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## 7 *Public Aid, Other Welfare, Health, and Free Schools*

Each of the four types of public philanthropy presented in this chapter will be discussed as a separate item: public aid, other welfare services, health and medical programs, and free schools. They are grouped together in one chapter for convenience—primarily to allow for treatment in a separate chapter of social insurance, the largest (in 1958 and 1959) and most complex of the remaining items in public domestic philanthropy.

An important element in the changing pattern of public philanthropy that relates to this chapter is the demise of the poorhouse as a major vehicle. Several factors, however, make it infeasible to depict the trend with any rigor. One is the lack of consistent data on the population of poorhouses over the years of study. Another is the fact that the trend was well under way before our period of study begins. The ratio of persons dwelling in poorhouses to 100,000 population fell from 132.0 in 1880 to 100.0 in 1900, and then to 71.5 in 1923 (*Statistical Abstract*). Yet the fact that poorhouse population statistics no longer serve as a measure of public philanthropy is a salient feature of our study. This is partly because it reflects the change in the level of government from which public philanthropy is dispensed. Major responsibility for

the care of the needy and infirm has shifted over the years from local and county governments to the state and finally the federal levels, and institutional care is a device employed proportionately more by the lower than the higher levels of government. A second and closely related aspect of the decline in the role of the poorhouse in public philanthropy is that it points up the change in the nature of public welfare from a socialized type of charity to more sophisticated and impersonal forms, such as social security and categorical assistance. (This is not to say, however, that poorhouses are no longer with us. In 1950, for instance, nearly 300,000 persons lived in poorhouses.)

### PUBLIC AID

Table 7-1 presents the findings of a source that is very important in our estimates: the Baird study of public and private aid in selected urban areas during 1929-40. Table 7-2 presents the findings of a study of public and private relief by Whiting and Woofter that covers both the rural and urban United States in 1932-36. While these compilations are significant in themselves, they are presented also because they complement the Baird study and permit extrapolation of its findings to earlier years and to the entire, not merely urban, United States. The United States totals for public assistance derived from the combined Baird and Whiting and Woofter studies are given in Table 7-3. Addition of administrative costs produces the final totals for the 1929-40 period for the public assistance component of public aid of this study. Table 7-3 also presents the estimating compilations for these figures. Table 7-4 gives the relevant series from one of the several most important sources of data on public assistance, the *Social Security Bulletin, Annual Statistical Supplement*, 1960, Tables 125 and 126. Summary Table 7-5 represents the last step in the building up of a total public aid series for the period. For the 1929-40 period it combines the public assistance series from Table 7-3 with other public aid, which is limited under our concept of public philanthropy to surplus food distributions to needy families. It also gives the 1941-59 totals for both public assistance and public aid. The final table in the public aid category presents a bird's-eye view of the changing proportions of federal, state, and local assumption of public assistance expenditures over selected years, 1936-59.

## SCOPE AND PROCEDURE

In general we follow the divisions of public aid employed in the Merriam compilations, although some of her items are not included in our estimates on public aid because they do not come under our definition of public philanthropy. Thus our public aid figures consist of two subdivisions: public assistance and other. Public assistance covers relief (direct and work) and categorical assistance (aid to the blind, aid to dependent children, and so on). In the "other" subdivision only "surplus commodities distributed to needy families" is included in our figures from among the several items for this subdivision in the Merriam series.

Drawing up final estimates for public aid would have been a relatively simple procedure for eliminating from the Merriam figures the items that do not fall under our concept of public philanthropy, except that the first four years of our study are not covered in the Merriam estimates. Consequently a major task in the public aid section has been the compiling of figures for this gap that are comparable with the relevant components in the Merriam data for later years. It should be noted that there are Merriam estimates for fiscal 1929. However, public aid and other welfare services for that year are merged together and roughly estimated at \$500 million, which seems excessive.<sup>1</sup> Since the enactment of the Social Security Act in 1935, some of these terms have come to have precise meaning, particularly public assistance, a very important part of public aid; the terms used during 1929-36, however, seem strange now because they came out of the distant past of the "poor law" era, with very little change for a century preceding 1929. Comprehension of this change in terms is made easier if the Social Security Act of 1935 is considered, in part, an outgrowth of and a substitute for the earlier "poor laws."

During the decade starting in 1929, there were momentous changes in the volume of relief payments, the sources of the funds, and the various kinds and types of new laws, particularly federal laws to counter the distress of the Great Depression.<sup>2</sup> The changeover from private local

<sup>1</sup> Ida C. Merriam, "Trends in Public Welfare and Their Implications," *Papers and Proceedings, American Economic Review*, Vol. 47, 1957, p. 477; Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1957*, Washington, 1960, Series H-13 and H-17, p. 193.

<sup>2</sup> The 1930's presented a unique set of problems, and some rather unique methods of dealing with them were established on an emergency basis. It would seem likely that if the nation were confronted again with such widespread un-

and public local and state funds to finance relief in 1929 (the first year of our period) to federal and federal-state programs after 1932 produces a complexity of problems of estimation for the period 1929–35. The estimates which follow are not uniformly satisfactory from any point of view, but an attempt must be made to fill the gap of these very important years in the development of public domestic philanthropy.

#### THE BAIRD STUDY

The Baird study produced estimates for both public and private aid for 116 urban areas, covering the ten years starting in 1929.<sup>3</sup> These are presented in Table 7-1. The areas, eighty-one of which were counties, contained about 37 per cent of the total population and about two-thirds of the urban population of the United States in 1930 and 1940. The fairly constant proportions of the total population in the two census years would seem at the outset to provide an easy method of obtaining estimates for the entire nation. The author warns, however, that geographic shifts in the population did occur. Moreover, the 116 urban areas included 57 per cent of the population of the Middle Atlantic states and only 19 per cent of the population of the South Atlantic and South Central states.

“Public general relief” seemed to Baird to be the best general term to encompass what historically has been called poor relief, outdoor relief, general emergency relief, or general assistance. Two subgroups are used: direct relief and work relief. Special (“categorical”) types of public assistance—old-age assistance, aid to dependent children, and aid to the blind—are an additional relief category. Changing concepts and definitions in an almost revolutionary decade in the history of public philanthropy create hazards when an attempt is made to splice the old and the new data into a time series. We hope that funds and staff will

employment for such a long period of time, the maturing system of unemployment compensation might be used far more extensively than any counterpart of the emergency programs of the 1930's. One should not, however, attempt to circumscribe the inventiveness of the future.

<sup>3</sup> Enid Baird with the collaboration of John M. Lynch, *Public and Private Aid in 116 Urban Areas 1929–38* (with supplement for 1939 and 1940), Public Assistance Report No. 3, Bureau of Public Assistance, Social Security Board, Washington, 1942, p. 12. The collection of data in seventy-six cities was started by the Russell Sage Foundation in 1929, extended by the United States Children's Bureau and projects of the Works Progress Administration, and transferred to the Social Security Board in 1936. *Ibid.*, p. 3.

be made available so that the Merriam series will someday bridge the 1929–35 period, utilizing the Baird study among others, so that the annual (calendar and fiscal year) series will be continuous from 1929 forward.<sup>4</sup>

Despite its limitations, the Baird analysis is by far the most comprehensive source for the period in question and, within limits, does provide a “splice.” Moreover, it provides perspective on one of the basic changes being described in this study, namely, the changeover from an earlier era in which there was still considerable dependence upon private funds to a new era of increasing dependence upon public funds. It was in the decade starting in 1929 (not the period starting in 1935) that the position of public philanthropy came largely to overshadow the role of private philanthropy (see Chapter 10). Even though the Baird study did not cover the entire United States, its use would be justified for the above reasons.

From 1929 through much of 1932 the public relief programs operated in the 116 areas were under the provisions of local and state laws; federal funds were meager before 1933–34. Public programs of old-age assistance, aid to dependent children, and aid to the blind, which were to play a prominent role in later years, were of limited importance, except in 1929, until some years after the passage of the Social Security Act in 1935. (Note columns 3 and 8 of Table 7-1, and Table 7-4.) The private charity agencies, even before 1929, had placed the relief function in a position secondary to the service function; but when widespread suffering began during the Great Depression, the private organizations tried to organize themselves quickly so that they could provide direct relief.

Direct relief and work relief may be compared in columns 4 and 5 of Table 7-1. Direct relief in the 116 urban areas exceeded work relief by a substantial amount each year. The highest amounts for each were for 1935—\$537 million and \$237 million.

Direct relief clearly falls within the compass of the term domestic public philanthropy because no work was required of the recipient; there was no *quid pro quo*. On the other hand, work relief might possibly be a borderline case, although most work relief provided in this particular

<sup>4</sup> Many supporting tables would also be required to present the missing sub-totals for the entries in Merriam's master table, perhaps 150 or 200. Such a study would have enabled us to improve our use of her summary data.

Table 7-1

*Amount and Distribution of Public and Private Assistance and Earnings Under Specified Federal Work Programs, 116 Urban Areas, 1929-40*

PUBLIC FUNDS						
Year	Total Public and Private <sup>a</sup> (1)	Total Public (2)	General Relief <sup>b</sup>			Earnings under Federal Work Programs
			Total (3)	Direct Relief (4)	Work Relief (5)	Civil Works Program <sup>c</sup> (6)
<i>Millions of Dollars</i>						
1929	47.2	35.8	16.4	16.4	g	
1930	75.7	57.6	35.5	33.6	1.9	
1931	177.8	126.3	90.8	68.8	22.1	
1932	319.4	260.5	217.3	165.4	51.9	
1933	535.5	505.8	401.9	291.4	110.5	61.7
1934	914.6	898.5	614.3	400.5	213.8	239.5
1935	990.9	978.2	773.8	537.0	236.7	
1936	1,260.0	1,248.4	300.1	297.4	2.7	
1937	1,099.6	1,088.1	284.5	283.3	1.2	
1938	1,432.3	1,421.4	324.7	h	h	
1929-38 <sup>i</sup>	6,853.0	6,620.5	3,059.2	2,418.5 <sup>j</sup>	640.7 <sup>j</sup>	301.2
1939	1,273.3	1,262.6	329.9	h	h	
1940	1,071.1	1,060.8	283.6	h	h	
1929-40 <sup>i</sup>	9,197.4	8,943.8	3,672.7	3,032.1 <sup>j</sup>	640.7 <sup>j</sup>	301.2
<i>Percentage Distribution</i>						
1929	100.0	75.8	34.8	34.7	.1	
1930	100.0	76.1	46.9	44.4	2.5	
1931	100.0	71.0	51.1	38.7	12.4	
1932	100.0	81.6	68.0	51.8	16.2	
1933	100.0	94.5	75.1	54.4	20.7	11.5
1934	100.0	98.2	67.1	43.8	23.3	26.2
1935	100.0	98.7	78.1	54.2	23.9	
1936	100.0	99.1	23.8	23.6	.2	
1937	100.0	99.0	25.9	25.8	.1	
1938	100.0	99.2	22.7	h	h	
1929-38 <sup>i</sup>	100.0	96.6	44.6	35.3 <sup>j</sup>	9.3 <sup>j</sup>	4.4
1939	100.0	99.1	25.9	h	h	
1940	100.0	99.0	26.5	h	h	
1929-40 <sup>i</sup>	100.0	97.3	40.0	33.0	7.0	3.3

PUBLIC FUNDS					
Earnings under Federal Work Programs Projects Operated by the WPA <sup>d</sup> (7)	Special Types of Public Assistance <sup>e</sup>				Private Funds <sup>f</sup> (12)
	Total (8)	Old-age Assistance (9)	Aid to Dependent Children (10)	Aid to the Blind (11)	
<i>Millions of Dollars</i>					
	19.4	g	17.8	1.6	11.4
	22.1	1.0	19.1	1.9	18.1
	35.5	10.3	23.0	2.2	51.5
	43.2	15.5	25.2	2.5	58.9
	42.3	15.2	24.3	2.7	29.6
	44.7	17.0	24.4	3.2	16.1
143.6	60.8	31.6	25.4	3.9	12.8
856.5	91.8	57.1	29.6	5.1	11.7
647.9	155.8	112.2	37.3	6.3	11.5
898.9	197.8	141.8	48.0	8.0	10.9
2,546.7	713.4	401.7	274.2	37.4	232.5
710.8	221.8	155.4	57.7	8.7	10.7
526.6	250.6	178.0	63.3	9.2	10.4
3,784.1	1,185.7	735.1	395.2	55.4	253.6
<i>Percentage Distribution</i>					
	41.0	k	37.7	3.3	24.2
	29.2	1.4	25.2	2.6	23.9
	19.9	5.8	12.9	1.2	29.0
	13.6	4.9	7.9	.8	18.4
	7.9	2.8	4.6	.5	5.5
	4.9	1.9	2.7	.3	1.8
14.5	6.1	3.2	2.5	.4	1.3
68.0	7.3	4.5	2.4	.4	.9
58.9	14.2	10.2	3.4	.6	1.0
62.7	13.8	9.9	3.3	.6	.8
37.2	10.4	5.9	4.0	.5	3.4
55.8	17.4	12.2	4.5	.7	.9
49.1	23.4	16.6	5.9	.9	1.0
41.1	12.9	8.0	4.3	.6	2.7

*Notes to Table 7-1*

Note: For footnotes for 1939 and 1940 not given below, see *Public and Private Aid*, p. 42.

<sup>a</sup>Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care.

<sup>b</sup>Includes statutory aid to veterans administered on basis of need.

<sup>c</sup>Figures from the WPA, Division of Statistics; represent earnings of all persons employed under the program, including the administrative staff.

<sup>d</sup>Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas; figures are not available for earnings of persons employed on projects other than those operated by the WPA.

<sup>e</sup>Includes figures for areas in states with plans approved by the Social Security Board and for areas in states not participating under the Social Security Act.

<sup>f</sup>Includes direct and work relief and aid to veterans.

<sup>g</sup>Less than .05 million; in 1929 work-relief totaled \$24,784 and old-age assistance \$8,909.

<sup>h</sup>Figures not available.

<sup>i</sup>See note a, Table 2-1.

<sup>j</sup>Work relief for 1938-40 included with direct relief since separate figures are not available; information indicates that work relief represents a negligible proportion of general relief in those years.

<sup>k</sup>Less than 0.1 per cent.

Source: Reproduced from *Public and Private Aid in 116 Urban Areas 1929-38* (with Supplement for 1939 and 1940), by Enid Baird with the collaboration of John M. Lynch, Public Assistance Report No. 3, Bureau of Public Assistance, Social Security Board, 1942, Tables 2 and 8, pages 12 and 42.

decade does appear to have been within the scope of domestic public philanthropy. Essentially it was relief granted to a recipient who performed some work in exchange for aid, but the line of demarcation between direct relief and work relief in this field of general relief was rather nebulous. Many nonfederal agencies applied a work test and accepted minor services from many recipients, but did not require any systematic work program. It would seem, therefore, that the bulk of the work relief really involved no *quid pro quo* for the public agency. At least, it would not be possible to separate out and place a value on the relatively small benefits received by the public agency making the payment for work relief. Hence in this study all work relief as well as direct relief is classified as domestic public philanthropy, as is also public assistance (column 8 of Table 7-1).

## AN IMPORTANT EXCLUSION

The term "work relief" was not applied in the Baird analysis to the earnings of persons employed on various projects of the Civil Works Administration or the Works Projects Administration, since such earnings were determined on the basis of wage rates and hours of employment rather than budgeted needs for relief purposes. It is likely that much of the earnings of persons on these works programs did not involve the usual *quid pro quo* for the public agency because the intention of the program was to provide a form of work relief. Stated in another way, had the public agencies contracted for the types or kinds of construction work undertaken by some of these programs, the value received by the public agency would have been greater. Possibly the assumption that some portion, say, half, of these earnings was truly earnings and not philanthropy, and the other half truly of relief character and therefore philanthropy, might be more reasonable than considering either all of the earnings or none of them as a form of work relief. Since it is our general intention to exclude expenditures by government which might probably be questioned if they were classified under public philanthropy, it seems wiser to exclude from philanthropy all, not merely some portion, of the earnings on the organized public works programs of various types.<sup>5</sup> The decision to exclude such earnings from public philanthropy therefore probably results in an understatement for the years starting in 1933. Some of these earnings are shown in columns 6 and 7 of Table 7-1, but they are excluded from our totals for domestic public philanthropy.

<sup>5</sup> Both the earnings on federal works programs and direct relief payments provided by federal, state, and local governments are treated as income originating in the federal government by Simon Kuznets in *National Income and Its Composition, 1919-1938*, New York, National Bureau of Economic Research, 1941, p. 815; he treats the facilities constructed under the federal works programs as part of federal government gross capital formation in *Capital in the American Economy: Its Formation and Financing*, Princeton University Press for NBER, 1961, p. 187. Because Kuznets makes no distinction between federal, state, and local programs of work relief and direct relief, this treatment is not definitive for our purposes. The excluded total earnings of persons employed under federal work programs (Civilian Conservation Corps, National Youth Administration, Works Projects Administration, Civil Work Program, and other federal agency projects financed from emergency funds) for 1933-43 in millions of dollars were: 1933, \$386; 1934, \$1,039; 1935, \$867; 1936, \$2,438; 1937, \$1,814; 1938, \$2,229; 1939, \$2,118; 1940, \$1,670; 1941, \$1,225; 1942, \$581; 1943, \$51. *Social Security Bulletin, Annual Statistical Supplement*, 1960, Table 125, p. 90.

Baird's urban relief series excluded data on the amounts of relief provided by "unorganized private charity and direct assistance extended by labor unions, fraternal organizations, private industrial and business welfare groups and local church and school organizations."<sup>6</sup> This is perhaps a serious gap in coverage of the data on private relief funds (column 12 of Table 7-1) for the early years of the 1929-38 decade; the omission was, however, of decreasing importance toward the end of the decade. Nevertheless, the contrast between the increasing role of public philanthropy and the diminishing role of private philanthropy in public assistance is sharply drawn.

Some public programs with relief attributes were omitted from the expenditure data in the Baird study largely because they were not available for the 116 urban areas.<sup>7</sup> First, the emergency education, student aid, and transient programs of the Federal Emergency Relief Administration (FERA), mainly concentrated in 1934 and 1935, were omitted; the magnitude (\$186 millions, 1933-37) of this omission, however, is not very great. Second, since the operations of the Civilian Conservation Corps were primarily in rural areas of the United States, the expenditures for the program (dating from April 1933) were omitted. Third, certain local data on student aid and work programs of the National Youth Administration, established in 1935, were omitted; this omission is also not of great magnitude because the total expenditure by the end of 1938 was only \$180 million for the entire United States. Fourth, surplus agricultural commodities distributed by the Federal Surplus Commodities Corporation and its predecessor, the Federal Surplus Relief Corporation, were omitted. These foodstuffs and other commodities were distributed in urban areas by welfare organizations throughout the country; some dollar data were gathered as a result of the foodstamp plan, but not enough to estimate monthly distribution for the 116 urban areas. This fourth omission is perhaps of more consequence quantitatively than any of the preceding. Fifth, the integrated series on public assistance compiled and published by the Social Security Board, including data for "other federal emergency projects financed by relief funds,"<sup>8</sup> was omitted.

<sup>6</sup> *Public and Private Aid*, p. 7.

<sup>7</sup> *Ibid.*, p. 7.

<sup>8</sup> For the latter, see *Social Security Bulletin*, February 1941, p. 66-70; also *Social Security Bulletin, Annual Statistical Supplement*, 1960, Table 125.

## PUBLIC AND PRIVATE ASSISTANCE IN URBAN AREAS

The relationship between these forms of public and private philanthropy in the 116 urban areas throws considerable light upon the increasing importance of the former and decreasing importance of the latter. This relationship is set forth in Table 7-1, columns 3 and 8, for public philanthropy, and the private funds are taken from column 12. In 1929, public philanthropy accounted for \$35.8 million of the \$47.2 million of total public and private philanthropy, or 75.8 per cent; the balance, 24.2 per cent, was private philanthropy. Approximately three-fourths of the expenditures for public and private assistance was from public funds in 1929, the first year covered in this study. The public percentage of the combined total rose slightly to 76.1 in 1930, then dropped to 71.0 in 1931, rose again to 81.6 in 1932, and jumped to 94.5 per cent in 1933. After 1933 the percentages shown in Table 7-1 indicate that at least 98 per cent of the funds were from public sources for this type of philanthropy, which historically was called poor relief, direct relief, public relief, outdoor relief, and so on. The Baird analysis provides a reasonably satisfactory indication of the growing proportion of public expenditures and the declining proportion of private expenditures for the 116 urban areas in the field of public and private relief and assistance. This conclusion supports one of the general conclusions of our study.

## URBAN AND RURAL RELIEF EXPENDITURES

The Division of Social Research of the Works Project Administration developed a relief expenditures series for rural-town areas which covers the years 1932-36. The expenditures in the 85 rural-town sample areas provide the rural counterpart to the urban series of 116 areas compiled by Baird. The urban and rural-town data were combined and generalized, and then weighted on the basis of population covered for each series to provide estimates of total public assistance, 1932; private assistance, 1932-36; and rural assistance, 1932-36 (as well as monthly estimates for the fourfold classifications, public-private, rural-urban).<sup>9</sup> Public assistance payments included general relief; aid to the aged, blind,

<sup>9</sup> For methodology of developing the combined series, see Theodore E. Whiting and T. J. Woofter, Jr., *Summary of Relief and Federal Work Program, Statistics, 1933-1940*, Works Projects Administration, Washington, 1941, Appendix C, pp. 55-57.

and dependent children; and Farm Security Administration grants. (Expenditures for the Works Projects Administration, the Civil Works Program, and the special programs of the Federal Emergency Relief Administration were not included.)

Table 7-2 presents these estimates for the period 1932-36. Public assistance was estimated at \$418 million in 1932, with 84 per cent of public assistance expenditures in urban areas. The urban proportion of total public relief declined in the following years, with relief being ex-

Table 7-2

*Public and Private Assistance Relief Payments  
in Rural and Urban United States, 1932-36*  
(millions of dollars)

	1932	1933	1934	1935	1936
Total relief	506	876	1,246	1,517	691
Urban	437	690	917	1,129	498
Rural	69	186	329	388	193
Percentage urban	86.4	78.8	73.6	74.4	72.1
Public relief	418	831	1,223	1,498	675
Urban	351	648	896	1,112	483
Rural	67	183	327	386	192
Percentage urban	84.0	78.0	73.3	74.2	71.6
Public Relief as per cent of total	82.5	94.9	98.2	98.8	97.7
Private relief	88	45	23	19	16
Urban	86	42	21	17	15
Rural	2	3	2	2	1
Percentage urban	97.7	93.3	91.3	89.5	93.8

Notes: Public relief includes general relief, poor relief, special types of public assistance (aid to the aged, aid to the blind, and aid to dependent children); and Farm Security Administration grants.

Rural-town areas include counties without a city of 25,000 or more, and in the New England states, townships of less than 5,000. These areas included 46 per cent of the 1930 population of the continental United States.

Source: Theodore E. Whiting and T.J. Woofter, Jr., *Summary of Relief and Federal Work Program Statistics, 1933-1940*, Works Projects Administration, 1941, Table 6, pp. 31-32.

tended to some rural areas for the first time because of the 1934 drought and the Farm Security Administration grants. Urban areas received 78 per cent of total public assistance in 1933, 73 per cent in 1934, 74 per cent in 1935, and 72 per cent in 1936. Information is not available on the urban proportion of total public assistance in 1929–31; probably it was even higher than in 1932 (84 per cent). In estimating total public relief expenditures (Table 7-3) for 1929–32, we shall assume that during this period the urban proportion was about six-sevenths of the national total.

Public assistance data for 1933–36 (Table 7-2) are based mainly on official reports and hence generally agree with the comparable data reported in current Social Security Administration publications. (See Table 7-4, column 6, 1933–36: for 1933, the total is almost identical; for 1934–36, it differs by less than 5 per cent.)

Private relief was comparatively insignificant in the rural areas. In 1932 it is estimated that only \$2.2 million was expended; in 1933 the peak amount of \$2.6 million was expended. Of the total private relief expenditures, 98 per cent was in urban areas in 1932, 93 per cent in 1933, 91 per cent in 1934, 90 per cent in 1935, and 94 per cent in 1936. Thus private relief was even more concentrated in urban areas than was public relief.

Calendar-year expenditures for public aid, with and without earnings on federal work projects, are presented in the *Social Security Bulletin, Annual Statistical Supplement*, 1960, in Table 125 (see Table 7-4). The data start with 1933 but contain no indications for the years 1929–32 needed in our series. Table 7-3 gives the data by which estimates were computed for these missing years.

#### EXTRAPOLATION OF SOCIAL SECURITY ADMINISTRATION SERIES TO 1929

Some of the data developed by Whiting and Woofter have been used with the Baird data to derive additional national estimates for public assistance, particularly before 1933; in turn, these are tied in with data for 1933–40 in Table 7-3. Additions were then made to these national estimates for administrative costs and the value of surplus food distributed to needy families (Table 7-5).

In Table 7-3 the public assistance series for the 116 urban areas is given in column 1; this is the sum of public expenditures for general

Table 7-3

*Estimated Totals for Public Assistance, 1929-40*  
(millions of dollars)

Year	116 Urban Areas (1)	Estimated U.S. Totals		Social Security Adminis- tration Totals (4)	Esti- mated Adminis- trative Costs (5)	Total Including Adminis- trative Costs (6)
		Population Adjustment (2)	Population and Urban Adjustments (3)			
1929	36	97	63		6	68
1930	58	156	101		9	110
1931	126	341	221		20	241
1932	261	704	456		41	497
1933	444	1,200	888	837	75	912
1934	659	1,781	1,318	1,342	122	1,464
1935	835	2,256	1,669	1,665	145	1,810
1936	392	1,059	783	681	59	740
1937	440	1,190	880	840	72	913
1938	523	1,412	1,045	1,008	87	1,094
1939	552	1,491	1,103	1,068	91	1,159
1940	534	1,444	1,068	1,053	85	1,138

Note: Detail may not add to total because of rounding.

Sources by Column

Column 1

Public assistance excluding earnings, Table 7-1 column 3 plus column 8.

Column 2

Column 1 divided by 0.37, as population in the 116 urban areas was approximately 37 per cent of the U.S. total in 1930 and 1940 (Enid Baird, *Public and Private Aid in 116 Urban Areas*, p. 4).

Column 3

According to Baird (p. 4) about two-thirds of the urban U.S. population in 1930 and 1940 was in her 116 urban areas. According to Whiting & Woofter (Table 7-3), 84.0 per cent in 1932, 78.0 per cent in 1933, 73.2 per cent in 1934, 74.2 per cent in 1935, and 71.6 per cent in 1936 of the public expenditures for relief were made in urban areas; accordingly we have assumed that 6/7 of the expenditures for public relief were in urban areas in 1929-32 and that 3/4 were for 1933-40. For 1929-32, then, column 3 = column 1  $\div$  2/3  $\times$  6/7; and for 1933-40, column 3 = column 1  $\div$  2/3  $\times$  3/4.

*Notes to Table 7-3 continued*

## Column 4

*Social Security Bulletin, Annual Statistical Supplement, 1960*, Table 125, page 90, total assistance.

## Column 5

According to *Security, Work and Relief Policies*, National Resources Planning Board, 1942, p. 598, administrative costs for categorical assistance were 9.1 per cent of payments in fiscal 1932 and 1934 and 9.0 per cent in 1933 (by extrapolation we have assumed 9.1 per cent for 1929-31); 8.7 per cent for 1935; 8.6 per cent in 1936-38; and 8.5 per cent in 1939. These percentages have been applied to column 3 for 1929-39, to estimate administrative costs. The 1940 figure is the amount reported to the author by the Social Security Administration.

## Column 6

1929-32 equals columns 3 plus 5; 1933-40 equals columns 4 plus 5. This is our final series for these years for public assistance.

relief and special types of public assistance (columns 3 and 8 of Table 7-1). The crude adjustment for population, which implies no urban concentration of relief expenditures, is presented in column 2. The totals are clearly too high for all years. The estimation procedure for column 3 (see notes to Table 7-3) allows for the urban concentration.

Administrative costs for public assistance are available from 1940 to date. For the earlier years, 1929-39, they were estimated, using incomplete data for the fiscal years. These costs are available for the special types of public assistance programs for the fiscal years 1932-39.<sup>10</sup> Administrative expenses expressed as a percentage of payments for these programs declined from 9.1 per cent in 1932 and 1934 to 8.5 per cent in 1939. The assumption was made that administrative costs for general relief programs were in the same proportion as for the categorical programs. For the years not covered, 1929-31, it was assumed that the general relationship in the immediately following years (9.1 per cent) prevailed. These percentages for the fiscal years were applied to the estimated assistance payments for the corresponding calendar years to estimate administrative costs.

Estimated administrative expenses are presented in column 5 of Table 7-3; the total, including administrative expenses, is given in column 6. Until the data become available on the amount of the distribution of free

<sup>10</sup> *Work, Security and Relief Policies*, National Resources Planning Board, 1942, p. 598.

food (and administrative expenses) from the Department of Agriculture, the data in column 6 stand as our best (but incomplete) set of estimates of the amount of public expenditures for public aid, 1929-40. The single addition to public assistance (column 4 of Table 7-5) of the value of distributed free food in preparing the estimates for public aid results from our decision to attempt to exclude earnings from public works programs with definite scales of pay and hours of work from the concept of public philanthropy in the area of general relief. Table 7-3 was extended to 1940 for the purpose of utilizing all of the years in the Baird study. The most important figures in this table are the 1929-32 figures in column 3, which were used to develop the data in column 6.

#### SUMMARY TABLES ON PUBLIC ASSISTANCE

The payments for 1933 to 1959, excluding administrative expense, are presented in Table 7-4. The payments for old-age assistance before the Social Security Act was enacted in 1935 were \$26 million in 1933; they rose to \$1,883 million in 1959. Aid to dependent children rose from \$41 million to \$1,003 million; aid to the blind from \$5 million to \$91 million; aid to the permanently and totally disabled, the fourth categorical program, began in 1950 with \$8 million and increased to \$260 million; and last, general assistance (a nonfederal program except for FERA program in the 1930's) decreased from \$759 in 1933 to \$344 million dollars in 1959. (Column 8 of Table 7-4 is repeated in column 1 of Table 7-5 after 1932.)

Expenditures for surplus food comprise the expenditures for public aid as that term is used in this treatment of public philanthropy; that is, other forms of public aid in the Merriam compilations are excluded.<sup>11</sup>

<sup>11</sup> "Other" in the Merriam compilation includes surplus food distributed to needy families, work relief program earnings (WPA, NYA, and CCC), Farm Security Administration grants and administration of loans, RFC relief grants to states and municipalities, Civil Works Administration programs, and the FERA relief programs. Of these we include as public philanthropy the FERA programs, subsistence payments under the FSA (under "other assistance," Table 7-4), and surplus foods distributed to needy families (Table 7-5).

In the Merriam compilation for fiscal 1935 (our Table 5-1), the expenditures for "other" (the second subhead under public aid) dwarfs the amount for public assistance—\$2,374 million and \$624 million. FERA expenditures, which totaled \$1,738 million in fiscal 1935, are included in the Merriam series under "other" public aid. In our series on public assistance (Table 7-4), however, FERA expenditures are included in general assistance (column 5), with relief under special programs separately shown in column 7.

The totals for the entire period, 1929–59, are presented in column 5 of Table 7-5. Public aid increased from \$68 million to \$4,088, from 0.07 per cent of GNP to 0.80 per cent.

#### FEDERAL SHARE INCREASING

The proportion of expenditures for public assistance from federal, state, and local funds is not available for 1929–35. The percentage distribution for selected years 1936–59 is presented in Table 7-6. The federal percentage rose sharply from 13.4 in 1936 to 23.2 in 1939, and to 52.2 in 1959. The percentage from the state governments declined slowly from 51.4 in 1936 to 50.6 in 1939, and then rapidly to 35.7 in 1959. The percentage from local governments, which probably reached its peak early in the Great Depression, declined from 35.2 in 1936 to 26.2 in 1939; it flattened out to the 12 to 10 per cent level after 1944. This table is further evidence of the shift in the financing of public philanthropy away from local and, to a lesser degree, state sources,<sup>12</sup> toward federal sources after the social security program matured.

#### OTHER WELFARE SERVICES

“Other welfare services” is a residual and, accordingly, difficult to utilize in our attempt to compile comprehensive data on domestic public philanthropy. It is the smallest of Merriam’s six major divisions. (It should not be confused with “other public assistance,” a subitem along the sec-

<sup>12</sup> Other sources were examined but not used. The *National Income Supplement to the Survey of Current Business*, 1954, Table 36, page 212, presents a series on direct relief, under government transfer payments, for welfare purposes for state and local governments. The annual amounts for direct relief (slightly lower than ours) were: \$71 million in 1929, \$105 million for 1930, \$176 million for 1931, \$317 million for 1932, \$558 million for 1933, \$745 million for 1934, \$954 million (plus \$2 million federal) for 1935, \$635 (plus \$36 million federal) million for 1937, and \$965 million (plus \$23 million federal) for 1938. The government transfer payments reported in this source do not provide sufficient detail for our present purposes. The major difference is the exclusion of FERA, especially in fiscal 1934–36; it is rather consistent with the Merriam treatment of FERA. The notes to the table indicate that most of the transfer payments from the federal government were for social insurance funds and military or veterans’ benefits. We could have used FERA on a calendar-year basis as a simple addition to the OBE series—our public assistance series.

Table 7-4

*Public Assistance Payments, 1933-59*  
(millions of dollars)

Year	Old-Age Assistance (1)	Aid to Dependent Children (2)	Aid to the Blind (3)	Aid to the Permanently and Totally Disabled (4)	General Assistance (5)	Subtotal (6)	Other Assistance <sup>a</sup> (7)	Total Public Assistance Payments (8)
1933	26	41	5		759	831	6	837
1934	32	41	7		1,201	1,281	61	1,342
1935	65	42	8		1,433	1,548	118	1,665
1936	155	50	13		439	657	24	681
1937	310	70	16		407	804	36	840
1938	392	97	19		476	985	23	1,008
1939	430	115	21		483	1,049	19	1,068
1940	475	133	22		405	1,035	18	1,053
1941	542	153	23		273	990	12	1,003
1942	595	158	25		181	959	6	965
1943	653	141	25		111	930		930
1944	693	135	25		89	942		942

1945	727	150	26	87	990	990
1946	822	209	31	121	1,183	1,183
1947	990	295	36	165	1,486	1,486
1948	1,133	364	41	199	1,737	1,737
1949	1,380	475	48	282	2,186	2,186
1950	1,470	554	53	295	2,380	2,395
1951	1,474	562	56	195	2,345	2,395
1952	1,533	554	61	172	2,411	2,464
1953	1,597	562	66	151	2,492	2,547
1954	1,593	594	68	198	2,589	2,653
1955	1,608	639	71	156	2,689	2,757
1956	1,677	663	77	177	2,791	2,861
1957	1,773	755	84	201	3,026	3,099
1958	1,830	895	87	228	3,347	3,434
1959	1,883	1,003	91	260	3,581	3,680
Total 1933-59 <sup>b</sup>	25,858	9,450	1,106	9,398	47,244	48,201

<sup>a</sup>Other Assistance: 1933-37, relief under special programs of the Federal Emergency Relief Administration (\$115 million in 1935, \$4 million in 1936, and less than \$0.5 million in 1937); 1935-42, subsistence payments certified by the Farm Security Administration (\$3 million in 1935, \$20 million in 1936, and \$36 million in 1937); and 1950-59, vendor payments for medical care from general assistance funds, from special funds, and, for one state for October 1950-June 1954, from funds for the special types of public assistance; data for such expenditures partly estimated for some states.

<sup>b</sup>See note a, Table 2-1.

Source: *Social Security Bulletin, Annual Statistical Supplement, 1960*, Table 125, p. 90 (1933-43) and Table 126, p. 91 (1944-59).

Table 7-5

*Public Assistance and Public Aid, 1929-59*  
(millions of dollars)

Year	Public Assistance			Surplus Food Distributed to Needy Families (4)	Total Public Aid (3) + (4) (5)
	Payments (1)	Costs (2)	Total (3)		
1929	63	6	68		68
1930	101	9	110		110
1931	221	20	241		241
1932	456	41	497	17	514
1933	837	75	912	71	983
1934	1,342	122	1,464	149	1,612
1935	1,665	145	1,810	110	1,921
1936	681	59	740	27	766
1937	840	72	913	28	941
1938	1,008	87	1,094	51	1,145
1939	1,068	91	1,159	70	1,229
1940	1,053	85	1,138	111	1,249
1941	1,002	94	1,096	142	1,238
1942	965	87	1,052	99	1,151
1943	930	79	1,009	40	1,049
1944	942	76	1,019	10	1,029
1945	990	78	1,068	1	1,069
1946	1,183	90	1,272	a	1,273
1947	1,486	107	1,593	a	1,593
1948	1,737	124	1,861	a	1,862
1949	2,186	148	2,335	3	2,338
1950	2,395	168	2,563	6	2,569
1951	2,395	181	2,576	4	2,580
1952	2,464	197	2,661	a	2,662
1953	2,547	206	2,754	6	2,760
1954	2,653	218	2,871	37	2,908
1955	2,757	233	2,990	76	3,066
1956	2,861	249	3,110	84	3,194
1957	3,099	275	3,370	77	3,447
1958	3,434	302	3,736	91	3,827
1959	3,680	325	4,005	83	4,088
Total <sup>b</sup>	49,041	4,045	53,087	1,396	54,482

*Notes to Table 7-5*

Note: Detail may not add to total because of rounding.

<sup>a</sup>Less than \$0.6 million.

<sup>b</sup>See note a, Table 2-1.

## Sources by Column

## Column 1

1929-32, Table 7-3, column 3; 1933-59, Table 7-4, column 8.

## Column 2

1929-39, Table 7-3, column 5; 1940-59, calendar year amounts reported to the author (July 6, 1962) by Thomas Karter, Division of Program Research, Social Security Administration.

## Column 4

Obtained by averaging successive fiscal year data. Fiscal 1933-34, *Security, Work and Relief Policies*, National Resources Planning Board, 1942, p. 598; fiscal 1935-60, reported (June 13, 1962) to the author by Social Security Administration.

Table 7-6

*Percentage Distribution of Expenditures for Assistance  
Payments by Source of Funds, Selected Years, 1936-59  
(per cent)*

Year	Federal	State	Local	Total
1936	13.4	51.4	35.2	100.0
1937	21.5	49.4	29.1	100.0
1938	22.2	50.3	27.5	100.0
1939	23.2	50.6	26.2	100.0
1944	41.4	45.8	12.8	100.0
1949	45.1	44.3	10.6	100.0
1954	50.6	37.4	12.0	100.0
1959	52.2	35.7	12.1	100.0

Source: *Social Security Bulletin, Annual Statistical Supplement, 1960*  
Table 132, p. 102.

ond major division, "public aid"; that division is the subject of the first section of this chapter.)

Moreover, this residual welfare category is primarily a compilation of state and local expenditures, especially for the early part of our three decades; for fiscal 1935 only \$2.1 of the \$139.3 million total was federal, and for the two large subitems—institutional and other care, and child welfare—state and local expenditures were \$110 million and \$26 million. At this juncture the absence of supporting data to explain the sources, terms, and combinations of local, state, and federal expenditures in the Merriam compilations becomes a major statistical handicap in our use of these compilations as a master check list of items. These are among the considerations which account for the relatively brief treatment of "other welfare services."

The notes to Merriam's tabulation (our Table 5-1) state that the following public expenditures are included: vocational rehabilitation (including medical rehabilitation), institutional and other care ("expenditures for homes for dependent or neglected children and for adults other than veterans and the value of surplus food for nonprofit institutions"), school lunch program, and child welfare (including foster-care payments and direct appropriations by state legislatures to voluntary agencies and institutions). This list is our guide.

Revised estimates for "other welfare services" are available for the fifth years, beginning with fiscal 1935, and annually since fiscal 1955; unrevised data were used for the other fiscal years, 1936–54. For the first year of our period, 1929, the estimate has not been revised; moreover, other welfare services are included with public aid in the 1929 figures, with a total for the two items of \$500 million.<sup>13</sup> In the preceding section a calendar-year series was developed for public assistance and public aid, with estimates for the early years based on sample studies, since national data were not available. Total public aid in calendar 1929 was estimated to be \$70 million—Table 7-5 indicated \$68 million. The unrevised Merriam estimate of \$500 million for both public aid and other welfare is apparently very high. Subtracting the estimated \$70 million for public aid from the \$500 total would leave \$430 million for

<sup>13</sup> Bureau of the Census, *Historical Statistics of the United States*, Washington, Series H-13 and H-17, p. 193, and Ida C. Merriam, "Trends in Public Welfare and Their Implications," *Papers and Proceedings, American Economic Review*, Vol. 47, 1957, p. 477.

other welfare services, whereas by fiscal 1935 the estimated total for this category was only \$139 million (Table 7-13, column 1). Hence, for other welfare services also, it was necessary to prepare independent estimates of expenditures for 1929.

Table 7-13 in the appendix to this chapter compares the several sources that were considered for estimating other welfare service expenditures for the years 1929–34. Derivation of the estimates for this early period are given in Table 7-14. These estimates of the early years are carried over to Table 7-15, which is the summary table for the “other welfare services” category. Calendar-year estimates for selected succeeding years are also given in this table along with the Merriam data from which they were derived.

### HEALTH AND MEDICAL PROGRAMS

Our series estimates for health and medical programs from 1929 to 1959 are presented in their entirety in Table 7-12. They are based essentially on the revised Merriam figures, although the military medical care and Defense Department items were omitted from our totals. Derivation of calendar-year estimates from the Merriam revised series and, in part, unrevised series, and extraction of the two items mentioned above, are given in Table 7-7 for selected years from 1929 to 1960.

It will be noted, however, that the Merriam data do not cover a period of major significance to public philanthropy—1929–35. Unlike some other periods, it is highly implausible to assume that expenditures in this period experienced a continuous rate of growth from the earlier to the later years. It is much more likely that health and medical expenditures decreased for several years after 1929 and then moved upward to the 1935 level.

Our estimates for 1929 to 1934 are based on this assumption. We were able to derive estimates of health and medical expenditures for 1929 and 1932 from data presented by Musgrave and Culbertson, and to link them to the Merriam estimates for 1929 and 1935.<sup>14</sup> Since the 1929 estimate obtained from this study for health and sanitation expend-

<sup>14</sup> R. A. Musgrave and J. M. Culbertson, “The Growth of Public Expenditures in the U.S., 1890–1948,” *National Tax Journal*, June 1953.

Table 7-7

*Health and Medical Programs*  
*Derivation of 1929-34 Estimates*  
 (millions of dollars)

Fiscal Year	Musgrave (1)	Unrevised Merriam (2)	Revised Merriam (3)	Merriam Estimate (4)	Calendar Year (5)
1929	458	470	445	445	428
1930				410	393
1931				375	358
1932	350			340	368
1933				395	423
1934				450	477
1935		642	505	505	
1940	434	799	652		

## Sources by Column

## Column 1

R.A. Musgrave and J.M. Culbertson, "The Growth of Public Expenditures in the United States, 1890-1948," *National Tax Journal*, June 1953.

## Columns 2 and 3

Table 7-8, columns 1, 3, and 5.

## Column 4

1929 and 1935, column 3; 1932, same percentage of column 1 as in 1929; other years interpolation from 1932.

## Column 5

Average of current and succeeding fiscal years. Fiscal-year data converted to calendar-years basis by two-year moving average.

itures of federal, state, and local governments was very close to the Merriam revised estimates for that year (\$458 and \$445 million), it was assumed that the 1932 figures would bear the same relationship as if a Merriam estimate were available for that year. It was also assumed that fiscal 1932 was the turning point in the trend of health and medical expenditures. Since the Merriam figure for 1929 was 97.2 per cent of the Musgrave and Culbertson figure, our figure for 1932 was determined as 97.2 per cent of the 1932 Musgrave and Culbertson figures, or \$340 million. From this estimate interpolations were made backward to 1929

and forward to 1934 to produce a fiscal-year series. Calendar-year estimates were then derived, as shown in Table 7-8. It is clear that the disparity in the 1940 figures in the first three columns rules out an interpolation for 1929 to 1935 based on Musgrave's data alone.

Musgrave and Culbertson do not give a 1929 health and sanitation figure for combined federal, state, and local governments because no apportionment of social welfare expenditures for local governments was possible for that year. Therefore, an estimate for the missing item was extrapolated by assuming that local government health and sanitation expenditures bore approximately the same relationship to those of federal and state governments in 1929 as they did in 1923 and 1932—years for which expenditures for all three governmental levels were given. The extrapolation procedure is shown in the accompanying tabulation.

	<i>Health and Sanitation Expenditures</i> (million dollars)		
	Local Government	Federal and State Governments	(1) ÷ (2) (3)
	(1)	(2)	(3)
1923	303.4	33.9	8.95
1932	314.8	35.3	9.20
Average of 1923 and 1932	—	—	9.08
1929	—	45.4	

Local government expenditures in 1929 =  $9.08 \times \$45.4$  million = \$412.2 million; and combined government expenditures = \$45.4 million + \$412.2 million = \$457.6 million.

### FREE SCHOOLS

There are two major compilations available on which to base estimates for public philanthropy channeled to free education during the period 1929–59: the Office of Education (OE) series (given in the *Biennial Survey of Education*) and the Merriam series. Both series measure the same thing: support, through public bodies, of education. However, the OE figures were preferred for several reasons.

Table 7-8

*Health and Medical Programs*  
*Derivation of Calendar Year Estimates*  
 (millions of dollars)

Fiscal Year	Unrevised Merriam Estimates		Revised Merriam Estimates			Calendar Year Estimates (6)
	Total (1)	Percentage Increase over Preceding Year (2)	Total (3)	Medicare and Defense Department (4)	Civilian Programs (5)	
1929	470		445		445	
1935	642		544	39.0	505	514
1936	665	3.6			523	
1940	799		697	45.0 <sup>a</sup>	652 <sup>a</sup>	634
1941	755	-5.5			616 <sup>a</sup>	
1945	996		1,937	1,100.0 <sup>a</sup>	837 <sup>a</sup>	882 <sup>a</sup>
1946	1,103	10.7			926 <sup>a</sup>	
1950	2,388		2,344	332.0 <sup>a</sup>	2,012 <sup>a</sup>	2,134 <sup>a</sup>
1951	2,674	12.0			2,254 <sup>a</sup>	
1955			2,914	611.5	2,302	2,381
1956			3,035	573.8	2,461	2,613
1957			3,402	637.4	2,765	2,877
1958			3,726	737.5	2,988	3,131
1959			4,052	779.4	3,273	3,418
1960			4,232	669.5	3,563	

<sup>a</sup>Includes some Defense Department medical facilities construction not separately available.

## Sources by Column

## Column 1

*Historical Statistics*, U.S. Department of Commerce, Series H-16, p. 193.

## Column 3

Health and Medical Programs: 1929: *Social Security Bulletin*, November 1961, Table 5, p. 10; 1935-60: Table 5-1 and its source.

*Notes to Table 7-8 continued*

## Column 4

Sum of hospital and medical care by Defense Department, medical facilities construction by Defense Department and Medicare.

## Column 5

1935, 1940, 1945, 1950, 1955-60: column 3 minus column 4. 1936, 1941, 1946, 1951: estimated by applying annual percentage increase from unrevised series.

## Column 6

Estimated by averaging successive fiscal year totals in column 5.

The Office of Education figures have the advantage of being continuous throughout the period of the study. The Merriam estimates (unrevised) contain a gap between 1929 and 1935, although they have the advantage of being consistent with many other series in the public domestic quadrant of the study. It would seem feasible, then, to interpolate missing years on the basis of the OE data. But coinciding years (see Table 7-11 figures for 1929, 1935, and 1940) showed an erratic relationship between the two series, and a straight-line interpolation of the Merriam estimates was not indicated by the OE series. Thus it was decided to use the Office of Education figures, since they provide a reasonably consistent measure of public support of education over a period of time, and one of the major concerns of this study is the *change* in philanthropy during the years studied.

It was necessary, however, to extract from the OE figures some amounts already accounted for in other series of the quadrant. Tables 7-9 and 7-10, in addition to presenting the several OE series from which our estimates were derived, also show the extraction of previously counted funds. Thus Table 7-9, column 1, gives revenue receipts of public elementary and secondary schools, while columns 2 and 3 present expenditures on school lunch and school health programs, respectively. Since school lunch funds are included in our "other welfare services" series and school health expenditures appear in our "health and medical" estimates, the sum of columns 2 and 3 is subtracted from column 1 to form our elementary and secondary school series, which is carried to the summary table for public support of education (column 1 of Table 7-11). With regard to higher education, Table 7-10 presents receipts from government sources for general and educational operations and for

Table 7-9

*Free Schools*  
*Derivation of Elementary and Secondary Education Estimates*  
*School Years 1928-60*  
 (millions of dollars)

School Year Ending	Public Receipts (1)	School Lunch (2)	School Health (3)	Total of (2) + (3) (4)	Public Receipts, Net Total (5)
1928	2,025		8.9	9	2,016
1930	2,088		9.2	9	2,079
1932	2,067		9.5	10	2,057
1934	1,810		9.8	10	1,800
1936	1,971		11.5	12	1,959
1938	2,223		14.7	15	2,208
1940	2,260		17.9	18	2,242
1942	2,416	23	20.1	43	2,373
1944	2,604	34	22.2	56	2,548
1946	3,060	57	24.8	82	2,978
1948	4,311	116	27.7	144	4,167
1950	5,437	159	30.6	190	5,247
1952	6,423	153	44.8	198	6,225
1954	7,847	239	59.0	298	7,549
1956	9,664	293	74.2	367	9,297
1958	12,145	323	85.6	409	11,736
1960	14,673	399	98.5	497	14,176

## Sources by Column

## Column 1

Revenue receipts of public elementary and secondary schools from federal, state, and local governments. *Biennial Survey of Education*.

## Column 2

*Historical Statistics of the U.S.* and our Table 5-1. Figures for certain years include value of surplus food sent to some other nonprofit institutions.

## Column 3

*Social Security Bulletin*, November 1961, Table 5, p. 10. Partly interpolated.

## Column 4

Column 2 plus column 3.

## Column 5

Column 1 minus column 4.

Table 7-10

*Free Schools,  
Derivation of Higher Education Estimates,  
School Years, 1928-60*  
(millions of dollars)

School Year Ending	Public Receipts			Veterans Tuition and Fees (4)	Net Total Col. 3 Minus Col. 4 (5)
	Educational and General (1)	Plant Fund Operations (2)	Total (3)		
1928	175		175		175
1930	173	31	204		204
1932	200	28	228		228
1934	143	32	175		175
1936	184		184		184
1938	192	38	230		230
1940	218	43	261		261
1942	252	15	267		267
1944	510	11	521		521
1946	453	77	530	61	469
1948	933	91	1,025	365	660
1950	1,089	362	1,451	307	1,144
1952	1,146	194	1,340	148	1,192
1954	1,259	180	1,440	44	1,395
1956	1,492	267	1,759	16	1,744
1958	1,998	503	2,501	5	2,496
1960	2,582	440	3,022	3	3,019

Note: Detail may not add to total because of rounding.

Source: *Biennial Survey of Education*.

plant fund operations. From the sum of these two columns is subtracted funds covering veterans' tuition and fees which already appear in our series on public expenditures on veterans (see Chapter 6). The difference becomes our series for higher education, and these funds are carried to column 2 of Table 7-11.

In addition to the two series on public expenditures on education and their total for both school and calendar years, Table 7-11 presents the Merriam series on education for selected years, so it may be compared with our school-year estimates derived from OE data.

Table 7-11

*Public Support of Education 1929-59*  
(millions of dollars)

School Year Ending	Elementary and Secondary Schools (1)	Higher Education Institutions (2)	School Year Totals (3)	Calendar Year Totals (4)	Merriam Revised Series (fiscal year) (5)
1928	2,016	175	2,191		
1929			2,237	2,260	2,450
1930	2,079	204	2,283	2,283	
1931			2,284	2,285	
1932	2,057	228	2,285	2,209	
1933			2,131	2,054	
1934	1,800	175	1,975	2,017	
1935			2,059	2,100	1,980
1936	1,959	184	2,143	2,216	
1937			2,290	2,364	
1938	2,208	230	2,438	2,454	
1939			2,470	2,486	
1940	2,242	261	2,503	2,537	2,316
1941			2,571	2,606	
1942	2,373	267	2,640	2,748	
1943			2,855	2,963	
1944	2,548	521	3,069	3,164	
1945			3,259	3,353	3,457
1946	2,978	469	3,447	3,793	
1947			4,138	4,483	
1948	4,167	660	4,827	5,219	
1949			5,610	6,001	
1950	5,247	1,144	6,391	6,649	6,508
1951			6,905	7,162	
1952	6,225	1,192	7,417	7,804	
1953			8,181	8,567	
1954	7,549	1,395	8,944	9,470	
1955			9,992	10,523	11,294
1956	9,297	1,744	11,041	11,845	12,385
1957			12,636	13,436	13,972
1958	11,736	2,496	14,232	14,972	15,449
1959			15,713	16,454	16,608
1960	14,176	3,019	17,195		17,788

*Notes to Table 7-11*

Note: Detail may not add to total because of rounding.

## Sources by Column

## Column 1

Column 5 of Table 7-9.

## Column 2

Column 5 of Table 7-10.

## Column 3

Even years column 1 plus column 2; odd years, interpolations.

## Column 4

Two-year moving average of column 3.

## Column 5

Table 5-1.

These were the dominant factors and methodological consequences of the choice of OE figures. Additional differences between them and the Merriam estimates should be mentioned. The OE estimates for elementary and secondary education are based upon expenditures of state and local school systems in the then forty-eight states and the District of Columbia. The Merriam estimates include the education of dependent children overseas, education of persons in federal schools, and expenditures of Canal Zone schools. In the higher-education figures, the Merriam series includes and the Office of Education excludes depreciation allowances for plant and equipment. (The same applies to veterans' subsistence allowances.) Capital outlays for land and equipment are excluded in the Merriam series but included in the OE series.

Finally, a check of Table 5-1 will indicate that we have covered in this chapter all the Merriam items on social welfare expenditures under public programs except what she considers social insurance and public housing. Hence data for these two categories will be presented in Chapter 8, the second chapter on domestic public philanthropy.

The final summary figures for the four categories of social welfare are presented in Table 7-12; the total for each year is also presented as a percentage of GNP for that year.

Table 7-12

## Public Aid, Other Welfare, Health and Medical, Free Schools, and Gross National Product, 1929-59

Year	Public Aid		Other Welfare		Health and Medical		Free Schools		Total	
	\$ mil. (1)	Per Cent of GNP (2)	\$ mil. (3)	Per Cent of GNP (4)	\$ mil. (5)	Per Cent of GNP (6)	\$ mil. (7)	Per Cent of GNP (8)	\$ mil. (9)	Per Cent of GNP (10)
1929	68	0.065	95	.091	428	.410	2,260	2.164	2,851	2.730
1930	110	0.121	96	.105	393	.431	2,283	2.506	2,882	3.163
1931	241	0.316	107	.140	358	.470	2,285	2.996	2,991	3.922
1932	514	0.879	116	.198	368	.630	2,209	3.778	3,207	5.485
1933	983	1.757	125	.223	423	.756	2,054	3.670	3,585	6.406
1934	1,612	2.481	135	.208	477	.734	2,017	3.104	4,241	6.527
1935	1,921	2.650	140	.193	514	.709	2,100	2.896	4,675	6.448
1936	766	0.926	137	.166	538	.650	2,216	2.678	3,657	4.420
1937	941	1.036	135	.149	562	.619	2,364	2.604	4,002	4.408
1938	1,145	1.343	132	.155	586	.688	2,454	2.879	4,317	5.065
1939	1,229	1.349	130	.143	610	.669	2,486	2.729	4,455	4.890
1940	1,249	1.241	127	.126	634	.630	2,537	2.522	4,547	4.519
1941	1,238	0.984	142	.113	683	.543	2,606	2.071	4,669	3.711
1942	1,151	0.723	157	.099	732	.460	2,748	1.727	4,788	3.009
1943	1,049	0.545	172	.090	782	.406	2,963	1.539	4,966	2.580
1944	1,029	0.487	187	.088	832	.394	3,164	1.497	5,212	2.466

1945	1,069	.500	202	.095	882	.413	3,353	1,570	5,506	2,578
1946	1,273	.604	245	.116	1,132	.537	3,793	1,801	6,443	3,058
1947	1,593	.680	288	.123	1,382	.590	4,483	1,913	7,746	3,306
1948	1,862	.718	330	.127	1,632	.629	5,219	2,012	9,043	3,486
1949	2,338	.906	373	.145	1,883	.730	6,001	2,325	10,595	4,106
1950	2,569	.903	416	.146	2,134	.750	6,649	2,336	11,768	4,135
1951	2,580	.784	461	.140	2,183	.664	7,162	2,177	12,386	3,765
1952	2,662	.767	506	.146	2,232	.643	7,804	2,249	13,204	3,805
1953	2,760	.755	550	.151	2,281	.624	8,567	2,345	14,158	3,875
1954	2,908	.801	594	.163	2,331	.642	9,470	2,608	15,303	4,214
1955	3,066	.771	639	.161	2,381	.599	10,523	2,648	16,609	4,179
1956	3,194	.762	740	.177	2,613	.623	11,845	2,826	18,392	4,388
1957	3,447	.778	845	.191	2,877	.650	13,436	3,035	20,605	4,654
1958	3,827	.861	964	.217	3,131	.704	14,972	3,368	22,894	5,150
1959	4,088	.847	1,091	.226	3,413	.707	16,454	3,409	25,046	5,189
Total 1929-59 <sup>a</sup>	54,482	.811	10,377	.155	41,407	.617	168,477	2,509	274,743	4,092

Sources by Column

Column 1

Column 5 of Table 7-5.

Column 5 continued

Table 7-8. The very slight error was discovered while checking the proofs, too late to be worth correcting.

Column 3

Column 4 of Table 7-15, with interpolations for missing years.

Column 7

Column 4 of Table 7-11.

Column 5

Column 6 of Table 7-8, with interpolations for missing years, and column 5 of Table 7-7. The figure for 1959 should be 3,418, as in

Note: Gross National Product: column 1 of Table 2-2.

<sup>a</sup>See note a, Table 2-1.

## APPENDIX TO CHAPTER 7

The problem of comparability of data is substantial. With the exception of national income, all data examined were for fiscal years. Because it is a miscellaneous, residual category, it is difficult to determine if the same programs are included in the *Census of Governments'* "other public welfare" as in Merriam's "other welfare services," or to select from the detailed functional categories in financial reports of cities or state those which are properly "other welfare." For example, expenditures reported as "aid to mothers" apparently should be considered as aid to dependent children under public assistance, while "care of children" is "child welfare" under "other welfare services."<sup>15</sup> Veterans' aid is another difficult category. Local and state "aid to soldiers and sailors" in these early years of our period are probably included in relief or public assistance (Geddes, p. 6), but possibly may also be found in other welfare services. Our series of veterans' benefits includes no local expenditures, and no state expenditures before 1946. Thus, in the 1930's, when veterans' aid was not always clearly segregated at the local level, there is no double counting, but relief and burial for needy veterans are included in public assistance.

## NATIONAL INCOME: TRANSFER PAYMENTS

The Office of Business Economics reports state and local transfer payments for "veterans' aid and bonuses, payments for the care of foster children in private family homes, and payments to nonprofit institution" (*National Income*, 1954, Table 36, p. 212). This series is shown in Table 7-13, column 3. The inclusion of veterans' aid and bonuses is the major apparent difference of this series from the Merriam compilation; however, it is not certain that all institutional care is included, nor all child welfare. The *National Income* series is about two-thirds of the Merriam figure for 1935 and about three-fourths in 1940. The reported \$75 million in 1929 may thus be reasonably assumed to be a minimum

<sup>15</sup> Anne E. Geddes includes in relief expenditures the "aid to mothers" item from the *Financial Statistics of Cities*, but not "care of children." The implication is that the latter is to be considered as "other welfare." *Trends in Relief Expenditures, 1910-1935*, Research Monograph X, Works Progress Administration, Washington, 1937, pp. 6-7.

figure. If it were to be assumed that the 65 per cent ratio in 1935 was also valid in 1929, the total for calendar 1929 comparable to the Merriam series would be \$115 million.

#### CENSUS OF GOVERNMENTS

The *Census of Governments*<sup>16</sup> has a category "other public welfare" in addition to public assistance, health and hospitals, education, and others.<sup>17</sup> Apparently this does not include veterans' benefits and it seems to be roughly comparable to Merriam's other welfare services item, but detailed explanation of the category is not available. (Fiscal-year totals reported by the *Census of Governments* for "other public welfare" are shown in Table 7-13, columns 4 and 5. Column 4 is the total, which is considerably higher than the Merriam series (column 1), in the years where they overlap. The difference, however, is mainly in the figure for the federal government; hence the state and local expenditures are shown separately in column 5. These can be compared with the Merriam figures in column 2.

In 1935, the Merriam figures for state and local expenditures are considerably higher than that of the *Census of Governments* for 1934 or 1936 (\$137 million versus \$93 and \$96 million), but in 1940 it is slightly lower (\$104 million versus \$107 million).

The pattern of the *Census of Governments* series as compared with the Merriam figures for 1935 and 1940 makes it difficult to estimate a value for 1929 from these data. Interpolating between the reported totals for 1927 and 1932 would suggest a range for 1929 of \$80–\$85 million. The wide difference between this series and the Merriam totals in 1935 and 1940 suggests caution, although the major factor accounting for the difference—federal expenditures—was of minor importance in 1929. Examining the *Census of Governments* state and local totals—\$72 million in 1927 and \$78 million in 1932—would suggest \$73 million in 1929 if the 1940 relationship between the two series held, or \$108 mil-

<sup>16</sup> This series is an estimate derived by the Governments Division of the Census Bureau from the *Financial Statistics of Cities* and the *Financial Statistics of States*.

<sup>17</sup> *Historical Statistics of the United States*; Series Y-425, Y-557, pp. 723 and 727. State and local expenditures are separately available in Bureau of the Census, *Historical Statistics on State and Local Government Finances 1902–1953*, State and Local Government Special Studies Number 38, Washington, 1955, Table 1, p. 17.

Table 7-13

*Various Estimates of Other Welfare Services,  
Fiscal Years 1927-40*  
(millions of dollars)

Fiscal Year	Merriam		OBE	Census of Governments		Index: Cities 100,000+ (1929=100)
	Total (1)	State and Local (2)	Transfer Payments (calendar year) (3)	Total (4)	State and Local (5)	(6)
1927				82	72	88.9
1928						99.4
1929			75			100.0
1930			81			96.9
1931			87			108.7
1932			90	79	78	105.7
1933			91			97.9
1934			89	183	93	104.4
1935	139.3	137.2	91			109.2
1936			90	266	96	
1937			92			
1938			93	265	101	
1939			91			
1940	114.1	104.4	86	265	107	

Sources by Column  
Columns 1 and 2

Table 5-1.

Column 3

*National Income, 1954, Supplement to Survey of Current Business, Table 36, p. 212.*

Columns 4 and 5

*Historical Statistics of the United States Colonial Times to 1957, Series Y-425, and Y-557, pp. 723 and 727.*

Column 6

*Financial Statistics of Cities, 1927-35.*

lion if the 1935 relationship held. Federal expenditures would probably add another million dollars. (Merriam reports a total of \$2 million federal expenditures in 1935.) None of the series thus far examined has been fully consistent with the available Merriam estimates for 1935 and

1940, but they do suggest for 1929 the magnitudes involved, with a range of \$74–\$115 million.

#### FINANCIAL STATISTICS OF CITIES AND STATES

Whereas in the *National Income and Census of Governments* series no detailed breakdown is available of the "other welfare" item, in utilizing the *Financial Statistics of Cities* and *Financial Statistics of States* the problem is that of selecting the appropriate functional categories from which to build up an "other welfare services" total.

Three items are included in other welfare services expenditures by cities: care of poor in institutions, care of children, and other charities.<sup>18</sup> The last category accounted for about 15 per cent of the total of \$29 million reported in 1929 (Table 7-14, column 1), with the balance about equally divided between the two major categories. Population figures are available for the cities reporting expenditures. In 1927–31 the report covered cities with a population of 30,000 and over, representing about 36 per cent of the total United States population in 1927–29 and 39 per cent in 1930–31. Beginning in 1932, the report was restricted to cities with a population of 100,000 and over; the population covered in 1932–35 represented about 30 per cent of the total United States population.

The detail permitted an expenditure series for other welfare services to be compiled for cities with populations over 100,000. The total reported in 1929 was \$26.6 million, and in 1935 \$29.0 million. This series is expressed as an index in column 6 of Table 7-13, with 1929 equal to 100. Expenditures during the period 1929–35 did not evidence a consistent pattern. If this index is used to extrapolate backward the Merriam total for 1935 of \$139.3 million, the resulting estimate is \$128 million for 1929. State expenditures increased relatively more than city expenditures for other welfare services during the years 1929–31 (state data are

<sup>18</sup> Under governmental-cost payments for "charities," the *Financial Statistics of Cities* includes outdoor poor relief, care of poor in institutions, care of children, and other charities; and under "miscellaneous special aid to classes," aid to soldiers and sailors, and aid to mothers. Outdoor poor relief clearly belongs under public assistance and public aid rather than other welfare services. Aid to mothers is care for dependent children in the home, other than in institutions. Aid to soldiers and sailors is relief and burial aid. Following Anne Geddes' procedure (*Statistics of Cities*, p. 7), these last two categories are assumed to be included under relief or public aid; thus care of poor in institutions, care of children, and other charities are the functional expenditures assumed to be included in cities' "other welfare services."

Table 7-14

*Other Welfare Services*  
*Estimated Local, State, and Federal Expenditures, 1927-36*  
 (thousands of dollars)

Fiscal Year	Large Cities		Estimated Total Local Expenditures (1) ÷ (2)	State Expenditures (4)	State and Local Expenditures (3) + (4)	Federal Grants (6)	Total Expenditures (5) + (6)	Calendar Year Estimates (8)
	Expenditures (1)	Per Cent of Total U.S. Population (2)						
1927	25,376	36.0	70,489	16,181	86,670			
1928	28,366	36.0	78,794	17,300	96,094			
1929	28,558	36.5	78,241	17,683	95,924	1,200	97,124	94,684
1930	27,970	38.6	72,461	18,487	90,948	1,296	92,244	96,432
1931	31,233	38.9	80,290	18,924	99,214	1,406	100,620	107,189
1932	28,074	30.2	92,960	19,126	112,086	1,672	113,758	115,686
1933	25,990	29.8	87,215	28,689	115,904	1,710	117,614	125,302
1934	27,727	29.7	93,357	38,252	131,609	1,382	132,991	135,224
1935	28,989	29.9	96,953	38,988	135,941	1,516	137,457	139,626
1936	30,026	29.9	100,421	39,724	140,145	1,650	141,795	

*Notes to Table 7-14*Sources by Column  
Columns 1 and 2

*Financial Statistics of Cities, 1927-36.*

## Column 4

*Financial Statistics of States, 1927-31.* Expenditures for 1932, 1934, and 1936 were estimated by applying percentage increase in state expenditures for these years over 1927 expenditures as reported in *Census of Governments*; 18.2 per cent, 136.4 per cent and 145.5 per cent. This percentage increase was added to the \$16,181,000 reported in 1927. 1933 and 1936 are interpolations.

## Column 6

"Federal Grants to State and Local Governments," 1960-61, *Social Security Bulletin*, June 1962, Table 1, p. 24. The series is not available for 1929 and not entirely comparable for 1935. For these years, it was extended on the basis of the adjacent year's increase.

## Column 8

Calendar year expenditures were estimated by averaging successive fiscal years. Fiscal-year data converted to calendar-year basis by two-year moving average.

not available for the years 1932-36); hence, this is probably a high estimate for total expenditures.

On the basis of the population percentages, the total expenditures by cities were expanded to arrive at an estimated total of local government expenditures. These estimates are presented in column 3 of Table 7-14. A similar expansion of urban expenditures for relief was presented earlier but rejected; since relief was concentrated in urban areas, this procedure produced an overestimate. Other welfare services are probably also somewhat concentrated in cities, though not to the same extent as public assistance. The poorhouse, for example, is perhaps most often associated with county government. In 1910, when the last Census of Benevolent Institutions was conducted, there were only 1,667 persons in municipal government homes or institutions (exclusive of hospitals and sanitoriums). In county institutions there were 7,605 persons, mostly in institutions for the care of children. (State institutions, even in 1910, had 34,587 persons.)<sup>19</sup> *Financial Statistics of Cities* does, however, include expenditures of overlying county governments for cities having 300,000 or more

<sup>19</sup> U.S. Bureau of the Census, *Benevolent Institutions, 1910*, Washington, 1913, pp. 82-84.

population.<sup>20</sup> While these qualifications should be kept in mind, it was impossible to quantify the adjustment that should be made in estimating total local expenditures for other welfare services from costs reported in large cities, nor is it even certain what the net effect of the various factors would be.

The problem of isolating other welfare services from the functional categories reported by states is more difficult. We have included care of children; institutional care of the blind, deaf, and mute; and two small items, care of the poor (other than outdoor relief) and other charities.<sup>21</sup> The totals for these items, 1927-31, are shown in column 4 of Table 7-14. State data are not available for the period 1932-36. A change in the functional categories for both state and city expenditures beginning in 1937 makes it difficult to compare "other welfare expenditures" in the earlier years with the comparable items after 1936.

State expenditures for 1935 were estimated at \$39 million, using the reported 1927-31 series and the *Census of Governments* series of state expenditures for "other public welfare."<sup>22</sup>

<sup>20</sup> U.S. Bureau of the Census, *Financial Statistics of Cities Having a Population of Over 30,000, 1929*, Washington, 1932, pp. 14-15.

<sup>21</sup> *Financial Statistics of States* includes, under charities, care of poor (outdoor and "all other"); care of children (in state institutions and all other); care of blind, deaf, and mute (subdivided, state institutions and all other); and other charities. Outdoor poor relief is a public assistance category; other care of the poor is predominantly institutional care, and included in other welfare services; the dollar amounts for this item are quite small, totaling \$171,000 in 1929. Care of children and of blind, deaf, and mute in state institutions is obviously "institutional care" under "other welfare services." Noninstitutional care of children apparently should be considered child welfare under other welfare services rather than aid to dependent children under public assistance. (The states also report "aid to mothers"; this is the item analogous to aid to dependent children and it is considered to be public assistance.) Noninstitutional care of the blind, deaf, and mute is classified under public assistance, as it does not fit in any of the subitems under other welfare services but can be regarded as a special type of public assistance.

<sup>22</sup> State expenditures for other public welfare reported by the *Census of Governments* increased 18.2 per cent by 1932 as compared with 1927. The series from *Financial Statistics of States* (Table 7-14, column 4), experienced a similar rise—a 17.0 per cent increase by 1931 as compared with 1927, or (assuming a dollar increase in 1932 equal to that in the previous year) an estimated 19.7 per cent for the same period, 1927-32. The similarity of growth of the series for these years gives some support for using the *Census of Governments* as an index to extend column 4 of Table 7-14.

Expenditures reported by the *Census of Governments* for states increased 136.4

Column 5 of Table 7-14 presents the estimated total state and local expenditures for other welfare services. To complete the series, estimates of federal expenditures in this area are necessary, although, especially in the early 1930's, such expenditures were minor. In the Merriam series for 1935, they were only \$2.1 million of the \$139.3 million total. An entirely comparable series for federal government "other welfare services" expenditures was not immediately available, but, as indicated, this is not crucial. An approximation of federal expenditures was made by using a series on federal grants to state and local governments for "other welfare services."<sup>23</sup>

#### OUR ESTIMATES

Columns 7 and 8 of Table 7-14 presents our series for "other welfare services" for the early years (fiscal and calendar) of our period, 1929-35. The total for fiscal 1929 is \$97 million. This is in substantial agreement with the ranges suggested by the alternative estimates explored in Table 7-13 and discussed above. The procedure yields a total of \$137.5 million for 1935, which is very close to the Merriam total of \$139.3 million and provides a rough check on our estimation procedure. Calendar-year estimates were derived by averaging successive fiscal years. (Calendar-year 1935 is \$140 million by this procedure, which is the same amount we obtained from the Merriam series for calendar 1935.)

The calendar-year 1929 estimate of \$95 million represents an overestimate of the extent to which other welfare services were concentrated in cities, and hence a simple population magnification of city data results in overestimation. But offsetting this is the fact that the data from which this estimate was built up do not include administrative expenses.

per cent by 1934 and 145.5 per cent by 1936, with 1927 as the base year. Applying these percentages to the \$16.2 million reported in 1927, Table 7-14, column 4, yields \$38.3 million for 1934 and \$39.7 million for 1936 and, by interpolation, \$39 million for 1935. (A similar procedure was used for 1932 and 1933 to complete the series.)

<sup>23</sup> "Federal Grants to State and Local Governments, 1960-61," *Social Security Bulletin*, June 1962, Table 1, p. 24. Notes to this table indicate that for 1930-35 this category includes vocational rehabilitation and state and territorial homes for disabled soldiers and sailors. The latter might be considered to belong more properly to veterans' programs, but during the 1930's, as stated above, it seems to be included in public assistance or, especially the institutional care, under other welfare services. This series begins in 1930. The 1929 and 1936 figures are estimated by assuming an increase similar to that in the adjacent year.

Table 7-15  
*Other Welfare Services, Calendar-Year Estimates,  
 Selected Years 1929-59*  
 (millions of dollars)

Fiscal Year	Merriam Unrevised Estimates		Revised Merriam Estimate (3)	Other Welfare Calendar Year Estimates (4)
	Total (1)	Percentage Increase over Preceding Year (2)		
1929				95
1930				96
1931				107
1932				116
1933				125
1934				135
1935	113		139.3	140
1936	114	0.9	140.5	
1940	171		114.1	127
1941	209	22.2	139.3	
1945	285		195.3	202
1946	305	7.0	208.6	
1950	616		401.6	416
1951	661	7.3	431.3	
1955			580.2	639
1956			698.4	740
1957			782.6	845
1958			907.1	964
1959			1,020.1	1,091
1960			1,161.1	

Sources by Column  
 Column 1

*Historical Statistics of the United States Colonial Times to 1957*, Series H-17, p. 193.

Column 3

1935, 1940, 1945, 1950, and 1955-60, Table 5-1 and its source; 1936, 1941, 1946, and 1951 increase over preceding year estimated by applying percentage increase from column 2.

Column 4

1929-1934, Table 7-14, column 8; 1935, 1940, 1945, 1950 and 1955-59 fiscal-year data converted to calendar-year basis by two-year moving average.

(Administrative expenses were available only for the major division "charities, hospitals, and corrections," and not for the functional divisions thereof.) It is not certain what the net effect of these two factors is; since they tend to offset one another at least to some extent, we shall use the \$95 million in our consolidation of data for Quadrant III.

To estimate calendar-year expenditures for the fifth years, 1935 through 1950, in the absence of an annual series on a comparable basis, the unrevised series (available annually) was used to calculate the estimated percentage increase for the following year.<sup>24</sup> This percentage increase was then applied to the revised fifth-year figures to derive estimated revised expenditures in 1936, 1941, 1946, and 1951 (column 3 of Table 7-15). Calendar-year totals were estimated by averaging fiscal-year data.

<sup>24</sup> In the major revision of the social welfare expenditures series in 1958, no change was made in scope of the "other welfare services" category, but the estimates were refined and improved so that they differ from the unrevised series. The unrevised series first appeared annually in "Social Welfare in the United States, 1934-54," *Social Security Bulletin*, October 1955. In Table 7-15 the series appearing in *Historical Statistics* is used, since it represents a later estimate incorporating some revisions of data. Revised estimates of the institutional-care item largely account for the difference between the unrevised and revised series for 1940-50. In 1935, the revised total includes \$26 million for child welfare, an item not included in the revised series for that year.