

TABLE 3.—*Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1889-90 through 1965-66*

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 services	Other welfare	Veterans' programs
1889-90	\$13.0	2.4	(³)	4 0.3	0.1	(⁴)	0.9
1912-13	39.9	2.5	(³)	4.3	.4	(⁴)	.5
1928-29	101.6	4.2	0.3	4.5	.4	(⁴)	.5
1934-35	68.7	9.3	.6	4.4	.6	0.1	.7
1939-40	95.1	9.2	1.3	3.8	.7	.1	.6
1944-45	211.1	4.2	.7	.5	1.1	.1	.4
1949-50	263.4	8.7	1.9	.9	.8	.2	2.4
1954-55	379.7	8.5	2.6	.8	.8	.2	1.2
1959-60	495.6	10.5	3.9	.8	.9	.2	1.0
1960-61	506.5	11.4	4.4	.9	1.0	.2	1.0
1961-62	541.7	11.5	4.5	.9	1.0	.2	1.0
1962-63	574.5	11.6	4.5	.9	1.0	.3	1.0
1963-64	611.2	11.6	4.4	.9	1.0	.3	.9
1964-65	654.0	11.9	4.3	.9	1.0	.3	.9
1965-66 ⁵	711.0	12.3	4.5	1.0	1.0	.4	.9

¹ Includes public housing, not shown in distribution.² Beginning 1954-55, includes basic research and training grants; data for earlier years not available.³ Less than 0.05 percent.⁴ "Other welfare" included with public aid.⁵ Preliminary estimates.

Source: Table 3 is a reproduction of table 2 from Mrs. Merriam's article in the Social Security Bulletin December 1966, cited above.

During 1890-1929, and again from fiscal 1945 through 1955, education was the most important financially of the public social welfare programs. In fiscal 1935 and 1940, expenditures for public aid exceeded those for public education, and in fiscal 1960 through 1964, expenditures for social insurance were higher than for education. In each of those years, education ranked next highest in the volume of public expenditures. In fiscal 1965 and 1966, education again commanded larger sums of public expenditure than any of the other categories of social welfare programs.

The volume of public expenditures for education and for social insurance is far above that for other groups of programs in the social welfare field. In fiscal 1966, education and social insurance each involved approximately \$32 billion of governmental outlays. The next categories, health and medical programs and public aid, each accounted for approximately \$7 billion.

The "social welfare" series comprises some public expenditures that are not in the government sector of gross national product but may be in the total of personal income. These are primarily "transfer payments"—a category that comprises monetary income receipts of individuals from Government and business (other than Government interest) for which no services are rendered currently.⁸

Transfer payments included in the social welfare expenditures are predominantly for public assistance, social insurance benefits, and veterans' compensation and pensions. In the published series, transfer payments cannot all be clearly distinguished from outlays for other purposes because expenditures for administration are merged with those for benefits or assistance payments. Table 4 presents an

⁸ U.S. Department of Commerce, Office of Business Economics, National Income, 1954 edition (A Supplement to the Survey of Current Business, 1954) p. 60; and Survey of Current Business, August 1966, pp. 13-14. See also *ibid.*, The National Income and Product Accounts of the United States, 1929-65, Statistical Tables (A Supplement to the Survey of Current Business, 1966), p. x.