

# Notes and Brief Reports

## State and Local Assistance Expenditures in Relation to Income Payments

Total income payments to individuals in the continental United States in 1950 climbed to an all-time high of \$217 billion, almost 11 percent above the level of income payments in 1949. Largely as a result of this rise in income level, all but four States met public assistance costs with a smaller proportion of income payments in the fiscal year ended June 30, 1951, than they had in the preceding year. In the 45 States with reductions in the percentage of income payments used for public assistance, the amount of decrease ranged from 2 percent in Arkansas to as much as 35 percent in Pennsylvania. The ratio of assistance costs to income increased in 3 States—those with the greatest rises in assistance payments (Colorado, Georgia, and West Virginia)—and remained unchanged in New Hampshire.

In many States, the decrease in the ratio of assistance payments to income occurred despite an increase in assistance costs, because income went up more than the assistance costs. For the country as a whole in the fiscal year 1950-51, assistance expenditures from State and local funds, including vendor payments for medical care, declined to \$1,279 million for the five public assistance programs—a decrease of more than 7 percent from the previous year.

The drop in total State and local expenditures for assistance primarily reflected large declines in a few States. The downturn in the median State (South Carolina) in State and local assistance funds was only 1.1 percent. Twenty-two States increased their assistance expenditures, and 13 States reduced assistance costs by a smaller percentage than the national average. Declines in the other 14 States were relatively large, amounting to almost 27 percent in Pennsylvania, which was one of 11 States with reductions of more than 10 percent.

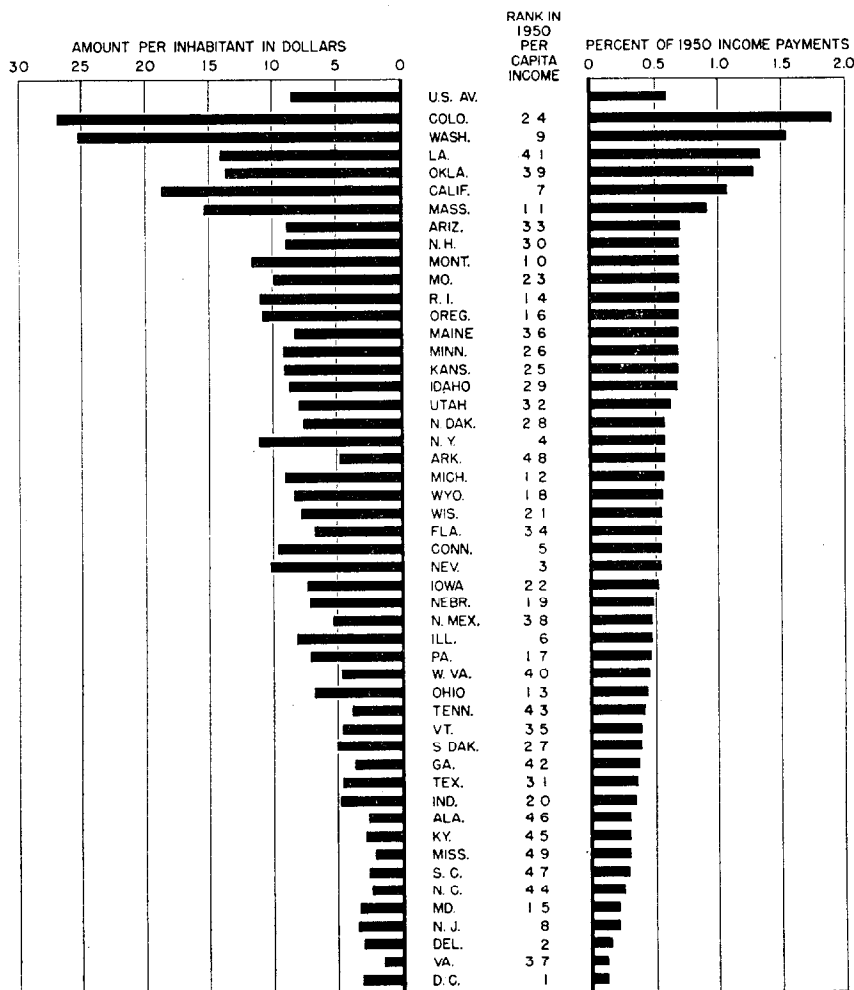
These shifts in total payments for assistance from State and local funds resulted from a combination of factors, some of which worked at cross-

purposes. On the one hand, the rise in the cost of living and the growing proportions of the aged and children in the total population tended to keep assistance costs up. On the other hand, liberalization of the old-age and survivors insurance program by the 1950 amendments to the Social Security Act and the continued growth in employment opportunities acted to reduce assistance rolls and payments. Increased employment brought about the greatest percentage cut-back in the rolls of the general assistance program, which is financed entirely from State and local funds.

The rise in employment also accounted in part for the jump in income payments to individuals that occurred in all States between the calendar years 1949 and 1950. Increases ranged from 4.5 percent in Oklahoma to 22.8 percent in Montana. Income rises exceeded 15 percent in seven States and were between 10 and 15 percent in 28 States.

Although changes in both assistance expenditures and income payments varied markedly among the States, the relative standings of the States in the percentage of income payments devoted to public assistance remained about the same in the fiscal year 1950-51 as in 1949-50. Thus, in both years, nine States ranked among

*Expenditures per inhabitant for public assistance payments from State and local funds, including vendor payments for medical care, in relation to income payments, by State, fiscal year 1950-51*



**State and local expenditures for public assistance payments, including vendor payments for medical care, in relation to income payments and amount expended per inhabitant, by State, 1951<sup>1</sup>**

State	Percentage change in—		State and local expenditures for assistance			
	Income payments, 1950 from 1949	State and local expenditures for assistance, 1951 from 1950	As percent of income payments			Per inhabitant, 1951
			1950	1951	Percentage change, 1951 from 1950	
Continental United States <sup>2</sup>	+10.8	-7.3	0.70	0.59	-16	\$8.49
Alabama.....	+11.1	-4.6	.35	.30	-14	2.55
Arizona.....	+13.2	+3.3	.78	.72	-8	8.92
Arkansas.....	+10.7	+8.2	.59	.58	-2	4.76
California.....	+10.8	-2.3	1.21	1.07	-12	18.76
Colorado.....	+10.6	+13.0	1.86	1.91	+3	26.81
Connecticut.....	+11.3	+7.5	.56	.54	-4	9.58
Delaware.....	+14.7	-12.0	.20	.15	-25	2.89
District of Columbia.....	+8.8	+1.9	.13	.12	-8	3.09
Florida.....	+15.1	+1.0	.62	.54	-13	6.62
Georgia.....	+14.3	+18.8	.35	.37	+6	3.58
Idaho.....	+9.3	-6.3	.79	.67	-15	8.72
Illinois.....	+9.2	-13.6	.59	.47	-20	8.22
Indiana.....	+12.5	-7.6	.41	.34	-17	4.89
Iowa.....	+12.3	+7.3	.55	.52	-5	7.45
Kansas.....	+12.2	-8.4	.84	.68	-19	9.22
Kentucky.....	+9.1	+1.6	.32	.30	-6	2.77
Louisiana.....	+6.2	-20.6	1.80	1.35	-25	14.12
Maine.....	+6.5	+4	.74	.70	-5	8.30
Maryland.....	+11.0	-5.5	.26	.22	-15	3.21
Massachusetts.....	+9.4	-2.9	1.08	.96	-11	15.3
Michigan.....	+13.3	-18.2	.79	.57	-28	9.05
Minnesota.....	+10.0	+9	.75	.69	-8	9.27
Mississippi.....	+15.5	-3.7	.36	.30	-17	2.10
Missouri.....	+10.6	+5	.78	.71	-9	9.99
Montana.....	+22.8	+2.7	.85	.71	-16	11.58
Nebraska.....	+17.6	-2.2	.58	.48	-17	7.08
Nevada.....	+13.2	+6.0	.58	.54	-7	10.12
New Hampshire.....	+9.4	+10.1	.71	.71	0	9.00
New Jersey.....	+10.7	-11.2	.27	.22	-19	3.46
New Mexico.....	+13.8	+1.0	.53	.47	-11	5.31
New York.....	+8.6	-6.7	.67	.58	-13	11.03
North Carolina.....	+15.8	+11.1	.26	.25	-4	2.36
North Dakota.....	+15.7	+2.9	.66	.58	-12	7.64
Ohio.....	+10.9	-11.9	.54	.43	-20	6.84
Oklahoma.....	+4.5	-8.3	1.46	1.28	-12	13.69
Oregon.....	+12.3	-9	.80	.71	-11	10.79
Pennsylvania.....	+12.3	-26.7	.71	.46	-35	7.05
Rhode Island.....	+11.3	-15.3	.93	.71	-24	11.00
South Carolina.....	+11.3	-1.1	.33	.29	-12	2.43
South Dakota.....	+17.9	-13.4	.52	.39	-25	5.09
Tennessee.....	+11.7	+2	.45	.41	-9	3.93
Texas.....	+7.8	-3.6	.40	.36	-10	4.62
Utah.....	+9.0	-12.3	.78	.63	-19	8.01
Vermont.....	+10.8	-7	.43	.39	-9	4.62
Virginia.....	+11.7	+6.4	.13	.12	-8	1.33
Washington.....	+12.1	-17.5	2.09	1.54	-26	25.26
West Virginia.....	+9.3	-13.4	.43	.44	+2	4.68
Wisconsin.....	+10.9	-2.8	.62	.55	-11	7.87
Wyoming.....	+7.9	+4.3	.58	.56	-3	8.47

<sup>1</sup> Expenditures exclude amounts spent for administration and are for fiscal years 1949-50 and 1950-51; these expenditures are related respectively

to income payments for calendar years 1949 and 1950. <sup>2</sup> Data on per capita income for Alaska, Hawaii, Puerto Rico, and the Virgin Islands not available.

the 12 highest in the proportion of income payments used for aid to the needy and 11 States were in the lowest one-fourth. Furthermore, only six States changed their rank in the ratio of assistance expenditures to income payments by six or more places. Pennsylvania, which had the greatest shift in this respect, moved from nineteenth place in 1950 to thirty-first in 1951.

In the fiscal year 1950-51, the in-

dividual States not only retained much the same rank in the proportion of income payments used for assistance expenditures as they had in 1950, but they also continued to vary widely from the average for the country as a whole. For each \$100 of income payments to individuals throughout the country, 59 cents in State and local funds was paid to assistance recipients and vendors of medical care; for individual States,

the range was from \$1.91 in Colorado to 12 cents in the District of Columbia and Virginia. One out of every 4 States spent less than 37 cents for public assistance per \$100 of income payments to individuals, and the same proportion of States spent more than 70 cents. The 12 States in the latter group are characterized by high assistance expenditures per inhabitant and above-average per capita incomes. Nine lie west of the Mississippi; the other three are New England States. The 12 States with the lowest ratio of assistance expenditures to income payments are, for the most part, Southeastern States with low per capita incomes or Middle Eastern States of considerable fiscal ability; all but two States in this group had low per capita expenditures for public assistance.

An interstate comparison of the proportion of State and local income that is used for public assistance has limitations, however, as a measure of fiscal effort, particularly among States with widely different degrees of wealth. It is possible, for instance, that 0.36 percent of income used for public assistance may represent greater fiscal effort in one of the lowest income States than 0.66 percent in another State with three times the income.

## Employers, Workers, and Wages, Second Quarter, 1951

Data on which to base estimates on employment and wages in work covered by old-age and survivors insurance in the second quarter of 1951 were not available at the usual time. Estimates have now been made and are presented here.

The number of workers with taxable wages in covered employment during April-June 1951, excluding the newly covered self-employed, is estimated at 47.0 million—2.2 percent larger than in January-March 1951. Their total taxable wages, estimated at \$30.6 billion, increased 1.3 percent over those in the preceding quarter. Average taxable wages, on the other hand, estimated at \$651, were almost 1 percent less than in January-March, in accordance with the seasonal pattern