

benefit payments plus the cost of administering the system. These calculations are not customarily used, except for actuarial purposes to determine actuarial balance, but the claims to future benefits are just as real to the wage earner as an insurance policy or an equity in a private pension plan. That these equities are very large is suggested by the estimate that the survivorship protection of OASI alone had a face value of about \$700 billion at the start of 1966.²

The OASDI program, nevertheless, operates as a giant mechanism for fulfilling retirement income expectations. The design of supplemental pension plans integrated with OASDI recognizes the reality of this growing equity of the employee in a wide range of prospective benefits. With the attainment of almost universal coverage, social security has become completely integrated into the flow of income and expenditure in the economy. Prospective benefits are the major unrecorded financial asset of a large proportion of American families. Actual monthly benefits are going to more than 23 million individuals, almost 16 million aged 65 and over, with the result that the reality of the program is evident to all.

Periodic revisions to take account of rising living costs and living standards will probably be made in the future as they have in the past. Whether, as has been proposed, some adjustments will be made automatically is currently being debated. In any event, even the present program will generate higher levels of benefits as more individuals qualify for monthly payments closer to the maximum level. Recent cost estimates prepared by Robert J. Myers, Chief Actuary of the Social Security Administration,³ suggest the following pattern for combined old-age, survivor, and disability benefits:

[In millions of dollars]

Year	Low-cost estimate	High-cost estimate
1965 (actual).....	18,310	18,310
1970.....	23,019	23,498
1980.....	30,404	31,725

End of Year:	Number of Beneficiaries	Thousands
1940.....	-----	149
1945.....	-----	177
1950.....	-----	398
1955.....	-----	633
1960.....	-----	809
1965.....	-----	911

Source: *Social Security Bulletin*.

These estimates do not, of course, allow for subsequent revisions in the benefit structure. They simply illustrate that, under any particular formula for determining benefits, the growth in payments is moderate after the initial impact of a change made applicable to present as well as prospective beneficiaries.

² Robert M. Ball, "Policy Issues in Social Security," *Social Security Bulletin*, June 1966, p. 4.

³ Robert J. Myers and Francisco Bayo, *Long-Range Cost Estimates for Old-Age, Survivors, and Disability Insurance System, 1966*, Social Security Administration, actuarial study No. 63, January 1967.