

ployment. The percent of temporarily and permanently handicapped claimants who were re-employed was about the same as the average for all claimants.

Claimants classified as 1A encountered more difficulties in obtaining reemployment than those with other draft classifications who had any

appreciable representation in the sample. Thus, 21 percent of those deferred because of their attachment to war production and 14 percent of those with family responsibilities were placed or found employment, as compared with 9 percent of those with 1A classifications. About 13 percent of claimants in 4F returned to employment.

Social Insurance and Public Assistance Payments

ELVA MARQUARD*

QUESTIONS ARE FREQUENTLY RAISED concerning the relative levels of payments under insurance and assistance programs established by the Social Security Act. How, for example, do benefits paid aged retired workers who are insured under old-age and survivors insurance compare with old-age assistance payments, or survivor benefits with payments for aid to dependent children? The differing character of social insurance and public assistance payments and some of the reasons for variations among States in average payments under old-age and survivors insurance and under public assistance are traced here in general terms.

In December 1942, payments were made to 2.2 million needy aged persons under the old-age assistance program and to 346,000 needy families in which one or more children were eligible for aid to dependent children. A much smaller group benefited under the relatively new Federal old-age and survivors insurance program, in which monthly payments on the basis of employment in commercial and industrial establishments were first made in 1940; 260,000 aged persons received primary benefits in December 1942, and about 57,000 families received both widow's current benefits and child's benefits.¹

The average old-age assistance payment of \$23.43 for December 1942 was 41 cents higher than the average primary insurance benefit paid to retired workers. On the other hand, the average family payment of \$37.27 under the assistance program for dependent children was about \$3

below the average insurance payment of \$40 for this group.² It should be borne in mind that some individuals receive both insurance and assistance payments. Since the latter are based on need, they may be made if the insurance benefit is found to be inadequate.

Differences in the Programs

Differences in individual payments under the insurance and assistance programs result from various differences in the programs, the most important of which are concerned with administration, financing, coverage, and the basis of payments.

Administration.—The national character of old-age and survivors insurance results in policies and procedures which are uniform throughout the country. Although old-age assistance and aid to dependent children are administered under State plans approved by the Social Security Board, a wide variety of practices is possible within the standards required under the Social Security Act.

Financing.—Insurance benefits are paid from a trust fund to which the contributions of workers and employers have been appropriated, and this fund is maintained at a level adequate to meet current obligations in full. Assistance payments are financed through State and local funds and matching amounts from the Federal Government, except that amounts exceeding maximum individual payments established in the act are not matched. Low fiscal capacity of the State, as well as frugality of State appropriations, results in inadequate assistance payments in some States.

*Bureau of Research and Statistics, Division of Coordination Studies.

¹ In addition to these 3 types, with which this study is concerned, 3 other types of monthly benefits are also paid: wife's, widow's, and parent's. On December 31, 1940, some 248,000 persons were entitled to monthly benefits and on December 31, 1942, 692,000 persons. If an insured wage earner leaves no surviving widow, child, or parent entitled to monthly benefits at his death, a lump-sum benefit is payable to specified survivors.

² Estimated. Data on average benefits in force for families receiving both widow's current and child's benefits not available for December 1942. The assistance average of \$37.27 relates to the 43 States (including District of Columbia and Hawaii) with approved plans in November 1940; 3 additional States had approved plans in December 1942.

Coverage.—The limitation of old-age and survivors insurance to commercial and industrial workers, who are usually concentrated in urban communities where wages are relatively high, results in a higher average insurance benefit than would be the case if a large proportion of benefits was based on wages in rural areas. In addition to the difference in wage rates, benefits in rural areas are also likely to reflect only part of an individual's total earnings, because of the exclusion of agricultural labor from coverage. The assistance programs, on the other hand, extend into rural communities and the payments reflect the levels of living there.

Basis for payments.—Benefits under old-age and survivors insurance are awarded to insured workers and their qualified dependents without regard for other resources or income of the beneficiary; they are based on the worker's employment and are related to his average monthly wage, as defined in the Social Security Act. The primary benefit amounts to 40 percent of the first \$50 of the average monthly wage, plus 10 percent of the next \$200, plus a small increment based on years of covered employment. The lower percentage applied to wages above \$50 makes the variation in primary benefits much less than that in wages. The range of benefits is also limited by statutory provisions which fix a minimum of \$10 a month and a maximum varying with the years of coverage (\$41.60 in 1940 and \$42.40 in 1942). A child's benefit is half the primary benefit amount, and a widow's current benefit (awarded to a widow who has a child of the deceased worker in her care) is three-fourths. For total monthly benefits paid on the basis of one worker's wages, there is a minimum of \$10 and a maximum of the least of the following: \$85, twice the primary benefit, or 80 percent of the average monthly wage, but the total must not be reduced below \$20.

Regularity of covered employment affects the insurance benefit, because the average wage is computed over the entire period during which the worker could have been in the system and not merely over the period in which he received wages in covered employment. Under this method of computation, 30 percent of the persons to whom primary benefits were awarded in 1940 had computed average monthly wages of less than \$50; 41 percent, wages of \$50-99; 24 percent, wages of \$100-199; and only 5 percent, wages of

\$200 or more. Only 23 percent of the beneficiaries with average wages under \$50 had been regularly employed, but the percentage increased markedly with higher wages: 57 percent for average monthly wages of \$50-99, 79 percent for \$100-199, and 92 percent for \$200 or more.³

The low average monthly wages recorded for certain groups probably reflect both low wage rates and irregularity of covered employment. Of nonwhite persons awarded primary benefits in 1940, 62 percent had average monthly wages under \$50 and 94 percent under \$100, in contrast to 28 and 70 percent for white persons. Of female primary beneficiaries, 55 percent had average monthly wages under \$50 and 91 percent under \$100, in contrast to 27 and 68 percent for male primary beneficiaries.

Primary benefits of workers who retired and claimed benefits in 1940-42 were probably lower than the benefits of persons who were eligible but did not claim them. Workers to whom primary benefits were awarded in 1940 were less regularly employed and had lower average monthly wages than deceased workers in the same age groups on the basis of whose wages survivor benefits or lump-sum payments were awarded. Of primary beneficiaries aged 65-69, only 44 percent had been regularly employed—that is, had had 91 percent or more of potential quarters of coverage; for deceased workers in this age group the percentage was 72. Regularity of employment is, of course, reflected in the average monthly wage. Only 27 percent of the primary beneficiaries aged 65-69 had average monthly wages of \$100 or more, but 50 percent of the deceased workers averaged that much. If all persons who could have qualified had claimed benefits, the level of primary benefit amounts in these years would have been higher.

Assistance payments are made on the basis of individual need, and they take into consideration other income and resources of the recipient.⁴ Need determined for a given type of case varies from State to State and within a State according to patterns and costs of living, social attitudes, and standards of assistance. Differences in State

³ If the worker had 91 percent or more of potential quarters of coverage, he was assumed to have been regularly employed. Since data on the ratio of actual to potential quarters of coverage were compiled in intervals of 10 percent, information is not available on the number of workers with exactly 100 percent of potential quarters of coverage.

⁴ Some States disregard small amounts of other income.

maximum and minimum payments, in methods of meeting deficiencies in welfare funds of States or localities, and in policies with regard to such factors as allowable items in the budget and responsibility of relatives all serve to create variations in individual payments for approximately the same need. Differences in assistance payments, therefore, result not only from differences in need but also from differences in State plans, regulations, and policies, which in turn reflect the social attitudes and fiscal capacity of the State.

Payments for the Aged

The average old-age assistance payment was \$20.14 for November 1940 while the average primary benefit awarded in 1940 was \$22.71. Comparison of average payments, however, only partially discloses the differences in payments under the two programs. The distribution of individual payments presents a more descriptive picture (chart 1).⁵

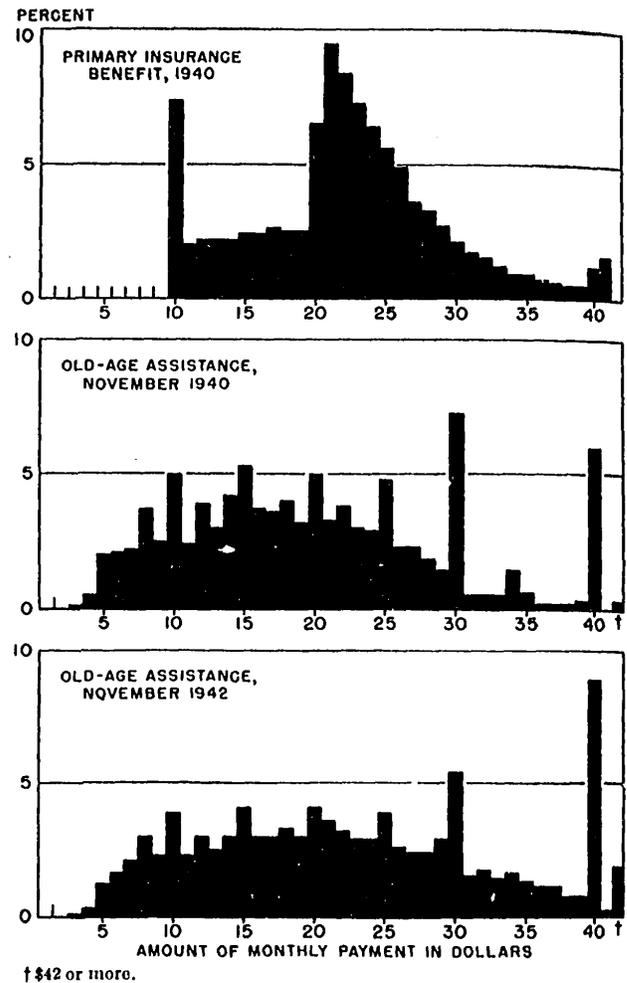
Distribution of payments, 1940.—Primary benefits, held within the limits of the legal minimum and maximum, did not go below \$10 or above \$41.60; in old-age assistance, on the other hand, 13.1 percent of the payments were below \$10 and 0.3 percent above \$41.99. More than half the old-age assistance payments were under \$20; only 28 percent of the primary benefits were so small. Moreover, primary benefits were concentrated within a few intervals; about 38 percent fell in the \$20–24 interval, while only about 21 percent of old-age assistance payments were in the five consecutive dollar intervals having the largest concentration (\$14–19).

The distinctive curves of the two distributions reflect the methods by which the amounts are determined. Old-age assistance payments concentrate at multiples of \$5, disclosing a tendency in many States to think of payments in units of that amount. The influence of the Federal-matching maximum of \$30 which existed prior to

⁵ Detailed data are not available for benefits in force December 1940; they are available, however, for benefits awarded in 1940, 96.2 percent of which were in force on December 31. The distribution of primary benefits was computed from separate distributions for primary benefits only and primary and wife's benefits only, assuming the primary benefit to be two-thirds of the aggregate primary and wife's benefits and further assuming that payments within the dollar intervals were evenly spaced. Primary benefits awarded alone or with wife's benefits totaled 126,441, or 95.5 percent of the number of primary benefits awarded in 1940; the remainder were awards with child's benefits.

Distributions of old-age assistance payments are not available for December 1940. The average for that month was 10 cents above that for November 1940.

Chart I.—Percentage distribution of monthly primary benefits awarded under old-age and survivors insurance and of monthly payments to recipients of old-age assistance, November 1940 and November 1942, by amount



1940 is evident in the concentration of payments in November 1940 at that amount; a number of States had failed to take advantage of the new \$40 maximum,⁶ and evidently in some States, even after it was accepted, the process of getting the qualified persons to higher levels was relatively slow. In November 1942 considerably more payments were made at the \$40 maximum.

The curve for primary benefits describes the formula on which they are based. The legal minimum of \$10 is evident in the concentration of payments at that amount. The sharp rise in the

⁶ Under the Social Security Act, as amended, the Federal Government grants to the State one-half of all payments made, not counting the amount of the payment exceeding \$40. Before January 1, 1940, the maximum was \$30.

number of benefits at \$20 is the result of the change in percentage of wages from 40 percent of the first \$50 to 40 percent of the first \$50 plus 10 percent of the next \$200. The interval of wages represented in the \$20-20.99 group is four times that for \$19-19.99; in the latter interval are the benefits of persons with average monthly wages of approximately \$47.50-50—a range of only \$2.50, but the interval of \$20-20.99 represents the

benefits of persons with average monthly wages of approximately \$50-60—a range of \$10.⁷

Changes, 1940-42.—In December 1942, the average primary benefit in current-payment status had risen to \$23.02 from the average of \$22.71 for benefits awarded in 1940. The old-age assist-

⁷ For illustrative purposes, this explanation disregards the 1-percent increment added for each year in which \$200 in wages was paid; in 1940 the maximum increment was 4 percent.

Table 1.—Average old-age assistance payments, December 1940 and December 1942; average monthly primary benefits awarded under old-age and survivors insurance in 1940 and average monthly primary benefits in current-payment status, December 31, 1942, by State

State	1942					1940								
	Average old-age assistance payment	Average primary benefit	Average old-age assistance payment		Average old-age assistance payment as percent of average primary benefit	Average old-age assistance payment in selected counties ¹	Average old-age assistance payment	Average primary benefit	Average old-age assistance payment		Average old-age assistance payment as percent of average primary benefit	Percent of payments under \$20		Percent of primary benefits at \$10.00-10.99 ²
			Greater by—	Smaller by—					Greater by—	Smaller by—		Old-age assistance ³	Primary benefits ³	
United States.....	\$23.43	\$23.02	\$0.41	-----	101.8	(⁴)	\$20.24	\$22.71	-----	\$2.47	89.1	51.4	31.7	8.6
Alabama.....	9.84	19.69	-----	\$0.85	50.0	\$11.84	9.28	10.69	-----	10.31	47.4	93.5	50.0	15.5
Alaska.....	20.81	24.44	5.37	-----	122.0	(⁴)	28.22	23.40	-----	\$4.82	120.0	15.1	(⁴)	(⁴)
Arizona.....	37.22	22.53	14.09	-----	165.2	37.31	28.01	22.16	-----	5.85	126.4	5.3	33.1	11.5
Arkansas.....	14.71	18.71	4.00	-----	78.0	15.72	7.87	18.02	-----	10.75	42.3	99.4	55.7	22.0
California.....	36.91	23.75	13.16	-----	155.4	36.96	37.87	23.35	-----	14.52	162.2	1.7	28.1	6.6
Colorado.....	41.06	22.74	18.32	-----	180.0	40.83	31.66	22.99	-----	8.07	137.7	7.1	30.3	7.7
Connecticut.....	29.88	24.38	5.50	-----	122.0	29.88	27.90	23.65	-----	4.40	118.7	11.7	25.8	5.0
Delaware.....	13.07	22.50	-----	9.43	58.1	14.20	11.42	20.90	-----	9.48	54.0	91.9	39.1	14.5
District of Columbia.....	27.02	23.82	3.80	-----	116.0	27.02	25.47	23.31	-----	2.10	109.3	17.1	33.6	10.4
Florida.....	14.40	23.23	-----	8.83	62.0	15.88	12.50	21.31	-----	8.81	68.7	91.3	41.9	16.0
Georgia.....	9.20	19.27	-----	9.98	48.2	11.48	8.20	19.20	-----	11.09	42.5	97.9	55.0	19.3
Hawaii.....	10.61	20.22	-----	3.71	81.7	(⁴)	12.96	19.79	-----	6.83	65.5	90.0	47.0	9.3
Idaho.....	20.80	21.38	5.42	-----	125.4	27.55	22.38	22.41	-----	.03	99.9	29.4	31.1	8.5
Illinois.....	27.67	24.09	3.48	-----	114.4	28.60	22.05	23.71	-----	1.06	93.0	39.2	25.0	6.8
Indiana.....	20.00	22.01	-----	1.71	92.4	22.30	18.11	22.33	-----	4.22	81.1	01.2	30.5	8.8
Iowa.....	22.06	21.31	.75	-----	103.5	22.31	20.72	20.92	-----	.20	99.0	30.2	40.9	13.3
Kansas.....	24.27	21.38	2.80	-----	113.5	24.01	20.03	21.02	-----	.99	95.3	55.5	40.5	10.7
Kentucky.....	10.20	20.70	-----	10.50	49.3	11.39	8.91	20.47	-----	11.56	43.5	100.0	43.2	11.6
Louisiana.....	14.40	19.92	-----	5.52	72.3	17.40	12.61	20.20	-----	7.65	62.2	88.4	49.0	15.2
Maine.....	21.70	21.24	.46	-----	102.2	21.82	20.82	20.88	-----	.00	99.7	45.0	41.1	10.4
Maryland.....	20.12	22.18	-----	2.06	90.7	21.65	17.76	21.98	-----	4.22	80.8	58.1	37.8	10.1
Massachusetts.....	34.23	23.82	10.41	-----	143.7	34.23	29.00	23.50	-----	5.44	123.1	0.9	27.7	5.8
Michigan.....	22.01	23.05	-----	1.04	93.1	22.89	16.75	23.25	-----	6.50	72.0	73.3	27.5	6.3
Minnesota.....	22.88	23.80	.08	-----	95.9	24.87	21.16	23.73	-----	2.57	89.2	37.4	24.8	7.1
Mississippi.....	9.05	17.00	-----	8.85	50.0	10.04	8.00	18.58	-----	9.98	40.8	99.3	53.5	24.2
Missouri.....	19.67	22.49	-----	2.82	87.5	22.24	14.95	22.08	-----	7.13	67.7	84.0	37.5	12.3
Montana.....	23.50	23.43	.13	-----	100.0	24.82	19.05	22.77	-----	3.72	83.7	60.6	29.6	9.0
Nebraska.....	20.85	21.27	-----	.42	98.0	21.90	19.30	21.94	-----	2.34	89.2	58.9	37.1	11.4
Nevada.....	31.40	23.32	8.17	-----	135.0	32.18	26.55	24.24	-----	2.31	109.5	17.9	19.0	4.1
New Hampshire.....	24.07	21.40	2.07	-----	112.5	24.07	21.28	21.23	-----	.05	100.2	42.8	30.7	8.2
New Jersey.....	23.43	24.88	-----	1.45	94.2	23.43	21.01	24.57	-----	3.56	85.5	39.2	24.6	5.8
New Mexico.....	10.08	20.31	-----	1.23	93.9	20.45	17.16	20.77	-----	3.61	82.6	71.4	43.4	12.0
New York.....	28.05	23.80	5.15	-----	121.0	29.30	24.91	23.74	-----	1.17	104.9	32.7	27.4	7.0
North Carolina.....	10.40	18.82	-----	8.42	55.3	11.95	10.12	18.91	-----	8.79	53.5	94.3	55.4	17.5
North Dakota.....	19.13	21.05	-----	2.52	88.4	21.87	16.78	21.07	-----	4.20	70.6	69.3	44.0	20.7
Ohio.....	26.97	23.82	3.15	-----	113.2	27.41	22.99	23.31	-----	.32	98.6	28.4	26.8	6.5
Oklahoma.....	21.92	22.24	-----	.32	98.0	22.70	17.85	21.09	-----	3.24	84.0	60.1	40.0	14.0
Oregon.....	24.71	22.54	2.17	-----	109.0	25.57	21.40	22.36	-----	.90	95.7	37.3	29.9	8.2
Pennsylvania.....	25.87	23.56	2.31	-----	109.8	25.90	21.95	23.00	-----	1.14	95.1	35.0	27.7	6.5
Rhode Island.....	24.93	23.21	1.72	-----	107.4	24.93	19.96	22.91	-----	2.95	87.1	44.7	27.5	6.8
South Carolina.....	10.15	18.96	-----	8.81	53.5	11.25	7.91	19.02	-----	11.11	41.0	98.3	57.2	16.0
South Dakota.....	10.50	22.14	-----	2.58	88.3	21.05	19.30	22.18	-----	2.88	87.0	51.7	38.7	11.0
Tennessee.....	12.30	19.53	-----	7.17	63.3	14.32	10.11	19.73	-----	9.62	51.2	97.1	49.8	16.7
Texas.....	20.05	20.58	-----	.53	97.4	21.45	13.77	20.88	-----	7.11	65.9	88.7	42.8	15.7
Utah.....	27.08	23.24	3.84	-----	110.5	27.22	22.58	23.02	-----	.44	98.1	25.5	28.8	8.7
Vermont.....	17.97	21.01	-----	3.94	82.0	18.29	10.51	21.47	-----	4.90	70.9	65.6	38.7	11.2
Virginia.....	10.62	20.58	-----	9.96	51.6	12.64	9.95	20.29	-----	10.34	49.0	94.0	45.6	15.0
Washington.....	33.74	23.27	10.47	-----	145.0	33.73	22.70	23.05	-----	.35	98.5	27.0	20.9	5.6
West Virginia.....	17.17	22.08	-----	4.91	77.8	17.94	13.99	21.77	-----	7.78	64.3	84.8	31.7	7.2
Wisconsin.....	24.16	23.52	.04	-----	102.7	25.21	23.53	23.30	-----	.83	96.4	34.2	27.0	7.6
Wyoming.....	26.78	22.49	4.29	-----	110.1	27.11	23.91	21.94	-----	1.97	109.0	19.9	29.3	8.1

¹ Counties in which 50 percent or more of all employment in March 1940 was covered by old-age and survivors insurance.
² Data for November 1940.

³ Does not include any primary benefits awarded in families which also received wife's or child's benefits.
⁴ Data not available.
⁵ Not computed on base of less than 50.

Table 2.—Distribution of States by average old-age assistance payment and by average primary benefit, December 1942 and December 1940¹

Average primary benefit ¹	Total	Average old-age assistance payment							
		\$5.00-9.99	\$10.00-14.99	\$15.00-19.99	\$20.00-24.99	\$25.00-29.99	\$30.00-34.99	\$35.00-39.99	\$40.00-44.99
December 1942									
Total.....	51	3	9	7	16	10	3	2	1
\$17.00-17.99.....	1	1	0	0	0	0	0	0	0
18.00-18.99.....	3	0	3	0	0	0	0	0	0
19.00-19.99.....	4	2	2	0	0	0	0	0	0
20.00-20.99.....	5	0	2	2	1	0	0	0	0
21.00-21.99.....	8	0	0	2	5	1	0	0	0
22.00-22.99.....	11	0	1	3	4	1	0	1	1
23.00-23.99.....	15	0	1	0	5	5	3	1	0
24.00-24.99.....	4	0	0	0	1	3	0	0	0
December 1940									
Total.....	51	7	9	11	10	0	1	1	0
\$18.00-18.99.....	3	2	1	0	0	0	0	0	0
19.00-19.99.....	5	3	2	0	0	0	0	0	0
20.00-20.99.....	8	2	3	1	2	0	0	0	0
21.00-21.99.....	10	0	2	5	3	0	0	0	0
22.00-22.99.....	9	0	1	4	2	1	1	0	0
23.00-23.99.....	14	0	0	1	8	4	0	1	0
24.00-24.99.....	2	0	0	0	1	1	0	0	0

¹ December 1940 data for primary benefits from benefits awarded in 1940; December 1942 data from benefits in current-payment status Dec. 31, 1942.

ance payment, however, had climbed from an average of \$20.14 in November 1940 to \$23.43 in December 1942.

Higher wages in 1941 and 1942 raised only slightly the primary benefits awarded during this period, because the formula and the method of computing the average monthly wage remained unchanged. Moreover, since the amounts of primary benefits already awarded cannot be raised even if the primary beneficiary subsequently earns higher wages, better employment opportunities had no effect on benefits already established.

Old-age assistance payments are not limited by a formula fixed by act of Congress, and, within the limitations of available funds and provisions of State plans, they can be changed as frequently as conditions require. In 1941 and 1942, higher living costs necessitated larger payments at the same time that additional funds became available through improved fiscal conditions in most of the States and through legislative action to take advantage of the higher Federal-matching maximum.⁸

⁸ See the following *Bulletin* articles: "Effect of the War Economy on Financing Public Assistance," October 1942, pp. 13-17; "Increases in Cost of Living and in Assistance Payments," January 1943, pp. 31-32; and "Effect of Increased Federal Participation in Payments for Old-Age Assistance, 1940-41, and Aid to Dependent Children, 1940-42," April 1943, pp. 18-21.

The increase in old-age assistance payments in the 2-year period is evident in the distributions for November 1940 and November 1942 (chart 1). While 51 percent of the payments in the earlier years were below \$20, only 42 percent were in that group 2 years later. Payments above \$30 increased from 11 percent of the total in 1940 to 22 percent in 1942.

State Averages for the Aged

State averages for primary benefits awarded in 1940 ranged from \$18.58 in Mississippi to \$24.57 in New Jersey, while those for old-age assistance payments in December 1940 varied from \$7.87 in Arkansas to \$37.87 in California (table 1).⁹ In general, States with low per capita income were at the bottom of the list in both sets of averages while States with high per capita income were at the top,¹⁰ accordingly, States which

⁹ If a man and wife are both eligible for old-age assistance, it is customary in most States to make a separate payment to each; however, in some States a single payment may be made to husband and wife and the amount per recipient is consequently lower than the average given. In January 1943, some such payments were made in Alabama, Arkansas, Georgia, Idaho, Kansas, Louisiana, Mississippi, New Mexico, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and Wyoming. See the following *Bulletin* articles: "Distribution Patterns in Old-Age Assistance Payments Approved in 1938-39," January 1941, pp. 16-17, and "Recipient Rates for the Special Types of Public Assistance," April 1943, pp. 25-26.

¹⁰ The 12 States with highest average primary benefits were, in descending order: New Jersey, Nevada, New York, Minnesota, Illinois, Connecticut,

had high or low average primary benefits usually had high or low assistance averages (table 2). The greater concentration of the primary benefit averages is apparent from the following distribution:

Average	Number of States	
	Old-age assistance	Old-age insurance
Total.....	51	51
\$5.00-9.99.....	7	0
10.00-14.99.....	9	0
15.00-19.99.....	11	8
20.00-24.99.....	10	43
25.00-29.99.....	0	0
30.00-34.99.....	1	0
35.00-39.99.....	1	0

Despite the tendency for both averages to be high or low in a given State, large differences between them appeared in some States—a situation to be expected when one set of averages is held within a relatively narrow range (\$18.58 to \$24.57) while the other is scattered (\$7.87 to \$37.87). The extreme differences between the two averages occurred in California, where the old-age assistance payment was \$14.52 higher than the average primary benefit, and in Kentucky, where the average old-age assistance payment was \$11.56 lower. Of the 11 States in which the average old-age assistance payment was higher, 7 States¹¹ had differences of less than \$5, 3 States (Massachusetts, Arizona, and Colorado) differences of \$5-9, and only 1 (California) a difference of more than \$10. Of the 40 States in which the average old-age assistance payment was lower, the difference was less than \$5 in 23 States,¹² \$5-9 in 11 States,¹³ and \$10 or more in 6 States.¹⁴

Much the same picture develops if the com-

Massachusetts, Alaska, Wisconsin, California, Ohio, District of Columbia. The 12 with highest old-age assistance averages were: California, Colorado, Massachusetts, Alaska, Arizona, Connecticut, Nevada, District of Columbia, New York, Wyoming, Ohio, Washington.

The 12 States with lowest average primary benefits were, in ascending order: Mississippi, Arkansas, North Carolina, South Carolina, Georgia, Alabama, Tennessee, Hawaii, Louisiana, Virginia, Kentucky, New Mexico. The 12 with lowest old-age assistance averages were: Arkansas, South Carolina, Georgia, Mississippi, Kentucky, Alabama, Virginia, Tennessee, North Carolina, Delaware, Florida, Louisiana.

¹¹ New Hampshire, New York, Wyoming, District of Columbia, Nevada, Connecticut, Alaska.

¹² Idaho, Maine, Iowa, Ohio, Washington, Utah, Wisconsin, Oregon, Kansas, Pennsylvania, Illinois, Nebraska, Minnesota, South Dakota, Rhode Island, Oklahoma, New Jersey, New Mexico, Montana, Indiana, Maryland, North Dakota, Vermont.

¹³ Michigan, Hawaii, Texas, Missouri, Louisiana, West Virginia, North Carolina, Florida, Delaware, Tennessee, Mississippi.

¹⁴ Alabama, Virginia, Arkansas, Georgia, South Carolina, Kentucky.

parison is made in terms of the ratio of assistance to insurance payments. In 1940, the average assistance payment in Arkansas was only 42.3 percent of the average primary benefit in that State, slightly lower than the ratio of 43.5 in Kentucky. In California, at the other end of the scale, the average assistance payment was 162 percent of the average primary benefit. The next highest ratio was 138 in Colorado. Of the 23 States in which the average old-age assistance payment was lower than the average benefit by less than \$5, 21 had ratios of assistance to insurance payments between 80 and 100 percent and 2 States between 70 and 80 percent. The percentage was below 75 in the other 17 States with average old-age assistance payments lower than the average primary benefit.

The wide range in old-age assistance averages in the States is comparable to that for per capita income, relative variation in the two sets of averages being about the same. The relative variation in the insurance averages is, however, much smaller than in the other two series, because of the characteristics of the benefit formula.

The minimum provision in the benefit formula made most of the State averages higher than they would otherwise have been, and its effect was naturally greatest in the States in which the largest proportions of benefits were raised to the minimum. In 12 States,¹⁵ all with low per capita incomes, 15 percent or more of the primary benefits were in the \$10 interval; Mississippi, with 24 percent, had the largest proportion. Nevada had the smallest percentage (4 percent) of benefits in that interval, but in 23 other States¹⁶ the proportions were less than 10 percent.¹⁷

Differences in assistance and insurance payments are also shown by the varying proportions of individual payments under \$20 in the States. In general, States with low averages had the largest percentage of these payments, and since the lowest averages appeared in the assistance payments the largest proportions of small payments were there; conversely, the smallest proportions of payments under \$20 were linked with

¹⁵ Mississippi, Arkansas, North Dakota, Georgia, North Carolina, Tennessee, South Carolina, Florida, Texas, Alabama, Louisiana, Virginia.

¹⁶ Connecticut, Illinois, Massachusetts, New Jersey, Michigan, Ohio, Pennsylvania, Washington, California, Rhode Island, New York, Minnesota, West Virginia, Wisconsin, Colorado, Wyoming, Oregon, New Hampshire, Idaho, Utah, Indiana, Montana, Hawaii.

¹⁷ These data refer only to primary benefits awarded alone (without wife's or child's benefits) in 1940.

the highest assistance averages.¹⁸ The following tabulation shows a concentration in percentages for primary benefits and a dispersion in those for old-age assistance payments:

Percent of payments under \$20	Number of States	
	Old-age assistance	Old-age insurance
Total.....	51	50
Less than 10.0.....	4	0
10.0-19.9.....	5	1
20.0-29.9.....	4	17
30.0-39.9.....	8	13
40.0-49.9.....	3	13
50.0-59.9.....	4	6
60.0-69.9.....	2	0
70.0-79.9.....	5	0
80.0-89.9.....	2	0
90.0-99.9.....	11	0
100.0.....	1	0

¹ Excludes Alaska.

Changes, 1940-42.—Between December 1940 and December 1942, the average old-age assistance payment for the country as a whole increased from \$20.24 to \$23.43, or 15.8 percent. Little change, on the other hand, occurred in the average primary benefit. Benefits in current-payment status at the end of 1942 averaged \$23.02, a gain of 1.4 percent over the 1940 average award of \$22.71.

The average assistance payment rose in all States except California, where it decreased slightly. The increases ranged from 1.3 percent in South Dakota to 86.9 percent in Arkansas; 23 States showed gains greater than that in the national average (15.8 percent). The average primary benefit increased in 38 States and declined in 13, but the changes were slight; 44 States moved less than 3 percent from their 1940 averages.

The net effect of these unequal movements was to raise from 11 to 24 the number of States in which the average old-age assistance payment was larger than the average primary benefit. Colorado, with an assistance average \$18.32 above that for primary benefits, replaced California as the State with the greatest difference between the two averages, while Kentucky continued to have the assistance average furthest below the average primary benefit. The following comparison of the number of States in each difference interval

shows the extent of the increase in the assistance averages:

Difference between averages in State	Number of States	
	1940	1942
Total.....	51	51
Assistance average higher by:		
\$10.00 or more.....	1	5
5.00-9.99.....	3	5
0.01-4.99.....	7	14
Assistance average lower by:		
\$0.01-4.99.....	23	16
5.00-9.99.....	11	10
10.00 or more.....	6	1

In 1942, the average assistance payment was less than 80 percent of the average primary benefit in only 13 States, compared with 19 in 1940; the percentage was more than 120 in 10 States as against 5 States in 1940. In Colorado, the average assistance payment was 81 percent higher than the insurance payment, and in Georgia, at the other extreme, it was 52 percent lower.

The rise in old-age assistance payments, it should be remembered, was largely induced by higher living costs and the increased availability of funds for these expenditures. In a period of declining prices, particularly if State budgets are curtailed at the same time, assistance payments may be reduced. Primary benefits, on the other hand, are fixed at the time of the award and are not thereafter affected by economic changes though, of course, new benefits awarded reflect the wages on which they are based. Since, however, retirement benefits are commonly based on wages received over a considerable prior period, changes in benefit amounts will lag behind changes in prevailing wage levels.

The coverage provisions of the Social Security Act exclude agricultural and certain other earnings from the wages counted toward old-age insurance. As has been indicated previously, exclusion of agricultural earnings lowers the primary benefits for many workers in rural areas who work part of the time in agriculture and part in covered employment while it prevents many others from qualifying for benefits at all. Since there is no similar demarcation between urban and rural areas under the assistance program, an analysis confining the assistance average to those counties of the State with higher penetration by old-age insurance provides a better basis for comparison in the sense that the assistance payments

¹⁸ See Public Assistance Research Memorandums Nos. 2, 4, and 5 for distribution of amounts of assistance payments in November 1940, May 1941, and November 1941.

meet living costs and standards similar to those for which the insurance benefit is expended. To make such a comparison, counties in which 50 percent or more of all employment in 1940 was covered by old-age and survivors insurance were selected.

In December 1942, average old-age assistance payments in the selected counties were higher than the State-wide assistance averages in all but 2 States (Colorado and Kansas), and 12 States, most of them in the southeast section of the country, showed increases of not more than 10 percent.¹⁹ The range in the averages for the selected counties was about the same as that for the State-wide averages; a difference of \$30.79 separated the average of \$10.04 in Mississippi from that of \$40.83 in Colorado.

Since averages for the selected counties were generally higher than those for the entire State, the State figure based on such counties exceeded the average primary benefit in a larger number of States than the complete assistance average had. In 29 States it was higher and in 20 lower. Colorado and Kentucky were again at the extremes, Colorado's assistance average being \$18.09 above that for primary benefits and Kentucky's, \$9.31 lower.

Payments for Children

The average payment per family in which assistance was given to a needy child or children who had been deprived of parental support or care was \$32.52 in November 1940; survivor insurance benefits awarded in 1940 to families consisting of a widow and one or more children averaged \$41.39.²⁰ Under the assistance program there was an average of 2.4 eligible children per family; under the insurance program the average was only 1.7.

Distribution of payments, 1940.—Benefits under the insurance program ranged from \$12.50, the minimum for a widow and one child, to \$83.20, the maximum family benefit in 1940. Some assistance payments in November 1940 were higher than the maximum insurance benefit while many were lower than the minimum; 8.7 percent were below \$12, and 1.4 percent over \$83—0.4 percent

¹⁹Averages were not computed for Alaska and Hawaii.
²⁰The average payment for aid to dependent children relates to 43 States (including District of Columbia and Hawaii) with approved plans in November 1940. The average survivors insurance payment is for all 51 States (including District of Columbia, Alaska, and Hawaii); it would be only 3 cents higher if limited to the 43 States represented in the assistance average.

in amounts of \$100 or more. Despite the occasional high assistance payments to individual families, it is obvious from the distribution of payments that most of them were small (table 3). About 50 percent were less than \$30 and 70 percent less than \$40, compared with 22 and 50 percent, respectively, for survivor benefits.

In both programs payments generally increase with the number of children. Under the insurance program, however, the legal maximum of twice the primary benefit for total benefits based on an individual wage record prevents any increase for the fourth child, if the widow also claims a benefit, because the total for a widow's current benefit and benefits for three children (making 2½ times the primary benefit) represent an amount which must be reduced to conform to the maximum allowable. Since payments for aid to dependent children are based on need, additional amounts would presumably be added if the needs of an additional child were considered. A few States place a maximum on the total assistance grant to the family. The maximum for Federal participation tends to limit payments to some extent, although 35 percent of the payments for aid to dependent children exceeded that maximum in November 1940—that is, included additional unmatched amounts from State or local sources alone. Under the matching provision, the Federal grants to the States represent half of all payments not counting any amount in excess of \$18 a month for the first child and \$12 a month for each additional child aided in the same home; the number of additional children for whom payments may be matched is unlimited.

Table 3.—Percentage distribution of families receiving aid to dependent children, November 1940,¹ and of insured deceased workers on the basis of whose wages monthly benefits were awarded in 1940 to a widow and one or more children, by amount of payment

Amount of payment	Survivors insurance	Aid to dependent children
Total.....	100.0	100.0
Less than \$10.00.....		4.7
10.00-19.99.....	5.2	25.6
20.00-29.99.....	17.0	20.0
30.00-39.99.....	27.9	19.7
40.00-49.99.....	23.6	13.0
50.00-59.99.....	16.7	7.8
60.00-69.99.....	5.0	5.0
70.00-79.99.....	3.6	2.2
80.00-89.99.....	1.0	1.2
90.00 or more.....		.8

¹ In States with approved plans.

Comparisons, 1940, by size of family.—Families aided under the assistance program were on the average not only larger than insurance families but also larger than all families in the country with children (table 4). The fact that large families are more likely to be in need and to get on the assistance rolls is doubtless a factor. On the other hand, the broken family with the mother at the head usually has fewer children than the normal family with both father and mother.²¹

Table 4.—Percentage distribution of families receiving aid to dependent children, November 1940, of families awarded both widow's current and child's benefits in 1940, and of all families with children, 1940, by number of children

Number of children	Aid to dependent children ¹	Survivors insurance ²	All families with children ³
Total.....	100.0	100.0	100.0
One.....	33.7	60.3	41.7
Two.....	28.4	30.1	28.3
Three or more.....	37.9	19.6	30.0

¹ Social Security Yearbook, 1940, p. 296.

² Social Security Yearbook, 1940, p. 159.

³ Bureau of the Census, Sixteenth Census of the United States: 1940, Series PH-4, No. 1.

The low average number of children in the insurance families and particularly the large proportion of families with only one child results from the fact that 52 percent of the men on whose wages these benefits were based were 45 years of age or over when they died; probably more children in their families had reached 18 and were no longer eligible for payments than was the case in the assistance families. The concentration of commercial and industrial workers in urban communities, where families are relatively small, and the effect of the maximum insurance benefit, which does not encourage the filing of claims for more than three children, also help to explain the low average number of children per family.

In aid to dependent children for November 1940, the average payment for the one-child family was \$22.48, for the two-child family, \$31.42, and for the three-child family, \$37.60. Average awards in 1940 for widow's current and child's benefits were higher; for the one-child family the mean was \$33.98, for the two-child family, \$47.12, and for the three-child family, \$52.42.

²¹ Bureau of the Census, Sixteenth Census of the United States: 1940, Series PH-4, No. 1.

Under the survivors insurance formula, 40 percent of the amount awarded to a widow and one child is added for the second entitled child; because total benefits are limited to twice the primary benefit, however, the original amount can be increased further by only 20 percent if there is a third entitled child. The 39-percent increase for the two-child family over the actual one-child average in 1940 and the further increase of 16 percent for the three-child family reflect these provisions in the law; evidently the average worker with the larger family had lower average monthly wages which prevented the full increments of 40 and 20 percent.

In aid to dependent children, the Federal matching of payments of \$18 for the first child and \$12 for each additional child provides an increment of 66.7 percent for each additional child. Averages in November 1940 for both the one and two-child families (\$22.48 and \$31.42) exceeded the Federal-matching maximums of \$18 and \$30, but the increment for the two-child family was not 66.7 percent but 39.8 percent—about the same as the increase under the insurance formula. The average of \$37.60 for the three-child family fell below the Federal-matching maximum of \$42 and represented an additional increase of only 27.5 percent. As the family increases in size, the average payment tends to be farther below the matching maximum. Apparently consideration of the needs of the responsible relative (usually the mother) often resulted in larger allowances for this purpose than that reflected by the provisions for Federal matching in the case of the first child; consequently, averages for the one-child and the two-child family exceeded the matching maximum. On the other hand, allowances made for the needs of additional children were often less than the maximum provided in the Federal act.

Changes, 1940-42.—Like assistance payments for the aged, those for dependent children rose with the increased need resulting from higher prices. For the 43 States with approved plans in 1940, the average rose from \$32.52 in November 1940 to \$37.27 in December 1942—a gain of 14.6 percent.

Although data on amounts of family insurance benefits in December 1942 are not available, it is clear that insurance payments did not have an increase comparable to that in assistance payments. Average widow's current benefits in force

on December 31, 1942, were 0.2 percent smaller than the average benefits awarded in 1940. An average of at least \$40 per family for December 1942 is estimated on the basis of this change in average widow's current benefits and of the maximum possible reduction in size of family indicated

by the data on awards and terminations.²²

²² This computation assumed, however, that the average child's benefit was the same fraction of average widow's current benefits in 1942 as in 1940. Because of the uneven distribution of children in families and also because of the application of the maximum, the average child's benefit in families in which both widow's current and child's benefits were awarded in 1940 was not 66.7 percent of the average widow's current benefit but 64.9 percent. A change in this percentage may have occurred in the 2 years.

Table 5.—Average payments for aid to dependent children, November 1940 and December 1942;¹ average monthly amount per family to which both widow's current and child's benefits were awarded in 1940; and per capita income 1940 and 1942, by State

State	Average assistance payment, 1942 ¹		1940					Per capita income	
	All counties	Selected counties ²	Average assistance payment ¹	Average insurance benefit	Average assistance payment—		Average assistance payment as percent of average insurance benefit	1942	1940
					Greater by—	Smaller by—			
United States	\$36.39	(³)	\$32.52	\$41.39		\$8.87	78.6	\$852	\$579
Alabama	16.53	\$18.94	13.72	36.58		22.86	37.5	480	266
Alaska		(³)		(³)				(³)	(³)
Arizona	34.01	35.09	32.38	39.64		7.16	81.9	832	473
Arkansas	22.23	23.81	13.91	33.71		19.80	41.3	514	257
California	57.48	58.56	46.50	42.80	\$3.70		108.6	1,167	808
Colorado	31.68	32.86	30.25	40.46		10.21	74.8	785	530
Connecticut	61.03	61.03		42.71				1,296	839
Delaware	35.81	40.05	33.59	45.45		11.86	73.9	1,180	623
District of Columbia	39.11	39.11	37.90	41.78		3.88	90.7	1,164	1,057
Florida	24.28	24.47	21.61	35.41		13.80	61.0	655	472
Georgia	23.08	28.84	21.30	33.82		12.52	63.0	498	317
Hawaii	44.07	(³)		44.22		7.01	84.1	(³)	(³)
Idaho	34.86	33.01	29.49	42.71		13.22	69.0	768	442
Illinois	32.50	32.55		44.05				979	727
Indiana	32.01	33.44	28.38	41.65		13.27	68.1	827	537
Iowa				40.81				823	488
Kansas	37.85	37.54	29.07	38.50		8.83	77.1	814	421
Kentucky	(³)	(³)		37.50				477	313
Louisiana	28.20	34.89	25.12	39.92		11.80	68.0	534	365
Maine	43.70	44.08	39.04	37.91	1.13		103.0	780	503
Maryland	34.31	35.85	31.49	41.12		9.63	76.6	1,077	707
Massachusetts	64.08	64.09	58.50	43.23	15.27		135.3	1,024	769
Michigan	47.55	49.54	40.02	44.01		3.39	92.3	960	652
Minnesota	35.55	37.34	34.48	44.18		9.70	78.0	761	514
Mississippi	20.17	22.42		32.25				407	205
Missouri	30.73	31.24	24.15	40.82		16.07	59.2	702	508
Montana	31.79	33.30	28.45	40.49		12.04	70.3	860	584
Nebraska	31.03	31.38	31.39	43.90		12.51	71.5	774	431
Nevada				(³)				1,352	843
New Hampshire	50.03	50.03	44.80	38.15	0.65		117.4	719	560
New Jersey	32.11	32.11	31.10	44.12		12.03	70.7	1,304	894
New Mexico	36.59	39.72	25.94	39.29		13.32	66.1	558	359
New York	53.42	53.41	46.52	43.87	2.65		106.0	1,106	848
North Carolina	17.51	20.71	16.60	33.53		10.87	49.7	523	320
North Dakota	33.65	35.29	31.07	34.28		3.21	90.0	721	368
Ohio	40.27	43.05	39.75	42.90		3.15	92.7	957	647
Oklahoma	22.60	23.17	14.63	40.68		20.05	36.0	598	360
Oregon	50.09	52.05	39.05	39.03	.02		100.1	1,040	579
Pennsylvania	48.21	48.34	39.05	42.25		0.20	85.3	894	635
Rhode Island	55.57	55.57	45.84	42.12	3.72		108.8	1,010	715
South Carolina	16.12	17.37	16.33	32.10		15.86	50.7	450	289
South Dakota	20.01	20.55	17.13	30.64		22.51	43.2	725	378
Tennessee	19.61	21.58	18.48	39.00		17.52	51.3	492	319
Texas	21.33	21.51		38.50				677	419
Utah	47.40	52.57	37.23	42.81		5.58	87.0	850	489
Vermont	32.86	33.10	32.74	39.39		6.65	83.1	698	513
Virginia	20.90	24.31	20.42	37.17		16.75	54.9	697	447
Washington	49.32	49.15	31.83	40.27		8.44	79.0	1,166	644
West Virginia	30.54	31.98	23.59	42.16		18.57	56.0	598	409
Wisconsin	41.95	47.71	37.07	42.47		4.80	88.7	786	519
Wyoming	34.07	34.16	32.38	44.60		12.31	72.5	883	599

¹ In States with approved plans.
² Counties in which at least 50 percent of employment in March 1940 was covered by old-age and survivors insurance.
³ Data not available.
⁴ Continental United States only. See *Survey of Current Business*, June 1943, p. 11.

⁵ Less than 25 families.
⁶ Between 25 and 50 families.
⁷ Plan approved by the Social Security Board, Dec. 29, 1942, but no payments were made under approved plan.

State Averages for Children

For the 43 States administering aid to dependent children under approved plans, the average payment per family in November 1940 was \$32.52, while the average insurance benefit for families to which both widow's current and child's benefits were awarded in 1940 was \$41.42.

As in the programs for the aged, departures of the States from the average for the country as a whole were greater under the assistance program than under the insurance program. The averages for aid to dependent children ranged from \$13.72 in Alabama to \$58.50 in Massachusetts—a difference of \$44.78—while the range in average survivor benefits was from \$32.19 in South Carolina to \$45.45 in Delaware—a difference of \$13.26 (table 5). The greater concentration in the insurance averages is evident from the following tabulation:

Average	Number of States	
	Aid to dependent children	Survivors insurance
Total.....	43	43
\$10.00-19.99.....	7	0
20.00-29.99.....	11	0
30.00-39.99.....	19	18
40.00-49.99.....	5	25
50.00-59.99.....	1	0

Large differences between the two averages occurred in some States. In Massachusetts, the assistance average was \$15.27 higher than the insurance average, and in Oklahoma it was \$26.05 lower. The assistance average exceeded that for

Table 6.—Distribution of 43 States by average payment for aid to dependent children, December 1940,¹ and by average monthly amount per family to which both widow's current and child's benefits were awarded in 1940

Average insurance benefit	Total	Average assistance payment								
		\$10.00-14.99	\$15.00-19.99	\$20.00-24.99	\$25.00-29.99	\$30.00-34.99	\$35.00-39.99	\$40.00-44.99	\$45.00-49.99	\$50.00-59.99
Total.....	43	3	4	5	6	11	8	2	3	1
\$32.00-32.99.....	1	0	1	0	0	0	0	0	0	0
33.00-33.99.....	3	1	1	1	0	0	0	0	0	0
34.00-34.99.....	1	0	0	0	0	1	0	0	0	0
35.00-35.99.....	1	0	0	1	0	0	0	0	0	0
36.00-36.99.....	3	1	1	0	1	0	0	0	0	0
37.00-37.99.....	2	0	0	1	0	0	1	0	0	0
38.00-38.99.....	2	0	0	0	1	0	0	1	0	0
39.00-39.99.....	5	0	1	0	1	2	1	0	0	0
40.00-40.99.....	5	1	0	1	1	2	0	0	0	0
41.00-41.99.....	3	0	0	0	1	1	1	0	0	0
42.00-42.99.....	8	0	0	1	1	0	4	0	2	0
43.00-43.99.....	3	0	0	0	0	1	0	0	1	0
44.00-44.99.....	5	0	0	0	0	3	1	1	1	0
45.00-45.99.....	1	0	0	0	0	1	0	0	0	0

¹ In States with approved plans.

survivors insurance in only 7 States, and most of the differences were comparatively small.²³ In 36 States, however, the insurance average was larger, and in 22 of them the difference was \$10 or more.²⁴

In Massachusetts, the assistance average was 135 percent of the insurance average, and in Oklahoma it was 36 percent. In 22 States the percentages were between 60 and 90. The ratios for children were generally lower than the corresponding ratios for the aged.

State averages under the children's programs, like those for the aged, were directly associated with the per capita income of the State, although averages were higher or lower in some States than would be expected from the per capita income, reflecting unusually high or low standards of assistance. The relationship between the insurance and assistance averages was slightly less pronounced than under programs for the aged (table 6).²⁵

Changes, 1940-42.—Average assistance payments, which increased from \$32.52 in November 1940 to \$37.27 in December 1942 (14.8 percent) in

²³ Massachusetts, \$15.27; New Hampshire, \$6.65; Rhode Island, \$3.72; California, \$3.70; New York, \$2.65; Maine, \$1.13; and Oregon, \$0.02.

²⁴ In 1 State the difference was between \$25 and \$30; in 2, between \$20 and \$25; in 7, between \$15 and \$20; in 12, between \$10 and \$15; in 9, between \$5 and \$10; and in 5, less than \$5.

²⁵ Among the 43 States with approved plans for aid to dependent children in November 1940, the 12 States with highest averages under survivors insurance were, in descending order: Delaware, Wyoming, Hawaii, Minnesota, New Jersey, Michigan, Nebraska, New York, Massachusetts, Ohio, California, Utah. The 12 with highest averages for aid to dependent children were: Massachusetts, California, New York, Rhode Island, New Hampshire, Michigan, Oregon, Ohio, Maine, District of Columbia, Wisconsin, Utah.

The 12 States with lowest survivors insurance averages were, in ascending order: South Carolina, North Carolina, Arkansas, Georgia, North Dakota, Florida, Tennessee, Alabama, Louisiana, Virginia, Maine, New Hampshire. The 12 with lowest payments for aid to dependent children were: Alabama, Arkansas, Oklahoma, South Carolina, North Carolina, South Dakota, Tennessee, Virginia, Georgia, Florida, West Virginia, Missouri.

the 43 States with approved plans in November 1940, rose unevenly in 42 States and declined slightly in 1 (South Carolina). In South Dakota, where the program was getting under way in 1940, the increase was largest (69.4 percent), but 3 other States (Arkansas, Washington, and Oklahoma) had increases of more than 50 percent. In 17 States, percentage increases were higher than that for the group of States. The following tabulation of average payments in November 1940 and December 1942 shows the result of these changes:

Average payment	Number of States	
	November 1940	December 1942
Total.....	43	43
\$10.00-19.99.....	7	4
20.00-29.99.....	11	7
30.00-39.99.....	19	18
40.00-49.99.....	5	8
50.00-59.99.....	1	5
60.00-69.99.....	0	1

Averages per family are not available for insurance benefits in December 1942, but there is reason to believe that the averages remained relatively

stable over the 2-year period. For the country as a whole, the maximum possible reduction in the size of the insurance family was not great, and the changes in average widow's current benefits from the awards of 1940 to the benefits in current-payment status on December 31, 1942, were relatively small. If the State averages per family are based only on the change in average widow's current benefits, 32 were higher and 11 lower than the assistance averages on December 1942, compared with 36 higher and 7 lower 2 years earlier.

Payments for aid to dependent children appear to better advantage when the averages are based only on counties in which 50 percent or more of the employment was covered by old-age and survivors insurance.²⁶ In 13 States these averages were above those estimated for survivors insurance and in 30 they were below. Of the 4 States which had approved plans in 1942 but not in 1940, 1 had a higher assistance average, while the other 3 had higher insurance averages.

²⁶ The average for the selected counties was 10-25 percent higher than the State-wide average in 10 States, 5-9 percent higher in 6 States, and less than 5 percent higher in 19, in 5 States there was no change, and in 6 there were decreases.

A Career in Public Service*

THE STATE public assistance agencies are responsible for providing, within the framework of the respective State statutes and agency policy and procedure, cash assistance and other appropriate services for the special types of public assistance. The agencies frequently administer additional programs, such as general assistance, and, at times, such temporary programs as civilian war assistance, in which capacity they act in behalf of the Federal Bureau of Public Assistance and the Social Security Board.

Since these programs are State programs, operating through Federal grants-in-aid, their operation varies from State to State. In some instances the public assistance agency is part of a public welfare department which includes other programs, such as probation and parole, care for the mentally ill, and general assistance financed without the aid of Federal funds. In

*Bureau of Public Assistance, Technical Training Service. This article is based on a statement prepared for the Wartime Committee on Personnel, American Association of Social Workers.

other instances the public assistance program is administered in a separate agency. Some of the programs are State administered; others provide for administration by the local agency, supervised by the State agency. The Federal act gives the State agencies wide latitude in establishing and operating the assistance programs, but it requires certain basic conditions, such as State-wide operation of the plan through a single State agency, financial participation by the State, and opportunity for a fair hearing for applicants denied assistance. Methods of administration must provide proper and efficient operation of the plan, including methods for establishing and maintaining personnel standards on a merit basis, and for adequate reporting.

What Kind of Persons Are Needed as Workers

Persons employed to fill social service positions in the State public assistance agencies are called upon to do work which presents great variety and which calls for exercise of considerable judgment.