

CHAPTER VII

THE LEVEL OF LIVING PROVIDED TO RECIPIENTS OF PUBLIC AID

Acceptance by a public-aid program does not necessarily solve the economic problem of a needy applicant. For whether his needs are adequately provided for will depend upon the amount of assistance he receives, either in cash or services. As Table 19 shows, there is great variation between programs in cash payments.

The attempt to evaluate the adequacy of the economic assistance provided by public-aid measures unfortunately encounters serious difficulties, both theoretical and practical. It may be objected that no such attempt should be made in the case of certain programs. The social insurances, for example, pay benefits which are in principle proportionately related to the prior earnings of the beneficiary and have not necessarily been intended to provide full maintenance. The work programs offer remuneration for work performed which varies with the degree of skill demanded. Yet it is undeniable that the spur to the adoption of both these types of public aid was the desire to provide income to those whose private resources were inadequate. Indeed the WPA program is admittedly a work-relief program with eligibility limited to those in need. In the social insurances, eligibility is restricted to a group for whom there is a strong presumption that loss of income creates serious economic difficulties. Furthermore the benefit formulas are constantly being modified to assure a payment that, together with the assumed resources of the recipient, will render recourse to other types of public aid unnecessary. Hence it does not seem unreasonable to enquire how far the benefits or payments available under the various programs, including both the social insurances and the WPA, can be regarded as adequate to meet the need for physical maintenance of their recipients.¹

Measurement of Levels of Living

In ascertaining the level of living which is made possible for recipients of public aid, a major difficulty is encountered at the start; there is no agree-

ment on a measuring rod. Some uniform standard must be adopted in order to evaluate the adequacy of public-aid grants, payments, and benefits. Without such a measuring rod, few comparisons can be made, and it becomes impossible to designate these grants, payments, and benefits as "adequate" or "inadequate." Yet such an instrument is difficult to find. It is obvious that what might be termed "adequate" in one region might be completely "inadequate" elsewhere.

Cost of a Minimum Budget

There are several available standards which might be applied in regard to urban families, inasmuch as the cost of living at different levels of adequacy has been determined by recognized authorities for such

TABLE 19.—Average monthly public-aid payments in the United States, by program, June 1940

Program	Unit ¹	National average
General relief ²	Case.....	\$23.90
Old-age assistance ³	Recipient.....	20.10
Aid to dependent children ⁴	Family.....	32.10
Aid to the blind ⁵	Recipient.....	23.68
Farm Security grants ⁶	Grant.....	25.14
Work Projects Administration ⁷	Employee.....	58.02
Civilian Conservation Corps ⁸	Enrollee.....	66.25
National Youth Administration:		
Student work projects.....	Employee.....	7.38
Out-of-school work projects:		
Resident.....	do.....	25.60
Nonresident.....	do.....	16.33
Old-age and survivors insurance:		
Under the Social Security Act:		
Primary benefit.....	Recipient.....	21.90
Primary and wife's benefit.....	Family.....	36.22
Survivors' (widow's and orphans') benefit.....	do.....	42.45
Under the Railroad Retirement Act:		
Annuities.....	Recipient.....	65.55
Pensions.....	do.....	58.66
Survivors' annuities.....	do.....	33.85
Unemployment compensation:		
Under State laws ⁹	do.....	45.15
Under the Railroad Unemployment Insurance Acts ¹⁰	do.....	27.75

Sources: *Social Security Bulletin*, III (August 1940), 19, 36, 45, 48, 49, and 50; Work Projects Administration, *Federal Work Programs and Public Assistance*, Washington, 1940, pp. 7 and 9; Civilian Conservation Corps, *Monthly Statistical Summary, June 1940*, Washington, 1940, p. 6; National Youth Administration, Division of Finance and Statistics, monthly statistical tables, Nos. 10, 11, and 17, for June 1940; *The Monthly Review* [Railroad Retirement Board], I (October 1940), 7-8; and data supplied by the Bureau of Old-Age and Survivors Insurance, Social Security Board.

¹ For discussion of units, see ch. V, footnote 1.
² Average for 43 States reporting adequate data.
³ Average for 51 jurisdictions administering plans approved by the Social Security Board.

⁴ Average for 42 jurisdictions administering plans approved by the Social Security Board.

⁵ Average for 43 jurisdictions administering plans approved by the Social Security Board.

⁶ Continental United States.

⁷ Based on net amount of grant vouchers certified to cases during month. Includes the value of commodities distributed by the Farm Security Administration.

⁸ Continental United States (including Indians) and the territories of Alaska and Hawaii. Monthly cash payment is \$30; estimated cost of maintenance is \$36.25.

⁹ Data refer to total unemployment and represent weekly benefits multiplied by 4½.

¹⁰ Represents twice the average semimonthly benefit payment in June 1940.

groups at various dates during the last 5 years.² Two of these standards, which will be discussed in some detail below, are known as the "basic maintenance" and the "emergency" budgets.

Two levels of living.—It might be argued that it would be desirable to measure the adequacy of public-aid payments against the "health and decency" level for which the Heller Committee for Research in Social Economics of the University of California has constructed a budget. However, this budget was set up for a single city. Furthermore, since the general income level of the country is far below this standard, realism and practicality militate against its use as a measuring rod.³

A lower level of living is provided by the basic "maintenance" budget. A quantity budget was constructed by the Division of Social Research of the Works Progress Administration to represent such a level and was found to cost an average of \$1,261 in 59 cities in March 1935 for an urban family containing an unskilled worker, his wife, a boy aged 13 and a girl aged 8. In June 1940, the equivalent figure was \$1,347.⁴ At the "maintenance" level, there is no automobile or telephone, and the insurance allowed would provide for little more than burial. The food is simple and of limited variety. The clothing is rather meagre.⁵

While giving some consideration to psychological needs, the basic "maintenance" level provides for self-support only on a current cost basis. No provision for savings (other than a small life insurance policy) or

for repayment of debts is made.⁶ This level is certainly not high, nor does it permit families to enjoy what Americans like to think of as "the American standard of living."

Another quantity budget representative of an "emergency" level of living was constructed at the same time as the "maintenance" budget by the Work Projects Administration, to take account of certain economies that might be made under depression conditions with least harm to individuals and to the community. This budget, which allows mainly, although not exclusively, for material needs, was found to cost about 72 percent of the average cost at the "maintenance" level, or about \$900 in March 1935 and about \$930 in June 1940 for an urban family of four of the type described above.⁷

The diet at the "emergency" level provides the probable minimum requirements for adequate nutrition, but the margin of safety is less than is desirable. Even the minimum requirements are met only when the individual food items are selected with great care and with little regard for taste, in order to get the greatest value at minimum cost.⁸ It is believed, moreover, that families forced to live at this level for an extended period of time may be subject to serious health hazards. Clothing, as would be expected, is even more meagre than at the "maintenance" level.⁹

Household furnishings are of the same quality at both levels, but replacement is less frequent at the "emergency" level. In general, it appears that allowances for replacement of durable and semidurable goods are so meagre that, after a period of time, fam-

² The cost of living at any specified level is determined by reference to a budget in which a representative sample of goods and services is itemized, and average prices for each item are collected and applied to a quantity allowance. For techniques used and problems encountered, as well as for a detailed discussion of the quantity content and the cost of budgets which provided the basis of the cost of living figures for urban families presented below, see Appendix 15, below.

³ This budget, set up for a family of 5 persons (husband, wife, and 3 children under 14 years of age) in San Francisco, was estimated to cost about \$2,000 as of March 1940. It includes provision for a second-hand automobile, a telephone in the home, and a life insurance policy for the head of the family. For derivation of these figures see *ibid.*

⁴ *Ibid.* The WPA study was reported in Stecker, Margaret L., *Intercity Differences in Costs of Living in March 1935, 59 Cities*, Works Progress Administration, Division of Social Research, Research Monograph XII, Washington, 1937, where figures for March appear in table 6, p. 8. June 1940 figures are based on U. S. Department of Labor, Bureau of Labor Statistics, *Estimated Intercity Differences in Costs of Living, June 15, 1940*, Washington, 1940.

⁵ The allowance for the wife, for example, would consist of but 1 silk or rayon dress every year, 1 wool dress every second year, a cotton street dress every year and 2 every second year, and 3 cotton work dresses every year. Two pairs of silk or rayon hose and 6 of cotton are allowed. The household furnishings are about the most inexpensive obtainable, with five-and-ten-cent store items specified frequently. (Stecker, Margaret, L., *Quantity Budgets of Goods and Services Necessary for a Basic Maintenance Standard of Living and for Operation Under Emergency Conditions*, Works Progress Administration, Division of Social Research, Research Bulletin Series 1, No. 21, Washington, 1936, p. 21, table II, and pp. 42-52, table IX. The two publications by Dr. Stecker will be referred to subsequently as *Intercity Differences* and *Quantity Budgets*.)

⁶ Stecker, *Intercity Differences* * * *, pp. xiv, 2, and 86.

⁷ For 1935 costs, see *ibid.*, p. 5, table 6. This figure is based on data for 59 cities of over 25,000 population. The 1940 figure is based on original data for 31 cities supplied by the Cost of Living Division, Bureau of Labor Statistics, U. S. Department of Labor.

Neither size-of-city nor geographic differentials in cost of living at the "emergency" or the "maintenance" levels were large. (See Stecker, *Intercity Differences* * * *, p. 128, table 62.) When the 59 cities surveyed in March 1935 were grouped into the 5 geographic regions used by the National Resources Committee in the study of family incomes, average costs varied only about 6 percent—from \$875 to \$925—at the "emergency" level, and from \$1,220 to \$1,295 at the "maintenance" level—in the South and in the North Central regions, respectively. The range in average costs at the "emergency" level, as of March 1935, in cities of different size, was from about \$885 in cities of 25,000 to 250,000 population to about \$950 in cities of 500,000 population or more. At the "maintenance" level the corresponding range was from about \$1,230 to about \$1,330. (See Appendix 15, and *Intercity Differences*, p. 8, table 6, and p. 184, table 12.)

⁸ The menus suggested for a diet at this level indicate this. For example, the suggested Sunday dinner consists of salmon and potato cakes, raw cabbage, whole wheat bread, cookies, and (for adults) coffee. The Friday dinner consists of fried eggs, mashed-potato cakes, bread, and (for the children) milk. (Carpenter, Rowena S. and Stiebeling, Hazel K., *Diets to Fit the Family Income*, U. S. Department of Agriculture, Farmers' Bulletin No. 1557, Washington, 1936, pp. 28-29.)

⁹ For the wife it is suggested that a silk or rayon dress and a wool dress, respectively, be purchased only once in 3 years; that 1 cotton street dress and 2 cotton work dresses be purchased annually. One hat a year is allowed. One pair of silk or rayon stockings and 5 pairs of cotton stockings annually are included. (*Quantity Budgets*, p. 21, table II.)

ilies with incomes just sufficient to provide an "emergency" living would find that their plane of living had fallen below the standard specified. At the "emergency" level there is no provision for a radio or even a newspaper. The allowance for recreation is almost negligible.¹⁰

In brief, the "emergency" level calls for purchase of a limited variety of goods and services of a very inexpensive grade, generally at prices current in stores in working-class neighborhoods. It presupposes wise spending habits.¹¹

Use of the "emergency" budget.—The choice of one of these standards to serve as a measuring rod of minimum adequacy of living so as to determine the adequacy of public aid raises difficult questions. It may be argued that the vast resources of contemporary America justify the adoption of the highest of the standards in preference to one which is based upon the bare essentials of physical maintenance. But the known fact that many urban families maintain themselves somehow on incomes which are below the money equivalent of the basic "maintenance" level suggests that it is not very practical to assume that all families of the defined size whose incomes fall below this level are in need of public aid. Nor is it practicable public policy for governmental authorities to attempt to supply a level of living to recipients of public aid which exceeds that attained by many families who live upon their own earnings or property.

Even the "emergency" budget is high in relation to the level of living of many workers.¹² But the mere fact that people manage to live on less than this amount does not indicate that the standard is too high. It takes a long time to die of starvation. The real level of living permitted by this budget is low, especially if continued over a long period, and assumes a degree of knowledge, judgment, and marketing skill probably far above the average.¹³

¹⁰ It is computed in terms of 1 movie admission per month per person and approximately 10 cents per month per person for tobacco, toys, candy, and the like. (Stecker, *Intercity Differences*, pp. 118-19.)

¹¹ It should be noted that such habits can hardly be called typical. In a study of the nutritive content of the diets of families of wage earners and lower-salaried clerical workers, it was found that of every 10 white families spending enough to buy fully adequate diets only 2 to 4 selected good diets. (Stiebeling, Hazel K., and Phipard, Esther F., *Diets of Families of Employed Wage Earners and Clerical Workers in Cities*, U. S. Department of Agriculture, Circular No. 507, Washington, 1939, p. 85.)

¹² At 1940 prices the "emergency" level of living for a family of 4 called for a money income of between \$813 and \$1,040 in cities of different sizes. (Based on original data for 31 cities supplied by the Cost of Living Division, Bureau of Labor Statistics, U. S. Department of Labor.) Yet the annual earnings of a worker continuously employed for 40 hours a week throughout the year at the minimum hourly rate of the National Fair Labor Standards Act are only \$624; by 1945, when the 40-cent minimum is reached, they will be only \$832.

¹³ Although costs at the "emergency" level appear to be as low as possible, consistent with the theory that there should be some provision for all the major aspects of family living, it might nevertheless be

All things considered, the use of the "emergency" budget to make possible a more concrete measure of the extent of our achievements in public aid and as a bench mark to indicate the variations among different parts of the country and different categories of needy persons seems to be justifiable. The use of this budget must not be interpreted to mean that it is in any sense a fixed standard of excellence or a goal at which public-aid policies should aim. It appears to be a reasonable compromise between the twin dangers of adopting an exaggerated and unrealistic view of the obligations of government to its citizenry and of perpetuating the view that the standard of living of the people of America must for many years to come be extremely low.¹⁴

Use of Average Grants

Even when the "emergency" level of living is more or less arbitrarily selected as the basis of comparison, a further difficulty arises because the information concerning public-aid payments is available only in the form of averages, usually on a monthly basis. Such averages are defective as indications of adequacy for several reasons. Their significance in different States and in urban and rural areas will be greatly affected by variations in the cost of living. The level of living permitted by any given monthly payment will also obviously be influenced by the size of the family and by the extent of other resources in the family's possession. For many of the programs too the average

argued that, when determining the adequacy of aid, there need not be any provision for recreation, for church contributions, or for insurance. It might be argued also that, at least in some cases, provision for medical care is unnecessary since that may be obtained without cost at public clinics and hospitals. (Medical care averages about 5 percent of the total cost of living at the "emergency" level; recreation, church contributions, and insurance, another 5 percent.) If the total were reduced by 10 percent, the cost of living at the "emergency" level for the manual worker's family previously described would average approximately \$810 as of March 1935 and about \$840 as of June 1940.

¹⁴ It should be noted, of course, that the "emergency" budget was set up for an urban family. It is used as a measuring instrument in this study for all public-aid families because no very satisfactory similar instrument has been devised for rural living. Indeed, there have been very few attempts to do so. However, estimates have been made of the annual value of minimum physical and cultural requirements, at 1936 prices, for a farm family of two adults and three children in the three major regions of the country. Although no direct comparison can be made with cost-of-living estimates for urban families, it seems probable that the level represented corresponds roughly to the "emergency" standard of living for urban families. The estimated value of minimum physical and cultural requirements for the farm family of five was \$705 in the South, \$820 in the North, and \$845 in the West at 1936 prices. (Maddox, James G., "Suggestions for a National Program of Rural Rehabilitation and Relief," *Journal of Farm Economics*, XXI (November 1939), 889.)

The value of minimum physical requirements alone was estimated at \$550 in the South, \$630 in the North, and \$660 in the West. Both estimates were based on extremely conservative budgets. Food constituted 60 to 70 percent of the value of minimum physical requirements, even though liberal use was made of foods that could be produced on the farm and farm prices were used in calculating the value of such food. The geographic differential is considerably greater than appeared in the case of urban families.

monthly payment is influenced by the extent of turn-over within the month; a high turn-over will reduce the average grant, inasmuch as many cases will then receive payment for less than a full month. Where public-aid programs provide payments on a weekly or daily basis, the monthly average will reflect the number of payment days falling within the month, and this too will distort the figures. Finally, since general-relief grants are often given in supplementation of other forms of aid, the presence of these supplementary grants tends to lower the average for general relief in comparison with other programs.¹⁵

Basis of Program Comparisons

When an attempt is made to overcome some of the deficiencies of average grants as indications of the level of living afforded by public-aid payments, new difficulties appear. Information concerning size of families receiving specific payments and the extent of their other resources is very scarce for some programs and almost completely lacking for others, such as the social-insurances. For these reasons a somewhat different method of analysis must be adopted for the three major types of public aid: those in which payments are adjusted to the needs of the individual as in the special public assistances and general relief; those in which eligibility is based upon need but the payment takes the form of a security wage uniform for specified classes of workers, as in the work programs; and finally the social insurances, where eligibility is not based upon need but the payment is related to the previous earnings of the individual.

General Relief

Practically all attempts to compare general-relief grants in different areas have relied on the use of "average monthly payments" or "maximum payments"—measures which for comparative purposes need much interpretation, and which, as pointed out above, are greatly affected by such factors as individual or family resources other than relief payments and conditions under which maximum grants are made. Any discussion of the comparative adequacy of general-relief payments requires information on the money cost of meeting basic family needs (usually referred to as cost-of-living data) and on the total amount of income available through public aid and private resources to general-relief families. Unfortunately such information is generally lacking and is particularly

difficult to obtain for rural areas. In view of the importance of securing a more concrete picture of the living standards of families who are dependent on general relief, a special inquiry was undertaken regarding certain general-relief standards in 59 cities.

The 59-Cities Study

Because information on the cost of a standard budget could be obtained most readily for the 59 cities of 25,000 or more population which were included in the WPA study of 1935,¹⁶ the survey of general-relief allowances was designed to cover the same 59 cities. The "emergency" budget used in this study and described in the opening pages of this chapter had been priced in 1935; for the purpose of the present study of general-relief allowances, the cost-of-living figures as disclosed in the WPA study for the "emergency" budget were brought up to date for most of the 59 cities by the Cost of Living Division of the Bureau of Labor Statistics.¹⁷

Methods and measures used.—In order to compare general-relief grants in these cities with the cost of the goods required at an "emergency" level of living, questionnaires were sent by the National Resources Planning Board, to the general-relief agencies in the 59 cities. The family concerning which information was requested was defined as an unemployed manual worker, his wife, and two children, a boy of 13 and a girl of 8, the same family used in the WPA study. It was described as being without resources of any kind and presenting no special health or other problems.¹⁸ The family was further described as paying, at the time of application for relief, a specified amount for rent, light, and cooking and heating fuel. These figures were different for each city and represented the cost of these goods at an "emergency" level of living in the given city.¹⁹ Given

¹⁶ Stecker, *Intercity Differences*. Included in the study were the 5 cities in the United States with a population of over 1,000,000 in 1940 and the 9 cities with a population between 500,000 and 1,000,000; 18 of the 23 cities with a population between 250,000 and 500,000; 13 of the 55 cities with a population between 100,000 and 250,000; and 14 of the 320 cities with a population between 25,000 and 100,000. These cities were located in 41 of the 48 States and in the District of Columbia. (See appendix 16.)

¹⁷ Although the questionnaire by which the data on relief allowances was secured related to the month of October 1940, it was not possible to reprice the "emergency" budget for a month later than June 1940. Retail price changes between June and September were, however, very small and certainly not sufficiently great to invalidate a comparison of October grants with June costs. June prices for rent, fuel, and light were used in computing rent, fuel, and light costs for use on the questionnaires. However, the items included in the budget were those used for a fall rather than a summer month. (For further discussion of methods used in this study see appendix 16.)

¹⁸ The family situation was thus simplified in order to eliminate the effect of variations in practices relating to the treatment of nonrelief resources, such as unemployment compensation and income from property, and variations in methods and extent of provisions for special problems, such as transportation for clinic attendance.

¹⁹ This information was supplied to the relief agency because the amount of the relief grant is determined in part at least by the cost to the family of these items. By supplying to each agency as part of the

¹⁵ For an exhaustive account of all these limitations to the use of general-relief grant averages and some indication of their significance, see Baird, Enid, and Brinton, Hugh P., *Average General Relief Benefits, 1935-1938*, Work Projects Administration, Division of Research and Statistics, Washington 1940.

this basic specification of the family, the agencies were asked to supply information on the amount of the general-relief grant which would be made to such a family, and on certain policies and practices in the determination of eligibility for general relief.²⁰

This procedure made it possible to compare the levels of living afforded a family of the specified size in the different cities by expressing for each city the actual money grant for a family of this defined character as a percentage of the sum necessary to purchase the "emergency" budget for such a family in that city. It should, however, be noted that the methods by which estimates of the cost of living at the "emergency" level were repriced in terms of 1940 prices were not strictly uniform. Thirty-three cities presented no difficulty. In 13 others a similarly detailed repricing was not possible but the method adopted appeared to justify grouping them in the following tables with the first 33 cities. For the remaining 13 cities, however, it was not possible to convert the 1935 prices to a 1940 basis. These cities are, therefore, considered separately in the ensuing discussion.²¹

As an indication of the absolute level of adequacy, however, the use of the "emergency" budget as the measuring rod has certain shortcomings. Quite apart from differences of opinion as to whether this budget involves the use of a standard that is excessively high or unduly low, the fact that it was constructed in terms of the needs of a family with a working breadwinner introduces difficulties when it is applied to the needs of a relief family with an unemployed but employable breadwinner.²² Certain needs, such as food and carfare, are obviously less in the case of the unemployed worker. It is believed, however, that such differences are insignificant in relation to the total degree of inadequacy of relief payments as revealed by this study. It is also recognized that the application of a standardized budget, such as the "emergency" budget, will not be equally satisfactory for all families of the type described, because of the wide range in patterns of family living and the variations in the special characteristics of individual members of such families.

description of the family the amounts needed to purchase these items at an "emergency" level of living, it was possible to secure relief data on families presumably living at the same level in each city insofar as these items were concerned.

²⁰ Since clothing and medical care are frequently given "as needed" and are to some extent furnished from sources other than relief funds, these two items were excluded both from the cost-of-living data and from the relief grant.

²¹ For further discussion of the use of cost-of-living data, see appendix 16.

²² In 16 cities the family with an unemployed but employable breadwinner would not be eligible for general relief except in emergency situations, and therefore the data secured from these cities are for the family of an unemployable man.

The results of the inquiry are shown in tables 20 and 21, which express both the relief allowance and the relief allowance plus surplus commodities given to the specified family as a percentage of the sum needed by this family to secure the "emergency" level of living in each city, exclusive of clothing and medical care.²³

General inadequacy of grants.—The most striking

TABLE 20.—Amount of general-relief allowance¹ and value of surplus commodities compared to cost of goods for "emergency" level of living² in 46 cities, by socio-economic regions,³ October 1940

City and region	Costs of goods for "emergency" level of living	General-relief allowance	General-relief allowance plus surplus commodities ⁴	General-relief allowance as percentage of cost of goods	General-relief allowance plus surplus commodities as percentage of cost of goods
Northeast:					
A.....	\$72.79	\$57.10	\$61.15	78.4	84.0
B.....	68.09	42.17	46.22	61.9	67.9
C.....	66.88	55.73	67.73	83.3	101.3
D.....	67.48	44.24	50.24	65.6	74.4
E.....	66.77	41.00	52.00	61.4	77.9
F.....	66.75	59.93	63.68	89.8	95.4
G.....	68.34	55.70	53.34	62.8	77.3
H.....	68.96	43.34	51.70	61.5	104.9
I.....	66.63	52.91	65.91	79.4	98.9
J.....	67.47	58.61	65.11	86.9	96.5
K.....	63.84	42.25	53.25	66.2	83.4
L.....	66.54	44.74	53.41	67.2	80.3
M.....	68.09	56.18	65.18	82.5	95.7
N.....	66.90	41.85	53.10	62.6	79.4
Middle States:					
A.....	71.63	51.09	62.09	71.3	86.7
B.....	70.45	55.05	68.05	78.1	96.6
C.....	68.40	53.55	57.60	78.3	84.2
D.....	72.35	31.05	39.05	42.9	54.0
E.....	72.12	59.45	63.95	82.4	88.7
F.....	74.81	50.67	58.67	67.7	78.4
G.....	64.26	44.00	54.00	68.5	84.0
H.....	60.17	24.50	36.50	40.7	60.7
I.....	60.74	30.40	38.90	50.0	64.0
J.....	58.23	30.53	38.84	52.4	66.7
K.....	64.59	43.38	51.38	67.2	79.5
Northwest:					
A.....	64.84	23.50	29.50	36.2	45.5
B.....	66.50	16.00	24.00	24.1	36.1
C.....	62.73	38.70	46.70	61.7	74.4
D.....	65.96	49.70	57.70	75.3	87.5
Southeast:					
A ⁵	70.47	42.00	53.36	59.6	75.7
B ⁵	67.67	48.00	61.00	70.9	90.1
C ⁵	60.06	30.55	38.55	50.9	64.2
D ⁵	65.27	10.90	18.90	16.7	29.0
E ⁵	62.35	20.61	28.61	33.1	45.9
F ⁵	60.89	15.00	23.00	24.6	37.8
G ⁵	62.87	37.83	45.83	60.2	72.9
H ⁵	61.90	22.00	30.00	35.5	48.5
I ⁵	61.35	17.33	22.83	28.2	37.2
J ⁵	57.73	10.00	18.00	17.3	31.2
K ⁵	62.44	30.00	42.00	48.0	67.3
Southwest:					
A ⁵	62.14	34.00	42.00	54.7	67.6
B ⁵	59.20	29.90	37.90	50.5	64.0
Far West:					
A.....	65.60	51.80	63.80	79.0	97.3
B.....	70.41	51.80	63.80	73.6	90.6
C.....	65.77	22.40	30.40	34.1	46.2
D.....	63.94	22.35	30.35	35.0	47.5

¹ Exclusive of clothing and medical care. Family of unemployed unskilled worker, composed of 2 adults and 2 children, a boy 13 years old and a girl 8 years old, with no health or other special problems and no resources or income.

² Exclusive of clothing and medical care. Cost of goods based on prices as of June 15, 1940, furnished by Cost of Living Division, Bureau of Labor Statistics, U. S. Department of Labor. For definition of "emergency" level of living and for method of collecting data on general-relief allowances, see appendices 15 and 16.

³ For States included in these regions, see footnote 10, p. 57.

⁴ Retail value of commodities distributed through Surplus Marketing Administration.

⁵ Except in a few unusually necessitous cases, general relief is not given to households containing an employable member. Allowances for these cities are based on a household of 4 persons in which the adults are unemployable.

²³ In view of the possible objections to the use of 1935 costs of living, the following discussion is confined mainly to the 46 cities for which the emergency budget was repriced in 1940.

TABLE 21.—Amount of general-relief allowance¹ and value of surplus commodities compared to cost of goods for "emergency" level of living² in 13 cities, by socio-economic regions,³ October 1940

City and region	Costs of goods for "emergency" level of living	General-relief allowance	General-relief allowance plus surplus commodities ⁴	General-relief allowance as percentage of cost of goods	General-relief allowance plus surplus commodities as percentage of cost of goods
Northeast:					
O.....	\$63.83	\$59.12	\$65.37	92.6	102.4
P.....	58.74	13.00	21.50	22.1	36.6
Middle States:					
L.....	62.27	37.70	45.70	60.5	73.4
Northwest:					
E.....	58.14	30.08	38.08	51.7	65.5
F.....	70.53	30.00	38.00	42.5	53.9
Southeast:					
L ⁵	61.80	11.00	19.00	17.8	30.7
M.....	64.38	15.16	19.16	23.5	29.8
N ⁶	62.75	19.00	27.00	30.3	43.0
Southwest:					
C ⁷	63.13	12.00	20.00	19.0	31.7
D ⁸	61.90	0	8.00	0	12.9
E ⁹	67.67	27.50	38.50	40.6	56.9
F ⁹	68.11	25.00	32.88	36.7	48.3
Far West:					
E.....	62.89	26.50	36.50	42.1	58.0

¹ See table 20, footnote 1.

² Cost of goods based on prices as of March 1935, but items included are those used in October. Items included are the same as those included in Table 20.

³ For States included in these regions, see footnote 10, p. 57.

⁴ Retail value of commodities distributed through the Surplus Marketing Administration.

⁵ See Table 20, footnote 5.

⁶ No general-relief funds available; there is a small caseload (15 cases) known as the "county pauper roll."

fact that emerges from the 59-cities study is that in none of the cities is the relief grant sufficient to maintain the family at an "emergency" level of living.²⁴ As shown in Table 22, of the 46 cities for which costs of living are available for 1940, only 6 make grants (exclusive of surplus commodities) which come within 20 percent of the "emergency" level of living; in 9 the grants are from 20 to 30 percent below the "emergency" level of living; and in 18 they range from 30 percent to 50 percent below the sum needed to support this level of living. In 13 cities the grants are more than 50 percent below the amount needed; indeed in 2 of those cities the allowances represent less than one-fifth of the "emergency" level.

Regional variations.—General-relief grants appear to be most nearly adequate in the Northeast region. All of the cities surveyed in that area make grants which fall within 40 percent of the "emergency" level. This region also contains 5 of the 6 cities in which the grant is within 20 percent of that level. On the other hand, the outstandingly low allowances are to be found in the Southeast. In this region, 7 of the 11 reporting cities give allowances that are less than half the sum needed to provide an "emergency" standard. (It is

²⁴ In 5 cities, if the household pays rent above the amount paid by a household living at an "emergency" level, the amount allowed in the relief grant might be slightly above the amount shown in this study, but in no case would it raise the relief grant to the "emergency" level.

TABLE 22.—Proportion of cost of goods for "emergency" level of living¹ represented by general-relief allowances² in 46 cities, by socio-economic regions,³ October 1940

General relief allowance as percentage of cost of goods	Cities by region ⁴								
	Total			North-east	Mid-dle States	North-west	South-east	South-west	Far West
	Total	A	B						
All cities.....	46	36	10	14	11	4	11	2	4
90-99.9.....	6	6	—	5	1	—	—	—	—
80-89.9.....	9	8	1	2	3	1	1	—	2
70-79.9.....	12	12	—	7	3	1	—	—	—
60-69.9.....	6	2	4	—	—	—	—	2	—
50-59.9.....	3	2	1	—	2	—	—	—	—
40-49.9.....	6	5	1	—	—	—	—	—	—
30-39.9.....	2	1	1	—	—	1	—	—	2
20-29.9.....	2	—	—	—	—	—	—	—	—
10-19.9.....	2	—	—	—	—	—	—	—	—
0-9.9.....	—	—	—	—	—	—	—	—	—

¹ See table 20, footnote 2.

² See table 20, footnote 1.

³ For States in these regions, see footnote 10, p. 57.

⁴ "A" cities are those accepting families with an employable member. "B" cities are those not accepting families with an employable member. Unless otherwise designated, cities fall in the "A" group. In some of the "A" cities the relief allowance is different for families with an employable member and those without an employable member. In such cities, the allowance for families with an employable member has been used.

⁵ Contains 3 A cities and 8 B cities.

⁶ B cities.

⁷ Contains 2 A cities and 1 B city.

also significant that all the cities which refuse relief to families containing an employable member are found in the Southeast and Southwest regions.) Even in the Far West and the Northwest, 2 of each of the 4 reporting cities give allowances that are more than 60 percent short of the "emergency" budget.

Variations by size of city.—That the largest cities are, on the whole, making the more nearly adequate relief allowances is evident from Table 23. Relief grants amounting to upwards of 70 percent of the "emergency" living level are made by 4 of the 5 cities of 1,000,000 or over, and by 5 of the 9 cities of between 500,000 and 1,000,000, but by only 3 of the 18 cities between 250,000 and 500,000 and 1 of the 9 cities between 100,000 and 250,000.

On the other hand, the size of a city provides no guarantee against low grants. Allowances less than 50 percent of the amount needed to maintain the family at an "emergency" level of living are found in 1 of the 9 cities with populations between 500,000 and 1,000,000, 7 of the 18 cities with populations between 250,000 and 500,000, and 3 of the 9 cities with populations between 100,000 and 250,000.

Significance of surplus commodities.—Since surplus commodities are made available to families receiving general relief in all of the 59 cities, either through the stamp plan (in 42 cities) or through bulk distribution (in 17 cities), the food allowance in the relief grant is augmented to some degree.²⁵ In some instances, therefore, the availability of surplus commodities

²⁵ The estimated value of these commodities given to the family during 1 month ranged from \$3.75 to approximately \$16.

TABLE 23.—Proportion of cost of goods for "emergency" level of living¹ represented by general-relief allowance² and by general October 1940, by size of city

Size of city ³	Number of cities ⁴			General-relief grant as percentage of costs of goods						
	Total	A	B	Percent						
				90-99.9	80-89.9	70-79.9	60-69.9	50-59.9	Less than 50.0	
Total.....	46	36	10	6	9	12	6	6	7	13
1,000,000 and over.....	5	5			4	1				
500,000 to 1,000,000.....	9	8	1	3	2	2	1	1	1	1
250,000 to 500,000.....	18	11	7	1	2	3	3	5	5	7
100,000 to 250,000.....	9	9		1		5				3
25,000 to 100,000.....	5	3	2	1	1	1				2

¹ See table 20, footnote 2.
² See table 20, footnote 1.
³ Sixteenth Census of United States: 1940, Preliminary Announcement of Population of Specified Cities of 25,000 or More in 1940, Nos. 1 through 19, Washington, June 8 through Sept. 21, 1940.
⁴ See table 22, footnote 4. ⁵ Contains 1 B city. ⁶ Contains 4 B cities.
⁷ Contains 5 B cities. ⁸ B cities. ⁹ Contains 3 B cities.

causes the standard of living for relief families to approach somewhat closer to the "emergency" level, and indeed it sometimes makes a substantial difference to the real income of the family. Reference to Table 20 will show, for example, that in one city in the Southeast region the general-relief allowance (excluding clothing and medical care), representing 48.0 percent of the "emergency" level budget, was raised to 67.3 percent by the addition of surplus commodities, while in another city in this region the increase was from 70.9 percent to 90.1 percent.

That the use of surplus commodities among the cities had the general effect of bringing the general-relief allowance closer to the "emergency" level also is indicated in Table 24.

Nineteen of the 46 cities for which 1940 cost-of-living data are available reported allowances under 60 percent of the "emergency" level, but the addition of surplus commodities to such allowances removed 8 cities from this class. Similarly, only 15 cities reported allowances representing over 70 percent of the "emergency" level, whereas the addition of surplus commodities raised this number to 27 cities.

Nevertheless, in 16 of the 46 cities for which 1940 cost-of-living figures are available, the total of the general-relief allowance for food plus surplus commodities (or blue stamps)²⁶ is less than the amount required for food alone at an "emergency" level of living. Still more striking is the fact that in 5 of these 16 cities, even when the value of the surplus commodities given is added to the total general-relief grant, the total still falls short of the amount that would be required for food alone on the basis of the "emergency" budget. In one city in the Northwest region, for example, the total grant is \$16, given as

a food allowance in the form of orange stamps. When the value of blue stamps issued is added to this, the total of \$24 is still \$3.12 less than the cost of food for the family at an "emergency" level. In another city in the Southeast region where \$17.33 in cash is given as the total grant, the value of surplus commodities available to the family through direct distribution is estimated at \$5.50. The total thus available to the family is \$22.83, or \$4.18 less than the cost of food in this city.

It is important to note that in many instances, even though the availability of surplus commodities increases the food consumption of relief families, it does not follow that the foods in the surplus category are those most needed by the family. This is particularly probable in the 17 cities which have only direct distribution. It is a less important factor in the 42 cities where the stamp plan is in operation. Finally, it would be a mistake to imply that the inadequacy of the total general-relief grant is overcome by the increased food consumption as indicated in Tables 20 and 21. So long as the total general-relief payment falls short of meeting the essential needs of families (other than for food) an addition to the family income which by nature is available only for increasing food consumption may contribute less toward increasing the sense of well-being of the family than a corresponding cash sum made available for other items.

The budget for an "emergency" level of living (excluding clothing and medical needs) in the 46 cities for which 1940 data is available allows between 37 percent and 47 percent of the total amount for food. *In 33 of the 46 cities, more than 50 percent of the general-relief grant is allocated for food. In 3 of these cities the food allowance accounts for the entire grant. It is evident that in such circumstances an addition to*

TABLE 24.—Proportion of cost of goods for "emergency" level of living represented by general-relief allowance and by general-relief allowance plus surplus commodities in 59 cities, October 1940¹

Percentage of "emergency" level of living	46 cities ²		13 cities ³	
	General-relief allowance	General-relief allowance plus surplus commodities	General-relief allowance	General-relief allowance plus surplus commodities
100-109.9.....		2		1
90-99.9.....		8	1	
80-89.9.....	6	8		
70-79.9.....	9	9		1
60-69.9.....	12	8	1	1
50-59.9.....	6	1	1	3
40-49.9.....	3	5	3	2
30-39.9.....	6	4	2	3
20-29.9.....	2	1	2	1
10-19.9.....	2		2	1
0-9.9.....			1	

¹ For definition of level of living and cost of goods, see appendix 15. For method of collecting general-relief data, see appendix 16.
² Cost-of-living data as of 1940. See table 20.
³ Cost-of-living data as of 1935. See table 21.

²⁶ See ch. IV for discussion of the food-stamp plan.

the food allowance may still leave other basic needs unprovided for.

This is the situation even in the two cities for which the total of the general-relief grant and surplus commodities exceeds the cost of the total emergency budget. In one of these cities (in the Northeast region) the relief grant of \$55.73 falls \$11.15 short of the "emergency" cost of living figure of \$66.88. The grant of \$55.73 includes a food allowance of \$28.38, which is \$1.44 more than the estimated cost of food at the "emergency" level. When the family purchases \$24 worth of orange stamps each month, an additional \$12 worth of blue stamps are issued free. This means that the family will receive \$36 worth of food during the month, an amount substantially in excess of the amount required for food at the "emergency" level (\$26.94). In view of the restrictive diet provided at the "emergency" level this is, of course, desirable. However, after the family has spent \$24 for food out of the total grant of \$55.73, only \$31.73 is left for the purchase of the other essentials of living (such as shelter, fuel, light, household supplies, furnishings and equipment, and transportation), whereas the amount required for the purchase of these other essentials at the emergency level is \$39.94. The relief allowance for these other items is therefore inadequate by \$8.21. The same situation exists in another city in the Northeast region where, after the purchase of orange stamps has been made, the amount available to the family for items other than food is inadequate by \$12.41, as measured by the cost of these other items at an "emergency" level of living.

Thus additional food, to the extent that it is given in stamps or in kind, may improve the diet of the family, but it cannot make up for other deficiencies in the total relief allowance. It is true that, when the food allowance is given in cash, any cash reserve over and above the amount required for the purchase of orange stamps can be used to reduce the deficit in the amount allowed for other items. But the availability of surplus food in cities where the general-relief allowance for food is given in kind (including relief orders or stamps) can in no measure offset the inadequacy of the total grant or purchase essentials not included in the grant. This is the case in the 26 cities where relief is given in kind, and in 11 of the 42 cities with the stamp plan where the entire food allowance is given in orange stamps. In one city in the Northeast region, for example, the cost of food at an "emergency" level of living is \$28.26. In this city families on general relief are given food through a commissary system and the estimated retail value of the food is \$25.74. The deficiency of \$2.52 in the food allowance is more than made up by the blue stamps

which are issued free to relief families in this city, in the amount of \$8.67. However, no part of this is available to the family to reduce the inadequacy of \$19.28 in the relief allowance for other items.

State-wide Studies of Relief Standards

In spite of the fact that the 59-cities study is limited to urban areas and to a family of a specified size and composition, it is believed that the results are indicative both of the inadequacy of general-relief payments in various parts of the country and of the great diversity in levels of living made possible by these payments. Since general relief is, for the most part, relatively more nearly adequate in cities than in other areas, and since large cities are heavily represented in this sample, the findings here given may even represent a comparatively favorable picture of the situation.

Information on a State-wide basis concerning the adequacy of general-relief grants in relation to some accepted measure of minimum subsistence is available for three States—Pennsylvania and Illinois in 1939 and Missouri in 1938. Data for 2,985 general-relief cases²⁷ in Missouri for October 1938 indicated that all but 3.9 percent of the cases received assistance which was insufficient to meet their budgetary deficiency, while more than two-thirds (69.5 percent) of the households received grants which met 50 percent or less of such needs and over one-third (34.6 percent) received relief which was 70 percent or more below the amount needed to meet the deficiency in the budget.²⁸ A still greater degree of inadequacy in meeting the minimum needs in these households is indicated by the fact that medical care was not budgeted, although a large proportion of the cases were in need of such services.²⁹ Furthermore, the study indicated that the size of the case varied directly with the inadequacy of the subsistence expenditures.³⁰

²⁷ Cases were selected at random and comprised approximately 10 percent of the total number of households receiving relief that month. All counties were represented proportionately in the sample obtained.

²⁸ "An adequate budget was planned for each household which represented the amount necessary to meet the family's needs on a minimum cost but adequate basis. The amounts allowed were derived from food, clothing, and household supply quantity schedules * * * based on the costs prevailing in different areas of the State. The quantity schedules for the standard budget were prepared by an experienced home economist who was also responsible for the preparation of the price schedules." (*Index of Public Assistance in Missouri* [State Social Security Commission of Missouri] II (April and May 1939), 131.)

²⁹ "Inadequacy of relief grants was measured by figuring the budgetary deficiency for each household on the basis of the minimum adequate budget. From the total amount of the adequate budget all resources available to the household were then deducted and the remainder constituted the budgetary deficiency." (*Ibid.*, p. 138.)

³⁰ "It is clearly evident that allowances for medical care were exceedingly important since it was indicated in the budgets figured that over three-fourths (77.9 percent) of the households urgently needed such allowances." (*Ibid.*, p. 133.)

³¹ "Only slightly more than one-fourth (26.4 percent) of the single-person cases had subsistence levels 30 percent or more inadequate,

A State-wide study of the combined general-assistance and aid-to-dependent-children caseload in Pennsylvania during 1939 showed that the State average for maximum monthly assistance allowances ranged from 93 percent (for 1-, 2-, and 3-person cases) to 76 percent (for 10-person cases) of the average monthly cost of purchasing minimum subsistence requirements.³¹ Findings for the State as a whole, however, obscure further variations which occur among localities.³² Furthermore, within the items of the budget there were variations in the degree to which the maximum monthly assistance allowance coincided with the average monthly cost of purchasing minimum subsistence requirements.³³

Like the Missouri study, the Pennsylvania survey showed that the inadequacy of the maximum assistance allowance varied directly with the size of the case.³⁴

while for three-person households this proportion was one-third (33.9 percent), and for households with eight or more it was two-thirds (67.4 percent)." (*Ibid.*, p. 136.)

For a more recent picture of relief needs in Missouri in terms of the effects upon people, see Missouri Association of Social Welfare, Special Committee on Relief, *Stones for Bread*, St. Louis, 1940. The report includes information not only about those persons receiving inadequate relief grants but also the employable persons for whom relief is not available. It is based upon a collection of studies made in both urban and rural sections of the State and is devoted in large measure to illustrative case studies.

³¹ For purposes of this study the budgetary level was defined "as a minimum subsistence level * * * which provides only for the minimum requirements of food, clothing (including clothing, upkeep, and personal care), shelter, fuel and light, and household supplies. * * * The minimum subsistence fails to provide for many items which would be included in any standard of living except 'minimum subsistence.'" (Commonwealth of Pennsylvania, Department of Public Assistance, *Current Living Costs as Related to Standards of Public Assistance in Pennsylvania*, Harrisburg, 1939, p. 1.)

"The assistance allowances with which average living costs are compared are maximum allowances. Where needs are less than the maximum allowance, the grant is limited to needs, but where needs exceed the maximum allowance, only the maximum allowance may be granted." (*Ibid.*, p. 5.)

³² "A county-by-county comparison of the proportion of average living costs which is provided by the maximum allowance with the proportion of the maximum allowance which is actually granted discloses that relatively high percentages of allowance to cost tend to be accompanied by relatively low percentages of grant to allowance. * * * For a one-person general assistance case the average (median) value for the percentage relationship of average grant to maximum allowance was 93 percent among counties in which the maximum allowance amounted to less than 90 percent of average living costs, 83 percent among counties in which the maximum allowance represented between 90 and 99 percent of average living costs, and only 79 percent among counties in which the maximum allowance equalled or exceeded average living costs * * * grants, maximum allowances, and average living costs for three- and four-person cases were related in a manner similar to those for one-person cases." (*Ibid.*, p. 9.)

³³ "A family of four persons dependent on general assistance may receive a total maximum assistance allowance which will cover 87 percent of the average cost of purchasing the total requirements for minimum subsistence. The four-person allowances for food and for fuel and light are sufficient to cover the average cost of minimum requirements for these items, but the allowances for the other budget items fall considerably short of average minimum costs. Percentage relationships of maximum allowances for individual budget items to minimum costs for these items are 101 percent for food, 71 percent for clothing (including clothing upkeep and personal care), 70 percent for shelter, and 104 percent for fuel and light. * * * (*Ibid.*, p. 6.)

³⁴ "With but few exceptions the maximum assistance allowance provides a smaller proportion of the average cost of the minimum subsistence

Although the costs of medical services and drugs were not included in the study, such services were provided to assistance recipients in Pennsylvania.

In Illinois a review of 139,304 general-relief cases during 1939 revealed a similar situation.³⁵ For the State as a whole the "operating budget"³⁶ represented only 67.9 percent of the "full estimate of needs";³⁷ in Illinois excluding Chicago the ratio was 86.3 percent; and in Chicago it was only 55 percent.³⁸ Unlike the situation in Missouri and Pennsylvania, the Illinois study indicated that there was less inadequacy of the operating budget in the large families than in the small. The State average for 1-person cases indicated that the operating budget met 67.9 percent of the full estimate of needs; and for cases with six or more persons the ratio was 71.5 percent.³⁹

A less detailed study in West Virginia in April 1938 indicated that the grant for general relief met only 57.3 percent of the budgetary deficiency.⁴⁰

The level of living permitted in these 4 States, therefore, falls short of the minimum standard of subsistence as defined in each State, although the degree of departure from the standard varies both from State to State and with the size of the family per case. It should be noted that in June 1940 both Pennsylvania and Illinois ranked among the 10 States with the highest average monthly general-relief grants per case, fourth and sixth respectively. (See Table 42.)

requirements as the size of family becomes larger. * * * In other words the maximum assistance allowance for a large family will buy a lesser proportion of the goods and services necessary to maintain a minimum subsistence standard than will the maximum allowance for a small family." (*Ibid.*, p. 6.)

³⁵ Cases included in the study were those receiving "full relief" (cases which have no income or resources other than that received from the local governmental relief authority), those receiving "partial relief" (cases receiving relief as a supplement to some source of income, other than WPA employment), and cases in which some member was employed by the WPA and such earnings were supplemented with relief. (Illinois Emergency Relief Commission, *Illinois Persons on Relief—1939*, Release No. 5, 1940, pp. 2, 5.)

³⁶ The operating budget was defined as "the total value of the itemized individual case needs which may have been modified from the budget standard because of a shortage in available funds. As in the full estimate of needs, the amount totaled is the full amount specified as the present budget in use regardless of the fact that a given case may be able to supply a portion of the needs by its own efforts." (*Ibid.*, p. 5.)

³⁷ Full estimate of needs was defined as "the total value of itemized individual case needs * * * based upon the local budget standard and in accordance with the amounts recognized by the relief authority as basic needs of persons residing in the community, consistent with local conditions and prices. These amounts totaled are the full amounts specified in the local budget regardless of the fact that a given case may be able to supply a portion of the needs by its own efforts." (*Ibid.*, p. 4.)

³⁸ "On the average, estimates of gross needs are higher in Chicago than in Illinois excluding Chicago, but operating budgets are lower than in Illinois excluding Chicago. Accordingly, there is a wide difference in ratios of operating budgets to full needs." (*Ibid.*, p. 2.)

³⁹ This may be explained by the fact that "there is a definite tendency for a larger proportion to have income as the size of case increases." (*Ibid.*, p. 3.)

⁴⁰ West Virginia, Department of Public Assistance, Division of Research and Statistics, *Aspects of Public Assistance Budgeting in West Virginia, 1938—39*, Charleston, 1938, table on general relief.

Relief Policies Affecting Adequacy of Payments

The presumption that the picture of levels of living presented by the 59-cities study is, if anything, unduly favorable is further strengthened by information concerning certain budgetary practices found rather commonly among general-relief agencies. *The policy of granting relief allowances that admittedly represent only a percentage of the budgetary needs as disclosed by investigation and the tendency in estimating needs to make no allowance for specified items (in particular, rent) are in themselves direct evidence of the inadequacy of the level of living permitted to those who depend on general relief.*

Use of percentage cuts.—In order to adjust limited available funds and general-relief needs, some agencies have resorted to the use of percentage cuts whereby a family is given only a fraction of its budget needs. This percentage is applied equally to all cases, so that the budgetary deficiency, regardless of its size or the size of the family, is cut in the same proportion. Variations in this practice have included the application of different percentages to different items in the budget. The percentage granted may range from 25 percent to 85 percent of the budgetary deficiency of the applicant.⁴¹ In some instances percentage cuts come as a result of State practice in prorating funds to the local units, which must in turn spread these funds as far as they will go among their relief clients.⁴²

⁴¹ For example, Muscogee County, Ga., reports: "If our funds would permit it, our policy would be to give the total amount of the budgetary deficit, but in view of the fact that the city and county support the general relief program, the funds are quite inadequate. At present families are being given general relief on the basis of 25 percent of the budgetary deficit. In cases of one and two [person] families, this amount is sometimes increased to 33 $\frac{1}{3}$ percent." (Letter to the National Resources Planning Board from the County Department of Public Welfare, Columbus, Ga.)

In Idaho, "at the present time, the State Department is participating financially in the direct relief program in 16 counties. Assistance in these counties is granted on the basis of 50 percent of the budget deficits. In most of the remaining counties in the State the same level of assistance is granted. In some, however, more than 50 percent of the budget deficit is being paid." (Letter to the National Resources Planning Board from the State Department of Public Welfare, Boise, Idaho.)

In Louisiana, it is reported that "in actual practice we allow 75 percent of the total needs. This is determined, first by computing 75 percent of the needs and subtracting any income from this figure. The grant is then based on the difference of the needs less income." (Letter to the National Resources Planning Board from the State Commissioner of Public Welfare, Baton Rouge, La.)

In South Carolina, "by a policy adopted by the State Board, not more than two-thirds of the budgetary deficit may be granted to a recipient. In actual practice, the average award is less than two-thirds of the average deficit." (Letter to the National Resources Planning Board from the Department of Public Welfare, Columbia, S. C.)

In Colorado, "for 2 years the Denver Bureau of Public Welfare has been paying to relief families only two-fifths, or 40 percent, of what they actually need to maintain a subsistence standard for health and normal living. There was a slight variation in February 1938, when 50 percent of the basic needs were met, and in November and December 1939, when only 35 percent of the budgets was paid." (Sinnock, Jean, and associates, *The Denver Relief Study, A Study of 304 General Relief Cases Known to the Denver Bureau of Public Welfare on January 15, 1940*,

Exclusion of clothing allowance.—Another means of reducing individual grants to spread available funds has been the exclusion of certain budget items in determining the amount of the relief grant.⁴³ It is not uncommon, for example, to find that clothing is excluded from the relief budget and that the WPA sewing rooms are the major, if not the sole, sources of clothing available to relief families.⁴⁴

Colorado State Department of Public Welfare and Denver Bureau of Public Welfare, p. 4.)

In Chicago, "at no time since September 3, 1938, have Chicago Relief Administration clients received the full amount of the relief budget. From September 3, 1938, to May 3, 1939, 85 percent of the budgets were granted; in May, 75 percent; in June, 80 percent; and from July 3 to November 5, 65 percent. Even the full relief budget provides regularly only for rent, fuel for heating and cooking, and food, and only minimum amounts for these items." (Council of Social Agencies of Chicago, *The Expenditures for August and September 1939, of 512 Families of the Chicago Relief Administration*, p. 3.)

In West Virginia, "the basis of need is measured by the same State standard budget used for determination of eligibility for categorical assistance but necessarily we cannot grant the same percentage for general relief since our funds will not permit." (Letter to the National Resources Planning Board from the State Department of Public Assistance, Charleston, W. Va.)

⁴² Thus in Arkansas it is reported that, "in regard to general-relief recipients, which matter has been left largely to the discretion of the County Department and the field supervisor, it is recommended that the total amount of money allotted to the county be divided by the total budget deficit of those persons to whom general relief payments are to be made and the resulting figure will establish a percentage which will be used to determine the amount of grant to the eligible general relief recipient.

"This payment should not be made in odd cents but should be made to the nearest half-dollar. For example: if a general-relief percentage basis of payment of 25 percent were adopted on the above out-lined basis and the person showed a budget deficit of \$21.37, his payment would be \$5.50. A small reserve should be kept on hand in order that emergency situations may be dealt with." (Arkansas, Department of Public Welfare, *Budget Planning for Applicants and Recipients*, Bulletin DPW-25 Revised, Little Rock, May 18, 1940, pp. 2-3.)

In Oklahoma grants are limited in practice by making a "pro rata share of funds available from current collections of earmarked taxes, computed on basis of ratio between such funds and total of individual grants approved." (Letter to the National Resources Planning Board from the State Board of Public Welfare, Oklahoma City, Okla.)

⁴³ A study of relief levels of the April 1939 caseload of the Louisville, Ky., Bureau of Social Service shows that "although this study was postulated on the premise that only budget items essential for the maintenance of normal living standards of health and decency would be included for consideration, it was found no provision was being made from relief funds for a number of these budget items, including coal oil for cooking and lighting, the payment of water bills, household supplies, ice, carfare, insurance, taxes, personal needs, school supplies, property upkeep, and other miscellaneous items.

"The inability of the agency to include such items in the relief budget or to make some other provision for them was found to result in a portion of the relief allocations made for food being used to supply many of these items, thus increasing the deprivation of essential dietary needs." (City of Louisville, Ky., Department of Public Welfare, *Annual Report of the Department of Public Welfare, Fiscal Year ended August 31, 1939*, p. 26.)

In Toledo, Ohio, since December 1939, relief has been denied when the total income of the applicant is sufficient to meet food, rent, and fuel requirements. (Letter to the National Resources Planning Board from Division of Poor Relief, City of Toledo.)

In Missouri, "approximately 7 out of every 10 grants were from 50 to 100 percent inadequate to meet the basic needs as determined by planned budgets." There was no allowance at all in the budget for medical care, "although it was clearly evident that ill health was one of the outstanding characteristics of this dependent population." (State Social Security Commission of Missouri, *Aiding Needy Persons in Missouri*, Jefferson City, 1939, pp. 100-101.)

⁴⁴ See appendix 16.

Exclusion of rent allowance.—While information on a Nation-wide basis concerning the policies and practices of general-relief agencies regarding the payment of rent is not available, in many sections of the country allowance for rent is not made as a general rule and in some instances is not made at all.⁴⁵ An important factor has been the lack of shelter standards for the guidance of relief agencies. In the absence of such standards, rent allowance policies are usually based upon the financial condition of the agency and change with fluctuations in the amount of funds which the agency has available for general relief.⁴⁶ Where allowance for rent is made, the methods used in determining the amount per case show much variation, including the setting of a maximum amount, the granting of a percentage of the rent item in the relief budget, and a consideration of the amount previously paid by the applicant.⁴⁷ The result of these practices has been to force some families to divert

⁴⁵ "The shelter needs of families receiving assistance frequently are one of the last needs to be provided when funds are limited. There are some communities which have never made provision for shelter in the payments to relief and public assistance recipients." (United States Housing Authority and Social Security Board, *Housing and Welfare*, Washington, 1940, p. 7.)

"Reports from various States show that great hardships are being worked on many families because of the agency's policy to allow for only certain budgetary items. Frequently no regular allowance is made for rent. Families on relief are subject to frequent eviction in many communities." (*Ibid.*, p. 11.)

A study of rent costs in 26 cities made by the United States Conference of Mayors in 1939 showed that in 18 cities reporting such data, \$55,814,231 was expended for general relief during the period January 1, 1939–September 1, 1939, of which \$15,550,963 or 27.9 percent was for rent. (United States Conference of Mayors, *The Rent Cost for Relief Families*, Report No. 187, Washington, 1940, p. 5.)

⁴⁶ *Ibid.*, p. 3. The Conference of Mayors' study showed that one city had changed its rent policy ten times since January 1, 1936, and that "these changes are largely determined by lack of funds."

⁴⁷ *Ibid.*, p. 4. The survey also showed that the method used by the 23 reporting cities in determining the amount of rent varied considerably. Seven used only the amount as paid by the applicant, while 5 cities used the amount of rent paid in conjunction with other criteria. Only 1 used the cost necessary to meet an established standard of housing, and this use was in conjunction with other criteria. One city depended solely on an arbitrarily set amount, while 2 used exclusively funds within a fixed maximum in determining the amount of rent to be included in the relief grant. In 1 city the sole determinant was the size of the family, while 9 used the size of the family in conjunction with other methods. In 4 cities the number of rooms was taken into account together with other criteria, while in 8 the type of housing was considered in connection with other determinants. In only 1 city the rent item was based on a percentage of the assessed value of the dwelling to be occupied. All together 11 cities used several factors in combination to determine the amount of rent to be included in the relief grant, and 12 depended on a single criterion.

"One of the large Eastern states set this [rent] maximum at \$9.75 a month. In other cases arbitrary cuts in budgets have been made so that clients are tempted to use their money for food and have nothing left for the payment of rent." (Glassberg, Benjamin, *How Can a Department of Assistance Secure Improved Housing for Client Families?*, National Association of Housing Officials, Publication No. N126, Chicago, 1940, p. 2.)

"The Chicago Relief Administration at present (May 1939) allows 75 percent of the amount budgeted for housing. At other times, depending upon availability of funds, the allowance has varied from 20 to 85 percent of the amount budgeted." (Public Administration Service, *Housing and Welfare Officials Confer*, Publication No. 67, Chicago, 1939, p. 10.)

money intended for food to pay rent, in order to avoid eviction.⁴⁸ Restrictions as to the types of families for whom relief agencies provide rent are also not uncommon. Some agencies, for example, provide rent for unemployable families but do not include this item in the budget for employable cases.⁴⁹

Home owners who are receiving relief face a special problem since some agencies have been reluctant to assist such families in meeting financial obligations in connection with home ownership.⁵⁰ Some adjustments, however, have been made to meet the needs of this group.

No calculation of budgets.—Finally in some areas budgets are not even calculated. This situation often

⁴⁸ A study made in Chicago in 1939 revealed that "89 percent of the families [included in the sample] paid all or part of their rent. Three percent of the families lived with relatives and were not budgeted for this expense. Not only did 82 percent pay more for rent than the amount allowed, but 64 percent paid more than half again the amount allocated for this purpose. The effects of living on a curtailed allowance for a long period are evident in the fact that 53 percent owed rent for the month of the study or previous months, 14 percent owing for more than 3 months. That such a large percentage of the families studied were paying rents in the face of drastic cuts in the relief budgets reflects the fear of eviction which was repeatedly stated to the interviewers. Apparently this fear is more pressing than the fear of malnutrition with its subsequent ill effects." (Council of Social Agencies of Chicago, *op. cit.*, p. 4.)

"In Pittsburgh, families usually pay 50 percent more for rent than they are allowed; they subtract the amount from some other item allowed in the budget, try to make it up by earning a little money on the side, or skip rent payments for 1 or 2 months of the year." (Public Administration Service, *op. cit.*, p. 10.)

⁴⁹ For example, in the City of Cincinnati, in 1939 "where investigation has proven a family unemployable and without income, we are consistent in our payments of this * * * In cases classified as employable the workers, in discussing relief on the first home visit, are advised to inform the client that relief is temporary, and because they are employable we expect them to take care of certain items, such as rent and gas and electricity. Any earnings or partial income we suggest be applied on these two items." (City of Cincinnati, Ohio, Division of Public Relief, *Housing for Relief Families*, unpagged.)

In the Conference of Mayors' study, although no uniformity in policy was found, it was noted that there was a tendency "to include the rent item only for permanently unemployable families, in case of emergency, eviction, extreme illness or in cases where the housing conditions are so bad that the situation is acute." (Public Administration Service, *op. cit.*, p. 2.)

A report of the Illinois Emergency Relief Commission on the budgetary standards and practices in Illinois as of October 1938 showed that, in 101 local relief units in the State, shelter was budgeted regularly without restriction as to type of case by 19 units; irregularly without restriction as to type of case, by 53 units; in unemployable cases only, in 8 units; and in income cases only, by 8 units. It was not budgeted by 13 units. (Illinois Emergency Relief Commission, *Budgetary Standards and Practices in Illinois during October 1938*, 1939, p. 16.)

⁵⁰ "The Wisconsin poor laws as interpreted by the Corporation Counsel made it impossible in the past to help the home owner who was in distress. The Department constantly emphasized the necessity for a modification of the statutes. The 1937 and 1939 legislatures finally amended the laws to permit payment of interest on mortgages and taxes where there was danger of foreclosure. Although the principal is not being reduced, the client is not faced with an accumulation of tax and interest delinquency when he is eventually able to support himself. (Glassberg, *op. cit.*, p. 7.)

"In New Orleans it is the policy to make no allowance for payments on the principal of indebtedness but to make provision for interest payments, taxes, carrying charges, and property upkeep. Home owners and farm owners have received assistance through the refinancing programs of the Home Owners' Loan Corporation and the Farm Credit Administration." (Public Administration Service, *op. cit.*, p. 10.)

occurs where the amount of relief funds is so limited that the agency cannot attempt to meet even the minimum budget needs of its clients.⁵¹

Special Public Assistances

The adequacy of the provision for groups which are covered by the special public-assistance programs is influenced by a number of factors, among which are the standard of assistance which the State is financially able and willing to support, the cost and standard of living, the degree of urbanization, the size of the family, budgetary practices, community prejudices and attitudes, administrative practices with regard to supplementation, and statutory limitations upon the maximum amount to be paid individuals. Other relevant factors include the extent of services rendered recipients by other agencies, the stage of the development of programs under the State law at the time Federal funds became available, differences in the extent of Federal financial participation in the various programs, and finally the State's policy relating to the establishment of need as a condition of eligibility.

Effects of Federal Stipulations

The Social Security Act states expressly that special assistance allowances to which the Federal Government contributes must be made on the basis of need and that, effective July 1, 1941, the State agency must take into consideration in determining need any other income and resources of an individual granted assistance. The Act leaves to each State the definition of exactly what is meant by "need." Since no uniform standard of need is demanded, interpretations and definitions vary from State to State and, within a large number of States, from program to program and from county to county. However in most States "monthly payments for aid to dependent children, as well as for old-age assistance and aid to the blind, are determined by the application of the budget-deficit principle or some adaptation" thereof.⁵²

⁵¹ For example, in Douglas County, Missouri, "at the time of this study (1938), although relief funds were inadequate, the policy was to give all the families in need a small grant rather than give a larger grant to a few. Budgets were not calculated, because the deficiency was so great, and because there were no resources available to meet the actual need. The average relief grant was approximately \$5.10 per family per month." (Missouri Association for Social Welfare, *op. cit.*, p. 54.)

In McLennan County, Tex., "because of the small amount of money available, there has been no attempt to budget family needs for food, shelter, clothing, fuel, household equipment, etc. Instead cash grants and milk benefits combined have averaged only \$2.36 per person per month, for the comparatively small number given anything beyond surplus commodities." (American Public Welfare Association, *What Is Happening to People in McLennan County, Texas*, Chicago, 1940 ms., p. I-1.)

⁵² Social Security Board, *Social Security Yearbook, 1939*, Washington, 1940, pp. 211-12.

The Federal Act stipulates that payments to special-assistance recipients must be money payments to needy individuals. Hence, for "old-age assistance and aid to the blind the recipient is ordinarily an individual, though in some instances a single payment is made for two or more persons, each of whom is eligible for assistance. For aid to dependent children the average payment represents the assistance given to a family in behalf of one or more dependent children."⁵³

State maximum payments.—The fact that the Social Security Act set a maximum to the amount of the payment which the Federal Government will match has had one unfortunate repercussion. For, although the objective of the laws has been to provide aid necessary to meet the needs of the applicant, *many States have written into their laws maximum limits above which no payment can be made, however great the demonstrated need of the applicant.* As of July 1, 1940, only 9 States had no legal maximum for old-age assistance, only 9 had none for aid to the blind, and 17 States and Hawaii had none for aid to dependent children, as shown in the following tabulation:⁵⁴

State maximum limitation	Old-age assistance	Aid to dependent children	Aid to the blind
	Number of jurisdictions		
No limitation.....	9	18	9
State maximum less than Federal maximum.....	32	3	24
State maximum equal to Federal maximum.....	8	16	8
State maximum higher than Federal maximum.....	2	3	2
All approved State plans.....	51	42	43

⁵³ This total includes New Jersey, where the maximum granted may not exceed the cost of care in an approved child-caring institution, and Pennsylvania, where the maximum grant may not exceed the total allowance determined by a standard schedule established by the State Department of Public Assistance.

On the other hand, *legal minimum payments are much rarer*, as the following tabulation indicates:⁵⁵

State minimum limitation	Old-age assistance	Aid to dependent children	Aid to the blind
	Number of jurisdictions		
No limitation.....	41	37	38
State specified flat limitation.....	7	4	4
State limitation specified as varying with applicants' income.....	3	1	1
All approved State plans.....	51	42	43

⁵⁴ *Fifth Annual Report of the Social Security Board, 1940*, Washington, 1941, p. 109.

⁵⁵ Compiled from Social Security Board, Bureau of Public Assistance, *Characteristics of State Plans for Old-Age Assistance; Characteristics of State Plans for Aid to the Blind; Characteristics of State Plans for Aid to Dependent Children, Revised July 1, 1940*, Publications Nos. 16, 17, and 18, Washington, 1940.

⁵⁶ Compiled from Social Security Board, Bureau of Public Assistance, *op. cit.*

The minimum sum is usually very low. In all three assistances the specified flat minimums ranged from \$2 to \$5 per month.

The influence of legal maximums is clearly evident in the distribution patterns of payments within the States. Thus abrupt termination of the size of old-age assistance payments at fixed upper levels was a characteristic in many States during 1938-39 and affected much larger numbers of recipients than did fixed minimums.⁵⁶ "The States showing the widest range in amounts approved had neither maximums nor minimums for assistance payments." Furthermore, in the same year "larger proportions of payments of the maximum amount were approved in States which had maximums of \$30 or more than in States which had set lower limits."⁵⁷

State payments and the Federal maximum.—One of the major purposes of the special-assistance provisions of the Social Security Act was to raise the level of payments and to attempt to eliminate the wide discrepancies and inadequacies of payments within States, and to a certain degree between States, by providing an additional governmental participant in the financing of the programs. Immediately following the passage of the Act, the average payments made to recipients showed an appreciable increase, while later increases were more gradual. "Increases over pre-social security averages have been by no means commensurate with the additional facilities for financing payments which were placed at the disposal of the States by the matching provisions of the Act."⁵⁸

The maximum jointly financed sum stated in the Social Security Act admittedly cannot be regarded as a minimum standard of what would be regarded as adequate, inasmuch as it is uniformly applicable in all States, regardless of differences in living costs, and no reference is made to the extent of the private resources likely to be possessed by applicants. With respect to aid to dependent children, it was found in Pennsylvania in 1939 that the total maximum monthly assistance allowance for one person would provide 93 percent of the average monthly cost of purchasing the minimum subsistence requirements. On the other hand, the maximum of \$30 a month which is allowed recipients of old-age assistance set a standard considerably above the level of the standard for general assistance and aid to dependent children. A recipient of old-age assistance might receive a total maximum monthly assistance al-

lowance equal to 151 percent of the average monthly cost of the minimum subsistence requirements (\$19.85).⁵⁹

Whether or not the \$30 or \$40 maximum indicates that the Federal Government sought to establish a level of living for special-assistance recipients throughout the country, the majority of the grants made under old-age assistance and aid to the blind in 1938-39 were for less than the prevailing federally aided maximum sum of \$30 a month.⁶⁰ Thus 84.6 percent of the recipients approved for old-age assistance grants during this period received less than the Federal maximum, 7.4 percent received the same as the Federal maximum, and 8.0 percent received more than the maximum. Similarly, 73.8 percent of the recipients of aid to the blind received less than the maximum, 9.8 percent received the same as the maximum, and 16.4 percent received more than the maximum. Of families receiving aid to dependent children, however, 49.9 percent received less than the maximum, 14.2 percent received the same as the maximum, and 35.9 percent received more than the federally aided maximum.⁶¹

Differences between States and programs.—These national averages conceal a considerable degree of diversity among States. Thus for old-age assistance 90 percent or more of the grants in each of 33 jurisdictions⁶² were less than the federally aided maximum. Only Colorado with 86.6 percent and California with 67.3 percent of payments in excess of the Federal maximum were outstanding by making a large percentage of payments which exceeded in amount the Federal maximum. Nine other jurisdictions⁶³ made a smaller percentage of their total payments in excess of the Federal maximum.

For aid to the blind, 90 percent or more of the grants in each of 12 states⁶⁴ were approved for amounts less than the federally aided maximum, and only nine States⁶⁵ approved even a small percentage of their applications for more than the maximum. California approved 94.1 percent of its accepted applications for

⁵⁶ Commonwealth of Pennsylvania, Department of Public Assistance, *op. cit.*, p. 11, tables I and II.

⁵⁷ Social Security Board, Bureau of Research and Statistics, *Social Data on Recipients of Public Assistance Accepted in 1938-39*, Bureau Memorandum No. 42, Washington, pt. 1, 1939, p. 6, table 6; pt. 3, 1940, p. 6, table 6.

⁵⁸ *Ibid.*, pt. 2, 1939, p. 5, table 5.

⁵⁹ Arkansas, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, and West Virginia.

⁶⁰ Massachusetts, New York, District of Columbia, Alabama, Kansas, Louisiana, New Mexico, Utah, Alaska. The percentages vary from 0.3 to 29.5 percent.

⁶¹ New Jersey, Virginia, West Virginia, Indiana, Florida, Georgia, Mississippi, South Carolina, Tennessee, Nebraska, Oklahoma, and Louisiana.

⁶² New York, New Jersey, Michigan, Alabama, Minnesota, Kansas, Louisiana, California, and Washington. The percentages ranged from 0.3 to 94.1.

⁵⁶ *Social Security Bulletin*, IV (January 1941), 12.

⁵⁷ *Ibid.*, p. 13. "In each of the 7 States with maximums of \$15, \$20, or \$25, however, less than 5 percent of the initial payments were at these State maximums."

⁵⁸ Wyatt, Birchard E. and Wandel, William H., *The Social Security Act in Operation*, Washington, Graphic Arts Press, 1937, p. 293.

grants for an amount which exceeded the federally aided maximum.

In each of seven States⁶⁶ 90 percent or more of the total number of payments made to families in behalf of dependent children were for less than the amount of the Federal maximum. Some payments in 24 States exceeded the Federal maximum.⁶⁷

Adequacy of Assistance Payments

While these distributions indicate the extent to which the States have failed to take full advantage of the opportunity to utilize the Federal grant for increasing the general level of payments, no direct inferences can be drawn as to the level of living which these payments permitted because of the almost complete lack of information concerning the private resources possessed by the recipients. Scattered studies conducted in the past few years in various States give some slight indication of the adequacy of special-assistance grants. A study made in West Virginia for the month of April 1938 showed that the budgetary deficiencies of old-age assistance recipients were met to the extent of 90.9 percent; of recipients of aid to the blind, 92.8 percent; and of recipients of aid to dependent children, 85.1 percent.⁶⁸

⁶⁶ North Carolina, Virginia, West Virginia, South Carolina, Tennessee, Arkansas, and Oklahoma.

⁶⁷ Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New York, New Jersey, Pennsylvania, District of Columbia, Virginia, Michigan, Ohio, Indiana, Wisconsin, Alabama, Georgia, Minnesota, Kansas, Louisiana, New Mexico, Utah, California, Oregon, and Hawaii. Percentages of payments which exceeded the federally aided maximum varied from 0.1 in Virginia and Georgia to 89.6 in New York.

⁶⁸ West Virginia, Department of Public Assistance, *op. cit.*, p. 12.

Certain studies made by the Social Security Board have significance for a discussion of adequacy although the number of cases is small. In 1939, data with respect to assistance plans in Louisiana were obtained from 147 active case records distributed among the three assistances. Wide variation was shown between the expense for food included in the assistance plans, which are intended to reflect the standards of the particular family's living, and the food cost indicated by the budget guide, determined by the prevailing costs of quantity-quality standards. The tendency suggested by the data was to give a larger percentage of the amount in the food-cost guide to old-age assistance recipients than to recipients of aid to dependent children. (From information made available by the Bureau of Public Assistance, Social Security Board.)

A sample study of aid-to-dependent-children cases conducted in five States during 1940 showed that, of 492 cases, 50 percent of the families had resources less than adequate for their estimated needs. For Arizona this was true of 81 percent of the families; for Indiana, 76 percent; for Minnesota, 15 percent; for Washington, 29 percent; and for Florida, 38 percent. (Data supplied by the Division of Administrative Surveys, Bureau of Public Assistance, Social Security Board.)

A study of the aid-to-the-blind program in North Carolina conducted by the Division of Administrative Surveys of the Social Security Board in July and August 1940 showed that, of a total of 248 recipients, 141 (61 percent) had an income, including the assistance payment, equal to or greater than the estimated cost of requirements; 92 (40 percent) had income less than the estimated cost of requirements. In 15 instances data were not available. (*Ibid.*)

During 1940-41, studies in Tennessee showed that, for the State as a whole, old-age assistance grants, when added to the recipient's income, were sufficient to meet 73.5 of the total budgetary needs. For aid to dependent children, the percentage of need being met was 67.5; for aid to the blind, 70.2. (Stone, B. Douglas, "Four Years of Public Assistance in Tennessee," *The Tennessee Planner* [Tennessee State Planning Commission], II (September-October 1941), 240.)

While direct studies of the adequacy of payments to meet the needs of recipients are relatively few, other considerations suggest that for many of the recipients the payments made are probably inadequate. The Social Security Board has drawn attention to the relatively low level of special-assistance payments and to the wide range of variation among the States:

Average payments for old-age assistance for June 1940 ranged from \$7.57 per recipient in Arkansas to \$37.95 in California. Colorado (where the figure for June was \$33.75) and California were the only States in which the average payment exceeded \$30 a month. The average was less than \$10 in 7 of the 51 jurisdictions; from \$10 to \$19 in 18; and from \$20 to \$29 in 24. The average for all 51 participating jurisdictions combined was \$20.11.

Average monthly payments for aid to the blind for June 1940 ranged from \$7.95 in Mississippi to \$48.02 in California, with an average of \$23.65 for all jurisdictions operating under federally approved plans. The median of the averages of the 43 participating jurisdictions was \$21.64. Average payments of less than \$10 were made for that month by 3 jurisdictions; while in 13, the average was from \$10 to \$19; in 25, from \$20 to \$29; and only in California and Washington did it exceed \$30.

For June 1940 payments to families under approved plans for aid to dependent children ranged from \$12 a month in Arkansas to \$58.58 in Massachusetts. The average was less than \$20 in 6 jurisdictions; from \$20 to \$29 in 11; from \$30 to \$39 in 19; and \$40 or more in 6. Increases from the average for June 1939 were recorded for 33 jurisdictions, while for 9 there were decreases. For June 1940 the average monthly payment for all participating jurisdictions combined was \$32.11. The median of the averages for these 42 jurisdictions administering Federal funds under the Social Security Act was \$31.15.⁶⁹

It is known that in certain States the payments are adjusted to the amount of funds available by the system of percentage cuts described in the analysis of general-relief payments.⁷⁰

State assistance payments are frequently shared payments, which reduce the actual amount of assistance per person accepted below the amount reported per recipient. These shared payments are of three types. In old-age assistance a joint payment may be made for two eligible persons in the same household, usually a husband and wife.⁷¹ Similarly, in making assistance

⁶⁹ *Fifth Annual Report of the Social Security Board, 1940*, pp. 108-09. These averages include "obligations incurred for money payments, assistance in kind, medical care, hospitalization, and burials; costs of administration are excluded."

⁷⁰ In regard to old-age assistance, it is known that "some State legislatures and State agencies have specified the method of determining the amounts of the individual payments when funds appropriated or available are insufficient to meet the full amounts needed by recipients under the established standards. A frequent practice under such circumstances has been to make payments in the same ratio to individual budget deficits as total funds available for assistance bear to total budget deficits in the administrative unit." (*Social Security Bulletin*, IV (January 1941), 11.)

⁷¹ During 1938-39 joint payments were made in 14 States. They accounted for at least one-fifth of all initial payments in Arkansas, Kansas, Louisiana, and New Mexico. (*Ibid.*, p. 16.)

plans for recipients of old-age assistance, especially when they are heads of families, many agencies compute requirements on a family basis, and within the limits set by maximum grants and available funds there is a certain amount of sharing of old-age assistance with dependents. Again, old-age assistance payments may in fact be shared with dependents when an agency makes no provision for the requirements of dependents and when other forms of assistance are not available.⁷²

Receipt of Surplus Commodities Only

The effect of supplementing surplus commodities in raising the level of general-relief payments has been discussed above. However, as indicated in Chapter VI, for thousands of needy people surplus commodities are the only form of public aid available.

Obviously, families whose only form of public aid is surplus commodities are apt to be living below the emergency level, because the commodities distributed can provide at best for the food requirements of the family and can make no contribution toward the other items in the family budget. The extent to which the commodities meet the nutritional needs of these cases might be indicated by an examination of food commodities available.⁷³ A fairly good variety of foodstuffs is available, both through direct distribution and the stamp plan. The types of commodities available under the bulk distribution plan are not, however, uniform in all

⁷² *Ibid.*, p. 17.

⁷³ According to the Surplus Marketing Administration, food commodities available for direct distribution during October 1940 were: butter, dry skimmed milk and evaporated milk, cheese, eggs, whole wheat cereal, rolled oats, corn grits and corn meal, graham and white flour, rice, apples, oranges, dried and canned peaches, fresh and dried peas, fresh and dried prunes, raisins, dried beans, beets, cabbage, carrots, onions, Irish potatoes, tomatoes, smoked pork, salt pork, and lard. In addition, a small quantity of the following were distributed in some States: grapefruit juice, canned loganberries, fresh peaches, fresh string beans, celery, fresh corn, fresh fish, and herring.

Food commodities available through the stamp plan during October 1940, according to the Surplus Marketing Administration, were butter, eggs, graham and white flour, rice, hominy grits and corn meal, dry beans, Irish potatoes, dried prunes, raisins, apples, oranges, pears, lard, and pork. In addition, the following were distributed in some States: fresh snap beans, beets, cabbage, carrots, celery, cauliflower, and tomatoes.

"For the two lists in effect during the period from July 16 to December 15, 1939, approximately one-fourth of the total blue stamps were exchanged for butter and another fourth for eggs. Cereal products (flour, corn meal, rice) accounted for 10 to 17 percent of the blue stamps. From July 16 to September 30 when a relatively large number of fruits and vegetables were on the list, they obtained about one-third of the blue stamp business. From October 1 to December 15, apples and pears were the only fresh fruits on the list. They received 9 percent of the expenditures * * *." (U. S. Department of Agriculture, Bureau of Agricultural Economics and the Surplus Marketing Administration, *Economic Analysis of the Food Stamp Plan*, Washington, 1940, pp. 34-35.)

"Outstanding are the blue-stamp sales of fruits, both fresh and dried. They run several times as high as average consumption in almost every instance. This is a matter of interest from the viewpoint of nutrition as well as of agricultural economics, since fruits in general provide valuable nutritive elements all too often insufficiently supplied in the diets of low-income families." (*Ibid.*, p. 37.)

parts of the country, since their distribution is markedly affected by the storage and distribution facilities of the local relief agencies.⁷⁴ This may in part account for such a situation as that in April 1939 in 222 Texas counties where the surplus commodities available to each of about 53,000 recipients of surplus commodities only consisted of: 3 pounds of dried beans, 3 pounds of butter, 24½ pounds of white flour, and 25 pounds of grapefruit.⁷⁵

Federal Work Programs ⁷⁶

The provision of an income adequate for subsistence needs has been one of the stated aims of the Work Projects Administration.⁷⁷ The level of living available to project workers has, however, been determined primarily by the monthly security payments, rather than directly related to the needs of the individual or the family. The level of living afforded cannot be solely determined by the amount of the publicly provided payments for it will also be affected by the other resources possessed by the project worker or his family, the extent of concurrent outside income, and the size of the family unit dependent upon the security wage.

Earnings from the WPA Security Wage

The amount of the WPA payments has been conditioned by the dual objective of the security wage, which was to be "larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment * * *"⁷⁸ This policy was at the outset limited by certain factors, the most important of

⁷⁴ Some States receive large quantities of perishables, while others receive only small quantities. Many of the Southern States lack cold-storage facilities and as a result receive a larger proportion of non-perishable products, particularly cereals. An example of what a State or locality loses by not having the proper facilities to handle perishable commodities is afforded by San Antonio, Tex., in 1939: "Carloads of butter worth \$6,000 each have been forfeited to other communities because of the city's refusal to produce \$200 to store their contents. Cars of eggs worth \$2,500 each have been moved on because of the lack of \$40 for storage." ("The Social Front: Economy," *Survey Monthly*, LXXV (December 1939), 379.)

⁷⁵ Texas Social Welfare Association, *Report on Basic Social Needs*, May 1, 1940, ms., p. 10.

⁷⁶ This section will be devoted to the WPA. The other two work programs operating in 1940—the CCC and the NYA—are more conveniently treated in ch. IX.

⁷⁷ "The security wage policy * * * is intended to provide a regular monthly income sufficient to meet minimum needs in the community where the workers are employed." (*Work Relief and Public Works Appropriation Act of 1938*, Hearings before the Committee on Appropriations, United States Senate, 75th Cong., 3d sess., Washington, 1938, p. 136.)

Section 12 of Administrative Order No. 65, July 11, 1938, provided that "for the purpose of certification, need shall be said to exist when the resources of the family or of the unattached individual are insufficient to provide a reasonable subsistence compatible with decency and health."

⁷⁸ Roosevelt, Franklin D., *Address Delivered before a Joint Session of the Two Houses of Congress, January 4, 1935*, 74th Cong., 1st sess., House Document No. 1, Washington, 1935, p. 6.

which were the limitation on funds and the existing regional differences in levels of living. Administrator Hopkins explained that in arriving at the security wage, the agency "took into consideration the cost of living on the minimum basis, former relief benefits paid in the different communities, and wage-rate data."⁷⁹ The average yearly security payment of \$600 "was determined in large measure by fiscal considerations."⁸⁰ WPA payments have, on the whole, been higher than general-relief benefits and lower than earnings in private industry in the locality, although difficulties have arisen because of the low levels of living in the southern regions and less-than-subsistence pay in certain private jobs.⁸¹

The original range in monthly assigned payments was from \$19 (for unskilled workers in rural areas in the southern region) to \$94 (for urban professional and technical workers in the northern region). Subsequent revisions of the wage scale have narrowed the range in earnings; since September 1, 1939, the range has been from \$31.20 to \$94.90. Unskilled rates range from \$31.20 to \$57.20.⁸² (See Table 25.) Because two-thirds or more of all project workers are assigned to the unskilled wage class, a significant proportion of workers have been limited to maximum earnings of about \$50 per month.⁸³ Assigned full-time earnings were under \$60 a month for 79 percent of all WPA

⁷⁹ *First Deficiency Appropriation Bill for 1936*, Hearings Before the Subcommittee of the Committee on Appropriations, United States Senate, 74th Cong., 2d sess., Washington, 1936, p. 63.

⁸⁰ Burns, Arthur Edward, and Kerr, Peyton, "Survey of Work-Relief Wage Policies," *American Economic Review*, XXVII (December 1937), 720, footnote.

⁸¹ In June 1937, Administrator Hopkins stated that: "Of course, I think our wage scale is not based as much on the cost of living as it is on the standard of living. For instance, our figures show that it costs as much for a worker to live in Washington as it does in New York * * *." (*Emergency Relief Appropriation*, Hearings before the Committee on Appropriations, United States Senate, 75th Cong., 1st sess., Washington, 1937, p. 81.) This problem is further discussed in ch. XII below.

⁸² On November 1, 1941 the wages of WPA project workers were increased to offset part of the rise in the cost of living. The scheduled monthly earnings of professional and technical project employees were increased \$3.90 a month, and those of other project workers were increased \$5.20 a month. These increases do not apply to employees authorized to work more than 130 hours a month. (General Order No. 4, amendment No. 1, approved October 15, 1941.)

The cost of living, as measured by the Bureau of Labor Statistics, rose about 10.2 percent between September 1, 1939 (the date of the last previous revision of WPA project wages) and November 1, 1941. The average increase in WPA wages as of the latter date amounted to 6.5 percent. (Information from the Division of Research and Statistics, Work Projects Administration.)

⁸³ The proportion of workers in the unskilled wage class ranged from 63 to 73 percent in the 4 years between June 1936 and June 1940. (*Report on Progress of the WPA Program, June 30, 1940*, Washington, p. 48, table 16.) In the week ending December 27, 1939, two fifths (40.7 percent) of the workers were assigned to wage groups where the maximum potential earnings were less than \$50 a month, and in the week ending June 26, 1940, more than one-third (34.7 percent) were in this group. (Computed from *Work Relief and Relief for Fiscal Year 1941*, p. 729, table 67, and data supplied by the Division of Statistics, Work Projects Administration.)

workers in 1939, and for 73 percent in 1940. (See Table 26.) They averaged \$57.50 during the fiscal year 1940.⁸⁴

TABLE 25.—Schedule of monthly earnings on WPA projects, effective September 1, 1939

Counties in which the 1930 population of the largest municipality was—	Wage class				
	Unskilled "B"	Unskilled "A"	Intermediate	Skilled	Professional and technical
	Wage region I ¹				
100,000 and over ¹	\$52.00	\$57.20	\$68.90	\$89.70	\$94.90
25,000 to 100,000.....	48.10	52.00	62.40	81.90	84.50
5,000 to 25,000.....	42.90	48.10	57.20	74.10	76.70
Under 5,000.....	39.00	42.90	52.00	67.60	68.90
	Wage region II ²				
100,000 and over ¹	52.00	57.20	68.90	89.70	94.90
25,000 to 100,000.....	48.10	52.00	62.40	81.90	84.50
5,000 to 25,000.....	46.80	50.70	61.10	79.30	81.90
Under 5,000.....	44.20	49.40	59.80	76.70	78.00
	Wage region III ³				
100,000 and over ¹	46.80	50.70	61.10	79.30	81.90
25,000 to 100,000.....	42.90	48.10	57.20	74.10	75.40
5,000 to 25,000.....	36.40	40.30	48.10	62.40	65.00
Under 5,000.....	31.20	35.10	42.90	54.60	55.90

¹ The schedule of monthly earnings applicable to counties in which the 1930 population of the largest municipality was 100,000 or more is applicable to the entire area included within the following metropolitan districts, as such districts are defined by the Fifteenth Census of the United States, 1930: Baltimore; Boston; Buffalo-Niagara; Chicago; Cincinnati; Cleveland; Detroit; Kansas City, Kans.; Kansas City, Mo.; Los Angeles; Milwaukee; Minneapolis-St. Paul; New York City-Northeastern New Jersey; Philadelphia; Pittsburgh; Providence-Fall River-New Bedford; St. Louis; San Francisco-Oakland; Scranton-Wilkes-Barre; Washington, D. C.

² Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Vermont, West Virginia, Wisconsin.

³ Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

⁴ Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia.

Source: *Report on Progress of the WPA Program, June 30, 1940*, Washington, 1940, p. 85, table 39. "Unskilled B" employees are differentiated from other unskilled workers by the nature of the work they perform; namely "work of a simple nature requiring little education or training and which does not involve hazards or heavy physical labor."

TABLE 26.—Percentage distribution of persons employed on WPA-operated projects in the continental United States, by monthly assigned wage, December 27, 1939, and June 26, 1940

Monthly assigned wage	Project-wage employees	
	December 27, 1939	June 26, 1940
Total:		
Number.....	2,001,340	1,507,712
Percent.....	100.0	100.0
\$30-\$39.....	11.4	8.7
\$40-\$49.....	29.3	26.0
\$50-\$59.....	38.4	38.6
\$60-\$69.....	10.3	12.6
\$70-\$79.....	2.5	3.5
\$80-\$89.....	6.6	8.6
\$90-\$99.....	1.5	2.0

Source: Computations based on *Work Relief and Relief for Fiscal Year 1941*, Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 76th Cong., 3d sess., Washington 1940, p. 433, table 20, and p. 728, table 66; and data supplied by the Division of Statistics, Work Projects Administration.

⁸⁴ *Report on Progress of the WPA Program, June 30, 1940*, p. 5.

TABLE 27.—Full-time monthly wages of project workers on WPA-operated projects, as percentage of the cost of "emergency" budget¹ by wage class, selected urban areas,² June 15, 1940

Urban area and State	Monthly cost of "emergency" budget	Number of project workers	Wage class and comparison to cost of emergency budget											
			Unskilled				Intermediate		Skilled		Professional and technical			
			Group B		Group A		Percent of total workers	Wages as percent of cost of budget	Percent of total workers	Wages as percent of cost of budget	Percent of total workers	Wages as percent of cost of budget	Percent of total workers	Wages as percent of cost of budget
			Percent of total workers	Wages as percent of cost of budget	Percent of total workers	Wages as percent of cost of budget								
Atlanta, Ga.	\$76.55	4,596	16.3	61.2	44.8	66.3	15.2	79.9	20.3	103.7	3.4	107.1		
Baltimore, Md.	77.42	4,887	6.2	67.2	64.6	73.9	16.8	89.0	10.9	115.9	1.5	122.6		
Birmingham, Ala.	72.90	5,936	13.1	64.2	50.4	69.5	15.5	83.8	16.1	108.8	4.9	112.3		
Boston, Mass.	80.03	13,159	8.5	65.0	36.9	71.5	23.4	86.1	25.4	112.1	5.8	118.6		
Buffalo, N. Y.	77.61	6,304	7.2	67.0	71.5	73.7	7.2	88.8	12.8	115.6	1.3	122.3		
Chicago, Ill.	82.54	51,147	6.5	63.0	50.3	69.3	21.9	83.5	16.4	108.7	4.9	115.0		
Cincinnati, Ohio	76.87	7,068	10.3	67.6	55.1	74.4	18.6	89.6	12.2	116.6	3.8	123.4		
Cleveland, Ohio	81.78	24,197	6.2	63.6	56.7	69.9	20.2	84.2	13.3	109.7	3.6	116.0		
Denver, Colo.	75.96	2,098	9.6	68.4	33.6	75.3	32.1	90.7	18.6	118.0	6.1	124.9		
Detroit, Mich.	83.62	23,032	3.7	62.2	62.0	68.4	17.4	82.4	12.4	107.3	4.5	113.5		
Houston, Tex.	73.79	2,872	23.1	63.4	44.4	68.7	21.3	82.8	8.8	107.5	2.4	111.0		
Indianapolis, Ind.	73.35	4,934	4.5	70.8	52.8	77.9	23.0	93.9	15.6	122.2	4.1	129.3		
Kansas City, Mo.	74.86	8,254	9.9	69.4	57.3	76.4	18.2	92.0	11.6	119.8	3.0	126.7		
Los Angeles, Calif.	77.96	17,871	1.5	66.7	42.0	73.3	25.8	88.3	24.5	115.0	6.2	121.7		
Memphis, Tenn.	73.36	3,729	4.3	63.8	68.3	69.1	21.4	83.2	5.5	108.0	.5	111.6		
Minneapolis, Minn.	86.67	7,270	3.4	60.0	45.9	66.0	32.1	79.5	13.6	103.5	5.0	109.5		
Mobile, Ala.	67.77	1,370	18.2	63.3	55.3	70.9	12.9	84.4	9.6	109.3	4.0	111.2		
New Orleans, La.	73.43	9,346	9.9	63.8	55.6	69.1	16.1	83.2	16.1	108.0	2.3	111.6		
New York, N. Y.	83.23	95,768	.9	62.5	51.2	68.8	19.6	82.8	20.4	107.8	7.9	114.1		
Norfolk, Va.	72.30	1,423	37.9	64.7	44.5	70.1	10.3	84.5	5.1	110.0	2.2	113.3		
Philadelphia, Pa.	77.94	18,526	13.8	66.8	39.1	73.4	21.2	88.4	20.7	115.1	5.2	121.8		
Pittsburgh, Pa.	79.56	20,876	8.0	65.3	57.7	71.9	16.1	86.6	15.6	112.7	2.6	119.2		
Portland, Maine	77.58	1,399	1.0	62.0	58.8	67.0	16.6	80.4	17.4	105.5	6.2	108.9		
Portland, Oreg.	77.71	3,235	4.0	66.9	44.6	73.6	22.5	88.7	23.7	115.4	5.2	122.1		
Richmond, Va.	75.35	2,223	25.4	62.2	25.9	67.3	26.3	81.1	15.0	105.3	7.4	108.8		
St. Louis, Mo.	82.79	5,893	8.5	62.8	54.1	69.1	24.3	83.2	10.6	108.3	2.5	114.6		
San Francisco, Calif.	83.89	8,830	4.8	62.0	45.6	68.2	16.7	82.1	24.7	106.9	8.2	113.1		
Scranton, Pa.	76.25	5,450	8.1	68.2	56.7	75.1	13.7	90.4	13.5	117.7	8.0	124.5		
Seattle, Wash.	77.97	5,059	2.5	66.7	46.0	73.3	18.8	88.3	28.9	115.0	3.8	121.7		
Washington, D. C.	83.01	7,352	5.6	62.7	62.2	68.9	17.9	83.0	10.4	108.1	3.9	114.3		

¹ For definition of the "emergency" budget, see appendix 15.

² Data are for the entire county in which the city is located except for Baltimore, Boston, Norfolk, Richmond, and St. Louis.

Sources: Monthly scheduled earnings of project workers furnished by the Work Projects Administration, Division of Statistics. Data on annual cost of goods purchased at the emergency level of living, as defined by the Works Progress Administration (March 1935), based on prices as of June 15, 1940, furnished by U. S. Department of Labor, Bureau of Labor Statistics, Cost of Living Division. See appendix 15.

WPA Security Wage in Relation to the "Emergency" Budget

For the purposes of comparison with the standards applied elsewhere in this chapter, the full-time assigned monthly wages of the different categories of WPA workers as of June 15, 1940 have been expressed as a percentage of the cost of the "emergency" budget in 30 cities for which comparable data were available.⁸⁵ (See Table 27.) It will be noted that the assigned monthly wage for skilled and for professional and technical workers was in all cities higher than the sum of money needed to purchase the "emergency" budget. However, the number of workers securing this type of project employment formed a relatively small proportion of the total, ranging from 6 percent in Memphis, Tenn., to 32.9 percent in San Francisco, Calif.

For the intermediate group the assigned monthly wage ranged from 79.5 percent of the cost of the "emergency" budget in Minneapolis, Minn. to 93.9 per-

cent in Indianapolis, Ind. The assigned monthly wages for the two groups of unskilled workers, however, represented a far smaller proportion of the costs of the "emergency" budget. The range for Group A was from 66.0 percent in Minneapolis to 77.9 percent in Indianapolis. For Group B the range was from 60.0 percent in Minneapolis to 70.8 in Indianapolis. While in all but 8 cities the percentage of workers employed in Group B, where earnings were lowest, was less than 10, a very large proportion (ranging from 25.9 percent to 71.5 percent) of WPA workers in all 30 cities were receiving payment at the Group A unskilled rates.

Difference between actual and assigned earnings.—It must be observed that the inferences regarding the adequacy of WPA earnings which can be drawn from Table 27 are necessarily very limited. In the first place, actual earnings have averaged less than assigned full-time earnings, owing to such facts as lost time and assignment for only part of the month.⁸⁶ Precise data

⁸⁵ The comparison can be only approximate since the "emergency" budget is calculated on an annual basis and has merely been divided by 12 for the purposes of this comparison.

⁸⁶ "Project workers are permitted to make up time lost involuntarily,

as to the actual earnings in these cities were not available for the date to which the table relates. However, it is known that in 1940 in the county as a whole assigned full-time earnings averaged \$57.50, but the average actual wage was \$54.16 per month. The range of actual earnings was from \$39.39 per month in Mississippi to \$72.61 in New York City.⁸⁷

Size of WPA families.—In the second place the "emergency" budget is calculated on the basis of a family of four persons. In February 1939 47.0 percent of all WPA workers were in families of four or more persons.⁸⁸ One-person families constituted 10.7 of all families; two-person families, 20.7; and three-person families, 21.6 percent.

Other income of WPA workers.—In the third place, some WPA workers have other sources of income than their WPA earnings. In general the extent of private income is unlikely to be very substantial, for need is a primary condition of eligibility and is tested by the local relief authorities who usually apply standards that do not differ greatly from those applied to the applicants for general relief. A study of the WPA program in New York reports that "under the present Work Projects Administration policy in New York City, as throughout the country in general, the applicant for a job is reduced practically to pauperism before he is eligible for employment."⁸⁹ This conclusion is confirmed by other investigations.⁹⁰

but they are not always able to do so in full." (*Report on Progress of the WPA Program, June 30, 1940, p. 51.*)

The Commissioner, at his discretion, may require that certified workers with no dependents work fewer hours than the fixed 130-hour monthly schedule. The earnings of such workers are correspondingly reduced. (Public Resolution No. 88, 76th Cong., sec. 14.) The number of such cases and data regarding their earnings and the number of hours worked are not available.

⁸⁷ *Report on Progress of the WPA Program, June 30, 1940, p. 5, and data made available by the Division of Statistics, Work Projects Administration. A study of actual earnings in December 1935 found that they averaged somewhat over four-fifths of assigned wages throughout the country.*

⁸⁸ *Report on Progress of the WPA Program, June 30, 1939, Washington, 1939, p. 102, table 39. The average number of persons per family in this month was 3.76.*

⁸⁹ New York City, Works Progress Administration, Advisory Council and Research Staff, *Reports on Public Assistance, 1939, p. 141.*

⁹⁰ In Massachusetts, a survey was made of 2,180 sample "work relief cases [from 20 cities and towns] which had applied for ERA [Emergency Relief Administration] and been declared eligible in 1935. They had been transferred to WPA and were in the active file in 1937 when the records were copied." (Gilboy, Elizabeth W., *Applicants for Work Relief, Cambridge, Harvard University Press, 1940, p. 237.*) It was found that "they applied for work relief because they could exist no longer on their assets. Many of them had cashed in their insurance, sold their cars, let their homes be taken over by the mortgagee, used their savings, or lived on credit * * *. Nearly all of them were considerably in debt." (*Ibid.*, p. 214.)

At the time of application for aid the families had accumulated an average debt of about \$234 of which a fifth was for rent, slightly more than a fifth for loans, and slightly more than a tenth for medical care. Over four-fifths of the families had some kind of indebtedness. (*Ibid.*, p. 39.)

Four hundred of the cases in five towns were surveyed for sources of support between their loss of employment and certification for ERA.

For all but a negligible number of project workers, therefore, the level of living is determined wholly by the income available through employment on the program. WPA payments are the basic income for project workers and the sole source of income for a large proportion of them.

However, a varying proportion of WPA workers do have access to some other sources of income, such as earnings from private employment of the WPA worker or of secondary workers, other relief income, or miscellaneous sources of income.

Information on outside resources is far from adequate. There are no comprehensive data on the amount of other relief income. Since the sample studies surveyed primarily urban areas and were undertaken at different periods of industrial activity, the results cannot be considered typical. The evidence seems to indicate, however, that even when WPA workers have access to other resources, the total income does not, for a large proportion of families, ensure an adequate minimum income.⁹¹

Sample studies have found that only a small proportion of WPA workers, primarily in the skilled group, have had private earnings concurrent with WPA employment in the past. A survey of the quarterly earnings of all WPA project workers employed on September 30, 1938 found that 76.5 percent had received no earnings whatever from concurrent employment during the quarter, and that the average quarterly outside earnings for the remainder were \$10.47.⁹² An investigation of skilled WPA workers in November and December 1937 found, on the other hand, that 63 percent of a sample in five large cities admittedly had

Their chief sources of support were, in order: "odd jobs and temporary work, friends and relations, public welfare, savings, other relief agencies, insurance and loans, and credit." Only a small proportion (7 percent) "went on ERA at once." (*Ibid.*, p. 38.)

In Philadelphia, it was also found that WPA families were in possession of practically no assets: "Other resources of the families studied were practically negligible; several owned the home in which they lived, some carried a small amount of insurance, or owned a car. Such assets, however, were not the general rule but only isolated instances." (Schwartz, Sava S., *Current Family Income of WPA Workers, Pennsylvania Department of Public Assistance, Philadelphia County Board, Philadelphia, 1938, p. 6.*)

⁹¹ It should be noted that WPA and local public-welfare policies do not disqualify families for having limited resources, so long as they are still in need of relief. See *Investigation and Study of the Works Progress Administration, Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 76th Cong., 1st sess., Washington, 1939, pt. 1, pp. 3-4.* (This publication will be referred to hereafter by title only.)

⁹² " * * * about 6 percent had quarterly earnings of less than \$5; 4.9 percent reported quarterly earnings of from \$5 to \$10; 5.4 percent, earnings of \$10 to \$20; 2.3 percent, earnings of \$20 to \$30; 1.2 percent, earnings of \$30 to \$40; and 2.2 percent reported earnings amounting during the 3 months' period to over \$40." (Testimony of Commissioner Harrington in *Further Additional Appropriation for Work Relief and Relief, Fiscal Year 1939, Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 76th Cong., 1st sess., Washington, 1939, pp. 96-97.*)

private employment in addition to WPA, although the amount of earnings were not reported.⁹³ The possibilities for outside earnings of skilled workers have, however, been greatly reduced since the enactment of the uniform 130-hour month in 1939.⁹⁴

Even the limited information on earnings of WPA workers and members of their families indicates that such income is small and of an uncertain nature and varies directly with the size of the family. The results of a study of the income of workers on Emergency Relief Administration projects in Massachusetts during 1935 is significant in this connection.⁹⁵ During the week following acceptance on the program, these families received on the average \$1.41, or 10 percent of their total income, from private employment, usually from odd jobs performed by themselves or employment of secondary workers in their families. This average for the week ranged from 6 cents for single persons to \$4.42 for a family of nine or over.⁹⁶ A survey conducted by WPA found that during March 1936 only 10 percent of workers employed on the works program had income from private employment, and that "such income, in most cases, was earned by some member other than the worker assigned to the program."⁹⁷ It should also be noted that the number of potential secondary wage earners is small for WPA families as a group.⁹⁸

⁹³ *Unemployment and Relief*, Hearings Before a Special Committee to Investigate Unemployment and Relief, United States Senate, 75th Cong., 3d sess., Washington, 1938, vol. 2, pp. 1479-80. (This publication will be referred to hereafter by title only.)

⁹⁴ The situation since that time has been that "the former practice of certain workers in skilled categories earning the security wage in a small number of hours per month and then supplementing their Work Projects Administration earnings by other work * * * has been very notably reduced." (*Work Relief and Relief for Fiscal Year 1941*, p. 434.)

⁹⁵ "Massachusetts was one of three States in which the State emergency relief administration was appointed and controlled" by the FERA, beginning March 7, 1934. This situation existed until the establishment of the WPA. "In Massachusetts, Federal funds were granted almost entirely for work relief." (Gilboy, *op. cit.*, pp. 12 and 13.)

⁹⁶ *Ibid.*, pp. 41, 71, and 80. Although the period covered by this study antedates the WPA program, it is the most detailed available study of the income of work-relief recipients.

⁹⁷ Average monthly private income of the WPA workers who had private earnings ranged from \$13.50 in Atlanta to \$44.20 in Baltimore, with only a few cases receiving income which exceeded in amount the minimum security wage for unskilled labor. (Shepherd, Susan M., and Bancroft, Gertrude, *Survey of Cases Certified for Works Program Employment in 13 Cities*, Works Progress Administration, Division of Social Research, Series IV, No. 2, Washington, 1937, p. 10.)

⁹⁸ A census of all workers in relief households certified as eligible for Works Program employment in January 1936 found an average of 1.4 workers per employable family. (Computed from Works Progress Administration, Division of Social Research, *Usual Occupations of Workers Eligible for Works Program Employment in the United States, January 15, 1936*, Washington, 1937, p. 6, table 1.)

A study of 19,016 Works Program families in May 1936 in Pennsylvania showed that three-fifths (60.6 percent) of these families contained no employable member other than the family head. (Computed from Pennsylvania Committee on Public Assistance and Relief, *The Relief Population of Pennsylvania, 1936*, p. 77, table 66.)

The income from all nonrelief sources also appears to be small in extent and in amount. Of the Massachusetts ERA workers in 1935, 17 percent were in receipt of both relief and nonrelief income. Income from rents, boarders, and lodgers provided only 4.6 percent of average total income, or \$0.62 per week, \$0.82 was obtained from other relief sources, and \$0.25 from miscellaneous sources. Supplementary income was found to be of small importance in the rural areas and the depressed cotton-textile areas. The total income of almost two-thirds of the families averaged between \$8 and \$20 per week.⁹⁹

A study conducted in Philadelphia in 1938 found that of 475 cases investigated, 162, or 34 percent, had some resources or income other than WPA earnings. Of these, the majority (103 cases) would have been eligible for supplementary relief if the WPA earnings were withdrawn.¹ Only in 10 cases was the WPA worker also the job-holder in private employment. Among the group ineligible for supplementary aid, "the status of ineligibility would be of short duration because of the very temporary nature of the income and its narrow margin over the relief standard. Even the slightest reduction in the current income would find some of the cases eligible for at least partial assistance."²

One survey conducted since the passage of the 130-hour provision in 1939 consisted of a sample of 5,500 WPA cases in 13 counties in Ohio. It was found that 81 percent had no income outside of WPA wages. For families with other resources the median monthly outside income was slightly over \$18, ranging from \$9 to \$22. It was estimated that 88 percent of the total load in the 13 counties required the entire WPA wage for budgetary needs. A study of 434 unskilled workers who had some income besides the WPA wages revealed that 38 percent of these families "needed all of their WPA wages in addition to other resources in order to meet their budgetary requirements."³

The extent to which members of the families of WPA project workers receive income from other public-aid programs has been found to be small. In the academic year 1939-40, 11.0 percent of all school pupils and 2.4 percent of college or graduate students aided by NYA came from WPA households.⁴ Similarly the

⁹⁹ Gilboy, *op. cit.*, pp. 41, 45, and table 9, p. 254.

¹ The "margin of separation from the level of complete relief eligibility was a narrow and unstable one, maintained largely by casual or temporary employment of some member of the family." (Schwartz, *op. cit.*, p. 3.)

² *Ibid.*, pp. 2-3 and 5.

³ Information supplied by the Work Projects Administration.

⁴ National Youth Administration, *Youth on the Student Work Program*, Washington, 1940, p. 44.

available information on overlapping of the special public assistances with WPA indicates that only a negligible proportion of WPA families were in receipt of this type of supplementary aid.⁵

The major form of supplementation of WPA earnings appears to be surplus commodities. In a survey of workers separated from WPA employment in six cities during April and early May 1939, there was extreme variation from city to city in the proportion of cases which had been receiving supplementary public aid during the 2-week period prior to separation. The percentage receiving general relief varied from 0.2 to 12.5; the proportion aided by special public assistance varied from 0 to 3.2 percent; from 0 to 53.1 percent received surplus commodities.⁶

It is indeed important to observe that the receipt by WPA workers of supplementary relief is in itself an indication of the relative inadequacy of WPA earnings. It has been estimated that in January 1940, among the slightly over 1,000,000 general-relief cases presumably containing an "employable" member, relief was granted to supplement inadequate WPA earnings in about 141,000 cases, or approximately 14 percent.⁷ These recipients of supplementary aid represented some 6 percent of the 2,203,000 workers employed on WPA during that month. This figure is undoubtedly a considerable underestimate of the extent to which WPA payments are inadequate to meet minimum family needs, since the extent of supplementation is limited both by the fact that many relief agencies do not supplement WPA payments as a matter of policy and by the standards of relief which are excessively low in some areas.

⁵ During the fiscal year 1939, 2.9 percent of the 377,233 recipients accepted for old-age assistance, 4.7 percent of 112,115 families accepted for aid to dependent children, and 6.1 percent of 11,181 recipients accepted for aid to the blind were in households receiving work-program earnings. (Social Security Board, Bureau of Public Assistance, *Social Data on Recipients of Public Assistance Accepted in 1938-1939*, pt. 1, table 10, p. 10; pt. 2, table 9, p. 9; and pt. 3, table 10, p. 10.)

⁶ The percentages of separated workers receiving specified types of supplementary income during the 2-week period before separation were as follows:

City	Total separations	Percentages of separated workers receiving supplementation from—		
		General relief	Special public assistance	Surplus commodities
Atlanta, Ga.	383	0.3	-----	10.2
Detroit, Mich.	384	4.7	1.8	5.2
Jacksonville, Fla.	476	.2	2.1	23.5
Pittsburgh, Pa.	375	4.0	1.3	-----
St. Louis, Mo.	414	.7	1.2	1.2
Worcester, Mass.	377	12.5	3.2	53.1

Source: Data from the Division of Research, Work Projects Administration.

⁷ Social Security Board, Division of Public Assistance Research, *Memorandum on the People Who Need Financial Assistance*, Washington, 1940, revised, pp. 86 and 88.

The income distribution of a sample of WPA workers in March 1936 shown in Table 28 makes it apparent that only when WPA workers had private earnings was there a significant increase in the number of cases in the highest income group (\$100 and over per month.) Of those with private earnings, one-fifth received less than \$60 a month. Sixty-two percent of the families solely dependent on work program earnings and 32 percent of those supplemented by general relief had total monthly incomes of less than \$60.

TABLE 28.—Percentage distribution of WPA workers, by source and amount of monthly income, in 13 cities, March 1936

Income of workers	Source of income			
	WPA only	WPA and private employment	WPA and general relief	WPA and other public-aid programs
Total	100	100	100	100
Less than \$10	(¹)	-----	-----	-----
\$10-\$19	2	(¹)	1	1
\$20-\$29	2	4	-----	1
\$30-\$39	6	3	(¹)	-----
\$40-\$49	14	5	4	(¹)
\$50-\$59	38	8	21	9
\$60-\$69	22	18	30	24
\$70-\$79	3	11	16	15
\$80-\$89	8	12	7	12
\$90-\$99	3	6	5	4
\$100 and over	2	31	6	11
Unknown	(¹)	1	3	20
Median Income	\$58.10	\$79.50	\$64.30	\$71.90

¹ Less than 1 percent.

Source: Adapted from Shepherd, Susan M., and Bancroft, Gertrude, *Survey of Cases Certified for Works Program Employment in 13 Cities*, Works Progress Administration, Division of Social Research, Research Bulletin, Series IV, No. 2, Washington, 1937, p. 43, table 26. Based on a sample study of 6,333 cases selected from a certified WPA load of 314,582 cases in 13 cities, April 15, 1936. For 75 percent of the cases employed, earnings from WPA constituted the sole source of income, while 25 percent had income from additional sources. Of this latter group 12 percent had earnings from private employment, 7 percent received relief grants, and 6 percent had income from other undefined sources.

The conclusion that relatively few project workers have other income to any significant degree is supported by the results of the reviews of need⁸ conducted by WPA, which have shown that only a small percentage of the workers fail to show continued need. The 1936 review found that less than 5 percent of the "persons awaiting assignment to projects as well as persons employed" on projects were ineligible for relief.⁹ The review conducted in 1939 found 1.3 percent

⁸ The first general review of need was instituted during November 1936 and completed early in 1937. Public Resolution No. 1, approved February 4, 1939, provided for an immediate review of current need, and the Emergency Relief Appropriation Act of 1939 (Public Resolution, No. 24, 76 Cong., approved June 30, 1939), provided for a periodic review every 6 months. This was changed to a 12-month period in the Emergency Relief Appropriation Act, fiscal year 1941 (Public Resolution, No. 88, 76th Cong., approved June 26, 1940).

⁹ The WPA review of need may, however, apply somewhat more liberal standards than those originally applied by the referral agencies in States where the WPA conducts its own review. In 1939, referral agencies conducted the review in eight States; in two, the review was conducted jointly by WPA and the referral agencies; and in the remainder by WPA itself. Since need is determined on the basis of budgetary deficiency, establishment of need does not necessarily imply the absence

of the WPA employees (37,523) not in need; these cases were then dropped.¹⁰ The next, conducted during the period from July 1 to December 31, 1939 dropped 1.6 percent (21,392 employees) because they were considered no longer in need.¹¹

Direct Studies of the Level of Living of Project Workers

Even when all the qualifications mentioned in the preceding pages are taken into account, the conclusion is inescapable that for a significant proportion of WPA project workers the level of living is far from high. This is especially the case for those who are assigned to unskilled wage classes and have no private resources. This conclusion is supported by such scattered studies as have been made of the actual living conditions of project workers, of their standards of nutrition, and of their health.

Living conditions of project workers.—In New Jersey a survey comparing the incomes of WPA families under "normal," relief, and WPA economies found that during the period of "normal" employment families were, on the average, more than able to meet "minimum subsistence" needs as defined by the agency.¹² Sixty-seven percent of the same families, however, were not able to meet such needs when dependent on WPA, and the median income sufficed to cover only 85.5 percent of the budget. As would be expected, income was found to be proportionately less adequate as families increased in size. While two-person families averaged 114.5 percent of the minimum budget, three-person families met 89.4 percent, four-person families 82.3 percent, and eight-person families only 47.2 percent.¹³ The study concluded that:

in relatively few instances does the W. P. A. worker receive an income greatly in excess of a subsistence budget * * * In many cases reported to the Adjustment Section * * * there is evidence of genuine hardship where insistent creditors have talked W. P. A. clients into paying so much on account of back bills that current needs cannot be met.¹⁴

of any significant resources. (From information furnished by the Division of Research and Statistics, Work Projects Administration.)

¹⁰ *Investigation and Study of the Works Progress Administration*, p. 2.

¹¹ *Work Relief and Relief for Fiscal Year 1941*, p. 447.

¹² New Jersey Emergency Relief Administration, *Family Resources under Normal, Relief, and WPA Economies*, 1936, p. 7. This standard budget, which might be considered rather liberal to be termed a minimum subsistence budget, did not necessarily represent the budget used in the local relief offices in granting relief, although it was used for this purpose in some communities and in measuring eligibility for assistance quite generally.

¹³ The study covered 2,207 cases receiving relief in November 1935 which were closed in December 1935 because of transfer. Income during "normal" economy was calculated for the most stable period for each family, when the workers were engaged at the usual occupations. A proposed family budget for New Jersey was used as the working basis for estimating minimum subsistence costs was adjusted for changes in the cost of living. (*Ibid.*, pp. 2-3, 5, 7, and 17.)

¹⁴ *Ibid.*, p. 18.

The only detailed analysis of the actual expenditures of work-relief families was made in the Massachusetts study previously cited. Average income was compared with the average expenditures, and it was found that expenditures were consistently higher than weekly income by, on the average, \$4.08.¹⁵

Both of these studies found that the level of living on work relief presented, for most families, a considerable decline from previous standards. In Massachusetts "such an income meant a distinct lowering of the former level of living and an inability to sustain more than an emergency standard * * *"¹⁶

The extent of this decline, in terms of income, was measured by the New Jersey study in April 1936, which found that the median income of the group declined from \$112.03 per month during the period of "normal" employment to \$63.74 under WPA.¹⁷ Although most of the families were better off with WPA employment than they had previously been when receiving general relief, it was found that, for the large families, the transfer from general relief to WPA was accompanied by another drop in the level of living.¹⁸

Nutrition.—*Information on the nutrition of WPA families indicates that a significant proportion of these families are not able to purchase adequate diets.* The Massachusetts survey of work-relief applicants concluded that:

it is the opinion of trained social workers on the Massachusetts WPA staff that the allowance of \$2 a week per person was not enough for an adequate diet, and * * * many families did not average that expenditure in the cross section week. It is more likely that the work relief families in our main sample were distinctly undernourished and to a far greater extent than those in the underemployed groups.¹⁹

In New York City, which is in the highest wage region, the study of an advisory council states that

WPA wages in New York City have permitted a somewhat better diet than direct relief, but not much better. With the security wage of an unskilled laborer fixed at \$60.50 a month, semiskilled worker at \$72.00 a month, and skilled worker at

¹⁵ Gilboy, *op. cit.*, p. 250, table 6.

¹⁶ *Ibid.*, p. 215.

¹⁷ New Jersey Emergency Relief Administration, *op. cit.*, pp. 6 and 16.

¹⁸ The New Jersey families, while receiving general relief, met on the average only 48.1 percent of budgeted needs as measured by the standard adopted in the investigation. However, 252 families, or about 12 percent of the total, received less income under WPA than they had previously received under direct relief. (*Ibid.*, pp. 13 and 23.)

Similar results were obtained in a Philadelphia study, which found that of 1,630 families transferred from direct relief to WPA, one-fifth (320 cases) received a "net" WPA wage which was less than the previous direct-relief grant. The great majority of these cases were families of five or more persons. "Net" income refers to WPA wages minus expenses on the job, such as carfare. (Schwartz, Saya S., *Economic Status of Relief Families under the WPA Security Wage*, Philadelphia County Relief Board, November, 1935, pp. 1-3.)

¹⁹ Gilboy, *op. cit.*, p. 116.