

What Social Security Can Mean to the South

By Ellen S. Woodward*

FEW PARTS of the country may be as seriously affected by the conversion from war to peace as the South.¹ With the possible exception of the Northwest, no region has had its economic and social landscape quite so transformed by the war; none may anticipate as rapid a shift in work opportunities and in income. The South therefore seems to me particularly in need of the kind of buttressing of living standards that an expanded social security program can provide.

It was not so many years ago that President Roosevelt called the South the Nation's number one economic problem. Few would recognize that description today. For the war has brought new industries to the South, more employment, higher wages, higher prices to its farmers, and more income all around. Billions have been spent on the expansion of military, manufacturing, and housing facilities. Shipyards, bomber factories, and oil-cracking plants now share the industrial skyline with the textile mill, the sawmill, and the cannery. It is in part to these war industries but also to the expansion of job opportunities in the traditional industries of the South that we must attribute the substantial rise in employment and the doubling of pay rolls between 1939 and 1943. Gains in wage income were paralleled by a substantial growth in farm income. With cotton at 20 cents a pound in 1944 as compared with 9 cents in 1939, and tobacco at 39 cents as compared with 15 cents, it is not surprising that income received by farm operators in the South more than doubled during these years. Little wonder that individual income in the South went up from \$300 per capita in 1939 to more than \$600 in 1943. That increase, as a matter of

fact, was relatively greater than the increase in the United States as a whole.

But much of the South's gain may prove only temporary. We do not know what income will be after the war. Uncertain also is the future of farm prices, to which the well-being of much of the South is tied.

I am not suggesting that a crisis is inevitable in the South when the war ends, any more than it is inevitable in the country as a whole. In the South as elsewhere, much will depend upon the ingenuity, the economic imagination, the boldness we use in putting to peacetime uses our unparalleled productive capacity. Our success in this regard will have a special significance in the South, because no other region stands to gain or lose so much. The low living standards in the South are due primarily to her lack of industry and her dependence upon a limited number of specialized crops. If the gains of the last few years are to be retained, the South must find new industries and must learn to diversify her farming.

I stress the need and the opportunity for fundamental reforms in our southern economy because I want to put what I have to say about social security in its proper setting—not as the solution of the problem of low living standards in the South, but as a necessary adjunct to these other measures. If the South should make no progress in achieving economic parity with the rest of the Nation—which I do not believe will be the case—the contribution that could be made by an expanded social security program is, of course, even more important.

Existing Conditions

For all its recent gains, the South still lags behind the other regions in average income, in health as measured by mortality and morbidity rates, in schooling opportunities, and in most of the other things that go to make up the standard of living.

Per capita income in the South in the war year 1943 was only about two-thirds of that in the country as a whole. In my State, Mississippi, the

average was \$484, not even half as much as in the country as a whole and only one-third as much as in the richest State in our country.

Low income bears with special harshness upon children, and families with children, as a group, have relatively lower incomes than other families. The high birth rate of the South makes the region one of the chief factors in the continued growth and vigor of the American people. Since many of these children in later life migrate to other regions, the conditions which surround their birth and rearing are of national concern. The South, with more than one-fourth of the estimated civilian population in the United States in 1943 and one-fifth the national income, accounted for nearly one-third of the babies born in that year. Because poverty goes hand in hand with sickness, southern infants have a poorer chance of surviving the first year than children in other States. In 1942 all Southern States, with one exception, had infant death rates above the national average.

A high maternal death rate goes hand in hand with a high infant death rate. Motherhood is a greater hazard in the South than in other regions of the country. Deaths from causes associated with childbirth were in excess of the national average in each of the Southern States, rising in South Carolina to more than twice the national rate. One important reason for such high infant and maternal death rates in the South may be that in 9 of the 13 Southern States less than half the live births occurred in hospitals during 1942. In Mississippi, only 1 baby in 5 was born in a hospital; in Arkansas and Kentucky, 1 in 4; and in Alabama and South Carolina, 3 in 10; while in the Nation as a whole, nearly 7 babies in 10 had this protection at birth.

Southern children who survive the first year remain at a disadvantage as compared with children elsewhere. Many of the so-called children's diseases are more prevalent in the South than in other regions and exact a higher toll of child life.

Adequate food, clothing, and shelter are important for children but they also need health services, and the showing of Southern States in this respect is not very good. A sensitive indicator of the availability of adequate health services is the mortality rates

*Member, Social Security Board.

¹In this article, the "South" is used to refer to 13 States—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia. The tables appended to the article, on which general statements in the text are based, give selected data on factors in social security for these States and for the United States as a whole.

of diseases that are controllable by public health measures, such as typhoid fever, malaria, and tuberculosis. Nearly all malaria deaths occur in the South. The mortality rate for typhoid and paratyphoid fever was four times the national average in Arkansas, at least twice as high in Florida, Kentucky, Louisiana, Oklahoma, South Carolina, and Texas. Deaths from tuberculosis were relatively more frequent in Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, and Virginia than in the rest of the country.

The burden placed on treatment by the inadequacy of preventive measures is made heavier by the insufficiency of medical personnel and facilities. Doctors tend to stay out of rural areas and areas of low income. The South as a result has less than its proper share of the Nation's doctors, dentists, nurses, hospitals. In 1940 there was one active physician under 65 for every 935 persons in the United States as a whole. In Mississippi the ratio was 1 to 1,784, in Alabama 1 to 1,684. The drawing off of physicians into the armed forces has accentuated the disparity between the South and the rest of the country. In 1941 there were relatively half as many beds for civilians in general and special hospitals in Arkansas and Mississippi as in the United States as a whole. Lack of organized facilities for medical care and the special problem of distributing medical care in rural areas are also reflected in the extent to which the South lags in group hospitalization and prepaid medical care plans.

It is not surprising that the National Health Survey (1935-36) discovered that persons with disabling illnesses received less hospital care in Southern cities than in other cities of the country. Lack of proper food or enough food, poor water supply, poor sanitation, lack of medical attention, all add up in the South as they would anywhere else to lowered vitality, high sickness rates, high death rates, wasted manpower. Little wonder that more than half the registrants examined at local Selective Service boards and induction stations during the period February-August 1943 were rejected for military service in Arkansas, Florida, Georgia, Louisiana, North Carolina, South Carolina, and Virginia. In no Southern State was the rejection rate below 40 percent. The national aver-

age was 39 percent, while the rate for the best State (Oregon) was only 24 percent. The North Carolina rate of 57 percent was the highest in the country. The eight States with the highest rejection rates were all in the South.

Operation of Present Social Security Program

The contribution which the present social security program is making to the amelioration of these conditions is important, if limited. Family income threatened by unemployment, certain types of disability, or old age or death of the family earner has been sustained in many thousands of families, and the development of State public health and child welfare programs has been stimulated, under the programs established by the Social Security Act. In 1944, \$33 million was paid out to southern families under old-age and survivors insurance, \$6 million under State unemployment compensation programs, and \$139 million, \$28 million, and \$6 million to recipients of old-age assistance, aid to dependent children, and aid to the blind, respectively. Dollar for dollar, Federal grants to the States under the act for public assistance and welfare programs have probably gone farther in the South than in any other part of the country because of the generally meager character of the services in Southern States prior to 1935.

Helpful as these programs are, however, they fall short of their full potentialities, particularly for the South, because of the limitations of the present act. The act restricts coverage of old-age and survivors insurance and unemployment compensation to wage and salary workers in most industrial and commercial jobs. Left out are the self-employed, including farmers, shopkeepers, and most professional people; agricultural workers, domestic workers, and others. The three largest groups excluded—farmers, farm wage workers, and domestic workers—represent substantial proportions of the southern labor force.

Benefit rights under both old-age and survivors insurance and unemployment compensation depend not only on employment in covered industry but also on continuity of such employment. Where opportunities for covered employment are relatively fewer, as in the South, the

shifts of workers between covered and noncovered jobs seriously affect their chance of building up benefit rights. A person who works part of the year on a farm and part in a sawmill or on a construction project has less chance to build up benefit rights than a worker in a textile mill the year round, although both contribute to the insurance funds while they are in covered jobs.

Largely as a result of differences in wage levels and in continuity of covered employment, average old-age and survivors insurance benefits are lower in the South than in the United States as a whole. A larger proportion of all beneficiaries in the South have their benefits increased by the operation of the minimum benefit provision. In 1940, the minimum \$10 benefit was awarded to one in every four primary beneficiaries in Mississippi. A higher minimum benefit would be of particular value to the South.

The situation in unemployment compensation is perhaps somewhat more disadvantageous in the South, because the laws of most Southern States are more restrictive in coverage than those of their neighbors to the North and West. Of the 29 States which cover employees in establishments with fewer than 8 workers, only 3 are in the South. These are Arkansas, Kentucky, and Louisiana. This exclusion of employees in smaller firms, of course, reduces opportunities for covered employment and intensifies the problem of movement between covered and noncovered employment, already large in Southern States because they are predominantly agricultural. Small wonder that the relative number of claims for unemployment benefits disallowed because of insufficient wage credits is higher in the South than elsewhere.

Experience throughout the country indicates that too many workers have such meager rights to unemployment benefits that they use up all the benefits due them before they can get a new job, even in relatively prosperous times. In Texas more than half the beneficiaries in 1944 exhausted their benefit rights. Not only the law itself, but administrative interpretation and legal decisions are far too severe in depriving workers of benefits when they have had to leave a job for personal reasons, such as health or family situations, and fail to get other work when they are able again

to take a job. Provisions in the laws of Southern States make southern workers particularly vulnerable in this respect.

Many families deprived of income as a result of unemployment, disability, or death of the family earner do not qualify for insurance payments under the act but are eligible for public aid. The public assistance titles of the act, establishing Federal-State programs of old-age assistance, aid to dependent children, and aid to the blind, are especially important to the South because of the large proportion of workers affected by the limitations in insurance coverage. The usefulness of the public assistance programs in sustaining living standards is circumscribed, however, by present matching provisions governing Federal aid, by the related problem of low State fiscal capacity, and by State-imposed restrictions on eligibility which hark back to an earlier, harsher era in public assistance.

Let us take, for example, aid to dependent children, which provides assistance to children who have lost parental support or care through death, incapacity, or continued absence from home. Southern families received \$28 million under this program in 1944. That is very much more than would have been paid had there been no Social Security Act; at the time of the passage of the act in 1935, laws for aid to dependent children were in effect in only 8 Southern States, and annual expenditures for such aid were less than \$700,000. But there is considerable evidence that the southern children are not getting their proper share of the benefits of the program. At the end of 1943 the South, with 33 percent of the children in the country under 18, accounted for 31 percent of the number of children receiving this form of assistance. Since there should be a relation between need and eligibility for assistance, surely the South, with its greater poverty, should have shown a higher rather than a lower than average proportion of children receiving assistance. In Southern States, unlike most others, low recipient rates go hand in hand with small payments. Southern families in 1944 received only 21 percent of the total amount of payments made for aid to dependent children.

The principal reason for the poor showing of the South in this respect is the 50-50 matching requirement of the act. Most Southern States cannot

put up as much money for public assistance as Northern or Western States, because they have less. As a result they get less than their share of Federal funds, which can only match what the State or the State and its localities provide. With one-third of the Nation's children the South received only one-fourth of Federal grants in 1944 for aid to dependent children.

Limited funds not only reduce the amount of assistance received by the family on the rolls but keep many eligible families off the rolls altogether. Nearly half the families whose application for aid to dependent children was pending at the end of March 1945 were in the South.

Improvements in the Social Security Program

Nearly 10 years have passed since the States and the Federal Government began their joint venture under the Social Security Act to improve the well-being of our people. It is time to ask ourselves how effectively our program fulfills the intention of Congress "to provide for the general welfare by establishing a system of Federal old-age benefits and by enabling the several States to make more adequate provision" for the security of their people.

This question is especially pertinent today because of the many changes that will come in the wake of the war. A period of economic transition is a testing time for the Nation's social security program. To give it the strength and the resiliency it will need to carry us through the trying days ahead certain changes will be necessary.

If the country recognizes the need for and makes the changes, the South will benefit perhaps just a little more than the rest of the country. The reasons are written large in the evidence of the South's need for greater social security and on the limitation of its place in the present insurance and assistance programs under the Social Security Act.

There is all but universal agreement with the view of the Social Security Board that the insurance protection under the act should be extended to all gainfully employed persons. Such an extension would affect primarily the self-employed (including farmers), farm wage workers, and domestic workers. Nowhere would the effects be quite as far-reaching

as in the South, because in no other major region of the country do these groups bulk so large in the working population. Universal coverage of the population, or the nearest practical thing to it, would put an end to taxation without benefit for that large body of workers in the South today who move during the course of the year between covered and non-covered employment, and would make the right to insurance a possibility for farmers and for millions of wage workers on and off farms who now are barred from the system by the law.

Because illness is relatively more frequent in the South, it is the South which would benefit most immediately perhaps from the adoption of the Board's recommendation that wage loss due to sickness or disability and the cost of necessary medical and hospital care be insured under the act. Except for work-connected injury and provisions for veterans, families in the United States today must count on private means or on public assistance when income ceases because of the family earner's illness. By encouraging early treatment of illness and the correction of remediable disabilities, medical care insurance will prevent much of the loss of earnings now attributable to the incapacity or death of the family earner. By providing benefits to replace earnings lost because of incapacity, disability insurance will greatly reduce the need for public assistance. In recent years sickness has been the principal reason for applications for aid in cities reporting regularly to the Board on their general assistance programs.

A medical care program cannot be effective, of course, without doctors and hospitals. To me one of the signal attractions of a program of medical care insurance is that it will help to bring more doctors and hospitals to the South. If funds to pay for hospital care are assured, many communities will be able to find the capital resources to build new hospitals; other communities will need financial aid for hospital construction. Similarly, if doctors are assured of adequate payment for their services and of modern facilities with which to work, they will be less reluctant to settle in the country or in poor communities.

Important too in sustaining family income is an adequate unemployment compensation system, adequate in coverage and in amount and duration of

benefits. It is estimated that demobilized servicemen and employees in war-manufacturing industries in Southern States will represent between 20 and 30 percent of April 1940 employment. Because unemployment benefit provisions vary from State to State, this common problem will be handled in a different way in each State. The Social Security Board believes that responsibility for unemployment compensation cannot safely be divided among 51 separate systems and has recommended a uniform Nation-wide program under Federal auspices. This proposal would permit swift concerted action to harmonize insurance activities with national policy during the change-over of our economic system to peace. Valuable to the South, too, would be the extension of coverage, recommended by the Board, to wage and salary workers now outside the system.

We also need improvements in our public assistance programs. However much we extend the coverage and liberalize eligibility requirements and benefit amounts in social insurance, some persons and families will fall to qualify for benefits for one reason or another. When such persons are in need they should be able to turn to an adequately financed assistance program for help.

The first and most obvious change indicated is a shift from a 50-percent to a variable-matching basis in the distribution of Federal funds. At present the States that themselves spend more and therefore presumably need less Federal aid get the lion's share of Federal funds. Under the Board's proposal, the Federal share would remain at 50 percent for States that do not qualify for additional aid, but would be increased for States with limited resources, as measured, for example, by per capita income.

Another limitation in the present act that could be removed with advantage to all the States is the maximum on the amount of the individual payment which the Board may match—\$40 in old-age assistance and aid to the blind and \$18 (first child) and \$12 (all other children) in aid to dependent children. This restriction is particularly severe in the last program because the maximums are so low. States can and do spend more in individual cases than is matched

by the Federal Government, but there is less of such nonmatchable assistance in the South because it is least able to afford it.

At present the Board may match payments on behalf of needy children aged 16 and 17 only if they are attending school regularly. Because suitable schools for older children are not available in some areas, particularly in the South, and because for other reasons school attendance may not be feasible or desirable, we would like to see this requirement also removed.

The requirement that only cash payments can be matched means in all three programs that Federal funds may not be used to meet costs of medical care given recipients except as they may be included in the cash payment. Our experience indicates that we need a more flexible method of sharing in medical costs, and the Board has therefore proposed that matching Federal funds be available to pay doctors and hospitals directly. Such an arrangement would enable Southern States to make more effective use of their limited medical facilities. If the Board's broader recommendations for medical care insurance were adopted, public assistance recipients could be entitled to care on the same basis as insured workers, through contributions made on their behalf by public assistance agencies. Such payments also would be matchable with Federal funds.

In aid to dependent children, the act limits Federal participation to children who are in need because of a parent's death, incapacity, or absence from home. A child in need because his father has no job or earns too little to support the family cannot share in the Federal funds granted. There are other needy persons who do not fit into the three categories established under the act. They can turn for aid only to the general assistance program. In 1943, 7 of the 14 States that depended wholly on local funds for general assistance were in the South. In some of these States there were large areas without even local funds for general assistance. The Board believes that Federal grants to the States for general assistance will make it possible for States to set up a program where none now exists and to raise assist-

ance standards in States that have a program but little money to spend. With needed reforms in the special categories, this change should give public assistance as a whole a flexibility of great importance in the immediate postwar years.

Summary

The war has changed the yardsticks by which we measure social values. More of us are beginning to see that we must reduce regional inequalities in wealth, in opportunities, in community services if our country is to prosper as a whole. Members of the armed forces from all parts of the country are on an equal footing with respect to pay, medical care, vocational rehabilitation, allowances to dependents, provisions for disability, and other veterans' compensation. Can we say the same of the peacetime risks veterans and their families will meet after the war?

Some of the inequalities in our social security programs stem directly from inequalities in the flow of income. As long as wage rates differ and we tie our benefit scale to wages, there will be differences in benefit amounts. Only fundamental economic changes can change this situation. I have in mind for effective action today and for the immediate future something more modest and more manageable—changes in our social security legislation which will take the sharp edge off some of the differences.

This objective does not necessitate special legislation for the South. It can be attained by the simple process of amending the Social Security Act along lines generally recognized as desirable for all parts of the country. The case for strengthening and extending our social insurance and public assistance systems rests in the last analysis upon the needs of the American people as a whole. The present is singularly auspicious, in the words of the Board's *Ninth Annual Report*, for making the changes I have been discussing. That the adoption of these changes will yield extra dividends in the South is a development with which no one, least of all a Southerner, would quarrel.

(The tables on which general statements in the text are based follow on the next two pages.)

Table 1.—Population and income, 1943, and mortality rates and medical care facilities for specified periods, continental United States and 13 Southern States

State	Population and income				Mortality rates and medical care facilities								
	Estimated civilian population, Nov. 1, 1943 (in thousands)		Number of live births, 1943	Per capita income, 1943	Infant mortality rate, ¹ 1942	Maternal mortality rate, ² 1942	Death rates ³ for specific diseases, 1942			Selective Service rejection rates ⁴	Active doctors under age 65, 1944 ⁵		Hospital beds per 1,000 population ⁶
	Total ¹	Under 18 years ¹					Whooping cough	Malaria	Tuberculosis		Number	Population ⁶ per doctor	
Total, United States.....	127,308	41,440	2,935,171	\$1,031	40.4	2.6	1.9	0.6	39.0	39.2	99,121	1,284	3.3
Total, 13 States.....	35,278	13,593	935,413	685	49.3	3.5	3.0	2.0	46.4	-----	19,082	1,883	2.1
13 States as percent of U. S. total.....	28	33	32	-----	122	136	156	333	117	-----	19	-----	-----
Alabama.....	2,718	1,115	77,042	603	50.1	3.3	2.7	3.1	40.8	49.0	1,273	2,135	1.8
Arkansas.....	1,736	688	42,983	512	39.7	3.7	2.4	6.0	49.7	55.9	1,109	1,565	1.6
Florida.....	2,012	649	48,301	874	47.7	4.1	2.2	2.3	38.7	53.2	921	2,185	2.7
Georgia.....	2,977	1,162	79,215	647	49.3	4.1	3.2	2.6	36.7	51.6	1,561	1,907	1.8
Kentucky.....	2,549	998	65,363	909	48.4	2.7	4.3	.5	58.6	45.4	1,416	1,800	1.8
Louisiana.....	2,317	884	61,953	714	48.2	3.5	2.7	2.2	44.1	52.6	1,440	1,599	3.0
Mississippi.....	1,996	828	59,670	484	47.3	4.4	4.5	3.5	47.1	45.0	945	2,113	1.5
North Carolina.....	3,347	1,384	94,816	619	48.3	3.4	2.9	.9	37.2	56.8	1,696	1,073	2.3
Oklahoma.....	1,988	755	48,797	729	41.4	3.1	2.3	1.1	41.5	40.6	1,482	1,341	1.9
South Carolina.....	1,790	771	53,795	576	58.7	5.3	3.8	5.2	37.4	55.9	793	2,257	1.9
Tennessee.....	2,818	1,061	71,895	649	46.4	3.0	2.4	1.1	64.3	44.7	1,705	1,653	2.0
Texas.....	6,260	2,270	163,176	818	53.6	3.0	2.8	1.4	50.1	42.9	3,420	1,836	2.2
Virginia.....	2,770	1,028	68,407	820	52.5	3.2	3.4	.2	49.5	52.2	1,312	2,111	2.6

¹ Estimated by Bureau of the Census.² Estimated by Social Security Board; see p. 43.³ Per 1,000 live births.⁴ Puerperal deaths per 1,000 live births.⁵ Per 100,000 population.⁶ Rejection rates per 100 registrants examined at local boards and induction stations February–August 1943.⁷ Excludes physicians in the armed forces.⁸ Based on estimated population as of Nov. 1, 1943.⁹ Number of beds in general and special hospitals registered by the American Medical Association in 1941 per 1,000 population in 1940.Table 2.—Payments under social security programs, United States¹ and 13 Southern States, 1944²

(In thousands)

State	Old-age and survivors insurance	State unemployment benefits	Public assistance ³			Federal grants to States	
			Old-age assistance	Aid to dependent children	Aid to the blind	Public health	Maternal and child welfare
Total, United States.....	\$218,075	\$63,113	\$693,202	\$135,757	\$25,357	\$10,068	\$10,236
Total, 13 States.....	33,058	6,443	139,203	27,942	5,615	4,204	3,598
13 States as percent of U. S. total.....	15	10	20	21	22	38	35
Alabama.....	2,670	592	5,011	1,380	138	357	324
Arkansas.....	1,130	294	5,538	1,556	280	177	197
Florida.....	3,209	618	11,348	1,405	699	217	194
Georgia.....	2,535	366	9,058	1,189	353	887	289
Kentucky.....	3,311	689	7,119	1,235	240	368	254
Louisiana.....	2,123	594	9,645	4,601	453	271	214
Mississippi.....	893	158	3,397	780	233	327	293
North Carolina.....	3,009	357	4,544	1,645	447	395	341
Oklahoma.....	1,594	381	24,536	6,511	668	213	230
South Carolina.....	1,518	255	3,493	952	191	260	284
Tennessee.....	2,538	1,434	7,576	4,034	373	347	216
Texas.....	5,416	479	44,409	2,612	1,349	648	485
Virginia.....	3,132	326	2,424	1,142	101	232	270

¹ Data for continental United States, Alaska, and Hawaii except for aid to the blind, which excludes Alaska and Delaware. Federal grants to States include data for Puerto Rico.² Expenditures from Federal, State, and/or local funds.

Table 3.—Covered workers as percent of employed labor force, public assistance recipient rates, and average payments to individuals

State	Social insurance				Public assistance							
	Percent of employed labor force covered by ¹ —		Average benefit		Recipient rates, ⁴ December 1944			Average payments, December 1944			Federal grants to States, 1943, for—	
	Old-age and survivors insurance	State unemployment compensation	Old-age and survivors insurance ²	State unemployment compensation ³	Old-age assistance	Aid to dependent children	Aid to the blind	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to dependent children per child under 18 years, 1943	Old-age assistance per person 65 years and over
Total, United States ⁵	59.9	49.0	\$24.50	\$15.90	208	15	56	\$28.42	\$45.55	\$29.31	\$1.41	\$34.52
Total, 13 States.....	44.2	31.6	-----	11.46	-----	-----	-----	10.00	28.55	21.32	1.02	30.37
13 States as percent of U. S. total.....	-----	-----	-----	78	-----	-----	-----	67	68	73	72	88
Alabama.....	41.3	31.1	21.23	11.64	206	12	28	15.90	25.16	16.33	.65	12.87
Arkansas.....	30.7	24.2	19.48	11.15	240	18	72	17.90	28.41	20.05	1.19	22.02
Florida.....	54.0	37.5	22.24	12.96	280	17	113	28.55	33.21	28.66	1.05	29.34
Georgia.....	42.8	32.1	20.07	10.54	398	9	70	11.19	24.71	14.03	.56	25.79
Kentucky.....	44.1	30.6	22.07	10.50	263	13	64	11.31	24.71	12.98	.34	18.38
Louisiana.....	45.1	36.2	21.79	14.46	285	27	61	22.32	36.98	25.82	2.53	35.84
Mississippi.....	26.6	15.5	19.54	11.16	233	9	72	14.80	25.82	16.86	.41	11.95
North Carolina.....	49.5	37.4	20.20	7.91	192	11	68	11.82	22.89	17.07	.74	15.55
Oklahoma.....	44.5	27.5	23.17	14.69	497	45	94	28.61	33.47	31.35	3.09	71.30
South Carolina.....	42.2	32.3	20.45	11.15	241	13	50	13.93	23.85	19.74	.61	17.51
Tennessee.....	46.6	32.6	20.98	11.45	208	27	55	16.59	31.01	20.11	1.79	19.46
Texas.....	45.8	31.1	22.56	11.55	447	10	74	21.73	20.83	24.20	.72	61.30
Virginia.....	51.3	36.0	22.01	11.13	02	10	35	13.17	27.00	17.35	.70	7.47

¹ Estimated number of persons covered by old-age and survivors insurance and State unemployment compensation programs in March 1940 as percent of employed labor force during census week of March 24-30, 1940.
² Average monthly primary benefit awarded during January-December 1943, based on residence of claimant at time claim was filed.
³ Average weekly benefit for total unemployment during January-December 1944.

⁴ Persons receiving old-age assistance per 1,000 population aged 65 or over as of April 1944; children receiving aid to dependent children per 1,000 population under 18 years as of November 1943; and persons receiving aid to the blind per 100,000 civilian population as of November 1943.
⁵ See table 2, footnote 1.

Family Relationships and Old-Age and Survivors Insurance

By Oscar C. Pogue*

The 1939 amendments to the Social Security Act put the payment of benefits under old-age and survivors insurance on a family basis. Originally, monthly benefits were to be paid only to retired workers. The amendments added monthly benefits for the aged wife and dependent children of a retired worker, for the aged widow and surviving children of insured workers who die, and for the widow, regardless of her age, who has such children in her care. If no widow or child survives, benefits may be paid to aged parents who were dependent on the worker for support.

ADMINISTERING old-age and survivors insurance is a serious business. A finding that an award cannot be made under the law may mean anxiety and penury during the last years of life for an old man or woman who, with benefit income, would be able to get along in relative comfort. Or receipt of even modest amounts of survivor benefits may be the deciding factor in enabling the widow of an insured worker to stay home to give her children needed care, rather than seek a

job, or may determine in other ways whether or not the children get a fair start in life. Potentially large sums are at stake; over the years while children are growing up, survivor benefits to a family may come to as much as \$10,000, \$15,000, or more. Moreover, since benefits are paid only to families in which earnings have been lost because of old age or death, they usually are badly needed.

In accordance with social insurance principles, eligibility requirements and all other conditions governing payment of old-age and survivors benefits are fixed specifically by law;

otherwise it would not be possible to keep a proper relationship between expenditures and the intake in contributions to finance the system. Because old-age and survivors insurance is a national system, workers and employers throughout the country contribute at the same rate, and the amounts of benefits are determined according to the same schedule for all who qualify. Uniform also are most of the eligibility requirements, such as those which fix the number of quarters of coverage a worker must have in order to be currently or fully insured. In the establishment of family benefits, however, one set of requirements was adopted which results in wholly different treatment for claimants in similar circumstances who live in different parts of the country.

The benefit to a wife, widow, child, or parent of a retired or deceased worker may be paid only to one who qualifies as such under the intestacy law of the State in which the worker is or was domiciled. The State laws governing determination of these relationships naturally reflect wide differences in the philosophy and background of the original settlers of an area and the influences which subse-

*Director, Bureau of Old-Age and Survivors Insurance.