

State Variations in Per Capita Social Insurance and Public Aid Payments in Relation to Total Income Payments*

Benefits under social insurance and related programs and public aid payments accounted for 3.0 percent of all income payments to individuals in 1942¹ (table 1). The total amount of social insurance benefits has increased in every year, except 1941, since the programs established under the Social Security Act came into operation. This rise may be expected to continue as an increasing proportion of the working population acquires insured status under old-age and survivors insurance. The 1942 increase took place despite exceptionally favorable employment conditions which impelled many eligible aged workers to defer their retirement, and despite a sharp decline in unemployment benefits in the latter part of the year.

In contrast to the trend of social insurance payments, the volume of public aid has decreased in each year since 1938. Major declines in general assistance and in earnings under Federal work programs have more than offset a slight rise in payments under the three special types of public assistance—old-age assistance, aid to the blind, and aid to dependent children.

The ratio of social insurance benefits or public aid payments to total income payments to individuals in a given year depends, of course, not only upon the volume of benefits and payments but also upon the level of total income payments. The rise in national income payments since 1938 has been accompanied by noticeable gains in the

proportion received in the form of wages and salaries and entrepreneurial income and by declines in the proportion derived from public aid, which has decreased in absolute amount, and from social insurance payments, which have increased in absolute amount.

The significance of social insurance and relief payments to individuals is seen in a useful perspective when viewed in relation to total income payments. Each of the aggregates, all social insurance payments and all public aid, is made up of two major segments. One segment consists of payments to persons who are outside the labor

Table 1.—Total income payments, social insurance and related payments, and public aid payments, 1938–42¹

[In millions]

Year	Total income payments	Social insurance and public aid payments		Social insurance and related payments		Public aid payments	
		Amount	Percent of total income payments	Amount	Percent of total income payments	Amount	Percent of total income payments
1938.....	\$66,135	\$4,031	7.0	\$1,529	2.3	\$3,102	4.7
1939.....	70,829	4,557	6.4	1,610	2.3	2,941	4.1
1940.....	76,472	4,476	5.9	1,801	2.4	2,675	3.5
1941.....	92,229	4,062	4.4	1,737	1.9	2,325	2.5
1942.....	115,479	3,470	3.0	1,823	1.6	1,647	1.4

¹ Includes payments to persons outside continental United States; for components of total income payments, see table 1, p. 54.

force—the aged, the permanently and totally disabled, survivors, dependent children—and to persons whose right to benefits continues irrespective of current employment, such as partial disability benefits under workmen's compensation laws or to veterans. The second segment consists of payments to persons who are currently or ordinarily a part of the labor force and whose need for aid or right to benefits results from lack of current job opportunities or from work-connected accidents and injuries that are only temporarily disabling.

The need for payments of the first type is present in good times and in bad. In a year such as 1942, some benefit payments to aged per-

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¹ Data from Income Payments Division, Department of Commerce. Social insurance and related payments (for convenience, shortened to "social insurance payments" in this discussion) represent payments under old-age and survivors insurance, railroad retirement, civil-service retirement, other Federal retirement (primarily noncontributory retirement systems for regular personnel of the Army, Navy, Coast Guard, Public Health Service, and members of the Federal judiciary), State and local government retirement, veterans' pension, State unemployment compensation, railroad unemployment insurance, and workmen's compensation programs. Public aid payments represent assistance payments under the old-age assistance, aid to dependent children, aid to the blind, and general assistance programs; earnings under the WPA, NYA (exclusive of out-of-school work program after June 1942), CCC, and other Federal work projects; and payments to individuals under the Farm Security Administration and surplus commodity programs. All data relate to the continental United States except those in table 1, which include payments to individuals in Alaska and Hawaii and pay of the armed forces outside the United States.

sons or widows will be suspended because the beneficiaries return to employment; other persons eligible to retire will postpone doing so; some persons will leave the public assistance rolls as relatives become able to support them or they themselves find employment when job qualifications are relaxed. Within the limits of existing program provisions, however, payments of this type will continue in relatively steady volume, little influenced by changes in the total amount of income payments in a year.

Payments of the second type, on the other hand, fluctuate markedly with changes in the level of employment and hence with changes in total income payments. Except for workmen's compensation, which tends to increase as more persons are employed or more man-hours worked, the volume of payments of this second type—unemployment benefits, work program earnings, much of general assistance—is large when total income payments are low and decreases as total income payments rise. As a result of the combined effect of relatively steady payments to persons outside the labor force and benefits or assistance which partially fill in the gaps in earnings when employment is difficult to find, both total social insurance payments and total public aid will constitute a relatively larger proportion of total income payments when national income is low than when it is high.

At any given time or over a period of time, these general relationships may be obscured or modified by the immaturity, the inadequacy, or the complete absence of particular social insurance or relief programs. Because of the recency of the adoption of old-age and survivors insurance, the fact that persons who have already left the labor market and are unable to return to employment cannot qualify for retirement benefits, and the anticipated increase in the proportion of aged persons in the population, the amount of payments under this program may be expected to increase for many years to come. These increases, however, are likely to be sufficiently gradual to have little effect on changes from one year to the next in the ratio of social insurance to total income payments although they will have an important effect over a longer period. The amount of unemployment compensation and of workmen's compensation payments is greatly influenced by the limitations of coverage and

benefit provisions of existing State laws. The volume of relief payments will be affected both by the extent of need and by the availability of funds for this purpose.

The ratio of social insurance and of relief payments to total income payments varies greatly among the States. These variations stem partly from differences in the character of the economy or in the proportion of the State's population in the labor force or in the dependent age groups, and partly from substantial differences in legislation, program coverage, and adequacy of benefits or

Table 2.—Per capita income,¹ social insurance, and public aid payments, by State, 1942

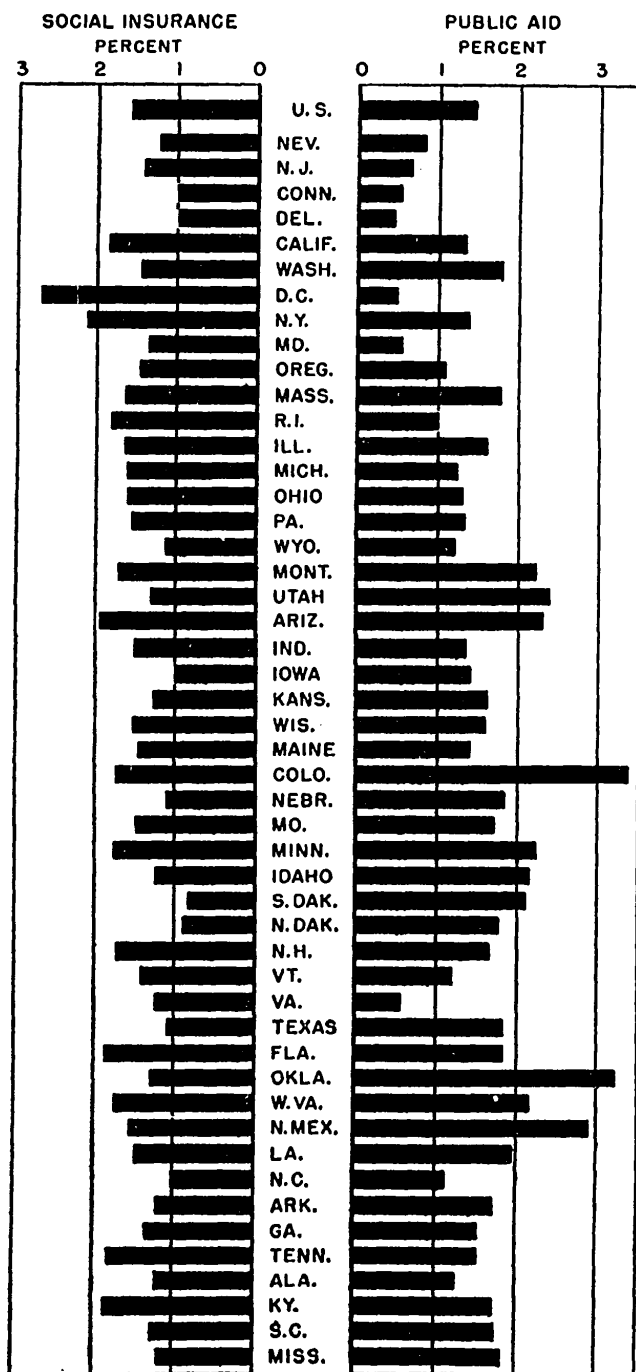
State	Per capita income payments	Social insurance payments		Public aid payments	
		Per capita	Percent of total income payments	Per capita	Percent of total income payments
Total.....	\$852	\$13.46	1.58	\$12.26	1.44
Alabama.....	480	5.86	1.22	6.00	1.25
Arizona.....	832	16.14	1.94	19.14	2.30
Arkansas.....	514	6.17	1.20	8.84	1.72
California.....	1,167	21.59	1.85	15.64	1.34
Colorado.....	785	13.58	1.73	26.45	3.37
Connecticut.....	1,296	12.96	1.00	6.87	.63
Delaware.....	1,186	11.74	.99	5.34	.45
District of Columbia.....	1,104	31.43	2.70	5.59	.48
Florida.....	655	12.18	1.86	11.99	1.83
Georgia.....	498	6.67	1.34	7.62	1.53
Idaho.....	758	9.32	1.23	16.22	2.14
Illinois.....	979	16.06	1.64	15.76	1.61
Indiana.....	827	12.41	1.50	11.16	1.35
Iowa.....	823	8.23	1.00	11.60	1.41
Kansas.....	814	10.34	1.27	13.19	1.62
Kentucky.....	477	8.87	1.86	8.20	1.72
Louisiana.....	534	7.85	1.47	10.47	1.96
Maine.....	786	11.48	1.46	11.00	1.40
Maryland.....	1,077	14.43	1.34	5.82	.64
Massachusetts.....	1,024	16.69	1.63	18.23	1.78
Michigan.....	960	15.46	1.61	11.90	1.24
Minnesota.....	761	13.39	1.76	16.97	2.23
Mississippi.....	407	4.80	1.18	7.45	1.83
Missouri.....	762	11.28	1.48	13.03	1.71
Montana.....	860	14.71	1.71	19.09	2.22
Nebraska.....	774	8.51	1.10	14.24	1.84
Nevada.....	1,352	16.49	1.22	11.22	.83
New Hampshire.....	719	12.37	1.72	11.94	1.66
New Jersey.....	1,304	18.39	1.41	8.48	.65
New Mexico.....	558	8.59	1.54	16.18	2.90
New York.....	1,106	23.34	2.11	15.26	1.38
North Carolina.....	523	5.28	1.01	5.86	1.12
North Dakota.....	721	6.42	.89	12.76	1.77
Ohio.....	957	15.31	1.60	12.44	1.30
Oklahoma.....	598	7.05	1.28	19.26	3.22
Oregon.....	1,046	15.17	1.45	11.40	1.09
Pennsylvania.....	894	13.77	1.54	11.89	1.33
Rhode Island.....	1,016	18.29	1.80	10.16	1.00
South Carolina.....	459	5.83	1.27	7.99	1.74
South Dakota.....	725	5.95	.82	15.23	2.10
Tennessee.....	492	8.91	1.81	7.63	1.53
Texas.....	677	7.31	1.08	12.39	1.83
Utah.....	850	11.05	1.30	20.23	2.38
Vermont.....	698	9.84	1.41	8.38	1.20
Virginia.....	697	8.57	1.23	3.90	.66
Washington.....	1,166	16.79	1.44	20.99	1.80
West Virginia.....	598	10.41	1.74	12.92	2.16
Wisconsin.....	786	11.95	1.52	12.68	1.60
Wyoming.....	883	9.89	1.12	10.68	1.21

¹ Based on total income payments of \$114 billion in continental United States; all payments by State of residence of recipients, except State unemployment insurance payments, which are attributed to State by which payment is made.

relief payments under State-administered programs. Limitations in the coverage of Federal programs, such as the exclusion of agricultural workers and self-employed persons from coverage

under old-age and survivors insurance, also affect the volume of payments in individual States.

Chart 1.—Social insurance and public aid payments as percent of total income payments, by State,¹ 1942



Whereas in 1942 social insurance payments constituted 1.6 percent of total income payments in the United States, the proportion varied among the States from 0.8 percent in South Dakota to 2.7 percent in the District of Columbia (table 2). Public aid, which accounted for 1.4 percent of total income payments in the United States, ranged from 0.5 percent in Delaware, the District of Columbia, Connecticut, and Maryland to 3.4 percent in Colorado. Social insurance and public aid combined, 3 percent of total income payments for the United States, ranged from 1.4 percent in Delaware to 5 percent in Colorado.

The relative importance of social insurance and of public aid payments also varied greatly among the States. In 1942 the amount of public aid payments in the United States was 91 percent of the amount of social insurance payments. For individual States the comparable percentages ranged from 18 in the District of Columbia to 256 in South Dakota. The 10 States² in which the percentage of relief payments to social insurance payments was highest are all agricultural States. With two exceptions—Colorado and Utah—less than 46 percent of the persons employed in the census week in 1940 in each of these States were in industries covered by old-age and survivors insurance. On the other hand, with one exception they are not the States which in 1942 ranked lowest on the basis of per capita income; most of them fall in the middle third of the States ranked by 1942 per capita income. In the poorest States, both social insurance and public aid payments, particularly those financed in any large measure by State and local funds, are limited and tend to be of more nearly equal importance in relation to total income payments. The States in which social insurance payments in 1942 were substantially greater than public aid are primarily the more highly industrialized States, in several instances States with higher than average per capita expenditures for unemployment benefits or with extensive retirement systems for Government employees.

The proportion which social insurance and public aid payments are of total income payments in any State affords no indication of the absolute

² South Dakota, Oklahoma, North Dakota, Colorado, New Mexico, Utah, Idaho, Texas, Nebraska, Mississippi.

¹ Ranked by 1942 per capita income.

amount of such payments or of the amount per capita.³ Thus while social insurance constituted 1 percent of income payments in both Connecticut and North Carolina, social insurance payments per capita amounted to \$13 in the former and to \$5 in the latter State. Similarly, Alabama and California each had 1.3 percent of its 1942 income payments in the form of public aid, but

³ Per capita figures based on the total population resident in the States in 1942, including members of the armed forces stationed in the continental United States, as estimated by the Department of Commerce.

Table 3.—Rank of States by per capita income payments, per capita social insurance payments, per capita public aid, and by percent of total income payments in form of social insurance and of public aid, 1942

State	Rank by—				
	Per capita income payments	Per capita social insurance payments	Percent of total income payments in form of social insurance	Per capita public aid	Percent of total income payments in form of public aid
Nevada.....	1	8	37-38	20	43
New Jersey.....	2	4	27-28	30	44
Connecticut.....	3	10	46-46	43	47
Delaware.....	4	24	47	48	49
California.....	5	3	6	12	33
Washington.....	6	6	26	2	16
District of Columbia.....	7	1	2	47	48
New York.....	8	2	2	13	31
Maryland.....	9	15	20-30	46	46
Oregon.....	10	13	25	28	41
Massachusetts.....	11	7	15	7	17
Rhode Island.....	12	5	8	34	42
Illinois.....	13	10	14	11	25
Michigan.....	14	11	16	25	37
Ohio.....	15	12	17	21	35
Pennsylvania.....	16	16	18-19	26	34
Wyoming.....	17	30	41	32	38
Montana.....	18	14	13	6	7
Utah.....	19	27	31	3	4
Arizona.....	20	9	3	5	5
Indiana.....	21	20	21	30	32
Iowa.....	22	38	45-46	27	29
Kansas.....	23	20	33-34	16	24
Wisconsin.....	24	23	20	20	26
Maine.....	25	25	24	31	30
Colorado.....	26	17	11	1	1
Nebraska.....	27	37	42	15	12
Missouri.....	28	26	22	17	22
Minnesota.....	29	18	9	8	6
Idaho.....	30	32	35	9	9
South Dakota.....	31	45	40	14	10
North Dakota.....	32	43	48	10	18
New Hampshire.....	33	21	12	24	23
Vermont.....	34	31	27-28	37	39
Virginia.....	35	36	36	40	45
Texas.....	36	41	43	22	13-15
Florida.....	37	22	4-5	23	13-15
Oklahoma.....	38	40	32	4	2
West Virginia.....	39	28	10	18	8
New Mexico.....	40	35	18-19	10	3
Louisiana.....	41	30	23	33	11
North Carolina.....	42	48	44	45	40
Arkansas.....	43	44	30	35	20-21
Georgia.....	44	42	20-30	40	27-28
Tennessee.....	45	33	7	41	27-28
Alabama.....	46	46	37-38	44	30
Kentucky.....	47	34	4-5	38	20-21
South Carolina.....	48	47	33-34	39	19
Mississippi.....	49	40	40	42	13-15

per capita public aid payments amounted to \$6 in the first State and to \$15.64 in the second.

It is impossible in a single article to examine in detail the varying significance of social insurance and relief payments for individual States. This article is devoted primarily to an analysis of the relation which obtained in 1942 between State per capita payments for these purposes and State per capita income payments, with an attempt to indicate the major causes of variation among the States in that year and with a brief examination of changes from 1939 to 1942.

State Variations in Per Capita Payments for Social Insurance Programs

For the United States as a whole, payments under social insurance programs in 1942 amounted to \$13.46 per capita (table 4). Of this amount \$8.46 was paid under retirement, disability, and survivor programs, \$2.62 under unemployment insurance programs, and \$2.38 under workmen's compensation.

Among the States, per capita social insurance payments varied widely, ranging from a low of \$4.80 in Mississippi to \$31.43 in the District of Columbia; they exceeded \$15 in 13 States and in 20 States were less than \$10. There appears to be a fairly consistent relation between per capita income payments and per capita payments for social insurance. In 1942, of the first 12 States ranked by per capita income, 8 were also among the first 12 by per capita social insurance payments; of the lowest 12 States by per capita income, 8 were among the lowest by per capita social insurance payments (table 3). This correlation results primarily from the fact that in general the industrial States have the highest per capita income payments and also the highest proportion of covered employment and wages.

Considerable variation among the States in per capita social insurance payments results from the fact that certain programs depend wholly on State legislation. In some States these programs are extensive, while in others no comparable program is in operation. For example, Idaho has no retirement program for State and local government employees, and Mississippi has no workmen's compensation law.⁴

⁴ Some workmen's compensation payments are made in Mississippi, however, largely to employees of out-of-State employers who elect to carry insurance for all their workers.

There are marked differences, moreover, in the type of benefits provided under State legislation. Some State and local retirement systems provide for retirement only, others for retirement and disability payments, still others for retirement, disability, and survivor payments. Under the State workmen's compensation programs the type of injury compensated also varies: 1 State pays no death benefits; 20 States provide no compensation for occupational disease; and in only 10 States is the coverage of occupational disease fairly comprehensive.

There is consequently considerable variation

among the States in the range of per capita payments for the different programs (table 5). For the United States as a whole, per capita payments were highest under the veterans' program, but the range in these payments among the States was less than for any other program. The other payments which bulked large—State unemployment compensation, workmen's compensation, and State and local government retirement payments—all showed a considerable range from low to high State.

The relative importance of payments under one or another of the social insurance programs con-

Table 4.—Per capita social insurance payments, by State and program, 1942

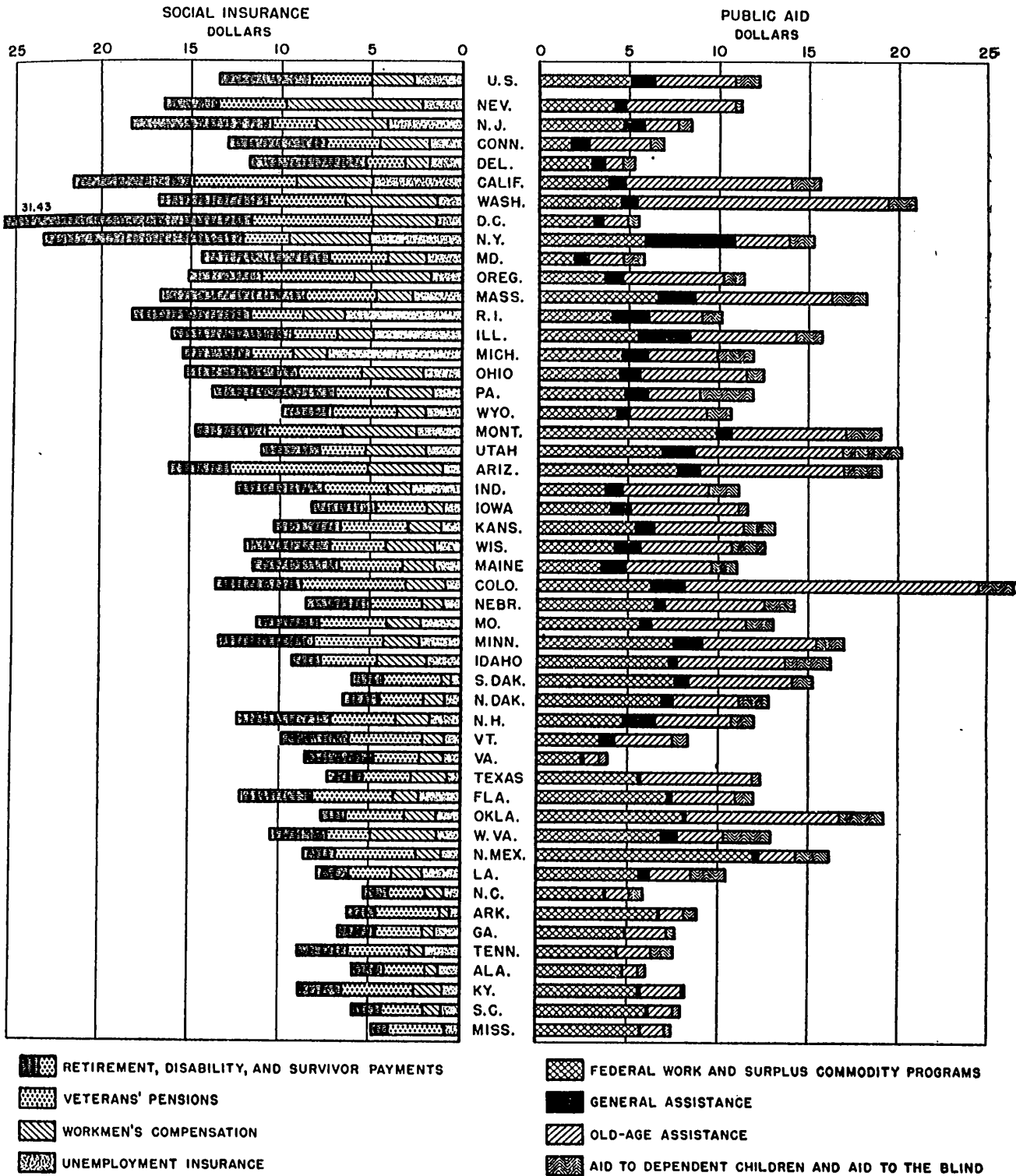
State	Total	Retirement, disability, and survivor payments							Unemployment insurance payments ¹	Workmen's compensation
		Total	Old-age and survivors insurance	Railroad retirement	Civil-service retirement	Other Federal retirement	State and local government retirement	Veterans' pensions		
Total.....	\$13.46	\$8.46	\$1.02	\$0.96	\$0.61	\$0.51	\$2.17	\$3.10	\$2.02	\$2.38
Alabama.....	5.86	4.05	.57	.50	.20	.33	.10	2.35	1.14	.67
Arizona.....	16.14	10.96	.79	.79	.40	.79	.60	7.60	1.00	4.18
Arkansas.....	6.17	5.12	.35	.60	.15	.35	.15	3.52	.55	.50
California.....	21.69	12.33	1.17	.93	.71	1.27	2.68	6.57	4.09	4.27
Colorado.....	13.58	10.55	.90	1.52	.62	.45	1.34	5.72	.80	2.23
Connecticut.....	12.96	8.41	1.52	.51	.39	.39	2.64	2.96	1.80	2.75
Delaware.....	11.74	8.54	1.42	2.14	.72	1.07	1.07	2.12	1.78	1.42
District of Columbia.....	31.43	26.47	.72	.47	10.70	4.15	3.80	6.63	1.41	3.55
Florida.....	12.18	8.57	.96	.82	.91	.91	.44	4.53	2.27	1.34
Georgia.....	6.07	4.64	.46	.53	.34	.46	.28	2.54	1.38	.65
Idaho.....	9.32	4.76	.63	.83	.20	0		3.10	1.86	2.70
Illinois.....	16.06	9.22	1.27	1.17	.56	.26	3.42	2.54	4.82	2.02
Indiana.....	12.41	8.41	1.06	1.51	.62	.42	1.25	3.55	2.75	1.25
Iowa.....	8.23	6.36	.69	1.46	.65	.41	.37	2.78	.98	.89
Kansas.....	10.34	7.38	.62	1.60	.79	.57	.16	3.64	1.14	1.82
Kentucky.....	8.87	6.35	.71	.82	.32	.46	.11	3.93	.92	1.60
Louisiana.....	7.85	4.18	.51	.39	.24	.20	.47	2.37	2.03	1.64
Maine.....	11.48	8.28	1.30	.94	.83	.71	1.07	3.43	1.42	1.78
Maryland.....	14.43	10.33	1.02	1.28	1.39	1.18	2.25	3.21	1.95	2.15
Massachusetts.....	16.69	11.97	1.62	.63	.92	.63	4.23	3.94	2.67	2.05
Michigan.....	15.46	6.14	1.04	.60	.31	.25	1.67	2.27	7.40	1.92
Minnesota.....	13.39	9.16	.82	1.38	.63	.29	2.17	3.87	2.32	1.91
Mississippi.....	4.80	4.01	.27	.40	.13	.18	(?)	3.03	.75	.04
Missouri.....	11.28	7.18	.86	1.15	.70	.42	.39	3.66	2.22	1.88
Montana.....	14.71	8.21	.76	1.53	.38	.19	1.15	4.20	2.48	4.02
Nebraska.....	8.51	6.34	.56	1.21	.49	.32	.90	2.80	.96	1.21
Nevada.....	16.49	6.74	.74	.74	0	1.50	(?)	3.76	2.24	7.51
New Hampshire.....	12.37	8.81	1.67	1.26	1.47	.84	(?)	3.57	1.68	1.88
New Jersey.....	18.39	10.26	1.56	1.12	.51	.44	4.21	2.42	4.16	3.97
New Mexico.....	8.59	6.19	.40	.80	.20	.40	(?)	4.39	1.00	1.40
New York.....	23.34	13.77	1.52	.79	.70	.54	7.65	2.57	5.11	4.46
North Carolina.....	5.28	3.45	.53	.33	.19	.29	.08	2.03	.83	1.00
North Dakota.....	6.42	4.39	.34	.67	.34	.17	.51	2.36	.84	1.19
Ohio.....	15.31	9.82	1.32	1.29	.52	.35	2.82	3.52	2.11	3.38
Oklahoma.....	7.65	4.65	.44	.41	.27	.14	.14	3.25	1.30	1.70
Oregon.....	15.17	9.25	1.11	1.11	.50	.46	.83	5.18	1.67	4.25
Pennsylvania.....	13.77	9.71	1.51	1.91	.57	.39	2.51	2.82	1.56	2.50
Rhode Island.....	18.29	9.55	1.65	.40	.82	1.10	2.71	2.87	0.42	2.32
South Carolina.....	5.83	3.89	.50	.35	.20	.35	.15	2.34	.94	1.00
South Dakota.....	5.95	4.93	.34	.68	.51	.17	(?)	3.23	.51	.51
Tennessee.....	8.91	6.20	.54	.75	.44	.30	.78	3.39	1.93	.78
Texas.....	7.31	4.65	.50	.55	.26	.52	.18	2.64	.64	2.02
Utah.....	11.05	5.78	.87	.80	.35	.45	1.05	2.26	1.93	3.34
Vermont.....	9.84	7.81	1.15	1.15	.57	.58	(?)	4.00	.87	1.16
Virginia.....	8.57	6.32	.65	.96	.99	.86	.41	2.45	.96	1.29
Washington.....	16.79	10.33	1.19	1.14	.86	.92	2.05	4.17	1.39	5.07
West Virginia.....	10.41	5.52	1.12	1.02	.27	.22	.48	2.41	1.24	3.65
Wisconsin.....	11.95	7.77	1.04	.98	.45	.29	1.98	3.03	1.42	2.76
Wyoming.....	9.89	6.33	.79	1.19	.32	.73	(?)	3.30	1.98	1.88

¹ Represents payments under State unemployment compensation and railroad unemployment insurance; for the United States, the latter program

accounted for 5 cents per capita; the highest per capita payment in any State under the railroad program was 40 cents in Wyoming.

² Not computed; total amount less than \$50,000.

Chart 2.—Per capita social insurance and public aid payments, by program and State,¹ 1943



¹ Ranked by 1942 per capita income.

sequently varied considerably among the States in 1942 (table 4 and chart 2). In the District of Columbia, civil-service retirement payments overshadowed those under all other programs. In New York, per capita payments under retirement systems for State and local government employees—almost twice those in any other State—as well as relatively large per capita unemployment and workmen's compensation payments, account for the State's ranking of second in per capita social insurance payments. Per capita workmen's compensation payments well above the national average were important in determining the ranking of Arizona, California, Montana, Nevada, Oregon, and Washington, as well as New York. Unemployment compensation payments far outweighed all other social insurance payments in Michigan and Rhode Island, and were important in California, Illinois, and New Jersey, as well as in New York.

While there is no consistent pattern of relative importance of one or another type of social insurance payment among the States with relatively high per capita income, in many States with low per capita incomes the veterans' program was responsible for a strikingly large part of all social insurance payments. For the United States as a whole, veterans' payments represented 23 percent of all social insurance payments; in Mississippi they accounted for 63 percent, in Arkansas, South Dakota, and New Mexico for more than 50 percent, and in 15 additional States⁵ for more than 35 percent.

The causes of State variations in per capita social insurance payments are thus to be found

⁵ Arizona, Colorado, Oklahoma, Vermont, South Carolina, Alabama, Georgia, Florida, North Carolina, North Dakota, Tennessee, Texas, Wyoming, Kentucky, Kansas.

partly in the uneven development of certain State programs, partly in the limited coverage of old-age and survivors insurance and unemployment compensation and the unequal proportion of covered workers in industrial and in predominantly agricultural States, partly in the uneven incidence of unemployment in 1942, and, in combination with these factors of variability, the substantial size and the relatively lesser variation among the States in per capita veterans' payments.

Coverage

Since eligibility for benefits under social insurance programs is based on the employment record of the beneficiary or the person on whose account survivor payments are made, the extent of coverage of these programs is a basic cause of variation among the States. The more even distribution of per capita veterans' payments reflects the fact that for recent wars members of the armed forces have been drawn in more or less the same proportion to population from all States, as well as the fact that veterans' benefits are not related to previous wages of the individual.

Most of the social insurance programs in operation today exclude certain employment from coverage, on the basis of either industry or occupation. The size of the excluded groups varies from State to State for two reasons. For programs which are federally administered, such as old-age and survivors insurance, the type of worker excluded is the same in all States and the variation arises from differences in the industrial and occupational structure of the States. Thus the exclusion of agricultural workers results in relatively small coverage in States where agriculture

Table 5.—Range in per capita social insurance payments, by program, 1942

Program	Per capita payment			Low State	High State ¹
	United States	Low State	High State ¹		
Total, all programs.....	\$13.46	\$4.80	\$23.34	Mississippi.....	New York.
Total, retirement, disability, and survivors.....	8.46	3.45	13.77	North Carolina.....	New York.
Old-age and survivors insurance.....	1.02	.27	1.07	Mississippi.....	New Hampshire.
Railroad retirement.....	.96	.33	2.14	North Carolina.....	Delaware.
Civil-service retirement.....	.01	0	1.47	Nevada.....	New Hampshire.
Other Federal retirement.....	.51	0	1.50	Idaho.....	Nevada.
State and local government retirement.....	2.17	.....	7.65	Do.....	New York.
Veterans' pensions.....	3.19	2.03	7.59	North Carolina.....	Arizona.
Unemployment insurance.....	2.62	.51	7.40	South Dakota.....	Michigan.
Workmen's compensation.....	2.38	.04	7.51	Mississippi.....	Nevada.

¹ Excludes District of Columbia in which concentration of benefits paid to retired Federal employees causes extremely high per capita payments (see table 4).

is a major industry. For State-administered programs, additional differences in coverage are due to variation in the State laws or to the absence of a particular type of legislation.

Differences among the States in the proportion of workers covered under the State unemployment

ment compensation program are, as in the case of old-age and survivors insurance, due primarily to the effect of the exclusion of agricultural labor, although the exclusion of small firms of varying sizes in different States is an important additional factor. Variations in coverage under workmen's compensation and under retirement systems for State and local government employees, on the other hand, are due primarily to differences in the scope and character of State legislation.

If the ranking of the States in per capita old-age and survivors insurance payments is compared with the proportion of workers covered under that program (table 6), there is evident a very close relationship between the amount of per capita payments and the extent of coverage. The relationship is less close for State unemployment compensation, where marked variations in the incidence of unemployment among covered workers greatly affect the volume of benefit payments. In State and local retirement systems the relationship is, in some cases, not yet fully developed, because of the recency of adoption of a retirement system, and is also affected by differences in wage rates and benefit provisions.

The effect on per capita social insurance payments of variations in coverage can be illustrated by comparing the size of these payments with the concentration of covered employment in different States. Excluding payments under the veterans' program, for which coverage has a different significance, 14 States in 1942 had per capita social insurance payments in excess of \$10, 23 States had payments between \$5 and \$10, and 12 States had payments of less than \$5 (table 7).

The varying weights in total social insurance payments as well as differences in the range of the different types of social insurance payments are apparent in the varying proportions of old-age and survivors insurance, unemployment compensation, railroad retirement, and State and local retirement benefits paid in the three groups of States.

Under all programs shown (and probably also for State workmen's compensation programs) there is a close relationship between the concentration of benefit payments and of covered employment. However, the concentration of payments in the top 14 States exceeds that for covered employment. The reason is to be found, at least in part, in the differences in wage levels among the States.

Table 6.—Percent of employed workers covered by the old-age and survivors insurance and State unemployment insurance programs and percent of State and local government employees covered by retirement systems

State	Percent of employed workers covered, March 1940		Percent of State and local government employees covered by retirement systems, January 1942
	Old-age and survivors insurance	State unemployment insurance	
Total.....	159.9	140.0	46.0
Alabama.....	41.3	31.1	5.8
Arizona.....	52.8	40.0	32.1
Arkansas.....	30.7	24.2	30.3
California.....	64.4	51.0	70.4
Colorado.....	53.7	36.5	27.0
Connecticut.....	78.4	68.5	69.4
Delaware.....	63.9	62.2	14.8
District of Columbia.....	(1)	(1)	37.1
Florida.....	54.0	37.5	50.0
Georgia.....	42.8	32.1	14.3
Idaho.....	43.5	35.5	0
Illinois.....	68.9	60.4	51.7
Indiana.....	62.4	49.0	32.2
Iowa.....	45.0	20.1	5.4
Kansas.....	44.2	24.6	29.5
Kentucky.....	44.1	30.0	46.9
Louisiana.....	45.1	30.2	33.7
Maine.....	64.0	48.4	60.5
Maryland.....	64.9	54.1	60.4
Massachusetts.....	78.1	60.8	65.7
Michigan.....	70.8	59.2	47.3
Minnesota.....	49.4	37.1	43.6
Mississippi.....	20.6	15.8	1.8
Missouri.....	54.8	41.9	5.5
Montana.....	45.8	34.2	35.3
Nebraska.....	40.0	23.1	4.4
Nevada.....	55.4	54.1	24.2
New Hampshire.....	71.1	50.0	7.0
New Jersey.....	70.3	59.0	54.5
New Mexico.....	43.3	33.7	57.5
New York.....	72.7	65.0	75.7
North Carolina.....	49.5	37.4	4.3
North Dakota.....	27.9	12.3	37.8
Ohio.....	68.8	61.4	73.2
Oklahoma.....	44.5	27.5	2.4
Oregon.....	58.5	44.9	7.6
Pennsylvania.....	73.5	71.2	60.1
Rhode Island.....	70.8	73.2	62.1
South Carolina.....	42.2	32.3	4.4
South Dakota.....	33.3	15.4	1.7
Tennessee.....	40.6	32.6	14.9
Texas.....	45.8	31.1	30.0
Utah.....	57.6	40.9	33.0
Vermont.....	52.8	35.8	10.6
Virginia.....	51.3	30.0	35.7
Washington.....	61.7	44.7	38.1
West Virginia.....	66.4	54.8	45.8
Wisconsin.....	55.5	41.4	35.3
Wyoming.....	42.7	35.0	4.0

¹ Includes District of Columbia. Number in employment covered by State unemployment insurance and State and local retirement systems distributed by place of employment; old-age and survivors insurance data distributed by place of residence. Because of discrepancies in percent shown as covered by old-age and survivors insurance and State unemployment insurance in District of Columbia, separate figures for District are not presented for these 2 programs.

Benefit Provisions

A second cause for variation among the States in per capita social insurance payments is the character of the provisions which determine the size of individual benefit payments. Under all except the veterans' program, the size of the benefit is related to wages earned in covered employment. Since wage levels vary from State to State, this factor gives rise to considerable differences in the volume of benefit payments. The range of variation due to this cause is narrowed, however, by the influence of maximum and minimum provisions affecting size of benefit.

The effect of the weighting of the old-age and survivors insurance benefit formula in favor of the low-wage workers can be seen in the circumstance that the 14 States with total social insurance payments of more than \$10 per capita had 67.3 percent of the covered wages but only 64.7 percent of benefit payments under old-age and survivors insurance, while the 12 States with per capita social insurance payments under \$5 had 10.1 percent of the covered wages and 10.6 percent of the benefit payments (table 7).

Duration of benefits.—The volume of per capita social insurance payments in the States is also affected by variations in the length of time for which the different benefits are payable. Retirement, nonoccupational disability, and survivor payments are usually made from the occurrence of the risk until death, or for the duration of the

disability, or until the surviving child reaches a specified age. The duration of these benefits has, therefore, little or no effect in producing State differences in the amount of payments. Under unemployment insurance, however, and under the majority of workmen's compensation laws, there is a definite limitation on the maximum period of time during which payments can be made or on the total amount of money payable for a claim. Under the State unemployment compensation laws the over-all maximum is usually 16 weeks but many individual workers are entitled to fewer weeks; under the railroad unemployment insurance program the maximum duration of benefit payments is 100 days for all workers and in all States. Under workmen's compensation laws the variations are considerable; the limitations differ with respect to temporary and permanent disability and for survivors, but the range in maximums is in general from 200 to 500 weeks.

For unemployment compensation the existence of a maximum limitation on the duration of benefit payments—even though the maximum varies from State to State—is a factor which, on the whole, tends to reduce differences in per capita unemployment compensation payments, since duration provisions will limit the amount paid in a State with considerable unemployment, thus reducing the difference between payments in such a State and in one with little unemployment.

Table 7.—Percentage distribution of benefit payments, covered employment, and covered wages under old-age and survivors insurance, railroad retirement, and State and local government retirement systems, and State unemployment insurance, in States with specified per capita social insurance payments¹

1942 per capita payments for social insurance ¹	Number of States	Percentage distribution											
		Old-age and survivors insurance			Railroad retirement			State and local government retirement			State unemployment insurance		
		Benefit payments, 1942	Covered employes, census week, 1940	Covered wages, 1939	Benefit payments, 1942	Covered employes, census week, 1940	Covered wages, 1939	Benefit payments, 1942	Covered employes, January 1942	Covered wages, January 1942	Benefit payments, 1942	Workers with wage credits, 1941	Covered wages, 1941
Total.....	49	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
More than \$10.....	14	64.7	59.9	67.3	55.7	51.3	52.3	80.3	72.7	78.4	74.0	60.6	68.4
\$5-10.....	23	24.7	25.6	22.6	32.5	32.8	32.0	12.3	19.2	16.3	18.0	25.2	22.3
Less than \$5.....	12	10.6	14.5	10.1	11.8	15.9	15.7	1.4	8.1	5.3	7.4	14.2	9.3

¹ Excludes veterans' pensions. Covered employees for old-age and survivors insurance and railroad retirement, from 1940 census data; for State and local government retirement systems for January 1942, from special study; for State unemployment compensation, from State reports. Covered wages for old-age and survivors insurance, from reported data for 1939; for railroad retirement, from Commerce data for 1939; for State and local government retirement systems for January 1942, from special study; for State unemployment compensation, from State reports.

² California, District of Columbia, Illinois, Maryland, Massachusetts,

Michigan, Montana, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Washington.

³ Arizona, Colorado, Connecticut, Delaware, Florida, Idaho, Indiana, Iowa, Kansas, Louisiana, Maine, Minnesota, Missouri, Nebraska, New Hampshire, Oregon, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming.

⁴ Alabama, Arkansas, Georgia, Kentucky, Mississippi, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Texas.

Relative Importance of Different Social Insurance Programs

The variation among the States in per capita social insurance payments in 1942 reflected the relative unimportance of payments under old-age and survivors insurance resulting from the immaturity of that program. Whereas many State and local retirement systems and workmen's compensation programs had been in existence for 20 years or more, monthly benefits had been payable under the old-age and survivors insurance program only since 1940 and many workers eligible to retire in 1942 had not done so, presumably

because of favorable employment opportunities. As the number of persons receiving benefits under this national program increases, however, these payments will assume greater relative weight in payments under social insurance programs.

An extension of the coverage of the old-age and survivors insurance program to include agricultural workers and other groups now excluded would reduce the differences among the States in per capita social insurance payments, and, because of the character of the old-age and survivors insurance benefit formula, would increase the relative weight of such payments in States with low

Table 8.—Per capita public aid payments,¹ by State and program, 1942

State	Total	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance	WPA	Other Federal work and surplus commodity programs ²
Total.....	\$12.26	\$4.44	\$1.18	\$0.10	\$1.35	\$3.74	\$1.88
Alabama.....	6.00	.81	.35	.03	.09	3.47	1.25
Arizona.....	19.14	7.97	1.82	.34	1.30	4.14	3.57
Arkansas.....	8.84	1.39	.57	.08	.15	4.18	2.47
California.....	15.04	9.21	1.10	.53	.94	2.03	.93
Colorado.....	26.45	16.18	1.91	.22	1.85	4.48	1.81
Connecticut.....	6.87	3.45	.64	.04	1.06	1.30	.39
Delaware.....	5.34	1.30	.69	.14	.60	2.62	.88
District of Columbia.....	5.59	1.32	.57	.14	.57	2.60	.39
Florida.....	11.99	3.48	.77	.23	.29	5.89	1.63
Georgia.....	7.02	2.18	.30	.09	.14	3.35	1.47
Idaho.....	16.22	5.99	2.35	.17	.43	5.35	1.93
Illinois.....	15.76	5.91	1.09	.34	2.89	4.45	1.08
Indiana.....	11.16	4.73	1.53	.19	.94	3.19	.68
Iowa.....	11.60	5.93	.29	.21	1.12	2.75	1.80
Kansas.....	13.19	4.91	1.55	.23	1.08	3.73	1.68
Kentucky.....	8.20	2.36	.07	(0)	1.17	4.07	1.53
Louisiana.....	10.47	2.29	1.85	.11	.55	3.74	1.93
Maine.....	11.00	4.78	1.06	.34	1.49	1.56	1.77
Maryland.....	5.82	1.93	1.07	.09	.87	1.43	.43
Massachusetts.....	18.23	7.05	1.86	.08	2.01	5.50	1.13
Michigan.....	11.90	3.88	1.88	.08	1.41	3.46	1.19
Minnesota.....	16.97	6.34	1.37	.13	1.03	5.04	2.45
Mississippi.....	7.45	1.30	.27	.08	.02	3.74	2.04
Missouri.....	13.03	5.15	1.26	.26	.69	4.55	1.12
Montana.....	19.09	6.41	1.77	.18	.85	7.16	2.72
Nebraska.....	14.24	5.54	1.52	.15	.57	4.54	1.92
Nevada.....	11.22	6.11	.24	.09	.58	3.38	.82
New Hampshire.....	11.94	4.19	1.00	.20	1.83	3.49	1.23
New Jersey.....	8.48	1.89	.73	.05	1.17	4.07	.57
New Mexico.....	16.18	2.07	1.69	.11	.33	8.36	3.63
New York.....	15.26	3.02	1.29	.07	5.01	4.13	1.74
North Carolina.....	5.86	1.34	.56	.12	.10	2.87	1.17
North Dakota.....	12.76	3.57	1.59	.06	.66	4.20	2.68
Ohio.....	12.44	5.90	.76	.14	1.13	3.53	.68
Oklahoma.....	19.26	8.43	2.24	.26	.22	4.53	3.25
Oregon.....	11.40	5.61	1.01	.15	1.02	2.27	1.34
Pennsylvania.....	11.89	2.84	2.45	.51	1.31	3.38	.90
Rhode Island.....	10.16	2.88	1.07	.04	2.16	3.06	.95
South Carolina.....	7.99	1.32	.39	.05	.12	4.73	1.38
South Dakota.....	15.23	5.73	1.07	.08	.76	4.45	3.14
Tennessee.....	7.53	1.86	1.09	.08	.06	3.10	1.34
Texas.....	12.39	6.13	.41	.13	.12	3.68	1.92
Utah.....	20.23	8.29	3.21	.10	1.75	4.77	2.11
Vermont.....	8.38	3.13	.79	.12	.87	2.39	1.08
Virginia.....	3.90	.83	.41	.06	.20	1.61	.79
Washington.....	20.09	13.92	1.34	.23	.63	2.62	1.95
West Virginia.....	12.92	2.60	2.41	.15	.86	5.80	1.10
Wisconsin.....	12.58	4.99	1.71	.18	1.46	3.05	1.19
Wyoming.....	10.68	4.27	1.15	.18	.70	2.72	1.66

¹ Data differ from those on pp. 43-44 of Bulletin, July 1943, because population base includes members of armed forces stationed in United States, expenditure data are based on revised reports, and the earlier study was based on States with plans approved by the Social Security Board.

² Represents payments to individuals under CCC, NYA (excluding expenditures under the out-of-school work program for July-December), other

Federal work projects, and surplus commodity programs and subsistence payments of the Farm Security Administration for January-June. Payments under the surplus commodity programs constituted 54 percent of the total for the United States.

³ Estimated.

⁴ Amount not computed no program in operation prior to December 1942.

total per capita income payments. The addition of disability and medical care benefits to this program would further increase the size of per capita payments which vary relatively little from year to year—and much less than most social insurance payments from State to State—with changes in the level of total income payments or the size of per capita income payments.

State Variations in Per Capita Public Aid Payments

Payments in 1942 under public aid programs in the continental United States amounted to \$12.26 per capita, or 1.4 percent of all income payments (table 2). Among the States, income per capita from this source varied from \$3.90 in Virginia to \$26.45 in Colorado. In 4 States⁶ public aid payments comprised as little as 0.5 percent of all income payments. Colorado's residents, at the other extreme, received 3.4 percent of their income in the form of public aid.

In contrast to social insurance payments, there was little relationship in 1942 between per capita income payments and per capita public aid for the wealthier States. Only 3 States were among the top 12 in rank for public aid as well as for income payments; but of the 12 lowest States on the basis of per capita income payments, 7 were also among the 12 lowest in per capita public aid.

Since these payments were made under a number of different programs in 1942, variations in per capita payments reflect differences among the States in the relative importance of the several programs included in the total and in the range in per capita payments under each program (table 9).

As in the case of social insurance payments, there were marked variations among the States in the relative importance of the several public aid programs (table 8). For the country as a whole, the old-age assistance program ranked first in total amount of payments, followed by WPA. This was also the most common pattern among the States, although in 15 States this relationship was reversed. WPA was the principal source of payments in 5 additional States, but with other Federal work, Farm Security Administration, and surplus commodity programs, second in size. A significant clue to some of the

⁶ Connecticut, Delaware, District of Columbia, Maryland.

factors influencing these relationships is afforded by the ranking of the States by per capita income payments. Among the first 10 States by this measure, old-age assistance accounted for the principal program in 6 States, WPA in 3 States, and general assistance in the remaining State. WPA, on the other hand, was the principal program in all 10 States ranking from 40 to 49 in the array by per capita income; in 5 of these States, other Federal programs constituted the second largest segment. The poor States tend to emphasize programs involving the largest proportion of Federal participation.

Differences among States in per capita payments under a given program reflected the varying influence of the pattern of need, fiscal ability, State policy and legislation, program maturity, conditions of eligibility, and standards of assistance. These factors are difficult to assess quantitatively. Some indication of their relative importance, State by State and program by program, may be obtained, however, from an examination of such measures as recipient rate and size of average payment.

Recipient Rate

Low recipient rates⁷ in some States are associated with the absence of Federal or State participation in financing. In 1942 general assistance programs were financed entirely from local funds in 14 States,⁸ of which 9 had recipient rates and 10 had per capita expenditures for general assistance below that of the median State. In some of these States a varying proportion of counties made no provision at all for general assistance. Three States⁹ in 1942 administered aid to dependent children without Federal participation. These States ranked 46th, 48th, and 49th, respectively, in recipient rates and in per capita expenditures for aid to dependent children. County option

⁷ The recipient rate measures the relation of the number of recipients to the population at risk. The recipient rate is obtained for old-age assistance by dividing the number of recipients by the population aged 65 and over, and for aid to dependent children, by dividing the number of children receiving aid under this program by the population under age 18. The absence of reliable data on the number of blind persons necessitates use of a recipient rate in the aid to the blind program based on total population. These three are the standard recipient rates. For the purpose of this article, recipient rates were also computed for general assistance and WPA, the former on the basis of the relation of general assistance cases (not persons, for whom data are not available) to total population, and the latter on the basis of the relation of nonadministrative employees to total population.

⁸ California, Florida, Georgia, Idaho, Indiana, Kentucky, Mississippi, Nebraska, New Hampshire, North Carolina, South Dakota, Tennessee, Texas, Vermont. Idaho's State contribution was \$200.

⁹ Iowa, Nevada, Kentucky.

Table 9.—Range in per capita public aid payments, by program, 1942

Program	Per capita payment			Low State	High State
	United States	Low State	High State		
Total, all programs.....	\$12.20	\$3.90	\$20.45	Virginia.....	Colorado.
Old-age assistance.....	4.44	.81	16.18	Alabama.....	Colorado
Aid to dependent children.....	1.18	.07	3.21	Kentucky.....	Utah.
Aid to the blind.....	.19		.63	Delaware.....	California.
General assistance.....	1.35	.02	5.01	Mississippi.....	New York.
WPA.....	3.74	1.30	8.35	Connecticut.....	New Mexico.
Other Federal work and surplus commodity programs.....	1.30	.33	3.63	Delaware.....	Do.

programs in some of these States kept recipient rates low; in others the development of the program was inhibited by inadequate funds. In the development of the program of aid to dependent children under the Social Security Act, the States which were slow to qualify for Federal aid were by and large poor States.

Conditions governing eligibility for assistance markedly affect recipient rates. Citizenship, residence, property, and income qualifications and the emphasis placed on responsibility of relatives vary widely among the States. High recipient rates in the old-age assistance program in some of the Rocky Mountain and West Coast States are related to a basis for determination of need which, in effect, extends eligibility to all persons whose income falls below a prescribed minimum. A similar policy explains the high recipient rates in the State-financed "blind pension" programs in Illinois, Missouri, and Pennsylvania. The proportion of the population under age 18 in receipt of aid to dependent children is affected by the definition of a dependent child and also by the maximum age through which such aid is provided, whether 13 years as in Texas, 15 years as in 13 States, 16 years as in Michigan, 17 years as in 31 States, or optional with the counties up to 20 years as in Wisconsin. Differences in the interpretation of need constituted, in general, the most important single factor in State variation in general assistance recipient rates, although eligibility requirements concerning employability, family composition, settlement status, receipt of other forms of aid in the household, citizenship, and responsibility of relatives also influenced the rate.

For the WPA, national policy in the assignment of State quotas based on need and the tendency of some of the poorer States to meet noncategorical need primarily through WPA rather than general assistance are reflected in an inverse relationship

by and large between WPA recipient rates and State per capita income. In 1942 this pattern was affected by the necessity to complete projects of military importance in some States and by the influence of large construction projects in some of the more sparsely settled Rocky Mountain States.

There is no significant relation between recipient rate and per capita income payments in old-age assistance and aid to dependent children. The existence of a relatively large number of pending applications in the poorer States suggests, however, that the recipient rate in these States is lower than it would be if adequate resources were available. In December 1942, the poorest third of the States in terms of per capita income accounted for 31.3 percent of recipients of old-age assistance, but for 62.7 percent of all applications awaiting disposition at the end of that month. These States, similarly, accounted for 32.5 percent of the cases receiving aid to dependent children, but 68.0 percent of the applications for such aid awaiting disposition.

The relation of recipient rate and fiscal resources is also evident in the contrast between WPA and general assistance recipient rates in relation to per capita income. Note has already been made of the tendency of the poorer States to have a high recipient rate in WPA, in which State and local sponsors' funds accounted for only some 30 percent of project expenditures in 1942. In general assistance, on the other hand, which is financed entirely out of State and local funds, low recipient rates and low per capita income are found in close association. State differences in the relation of these two programs, both of which have dealt with the needy who fall outside the categories specified in the Social Security Act, illustrate the influence of State resources upon the treatment of persons with approximately the same characteristics. Between 1935 and 1943, shifts from one program to the other in response

to expansions and contractions in WPA was a common phenomenon in all but the poorer States; in the latter, reductions in WPA rolls were less frequently followed by an increase in general assistance recipients.

Average Payments

Lack of Federal and State participation in financing was, in some States, associated with both a low recipient rate and a low average payment to recipients. Eleven of the 14 States in which general assistance depended wholly on local resources showed an average payment below that of the median State. The 3 States in which there was no Federal participation in aid to dependent children ranked 16th, 38th, and 45th in average payment.

The average assistance payment is affected also by the measurement of requirements and resources of the applicant. In the Rocky Mountain and West Coast States, the practice of basing the payment upon a flat amount minus other income of the recipient results in relatively large average payments for old-age assistance. In other States the size of payment is influenced, among other factors, by the number of requirements recognized, by the money value placed on these requirements, and by the value imputed to the applicant's resources. State practices with respect to maximum payments are not uniform and contribute in no small measure to the diversity observable in table 8.

Of considerable significance in the interpretation of size of average payment is its close association with State per capita income. In States with a relatively high per capita income the average payment in all programs tends to be large; a small average payment is the general rule in poor States. Division of financial responsibility among the several levels of government, assistance standards, and per capita income are, of course, all closely related. One-hundred percent locally financed programs in general assistance and restrictive standards of assistance in all four programs are more likely to be found in low than in high per capita income States.

The link between per capita income and average payment suggests that the level of assistance is affected by the income level of the population as a whole. This connection may be traced most clearly in the WPA program, in which the wage

rates were consciously designed to take into account regional differences in wage rates in private employment, although by 1942 some distortion in the regional earnings pattern had resulted from exemptions in some States from the 130-hours-per-month ceiling, in order to speed completion of projects of military value. In the assistance programs the relationship is emphasized in the poorer States by the inadequacy of State funds for this purpose and the resultant limitations upon size of payment and number of recipients. Differences in program emphasis in poor States, it may be noted, affect primarily the number of recipients; States tend to show approximately the same rank in average payment in all four assistance programs.

Influence of Per Capita Income

The material cited offers ample evidence of the diversity of factors influencing per capita payments for public aid. The pattern which emerges, however, is not entirely without design. More than casual significance attaches to the direct association of per capita income and average payment in the four public assistance programs and in WPA and to the tendency of the recipient rate in the poor States to be high for WPA but low for general assistance. There is, it may be noted, relatively greater variation among the States in per capita payments under the general assistance program (State-local financed) than under the special types of public assistance (in which the Federal share is never higher than 50 percent) and greater under the latter than under the largely federally financed WPA program. With few exceptions the largest single program among the States with a low per capita public aid payment was WPA, while the largest single program among the States with a high per capita public aid payment was generally old-age assistance. These observations emphasize the influence of State economic capacity and fiscal ability in determining the level of per capita expenditures in all but the largely or completely Federal relief programs. The effect of Federal participation, on the other hand, has been to weaken the downward pull upon per capita public aid expenditures of lack of resources in the poorer States and by the same token to disturb a tendency which might otherwise have been noted for a closer tie between per capita income and per capita public aid expenditures.

Changes in Relation of Per Capita Income, Social Insurance, and Public Aid Payments, 1939-42

The relationships between social insurance, public aid, and total income payments in the different States which have been examined in the previous pages were those obtaining in a year of relatively full employment. The magnitude of social insurance and public aid payments, the relative importance of payments under different programs, and the relation of these payments to total income payments will all vary for the country as a whole and among the States in periods of lesser economic activity, as will be evident from a brief examination of per capita income, social insurance, and public aid payments in 1939. Nevertheless, many of the underlying relationships already discussed were operative before the war and persisted despite the great increase of income payments in recent years.

From 1939 to 1942, per capita income payments for the country as a whole increased 58 percent (table 10). Among the States, increases in per capita income ranged from 13 percent in the District of Columbia (and 31 percent in New Hampshire, the State with the next lowest percentage increase) to 122 percent in North Dakota.¹⁰ Over the same period, per capita social insurance payments for the United States increased 10.5 percent, while per capita public aid payments decreased 45 percent.

As would be expected, the major factor underlying these latter changes was the substantial decrease in insurance benefits and relief payments to unemployed persons. For both social insurance and public aid this decrease was offset, in whole or in part, by an increase in payments under programs—newly coming into operation or into more extensive operation during the period—which provide benefits or assistance to persons not part of the labor force. The 10.5-percent increase in per capita social insurance payments was the result of a substantial increase in workmen's compensation and retirement, disability, and survivor payments which more than offset a 22-percent decline in per capita unemployment insurance payments. In the case of public aid payments, percentage decreases of

¹⁰ For an analysis of changes in State income payments 1939-42, see Creamer, Daniel, and Schwartz, Charles F., "State Income Payments in 1942," *Survey of Current Business*, June 1943, pp. 10-22.

Table 10.—Per capita income, social insurance, and public aid payments, 1939 and 1942, and percentage change, 1939-42

Type of payment	1939	1942	Percentage change from 1939
Per capita income payments.....	\$539.00	\$862.00	+58.1
Per capita social insurance payments.....	12.18	13.46	+10.5
Retirement, disability, and survivor.....	7.01	8.46	+20.7
Old-age and survivors insurance.....	.11	1.02	+827.3
Railroad retirement.....	.81	.96	+18.5
Civil-service retirement.....	.48	.61	+27.1
Other Federal retirement.....	.38	.61	+34.2
State and local government retirement.....	2.10	2.17	+3.3
Veterans' pensions.....	3.13	3.19	+1.9
Workmen's compensation.....	1.83	2.38	+30.1
Unemployment insurance.....	3.34	2.62	-21.6
Per capita public aid payments.....	22.42	12.26	-45.3
Old-age assistance.....	3.29	4.44	+35.0
Aid to dependent children.....	.86	1.18	+37.2
Aid to the blind.....	.16	.19	+18.8
General assistance.....	3.67	1.35	-63.2
WPA.....	11.90	3.74	-68.7
Other Federal work and surplus commodity programs.....	2.48	1.36	-45.2

more than 60 percent in per capita general assistance and WPA payments were partially offset by increases in payments for the three categories of public assistance—old-age assistance, aid to dependent children, and aid to the blind.

There was no State in which the percent of total income payments received in the form of social insurance or of public aid was not smaller in 1942 than in 1939. The extent of variation among the States in these percentages was somewhat less in the earlier year. The ranking of the States with respect to the percent of total income payments in the form of social insurance and the percent in the form of public aid followed a reasonably similar pattern in the 2 years. In a number of States, changes in rank reflected a more or less than average increase in total income payments from 1939 to 1942. For rank on percent of total payments in the form of social insurance, greater than average declines in unemployment insurance payments were also significant; and rank on percent of total payments in the form of public aid was affected by greater than average declines in WPA or general assistance and in a few cases greater than average increases in old-age assistance payments. Although for the United States as a whole and for many States the relative importance of public aid and social insurance payments was reversed from 1939 to 1942, the ranking of the States with respect to the ratio of public aid to social insurance payments was reasonably similar in the 2 years, with most

changes accounted for by changes in the unemployment compensation and work relief programs.

While, for the United States as a whole, per capita social insurance payments increased 10.5 percent between 1939 and 1942, there were 9 States ¹¹ in which they were smaller in 1942 than in 1939, in almost every case primarily because of a more than average decline in unemployment insurance. Per capita public aid payments decreased from 1939 to 1942 not only for the United States as a whole but for every State except Texas.

¹¹ Colorado, District of Columbia, Idaho, Maine, Nevada, New Mexico, Oregon, Pennsylvania, Wyoming.

In that State, per capita old-age assistance payments increased 118 percent between the 2 years and new programs for aid to dependent children and aid to the blind were inaugurated, while the decline in general assistance had very little effect on the total because it was relatively meager to start with.

In 1939, when per capita social insurance and public aid payments together amounted to \$34.60, about 62 percent of the total represented payments to unemployed persons and their families—that is, payments under unemployment insurance, WPA, general assistance, and other Federal work

Table 11.—Per capita income and per capita social insurance payments, by State and program, 1939

State	Income payments	Social insurance payments	Retirement, disability, and survivor payments						Unemployment insurance payments ¹	Workmen's compensation payments	
			Total	Old-age and survivors insurance	Railroad retirement	Civil-service retirement	Other Federal retirement	State and local government retirement			Veterans' pensions
Total.....	\$539	\$12.18	\$7.01	\$0.11	\$0.81	\$0.48	\$0.38	\$2.10	\$3.13	\$3.34	\$1.83
Alabama.....	242	5.22	3.29	.02	.48	.17	.24	.10	2.28	1.57	.36
Arizona.....	461	10.00	9.73	(²)	.60	.41	.60	.60	7.52	3.23	3.04
Arkansas.....	240	5.66	4.58	.05	.42	.15	.32	.15	3.49	.98	.10
California.....	741	19.86	11.41	.15	.89	.67	1.18	2.71	6.78	5.71	2.74
Colorado.....	505	15.00	9.34	.10	1.26	.45	.35	1.20	5.92	3.23	2.43
Connecticut.....	764	11.69	6.88	.15	.46	.31	.38	2.00	2.98	2.98	1.83
Delaware.....	771	10.95	7.17	(²)	2.23	.39	.77	1.16	2.62	3.01	.77
District of Columbia.....	1,031	36.91	29.28	.21	.62	11.34	4.43	4.61	8.01	2.27	5.36
Florida.....	442	10.08	7.12	.04	.75	.80	.80	.44	4.20	1.99	.97
Georgia.....	290	5.39	3.80	.06	.41	.20	.32	.20	2.52	1.19	.43
Idaho.....	411	10.23	3.80	(²)	.68	.20	.20	.....	2.88	4.23	2.14
Illinois.....	671	11.54	7.65	.13	1.01	.47	.20	3.20	2.55	2.21	1.68
Indiana.....	495	11.34	7.13	.10	1.29	.50	.25	1.19	3.80	3.07	1.14
Iowa.....	468	7.96	5.05	.09	1.22	.51	.23	.33	2.67	2.11	.80
Kansas.....	393	8.62	6.36	.01	1.34	.61	.50	.15	3.72	1.34	.92
Kentucky.....	297	8.32	5.35	.06	.71	.24	.30	.12	3.92	1.78	1.10
Louisiana.....	354	7.72	3.75	.04	.39	.18	.18	.46	2.50	2.55	1.42
Maine.....	474	11.52	6.54	.09	.85	.85	.48	.95	3.32	3.70	1.28
Maryland.....	634	13.82	9.00	.13	1.20	1.20	.89	2.28	3.30	3.23	1.69
Massachusetts.....	719	16.25	9.92	.14	.68	.70	.43	4.03	3.95	4.60	1.73
Michigan.....	591	14.07	5.20	.12	.63	.30	.18	1.71	2.42	7.21	1.60
Minnesota.....	497	11.63	7.41	.10	1.14	.45	.20	1.09	3.53	2.83	1.39
Mississippi.....	201	4.28	3.60	.04	.36	.14	.10	(²)	2.96	.68	(²)
Missouri.....	486	8.51	5.93	.10	.97	.58	.24	.39	3.05	1.51	1.07
Montana.....	515	11.48	6.80	.15	1.08	.15	.15	.93	4.34	1.44	3.24
Nebraska.....	397	7.38	5.40	.08	.91	.44	.32	.83	2.82	1.07	.91
Nevada.....	767	20.25	6.44	(²)	.92	0	.92	(²)	4.60	7.37	6.44
New Hampshire.....	648	11.29	0.36	.22	1.04	1.01	.60	(²)	3.16	3.29	1.64
New Jersey.....	816	14.77	8.40	.16	1.06	.40	.33	4.08	2.28	3.60	2.77
New Mexico.....	341	9.00	5.70	(²)	.68	.20	.38	(²)	4.60	2.40	.76
New York.....	804	20.74	11.01	.16	.64	.56	.32	7.00	2.33	6.03	3.70
North Carolina.....	308	4.59	2.77	.06	.25	.16	.19	.07	2.04	1.26	.56
North Dakota.....	325	5.92	4.20	(²)	.62	.16	(²)	.46	2.96	.94	.78
Ohio.....	603	14.11	8.14	.12	1.09	.42	.30	2.71	3.50	3.50	2.47
Oklahoma.....	340	7.21	4.01	.03	.31	.20	.17	.14	3.16	1.87	1.33
Oregon.....	544	15.67	7.72	.11	.82	.49	.54	.76	5.00	3.81	4.11
Pennsylvania.....	589	15.43	7.60	.18	1.71	.47	.24	2.30	2.70	5.60	2.23
Rhode Island.....	678	17.83	8.20	.13	.61	.68	.68	2.71	3.39	8.20	1.43
South Carolina.....	261	5.09	3.34	.05	.20	.21	.31	1.16	2.35	1.17	.68
South Dakota.....	351	4.18	3.09	(²)	.40	.32	.14	(²)	2.17	.63	.46
Tennessee.....	295	7.61	5.43	.06	.62	.38	.27	.77	3.35	1.62	.66
Texas.....	401	6.82	3.89	.04	.48	.24	.20	.20	2.53	1.72	1.21
Utah.....	443	10.41	5.14	(²)	.93	.18	.35	.93	2.75	3.10	2.17
Vermont.....	483	8.65	6.42	(²)	1.11	.82	.58	(²)	3.91	1.69	.5
Virginia.....	402	8.04	5.39	.08	.89	.89	.60	.40	2.53	1.73	.94
Washington.....	588	15.76	9.00	.12	1.00	.76	.76	2.06	4.30	3.50	3.12
West Virginia.....	378	9.11	3.97	.11	.79	.15	.23	.42	2.27	2.27	2.87
Wisconsin.....	485	9.31	6.26	.10	.82	.39	.24	1.85	2.86	1.21	1.84
Wyoming.....	567	12.47	5.61	(²)	.79	.40	.40	(²)	4.02	4.82	2.04

¹ Represents payments under State unemployment insurance throughout year and under railroad unemployment insurance July-December.

² Not computed; total amount less than \$50,000.

and surplus commodity programs. Workmen's compensation payments, the bulk of which go to persons who are normally in the labor force and only temporarily unable to work, constituted 5 percent of the total. Payments to aged or disabled persons and to dependent children under the various programs—old-age and survivors insurance, railroad retirement, Federal, State, and local government retirement, veterans' pension, old-age assistance, aid to dependent children, and aid to the blind—represented 33 percent of the total. In 1942, on the other hand, when per capita social insurance and public aid payments amounted to \$25.72, this latter segment accounted for 56 per-

cent of the total, workmen's compensation payments for 9 percent, and payments going primarily to the unemployed represented only 35 percent. As the earlier discussion has suggested, this shift in the relative importance of the different segments resulted in part from changes in social security needs reflecting changing economic conditions, partly from the development of new programs (in 1939 for example, only lump-sum payments were made under old-age and survivors insurance) or the modification of practices and standards under established programs.

The shift in the relative weight of payments made primarily on account of unemployment was

Table 12.—Per capita public aid payments, by State and program, 1939

State	Total	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance	WPA	Other Federal work and surplus commodity programs ¹
Total.....	\$22.42	\$3.29	\$0.80	\$0.10	\$3.07	\$11.00	\$2.48
Alabama.....	12.63	.68	.29	.02	.10	8.23	3.31
Arizona.....	25.40	4.00	1.84	.18	1.01	10.93	0.87
Arkansas.....	14.98	.01	.20	.02	.10	10.04	4.01
California.....	29.27	7.50	1.04	.59	6.97	11.11	2.00
Colorado.....	32.93	12.37	1.52	.15	2.07	14.75	2.07
Connecticut.....	19.71	2.90	.40	.08	4.05	10.46	1.70
Delaware.....	12.50	1.54	.77	.....	1.54	7.17	1.54
District of Columbia.....	25.05	1.55	.72	.21	.72	13.50	8.35
Florida.....	18.78	3.09	.49	.22	.35	12.24	2.39
Georgia.....	12.04	.87	.32	.03	.14	7.95	2.73
Idaho.....	22.80	4.23	1.73	.16	.78	11.02	4.07
Illinois.....	28.72	3.80	.27	.34	0.11	15.96	2.15
Indiana.....	23.01	3.81	1.63	.15	2.43	13.01	1.98
Iowa.....	15.77	4.00	.28	.14	2.43	0.27	1.60
Kansas.....	17.73	2.00	1.03	.15	1.88	8.85	2.83
Kentucky.....	13.60	1.00	.03	.....	.18	9.56	2.23
Louisiana.....	15.22	1.00	1.20	.07	.57	8.89	2.83
Maine.....	18.50	3.55	.71	.38	3.32	5.93	2.01
Maryland.....	11.41	2.03	1.58	.13	1.40	5.51	.70
Massachusetts.....	33.20	6.20	1.73	.07	5.10	18.19	1.94
Michigan.....	24.94	3.01	1.18	.06	3.43	15.25	2.01
Minnesota.....	28.18	5.01	1.19	.10	4.57	13.52	2.89
Mississippi.....	11.84	4.78	(²)	.02	.02	7.74	3.28
Missouri.....	22.80	4.57	.03	.29	1.17	12.07	3.30
Montana.....	34.20	4.70	1.24	.05	1.80	18.80	7.52
Nebraska.....	21.83	3.85	1.15	.08	1.07	12.11	3.57
Nevada.....	22.93	0.44	(²)	(³)	.02	10.97	4.00
New Hampshire.....	20.66	2.47	.38	.10	4.93	10.86	1.80
New Jersey.....	23.75	1.03	.08	.08	4.41	14.09	1.90
New Mexico.....	21.24	1.13	.75	.07	.37	12.99	5.93
New York.....	27.42	2.41	1.53	.08	9.17	12.54	1.09
North Carolina.....	9.30	1.11	.43	.09	.12	5.33	2.31
North Dakota.....	25.50	2.80	1.24	.03	1.50	11.18	0.78
Ohio.....	29.01	4.58	.72	.12	2.90	19.06	2.17
Oklahoma.....	23.09	0.36	1.05	.17	.31	11.22	3.05
Oregon.....	20.40	4.73	.70	.11	1.74	10.45	2.61
Pennsylvania.....	28.86	2.06	1.12	.47	9.42	13.90	1.89
Rhode Island.....	24.00	2.10	.88	(³)	4.95	13.97	2.10
South Carolina.....	14.00	1.23	.42	.05	.16	10.12	2.92
South Dakota.....	30.26	5.09	.60	.07	1.23	12.95	10.32
Tennessee.....	11.30	1.30	.74	.00	.12	6.40	2.02
Texas.....	12.31	2.81	(²)	.....	.20	6.73	2.57
Utah.....	27.60	0.20	2.30	.13	2.57	14.09	2.22
Vermont.....	15.65	2.80	.53	.10	2.22	8.89	1.11
Virginia.....	8.44	.60	.12	.01	.36	4.01	2.41
Washington.....	27.70	5.94	1.03	.23	2.00	15.35	3.12
West Virginia.....	18.22	1.47	.01	.11	.83	11.38	3.52
Wisconsin.....	25.51	3.83	1.05	.14	3.08	13.29	2.62
Wyoming.....	21.72	3.03	1.10	.06	1.59	9.24	0.01

¹ Represents payments to individuals under CCC, NYA, other Federal work projects, surplus commodity programs, and subsistence payments of the Farm Security Administration.

² Amount not computed; total expenditures for program for year in Mississippi \$3,078, Nevada \$33,548, and Texas \$10,207.

³ Amount not computed; total expenditures for program for year in Nevada \$3,138, Rhode Island \$3,000.

more marked in the case of public aid than of social insurance payments. In 1939, payments under the WPA, general assistance, and other Federal work and surplus commodity programs constituted 81 percent of all public aid; in 1942, 53 percent. Unemployment insurance represented 27 percent of all social insurance payments in 1939 and 20 percent in 1942. For both the public aid and the insurance payments, there was less variation among the States in 1939 than in 1942 in the proportion of all public aid or all social insurance payments going to unemployed persons. In 1939, public aid payments of this type as a percent of total public aid payments ranged from 57 percent in Colorado to 95 percent in Arkansas; in 1942 the range was from 26 percent in Washington to 80 percent in Alabama. Unemployment insurance in 1939 constituted 15 percent of all social insurance payments in South Dakota and 51 percent in Michigan; in 1942 the range was

from 9 to 47 percent, with South Dakota again the low and Michigan the high State.

While payments to unemployed persons and their families thus fluctuated, primarily in response to changing economic conditions, both insurance and assistance payments to the aged, to the disabled, and to dependent children increased in absolute amount and as a percent of all social insurance or all public aid payments. A further steady growth in payments of this type may be anticipated as the old-age and survivors insurance program reaches maturity and as the proportion of aged persons in the population increases. Extension of the coverage of old-age and survivors insurance, inclusion of new risks such as disability, or provision for increased Federal participation in the financing of public assistance in the poorer States would still further increase the flow of such payments and their importance in relation to all income payments.