

# *Reasons for Opening Cases for Public Assistance, 1947-49\**

ALTHOUGH the Nation's postwar economy has continued to operate at a high level, assistance loads and costs have gone up each year. Certain social and economic developments that either accompanied or followed the war are in large part responsible for the rise. Higher living costs, for example, have seriously affected those with fixed low incomes. There is evidence, moreover, that not all sections of the country and not all groups of the population are sharing uniformly in the national prosperity. In some localities there are relatively large amounts of unemployment, which means even fewer work opportunities than usual for such groups as the aged and others handicapped by disability or ill health. Young people recently out of school and women with home responsibilities and few skills are similarly affected. Some of the expansion in assistance rolls can be attributed to the greater effort made by some States to reduce or wipe out waiting lists. The 1946 and 1948 amendments to the Social Security Act, which increased the Federal Government's participation in assistance payments, undoubtedly accelerated this effort.

Additional light on the reasons for the increasing number of persons seeking aid in the past few years comes from State reports, submitted semiannually, on reasons for approving applications for assistance.<sup>1</sup> Since the reports are made on a voluntary basis and all States do not participate in the reporting program, the data are not necessarily typical of the country as a whole. A sufficiently large group of States is included, however, to provide a factual basis for a better understanding of why people need assistance.

Since the chief purpose of public assistance programs is to meet financial need, the classification of rea-

sons for accepting cases puts major emphasis on loss of income or increase in the requirements of families and individuals, rather than on other circumstances affecting eligibility. Noneconomic reasons are shown only insofar as they are related to changes in the financial circumstances of the recipients. To ensure that the reasons reported refer to recent changes, cases are shown as opened because of a change in economic circumstances only when the change occurred within the 6 months preceding the first assistance payment.

For greater comparability this analysis is limited to those States in each program that reported regularly throughout the 3-year period from 1947 through 1949. Fewer States are therefore included than are currently submitting information.<sup>2</sup> Table 1 shows by program the relationship between the cases approved for aid in these States and the national total. The States included in this analysis represented a smaller proportion of all openings in 1949 than in 1947. The larger increase in the total openings for all States is explained, for the most part, by considerable expansion of the public assistance programs in two States, California and Louisiana, which are not among the States that reported reasons for opening cases.

<sup>2</sup> Thirty-five States reported for the three special public assistance programs during 1947-49—Alabama, Arkansas, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, and Wisconsin. Two States—Missouri and Pennsylvania—reported data for both old-age assistance and aid to dependent children, and Massachusetts and Nevada for old-age assistance only.

Thirteen States reported during 1947-49 on openings for general assistance—Alabama, the District of Columbia, Hawaii, Idaho, Kansas, Missouri, Montana, New Mexico, Oregon, Pennsylvania, South Carolina, Utah, and West Virginia.

If data had been available<sup>3</sup> for these two States, the proportion of all cases opened because of change in law or agency policy would have been higher and the percent opened for other reasons would have been correspondingly lower. The trends in other States, however, are more accurately represented with data for California and Louisiana excluded.

## *Transfers Between Programs*

Because cases transferred from one program to another are included as openings in the category to which they were transferred, the amount of new need is overstated. Families or individuals who had received general assistance before their acceptance for one of the three special types of assistance in the last 6 months of 1949, for example, comprised almost 9 percent of cases approved for old-age assistance, nearly 18 percent of those for aid to dependent children, and more than 13 percent for aid to the blind.<sup>4</sup> Neither the volume of these cases nor their distribution among the various reasons, however, significantly affects the data except in one instance. The reason most heavily weighted for all three programs by the inclusion of these transfers is attainment of technical eligibility. The number of transfers between the special types of assistance cannot be determined exactly, but they probably occur most frequently between old-age assistance and aid to the blind.

## *Supplementation by General Assistance*

In particular States, some cases receiving aid under one of the special types of public assistance also receive an additional payment of general assistance for maintenance or the purchase of medical care. Two States,

<sup>3</sup> Louisiana reported reasons for opening for only part of the period.

<sup>4</sup> During the last half of 1949 transfers from general assistance to old-age assistance were reported by 38 States, to aid to dependent children by 37 States, and to aid to the blind by 34 States.

Missouri and Oregon, had high proportions of these cases throughout the 3-year period. In 1947 and 1948, about 15 percent of the general assistance cases in the 13 reporting States received another assistance payment, but in 1949 the proportion fell to 10 percent. Such cases are excluded from the analysis of general assistance data because the families or individuals in which this second payment is made are considered under one of the special types of assistance.

### *Number of Cases Accepted*

From 1947 to 1948 only slight variations occurred in the volume of acceptances in the reporting States. Small declines occurred in both old-age assistance and aid to the blind. On the other hand, in aid to dependent children and general assistance, there were small increases (table 2).

In contrast is the sharp upturn in the number of persons added to assistance rolls in these States between 1948 and 1949. The rise was substantial in each program, though families with children were accepted in relatively greater numbers than either aged or blind individuals. The rise in aid to dependent children cases was about three-tenths greater in 1949 than in the preceding year. Cases opened for general assistance in 1949 were more than half again as large as in 1948.

### *Material Change in Economic Circumstances*

Most families and individuals included in this analysis suffered a financial set-back in the 6 months before their applications for aid were approved. The extent to which this was a factor in causing the individual or family to apply for assistance varied among the programs. Thus, over the 3-year period an average of nearly nine-tenths of the families with children and about three-fourths of the aged had a recent change in economic circumstances, in contrast to approximately two-thirds of the blind. The transfer of old-age assistance cases to aid to the blind may account, in part, for the lower proportion of cases opened for aid to the blind because of loss of income. The transfer

**Table 1.—Cases opened in States reporting reasons for opening as a percent of openings in all States,<sup>1</sup> 1947, 1948, and 1949**

Program	Percent of openings in all States		
	1947	1948	1949
Old-age assistance, 39 States	73.9	63.8	64.4
Aid to dependent children, 37 States	69.3	66.5	65.2
Aid to the blind, 35 States	65.5	60.1	50.1
General assistance, 13 States <sup>2</sup>	19.6	18.3	19.5

<sup>1</sup> For the special types of public assistance, percentage based on data for States operating programs with Federal participation; for general assistance, based on data for the 32 States reporting total cases opened.

<sup>2</sup> Includes cases in which general assistance supplements another type of assistance, since the extent of supplementation is not known for all reporting States.

of cases because of the recipient's loss of vision or for other reasons would usually not have been the result of a change in economic circumstances during the preceding 6 months.

In some States one of the chief explanations of the relatively small proportion of cases opened because of a material change in economic circumstances was the disposition of waiting lists. Persons on such waiting lists for more than 6 months did not have a recent change in economic circumstances; when their cases were opened for assistance, therefore, they would be shown as opened for a noneconomic reason. In Mississippi, for example, which had such waiting lists, in 1947 and 1948 only a little more than 20 percent of old-age assistance acceptances were attributed to a significant change in the applicant's economic condition as compared with almost three-fourths of the accessions for this reason in 1949.

*Loss of employment or decreased earnings.*—The major factor affecting the economic situations of persons and families accepted for assistance was the loss of a job. It accounted for a substantial group of all new cases in the three special types of public assistance and an even higher proportion of cases approved for general assistance. Each year saw a greater proportion of families and individuals added to the rolls for this reason. For old-age assistance they increased from 38.5 percent of all cases in 1947 to 42.7 percent in 1949; for aid to dependent children, from 38.9 to 42.7 percent; and for aid to the blind, from 40.0 to 43.0 percent. The rise in need

attributed to unemployment in the 13 States reporting general assistance for the same years was from 64.2 to 70.2 percent.

In 1947, only four of the 39 States had more than half of all old-age assistance cases approved because the recipient or someone in the household on whom he depended was out of work. By 1949 the number of such States had doubled. In 1947, Delaware had the highest proportion, 58.4 percent, and Utah had the lowest, 14.7 percent; but in 1949 Arkansas out-ranked all other States with 73.3 percent, and Utah was still at the bottom of the list with 20 percent out of work for various reasons.

The wage earner's loss of employment or decreased earnings were less important in the aid to dependent children program than in general assistance. The highest proportion of cases opened in 1947 for this reason in aid to dependent children was Tennessee's 50.5 percent; in 1949, Hawaii had the highest percentage, 53.7. Delaware had the lowest proportion in both years; the percentages were 19.8 in 1947 and 31.0 in 1949.

Illness or disablement of the wage earner was chiefly responsible for his loss of employment. It is doubtful whether most of the wage earners, handicapped as they are through age or other infirmity, had a high degree of employability before loss of employment. The relative numbers of older persons who needed assistance because of loss of employment due to illness increased only slightly between 1947 and 1949, from 31.4 to 34.2 percent. There was little or no change in either aid to dependent children or aid to the blind during the same period in this respect for all reporting States. In one State, Missouri, the rapid rise in the aid to dependent children case load between December 1948 and April 1949, particularly in cases eligible because of physical incapacity, created financial problems that led to a revision in procedure for determining this factor and a reinvestigation of such cases.

Some rise, however, occurred in cases accepted in both aid to dependent children and aid to the blind because of loss of employment due to lay-off or discharge. The proportion increased from 9.7 percent of all

Table 2.—Percentage distribution of cases opened for public assistance, by type of assistance and reason for opening, 1947, 1948, and 1949

Reason for opening	Old-age assistance			Aid to dependent children			Aid to the blind			General assistance <sup>1</sup>		
	1947	1948	1949	1947	1948	1949	1947	1948	1949	1947	1948	1949
	322,977	310,250	361,034	136,754	139,717	181,295	8,005	7,999	9,415	79,540	81,082	134,339
Number of States reporting	39			37			35			13		
Number of openings, total	322,977	310,250	361,034	136,754	139,717	181,295	8,005	7,999	9,415	79,540	81,082	134,339
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Material change in economic circumstances during last 6 months	72.2	71.8	75.7	87.0	86.7	88.1	69.5	66.4	65.8	90.3	91.9	93.8
Discontinuance of unemployment benefits	1.4	1.1	1.6	1.1	.9	1.5	2.0	1.2	1.5	3.1	1.8	4.5
Loss of employment or decreased earnings	38.5	38.7	42.7	38.9	40.3	42.7	40.0	41.4	43.0	64.2	69.2	70.2
Illness or disablement	31.4	32.2	34.2	29.2	30.7	29.0	32.6	33.9	32.7	36.4	37.5	25.8
Recipient (parent in aid to dependent children)	27.3	28.3	30.2	25.1	25.6	25.9	27.3	29.2	28.3	—	—	—
Other person in home	4.1	3.9	4.0	4.1	4.1	3.1	4.7	4.7	4.4	—	—	—
Lay-off, discharge, or other reason	7.0	6.5	8.6	9.7	9.6	13.8	8.0	7.6	10.3	27.9	31.7	44.4
Recipient (parent in aid to dependent children)	4.7	4.5	5.4	7.8	8.0	11.6	4.5	4.4	5.0	—	—	—
Other person in home	2.3	2.0	3.2	1.9	1.6	2.2	3.5	3.2	5.3	—	—	—
Wage earner's death or absence	1.6	1.4	1.3	29.8	30.1	28.7	2.3	2.3	2.2	6.9	6.5	4.5
Discontinuance of service-connected income	2.2	.6	.5	2.7	1.0	.9	3.2	.8	.5	1.1	.5	.7
Depletion of savings or other assets	16.5	18.4	18.9	3.8	3.6	3.4	10.6	9.6	9.8	6.8	6.6	5.9
Loss or decrease of contributions from relatives outside the home	6.0	5.5	5.4	4.8	5.0	5.6	4.3	3.9	4.0	3.2	3.0	2.8
Other change in economic circumstances	6.2	6.0	5.4	5.9	5.8	5.3	7.7	7.2	4.7	5.0	4.3	5.1
No material change in economic circumstances during last 6 months	27.8	28.2	24.3	13.0	13.3	11.9	30.5	33.6	31.2	9.7	8.1	6.2
Change in law or agency policy	6.8	5.4	1.2	2.1	1.1	.1	4.1	4.4	.9	.7	.1	(2)
Attainment of technical eligibility	14.8	16.4	16.4	4.6	5.1	4.7	16.2	18.0	19.0	.5	.4	.3
Other	6.2	6.4	6.7	6.3	7.2	7.0	19.2	11.3	14.3	8.5	7.5	5.8

<sup>1</sup> Excludes cases opened to supplement payments made under one of the special types of public assistance.

<sup>2</sup> Less than 0.05 percent.

cases opened for aid to dependent children in 1947 to 13.8 percent in 1949. This rise no doubt reflects the fact that mothers working outside the home found it increasingly difficult to keep their jobs. The corresponding rise in the aid to the blind program was from 8.0 percent to 10.3 percent.

In additions to the general assistance rolls, loss of employment due to sickness or disablement was of diminishing importance, dropping from 36.4 percent in 1947 to 25.8 percent in 1949. On the other hand, cases accepted because the wage earner was laid off or discharged increased from 27.9 to 44.4 percent. This sharp increase is not surprising, since the general assistance program is more likely to serve employable persons and would therefore be more responsive than the other programs to changes in the labor market.

**Discontinuance of unemployment benefits.**—There were relatively few openings because the applicant had exhausted his rights to unemployment benefits. The small proportion—2 percent or less in the three special programs in 1947, 1948, and 1949—suggests that most workers who lost their jobs and later received public assistance were drawn primarily from

groups not covered by the unemployment insurance program or had unemployment benefits too meager to maintain them without assistance. In general assistance the proportions were slightly higher than they were in the other programs. In 1947, more than 3 percent of the additions to general assistance rolls were attributed to the loss of unemployment benefits; in 1948 the percentage fell to 1.8 percent, but it rose abruptly in 1949 to 4.5 percent.

**Loss of family wage earner.**—Great deprivation often occurs in many families, particularly those with young children, when the breadwinner dies or leaves the home. Because aid to dependent children is intended to meet this type of dependency, it is not surprising that the program should have the highest proportion of cases in which the loss of a wage earner through death or absence was responsible for need—about 30 percent. There is slight variation throughout the 3 years covered by the data. Although the proportions varied among the individual States, the range from year to year was practically unchanged. Relatively few families were given general assistance for this reason—about 7 percent in 1947 and 1948 and 5 percent in 1949.

Dependency because of this reason was even less significant (less than 3 percent) in the programs concerned primarily with aid to individuals—old-age assistance and aid to the blind.

The reports transmitted to the Social Security Administration do not make a distinction between families accepted because a wage earner died or because he was away for one reason or another. Some States, however, collect this information for their own use. Arkansas reported that 36 percent of all accessions to the aid to dependent children program from July 1, 1948, to June 30, 1949, were the result of the wage earner's absence from home, in contrast to only 8 percent in which the wage earner had died. In the preceding year the corresponding figures were 33 and 9 percent, respectively.

**Depletion of savings or other assets.**—As is to be expected, depletion of earnings is of greater importance in the dependency of the aged or even of the blind than of families with dependent children. Old people have had more working years in which to amass savings or other resources. In 1947, 16.5 percent of the old-age assistance cases added to the rolls were accepted because their savings either

had been exhausted or had become insufficient for maintenance. By 1949, this reason applied to about 19 percent of the additions to the old-age assistance rolls in the 39 reporting States. Part of the rise may be explained by current high prices, which forced a more rapid use of whatever assets these people had.

Some 10 percent of aid to the blind recipients, a majority of whom are in the older ages, had exhausted their savings some time during the 6 months preceding their approval for aid. The proportions varied little during the 3 years. The percentage of general assistance accessions for this reason declined slightly, from around 7 percent in 1947 to 6 percent in 1949. Less than 4 percent of families with children had previously depended on savings or similar resources before getting assistance. Only minor variations occurred from year to year.

*Loss of contributions from relatives.*—Few recipients were added to relief rolls because relatives either had stopped assisting them or could not give as much as formerly. Often the relatives who help less fortunate members of their families do not have very ample means themselves, and they are forced to discontinue support for reasons similar to those that bring families to assistance agencies. In 1947 some 6 percent of the aged were accepted for assistance because of the loss or decrease of contributions from their relatives, but by 1949 this proportion had declined slightly, to 5.4 percent. A smaller proportion of the cases were accepted for aid to the blind for this reason—4.3 percent in 1947 and 4.0 in 1949. In general assistance the corresponding figures were 3.2 and 2.8 percent, respectively. Only in aid to dependent children were relatively more families accepted for this reason in 1949 than 2 years earlier—5.6 percent in contrast to 4.8 percent.

*Discontinuance of service-connected income.*—During the war, allowances or other service-connected income helped many low-income families to maintain an adequate standard of living. The withdrawal of allowances to servicemen's dependents was a bigger factor in the need for assistance immediately after the end of the war, when large numbers

of our military forces were being demobilized, than at present. In 1948 and 1949 the proportion of approvals for this reason were uniformly smaller than in 1947 for each program—1 percent or less. In 1947, 3.2 percent of the cases of aid to the blind, 2.7 percent of those in aid to dependent children, 2.2 percent of those in old-age assistance, and 1.1 percent of the general assistance cases were accepted because they no longer had this type of support.

*Other changes in economic circumstances.*—Other changes in the economic circumstances of a family or individual may include the loss of income from annuities or pensions or from investment in a business enterprise; or a family's total requirements may increase without a corresponding growth in resources to meet these needs. On the whole these varied reasons for needing aid accounted for a relatively small proportion of the cases that came on the rolls in the 3 years. Except in general assistance there was also some tendency for this group of cases to decline in importance. In old-age assistance, 6.2 percent of all openings in 1947 were classified under this heading; 5.4 percent were thus classified in 1949. In aid to dependent children the proportions were 5.9 and 5.3 percent, respectively. Aid to the blind had the largest decline from 1947 to 1949, down 3.0 percent from 7.7 percent.

### No Material Change in Economic Circumstances

A number of families and individuals accepted for a particular type of aid had neither a decrease in their financial resources nor an increase in requirements. Some of them had postponed their requests for aid for one reason or another. Others had received aid under another public or private assistance program. Many became eligible either because a change was affected in State law or policy or because they were finally able to meet specific eligibility requirements.

Relatively more aged and blind individuals than families with children or general assistance cases were in this group. From 1947 to 1949, an average of about one-fourth of the aged and one-third of the blind cases

added to the rolls had experienced no recent change in economic circumstances. The corresponding proportion for aid to dependent children was only about 13 percent, and in general assistance, 8 percent. Except in aid to the blind these cases tended to be relatively less frequent in 1949 than in 1947.

*Attainment of technical eligibility.*—A considerable group of the blind and aged could not fulfill all the requirements for eligibility at the time they either lost their income or could no longer support themselves on their remaining resources. About 16 percent of the persons accepted for aid to the blind in 1947 had previously failed to meet State requirements with respect to loss of vision or some other aspect of eligibility. This proportion rose to 19 percent in 1949. Approximately 15 percent of the aged accepted in 1947 became eligible on technical grounds other than need. Most of these, it may be assumed, were persons who had just reached age 65. In 1948 and 1949 the figure rose slightly, to about 16 percent. Only 5 percent of the families with children, however, were added to the rolls in each of the 3 years because one or more eligibility factors in that program had ultimately been met. In general assistance the proportion was less than 1 percent. As a residual program, general assistance should have few technical requirements, other than need, with which the applicant must comply. In practice, however, States or localities that furnish general assistance have established some prerequisites, though not to the extent found in the other programs.

*Change in law or agency policy.*—Accessions as a result of new legislation or changes in agency policy or practice were less frequent than accessions in which eligibility was newly attained. For all reporting States there were relatively fewer such cases in each program in 1949 than in either 1947 or 1948. About 7 and 5 percent, respectively, of all cases opened for old-age assistance in 1947 and 1948 were accepted because of a change in law or agency policy, but in 1949 the proportion dropped to 1.2 percent. Arkansas, Mississippi, and Tennessee accounted for more than half of all cases added because

of policy changes in 1947, while in 1948 Mississippi accounted for about 75 percent of the acceptances for this reason. In Mississippi, revision in State policy as well as additional funds permitted large numbers of eligible persons on waiting lists to be approved for assistance. In 1947 several States, including Mississippi, that had formerly made joint payments to two eligible spouses provided for separate payments. This change in agency policy accounted for many of the openings in that year.

In the aid to the blind program, 4.1 and 4.4 percent of all new cases in 1947 and 1948 were taken on because of changes in legislation or agency policy. The proportion was less than 1 percent in 1949. It is noteworthy that the number of States with no

accessions for this reason increased steadily each year, from 12 in 1947 to 20 in 1949. The highest percentage (28.4) for the 3-year period was reported by Utah in 1948, when many aged blind persons who had been receiving old-age assistance transferred to the program for the blind rather than sign the newly imposed lien on property required of all old-age assistance recipients in that State.

In aid to dependent children, only 2.1 percent of all cases were accepted for this reason in 1947 and less than 1 percent in 1949. Additions to the general assistance rolls were even more negligible—less than 1 percent in each year.

*All other reasons.*—Included in cases opened for unspecified reasons are cases transferred from one public

assistance program to another and those that formerly received private aid, as well as those in which the applicant had deferred his request for assistance.

The proportion of cases opened for these reasons is higher for the aid to the blind program than for any other program, and it has become larger each year, increasing from 10.2 in 1947 to 14.3 percent in 1949. In many States, aged blind persons are often transferred from old-age assistance to aid to the blind (and from the latter program to old-age assistance) for reasons unconnected with agency policy or practice. The effect of these transfers on the small program of aid to the blind is likely to be greater than in the case of transfers from aid to the blind to old-age assistance.

## Notes and Brief Reports

### Expenditures for Civilian Social Security and Related Public Programs

Expenditures for social security and related public programs, as defined and used in the accompanying table, have become an important item in the budgets of the Federal, State, and local governments. During the fiscal year 1948-49, public expenditures by civilian governmental agencies for social security and related public programs were about \$11.6 billion, a \$1.6 billion increase over expenditures in the fiscal year 1947-48. On the Federal level these expenditures represented about 15 percent of Federal expenditures from general funds and from social insurance trust funds; State and local expenditures for these purposes represented more than 25 percent of all State and local outlays.

The increasing magnitude of expenditures for social security and the increasing interest in such programs emphasize the need for information on the scope of current expenditures made at the various levels of government. The accompanying table indicates the approximate outlays for each of the social security and related programs for 3 fiscal years and shows these expenditures separately for Federal and for State and local

governments. The table is not confined to the programs of the Social Security Administration but attempts to present a comprehensive picture of public expenditures for social security and related purposes.

Social security and related public programs are considered here to include all social insurance programs; veterans' disability and survivor benefits, readjustment allowances, medical care, and welfare programs; public assistance; health and medical care; and certain welfare services. Although the armed forces and the Atomic Energy Commission spent significant amounts for direct medical services and for medical research, these are primarily military or defense expenditures and have not been included in the table. Some other agencies, in carrying out their programs, make relatively small expenditures for medical research or services; among those agencies are the Department of Agriculture, the Tennessee Valley Authority, the Civil Aeronautics Administration, the Fish and Wildlife Service of the Department of the Interior, and others—none of whose expenditures is included here.

The outlays from the veterans' national service life insurance and Government life insurance trust funds are not (and have not been in previous years) included in this table. These

life insurance programs were excluded because they are managed in the same way as private insurance; decisions on such matters as participation and the amount of protection are made by the individual participants, not by law or government agencies.

Since the purpose of the table is to indicate the magnitude of expenditures directly related to the social security programs, the table also excludes expenditures for education, public housing, crime control and correction, and similar social purposes. The largest of these exclusions is education. During the fiscal year 1947-48, the States and localities spent about \$4.3 billion for elementary and secondary schools, some part of which was devoted to school health services. Besides expending these amounts, both the States and the Federal Government are supporting college and professional education, including the training of nurses, physicians, and other medical personnel. The veterans' education program alone amounted to more than \$2.7 billion in 1948-49. Housing and community development expenditures by the Federal Government, which totaled nearly \$300 million in 1948-49 and might reach \$1.0 billion in 1949-50, are also excluded.

The table differs in a few important respects from earlier tables, which were carried in the SOCIAL SECURITY YEARBOOKS. Several categories of expenditure have been included for