Federal Grants, 1961-62

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For many years considerable interest has been focused on the Federal Government's use of the grant mechanism as a means of achieving program objectives in various fields by sharing the cost with State and local governments. Federal grants to States and localities have been reported in the Bulletin for many years. Federal grants to individuals were reported for the first time in 1962. This article presents information about both types of grants.

FEDERAL grants to State and local governments cover only grants for Federal-State and Federal-local programs administered at the State and/or local level and grants for programs in which the greatest part of the Federal 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. The State and local grant ries for 1961-62 includes 52 separate Federal programs, classified here in seven groups according to purpose. Reimbursements to the lower levels of government for expenses they incur as agents of the Federal Government in administering programs of primarily national character have been excluded, as have shared revenues.

Federal aid granted directly to individuals and private institutions (called, for brevity, "grants to individuals") does not include income-maintenance payments through social insurance or such related programs as veterans' pensions and compensation.

I. Grants to States and Localities

In the fiscal year 1961-62, Federal grants to the States and localities amounted to \$7.7 billion, \$782 million or 11 percent more than in 1960-61. Two new grant programs were introduced dur-

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ing the year. One, included with "health services," is for chronic diseases and health of the aged; the second, grouped with "other welfare services," is a surplus food stamp program—operated on a pilot-plan basis in 1961–62. Increases occurred in all groups of grants and ranged from 6 percent for highway construction to 25 percent for employment security administration. Table 1 shows the growth of Federal grants since the fiscal year 1929–30, and table 2 their distribution among the States in 1961–62.

PUBLIC ASSISTANCE

Federal grants during 1961-62 for the five categorical public assistance programs amounted to \$2.4 billion, an increase for the year of 12 percent. Under the program of medical assistance for the aged, authorized by the 1960 amendments to the Social Security Act, nearly \$119 million was paid to 24 States. The nine States participating in 1960-61 had received an aggregate of \$20 million for medical assistance to the aged.

Total public assistance grants were smaller than total highway construction grants for the fourth successive year. Grants for assistance—less important in the overall grant total now than they once were—remained at about one-third of all grants.

EMPLOYMENT SECURITY ADMINISTRATION

A 25-percent rise in 1961-62 in the amount granted for employment security administration brought the total for this item to \$449 million.

¹ A third program, introduced in the fiscal year 1961-62, provides for grants to the States and localities under the Area Redevelopment Act of 1961. It is not included in this part of the review because data on a State basis were not available at the publication deadline. One program under the act (retraining subsistence payments, administered by the Department of Labor) has been included, however, in the second part of this article, with the grants to individuals.

The increase was the largest shown by any of the grant groups. The grants, which are for administration of State unemployment insurance and State employment services, come from the unemployment trust fund.

HEALTH SERVICES

Grants for health services amounted to \$30 million in 1961-62-8 percent more than in 1960-61. Grants for the control of venereal disease.

Table 1.—Federal grants to State and local governments, amount and percent of total grants by purpose, fiscal years 1929-30 through 1961-62

[Amounts in thousands on a checks-issued basis]

Fiscal year	Total	Public assi	stance	Employ securit ministra	y ad-	Health se	ervices ³	Other w		Educat	ion 5	Highw construct	ay tion ⁶	All oth	er ¹
		Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent
1929-30 1930-31 1931-32 1932-33 1933-34 1934-35 1935-36 1936-37 1937-38 1938-39 1939-40 1940-41 1941-42 1942-43 1943-44 1944-45 1945-46 1946-47 1947-48 1948-49 1949-50 1950-51 1951-52 1952-53 1952-53 1955-56 1956-57 1957-58 1958-59 1959-60 1960-61 1961-62	180, 282 213, 879 190, 052 1, 802, 703 2, 196, 577 1, 014, 656 818, 434 790, 392 1, 030, 576 967, 073 915, 357 991, 212 982, 700 917, 065 843, 721 1, 575, 394 1, 835, 544 2, 208, 019 2, 250, 127 2, 326, 998 2, 756, 829 2, 956, 155 3, 093, 925 3, 438, 225 3, 133, 504 4, 791, 833 6, 313, 504 6, 836, 590	\$28, 424 143, 934 216, 074 246, 898 271, 131 329, 845 374, 568 395, 623 404, 942 409, 985 439, 132 613, 831 718, 359 927, 897 1, 123, 418 1, 185, 764 1, 177, 688 1, 329, 933 1, 437, 516 1, 426, 599 1, 455, 275 1, 556, 422 1, 794, 687 1, 1966, 394 2, 166, 986 2, 1432, 141					(8) 0.4 1.6 1.9 2.8 3.1 3.1 8.6 8.4 4.1 3.5 5.6 7.7 4.1 6.3 4.2 4.2 4.1 6.3 6.3 6.3 6.3 6.3 6.3 6.3 6.3	\$1, 296 1, 406 1, 672 1, 710 1, 382 1, 516 34, 117 24, 489 39, 655 64, 947 54, 518 64, 109 73, 978 78, 233 460, 934 171, 885 129, 125 183, 553 171, 143 200, 522 308, 312 369, 254 488, 281 489, 275 597, 330 675, 872 722, 544	1.3 .8 .8 .9 .1 .1 3.0 5.0 9.7.0 9.7.0 5.5 6.5 8.1 9.3 29.8 10.9 7.0 8.3 7.3 10.4 11.9 11.9 11.9 11.9 11.1 10.5 8.4 11.7	\$17, 647 19, 274 19, 905 18, 076 21, 302 31, 937 32, 044 41, 873 43, 263 43, 663 105, 978 144, 361 163, 812 96, 414 361 163, 812 96, 414 361 163, 812 96, 613 50, 663 50, 265 68, 988 69, 861 80, 265 80, 265	17.6 10.7 9.3 10.0 1.0 1.0 3.1 3.9 5.3 4.5 11.6 15.6 15.6 10.5 10.5 10.5 10.5 10.5 10.5 10.5 10.5	\$75, 881 153, 637 186, 280 163, 398 221, 715 274, 668 224, 073 340, 717 247, 024 191, 572 164, 517 171, 042 157, 911 174, 323 144, 120 87, 429 198, 774 318, 457 410, 397 428, 780 400, 050 420, 135 517, 311 538, 496 596, 699 997, 39, 997 954, 733 1, 518, 520 2, 613, 897 2, 941, 652 2, 622, 587 2, 782, 840	75. 5 85. 2 87. 1 86. 0 12. 3 12. 5 22. 1 41. 6 31. 3 18. 6 17. 0 17. 0 17. 0 17. 0 17. 0 17. 0 17. 0 17. 0 14. 7 9. 5 8. 20. 2 22. 4 19. 4 19. 4 19. 3 21. 5 24. 3 31. 4 43. 0 37. 9 36. 1	\$5,666 5,965 6,020 5,885 1,560,914 1,897,833 688,649 253,007 184,494 399,768 278,456 126,737 81,342 132,739 145,246 136,974 75,479 55,371 40,383 71,353 64,049 62,358 68,011 92,025 96,231 115,442 109,073 159,240 188,915 240,272 270,389 329,115 369,329	5.63 3.18 86.49 67.99 23.33 88.88 13.48 14.99 2.99 2.99 3.33 4.00 4.88

Old-age assistance, aid to dependent children, and aid to the blind, 1935-36 to date; aid to the permanently and totally disabled, 1950-51 to date; and, beginning 1960-61, medical assistance for the aged; all under the Social Security Act as amended.

2 Unemployment insurance administration under the Social Security Act.

*Unemployment insurance administration under the Social Security Act. 1935–36 to date; employment service administration, 1933–34 to 1942–43 and 1946–47 to date; administration of veterans' onemployment and self-employment allowances, 1947–48 to 1952–53; and (not primarily for administration) distribution to State accounts in unemployment insurance trust fund of certain tax collections, 1955–56 to 1957–58. Beginning 1960–61, employment security administration is paid from the unemployment trust fund. ¹ Promotion of welfare and hygiene of maternity and infancy, 1929–30; maternal and child health services, services for crippled children, and general public health services, under the Social Security Act, 1935–36 to date; venereal disease control (communicable disease activities, 1960–61), 1940–41 to date; emergency maternity and infant care, 1942–43 to 1948–49 and 1950–51; construction of community facilities, 1944–45 and 1953–54 to 1955–56; tuberculosis control, 1944–45 to date; mental health activities, cancer control, and hospital survey and construction, 1947–48 to date; heart disease control, 1949–50 to date; construction of enerce research facilities, 1949–50 to 1952–53; industrial waste studies. of heart disease research facilities, 1949-50 to 1952-53; industrial waste studies, 1949-50 to 1952-53; industrial waste studies, 1949-50 to 1952-53; emergency poliomyelitis vaccination and liquidation of program, 1955-56 to 1960-61; water pollution control (sanitary engineering, environmental health activities), waste treatment works construction, and health research construction, 1956-57 to date; and chronic diseases and health

of the aged, 1961-62.

Vocational rehabilitation, and State and Territorial homes for disabled "Vocational rehabilitation, and State and Territorial homes for disabled soldiers and sailors, 1929-30 to date; child welfare services, 1935-36 to date; removal of surplus agricultural commodities under sec. 32 of Act of Aug. 24, 1935, 1935-36 to date; school lunch, and Federal annual contributions to public housing authorities, 1939-40 to date; community war service day care, 1942-43; veterans' re-use housing, 1946-47 to 1950-51; commodities furnished by the Commodity Credit Corporation, 1949-50 to date; school milk, 1954-55 to date; and food-stamp distribution, 1961-62.

Solleges for agriculture and mechanic arts, vocational education, education of the blind, agricultural extension work, State marine schools, 1929-30 to date; Office of Education emergency grants, 1935-36 to 1940-41; training of defense (war production) workers, 1940-41 to 1945-46; maintenance and operation of schools, 1946-47 to date; veterans' educational facilities, 1947-48 to 1949-50; survey and construction of schools, 1950-51 to date; State and local

preparation for White House Conference on Education, 1954-55; library serv-

preparation for White House Conference on Education, 1954-55; library services, 1956-57 to date; defense education activities, 1958-59 to date; and training for education of mentally retarded, 1959-60 to date.

⁵ Cooperative construction of rural post roads, 1929-30 to 1939-40; Federal aid highways, including regular and emergency, prewar and postwar, and trust fund activities, restoration of roads and bridges, flood relief, secondary and feeder roads, grade-crossing elimination, 1930-31 to date; National Industrial Recovery Act highway activities, 1933-34 to 1943-44, 1946-47 to 1948-49, and 1950-51; Emergency Relief Appropriation Acts activities, 1935-36 to 1943-44 and 1946-47 to 1951-52; access roads, flight strips, strategic highway network, and surveys and plans, 1941-42 to 1956-57 and 1958-59; public land highways, 1942-43 to date; payment of claims, 1945-46 to 1951-52; war and emergency damage in Hawaii, 1947-48 to 1955-56; reimbursement of District of Columbia highway fund, 1954-55 and 1957-58; and forest highways, 1957-58 to date.

1 Agreely three aversiment stations, forestry connection including water.

ways, 1957-58 to date.

Agricultural experiment stations, forestry cooperation including watershed protection and flood prevention, 1929-30 to date: Civil Works Administration, 1933-34; Federal Emergency Relief Administration, 1933-34 to 1937-38; Federal Emergency Administration of Public Works, 1933-34 to 1939-40; Reclamation Service (emergency), 1935-36; wildlife restoration, 1938-39 to date; Public Works Administration and figuidation of program, 1941-42 to 1949-50; war public works, 1941-42 to 1943-44; supply and distribution of farm labor, 1942-43 to 1948-49; community facilities, 1944-45 to 1955-56; public works advance planning, 1946-47 to 1948-49; cooperative projects in marketing, 1948-49 to date; Federal airport program, 1947-48 to date; dasater, drought, and other emergency relief, 1948-49 to date; civil defense, 1951-52 to date; slum clearance and urban redevelopment, 1942-53 to 1954-55; urban planning, urban renewal, 1955-56 to date; National Science Foundation facilities and installations, 1957-58; small business management research, 1958-59 to date; and White House Conference on Aging, 1959-60 and 1960-61. 8 Less than 0.05 percent.

Sources: Annual Reports of the Secretary of the Treasury, and the Combined Statement of Receipts, Expenditures and Balances of the United States Government. Grants for the school lunch program from 1939-40 to 1942-43 and for the removal of surplus agricultural commodities from 1935-36 to 1946-47, as reported by the Department of Agriculture; tax collections distributed under title IX of Social Security Act, 1955-56, from unpublished Treasury report; grants for management research in 1958-59, as reported by Small Business Administration.

tuberculosis, and cancer remained at their 1960level, and those for general community health ssistance and for construction of waste-treatment works were somewhat less than the 1960-61 amounts. The \$1 million granted for construction of health research facilities amounted to no more than half their 1960-61 total. Grants for waterpollution control and other environmental health activities advanced 60 percent to \$4.3 million. The amounts granted for maternal and child health services increased 32 percent; grants for services to crippled children 22 percent.

Table 2.—Federal grants to State and local governments, by State and purpose, i fiscal year 1961-62 [In thousands]

	1	i		12.2	usanasj					1		
					Social we	elfare				High constru		
States ranked by 1959-61 average per capita personal income	Total		Public as	sistance	Employ-		Other	Educ	eation		Dancont	All other
		Total amount	Amount	Percent of all grants	ment security admin- istration	Health services	welfare services	Amount	Percent of all grants	Amount	Percent of all grants	
Total 2	\$7,701,987	\$4,549,818	\$2,432,141	31.6	\$448,725	\$305,399	\$898,370	\$465,183	6.0	\$2,782,840	36.1	\$369,329
United States 5	7,639,000	4,495,158	2,422,762	31.7	445, 739	297,589	869,016	460,051	6.0	2,779,132	36.4	364,709
High-income group District of Columbia Dolaware Nevada Connecticut New York California Alaska New Jersey Illimois Massachusetts Maryland Ohio Washington Colorado Michigan wail Doming	46,821	1,907,247 21,723 9,495 9,797 44,289 383,728 421,890 17,641 87,457 201,567 132,275 59,363 176,299 83,250 68,392 159,218 22,376 8,477	1,036,323 10,271 2,962 2,864 21,393 211,384 262,802 1,881 34,594 121,734 79,055 22,597 95,293 44,870 41,542 75,197 2,929	31. 5 21. 9 19. 0 10. 3 24. 3 38. 5 36. 3 5. 0 20. 4 33. 9 39. 5 19. 8 26. 0 31. 2 39. 6 27. 3 4. 8	246, 420 2,716 1,071 1,887 6,988 62,482 53,054 1,885 16,714 20,242 15,645 7,173 19,933 8,249 4,712 20,844 1,617 1,208	102, 247 2, 003 1, 545 1, 529 2, 465 17, 086 14, 303 4, 355 5, 705 9, 988 6, 125 5, 275 10, 902 3, 862 3, 717 9, 882 2, 526 978	329, 054 6, 383 2, 441 76, 025 40, 771 21, 060 38, 265 18, 988 12, 110 35, 558 13, 596 7, 651 41, 954 3, 026 1, 377	193, 203 350 1, 474 2, 785 5, 042 16, 751 50, 961 8, 802 9, 384 11, 347 12, 463 12, 210 14, 614 12, 673 10, 771 11, 341 10, 249 1, 986	5.9 .7 9.5 10.0 5.7 3.1 7.0 23.6 5.5 3.2 6.2 10.7 4.0 8.8 10.3 4.1 30.6 5.3	1,220,127 19,169 4,701 16,277 34,161 141,664 275,234 16,174 69,907 141,833 61,349 44,354 175,432 56,447 32,857 98,914 3,902 27,751	37.0 40.9 30.1 58.5 38.7 25.8 38.0 43.3 41.2 30.5 30.7 39.0 47.8 39.2 31.3 35.9 11.7 74.3	166, 15: 5, 92: 1, 40: 1, 73: 9, 74: 22, 95: 27, 08: 12, 31: 16, 04: 15, 24: 4, 15: 3, 66: 17, 55: 7, 17: 1, 12:
Middle-income group Pennsylvania Oregon Missouri Rhode Island Indiana Wisconsin Nebraska New Hampshire Minnesota Kansas Iowa Arizona Montana Florida Texas Utah Vermont	2,177,811 359,111 97,347 223,586 35,123 134,484 126,303 60,913 32,222 141,119 93,540 102,744 81,127 53,441 158,365 383,541 53,854 40,932	1,225,295 232,461 42,657 134,933 24,756 61,070 66,720 29,126 74,143 51,196 59,259 38,944 17,029 110,674 234,355 24,392 10,506	657, 852 108, 439 22, 003 90, 346 12, 180 26, 907 33, 562 15, 032 4, 895 42, 290 27, 535 32, 922 17, 610 6, 392 62, 794 139, 229 10, 705 5, 011	30.2 30.2 22.6 40.4 34.7 20.0 26.6 24.7 15.2 30.0 29.4 32.0 21.7 12.0 39.7 36.3 19.9 12.2	119, 705 31, 846 6, 032 7, 648 4, 074 6, 805 6, 315 2, 418 1, 705 5, 938 3, 206 3, 908 5, 536 2, 187 8, 623 17, 852 4, 243 1, 370	94,137 15,801 3,288 6,908 1,841 6,119 6,197 2,220 1,873 6,298 4,467 5,402 2,548 1,839 9,163 16,688 1,330	238, 216 63, 320 7, 370 22, 022 3, 791 15, 707 14, 088 3, 909 2, 365 14, 883 6, 973 12, 037 6, 259 19, 259 37, 844 3, 693 1, 795	115, 386 13, 055 3, 964 8, 010 2, 871 5, 532 6, 099 5, 547 2, 236 4, 735 9, 014 4, 989 6, 991 10, 835 22, 736 4, 062 1, 000	5.3 3.6 4.1 3.6 8.2 4.1 4.8 9.1 6.9 9.6 4.9 6.9 6.8 5.9 7.5 2.4	841, 697 98, 801 50, 163 79, 367 8, 492 67, 529 55, 160 29, 238 17, 443 58, 689 36, 828 38, 464 39, 025 33, 902 42, 724 128, 735 27, 403 29, 735	38.6 27.5 51.5 35.5 24.2 50.2 43.7 48.0 54.1 41.6 39.4 48.1 48.1 27.0 33.6 50.9 72.6	110, S19 27, 848 4, 527 9, 288 1, 87, 75 5, 88; 4, 48; 2, 549 1, 700 8, 286 5, 546 5, 022 3, 158 2, 519 4, 969 20, 451 2, 055 691
Low-income group Virginia Oklahoma Maine New Mexico Idaho South Dakota West Virginia North Dakota Louisiana Georgia North Carolina Kentucky Tennessee Alabama South Carolina Arkansas Mississippi	2,115,492 158,905 176,460 41,601 61,940 58,604 100,234 100,234 226,748 194,076 166,096 159,621 173,918 193,131 89,325 109,536 119,540	1,316,734 775,269 130,802 26,062 38,000 18,870 20,814 74,593 19,460 160,275 123,421 115,807 96,313 92,911 121,139 52,482 71,879 78,636	728, 588 22, 442 88, 683 14, 218 17, 101 8, 791 9, 325 44, 703 8, 746 119, 290 69, 227 60, 712 52, 414 44, 971 70, 767 22, 533 36, 393 38, 271	34.4 14.1 50.3 34.2 27.6 18.4 15.9 44.6 35.7 36.6 32.8 25.9 36.6 25.2 33.2 32.0	72,395 4,568 6,021 2,108 2,599 2,743 1,429 3,326 1,753 5,931 5,823 8,259 4,556 5,189 5,516 4,502 4,087	100, 953 9, 777 4, 986 1, 874 3, 194 2, 288 2, 134 3, 581 2, 947 5, 559 9, 928 10, 419 7, 170 8, 496 7, 166 6, 381 8, 034	282, 923 18, 100 19, 395 4, 343 7, 104 2, 129 3, 319 19, 997 2, 874 26, 553 24, 505 26, 204 26, 670 26, 493 10, 693 17, 426 22, 182	131,876 20,381 11,717 3,519 8,002 2,919 4,608 2,987 3,140 4,562 11,891 11,911 5,968 7,584 11,348 8,100 7,177 6,062	6.2 12.8 6.6 8.5 12.9 6.1 7.9 3.0 6.1 7.2 3.7 4.4 5.9 9.1 6.6 5.1	711, 378 76, 082 35, 268 13, 605 22, 042 26, 978 36, 574 22, 048 16, 481 63, 284 61, 142 42, 930 58, 794 67, 881 64, 758 34, 071 33, 828 35, 612	33.6 47.9 20.0 32.7 35.6 56.3 62.4 22.0 43.5 27.9 31.5 25.8 36.8 36.8 36.5 33.5 38.1 30.9 29.8	87, 386 7, 55.5 10, 396 1, 935 2, 056 1, 217 3, 596 1, 917 3, 158 9, 517 7, 356 4, 511 13, 124 7, 237 2, 7, 71 3, 825 5, 201
Outlying areas: Guam Puerto Rico Virgin Islands Other	281 52,572 1,426 8,707	281 44,492 1,220 8,667	125 8,950 304	44.0 17.0 21.3	27 2.819 138 1	121 1,630 69 5,989	8 27,927 504 914	3,165 204 1,763	6.0 14.3 20.3	3,708	7.1	4,373 206 41

See footnotes to table 1 for programs in each group of grants.
 Includes a small amount undistributed, grants to the outlying areas listed, and grants under a few programs to American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

³ Includes a small amount of advances and undistributed sums. Source: Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1962.

The new grant program for chronic diseases and health of the aged, authorized for 5 years by the Community Health Services and Facilities Act of 1961, distributed \$4.8 million to States and localities in 1961-62 on a matching basis of \$2 of Federal funds for every \$1 of State or local public funds. (The ratio of 2 to 1 is for 1962-65; for 1966 the ratio is dollar for dollar.) The following types of services are among those that can qualify under this program: nursing-home improvement through consultation services and provision of direct health services to patients; extension of health department nursing to the sick at home; establishment and expansion of homemaker services; and coordination of home care services.

OTHER WELFARE SERVICES

Grants for welfare services other than public assistance rose 24 percent in 1961-62 to \$898 million. Within this group, the two programs administered by the Department of Health, Education, and Welfare showed increases-grants for child welfare services by 37 percent to \$19 million and grants for vocational rehabilitation by 18 percent to \$65 million. The five programs for distribution of agricultural commodities include the new food stamp pilot program, where grants amounted to \$13 million (value of commodities). Under the other two programs, the Federal Government's annual contributions to public housing agencies rose 10 percent to \$154 million, and grants for State homes for disabled soldiers and sailors remained at somewhat more than \$7 million.

The five agricultural commodity grant programs (three of them grants-in-kind) are so interrelated that they may appropriately be considered together. In 1961-62, \$653 million was granted for these programs, about 30 percent more than in 1960-61. If the new food stamp program is excluded the increase becomes 26 percent. Not included among the grant programs is the value of commodities donated abroad under both the surplus-removal program and the price-support programs of the Commodity Credit Corporation, which amounts to at least as much as the domestic distribution in most years and slightly more in some. The increase in grants for the four continuing programs stems almost exclusively from a 178-percent rise, to \$200 million, in the value of commodities distributed by the Commodity Credit Corporation. This increase, in turn, resulted largely from the reintroduction of the distribution of surplus butter (\$100 million) and cheese (\$39 million).

EDUCATION

Federal grants for educational purposes totaled \$465 million in 1961–62—\$29 million or 7 percent more than in 1960–61. Eight of the 10 grant programs in this group are administered in the Department of Health, Education, and Welfare by the Office of Education. Grants for only one of these—vocational education—remained at the 1960–61 level (\$40 million), and only one program showed a decline. The \$42 million for school construction in federally impacted areas was 29 percent less than the amount the year before.

Grants for all the other programs in this group increased, some by sizable sums. The largest percentage rise occurred in grants to colleges of agriculture and mechanic arts. After 22 years at the \$5 million level, grants for this program rose 44 percent in 1960-61 to \$7 million; in 1961-62 they doubled, rising to \$14 million.

Activities under the National Defense Education Act were almost one-third greater than in the preceding year. At \$66 million, these grants are again approaching their \$69 million level of 1959-60. These figures relate only to grants to State and local governments. Additional sums are expended under other titles of the act to provide student loans and fellowships and loans, contracts, and grants to institutions and to public and private agencies.

HIGHWAY CONSTRUCTION

For the fourth year in a row, the largest Federal grants were for highway construction. The \$2,783 million granted for this purpose in 1961-62 was 6 percent more than the amount in 1960-61. These grants represented 36 percent of all Federal grants to States and localities, however, in contrast to 38 percent in 1960-61, 43 percent in 1959-60, and 41 percent in 1958-59. Almost all the grants in this group are for the Federal superhighway program, financed from the highway

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trust fund. Grants for construction of other highrays represent less than 2 percent of the group. Otal highway grants were 14 percent or \$351 million higher than the 1961-62 grants for public assistance.

"ALL OTHER" GRANTS

The \$369 million granted in 1961-62 for the miscellany of programs not otherwise classified represents a 12-percent increase. The "all other" group consists of grants for the agricultural and natural resources conservation programs, urban planning and renewal, airport construction, civil defense and disaster relief, and small business management research. The sums granted in recent years for each of these programs are shown below.

Power of annual	Amou	nt (in m	illions)
Purpose of grant	1961-62	1960-61	1959-60
Total	\$369.3	\$329.1	\$270.4
Agricultural experiment	34.5	31.5	30.6
Airport construction	57.9	64.8	57.1
Civil defense	16.8	12.5	4.9
Cooperative marketing	3.4	3.3	3.1
isaster relief	14.4	7.3	1.5
restry cooperation		11.4	11.4
hall business management research	. 4	9 .9	2.0
Urban planning	6.9	3.0	2.6
Urban renewal	. 162.5	141.0	101.7
Watershed protection and flood prevention	. 38.8	32.4	32.7
White House Conference on Aging			.8
Wildlife restoration	. 19.8	20.9	21.9

GRANTS IN RELATION TO POPULATION

Per capita grants to States and localities are shown in table 3 by State and major purpose. The States have been ranked according to per capita personal income (averaged for the 3 most recent calendar years to lessen the effect of single-year fluctuations) and divided into high-, low-, and middle-income groups. The States vary widely within each group in the amount of Federal grants received per capita.

Although total grants per capita in 1961-62 averaged \$41.48 for the United States, the range was \$116.05—from \$158.34 in Alaska to \$27.57 in New Jersey. Both are high-income States; the high-income group therefore includes, as it did in 1960-61, the full national range of grants per capita. In general, grants per capita have risen rather substantially, and the national average was

\$3.57 higher than in 1960-61. The highest and the lowest recipient States again remained the same, but the spread between the two widened by \$14.72.

In general, grants per capita may be expected to be somewhat higher in the low-income than in the middle-income States and in the middle-income than in the high-income States, but there is considerable overlap from group to group. Among the low-income States, South Dakota once again received the highest grants per capita—\$82.89, or nearly \$11 more for each resident than in 1960-61. This amount, however, was \$22.60 per person less than that in the highest State among the middle-income group (Vermont with \$105.49).

Receipt of higher grants per capita in more sparsely populated States results from minimum allotment provisions in certain of the grant formulas, particularly those for highway construction. All the Western States of low-density population, including Alaska, received higher grants per capita than the national average. All but Colorado and Alaska received a larger proportion of per capita grants for highways than for any other purpose.

When expenditures for public assistance from State and local resources are relatively large, the result, up to a point, is relatively high total grants per capita because of the Federal matching requirements in the Social Security Act. In Louisiana, 53 percent of all grants per capita was received for public assistance. The proportion received for public assistance was also high in Oklahoma (50 percent of all grants per capita), West Virginia (45 percent), Missouri (40 percent), and Alabama (37 percent). Missouri falls in the middle-income group; the rest are lowincome States.

II. Grants to Individuals and Institutions

About \$1.5 billion was granted by the Federal Government directly to individuals and institutions in 1961-62.² These grants include payments to private persons and to academic and other

² See the *Bulletin*, September 1962, pages 3-7, for the introductory article in this new statistical series and for a technical note on sources of the data.

institutions, although they are referred to here as "grants to individuals."

In 1961-62 the grants classified in this series as social welfare grants to individuals amounted to \$703 million—47 percent of all grants to individuals and 7 percent higher than the preceding year's total. The agriculture and natural resources group totaled \$655 million, slightly more than in

1960-61, and represented 44 percent of all Federal grants to individuals. The grants for basic research in the physical sciences of the National Science Foundation made up the remainder. At \$141 million, they were more than one-fourth higher than in 1960-61. Table 4 shows the amounts for each grant group for several recent years.

Table 3.—Per capita Federal grants to State and local governments, by State and purpose, fiscal year 1961-62

	Average per				Per capi	ta grants			
States ranked by 1959-61 average per capita personal income	capita personal income, 1959-61	Total	Public assistance	Employment security adminis- tration	Health services	Other welfare services	Education	Highway construction	All other
Total 2		\$41.48	\$13.10	\$2.42	\$1.64	\$4.84	\$2.51	\$14.99	\$1.99
United States 3	\$2,214	41.73	13.24	2.44	1.63	4.75	2.51	15.18	1.99
High-income group District of Columbia Delaware Nevada Connecticut. New York California Alaska New Jersey Illinois. Massachusetts Maryland Ohio Washington Colorado	3,007 2,989 2,850 2,832 2,783 2,724 2,661 2,655 2,624 2,513 2,400 2,316 2,314 2,314 2,314	38. 25 60.10 33.90 87.72 34. 46 31. 92 44. 20 158. 34 27. 57 35. 62 38. 91 36. 19 36. 95 48. 80 56. 99	12.03 13.18 6.44 9.03 8.36 12.31 16.04 7.97 5.62 12.06 15.38 7.18 9.60 15.22	2.86 3.49 2.33 5.95 2.73 3.64 3.24 7.99 2.72 2.01 3.04 2.28 2.01 2.80 2.56	1. 19 2. 57 3. 36 4. 82 . 96 . 99 . 87 18. 45 . 93 . 99 1. 19 1. 68 1. 10	3.82 8.19 5.31 2.31 3.28 4.43 3.04 3.42 3.79 3.69 3.85 3.58 4.61 4.16	2. 24 . 45 3. 20 8. 79 1. 97 . 98 3. 11 37. 30 1. 52 1. 12 2. 43 3. 88 1. 47 4. 30 5. 85	14.17 24.61 10.22 51.35 8.25 16.80 68.53 11.36 14.06 11.94 14.10 17.67 19.15	1.93 7.61 3.04 5.46 3.81 1.34 1.65 15.06 2.00 1.59 1.23 3.22 1.53 1.41
Michigan Hawaii Wyoming	2,279 2,278 2,261	34.75 50.61 105.52	9.48 7.50 8.27	2.50 2.63 2.45 3.41	1.25 3.82 2.76	4.16 5.29 4.58 3.89	5.85 1.43 15.51 5.61	17.85 12.47 5.90 78.39	1.99 2.21 10.
Middle-income group- Pennsylvania Oregon. Missouri Rhode Island Indiana Wisconsin Nebraska New Hampshire Minnesota Kansas Iowa Arizona Montana Florida Texas Utah	2,168 2,158	38.73 31.62 53.05 51.70 40.84 28.66 31.28 41.66 51.97 40.93 42.61 37.09 56.81 76.34 30.19 38.65 57.35	11,70 9,55 11,99 20,89 14,16 5,73 8,31 10,28 7,89 12,27 12,54 11,89 12,33 9,13 11,97 14,03 11,40 12,92	2.13 2.80 3.29 1.77 4.74 1.45 1.56 1.65 2.75 1.72 1.46 1.41 3.88 3.12 1.64 1.80 4.52 3.53	1. 67 1. 39 1. 79 1. 60 2. 14 1. 30 1. 65 1. 52 3. 02 1. 83 2. 03 2. 04 1. 75 1. 78 2. 63 1. 75 1. 68	4. 24 5. 58 4. 02 5. 09 4. 41 3. 35 3. 49 2. 67 3. 82 4. 32 4. 32 4. 35 4. 38 4. 14 3. 67 3. 81 3. 82 4. 34 4. 35 4. 38 4. 38 5. 38	2.05 1.15 2.16 1.85 3.34 1.18 1.51 3.79 3.61 1.37 4.11 1.80 4.90 5.30 2.07 2.29 4.33 2.58	14.97 8.70 27.34 18.35 9.87 14.39 13.65 20.00 28.13 17.02 16.78 13.89 27.33 48.43 8.14 12.97 29.18	1. 97 2. 45 2. 17 2. 18 1. 25 1. 11 1. 74 2. 75 2. 40 2. 51 1. 81 2. 21 3. 59 2. 06 2. 19 1. 78
Low-income group- Virginia Oklahoma Maine New Mexico Idaho South Dakota West Virginia North Dakota Louisiana Georgia North Carolina Kentucky Tennessee Alabama South Carolina Arkansas Mississippi	1,851 1,835 1,835 1,831 1,787 1,747 1,664 1,626 1,613 1,606 1,556 1,557 1,549 1,459 1,459 1,379 1,370 1,183	51.98 38.76 73.59 42.19 62.63 69.93 82.89 55.53 59.33 69.15 48.13 35.67 52.15 48.27 58.10 36.99 60.75 53.92	17.90 5.47 36.98 14.42 17.29 12.83 13.19 24.77 13.71 36.38 17.17 13.04 17.12 12.48 21.29 9.33 20.18	1.78 1.11 2.51 2.14 2.63 4.00 2.02 1.84 2.75 1.81 1.44 1.77 1.49 1.44 1.66 1.65 2.50 1.84	2. 48 2. 38 1. 90 3. 23 3. 34 4. 62 1. 70 2. 46 2. 24 2. 34 2. 36 2. 11 2. 97 3. 54	6. 95 4. 41 8. 09 4. 41 7. 18 3. 11 4. 69 11. 08 4. 51 7. 60 6. 59 5. 26 8. 56 7. 40 7. 97 4. 43 9. 66 10. 01	3. 24 4. 97 4. 89 3. 57 8. 09 4. 26 6. 52 1. 65 4. 92 1. 39 2. 95 2. 56 1. 95 2. 10 3. 41 3. 35 3. 98 2. 73	17. 48 18. 56 14. 71 13. 80 22. 29 39. 38 51. 73 12. 21 25. 83 19. 30 15. 16 9. 22 19. 21 18. 84 19. 48 14. 11 18. 76 16. 06	2.15 1.84 4.33 1.96 1.92 3.00 1.72 1.99 3.00 .97 2.36 1.58 1.47 3.64 2.18 1.15 2.12
Outlying areas: Guam Puerto Rico Virgin Islands		4.35 21.82 40.41	1.93 3.72 8.61	.42 1.17 3.91	1.87 .68 1.96	.12 11.59 14.29	1.31 5.79	1.54	1.82 5.84

¹ See footnotes to table 1 for programs in each group of grants.

Census for the total population, excluding the Armed Forces overseas, as of July 1, 1961. (Current Population Reports, Population Estimates, Series P-25, No. 259.) Personal income data are for calendar years and are from the Survey of Current Business, August 1962.

<sup>See footnote 2, table 2
See footnote 3, table 2</sup>

Source: Per capita grants are based on estimates of the Bureau of the

RESEARCH AND TRAINING GRANTS

Most grants to individuals for social welfare purposes are in the form of research and training grants. A small sum is devoted to other social welfare purposes, mostly for veterans' programs.

Health and Welfare Grants

Grants for health research and training continued their pattern of expansion in 1961-62, both in the number of individual programs in this field and in the amounts expended for the continuing grant programs. The \$465 million of 1961-62 exceeded the preceding year's grants by almost 40 percent.

The new programs in 1961-62 include training grants in the fields of accident prevention (\$1 million), chronic diseases and health of the aged (\$310,000 in addition to the sums granted to State or local governments on a matching basis), occupational health (\$1 million), radiological health (\$1 million), water supply and pollution control (\$2 million), maternal and child health services (\$1 million), and services for crippled children

(\$544,000). The last two are primarily training grants at present but include as well some research or demonstration projects. Another new grant program was for community health practices and research (\$4 million). There was also a new \$15 million program of general research support, administered by the Public Health Service.

Grants for three new programs of social welfare research and training totaled more than \$4 million. They are research and demonstration grants in child welfare services (\$131,000), grants for demonstration and training in prevention of juvenile delinquency and youth offenses (\$1 million), and retraining payments under the Area Redevelopment Act (\$3 million).

Grants for Veterans

Among the grants for social welfare purposes, those for veterans of World War II and the Korean conflict play an ever-decreasing role, the further the two conflicts recede into the past. The \$147 million in 1961-62 for veterans' training (education) was about 40 percent less than 1960-61 grants for these programs. A total of \$4.6

Table 4.—Federal grants to individuals for social welfare and other purposes, fiscal years 1949-50 and 1954-55 through 1961-62 [In thousands]

				National				
Fiscal year	Total	Total	Res	earch and trair	ing	Other social	National Science Foundation	Agriculture and natural resources 4
		Total	Total	Veterans 1	Other 2	welfare 3	research	
1949-50 1954-55 1955-56 1956-57 1957-58 1958-59 1959-60 1960-61 1961-62	\$3,043,473 1,076,508 1,159,284 1,826,809 1,741,534 1,947,256 1,419,163 1,414,960 1,498,363	\$2,726,316 738,126 848,964 928,021 870,174 820,877 734,588 658,237 703,160	\$2,679,050 729,569 842,359 922,798 865,663 816,750 730,619 653,146 698,533	\$2,658,759 676,852 779,318 787,775 708,335 583,063 390,320 242,802 147,162	\$20,291 52,717 63,041 135,023 157,328 233,686 340,299 410,344 551,371	\$47,219 8,556 6,605 5,223 4,510 4,127 3,970 5,091 4,627	\$7,857 16,543 31,490 26,074 93,004 93,478 110,550 140,502	\$317,204 330,525 293,776 867,298 845,286 1,033,335 591,097 646,173 654,701

¹ Subsistence, tuition, and supplies and equipment under the educational 'Subsistènce, tinton, and supplies and equipment under the educational titles of the Servicemen's Readjustment Act of 1944, 1949-50 to date, and, under the Veterans' Readjustment Assistance Act of 1952, 1954-55 to date; tuition and supplies and equipment under the Veterans' Rehabilitation Vocational Training Act of 1943 and, under the 1950 extension of that act, 1949-50 to date; supervision of veterans' on-the-job training, 1949-50 to date; payments under the War Orphans' Educational Assistance Act of 1956, 1956-57 to date.

merchant marine cadets, vocational rehabilitation training grants, and National Science Foundation fellowships, 1954-55 to date. Atomic Energy Commission fellowships and school assistance, 1956-57 to date. National Defense Education Act activities, 1938-59 to date. Training of teachers of the mentally retarded, 1959-60 to date. Cooperative research and demonstration projects in the field of social security, 1960-61 to date, and in child welfare services, 1961-62. Research and/or training grants in the following fields, 1961-62: Maternal and child health services, crippled children's services, accident prevention, community sanitation, chronic diseases and health of the aged, occupational health, radiological health, water supply and pollution, and Area Redevelopment Act occupational retraining.

3 Specially adapted automobiles for disabled veterans, homes for paraplegic veterans, and gratuities on veterans' housing loans, 1949-50 to date; rural housing, 1961-62.

rural housing, 1961-62.

4 Farm housing repair, and flood and disaster relief, 1949-50; agricultural conservation and Sugar Act administration, 1949-50 to date; forest highways, 1949-50 to 1955-56; soil bank (conservation reserve), 1956-57 to date; Great Plains conservation, 1959-60 to date.

Sources: Annual Reports of the Secretary of the Treasury on the State of the Finances, Annual Reports of the Administrator of Veterans Affairs, unpublished tables of the Public Health Service.

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² Research grants and fellowships in the fields of cancer, dental health, heart disease, general health (Division of Research Grants of the National Institutes of Health) and mental health, 1949-50 to date; microbiology, 1954-Institutes of Health) and mental health, 1949-50 to date; microbiology, 1954-55; arthritis and metabolic diseases, neurological diseases, and blindness, 1954-55 to date; allergy and infectious diseases, 1955-56 to date. Research in sanitary engineering, 1956-57, and in hospital construction, 1956-57 to date. Training and/or teaching grants in the fields of cancer, heart disease, and mental health, 1949-50 to date; arthritis and metabolic diseases and neurological diseases and blindness, 1954-55 to date; dental health, nursing, general health, sanitary engineering, and general health assistance to States, 1956-57 to date. Health research facilities construction cooperative educa-1956-57 to date. Health research facilities construction, cooperative education research, and vocational rehabilitation special research projects, 1956–57 to date. Training in allergy and infectious diseases, 1957–58 to date. Education of dependents of river and harbor personnel, 1949-50. Subsistence of

Table 5.—Federal grants to individuals for research and training, fiscal years 1949-50 and 1954-55 through 1961-62 [In millions]

Fiscal year			Resea	rch		Training				
	Total	Total	Social welfare		National	m - (-)				
		Total	Health	Other	Science Foundation	Total	Veterans	Health	Other	
)-50	\$2,679.1	\$12.9	\$12.9			\$2,666.2	\$2,658.8	\$6.8		
5-56	737.4 858.9	44.1 57.3	36.3 40.7		\$7.9 16.5	693.3 801.6	676.9 779.3	13.8 17.8	i	
5-57	954.3	121.6	87.0	\$3.1	31.5	832.7	787.8	35.9	1	
7-58	891.7	131.3	100.0	5.1	26.1	760.5	708.3	37.0		
-59	909.8	245.8	147.2	5.5	93.0	664.0	583.1	61,6		
-60	824.1	309.9	208.3	8.1	93.5	514.2	390.3	82.6		
-61	763.7	358.6	238.1	10.0	110.6	405.1	242.8	101.0	Į.	
-62	839.0	487.9	334.3	13.1	140.5	351.1	147.2	130.5		

¹ See table 4 for list of grant programs and sources.

million was granted for homes for paraplegic veterans, especially adapted automobiles for disabled veterans, and for the tag end of a program of 4-percent gratuities on Veterans Administration housing loans.

Although the grants for training of both disabled and nondisabled veterans are diminishing, those for educating the orphan children of veterans are increasing as the children grow up to school and college age. From \$2 million in the first year (1956-57), these grants have risen year by year to \$5 million, \$8 million, \$11 million, \$16 million, and, in 1961-62, \$21 million—more than nine times their beginnings.

Relationship of Research and Training Grants

In table 5 all Federal expenditures for research and training through the fiscal device of grants to individuals have been divided according to purpose. Through 1960–61, training grants were larger than research grants, although with an ever-declining margin. With the 1961–62 grants the relationship was reversed. Research grants to individuals continued to increase, but training grants decreased (entirely because of the diminution of education grants for veterans), and in 1961–62 the former stood at \$488 million, 39 per-

cent more than the \$351 million granted for all types of training.

All types of training grant except that under veterans' programs and all types of research grant showed sizable increases.

AGRICULTURE AND NATURAL RESOURCES

Federal grants to individuals were made in 1961–62, as in the preceding year, under four agricultural and natural resources programs. Payments were made under the Agricultural Conservation Act, the Sugar Act, the Great Plains Conservation Act, and the conservation reserve program of the Soil Bank Act. Amounts expended in payments to individuals under the first three programs increased \$26 million to a total of \$322 million. The soil bank payments of \$333 million, larger than all the others combined, decreased \$18 million or 5 percent. As a result, the group total (\$654 million) was only slightly more than 1 percent higher than that in 1960–61.

Legislative authority to accept new contracts under the conservation reserve provision ended with the crop year 1960, but agreements then in effect will continue for their full term of 3-10 years.

14 SOCIAL SECURITY

