

# The Effect of Liquidation of the WPA on Need for Assistance

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LIQUIDATION OF THE Work Projects Administration was ordered by the President on December 4, 1942, after a request for such action had been made by the agency. The order specified that all project operations were to be closed out by February 1, 1943, or as soon thereafter as possible. The agency was created by Executive Order on May 6, 1935, to operate in cooperation with local, State, and Federal sponsors a program of useful public works projects and to aid employable needy persons by providing work on such projects. After reaching a peak of 3½ million in November 1938, the number of persons employed on projects financed from WPA funds had dropped to approximately 300,000 by December 1942. After 1938, the average annual level of WPA employment had declined; the rate of decline gained momentum in 1941 and 1942 when the expansion of the armed forces and of war industries greatly increased employment opportunities. Many WPA workers, some after retraining, found jobs in war and other essential industries; others obtained jobs in less essential occupations vacated by persons transferring to war industries or entering the armed forces.

Although hundreds of thousands of WPA workers had thus found employment by December 1942, there was considerable question as to whether all the remaining 300,000 would be able to find work. Concern was expressed by some public welfare administrators and others as to the ability of public assistance agencies to meet the needs of the families who had been dependent on WPA earnings if the workers were unable to find regular employment.

## *Factors Affecting Employability of Remaining Workers*

Consideration of the characteristics of the persons remaining on the WPA rolls in October 1942 indicated that not all of them were likely to obtain employment even under present favorable conditions. The younger and better trained

workers had been the first to obtain jobs; and a relatively larger number of men than of women had found regular employment. As a result, the workers remaining on the rolls were on the average considerably older, and included a higher proportion of women than in earlier periods. In October 1942, almost one-fourth were at least 60 years of age, as compared with about one-tenth in April 1941. Women workers represented 40 percent of the WPA rolls in October 1942 but only 18 percent in April 1941.

Although a relatively large number of "marginally employable" persons had found regular employment, it seemed probable that not all the older individuals still on the rolls in December, as well as those with physical handicaps, who had been employed on certain types of projects, would be immediately acceptable to private industry. It seemed probable also that many of the women workers, although a younger group than the men,<sup>1</sup> would be unable to find work because of their relative immobility or lack of training for industry. In addition, unless the women with young children were able to provide suitable care for their children, many would not be available for full-time jobs.

The geographic distribution of WPA workers in December 1942 indicated that any need for assistance that might arise from the liquidation of the WPA would not be evenly distributed among States or localities. Among the States, the number of WPA workers per 10,000 population ranged from 3 to 50. In 12 States,<sup>2</sup> mainly in the South and the Southwest, the number was 30 or more. Because these are States of low economic capacity, with limited funds for assistance, it seemed doubtful that assistance would be available to all families in need because of liquidation of the WPA. To obtain information on this subject, the Social Security Board asked State public assistance agencies to estimate the number of workers who might need assistance when projects were ended and to

<sup>1</sup> Thirteen percent of the women but 20 percent of the men were 60 years of age or over in October 1942.

<sup>2</sup> Alabama, Arkansas, Florida, Georgia, Kentucky, Massachusetts, Mississippi, Missouri, Montana, New Mexico, South Carolina, West Virginia.

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indicate whether funds were available to meet this need.<sup>3</sup> Reports were received from 37 agencies in 35 States<sup>4</sup> and from a number of local agencies, including 12 agencies in large cities.

### *Estimated Need for Assistance*

Only a few State agencies expect a relatively large number of the workers separated from the WPA during the period of final liquidation to need assistance. Some agencies believe that the need will be localized, with a disproportionate number of prospective applicants located in areas considerably removed from industrial centers or other places most likely to offer opportunities for employment. In Michigan, for example, most of the prospective applicants are in the Upper Peninsula and, if assistance should be granted to this group, increases in these counties will be relatively large, although the total increase for the State will be negligible. The Louisiana agency reports that in certain localities there are few employment opportunities, particularly for older women who have had no regular work experience and for Negro women. Agencies in a number of other States, particularly in the South, report a similar situation.

Most of the States that expect considerable need to result from the liquidation are located in the South and Southwest, where resources to meet need, particularly for general assistance, are meager. Ten States report that funds are not available to aid all families likely to need general assistance because of the loss of WPA earnings. Moreover, one State agency reports that funds are inadequate to provide assistance to cases already known to be eligible for one of the special types of public assistance as well as for general assistance. Few new cases can therefore be accepted under any program unless additional funds are made available by the legislature. Moreover, where funds are meager, standards of assistance are frequently low or the requirements of recipients are only partly met.

A brighter prospect is presented by reports from States in other sections of the country, most of which anticipate that a relatively small number of the workers separated from the WPA will need assistance. This is true not only for States where,

<sup>3</sup> In addition, data on individual cases requesting assistance following separation of a worker from WPA are being collected in a number of localities. Results of these studies will be released later.

<sup>4</sup> Some information on this subject was received from 7 additional agencies through correspondence and published reports.

because of rapid expansion of war industries, labor shortages are known to exist, but for a number of States where industrial expansion is limited. The situation is in sharp contrast to that which existed in the fall of 1939, when WPA workers who had been employed on projects for 18 months or longer were laid off; then assistance agencies received a large volume of requests for aid, because of limited employment opportunities.

The States in the West and Northwest, with few exceptions, believe that a negligible number of families will need assistance because of loss of WPA earnings. The Arizona agency, for example, reports that an intensive survey of employment opportunities resulted in the placement of all but a few workers prior to liquidation of the projects. According to the Washington agency, the shortage of manpower is such that all persons "who are in any sense of the word employable" will have no difficulty in obtaining employment. Similar information was provided by the State agencies in California, Nevada, Idaho, and Utah. Opportunities for employment seem to be plentiful in the East and Northeast. Among the States expecting a relatively small number of requests for assistance are Connecticut, Delaware, the District of Columbia, Maryland, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont, and Virginia. On the whole, public assistance agencies in States in the Middle West also expect to receive a relatively small number of requests for assistance. This is the case in North and South Dakota, where industrial expansion is limited, as well as in States with greater employment opportunities, such as Illinois, Indiana, Michigan, Minnesota, Nebraska, and Wisconsin.

Reports indicate that many of the families will require temporary assistance only. In Minnesota, where employment on WPA projects had been reduced to a low level by December 1942, it was estimated that, while 60 percent of the workers remaining on the rolls would need assistance, one-third of them would need only temporary aid.<sup>5</sup> The Pennsylvania agency reports that "because of the current heavy demand for labor, more than four out of five of these dismissed workers have found other means of support, and less than one out of five has returned to the as-

<sup>5</sup> Minnesota Department of Social Security, Division of Social Welfare, *Social Welfare Review*, Vol. 4, No. 10 (March 1943), p. 18. More recent information indicates that fewer than the estimated number of requests for assistance are actually being made.

assistance rolls. Moreover, recent experience of the Department has shown that a large proportion of the workers requesting assistance need aid for only a few weeks when they too succeed in locating employment. . . ."<sup>6</sup>

### ***Financial Ability of Agencies to Meet the Need***

The ability of the agencies to meet need differs considerably among programs. One State reports that funds are sufficient for old-age assistance, but that aid to dependent children can be granted only in "extreme emergencies" and that general assistance is usually available only to families with no employable member. In this State, grants are extremely low, particularly for general assistance. Another State, which makes generous payments to recipients of old-age assistance, reports that funds for general assistance will probably be inadequate unless the legislature appropriates funds as requested by the State agency.<sup>7</sup> Another agency says that its estimate of the number of families that will apply for assistance is not a reliable estimate of the need, "since it is generally known that funds are limited and many would-be applicants feel that it would be useless to file applications." This situation exists in other States where funds for general assistance are inadequate or, in some localities, entirely lacking.

### ***Differences in Eligibility Requirements for WPA Employment and General Assistance***

Eligibility requirements for WPA employment are frequently less restrictive than for general assistance. Because of limited funds in some States or localities, general assistance is restricted to the neediest cases, and families certified by the assistance agency for WPA employment would not always have been considered eligible for general assistance. As a result, assistance will be denied in some areas to families with income insufficient to meet their needs at a level of living approximating that attained while they were employed on WPA projects, inasmuch as such income would place them above the relief level in their particular communities. In some instances, applicants must have county residence to be eligible for general assistance although it was not

required for WPA employment. In a number of States or localities, assistance is denied to any family that includes an employable member. Technically this requirement would not bar all WPA workers in these States, since, as one agency commented, "persons not really employable were certified and employed on WPA because this was their only means of securing any type of care." Actually, however, assistance may not be available, because the situation with respect to funds for general assistance has not changed materially in most of the States concerned.

### ***Differences Between WPA Wages and Assistance Payments***

Although assistance will be available for many families that previously depended on WPA wages and now need aid from some other source, the transfer to the assistance rolls will result in considerable financial loss to these families. Earnings under the WPA program contrasted sharply with assistance payments granted by most agencies. For example, monthly WPA wages for unskilled labor in the southern region (WPA Region III) ranged from \$36.40 in the more rural counties to \$52 in counties with a municipality of 100,000 or more population.<sup>8</sup> Wage scales for other types of work were considerably higher. For these same States, the average general assistance payment in December 1942 ranged from \$4.37 to \$19.73 a month.<sup>9</sup> Data for the two programs are only roughly comparable as the size and needs of the families were not identical. Nevertheless, it is evident that the standard of living of families which had previously depended on WPA wages and must now resort to general assistance will be drastically lowered. For some areas, the contrast between WPA earnings and assistance payments is less marked. On the whole, however, WPA earnings in all areas were on a higher level than payments under assistance programs. Some ex-WPA families will have other resources. However, since such resources will be considered in determining need for assistance, the resulting payments, if need is established, will be reduced accordingly.

The frequent inadequacy of assistance payments and the discrepancy between resources previously available to families from WPA wages and

<sup>6</sup> Pennsylvania Department of Public Assistance, Weekly Statistical Report on Public Assistance, March 22, 1943, p. 1.

<sup>7</sup> Later information indicates that the amount requested was cut drastically by the legislature.

<sup>8</sup> Wage rates adjusted as of November 1, 1911, to allow for rise in living costs.

<sup>9</sup> If Louisiana is excluded, the range is \$4.37-11.10.

those now available under assistance programs are accentuated by the discontinuance of the food stamp program and of the direct distribution of commodities provided by the Food Distribution Administration of the U. S. Department of Agriculture. Food obtained under these programs represented a substantial resource to recipients of assistance and to many of the families receiving WPA earnings. The loss of this resource is particularly serious in those States or localities where funds are not available to provide the amount found necessary by the agency to meet total requirements of recipients.

Another resource which in some States will represent a considerable loss to recipients of assistance is the clothing or other goods produced on WPA sewing projects. These projects are being continued in a very few localities. Most of the agencies that distributed processed clothing to recipients are now including some money for this item in determining the amount of the assistance payments. Some agencies, however, report that funds are not available to provide clothing for all cases and that this situation means a serious loss to recipients.

#### **Summary**

In States with considerable industrial expansion and in other areas with employment opportunities it seems probable that a relatively small number of families with a worker separated from the WPA will need assistance, and in some of these cases the need may be temporary only. Most of these

States can provide assistance for all eligible cases at present agency standards for each program. In a few States and localities, however, a considerable number of families may request assistance. Because the greatest need will occur in the Southern States, where assistance is particularly inadequate as to coverage, levels of payment, or both, the needs of some of these families will not be met. In most of these States, funds for general assistance are especially inadequate and, in some localities, are entirely lacking; moreover, funds for the other assistance programs are, on the whole, insufficient to allow the agencies to meet total minimum requirements of recipients. One State agency in the South, which has insufficient funds for aid to dependent children and no State funds for general assistance, considers the picture "dismal" for the majority of persons in the residual WPA load in that State.

Needy families that receive assistance payments in lieu of WPA wages will in most instances suffer drastic reduction in their standards of living. In spite of increases that agencies have made in assistance payments to help recipients meet present prices, there is still a wide discrepancy between WPA wage scales and the levels of assistance payments. In addition, other programs, through which supplemental food and clothing were made available to needy families, have been or will soon be discontinued. Consequently, those families that are forced by the termination of the WPA to ask for assistance will, in many instances, suffer hardship.