

COUNTING THE RECIPIENTS OF PUBLIC ASSISTANCE AND THE DOLLARS THEY RECEIVE

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In March 1938, approximately 20 million persons in 6 million households in the United States received financial assistance from public funds amounting to nearly \$241 million. These estimates were made public before the middle of May, about 6 weeks after the month for which assistance was received. From the standpoint of the journalist, the reporting was tardy; from the standpoint of the statistician and the accountant, the accomplishment was immense.

These millions of dollars include substantially all obligations assumed by the Federal Government and by States, cities, towns, and counties for financial aid to the needy. The regular monthly reports of the amounts of aid granted and of the numbers of persons who receive it provide a comprehensive and consecutive record of public assistance throughout the United States. The task of bringing the figures together to provide a social accounting for the Nation as a whole was assumed by the Social Security Board at the request and with the collaboration of other Federal agencies. Starting with May 1937, regular reports on obligations incurred from public funds and, subsequently, on recipients of aid have been issued by the Board.

To a considerable extent, the figures included in the total are collected by the Board in the course of fulfilling its administrative responsibilities under the Social Security Act. Other data, compiled through the cooperation of other Federal agencies and of State and local governments, are required to facilitate the broad study of economic insecurity in the United States with which also the Board is charged under the act. The record as a whole provides a base useful to governments at all three levels in gauging and evaluating fiscal and other public policies. Both the totals for all public assistance and the more detailed data available under the several programs afford a record essential to administrators of public welfare and of importance to students of government and of economic and social questions.

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Included in the 6 million households in March were approximately 2 million in which there were recipients of one or more of the special types of public assistance for which Federal funds are granted to the States under the Social Security Act—old-age assistance, aid to the blind, and aid to dependent children. It is necessary for the Board to know the numbers of recipients to whom such aid is provided and the amounts given in order to account for Federal funds granted to the States, to recommend appropriations, and to gauge, in conjunction with other evidence, whether or not the States are carrying out effectively the plans submitted in requesting Federal funds. The public-assistance statistics compiled by the Board give comparable data which make it possible for each State to analyze and assess its program in relation to the reports of all other agencies engaged in similar activities.

In a household, a community, or a State, however, the programs for special types of assistance under the Social Security Act are closely related to other measures for assistance to persons in need. The other major types of aid included in the totals mentioned above are those provided from Federal funds (earnings of persons under the Works Program and the Civilian Conservation Corps and subsistence payments under the Farm Security Administration) and general relief, for which costs now are borne by State or local funds or a combination of the two.

The task of obtaining and compiling data from all these sources is not simple. Three Federal agencies, other than the Social Security Board, provide assistance: the Works Progress Administration, the Farm Security Administration, and the Civilian Conservation Corps. Certain kinds of aid, such as general relief, are administered by States without Federal participation, and a considerable amount of relief is administered by counties or other localities without State supervision or participation. In the 3 years prior to enactment of the Social Security Act, moreover, a variety of terminology and administrative practice had developed which made production of comparable statistics extremely uncertain.

Only through the collaboration of literally thousands of public agencies—much of it effected by the voluntary efforts of already over-worked personnel—has it become possible to answer that apparently simple question: How many households are receiving public relief, and how much do they receive?

Varieties of Disbursement Procedure

Statistics of public aid for a single month require a summary of the records of not less than 15 million separate financial transactions. Under the Social Security Act, public assistance reaches the majority of recipients through monthly checks issued on the basis of certificates of eligibility authorizing the financial officer to continue to issue checks until the certificate is canceled. In 40 States and Territories, under 86 of the 129 State plans for public assistance being administered with the approval of the Social Security Board, checks are written in a State office, but under 30 of these 86 plans, checks are actually distributed by local agencies; in 17 States under 43 State plans, all assistance checks are written and distributed by county or other local agencies. General relief is paid in a variety of ways and through various procedures. The most prevalent method is the order written by the case worker authorizing the fiscal officer to issue cash, groceries, or orders on vendors. Such orders in most communities are written each month, but in a few States orders are issued weekly. The most common administrative area is the county, but in 14 States relief may be issued by cities, towns, or townships.

No reports are available on the number of different fiscal officers and case workers whose millions of separate financial transactions must be recorded and assembled before the figures on the number of recipients of relief and the amounts they receive can be published each month. The number of these persons probably exceeds 10,000 for the United States.

State Responsibility

Among the four Federal agencies administering public-assistance programs, three give Federal aid directly to the recipient. The statistical reports of these three agencies—the Works Progress Administration, the Civilian Conservation Corps, and the Farm Security Administration—are therefore made by employees of the Federal agencies to their superior officers. The Social Security Board is

the only Federal agency administering a public-assistance program through grants to the States. The actual administration is carried on by the States, subject to Federal supervision to the extent permitted by the Social Security Act. Statistical reports are made, not by Federal employees, but by each sovereign State to the Government of the United States. It is true that reports may be required of the States as a fundamental condition for the receipt and continuance of a Federal grant, but the actual preparation of the report depends upon the skill and cooperation of State employees. No Federal agency exercises supervision over the administration of general relief; therefore the Social Security Board collects from States and localities reports that are entirely voluntary on the part of the reporting agency.¹

To publish each month the count of recipients of public assistance under the Social Security Act and the amounts that they receive, the Social Security Board depends upon 53 State agencies in the 48 States, the District of Columbia, Alaska, and Hawaii. These agencies are asked to mail their reports to the Board between the fifteenth and the twenty-fifth of the month following the month for which the recipient receives assistance. Standard forms and printed instructions were furnished to the States during the first month of administration under the Social Security Act. Therefore, complete data on numbers of recipients and amounts of public assistance were available beginning with the month of February 1936.

The task of establishing a periodic central reporting system for statistics of public assistance on a more or less automatic and self-perpetuating basis is essentially one of mobilizing the thousands of persons whose records are needed to compile the total figure. The first essential is a willingness on the part of the State agency to transmit to the local agencies all definitions and instructions issued by the Federal agency. Even though such definitions may seem to be arbitrary, the essential element of uniformity for comparative purposes can be attained only by strict adherence to the instructions.

For example, if the town supervisor of the poor in X town in a New England State chooses to include in his monthly report of relief the amount paid to hospitalize a relief recipient, or if a case

¹ For further description of general relief, see "Statistical Reporting on General Relief," *Public Assistance Statistics for the United States for November 1937*, Social Security Board, Vol. 3, No. 1 (January 1938), pp. 5-7.

worker in a local agency in a southern State includes in her report of relief given to a family the value of Federal surplus commodities received that month by the family, the reports rendered by the State departments of public welfare to the Social Security Board will contain items excluded by definition from general relief. Or if a county in a certain State issues weekly checks for old-age assistance and reports 5 weeks in 1 month's report and 4 in another, the figures will not be comparable with those for a State in which checks are written for the needs of a calendar month. The Federal Government itself cannot deal with the 3,096 local governmental areas of the United States; it must reach them through the intermediate instructions issued by State agencies.

Reports Required by the Social Security Board

The statistics required of each State to indicate conformity with a plan for public assistance approved by the Social Security Board, to provide the Board with data to support its annual budget request for public assistance, and to be reported annually to the Congress of the United States, are relatively simple. These statistics are collected by means of the following required reports:

1. One monthly report on applications, open case load, numbers of recipients, and amounts of assistance, by counties (Form RS-204).
2. One annual report on social data concerning cases accepted during the fiscal year and cases closed during the fiscal year (Forms RS-211, 212, and 213).
3. Two semiannual reports on cancelations of public-assistance checks to correct the data reported monthly (Form RS-223).

A fourth type of report—one on administrative expense and sources of funds for public assistance—to be required semiannually, is now being considered.

The monthly reports are planned for prompt reporting of the numbers of recipients and the amounts they receive. The semiannual and annual reports introduce qualitative elements such as the social characteristics of recipients of public assistance and the proposed measurement of administrative cost.

The plans for these statistical reports have been adopted after consultation with the Joint Committee on Relief Statistics of the American Public Welfare Association and the American Statistical

Association,² which the Board has invited to act as an advisory committee to its Division of Public Assistance Research. As far as possible, the plans have been discussed also with representatives of the State agencies before final requirements have been issued.

The first monthly reports were planned separately for old-age assistance, aid to dependent children, and aid to the blind, but recent progress in the integration of the administration of public assistance at the State level has made it possible to combine on a single form (RS-204) not only the reports for the three types of public assistance under the Social Security Act but also the report for general relief. There are now 23 State agencies administering or supervising the administration of these four types of public assistance—old-age assistance, aid to the blind, aid to dependent children, and general relief; in addition, there are 10 State agencies administering or supervising the three special types, 4 administering other combinations of three of the four types, and 5 administering two types. Therefore, the Social Security Board receives reports from 42 State agencies integrated for at least two programs of public assistance.

The earliest forms limited reports on the amounts of assistance to payments in cash direct to the recipient, since Federal funds may be used for such payments only. These reports included from the beginning, however, the amounts that were paid to recipients in excess of amounts that might be matched from Federal funds. Moreover, since July 1, 1937, the reports have included the amounts of all public assistance administered by the State, whether in cash or in kind, or payments for services to the recipient such as fees to physicians, payments to landlords, and other indirect assistance.

One item has been necessary in the statistical reporting on public assistance under the Social Security Act which was of little or no importance in relief statistics prior to this act. This is the report of cancelations of public-assistance checks. The fact that checks are written in a State office

² This Committee is composed of the following members: Ralph G. Hurlin, Russell Sage Foundation, Chairman; Neva R. Deardorff, Welfare Council of New York City; Emil Frankel, New Jersey State Department of Institutions and Agencies; Harry Greenstein, Associated Jewish Charities of Baltimore; William Haber, University of Michigan; Helen R. Jeter, Social Security Board; Howard Myers, Works Progress Administration; Sava S. Schwartz, Philadelphia County Board of Assistance; Norman M. Somers, Wisconsin Public Welfare Department; Frederick F. Stephan, American Statistical Association; Paul Webblink, Social Science Research Council.

well in advance of the pay-roll date, and the high death rate among persons of the age group receiving old-age assistance, result in some States in a considerable proportion of cancellations after the State has made its monthly report to the Social Security Board. In order to present accurate data on the actual number of recipients and the amounts which they receive, the Board must correct its published figures from time to time for the errors introduced by cancellations.

Social Characteristics of Recipients

The annual report on social characteristics of recipients of public assistance required by the Board from each State is a set of uniform statistical tables. The State agency may collect the data for these tabulations in any way that it desires, but the Board has suggested methods that seem to be most economical and that will ensure comparability of the data. These suggestions include for each of the three programs administered by the Social Security Board a standard report to be filled out for each person added to the assistance rolls and another report to be filled out at the time the case is closed (Forms RS-201.1, 202.1, and 203.1). The items on these forms have been defined in instruction manuals which are issued by the Board in sufficient quantities to be placed in the hands of each investigator or case worker. As a second step in method, the Board suggests that one of these forms be filled out at the time of investigation, that the form accompany the official papers up to the point at which the case is officially approved for assistance, and that the form be filed in the State office under the supervision of the research or statistical unit, to be tabulated with other such forms for the State's annual report to the Social Security Board. A third step in the Board's suggestions has been the publication of a standard code (Inst. RS-218) devised for machine or hand tabulation, to facilitate the preparation of the tables required for the annual report.

This annual report includes data not on a sample of the active cases but on a sample composed of all

cases accepted during the year and all cases closed during the year. It is recognized that as a description of the entire program this sample is biased for certain items and that a sampling of the open case load might be more representative for certain characteristics, such as age. The Board, however, has chosen a method that is relatively economical and has considerable administrative value to the State agencies. The Board recommends to the State that no attempt be made to maintain, for statistical purposes, an open file that is kept constantly correct for the ever changing family situations which are characteristic of recipients of public assistance. Such a method is more costly than is warranted by the additional information yielded.

Regional Organization and State Research

A sound central reporting system depends upon the careful selection of a few items important not only to the Federal agency but also to the reporting agency; upon careful definitions and well-constructed forms which are revised very infrequently and only in the face of absolute necessity; upon correspondence about errors and misinterpretations; and, finally, upon field contacts with the reporting agencies. The Social Security Board's decentralization of administration through 12 regional offices has required the appointment of regional representatives of the Division of Public Assistance Research, whose duties lie in the constant visiting of State agencies, not to compile statistics but to discuss the methods of compiling reports, the meaning of unusual items, and the significance of the data for State administration as well as for Federal reporting.

The chief effect of the Board's work has been the creation of departments of research and statistics in State departments of public welfare. These departments, for the most part, are modestly staffed and are equipped with limited budgets which do not permit elaborate research. They are proving essential, however, to administration in most States and are of great value in providing information requested by State legislatures and the public.