

# CHAPTER V

## THE RECIPIENTS OF PUBLIC AID

The governmental security measures described in Chapters III and IV provided some degree of support between 1933 and 1940 for a very substantial part of the American population. The present chapter will be

devoted to a brief analysis of the size of this group, some of its distinguishing characteristics, and the question of whether or not it will continue to be a significant proportion of the population of this country.

### THE VOLUME OF PUBLIC AID

Between January 1933 and June 1940, the various public-aid programs assisted an estimated total number of households ranging from 4,100,000 to 8,000,000 per month.<sup>1</sup> The total number of persons included in

the households ranged from 13,500,000 to 28,100,000.<sup>2</sup> (See Fig. 6.) In addition to the over-all numbers of these persons and households, the most significant aspects of the group are the fluctuations in its numbers from time to time, its geographical distribution, and the length of time over which its members received aid.

<sup>1</sup> The term "public-aid household" as used in this chapter refers to an economic unit of one or more persons who are receiving one or more types of public aid and who normally live together and share the same living arrangements. Consequently a public-aid household may represent one person, an entire family group, or certain members of the family group who are dependent upon public aid. However, since, under ordinary circumstances, a family unit is likewise a household unit, for the purposes of this study "public-aid families" are synonymous with "public-aid households."

In the means-test programs (see table 3 and the section of this chapter on economic status), the "case" is the unit in terms of which assistance is granted under a specific program. A case may be a single person, as in old-age assistance, aid to the blind, the NYA, and the CCC. On the other hand, although assistance is granted in the name of an individual known as the case-head, a case may be comprised of several persons, all of whom are included in the grant of a single type of aid, as in general relief, aid to dependent children, the WPA, and the FSA. In these programs it is also possible for a case to consist of only a single person, although such a situation results from the socio-economic characteristics of the person rather than from any characteristics of the programs concerned.

While the means-test programs consider the household as a unit (with the kinds of exceptions noted above), in the social insurances, benefits are related only to the person who is known as the "beneficiary," and the household or family group which may benefit from the receipt of such aid is generally not reported. Consequently, in a discussion of all public-aid programs, it is apparent that not only do the technical units of count used for the means-test programs vary among these programs but the "case" concept cannot be applied to the social insurances. (See appendices 9 and 11, for further details on the unit of count for the social insurances.) While it is often necessary in the discussion that follows to use the case count in relation to the public assistances and the Federal work programs, in order to secure the over-all picture the term "public-aid households" is used in its broadest sense as defined above. It should also be borne in mind that the definitions used for purposes of general discussion in this chapter are not necessarily those used in individual studies and reports to which reference may be made.

The term "recipients" or "public-aid recipients," as used in this chapter and in appendices 9-12, refers to individuals whose names appear on the public-aid rolls as direct beneficiaries. In some programs the "recipient" may represent a household, either a single-person household (generally true of old-age assistance and aid to the blind) or a family (usually the case with WPA employees). In other programs a household may contain more than one individual direct "recipient," as in old-age insurance or aid to dependent children. "Recipient" is thus not equivalent to "household" or "family." When used in the following discussion, "recipient" refers only to the individual direct recipient of public aid and does not include other members of the household, family, or case of which he is a member.

As pointed out in appendix 9, it has been impossible to determine the amount of duplication between means-test and work programs on the one hand and the social insurances on the other. However, duplications within the means-test and work programs have been taken into

### The Changing Size of the Public-Aid Population

As Figure 6 shows, the number of households that received aid fluctuated considerably between January 1933 and June 1940. Except for certain periods to be noted shortly, rather definite trends are discernible. From the summer of 1933 there was a steady upward movement which reached a peak in the winter of 1934-35.<sup>3</sup> From early 1935 to September 1937 there was a slow consistent decline except for a temporary expansion in the summer of 1936. The fall and winter of 1937 witnessed an unusually sharp upward movement. The trend continued upward until early in 1939 and then steadily declined, with the exception of a rise in the fall of that year which continued until the spring of 1940.

### Major Factors Affecting Trends

Economic factors were of course responsible for marked changes in the trends. The normal rise in living costs during the winter, together with seasonal

account to the extent that an unduplicated total for all these programs for the United States as a whole has been estimated, although the totals for the individual means-test programs are not unduplicated totals.

<sup>2</sup> In the median month, the various programs provided aid for 21 million persons. Data in this chapter do not include the recipients of surplus commodities only, because information on this program month by month is unavailable. Nor do they include the households which received loans (but not grants) from the Farm Security Administration. See ch. I and appendix 9. Furthermore, workmen's compensation beneficiaries are not taken into account in the present chapter.

<sup>3</sup> The rise in the volume of public aid in 1933 and following years represented a continuation of the trend in evidence during the preceding two decades. In fact, the sharpest rise occurred in 1930 rather than in 1933 or thereafter. (See Geddes, Anne E., *Trends in Relief Expenditures, 1910-1935*, Works Progress Administration, Division of Social Research, Research Monograph X, Washington, 1937, pp. 27 and 31.) The data cited in this study indicate that the tendency of public expenditures for relief to rise in relation to private expenditures was present throughout the twenties and that by 1932 the predominance of public funds was general in all localities studied.

NUMBER OF HOUSEHOLDS AND PERSONS BENEFITING FROM PUBLIC-AID PROGRAMS (INCLUDING THE SOCIAL INSURANCES), JANUARY 1933-JUNE 1940.



Figure 6

Source: Appendix 9. Excludes recipients of surplus commodities only, borrowers from the Farm Security Administration, and beneficiaries of the State systems of workmen's compensation. For the programs included in the term "public aid," see Ch. I, p. 11 and Appendix 9.

unemployment, increased the volume of public aid in the first and last months of each year. The sharp business recession of the fall and winter of 1937, with its accompanying widespread unemployment, added to the normal winter increase of that year and early 1938. Drought conditions resulting in acute distress in agricultural areas swelled the numbers of persons aided in the summer and fall of 1934 and 1936.

Governmental policy and administrative practices in giving public aid were also responsible for marked changes in the volume of aid. In the winter of 1933-34 the operation of the Civil Works Administration sharply increased the volume of public aid. This was largely due to the fact that, unlike most other public-aid programs of the early thirties, it did not require a means test for all applicants; about half of its 4,300,000 employees as of January 1934 had not been taken from relief rolls.<sup>4</sup> Legal restrictions on the length of employment on a given program, to be discussed shortly, also had an effect on the total number of persons aided.

The effects of both economic and policy factors on the trend in the size of the public-aid population were apparent in the fall of 1937 and the spring of 1938, when the sharp increase was due in part to the business recession and in part to the beginning of benefit

payments under the social insurances. The influence of the insurances, in which eligibility is not based on a means test, will become more conspicuous as the number of beneficiaries of the old-age insurance systems increases.

Figure 6 also shows that the total number of persons benefiting from public-aid programs during the period 1933-40 followed generally the trend shown for households. However, the number of persons tended to rise more slowly and to drop more sharply than the number of households, an indication of the decline in the average number of persons per household aided. This average decreased from an estimated four persons in 1933 to about three persons in 1939,<sup>5</sup> largely as a

TABLE 3.—Number of households and persons, and percentage of total population benefiting from public-aid programs, January 1933 through June 1940, high and low months of each year<sup>1</sup>

Month and year	Public-aid households (in thousands)		Persons benefiting from public-aid programs			
	Means-test and work programs	Social insurances	Number (in thousands)		Percentage of total population	
			Means-test and work programs	Social insurances	Means-test and work programs	Social insurances
1933:						
December.....	7,164	-----	25,375	-----	20.2	-----
September.....	4,128	-----	15,714	-----	12.5	-----
1934:						
February.....	7,975	-----	28,095	-----	22.2	-----
June.....	5,775	-----	21,053	-----	16.6	-----
1935:						
January.....	6,900	-----	24,733	-----	19.4	-----
November.....	5,654	-----	19,373	-----	15.2	-----
1936:						
March.....	6,143	-----	21,109	-----	16.5	-----
July.....	5,339	-----	17,675	-----	13.8	-----
1937:						
March.....	5,892	4	18,657	7	14.5	( <sup>1</sup> )
September.....	4,487	60	13,358	98	10.4	0.1
1938:						
January.....	5,633	106	17,092	192	13.4	.1
October.....	6,833	890	21,031	2,510	16.2	1.9
1939:						
March.....	7,017	961	21,256	2,712	16.2	2.1
October.....	5,711	869	16,104	1,823	12.3	1.4
1940:						
March.....	6,188	1,319	17,912	3,734	13.6	2.8
June.....	5,383	1,510	15,129	4,264	11.5	3.2

<sup>1</sup> Less than 0.05 percent.

Sources: See appendix 9. Under "means-test and work programs" are included the following public-aid measures: Work Projects Administration (formerly Works Progress Administration); National Youth Administration (both the student work program and the out-of-school work program); Civilian Conservation Corps; Civil Works Administration; other Federal agency projects financed from emergency funds; the three special public assistances (old-age assistance, aid to the blind, and aid to dependent children); general relief (including the Federal Emergency Relief Administration general program); FERA special programs; and Farm Security Administration grants. The "social insurance" include, for the purposes of this chapter, unemployment insurance under State unemployment compensation laws and under the Federal Railroad Unemployment Insurance Acts, and old-age and survivors insurance under the Social Security Act and railroad retirement legislation. No account is taken of workmen's compensation under State or Federal laws. Recipients of surplus commodities only and FSA rehabilitation loan clients (unless also receiving Farm Security grants) are not included in the number of households, persons, or recipients benefiting from public-aid programs. For methods of and reasons for allocating specific programs to the category of "means-test programs," see the section of this chapter on economic status. The percentages which persons in households receiving public aid represented of the total population are based on intercensal population estimates of the Bureau of the Census on the basis of the 1940 census of population.

<sup>5</sup> *Ibid.*, p. 137. In June 1939 the average size of households was about three persons, and there has apparently been little change since that date.

<sup>4</sup> Report on Progress of the WPA Program, June 30, 1939, Washington, 1939, p. 132.

result of the expansion after 1936 of old-age assistance and aid to the blind, which aided a high percentage of one-person households.

The 28 million persons who benefited from public aid in the peak month of February 1934, as well as the 13.5 millions in the low month of September 1937, represent totals for single months only. (See Table 3.) They indicate the monthly range between 1933 and June 1940, but they do not give any indication of the total number of different individuals aided by such programs over a significant period of time. Data are not available as to how many different households or individuals have been on the rolls during a particular year or over the course of the depression. However, it may be observed that the 28 million persons who received aid in February 1934 represent the minimum number of different individuals who at some time between 1933 and 1940 benefited from public-aid programs. On the basis of available data concerning the number of different persons receiving assistance under individual programs it is reasonable to estimate that no less than 35 percent of the total population, or every third person, was aided by some governmental measure at some time between January 1933 and June 1940.<sup>6</sup> This is even an underestimate because it takes no account of persons aided by rural-rehabilitation loans

<sup>6</sup> The WPA estimated that between July 1935 and June 1940 about 7,800,000 different persons, each representing a household, had been employed on its program, although during the peak month on record only 3,300,000 persons were employed. (*Report on Progress of the WPA Program, June 30, 1940*, Washington, 1940, p. 40.) In other words the WPA employed 2.4 times as many different persons as it had on its rolls during the peak month. Corresponding ratios for the CCC, the NYA work projects, and the NYA student-aid program were 5.0, 3.2, and 3.1, respectively. (Unpublished data, obtained from the National Youth Administration and the Civilian Conservation Corps.) Ratios for the three types of special assistance, available only for the fiscal year ending June 30, 1940, were: 1.1 for old-age assistance, and 1.2 for aid to dependent children and aid to the blind. (Unpublished data obtained from Division of Public Assistance Research, Social Security Board.) No basis is available for computing a ratio for general relief.

The estimate of 35 percent would amount to about 46,000,000 different persons on the basis of the 1940 population. This total is only 1.6 times as great as the peak of 28,000,000 different persons receiving aid during the highest month. This ratio, which is considerably smaller than those shown in the majority of individual programs, may be regarded as quite conservative, even allowing for the fact that some households received relief from more than one source during the period 1933-40.

For the period 1934-39, which is about 2 years less than that covered in the above estimate, New York City reported that 2,759,254 different individuals, or 36.3 percent of its population, had received public relief, including WPA, CWA, home relief, aid to the blind, aid to the homeless, veterans' relief, and assistance to children in their own homes and in institutions. (Statement of Welfare Commissioner William Hodson, *The New York Times*, April 29, 1940.)

The New York State Temporary Emergency Relief Administration estimated that 45 percent of the State's population received emergency relief during the first 6 years of its operation. This computation, it should be noted, fails to allow for turnover in the population at risk during the period covered, which would reduce the ratio somewhat. (Joint Committee on Relief Statistics of the American Public Welfare Association and the American Statistical Association, *Bulletin of Information for Relief Statisticians*, New York, 1938.)

only,<sup>7</sup> surplus commodities only, and workmen's compensation.

The reasonably smooth trend which appears in Figure 6 for the total number of households and persons is not apparent when the trends of the individual programs are considered. (See Fig. 7.) These trends were largely influenced by the evolution of governmental policy. The effect of the reformulation of programs which occurred in 1935, for example, is clearly evidenced in the shift from general relief (*i. e.*, the program of the Federal Emergency Relief Administration) to the Work Projects Administration as the program of major importance.<sup>8</sup> The sharp rate of growth of the three special types of public assistance (old-age assistance, aid to the blind, and aid to dependent children) in contrast to an almost level trend of general relief is also indicated. Figures 8 and 9 show the great amount of irregularity and the contrary trends in and among individual programs. The expansion of one program frequently resulted in the contraction of some other program, and important administrative rulings in one program had repercussions on others.

#### Factors Affecting the Composition of the Group

From many points of view, the composition of the group receiving public aid is as important as data relating to totals and trends. Information concerning the composition of the public-aid population as a whole must be derived from a description of the recipients aided on individual programs. It is important, therefore, to note that the rates of turnover—*i. e.*, the rates at which people are added to and dropped from public-aid rolls—differed considerably among the various programs. The programs which served the relatively employable groups showed the greatest turnover, while those aiding the "unemployable" had the least turnover.<sup>9</sup>

<sup>7</sup> The number of standard and emergency rural-rehabilitation loans (active, inactive, and canceled) at selected dates under the Farm Security Administration was as follows:

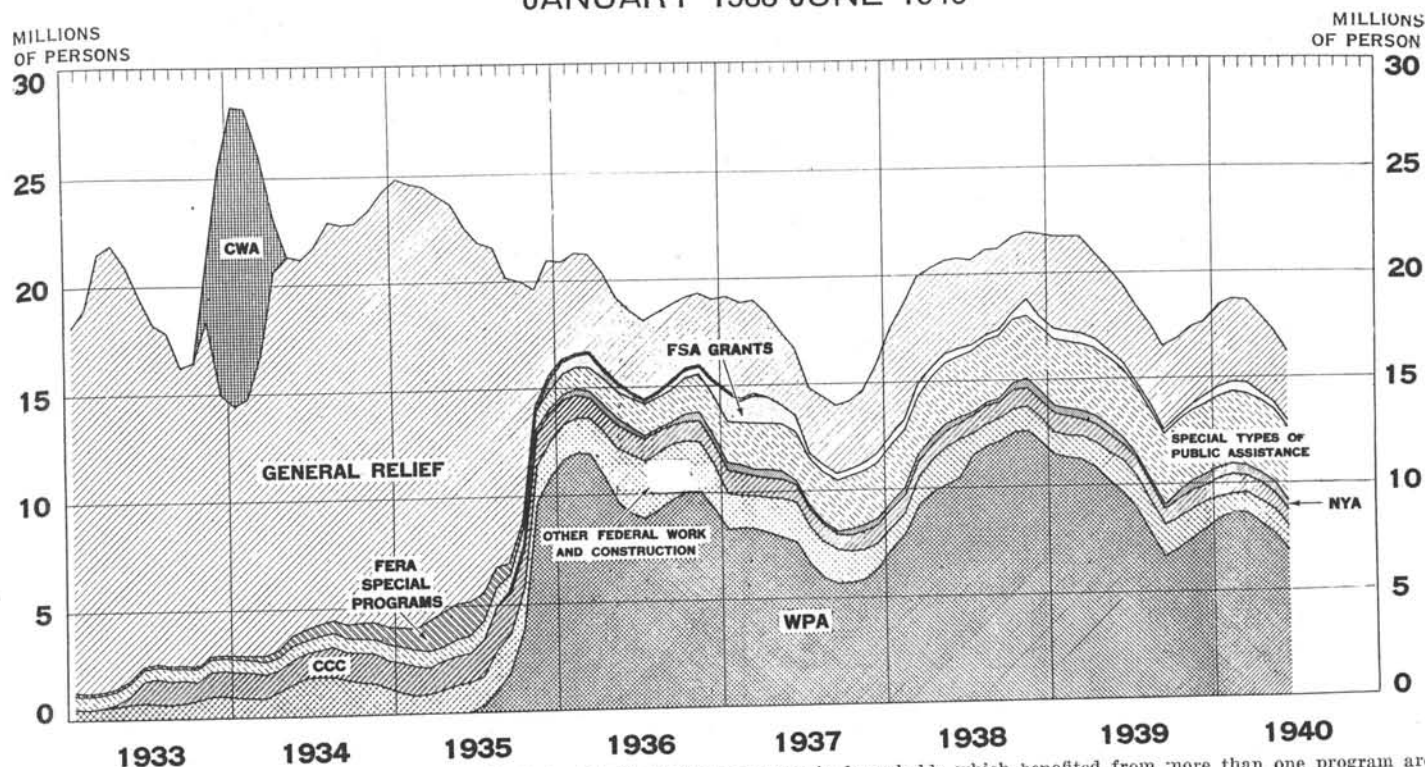
Date	Number of loans (in thousands)
July 31, 1937	591
December 29, 1937	587
June 30, 1938	654
December 31, 1938	680
June 30, 1939	786
December 31, 1939	799
June 30, 1940	856

Source: Farm Security Administration, *Monthly Report of Loan and Grant Activity by States, Territories, and Regions (Exclusive of Tenant Purchase Loans) as of July 31, 1940*, Washington 1940.

<sup>8</sup> See ch. III, above. To simplify reference in this chapter, the term Work Projects Administration is also used to refer to the agency when it was the Works Progress Administration. Similarly the term Farm Security Administration is used throughout. Changes in the names and functions of all agencies are described in ch. III above.

<sup>9</sup> During the fiscal year 1939, the gross number of workers employed by the WPA was 1.5 times as large as the number employed in the peak month of that year. The corresponding ratios for the CCC and for

## NUMBER OF PERSONS BENEFITING FROM PUBLIC-AID PROGRAMS (EXCLUDING THE SOCIAL INSURANCES), BY PROGRAM, JANUARY 1933-JUNE 1940



Source: Division of Statistics of the Work Projects Administration; persons in households which benefited from more than one program are shown in that program which occupies the lower position in the figure; persons listed under "Other Federal Work and Construction" include those benefiting from employment on other Federal work and construction projects financed by regular funds, so that the data in this figure are not strictly comparable to those in Appendix 9 and Fig. 6 which do not include this group.

Figure 7

A considerable part of the turnover was the result of shifts between programs rather than between aid and non-aid status.<sup>10</sup> A large part of the turnover in

the NYA out-of-school work program for the fiscal year 1940 were 1.8 and 2.0. These compare with 1.1, 1.1, and 1.2 for old-age assistance, aid to the blind, and aid to dependent children respectively, for the fiscal year 1939. The gross number is obtained by adding the total number of accessions during the year to the number receiving aid at the beginning of the year. (Accessions for the special assistances include only those for States with approved plans for the fiscal year 1939.)

From available data it appears that the turnover rate in unemployment compensation was high. In June 1940, 37 percent of the average weekly number of recipients received their first benefits and 15 percent exhausted their claims. (*Social Security Bulletin*, III (August 1940), 21, table 2.)

<sup>10</sup> Over the 2 fiscal years 1938 and 1939, about 40 percent of all cases accepted for old-age assistance, nearly 70 percent of all cases accepted for aid to dependent children, and about 60 percent of all cases accepted for aid to the blind had formerly received some type of aid. (Social Security Board, Bureau of Research and Statistics, *Social Data on Recipients of Public Assistance Accepted in 1937-38*, and *Social Data on Recipients . . . Accepted in 1938-1939*, Washington, 1939 and 1940, respectively, pts. 1-3, tables 6 and 7, pp. 6 and 7. Publications referred to hereafter by title only.)

During the fiscal year 1940, over 6 percent of all closings on the NYA out-of-school work projects were accounted for by transfers to other Government work, mostly the other Federal work programs. (Calculated from monthly statistical tables issued by the Division of Finance and Statistics, National Youth Administration.)

general relief, for example, represented shifts of recipients to and from WPA projects and transfers to the three special assistances. Many interprogram shifts also occurred between the youth work programs and the WPA.

Major changes in administrative policy greatly influenced the rates of turnover and affected the characteristics of the public-aid group. Arbitrary limitation of the duration of aid removed from the rolls those cases which were most likely to depend on public aid for protracted periods. An illustration of this was the limitation of continuous employment on WPA projects to 18 months which was in effect after July 1939.<sup>11</sup>

<sup>11</sup> This statutory rule caused the accession and separation rates to increase sharply. The monthly separation rates ranged from 6 percent to 12 percent during the year ending June 30, 1939, while in the year ending June 30, 1940, the range was from 9 to 39 percent. Accession rates ranged from 3 percent to 11 percent in the year ending June 30, 1939, while in the following year the range was between 5 percent and 23 percent. (Work Projects Administration, Division of Statistics, *Labor Turnover on WPA Projects During July 1940*, Washington, 1940, table 2.) Accession and separation rates are the ratios of the numbers of cases opened or closed during the month to the number on the rolls at the beginning of the month. See also chs. IX and XII.

The interprogram shifts caused a considerable number of households to receive aid from more than one program during the same month. These households were reported under each of the programs that aided them during that particular month.

Moreover, many households received aid simultaneously from two or more programs and were reported by each of the programs assisting them.<sup>12</sup> During June 1940, for example, it is estimated that 16 percent of all public-aid households (exclusive of those aided

<sup>12</sup> For a description of types of duplication see Woofter, T. J., Jr., and Whiting, T. E., "Households and Persons Receiving Relief or Assistance," *Journal of the American Statistical Association*, XXXIII (June 1938), 363-72.

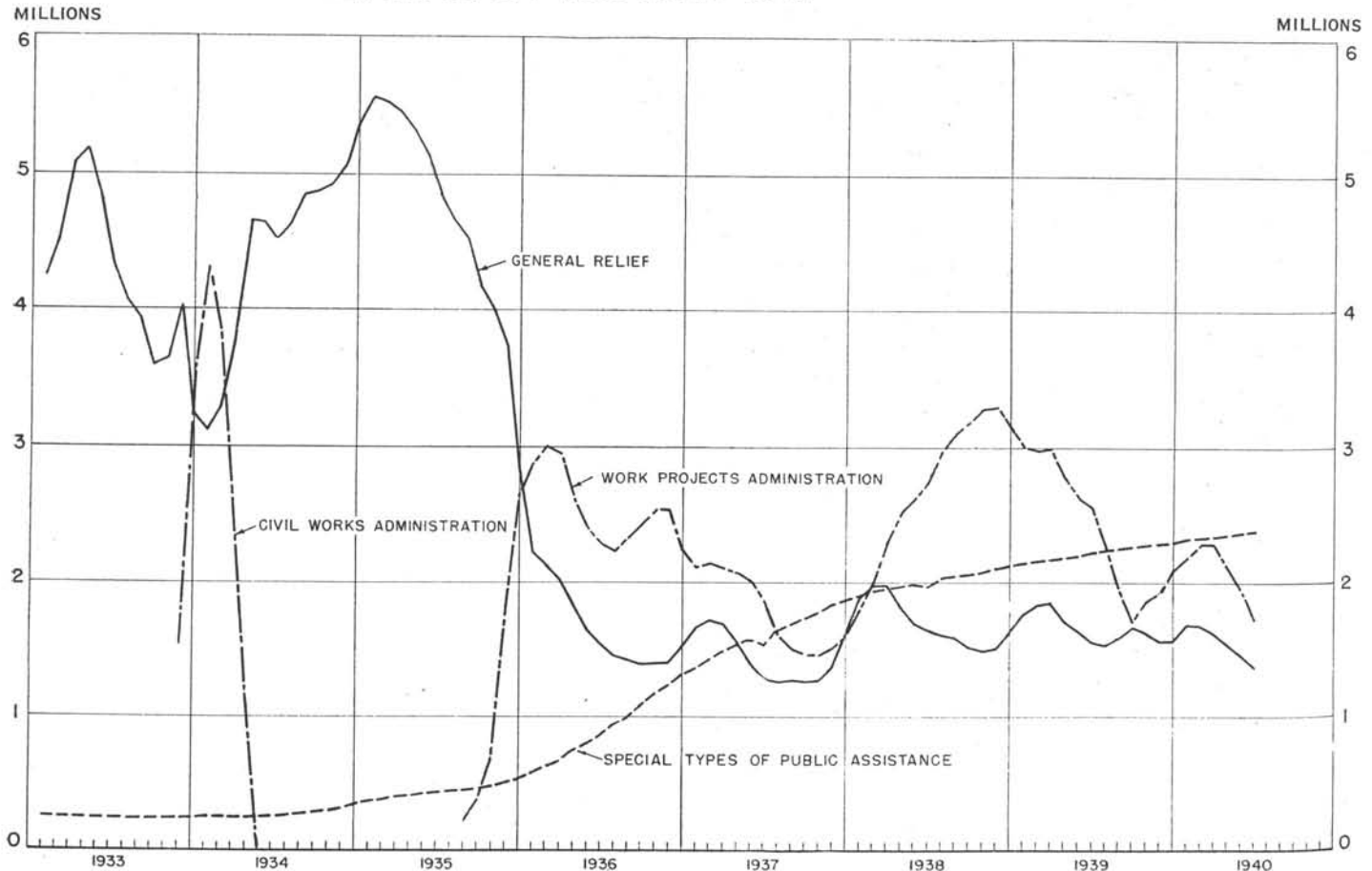
by the social insurances) were receiving public aid from two or more programs.<sup>13</sup> Such overlapping and duplication complicate the problem of generalizing about the characteristics of the entire public-aid population from data for individual programs.

### Geographic Distribution of the Public-Aid Population

The geographic distribution of persons and households benefiting from public-aid programs is fully as significant as their numbers.

<sup>13</sup> Derived from unpublished data furnished by the Division of Statistics, Work Projects Administration.

## RECIPIENTS (CASES) BENEFITING FROM EMPLOYMENT ON PROJECTS OF THE CIVIL WORKS ADMINISTRATION AND WORK PROJECTS ADMINISTRATION, FROM GENERAL RELIEF, AND FROM SPECIAL TYPES OF PUBLIC ASSISTANCE, JANUARY 1933-JUNE 1940



Source: Appendix 9; prior to July 1939 the Work Projects Administration was the Works Progress Administration; figures for aid to dependent children which are included in the three special assistances, relate to the number of families, not to the number of individual children. For definition of the term "recipient" see footnote 1 of this chapter.

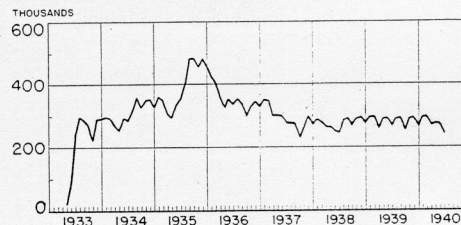
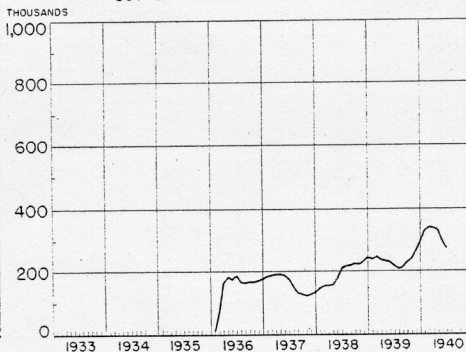
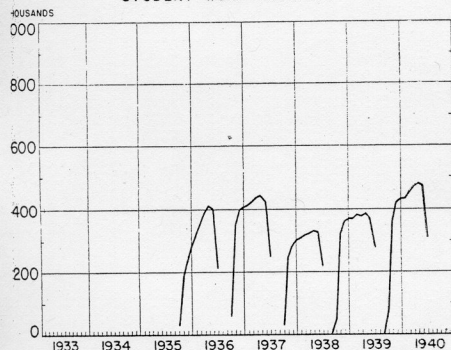
Figure 8

## RECIPIENTS BENEFITING FROM SELECTED PUBLIC-AID PROGRAMS JANUARY 1933-1940

NATIONAL YOUTH ADMINISTRATION  
STUDENT WORK PROGRAM

NATIONAL YOUTH ADMINISTRATION  
OUT-OF-SCHOOL WORK PROGRAM

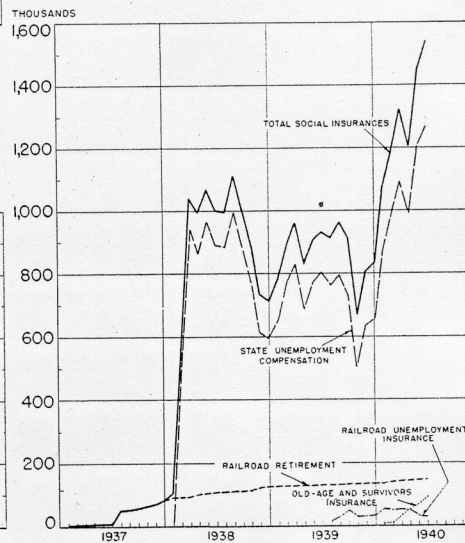
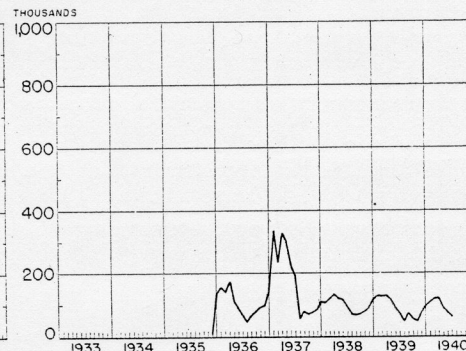
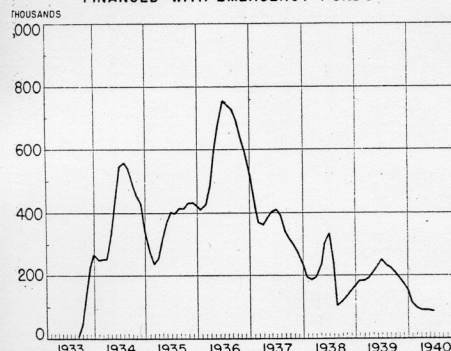
CIVILIAN CONSERVATION CORPS



PUBLIC WORKS ADMINISTRATION AND  
OTHER FEDERAL AGENCIES' PROJECTS  
FINANCED WITH EMERGENCY FUNDS

FARM SECURITY ADMINISTRATION  
GRANTS

SOCIAL INSURANCES\*



Source: Appendix 9; for definition of the term "recipient," see footnote 1 of this chapter.

\*Includes unemployment compensation under State laws, unemployment insurance payments for railroad workers (which prior to July 1939 are included in benefit payments under State unemployment compensation laws), railroad retirement beneficiaries and old-age and survivors beneficiaries under the Social Security Act. Figures for the two latter programs do not include recipients of lump-sum payments.

Figure 9

### Regional Distribution

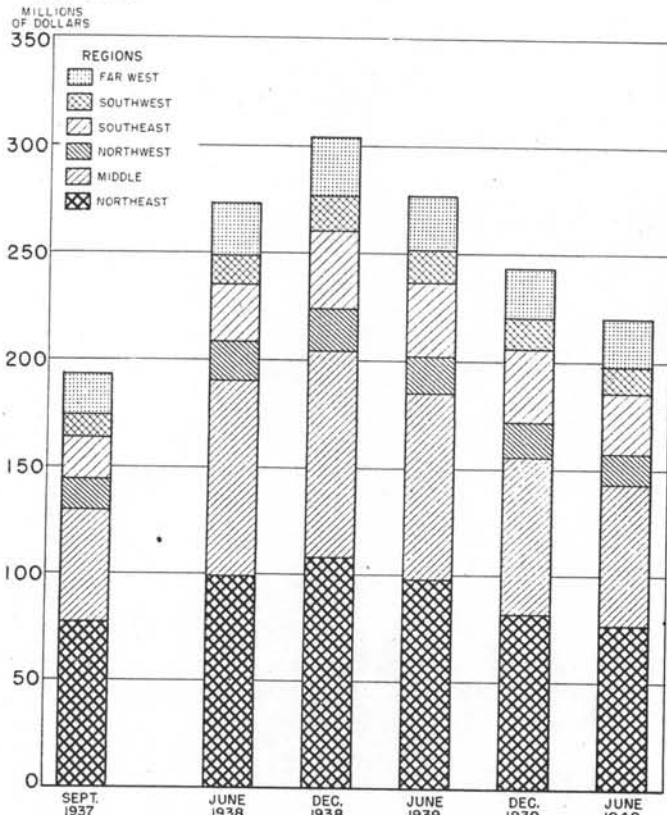
Trends in the number of households and persons as shown in Figures 6 and 7 for the United States cannot be presented for the several socio-economic regions of the country since the amount of duplication between programs is not known by region.<sup>14</sup> It is possible, however, to indicate the general trend in the distribution of the total population receiving public aid by region for selected periods after 1937. (See table 4.) With the exception of the Northeast and Southeast regions, there was little shift in the regional distribution of the public-aid population over the 4-year period.

However, some indication of the trend in the number

of households aided may be reflected in data on total amount of payments granted to recipients, although it must be borne in mind that the correlation between recipients and earnings may be distorted by a number of factors, such as differences from State to State in standards of individual grants and the level of living provided, differences in wage rates and price levels, and variations in family or case composition. Figure 10 indicates that the trends in payments to recipients in the socio-economic regions of the country generally moved in the same direction but, at times, at different rates. Whereas, from September 1937 to June 1939 total payments to recipients of public aid increased 43 percent over the Nation, significant variations occurred between regions. The Northwest region, for

<sup>14</sup>The States included in each of the six socio-economic regions used in this study are shown in footnote 10, p. 57.

PAYMENTS TO RECIPIENTS BENEFITING FROM PUBLIC-AID PROGRAMS (EXCLUDING THE SOCIAL INSURANCES), BY SOCIO-ECONOMIC REGION, FOR SELECTED MONTHS, 1937-1940.



Source: Based on data supplied by the Work Projects Administration

Figure 10

example, increased 22 percent, whereas the Southeast region increased as much as 75 percent.<sup>15</sup>

Although during 1940 the relative importance of programs within regions in terms of households or persons cannot be accurately determined in the absence of data on duplication between programs, a rough approximation of the picture is obtained by relating the number of cases under each program to the gross number of cases on all public-aid programs with-

<sup>15</sup> The percent changes for all regions were as follows:

Social-economic region	Percent change	
	September 1937 to June 1939	June 1939 to June 1940
Continental United States.....	+43.1	-20.5
Northeast.....	+27.6	-22.3
Middle States.....	+61.4	-23.4
Northwest.....	+22.1	-15.4
Southeast.....	+74.7	-17.5
Southwest.....	+49.4	-14.3
Far West.....	+33.8	-14.9

Source. Computed from special tabulations by the Work Projects Administration, based on information available as of November 1, 1940.

in each region. (See Fig. 11.) Whereas general-relief recipients constituted a substantial part of the total public-aid population in several regions, particularly in the Northeast, their proportion was virtually insignificant in the Southeast and Southwest.

In figure 12 regional differences are brought out in terms of payments to recipients during June 1940.

It will be noted that the relative importance of programs within each region in terms of recipients was substantially different from their relative significance in terms of payments. This was due to wide differences in the average payments per case under the several programs. The effect, for instance, of the relatively liberal payments made by the WPA is apparent from the fact that, in June 1940, this program accounted for 46 percent of all payments in the country but roughly 27 percent in terms of households aided, exclusive of social insurances.<sup>16</sup>

A still different picture would be obtained if programs were compared within each region in terms of persons benefited. Such a comparison would diminish the relative importance of those programs which generally provide aid to small households, such as old-age assistance and aid to the blind.

Not only was there variation in the extent to which the individual public-aid programs carried their respective share of the total public-aid burden within each region, but there was probably some variation in the ratio of the total public-aid population in each region to the total population of the region. Table 4 shows the relative concentration in the Middle States, Northwest, and Far West and a lower proportion in the Southeast, while in the Northeast and Southwest

TABLE 4.—Persons benefiting from public-aid programs, exclusive of social insurances, in the continental United States for selected months, 1937-40; percentage distribution of total population and public-aid population by socio-economic regions

Socio-economic region <sup>1</sup>	Total United States population Apr. 1, 1940 <sup>2</sup>	Public-aid population <sup>3</sup>					
		Sept. 30, 1937	June 30, 1938	Dec. 31, 1938	June 30, 1939	Dec. 31, 1939	June 30, 1940
Continental United States.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Northeast.....	30.9	33.2	31.0	30.2	30.4	29.1	31.0
Middle States.....	27.1	30.3	33.6	31.6	32.0	30.8	31.2
Northwest.....	5.6	7.9	7.4	7.7	7.0	7.5	6.9
Southeast.....	21.5	12.4	13.2	15.5	15.3	16.5	15.0
Southwest.....	7.4	7.9	6.9	7.1	7.1	7.4	7.5
Far West.....	7.5	8.3	7.9	7.9	8.2	8.7	8.4

<sup>1</sup> For States included in the various regions, see footnote 10, p. 57.

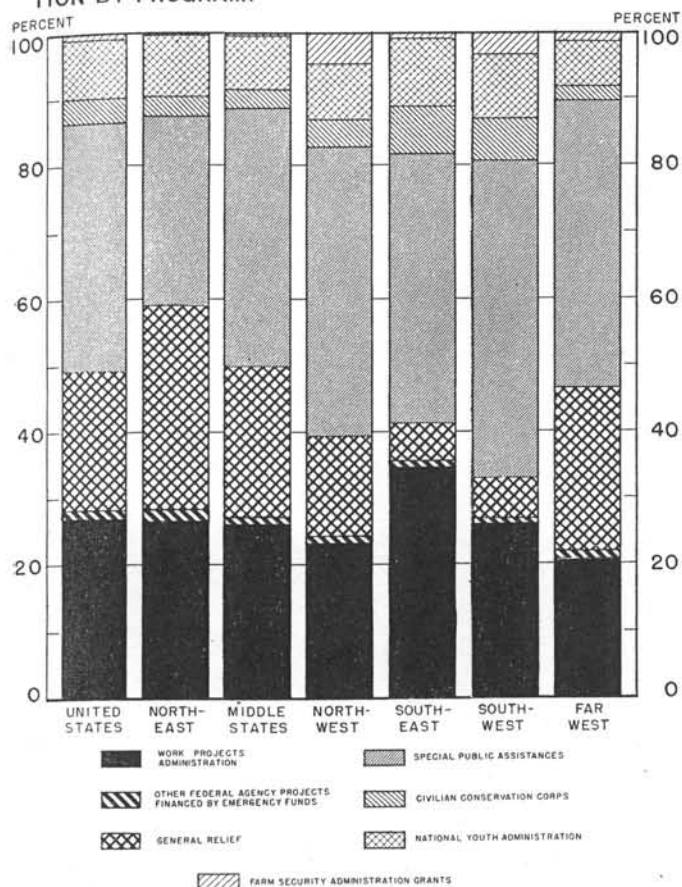
<sup>2</sup> Because there were only slight differences in the regional percentage distribution of the total population of the Continental United States between 1937 and 1940, only the 1940 population is given in this table.

<sup>3</sup> Percentages are based on gross totals of units of aid of the several public-aid programs; duplications within regions are not known.

Source: Percentage distribution of the public-aid population computed from data furnished by the Division of Statistics, Work Projects Administration; percentage distribution of total population computed from Bureau of the Census, *Sixteenth Census of the United States: 1940*, Series P-3, No. 10, Mar. 15, 1941, p. 2.

<sup>16</sup> Computed from appendix 12.

RECIPIENTS BENEFITING FROM PUBLIC-AID PROGRAMS (EXCLUDING THE SOCIAL INSURANCES) BY SOCIO-ECONOMIC REGION, JUNE 1940: PERCENTAGE DISTRIBUTION BY PROGRAM.



Source: Computed from Appendix 11; for definition of the term "recipient" see footnote 1 of this Chapter

Figure 11

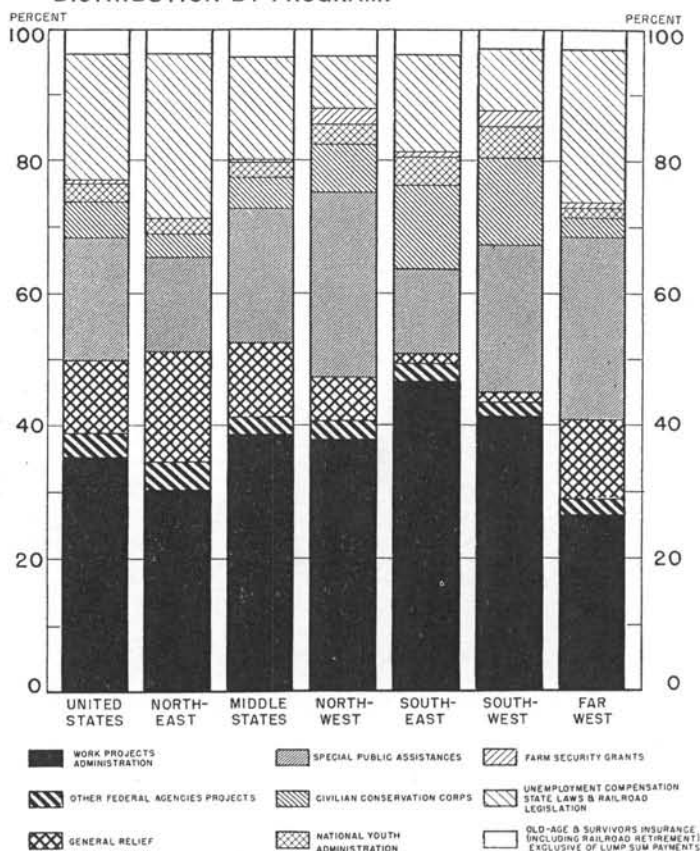
the proportion of persons aided and of the total population was about the same. The Southeast, which was poorest economically, provided the smallest volume of public aid.

#### Urban-Rural Distribution

The regional differences discussed above arose in part from differences in the degree of urbanization. A somewhat higher concentration of the public-aid population in urban areas was apparent in the early stages of the Federal Emergency Relief Administration. In October 1933 the ratio of persons receiving unemployment relief to the general population was 11 percent for urban areas and 9.5 percent for rural areas.<sup>17</sup> During the period October 1933-June 1935, the proportion of all cases which were in rural areas never fell below

<sup>17</sup> Federal Emergency Relief Administration, *Unemployment Relief Census, October 1933*, Report No. 2, Washington, 1934, p. 12.

PAYMENTS TO RECIPIENTS BENEFITING FROM PUBLIC-AID PROGRAMS (INCLUDING THE SOCIAL INSURANCES), BY SOCIO-ECONOMIC REGION, JUNE, 1940: PERCENTAGE DISTRIBUTION BY PROGRAM.



Source: Computed from Appendix 12

Figure 12

30 percent. The peak of 40 percent was reached in January and February 1934, but at no time did the proportion of rural cases in the total caseload quite equal the proportion of rural families in the total population (42 percent in 1930).<sup>18</sup> There is evidence of a growing concentration of public-aid clients in urban areas following the liquidation of the FERA in the summer of 1935. The expansion of the Federal work programs<sup>19</sup> (especially the WPA) and the return of general relief to the States and localities after the liquidation of the FERA were primarily responsible for the concentration of public aid in urban areas.<sup>20</sup>

<sup>18</sup> Mangus, A. R., *Changing Aspects of Rural Relief*, Works Progress Administration, Division of Social Research, Research Monograph XIV, Washington, 1938, table 2, p. 22.

<sup>19</sup> The term as used here includes the WPA, the CCC, the NYA out-of-school work program, and other emergency work programs of the Federal Government.

<sup>20</sup> Although the ratio of cases receiving general relief in 76 major urban areas throughout 1936 and 1937 as compared to the total general-relief case load was never less than 39 percent, these urban areas represented only 27 percent of the total estimated population in July 1936. (Works



Similarly, the NYA out-of-school work program served a relatively larger proportion of urban than rural youth. The tendency to emphasize aid in urban areas was only partly counteracted by the CCC, which selected more rural than urban youth, by old-age assistance which aided a relatively larger proportion of the rural population, and, of course, by the FSA loans and grants, all of which were made to farmers.

The relative concentration of public aid in urban areas was further accentuated by the social insurances, which did not cover agricultural workers and whose beneficiaries, therefore, especially in unemployment compensation, lived for the most part in urban communities. The social-insurance measures for the prevention of insecurity due to unemployment, old age, or loss of the family breadwinner accounted for approximately 22 percent of all households and 19 percent of all individuals directly benefiting from public-aid programs in June 1940, while prior to 1936 no unemployment or old-age insurance plan was in operation. The comparative lack of social-insurance protection was reflected in the composition of the public-aid population as a whole. As seen in figure 12, social-insurance payments amounted to almost 29 percent of all public-aid payments in the predominantly urban Northeast region, and less than 13 percent in the Southwest, which is predominantly rural. For the country as a whole in June 1940, they were almost 23 percent of total public-aid payments.

#### Special Problem Areas

An examination of the incidence of public aid throughout the United States reveals communities and areas that consistently contained much more than their proportionate share of the public-aid load between 1933 and 1940. These communities were located in both urban and rural areas and in all geographic regions of the country. In many of them the aggravated problem of need antedated the depression and had become chronic.

The plight of depressed rural regions has been brought to public attention many times, and the widespread destitution in the early thirties in several problem areas has been analyzed in a number of studies. In the Appalachian-Ozark area<sup>21</sup> about one-fifth of the rural population was on relief through 1935. In the Lake States cut-over area<sup>22</sup> the proportion of the

rural population on relief rose to two-fifths in February 1935. In October of that year it was still over one-fourth, although rural relief rolls had been sharply cut and private employment had increased. Rural relief rates in the agricultural Spring Wheat, Winter Wheat, and Western Cotton areas were sharply affected by the 1934 drought.<sup>23</sup> In February 1935, 34 percent of all rural families living in the Spring Wheat area were receiving relief. The Eastern Cotton area<sup>24</sup> showed an entirely different trend; the highest rural relief load was found in October 1933, with a steady decrease in the proportions receiving relief thereafter, partly as a result of large-scale transfers of general-relief cases to the rural-rehabilitation program in 1934 and 1935.<sup>25</sup>

Thirteen rural cultural regions, located chiefly within the six problem areas, were found to have had an average of between 18 and 33 percent or more of their total population on relief in the fiscal year 1935.<sup>26</sup> Although the proportions of the population which were receiving relief varied from time to time, the need in these areas appears to have been continuously acute.

In addition to these major rural problem areas, distress was acute in counties in southwestern Pennsylvania and in scattered counties in the West and Southwest. It was also very marked in counties along the South Atlantic and Gulf Coasts and in almost all the counties in Florida, coastal and inland.<sup>27</sup>

In all these areas unwise exploitation of natural resources or a loss of markets ruined the chief industry or agriculture or both. This situation, combined with a population growth quite out of proportion to employment opportunities, made public aid a problem in many rural areas of the United States, a problem not confined to the early thirties but lasting well through the period covered in this report.

The apparently chronic depression in many urban areas has not been so well publicized, but it is highly significant in the picture of public aid in the thirties. Where the fortunes of a community were tied to a single industry, technological changes or the migration

<sup>23</sup> Spring Wheat: Counties in Montana, Nebraska, North Dakota, South Dakota, and Wyoming. Winter Wheat: Counties in Colorado, Kansas, Nebraska, Oklahoma, Texas, and Wyoming. Western Cotton: Counties in Oklahoma and Texas.

<sup>24</sup> Counties in North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Tennessee, Missouri, and Arkansas.

<sup>25</sup> For detailed analysis of these problem areas, see Beck, P. G. and Forster, M. C., *Six Rural Problem Areas: Relief—Resources—Rehabilitation*, Federal Emergency Relief Administration, Division of Research, Statistics, and Finance, Research Monograph I, Washington, 1935, *passim*; and Mangus, *op. cit.*, pp. 24–25. See also Goodrich, Carter, and others, *Migration and Economic Opportunity*, Philadelphia, University of Pennsylvania Press, 1936, especially pt. I.

<sup>26</sup> Mangus, A. R., *Rural Regions of the United States*, Work Projects Administration, Division of Research, Special Report, Washington, 1940, pp. 63 and 74.

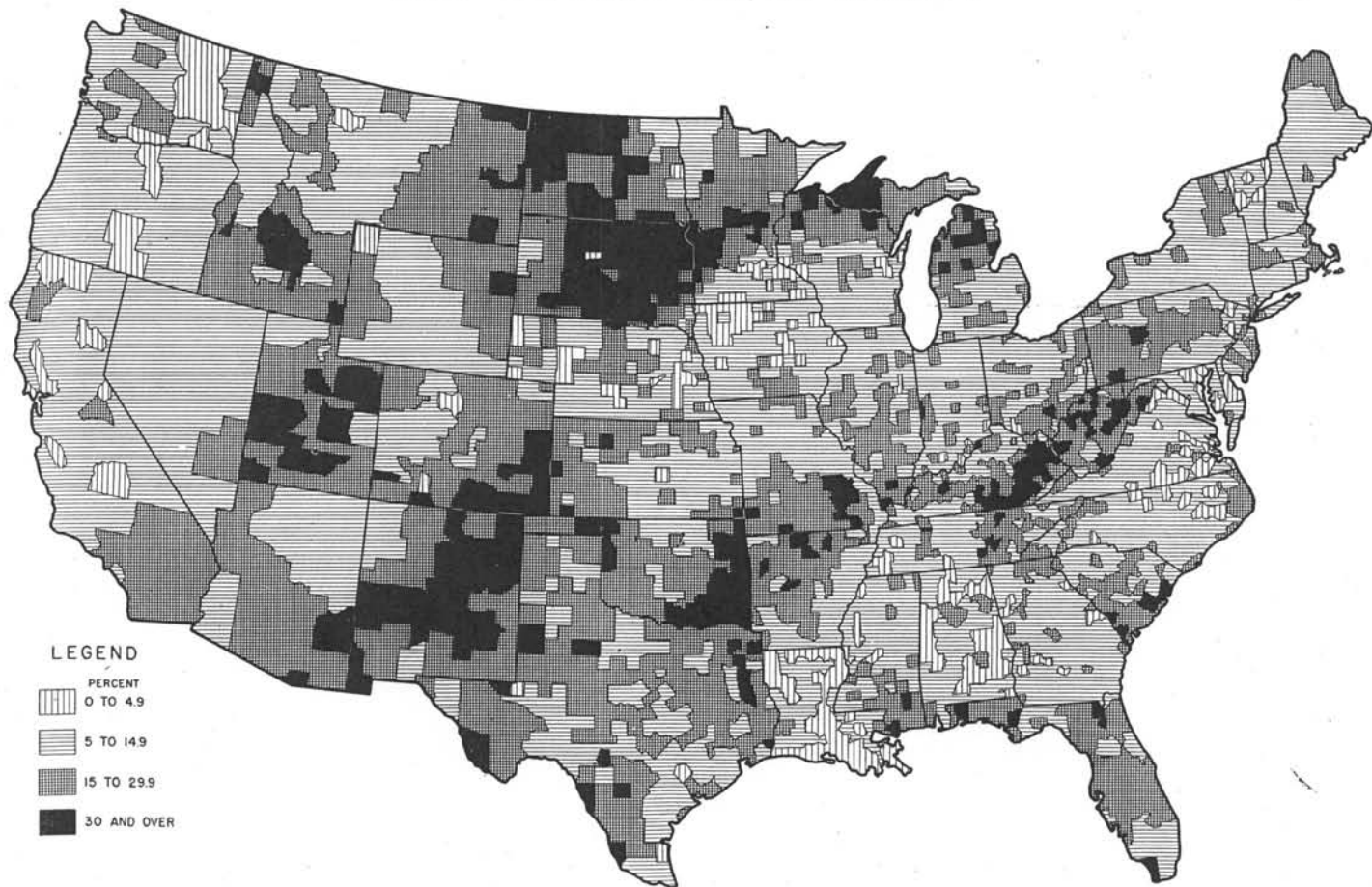
<sup>27</sup> Woofter, T. J., Jr., and Winston, Ellen, *Seven Lean Years*, Chapel Hill, The University of North Carolina Press, 1939, pp. 132–33.

Progress Administration, Division of Research, Statistics and Records, *Analysis of Current General Relief Data, December 1937*, Washington, 1938, p. 7.)

<sup>21</sup> Counties in Virginia, North Carolina, Georgia, West Virginia, Tennessee, Kentucky, Illinois, Missouri, Oklahoma, and Arkansas, dependent chiefly on agriculture, mining, and lumbering.

<sup>22</sup> Counties in Michigan, Minnesota, and Wisconsin, where mining and lumbering resources have almost been exhausted and agriculture is unprofitable.

PROPORTION OF TOTAL POPULATION RECEIVING EMERGENCY RELIEF,  
JULY 1934-JUNE 1935, BY COUNTY



Source: Work Projects Administration; information relates to the average number of persons receiving general relief from FERA, State and local funds, from July 1934 through June 1935, as percent of the 1930 population

Figure 13

of that industry undermined the whole foundation of economic life. The economy of entire areas which had no buffer industries was disrupted. Forty such depressed districts in nonagricultural counties of the United States had a total population in 1930 of over 7 million persons, or 9.1 percent of the population in all nonagricultural counties. In January 1935, these districts contained 13.8 percent of the total relief population of the country. In these districts from 17.1 to 49.1 percent of the population were on relief.<sup>28</sup>

Figure 13 shows for each county in the United States the percentage of the population which benefited from

<sup>28</sup> Unpublished data from the Division of Research, Work Projects Administration. The continuance of the problem in these areas is emphasized by the fact that the reported 13.5 percent of all the unemployed nearly 3 years later in 1937, but only 8.3 percent of the gainful workers in 1930. The proportion of unemployed workers ranged from 21.9 percent to 43.0 percent of the gainful workers in each of these counties.

emergency relief during the fiscal year 1935. It is significant that many of the counties with the highest relief population in that year still presented serious public-aid problems in 1940.

#### Duration of Public-Aid Support

Turnover rates do not reflect the fact that, within programs, some persons remain for long, and some for short, periods; some leave the rolls never to return, while others leave only for short intervals. The duration of relief status of recipients on a particular program is obviously influenced by the same factors as is the rate of turnover. If a count is taken shortly after a program has undergone rapid expansion, the proportion of those receiving aid for a relatively short time will tend to be much higher than if the count is taken after a period of contraction. It is also apparent that, as the period of availability of assist-

ance under a particular program grows longer, duration of aid for some of the recipients will tend to be longer.

A study of the duration of continuous employment on WPA projects of all workers employed during February 1939 (prior to the introduction of the 18-months rule) revealed that 20 percent had been on the program for less than 6 months, almost half (48 percent) for less than a year and 70 percent for less than 18 months.<sup>29</sup> The relatively short duration shown by these data resulted from the fact that the WPA experienced rapid expansion during the business recession of 1937-38.

After July 1939 the duration of employment on WPA projects was automatically limited to 18 months. Available statistics indicate that a considerable proportion of WPA workers did not remain on the program for the full permissible period.<sup>30</sup>

The duration of employment in the CCC was limited to 2 years by legislation effective July 1, 1937. A considerable proportion of enrollees stayed in the camps for more than one enrollment period of 6 months; indeed, between 1937 and June 1940, the average length of time spent by an enrollee in camp was never under 9 months.<sup>31</sup> Of those employed on the NYA out-of-school work program during February 1939, almost half (47 percent) had had continuous employment for 6 months or less and 71 percent for a year or less. About 13 percent had been employed more than 2 years. Among youth employed on projects during that month, 15 percent had left at some previous time and then returned. Of all the youth who returned to take NYA employment a second time, nearly half were away less than 3 months and 85 percent for less than 1 year.<sup>32</sup>

Data for the general-relief program indicate that a substantial proportion of the cases aided at any particular time received uninterrupted aid from that program for only relatively short periods. Estimates based on available local studies made during 1939 and

1940 indicate that a strikingly high proportion of cases received aid continuously for 6 months or less.<sup>33</sup> It must be noted, however, that persons receiving aid for relatively short periods frequently returned to the rolls, because their ability to sustain themselves was often seasonal or of short duration. An example of this situation was revealed by a study of general-relief and public-assistance cases in 1939 in Pennsylvania.<sup>34</sup> In this State, 88 percent of the cases accepted during the calendar year had been on the rolls previously. Of these approximately one-fourth (26 percent) had been off the rolls for only 3 months before reacceptance; more than one-half (52 percent) had been off the rolls for less than a year before returning.

Owing to the nature of the risk provided for by the programs, the receipt of assistance by the aged, the blind, and dependent children was usually of longer duration than that of other public-aid recipients, with the possible exception of the beneficiaries of old-age and survivors insurance and railroad retirement.<sup>35</sup> For example, of cases closed under aid to the blind in the fiscal year 1939, 32.8 percent had received assistance for 2

TABLE 5.—Median duration of continuous project employment of WPA workers by age, race, sex, size of family, and size of community, February 1939

Characteristics of all workers	Median duration in months of continuous WPA employment	Characteristics of all workers	Median duration in months of continuous WPA employment
Total	12.4	Total	12.4
Age:		Size of family:	
Under 25 years.....	9.8	1 person.....	11.7
25-29 years.....	11.1	2-3 persons.....	12.2
30-34 years.....	11.9	4-5 persons.....	12.8
35-39 years.....	12.6	6-8 persons.....	13.0
40-44 years.....	13.2	9 persons or more.....	13.2
45-49 years.....	13.5	Size of community <sup>1</sup>	
50-54 years.....	14.3	100,000 and over.....	13.5
55-59 years.....	15.0	50,000-99,999.....	12.8
60-64 years.....	15.5	25,000-49,999.....	11.9
65 years and over.....	17.7	5,000-24,999.....	11.9
Race:		2,500-4,999.....	10.9
White.....	12.4	Under 2,500.....	11.2
Negro.....	12.7		
Sex:			
Male.....	12.2		
Female.....	14.6		

<sup>1</sup> Population groups represent counties of residence, classified according to 1930 population on the basis of largest municipality in the county.

Source: Work Projects Administration, Division of Statistics, *WPA Statistical Bulletin, July 1939*, Washington, 1939, pp. 56-58.

<sup>29</sup> Social Security Board, Bureau of Research and Statistics, Division of Public Assistance Research, *Memorandum on the People Who Need Financial Assistance*, Washington, 1940, revised, p. 134, table G-21. (Publication referred to subsequently by title only.)

<sup>34</sup> State of Pennsylvania, Department of Public Assistance, Bureau of Research and Statistics, *Pennsylvania Public Assistance Statistics (January 1940)*, 22.

<sup>35</sup> As shown in ch. VIII below, the average duration of unemployment compensation benefits was exceedingly short. The maximum duration specified in State laws in 1940 was normally 16 weeks, which was exceeded in only a few States. Actual average duration was approximately 10 weeks.

<sup>29</sup> Report on Progress of the WPA Program, June 30, 1939, p. 104, table 42.

<sup>30</sup> Each month during the period July 1939 to June 1940 from 3 to 7 percent of the total number of WPA workers employed at the beginning of the month left the rolls voluntarily prior to the expiration of 18 months of continuous employment. (Work Projects Administration, Division of Statistics, *WPA Statistical Bulletin, September 1940*, Washington, 1940, p. 8.) For further discussion of this point, see ch. IX.

<sup>31</sup> In March 1939, just prior to a quarterly enrollment, nearly 49,000 boys left the Corps because they had been enrolled for the maximum period specified by the law. (In fact, owing to an administrative ruling that the restriction on duration should not be retroactive, some of these enrollees had been in camp longer than 2 years.) By the end of the fiscal year, about 7,000 more enrollees left the Corps for the same reason. (Information supplied by the Office of the Director, Civilian Conservation Corps.)

<sup>32</sup> National Youth Administration, *Characteristics of Youth Employed on NYA Work Projects*, Washington, 1939, p. 9.