

Variations in Assistance Payments and Social Characteristics of Recipients Accepted for Old-Age Assistance

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PUBLIC ASSISTANCE PAYMENTS are intended, in most States, to meet the deficiency between the total requirements of needy persons and any income which they may have. The social characteristics of needy persons, such as their living arrangements, marital status, and sex, affect both their total requirements and their incomes. It is to be expected, therefore, that there should be a relationship between such characteristics of recipients and the amount of assistance which they receive. Efforts to explore this relationship are severely handicapped by lack of comprehensive data on the income of recipients other than the assistance payment. Nevertheless, if the amount of assistance is assumed to be related to the needs of recipients, certain relationships may be expected to exist between the social characteristics of recipients and variations in the amount of assistance received.

Among the items considered by public assistance agencies in determining the requirements of recipients are food, clothing, shelter, utilities, and household supplies. Social data on recipients accepted for old-age assistance, collected by the Social Security Board for 3 fiscal years beginning with 1937-38,¹ indicate a consistent relationship from year to year between the amount of assistance given for such needs and the living arrangements, marital status, and sex of the recipients (table 1). Differences in living arrangements of recipients appear to be more important than marital status or sex in affecting differentials among groups of recipients within a State in the amount of assistance given.

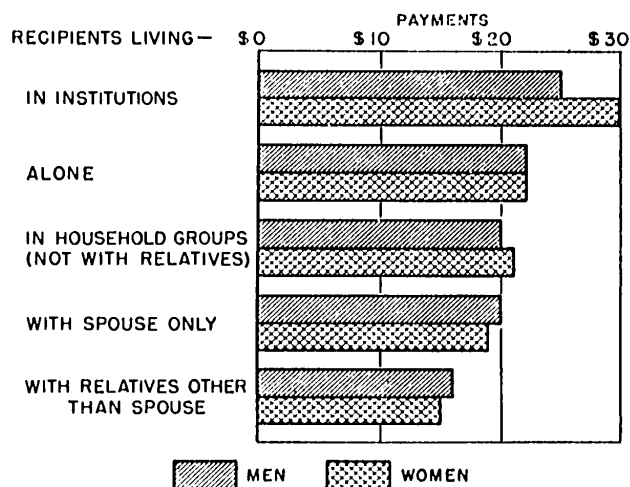
Living arrangements.—Recipients living in pri-

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¹ The latest social data available are for recipients accepted for the fiscal year ended June 30, 1940. During that period, 354,000 new recipients were added to the old-age assistance rolls. These recipients represented about one-sixth of the total number aided by the 51 States during the fiscal year. On June 30, 1940, there were 1,008,000 persons on the assistance rolls. Since some turn-over in the case load occurred during the year, the number aided throughout the year was somewhat larger than the number on the rolls at the end of the year.

vate institutions² receive the highest median monthly payment made to any group of recipients accepted for assistance (\$26 in 1939-40), probably because many recipients enter institutions for special supervision and medical care not available or too costly to be provided in their own homes (chart 1). Even if recipients in institutions lived in

Chart 1.—Old-age assistance: Median amount of monthly payment according to living arrangement of men and women accepted for assistance, fiscal year 1939-40



their own homes, many of them probably would require larger assistance payments than other more able-bodied recipients. Pennsylvania, for example, reported that in one county four-fifths of a group of recipients leaving institutions required the maximum assistance payment possible under the State law for old-age assistance.³

The existence of other income and resources influences the amount of assistance to recipients liv-

² Recipients living in public institutions are not eligible for old-age assistance under the Social Security Act and, if accepted for assistance, must be aided entirely from State and local funds without Federal participation. Less than 0.1 percent of recipients living in institutions and accepted for old-age assistance in 1939-40 resided in public institutions.

³ See Glosser, Belle B., *Applications for Old-Age Assistance from Residents of Public Institutions in Allegheny County*, Pittsburgh, May 1, 1938, p. 9.

Table 1.—Old-age assistance: Median amount of monthly payment, according to living arrangements, marital status, and sex of recipients accepted for old-age assistance, fiscal years 1937-38, 1938-39, and 1939-40

Social characteristic	Median amount of monthly payment		
	1939-40	1938-39	1937-38
Number of recipients accepted.....	353, 934	377, 233	685, 877
All recipients.....	\$18	\$18	\$18
Men.....	19	18	18
Women.....	18	17	17
Recipients living:			
In institutions.....	26	27	26
Alone.....	22	21	21
In household groups but not with relatives.....	20	20	20
With spouse only.....	19	19	19
With relatives other than spouse.....	16	15	16
Recipients with spouse:			
Not living in same household.....	20	20	19
In same household:			
Receiving joint payment or not receiving old-age assistance.....	19	18	18
Receiving separate payment.....	18	18	17
Applying for separate payment.....	18	18	20

ing outside institutions. In order of size, the median amounts of payments for 1939-40 to recipients with specified living arrangements outside institutions were as follows: recipients living alone—\$22; recipients living in household groups but not with relatives—\$20; recipients living with spouse only—\$19; and recipients living with relatives other than spouse—\$16.

Housing and food costs probably account for the larger assistance payments needed by recipients living alone and in household groups but not with relatives. For recipients who do not own their homes and who pay house or room rent, shelter costs constitute a large part of assistance needs. Recipients who own homes may require some assistance to meet property payments, interest, taxes, or insurance, but such amounts ordinarily would not equal the amount needed by recipients paying monthly room or house rent. In addition, the per-person cost of preparing food decreases as the number of individuals sharing meals increases. The amount needed for food for recipients living alone and preparing meals only for themselves, therefore, would be greater than for recipients sharing a family table. Recipients eating at restaurants or in boarding homes also would need more money for food than recipients eating at family tables which are not operated for profit.

The smaller amounts paid to recipients living with only their husbands or wives than to recipients living alone may result from the fact that, in many cases, the needs of the husband

and the wife are considered individually and both receive separate assistance payments. Since they share common household expenses, their individual requirements are less than if they lived alone.

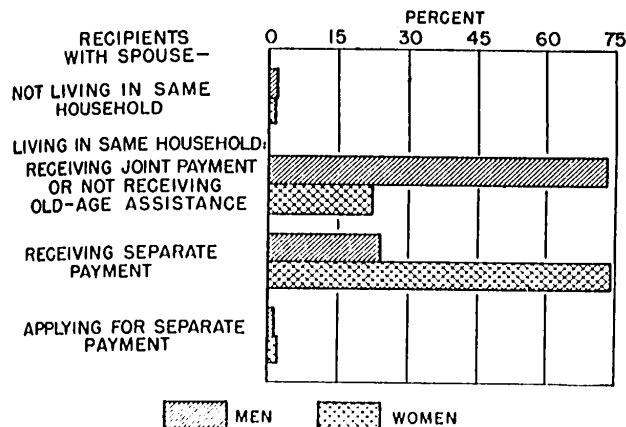
That recipients living with other relatives receive less assistance than any other group of recipients with specified living arrangements reflects the financial responsibility required by law or assumed voluntarily by relatives. The extent of such financial responsibility is difficult to measure. Relatives may provide free housing or board or all but a nominal amount of the cost of housing and boarding recipients. In some cases, relatives provide necessary medical care, clothing, or other items, and sometimes they contribute regular monthly allowances.

Marital status and living arrangements.—Variations in the median amount of assistance given to groups of married recipients with different living arrangements appear to reflect differences in methods of determining the size of the assistance payment rather than differences in the amount needed by recipients. Generally, for recipients living in household groups, payments shared by the recipient with other members of his household are larger than payments intended to cover only the needs of the recipient. Two types of shared payments are represented in assistance to married recipients. First is the joint assistance payment made in the name of one recipient for two or more eligible persons in the same household—usually the husband and wife. The second type of shared payment occurs when an agency makes no separate provision for the requirements of dependents of a recipient and when other forms of assistance are not available to the dependents or else provide a lower level of payments than old-age assistance. Many shared payments are represented among the payments to the group of married recipients whose spouses benefit from joint payments or do not receive old-age assistance. This group received a median monthly payment of \$19 in 1939-40, the largest payment to any group of married recipients living with their husbands or wives.

The median monthly payment to recipients whose spouses lived in the same household and were receiving or were applying for separate grants was \$18.

Sex of recipients.—Factors other than differences in need affect the size of payments to men and

Chart 2.—Old-age assistance: Percentage distribution according to marital status of men and women accepted for assistance, fiscal year 1939-40



to women. Varying methods of determining the size of payments apparently have caused the differential in payments to men and to women living with their spouses only. For the 51 States in 1939-40, the median amount of assistance given to men living with their wives only was \$20 as compared with \$19 paid to women who lived with their husbands only. In individual States, men received median payments as much as \$9 in excess of the median payments to women. These differentials probably result from the fact that more men than women receive shared payments (Chart 2). Of the married men accepted for assistance, only one-third had wives receiving separate old-age assistance payments. Of the married women, on the other hand, almost three-fourths had husbands receiving separate payments.

The greater number of shared payments received by the men can be explained by customs and traditions governing the relationship between husbands and wives. Men are customarily older than their wives. When this age differential occurs, the wife may not receive assistance because she is ineligible on the basis of age. In any case, however, it would be more customary for the man, as the traditional breadwinner, to apply for assistance. If his application is approved, his wife may not receive a separate payment, even though she is eligible for assistance, because State administrative procedures may preclude more than one assistance payment to a family. Since it appears to be customary to give assistance in the name of the head of the family

first, it is not surprising that in most families where assistance is given to the wife in her own name, the husband also receives a separate payment.

The interesting fact about women's status revealed by the data on recipients accepted for old-age assistance is not that old-age assistance usually is given to the husband as the head of the household, but that it is so often given to both the husband and the wife or to the wife only. This tendency on the part of public assistance agencies to give assistance on the basis of individual rather than family needs undoubtedly has changed the financial status of many women receiving assistance. The change in status is most easily demonstrated for the group of married women living with their husbands. The recipients accepted for old-age assistance during the fiscal year 1939-40 included about 120,000 married couples living together. About one-third of the wives in these households received assistance in their own names. According to the census of employment status as of March 24-30, 1940, only 25 percent of the women 14 years of age and over were working or seeking work. The percentage was undoubtedly lower in the first quarter of the century, when aged women now receiving old-age assistance were of working age. For many women accepted for old-age assistance, therefore, their assistance payment may represent the first money they had received in their own names.

Limitations of Data

The relationships pointed out above between the social characteristics of recipients and the amount of assistance which they receive appear to exist in most of the States. The relationships do not exist, however, in States with comparatively less adequate State and local funds and in States which determine the size of payments on a flat-grant-minus-income basis. With few exceptions, States with inadequate State and local funds are forced to spread their funds over a large recipient load. As a result, most of the payments in these States are small, and the limited range in the amount of assistance given to individual recipients can have little relation to the wide range in individual need.

The relationship between variations in payments and variations in the social characteristics of recipients cannot be assumed when the amount

of assistance is determined on a flat-grant-minus-income basis. The amount specified for assistance plus income is \$45 in Colorado. In California, Washington, and North Dakota,⁴ State laws provide that the sum of old-age assistance and income shall be not less than \$40; in Massachusetts and Utah, this sum is to be not less than \$30, and in Nevada not less than \$30 and not more than \$40. In these States, a relationship may exist between differences in assistance payments and in other income and resources of recipients, but, for recipients whose requirements are less than the amount stipulated in the State law, differences in total requirements will not affect assistance payments.

Even though inadequate, data on the amount

⁴ In North Dakota, because of inadequate State and local funds, the law is being administered on a budgetary deficit basis without reference to the \$40 minimum for total income.

of assistance to recipients with specified living arrangements, marital status, and sex are helpful in pointing out some of the factors which affect the amount of assistance to recipients. Other equally important social characteristics include the race, urban and rural residence, and physical condition of recipients. These characteristics will be analyzed in separate discussions. Statistics on social characteristics of recipients and on variations in the amount of assistance comprise two sets of data important to an analysis of factors affecting variations in the needs of recipients. Other data necessary to statistical measurement of the relationship between the amount needed by recipients and the amount of assistance given include data on other income and total requirements of recipients.