

Notes and Brief Reports

Federal Grants to State and Local Governments, 1950-51

Grants-in-aid are but one of the Federal financial aids to State and local governments. Quantitatively, however, they are the most significant type of aid. Because of the flexibility of grants in serving a variety of purposes, regular Federal grants to States and to local governments have followed an almost continuous upward trend in recent years. Total grants, including those of an emergency or temporary nature, amounted to more than \$2.2 billion in the fiscal year 1950-51 (table 1).

The scope of the data presented in the accompanying tables has been confined to grants for cooperative Federal-State or Federal-local programs that are administered at the State and/or local level and to those programs in which most of the funds are channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind, such as books for the blind and food, have been included when they meet these criteria.

Grants for public assistance payments and administration totaled \$1,186 million in 1950-51 and comprised 53 percent of all Federal grants in the year. Almost \$17.5 million of this amount went for the new program of aid to the permanently and totally disabled. Grants for categorical assistance have tended to increase gradually over the years. The number of assistance recipients and total costs of public assistance payments (from Federal, State, and local funds) declined during the fiscal year 1950-51 for the first time since 1945. Nonetheless, Federal grants for payments and administration were greater than in the previous year. The increase was largely the result of the 1950 amendments that provided for aid to the permanently and totally disabled, permitted Federal sharing in the assistance payment to one adult relative in families receiving aid to dependent children and in vendor payments for medical care,

and extended the grant-in-aid program to Puerto Rico and the Virgin Islands for all categories.

Grants for the administration of the State unemployment insurance and employment service programs were \$174 million in 1950-51, as compared with \$208 million in the preceding fiscal year. The 1949-50 total is deceptively high, however, as a result of a change in the timing of grant checks issued to the States. Actually, dollar expenditures out of grant funds for these functions have followed a fairly smooth upward progression over the years except during the war, when the employment service was nationalized.

Federal grants for health services totaled \$169 million in the fiscal year 1950-51 as compared with \$119 mil-

lion in the previous year; the rise resulted from an increase in hospital construction grant expenditures. The rapid growth in the amount of Federal grants for health programs in recent years reflects both the increase in the number of aided functions and the expansion of established programs. Grants for welfare services other than public assistance amounted to \$103 million, almost 10 percent less than the \$113 million granted the previous year. The two categories together—health and welfare services other than public assistance—accounted for 12 percent of total grants made in 1950-51.

Grants for education made up only 2 percent of total Federal grants during 1950-51. Grants for this purpose have increased since the war period and can be expected to rise sharply in the next few years with the growth of the school construction, mainte-

Table 1.—Federal grants to State and local governments, by purpose, fiscal years 1934-35 through 1950-51

[In thousands]								
Fiscal year	Total	Assistance payments and administration ¹	Emergency relief ²	Employment security administration ³	Health services ⁴	Other welfare services ⁵	Educational ⁶	All other ⁷
1934-35	\$2,196,577	—	\$1,857,490	\$1,257	—	\$1,516	\$12,722	\$323,592
1935-36	995,138	\$28,424	476,513	3,068	\$4,389	2,117	13,322	467,305
1936-37	808,668	143,934	1,722	11,484	12,758	3,089	15,651	620,030
1937-38	800,466	216,074	484	45,939	15,329	3,655	24,625	494,359
1938-39	1,029,557	246,898	—	62,858	14,754	3,893	25,411	675,743
1939-40	965,239	271,135	—	61,539	21,873	4,558	25,137	581,001
1940-41	858,591	330,408	—	65,632	25,870	5,078	25,620	405,984
1941-42	827,478	374,568	—	74,034	29,057	5,541	25,811	318,467
1942-43	850,995	395,623	—	36,480	30,396	5,824	26,158	356,514
1943-44	896,926	404,942	—	35,229	60,223	8,616	25,644	362,272
1944-45	864,905	410,364	—	33,730	78,555	9,670	25,131	307,454
1945-46	840,098	439,132	—	54,547	71,169	13,361	25,341	236,549
1946-47	1,187,478	613,831	—	99,252	63,134	98,757	31,145	281,359
1947-48	1,452,644	718,559	—	133,610	55,309	91,958	35,813	417,594
1948-49	1,814,751	927,897	—	140,314	66,646	98,843	36,951	544,100
1949-50	2,195,473	1,123,418	—	207,617	119,158	113,163	38,501	593,617
1950-51	2,242,921	1,185,764	—	173,838	168,938	102,553	40,123	562,706

¹ Old-age assistance, aid to dependent children, aid to the blind, and, beginning 1950-51, aid to the permanently and totally disabled under the Social Security Act, as amended.

² Federal Emergency Relief Administration grants.

³ Unemployment insurance administration under the Social Security Act beginning 1935-36; employment service administration, 1934-35 through December 1941 and from Nov. 16, 1946, to date.

⁴ From 1935-36 to date, maternal and child health services and services for crippled children under the Social Security Act and public health services; from inception of the program through 1948-49, emergency maternity and infant care; from inception of the program to date: venereal disease, tuberculosis, cancer, and heart disease control, mental health, hospital survey and construction, and water pollution control.

⁵ Child welfare services under the Social Security Act from 1935-36 to date; vocational rehabilitation and State and Territorial homes for disabled soldiers and sailors from 1934-35 to date; from 1946-47 to date, school lunch program; for 1942-43, community war service day care.

⁶ Colleges for agriculture and mechanic arts, vocational education, education of the blind, and State and municipal marine schools from 1934-35 to date; emergency Office of Education grants from 1935-36 to 1940-41; maintenance and operation of schools in

certain areas from 1946-47 to date; and beginning 1950-51 school survey and construction in certain areas.

⁷ Agricultural experiment stations and extension work from 1934-35 to date and under the Research and Marketing Act of 1946 from 1947-48 to date; forest fire cooperation from 1934-35 to date and wildlife restoration from 1938-39 to date; supply and distribution of farm labor from 1942-43 to 1948-49; removal of surplus agricultural commodities under sec. 32 of the Act of August 24, 1935, from 1935-36 to date; commodities furnished by the Commodity Credit Corporation from 1949-50 to date; Federal annual contributions to public housing authorities from 1939-40 to date; regular and emergency highway construction from 1934-35 to date; Federal airport program from 1947-48 to date; Public Works Administration grants and liquidation thereof from 1934-35 through 1949-50; wartime public works from 1941-42 through 1948-49; and community facilities and disaster and emergency relief beginning 1941-42.

Source: *Annual Reports of the Secretary of the Treasury, the Combined Statements of Receipts, Expenditures, and Balances of the United States Government*, and other Treasury reports. Grants for part of the school lunch program for 1946-47 and for the removal of surplus agricultural commodities for 1935-36 through 1946-47, as reported by the Department of Agriculture.

nance, and operation programs in areas congested as a result of Federal activities. Grants for vocational education, however, have not increased at the same rate as total grants, and those for education of the blind, for colleges of mechanic arts, and for marine schools have remained at about the same level for 10 years or more.

Grants for a miscellany of purposes are combined in the "all other" category. They totaled \$563 million in the fiscal year 1950-51. This category includes programs of great size and importance; for example, \$400 million was granted for highways in 1950-51. The total for "all other" grants, and for highway grants in particular, was higher during a few depression and prewar years than it has been recently.

Total Federal grants to States (including the Territories and possessions) and to local governments amounted to \$14.55 per capita in 1950-51. For the purposes of analysis, the States have been ranked by average 1948-50 per capita income payments and divided into high-, middle-, and low-income groups. Total grants and grants for most of the major purposes tend to average somewhat higher amounts per capita for the low-income group than for the middle-income group and, similarly, higher for the middle-income group than for the high-income group. Within each income group, however, there is wide diversity in the per capita grants.

Total grants to the high-income States averaged \$13.02 per capita, while those to the middle-income and low-income States averaged \$14.70 and \$17.49 per capita, respectively. Per capita grants for assistance payments and administration, health services, other welfare services and education and for all other purposes are also highest, on the average, for the low-income group of States. In 1950-51, as in previous years, there tended to be a direct correlation between per capita grants for employment security administration and State per capita income.

The inverse correlation between per capita grants and per capita income for many of the major purposes has been a development of the past

Table 2.—Per capita Federal grants to States and localities, by State and purpose, fiscal year 1950-51

States ranked by 1948-50 average per capita income	Average per capita income, 1948-50	Per capita grants						
		Total	Assistance payments and administration ¹	Employment security administration ²	Health services ³	Other welfare services ⁴	Education ⁵	All other ⁶
Total Continental United States.....	\$1,380	14.55	7.69	1.13	\$1.10	\$0.67	\$0.32	\$3.65
High-income group.....		13.02	7.16	1.44	.68	.48	.27	3.00
New York.....	1,803	10.45	5.25	1.84	.58	.37	.15	2.24
District of Columbia.....	1,771	7.02	3.20	.76	1.28	.51	.12	1.14
Nevada.....	1,743	43.36	6.50	3.70	1.60	.63	1.97	23.97
Delaware.....	1,728	14.92	2.75	1.29	1.54	.77	.73	7.84
Illinois.....	1,714	10.49	5.54	.99	.43	.49	.25	2.80
Connecticut.....	1,674	10.78	4.82	1.35	.74	.61	.30	2.95
California.....	1,654	18.58	12.92	1.70	.45	.55	.42	2.53
New Jersey.....	1,621	6.97	2.42	1.41	.67	.37	.16	1.94
Montana.....	1,546	27.94	10.06	1.65	1.40	.68	.43	13.73
Washington.....	1,545	22.35	14.47	1.50	.69	.67	.56	4.46
Ohio.....	1,505	10.93	5.73	.97	.74	.46	.26	2.77
Massachusetts.....	1,503	18.74	10.68	1.58	.89	.40	.19	5.01
Wyoming.....	1,501	29.23	7.25	1.89	1.41	.87	.97	16.85
Michigan.....	1,496	12.74	7.15	1.19	1.00	.57	.26	2.57
Rhode Island.....	1,472	15.03	5.97	1.98	1.23	.53	.43	4.88
Maryland.....	1,458	8.40	3.25	1.21	.89	.45	.26	2.34
Middle-income group.....		14.70	7.67	.96	1.02	.59	.31	4.16
Oregon.....	1,453	16.37	7.11	1.49	1.21	.69	.26	5.60
Pennsylvania.....	1,446	10.08	4.95	1.22	.76	.40	.19	2.66
Nebraska.....	1,417	15.99	7.36	.65	.93	.55	.42	6.09
Iowa.....	1,416	15.14	7.30	.53	1.12	.56	.28	5.34
Wisconsin.....	1,396	12.27	6.31	.77	.72	.54	.23	3.70
Colorado.....	1,395	25.96	15.26	1.05	1.43	.58	.41	7.22
Indiana.....	1,391	9.75	5.16	.79	.74	.59	.26	2.20
South Dakota.....	1,359	22.31	7.70	.70	1.13	.48	.51	11.78
Missouri.....	1,349	19.57	13.14	.79	.97	.62	.27	3.77
North Dakota.....	1,338	21.48	6.63	.93	1.33	.69	.47	11.42
Minnesota.....	1,313	15.18	7.49	.88	.96	.60	.24	5.01
Kansas.....	1,297	17.24	8.90	.71	.87	.67	.55	5.53
Idaho.....	1,271	22.44	8.75	1.51	1.51	.79	.58	9.30
New Hampshire.....	1,255	16.31	6.44	1.65	1.77	.68	.61	5.14
Utah.....	1,228	21.51	8.06	1.65	1.64	.87	.62	8.78
Texas.....	1,206	15.20	9.04	.80	1.37	.74	.38	2.87
Arizona.....	1,182	23.99	9.84	1.71	1.52	.77	.58	9.56
Low-income group.....		17.49	9.10	.83	1.88	1.05	.42	4.21
Vermont.....	1,163	15.88	6.07	1.47	1.94	.93	.64	4.83
Maine.....	1,153	17.97	8.29	1.13	2.38	.58	.50	5.10
Florida.....	1,128	18.54	11.41	1.05	1.52	.78	.22	3.55
Virginia.....	1,087	9.52	2.69	.52	1.55	.75	.52	3.49
Oklahoma.....	1,078	30.73	19.56	.90	2.03	1.03	.81	6.40
New Mexico.....	1,073	25.44	8.89	1.28	1.51	.80	.76	12.17
West Virginia.....	1,047	13.78	7.63	.69	1.92	.99	.27	3.29
Louisiana.....	1,007	30.48	21.11	.94	1.46	1.20	.25	5.52
Georgia.....	918	17.59	8.63	.82	1.98	1.11	.65	4.40
Tennessee.....	912	15.57	8.41	.81	1.43	1.04	.29	3.60
North Carolina.....	900	12.29	5.06	.76	1.69	1.11	.28	3.39
Kentucky.....	895	15.76	7.95	.71	1.89	1.00	.34	3.87
Arkansas.....	826	22.24	11.49	.86	2.28	1.25	.64	5.62
South Carolina.....	825	14.42	5.54	.91	1.98	1.27	.33	4.38
Alabama.....	811	15.48	7.57	.84	2.79	1.16	.37	2.75
Mississippi.....	692	16.08	7.04	.81	3.00	1.33	.42	3.48
Territories and possessions.....		9.58	2.05	.45	1.78	1.28	.33	3.68
Alaska.....		25.21	6.64	2.74	8.63	.32	1.08	5.81
Hawaii.....		17.89	6.00	1.21	1.66	.66	.50	7.85
Puerto Rico.....		6.63	.89	.14	1.30	1.46	.24	2.60
Virgin Islands.....		20.67	2.01	.36	8.99	3.48	1.26	4.67

¹ Old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled.

² Unemployment insurance and employment service administration.

³ Maternal and child health services, services for crippled children, general public health services, venereal disease, tuberculosis, heart disease, and cancer control, mental health, hospital survey and construction, and water pollution control.

⁴ Child welfare services, vocational rehabilitation, State and Territorial homes for disabled soldiers and sailors, and school lunch program.

⁵ Colleges for agriculture and mechanic arts, vocational education, education of the blind, State and municipal marine schools, school survey and construction, and maintenance and operation of schools in certain areas.

Agricultural experiment stations and extension work, marketing and research, forest fire cooperation removal of surplus agricultural commodities, commodities furnished by the Commodity Credit Corporation, wildlife restoration, annual contributions to public housing agencies, Federal airport program regular and emergency highway construction, disaster and emergency relief grants.

Source: Grants data are from the *Combined Statement of Receipts, Expenditures, and Balances of the United States Government for the Fiscal Year Ended June 30, 1951*, and are on a checks-issued basis. Per capita grants are based on estimates by the Bureau of the Census for the total population, excluding Armed Forces overseas, as of July 1, 1950; for the Territories and possessions, they are based upon the 1950 Census. Income payments data used are from the *Survey of Current Business*, August 1950.

Table 3.—Federal grants to States and localities in relation to income payments and State tax collections, by State, fiscal year 1950-51

States ranked by 1948-50 average per capita income	Total grants to States			Grants under programs administered by Social Security Administration				Per capita
	Amount (in thousands)	As percent of income payments	As percent of State tax collections	Amount (in thousands)	As percent of income payments	As percent of State tax collections	As percent of total grants	
Total.....	\$2,242,921	-----	-----	\$1,213,822	-----	-----	54.1	\$7.88
Continental United States.....	2,215,363	1.02	24.5	1,206,312	0.56	13.4	54.5	7.98
High-income group.....	884,045	.76	20.3	493,846	.42	11.3	55.9	7.27
New York.....	155,865	.56	17.1	79,283	.28	8.7	50.9	5.31
District of Columbia.....	5,543	.35	5.4	2,888	.18	2.8	52.1	3.66
Nevada.....	6,937	2.31	53.4	1,165	.39	9.0	16.8	7.28
Delaware.....	4,758	.78	17.0	1,018	.17	3.6	21.4	3.19
Illinois.....	91,839	.60	21.9	49,221	.32	11.7	53.6	5.62
Connecticut.....	21,702	.61	17.5	10,079	.28	8.1	46.4	5.00
California.....	196,781	1.06	20.5	137,626	.74	14.4	69.9	12.99
New Jersey.....	33,936	.41	20.2	12,273	.15	7.3	36.2	2.52
Montana.....	16,705	1.74	49.1	6,207	.65	18.4	37.5	10.48
Washington.....	53,233	1.36	23.6	34,886	.89	15.4	65.5	14.65
Ohio.....	87,020	.69	20.8	46,453	.37	11.1	53.4	5.84
Massachusetts.....	88,101	1.17	30.0	50,683	.67	17.2	57.5	10.78
Wyoming.....	8,596	1.94	38.7	2,238	.51	10.2	26.3	7.69
Michigan.....	81,524	.80	18.0	46,549	.46	10.3	57.1	7.28
Rhode Island.....	11,842	.96	27.5	4,941	.40	11.5	41.7	6.27
Maryland.....	19,452	.54	13.7	8,276	.23	5.7	41.9	3.52
Middle-income group.....	665,129	1.05	26.3	354,748	.56	14.0	53.3	7.84
Oregon.....	24,965	1.08	22.7	11,117	.48	10.1	44.5	7.29
Pennsylvania.....	106,346	.66	21.4	53,118	.33	10.7	49.9	5.04
Nebraska.....	21,384	1.09	40.3	10,105	.52	19.1	47.3	7.56
Iowa.....	39,912	1.07	24.6	19,660	.53	12.1	49.3	7.46
Wisconsin.....	42,342	.86	18.2	22,346	.45	9.6	52.8	6.47
Colorado.....	34,763	1.86	34.8	20,797	1.12	20.8	59.8	15.53
Indiana.....	38,534	.67	16.1	20,939	.37	8.8	54.3	5.30
South Dakota.....	14,721	1.71	35.0	5,299	.61	12.6	36.0	8.03
Missouri.....	77,682	1.40	42.9	52,875	.95	29.2	68.1	13.32
North Dakota.....	13,424	1.66	32.0	4,364	.54	10.4	32.5	6.98
Minnesota.....	45,558	1.14	21.1	23,009	.58	10.7	50.5	7.66
Kansas.....	33,059	1.29	26.9	17,469	.68	14.2	52.8	9.11
Idaho.....	13,399	1.74	39.1	5,393	.71	15.9	40.5	9.09
New Hampshire.....	8,741	1.27	38.0	3,637	.53	15.8	41.6	6.79
Utah.....	14,952	1.69	29.9	5,871	.66	11.7	39.3	8.45
Texas.....	117,351	1.19	33.3	71,128	.72	20.2	60.6	9.21
Arizona.....	18,086	1.93	27.0	7,620	.81	11.4	42.1	10.11
Low-income group.....	666,189	1.78	31.0	357,718	.96	16.7	53.7	9.39
Vermont.....	6,035	1.34	27.4	2,516	.56	11.4	41.7	6.62
Maine.....	16,529	1.55	38.4	7,876	.74	18.3	47.7	8.56
Florida.....	51,700	1.53	25.2	32,306	.96	15.8	62.5	11.58
Virginia.....	31,543	.82	19.5	9,688	.25	6.0	30.7	2.92
Oklahoma.....	68,587	2.87	39.0	44,235	1.85	25.1	64.5	19.82
New Mexico.....	17,576	2.29	29.8	6,423	.84	10.9	36.5	9.30
West Virginia.....	27,710	1.31	25.9	15,990	.76	14.9	57.7	7.95
Louisiana.....	81,929	2.92	31.3	57,453	2.05	21.9	70.1	21.37
Georgia.....	60,835	1.82	39.8	30,748	.92	20.1	50.5	8.89
Tennessee.....	51,335	1.62	30.9	28,655	.90	17.3	55.8	8.69
North Carolina.....	50,157	1.29	19.6	21,758	.56	8.5	43.4	5.33
Kentucky.....	46,505	1.73	37.9	24,463	.91	19.9	52.5	8.28
Arkansas.....	42,552	2.70	46.3	22,762	1.44	24.7	53.5	11.90
South Carolina.....	30,577	1.74	29.4	12,533	.71	12.1	41.0	5.91
Alabama.....	47,429	1.85	40.5	24,206	.95	20.7	51.0	7.90
Mississippi.....	35,098	2.30	34.8	16,104	1.06	15.9	45.9	7.38
Territories and possessions.....	27,558	-----	-----	7,510	-----	-----	27.3	2.61
Alaska.....	3,428	-----	-----	1,166	-----	-----	34.0	8.58
Hawaii.....	8,880	-----	-----	3,315	-----	-----	37.3	6.67
Puerto Rico.....	14,691	-----	-----	2,792	-----	-----	19.0	1.26
Virgin Islands.....	550	-----	-----	237	-----	-----	43.1	8.90

Source: Grants data are from the *Combined Statement of Receipts, Expenditures, and Balances of the United States Government for the Fiscal Year Ended June 30, 1951*, and are on a checks-issued basis. Income payments data are for the calendar year 1950 and are from the *Survey of Current Business*, August 1951. Tax collections data are for the fiscal year 1951 and are from *State Tax Collections in 1951* (Bureau of the Census). Per capita grants are based on estimates by the Bureau of the Census for the total population, excluding the Armed Forces overseas, as of July 1, 1950; for the Territories and possessions, they are based upon population data from the 1950 Census.

several years and represents progress toward greater equalization of the Federal share of the aided programs.

Generally, total grants per capita are higher in the sparsely populated and the large public-land States as a result of the operation of minimum

allotment provisions and of certain of the allocation formulas. In Nevada, for example, they amounted to \$43.36 per capita in 1950-51. Total grants per capita are also unusually high in Oklahoma and Louisiana. These States spend relatively large amounts

for public assistance, and large Federal grants are required under the matching provisions of the Social Security Act.

For all purposes, the average per capita grants to the Territories and possessions, as a group, are substantially lower than the average for the continental United States. This difference results from the significantly low per capita grants to Puerto Rico, the most populous of the group; for Alaska, Hawaii, and the Virgin Islands the total per capita grants exceeded the averages for all States and for each of the three income groups. For public assistance as for many other grant programs, the amount of Federal aid made available to Puerto Rico and the Virgin Islands is less favorable, relatively, than that offered to the States.

On the average, total grants to State and local governments—when considered in relation to State income payments and State tax collections—tend to be somewhat higher in States with low per capita income. Total grants in 1950-51 averaged 1.02 percent of income payments for the continental United States; the percentage for the high-income States was 0.76 percent, while those for the middle- and low-income groups were 1.05 and 1.78 percent, respectively (table 3). As a percent of State tax collections, Federal grants amounted to 24.5 percent in 1950-51 for all States, 20.3 percent for the high-income States, 26.3 percent for the middle-income States, and 31.0 percent for the low-income States. As with per capita amounts, these percentages are high in the large public-land States and in those States spending heavily for public assistance.

Grants administered by the Social Security Administration amounted to \$1,214 million in 1950-51, or 54 percent of all Federal grants. They equaled, on the average, 0.56 percent of income payments and 13.4 percent of State tax collections. Here, again, the percentages tended to be larger in the States where per capita income was low. Social Security Administration grants averaged approximately the same percentage of total grants for each income group of States, al-

though State-by-State variation is considerable. For the Territories and possessions, however, they constituted only 27.3 percent of total grants and equaled only \$2.61 per capita, as compared with 54.5 percent and \$7.98 per capita for the continental United States.

Economic Status of Aged Persons and Dependent Survivors, December 1951

Estimates are given below of the number of aged persons and of dependent survivors in the population at the end of 1951 who were receiving income from employment, social insurance and related programs, and public assistance.

The basic trend in the leading income sources for these groups continues to be the rapid growth in the relative importance of social insurance, particularly old-age and survivors insurance. Between December 1950 and December 1951 the number of aged persons drawing old-age and survivors insurance benefits increased 27 percent; the number of beneficiaries among widowed mothers with children under age 18 went up 20

percent; and the number of paternal orphan beneficiaries rose 19 percent. Public assistance recipients among these three groups decreased 3, 10, and 9 percent, respectively, during the same period; the number of earners also declined, but the declines were less, relatively, than those for the recipients of assistance.

Many of the old-age and survivors insurance beneficiaries eligible under the 1950 amendments qualify for small benefits, and in the absence of other income they require supplementary public assistance. In February 1952, 12 percent of the aged insurance beneficiaries and 15 percent of the old-age assistance recipients were receiving payments under both programs, as were 9 percent of all child beneficiaries under the insurance program and 5 percent of all children receiving aid to dependent children.

Size of the Aged Labor Reserve

The pressure of the defense mobilization program on manpower resources has aroused speculation on the size of the labor-force reserve among aged persons. Experience dur-

ing World War II leaves little doubt that additional workers can be recruited from among those now in retirement. In 1944 the proportion of all men aged 65 and over who were in the labor force rose to an average monthly rate of 52 percent, or 7 points higher than the average for 1940, while the participation rate for women aged 65 and over went up from 7 to 10 percent. The changes in the size of the aged labor force had a measurable effect on social security operations. Approximately 100,000 old-age assistance cases were closed between January 1942 and July 1945 because the recipient obtained employment. More than 2 in every 3 aged workers eligible for retirement benefits under old-age and survivors insurance preferred to remain at work during the war years.

By the beginning of 1952 the labor-force participation rate for persons 65 years of age and over had receded to the 1940 level. If employment among the aged should rise again to peak wartime rates—52 percent for men and 10 percent for women—the number of additional aged workers might be expected to total perhaps 600,000 (about 500,000 men and 100,000 women). This estimate is somewhat less than others, but it is not unreasonable in the light of the available information on the prevalence of disability among aged persons not in the labor force, the long absence of many older persons from gainful employment, and their opinions when interviewed concerning the desirability of returning to work and the kind of jobs that would attract them back to the labor force.

Sometimes overlooked in discussions of the size of the aged labor-force reserve is the selected character of the aged still at work. They are the survivors of a much larger group of workers, most of whom have fallen to the assaults of age on health, work habits and skills, and emotional balance. References to the experience, reliability, and low injury and absenteeism rates of 65- and 70-year-old employees tell little about the productive potentialities of the millions of aged persons no longer at work. While some of the latter group have been the victims of arbitrary retire-

Estimated number of aged persons and dependent survivors receiving income from specified sources, December 1951¹

[In millions]

Source of income	Persons aged 65 years and over			Widows under age 65		Paternal orphans under age 18 ³
	Total	Men	Women	Total ²	With 1 or more children under age 18	
Total in population ⁴	13.0	6.1	6.9	3.7	0.8	2.1
Employment.....	4.0	2.5	1.5	2.0	.4	.1
Earners.....	3.0	2.5	.5	2.0	.4	.1
Wives of earners.....	1.0		1.0			
Social insurance and related programs:						
Old-age and survivors insurance.....	3.3	1.8	1.5	.2	.2	.8
Railroad retirement.....	.3	.2	.1	(⁵)	(⁵)	(⁵)
Federal employee retirement programs.....	.2	.1	(⁵)	(⁵)	(⁵)	(⁵)
Veterans' compensation and pension program.....	.3	.2	.1	.4	.1	.3
Other ⁶3	.1	.2	(⁵)	(⁵)	(⁵)
Public assistance.....	7.7	1.3	1.4	1.1	1.1	1.3

¹ Continental United States only.

² Excludes widows who have remarried.

³ Includes children not living with widowed mother.

⁴ Includes persons with no income and with income from sources other than those specified. Some persons received income from more than one of the sources listed.

⁵ Fewer than 50,000.

⁶ Beneficiaries of State and local government employee retirement programs, and wives of male

beneficiaries of programs other than old-age and survivors insurance and railroad retirement.

⁷ Old-age assistance.

⁸ Aid to dependent children.

Sources: Number of persons of specified age, sex, marital status, family status, and parental status and number of earners, estimated from Bureau of the Census data. Number of persons in receipt of payments under social insurance and related programs and from public assistance reported by administrative agencies, partly estimated.