

# Public Assistance in Puerto Rico\*

*Provisions for maternal and child health and child welfare services under the Social Security Act were extended to Puerto Rico by the 1939 amendments, but the public assistance provisions have not yet been similarly extended. This article<sup>1</sup> summarizes operations under the island's public assistance law and calls attention to the increasing need for more nearly adequate provisions.*

UNDER the present provisions of the Social Security Act, Puerto Rico cannot receive Federal grants-in-aid for the assistance programs for its aged people, dependent children, and blind persons.<sup>2</sup> The need for Federal financial assistance for these programs, however, is great because of the island's very high population density (635.6 persons per square mile) and the widespread poverty of its inhabitants, whose per capita income (\$239) in 1944 was less than half that of Mississippi (\$542), which has the lowest per capita income in the continental United States.

## Extent of Need

The incidence of need is high in Puerto Rico. Incomes are so low that they are insufficient to enable people to purchase the necessities of life. The life expectancy of the people is short, and high birth and death rates result in a relatively young population. In 1940, only 56 percent of the population was in the productive age groups (15-64 years), as compared to 68 percent for the continental United States. Thus the burden of supporting the nonproductive population is heavier for persons in the productive ages in Puerto Rico than it is for those on the mainland.

The predominantly agricultural economy of the island, moreover, limits the employment opportunities of

the able-bodied. It is estimated that in January 1949 approximately 96,000 working men, or 14 percent of the island's total labor force, were unemployed. Seasonal unemployment of large proportions occurs in the sugarcane and other agricultural enterprises for about 4 months of the year.

Another important factor contributing to the widespread need in Puerto Rico is the high cost of food and other commodities. Most of the arable land is devoted to the growing of sugarcane, coffee, and tobacco. A considerable part of the island's foodstuffs, as well as clothes, shoes, machinery, and other products, must therefore be imported from the States.

## The Assistance Program

In most respects the public assistance program in Puerto Rico is patterned after those operating in the continental United States. The public welfare law and the organization established to carry out the local public assistance program conform in many ways with the provisions of the act and the policies of the Social Security Administration. The program is in effect throughout the island and is administered by the Division of Public Welfare of the insular government. All applicants are protected through

the enforcement of uniform agency regulations and provisions for hearings by district boards of appeals. In addition to the special types of public assistance, the Division administers a limited general assistance program for mentally and physically handicapped persons, and it also furnishes social services of various kinds to recipients.

In October 1948, some 34,800 cases, representing 52,700 persons, were receiving public assistance. More than half the persons were children, about two-fifths were aged, less than one-twelfth were unemployables receiving general assistance, and 1 percent were blind (table 1). Applications awaiting action totaled some 39,000 on October 31, 1948. About 24,600 of these applications, which represented 41,200 persons, were estimated to be eligible for assistance under current eligibility standards. Almost half the potentially eligible cases requested assistance under the aid to dependent children program, and almost a third asked for old-age assistance. Most of the remaining potentially eligible cases were unemployables applying for general assistance. Needy persons who are employable cannot receive financial assistance under any of the programs.

The insular government appropriates \$3 million annually for public assistance. This appropriation is not enough to furnish a minimum standard of living to present recipients, even at the low subsistence levels prevailing on the island. Monthly assistance payments are limited to \$7.50 per family, regardless of the category, number of recipients, and needs of the

Table 1.—Number of cases and persons in Puerto Rico receiving assistance and number eligible for but not receiving assistance, by program, October 1948

Program	Total		Number receiving assistance		Number eligible but not receiving assistance	
	Cases	Persons	Cases	Persons	Cases	Persons
Total	59,425	93,958	34,817	52,720	24,608	41,238
Special types of assistance	51,556	85,838	30,639	48,409	20,917	37,429
Old-age assistance	27,240	30,023	18,627	20,530	8,613	9,493
Aid to dependent children	22,810	54,309	11,490	27,357	11,320	26,952
Aid to the blind	1,506	1,506	522	522	984	984
General assistance	7,869	8,120	4,178	4,311	3,691	3,809

\*Prepared in the Statistics and Analysis Division, Bureau of Public Assistance.

<sup>1</sup>Based on a report prepared by the Division of Public Welfare, Department of Health, Puerto Rico, and on testimony given before the House Ways and Means Committee by Celestina Zalduondo Goodsaid, Director of Public Welfare in Puerto Rico, and by Dr. Antonio Fernós-Isern, Resident Commissioner of Puerto Rico.

<sup>2</sup>See the *Bulletin*, June 1946, pp. 36-38.

family. The families with dependent children fare worst, because in most families the \$7.50 check has to be shared by several children; the payment is thus reduced to an average of \$2.89 per child. The average payment per person in each program is shown below:

Program	Average payment
Old-age assistance.....	\$6.39
Aid to dependent children.....	2.89
Aid to the blind.....	6.91
General assistance.....	7.12

This average payment actually exaggerates the amount available for each child, since it does not take into account the needs of a mother, disabled father, grandparents, or other members of the family who may also share in the goods and services purchased with the assistance payment.

The inadequacy of the present average payment in meeting the needs of recipient families is sharply demonstrated by a study of wage earners' incomes and expenditures<sup>3</sup> conducted in 1941 in Puerto Rico. According to the study, families with weekly earnings of \$2.00-3.99 had weekly expenditures amounting to \$4.46; food alone cost \$3.00. The great difficulty these

<sup>3</sup> Alice C. Hanson and Manuel A. Perez, *Incomes and Expenditures of Wage Earners in Puerto Rico*, Bulletin No. 1 (Puerto Rico Department of Labor in cooperation with United States Bureau of Labor Statistics) May 1, 1947.

families had in making ends meet is indicated by the large amount of their indebtedness, which averaged \$23.04 per family. Almost three-fourths of the debts were incurred for food purchases. It is clear that recipient families whose weekly incomes are about \$1.75 can hardly do more than meet part of their food expenditures with their assistance payments.

Present funds for assistance permit a maximum monthly average of 33,000 families on the assistance rolls. Only the neediest families<sup>4</sup> are added to the rolls, and these may be added only as replacements for closed cases. Since the case turn-over is low, a large backlog of applications pending investigation has accumulated. The Insular Division of Public Welfare reports that "under the circumstances, it is not unusual for an applicant to wait for a period of 4 or 5 years before assistance may be granted to him."

### *Insular Efforts To Finance Public Assistance*

Puerto Rico makes a greater fiscal effort in support of its public assistance program than most States. In 1946, with a per capita income less

<sup>4</sup> Assistance is given only to eligible applicants whose incomes and resources are insufficient to cover more than 15 percent of their minimum needs.

than a fifth of the national average, the insular government set aside 0.56 percent of its total income for public assistance, a higher proportion than the average for all States combined (0.41 percent). Puerto Rico exerted greater fiscal effort in support of its program than did any of the four lowest-income States, all of which had per capita incomes two to three times larger than Puerto Rico's. Mississippi expended 0.29 percent of its total income; Arkansas, 0.30 percent; South Carolina, 0.25 percent; and Kentucky, 0.22 percent.

The Insular Division of Public Welfare indicates that Puerto Rico's limited financial resources prevent any improvement in its present public assistance program. Since the end of the war, moreover, the island's revenue has declined considerably, but its expenditures—particularly for education, health, and other needed public services—continue to increase. The Division believes that Federal grants-in-aid under the Social Security Act would permit a public assistance program that can more adequately meet the minimum requirements of those in need of help. The Social Security Administration, in its annual report for the fiscal year 1948, has recommended extension to Puerto Rico of all provisions of the Social Security Act relating to health and welfare.

## SOCIAL SECURITY IN REVIEW

(Continued from page 2)

priation includes \$7,948,800 to pay the salaries and expenses of the various bureaus and offices of the Administration and \$3,604,000 for reimbursement to the Federal old-age and survivors insurance trust fund for benefits paid in the fiscal year 1948 to the survivors of certain World War II veterans. In addition, expenditures of not more than \$42,425,800 from the old-age and

survivors insurance trust fund were authorized for salaries and expenses incurred in administering old-age and survivors insurance.

### *Midyear Economic Report*

A strengthened social security system was part of an 11-point program recommended by President Truman in the Midyear Economic Report that he sent to Congress on July 11. The program calls for positive legislative

action on many fronts. In social security, the President recommended increasing the amount and duration of benefits and extending coverage under unemployment insurance; extending to July 25, 1950, the availability of readjustment allowances for veterans not protected by State unemployment insurance laws; raising benefits and extending coverage under the old-age and survivors insurance system; and improving the public assistance program.