

Income-Loss Protection Against Short-Term Sickness, 1948—63

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Although American workers received substantially greater benefits in 1963 than ever before under private and public cash sickness plans, the replacement of aggregate earnings lost because of short-term sickness has leveled off at slightly less than 30 percent in recent years. These and other developments of the 15 years since 1948, when the Social Security Administration began collecting statistics for this series, are reported in the following pages.

ESTIMATED benefits paid for short-term non-occupational sickness under government and non-government disability insurance and formal sick-leave plans represented 29.1 percent of aggregate earnings lost by workers during 1963. This proportion was slightly higher than that computed for 1962 (28.5 percent) but lower than that for 1961 (29.5 percent). The figures exclude informal sick leave granted to workers at the discretion of employers, since the amount cannot be readily estimated.

Total estimated income loss resulting from short-term sickness went above the \$10 billion mark for the first time in 1963, and benefits reached a new high of almost \$3 billion. The increase in lost earnings—\$556 million—was the fourth highest recorded since the beginning of the series but was considerably below the \$1 billion increase reported for 1962. A major reason for the slackening rate of growth was the fact that morbidity rates estimated for 1963 on the basis of the National Health Survey showed only a slight rise from 1962. The 1963 rise of \$226 million in benefit payments was the largest ever recorded for the series, although the percentage increase (8 percent) was less than the average gain for the 15 years since 1948. About three-fourths of the 1963 rise was attributable to the growth in the aggregate amount of formal sick leave granted to private and public employees.

* Division of Research and Statistics. Earlier articles in this series have appeared in the January issues of the *Bulletin*.

The 1962 benefit figures appearing in the *BULLETIN* for January 1964 have been revised drastically downward this year as the result of corrected data reported by the Health Insurance Association of America on individual accident and health insurance policies. The original figures overstated both premiums and benefits under such policies by about \$100 million. As a result of the revisions, benefits in 1962 became 28.5 percent of lost earnings instead of 29.6 percent.

Although benefits have been keeping pace with the rise in lost earnings, there have been substantial increases in recent years in the absolute amount of loss not covered. Income loss not covered by any type of insurance or formal sick-leave plans amounted to \$7.2 billion in 1963, almost double the 1948 figure.

MEASURING INCOME LOSS

The income-loss estimate used in this series is designed to reflect the loss of current earnings during the first 6 months of a nonoccupational illness or injury. It thus encompasses practically all the worktime lost because of temporary disability and part of the loss (the first 6 months) attributed to long-term disability. The estimate also includes loss of income that is potential as well as actual—that is, income that might be lost if it were not for a sick-leave plan that continues wages and salaries during periods of illness. Payments under such plans are counted in this series as benefits that offset the potential wage loss.

On the basis of this concept of income loss, estimates of the average number of workdays lost by wage and salary workers in private industry, Federal Government workers, and State and local government employees have been adjusted annually, beginning in 1959, to reflect the actual variations in overall sickness rates from year to year as reported by the National Health Survey.¹

¹ See the *Bulletin*, January 1964, pages 5–6, for an explanation of the problems and methods used in applying the Survey data.

(Before 1959 the fixed or constant amounts of estimated time lost annually from work, on the average, in each of the broad components of the labor force were used without modification for the actual fluctuations in sickness rates.) Appropriate adjustments have been made to reflect sickness rates of 97 in 1959, 103 in 1960, 101 in 1961, 106 in 1962, and 107 in 1963, with 1958 as the index year (100). Changes in the number of workers and wage levels for different types of employment, as well as variations in the amount of sickness, are reflected in the steady upward trend in the amount of estimated income lost through short-term sickness in various employment categories since 1948.

The total estimated income loss of \$10.2 billion

TABLE 1.—Estimated income loss from nonoccupational short-term sickness,¹ by type of employment, 1948–63²

[In millions]

Year	Total	Wage and salary workers					Self-employed persons ⁸
		Total	In private employment ³		In public employment		
			Covered by temporary disability insurance laws ⁴	Other ⁵	Federal ⁶	State and local ⁷	
1948.....	\$4,566	\$3,628	\$391	\$2,805	\$174	\$258	\$938
1949.....	4,429	3,599	483	2,641	190	285	830
1950.....	4,789	3,913	712	2,695	201	305	876
1951.....	5,477	4,489	1,059	2,837	259	334	988
1952.....	5,814	4,829	1,132	3,037	291	369	985
1953.....	6,147	5,197	1,213	3,293	290	401	950
1954.....	6,104	5,160	1,212	3,231	280	437	944
1955.....	6,552	5,569	1,299	3,503	297	470	983
1956.....	7,056	6,036	1,430	3,775	313	518	1,020
1957.....	7,376	6,339	1,512	3,934	323	570	1,037
1958.....	7,451	6,376	1,507	3,889	352	628	1,075
1959 ⁹	7,738	6,687	1,580	4,095	356	656	1,051
1960 ⁹	8,580	7,469	1,773	4,531	403	762	1,111
1961 ⁹	8,665	7,529	1,766	4,527	420	816	1,136
1962 ⁹	9,657	8,424	1,967	5,062	467	928	1,233
1963 ⁹	10,213	8,948	2,048	5,381	504	1,015	1,265

¹ Short-term or temporary non-work-connected disability (lasting not more than 6 months) and the first 6 months of long-term disability.

² Beginning 1960, data include Alaska and Hawaii.

³ Annual payrolls of wage and salary workers in private employment from table VI-2 in *U.S. Income and Output; A Supplement to the Survey of Current Business, 1958*, and in *Survey of Current Business, National Income Number, July 1964* (Department of Commerce), multiplied by 7 (estimated average workdays lost per year due to short-term sickness) and divided by 255 (estimated workdays in year).

⁴ Total annual payrolls of wage and salary workers in industries covered by temporary disability insurance laws in Rhode Island, California, New Jersey, and New York and in the railroad industry, multiplied by 7 and divided by 255.

⁵ Difference between total loss for all wage workers in private employment and for those covered by temporary disability insurance laws.

⁶ Federal civilian payroll in United States from U.S. Civil Service Commission, multiplied by 8 (estimated average workdays lost per year due to short-term sickness) and divided by 260 (scheduled workdays in year).

⁷ Annual wage and salary payrolls of State and local government employees from Department of Commerce data (see footnote 2), multiplied by 7.5 (estimated average workdays lost per year due to short-term sickness) and divided by 255 (estimated workdays in year).

⁸ Annual farm and nonfarm proprietors' income from table I-8 in Department of Commerce sources cited in footnote 2, multiplied by 7 (estimated income-loss days per year due to short-term sickness) and divided by 300 (estimated workdays in year).

⁹ Computed as for earlier years, then adjusted to reflect changes in sickness experience (average number of disability days) in 1959–63, as reported in the National Health Survey.

in 1963 was more than double the amount in 1948. Both absolutely and relatively, the greatest increases have been registered in the 5 years since 1958, when almost half the increase for the 15 years occurred.

Among the components of the labor force, the government sector showed the largest percentage increases. The estimated wage loss from short-term nonoccupational sickness for Federal employees in 1963 was nearly triple the amount estimated for 1948. For State and local employees, the 1963 wage loss was nearly four times that in 1948. During the years 1959–63 the rate of increase has been especially rapid for State and local government employees—62 percent, in comparison with 38 percent for wage and salary workers in private industry, 43 percent for Federal employees, and 18 percent for self-employed persons.

Workers covered by the five temporary disability insurance laws incurred 28 percent of the Nation's wage loss in private employment in 1963. This proportion has changed little since 1951—the first full year that all five laws were operative.

PROTECTION AGAINST INCOME LOSS

There are many ways of providing current protection against loss of earnings during short periods of nonoccupational disability. Protection for salary and wage workers in private industry may be obtained either through voluntary action by the employer or employee or by compulsory protection afforded by a temporary disability insurance law.

One method is through group or individual insurance policies, issued by commercial insurance companies that make cash payments during specified periods of disability. Some employers self-insure, to provide cash benefits or paid sick leave. Some unions, union-management trust funds, fraternal societies, and mutual benefit associations pay cash disability benefits. These methods are not mutually exclusive, since employers often use a paid sick-leave plan to supplement benefits under insurance plans, and employees may individually purchase insurance policies to supplement the protection provided through their employment.

In California, New Jersey, and New York the

compulsory disability insurance required by law may be provided through insured or self-insured private plans or through publicly operated State funds. Under the other two compulsory programs—Rhode Island's and the Federal program for railroad employees—all the protection required by law comes from publicly operated funds, though private plans may supplement the government-paid benefits.

In California and New Jersey the proportion of workers covered by private plans has been dropping rapidly in recent years. In California, primarily as a result of regulations that went into effect on January 1, 1963, the proportion of workers covered by private plans dropped from 21 percent in 1962 to 7 percent in 1963. As recently as 1958 the percentage has been 44. The new regulations bar substantial adverse selection of risks by insurance carriers according to age, sex, and wage level. In New Jersey the proportion of employees covered by private plans was 53 percent in 1963; it was 62 percent in 1958. In New York, the proportion of the coverage provided through private plans has remained constant at 96 percent.

Most government workers are protected by paid sick-leave plans. The self-employed are limited in general to individual coverage under various accident and health insurance or fraternal benefit plans.

Private Insurance

Table 2 presents data on the insurance protection provided through private arrangements with nongovernment agencies against the risk of income loss caused by short-term disability. Figures are given separately for private insurance written under voluntary arrangements and that written in compliance with State temporary disability insurance laws in California, New Jersey, and New York. The table excludes data on paid sick-leave plans and, in States without compulsory laws, on self-insured, unfunded plans administered by employers; these data are shown separately in table 4.

Table 2 contains two revisions for past years resulting from data newly available. One revision concerns the treatment of credit accident and health insurance that is sold to lending institu-

tions (banks, finance companies, credit unions, etc.) wishing to protect their loans against the risk of the borrower's disability. Under this insurance—which is written on a group, blanket, or individual basis—provision is made that, in the event of total disability (usually defined in terms of inability to engage in any occupation for wages or profit), installment payments will be paid to the creditor on behalf of the insured. This form of insurance coverage has risen rapidly in recent years, as installment debt has mounted.

In the current article, all the premiums earned

TABLE 2.—Premiums and benefit payments for private insurance against income loss, 1948-63¹

Year	[In millions]							
	Total	Under voluntary provisions				Under public provisions		
		Total	Group insurance ²	Individual insurance ²	Self-insurance ³	Total	Group insurance ²	Self-insurance ⁴
Premiums ⁵								
1948...	\$558.9	\$545.8	\$162.2	\$350.0	\$33.6	\$13.1	\$12.7	\$0.4
1949...	603.6	564.8	177.8	355.0	32.0	38.8	31.9	6.9
1950...	685.3	609.4	225.6	360.0	23.8	75.9	58.3	17.6
1951...	804.7	660.9	269.4	366.0	25.5	143.8	102.9	40.9
1952...	874.0	718.2	286.2	405.4	26.6	155.8	112.8	43.0
1953...	1,026.0	839.5	321.5	494.8	23.2	186.5	136.2	50.3
1954...	1,074.1	896.0	340.1	534.2	21.7	178.1	129.8	48.3
1955...	1,133.9	955.1	386.2	547.8	21.1	178.8	128.3	50.5
1956...	1,206.7	1,028.8	417.8	591.2	19.8	177.9	129.1	48.8
1957...	1,347.4	1,128.6	452.5	654.4	21.7	218.8	159.1	59.7
1958...	1,418.7	1,184.3	448.1	714.6	21.6	234.4	169.3	65.1
1959...	1,527.4	1,292.0	482.2	787.8	22.0	235.4	168.0	67.4
1960...	1,663.4	1,321.0	514.3	783.0	23.7	242.4	170.7	71.7
1961...	1,632.0	1,372.8	513.2	835.9	23.7	259.2	181.9	77.3
1962...	1,691.0	1,430.7	550.4	856.5	23.8	260.3	183.1	77.2
1963...	1,697.7	1,449.3	554.6	871.4	23.3	248.4	165.0	83.4
Benefit payments								
1948...	\$286.8	\$277.5	\$115.0	\$141.0	\$21.5	\$9.3	\$9.0	\$0.3
1949...	322.0	294.9	124.7	150.0	20.2	27.1	22.3	4.8
1950...	383.8	329.5	161.3	153.0	15.2	54.3	41.7	12.6
1951...	500.8	387.5	212.4	157.0	18.1	113.3	81.1	32.2
1952...	559.1	431.3	234.6	177.0	19.7	127.8	92.5	35.3
1953...	606.2	466.5	241.0	209.0	16.5	139.7	102.0	37.7
1954...	629.1	497.1	251.8	230.0	15.3	132.0	96.2	35.8
1955...	692.4	557.2	292.0	250.0	15.2	135.2	97.0	38.2
1956...	802.5	651.3	357.3	278.0	16.0	151.2	109.7	41.5
1957...	874.4	696.3	372.3	307.2	16.8	178.1	129.5	48.6
1958...	909.1	725.4	355.9	353.4	16.1	183.7	132.7	51.0
1959...	990.1	800.6	394.2	389.6	16.8	189.5	135.2	54.3
1960...	1,031.2	835.1	424.1	392.8	18.2	196.1	138.1	58.0
1961...	1,051.6	850.2	406.8	425.9	17.5	201.4	141.3	60.1
1962...	1,086.4	882.1	446.1	418.2	17.8	204.3	143.7	60.6
1963...	1,115.3	919.3	455.3	446.5	17.5	196.0	130.2	65.8

¹ Beginning 1960, data include Alaska and Hawaii.

² Data on premiums earned and losses incurred by commercial companies (including fraternal) as provided by the Health Insurance Association of America for the United States, by types of insurance benefit, adjusted to include accidental death and dismemberment provisions in individual policies that insure against income loss to offset understatement arising from the omission of current short-term income-loss insurance in automobile, resident liability, life, and other policies. For 1956-63, dividends deducted from earned premiums (2-3 percent for group; 1 percent for individual). Starting with 1956, all credit accident and health insurance classified under individual insurance.

³ Union-management trust fund, trade-union, and mutual benefit association plans.

⁴ Company, union, and union-management plans under California, New Jersey, and New York laws.

⁵ Loss ratios applicable to all group insurance were applied to the benefits under voluntary provisions and under public provisions to obtain the premiums applicable to each.

and losses incurred under credit insurance are classified under "individual" insurance in table 2, instead of being divided between group and individual insurance as in the past. The change was made in accordance with the objective of having the group insurance figures refer as far as possible to the disability protection that wage and salary workers receive through their place of employment. This refinement became possible through special data compiled by *Spectator* and published in its February 1964 issue. Adjustments going back to 1956 have been made in the series. In 1963 the amount of credit insurance losses shifted to the "individual" category was estimated at \$16.5 million and represented about three-fifths of total losses incurred under all credit insurance policies.

The other revision stems from corrected data on individual disability policies provided for 1962 by the Health Insurance Association of America. The revised figures for individual insurance show earned premiums of \$104 million less than those originally reported; losses incurred are \$103 million less than those in the original report.

With these two revisions, the trend in private insurance against the risk of income loss shows a certain amount of leveling off in recent years. In

fact, the rise in premium volume from 1962 to 1963 was the smallest since the beginning of the series, and for commercial group insurance alone the premium amounts actually dropped for the first time. Only 2 years in the series showed smaller increases in total benefit payments under private insurance than that registered in 1963. For group insurance, benefit payments showed a decline that was more pronounced only in 1958 and 1961.

The slowdown is particularly noticeable when data for the entire 15-year period since 1948 are reviewed. The rate of increase in premiums and benefits under commercial insurance, which accounts for almost 95 percent of all private income-loss insurance, was half as great in 1959-63 as in 1954-58 and one-fourth as great as in 1949-53. The period 1949-53 was one of exceptional growth because of the introduction of compulsory temporary disability insurance laws and the widespread adoption of collectively bargained plans. If private-plan benefits made mandatory by State laws are excluded, the rate of increase in the first 5 years after 1948 is found to be only two and one-half times that in 1959-63.

TABLE 3.—Cash benefits under temporary disability insurance law provided through private plans and through publicly operated funds, 1948-63¹

(In millions)

Year	Total	Type of insurance arrangement		
		Private plans ²		Publicly operated funds ⁴
		Group insurance	Self-insurance ³	
1948	\$66.4	\$9.0	\$0.3	\$57.1
1949	89.2	22.3	4.8	62.1
1950	117.4	41.7	12.6	63.1
1951	174.2	81.1	32.2	60.9
1952	202.3	92.5	35.3	74.5
1953	230.2	102.0	37.7	90.5
1954	235.1	96.2	35.8	103.1
1955	244.6	97.0	38.2	109.4
1956	265.0	109.7	41.5	113.8
1957	305.3	129.5	48.6	127.2
1958	325.1	132.7	51.0	141.4
1959	353.2	135.2	54.3	163.7
1960	368.2	138.1	58.0	172.1
1961	396.6	141.3	60.1	195.2
1962	416.3	143.7	60.6	212.0
1963	439.9	130.2	65.8	243.9

¹ Programs under the Railroad Unemployment Insurance Act and the laws of Rhode Island, California, New Jersey (beginning 1949), and New York (beginning 1950). Excludes hospital benefits in California and hospital, surgical, and medical benefits in New York.

² Under the laws of California, New Jersey, and New York.

³ Employers may self-insure by observing certain stipulations of the law. Includes some union plans whose provisions come under the law.

⁴ Includes State-operated plans in Rhode Island, California, and New Jersey, the State Insurance Fund and the special fund for the disabled unemployed in New York, and the railroad program.

Public Provisions

The total amount of protection provided through publicly operated funds or private plans under the four State temporary disability insurance programs and by the provisions of the Railroad Unemployment Insurance Act has increased sixfold since 1948. The trend is shown in table 3 according to the type of insurance arrangement. Since some of this protection is provided through commercial insurance carriers or other private arrangements, the data are also included in table 2.

In recent years, as already noted, there has been a significant shift in California and New Jersey from coverage under private plans to the State-operated plans. As a result, there have been (1) continuing declines in the proportion of benefits paid by the Nation's group commercial insurance carriers under the compulsory laws and (2) year-to-year increases in the proportion and amount of benefits disbursed through publicly operated funds under the compulsory laws.

Of the \$586 million paid out nationally in

group disability benefits by commercial companies in 1963, 22 percent was expended in compliance with the compulsory laws of California, New Jersey, and New York. The ratio was 24 percent in 1962 and had been as high as 30 percent in 1953. In absolute terms, the amount of commercial group insurance written under the compulsory laws showed a decline in 1963 for the first time since the recession year 1954.

Government-paid benefits continued to rise in 1963. They totaled \$244 million in that year and constituted 55 percent of all benefits paid under the five temporary disability insurance laws. This amount was four times the amount paid in 1951 (the first year that all five laws were fully in effect), when only 35 percent of the compulsory payments were disbursed through publicly operated funds.

Within the private plans, however, self-insured plans have been less affected than commercial group plans by the shift to government-operated funds. In 1963, benefits paid under self-insured employer, union, union-management, and mutual benefit association plans increased \$5 million, and those under group insurance declined \$14 million. One of the reasons for the rise is the fact that more than three-fourths of the self-insured benefits for disability are paid in New York, where there has been no shift away from private plans.

The proportion of private-plan benefits paid through group insurance policies dropped to a new low of 66 percent; the high of 73 percent was reached in 1956.

Paid Sick Leave

The estimated amount of income replaced through formal paid sick-leave benefits now exceeds \$500 million for workers employed in private industry and \$1 billion for Federal, State, and local government employees (table 4). These estimates include the value of sick leave paid as a supplement to group insurance, publicly operated plans, or other types of group protection but exclude sick leave paid informally by employers at their discretion. The figures include as well benefits paid under unfunded, self-insured, employer-administered plans because it is extremely difficult to distinguish between these two categories.

The sick-leave estimates exclude self-insured benefits financed through prepaid contributions to union trust funds or union-management trust funds, which are included in the private insurance category in table 2. They also exclude payments under self-insured plans, both funded and unfunded, made in compliance with statutory provisions and shown in table 3.

Total paid sick leave in government and in-

TABLE 4.—Estimated value of formal paid sick leave in private industry and in Federal, State, and local government employment, 1948-63¹

[In millions]

Year	Total	Workers in private industry ²			Government workers		
		Total	Not covered by temporary disability insurance laws	Covered by temporary disability insurance laws ³	Total	Federal ⁴	State and local ⁵
1948.....	\$413	\$157	\$145	\$12	\$256	\$148	\$108
1949.....	463	163	147	16	300	173	127
1950.....	493	178	154	24	315	172	143
1951.....	589	199	165	34	390	221	169
1952.....	668	215	179	36	453	254	199
1953.....	713	231	193	38	482	262	220
1954.....	741	241	201	40	500	252	248
1955.....	813	268	224	44	545	269	276
1956.....	882	291	242	49	591	280	311
1957.....	949	322	268	54	627	290	337
1958.....	1,032	336	281	55	696	315	381
1959 ⁶	1,073	348	292	56	725	315	410
1960 ⁶	1,215	388	323	65	827	348	479
1961 ⁶	1,306	406	340	66	900	376	524
1962 ⁶	1,453	455	380	75	998	414	584
1963 ⁶	1,618	506	424	82	1,112	450	662

¹ Beginning 1960, data include Alaska and Hawaii.

² Sum of estimated value of formal paid sick leave for employees with (a) sick leave but no other group protection and (b) sick leave supplemental to group insurance or other forms of group protection, including publicly operated funds. Under each category, number of employees was adapted from Health Insurance Council, *Annual Survey of Accident and Health Coverage in the United States 1948-1954*, after reducing estimates of exclusive sick-leave coverage in early years by a third to allow for exclusion of informal sick-leave plans and for conversion of exclusive protection to supplemental protection under temporary disability insurance laws. Later-year estimates based on nationwide projection of formal paid sick-leave coverage reported for plant and office workers in the community wage surveys of the Bureau of Labor Statistics. Assumes that workers in private industry receive an average of 4 days of paid sick leave a year, excluding other protection, and 3.2 days when they have other group protection. Daily wages obtained by dividing average annual earnings per full-time private employee as reported in table VI-15 in *U.S. Income and Output: A Supplement to the Survey of Current Business, 1958*, and in *Survey of Current Business, National Income Number, July 1964* (Department of Commerce), by 255 (estimated workdays in a year).

³ Assumes that some workers entitled to cash benefits under temporary disability insurance laws have sick leave in addition to their benefits under the laws, but only to the extent needed to bring up to 80 percent the replacement of their potential wage loss.

⁴ Based on studies showing that Federal employees use paid sick leave of 7.7 days on the average for nonoccupational sickness, equivalent to 3 percent of payroll. Payroll data derived by multiplying number of paid civilian full-time employees as of June 30 in all branches of the Federal Government in the United States, by their mean earnings, as reported in *Pay Structure of the Federal Civil Service, Annual Reports* (Federal Employment Statistics Office, U.S. Civil Service Commission). Practically all full-time employees are covered by paid sick-leave provisions.

⁵ Assumes that number of State and local government employees covered by formal sick-leave plans has increased gradually from 65 percent of the total number employed full time in 1948 to 85 percent in 1963 and that workers covered by such plans received on the average paid sick leave ranging from 5.2 days in 1948 to 6.0 days in 1963. Number of full-time employees from *State Distribution of Public Employment, Annual Reports* (Bureau of the Census). Daily wages obtained by dividing average annual earnings per full-time State and local employee as reported in Department of Commerce data (see footnote 2) by 255 (estimated workdays in a year).

⁶ Computed as for earlier years, then adjusted to reflect changes in sickness experience (average number of disability days) in 1959-63 as reported in the National Health Survey.

dustry represented an estimated \$1,618 million in 1963—\$165 million more than in 1962 and the largest annual increase recorded to date. The percentage increase—11.4 percent—was shared equally by both the private and public sectors. Within the public sector, State and local government sick-leave plans again, as they have for every year since 1951, experienced greater dollar growth than those of the Federal Government. The difference can be attributed to the greater relative increase in State and local government employment and to the liberalization and extension of their sick-leave plans. The Federal sick-leave plan has not been changed since 1952.

A glance at the full picture of the 15 years since 1948 shows some divergencies in sick-leave trends in private industry and in government. From 1948 to 1953 there was an 88-percent increase in the aggregate value of sick leave granted to government workers, compared with 47 percent for workers in private industry. During the middle group of years, sick-leave expenditures for both categories increased at about the same rate, which was less, however, than the 1949–53 rate of increase. In the last 5-year period reviewed, the increase (60 percent) in sick-leave expenditures for government workers was again greater than that (51 percent) for workers in private industry.

Of the total of \$1,618 million paid as formal sick leave in 1963 to workers in public and private employment, \$1,382 million represented exclusive protection under plans that do not supplement

TABLE 5.—Estimated value of formal paid sick leave in relation to income loss due to short-term sickness among workers covered by exclusive formal sick-leave plans,¹ 1948-63

[Amounts in millions]			
Year	Income loss	Value of sick leave under exclusive plans	Ratio (percent) of sick leave to income loss
1948.....	\$568	\$375	66.0
1949.....	602	416	69.1
1950.....	636	433	68.1
1951.....	724	508	70.2
1952.....	806	577	71.6
1953.....	846	612	72.3
1954.....	874	634	72.5
1955.....	951	691	72.7
1956.....	1,022	744	72.8
1957.....	1,104	799	72.4
1958.....	1,200	873	72.8
1959.....	1,239	906	73.1
1960.....	1,423	1,033	72.6
1961.....	1,531	1,122	73.3
1962.....	1,692	1,240	73.3
1963.....	1,870	1,382	73.9

¹ Sick-leave plans that do not supplement any other form of group protection, including publicly operated plans.

TABLE 6.—Benefits provided as protection against income loss, summary data, 1948-63

[In millions]								
Year	Total	Benefits provided through individual insurance	Group benefits provided as protection against wage and salary loss					
			Total	Workers in private employment			Sick leave for government employees	
				Total	Private cash sickness insurance and self-insurance ¹	Publicly operated cash sickness funds		Sick leave
1948...	\$756.9	\$141.0	\$615.9	\$359.9	\$145.8	\$57.1	\$157.0	\$256.0
1949...	847.1	150.0	697.1	397.1	172.0	62.1	163.0	300.0
1950...	939.9	153.0	786.9	471.9	230.8	63.1	178.0	315.0
1951...	1,150.7	157.0	993.7	603.7	343.8	60.9	199.0	390.0
1952...	1,301.6	177.0	1,124.6	671.6	382.1	74.5	215.0	453.0
1953...	1,409.7	209.0	1,200.7	718.7	397.2	90.5	231.0	482.0
1954...	1,473.2	230.0	1,243.2	743.2	398.1	103.1	241.0	500.0
1955...	1,614.8	250.0	1,364.8	819.8	442.4	109.4	268.0	545.0
1956...	1,798.3	278.0	1,520.3	929.3	524.5	113.8	291.0	591.0
1957...	1,950.6	307.2	1,643.4	1,016.4	567.2	127.2	322.0	627.0
1958...	2,082.5	353.4	1,729.1	1,033.1	555.7	141.4	336.0	696.0
1959...	2,226.8	389.6	1,837.2	1,112.2	600.5	163.7	348.0	725.0
1960...	2,418.3	392.8	2,025.5	1,198.5	638.4	172.1	388.0	827.0
1961...	2,552.8	425.9	2,126.9	1,226.9	625.7	195.2	406.0	900.0
1962...	2,751.4	418.2	2,333.2	1,335.2	668.2	212.0	455.0	998.0
1963...	2,977.2	446.5	2,530.7	1,418.7	668.8	243.9	506.0	1,112.0

¹ Includes a small but undetermined amount of group disability insurance benefits paid to government workers and to self-employed persons through farm, trade, or professional associations.

any other group protection (including protection under publicly operated cash sickness plans) (table 5). It replaced about three-fourths of the potential income loss in 1963 for sick leave covered under exclusive sick-leave provisions. This ratio was the highest estimated to date and may be compared with that of about two-thirds for 1948.

Summary of Protection Provided

The patterns of growth among the various types of plan have shown marked differences in the 15 years since 1948 (table 6). The group protection provided wage and salary workers in private employment expanded faster from 1948 to 1953 than the protection provided through individual insurance or government sick-leave plans. In the next 5 years, individual insurance enjoyed its greatest growth, with increases greater than those reported for group benefits for private workers and sick leave for government employees. During the 5 years 1959–63, government sick-leave plans increased their outlays at a faster pace than the other two types of protection.

As a result of the latter development, income-

replacement protection for private and public workers, which for most of the period under review was almost equally divided between sick-leave benefits and disability insurance benefits, now has a larger share furnished by sick-leave plans. In 1963, sick-leave benefits of \$1,618 million made up 54 percent of total benefits.

MEASURING THE EXTENT OF PROTECTION

The dollar value of the various forms of protection against income loss has increased each year since 1948, but the amount of loss that remains unprotected has not been reduced and continues to be very large indeed (table 7).

From 1948 to 1953, total income loss increased 25 percent, and the protection provided showed an 86-percent rise. As a result, the proportion of lost earnings covered by cash sickness benefits (including sick leave) advanced an average of 1.3 percentage points a year. During the next 5 years, benefit payments continued to rise at a more rapid rate than income loss, producing an average annual gain of 1.0 percentage points. During the last third of the period under review, however, benefit payments and income loss have increased at almost the same rate (43 percent and 37 percent) and the proportion of lost earnings replaced by benefits increased only from 27.9 percent to 29.1 percent, or less than 0.3 percentage points a year. In fact, since 1959, this key ratio measuring effective protection against the risk of short-term sickness has fluctuated, but with no discernible overall trend.

PROTECTION PROVIDED AS PERCENT OF INCOME LOSS FROM SHORT-TERM SICKNESS, 1948-1963

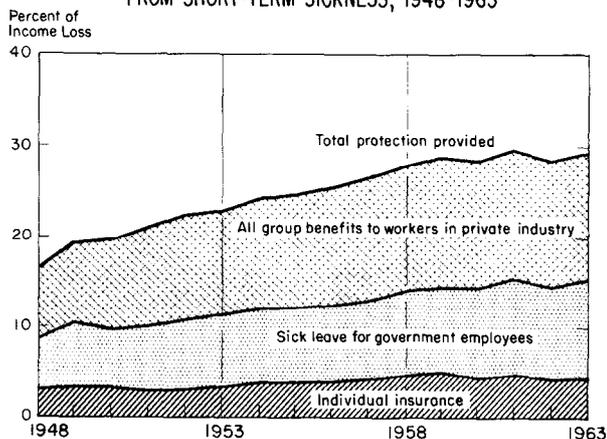


TABLE 7.—Extent of protection against income loss, 1948-63
[Amounts in millions]

Year	Income loss and protection provided			Income loss not protected	Net cost of providing insurance ³
	Income loss ¹	Protection provided ²	Protection as percent of loss		
1948	\$4,566	\$757	16.6	\$3,809	\$277
1949	4,429	847	19.1	3,582	287
1950	4,789	940	19.6	3,849	307
1951	5,477	1,151	21.0	4,326	311
1952	5,814	1,302	22.4	4,512	322
1953	6,147	1,410	22.9	4,737	428
1954	6,104	1,473	24.1	4,631	453
1955	6,552	1,615	24.6	4,937	450
1956	7,056	1,798	25.5	5,258	413
1957	7,376	1,951	26.5	5,425	482
1958	7,451	2,082	27.9	5,369	520
1959	7,738	2,227	28.8	5,511	549
1960	8,580	2,418	28.2	6,162	544
1961	8,665	2,553	29.5	6,112	593
1962	9,657	2,751	28.5	6,906	619
1963	10,213	2,977	29.1	7,236	598

¹ From table 1.

² Total benefits, including sick leave (from table 6).

³ Includes retention costs (for contingency reserves, taxes, commissions, acquisition, claims settlement, and underwriting gains) of private insurance companies (from table 2) and administrative expenses for publicly operated plans and for supervision of the operation of private plans. Excludes costs of operating sick-leave plans; data not available.

The estimates of income loss not covered by insurance or formal sick leave during 1959-63 showed the greatest absolute and percentage increases of the three periods under review. The unprotected income loss of \$7,236 million in 1963 was 35 percent larger than the 1958 amount of \$5,369 million. The increases for 1949-53 were 24 percent and for 1954-58, 13 percent.

The amounts specified as uncompensated income loss do not necessarily represent the actual loss incurred by disabled individuals. During sickness, certain work-connected expenses (such as carfare, meals, and clothing), income taxes, and old-age, survivors, and disability insurance contributions are reduced if not eliminated. On the other hand, the worker may be faced with medical expenses for his illness that, unless met by some means—prepaid health insurance, for example—may be greater than any reduction in expenses or taxes.

The costs shown in table 7 represent the secondary cost of providing cash disability insurance. They are, in other words, the difference between the insurance benefit payments and premiums earned, plus the public cost of administering the temporary disability insurance laws.

Net costs declined from \$619 million in 1962 to \$598 million in 1963. This is only the fourth year in the series that a decrease was registered. Mainly responsible for the decline were the higher

TABLE 8.—Group protection provided in relation to wage and salary loss, 1948–63

[Amounts in millions]

Year	All wage and salary workers			Wage and salary workers in private industry								
				Total			Covered by temporary disability insurance laws			Not covered by temporary disability insurance laws		
	Income loss	Protection provided		Income loss	Protection provided		Income loss	Protection provided		Income loss	Protection provided	
		Amount	Percent of income loss		Amount	Percent of income loss		Amount	Percent of income loss		Amount	Percent of income loss
1948.....	\$3,628	\$616	17.0	\$3,196	\$360	11.3	\$391	\$78	19.9	\$2,805	\$282	10.1
1949.....	3,599	697	19.4	3,124	397	12.7	483	105	21.7	2,641	292	11.1
1950.....	3,913	787	20.1	3,407	472	13.9	712	141	19.8	2,695	331	12.3
1951.....	4,489	994	22.1	3,896	604	15.5	1,059	208	19.6	2,837	396	14.0
1952.....	4,829	1,125	23.3	4,169	672	16.1	1,132	238	21.0	3,037	434	14.3
1953.....	5,197	1,201	23.1	4,506	719	16.0	1,213	268	22.1	3,293	451	13.7
1954.....	5,160	1,243	24.1	4,443	743	16.7	1,212	275	22.7	3,231	468	14.5
1955.....	5,569	1,365	24.5	4,802	820	17.1	1,299	289	22.2	3,503	531	15.2
1956.....	6,036	1,520	25.2	5,205	929	17.8	1,430	314	22.0	3,775	615	16.3
1957.....	6,339	1,643	25.9	5,446	1,016	18.7	1,512	359	23.7	3,934	657	16.7
1958.....	6,376	1,729	27.1	5,396	1,033	19.1	1,507	380	25.2	3,889	653	16.8
1959.....	6,687	1,837	27.5	5,675	1,112	19.6	1,580	409	25.9	4,095	703	17.2
1960.....	7,469	2,026	27.1	6,304	1,199	19.0	1,773	433	24.4	4,531	766	16.9
1961.....	7,529	2,127	28.3	6,293	1,227	19.5	1,766	463	26.2	4,527	764	16.9
1962.....	8,424	2,333	27.7	7,029	1,335	19.0	1,967	491	25.0	5,062	844	16.7
1963.....	8,948	2,531	28.3	7,429	1,419	19.1	2,048	522	25.5	5,381	897	16.7

loss ratios (relation of benefits to income) under both group and individual insurance in 1963, which left proportionately less for retention—selling and administrative expenses, premium taxes, additions to reserves, and underwriting gains. There was some shift of business from group insurance to individual insurance, which had the effect of increasing the share of the total premium dollar retained by the carriers as payments for their services. The change was not sufficient, however, to offset the higher loss ratios.

Table 8 presents data on the extent of the protection that wage and salary workers receive through their place of employment. For wage and salary workers in private industry, who are primarily dependent upon insurance protection, benefits paid out in 1963 approximated about 19 percent of lost wages for the seventh straight year. When government employees with their extensive paid sick-leave coverage are included, cash sickness benefits (including sick leave) amounted to approximately 28 percent of total wages in 1963.

Within the private sector, there has been relatively little change in recent years in the ratio of protection to income loss, especially for workers not covered by temporary disability insurance laws. This absence of change in the replacement ratio—about 17 percent—is largely attributable to the stabilization in the proportion of wage and

salary workers having voluntary protection in the States without compulsory laws. It is estimated that in 1963 about 49 percent of such

TABLE 9.—Insurance benefits as percent of estimated potentially insurable and compensable income loss¹ for workers without exclusive formal sick leave, 1948–63

[Amounts in millions]

Year	Amount of insurance benefits ²	As percent of—			
		Income loss, excluding first 3 days ³	Two-thirds of income loss, excluding first 3 days	Income loss, excluding first 7 days ⁴	Two-thirds of income loss, excluding first 7 days
1948.....	\$344	12.3	18.4	15.6	23.5
1949.....	384	14.3	21.5	18.2	27.4
1950.....	447	15.4	23.1	19.6	29.3
1951.....	562	16.9	25.3	21.5	32.2
1952.....	634	18.1	27.1	23.0	34.5
1953.....	697	18.9	28.2	23.9	35.9
1954.....	732	20.0	30.0	25.5	38.2
1955.....	802	20.5	30.7	26.0	39.0
1956.....	916	21.7	32.5	27.6	41.4
1957.....	1,002	22.8	34.2	29.0	43.6
1958.....	1,050	24.0	36.0	30.6	45.9
1959.....	1,154	25.4	38.0	32.3	48.4
1960.....	1,203	24.0	36.0	30.6	45.8
1961.....	1,247	25.0	37.5	31.8	47.7
1962.....	1,298	23.3	34.9	29.6	44.5
1963.....	1,359	23.3	34.9	29.6	44.4

¹ The portion of income loss that may be considered insurable or compensable under prevailing insurance practices.

² Excludes sick-leave payments.

³ Based on 70 percent of total income loss (from table 1), after exclusion of income loss of workers covered by exclusive sick-leave plans (from table 5).

⁴ Based on 55 percent of total income loss (from table 1), after exclusion of income loss of workers covered by exclusive sick-leave plans (from table 5).

workers had some sort of formal group protection against nonoccupational disability. Except for

(Continued on page 52)

TABLE 15.—Unemployment insurance: Selected data on State programs, by specified period, 1961-64¹

Period	Average weekly insured unemployment		Initial claims (weekly average) ⁴	Number of first payments	All types of compensated unemployment			Average weekly benefit for total unemployment ⁶	Number of claimants exhausting benefits ⁷	Funds available for benefits, end of period ⁸ (in thousands)
	Number of workers ²	Percent of covered employment ³			Weeks compensated	Benefits paid ⁵ (in thousands)	Average weekly number of beneficiaries			
1961.....	2,290,311	5.6	349,745	7,066,467	104,217,226	\$3,426,030	2,004,177	\$33.80	2,370,833	\$5,802,038
1962.....	1,783,118	4.4	302,112	6,073,668	79,324,955	2,685,122	1,525,481	34.56	1,638,359	6,272,863
1963.....	* 1,805,816	4.3	* 297,699	6,040,335	80,137,101	2,786,263	1,541,098	35.28	1,568,558	6,048,013
1963										
September.....	1,296,411	3.0	226,457	336,018	4,650,202	163,124	1,107,191	34.93	102,398	6,659,175
October.....	1,332,925	3.1	255,687	361,905	4,922,537	171,942	1,070,117	35.15	109,493	6,679,497
November.....	1,541,934	3.6	292,023	359,514	4,721,636	164,878	1,124,199	35.44	94,279	6,814,218
December.....	1,972,328	4.7	414,543	546,992	6,704,842	232,951	1,523,828	35.78	118,562	6,648,013
1964										
January.....	2,394,598	5.7	412,375	961,661	9,185,857	319,303	1,996,925	36.07	138,793	6,447,884
February.....	2,243,284	5.3	290,985	642,113	8,060,094	283,811	2,015,024	36.24	125,415	6,423,618
March.....	2,049,930	4.9	259,009	499,195	8,303,437	292,618	1,887,145	36.26	139,934	6,196,174
April.....	1,755,395	4.2	246,047	451,652	7,381,273	258,046	1,677,562	36.02	150,205	6,274,149
May.....	1,447,020	3.4	217,766	345,135	5,658,422	201,498	1,347,243	35.50	130,046	6,859,019
June.....	1,296,553	3.1	217,988	312,315	5,022,635	183,129	1,141,508	35.27	119,125	6,701,329
July.....	1,343,159	3.1	282,191	424,978	5,097,536	180,519	1,108,160	35.35	110,016	6,905,082
August.....	1,260,500	2.9	212,159	433,804	4,555,562	164,510	1,084,658	35.60	95,408	7,329,582
September.....	1,125,265	2.5	194,354	281,231	4,148,516	148,423	942,845	35.40	90,065	7,260,166

¹ Excludes programs for Federal employees and for ex-servicemen; includes unemployment compensation for State and local government employees where covered by State law.

² Workers reporting completion of at least 1 week of unemployment.

³ Annual rates calculated on the basis of average covered employment in specified year; monthly rates based on average covered employment for most recent 12-month period.

⁴ Notices filed by workers to indicate they are starting periods of unemployment. Excludes transitional claims.

⁵ Annual data, but not monthly data, adjusted for voided benefit checks

and transfers under interstate combined-wage plan. Includes payments made under temporary extended unemployment insurance provisions.

⁶ Includes dependents' allowances in States that provide such benefits.

⁷ Includes temporary extended benefit exhaustions.

⁸ Sum of balances in State clearing accounts, benefit-payment accounts, and State accounts in Federal unemployment trust fund.

⁹ Beginning July 1963, includes data under the Puerto Rican sugarcane workers' program for average weekly insured unemployment and initial claims (other data not available).

Source: Department of Labor, Bureau of Employment Security.

INCOME LOSS PROTECTION

(Continued from page 37)

1960, when the ratio was also 49, the ratio in every year since 1958 has been 48.

Insurance plans are designed to compensate for only a part of the income loss. To discourage malingering, they pay somewhat less than take-home wages. Usually, to keep to a minimum the administrative costs of processing large numbers of short-term sickness claims, they do not cover the early part of any extended period of illness. Total potentially insurable and compensable income loss under existing disability insurance provisions is consequently somewhat lower than the total amount of income loss shown in table 7. A higher proportion of lost income might be recoverable if broader insurance coverage existed and if benefits were payable, in general, at the relatively high levels provided by certain statutory plans.

Accordingly, two benchmarks have been developed to indicate the degree of possible income loss in terms of current insurance practices. Total income loss is reduced by (1) 30 percent to allow for a 3-day uncompensated waiting period and (2) 45 percent to allow for a 7-day uncompensated

waiting period. A further one-third reduction, to allow for that part of the income loss after the waiting period not compensated under most existing insurance policies, produces two additional estimates. These estimates assume that a two-thirds replacement of earnings loss is a reasonable standard and indicate the extent to which existing protection covers this loss.

The dollar value of such disability insurance benefits when these adjustments have been made for hypothetical amounts of income loss are presented in table 9. The table shows the percentage of potentially insurable and compensable income loss that might be met by existing insurance plans. The wage loss of persons covered by exclusive sick-leave provisions, as shown in table 5, is omitted from table 9 to prevent inflation of the income-loss base already covered by sick leave.²

In 1963, insurance benefits of \$1,359 million were meeting 44.4 percent of the minimum theoretical compensable income loss (after excluding

² Since sick-leave provisions that supplement insurance benefits do not give any appreciable protection against income loss resulting from sickness considered insurable under prevailing insurance provisions, the income loss of persons covered by such plans has not been omitted from table 9.

TABLE 16.—Unemployment insurance: Selected data on claims and benefits, by State, September 1964¹

State	Average weekly insured unemployment		Initial claims (weekly average) ⁴	First payments	All types of compensated unemployment			Average weekly benefit for total unemployment ⁶	Number of claimants exhausting benefits ⁷	Funds available for benefits, end of period ⁸ (in thousands)
	Number of workers ²	Percent of covered employment ³			Weeks compensated	Benefits paid ⁵ (in thousands)	Average weekly number of beneficiaries			
Total.....	1,125,265	2.5	194,354	281,231	4,148,516	\$148,423	942,845	\$35.40	90,965	\$7,260,166
Alabama.....	12,773	2.3	1,952	2,649	45,813	1,155	10,412	25.68	1,270	80,959
Alaska.....	833	2.4	221	191	3,283	108	746	33.25	75	9,040
Arizona.....	8,786	3.3	1,734	2,500	31,358	1,124	7,127	36.14	626	67,188
Arkansas.....	8,643	2.8	1,516	1,772	27,551	699	6,262	26.10	713	29,999
California.....	181,597	4.3	31,147	47,464	992,327	36,833	157,347	43.86	15,724	677,309
Colorado.....	4,533	1.2	1,024	1,250	15,333	642	3,485	43.23	322	56,278
Connecticut.....	20,436	2.6	3,077	4,941	86,323	3,117	19,619	36.84	2,458	179,222
Delaware.....	2,019	1.5	364	880	8,854	313	2,012	36.38	191	18,369
District of Columbia.....	4,231	1.4	535	973	19,130	716	4,348	37.67	364	63,387
Florida.....	27,231	2.7	3,666	6,127	100,911	2,651	22,934	26.67	3,687	152,799
Georgia.....	15,450	1.9	2,437	5,611	50,374	1,357	11,449	28.31	1,606	169,434
Hawaii.....	4,351	2.5	656	1,144	15,372	586	3,494	40.01	226	18,446
Idaho.....	2,376	1.9	408	642	7,767	243	1,765	33.23	31	27,111
Illinois.....	41,773	1.6	6,632	11,478	165,547	5,864	37,624	36.60	4,936	478,132
Indiana.....	14,273	1.3	2,833	4,018	54,869	1,604	12,470	30.70	1,894	160,140
Iowa.....	4,222	.9	701	1,305	15,979	442	3,632	29.37	398	110,595
Kansas.....	5,980	1.7	1,116	2,344	23,782	859	5,400	37.07	533	62,122
Kentucky.....	11,914	2.5	1,798	3,204	43,459	1,307	9,877	31.89	1,238	108,957
Louisiana.....	13,703	2.4	2,097	3,602	57,508	1,677	13,070	30.29	1,350	110,798
Maine.....	6,308	3.3	1,007	1,312	22,872	510	5,198	24.34	275	29,242
Maryland.....	14,216	1.9	2,708	4,187	57,823	1,911	13,142	34.29	1,066	149,968
Massachusetts.....	58,038	3.8	10,061	11,917	229,246	8,093	52,101	38.38	4,807	199,427
Michigan.....	26,167	1.4	5,171	11,778	120,164	4,374	27,310	37.23	2,253	398,203
Minnesota.....	11,887	1.6	1,677	2,554	45,810	1,302	10,411	29.04	1,334	23,453
Mississippi.....	6,509	2.2	1,092	1,437	23,608	539	5,365	24.13	637	46,503
Missouri.....	18,852	1.9	4,403	6,003	66,227	1,989	15,052	32.75	1,341	217,134
Montana.....	1,771	1.6	356	476	6,649	208	1,511	30.43	203	19,800
Nebraska.....	2,353	1.0	419	712	9,846	308	2,238	31.99	286	41,307
Nevada.....	3,730	3.2	843	1,218	15,482	593	3,519	39.06	317	28,827
New Hampshire.....	3,693	2.3	774	718	12,644	369	2,874	31.85	145	25,289
New Jersey.....	52,254	3.2	9,527	14,347	225,150	8,549	51,170	39.38	5,552	295,237
New Mexico.....	4,064	2.5	881	987	15,403	448	3,501	29.77	320	35,133
New York.....	168,593	3.3	35,904	39,978	662,260	24,241	150,514	38.97	11,094	1,214,817
North Carolina.....	19,318	2.0	3,938	6,611	79,935	1,844	18,167	24.03	1,486	210,800
North Dakota.....	623	.9	97	124	2,448	84	556	35.27	64	6,732
Ohio.....	36,162	1.5	5,907	12,058	132,712	4,810	30,162	37.01	2,746	205,383
Oklahoma.....	11,861	3.0	1,625	2,312	37,048	965	8,420	26.52	800	43,943
Oregon.....	8,549	2.0	2,003	1,990	27,745	932	6,306	34.42	561	82,154
Pennsylvania.....	81,385	2.8	15,420	16,140	322,398	8,731	73,272	28.63	5,240	244,143
Puerto Rico.....	⁹ 68,396	6.7	⁹ 4,519	5,460	58,110	1,055	13,207	17.60	2,007	52,121
Rhode Island.....	7,941	3.3	1,671	2,266	32,585	952	7,406	30.96	619	46,260
South Carolina.....	9,627	2.1	1,715	3,020	35,771	975	8,130	27.76	1,102	84,920
South Dakota.....	793	1.0	123	204	3,180	87	723	29.60	105	14,714
Tennessee.....	16,620	2.3	1,990	4,178	59,781	1,568	13,587	27.08	1,492	82,708
Texas.....	35,017	1.8	5,534	10,017	131,655	3,783	29,922	29.36	4,474	237,120
Utah.....	5,432	2.7	868	1,117	19,933	734	4,530	37.34	362	38,432
Vermont.....	1,977	2.6	368	418	7,243	227	1,646	32.97	172	6,463
Virginia.....	6,487	.8	1,170	1,786	21,885	612	4,974	28.43	718	132,878
Washington.....	30,901	4.9	5,373	8,568	119,728	3,797	27,211	32.04	3	204,056
West Virginia.....	8,384	2.6	1,215	2,043	30,244	699	6,874	23.81	655	58,810
Wisconsin.....	11,610	1.2	1,955	3,042	45,266	1,761	10,288	40.06	1,040	196,394
Wyoming.....	623	.9	130	158	2,145	74	488	36.19	47	7,508

¹ Excludes programs for Federal employees and for ex-servicemen; includes unemployment compensation for State and local government employees where covered by State law.

² Workers reporting completion of at least 1 week of unemployment.

³ Based on average covered employment for most recent 12-month period.

⁴ Notices filed by workers to indicate they are starting periods of unemployment. Excludes transitional claims.

⁵ Adjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes payments made under temporary extended

unemployment insurance provisions.

⁶ Includes dependents' allowances in States that provide such benefits.

⁷ Includes temporary extended benefit exhaustions.

⁸ Sum of balance in State clearing accounts, benefit-payment accounts, and State accounts in Federal unemployment trust fund.

⁹ Includes data under the Puerto Rican sugarcane workers' program for average weekly insured unemployment and initial claims (other data not available).

Source: Department of Labor, Bureau of Employment Security.

the first 7 days of income loss and one-third of the wage loss after the waiting period); in 1948 the proportion was 23.5 percent. For the first 11 years after 1948 these indexes of the effectiveness of insurance in meeting the impact of illness

showed a continuous and relatively rapid year-to-year growth. In recent years the indexes have reflected no improvement and, in fact, appear to have leveled off at a few percentage points less than the peaks reached in 1959.