

Simple gross totals of public and private expenditures for social welfare purposes include some double counting because small amounts of consumer expenditure for health and for education are financed by benefits received under public programs. Private pensions or other benefits also may be spent for medical care or education, creating some further small measure of double counting. These amounts are netted out of the totals shown in table 1.

The total of \$131 billion for the fiscal year 1966 is more than 10 percent above the \$117 billion of estimated expenditures in the preceding year. The 1965 estimate, in turn, is nearly $1\frac{1}{2}$ times the sum of health, education, and welfare expenditures only 5 years earlier, in fiscal 1960. The total for fiscal 1966 is nearly 4 times the amount for fiscal 1950 and more than $13\frac{1}{2}$ times the total for fiscal 1935.

Part of the increase in expenditures is a reflection of rising prices. Nevertheless, in constant dollars (at price levels of 1965-66), U.S. expenditures—public and private—for health, education, and welfare in fiscal 1966 were $5\frac{1}{2}$ times as much as in 1935 and more than $2\frac{3}{4}$ times as much as in fiscal 1950.⁵

The population which shares in the expenditures has grown substantially, but the aggregate of public and private expenditures for health, education, and welfare has grown considerably faster than population. In current dollars, the total of these outlays averaged about \$75 a person in fiscal 1935. In 1950, the amount per capita was \$231, and in 1966, \$669. The average for 1966 was nine times the average for 1935. Adjusted for price changes, the \$75 of expenditures per capita in 1935 would have required \$188 at the price level of 1965-66. Still, the total of \$669 per capita expended in fiscal 1966 was more than $3\frac{1}{2}$ times the corresponding average for fiscal 1935 and more than double the average for fiscal 1950.⁶

These expenditures for health, education, and welfare in total—public and private together—have equaled a progressively larger share of the value of total U.S. production, rising from 14 percent in fiscal 1935 to 18 percent in fiscal 1965 and 18.4 percent in fiscal 1966.

In each of the fiscal years from 1950 to 1966 for which aggregates are available, public expenditures comprised slightly less than two-thirds of the estimated gross totals, and private expenditures, slightly more than one-third. This composite ratio covers a substantial difference between education and welfare expenditures, on the one hand, and health expenditures on the other.

Expenditures for education are predominantly public outlays. In the years reported in table 1, the war year, 1944-45, is the only one in which public expenditures were less than 80 percent of all outlays for education. During fiscal 1935, public programs accounted for 84 percent of the total. After the war, they were 86 percent in the fiscal year 1950 and 82 percent in the early 1960's. In fiscal 1966, public expenditures again were 84 percent of the total for education.

⁵ These comparisons are based on total expenditures, net, as shown in table 1, adjusted for price level changes by the implicit price deflators (1965-66 equals 100) shown in table 3 of the article by Mrs. Merriam, cited earlier, *Social Security Bulletin*, December 1966.

⁶ Per capita estimates are based on total expenditures, net, as shown in table 1, divided by estimated mid-year population (Jan. 1), including Armed Forces overseas. Population estimates are from the U.S. Bureau of the Census, *Current Population Reports*, series P-25, Nos. 302, Mar. 11, 1965, and 351, Oct. 18, 1966. The estimate for 1934-35 is an end-of-year estimate (July 1, 1935), but it omits Alaska and Hawaii (ibid., No. 311, July 2, 1965). For constant-price amounts per capita, the current-dollar averages were adjusted by applying the price deflators cited in the preceding footnote.