

has contained a question relating to pay-period employment. The query currently appears on Form 941 as item 14 and asks for the "number of persons employed during pay period ending nearest the 15th of third month in quarter." This is the only statistical question asked of employers each quarter on Form 941, and it is an attempt to obtain a count of employment as of a given point in time as contrasted with the total number of employees during the 3-month period. The question is a standard one, approved by the Bureau of the Budget for use by State employment security agencies, the Bureau of Labor Statistics, the Bureau of the Census, and other agencies.

Since the answer to item 14 represented the pay-period employment for the firm as a whole, data for different geographic areas and industries could be determined with accuracy only for the single-unit firms. In the absence of pay-period figures for the individual establishments of multi-unit firms, the total pay-period employment was distributed by the Bureau to each reporting unit shown on the tax return in the same proportion as the wage items listed thereunder. Because the Bureau was unwilling to increase the burden of statistical reporting on employers,

this technique was followed for many years, with the full realization that it was not reliable since it did not allow for variations in labor turn-over, or for seasonality, catastrophe, or similar factors of unequal effect on the pay-period employment of different reporting units.

The growing importance of the data brought increasing pressures to obtain more accurate employer-reported figures. Consequently, early in 1952 personal interviews were held with a small sample of multi-unit employers to determine the additional effort involved in supplying an establishment breakdown of the total pay-period employment figure, and whether the firms would be willing to itemize these figures on the recapitulation attached to their quarterly tax returns. The response was uniformly favorable; each firm advised the Bureau that the answer to item 14 was a summation of individual figures collected from their various establishments, and the only additional effort would be that of copying these figures from work sheets to the quarterly report form.

With this encouragement, letters were sent to 17,000 multi-unit firms that were using establishment reporting methods as of March 1, 1952. The letter described the problem and

the solution proposed by the Bureau and asked for the reaction of the employer and his cooperation if feasible. Although the Bureau has always enjoyed friendly and cooperative relationships with employers, the scores of favorable and complimentary letters that poured into the Baltimore office were perhaps without precedent.

The psychological stimulus that resulted in such unexpected reaction is not one that lends itself to statistical evaluation alone. Within 2 months, about 9,000 replies had been received from these firms, more than 97 percent of whom agreed to furnish pay-period employment by establishment. While it is hoped that this attitude will also prevail among the employers who did not reply, the complete story will not be known until the tax returns for the first quarter of 1952 are received in Baltimore. An individual check will then be made to identify those cases in which no answer was received and no actual cooperation shown.

The problems that remain to be solved are primarily those relating to statistics produced by other Government agencies. Efforts to achieve greater comparability and a maximum of coordination with these data will be discussed in a later article.

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## *Notes and Brief Reports*

### **Social Welfare Expenditures, United States and Great Britain, 1949-50**

All governments profess to seek the improvement of the economic and social well-being of their people, but agreement on measures of progress in achieving this goal is far from universal. Welfare values differ, as do the programs through which they are expressed. The same terms mean different things in different countries.

Largely through the efforts of international agencies, progress is being made toward the development of comparable indexes of the general well-being of the population. Such measures as expectation of life at birth, literacy, percent of unemployment, and per capita income have come to

possess a common meaning in most countries. At the same time, important advances have taken place, country by country, in the collection of the basic data underlying these indexes.

Another type of international comparison in this field involves the measurement of government effort as expressed, for instance, in expenditures for social welfare as a percent of national income or as a percent of government expenditures for all purposes. These ratios are useful gauges of national concern with social problems, although it should be recognized that the results are affected by such factors, among others, as the age composition of the population, the division of responsibility between public programs and voluntary effort, the coverage and relative maturity of

the income-maintenance programs and the acuteness of housing and other problems left as a legacy of the war.

The present note compares public social welfare expenditures in the United States and Great Britain in relation to national income and government expenditures for all purposes. The data relate to the fiscal year 1949-50, the most recent year for which fairly complete information is available, and include, in the United States, expenditures by Federal, State, and local governments, and in Great Britain, expenditures by the National Government and by local authorities. Social welfare, as used here, is broadly defined to include the income-maintenance programs (social insurance and related programs, public assistance, and family allowances), health and medical care programs, education, such welfare services as vocational rehabilitation and child care,

**Table 1.—Government expenditures for welfare programs and for other purposes, by program, and amount of national income, United States and Great Britain, fiscal year 1949-50**

[In millions]		
Item	Government expenditures	
	United States	Great Britain
Total <sup>1</sup> .....	\$65,100	£4,118
Welfare programs.....	22,775	1,900
Income-maintenance <sup>2</sup> .....	9,249	655
Health services <sup>3</sup> .....	3,079	421
Education <sup>4</sup> .....	9,252	361
Other welfare services <sup>5</sup> .....	812	17
Housing.....	261	77
Food subsidies <sup>6</sup> .....	122	429
All other.....	42,325	2,218
National income.....	\$219,200	£11,457

<sup>1</sup> For the United States, represents expenditures for all purposes by Federal, State, and local governments, including expenditures from social insurance trust funds. For Great Britain, represents expenditures for all purposes by the National Government, local authorities, and the National Insurance Funds.

<sup>2</sup> In the United States: old-age and survivors insurance, railroad retirement, public employee retirement programs, State and railroad unemployment insurance and temporary disability programs, veterans' pensions and compensation, workmen's compensation, and public assistance. In Great Britain: pensions, benefits, and allowances under the National Insurance and National Insurance (Industrial Injuries) Acts; family allowances, noncontributory old-age pensions, and national assistance; and the special programs for teachers, retired government employees, disabled veterans, disabled merchant seamen, and war-injured civilians.

<sup>3</sup> Expenditures for public health services, medical care, hospital construction and medical research; includes medical services to veterans but excludes medical services to members of the Armed Forces.

<sup>4</sup> Expenditures for preschool, elementary, secondary, and higher education; includes education benefits for veterans.

<sup>5</sup> Vocational rehabilitation, child welfare services, and, for the United States, welfare services for veterans and institutional care.

<sup>6</sup> For the United States, represents school lunch program. For Great Britain, represents net cost of trading services of the Food Ministry, and school milk and meals program.

Sources: Data for the United States from *Social Security Bulletin*, September 1951, p. 25, and October 1951, p. 15. Data for Great Britain (partly estimated) from *Preliminary National Income and Expenditure Estimates 1948 to 1951*, Cmd. 8486, March 1952; *Financial Statement (1952-53)*, Copy of "Statement of Revenue and Expenditure" as laid before the House by the Chancellor of the Exchequer when opening the Budget, 11 March 1952, H.C. 126; *Report of the Ministry of National Insurance for the Period 17 November 1944 to 4 July 1949*, Cmd. 7935, May 1950; *Second Report of the Ministry of National Insurance for the period 5 July 1949 to 31 December 1950*, Cmd. 8412, November 1951; *Report of the National Assistance Board for the year ended 31st December 1949*, Cmd. 8030, September 1950; *Report of the National Assistance Board for the year ended 31st December 1950*, Cmd. 8276, June 1951; *1950-51 Civil Estimates for the year ending 31st March 1951*, March 6, 1950; *Education 1900-1950, The Report of the Ministry of Education . . . for the Year 1950*, Cmd. 8244, June 1951; *Education in Scotland in 1950, A Report of the Secretary of State for Scotland*, Cmd. 8200, 1951.

housing programs, and food subsidy programs. As a group they are sometimes referred to in Great Britain as the "social services."

For programs in this general area the United States spent about \$23.6 billion in 1949-50, and Great Britain

spent about £2 billion (table 1). These expenditures represented approximately 10 percent of national income in the United States in that year and about 17 percent of Great Britain's income (table 2).

The greater part of the difference is accounted for by larger British programs in the fields of health services, food subsidy, and income maintenance. The United States has nothing comparable to the National Health Service, which provides comprehensive medical, hospital, and related services to 98 percent of the British population. In this country, medical care for most people is individually purchased or paid for through voluntary insurance. The British Government subsidy to meet the difference between the purchase price of food and the cost to the consumer, a cost-of-living stabilization program dropped this year, has no analogy in this country. Both countries, however, provide free or partly free lunches to school children.

The income-maintenance programs (benefits and assistance payments) took almost 6 percent of Great Britain's national income as compared with 4 percent of that in the United States. The risk and population coverage of the British social insurance programs is more extensive, and because the programs are relatively more mature the ratio of beneficiaries to covered population is higher. Another factor is the British family allowance program, which has no counterpart in this country.

Great Britain spent relatively seven times as much on public housing as the United States did. Her housing deficit, made more acute by bombing damage during the war, exceeds this country's by a large margin.

On the other hand, the United States spent relatively more on education and "other" welfare services. Outlays for education were relatively larger in the United States even when adjusted to exclude the program for veterans' education benefits, which represented a more sizable program in the United States than in Great Britain.

Similar differences are apparent when social welfare expenditures are related to government expenditures for all purposes. A little more than one-third of all government expendi-

**Table 2.—Welfare expenditures under civilian public programs as percent of national income and total government expenditures, by program, United States and Great Britain, fiscal year 1949-50**

Program	Welfare expenditures	
	United States	Great Britain
As percent of national income		
Total.....	10.4	16.6
Income-maintenance programs.....	4.2	5.7
Health services.....	1.4	3.7
Education.....	4.2	2.6
Other welfare services.....	.4	.1
Housing.....	.1	.7
Food subsidies.....	.1	3.7
As percent of total government expenditures		
Total.....	35.0	46.1
Income-maintenance programs.....	14.2	15.9
Health services.....	4.7	10.2
Education.....	14.2	7.3
Other welfare services.....	1.2	.4
Housing.....	.4	1.9
Food subsidies.....	.2	10.4

Source: See table 1.

tures (Federal, State, and local) in the United States in the fiscal year 1949-50 were devoted to the social welfare programs enumerated. The comparable ratio in Great Britain was 46 percent. The United States spent a larger proportion of the government budget for education and for "other" welfare services. In the other programs relatively larger expenditures were made by Great Britain than by the United States.

On a relative scale the spread between the two countries in welfare expenditures as a percent of government expenditures (United States, 35.0 percent; Great Britain, 46.1 percent—a ratio of 100 to 132) was not so great as the spread in welfare expenditures taken as a percent of national income (United States, 10.4 percent; Great Britain, 16.6 percent—a ratio of 100 to 160). The difference is accounted for by the fact that total government expenditures represent a larger share of the national income in Great Britain (35.9 percent as compared with 29.7 percent in the United States).