

The sections on protection of children are the most important in terms of numbers and activities. These sections concern themselves with "morally abandoned" children, and more than 400 of these children are under their charge. The children may be

placed in institutions or in family homes. The committees look after their education and their social adjustment. In addition, the committees provide guardianship for about 4,000 children whose parents have been deprived by the court of all or part

of their rights in relation to the children and whom the family councils have committed to them.

*The information on Sweden's program for children will appear in an early issue of the Bulletin.*

## Notes and Brief Reports

### Federal Grants to State and Local Governments, 1956-57\*

During the fiscal year 1956-57, Federal grants to States and localities continued the upward trend started at the end of World War II, with an annual rate of increase higher than in any of the preceding 7 years except 1952-53. Although grants for education declined somewhat for the second year in a row, there were increases of varying size in grants for public assistance and other welfare services, employment security, health services, and all other purposes. In consequence, total grants rose 14 percent from the \$3,438 million of 1955-56 to \$3,933 million for 1956-57 (table 1).

The purpose and financial characteristics of existing Federal aids to States and localities vary considerably. The term "grants," as used here, is confined to grants for cooperative Federal-State or Federal-local programs administered at the State and/or local level and for those programs in which the bulk of the funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind have been included when they conform to this definition. Federal aid granted directly to individuals and private institutions and reimbursements to State and local governments for expenses incurred by them as agents of the Federal Government in administering programs primarily national in character have been excluded. Shared revenues have also been excluded.

Grants for public assistance pay-

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ments and administration amounted to \$1,556 million in the fiscal year 1956-57, \$101 million or 7 percent more than the \$1,455 million granted in 1955-56. The amounts granted for each of the four categorical assistance programs and the percentage change from the preceding year are shown below. The relative proportion

Program	Amount (in millions)		Percentage change	
	1956-57	1955-56	1956-57 from 1955-56	1955-56 from 1954-55
OAA.....	\$973	\$928	+4.8	+0.9
APTD.....	107	92	+16.2	+12.2
ADC.....	436	397	+9.8	+2.3
AB.....	41	38	+7.4	+5.6

of all public assistance grants represented by grants for each of the programs in 1956-57 remained about the same as in 1955-56: old-age assistance, 63 percent; aid to the permanently and totally disabled, 7 percent; aid to dependent children, 28 percent; and aid to the blind, 3 percent.

The largest increase (16.2 percent) from the preceding year occurred in the youngest of the four programs—aid to the permanently and totally disabled, which completed its sixth full year of operation in 1956-57. During the year, the plan submitted by Kentucky was approved for Federal participation, bringing to 46 the total number of States and Territories with approved plans that received grants in 1956-57. (Plans submitted by California and Texas were approved in the first quarter of 1957-58.)

Despite moderate increases from the preceding year in the amount granted for each public assistance program, the 1956-57 total as a pro-

portion of all Federal grants was lower than in any year since 1940-41. It represented only 39.6 percent of all Federal grants, compared with 42.7 percent the preceding year. This drop is explainable partly in terms of the growing importance of other continuing grant programs and the addition of new grant programs. It also reflects changing economic conditions and the continuing expansion of the old-age and survivors insurance program that had led, by the year 1956-57, to a considerable degree of stabilization in State public assistance outlays.

Grants for public assistance are the largest made by the Federal Government for any one purpose. Second in order of dollar magnitude are the highway construction grants made by the Bureau of Public Roads in the Department of Commerce. From 1950-51, when the fourth public assistance program was added and assistance grants reached an all-time peak percentagewise, grants for public assistance and highway construction have represented the proportions of total Federal grants shown below.

Year	Percent of total grants	
	Public assistance	Highway construction
1950-51.....	62.9	17.8
1951-52.....	50.7	18.1
1952-53.....	48.3	18.8
1953-54.....	48.7	18.2
1954-55.....	46.1	19.3
1955-56.....	42.3	21.7
1956-57.....	39.6	24.3

Public assistance grants represented 79.2 percent of the grants administered by the Department of Health, Education, and Welfare in both 1956-57 and 1955-56. During the past 4 fiscal years they have accounted for 98 percent of the Social Security Administration grants; the remainder

was for the three Children's Bureau grant programs.

Federal grants for employment security in 1956-57 totaled \$320 million, an increase of 22.7 percent from the 1955-56 total of \$260 million. Until 1955-56, employment security grants were made for one purpose alone: the administration of the State unemployment insurance and employment service programs. These employment security administration grants amounted to \$248 million in

1956-57, 9.4 percent more than the \$227 million of 1955-56 and 31.5 percent more than the \$189 million granted in 1954-55. Although these grants, like all grants, are made from the general funds of the Treasury, they have been regarded as coming from the portion of the Federal unemployment taxes against which employers are not permitted to offset their tax payments under State unemployment insurance laws. Administrative costs of the employment se-

curity program have never equaled the amount of Federal collections (0.3 percent of taxable payrolls). Under the Employment Security Financing Act of 1954 the annual excess, if any, of Federal collections over Federal and State administrative costs is appropriated to the unemployment trust fund for credit to the Federal unemployment account or to the State accounts. When the Federal unemployment account is at the statutory level of \$200 million,<sup>1</sup> the entire excess is credited to the State accounts, usually just after the close of the fiscal year in which the excess was accumulated. These additions to the State accounts may be used for benefit payments. In certain circumstances, involving advance action by the State legislature, a State may use part or all of its allocation of the "excess" for State administrative costs. It is this allocation of the excess tax collections over administrative costs plus any sums required for the Federal unemployment account that forms—in the years when it exists at all—the second type of employment security "grant" to the States. For 1956-57, \$71 million was distributed to the State accounts in this way; in 1955-56 the Federal unemployment account was building toward the \$200 million, and at the end of the year only \$33 million in excess Federal tax collections was available for distribution to the State accounts.

Grants for health services in 1956-57 totaled \$163 million, \$30 million or 22.4 percent more than in the preceding year. Continuing health programs, including poliomyelitis vaccination assistance (introduced in 1955-56), accounted for more than \$26 million of the year's increase. The balance of the increase was granted for new health services: water pollution control, including waste-treatment works construction under the Water Pollution Control Act Amendments of 1956, and construction of health re-

<sup>1</sup> There is no legal maximum for the Federal unemployment account. The balance, after \$200 million is accumulated, may at times be greater than that amount as the result of repayment by the States of advances made to them from the account or of interest earned by the funds in the account, or both. At the end of March 1958, it was slightly more than \$202 million.

Table 1.—Federal grants to State and local governments, by purpose, fiscal years 1934-35 through 1956-57

Fiscal year	Total		Public assistance <sup>1</sup>	Employment security <sup>2</sup>	Health services <sup>3</sup>	Other welfare services <sup>4</sup>	Education <sup>5</sup>	All other <sup>6</sup>
	Amount	Percentage change from preceding year						
1934-35	\$2,196,577			\$1,257		\$1,516	\$12,722	\$2,181,082
1935-36	995,138	-54.7	\$28,424	3,068	\$4,389	2,117	13,322	943,818
1936-37	808,668	-18.7	143,934	11,484	12,758	3,089	15,651	621,752
1937-38	800,466	-1.0	216,074	45,930	15,329	3,655	24,625	494,843
1938-39	1,029,557	+28.6	246,898	62,858	14,754	3,893	25,411	675,743
1939-40	965,235	-6.2	271,131	61,539	21,873	4,558	25,137	581,001
1940-41	858,028	-11.1	329,845	65,632	25,870	5,078	25,620	405,984
1941-42	827,478	-3.6	374,568	74,034	29,057	5,541	25,811	318,467
1942-43	850,821	+2.8	395,449	36,480	30,396	5,824	26,158	356,514
1943-44	921,442	+8.3	429,458	35,229	60,223	8,616	25,644	362,272
1944-45	855,941	-7.1	401,400	33,730	78,555	9,670	25,131	307,454
1945-46	822,162	-4.0	421,196	54,547	71,169	13,361	25,341	236,549
1946-47	1,217,692	+48.1	644,045	99,252	63,134	98,757	31,145	281,359
1947-48	1,466,274	+20.4	731,989	133,610	55,309	91,938	35,813	417,594
1948-49	1,807,668	+23.3	920,814	140,314	66,646	98,843	36,951	544,100
1949-50	2,195,473	+21.5	1,123,418	207,617	119,158	113,163	38,501	593,617
1950-51	2,242,921	+2.2	1,185,764	173,838	168,938	102,553	49,123	562,706
1951-52	2,322,238	+3.5	1,177,688	182,894	182,865	114,802	112,003	551,986
1952-53	2,753,083	+18.6	1,329,933	197,779	168,822	114,020	215,205	727,323
1953-54	2,953,964	+7.3	1,437,516	200,136	138,042	115,243	203,691	859,331
1954-55	3,092,312	+4.7	1,426,599	188,898	117,581	141,421	239,444	978,369
1955-56	3,438,225	+11.2	1,456,275	260,347	133,166	177,246	209,135	1,208,957
1956-57	3,932,824	+14.4	1,556,422	319,511	163,068	203,454	204,809	1,485,500

<sup>1</sup> 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.

<sup>2</sup> Unemployment insurance administration under the Social Security Act beginning 1935-36; employment service administration, 1934-35 through December 1941 and, after wartime emergency nationalization of State employment services, from Nov. 16, 1946, to date; and distribution to State accounts in unemployment insurance trust fund of certain tax collections beginning 1955-56.

<sup>3</sup> Maternal and child health services and services for crippled children under the Social Security Act and general public health services from 1935-36 to date; 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 activities, hospital survey and construction; in 1955-56 and 1956-57, emergency poliomyelitis vaccination; and, beginning 1956-57, water pollution control, waste-treatment works construction, and health research facilities construction.

<sup>4</sup> 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; community war service day care for 1942-43; school lunch program from 1946-47 to date; and school milk program beginning 1954-55.

<sup>5</sup> Colleges for agriculture and mechanic arts, vocational education, education of the blind, and State marine schools from 1934-35 to date; emergency Office of Education grants from 1935-36 to 1940-41; maintenance and operation of schools from 1946-47

to date; school survey and construction from 1950-51 to date; State and local preparation for the White House Conference on Education, 1954-55; and library services beginning 1956-57.

<sup>6</sup> Federal Emergency Relief Administration grants from 1934-35 to 1937-38; agricultural experiment stations and extension work from 1934-35 to date; cooperative projects in marketing from 1947-48 to date; forestry cooperation, including watershed protection and flood prevention, from 1934-35 to date; 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 Aug. 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; 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; community facilities and disaster and other emergency relief (when applicable) from 1941-42 to date; civil defense from 1951-52 to date; slum clearance and urban redevelopment from 1952-53 to date; drought relief from 1953-54 to date; and urban planning assistance beginning 1955-56.

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.

search facilities under title VII of the Public Health Service Act, as amended in 1956. Grants for the construction of health research facilities included here are those made to agencies of State and local governments, which totaled \$1.2 million; excluded is \$2.5 million granted to nongovernmental nonprofit institutions. Among the continuing programs, grants for crippled children's services and for control of venereal diseases, tuberculosis, and cancer remained at the same level as in 1955-56; for the other programs, grants were somewhat higher, with hospital construction receiving the greatest increase (30 percent).

Grants for welfare services other than public assistance rose to \$203 million in 1956-57, a total almost 15 percent higher than the \$177 million granted in the preceding fiscal year for these services. The greatest increase occurred in the school lunch program, where grants were raised by 20 percent, to \$98 million. An additional \$57 million was granted for the special school milk program. The amounts granted for other programs in this group all increased slightly. Grants for health services and for welfare services other than public assistance together represented 9.3 percent of all Federal grants in 1956-57, the same proportion as in the preceding year.

Education grants totaled \$205 million in 1956-57, \$5 million or 2 percent less than in 1955-56 despite the new program for library services, for which \$1.4 million was granted. The entire decrease is attributable to a 25-percent decline in school construction grants—from \$89 million in 1955-56 to \$67 million in 1956-57. As with all other construction grants, a record of checks issued in a given year affords an incomplete picture of the total program. At best such a figure can reflect only the timing of the appropriations, project approval, start of construction, and submittal of bills. All other programs in the education group were at or somewhat higher than their level in 1955-56. From the fiscal year 1934-35 through 1950-51, all grants for educational purposes ranged from less than 1 percent of total Federal grants to slightly more than 3 percent; the annual average was 2.4 percent. In 1951-52

Table 2.—Per capita Federal grants to States and localities, by State and purpose, fiscal year 1956-57

States ranked by 1954-56 average per capita personal income	Average per capita personal income, 1954-56	Population, July 1, 1956 (in thousands)	Per capita grants						
			Total	Public assistance <sup>1</sup>	Employment security <sup>2</sup>	Health services <sup>3</sup>	Other welfare services <sup>4</sup>	Education <sup>5</sup>	All other <sup>6</sup>
Total <sup>7</sup> .....		170,360	\$23.09	\$9.14	\$1.88	\$0.96	\$1.19	\$1.20	\$8.72
Continental United States.....	\$1,851	167,259	23.11	9.23	1.89	.93	1.18	1.18	8.70
High-income group.....		91,204	18.76	7.29	2.22	.60	1.04	1.01	6.60
Delaware.....	2,630	418	22.75	4.26	2.04	.91	1.27	.98	13.30
Connecticut.....	2,517	2,221	14.69	5.17	2.28	.90	1.06	.98	4.30
Nevada.....	2,420	256	65.45	6.22	3.95	2.58	.76	3.69	48.26
New Jersey.....	2,320	5,513	10.81	2.81	2.38	.39	.74	5.59	3.91
District of Columbia.....	2,310	831	14.17	5.48	1.84	1.05	1.04	.10	4.67
California.....	2,300	13,471	28.45	12.63	2.42	.58	1.05	2.51	9.27
New York.....	2,268	15,826	18.28	7.48	2.79	.49	1.03	.42	6.07
Illinois.....	2,260	9,482	15.88	6.18	1.64	.47	1.12	.48	5.99
Michigan.....	2,095	7,580	17.53	5.72	2.13	.85	1.15	.93	6.75
Massachusetts.....	2,079	4,813	19.97	10.46	2.59	.54	1.16	.65	4.57
Ohio.....	2,051	9,071	16.78	6.21	1.63	.53	1.02	.70	6.68
Maryland.....	2,006	2,825	18.25	4.26	1.94	.98	.96	3.43	6.70
Washington.....	1,993	2,675	27.59	13.65	2.27	.63	1.25	2.48	7.32
Rhode Island.....	1,941	846	25.50	8.03	2.86	1.48	1.20	1.74	10.19
Pennsylvania.....	1,900	10,940	15.57	5.14	2.29	.60	1.02	.36	6.16
Indiana.....	1,874	4,436	13.37	4.67	1.48	.64	.95	.44	5.20
Middle-income group.....		41,796	26.43	10.07	1.47	1.06	1.17	1.46	11.20
Oregon.....	1,827	1,733	27.07	6.58	2.25	1.04	1.02	1.00	15.18
Wyoming.....	1,822	316	58.79	7.91	2.60	1.82	1.38	2.18	42.90
Montana.....	1,798	653	50.00	9.52	2.24	1.27	1.20	1.94	33.84
Missouri.....	1,784	4,197	33.35	18.95	1.44	1.22	1.18	.99	9.67
Colorado.....	1,782	1,628	36.55	16.63	1.64	1.11	1.05	2.72	13.40
Wisconsin.....	1,774	3,788	16.73	5.59	1.32	.71	1.41	.43	7.27
New Hampshire.....	1,720	564	18.75	5.37	2.17	1.23	1.14	1.30	7.54
Minnesota.....	1,687	3,260	23.43	8.72	1.36	1.18	1.51	.49	10.18
Kansas.....	1,670	2,103	28.61	9.80	1.26	1.24	1.11	2.00	13.20
Florida.....	1,669	3,885	23.06	11.44	1.47	.90	1.07	1.40	6.77
Arizona.....	1,647	1,086	31.17	9.84	2.71	1.27	1.20	1.13	14.02
Iowa.....	1,637	2,754	22.56	8.48	1.05	.93	1.40	.48	10.23
Texas.....	1,629	8,944	28.77	11.60	1.44	1.01	.95	1.38	12.89
Nebraska.....	1,599	1,426	25.07	7.39	1.03	1.15	1.04	1.38	13.08
Maine.....	1,569	930	24.94	8.62	1.69	1.38	1.20	1.27	10.77
Virginia.....	1,563	3,704	18.90	3.65	.92	1.10	1.31	3.86	8.07
Utah.....	1,560	825	29.85	7.80	2.63	1.29	1.22	2.39	14.51
Low-income group.....		34,259	30.54	13.38	1.41	1.58	1.58	1.31	11.28
Vermont.....	1,546	371	30.02	9.02	2.51	1.93	1.72	.89	13.96
Idaho.....	1,508	625	34.45	8.55	2.52	2.02	1.26	1.39	18.70
Oklahoma.....	1,501	2,245	47.12	22.85	1.55	1.62	1.43	3.29	16.38
New Mexico.....	1,438	811	62.98	12.95	2.14	1.90	1.67	5.62	38.72
Louisiana.....	1,362	3,010	39.62	26.50	1.33	1.46	1.40	.61	8.32
Georgia.....	1,318	3,709	27.25	13.19	1.27	1.53	1.57	1.65	8.04
South Dakota.....	1,312	693	38.42	9.41	1.10	1.68	1.57	2.63	22.03
North Dakota.....	1,311	642	36.09	8.36	1.56	1.89	1.65	.90	21.73
West Virginia.....	1,305	1,964	24.72	12.10	1.29	1.51	1.43	.48	7.90
Tennessee.....	1,261	3,420	24.02	9.89	1.40	1.25	1.63	.96	8.89
Kentucky.....	1,259	2,998	25.45	11.64	1.23	1.17	1.43	.76	9.21
North Carolina.....	1,248	4,406	22.21	8.49	1.31	1.66	1.59	.70	8.48
Alabama.....	1,168	3,121	34.46	15.81	1.39	1.95	1.54	1.42	12.35
South Carolina.....	1,104	2,329	21.14	8.69	1.42	1.52	1.56	1.35	6.59
Arkansas.....	1,048	1,761	32.79	12.83	1.61	1.50	1.92	1.33	13.60
Mississippi.....	926	2,154	31.12	11.73	1.31	1.93	2.00	.83	13.33
Territories and possessions.....		3,101	21.69	4.16	.97	2.68	1.70	2.35	9.82
Alaska.....		206	44.29	8.92	5.12	6.71	1.02	16.89	5.62
Hawaii.....		584	25.67	6.24	1.67	2.67	1.34	4.95	8.80
Puerto Rico.....		2,267	18.49	3.21	.41	2.25	1.84	.26	10.51
Virgin Islands.....		24	35.06	6.15	2.00	9.19	3.96	.83	12.92
Other <sup>7</sup> .....		20	18.45			2.80	.59	14.36	.70

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

<sup>2</sup> Unemployment insurance and employment service administration, and distribution to State accounts in unemployment trust fund of certain tax collections.

<sup>3</sup> Maternal and child health services; services for crippled children; general public health services; venereal disease, tuberculosis, heart disease, cancer and water pollution control; mental health activities; hospital survey and construction; emergency poliomyelitis vaccination; and construction of wastew treatment works and health research facilities.

<sup>4</sup> Child welfare services, vocational rehabilitation, State and Territorial homes for disabled soldiers and sailors, school lunch and school milk programs.

<sup>5</sup> Colleges for agriculture and mechanic arts, vocational education, education of the blind, State marine schools, school survey and construction, school maintenance and operation, and library services.

<sup>6</sup> Agricultural experiment stations and extension work, cooperative projects in marketing and com-

modities donated by the Commodity Credit Corporation, forestry cooperation, watershed protection and flood prevention, removal of surplus agricultural commodities, wildlife restoration, annual contributions to public housing agencies, Federal airport program, highway construction, defense community facilities services, civil defense, slum clearance, and urban redevelopment and planning assistance.

<sup>7</sup> Includes small amount undistributed, and grants under a few programs to American Samoa, the Canal Zone, Guam, and the Trust Territory of the Pacific.

<sup>8</sup> Population as of July 1, 1955.

Source: Grants data are from the *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1957*, and are on the basis of checks issued in the fiscal year. 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, 1956 (*Current Population Reports, Population Estimates, Series P-25, No. 168*). Personal income data used are from the *Survey of Current Business*, August 1957.

they increased sharply, both in dollar amount and as a proportion of the total. In that year they formed 4.8

percent of total grants; in 1952-53, they were 7.8 percent. The \$239 million granted in 1954-55 marked an

all-time high in amounts granted for educational purposes and represented 7.7 percent of total grants. In 1955-56 the amount dropped to \$209 million or 6.1 percent of the total, and in 1956-57 the decline continued, to \$204 million or 5.2 percent of all grants.

Grants for "all other" purposes totaled \$1,485 million in 1956-57, or 23.5 percent more than the \$1,203 million granted in 1955-56. The components of this heterogeneous group, which are administered by half a dozen Federal agencies, and the amounts granted in recent years are shown below.

Table 3.—Federal grants to States and localities in relation to personal income and State general revenues, by State, fiscal year 1956-57

States ranked by 1954-56 average per capita personal income	Total grants to States			Grants under programs administered by Social Security Administration				Per capita
	Amount (in thousands)	As percent of personal income	As percent of total State general revenues	Amount (in thousands)	As percent of personal income	As percent of total State general revenues	As percent of total grants	
Total 1.....	\$3,932,824			\$1,594,674			41	\$9.36
Continental United States.....	3,865,575	1.2	19	1,579,773	0.5	8	41	9.44
High-income group.....	1,711,215	.8	16	677,851	.3	6	40	7.43
Delaware.....	9,510	.8	13	2,030	.2	3	21	4.86
Connecticut.....	32,630	.5	12	11,998	.2	4	37	5.40
Nevada.....	16,756	2.8	29	1,857	.3	3	11	7.25
New Jersey.....	59,599	.5	14	16,021	.1	4	27	2.91
District of Columbia.....	11,779	.6	(2)	4,994	.2	(2)	42	6.01
California.....	383,304	1.2	16	171,902	.5	7	45	12.76
New York.....	289,295	.7	16	119,821	.3	7	41	7.57
Illinois.....	150,608	.7	17	59,731	.3	7	40	6.30
Michigan.....	132,857	.8	13	44,563	.3	4	34	5.88
Massachusetts.....	96,112	.9	18	51,134	.5	9	53	10.63
Ohio.....	152,176	.8	17	57,634	.6	6	38	6.35
Maryland.....	51,569	.9	16	12,811	.2	4	25	4.53
Washington.....	73,812	1.4	15	37,067	.7	8	50	13.86
Rhode Island.....	21,577	1.3	25	7,071	.4	8	33	8.36
Pennsylvania.....	170,311	.8	14	57,891	.8	5	34	5.29
Indiana.....	59,320	.7	14	21,315	.2	5	36	4.81
Middle-income group.....	1,104,590	1.5	22	430,758	.6	8	39	10.31
Oregon.....	46,919	1.4	17	11,784	.4	4	25	6.80
Wyoming.....	18,577	3.1	26	2,714	.4	4	15	8.56
Montana.....	32,651	2.7	32	6,596	.6	7	20	10.06
Missouri.....	139,873	1.8	34	80,277	1.0	20	57	19.13
Colorado.....	95,563	2.0	24	27,698	.9	11	46	16.96
Wisconsin.....	63,385	.9	14	21,910	.2	5	35	5.78
New Hampshire.....	10,575	1.0	29	3,273	.3	6	31	5.80
Minnesota.....	76,398	1.4	17	29,240	.6	7	38	8.97
Kansas.....	60,157	1.7	25	21,017	.5	6	35	10.02
Florida.....	89,569	1.3	18	45,334	.7	9	51	11.67
Arizona.....	33,853	1.9	21	10,234	.6	7	32	10.67
Iowa.....	62,133	1.4	18	24,040	.5	7	39	8.73
Texas.....	257,331	1.7	26	105,493	.7	10	41	11.78
Nebraska.....	35,747	1.6	28	19,822	.5	8	36	7.59
Maine.....	23,192	1.5	29	8,337	.5	8	36	8.96
Virginia.....	70,019	1.2	17	14,638	.2	3	21	3.95
Utah.....	24,628	1.9	21	6,833	.5	6	28	8.28
Low-income group.....	1,046,109	2.3	24	471,155	1.0	11	45	13.75
Vermont.....	11,137	1.8	21	3,691	.6	7	32	9.71
Idaho.....	21,528	2.2	26	5,631	.6	7	26	9.01
Oklahoma.....	105,795	3.0	29	51,987	1.5	14	49	23.16
New Mexico.....	51,679	4.2	27	10,922	.9	6	21	13.47
Louisiana.....	119,253	2.7	26	80,695	1.9	13	68	26.81
Georgia.....	101,077	1.9	23	50,154	1.0	11	50	13.52
South Dakota.....	26,626	2.9	30	6,771	.7	8	25	9.77
North Dakota.....	23,171	2.3	23	5,650	.6	6	24	8.80
West Virginia.....	48,545	1.7	24	24,391	.9	12	50	12.42
Tennessee.....	82,160	1.5	23	35,636	.8	10	43	10.24
Kentucky.....	76,285	1.9	27	36,099	.9	13	47	12.01
North Carolina.....	97,876	1.7	19	38,965	.7	7	40	8.84
Alabama.....	107,561	2.8	30	50,593	1.3	14	47	16.21
South Carolina.....	49,230	1.8	19	21,185	.8	8	43	9.10
Arkansas.....	57,748	2.9	31	23,351	1.2	13	40	13.26
Mississippi.....	67,038	3.3	28	26,224	1.3	11	39	12.17
Territories and possessions.....	67,249			14,901			22	4.81
Alaska.....	9,124			2,191			24	10.64
Hawaii.....	14,992			4,046			27	6.93
Puerto Rico.....	41,923			8,308			20	3.66
Virgin Islands.....	841			356			42	14.83
Other 1.....	369							

Purpose	Amount (in millions)		
	1956-57	1955-56	1954-55
Total.....	\$1,485.5	\$1,203.1	\$978.4
Agricultural experiment.....	28.3	23.7	18.6
Agricultural extension.....	48.7	43.0	38.4
Airport construction.....	20.6	16.5	8.4
Civil defense.....	10.2	9.6	10.5
Commodity Credit Corporation.....	68.2	91.4	110.5
Cooperative marketing.....	2.8	2.4	2.2
Defense community facilities.....	.7	.6	2.4
Disaster relief.....		16.2	8.9
Drought relief.....		(1)	4.9
Forestry cooperation.....	10.8	10.5	9.8
Highway construction.....	954.7	740.0	596.7
Low-rent public housing.....	86.7	75.0	60.9
Surplus commodity removal.....	168.0	141.7	56.4
Urban planning.....	.7	.3	
Urban renewal.....	29.6	18.6	33.5
Watershed protection and flood prevention 2.....	13.2		
Wildlife restoration.....	15.7	15.7	16.4

1 Less than \$0.1 million.  
2 Not reported separately in earlier years but combined with "forestry cooperation."

Highway construction grants continued in 1956-57 to be the largest of the miscellaneous group; they accounted for 64.3 percent of the total, compared with 61.5 percent in 1955-56. No grants were necessary in 1956-57 for emergency disaster relief or for emergency drought relief.

Per capita grants.—Per capita grants are shown in table 2 by State and major purpose. The States have been ranked by average 1954-56 per capita personal income and divided into high-, middle-, and low-income groups. Within each income group the States vary widely in per capita grants received. Total grants received in 1956-57 by the high-income group, for example, averaged \$18.76 per capita, but the range was more

1 Includes small amount undistributed, as well as grants under a few programs to American Samoa, the Canal Zone, Guam, and the Trust Territory of the Pacific.

2 General revenue data for the District of Columbia for 1956-57 not yet available.

Source: Grants data are from the Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1957, and are on the basis of checks issued in the fiscal

year. Personal income data are for calendar year 1956 and are from the Survey of Current Business, August 1957. State general revenue data are for the fiscal year 1956-57 and are from the Summary of State Government Finances in 1957 (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, 1956.

than \$54—from \$10.81 in New Jersey to \$65.45 in Nevada. For several years these two States have retained their high and low per capita grant position within the high-income group, and the range between them has widened each year. In 1953-54 the range was \$37.27, and in 1954-55 it was \$38.94. By 1955-56 it had increased to \$49.03, and by 1956-57 to \$54.64. Among the low-income States, total per capita grants averaged \$30.54, with a range of almost \$42—from \$21.14 in South Carolina to \$62.98 in New Mexico. The range for this group of States was about \$18 greater than that of the preceding year. For the middle-income group, average total grants per capita rose from \$23.02 in 1955-56 to \$26.43 in 1956-57. Here, too, the range widened; it was about \$42 in 1956-57—from \$16.73 in Wisconsin to \$58.79 in Wyoming—compared with a range between the two States of more than \$30 in 1955-56 and of about \$24 in 1954-55.

Total grants and those for public assistance, health, other welfare services, and education tend to vary inversely with per capita personal income. In general, the grants average somewhat higher per capita in the low-income States than in the middle-income States and higher in the middle-income group than in those of the high-income range. In many of the programs the grant formula for distribution of Federal funds is designed to achieve at least a minimum degree of equalization in the program among all States. In 1956-57, as in previous years, there was a tendency for per capita grants for employment security to vary in direct relationship to State per capita income. The "all other" category of grants, including as it does programs of activities at least partly concentrated in urban and suburban areas as well as exclusively rural programs, cannot be analyzed on the basis of income and population relationships.

Grants for many purposes continue to be higher per capita in the less heavily populated "public land" States than in other States as a result of minimum allotment provisions in certain allocation formulas. In Nevada, for example, which was the third highest State in terms of per capita income and where per cap-

ita grants were \$65.45 (compared with \$23.11 for the continental United States), 63 percent of all grants to the State went for highway construction. Wyoming, second in the middle-income group, received \$58.79 per capita in Federal grants, of which 65 percent was for highways. In New Mexico, fourth among the low-income States, 49 percent of the \$62.98 per capita received in Federal grants went for highways and 21 percent for public assistance. The situation is similar in other Western States.

Total grants per capita are also significantly high in States that spend relatively large sums from State and local funds for their public assistance programs, because of the Federal matching requirements in the Social Security Act. Oklahoma, for example, with total grants of \$47.12 per capita, received 48 percent of its total grants for public assistance. About 69 percent of all grants to Louisiana were for public assistance; total grants per capita were \$39.62.

Total per capita grants of \$21.69 to the Territories and possessions, considered as a group, were \$5.14, or 31 percent, higher in 1956-57 than in 1955-56. The average for the group, however, continued to be less than per capita total grants for the continental United States, although by a much narrower margin; the difference was only 6 percent for 1956-57, compared with 19 percent in 1955-56. Grants to the Territories and possessions lag behind those to the continental United States on a per capita basis largely because of the significantly low per capita grants to Puerto Rico—the most populous of the group. These low per capita grants are occasioned, in turn, by the fact that, for the public assistance programs, the maximums on individual payments in which the Federal Government will share are lower for Puerto Rico and the Virgin Islands than for the States; in addition there is an overall dollar maximum on the total Federal payment to these possessions.

*Relation to personal income.*—Total grants to State and local governments as a percentage of personal income received and of total State general revenues tend to be higher, on the average, in States with low per capita

income (table 3). These percentages are also high in the public-land States and the States that make relatively heavy expenditures for public assistance. Federal grants in 1956-57 represented 1.2 percent of personal income for the continental United States and 19.3 percent of State general revenues, compared with 1.1 percent and 18.0 percent the previous year. Grants to State and local governments are presented here as percentages of State general revenues, but they would be more meaningfully related to combined State and local general revenues. There is available, however, no complete and consistent series for recent years on total government revenues, by State. On the basis of State and local data for the continental United States as a whole, it is estimated that for 1956-57 Federal grants represented 8.4 percent of combined State and local general revenues<sup>2</sup>; they represented 8.1 percent in 1955-56.

Grants administered by the Social Security Administration totaled \$1,595 million in 1956-57, \$106 million or 7.1 percent more than the \$1,489 million of 1955-56. Nevertheless, they represented only 40.5 percent of all Federal grants, compared with 43.7 percent in 1955-56, 47.1 percent in 1954-55, and exactly one-half of all Federal grants in 1953-54. These grants, on the average, equaled 0.5 percent of personal income in the continental United States, 7.8 percent of State general revenues, and 3.4 percent of the estimated combined State and local general revenues. The proportion tended to be larger in States with low per capita personal income. The percentage that Social Security Administration grants were of total grants varied only slightly among the three income groups of States, although State-by-State variation was considerably wider—ranging from 11.1 percent for Nevada in the high-income group to 67.7 percent for Louisiana in the low-income group. For the Territories and possessions, Social Security Administration grants constituted 22.2 percent of all grants and amounted to \$4.81

<sup>2</sup> Revenue data from the *Summary of Governmental Finances in 1956* (Bureau of the Census) have been projected for 1 year.

per capita, compared with \$9.36 for the continental United States.

## Expenditures for Assistance Payments from State-Local Funds, 1956-57\*

In 1956-57, expenditures for assistance payments from State and local funds in the continental United States and Hawaii rose 3.4 percent from the amount expended in 1955-56, to reach a total of \$1.5 billion. As measured by the relationship of expenditures to personal income, however, most of the States exerted less fiscal effort to finance public assistance in the fiscal year 1956-57 than in 1955-56—a reflection of the fact that personal income increased more than expenditures for assistance payments from State and local funds. For the country as a whole, assistance payments from State and local funds in 1956-57 amounted to 45 cents per \$100 of personal income—an insignificant decline from the 46 cents spent per \$100 of personal income in the preceding year (table 1).<sup>1</sup>

The amount of State and local funds expended went up largely because States raised assistance standards in an effort to meet need more nearly adequately. The cost of living, as measured by the consumer price index of the Bureau of Labor Statistics, rose almost 3½ percent from June 1956 to June 1957—the largest increase in 6 years. The amendments to the Social Security Act providing for greater Federal financial participation in assistance payments beginning October 1, 1956, helped the States to raise payments to offset the upward movement in living costs.

Expenditures from State-local funds for aid to recipients of public assistance went up in 7 out of every 10

\*Prepared by Frank J. Hanmer, Division of Program Statistics and Analysis, Bureau of Public Assistance.

<sup>1</sup> Assistance expenditures for the fiscal years 1955-56 and 1956-57 are related here to personal income for the calendar years 1955 and 1956, respectively. Since income data for Alaska, Puerto Rico, and the Virgin Islands are not available, totals represent only data for the continental United States and Hawaii.

States. Increases of 10 percent or more took place in nine States; three of them reported rises of more than 15 percent, with the largest increase in New Mexico (36.0 percent). Decreases occurred far less frequently than increases and were proportionately smaller. The non-Federal share of assistance payments fell by more

than 10 percent, for example, only in Tennessee, where there was a decline of 14.1 percent. Assistance expenditures from State-local funds changed by 5 percent or more in only four of the 15 States with decreases, compared with 14 of the 35 States with increases.

Total personal income for the 50

Table 1.—Expenditures for public assistance payments from State and local funds in relation to personal income and amount expended per inhabitant, by State, 1956-57<sup>1</sup>

State	Percentage change in—		Expenditures from State and local funds for assistance			
	Personal income, 1956 from 1955	Expenditures from State and local funds for assistance, 1956-57 from 1955-56	Per \$100 of personal income			Per inhabitant, 1956-57
			1955-56	1956-57	Percentage change, 1956-57 from 1955-56	
United States <sup>2</sup> .....	+6.9	+3.4	\$0.46	\$0.45	-2.2	\$8.67
Alabama.....	+4.6	+17.3	.37	.41	+10.8	5.10
Arizona.....	+11.9	+1.0	.42	.38	-9.5	6.45
Arkansas.....	+2.3	-2	.42	.41	-2.4	4.47
California.....	+9.3	+1.0	.65	.60	-7.7	14.48
Colorado.....	+9.0	-3.2	1.61	1.43	-11.2	26.58
Connecticut <sup>3</sup> .....	+8.3	-7.0	.41	.35	-14.6	9.34
Delaware.....	+14.3	+14.2	.15	.15	+0	4.34
District of Columbia.....	+2.6	+1.9	.16	.16	+0	3.74
Florida <sup>3</sup> .....	+11.4	+3.6	.31	.29	-6.5	5.12
Georgia.....	+6.1	+5.6	.41	.41	+0	5.75
Hawaii.....	+7.4	-7.5	.38	.32	-15.8	5.90
Idaho <sup>4</sup> .....	+10.6	-5	.49	.44	-10.2	6.97
Illinois.....	+7.7	+6	.46	.43	-6.5	10.26
Indiana.....	+5.4	+4.7	.23	.22	-4.3	4.37
Iowa.....	+5.4	+11.1	.52	.55	+5.8	9.13
Kansas.....	+3.3	+3.0	.61	.60	-1.6	10.07
Kentucky.....	+6.4	+5.5	.31	.31	+0	4.09
Louisiana.....	+10.0	+27.6	1.04	1.20	+15.4	17.38
Maine.....	+5.4	-2.2	.51	.47	-7.8	7.88
Maryland.....	+9.0	+4.8	.14	.13	-7.1	2.77
Massachusetts.....	+6.7	+2.1	.81	.77	-4.9	17.07
Michigan.....	+3.8	+14.3	.39	.43	+10.3	9.25
Minnesota.....	+5.9	+2.3	.72	.70	-2.8	12.22
Mississippi.....	+2	-5	.35	.35	+0	3.39
Missouri.....	+5.4	+5.2	.53	.53	+0	9.77
Montana.....	+4.1	+8	.61	.59	-3.3	11.06
Nebraska.....	+3.9	+2	.40	.39	-2.5	6.13
Nevada <sup>3</sup> .....	+3.5	+13.9	.33	.36	+9.1	8.71
New Hampshire.....	+6.3	-3.2	.44	.40	-9.1	7.18
New Jersey.....	+7.8	+10.6	.19	.20	+5.3	4.84
New Mexico.....	+7.9	+36.0	.35	.44	+25.7	6.57
New York <sup>6</sup> .....	+7.4	+2	.46	.43	-6.5	10.26
North Carolina.....	+5.9	+3.5	.25	.24	-4.0	3.19
North Dakota.....	+3.6	+9.7	.69	.73	+5.8	9.94
Ohio.....	+6.6	+2.8	.39	.37	-5.1	8.00
Oklahoma.....	+5.4	+8	1.34	1.28	-4.5	19.94
Oregon.....	+6.7	+13.7	.56	.60	+7.1	11.39
Pennsylvania.....	+7.0	+2.6	.29	.28	-3.4	5.58
Rhode Island.....	+5.2	+1.3	.61	.59	-3.3	11.77
South Carolina.....	+3.3	-4.5	.28	.25	-10.7	2.88
South Dakota.....	+8.3	+1.5	.54	.50	-7.4	6.69
Tennessee.....	+5.8	-14.1	.28	.23	-17.9	3.02
Texas <sup>3</sup> .....	+6.1	+3.8	.29	.29	+0	4.86
Utah.....	+7.4	-4.0	.57	.51	-10.5	8.33
Vermont <sup>3</sup> .....	+6.3	-2.7	.41	.37	-9.8	6.10
Virginia.....	+8.6	-5.5	.10	.08	-20.0	1.39
Washington.....	+4.5	+8.1	1.02	1.06	+3.9	21.40
West Virginia.....	+10.6	-4	.36	.32	-11.1	4.59
Wisconsin.....	+7.7	(7)	.54	.50	-7.4	9.29
Wyoming.....	+7.1	+4.5	.43	.42	-2.3	7.92

<sup>1</sup> Expenditures are for fiscal years 1955-56 and 1956-57 and exclude amounts spent for administration; they are related respectively to personal income for calendar years 1955 and 1956.

<sup>2</sup> Data on income for Alaska, Puerto Rico, and the Virgin Islands not available.

<sup>3</sup> Data for general assistance expenditures esti-

mated.

<sup>4</sup> Computed from unrounded ratios.

<sup>5</sup> Reporting of general assistance expenditures incomplete.

<sup>6</sup> Expenditures for all programs partly estimated.

<sup>7</sup> Decrease of less than 0.05 percent.