

Trends in Recipient Rates for General Assistance

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Earlier Bulletin discussions¹ of State trends in recipient rates for old-age assistance and aid to dependent children pointed out that the States with low per capita incomes and presumably high proportions of needy persons have been shifting into the bracket of highest recipient rates. The article that follows deals with recipient rates for the general assistance program which, in contrast to special types of public assistance, depends wholly on State and local governments for financial support. For the general assistance program, therefore, a State's fiscal capacity is more influential in determining its recipient rate than is the proportion of the population in need of assistance.

BETWEEN June 1940 and June 1948 the general assistance program shrank from the largest public assistance program in terms of the number of persons aided to the smallest of these programs except aid to the blind. The total case load dropped from nearly 1.4 million to less than 0.4 million. The 1940 case load would have been considerably larger, and the drop therefore greater, had it not been for the Federal work programs then in operation. The 8-year decreases in the number of persons aided and in the proportion of the population receiving general assistance were relatively greater than the drop in case load.

A general assistance case load that includes employable persons out of work normally has a larger proportion of family cases than does a case load including only "unemployable cases." In June 1940 in 42 States,² there was an average of very nearly three persons per case; by June 1945 the average had dropped to less than two persons (1.86); by June 1948, it was slightly more than two persons (2.08).

The civilian population, on which the recipient rate for general assist-

ance is based, decreased from June 1940 to June 1944 because of the large numbers of persons in the armed forces during this period. Civilian population rose after the middle of 1944 as veterans returned to civilian life. June 1945 was near the low point in number of cases and persons receiving general assistance.

From June 1940 to June 1945 the number of cases receiving general assistance in the 42 States dropped 83 percent; the recipient rate, 89 percent. From June 1945 to June 1948 the number of cases rose 59 percent and the recipient rate 56 percent. The proportion of the population aided in June 1948 was less than one-fifth as large as that in June 1940 (table 1).

The nine States that have not reported the number of persons aided or have made such reports for only part of the time since June 1940 include Alaska and five States with particularly low case loads in relation to population. Throughout the period under discussion, therefore, the recipient rate for the total United States can be assumed to be somewhat smaller than that for the 42 States. Also, the changes in trend for the country as a whole, though similar to those in the 42 States, were somewhat less pronounced.

The reasons for the national trend are well known. The falling rate from 1940 to 1945 resulted primarily from greater opportunity for self-support but also from changes in the source of assistance for people who

continued to be out of the labor market. During those years the number of workers who were unemployed dropped nearly 90 percent. The 1940-42 drop in recipient rate was accelerated by the growth of the programs for old-age assistance, aid to dependent children, and aid to the blind and the transfer from the general assistance rolls of persons eligible for these programs. General assistance rolls were further reduced during the war when a considerable number of persons, who would otherwise have needed assistance, received servicemen's dependents' allowances provided by the Federal Government.

The principal reasons for the postwar rise in recipient rates were, of course, the cessation of these allowances, the curtailment of employment opportunities, especially for marginal workers, and the rise in living costs. The upswing in the national rate as well as in the rate in some States was heightened by the unprecedented migration that had occurred during the war. A substantial number of the persons who moved to other States left low-income States where general assistance was very limited. Some of those who had broken their family and community ties and who did not return to their home State received general assistance in the new State when the war plants closed down.

State Trends

State trends in recipient rates for general assistance varied with differences in economic conditions, in the fiscal ability of States, and in State and local provisions for general assistance.

In Nebraska and West Virginia the 8-year trend departed outstandingly from the general trend. These States had no postwar rise; beginning in 1941, each successive June rate was lower than the rate for the previous June. The trends in the other States varied from that for the 42 States combined chiefly in the sharpness of

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¹Walter M. Perkins, "Trends in Recipient Rates for Old-Age Assistance," October 1948, and Elizabeth T. Alling, "Trends in Recipient Rates for Aid to Dependent Children," November 1948.

²The States referred to in this discussion are those that, throughout the 8 years, reported data on persons as well as cases aided.

the decline in the defense and war years and in the later upswing.

A drop of more than 80 percent in recipient rate from June 1940 to June 1948 occurred in 22 States. In five of these States—Iowa, New Jersey, North Dakota, Pennsylvania, and Wisconsin—the June 1948 rate was less than one-tenth of the June 1940 rate; in Nebraska and South Dakota, it was barely one-tenth of the rate in June 1940.³

The change from June 1940 to June 1948 in the proportion of the population receiving general assistance was generally larger in the wealthier States than it was in States with low per capita income.⁴ The accompanying chart shows the trend in recipient rates from June 1940 for the group of States that ranked among the highest fourth of all States in per capita income both in 1940 and in 1947 and that reported the number of persons receiving general assistance from 1940 to 1948. The combined recipient rate of these States was 4,820 per 100,000 population in June 1940 but only 710 in June 1948. In contrast, the group of States in the lowest fourth of all States in per capita income, excluding those that did not report persons aided in both years, had a recipient rate of 396 in June 1940 but a rate in June 1948 of 234.

North Dakota furnishes an outstanding example of the effect of change in general economic conditions on the need for general assistance. In June 1940, the State was one of the lowest 12 in per capita income; 2,666 persons per 100,000 population received general assistance. By June 1948, high agricultural income had put this State into the highest fourth of all States according to per capita income and its recipient rate had dropped to 220.

The proportions of the population receiving general assistance in the

³ The States with decreases of 80-90 percent were California, Colorado, the District of Columbia, Idaho, Illinois, Indiana, Maine, Maryland, Massachusetts, Minnesota, Nebraska, New Hampshire, New York, Rhode Island, South Dakota, Utah, and West Virginia.

⁴ Throughout this discussion, comparisons of States according to per capita income are based on data for 1947, the latest year for which data on personal income are available.

Table 1.—Number of persons receiving general assistance per 100,000 civilian population, 42 States, for June of each year 1940-48¹

State (ranked by 1947 per capita income)	1940 ²	1941	1942	1943	1944	1945	1946	1947	1948
Total, 42 States ³	3,395	2,020	1,210	600	407	364	445	530	569
Nevada.....	1,450	765	654	352	271	216	292	436	384
New York.....	5,535	4,277	2,819	1,299	625	517	536	892	944
North Dakota.....	2,666	1,479	929	437	245	195	216	226	220
California.....	4,505	897	722	307	239	241	369	526	682
Montana.....	1,781	1,231	780	529	457	305	320	366	409
District of Columbia.....	743	599	372	162	132	100	110	186	145
Illinois.....	5,124	3,798	2,128	1,128	734	604	481	552	624
New Jersey ⁴	3,311	1,570	827	388	214	179	210	272	321
Rhode Island.....	4,187	1,629	1,432	664	599	640	650	834	720
Colorado.....	3,636	2,410	1,763	963	1,097	555	557	633	720
Wyoming.....	1,288	741	827	436	225	223	229	295	266
Maryland.....	1,215	893	705	564	515	601	788	922	237
Massachusetts.....	4,786	2,322	1,454	829	610	502	520	645	700
Ohio.....	3,548	1,848	1,089	450	331	309	528	601	799
Michigan.....	3,189	1,817	1,348	596	419	449	789	835	1,110
Washington.....	1,366	1,178	636	483	442	373	637	475	639
Pennsylvania.....	5,617	2,815	851	406	299	269	482	539	466
South Dakota.....	2,459	1,854	1,450	529	371	328	306	331	250
Wisconsin.....	4,763	2,495	1,505	577	378	312	379	340	342
Idaho.....	860	557	375	259	207	213	137	137	139
Indiana ⁴	3,782	2,006	1,245	542	374	373	677	584	608
Oregon.....	2,034	1,287	701	413	420	536	668	498	574
Nebraska.....	2,342	1,228	804	385	292	275	269	255	236
Utah.....	2,675	2,328	903	456	407	398	518	422	406
Missouri.....	1,739	1,489	891	579	447	565	579	675	744
Minnesota.....	3,888	2,465	1,425	672	452	391	421	521	545
Vermont.....	2,342	1,371	981	772	600	468	398	441	650
New Hampshire.....	5,096	3,238	1,768	1,046	720	500	446	508	590
Iowa.....	3,873	2,474	1,584	736	457	372	375	435	289
Maine.....	4,306	2,690	1,606	942	621	593	575	679	818
Arizona.....	2,163	1,416	1,171	1,043	1,069	735	1,001	755	440
Virginia.....	825	548	382	286	272	235	227	246	244
New Mexico.....	932	860	547	556	342	442	413	501	465
West Virginia.....	2,745	2,135	1,757	1,137	649	481	460	456	319
Louisiana.....	657	833	678	294	353	373	395	429	488
North Carolina.....	440	342	258	181	139	138	146	161	182
Georgia.....	547	460	364	229	179	157	151	171	177
Alabama.....	145	127	119	118	136	149	179	202	249
South Carolina.....	185	184	183	196	213	187	244	302	260
Arkansas.....	442	339	389	288	254	226	217	191	191
Mississippi.....	159	106	67	55	28	24	26	35	36
Hawaii ⁵	558	416	313	192	177	161	184	289	329

¹ Population as of July 1 of each year; estimated by the Bureau of the Census.

² Includes persons who received only medical care.

³ Number of persons receiving assistance not available for the entire period for Connecticut, Delaware, Florida, Kansas, Kentucky, Oklahoma, Tennessee, and Texas. Estimates of population not available for Alaska.

⁴ Includes recipients of medical care, hospitalization, and burial only.

⁵ Estimated.

⁶ Not ranked because data on per capita income not available.

various States became more similar as recipients left the rolls to take employment in the prewar and war period. The average deviation of State recipient rates from that for the median State fell from 1,432 in June 1940 to 200 in June 1948; this decline was proportionately larger than that in the average recipient rate.

The smaller variation in State recipient rates at the end of the 8-year period resulted from the greater similarity in the composition of case loads; in all States the later loads were composed largely of the groups that predominated in the case loads of the States with lowest rates throughout the period—that is, unemployable and short-time emergency cases. As the number of needy per-

sons declined, moreover, low-income States were able to meet a higher proportion of the remaining need.

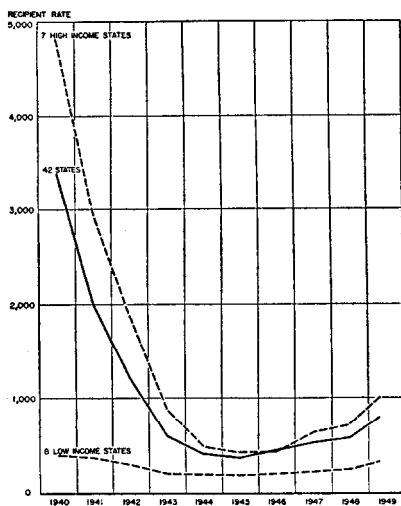
The variation among States in the recipient rates for each of the months for which they are recorded suggests that, throughout the period, general assistance was not equally available in all States even to unemployable persons. An example from one State shows the various factors that influence recipient rates.

Eligibility for "general relief" in Missouri is restricted by law to unemployable persons and families. Unemployable persons have been defined to include persons unable to work because of physical or mental handicap, mothers who are needed at home to care for small children, and other

adults whose full time is required at home to take care of ill or incapacitated members of the family. An entire family is ineligible for general relief if any member is able to work. Because funds have been inadequate to meet the full need of the persons who would have qualified under these definitions, eligibility has been further restricted; in June 1948 no individual or family that had enough other income to meet 60 percent of total need could receive assistance. Even under these limitations, Missouri's recipient rate for general assistance was much higher than that in any of the States that were in the lowest fourth of the States ranked according to per capita income and therefore can be assumed to have had more needy people.

Two further characteristics of Missouri's program were partly responsible for its relatively high recipient rate. Like some other States—usually those above average in fiscal ability—Missouri's general assistance cases included a substantial number of families that also received a payment of aid to dependent children, and a few families in which a member received old-age assistance. Furthermore,

Number of persons receiving general assistance per 100,000 civilian population, selected groups of States,¹ for June of each year 1940-49²



¹ Each group of States excludes those that did not report number of persons aided throughout period. High-income and low-income States represent States in highest and lowest fourth according to per capita income in both 1940 and 1947.

² April rate for 1949; data for June not yet available.

Table 2.—Quartile ranking of recipient rates for general assistance, aid to dependent children, and old-age assistance, for States in lowest quartile according to per capita income, June 1948¹

Program	States with recipient rate in specified quartile			
	Lowest	Third	Second	Highest
General assistance	Arkansas Georgia Mississippi Kentucky North Carolina Tennessee	Alabama South Carolina West Virginia	Louisiana New Mexico	-----
Aid to dependent children	Mississippi	Georgia North Carolina South Carolina	Alabama	Arkansas Kentucky Louisiana New Mexico Tennessee West Virginia
Old-age assistance	-----	West Virginia	Kentucky Tennessee North Carolina	Alabama Arkansas Georgia Louisiana Mississippi New Mexico South Carolina

¹ Data include rates for Kentucky and Tennessee which reported number of persons receiving general assistance for this month but not continuously since 1940. Oklahoma excluded because data on persons receiving general assistance not available.

State funds met practically all the cost of general assistance in Missouri, whereas in several of the lowest-income States the local units bear the entire cost. Local responsibility results in great variation in provisions for general assistance and is an important factor in the very low recipient rates for some States.

The effect of size of appropriations on the number of needy persons assisted is illustrated also by the sudden drop in the recipient rate in West Virginia after June 1943. A drastic cut in the State appropriation left the available funds inadequate to meet need. Since July 1943, counties that receive State aid have not given general assistance to persons who had need currently specified in State policy—for most of the time, 40 percent.

Relationship Between General Assistance and Other Types of Assistance

The States with low fiscal ability have appropriated most of their assistance money for the special types of public assistance in order to receive more Federal funds. In some respects these States have extended eligibility for these types of assistance further than have some of the States with high fiscal ability. The low-income States are more likely to con-

sider the needs of dependents of recipients in determining payments under the special programs than to give separate payments of general assistance. Only such consideration is possible, however, as can be covered in the relatively low payments for the special types of assistance made in these States.

In the ranking of all States according to recipient rates for aid to dependent children and old-age assistance in June 1948, the States with low per capita income fell in the upper half, and some even in the upper fourth. In recipient rates for general assistance, however, only two such States—Louisiana and New Mexico—ranked as high as the second quartile, and the majority of these States were in the lowest quartile (table 2).

Trends Since June 1948

Recipient rates have been presented for June of the successive years because that month corresponded approximately with the date of the population estimates. Trends based on annual data only fail to show the seasonal trend that is characteristic of general assistance loads in normal years. June is usually the approximate midpoint between the high month near the beginning of the year and the later low month.

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Table 2.—Federal appropriations and expenditures under Social Security Administration programs, by specified period, 1947-49

[In thousands]

Item	Fiscal year 1947-48		Fiscal year 1948-49			
	Appropriations ¹	Expenditures through April 1948 ²	Appropriations ¹	Expenditures through April 1949 ²		
Total.....	\$1,438,777	\$1,175,771	\$1,595,340	\$1,444,992		
Administrative expenses.....	42,476	44,972	45,420	46,099		
Federal Security Agency, Social Security Administration ³	42,376	34,730	45,318	34,719		
Department of Commerce, Bureau of the Census.....	100	74	102	100		
Department of the Treasury ⁴	(⁵)	10,168	(⁵)	11,280		
Grants to States.....	881,455	708,586	949,000	900,564		
Unemployment insurance and employment service administration.....	130,455	64,308	130,000	128,512		
Old-age assistance.....	726,000	487,258	797,000	579,473		
Aid to the blind.....		14,325		16,610		
Aid to dependent children.....		121,231		154,188		
Maternal and child health services.....		11,000		9,387	11,000	10,786
Services for crippled children.....		7,500		6,719	7,500	7,298
Child welfare services.....		3,500		3,337	3,500	3,620
Emergency maternity and infant care.....		7,000		2,021		77
Benefit payments, old-age and survivors insurance.....	511,676	419,550	599,000	496,549		
Reconversion unemployment benefits for seamen.....	3,170	2,663	1,920	1,783		

¹ Excludes unexpended balance of appropriations for preceding fiscal year.
² Includes expenditures from unexpended balance of appropriations for preceding fiscal year.

³ 1947-48 data exclude expenses for administering U. S. Employment Service; the Service became a part of the Social Security Administration on July 1, 1948.
⁴ Amounts expended by the Treasury in administering title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed from the old-age and survivors insurance trust fund to the general fund of the Treasury.

⁵ Not available because not separated from appropriations for other purposes.

⁶ Excludes grants for employment service administration.

⁷ Amount appropriated for 1947-48 available until June 30, 1949.

⁸ Actual payments from the old-age and survivors insurance trust fund.

⁹ Estimated expenditures as shown in 1948-49 budget.

Source: Federal appropriation acts and 1948-49 budget (appropriations); *Daily Statement of the U. S. Treasury* and reports from administrative agencies (expenditures).

GENERAL ASSISTANCE

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The rise in the fall and winter of 1948-1949 was unusually large in proportion to the case load in the previous summer. By April 1949 the recipient rate in the 42 States had risen to 803 per 100,000 persons. Some of the greatest increases were in States affected by the exceptionally severe winter and may have been temporary.

In Louisiana, which increased substantially its appropriation for public welfare, the number of persons receiving general assistance has more than doubled since June 1948. The increase in this State was responsible for almost three-fourths of the rise in the

number of persons getting general assistance in the group of low-income States shown on the chart. Case loads in all of these States are still limited almost exclusively to unemployable persons. Large recent increases in the proportion of the population receiving general assistance in some of the other States are clearly associated with reduction in opportunities for employment. In the latter States, unemployment insurance has prevented still higher recipient rates for general assistance by providing benefits to persons who have recently lost jobs.

Differences between high and low-income States in the relative size of general assistance programs extend also to the States that were excluded from the discussion above. For the country as a whole, the case count fur-

Table 3.—Contributions and taxes under selected social insurance and related programs, by specified period, 1946-49

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions ¹	Federal civil-service contributions ²	Taxes on carriers and their employes	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions
Fiscal year:						
1946-47.....	\$1,459,492	\$481,448	\$380,057	\$1,001,504	\$184,823	\$141,750
1947-48.....	1,616,162	482,585	557,061	1,007,087	207,919	145,148
10 months ended:						
April 1947.....	1,111,160	438,624	255,861	802,458	171,552	107,782
April 1948.....	1,223,571	437,979	421,656	868,900	193,321	108,460
April 1949.....	1,283,079	490,755	427,613	286,042	209,709	7,519
1948						
April.....	74,324	19,256	5,663	112,188	2,921	76
May.....	376,000	19,998	11,598	132,475	13,417	1,289
June.....	16,590	24,607	123,808	5,713	1,181	35,399
July.....	63,057	244,676	2,378	112,097	1,886	6
August.....	379,573	24,331	17,161	152,242	12,924	6
September.....	7,968	26,779	121,632	10,978	242	12
October.....	58,804	25,904	4,649	95,185	1,683	3
November.....	357,617	29,454	14,050	176,088	12,336	2,407
December.....	7,062	27,763	125,842	8,707	1,531	3
1949						
January.....	38,039	28,489	1,201	79,358	14,492	2,564
February.....	279,829	27,707	5,878	97,531	152,784	19
March.....	25,937	30,571	132,752	3,813	9,032	2,495
April.....	75,191	25,080	2,370	104,645	3,098	6

¹ Represents contributions of employees and employers in employments covered by old-age and survivors insurance.

² Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds; in recent years Government contributions are made in 1 month for the entire fiscal year.

³ Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 2 States, contributions from employees; excludes contributions collected for deposit in State sickness insurance funds. Data reported by State agencies; corrected to Apr. 30, 1949.

⁴ Represents taxes paid by employers under the Federal Unemployment Tax Act.

⁵ Represents July contributions of \$17.3 million from employees, and contributions for fiscal year 1948-49 of \$225.4 million from the Federal Government and \$2.0 million from the District of Columbia for certain District government employees.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

nishes the only measure of this difference. The unequal availability of general assistance to needy people in the fourth of the States with lowest per capita income shows in the following comparisons. These 12 States in April 1949 had 20 percent of the total population of the Nation, 31 percent of all cases of aid to dependent children, and 28 percent of all cases of old-age assistance. But these 12 States had only 13 percent of all general assistance cases, and made only 6 percent of all general assistance payments.

Unless the financing of general assistance can be put on a broader basis, the differences in the proportion of the population aided in high and low-income States can be expected to widen again if total case loads increase.