

Notes and Brief Reports

State and Local Expenditures for Assistance in Relation to Income Payments

In 1947, income payments to individuals reached an all-time peak of almost \$190 billion, yet public assistance expenditures continued to grow in spite of this unprecedented prosperity. Expenditures from State and local funds for old-age assistance, aid to dependent children, and aid to the blind also rose to a peak of \$720 million.¹ With general assistance payments included, such expenditures amounted to approximately \$903 million.

A combination of several factors gave rise to this seemingly anomalous situation. In the first place, most welfare agencies continued to adjust assistance payments upward in 1947 in an attempt to keep pace with the steady postwar rise in the cost of living, particularly in the cost of food and clothing. Moreover, many persons with formerly adequate resources found themselves needing assistance as a result of the general rise in prices. Most States, also, were in a relatively strong fiscal position during 1947. This factor, in conjunction with the liberalized Federal public assistance matching provisions, which became effective in October 1946, permitted broader recognition of need that may have existed for some time, particularly in the low-income States. In addition, the changed composition of the population in recent years—the increase in the proportion of aged persons and of children in the total population—brought a rise in the need for assistance.

As a result of these various factors, all but three States (Maine, South Dakota, and Washington) spent more from State and local funds for assistance in 1947 than in the preceding year. However, in only 28 States did these amounts comprise a larger proportion of income payments than in 1946. In four States there was no

change in the ratio of assistance expenditures to income payments, while in the remaining 17 States the funds used for the support of the assistance programs represented a smaller proportion of income payments in 1947 than in the preceding year.

Assistance expenditures from State and local funds increased nationally 18.8 percent from 1946 to 1947. The

percentage changes for the individual States varied widely from this national average, ranging from a decrease of about 5 percent in South Dakota to an increase of almost two-thirds in Colorado. Twenty-one States raised their assistance expenditures more than 20 percent; 10 other States, between 10 and 20 percent. In general, the low-income States increased their assistance expenditures to a greater extent than did the Nation as a whole.

Table 1.—Percentage change in income payments and in State and local expenditures for public assistance payments from 1946 to 1947 and State and local expenditures for assistance as a percent of income payments, 1946 and 1947, by State¹

State	Percentage change, 1946 to 1947		State and local expenditures for assistance		
	Income payments	State and local expenditures for assistance	Percent of income payments		
			1946	1947	Percentage change, 1946 to 1947
Total.....	+10.8	+18.8	0.44	0.48	+9
Alabama.....	+13.5	+26.7	.28	.31	+11
Arizona.....	+14.3	+5.1	.69	.63	-9
Arkansas.....	+1.8	+24.1	.33	.40	+21
California.....	+6.3	+29.9	.52	.63	+21
Colorado.....	+21.2	+64.6	1.20	1.63	+36
Connecticut.....	+14.2	+11.3	.26	.25	-4
Delaware.....	+10.1	+26.6	.13	.15	+15
District of Columbia.....	+3.2	+7.8	.10	.10	0
Florida.....	+4.4	+30.4	.48	.60	+25
Georgia.....	+9.8	+18.9	.27	.29	+7
Idaho.....	+13.8	+6.0	.64	.59	-8
Illinois.....	+12.7	+9.8	.45	.44	-2
Indiana.....	+12.2	+8.5	.26	.26	0
Iowa.....	+5	+24.9	.42	.52	+24
Kansas.....	+26.0	+27.3	.52	.53	+2
Kentucky.....	+8.8	+21.0	.24	.26	+8
Louisiana.....	+11.5	+7.3	.51	.49	-4
Maine.....	+9.0	-9	.55	.50	-9
Maryland.....	+7.6	+9.5	.23	.23	0
Massachusetts.....	+6.2	+19.8	.66	.75	+14
Michigan.....	+16.1	+17.2	.52	.53	+2
Minnesota.....	+10.5	+28.2	.52	.60	+15
Mississippi.....	+15.0	+1.9	.30	.26	-13
Missouri.....	+6.8	+8.6	.62	.63	+2
Montana.....	+19.9	+14.9	.48	.46	-4
Nebraska.....	+7.5	+2.4	.52	.50	-4
Nevada.....	+7.1	+21.5	.25	.28	+12
New Hampshire.....	+11.9	+20.5	.43	.46	+7
New Jersey.....	+8.2	+23.6	.16	.18	+13
New Mexico.....	+17.1	+27.3	.56	.61	+9
New York.....	+10.1	+30.8	.41	.49	+20
North Carolina.....	+8.8	+24.1	.15	.17	+13
North Dakota.....	+43.2	+7.2	.49	.37	-24
Ohio.....	+12.3	+21.1	.38	.40	+5
Oklahoma.....	+12.0	+5.6	1.41	1.33	-6
Oregon.....	+10.4	+3.6	.60	.56	-7
Pennsylvania.....	+13.5	+10.0	.44	.42	-5
Rhode Island.....	+11.5	+28.8	.41	.48	+17
South Carolina.....	+7.8	+15.0	.27	.29	+7
South Dakota.....	+17.3	-4.8	.42	.34	-19
Tennessee.....	+10.6	+39.8	.24	.30	+25
Texas.....	+15.8	+19.6	.43	.44	+2
Utah.....	+11.1	+1.5	.90	.83	-8
Vermont.....	+12.5	+16.3	.31	.32	+3
Virginia.....	+7.0	+20.8	.10	.11	+10
Washington.....	+5.3	-2.9	1.20	1.10	-8
West Virginia.....	+17.4	+25.8	.24	.25	+4
Wisconsin.....	+13.7	+10.9	.39	.39	0
Wyoming.....	+16.4	+8.4	.47	.44	-6

¹ Represents expenditures for the fiscal year 1947-48 in the 48 States and the District of Columbia. See footnote 1, table 1.

¹ Expenditures for public assistance from State and local funds exclude amounts spent for administration and are for fiscal years 1946-47 and 1947-48; these expenditures are related respectively to income payments for calendar years 1946 and 1947.

For all States combined, income payments to individuals increased 10.8 percent from 1946 to 1947. Here again the individual States varied widely from the national average, the range being from one-half of 1 percent in Iowa to 43 percent in North Dakota. In only three States did the increase exceed 20 percent; it was between 10 and 20 percent in 28 States.

Inasmuch as the percentage increase in assistance expenditures exceeded that for income payments for all States combined, the ratio of expenditures to income payments rose from 0.44 percent in 1946 to 0.48 percent in 1947. This small percentage change, however, represented an increase in assistance expenditures from State and local funds of \$143 million. The individual States varied widely from the national average of 0.48 percent; the range was from 0.10 percent in the District of Columbia to 1.63 percent in Colorado.

Similarly, per capita assistance expenditures from State and local funds showed a wide variation from the national average of \$6.28, ranging from \$1.14 in Virginia to \$24.21 in Colorado. This wide range reflected State differences both in fiscal capacity, as measured by per capita income, and in fiscal effort, as measured by the ratio of assistance expenditures to income payments. Variations in per capita assistance payments among the States making equal efforts were sizable. For example, Connecticut and Mississippi, with approximately equal fiscal effort, spent \$4.21 and \$1.73 per capita, respectively, for assistance.

In general, the fiscal effort to finance assistance is high among the Mountain and Pacific Coast States and low among the Southern, low-income States. Although the fiscal effort of many of the high-income States is substantially below the national average, monthly payments per recipient of assistance in most of these States are above the national average because of their relatively favorable fiscal capacity as compared with the need for assistance.

In contrast, in the low-income States, where the incidence of poverty is greatest, the general tendency is to spread the limited assistance funds among proportionately greater numbers of needy persons. As a result,

monthly payments per recipient are among the lowest in the Nation and well below the national average. Most of the low-income States could increase their assistance expenditures considerably if they were to exert the same effort as all States combined. To approximate the national average expenditure per inhabitant, however, they would find it necessary, because of relatively low fiscal capacity, to exert an inordinate effort. If Mississippi, for example, were to equal the national average in the proportion of income payments that it spends for

the assistance programs, the State's per capita assistance expenditures would be \$3.16 or approximately half the national average of \$6.28. Yet even if Mississippi did exert fiscal effort comparable to the national average, its payments to needy persons would continue to remain below the national average because of the proportionately larger numbers of people in need in Mississippi than in the Nation as a whole.

No clear-cut pattern emerges with respect to the allocation of available funds among the old-age assistance,

Table 2.—Per capita income payments, 1947, and per capita State and local assistance expenditures, fiscal year 1947-48, by State and program

State	Per capita income payments, ¹ 1947	Per capita assistance expenditures, 1947-48						
		Amount					Percent of total amount	
		Total	Old-age assistance	Aid to dependent children	Aid to the blind	General assistance	Special types of assistance	General assistance
Total.....	\$1,323	\$6.28	\$3.46	\$1.39	\$0.16	\$1.27	79.8	20.2
Nevada.....	1,842	5.14	4.33	.14	.10	.57	88.9	11.1
New York.....	1,781	8.89	2.48	2.78	.09	3.54	60.2	39.8
North Dakota.....	1,678	6.18	3.69	1.88	.06	.55	91.1	8.9
Connecticut.....	1,671	4.21	2.14	1.11	.02	.94	77.7	22.3
Delaware.....	1,646	2.46	.52	.57	.06	1.31	46.7	53.3
California.....	1,643	10.42	7.09	1.34	.40	1.59	84.7	15.3
Montana.....	1,641	7.52	4.53	1.90	.19	.90	88.0	12.0
District of Columbia.....	1,624	2.18	.60	.80	.06	.72	67.0	33.0
Illinois.....	1,624	7.08	3.44	1.78	.14	1.72	75.7	24.3
New Jersey.....	1,542	2.65	1.22	.62	.03	.78	70.6	29.4
Rhode Island.....	1,521	7.27	2.95	2.25	.05	2.02	72.2	27.8
Colorado.....	1,482	24.21	20.08	2.18	.11	1.84	92.4	7.6
Wyoming.....	1,472	6.39	4.37	1.02	.12	.88	86.2	13.8
Maryland.....	1,465	3.16	.92	1.31	.04	.89	71.8	28.2
Massachusetts.....	1,449	10.80	6.97	1.91	.09	1.83	83.1	16.9
Ohio.....	1,441	5.84	3.64	.61	.09	1.50	74.3	25.7
Michigan.....	1,424	7.52	3.01	2.17	.05	2.29	69.5	30.5
Washington.....	1,395	15.38	9.82	2.86	.14	2.56	83.4	16.6
Pennsylvania.....	1,372	5.82	1.56	2.18	.66	1.42	75.6	24.4
South Dakota.....	1,348	4.62	3.43	.74	.05	.40	91.3	8.7
Wisconsin.....	1,337	5.15	2.79	1.55	.08	.73	85.8	14.2
Kansas.....	1,315	6.96	4.11	1.42	.12	1.31	81.2	18.8
Idaho.....	1,290	7.67	4.86	2.19	.12	.50	93.5	6.5
Indiana.....	1,287	3.29	2.13	.59	.09	.48	85.4	14.6
Oregon.....	1,253	7.05	3.57	1.27	.08	2.13	69.8	30.2
Nebraska.....	1,238	6.14	4.14	1.46	.10	.44	92.8	7.2
Utah.....	1,208	9.97	4.67	3.50	.07	1.73	82.6	17.4
Missouri.....	1,197	7.54	5.30	1.01	.27	.96	87.3	12.7
Minnesota.....	1,195	7.13	4.83	1.10	.11	1.09	84.7	15.3
Vermont.....	1,183	3.79	2.70	.47	.10	.52	86.3	13.7
New Hampshire.....	1,148	5.30	2.76	1.41	.13	1.00	81.1	18.9
Iowa.....	1,144	5.91	4.44	.85	.13	.49	91.7	8.3
Maine.....	1,128	5.62	2.64	1.36	.13	1.49	73.5	26.5
Texas.....	1,128	4.96	4.28	.42	.13	.13	97.4	2.6
Arizona.....	1,120	7.05	4.65	.90	.38	1.12	84.1	15.9
Florida.....	1,104	6.62	4.69	1.35	.24	.34	94.9	5.1
Virginia.....	1,064	1.14	.43	.36	.04	.31	72.8	27.2
New Mexico.....	1,053	6.46	3.01	2.40	.16	.89	86.2	13.8
West Virginia.....	1,031	2.59	1.06	1.09	.05	.39	84.9	15.1
Oklahoma.....	930	12.33	9.40	2.30	.25	.38	96.9	3.1
Tennessee.....	916	2.78	1.56	1.06	.09	.07	97.5	2.5
Louisiana.....	892	4.35	2.16	1.13	.08	.98	77.5	22.5
North Carolina.....	890	1.51	.89	.37	.11	.14	90.7	9.3
Georgia.....	885	2.55	1.92	.38	.07	.18	92.9	7.1
Kentucky.....	850	2.24	1.34	.70	.05	.15	93.3	6.7
Alabama.....	837	2.64	1.75	.47	.04	.38	85.6	14.4
South Carolina.....	778	2.25	1.46	.34	.07	.38	83.1	16.9
Arkansas.....	710	2.81	1.83	.70	.08	.20	92.9	7.1
Mississippi.....	659	1.73	1.30	.29	.11	.03	98.3	1.7

¹ Data from the Department of Commerce, *Survey of Current Business*, August 1948, p. 19.

aid to the blind, and aid to dependent children programs. When general assistance is added, however, it is clear that low-income States allocated proportionately much less to that program than did most of the States. In the aggregate, general assistance expenditures represented 20 percent of total assistance expenditures. Mississippi and Tennessee, however, allotted 2 percent of total assistance funds to the general assistance program; Arkansas, Georgia, Kentucky, about 7 percent; and North Carolina, 9 percent. While the national average per capita expenditure for general assistance was \$1.27, Mississippi spent 3 cents, Tennessee 7 cents, and Arkansas, Georgia, Kentucky, and North Carolina from 14 to 20 cents. Although this pattern of assistance expenditures in the low-income States is undoubtedly the result of many factors, it may be attributed in large measure to the absence of Federal participation in financing the general assistance program.

Estimates of Aged Population, by State, 1940-48

The Social Security Administration has recently prepared estimates of the number of persons 65 years of age and over, by State, for the years 1940-48. The Bureau of the Census regularly prepares and releases current estimates of the total population by State, but it does not currently make estimates of the aged population.

The present estimates, shown in the accompanying table, were derived from published and unpublished materials furnished by the Bureau of the Census and the National Office of Vital Statistics and have had the benefit of critical review by the Bureau of the Census. The method used is briefly as follows: Census estimates of total aged population in the country as a whole on July 1 of each of the 9 years, by 5-year age-sex-race classes, were divided by the number of deaths during the year reported to the National Office of Vital Statistics for persons in these classes to obtain an average number of persons in each class per death reported. The averages were then multiplied by

Estimated population 65 years of age and over as of July 1 of each year 1940-48, by State ¹

State	1940	1941	1942	1943	1944	1945	1946	1947	1948
Continental United States.....	9,020,916	9,222,257	9,455,038	9,660,241	9,858,136	10,114,098	10,372,095	10,650,000	10,940,000
Ala.....	132,960	134,694	136,886	138,567	140,148	142,552	144,991	147,681	150,524
Ariz.....	23,822	25,290	26,837	28,282	29,697	31,281	32,870	34,527	36,225
Ark.....	105,839	106,957	108,443	109,517	110,518	112,173	113,836	115,696	117,678
Calif.....	558,755	585,597	614,369	640,801	666,713	696,525	726,439	757,868	790,239
Colo.....	86,932	88,282	89,937	91,254	92,501	94,289	96,100	98,076	100,163
Conn.....	129,277	132,773	136,743	140,194	143,544	147,742	151,979	156,515	161,236
Del.....	20,476	20,888	21,371	21,776	22,163	22,685	23,210	23,781	24,378
D. C.....	40,856	42,233	43,767	45,136	46,474	48,088	49,718	51,451	53,251
Fla.....	130,615	130,615	131,062	138,483	145,755	153,866	161,985	170,425	179,083
Ga.....	155,110	156,505	158,410	159,757	160,970	163,144	165,318	167,820	170,470
Idaho.....	31,890	32,386	32,995	33,480	33,939	34,596	35,262	35,992	36,758
Ill.....	569,977	584,086	600,129	613,957	627,404	644,515	661,787	680,349	699,646
Ind.....	288,780	292,091	296,400	299,636	302,632	307,412	312,236	317,665	323,389
Iowa.....	228,713	231,826	235,728	238,733	241,579	245,802	250,100	254,815	259,838
Kans.....	157,358	159,579	162,341	164,504	166,519	169,539	172,554	175,896	179,411
Ky.....	188,963	191,052	193,797	195,817	197,716	200,755	203,842	207,296	210,961
La.....	129,277	132,773	136,743	140,194	143,544	147,742	151,979	156,515	161,236
Maine.....	80,586	80,740	81,165	81,279	81,350	81,899	82,454	83,155	83,933
Md.....	122,958	125,413	128,310	130,729	133,063	136,191	139,344	142,771	146,377
Mass.....	370,969	376,985	384,250	390,136	395,720	403,651	411,629	420,427	429,653
Mich.....	332,110	342,186	353,430	363,358	373,007	384,861	396,812	409,541	422,716
Minn.....	213,693	217,389	221,829	225,425	228,840	233,612	238,409	243,634	249,135
Miss.....	111,524	112,598	114,065	115,103	116,050	117,690	119,344	121,215	123,206
Mo.....	326,354	332,764	340,284	346,556	352,519	360,579	368,691	377,480	386,710
Mont.....	36,385	37,484	38,699	39,769	40,805	42,083	43,373	44,741	46,167
Nebr.....	106,017	107,886	109,711	111,328	112,869	115,053	117,259	119,687	122,234
Nev.....	6,793	7,148	7,527	7,880	8,228	8,624	9,026	9,447	9,882
N. H.....	48,892	49,399	50,076	50,564	51,019	51,778	52,539	53,395	54,307
N. J.....	279,874	287,709	296,550	304,324	311,875	321,305	330,819	341,010	351,608
N. Mex.....	23,293	23,613	24,016	24,328	24,620	25,058	25,500	25,989	26,505
N. Y.....	927,060	954,120	984,541	1,011,326	1,037,447	1,069,719	1,102,362	1,137,269	1,173,534
N. C.....	154,086	157,884	162,230	165,966	169,567	174,163	178,789	183,750	188,933
N. Dak.....	39,570	40,257	41,073	41,739	42,369	43,252	44,133	45,104	46,114
Ohio.....	541,362	552,190	564,941	575,646	585,877	599,573	613,392	628,315	644,002
Okla.....	144,968	147,177	149,875	152,016	154,035	156,965	159,908	163,132	166,535
Oreg.....	93,277	95,548	98,133	100,358	102,514	105,258	108,020	110,995	114,093
Pa.....	679,937	694,081	710,624	724,576	737,986	755,803	773,827	793,304	813,718
R. I.....	54,576	55,639	56,891	57,937	58,945	60,300	61,668	63,160	64,718
S. C.....	78,903	79,768	80,906	81,742	82,516	83,774	85,042	86,472	87,989
S. Dak.....	44,508	45,279	46,198	46,946	47,658	48,643	49,642	50,725	51,862
Tenn.....	170,414	174,054	178,298	181,869	185,297	189,808	194,349	199,248	204,381
Texas.....	345,987	354,636	364,455	372,918	381,057	391,405	401,796	412,964	424,612
Utah.....	30,369	31,287	32,311	33,213	34,088	35,158	36,236	37,383	38,574
Vt.....	34,568	34,787	35,124	35,330	35,513	35,904	36,296	36,758	37,256
Va.....	152,869	156,258	160,191	163,518	166,727	170,906	175,143	179,716	184,497
Wash.....	145,191	149,498	154,306	158,533	162,634	167,692	172,785	178,209	183,859
W. Va.....	101,271	103,254	105,598	107,546	109,408	111,912	114,446	117,178	120,048
Wis.....	243,307	248,576	254,708	259,876	264,835	271,341	277,885	284,972	292,364
Wyo.....	12,633	13,071	13,552	13,981	14,398	14,899	15,403	15,938	16,492

¹ Figures are shown to the last digit as computed for convenience in summation, not because they are accurate to the last place. Totals for 1940-46 estimated by Bureau of the Census (*Estimated Popula-*

tion of the United States, by Age, Color, and Sex: 1940 to 1946 (Population—Special Reports, Series P-47, No. 3)); State data for all years and totals for 1947-48 estimated by Social Security Administration.

State deaths in these classes. The result represented the preliminary estimate of aged persons in the State on July 1. The final estimate reflected adjustments for: (1) chance fluctuations from year to year in the State's death rate; (2) any constant difference between the State death rate and the national death rate; (3) biases in the reporting of age in the 1940 census; and (4) any difference between the sum of the State estimates and the national total estimated by the Bureau of the Census.

The basic premise behind the estimates is that any change in the number of aged persons in a State tends to be reflected in the number of

deaths of aged persons. If, for example, the number of aged persons in a given State is raised substantially by additions of individuals reaching age 65 and by immigration, the number of deaths of aged persons reported in that State will probably increase also. Thus, the use of mortality statistics for estimating population groups takes into account the factor of migration, as well as the effect of natural increase. Migration trends among aged persons, however, were assumed to be fairly smooth and not greatly distorted by the sharp fluctuation in wartime employment opportunities that occurred in some areas.

The use of mortality data to meas-