

sistance, 33 cents for general assistance, 9 cents for aid to dependent children, 7 cents for aid to the permanently and totally disabled, and 1 cent for aid to the blind. To meet the cost of vendor payments, old-age assistance funds were used by 24 States, aid to dependent children funds by 23 States, aid to the blind by 21 States, aid to the permanently and totally disabled by 18 States, and general assistance by 39 States.

## Old-Age Benefits, January-June 1953

*Benefits awarded.*—During the first half of 1953, old-age benefits were awarded to 428,900 persons—more than double the number to whom awards were made in the first 6 months of 1952 and almost equal to the record number awarded in the first 6 months of 1951. Less than the normal number of awards were made in January-June 1952, however; many workers deferred filing applications for benefits until after June 1952 in order to acquire 6 quarters of coverage after 1950 and thus qualify for higher monthly benefit amounts through use of the new-start formula. The number awarded in the first half of 1953 was swelled by many awards

**Table 2.—Number and percentage distribution of old-age benefits awarded in January-June 1953, by computation method, amount of benefit, and sex of beneficiary**

[Based partly on 10-percent sample]

Amount of monthly benefit	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total.....	428,903	100	309,347	100	119,556	100
\$25.00.....	57,453	13	28,552	9	28,901	24
25.10-34.90.....	41,836	10	21,494	7	20,342	17
35.00-44.90.....	34,087	8	20,788	7	13,299	11
45.00-54.90.....	38,013	9	25,345	8	12,668	11
55.00-64.90.....	84,745	20	58,740	19	26,005	22
65.00-74.90.....	63,724	15	52,623	17	11,101	9
75.00-84.90.....	50,611	12	46,269	15	4,342	4
85.00.....	58,434	14	55,536	18	2,898	2
New-start formula.....	301,824	100	225,244	100	76,580	100
\$25.00.....	8,676	3	2,810	1	5,866	8
25.10-34.90.....	28,009	9	13,328	6	14,681	19
35.00-44.90.....	18,362	6	10,046	4	8,316	11
45.00-54.90.....	18,710	6	11,220	5	7,490	10
55.00-64.90.....	66,476	22	43,807	19	22,669	30
65.00-74.90.....	53,323	18	42,995	19	10,328	13
75.00-84.90.....	49,834	17	45,502	20	4,332	6
85.00.....	58,434	19	55,536	25	2,898	4
Conversion table.....	127,079	100	84,103	100	42,976	100
\$25.00.....	48,777	38	25,742	31	23,035	54
25.10-34.90.....	13,827	11	8,166	10	5,661	13
35.00-44.90.....	15,725	12	10,712	13	4,983	12
45.00-54.90.....	19,303	15	14,125	17	5,178	12
55.00-64.90.....	18,269	14	14,933	18	3,336	8
65.00-74.90.....	10,401	8	9,628	11	773	2
75.00-77.10.....	777	1	767	1	10	( <sup>1</sup> )

<sup>1</sup> Less than 0.5 percent.

to self-employed persons who, after January 1, 1953, could for the first time become entitled to full-rate benefits based solely on self-employment income. Another reason for the

larger number of awards in 1953 is the growth in insured population as a result of the extension of coverage provided by the 1950 amendments.

About 70 percent of the old-age benefits awarded in January-June 1953 were computed under the new-start formula—that is, they were based on earnings after 1950, and the new benefit formula was used to determine the amount (table 1). The benefits for the remaining 30 percent of the persons were determined by applying the 1939 formula to earnings after 1936 and increasing the result through use of the conversion table. Awards to women represented one-fourth of the benefits computed under the new-start formula and one-third of the benefits determined by use of the conversion table.

Insured persons who upon reaching age 65 are disabled, retired, or unable to obtain employment or who are currently working in noncovered employment usually file applications for benefits immediately. Such persons are unlikely to have enough quarters of coverage after 1950 to qualify for a benefit computation under the new-start formula. Old-age

**Table 1.—Number, percentage distribution, and average monthly amount of old-age benefits awarded in January-June 1953, by computation method, age, and sex of beneficiary**

[Based partly on 10-percent sample]

Age <sup>1</sup>	Total			Male			Female		
	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount
Total.....	428,903	100	\$56.91	309,347	100	\$61.57	119,556	100	\$44.85
65-66.....	178,165	42	54.86	123,080	40	60.45	55,085	46	42.35
67-69.....	105,848	25	60.34	77,726	25	64.76	28,122	24	48.13
70-74.....	85,287	20	57.08	62,531	20	61.21	22,756	19	45.74
75-79.....	46,680	11	57.80	36,049	12	61.05	10,631	9	46.76
80 and over.....	12,923	3	52.70	9,961	3	54.58	2,962	2	46.35
New-start formula.....	301,824	100	\$63.99	225,244	100	\$68.38	76,580	100	\$51.08
65-66.....	90,597	30	67.65	67,475	30	72.47	23,122	30	53.56
67-69.....	85,485	28	65.67	63,393	28	70.30	22,092	29	52.37
70-74.....	72,146	24	61.02	52,949	24	65.59	19,197	25	48.42
75-79.....	41,865	14	60.31	32,359	14	63.85	9,506	12	48.26
80 and over.....	11,731	4	54.98	9,068	4	56.99	2,663	3	48.13
Conversion table.....	127,079	100	\$40.08	84,103	100	\$43.32	42,976	100	\$33.74
65-66.....	87,568	69	41.62	55,605	66	45.86	31,963	74	34.25
67-69.....	20,363	16	37.98	14,333	17	40.24	6,030	14	32.61
70-74.....	13,141	10	35.44	9,582	11	36.98	3,559	8	31.29
75-79.....	4,815	4	35.95	3,690	4	36.53	1,125	3	34.08
80 and over.....	1,192	1	30.26	893	1	30.18	299	1	30.47

<sup>1</sup> Age on birthday in 1953.

**Table 3.—Number and average monthly amount of old-age benefits in current-payment status at the end of each half year, by benefit-computation method, June 1952–June 1953**

[Numbers in thousands]

Half year ending—	Total		New-start formula			Conversion table	
	Number	Average monthly amount	Number	Average monthly amount	As percent of all old-age beneficiaries	Number	Average monthly amount
June 1952.....	2,372	\$41.98	2	\$42.59	(1)	2,371	\$41.98
December 1952.....	2,644	49.25	235	66.16	9	2,409	47.60
June 1953.....	2,977	50.42	537	65.17	18	2,440	47.17

<sup>1</sup> Less than 0.5 percent.

benefits awarded in the first half of 1953 to persons attaining age 65 or 66 during 1953 comprised 69 percent of the benefits determined by use of the conversion table and 30 percent of the benefits figured by the new-start formula.

The average old-age benefit awarded in January–June 1953 was \$56.91, an increase of 43 percent from the average amount awarded in the first half of 1952 (table 1). This higher average was the result partly of the higher benefit amounts payable under the 1952 amendments and partly of the large number of benefits computed under the new-start formula. The average benefit figured by use of the new-start formula was \$63.99; for benefits determined by use of the conversion table the average was \$40.08. The average benefit amount was \$61.57 for men and \$44.85 for women.

The minimum monthly amount of \$25 was payable in 38 percent of the awards in which benefits were figured by use of the conversion table, in contrast to only 3 percent for benefits computed under the new-start formula (table 2). For the benefits computed under the new-start formula, 25 percent of the men and 4 percent of the women received the maximum monthly amount of \$85.

*Benefits in current-payment status.*—The rapid growth in the number of persons receiving old-age benefits computed by means of the new-start formula is indicated in table 3; by the end of June 1953, they comprised 18 percent of all old-age beneficiaries. The average amount payable to all old-age beneficiaries has increased continuously—from \$48.79 in September 1952 (when the benefits were increased) to \$50.42 in June 1953—as

the proportion of benefits determined by the new-start formula has increased.

### Proposed Budget for Social Security Programs, 1954–55

The Budget of the United States Government for the fiscal year ending June 30, 1955, was submitted to Congress by President Eisenhower on January 21, 1954. The budget for the Social Security Administration provides for the continuance of existing programs. It also includes cost estimates for the proposals to extend old-age and survivors insurance and to provide a new formula for public assistance grants in aid; these proposals were set forth in the President's special message on social security of January 14. The President's health message of January 18 carried his proposals relating to the Children's Bureau grant programs; since these proposals do not call for new authorizations, they are not reflected

in the Budget document. The recommendations made by the President were reported in the February BULLETIN.

The Budget includes estimated expenditures for the fiscal year 1954–55 of \$1,328 million from budget authorizations and operating funds for the Social Security Administration, a decrease of \$96 million from the current fiscal year (table 1). These estimates do not take into account the operations of the old-age and survivors insurance trust fund. The decrease is concentrated in public assistance, where the expected decline in estimated expenditures results from a drop in the number of recipients, from the proposed changes in the public assistance matching formulas, and from the changes proposed in old-age and survivors insurance that will, the President said, reduce "the need for supplementation by public assistance."

Of the total expenditures, \$1,323 million or almost 100 percent represents grants to the States—for public assistance, \$1,185 million under existing legislation and \$108 million under proposed legislation, and for maternal and child welfare grants, \$30 million.

The balance of \$4.7 million is for salaries and expenses of the Social Security Administration. Of this amount, \$1.5 million is expected to be spent by the Bureau of Federal Credit Unions, mainly for supervision of Federal credit unions, out of the operating fund composed of fees collected for services. In addition, the old-age and survivors insurance trust

**Table 1.—Expenditures for the Social Security Administration, excluding the old-age and survivors insurance trust fund, fiscal years 1952–53, 1953–54, 1954–55**

[In thousands]

Bureau	Actual, 1952–53	Estimated	
		1953–54 <sup>1 2</sup>	1954–55 <sup>3</sup>
Total, including proposed legislation.....	\$1,366,023	\$1,423,411	\$1,327,718
Total, excluding proposed legislation.....	1,366,023	1,423,411	1,219,718
Bureau of Public Assistance:			
Existing legislation.....	1,331,572	<sup>1</sup> 1,390,488	1,186,540
Proposed legislation.....			108,000
Children's Bureau.....	33,066	31,265	31,500
Bureau of Federal Credit Unions.....	1,172	<sup>2</sup> 1,485	<sup>3</sup> 1,505
Office of the Commissioner.....	213	174	173

<sup>1</sup> Includes \$58,000,000 for public assistance grants from new authorizations proposed for later transmittal.

<sup>2</sup> Includes \$1,432,889 for the Bureau of Federal Credit Unions, from operating fund receipts.

<sup>3</sup> Includes \$1,505,000 for the Bureau of Federal Credit Unions, from operating fund receipts.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1955.*