tions and with entitlements and benefit amounts based on employment and earnings over a working lifetime, the results might be considerably different. Today, beneficiaries who are living on retirement income undoubtedly are faced with critical financial problems because of the sharp increase in consumers' prices.

The comparisons indicate that nearly half of the beneficiary groups interviewed in the 1941–42 surveys probably did not have income sufficient for a maintenance standard at 1941–42 prices. Their current situation was relieved somewhat by such expedients as the use of assets, incurrence of debt, and help from relatives in the household. If the test of economic security is the amount of independent, permanent income available, more than two-thirds of the beneficiaries of every type probably did not have security at a maintenance level.

There is a considerable variation in the extent to which the resources of the various beneficiary types met the requirements for a maintenance living. Although the rankings differ somewhat by survey area and also by kind of income, the data appear to justify the conclusion that on the whole the male primary beneficiaries whose wives were entitled to benefits, and perhaps the aged widows, tended to be better off in the survey year than the beneficiaries of any other type. At the other extreme, the beneficiary groups who as a whole had the least adequate resources were the widows with dependent children.

As might be expected, the widely differing economic circumstances of the beneficiaries appear to have been related to their levels of living before entitlement. This conclusion is supported by the close positive relationship between independent, reasonably permanent income and the size of the average monthly wage. Workers who had received relatively large taxable wages were more likely to have the means for a comfortable retirement, or to leave their survivors well provided for, than those whose wages were relatively small. Thus, the insurance benefits were not sufficient to make possible a maintenance level of living for beneficiary groups whose contributions to the insurance system were small and who had not made other provisions for the future. It is significant, however, that a relatively large proportion of the beneficiaries in all but the highest average monthly wage classes did not have sources of income they could count on to provide a maintenance level of living in retirement. The insurance benefits substantially improved the economic well-being of almost all the beneficiaries, and they materially increased the number having sufficient income for a maintenance level of living.

Budgeting To Meet Total Needs

By Evalyn G. Weller*

IN DISCUSSING the problem of meeting total needs of public assistance recipients, it should be emphasized at the beginning that this paper is concerned only with ways of meeting their financial needs. More specifically we are limiting the discussion to total financial needs that must be met in order that needy individuals can attain a minimum living standard of reasonable adequacy. This definition in terms of reasonable adequacy implies that the public welfare agency has a positive responsibility, to the assistance applicant and to the community, in determining clearly what constitutes reasonable adequacy and what, in a public assistance program, constitutes total need.

In the early days of the public assistance program under the Social Security Act, determination of the needs of public assistance applicants proceeded on a completely individual basis. The technique of "good budgeting" in the traditional sense meant that the worker determined with every applicant each of the items needed and thus set up his individual budget. Sometimes the agency took responsibility for providing the worker with a Budget Guide that included a list of goods and services that people usually require. A thoughtful consideration of this former way of budgeting was given in a report recently issued by the Bureau of Public Assistance.[1]

Since those early days we have taken several steps. In the old-age assistance program, for example, some State welfare agencies have been and are working with a statutory definition of need in terms of a fixed sum of money that they believe all persons eligible for assistance must have when the assistance payment is added to the value of their own income and resources.

There are advantages in this statutory type of standard. It can operate as a guarantee to all needy people that they will have a specified sum of money to live on. This advantage can be maintained when the statutory definition of need is in the form of a minimum sum. The agency can then, under the law, establish a policy that makes it possible to meet the additional needs or expenses that arise in people's lives because of their particular circumstances. Obviously, when the statutory definition of need is only a specified sum, unrelated to cost-of-living data and the individual needs of people, problems are created and it becomes difficult to carry out the objectives of the assistance programs.

For the past several years the Bureau of Public Assistance, its regional staff, and the staff of a number of State agencies have been working to arrive at a satisfactory policy base for the administration of the need provisions of Federal and State laws, which can be utilized by all public assistance agencies. We have kept constantly in mind the basic necessity in a public welfare program of having that policy define clearly the agency's understanding of its purpose and function—getting money to needy

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[1] Elma H. Ashton, *Money-Giving in Social Work Agencies—in Retrospect and in Prospect*, Public Assistance Report No. 11, February 1947.

people in sufficient amounts and in such a way that they can take responsibility for meeting their total needs. If agencies administering assistance programs are to carry out this purpose, the policy must be such as to maintain individualization in determining need. "Individualization" encompasses two concepts—recognizing each individual as a person in his own right and recognizing differences in the circumstances of individuals. A basic policy for budgeting to meet total need in public assistance therefore requires State-wide standards of assistance. Such standards must determine the consumption items and money amounts that make up basic maintenance. State-wide standards must also set forth the circumstances of individuals in which the worker will be expected to include money amounts for other specified goods and services.

In establishing policy that will make it possible to budget to meet total need, the agency must first decide what goods and services are always to be included for all people who apply for public assistance. Undoubtedly, everyone would agree on such obvious essentials of living as food, clothing, and shelter.

In defining this basic content of living, however, do we mean only that needy people have a right not to starve? This might be said to be a *minimum* standard of living. Do we mean that needy people have a right to enough money to buy more of the things that go to make up "the American way of living"? If we believe that all people must have money to pay for reasonable household utilities, necessary transportation, and an occasional telephone call, we are moving toward defining needy people's rights to a minimum standard of living of reasonable adequacy—the American way of living.

Once the public assistance agency has decided on such a basic content of living, it must then establish cost figures for the items and clear directions to workers to ensure that needy people will get equal treatment. Workers must know what goods and services the agency expects them always to include for all needy people in budgeting to meet total need. The agency worker must also know how much money to include for such goods and services.

In addition, the agency must make a clear statement of policy on the extent to which it can and will recognize the different circumstances in people's lives that affect their day-by-day budgets. When income is at, or less than, a bare minimum, there is no margin for making adjustments to meet such additional expenses as an illness, and real deprivation arises. Food and rent money must be used to pay for medicine and the doctor.

Within such a policy for individualization, the agency worker can then understand clearly what her responsibility is as an agency representative, first to identify the particular circumstances of people and second to take the appropriate action. The worker does not have to make a personal judgment as to what additional things she should include in the budget if total financial needs are to be met. She has a clear direction from the agency to ascertain the circumstances of each needy person by giving the individual an opportunity to tell what his present situation is. When the agency worker has attained an understanding of the particular circumstances of the needy individual with whom she is working, she is then in a position to tell the client just what additional financial provisions the agency can make in his case. True, there will be situations in which the agency worker must explain to the client that the agency which she represents does not take responsibility for meeting the special needs indicated by his individual circumstances. In this connection the worker should be able to point out to the agency the need for reconsideration of present policy in order to determine whether further provisions should be made for meeting "total needs." Sound administrative policy should give agency workers the opportunity to make this contribution.

The importance of clearly defined agency policies for the administration of the need provisions cannot be overstated. To the agency worker, this means a clear understanding of her responsibility and the area within which she is to work. To the person who must ask for aid, it assures that he will be recognized as an individual and that he will understand what the welfare agency can and cannot do for him. To all citizens, it will furnish a means of knowing what they, through their government, are providing as financial aid to needy people.

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ternatives are either to assist him in obtaining new employment or to pay him benefits. The proper emphasis is on employment rather than on benefit payments. This emphasis can best be achieved by having the two programs administered in the agency most concerned with the employment process—the Labor Department."

The plan proposes the appointment of a Commissioner of Employment to coordinate the employment service and unemployment insurance activities within the Department. The plan also provides that the Federal Advisory Council, established under the Wagner-Peyser Act and composed of representatives of labor, management, and the public, shall in addition to its duties under that act advise the Secretary of Labor and the Commissioner of Employment concerning administration and coordination of the functions transferred.

In the absence of congressional action, the reorganization plan will go into effect 60 days from the date of transmittal. The President's earlier Reorganization Plan No. 2 of 1947, which had proposed that the U. S. Employment Service be made a permanent unit in the Department of Labor, was rejected by concurrent resolution on June 30, 1947.