
Social Welfare Expenditures, Fiscal Year 1979

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In fiscal year 1979, social welfare expenditures under public programs amounted to \$428.3 billion, an increase of 8.6 percent over the previous year. In constant 1979 dollars, however, 1979 expenditures decreased 0.2 percent from their 1978 level. Per capita social welfare spending also declined in "real" terms, falling 1 percentage point between 1978 and 1979. Social welfare expenditures as a proportion of the gross national product continued the declining trend that began in 1977. From a 1976 high of 20.4 percent, such expenditures fell to 18.5 percent in 1979.

Preliminary estimates show that \$428.3 billion was spent for social welfare under public programs in fiscal year 1979, an increase of \$34.0 billion over the previous year.¹ The rate of growth in social welfare spending has declined each year since 1975, and the 8.6-percent growth rate from fiscal year 1978 to 1979 was smaller than the 9.3-percent rate recorded the previous year. This decreasing trend is more impressive when the effects of inflation are removed. In constant (1979) dollars, the growth rate from 1977 to 1978 was only 2 percent, and the change from 1978 to 1979 registered the first decline recorded under this series.

The declining growth in social welfare expenditures also appears in their relationship to the gross national product (GNP). From a 1976 peak of 20.4 percent, such expenditures have decreased as a percentage of GNP in each succeeding year, reaching 18.5 percent in fiscal year 1979.

The Federal Government continued to be the major source of funds for public social welfare programs in 1979. It provided 62 percent of the total spent; State and local government funds accounted for the remaining 38 percent.

Expenditures in Fiscal Year 1979

More than half of the total increase in social welfare spending from 1978 to 1979 was attributable to the "so-

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¹ Public social welfare expenditures are defined in this series as the cash benefits, services, and administrative costs of all programs operating under public law that are of direct benefit to individuals or families. The programs included are those for income maintenance through social insurance programs and public assistance and the public provision of health, education, housing, and other welfare services.

cial insurance" category (table 1). The Old-Age, Survivors, Disability, and Health Insurance (OASDHI) programs accounted for more than three-fourths of the social insurance increase, and workers' compensation, which includes black lung benefits, accounted for an additional 8 percent. Public employee retirement benefits increased \$3.8 billion; the remaining social insurance programs registered either insignificant growth or an actual decline in their expenditures. Unemployment insurance benefits dropped to \$11.3 billion in 1979, their lowest level since 1974. One reason for this decline is that in 1979 the annual unemployment rate was 5.8 percent, an improvement from the 6.0-percent rate measured in 1978. In fact, during 1979 the ratio of employment to population in the United States reached an all-time high of 59.4 percent.

The "public aid" category increased \$5.3 billion in fiscal year 1979. Vendor medical payments, chiefly under the Medicaid program, accounted for \$3.0 billion of the increase, and the food stamp program was responsible for \$1.3 billion. Cash transfer payments under public assistance programs, including the Supplemental Security Income program, remained at approximately their 1978 levels.

At the State and local government level, the largest increase in 1979 was registered in "education" expenditures (\$5.5 billion), two-thirds of it at the elementary and secondary level. State and local "social insurance" payments rose \$2.2 billion, mainly due to increased payments for public employee retirement and workers' compensation benefits. "Public aid" at this level grew \$1.7 billion, almost all of which was spent on vendor medical payments under the Medicaid and general assistance programs. State and local spending for "other social welfare" decreased \$0.4 billion in 1979.

Social Welfare Expenditures Since 1950

Chart 1 compares the proportion of social welfare spending devoted to each program category in 1979 with similar proportions for previous years. The most obvi-

ous changes in the apportionment of funds are the increasing importance of "social insurance" expenditures and the concomitant decline in spending for veterans' programs. "Education" retained a sizable portion of public spending from 1950 to 1979. The "health

Table 1.—Social welfare expenditures under public programs, selected fiscal years, 1950–79¹

[In millions]

Program	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979 ²
	Total expenditures									
Total	\$23,508.4	\$32,640.0	\$52,293.3	\$77,175.3	\$145,855.7	\$290,047.3	\$332,385.0	\$360,925.4	\$394,382.5	\$428,332.9
Social insurance	4,946.6	9,834.9	19,306.7	28,122.8	54,691.2	123,013.1	145,703.4	160,883.3	174,934.8	193,587.9
Old-Age, Survivors, Disability, and Health Insurance ³	784.1	4,436.3	11,032.3	16,997.5	36,835.4	78,429.9	90,440.7	105,410.1	117,431.9	131,750.6
Health Insurance (Medicare) ⁴	—	—	—	—	7,149.2	14,781.4	17,777.4	21,548.8	25,189.2	29,154.8
Railroad retirement ³	306.4	556.0	934.7	1,128.1	1,609.9	3,085.1	3,499.6	3,818.6	4,019.8	4,310.6
Public employee retirement ⁵	817.9	1,388.5	2,569.9	4,528.5	8,658.7	20,118.6	23,441.4	26,495.9	29,935.8	33,773.9
Unemployment insurance and employment services ⁶	2,190.1	2,080.6	2,829.6	3,002.6	3,819.5	13,835.9	19,585.2	15,448.8	12,598.4	11,313.4
Railroad unemployment insurance	119.6	158.7	215.2	76.7	38.5	41.6	148.2	107.3	134.0	86.9
Railroad temporary disability insurance	31.1	54.2	68.5	46.5	61.1	32.9	78.6	81.8	73.4	65.6
State temporary disability insurance ⁷	72.1	217.5	347.9	483.5	717.7	990.0	1,022.4	1,042.2	1,124.6	1,177.6
Hospital and medical benefits ⁸	2.2	20.0	40.2	50.9	62.6	72.9	75.5	75.7	77.6	76.7
Workers' compensation ⁹	625.1	943.0	1,308.5	1,859.4	2,950.4	6,479.1	7,487.3	8,478.6	9,616.9	11,109.2
Hospital and medical benefits ⁸	193.0	315.0	420.0	580.0	985.0	2,470.0	2,856.0	3,361.0	3,750.0	4,266.0
Public aid	2,496.2	3,003.0	4,101.1	6,283.4	16,487.8	41,326.4	48,692.6	53,266.5	59,394.3	64,648.8
Public assistance ¹⁰	2,490.2	2,941.1	4,041.7	5,874.9	14,433.5	27,378.5	31,196.5	35,086.0	37,208.3	40,702.3
Vendor medical payments ¹¹	51.3	211.9	492.7	1,367.1	5,212.8	13,501.6	16,205.0	18,206.7	20,395.9	23,403.8
Social services ¹¹	—	—	—	—	712.6	2,622.4	2,799.4	3,216.8	2,840.1	3,044.7
Supplemental Security Income ¹²	—	—	—	—	—	6,091.6	6,539.8	6,818.9	7,193.7	7,532.3
Food stamps	—	—	—	35.6	577.0	4,693.9	5,700.0	5,472.0	5,139.5	6,478.1
Other ¹³	6.0	61.9	59.4	373.0	1,477.3	3,162.4	5,256.3	5,889.6	9,852.8	9,936.1
Health and medical programs ¹⁴	2,063.5	3,103.1	4,463.8	6,246.4	9,906.8	17,707.5	19,391.7	20,409.4	22,930.1	24,496.2
Hospital and medical care	1,222.3	2,042.4	2,853.3	3,452.3	5,313.4	9,407.0	9,513.0	9,643.3	10,670.3	11,628.0
Civilian programs	886.1	1,297.6	1,973.2	2,515.5	3,553.8	6,363.0	6,407.0	6,314.3	7,100.3	7,700.0
Defense Department ¹⁵	336.2	744.8	880.1	936.8	1,759.6	3,044.0	3,106.0	3,329.0	3,570.0	3,928.0
Maternal and child health programs ¹⁶	29.8	92.9	141.3	227.3	431.4	545.5	592.9	632.0	663.5	689.5
Medical research ⁸	—	.2	.6	4.3	—	—	—	—	—	—
Medical research	69.2	132.8	448.9	1,165.2	1,635.4	2,646.0	3,302.0	3,383.5	3,981.0	4,225.0
School health (education agencies)	30.6	65.9	101.0	142.2	246.6	321.0	348.0	375.0	394.0	410.0
Other public health activities	350.8	383.7	401.2	671.0	1,348.0	2,919.0	3,431.0	4,165.0	5,043.0	5,877.0
Medical facilities construction	360.8	385.4	518.1	588.3	932.1	1,869.0	2,204.8	2,210.6	2,178.3	1,666.7
Defense Department	1.1	33.0	40.0	31.1	52.5	94.0	230.0	300.9	226.7	215.2
Other	359.7	352.4	478.1	557.2	879.6	1,775.0	1,974.8	1,909.7	1,951.6	1,451.5
Veterans' programs	6,865.7	4,833.5	5,479.2	6,031.0	9,078.0	17,018.8	19,005.3	19,015.3	19,744.1	20,455.3
Pensions and compensation ¹⁷	2,092.1	2,869.7	3,402.7	4,141.4	5,393.8	7,578.5	8,279.7	9,081.9	9,676.5	10,556.9
Health and medical programs	748.0	761.1	954.0	1,228.7	1,784.0	3,516.8	4,108.2	4,670.6	5,237.5	5,552.5
Hospital and medical care	582.8	721.5	879.4	1,114.8	1,651.4	3,287.1	3,802.0	4,321.2	4,855.6	5,159.5
Hospital construction	161.5	34.1	59.6	77.0	70.9	136.7	212.2	245.4	269.9	276.0
Medical and prosthetic research	3.7	5.6	15.1	36.9	61.8	93.0	94.0	104.0	112.0	117.0
Education	2,691.6	706.1	409.6	40.9	1,018.5	4,433.8	5,350.6	3,925.5	3,405.6	2,815.3
Life insurance ¹⁸	475.7	490.2	494.1	434.3	502.3	556.0	564.3	607.2	614.3	638.2
Welfare and other	858.3	186.5	218.8	185.8	379.4	933.7	702.5	730.1	810.2	892.4
Education ¹⁹	6,674.1	11,157.2	17,626.2	28,107.9	50,845.5	80,863.2	87,748.7	93,921.4	101,591.6	108,278.8
Elementary and secondary	5,596.2	9,734.3	15,109.0	22,357.7	38,632.3	59,774.6	63,253.9	68,265.1	73,227.8	77,280.0
Construction ^{8,20}	1,019.4	2,231.9	2,661.8	3,267.0	4,659.1	5,746.0	5,920.1	6,235.1	5,245.2	5,199.3
Higher	914.7	1,214.4	2,190.7	4,826.4	9,907.1	16,384.2	18,741.9	20,030.9	21,872.4	24,110.8
Construction ⁸	310.3	198.6	357.9	1,081.4	1,566.9	1,512.7	1,557.7	1,505.7	1,458.5	1,417.4
Vocational and adult ²⁰	160.8	204.9	298.0	853.9	2,144.4	4,441.3	5,504.9	5,312.0	6,133.3	6,500.3
Housing	14.6	89.3	176.8	318.1	701.2	3,171.7	3,370.8	4,358.1	5,224.7	6,225.8
Public	14.5	74.7	143.5	234.5	459.9	1,456.4	1,716.0	2,763.5	3,626.0	4,504.9
Other	.1	14.6	33.2	83.6	241.3	1,715.3	1,654.8	1,594.6	1,598.7	1,721.8
Other social welfare	447.7	619.0	1,139.4	2,065.7	4,145.2	6,946.6	8,472.5	9,071.4	10,562.9	10,640.2
Vocational rehabilitation ²¹	30.0	42.4	96.3	210.5	703.8	1,036.4	1,189.7	1,251.9	1,297.6	1,309.2
Medical services ²²	7.4	9.1	17.7	34.2	133.8	217.7	216.0	242.6	255.6	264.6
Medical research ²²	—	.3	6.6	22.4	29.6	—	—	13.8	22.5	13.1
Institutional care ²³	145.5	195.3	420.5	789.5	201.7	296.1	322.1	359.7	410.1	444.0
Child nutrition ²⁴	160.2	239.6	398.7	617.4	896.0	2,517.6	2,806.3	3,268.3	3,585.0	3,938.6
Child welfare ²⁵	104.9	135.1	211.5	354.3	585.3	597.0	752.6	810.0	800.0	800.0
Special OEO and ACTION programs ²⁶	—	—	—	51.7	752.8	638.3	572.1	748.7	881.4	896.9
Social welfare, not elsewhere classified ²⁷	7.1	6.5	12.4	42.3	1,005.6	1,861.2	2,829.7	2,632.8	3,588.8	3,251.5

See footnotes at end of table.

and medical programs" category shown in the chart combines separate health and medical programs with medical services provided in connection with social insurance, public aid, veterans', vocational rehabilitation, and antipoverty programs.

Although the composition of social welfare expendi-

tures was relatively stable in the 1975-79 period, the amount spent in each year increased dramatically. However, the extremely high rate of inflation that prevailed in those years exaggerated both the amount and the rate of growth in social welfare spending, as compared with previous years. When the data are reviewed

Table 1.—Social welfare expenditures under public programs, selected fiscal years, 1950-79¹—Continued

[In millions]

Program	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979 ²
	Federal expenditures									
Total	\$10,541.1	\$14,622.9	\$24,956.7	\$37,711.7	\$77,337.2	\$167,435.8	\$197,406.9	\$218,406.8	\$240,121.3	\$264,118.4
Social insurance	2,103.0	6,385.0	14,307.2	21,806.6	45,245.6	99,715.0	119,600.2	134,744.7	147,252.0	163,743.7
Old-Age, Survivors, Disability, and Health Insurance ³	784.1	4,436.3	11,032.2	16,997.5	36,835.4	78,429.9	90,440.7	105,410.1	117,431.9	131,750.6
Health Insurance (Medicare) ⁴	—	—	—	—	7,149.2	14,781.4	17,777.4	21,548.8	25,189.2	29,154.8
Railroad retirement ³	306.4	556.0	934.7	1,128.1	1,609.9	3,085.1	3,499.6	3,818.6	4,019.8	4,310.6
Public employee retirement ⁵	507.9	808.5	1,519.9	2,780.5	5,516.7	13,338.9	15,664.3	17,833.3	20,144.7	22,738.9
Unemployment insurance and employment services ⁶	328.6	320.8	473.5	699.8	1,036.1	3,429.2	8,250.7	5,939.1	3,767.6	2,460.3
Railroad unemployment insurance	119.6	158.7	215.2	76.7	38.5	41.6	148.2	107.3	134.0	86.9
Railroad temporary disability insurance	31.1	54.2	68.5	46.5	61.1	32.9	78.6	81.8	73.4	65.6
Workers' compensation ⁹	25.1	50.5	63.1	77.6	147.9	1,357.4	1,518.1	1,554.5	1,680.6	2,330.8
Hospital and medical benefits ⁸	5.2	6.9	9.0	11.3	20.7	50.2	67.9	71.9	88.2	103.8
Public aid	1,103.2	1,504.2	2,116.9	3,593.9	9,648.6	27,204.6	32,527.3	35,399.3	40,013.0	43,611.5
Public assistance ¹⁰	1,097.2	1,442.3	2,057.5	3,185.4	7,594.3	14,546.7	16,528.6	18,764.8	19,447.3	21,306.8
Vendor medical payments ¹¹	—	23.3	199.8	555.0	2,607.1	7,056.4	8,896.5	9,713.3	10,578.6	12,117.6
Social services ¹¹	—	—	—	—	522.0	1,962.6	2,111.2	2,461.2	2,130.1	2,283.5
Supplemental Security Income ¹²	—	—	—	—	—	4,801.6	5,042.4	5,272.9	5,573.4	5,890.5
Food stamps	—	—	—	35.6	577.0	4,693.9	5,700.0	5,472.0	5,139.5	6,478.1
Other ¹³	6.0	61.9	59.4	373.0	1,477.3	3,162.4	5,256.3	5,889.6	9,852.8	9,936.1
Health and medical programs ¹⁴	603.5	1,150.3	1,737.1	2,780.6	4,775.2	8,512.8	9,908.8	10,182.1	11,565.8	12,150.2
Hospital and medical care	382.6	811.5	983.5	1,074.7	2,045.4	4,239.3	4,662.1	4,932.0	5,626.0	6,219.0
Civilian programs	46.4	66.7	103.4	137.9	285.8	1,195.3	1,556.1	1,603.0	2,056.0	2,291.0
Defense Department ¹⁵	336.2	744.8	880.1	936.8	1,759.6	3,044.0	3,106.0	3,329.0	3,570.0	3,928.0
Maternal and child health programs ¹⁶	20.1	23.7	35.3	73.4	196.0	276.5	305.9	317.0	332.5	345.5
Medical research ⁸	—	.2	.6	4.3	—	—	—	—	—	—
Medical research	69.2	132.8	425.9	1,110.2	1,485.4	2,360.0	2,990.0	3,033.5	3,588.0	3,803.0
School health (education agencies)	—	—	—	—	—	—	—	—	—	—
Other public health activities	63.8	65.0	57.3	222.9	590.3	1,150.0	1,277.0	1,256.0	1,211.0	1,320.0
Medical facilities construction	67.8	117.4	235.1	299.3	458.1	487.0	673.8	643.6	808.3	462.7
Defense Department	1.1	33.0	40.0	31.1	52.5	94.0	230.0	300.9	226.7	215.2
Other	66.8	84.4	195.1	268.2	405.6	393.0	443.8	342.7	581.6	247.5
Veterans' programs	6,386.2	4,771.9	5,367.3	6,010.6	8,951.5	16,569.7	18,843.4	18,860.6	19,570.3	20,265.6
Pensions and compensation ¹⁷	2,092.1	2,689.7	3,402.7	4,141.4	5,393.8	7,578.5	8,279.7	9,081.9	9,676.5	10,556.9
Health and medical programs	748.0	761.1	954.0	1,228.7	1,784.0	3,516.7	4,108.2	4,670.6	5,237.5	5,552.5
Hospital and medical care	582.8	721.5	879.4	1,114.8	1,651.4	3,287.0	3,802.0	4,321.2	4,855.6	5,159.5
Hospital construction	161.5	34.1	59.6	77.0	70.9	136.7	212.2	245.4	269.9	276.0
Medical and prosthetic research	3.7	5.6	15.1	36.9	61.8	93.0	94.0	104.0	112.0	117.0
Education	2,691.6	706.1	409.6	40.9	1,018.5	4,433.8	5,350.6	3,925.5	3,405.6	2,815.3
Life insurance ¹⁸	475.7	490.2	494.1	434.3	502.3	556.1	564.3	607.2	614.3	638.2
Welfare and other	378.8	124.9	106.9	165.4	252.9	484.6	540.6	575.4	636.4	702.7
Education ¹⁹	156.7	485.1	867.9	2,469.8	5,875.8	8,629.4	9,023.2	9,745.1	10,883.6	12,096.9
Elementary and secondary	47.1	309.2	441.9	776.8	2,956.8	4,562.5	4,305.3	4,684.4	5,511.1	6,173.0
Construction ^{8,20}	5.2	139.9	70.6	77.0	35.9	20.9	23.4	14.6	19.3	24.3
Higher	48.5	101.8	293.1	1,217.0	2,154.6	2,863.6	3,572.0	3,864.2	4,056.1	4,505.9
Construction ⁸	5.7	5.1	1.2	324.0	466.3	273.9	265.7	251.6	132.6	74.7
Vocational and adult ²⁰	58.7	70.5	104.5	406.2	602.6	940.2	897.9	883.1	958.3	1,030.3
Housing	14.6	74.7	143.5	238.2	581.6	2,540.7	2,906.0	4,005.5	4,887.3	5,801.9
Public	14.5	74.7	143.5	234.5	459.9	1,456.4	1,716.0	2,763.5	3,626.0	4,504.0
Other	.1	—	—	3.6	121.7	1,084.3	1,190.0	1,242.0	1,261.3	1,297.9
Other social welfare	174.0	251.7	416.7	812.0	2,258.9	4,263.6	4,598.0	5,469.5	5,949.3	6,448.6
Vocational rehabilitation ²¹	21.0	27.1	64.3	143.3	567.4	814.0	936.7	973.2	1,006.6	1,039.6
Medical services ²²	5.1	5.7	11.2	21.2	107.0	174.2	172.8	194.1	204.5	211.7
Medical research ²²	—	.3	6.6	22.4	29.6	—	—	13.8	22.5	13.1
Institutional care ²³	20.5	40.3	20.5	34.5	22.5	20.3	16.7	18.0	20.0	55.5
Child nutrition ²⁴	121.2	170.7	306.1	503.7	710.9	2,064.0	2,316.3	2,758.3	3,040.0	3,374.6
Child welfare ²⁵	4.2	7.1	13.4	36.5	44.7	49.8	52.5	56.5	56.5	56.5
Special OEO and ACTION programs ²⁶	—	—	—	51.7	752.8	638.3	572.1	748.7	881.4	896.9
Social welfare, not elsewhere classified ²⁷	7.1	6.5	12.4	42.3	160.6	677.2	703.7	914.8	944.8	1,025.5

See footnotes at end of table.

Table 1.—Social welfare expenditures under public programs, selected fiscal years, 1950–79¹—Continued

(In millions)

Program	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979 ²
State and local expenditures ²⁸										
Total	\$12,967.3	\$18,017.1	\$27,336.6	\$39,463.5	\$68,518.5	\$122,611.5	\$134,978.1	\$142,518.6	\$154,261.2	\$164,214.5
Social insurance	2,843.6	3,449.9	4,999.4	6,316.2	9,445.6	23,298.1	26,103.2	26,138.6	27,682.8	29,844.2
Public employee retirement ⁵	310.0	580.0	1,050.0	1,748.0	3,142.0	6,779.7	7,777.1	8,662.6	9,791.1	11,035.0
Unemployment insurance and employment services ⁶	1,861.5	1,759.9	2,356.1	2,302.8	2,783.4	10,406.7	11,334.5	9,509.7	8,830.8	8,853.1
State temporary disability insurance ⁷	72.1	217.5	347.9	483.5	717.7	990.0	1,022.4	1,042.2	1,124.6	1,177.6
Hospital and medical benefits ⁸	2.2	20.0	40.2	50.9	62.6	72.9	75.5	75.7	77.6	76.7
Workers' compensation ⁹	600.0	892.5	1,245.4	1,781.8	2,802.5	5,121.7	5,969.2	6,924.1	7,936.3	8,778.4
Hospital and medical benefits ⁸	187.8	308.1	411.0	568.7	964.3	2,419.8	2,788.1	3,289.1	3,661.8	4,162.2
Public aid	1,393.0	1,498.8	1,984.2	2,689.5	6,839.2	14,121.8	16,165.3	17,867.2	19,381.3	21,037.3
Public assistance ¹⁰	1,393.0	1,498.8	1,984.2	2,689.5	6,839.2	12,831.8	14,667.9	16,321.2	17,761.0	19,395.5
Vendor medical payments ¹¹	51.3	188.6	292.9	812.1	2,605.6	6,445.2	7,308.5	8,493.4	9,817.3	11,286.2
Social services ¹¹	—	—	—	—	190.6	659.8	688.2	755.6	710.0	761.2
Supplemental Security Income ¹²	—	—	—	—	—	1,290.0	1,497.4	1,546.0	1,620.3	1,641.8
Health and medical programs ¹⁴	1,460.0	1,952.8	2,726.8	3,465.8	5,131.6	9,194.7	9,482.9	10,227.3	11,364.3	12,346.0
Hospital and medical care	839.7	1,230.9	1,869.8	2,377.6	3,268.0	5,167.7	4,850.9	4,711.3	5,044.3	5,409.0
Maternal and child health programs ¹⁶	9.7	69.2	106.1	153.9	235.3	269.0	287.0	315.0	331.0	344.0
Medical research	—	—	23.0	55.0	150.0	286.0	312.0	350.0	393.0	422.0
School health (education agencies)	30.6	65.9	101.0	142.2	246.6	321.0	348.0	375.0	394.0	410.0
Other public health activities	287.0	318.8	343.9	448.1	757.7	1,769.0	2,154.0	2,909.0	3,832.0	4,557.0
Medical facilities construction	293.0	268.0	283.0	289.0	474.0	1,382.0	1,531.0	1,567.0	1,370.0	1,204.0
Veterans' programs	479.5	61.6	111.9	20.4	126.5	449.1	161.9	154.7	173.8	189.7
Education	6,517.5	10,672.1	16,758.3	25,638.1	44,969.7	72,233.8	78,725.5	84,176.3	90,708.0	96,181.9
Elementary and secondary	5,549.1	9,425.1	14,667.1	21,580.0	35,675.5	55,212.1	58,948.6	63,580.7	67,716.7	71,107.0
Construction ^{8,20}	1,014.2	2,091.9	2,591.2	3,190.0	4,623.2	5,725.2	5,896.7	6,220.5	5,225.9	5,175.0
Higher	866.3	1,112.6	1,897.7	3,609.4	7,752.4	13,520.6	15,169.9	16,166.7	17,816.3	19,604.9
Construction ⁸	304.6	193.4	356.7	757.4	1,100.6	1,238.8	1,292.0	1,254.1	1,325.9	1,342.7
Vocational and adult ²⁰	102.1	134.4	193.5	447.7	1,541.8	3,501.1	4,607.0	4,428.9	5,175.0	5,470.0
Housing	—	14.6	33.2	80.0	119.6	631.0	464.8	352.6	337.4	423.9
Other social welfare	273.7	367.3	722.8	1,253.6	1,886.3	2,683.0	3,874.5	3,601.9	4,613.6	4,191.6
Vocational rehabilitation ²¹	9.0	15.3	32.1	67.1	136.3	222.4	253.0	278.7	291.0	269.6
Medical services ²²	2.3	3.5	6.6	13.0	26.8	43.5	43.2	48.5	51.1	52.9
Institutional care	125.0	155.0	400.0	755.0	179.3	275.8	305.4	341.7	390.1	388.5
Child nutrition ²⁴	39.0	69.0	92.6	113.7	185.1	453.6	490.0	510.0	545.0	564.0
Child welfare ²⁵	100.7	128.0	198.1	317.8	540.7	547.2	700.1	753.5	743.5	743.5
Social welfare, not elsewhere classified ²⁷	—	—	—	—	845.0	1,184.0	2,126.0	1,718.0	2,644.0	2,226.0

¹ Expenditures from Federal, State, and local revenues (general and special) and trust funds and other expenditures 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 Sept. 30.

² Preliminary estimates.

³ Excludes financial interchange between OASDHI and railroad retirement.

⁴ Included in OASDHI total; includes administration.

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

⁶ Includes unemployment compensation under State programs, programs for Federal employees and ex-servicemen, trade adjustment and cash training allowances, and payments under extended, emergency, disaster, and special unemployment insurance programs.

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.

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 administered by Social Security Administration and by Department of Labor.

¹⁰ Represents categorical cash and medical payment programs under the Social Security Act and (from State and local funds) General Assistance. Starting 1969, includes work incentive activities.

¹¹ Included in public assistance total above; vendor medical payments include administrative expenses of medical assistance (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. See footnote 27.

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

¹⁸ Excludes the Servicemen's Group Life Insurance program.

¹⁹ Federal expenditures for administrative costs (Office 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.

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.

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 subsection under public aid and education.

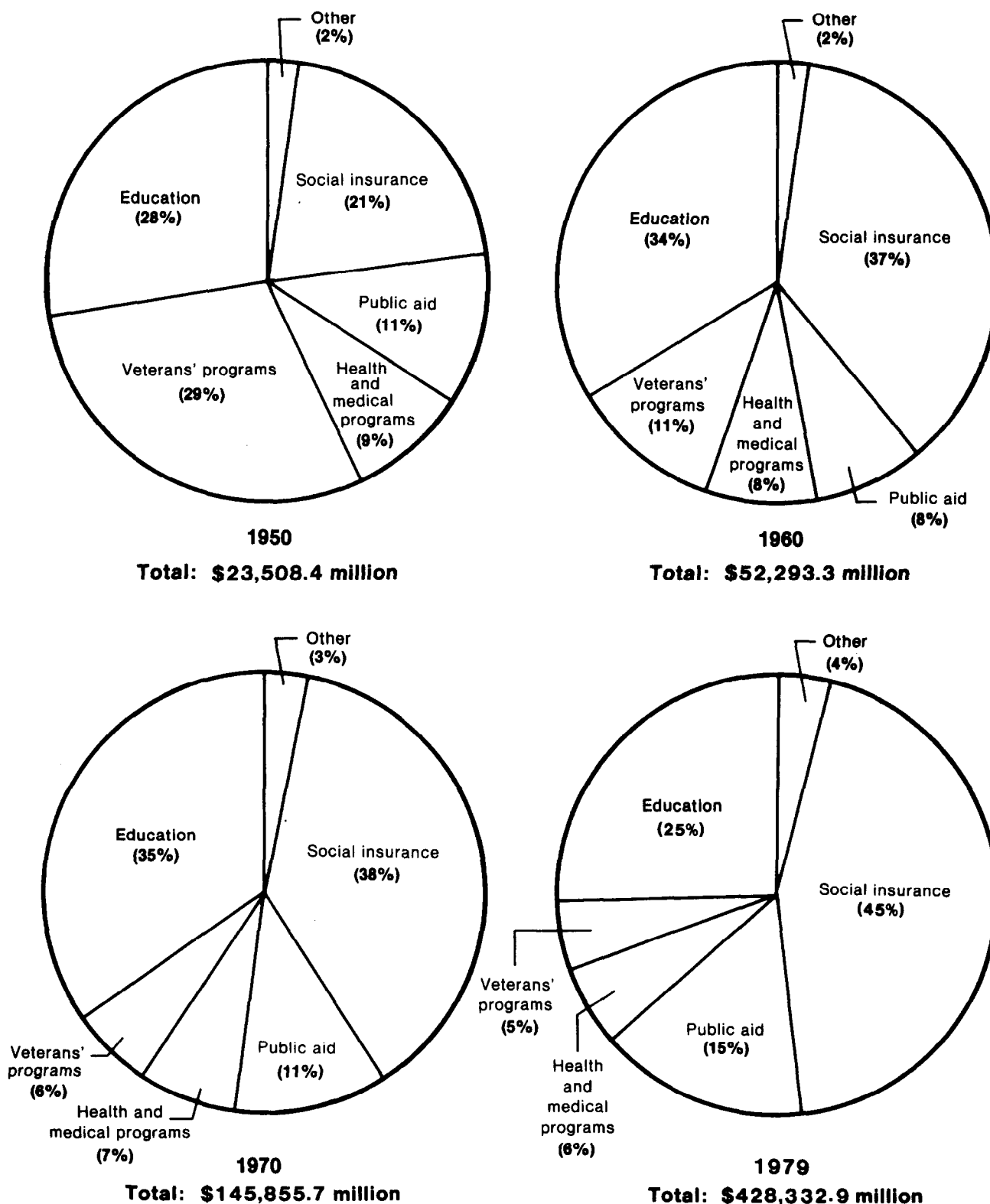
²⁷ Federal expenditures include administrative and related expenses of the

Footnotes continued on page 12.

in constant (1979) dollars, a quite different picture emerges (table 2). With the effects of price changes removed, the increase in social welfare spending is both

smaller and at a slower rate than appears in the current-dollar figures. Rather than increasing by \$34 billion, 1979 expenditures declined \$808 million in "real"

Chart 1.—Percentage distribution of social welfare expenditures under public program, selected fiscal years, 1950-79



terms. Although the decrease is less than 1 percent of total social welfare expenditures, this is the first time in this series that a decline has appeared.

Per capita expenditures for social welfare also declined in "real" terms, from \$1,932 in fiscal year 1978 to \$1,912 in fiscal year 1979. Only two of the program categories—"social insurance" and "all health and medical care"—showed constant-dollar increases in 1979. The other categories declined at rates varying from 1 percent to 8 percent. The year 1979 was the first in which decreases were experienced in any category ex-

cept veterans' programs, which have been declining in "real" terms for 4 years.

Social welfare expenditures also declined as a percent of GNP in 1979. Chart 2 displays the relationship between these two items since 1950, including the downward trend in the ratio that began in 1976. The decline appears in every program category and at both the Federal and State-local levels (table 3).

The relationship of public social welfare spending to all government expenditures followed the same pattern as its relationship to GNP. Social welfare increased as a

Table 2.—Total and per capita social welfare expenditures under public programs, in actual and 1979 prices, selected fiscal years, 1950–79

Fiscal year	Total social welfare expenditures		Per capita social welfare expenditures						
	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
1955	32,511.8	194.66	58.71	17.98	18.58	28.46	66.68	3.71	26.47
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	701.27	262.47	79.48	47.75	43.27	244.94	19.98	121.65
1975	289,336.0	1,335.89	565.51	190.81	81.76	77.89	373.20	32.07	238.58
1976	331,611.0	1,520.95	665.60	223.33	88.94	86.44	402.31	38.85	275.10
1977	360,077.0	1,639.66	729.63	242.56	92.94	85.86	427.52	41.31	308.30
1978	393,456.4	1,775.73	786.26	268.06	103.49	88.36	458.31	47.67	347.19
1979	427,326.9	1,911.92	862.63	289.25	109.60	90.74	484.24	47.61	389.33
Percentage increase from—									
1950	1,725	1,153	2,580	1,679	716	106	1,014	1,530	1,850
1955	1,215	882	1,383	1,509	490	220	626	1,183	1,371
1960	720	570	719	1,188	348	208	402	663	1,011
1965	456	389	506	805	245	200	239	353	703
1970	194	173	229	264	130	110	98	138	220
1975	48	43	52	52	34	17	30	48	63
1976	29	27	30	30	23	5	20	23	42
1977	19	17	18	19	18	6	13	15	27
1978	9	8	10	8	6	3	6	0	12
Constant (1979) dollars:									
1950	\$66,725.9	\$434.64	\$91.71	\$46.32	\$38.29	\$125.87	\$123.85	\$8.32	\$56.90
1955	81,893.7	490.33	147.88	45.29	46.80	71.69	167.96	9.34	66.68
1960	117,621.4	644.29	237.81	50.70	55.19	66.64	217.68	14.09	79.07
1965	161,614.7	821.74	298.93	67.12	66.72	63.66	299.85	22.06	101.85
1970	255,234.9	1,230.30	460.47	139.44	83.77	75.91	429.72	35.05	213.42
1975	375,273.7	1,732.67	733.48	247.48	106.04	101.02	484.05	41.60	309.44
1976	408,891.5	1,875.40	820.72	275.38	109.67	106.58	496.07	47.90	339.21
1977	418,694.2	1,906.58	848.41	282.05	108.07	99.84	497.12	48.04	358.49
1978	428,135.4	1,932.24	855.56	291.69	112.61	96.15	498.71	51.87	377.79
1979	427,326.9	1,911.92	862.63	289.25	109.60	90.74	484.24	47.61	389.33
Percentage increase from—									
1950	540	340	841	524	186	-28	291	472	584
1955	422	290	483	539	134	27	188	410	484
1960	263	197	263	471	99	37	122	238	392
1965	164	133	189	331	64	43	61	116	282
1970	68	55	87	107	31	20	13	36	82
1975	14	10	18	17	3	-10	0	14	26
1976	4	2	5	5	0	-15	-2	-6	15
1977	2	.3	2	3	1	-9	-2	-9	9
1978	-.2	-1	1	-1	-3	-6	-3	-8	3

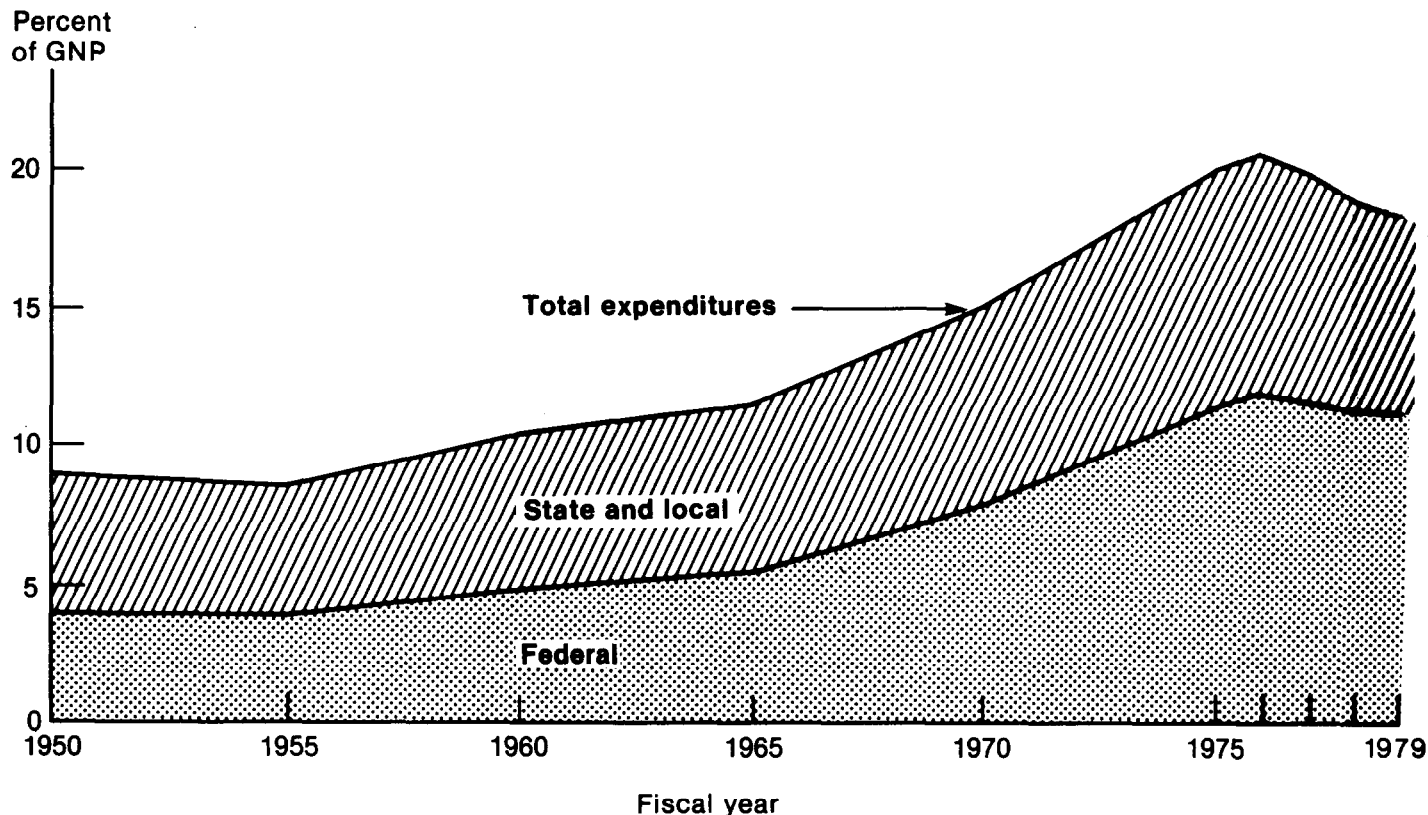
¹ Excludes expenditures within foreign countries for education, veterans' payments, and OASDHI and civil service retirement benefits; see table 1 for data including these expenditures.

² Includes housing, not shown separately.

³ Combines "health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', vocational rehabilitation, and antipoverty programs.

Source: Based on Jan. 1 Bureau of the Census data for total U.S. population, including Armed Forces and Federal civilian employees and their dependents overseas, and the civilian population of territories and possessions. Prices based on implicit price deflators for personal consumption expenditures prepared for the national income accounts by the Bureau of Economic Analysis, Department of Commerce (1979 = 100): 1950, 35.1; 1955, 39.7; 1960, 44.3; 1965, 47.6; 1970, 57.0; 1975, 77.1; 1976, 81.1; 1977, 86.0; 1978, 91.9.

Chart 2.—Social welfare expenditures under public programs as a percent of the gross national product, selected fiscal years, 1950-79



proportion of all government spending from 1950 to 1976, when it reached a high of 60.3 percent (table 4). The percentage then declined in each succeeding year, falling to 56.8 percent in 1979. Both Federal and State-local government spending experienced this pattern, although the percentage of State and local government money spent for social welfare fell more precipitously.

Sources of Funds

The Federal Government's share of social welfare spending has increased markedly since 1950, reaching 61.7 percent in 1979 (table 5). "Veterans' programs" and "housing" have always been primarily federally financed, as "education" has been primarily a State and

Table 3.—Social welfare expenditures under public programs as a percent of gross national product, selected fiscal years, 1950-79

Fiscal year	Gross national product (in billions)	Social welfare expenditures as percent of gross national product									
		Total ¹			Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ²
		Total	Federal	State-local							
1950	\$264.8	8.9	4.0	4.9	1.9	0.9	0.8	2.6	2.5	0.2	1.2
1955	379.7	8.6	3.9	4.7	2.6	.8	.8	1.3	2.9	.2	1.2
1960	498.3	10.5	5.0	5.5	3.9	.8	.9	1.1	3.5	.2	1.3
1965	658.0	11.7	5.7	6.0	4.3	1.0	.9	.9	4.3	.3	1.4
1970	960.2	15.2	8.1	7.1	5.7	1.7	1.0	.9	5.3	.4	2.6
1975	1,452.3	20.0	11.5	8.4	8.5	2.8	1.2	1.2	5.6	.5	3.6
1976	1,625.4	20.4	12.1	8.3	9.0	3.0	1.2	1.2	5.4	.5	3.7
1977	1,836.5	19.6	11.9	7.8	8.8	2.9	1.1	1.0	5.1	.5	3.7
1978	2,043.4	19.3	11.8	7.6	8.6	2.9	1.1	1.0	5.0	.5	3.8
1979 ³	2,313.4	18.5	11.4	7.1	8.4	2.8	1.1	.9	4.7	.4	3.7

¹ Includes housing, not shown separately.

² Combines "health and medical programs" with medical service provided in connection with social insurance, public aid, veterans', vocational rehabilita-

and antipoverty programs.

³ Preliminary estimates.

Table 4.—Social welfare expenditures from public funds¹ as a percent of government expenditures for all purposes, by type of fund, selected fiscal years, 1950–79

Type of fund	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979 ²
All social welfare expenditures from public funds:										
Total, as percent of all government expenditures	37.4	32.7	38.4	42.2	48.2	57.4	60.3	59.4	57.8	56.8
Federal, as percent of all Federal Government expenditures	26.2	22.3	28.1	32.6	40.1	53.8	57.0	56.3	55.3	55.0
State and local, as percent of all State and local government expenditures ³	59.2	55.3	60.1	60.4	64.0	63.7	66.2	65.6	62.7	60.4
Social welfare trust fund expenditures:										
Total, as percent of all government expenditures	6.8	9.1	13.2	14.3	17.0	22.5	23.6	24.2	23.8	24.0
Federal, as percent of all Federal government expenditures	4.5	9.1	15.2	17.7	22.0	29.1	30.2	31.2	31.1	31.4
State and local, as percent of all State and local government expenditures ³	11.2	8.9	9.1	7.8	7.1	10.8	11.4	10.4	9.6	9.3
Social welfare non-trust fund expenditures:										
Total, as percent of total non-trust fund expenditures	34.8	26.2	29.9	33.4	38.3	46.2	49.3	47.5	45.7	44.2
Federal, as percent of Federal Government non-trust fund expenditures:										
All programs	24.7	14.7	15.9	18.9	23.9	36.4	40.2	37.8	36.6	35.7
Public aid	3.1	2.6	2.9	4.0	6.6	12.9	14.1	13.8	13.9	13.8
State and local, as percent of State and local government non-trust fund expenditures: ³										
All programs	54.1	50.9	56.2	57.1	61.2	59.3	61.9	61.6	58.8	56.5
Education	35.5	38.9	44.1	46.0	49.1	45.9	47.8	47.9	45.3	43.6
Public aid	7.7	5.6	5.2	4.8	7.4	9.0	9.8	10.2	9.7	9.5

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-local sources, excluding Federal grants.

local responsibility. In the categories of "social insurance," "public aid," and "other social welfare," the Federal Government has assumed a steadily increasing share of obligation over the past 30 years.²

"Health and medical programs" costs have been divided roughly equally between the two levels of government for the past decade. However, when all public health and medical care spending is consolidated, the Federal Government has paid more than two-thirds of the total cost over the 10-year period. This consolidation includes the cost of medical services and vendor medical payments under the "social insurance," "public aid," and "other social welfare" categories, most importantly the Medicare and Medicaid programs.

In addition to general revenues, government expenditures include outlays from trust funds, primarily social insurance trust funds composed of specifically allocated contributions from insured persons and their employers. In fiscal year 1979, trust fund expenditures accounted for 42 percent of all social welfare spending, as shown in the tabulation below.

Expenditure	1950	1960	1970	1975	1977	1979
Total	18	34	35	39	41	42
Federal	17	54	55	54	56	57
State and local	19	15	11	17	16	17

² No attempt has been made to include revenue sharing funds in the Federal component of social welfare expenditures. These funds show up as they are spent, in the gross expenditures of the States and localities for specific social welfare purposes.

General revenue outlays are sometimes referred to as "discretionary" because they do not usually involve the kind of fixed obligation to contributors that is a feature of the social insurance trust funds. Discretionary expenditures may therefore give a clearer picture of current fiscal priorities than the long-term trust fund commitments. From 1950 level of 34.8 percent of non-trust fund outlays, discretionary social welfare spending rose to 49.3 percent of such spending in 1976 (table 4). After 1976, this percentage declined each year, falling to 44.2 percent in 1979.

Private and Public Expenditures

Private social welfare expenditures, as defined here, represent direct consumer expenditures for medical care and education, expenditures of private employee-benefit plans (including group health and life insurance for government employees), industrial in-plant health services, private health insurance benefits and the cost of providing this protection, and philanthropic spending.

With the exception of "health and medical care," private sector data on social welfare expenditures have been omitted from this article. Social welfare expenditures data in this article have been revised for the years 1975–78 to bring them into conformity with the National Health Expenditures series published by the Health Care Financing Administration. The program categories listed in this article that are most affected by the revision are "health and medical programs," "public aid," and "other social welfare."

Table 5.—Social welfare expenditures under public programs: Federal funds as a percent of total expenditures, selected fiscal years, 1950–79

Program	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979 ¹
Total	44.8	44.8	47.7	48.9	53.0	57.7	59.4	60.5	60.9	61.7
Social insurance	42.5	64.9	74.1	77.5	82.7	81.1	82.1	83.8	84.2	84.6
Public aid	44.2	50.1	51.6	57.2	58.5	65.8	66.8	66.5	67.4	67.5
Health and medical programs	29.2	37.1	38.9	44.5	48.2	48.1	51.1	49.9	50.4	49.6
Veterans' programs	93.0	98.7	98.0	99.7	98.6	97.4	99.1	99.2	99.2	99.1
Education	2.3	4.3	4.9	8.8	11.6	10.7	10.3	10.4	10.7	11.2
Housing	100.0	83.7	81.2	74.9	82.9	80.1	86.2	91.9	93.5	93.2
Other social welfare	38.9	40.7	36.6	39.3	54.5	61.4	54.3	60.3	56.3	60.6
All health and medical care ²	44.4	44.1	45.6	48.5	65.4	66.0	68.4	68.6	68.8	68.9

¹ Preliminary estimates.

² Combines "health and medical programs" with medical service provided in

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

In fiscal year 1979, public and private expenditures for health and medical care rose to \$205 billion, \$21 billion higher than the preceding year (table 6). Fifty-seven percent of the total came from private sources, chiefly for the purchase of hospital and medical services and supplies. Contributions toward medical research and the construction and operation of proprietary medical facilities represented only 3 percent of private spending.

Before the inception of the Medicare program in 1966, three-fourths of all health care spending came

from private funds. The proportion of public spending increased over the next decade and since 1975 has remained at 42–43 percent of the total.

It should be noted that there is some duplication in the amounts designated for Medicare and Medicaid. The medical vendor payments listed under "public aid" include the premium payments by State public assistance agencies on behalf of Medicaid recipients (the so-called "buy-ins") for Supplementary Medical Insurance under Medicare. The actual amount of the "buy-in"

Table 6.—Health and medical care: Private expenditures and expenditures under public programs, selected fiscal years, 1950–79

[Amount in millions]

Type of expenditure	1950	1960	1965	1970	1975 ¹	1976	1977	1978	1979 ²
Total	\$12,027.3	\$25,856.2	\$38,892.3	\$69,201.1	\$124,053	\$142,817	\$164,989	\$183,856	\$205,163
Private expenditures	8,962.0	19,461.0	29,357.0	43,810.0	71,561	81,887	96,105	105,584	117,471
Health and medical services	8,710.0	18,816.0	28,028.0	41,329.0	68,287	78,510	92,590	102,064	113,798
Medical research	37.0	121.0	157.0	193.0	258	266	272	280	284
Medical facilities construction	215.0	524.0	1,172.0	2,288.0	3,016	3,112	3,243	3,241	3,388
Public expenditures	3,065.3	6,395.2	9,535.3	25,391.1	52,492	60,930	68,884	78,272	87,692
Health and medical services	2,470.2	5,346.3	7,641.2	22,661.4	47,747	55,117	62,927	71,707	81,394
OASDHI (Medicare)				7,149.2	14,781	17,777	21,549	25,218	29,157
Temporary disability insurance ³	2.2	40.2	50.9	62.6	73	75	76	78	77
Workers' compensation ³	193.0	420.0	580.0	985.0	2,470	2,856	3,361	3,750	4,266
Public assistance (vendor medical payments)	51.3	492.7	1,367.1	5,212.8	13,501	16,205	18,206	20,396	23,404
General hospital and medical care	886.1	1,973.2	2,515.5	3,553.8	6,363	6,407	6,314	7,100	7,700
Defense Department hospital and medical care (Armed Forces)	336.2	820.1	858.5	1,495.9	2,511	2,593	2,762	2,962	3,280
Military dependents' medical care		60.1	78.3	263.7	533	513	567	608	648
Maternal and child health programs	29.8	140.7	223.0	431.4	540	588	632	664	690
School health (educational agencies)	30.6	101.0	142.2	246.6	321	348	375	394	410
Other public health activities	350.8	401.2	671.0	1,348.0	2,919	3,431	4,165	5,043	5,877
Veterans' hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,517	4,108	4,671	5,238	5,620
Medical vocational rehabilitation	7.4	17.7	34.2	133.8	218	216	249	256	265
OEO health and medical care			5.6	127.3					
Medical research	72.9	471.2	1,228.8	1,726.8	2,739	3,396	3,501	4,116	4,355
Medical facilities construction	522.3	577.7	665.3	1,003.0	2,006	2,417	2,456	2,449	1,943
Defense Department	1.1	40.0	31.1	52.5	94	230	301	227	215
Veterans' Administration	161.5	59.6	77.0	70.9	137	212	245	270	276
Other	359.8	478.1	557.2	879.6	1,775	1,975	1,910	1,952	1,452
Total, as percent of gross national product	4.5	5.2	5.9	7.2	8.5	8.8	9.0	9.0	8.9
Public, as percent of total expenditures	25.5	24.7	24.5	36.7	42.3	42.7	41.8	42.6	42.7

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.

payments, however, is so small that this duplication makes virtually no difference in the total expenditures listed for either program.

Health care spending as a proportion of GNP doubled between 1950 and 1978, rising from 4.5 percent to 9.0 percent. In fiscal year 1979, that percentage declined slightly to 8.9 percent, reflecting the decrease in the constant-dollar value of health care outlays.

The data on private expenditures for education, income maintenance, and welfare and other services pre-

sented in previous editions of this series were estimates made by the Office of Research and Statistics on the basis of a variety of data sources and statistical assumptions. Significant changes have occurred in both the available source material and the assumed relationship of those data to the larger universe. A thorough investigation of the estimation procedure is necessary to ensure the continued reliability of these figures. Pending completion of this review, such figures have been excluded from this article.

Footnotes to table 1 (Continued from page 6).

Secretary of Health, Education, and Welfare; Indian welfare and guidance; aging and juvenile delinquency activities; and certain manpower and human development activities. State and local expenditures include amounts for antipov-erty 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.

²⁸ Except as otherwise noted (see footnotes 7 and 9).

Source: Data taken or estimated from Treasury reports, **Federal Budgets**, Census of Governments, and reports of Federal and State administrative agen-cies.

National Health Expenditures, 1980

As noted in the social welfare expenditures article, the health care component of that series, which formerly provided the basis for a separate annual **Bulletin** article, is now the responsibility of the Health Care Financing Administration (HCFA). The HCFA's most recent report on the subject, "National Health Expenditures, 1980," was prepared by Robert M. Gibson and Daniel R. Waldo for the September 1981 issue of **Health Care Financing Review**.

An abstract of that article reveals that Americans spent an estimated \$247 billion for health care in 1980—an amount equal to 9.4 percent of the gross national product (GNP). Selected highlights of the figures that underlie this estimate include the following:

- Health care expenditures in 1980 accelerated at a time when the economy as a whole exhibited sluggish growth. The 9.4-percent share of the GNP was a dramatic increase from the 8.9-percent share in 1979.
- Health care expenditures amounted to \$1,067 per person in 1980. Of that amount, \$450, or

42.2 percent, came from public funds.

- Expenditures for health care included \$64.9 billion in premiums to private health insurers, \$70.9 billion in Federal payments, and \$33.3 billion in State and local government funds.
- All third parties combined—private health insurers, governments, philanthropists, and industry—financed 67.6 percent of the \$217.9 billion spent for personal health care in 1980, ranging from 90.9 percent of hospital care services, to 62.7 percent of physicians' services, and to 38.5 percent of the remainder.
- Outlays for health care benefits by the Medicare and Medicaid programs totaled \$60.6 billion, including \$35.8 billion for hospital care. The two programs combined paid 27.8 percent of all personal health care costs in the Nation.

The Health Care Financing Review is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price: \$9 per year, \$3 per single issue.