

# Looking Ahead in Public Assistance

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IN RECENT MONTHS there has been much discussion of the need for improving social insurance, both unemployment insurance and insurance against other risks, but provisions for public assistance have received relatively little attention. While comprehensive and liberal insurance provisions would greatly decrease the need for public assistance, at present public assistance constitutes the chief source of aid for needy persons. Even if the insurance programs are extended and improved, it will be some years before insurance equals or exceeds assistance in importance as a means of providing for old people or for the widows and children of workers who die. Moreover, since insurance benefits reflect the worker's past earnings and are fixed in relation to the average situation, there will always be exceptional cases in which public assistance is essential. It is important, therefore, to examine our public assistance program both as to philosophy and as to method to see whether it is adapted to the functions which the public will expect of it.

We are inclined to pride ourselves on the progress we have made in recent years in the public assistance program in getting away from the old poor-law concepts of relief giving. We refer to the "means test," in the form in which it was—and still is—administered under the poor laws, as something quite abhorrent. We like to think that "assistance" is now provided to needy persons as a matter of right, without any tinge of pauperism. Under the Social Security Act, payments must be made in cash; no more relief in kind with its humiliations and its abuses! No longer does the welfare worker attempt to tell the recipient where he shall live, what he shall eat, and wherewith he shall be clothed. The payments must be "non-restrictive"; once the amount of the recipient's payment is determined, he must be left free to use it just as any other citizen of the community uses his income.

Undoubtedly these changes represent, in principle at least, a great achievement. But how far is this philosophy reflected in the detailed regulations and procedures, and

methods of operation? To what extent have we relieved the applicant or recipient of assistance—and members of his family—from the humiliations and irritations of "poor-law" procedures? What do we mean when we say public assistance is based on right, and are we sure that this right is understood, and recognized? If not, what do we need to do to make it effective?

## *Whose Right to Assistance?*

Let us ask ourselves first, who enjoys this right? Apparently not everyone. The first and most obvious reason is that we are dealing here only with persons who are found, on investigation, to be in need; they have a right to look to the community for assistance to meet their need. But the agency's definition of need will frequently—and necessarily—be much more restrictive than that of the individuals concerned. Also, if need is determined for each individual, by visitors who make independent judgments concerning what different individuals need, the amounts granted will vary considerably. Yet presumably all applicants have the same rights.

And apparently not all persons who are found to be in need have such a right to assistance. So far as the Federal Government is concerned, funds are available only for certain groups of needy persons—the blind, the aged, and children whose parent is dead or incapacitated or absent. For a time the Federal Government furnished funds for work relief for able-bodied needy persons, but it does not now. In most States the concept of assistance is somewhat broader than that of the Social Security Act, but in many cases the local community alone must care for needy persons who are not in the specified categories; and since local funds are often not available, such people may receive little or no help. The right to assistance in these communities is thus limited to certain groups. For the remainder, the poor-law concept is still in effect.

To see what this limitation means, we have only to compare the treatment accorded these special categories with that available for persons who are not in the favored groups. In

1943, according to the best figures available, two States spent 70 times as much for aid to the aged as they did for needy persons under 65 who had to rely on *general* relief or assistance. Of course, we ordinarily think that people under 65 should be able to look after themselves when plenty of jobs are available. But there are always several millions of persons in the United States who are partially or totally unable to work for longer or shorter periods of time, and in such States these persons get very little attention. If we look at the State which had the largest per capita expenditures for general assistance in 1943, we find that it spent almost as much on general assistance as on old-age assistance, rather than one-seventieth as much, as in the States mentioned above. Probably the relative need of these groups is not greatly different in the several States. Yet in the one State, people under 65 have about the same right to public assistance as those over 65, whereas in the others, the needy persons under 65 are almost completely ignored. They get not even poor relief.

## *The Right to What?*

Even within the favored groups it is often difficult to see much evidence of a "right" to assistance. To what do the aged and the dependent children have a right? Ordinarily, established rights are clearly defined; the individual knows what his right is. But in public assistance, the right is qualified in so many ways, by so many different factors, that the individual can have no clear idea of what he is really entitled to. In many cases the best that can be said is that every applicant has a right to consideration and to equitable treatment.

And the right to equitable treatment may be further qualified in many States where assistance funds are so limited that it is impossible to meet even the minimum needs of all who are eligible. Of course, funds will always be limited as compared with the amounts that *could* be used for this purpose, but in some cases the limitation is so serious that it largely nullifies the presumed right to assistance. In order to meet the situation the administrative agency is forced to do one of three things.

First, it may lower the estimate of the amount required for subsistence. But when we compare the amounts allowed in public assistance with a

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subsistence budget determined for other purposes, it appears that in most cases these basic requirements cannot be reduced.

The second alternative is to put on the rolls only as many as can be given the payment determined to be necessary in each case. This results in waiting lists of persons who, though eligible, cannot get assistance because the funds have been obligated for those who got there first. Presumably, if investigation reveals that some of these new applicants are in greater need than some already on the rolls, the most needy will be given preference. But this is no solution. It will mean, for example, that two persons who need and have been getting \$20 a month each, must, without any change in their circumstances, be taken off the rolls in order to put on a new applicant who needs \$40 a month. At best such a policy results in meeting only the greatest need and ignoring the rest, though one person's need for \$20 may be just as acute as another's need for \$40. At worst the result is to set up a list of preferred claimants whose needs, as determined, are met in full, while all others are placed on the waiting list and get no assistance. At times during the last few years some States have had as many people on waiting lists as were actually receiving assistance. To those on the waiting lists certainly the right to assistance means little or nothing.

The third alternative is to reduce all payments in accordance with the lack of funds. This can be accomplished, as mentioned before, by readjusting the basic allowance, but aside from being extremely cumbersome this method is rather unrealistic, since the allowance is frequently very low already and there has been no change in the need. So the adjustment is usually made by paying only a specified proportion of the amount the agency finds needed by the individual. In recent years some State agencies have regularly paid only a portion, in some cases as little as half, of the actual budgeted need. According to recent surveys, more than 50 percent of all the payments in aid to dependent children have been in amounts less than the established need. Only two States met need, as determined, for 90 percent or more of the families aided. In one State, it

has been standard practice until recently to deny aid to dependent children to any family which had resources equal to 30 percent of its need. How significant is the "right" to assistance payments in such a case?

The only recourse for persons who think they are being unjustly treated is to appeal the agency's decision. Every State has set up procedures for hearing such appeals—this is one of the requirements of the Federal act. It is doubtful, however, that all who feel themselves aggrieved are aware of their right to appeal; or if aware, whether they know how to go about it to get a reconsideration. And even if we assume that an appeal is taken, what is the agency to do? If it appears that the decision was unwarranted, it may be reversed and the applicant may be put on the rolls. But if the situation was due to lack of funds, someone else must be taken off or must receive less.

#### *Determining Need*

In setting the amount of the assistance payment, another type of difficulty arises which may be equally serious because it goes to the heart of the present procedures and affects a large proportion of all recipients and members of their families. The amount of the payment is related to the need of the individual; that is basic to our conception of public assistance. This assistance is not a flat payment to all persons in a specified group—although the provisions of a few State laws tend in that direction. Public assistance is designed to meet individual need and therefore the need must be determined in each case. The Social Security Act limits the amount which the Federal Government will share equally to \$40 a month for the aged and the blind and even less for dependent children, and most State laws fix similar limits for individual payments.

But these amounts are commonly only maximums; the actual amount is determined by considering the requirements of each individual, and the resources available to meet these requirements. This balancing of requirements and resources is usually accomplished by preparing a budget for every applicant. Here is where the difficulty arises. While it is essential that each individual's need be determined, it appears that in the application of this budgeting procedure—in connection with requirements as well

as resources—an agency's practice is likely to come into conflict with the basic objective of making public assistance a right, as distinct from a relief program, and of doing away with the odious household means test.

#### *The Applicant's Requirements*

To see what happens, let's look first at the requirements side of the determination. Since funds are limited, obviously the individual cannot be allowed to determine for himself how much he shall receive; this is the function of the agency. Although a budget is made for each individual, and although the payment granted is an over-all amount, no part of which is required to be spent for any specified purpose, in the last analysis it is the agency rather than the individual who decides *which* wants shall be taken into account in fixing the amount of the payment and how much shall be allowed for the several items. And since the representative of the agency which approves the grant refuses to put certain items into the budget and limits the amount for other items, the recipient may be pardoned if he gets the impression that the payment is intended to cover expenditures represented by the "approved" budget. When the recipient feels himself so entirely dependent on the discretion of the visitor, it is doubtful whether he is conscious of that freedom of choice which public assistance, granted as a right, is supposed to give him.

The situation is aggravated by the fact that the vast majority of payments in all but a few States are below the amount specified in the State law as the maximum which may be paid to an individual. This maximum is the only amount mentioned in the law, and an applicant easily gets the idea that this is the amount for which the agency's visitor may find him eligible. Furthermore, the circumstances of most applicants are such that what appear to them perfectly reasonable requirements would easily equal or exceed the amount specified. If, then, after extended discussion, in the course of which it is indicated what may be included in the budget and what may not, and how much may be allowed for certain items, the amount granted is well below the maximum, the applicant almost inevitably feels that, whether it is intended or not, the budget technique, and indeed the whole investiga-

tion procedure, is a device for giving him less than the law allows. The fact that he may spend the limited amount as he sees fit will probably be less important in his mind than the fact that in arriving at that amount the agency refused to recognize wants which seemed to him important, and the recognition of which would have brought his payment up to the amount specified in the law.

To say this is not to ignore or to understate the value of the budget technique in determining the amount necessary for a given plane of living and in estimating the additional amounts necessary to meet needs in special cases. It is intended only to point out the dilemma with which we are confronted in administering public assistance according to these new concepts. To protect the individual's right to live as others do, we emphasize the unrestricted grant and the cash payment. But in determining the amount of the payment—except as this may be specified in the law—the agency will necessarily exercise its own judgment as to how far an individual's wants shall be recognized. Although the payment is not "restricted" to the recognized purposes, the agency's decision on this matter determines the amount of money the individual gets.

The recipient, therefore, is faced with the often unhappy choice of conforming his living to what seems reasonable to the agency, or of giving up what all will concede to be essential in order to satisfy his desire for what seems to him equally important. Of course it is inevitable that there should be such a balancing of wants. It occurs in the expenditure of any limited income. But it is unfortunate that, by using the individual budget in every case, the agency should appear to be establishing an "approved" pattern of expenditures, when in fact all it is doing is determining an over-all amount which the individual may spend as he chooses.

### *What Anybody Needs*

Perhaps if we recognize this fixing of an over-all amount as the basic function of public assistance and build upon it, we shall find at least a partial solution of our dilemma. If the purpose of public assistance is, fundamentally, to give the recipient a sum of money which he may use as he sees fit in meeting his need, then presumably we shall *begin* by determining

not what is necessary to meet the need of a particular individual according to his own peculiar circumstances, but what is necessary for an *ordinary* individual, for the "average" individual, at a particular time and place. A determination of particular requirements would then be necessary only for those who wish to establish their claim to more than the ordinary needs.

This procedure would be entirely in harmony with the objectives of a good social security program. If a comprehensive social insurance program covering all gainfully employed persons were in full operation, the vast majority of individuals who become old or disabled, and the survivors of those who die, would draw insurance benefits. These benefits would not be related to the peculiar needs of the individual; they would presumably be so adjusted that the usual benefit would meet the major needs of the ordinary, average individual. They would reflect the responsibility which the community has undertaken for any person in similar circumstances. Public assistance would be used only in exceptional cases. When our social insurance program began, a large part of the population was excluded from coverage. Its social insurance benefits, moreover, could never be available to persons who had already become old or disabled or had lost their means of support through death of the family breadwinner. It therefore has been necessary to use public assistance alone to meet the needs of such persons. But there is no reason why the *amount* of the assistance payment could not be fixed in a way similar to that used in determining the range of insurance benefits—on the basis of the usual needs of the average individual. Detailed investigation would then be necessary only in unusual cases.

To refer to the "average" individual is to invite the wrath of those who insist that there is no average person, that each person is a different individual, and that the purpose of modern assistance is to protect the recipient's individuality. This point is wholly valid within limits. However, so long as only a limited amount of money can be given, the recipient's individuality and independence will probably be much better protected if he is assured a minimum income, not as a *particular* individual but as *any* individual—this minimum

to be his without any questions asked—than if the amount is determined only after a detailed discussion of what may or may not be considered in fixing the amount of his particular payment. The measure of the individual's independence will depend in the main on the adequacy of this guaranteed minimum to meet his needs. If the amount is woefully inadequate in most cases, then public assistance means relatively little more than "poor relief." All will feel it necessary to discuss their own special needs in the hope of getting more money. But if the assured minimum—including, of course, the individual's own resources—is reasonably adequate, then it is clear that the large majority of recipients will be able to meet their needs in their own way without having to discuss the purpose for which aid is given or the way in which their income may be spent.

A public assistance worker recently cited a case which illustrates this point. The worker had prepared a budget for an old woman who had long been in need. In the preparation of the budget, a small amount was included for church and other similar purposes, and a few small items for personal needs. The applicant was overjoyed to think that she would now have a few pennies to use for these purposes, as other people had. When the budget was completed, it amounted to some 40-odd dollars. Then, because of limited funds, the actual grant was \$20, barely enough for rent and essential food.

The applicant was dumbfounded to find that the amount finally allowed made absolutely no provision—from her point of view—for all of the little items, such as church donations, that had been discussed. It is doubtful that anyone could convince that woman that public assistance is a *right* in the sense in which we like to use the term. Wouldn't it have been better if she had been assured a minimum income—whatever the available funds made possible—without discussing all the little items which should appear in a reasonable budget, but for which the grant could make no provision whatever?

### *The Applicant's Resources*

If we look at the other side of the problem, evaluation of the individual's own resources, similar difficulties appear. It is obviously necessary, if

public funds are to be used for an individual's support, to take that person's own resources into account. Few would think of paying assistance to persons who are regularly employed or who have "adequate" income from other sources. But beyond that point, the issue becomes confused and various questions arise.

The question whether a specified amount of income should be exempt from consideration, which has received so much attention in recent years, is really of minor importance. In the main, the answer depends on whether or not we will have sufficient public funds to care for persons who are really destitute, if some of the funds are used to help those who have substantial income of their own. In practice a much more important question is what shall be considered as income for the applicant?

In this area we run into some of the worst features of the "means test." The objection to the means test is not so much that it requires taking account of an individual's own income in determining the amount of assistance he will get; the chief objection is that in practice the means test is applied not only to the applicant, but to other, self-supporting members of the household or family in which the applicant lives. This problem persists in the administration of public assistance for all applicants who live with others and, so far as I know, no entirely satisfactory procedure has been developed.

### *Relatives' Responsibility*

Consider, for example, the case of a woman who has been living with her son's family for some years. When she reaches age 65 and applies for public assistance, will she be eligible? Or will the agency feel that since she will continue to live with her son as she has in the past, she has adequate income and is not entitled to public assistance? Suppose the son says he has helped her in the past because there was no alternative. She had no income, and public assistance was not then available, so he had to care for her. But now, since she has reached 65, he feels that she has a right to public assistance and should receive it so he can use his income for his own children. If payment is refused, as it will be under many laws, what becomes of the mother's right to assistance? Or if the agency attempts to provide for her by requiring the son

to support her, what becomes of *his* right to dispose of his own *earned* income as he wishes?

Or take the case of an unmarried son living with his widowed mother who has her home but no other income. He wants to save his money to get a start in the world and thinks his mother should get public assistance. He sees the neighbor, whose son is away working his way through school, getting assistance—why not *his* mother? Hasn't she a "right" to assistance? If she applies, will she be eligible, or will he be expected to support her, in whole or in part?

If the agency insists on considering his earnings as the *family* income, or *requires* him to contribute more than the cost of room and board, again the means test appears in its most objectionable form. Under some procedures the agency, in determining the amount which the son can be expected to contribute, undertakes to specify the other purposes for which he may use his earnings. Is such procedure compatible with the idea of public assistance as a right? Are we not denying the mother's right to assistance by applying the "means test" to her son? If funds are inadequate, of course, there may be no better alternative, but in such a situation can we say that public assistance is regarded as a right?

Such action is often defended on the grounds that a son *should* support his mother; it is good for him and good for her to maintain this relationship. Public assistance, it is contended, should not destroy family responsibility. But is it at all certain that enforcing such a policy will promote good family relations? Isn't it possible that a little more independence on the part of both mother and son would be better for both of them and would promote better relations? Isn't it true, as Mr. Bevan said in the English Parliament recently in debating this very question, that by applying the means test in this way we are making it profitable for boys to leave home?

But we sometimes go even farther. Some State laws require specified relatives to support the applicant if they are able to do so, even though they are not members of the same household, and the public assistance agency is required, or at least expected, to enforce this "relatives' responsibility" for persons who receive assistance. Is it the proper function of a public as-

sistance agency to enforce such a policy? The agency's primary function is to determine the amount of money needed by the applicant in order to meet some specified standard of welfare. If resources are not available—even though according to law they should have been provided by relatives—the agency must presumably find the applicant in need. It would seem that the problem of enforcing the provisions regarding relatives' responsibility, if these are retained, would better be handled by some community agency whose function it is to enforce such obligations imposed on individuals, rather than by an assistance agency.

The policies followed by State agencies in this respect vary widely. In some instances, if an individual has relatives who are legally responsible for his support, assistance is denied on the assumption that support will be provided, without regard for the cases in which the relatives actually make no provision or give much less than the agency would otherwise have provided. In other instances the agency may attempt to secure agreement by responsible relatives to make certain contributions and adjust its public assistance payment accordingly. In still other instances, the agency accepts full responsibility for seeing that contributions are made.

In any of these situations, however, the State rejects at least in part the responsibility which it has presumably accepted under the public assistance law. Even if the agency does see that the necessary contributions are made by the relatives, is this support any better than charity? While no one will deny or belittle the value of family solidarity and responsibility and mutual assistance, it is doubtful that the benefits of such family feeling can be secured by compulsion. To deny assistance to an otherwise eligible individual because some relative is "responsible" for his support, when in fact the support is not provided, is to nullify the concept of right on the part of the applicant.

### *Realizing Public Assistance Objectives*

In pointing out these flaws in public assistance, there is no intention to underestimate its achievements. Undoubtedly we have made tremendous progress in both the conception and the administration of a program designed to meet the need of important

groups in the community in a way that protects their self-respect and human dignity. The purpose of this discussion is to call attention to certain further steps which are necessary if we are to realize in practical operations the objectives we have set for this program. In conclusion these steps may be stated about as follows:

In the first place the law should guarantee a minimum income—as a few laws already do—including the public assistance payment and the individual's own resources, so that an applicant would know that he can depend on this much at least. It is impossible to say just what that minimum should be; that would be for each State to determine according to its own circumstances. And the amount may not be uniform throughout the State. For example it may be adjusted to take account of differences in the cost of living in various regions, large cities as against rural communities, and for differences in the living arrangements of different groups. The minimum for persons living alone might differ, for example, from those for persons who live with husband or wife or in a larger family group. But unless the law puts some substance into the concept of right, that concept is quite ethereal. Some States already provide such a minimum, but in too many only the maximum is specified, and actual payments are so much less than the maximum in most cases that the individual has little idea of what he may really expect. As long as only the maximum is specified in the law, and actual payments are substantially less, the recipient will regard the investigation and budgeting procedure, not as a means of *meeting* his own particular need, but as a device for paying him *less* than the amount mentioned in the law.

If the law assured a minimum overall income, it would be possible to dispense with any detailed budgeting or investigation of the requirements in all cases where the individual had only the usual needs that were taken into account in fixing the standard amount. In such cases, it would be necessary only to determine the other resources actually available to the applicant. Detailed budgeting would be necessary only in those cases where the applicant claimed a need greater than the ordinary. This greater need might be due to any circumstance which was not taken into account in fixing the standard allowance. To assure equitable treatment, money would need to be available to meet such additional, extraordinary needs. Now the reverse is true in too many States. Needs are carefully budgeted only up to a specified maximum—or if additional needs are recognized at all in the budget, they are not met in most cases because of the maximum. Not much is gained by working out a budget of \$30 in one case, and in another, because of special need, a budget of \$75, if \$30 will be paid in both cases.

On the resources side, too, the investigation would be greatly simplified if we recognize, fully, the applicant's right to public assistance in all cases in which his own income and resources are below the specified level. Since the objective of public assistance is to provide reasonable security of income for the person concerned, we should take into account only such income as is reasonably assured. Ordinarily this is not difficult to estimate. If relatives do make contributions for the applicant's support, the amount would be taken into account, as would income from any other source. These

amounts, too, are not difficult to determine. If we eliminate the time-consuming and frequently annoying procedure of applying the household means test and the detailed investigation of relatives' ability and responsibility to support, the determination of resources would be relatively easy. And certainly such a step would avoid much of the criticism of public assistance investigations and would help greatly to maintain the dignity and self-respect of the recipient and his family.

The adoption of such a plan would mean, of course, that enough money must be provided so that there would be no waiting lists and no payments less than actual budgeted need or less than the minimum. The cost would be somewhat more than the present program in many States, but probably we can't have real security for the needy people among us, real freedom from want, without spending a little more money for that purpose. Some States might have difficulty raising the funds to do the job adequately—although it is by no means always the State with limited resources which has provisions such as relatives' responsibility. It is to help the States which really need financial aid in this respect that the Board has recommended varying Federal participation in accordance with the State's economic capacity. With such help, and with the protection afforded by an expanded social insurance program, it should be possible in this country to carry out an assistance program which would assure everyone an income sufficient to meet basic need without infringing on the self-respect and independence of either the needy individuals or the members of their families.