

Notes and Brief Reports

State and Local Assistance Expenditures in Relation to Income Payments

In 1954, State and local fiscal effort to finance public assistance in the United States was slightly less than in the previous year. For the Nation as a whole, the ratio of public assistance expenditures to income payments—used here as a measure of fiscal effort—declined from 48 cents per \$100 of income payments in 1953 to 46 cents per \$100 in 1954.¹ The

Table 1.—Number of States with specified change in State income payments and in State and local expenditures for public assistance, 1954 from 1953

Percentage change	Income payments		State and local assistance expenditures	
	In-creases	De-creases	In-creases	De-creases
Total number of States	45	5	34	16
0-2.4	7	1	13	4
2.5-4.9	16	4	4	4
5.0-7.4	14		3	3
7.5-9.9	5		6	2
10.0 and over	3		8	3
Mean percentage change	5.6			0.4
Median percentage change	4.7		1.7	

decrease in effort resulted from a slight drop (0.4 percent) in State and local expenditures for public assistance, combined with a moderate increase (5.6 percent) in income payments. In 1954, expenditures for assistance from State and local funds amounted to \$1.2 billion. Income payments to individuals were at a high of \$271.4 billion in 1953.

Among the individual States, changes from the preceding year in

¹ Throughout the note, assistance expenditures are on a fiscal-year basis and are for the continental United States and Hawaii combined. Income data are on a calendar-year basis and represent the latest income information for which State data are available; Alaska, Puerto Rico, and the Virgin Islands are excluded because data for these jurisdictions are not available.

State and local assistance expenditures and in income payments varied considerably. Although for all States combined State and local assistance expenditures decreased somewhat, 34 States spent more for assistance in 1954 than in 1953. Forty-five of the

Table 2.—Expenditures for public assistance payments from State and local funds in relation to income payments and amount expended per inhabitant, by State, 1954¹

[Assistance payments include vendor payments for medical care]

State	Percentage change in—		Expenditures from State and local funds for assistance			
	Income payments, 1953 from 1952	Expenditures from State and local funds for assistance, 1954 from 1953	Per \$100 of income payments			Per inhabitant, 1954
			1953	1954	Percentage change, 1954 from 1953	
United States ²	+5.6	-0.4	\$0.48	\$0.46	-4.2	\$7.78
Alabama	+5.2	-4.8	.25	.22	-12.0	2.35
Arizona	+4.7	+10.2	.44	.46	+4.5	7.01
Arkansas	+4	-13.1	.46	.40	-13.0	3.86
California	+6.9	+4	.79	.74	-6.3	15.30
Colorado	+2.2	-9	1.65	1.60	-3.0	25.95
Connecticut	+8.0	+8.5	.37	.38	+2.7	8.14
Delaware	+7.4	+16.6	.13	.14	+7.7	3.24
District of Columbia	+3.8	+2.4	.12	.11	-8.3	3.37
Florida	+10.9	+10.4	.37	.37		5.18
Georgia	+6.2	-8.0	.41	.42	+2.4	5.00
Hawaii	+3.4	-26.4	.40	.28	-30.0	4.66
Idaho	-2.6	+2	.59	.61	+3.4	8.62
Illinois	+5.8	-1.7	.46	.43	-6.5	8.81
Indiana	+8.6	+2.1	.23	.21	-8.7	3.85
Iowa	-3.4	+4	.53	.55	+3.8	8.41
Kansas	-3.1	+3.2	.57	.60	+5.3	9.34
Kentucky	+4.3	-3.2	.35	.33	-5.7	3.86
Louisiana	+6.0	-6.7	1.13	.99	-12.4	12.66
Maine	+3.0	+6.7	.53	.55	+3.8	8.03
Maryland	+6.2	-4	.16	.15	-6.2	2.62
Massachusetts	+5.5	-3.4	.90	.83	-7.8	15.06
Michigan	+12.4	-7.0	.44	.37	-15.9	7.35
Minnesota	+4.4	+3.0	.68	.67	-1.5	10.40
Mississippi	+2.2	+19.7	.30	.36	+20.0	3.01
Missouri	+5.7	-5	.61	.57	-6.6	9.53
Montana	+2.8	(*)	.69	.67	-2.9	11.26
Nebraska	-3.1	+1.6	.36	.37	+2.8	5.69
Nevada	+8.7	+1.2	.37	.34	-8.1	7.73
New Hampshire	+4.7	+2.5	.50	.49	-2.0	7.64
New Jersey	+7.4	+9.8	.18	.18		3.53
New Mexico	+4.7	+6.4	.43	.44	+2.3	5.88
New York	+5.7	+3	.43	.43	-4.4	9.35
North Carolina	+4.4	+10.3	.23	.25	+8.7	2.67
North Dakota	+7.2	+1.0	.61	.57	-6.6	7.71
Ohio	+9.0	+10.7	.35	.35		7.04
Oklahoma	+3.7	-21.7	1.64	1.24	-24.4	16.66
Oregon	+6	+7.1	.59	.63	+6.8	10.63
Pennsylvania	+6.1	-5.2	.28	.25	-10.7	4.53
Rhode Island	+4.9	-4.5	.65	.59	-9.2	10.19
South Carolina	+1.6	+9.2	.27	.29	+7.4	3.13
South Dakota	+10.4	+1.7	.51	.47	-7.8	6.58
Tennessee	+7.9	+16.9	.32	.35	+9.4	4.16
Texas	+3.0	+2.0	.31	.30	-3.2	4.44
Utah	+3.1	+8.4	.59	.62	+5.1	9.17
Vermont	+5.6	+8.6	.39	.40	+2.6	6.68
Virginia	+1.7	+17.9	.09	.11	+22.2	1.35
Washington	+4.6	-7.6	.93	.82	-11.8	15.26
West Virginia	+9	-9.3	.44	.40	-9.1	5.02
Wisconsin	+2.8	+4.2	.51	.51		8.74
Wyoming	-4	+1.1	.45	.45		7.24

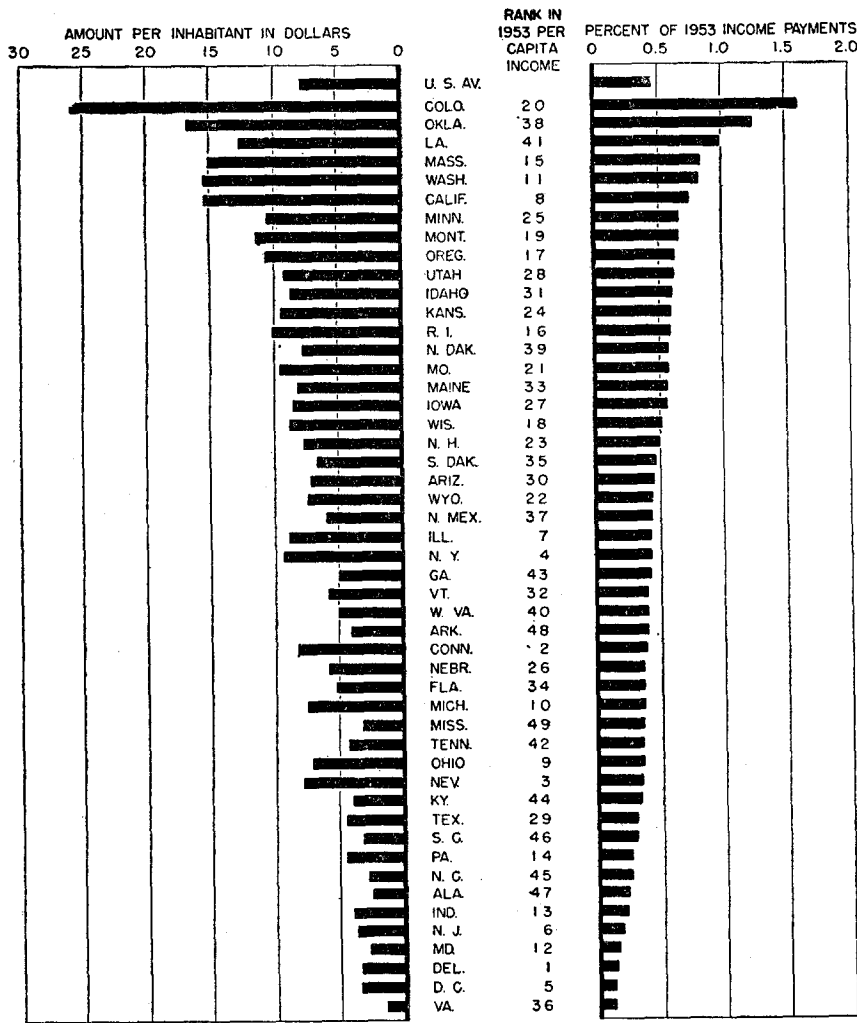
¹ Expenditures are for fiscal years 1953 and 1954 and exclude amounts spent for administration; they are related respectively to income payments for calendar years 1952 and 1953.

² Data on income for Alaska, Puerto Rico, and the Virgin Islands not available.

³ Computed from unrounded ratios.

⁴ Increase of less than 0.05 percent.

Chart 1.—Expenditures per inhabitant for public assistance from State and local funds in relation to income payments, by State, fiscal year 1954



low of 11 cents in the District of Columbia and Virginia to a high of \$1.60 per \$100 of income payments in Colorado; the median State, New York, spent for assistance 43 cents per \$100 of income payments. Five States spent less than 20 cents, 16 spent 20-39 cents, 17 spent 40-59 cents, 7 spent 60-79 cents, 3 spent 80-99 cents, and in two States expenditures from State and local funds for public assistance amounted to \$1 or more for every \$100 of income payments.

Trust Fund Operations, 1954

The old-age and survivors insurance system carries on its financial operations through the Federal old-age and survivors insurance trust fund. Sums equivalent to 100 percent of current collections under the Federal Insurance Contributions Act and under chapter 21 of the Internal Revenue Code of 1954 are transferred under permanent appropriation to the trust fund on the basis of estimates made by the Secretary of the Treasury. To the extent that estimates are found to differ from the amounts of contributions actually payable on the basis of reported earnings, adjustments are made periodically. Contributions received under voluntary agreements with States for the coverage of State and local government employees are deposited directly into the trust fund.

In 1954, contributions amounting to \$5,068 million, which excludes amounts reimbursed to the general funds of the Treasury for refunds of excess taxes collected, were appropriated to and deposited in the Federal old-age and survivors insurance trust fund. The trust fund received \$447 million in interest on its investments. It also received \$21 million during the year as a result of the financial interchange provision of the 1951 amendments to the Railroad Retirement Act.

Expenditures for old-age and survivors insurance benefits in 1954 totaled \$3,670 million, and administrative expenses amounted to \$92 million. Total assets of the trust fund were \$20.6 billion at the end of 1954,

12 of these States, income payments increased at a greater rate than assistance expenditures, and in 16 States the increases in income payments accompanied declines in State and local assistance expenditures.

Fiscal effort increased in 1954 in 22 States. Most (17) of these States had larger increases percentagewise in assistance expenditures than in income payments, and five States increased their assistance expenditures while income payments declined. The range of percentage changes in fiscal effort went from a decrease of 30.0 percent in Hawaii to an increase of 22.2 percent in Virginia; the median change was -1.8 percent. The distribution of States by percentage change between 1953 and 1954 in the

ratio of State and local assistance expenditures to income payments to individuals was as follows:

Percentage change	Number of States with specified percentage change in fiscal effort	
	Increases	Decreases
Total.....	22	28
Less than 5.....	13	7
5-9.....	7	13
10-14.....		5
15-19.....		1
20 and over.....	2	2
Median percentage change.....		1.8

The fiscal effort of the individual States varied considerably—from a