

Public Social Welfare Expenditures, Fiscal Years 1965-87

By Ann Kallman Bixby*

The years from 1965 to 1976 were a period of great expansion in social welfare expenditures under public law. The entry of the Federal Government into the fields of health care and education was responsible for much of the growth in the first part of this period; high inflation produced increased spending in the later years. From 1977 to 1987, the rate of growth in social welfare spending slowed considerably. In fact, since 1983 the dominant characteristic of such expenditures has been their stability. Although the amount of money spent was higher in each year, little change occurred in the relative size or the apportionment of the funds. The 1987 expenditures continued this pattern. The total amount spent, \$834.4 billion, represented an increase of 6.6 percent over the previous year. This amount equaled 18.8 percent of the gross national product. In constant dollar terms, the increase from 1986 to 1987 was 1.7 percent.

The Federal Government provided 60-62 percent of all social welfare funding from 1980 to 1986. In 1987, this share fell slightly—to 59.9 percent. The programs for social insurance, public aid, veterans, and housing were primarily Federally funded, while education was largely a State and local responsibility. Governments at all levels spent 53.4 percent of their funds for social insurance purposes in 1987, slightly more than in 1986. However, the experience at different levels of government varied considerably. Federal spending increased 2 percent as a percent of all Federal expenditures, while State and local spending decreased about 1 percent.

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Social welfare expenditures under public law accounted for \$834.4 billion in fiscal year 1987, an increase of 6.6 percent over the previous year. This amount was equal to 18.8 percent of the national output of goods and services as measured by the gross national product (GNP). Social insurance programs accounted for about one-half of all expenditures, followed by the education and public aid categories.

Social welfare expenditures, which are defined in this series as the cash benefits, services, and administrative costs of public programs that directly benefit individuals and families, have been relatively stable since the early 1980's. The 1987 data reflect little change in such expenditures however they are measured: in constant dollars, as a percent of GNP, or as a percent of all government expenditures. Since 1982, the average annual growth rate in social welfare spending has been slightly less than 7 percent and has varied only 1 percentage point relative to the GNP. As a percent of all government spending, social welfare has varied from 52 percent to 55 percent during this period.

This article presents revised data as far back as 1980 for the areas of education and housing. The availability of a new data source for information on the cost of higher education at the State and local

level has had the effect of increasing education expenditures in all years since 1980. A reevaluation of the housing program data has resulted in the inclusion of several smaller programs that previously had been omitted. In both cases, the need for reevaluation was due to changes in reporting requirements mandated by the Paperwork Reduction Act of 1980 and the necessity of developing estimates to replace the expenditure reports previously provided by the administering agencies.

Although the social welfare expenditure series has been published annually since 1954, it has only been possible in each year's article to show 5-year intervals of data, plus the latest 3 or 4 years at the time of publication. To provide more detail, and to show the education and housing expenditure revisions for 1980-86, table 1 provides annual data for each year in the 1965-87 period.

The year 1965 was chosen as a starting point for two reasons. First, it is the last year covered in a 1968 Social Security Administration monograph that provided annual data for the years 1929-65.¹

¹ See Ida C. Merriam and Alfred M. Skolnik, **Social Welfare Expenditures Under Public Programs in the United States, 1929-66** (Research Report No. 25), Office of Research and Statistics, Social Security Administration, 1968.

(Although 1966 data were included, they were preliminary estimates and were later revised.) Second, 1965 marked the beginning of an expansion in government programs, especially at the Federal level. These programs included Medicare, Medicaid, and the programs accompanying the War on Poverty and the inauguration of the Great Society. The passage of the Economic Opportunity Act in 1964 and the Elementary and Secondary Education Act of 1965 signaled the entry of the Federal Government into areas that had been dominated by the State and local governments since the end of World War II.

Data for 1966 show it as the first year since World War II in which Federal funds represented a larger share of public social welfare expenditures than funds spent by State and local governments. Education was the single largest category of social welfare spending until 1958, with the exception of some years during the Great Depression. Because funding for education was largely the responsibility of the State and local governments, their share of total expenditures was necessarily large.

In 1958, education expenditures exceeded those for social insurance and, until 1965, the two categories alternated between first and second place. In 1966, largely due to the increasing maturity of the Social

Security program, social insurance spending permanently replaced spending for education in first place. Since 1982, social insurance has accounted for at least one-half of all social welfare spending.

Legislation passed in July 1965 has influenced the nature of the social welfare system ever since. The Social Security Amendments of 1965 inaugurated two new Federal health programs: Health Insurance for the Aged and Grants to States for Medical Assistance—commonly

known as Medicare and Medicaid.² These programs were responsible in large part for the increase in Federal social welfare spending since 1965. The size of the programs was one important reason for their influence. By 1966, more than 19 million individuals—nearly 10 percent of the civilian population—were enrolled in the

² Medicare appears in the tables accompanying this article in the social insurance category; Medicaid appears as the principal component of "medical vendor payments" in the public aid category.

Medicare program. Another reason for the legislation's influence was that as early as 1968, it was noted that the Consumer Price Index (CPI) for medical care was rising nearly twice as fast as the total CPI over the year. In fact, while from 1965 to 1970 the total CPI rose 23 percent, the medical component rose 35 percent. In 1970, the Medicare and Medicaid programs spent \$12.4 billion—8.5 percent of all social welfare spending in that year. The dramatic increase in the social insurance category, which has been such a feature of the past 20 years, is largely due to the inclusion of the

Table 1.—Social welfare expenditures under public programs, fiscal years 1965–87

[Amounts in millions]

Program	1965	1966	1967	1968	1969	1970	1971	1972
Total expenditures								
Total	\$77,195.3	\$88,000.5	\$99,710.2	\$113,840.0	\$127,148.5	\$145,855.7	\$171,908.0	\$191,357.0
As percent of gross national product	11.5	11.9	12.5	13.4	13.7	14.7	16.3	16.6
As percent of all government expenditures	42.4	43.4	42.4	43.2	44.7	48.2	51.7	53.2
Social insurance	28,122.8	31,934.4	37,338.8	42,740.3	48,772.0	54,691.2	66,368.7	74,809.4
Public aid	6,283.4	7,301.1	8,811.0	11,091.7	13,439.1	16,487.8	21,262.0	26,078.3
Health and medical programs	6,246.4	6,938.0	7,628.0	8,458.5	9,006.1	9,906.8	11,086.7	12,865.7
Veterans' programs	6,031.0	6,358.2	6,898.4	7,246.7	7,933.6	9,078.0	10,456.0	11,522.3
Education	28,107.9	32,824.9	35,807.8	40,589.7	43,673.0	50,845.5	56,704.7	59,385.0
Housing	318.1	334.8	377.8	427.7	532.3	701.2	1,046.8	1,332.4
Other social welfare	2,085.7	2,309.0	2,848.4	3,285.4	3,792.4	4,145.2	4,983.0	5,363.9
All health and medical care	9,535.2	10,829.9	15,822.6	20,039.4	22,936.3	25,391.1	28,774.6	33,473.4
Federal expenditures								
Total	\$37,711.7	\$45,378.8	\$53,266.6	\$60,314.3	\$68,354.8	\$77,337.2	\$92,587.5	\$106,326.5
As percent of gross national product	5.6	6.1	6.7	7.1	7.4	7.8	8.8	9.2
As percent of all Federal expenditures	32.6	34.9	35.0	35.1	37.5	40.1	44.9	47.4
Social insurance	21,806.6	25,663.4	30,544.9	35,390.0	40,847.3	45,245.6	53,902.5	61,248.5
Public aid	3,593.9	4,366.0	5,244.4	6,455.2	7,829.0	9,648.6	12,990.3	16,291.4
Health and medical programs	2,780.6	3,146.3	3,680.6	4,232.8	4,542.6	4,775.2	5,148.2	6,321.8
Veterans' programs	6,010.6	6,336.9	6,875.3	7,214.2	7,883.0	8,951.5	10,331.1	11,405.2
Education	2,469.8	4,580.5	5,278.8	5,000.3	4,922.9	5,875.8	6,597.4	6,721.3
Housing	238.2	250.8	283.0	325.2	425.5	581.6	871.7	1,183.2
Other social welfare	812.0	1,034.9	1,359.6	1,696.6	1,904.5	2,258.9	2,746.3	3,155.1
All health and medical care	4,624.7	5,380.8	9,833.2	13,069.3	15,229.3	16,600.2	18,766.5	22,081.9
State and local expenditures								
Total	\$39,483.6	\$42,621.7	\$46,443.6	\$53,525.7	\$58,793.7	\$68,518.5	\$79,320.5	\$85,030.5
As percent of gross national product	5.9	5.8	5.9	6.3	6.3	6.9	7.5	7.4
As percent of all State and local expenditures	61.7	60.0	57.8	60.0	58.8	64.0	64.0	63.8
Social insurance	6,316.2	6,271.0	6,793.9	7,350.3	7,924.7	9,445.6	12,466.2	13,560.9
Public aid	2,689.5	2,935.1	3,566.6	4,636.5	5,610.1	6,839.2	8,271.7	9,786.9
Health and medical programs	3,465.8	3,791.7	3,947.4	4,225.7	4,463.5	5,131.6	5,938.6	6,543.9
Veterans' programs	20.4	21.3	23.1	32.5	50.6	126.5	124.9	117.1
Education	25,638.1	28,244.4	30,529.0	35,589.4	38,750.1	44,969.7	50,107.3	52,663.7
Housing	80.0	84.1	94.8	102.5	106.8	119.6	175.1	149.2
Other social welfare	1,273.6	1,274.1	1,488.8	1,588.8	1,887.9	1,886.3	2,236.7	2,208.8
All health and medical care	4,910.5	5,449.1	5,989.3	6,970.1	7,706.9	8,790.0	10,008.1	11,391.5

Social Security and Medicare programs in that category.

By 1970, the social insurance category represented two-fifths of total expenditures; nearly 13 percent of the population was receiving cash benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) provisions of the Social Security Act; and 10 percent of the population was enrolled in the Medicare program. An economic slowdown that year resulted in increased expenditures for Unemployment Insurance and public aid programs such as Aid to Families with Dependent Children (AFDC), Food Stamp, and child

nutrition. The slowdown continued in 1971, the first year since the Depression in which more than one-half of all government spending went for social welfare. The Food Stamp program alone tripled its expenditures in 1970-71, and spending for Unemployment Insurance rose nearly 75 percent. A wage and price freeze in August 1971 helped to slow the growth of social welfare expenditures, but the amount spent on social welfare programs remained in excess of one-half of all government spending.

The great expansion in social welfare spending through the early

1970's resulted partly from the extension of services to a larger population and partly from higher prices, but mainly it was attributable to a rise in the level and scope of services. For example, from 1965 to 1972 the United States' population rose 8 percent and prices rose 33 percent. The increase in social welfare expenditures, however, was 148 percent. This situation soon changed. By 1975, inflation was responsible for more than one-half

1973	1974	1975	1976	1977	1978	1979	1980	Program
Total expenditures								
\$213,941.8	\$239,396.7	\$290,080.4	\$331,955.4	\$360,601.0	\$394,377.1	\$430,280.1	\$492,197.3	Total
16.7	16.9	19.0	19.5	18.7	18.1	17.5	18.5	As percent of gross national product
55.5	56.5	57.3	60.3	59.1	58.4	57.2	56.5	As percent of all government expenditures
86,165.5	99,001.5	123,013.1	145,703.4	160,883.3	175,089.6	194,287.6	229,754.3	Social insurance
28,691.3	31,520.3	41,308.3	48,692.3	53,266.5	59,394.2	64,661.6	71,799.4	Public aid
13,447.1	14,953.1	17,787.6	19,028.8	20,129.1	22,844.1	24,898.6	27,650.3	Health and medical program
13,026.4	14,112.4	17,018.9	18,957.9	19,014.3	19,744.0	20,601.5	21,465.5	Veterans' programs
64,733.7	70,533.9	80,834.2	87,729.7	93,878.3	101,517.8	109,261.5	121,049.6	Education
2,179.6	2,554.0	3,171.7	3,370.8	4,358.1	5,224.7	5,493.1	6,879.1	Housing
5,698.2	6,721.5	6,946.6	8,472.5	9,071.4	10,562.7	11,076.2	13,599.1	Other social welfare
36,667.7	41,521.9	52,349.0	58,978.5	67,418.0	76,853.0	86,757.0	100,295.0	All health and medical care
Federal expenditures								
\$122,565.9	\$137,191.1	\$167,426.0	\$197,002.6	\$218,370.6	\$239,753.1	\$263,037.1	\$302,300.6	Total
9.5	9.7	11.0	11.6	11.3	11.0	10.7	11.4	As percent of gross national product
50.5	52.3	53.8	57.0	56.2	55.3	54.6	54.3	As percent of all Federal expenditures
72,248.7	82,832.3	99,715.0	119,600.2	134,744.7	147,364.7	163,879.3	191,162.0	Social insurance
18,061.0	20,387.7	27,186.5	32,527.0	35,399.3	40,012.9	43,721.8	48,666.5	Public aid
6,697.7	7,144.6	8,521.0	9,552.0	10,150.0	11,068.0	11,398.4	12,702.8	Health and medical programs
12,903.3	13,873.8	16,569.8	18,796.0	18,860.6	19,570.3	20,411.9	21,253.6	Veterans' programs
7,359.6	7,041.5	8,629.4	9,023.3	9,741.0	10,900.8	12,107.9	13,452.2	Education
1,749.7	2,009.1	2,540.7	2,906.0	4,005.5	4,887.3	5,069.2	6,277.6	Housing
3,545.9	3,902.1	4,263.6	4,598.1	5,469.5	5,949.1	6,448.6	8,785.9	Other social welfare
24,279.5	27,498.9	34,101.0	39,937.4	46,363.3	52,389.0	58,696.2	68,802.6	All health and medical care
State and local expenditures								
\$91,375.9	\$102,205.6	\$122,654.4	\$134,952.8	\$142,230.4	\$154,624.0	\$167,243.0	\$189,896.7	Total
7.1	7.2	8.0	7.9	7.3	7.1	6.8	7.1	As percent of gross national product
64.9	64.1	63.5	66.2	64.5	64.7	62.4	60.8	As percent of all State and local expenditures
13,916.8	16,169.1	23,298.1	26,103.2	26,138.6	27,724.9	30,408.2	38,592.4	Social insurance
10,630.3	11,132.7	14,121.8	16,165.3	17,867.2	19,381.3	20,939.8	23,132.9	Public aid
6,749.4	7,808.5	9,266.6	9,476.8	9,979.1	11,776.1	13,500.2	14,947.5	Health and medical programs
123.1	238.6	449.1	161.9	153.7	173.7	189.7	211.9	Veterans' programs
57,374.1	63,492.4	72,204.8	78,706.4	84,137.3	90,617.0	97,153.6	107,597.4	Education
429.9	544.9	631.0	464.8	352.6	337.4	423.9	601.4	Housing
2,152.3	2,819.4	2,683.0	3,874.4	3,601.9	4,613.6	4,627.6	4,813.2	Other social welfare
12,388.2	14,023.0	18,248.0	19,041.1	21,054.7	24,464.0	28,060.8	31,492.4	All health and medical care

of the increase in spending from 1974. At the same time, because inflation affects all sections of the economy, social welfare expenditures continued to rise as a percent of the GNP.

However, even allowing for the effects of inflation, the per capita expense of social welfare rose 84 percent from 1965 to 1974. The public aid category increased 198 percent in such terms, due to the introduction of Medicaid, increases in food stamp and AFDC expenditures, and the addition of work and training programs. The introduction of the Supplemental

Security Income (SSI) program in 1974 further increased the prominence of public aid. The recession of 1974-75 produced increases in the amounts spent for unemployment insurance and programs for the needy. Cost-of-living adjustments (COLAs) for cash benefit programs and increased costs for medical and social services were also factors in the overall increase. The continued efforts of governments at all levels to cope with recession and inflation led to further increases in 1976. In that year, social welfare reached its highest point as a percent of GNP,

and accounted for 60 percent of all government spending.

The economy improved over the next years, although inflation remained high, and social welfare expenditures began to decrease as a percent of GNP. The rate of growth in such expenditures declined each year from 1976 to 1979. The year 1979 is unique because it is the only year in the series in which real social welfare spending declined—down 0.1 percent from 1978. Real spending per capita fell in all categories except social insurance, health and medical programs, and the category

Table 1.—Social welfare expenditures under public programs, fiscal years 1965–87—Continued

[Amounts in millions]

Program	1981	1982	1983	1984	1985	1986	1987
Total expenditures							
Total	\$553,592.5	\$600,339.1	\$648,032.8	\$678,116.5	\$737,099.0	\$782,785.8	\$834,446.2
As percent of gross national product	18.7	19.1	19.5	18.4	18.6	18.7	18.8
As percent of all government expenditures	57.3	55.4	55.0	53.3	52.2	52.2	53.4
Social insurance	267,394.8	302,614.8	331,161.2	341,120.2	372,528.7	390,769.1	415,023.4
Public aid	82,423.6	80,852.4	86,643.7	91,661.3	98,085.9	104,602.1	110,695.2
Health and medical programs	30,202.9	33,218.0	34,584.7	37,044.0	41,215.3	44,496.7	47,618.7
Veterans' programs	23,440.8	24,708.0	25,801.9	26,274.9	27,042.3	27,445.0	28,050.8
Education	130,108.3	138,089.4	146,415.4	157,188.8	172,102.9	189,275.6	204,540.5
Housing	8,039.0	9,202.1	10,963.5	11,532.4	12,627.4	12,036.6	13,239.7
Other social welfare	11,983.1	11,654.4	12,462.4	13,294.9	13,551.9	14,160.7	15,277.9
All health and medical care	116,832.0	130,871.0	142,030.0	155,151.1	175,419.8	188,311.5	203,585.8
Federal expenditures							
Total	\$345,414.0	\$368,868.1	\$401,411.3	\$420,521.6	\$453,045.3	\$472,015.1	\$499,843.6
As percent of gross national product	11.5	11.7	12.1	11.4	11.5	11.3	11.3
As percent of all Federal expenditures	53.9	52.6	52.2	50.2	48.6	48.3	50.4
Social insurance	224,573.5	250,551.4	274,315.4	288,742.6	313,108.2	326,015.4	345,082.2
Public aid	55,946.5	52,485.3	56,708.8	58,480.0	61,985.2	65,721.6	69,233.2
Health and medical programs	13,637.9	14,527.7	15,440.3	16,744.0	18,815.3	20,196.7	22,218.7
Veterans' programs	23,228.7	24,462.7	25,561.0	25,969.8	26,704.4	27,072.2	27,640.8
Education	13,372.2	11,917.0	12,399.3	13,009.5	13,796.2	15,022.4	16,053.8
Housing	7,350.7	8,423.8	9,960.5	10,226.5	11,087.7	10,164.4	11,110.4
Other social welfare	7,304.5	6,500.2	7,026.0	7,349.2	7,548.3	7,822.4	8,504.5
All health and medical care	80,505.2	90,707.0	100,120.3	108,913.3	123,718.6	131,427.7	143,020.1
State and local expenditures							
Total	\$208,178.5	\$231,471.0	\$246,621.5	\$257,594.9	\$284,053.7	\$310,770.7	\$334,602.6
As percent of gross national product	7.2	7.4	7.4	7.0	7.2	7.4	7.5
As percent of all State and local expenditures	64.6	61.3	61.1	60.1	60.5	60.6	59.5
Social insurance	42,821.3	52,063.4	56,845.8	52,377.6	59,420.5	64,753.7	69,941.2
Public aid	26,477.1	28,367.1	29,934.9	33,181.3	36,100.7	38,880.5	41,462.0
Health and medical programs	16,565.0	18,690.3	19,144.4	20,300.0	22,400.0	24,300.0	25,400.0
Veterans' programs	212.1	245.3	240.9	305.1	337.9	372.8	410.0
Education	116,736.1	126,172.4	134,016.1	144,179.3	158,251.3	174,253.2	188,486.7
Housing	688.3	778.3	1,003.0	1,305.9	1,539.7	1,872.2	2,129.3
Other social welfare	4,678.6	5,154.2	5,436.4	5,945.7	6,003.6	6,338.3	6,773.4
All health and medical care	36,326.8	40,164.0	41,909.7	46,237.8	51,701.2	56,883.8	60,565.7

of "All health and medical care." The latter is a composite of health care costs from all categories and, therefore, includes both the Medicare and Medicaid programs. This year was the first in which decreases had occurred in any category except veterans' programs, which had been declining since 1976 in real terms.

In 1980, the 3-year decline in expenditures, both in real terms and as a percent of GNP, was reversed. The sluggish economy was chiefly responsible for the increase in social spending. The GNP grew more slowly than it had since 1975, accompanied by high rates of both inflation (13.5 percent) and unemployment (7.0 percent). Overall, social welfare spending grew 70 percent between 1975 and 1980, but that was reduced to only 16 percent in constant dollars.

The slowdown in spending can be seen in the fact that, in constant dollars, social welfare rose 56 percent from 1970 to 1976 and only 13 percent from 1976 to 1982. By 1982, OASDI and Medicare accounted for more than one-third of all expenditures, having risen (in real terms) 68 percent in the first period and 42 percent in the second. More dramatically, real public aid spending rose 108 percent in 1970-76 and only 13 percent from 1976 to 1982. When population changes are excluded, all categories except social insurance and "All health and medical care" declined in real terms from 1976 to 1982. As a percent of GNP, social welfare in 1982 and 1983 was approximately equal to what it had been in 1976.

Since 1983, the dominant feature of social welfare expenditures has been their stability. Although the amount spent has been higher in each year, little change has

occurred in the relative size or the apportionment of the expenditures (chart 1). A major reason for this has been the primacy of social insurance expenditures, especially the amounts spent for OASDI and Medicare. The sheer size of the outlays made from the Social Security trust funds, more than 30 percent of the social welfare total in recent years, means that they serve as a balance for any smaller changes that take place from year to year. Even the fluctuations in spending for Unemployment Insurance, which once reflected economic conditions in the series, have been damped by the balance wheel of the trust funds.

A similar change has taken place in the area of health care spending. Although expenditures in the category of "Health and medical programs" have remained fairly small, spending in the larger "All health and medical care" category doubled in size during the 1980's, reaching 4.6 percent of GNP. In 1987, the Medicare and Medicaid programs alone accounted for 16.0 percent of the social welfare total. Since the cost of medical care has consistently been higher than the cost of living in general, this area is particularly susceptible to rapid growth.

Generally speaking, the years from 1965 to 1976 were an era of great growth in social welfare spending, although the growth in the first part of that period was due to the expansion of programs and growth in the second part was due to inflation. The average rate of growth in expenditures during that period was 13 percent. From 1977 through 1987 such spending did not increase nearly as much, whether in relative or absolute terms. The average rate of increase in that time

was about 9 percent. Since 1983, little change has occurred in any area of social welfare expenditures.

The 1987 total of \$834,446.2 million represents an increase of 6.6 percent over 1986 (table 2). Of that increase, nearly one-half occurred in the area of social insurance, and the OASDI and Medicare programs were responsible for one-third. Education expenditures accounted for another one-third of the increase, and public aid for a further one-eighth.

The gross national product grew at a slower rate than did social welfare spending—5.9 percent from 1986 to 1987. Such spending therefore grew as a percent of GNP, reaching 18.8 percent (table 3). Social insurance and education were the only categories reflecting the increase. The rest remained stable, except for veterans' programs, where spending fell slightly. Spending in the composite category of "All health and medical care" rose as a percent of GNP, reaching 4.6 percent.

In constant dollars per capita—that is, with effects of price and population increases removed—social welfare expenditures were only 1.7 percent higher in 1987 than in the previous year (table 4). Neither social insurance nor public aid showed real growth on this scale, although education and "Other social welfare" increased 2.0 percent each.

The Federal Government has provided 60-62 percent of all social welfare funds since 1980 (table 5). In 1987, the Federal share declined slightly, to 59.9 percent. Little change occurred in funding by category; the Federal Government provided the bulk of the money for

programs in the social insurance, public aid, veterans, and housing areas; the States and localities financed most of the bill for education. "Health and medical programs" and "Other social welfare" expenses were more evenly shared among the governments. When all publicly funded health programs are combined, however, the Federal share was more than 70 percent.

Governments at all levels spent 53.4 percent of their funds for social welfare purposes in 1987 (table 6). This proportion is an increase of 1.2 percentage points over 1986. The increase was apparent only at the Federal level, where the share of money devoted to social welfare rose 2.1 percentage points. At the State and local level, social welfare

expenditures dropped almost a percentage point over the year. The increase in Federal spending occurred in both trust fund and non-trust-fund areas. Trust fund outlays for social welfare accounted for 32.7 percent of all Federal spending; non-trust-fund outlays accounted for 27 percent of general revenue spending.

Growth in social welfare spending in the years from 1965 to 1972 was largely due to the entry of the Federal Government into the areas of education, medical care, and public welfare programs. By the early 1970's, the social welfare system that exists today was largely

in place; the majority of expenditure growth in 1973-79 can be attributed to the high inflation that prevailed during those years. The 1980's have been years of stability in such expenditures, as neither the network of programs nor the economic pressures on them have experienced major changes. The 1987 expenditures continued the pattern that has been familiar throughout the decade.

Chart 1.— Percentage distribution of social welfare expenditures, selected fiscal years, 1970-87

[Amounts in millions]

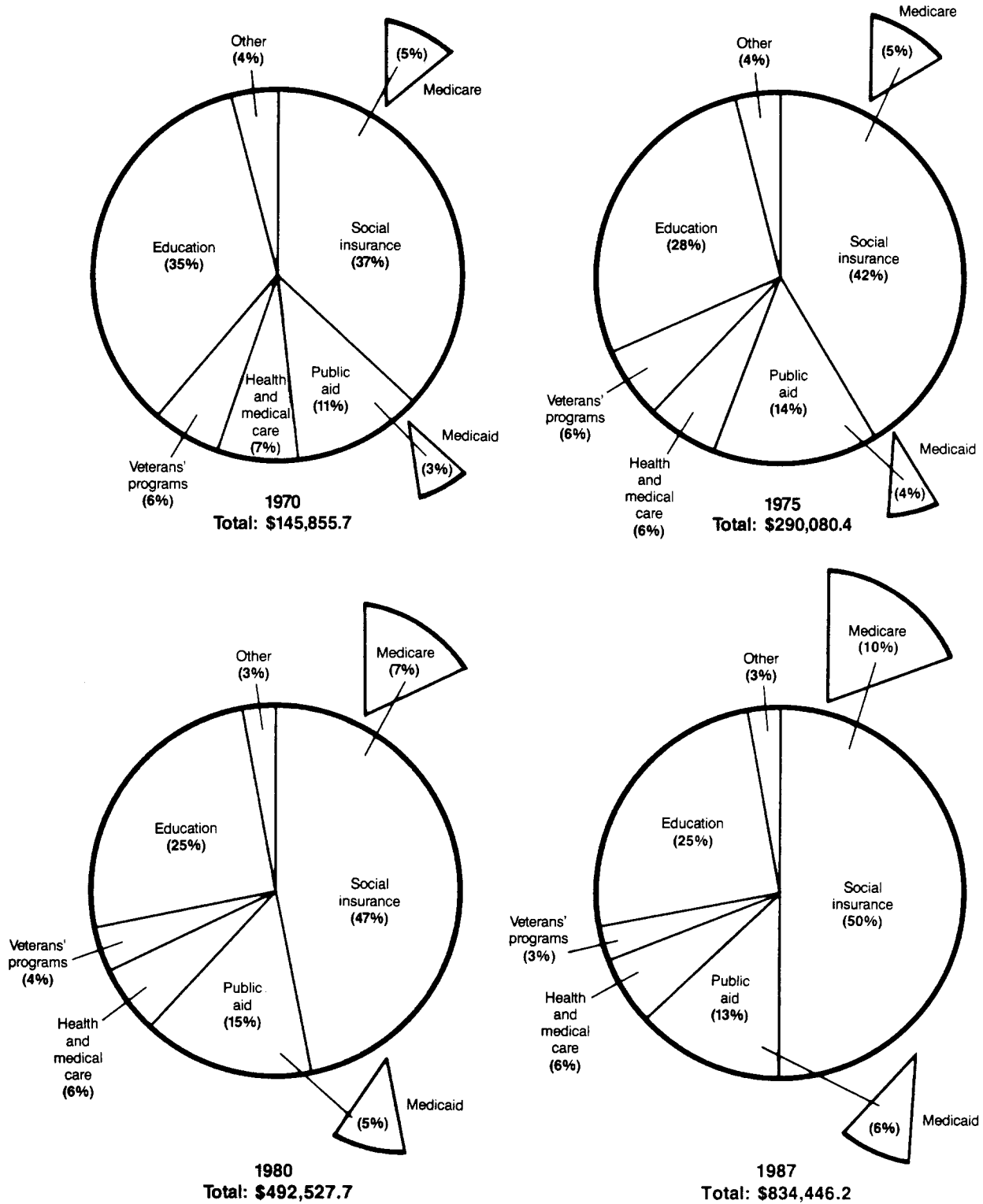


Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-87¹

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ²
	Total expenditures									
Total	\$23,508.4	\$52,293.2	\$77,175.3	\$145,855.7	\$290,080.4	\$492,197.3	\$678,116.5	\$737,099.1	\$782,785.7	\$834,446.3
Social insurance	4,946.6	19,306.7	28,122.8	54,691.2	123,013.1	229,754.3	341,120.2	372,528.8	390,769.1	415,023.4
Old-Age, Survivors, Disability, and Health Insurance (OASDI)	784.1	11,032.3	16,997.5	36,835.4	78,429.9	152,110.4	238,254.0	260,468.7	271,980.0	288,497.9
OASDI	784.1	11,032.3	16,997.5	29,686.2	63,648.5	117,118.9	175,773.2	188,275.2	196,077.4	206,478.7
HI (Medicare) ³				7,149.2	14,781.4	34,991.5	62,480.8	72,193.5	75,902.6	82,019.2
Railroad Retirement ⁴	306.4	934.7	1,128.1	1,609.9	3,085.1	4,768.7	6,143.8	6,275.6	6,354.5	6,549.1
Public employee retirement ⁵	817.9	2,569.9	4,528.5	8,658.7	20,118.6	39,490.1	58,887.8	63,044.0	66,909.8	72,134.0
Unemployment Insurance and employment services ⁶	2,190.1	2,829.6	3,002.6	3,819.5	13,835.9	18,326.4	16,103.5	18,343.8	18,549.6	18,054.7
Railroad Unemployment Insurance	119.6	215.2	76.7	38.5	41.6	155.4	183.3	138.4	140.2	124.1
Railroad Temporary Disability Insurance	31.1	68.5	46.5	61.1	32.9	68.7	46.7	50.6	57.8	64.9
State Temporary Disability Insurance ⁷	72.1	347.9	483.5	717.7	990.0	1,377.7	1,817.7	1,944.1	2,067.3	2,545.4
Hospital and medical benefits ⁸	2.2	40.2	50.9	62.6	72.9	49.6	56.0	55.3	54.7	56.4
Workers' Compensation ⁹	625.1	1,308.5	1,859.4	2,950.4	6,479.1	13,457.2	19,683.4	22,263.6	24,709.9	27,053.3
Hospital and medical benefits ⁸	193.0	420.0	580.0	985.0	2,470.0	3,725.0	6,001.0	7,080.0	8,366.0	9,618.3
Public aid	2,496.2	4,101.1	6,283.4	16,487.8	41,308.3	71,799.4	91,661.3	98,085.8	104,602.1	110,695.2
Public assistance ¹⁰	2,490.2	4,041.7	5,874.9	14,433.5	27,360.4	44,888.3	61,976.0	67,388.9	72,819.0	78,530.9
Vendor medical payments ¹¹	51.3	492.7	1,367.1	5,212.8	13,501.6	27,394.1	40,282.8	45,038.5	49,192.7	53,365.3
Social services ¹¹				712.6	2,622.4	2,342.8	2,789.0	2,742.8	2,670.7	2,696.7
Supplemental Security Income					6,091.6	8,226.5	11,136.7	11,840.0	12,887.4	13,638.0
Food stamps			35.6	577.0	4,693.9	9,083.3	12,375.2	12,512.7	12,397.0	12,362.1
Other ¹²	6.0	59.4	373.0	1,477.3	3,162.4	9,601.3	6,173.4	6,344.2	6,498.7	6,164.1
Health and medical programs ¹³	2,063.5	4,463.8	6,246.4	9,906.8	17,787.6	27,650.3	37,044.0	41,215.4	44,496.7	47,618.7
Hospital and medical care	1,222.3	2,853.3	3,452.3	5,313.4	9,219.6	12,287.3	16,400.0	18,300.0	19,700.0	21,200.0
Civilian programs	886.1	1,973.2	2,515.5	3,553.8	6,405.6	8,187.3	9,300.0	10,100.0	10,700.0	11,100.0
Defense Department ¹⁴	336.2	880.1	936.8	1,759.6	2,814.0	4,100.0	7,100.0	8,200.0	9,000.0	10,100.0
Maternal and child health programs ¹⁵	29.8	141.3	227.3	431.4	567.0	869.5	1,100.0	1,200.0	1,300.0	1,300.0
Medical research	69.2	448.9	1,165.2	1,635.4	2,928.0	4,822.8	6,309.7	6,873.4	7,513.8	8,190.5
School health (education agencies)	30.6	101.0	142.2	246.6	350.0	574.8	700.0	800.0	800.0	900.0
Other public health activities	350.8	401.2	671.0	1,348.0	2,919.0	6,955.7	10,400.0	11,900.0	13,300.0	14,200.0
Medical facilities construction	360.8	518.1	588.3	932.1	1,804.0	2,140.2	2,134.3	2,142.0	1,882.9	1,828.2
Defense Department	1.1	40.0	31.1	52.5	94.0	31.0				
Veterans' programs	6,865.7	5,479.2	6,031.0	9,078.0	17,018.9	21,465.5	26,274.9	27,042.3	27,444.9	28,050.9
Pensions and compensation ¹⁶	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	11,306.0	14,050.5	14,333.0	14,493.2	14,522.1
Health and medical programs	748.0	954.0	1,228.7	1,784.0	3,516.8	6,203.9	8,935.9	9,493.2	9,923.1	10,503.0
Hospital and medical care	582.8	879.4	1,114.8	1,651.4	3,287.1	5,749.9	8,179.9	8,808.6	9,119.8	9,521.7
Hospital construction	161.5	59.6	77.0	70.9	136.7	323.0	565.7	458.0	617.1	771.8
Medical and prosthetic research	3.7	15.1	36.9	61.8	93.0	131.0	190.3	226.6	186.2	209.5
Education	2,691.6	409.6	40.9	1,018.5	4,433.8	2,400.7	1,402.0	1,170.8	866.8	742.3
Life insurance ¹⁷	475.7	494.1	434.3	502.3	556.1	664.5	719.0	795.5	893.0	937.9
Welfare and other	858.3	218.8	185.8	379.4	933.7	890.4	1,167.5	1,249.8	1,268.8	1,345.6
Education ¹⁸	6,674.1	17,626.2	28,107.9	50,845.5	80,834.2	121,049.6	57,188.8	172,047.6	189,275.6	204,540.5
Elementary and secondary	5,596.2	15,109.0	22,357.7	38,632.3	59,745.6	87,149.9	10,066.6	120,696.6	142,762.9	154,902.5
Construction ¹⁹	1,019.4	2,661.8	3,267.0	4,659.1	5,746.0	6,524.0	7,258.0	8,358.0	10,009.0	11,325.0
Higher	914.7	2,190.7	4,826.4	9,907.1	16,384.1	26,175.9	37,796.8	41,130.4	45,033.1	48,022.1
Construction	310.0	357.9	1,081.4	1,566.9	1,512.7	1,528.1	1,962.4	2,346.6	2,638.3	3,066.9
Vocational and adult ¹⁹	160.8	298.0	853.9	2,144.4	4,441.3	7,375.2	9,069.4	9,891.3	1,207.6	1,247.4
Housing	14.6	176.8	318.1	701.2	3,171.7	6,879.1	11,532.4	12,627.4	12,036.7	13,239.7
Public housing	14.5	143.5	234.5	459.9	1,456.4	4,680.5	8,408.8	9,340.3	8,350.1	9,230.6

See footnotes at end of table.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-87¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ²
Total expenditures—Continued										
Other social welfare.....	\$447.7	\$1,139.4	\$2,065.7	\$4,145.2	\$6,946.6	\$13,599.1	\$13,294.9	\$13,551.8	\$14,160.7	\$15,277.9
Vocational rehabilitation ²⁰	30.0	96.3	210.5	703.8	1,036.4	1,251.1	1,447.7	1,536.7	1,615.9	1,773.5
Medical services.....	7.4	17.7	34.2	133.8	217.7	279.4	341.6	344.0	376.7	412.4
Medical research ²¹.....	...	6.6	22.4	29.6	...	13.5	...	...	...	...
Institutional care ²²	145.5	420.5	789.5	201.7	296.1	482.4	721.1	379.6	450.7	514.1
Child nutrition ²³	160.2	398.7	617.4	896.0	2,517.6	4,852.3	5,198.9	5,308.5	5,676.7	6,230.5
Child welfare ²⁴	104.9	211.5	354.3	585.3	597.0	800.0	165.0	200.0	197.9	222.5
Special OEO and ACTION programs ²⁵.....	...	...	51.7	752.8	638.3	2,302.7	479.1	503.8	504.5	519.6
Social welfare, not elsewhere classified ²⁶	7.1	12.4	42.3	1,005.6	1,861.2	3,910.6	5,283.1	5,623.2	5,714.9	6,017.7
Federal expenditures										
Total.....	\$10,541.1	\$24,956.7	\$37,711.7	\$77,337.2	\$167,426.0	\$302,300.6	\$420,521.6	\$453,045.4	\$472,015.0	\$499,843.7
Social insurance.....	2,103.0	14,307.2	21,806.6	45,245.6	99,715.0	191,162.0	288,742.6	313,108.3	326,015.4	345,082.2
Old-Age, Survivors, Disability, and Health Insurance (OASDHI).....	784.1	11,032.2	16,997.5	36,835.4	78,429.9	152,110.4	238,254.0	260,468.7	271,980.0	288,497.9
OASDI.....	784.1	11,032.2	16,997.5	29,686.2	63,648.5	117,118.9	175,773.2	188,275.2	196,077.4	206,478.7
HI (Medicare) ³.....	...	...	...	7,149.2	14,781.4	34,991.5	62,480.8	72,193.5	75,902.6	82,019.2
Railroad Retirement ⁴	306.4	934.7	1,128.1	1,609.9	3,085.1	4,768.7	6,143.8	6,275.6	6,354.5	6,549.1
Public employee retirement ⁵	507.9	1,519.9	2,780.5	5,516.7	13,338.9	26,982.9	38,587.4	40,504.0	41,866.5	44,074.3
Unemployment Insurance and employment services ⁶	328.6	473.5	699.8	1,036.1	3,429.2	4,407.6	2,528.6	2,604.1	2,831.0	2,955.8
Railroad Unemployment Insurance.....	119.6	215.2	76.7	38.5	41.6	155.4	183.3	138.4	140.2	124.1
Railroad Temporary Disability Insurance.....	31.1	68.5	46.5	61.1	32.9	68.7	46.7	50.6	57.8	64.9
Workers' Compensation ⁹	25.1	63.1	77.6	147.9	1,357.4	2,668.3	2,998.8	3,066.9	2,785.4	2,816.1
Hospital and medical benefits ⁸	5.2	9.0	11.3	20.7	50.2	129.5	281.5	280.2	293.2	347.7
Public aid.....	1,103.2	2,116.9	3,593.9	9,648.6	27,186.5	48,666.5	58,480.0	61,985.2	65,721.6	69,233.2
Public assistance ¹⁰	1,097.2	2,057.5	3,185.4	7,594.3	14,528.6	23,542.1	30,837.7	33,523.1	36,402.5	39,907.4
Vendor medical payments ¹¹.....	...	199.8	555.0	2,607.1	7,056.4	14,550.2	20,212.1	22,677.4	24,826.2	27,612.8
Social services ¹¹.....	...	...	...	522.0	1,962.6	1,757.1	2,091.7	2,057.1	2,003.0	2,022.6
Supplemental Security Income.....	...	...	...	...	4,801.6	6,439.8	9,093.7	9,605.2	10,423.4	10,799.6
Food stamps.....	...	...	35.6	577.0	4,693.9	9,083.3	12,375.2	12,512.7	12,397.0	12,362.1
Other ¹²	6.0	59.4	373.0	1,477.3	3,162.4	9,601.3	6,173.4	6,344.2	6,498.7	6,164.1
Health and medical programs ¹³	603.5	1,737.1	2,780.6	4,775.2	8,521.0	12,702.8	16,744.0	18,815.4	20,196.7	22,218.7
Hospital and medical care.....	382.6	983.5	1,074.7	2,045.0	4,045.0	6,477.8	9,400.0	10,700.0	11,600.0	12,900.0
Civilian programs.....	46.4	103.4	137.9	285.8	1,231.0	2,377.8	2,300.0	2,500.0	2,600.0	2,800.0
Defense Department ¹⁴	336.2	880.1	936.8	1,759.6	2,814.0	4,100.0	7,100.0	8,200.0	9,000.0	10,100.0
Maternal and child health programs ¹⁵	20.1	35.3	73.4	196.0	271.0	354.0	400.0	400.0	400.0	400.0
Medical research.....	69.2	425.9	1,110.2	1,485.4	2,642.0	4,377.8	5,509.7	5,973.4	6,513.8	7,090.5
Other public health activities.....	63.8	57.3	222.9	590.3	1,150.0	1,257.2	1,300.0	1,400.0	1,400.0	1,600.0
Medical facilities construction.....	67.8	235.1	299.3	458.1	413.0	236.0	134.3	342.0	282.9	228.2
Defense Department.....	1.1	40.0	31.1	52.5	94.0	31.0	...	...	...	...
Veterans' programs.....	6,386.2	5,367.3	6,010.6	8,951.5	16,569.8	21,253.6	25,969.8	26,704.4	27,072.1	27,640.9
Pensions and compensation ¹⁶	2,092.1	3,402.7	4,141.4	5,393.8	7,578.5	11,306.0	14,050.5	14,333.0	14,493.2	14,522.1
Health and medical programs.....	748.0	954.0	1,228.7	1,784.0	3,516.8	6,203.9	8,935.9	9,493.2	9,923.1	10,503.0
Hospital and medical care.....	582.8	879.4	1,114.8	1,651.4	3,287.1	5,749.9	8,179.9	8,808.6	9,119.8	9,521.7
Hospital construction.....	161.5	59.6	77.0	70.9	136.7	323.0	565.7	458.0	617.1	771.8
Medical and prosthetic research.....	3.7	15.1	36.9	61.8	93.0	131.0	190.3	226.6	186.2	209.5
Education.....	2,691.6	409.6	40.9	1,018.5	4,433.8	2,400.7	1,402.0	1,170.8	866.8	742.3
Life insurance ¹⁷	475.7	494.1	434.3	502.3	556.1	664.5	719.0	795.5	893.0	937.9
Welfare and other.....	378.8	106.9	165.4	252.9	484.6	678.5	862.4	911.9	896.0	935.6

See footnotes at end of table.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-87¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ²
Federal expenditures—Continued										
Education ¹⁸	\$156.7	\$867.9	\$2,469.8	\$5,875.8	\$8,629.4	\$13,452.2	\$13,009.5	\$13,796.2	\$15,022.4	\$16,053.8
Elementary and secondary	47.1	441.9	776.8	2,956.8	4,562.5	7,429.6	6,659.0	7,277.6	7,472.1	8,247.2
Construction ¹⁹	5.2	70.6	77.0	35.9	20.9	40.9	28.5	23.0	21.3	21.0
Higher	48.5	293.1	1,217.0	2,154.6	2,863.5	4,467.5	5,048.1	5,102.1	6,070.7	6,190.7
Construction	5.7	1.2	324.0	466.3	273.9	42.1	35.0	32.1	30.0	2.4
Vocational and adult ¹⁹	58.7	104.5	406.2	602.6	940.2	1,206.5	1,046.4	1,087.2	1,207.6	1,247.4
Housing	14.6	143.5	238.2	581.6	2,540.7	6,277.6	10,226.5	11,087.7	10,164.5	11,110.4
Public housing	14.5	143.5	234.5	459.9	1,456.4	4,680.5	8,408.8	9,340.3	8,350.1	9,230.6
Other social welfare	174.0	416.7	812.0	2,258.9	4,263.6	8,785.9	7,349.2	7,548.2	7,822.4	8,504.5
Vocational rehabilitation ²⁰	21.0	64.3	143.3	567.5	814.0	1,006.1	1,109.3	1,186.7	1,241.8	1,386.3
Medical services	5.1	11.2	21.2	107.0	174.2	223.5	259.0	275.0	285.9	318.7
Medical research ²¹	...	6.6	22.4	29.6	...	13.5	...	...	...	...
Institutional care ²²	20.5	20.5	34.5	22.5	20.3	74.2	117.9	120.8	139.6	130.0
Child nutrition ²³	121.2	306.1	503.7	710.9	2,064.0	4,209.3	4,270.5	4,348.7	4,588.2	5,050.1
Child welfare ²⁴	4.2	13.4	36.5	44.7	49.8	57.0	165.0	200.0	197.9	222.5
Special OEO and ACTION programs ²⁵	...	...	51.7	752.8	638.3	2,302.7	479.1	503.8	504.5	519.6
Social welfare, not elsewhere classified ²⁶	7.1	12.4	42.3	160.6	677.2	1,136.6	1,207.4	1,188.2	1,150.4	1,196.0
State and local expenditures										
Total	\$12,967.3	\$27,336.6	\$39,463.5	\$68,518.5	\$122,654.4	\$189,896.7	\$257,594.9	\$284,053.6	\$310,770.7	\$334,602.6
Social insurance	2,843.6	4,999.4	6,316.2	9,445.6	23,298.1	38,592.4	52,377.6	59,420.5	64,753.7	69,941.2
Public employee retirement ⁹	310.0	1,050.0	1,748.0	3,142.0	6,779.7	12,507.3	20,300.4	22,540.0	25,043.3	28,059.7
Unemployment Insurance and employment services ⁶	1,861.5	2,356.1	2,302.8	2,783.4	10,406.7	13,918.8	13,574.9	15,739.7	15,718.6	15,098.9
State Temporary Disability Insurance ⁷	72.1	347.9	483.5	717.7	990.0	1,377.4	1,817.7	1,944.1	2,067.2	2,545.4
Hospital and medical benefits ⁸	2.2	40.2	50.9	62.6	72.9	49.6	56.0	55.3	54.7	56.4
Workers' Compensation ⁹	600.0	1,245.4	1,781.8	2,802.5	5,121.7	10,788.9	16,684.6	19,196.7	21,924.6	24,237.2
Hospital and medical benefits ⁸	187.8	411.0	568.7	964.3	2,419.8	3,595.5	5,728.5	6,799.8	8,072.7	9,270.6
Public aid	1,393.0	1,984.2	2,689.5	6,839.2	14,121.8	23,132.9	33,181.3	36,100.6	38,880.5	41,462.0
Public assistance ¹⁰	1,393.0	1,984.2	2,689.5	6,839.2	12,831.8	21,346.2	31,138.3	33,865.8	36,416.5	38,623.6
Vendor medical payments ¹¹	51.3	292.9	812.1	2,605.6	6,445.2	12,843.9	20,070.7	22,361.1	23,366.4	25,752.4
Social services ¹¹	...	...	...	190.6	659.8	585.7	697.2	685.7	667.7	674.2
Supplemental Security Income	...	...	...	...	1,290.0	1,786.7	2,043.0	2,234.8	2,464.0	2,838.4
Health and medical programs ¹²	1,460.0	2,726.8	3,465.8	5,131.6	9,266.6	14,947.5	20,300.0	22,400.0	24,300.0	25,400.0
Hospital and medical care	839.7	1,869.8	2,377.6	3,268.0	5,174.6	5,809.5	7,000.0	7,600.0	8,100.0	8,300.0
Maternal and child health programs ¹⁵	9.7	106.1	153.9	235.3	296.0	515.5	700.0	800.0	900.0	900.0
Medical research	...	23.0	55.0	150.0	286.0	445.0	800.0	900.0	1,000.0	1,100.0
School health (education agencies)	30.6	101.0	142.2	246.6	350.0	574.8	700.0	800.0	800.0	900.0
Other public health activities	287.0	343.9	448.1	757.7	1,769.0	5,698.5	9,100.0	10,500.0	11,900.0	12,600.0
Medical facilities construction	293.0	283.0	289.0	474.0	1,391.0	1,904.2	2,000.0	1,800.0	1,600.0	1,600.0
Veterans' programs	479.5	111.9	20.4	126.5	449.1	211.9	305.1	337.9	372.8	410.0
Education ¹⁸	6,517.5	16,758.3	25,638.1	44,969.7	72,204.8	107,597.4	144,179.3	158,251.3	174,253.2	188,486.7
Elementary and secondary	5,549.1	14,667.1	21,580.0	35,675.5	55,183.1	79,720.3	103,407.6	113,419.0	135,290.8	146,655.3
Construction ¹⁹	1,041.2	2,591.2	3,190.0	4,623.2	5,725.1	6,483.1	7,229.5	8,335.0	9,987.7	11,304.0
Higher	866.3	1,897.7	3,609.4	7,752.4	13,520.6	21,708.4	32,748.7	36,028.3	38,962.4	41,831.4
Construction ¹⁹	304.6	356.7	757.4	1,100.6	1,238.8	1,486.0	1,927.4	2,314.5	2,608.0	3,084.5
Vocational and adult ²⁰	102.1	193.5	447.7	1,541.8	3,501.1	6,168.7	8,023.0	8,804.0	...	...
Housing	...	33.2	80.0	119.6	631.0	601.4	1,305.9	1,539.7	1,872.2	2,129.3

See footnotes at end of table.

Table 2.—Social welfare expenditures under public programs, selected fiscal years, 1950-87¹—Continued

[Amounts in millions]

Program	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ²
State and local expenditures—Continued										
Other social welfare.....	\$273.7	\$722.8	\$1,253.6	\$1,886.3	\$2,683.0	\$4,813.2	\$5,945.7	\$6,003.6	\$6,338.3	\$6,773.4
Vocational rehabilitation ²⁰	9.0	32.1	67.1	136.3	222.4	245.0	338.4	350.0	374.2	387.1
Medical services ²¹	2.3	6.6	13.0	26.8	43.5	55.9	82.6	85.0	90.9	93.7
Institutional care ²²	125.0	400.0	755.0	179.3	275.8	408.2	603.1	258.8	311.1	384.0
Child nutrition ²³	39.0	92.6	113.7	185.1	453.6	643.0	928.4	959.8	1,088.5	1,180.5
Child welfare ²⁴	100.7	198.1	317.8	540.7	547.2	743.0	...	...	...	...
Social welfare, not elsewhere classified ²⁶.....	...	...	...	845.0	1,184.0	2,774.0	4,075.8	4,435.0	4,564.5	4,821.8

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

²Preliminary figures.

³Includes Part A (Hospital Insurance) and Part B (Supplementary Medical Insurance).

⁴Excludes financial interchange between OASDHI and Railroad Retirement programs.

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

⁶Includes 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.

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

⁸Included in total directly above; excludes administrative expenses not available separately but included for entire program in preceding line.

⁹Cash 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 program.

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

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

¹²Work relief, other emergency aid, surplus food for the needy, repatriate and refugee assistance, temporary and emergency employment assistance, and employment training programs under OEO. Starting 1981, includes Low-Income Home Energy Assistance program.

¹³Excludes State and local expenditures for domiciliary care in institutions other than those for mental or tuberculosis patients. 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.

¹⁴Includes medical care for military dependent families.

¹⁵Includes services for crippled children.

¹⁶Includes burial awards. Starting 1965, includes special allowances for survivors of veterans who did not qualify under OASDHI. Starting 1973, includes clothing allowances.

¹⁷Excludes the servicemen's group life insurance program.

¹⁸Federal expenditures for administrative costs (Department of Education) and research included in total only.

¹⁹Construction for vocational and adult education included with elementary-secondary school

construction. For 1981 and 1982, higher education construction expenditures are Federal only.

²⁰Starting 1986, included with elementary and secondary school expenditures.

²¹Medical research included in vocational rehabilitation total. Starting 1981, no longer available separately.

²²Federal expenditures represent primarily surplus food for institutions.

²³Surplus 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.

²⁴Represents primarily child welfare services under the Social Security Act. Starting 1969, excludes administrative expenses. State and local data not available after 1980.

²⁵Includes 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.

²⁶Federal 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.

Table 3.—Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1950-87

Fiscal year	Gross national product (in billions) ¹	All programs ²			Program category						
		Total	Federal	State and local	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	All health and medical care ³
1950.....	\$266.8	8.8	3.9	4.7	1.8	0.9	0.8	2.6	2.5	0.2	1.1
1955.....	386.4	8.5	3.8	4.7	2.4	.8	.8	1.2	2.8	.2	1.2
1960.....	506.7	10.3	4.9	5.4	3.8	.8	.9	1.1	3.5	.2	1.3
1965.....	672.6	11.5	5.6	5.9	4.2	.9	.9	.9	4.2	.3	1.4
1970.....	990.2	14.7	7.8	6.9	5.5	1.7	1.0	.9	5.1	.4	2.6
1975.....	1,522.5	19.0	11.0	8.0	8.1	2.7	1.2	1.1	5.3	.5	3.4
1976.....	1,698.2	19.5	11.6	7.9	8.6	2.9	1.1	1.1	5.2	.5	3.5
1977.....	1,933.0	18.7	11.3	7.4	8.3	2.8	1.0	1.0	4.9	.5	3.5
1978.....	2,171.8	18.2	11.0	7.1	8.1	2.7	1.1	.9	4.7	.5	3.5
1979.....	2,447.8	17.6	10.7	6.8	7.9	2.6	1.0	.8	4.5	.5	3.5
1980.....	2,670.6	18.4	11.3	7.1	8.6	2.7	1.0	.8	4.5	.5	3.8
1981.....	2,986.4	18.5	11.5	7.0	9.0	2.8	1.0	.8	4.4	.4	3.9
1982.....	3,139.1	19.1	11.7	7.4	9.6	2.6	1.1	.8	4.4	.4	4.2
1983.....	3,321.9	19.5	12.1	7.4	10.0	2.6	1.0	.8	4.4	.4	4.3
1984.....	3,687.7	18.4	11.4	7.0	9.2	2.5	1.0	.7	4.3	.4	4.2
1985.....	3,952.4	18.6	11.5	7.2	9.4	2.4	1.0	.7	4.4	.3	4.4
1986.....	4,186.8	18.7	11.3	7.4	9.3	2.5	1.1	.7	4.5	.3	4.5
1987 ⁴	4,433.8	18.8	11.3	7.5	9.4	2.5	1.1	.6	4.6	.3	4.6

¹ Revised in 1989 in conformity with the President's Budget.

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" programs.

⁴ Preliminary estimates.

Table 4.—Total and per capita social welfare expenditures under public programs in current and constant (1987) dollars, selected fiscal years, 1950-87

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	429,274.2	1,887.80	850.96	284.36	111.10	89.83	480.28	48.71	381.53
1980	491,410.9	2,136.51	995.06	312.16	120.22	92.50	526.11	59.12	436.05
1981	557,147.5	2,395.46	1,144.48	354.38	130.81	99.95	585.36	51.52	501.05
1982	597,530.0	2,543.84	1,282.75	344.21	141.42	104.32	587.67	49.62	557.15
1983	644,083.5	2,715.83	1,390.19	365.34	145.83	107.94	617.13	52.57	598.89
1984	676,464.2	2,826.43	1,419.28	382.98	154.78	108.95	656.71	55.55	648.26
1985	735,480.8	3,028.66	1,528.06	403.91	169.72	110.53	708.64	55.81	722.37
1986	781,043.4	3,187.31	1,588.45	426.86	181.58	111.18	772.32	57.79	768.47
1987	832,694.0	3,364.13	1,670.56	447.22	192.38	112.49	826.27	61.72	822.50
Percentage increase from selected year to 1987									
1950	3,455	2,105	5,090	2,650	1,331	155	1,801	2,014	4,019
1960	1,498	1,079	1,486	1,891	687	281	757	889	2,248
1965	982	760	1,074	1,300	506	271	479	488	1,597
1970	472	381	538	464	310	161	238	210	578
1975	188	154	198	136	136	45	123	94	243
1976	151	121	151	100	120	30	105	59	207
1977	131	108	132	87	113	33	96	51	172
1978	112	92	116	69	89	29	83	31	141
1979	94	78	96	57	73	25	72	27	156
1980	69	57	68	43	60	22	57	4	89
1981	49	40	46	26	47	13	41	20	64
1982	39	32	30	30	36	8	41	24	48
1983	29	24	20	22	32	4	34	17	37
1984	23	19	18	17	24	3	26	11	27
1985	13	11	9	11	13	2	17	11	14
1986	7	6	5	5	6	1	7	7	7
Constant (1987) dollars									
1950	\$107,092.1	\$697.58	\$147.19	\$74.35	\$61.45	\$202.01	\$198.77	\$13.35	\$91.31
1960	189,736.6	1,039.31	383.61	81.78	89.03	107.49	351.13	22.72	127.56
1965	258,877.7	1,316.29	478.83	107.52	106.88	101.96	480.31	35.33	163.14
1970	406,269.7	1,951.71	730.95	221.34	130.91	120.53	682.94	55.66	338.79
1975	585,581.6	2,683.76	1,135.95	383.12	164.97	156.47	749.40	64.43	485.49
1976	633,795.0	2,906.93	1,273.78	427.40	167.03	165.02	769.76	74.37	512.77
1977	646,154.1	2,902.84	1,292.89	429.81	162.42	152.15	757.22	73.19	543.99
1978	658,316.1	2,926.70	1,297.05	441.80	169.93	145.63	754.84	78.57	571.68
1979	657,634.9	2,892.05	1,303.64	435.63	170.20	137.62	735.77	74.62	584.49
1980	679,804.0	2,955.59	1,376.54	431.83	166.31	127.96	727.81	81.78	603.22
1981	705,563.1	3,033.57	1,449.35	448.78	165.66	126.58	741.29	65.24	634.52
1982	715,840.9	3,047.52	1,536.73	412.36	169.42	124.98	704.03	59.44	667.47

See footnotes at end of table.

Table 4.—Total and per capita social welfare expenditures under public programs in current and constant (1987) dollars, selected fiscal years, 1950-87—Continued

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
Constant (1987) dollars—Continued									
1983	\$741,221.9	\$3,125.42	\$1,599.85	\$420.44	\$167.82	\$124.22	\$710.20	\$60.50	\$689.21
1984	749,680.0	3,132.34	1,572.89	424.43	171.53	120.74	727.79	61.56	718.42
1985	789,521.5	3,251.20	1,640.34	433.59	182.19	118.65	760.71	59.91	775.45
1986	818,626.4	3,340.68	1,664.88	447.40	190.32	116.53	809.48	60.57	805.45
1987	832,694.0	3,364.13	1,670.56	447.22	192.38	112.49	826.27	61.72	822.50
Percentage increase from selected year to 1987									
1950	678	382	1,035	502	213	-44	316	362	801
1960	339	224	335	447	116	5	135	172	545
1965	222	156	249	316	80	10	72	75	404
1970	105	72	128	102	47	-7	21	11	143
1975	42	25	47	17	17	-28	10	-4	69
1976	31	16	31	5	15	-32	7	-17	60
1977	29	16	29	4	18	-26	9	-16	51
1978	26	15	29	1	13	-23	9	-21	44
1979	27	16	28	3	13	-18	12	-17	41
1980	22	14	21	4	16	-12	13	-25	36
1981	18	11	15	0	16	-11	11	-5	30
1982	16	10	9	8	14	-10	17	4	23
1983	12	8	4	6	15	-9	16	2	19
1984	11	7	6	5	12	-7	14	0	12
1985	5	3	2	3	6	-5	9	3	6
1986	2	1	0	0	1	-3	2	2	2

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

²Includes housing, not shown separately.

³Combines "health and medical care" with medical services provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

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

Table 5.—Social welfare expenditures under public programs: Federal funds as a percent of total expenditures, selected fiscal years, 1950-87

Program	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ¹
Total	44.8	47.7	48.9	53.0	57.7	61.4	62.0	61.5	60.3	59.9
Social insurance	42.5	74.1	77.5	82.7	81.1	83.2	84.6	84.0	83.4	83.1
Public aid	44.2	51.6	57.2	58.5	65.8	67.8	63.8	63.2	62.8	62.5
Health and medical programs	29.2	38.9	44.5	48.2	47.9	45.9	45.2	45.7	45.4	46.7
Veterans' programs	93.0	98.0	99.7	98.6	97.4	99.0	98.8	98.8	98.6	98.5
Education	2.3	4.9	8.8	11.6	10.7	11.1	8.3	8.0	7.9	7.8
Housing	100.0	81.2	74.9	82.9	80.1	91.7	88.7	87.8	84.4	83.9
Other social welfare	38.9	36.6	39.3	54.5	61.4	64.6	55.3	55.7	55.2	55.7
All health and medical care ²	44.4	45.6	48.5	65.4	65.1	68.6	70.1	70.4	69.6	70.2

¹Preliminary estimates.

²Combines "health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', and "other social welfare" programs.

Table 6.—Social welfare expenditures from public funds¹ as a percent of government expenditures for all purposes, by type of fund, selected fiscal years, 1950-87

Type of fund	1950	1960	1965	1970	1975	1980	1984	1985	1986	1987 ²
All public social welfare expenditures										
Total as percent of all government expenditures.....	34.7	38.4	42.2	48.2	57.3	56.5	53.3	52.3	52.2	53.4
Federal as percent of all Federal expenditures..	26.2	28.1	32.6	40.1	53.8	54.3	50.2	48.6	48.3	50.4
State and local as percent of all State and local expenditures ³	59.2	60.1	60.4	64.0	63.5	60.8	60.1	60.5	60.6	59.5
Trust fund social welfare expenditures										
Total as percent of all government expenditures.....	6.8	13.2	14.3	17.0	22.4	24.4	25.4	25.0	24.7	25.2
Federal as percent of all Federal expenditures..	4.5	15.2	17.7	22.0	29.1	31.3	32.2	31.4	31.3	32.7
State and local as percent of all State and local expenditures ³	11.2	9.1	7.8	7.1	11.0	10.7	10.3	10.6	10.5	10.1
Non-trust-fund social welfare expenditures										
Total as percent of all expenditures from general revenues.....	30.6	25.2	27.8	31.3	34.9	43.4	38.3	37.1	37.4	38.4
Federal as percent of all Federal expenditures from general revenues:										
All programs.....	21.7	12.9	14.8	18.1	24.7	34.7	27.6	25.9	25.7	27.0
Public aid.....	2.7	2.4	3.1	5.0	8.8	13.2	10.7	10.1	10.2	10.7
State and local as percent of all State and local expenditures from general revenues: ³										
All programs.....	48.1	51.1	52.6	56.9	52.8	56.1	55.5	55.8	56.0	54.9
Education.....	31.6	40.1	42.4	45.6	40.7	43.1	42.3	42.7	42.9	42.2
Public aid.....	6.8	4.8	4.5	6.9	8.0	9.3	9.7	9.7	9.6	9.3

¹Excluding that part of Workers' Compensation and Temporary Disability Insurance payments made through private carriers and self-insurers.

²Preliminary estimates.

³From State and local sources, excluding Federal grants.

Table 7.—Health and medical care: Private expenditures and expenditures under public programs, selected fiscal years, 1950-87

[Amounts in millions]

Source of expenditure	1950	1960	1965	1970	1975 ¹	1980	1984	1985	1986	1987 ²
Total	\$12,027.3	\$25,856.2	\$38,892.3	\$69,201.1	\$124,716	\$238,544	\$379,152	\$415,720	\$449,314	\$490,092
Private funds.....	8,962.0	19,461.0	29,357.0	43,810.0	72,367	138,249	224,000	240,300	261,000	286,500
Health and medical services.....	8,710.0	18,816.0	28,028.0	41,329.0	69,092	134,105	217,300	234,100	254,900	280,200
Medical research.....	37.0	121.0	157.0	193.0	258	304	400	500	600	700
Medical facilities construction.....	215.0	524.0	1,172.0	2,288.0	3,016	3,840	6,300	5,700	5,500	5,600
Public funds.....	3,065.3	6,395.2	9,535.3	25,391.1	52,349	100,295	155,152	175,420	188,314	203,592
Health and medical services.....	2,470.2	5,346.3	7,641.2	22,661.4	47,387	92,878	145,952	165,720	178,114	192,592
Medicare.....	...	...	...	7,149.2	14,781	34,992	62,481	72,194	75,903	82,019
Temporary Disability Insurance ³	2.2	40.2	50.9	62.6	73	50	56	55	55	56
Workers' Compensation ³	193.0	420.0	580.0	985.0	2,470	3,725	6,010	7,080	8,366	9,618
Public assistance medical payments.....	51.3	492.1	1,367.1	5,212.8	13,502	27,394	40,283	45,038	49,193	53,365
General hospital and medical care.....	886.1	1,973.2	2,515.5	3,553.8	6,406	8,187	9,300	10,100	10,700	11,100
Defense Department hospital and medical care (Armed Forces and dependents).....	336.2	880.2	936.8	1,759.6	2,814	4,100	7,100	8,200	9,000	10,100
Maternal and child health programs.....	29.8	140.7	223.0	431.4	567	870	1,100	1,200	1,300	1,300
School health (education agencies).....	30.6	101.0	142.2	246.6	350	575	700	800	800	900
Other public health activities.....	350.8	401.2	671.0	1,348.0	2,919	6,956	10,400	11,900	13,300	14,200
Veterans' hospital and medical care.....	582.8	879.4	1,114.8	1,651.4	3,287	5,750	8,180	8,809	9,120	9,522
Medical vocational rehabilitation.....	7.4	17.7	34.2	133.8	218	279	342	344	377	412
OEO health and medical care.....	...	...	5.6	127.3	...	...	...	...	...	...
Medical research.....	72.9	471.2	1,228.8	1,726.8	3,021	4,954	6,500	7,100	7,700	8,400
Medical facilities construction.....	522.3	577.7	665.3	1,003.0	1,941	2,463	2,700	2,600	2,500	2,600
Defense Department ⁴	1.1	40.0	31.1	52.5	94	31	...	...	...	...
Veterans' Administration.....	161.5	59.6	77.0	70.9	137	323	566	458	617	772
Total as percent of gross national product.....	4.2	5.1	5.8	8.2	8.2	8.9	10.3	10.5	10.7	11.1
Public as percent of total expenditures.....	25.5	24.7	24.5	36.7	42.0	42.0	40.9	42.2	41.9	41.5

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

²Preliminary estimates.

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

⁴Not available after 1980.

Source: Health Care Financing Administration, Office of the Actuaries, Division of National Cost Estimates.