit on the amount of the public pension used for offset purposes to those eligible for government pensions before July 1983. The President signed the legislation into law on November 8, 1984 (Public Law 98-617).