Budgeting To Meet Total Needs

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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 the income of the whole family, the size of the household, the number of children, the education and training of the family members, their earning capacity, and the kind of housing they 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.

Since those early days we have taken several steps. In the old-age assistance program, for example, some State welfare agencies have 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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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. We must understand that people must have money to pay for such things as medicine, doctors' fees, and other necessary expenses. The agency must decide on such a basic content of living and 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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