

income in the Nation and suggests that on the whole, despite somewhat lower requirements, the old had a considerably lower economic status than the rest of the population.

I shall say something presently about the trends in old-age survivors benefits and assistance, but an examination of the table below will give some indication of the trends in recent years under various benefit programs.

TABLE 5-2.—Average monthly payments to retired worker beneficiaries under 3 social insurance programs to veterans of World War I receiving pensions and to old-age assistance recipients, June 1948 and June 1958

Program	Average monthly payment	
	June 1948	June 1958
Retired workers under old-age, survivors, and disability insurance.....	\$25.13	\$65.66
Railroad retirement.....	70.13	114.92
Federal civil service retirement.....	89.25	144.53
Veterans of World War I receiving pension.....	62.53	76.14
Old-age assistance recipients.....	38.18	61.92

Source: Social Security Bulletin, June 1959, p. 8.

ADJUSTMENTS OF BENEFITS TO RISING PRICES AND INCOMES

The rise in average monthly payments varied greatly from program to program. For old-age, survivors, and disability insurance, the gain was 161 percent; for railroad retirement, 64 percent; for Federal civil service retirement, 62 percent; for veterans of World War I, 22 percent; and for old-age assistance, 62 percent. To some extent the varying rates of gain are explained by the varying levels from which the base period is recorded. Since consumer prices rose by 20 percent during this period, it may be assumed that each group was compensated at least for the rise of prices during this period. Of course, the large rise, for example, in old-age, survivors, and disability insurance could be explained by the serious lag in the forties, about which I shall write later.

During this period, in manufacturing, weekly wages rose by 54 percent. Hence the rise of these benefits more than matched the increase of manufacturing weekly earnings, and on this basis was adequate for all groups except veterans of World War I.

Let us have a look at a more comprehensive table which gives the history from 1940, when the old-age survivors insurance program really began to operate, to 1958. This table gives the monthly benefits from 1940 to 1958, both in current and in 1958 dollars, for the retired worker, for the aged widow, for the widowed mother and two children.

By 1948 it will be noted that, though the average benefit did not change very much in dollars, when correction is made for the rise of prices, the large losses suffered by the beneficiaries are quite clear. These losses are roughly similar for each group as the price level increased. For example, the retired worker had his monthly benefit in 1958 dollars cut from \$46.41 gradually until by December 1948 he was receiving only \$30.43, or a loss of more than one-third in his benefits in dollars of stable purchasing power.