

## FEDERAL INVESTMENTS IN HUMAN RESOURCES

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Like land, roads, and turbines, human beings directly affect the size of our national output. Their combined skills determine the rate of economic growth just as surely as do accumulated capital, technology, and natural wealth.

Federal money spent on the health, education, and welfare of the people is therefore not merely an expense item. It is an investment which brings large economic returns in addition to affecting human happiness.

Federal responsibility for the development of human resources has been more and more recognized in the last quarter century, even though some important business organizations still fear and oppose it.

The reports of the Joint Economic Committee have done much to increase understanding of this responsibility. They have promoted constructive action to aid people and speed economic growth, in accordance with the Employment Act of 1946.

### CRITERIA FOR EXPENDITURES

A pertinent interpretation of the purpose of this act was given by the President of the United States in 1953:

The legislative history of the Employment Act of 1946 makes it clear that it is the determination of the Congress to help develop a strong economy in the United States. A strong economy is necessary to preserve the peace, to build our defenses and those of the free world, to raise the living standards of our people, and to stimulate trade and industry in friendly countries throughout the world.

A strong economy means a free economy—with full opportunities for the exercise of initiative and enterprise on the part of all individuals.

It means a stable economy—so that satisfying jobs are as numerous as the men and women seeking work, and the production of goods is abundant to meet our needs.

It means an expanding economy—in which workers, managers, and farmers, using more and better tools, constantly increase the output of useful products and services and receive steadily rising incomes in a dollar of stable value.

It means a humane economy—to the end that the aged, infirm, and those suffering hardships receive every needed help.<sup>1</sup>

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<sup>1</sup> Economic Report of the President, 1954, p. 135.

This statement suggests some of the important criteria which should be considered in determining specific Federal expenditures.

Are such expenditures necessary for a strong, stable, and expanding economy? Will they advance our democratic ideals and our position in international relations? Will they promote the general welfare?

What is the cost of proposed expenditures as compared with the economic and human return to be expected? How large are the expenditures compared to tax loopholes that could be plugged or to other expenditures under consideration?

Can the Federal Government perform the functions more efficiently or constructively than either private groups or State and local governments? Will the failure of the Federal Government to act result in human wastes that undermine individual and community well-being and hamper economic growth? Are State and local governments in a position to act adequately without Federal assistance, as indicated by current and past performance? What is the probability of individual State action in the light of interstate competition for business?

#### SUGGESTED CLASSIFICATION OF PERTINENT EXPENDITURES

In order to clarify major policy issues involved in current Federal expenditures for human resources, it seems desirable to classify such outlays on a basis that takes into account the source of funds, the purposes to be served, and the degree of economic return that may be expected. The approach utilized in table 1 is not necessarily the best but seems helpful for the purpose.

TABLE 1.—*Current Federal outlays for the development of human resources*

[Billions of dollars]		<i>Current annual outlay</i> <sup>1</sup>
Class and program:		
Total, all classes-----		18.3
I. Social insurance-----		8.8
Old-age, survivors, and disability insurance-----		7.7
Unemployment insurance <sup>2</sup> -----		.3
Federal and State administration-----	0.2	
Distribution to States of excess of Federal tax re- ceipts over appropriations-----	.1	
Railroad retirement-----		.7
Railroad unemployment insurance and temporary disability insurance-----		.1
II. Arising from employer role-----		6.2
Insurance program for Federal civilian employees-----		6.2
Retirement and disability <sup>3</sup> -----	0.5	
Compensation for injuries and unemployment and Federal payments into life-insurance fund-----	.1	
Payments for military personnel-----		.6
Retirement pay-----	0.5	
Medical care for servicemen's dependents-----	.1	
Veterans' benefits and services-----		5.0
Pensions and compensation-----	3.0	
Health and medical services-----	.8	
Education-----	.8	
Other benefits and administration-----	.4	
III. From general funds, with substantial economic return-----		1.9
Education <sup>4</sup> -----		.3
Health services-----		.4
Hospital construction-----	.1	
Hospital and medical care (other than military and veterans)-----	.08	
Maternal and child health services <sup>5</sup> -----	.04	
Other community health services-----	.2	
Health research <sup>6</sup> -----		.2
Aid to dependent children-----		.5
Vocational rehabilitation-----		.05
School lunches and surplus food-----		.3
Public housing-----		.1
IV. For minimum human needs, regardless of return-----		1.3
Old-age assistance-----		1.1
Aid to the blind and permanently and totally disabled-----		.2
V. To enhance available earning opportunities-----		.1
U. S. Employment Service <sup>7</sup> -----		.1
Establishment of minimum employment conditions <sup>8</sup> -----		.01
Protection of labor's right to organize and bargain collectively <sup>9</sup> -----		.01

<sup>1</sup> Based primarily on estimated expenditures shown in the Budget of the United States Government for the fiscal year ending June 30, 1958, with deductions for programs not enacted, such as Federal aid for school construction. Actual outlays in fiscal year 1958 depend on regular and supplemental appropriations, ceilings imposed by the Bureau of the Budget, and the number of applicants found eligible for insurance benefits, assistance payments, etc. Because these are estimates, all but the smallest figures have been rounded to the nearest tenth of a billion.

<sup>2</sup> Excludes State unemployment insurance benefit payments (\$1.4 billion), estimated expenditures for employment service functions (included under V), and benefits for Federal employees (included under II).

<sup>3</sup> Excludes refunds of employee contributions to those leaving service. Federal contributions to fund about equal payments to individuals.

<sup>4</sup> Including programs of the Office of Education for vocational education, agricultural colleges, library services, payments to school districts, and assistance for school construction.

<sup>5</sup> Includes child welfare.

<sup>6</sup> Expenditures of the Public Health Service for research on human diseases and environmental health programs, including grants to private and governmental agencies.

<sup>7</sup> From special earmarked tax for unemployment insurance.

<sup>8</sup> Administration of the Fair Labor Standards Act and the Public Contracts Act (Walsh-Healey).

<sup>9</sup> Administration of appropriate sections of the National Labor Relations Act.

Class I includes Federal expenditures for social insurance for the general population and for railroad workers. These outlays do not come out of general revenues but are financed through special taxes, and benefits are paid as a matter of right.

Class II includes outlays arising from the Federal Government's reresponsibility as an employer, past and present. Programs for veterans and some for military personnel have been grouped with insurance programs for Federal civilian employees. This combination is not customarily followed, and expenditures for veterans and military personnel might well be considered defense items. However, now that private employer fringe benefits have become so important, it seems constructive to emphasize that the Federal Government has parallel obligations. Some of these programs pay benefits as a matter of right, as in class I.

Class III includes programs for the development of human resources which are financed from general revenues and which most clearly bring a substantial economic return. They increase national income and tax receipts in addition to relieving human suffering. These Federal outlays for education, health, rehabilitation, etc., are primarily in the form of grants to State, local, or private agencies.

Class IV is in some ways comparable to class III but outlays here are less certain to result in an economic return.

Class V has been included to emphasize the desirability of overcoming human suffering and waste through increasing the opportunities which are open to people to earn an adequate livelihood. Minimum wages raise levels of living and thus help to develop human resources. Better protection of labor's right to organize and bargain collectively similarly advances economic growth and stability. The United States Employment Service, among other functions, helps workers find jobs suited to their abilities.

The programs listed in these five classes are the major ones clearly directed to the development of human resources. Others might have been included, such as selected activities of TVA and the Department of Agriculture, but they would necessitate complicated policy and financial analysis. Certain other programs are omitted because the outlays are almost negligible, for example, in the fields of safety and apprenticeship training.

The programs selected here largely coincide with the types of Federal outlays included in the analyses of social welfare expenditures prepared periodically by Ida C. Merriam, Director of the Division of Program Research in the Office of the Commissioner of Social Security.<sup>2</sup> Certain items are added, notably those in class V and Government outlays for life insurance for its employees. The classification is, however, somewhat different.

#### MAGNITUDE OF CURRENT OUTLAYS

In order to deal with current rather than historical data, current annual outlays have been estimated for each program and class. Such estimates can only be approximate, as explained in footnote 1 of table

<sup>2</sup> See Merriam, Ida C., *Social Welfare Expenditures in the United States 1954-55*, *Social Security Bulletin*, October 1956, p. 3f, and the forthcoming issue for October 1957. Her classification is "based essentially on administrative structure." She presents much useful data on trends and on State and local as well as Federal expenditures.

1, but they present a sufficiently reliable picture for their intended purpose.

The total for all classes of \$18.3 billion is made up in large part of social insurance payments (\$8.8 billion) and outlays arising from the Federal Government's role as an employer (\$6.2 billion). The 3 other categories together account for only \$3.3 billion.

In table 2, these outlays are compared with gross national product and with total Federal expenditures.

TABLE 2.—Federal outlays for development of human resources, by class, compared to gross national product and total Federal outlays, fiscal year 1958

Class	Current outlays (billions of dollars) <sup>1</sup>	As percent of gross national product <sup>2</sup>	As percent of total Federal expenditures <sup>3</sup>
All classes.....	18.3	4.0	22.0
All classes except II.....	12.1	3.0	14.0
I. Social insurance.....	8.8	2.0	10.0
II. Arising from employer role.....	6.2	1.0	7.0
III. From general funds, with substantial economic return.....	1.9	.4	2.0
IV. For minimum human needs, regardless of return.....	1.3	.3	1.5
V. To enhance available earning opportunities.....	.1	.02	.1

<sup>1</sup> From table 1.

<sup>2</sup> Assuming total gross national product of \$440,000,000,000 in fiscal 1958. The seasonally adjusted annual rate for the second quarter of 1957 was \$434,300,000,000. The nearest whole percent has been used except for the last 3 classes.

<sup>3</sup> Total Federal expenditures are conservatively estimated at \$85,000,000,000, including authorized budget expenditures, outlays from trust funds, and some additional appropriations in 1958.

For all classes, outlays are only 4 percent of gross national product. Mrs. Merriam, for the fiscal years 1955-56, found that total social welfare expenditures under all governmental civilian programs (including State and local) took 8.6 percent of gross national product.

In evaluating these ratios, it is interesting to make a comparison with experience in other countries. In a number of industrialized nations, social welfare expenditures have reached 10 to 15 percent of gross national product as compared with less than 2 percent around 1900. As the staff member of the United Nations who made this comparison states, "While many social programs may have been initiated by radicals, they have been consolidated or expanded by conservatives. (In a historical perspective, they tend to be above politics.)"<sup>3</sup>

This quotation may allay fears that expenditures for development of human resources lead to the welfare state and that the welfare state equals socialism.

Slightly more than one-fifth of all estimated Federal outlays are represented by these five classes (table 2). My figure of 22 percent compares with Mrs. Merriam's calculation that Federal social welfare expenditures in fiscal year 1955 were 19 percent of all Federal expenditures. In the depression year of 1934-35, the ratio was 47 percent.

#### MAJOR ISSUES IN SOCIAL INSURANCE

Social insurance is a constructive and economical technique for providing security against hazards resulting in loss of income. Most

<sup>3</sup> Wang, N. T., Social Expenditures in Economic Development, Journal of the American Statistical Association, September 1956, p. 526.

Americans now have this basic form of protection against certain hazards, and the need for public aid expenditures has thereby been greatly reduced.<sup>4</sup>

The desire of the American people for security has by no means been satisfied. Important gaps in social insurance remain, benefits are not adequate, and millions of the lowest income groups cannot meet the eligibility tests. The tremendous growth of private group and individual insurance plans has demonstrated the need for further protection but has only partly met it. Labor-union members, like other Americans, are well aware of current deficiencies. They want further substantial improvements in both governmental and union-management programs.

The Federal Government should continue to expand its social-insurance programs because of their basic advantages. They can cover everyone, regardless of company failures, individual migration, or negligence. They are far more economical to administer. They preserve individual incentives through relating benefits to earnings, but they also promote social justice by being more generous to the lower income groups. They are backed by the Government. If the value of the dollar shrinks, the effects can be offset by new legislation.

Under current provisions, the social-insurance programs do not draw on the general funds of the Treasury. They are financed entirely from special payroll taxes. The contributions by employees and the self-employed may be considered savings which are pooled to provide insurance protection. Employer contributions, based on payroll taxes, in a sense, are supplementary or deferred wage payments, comparable to similar payments towards private pension and welfare plans.

Present Federal payments under the social-insurance programs in class I total \$8.8 billion, 10 percent of total Federal expenditures and 2 percent of gross national product (table 2). These sums are not excessive, and the Nation can afford further expansion.<sup>5</sup>

#### *Old-age, survivors, and disability insurance*

Outlays under this program have increased by a billion dollars a year from \$3.4 billion in fiscal 1954 to an estimated \$7.7 billion for fiscal 1958. The additional outlays result from many factors, including extension of coverage to millions of additional people under lenient eligibility provisions, liberalization of benefit calculations, the addition of long-term disability benefits, and reduction in the permissible retirement age for women.

These outlays increase family well-being and encourage high levels of expenditure, thus fostering a growing economy. In case of business recession, some anticyclical effect results from payments to aged workers who are laid off or who fail as small-business men and farmers.

Many improvements in this program can and should be made. Coverage that actually results in benefits should be extended promptly

<sup>4</sup> From 1935 to 1955, social insurance expenditures per capita rose 929 percent and public aid expenditures per capita fell 70 percent. State and local outlays as well as Federal are included in this estimate by Merriam (op. cit., p. 9).

<sup>5</sup> Federal social-insurance outlays are substantially larger than those of State and local governments. The latter were \$3 billion in 1956, including \$1.3 billion for unemployment insurance and \$0.9 billion under State workmen's compensation laws, including payments by private insurance carriers (preliminary release of data in Merriam's article in October 1957, Social Security Bulletin).

to low-income groups and others now excluded from social insurance so that their benefits will not be substantially reduced by years without covered earnings. The new long-term, disability-benefits program should be made available to more people. Benefits generally should be liberalized. Protection against short-term disability could readily be incorporated in the old-age, survivors, and disability insurance program, using the same reports, records, and field offices.

As immediate steps to meet most urgent needs, the AFL-CIO is proposing a 10-percent raise in old-age, survivors, and disability insurance benefits; an increase in the earnings ceiling to \$6,000, so benefits may keep pace with earnings levels; and the addition of a new program to cover the costs of hospital, nursing-home, and surgical services for persons eligible for old-age and survivors benefits. Since the additional cost is estimated to equal 1 percent of payrolls on a level-premium basis, increased contributions are proposed, equaling one-half percent each for employers and employees, and three-quarters percent for the self-employed.<sup>6</sup>

#### *Unemployment insurance*

Federal outlays for unemployment insurance total only \$0.3 billion, since benefits are financed almost entirely by State taxes. The Federal share, nevertheless, vitally affects administration of the entire Federal-State system and its contribution to economic stability.

Under 1954 legislation, the Federal 0.3 percent tax on payrolls is earmarked for unemployment-insurance purposes, and no savings result to the Federal Government from not utilizing each year's proceeds. The excess, estimated at \$0.1 billion, is distributed to the States in proportion to their taxable payrolls.

More adequate appropriations for Federal and State unemployment-insurance agencies would improve essential services, provide more information, and strengthen the Federal role of maintaining good administrative practices according to the standards now in the law.

For a slight additional outlay, the Federal Government could administer much-needed changes in the Federal law. The present Federal-State system is not prepared to carry out its essential role in maintaining economic stability. Not more than one-quarter or one-fifth of lost earnings are replaced by benefits during periods of recession. Many workers are still not covered, benefits are too small, and duration is too limited. Federal minimum-benefit standards are required to overcome these serious deficiencies.

A system of Federal grants is also needed, instead of repayable loans, to permit adequate benefit payments by States which regularly have heavy rates of unemployment due to their industrial pattern.

Individual experience rating, as practiced by the States, means that taxes paid by employers are reduced when business is good and rise during business recessions. To avoid this, the Federal law should be altered to permit flat-rate tax reductions by States for all employers.

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<sup>6</sup> For further details see my article in the *American Federationist*, July 1957, and statement by Congressman Forand, of Rhode Island, on H. R. 9467, Congressional Record, August 27, 1957, p. 15279.

## THE FEDERAL GOVERNMENT AS AN EMPLOYER

One-third of the outlays listed in table 1 arise from the Federal Government's social-welfare programs for its employees, past and present. Of the \$6.2 billion, \$5 billion is directed to veterans' benefits and services, and the rest is divided equally between insurance programs for Federal civilian employees and payments for military personnel.

Many of these outlays lead to the development of human resources, and thus contribute to economic stability and growth. In considering whether their size is appropriate, it is necessary to bear in mind the tremendous growth of private-employer programs for pensions, disability, life insurance, and many other types of health and welfare plans. If the Federal Government is to attract and retain good people, it must compete with private industry. Instead of taking the lead, as it used to do, the Federal Government has been lagging behind common practice—for example, in regard to insurance benefits to cover the cost of medical care.

The various payments for civilian employees, military personnel, and veterans might be considered part of the general remuneration of such persons and might be distributed among other classes of expenditure, especially defense. If this were done, the total for programs devoted to the development of human resources would be cut by one-third and would equal only 14 percent of all Federal expenditures and only 3 percent of gross national product (table 2).

## HUMAN INVESTMENTS YIELDING LARGE RETURNS

The Federal Government is currently spending less than \$2 billion from its general funds on programs for the development of human resources which are classified as yielding a substantial economic return (table 1). This meager total covers a wide variety of activities providing minimum subsistence for children (\$0.5 billion), health services (\$0.4 billion), health research (\$0.2 billion), education (\$0.3 billion), vocational rehabilitation (\$0.05 billion), school lunches and surplus food (\$0.3 billion), and public housing (\$0.1 billion). Total outlays for this category are 2 percent of all Federal expenditures and four-tenths of 1 percent of gross national product.

These programs help individuals to function more constructively as well as more happily. They will produce more and earn more, enhancing national product and government revenues.

In the field of health research, Congress has recently emphasized the value of such outlays by increasing appropriations above levels requested by the administration. But even \$0.2 billion is a small sum compared to the cost of mental and physical illness, which comes to many billions of dollars annually.

The issues in regard to Federal aid to education have been widely debated and need no elaboration here. But the final report of the White House Conference on Education is worth quoting:

Good schools are admittedly expensive, but not nearly so expensive in the long run as poor ones.

Vocational rehabilitation furnishes convincing evidence that dollars spent in helping people overcome their disabilities are more than



repaid by their earning capacity and the taxes they pay. Yet the \$0.05 billion of Federal outlays for this purpose can only reach a small fraction of the people who could benefit from such rehabilitation and who are waiting for help. The economies of adequate rehabilitation facilities and services are reinforced by disability-insurance programs, since such programs now bear part of the cost of disability instead of leaving it all to individuals and their families.

#### *Investments in children*

Money spent for children is of special importance, since their lives are ahead of them. If they are permitted or assisted to develop well formed in mind, body, and spirit, they will be better citizens and workers. Each boy or girl who is crippled physically, mentally, or morally is apt to add to future outlays for jails, hospitals, and mental institutions. The substantial, though less tangible, losses from criminal acts, hate, and potential disloyalty cannot be measured, but neither can they be ignored. Nor can the potential contributions of future scientists, technicians, and skilled workers.

Over 1,800,000 children are now receiving public assistance in the form of aid to dependent children. Many get pathetically small amounts, insufficient for physical health, decent surroundings, and self-respect. Even in the shadow of the Nation's Capitol, teachers still complain that children come to school hungry.

Federal outlays for aid to dependent children are determined in part by the State and local agencies which set standards and allocate funds. But the Federal Government can do much to raise standards and improve the children's opportunities by liberalizing its matching formula, which is less generous than its formulas for aid to the aged, the blind, and the disabled. Other liberalizations in the Federal law are needed to take care of migrant children and families where the wage earner is unemployed. The Nation can certainly afford to spend more than \$0.5 billion a year to assure all children at the lowest income levels a decent chance for development.

#### *False economy*

So-called economy in trimming the budgets for this category of human-development programs is false economy. Yet unfortunately a general drive to hold down appropriations affects these items along with others.

In this category, above all others, the Federal Government has a responsibility to accomplish whatever needs doing. If private groups or State and local governments are handling matters adequately, Federal action is superfluous. But where a need remains, as it obviously does today in many communities and areas of activity, the growth of the economy will be undermined by Federal inaction.

Widespread poverty has become intolerable and unnecessary in view of our Nation's productive capacity.

Those who oppose Federal action for these purposes in many cases also oppose adequate outlays at the State and local levels. These are precisely the programs in which the United States Chamber of Commerce, for example, would end Federal grants-in-aid. An approved report of its committee on social legislation states that the chamber endorses the continuation of Federal-grant programs for highways, airports, fish and wildlife, agricultural extension service, forestry, etc. But the chamber favors eliminating Federal grants for aid to

dependent children, maternal and child health services, services for crippled children, child welfare services, education, vocational rehabilitation, school lunches, and for many health services.<sup>7</sup>

The issue of Federal versus State action has been assigned to another panel so one must resist the temptation to enlarge upon it here. When the Chamber of Commerce says that "State governments are closer to the people," perhaps it has in mind the success business has had in preventing adequate action at the State level, where business representatives argue that one State cannot raise its taxes without losing out in the competitive race with other States. Another pamphlet of the Chamber of Commerce intensifies the competitive race by urging corporations, when they are locating new establishments, to weigh tax rates for operating unemployment insurance, workmen's compensation, public assistance, and so forth.<sup>8</sup>

#### MEETING HUMAN NEEDS REGARDLESS OF RETURN

Money expended for assistance to the aged, the blind, and the permanently and totally disabled is speedily used and thus helps to bolster local community welfare and the economy. Some of the recipients of these types of assistance are helped to get back on their feet and to play a constructive role either in volunteer or paid activities. Insofar as some recipients are still responsible for the care of children, the danger of perpetuating poverty is diminished.

These programs have nevertheless been kept separate from aid to dependent children and class III in order not to weaken the arguments for increased outlays for that class.

Surely \$1.3 billion is not too much to be spending to provide minimum levels of living for people who for the most part are victims of individual tragedy or of the shortcomings of our civilizations. Many suffered heavily during the depression of the 1930's. Many have never known anything but poverty and inadequate opportunities to earn and save. Others have lost their lifetime savings through illness or accident.

The United States Chamber of Commerce would withdraw Federal grants for these groups also. Its proposal keeps recurring in various forms and so promises to be a continuing issue. But a decrease in Federal grants inevitably will mean lower payments to large numbers of these people.

#### ENHANCING EMPLOYMENT OPPORTUNITIES

The emphasis in the fifth category is not on the individual's capacities but on the job openings available to him. The list of programs is short and the outlays meager (table 1). They have done much good, but the laws and their administration all need improvement so that unions may be strengthened and more workers may have a chance to work under decent employment conditions.

Appropriations for the Federal-State employment service represent the largest sum but it comes from earmarked funds, of which any excess is distributed to the States.

<sup>7</sup> Chamber of Commerce of the United States, Federal Grant-In-Aid Programs, report of the committee of social legislation, 1954, especially pp. 6-7 and 21-22.

<sup>8</sup> Chamber of Commerce of the United States, Getting and Holding Good Employers, report of the committee on economic policy, 1956.

The cost of outlays has not been the controlling factor in determining activity in this category. Other policy considerations have prevented extension of coverage of the Fair Labor Standards Act or the enactment of adequate programs for distressed areas and for recruiting United States workers for farm jobs under decent employment conditions.

Some other types of expenditures might be included here, such as those of the Joint Economic Committee and the Council of Economic Advisers. But the total would still be negligible.

Satisfying jobs, suited to people's abilities and resulting in decent incomes, are the best foundation for the development of human resources. If "satisfying jobs are as numerous as the men and women seeking work," and if adequate social insurance programs exist, public-aid expenditures based on human need can be reduced. Improved Federal laws to enhance adequate opportunities to earn a livelihood are one of the most economical means of eliminating poverty and human waste.

Programs which tend to undermine workers' standards are very expensive. The programs for bringing in foreign contract workers, as now operated, do undermine farm labor standards and are thus very costly to the Nation.<sup>9</sup>

#### EVALUATING CURRENT EFFORTS

In spite of our Nation's remarkable advances in levels of living and social welfare, much waste of human resources still continues.

Important evidence of this is provided by the results of preinduction examinations of registrants processed for military service. In the period July 1950 through December 1956, one-third of the registrants, or 1.5 million young men, were disqualified. The percent in 1956 alone was slightly higher: 34.7 percent. More than 15 percent of the registrants failed the mental test; about the same proportion were medically disqualified.<sup>10</sup>

Our cities and country areas are marred by slums which tend to perpetuate poverty and personal maladjustments even though many people manage to escape their blighting effects.

One-sixth of the Nation's families had incomes under \$2,000 in 1956. Nearly 3 million families had incomes under \$1,000. So did two-fifths of all "unrelated individuals."<sup>11</sup>

We know enough to overcome much such poverty—the problem is to secure action. Additional studies into the causes of low incomes are desirable, as undertaken recently by New York State and authorized by the 1956 social-security amendments on research in public assistance.<sup>12</sup> But it is equally important to keep focusing public attention on the extent of present wastes so as to strengthen our determination to end them.

<sup>9</sup> Yet Congress this year again denied the request of the U. S. Department of Labor for funds for more inspectors.

<sup>10</sup> Office of the Surgeon General, U. S. Army, Health of the Army, April 1957, p. 5.

<sup>11</sup> U. S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, No. 26, September 9, 1957.

<sup>12</sup> No money for this program has been appropriated—not even the \$0.002 billion recommended by the administration.

## PROPOSED MEASURES OF HUMAN WELL-BEING

The Joint Economic Committee could usefully initiate a set of measures of human well-being to provide objective data on progress made and wastes still requiring attention. The committee's publication, *Economic Indicators*, has been most useful in providing monthly information on the Nation's economic stability and growth. Why not add a supplementary section devoted to trends in the people's welfare? This might be done at least once a year.

Some measures of this type are already available; others would have to be developed or improved. Appropriate government agencies could be enlisted in a cooperative venture. Though pioneer work will be required, the task is not impossible. Your *Economic Indicators*, which now look so definitive, have a long, developmental history, and they are still being revised by their producers.

Enough measures are available now so a start could be made. Some can be carried back for many years; others cannot be.

The following suggestions are illustrative of the type of indicators that might be considered for inclusion:

- Death rates at various ages.

- Birthrates and population growth.

- Number of families at various income levels.

- Measures of housing adequacy and slum conditions.

- Measures of national health, such as will be available from the national health survey.

- Accident rates, on highways and in industry and homes.

- Number of persons rehabilitated and number wanting or needing rehabilitation.

- Acceptances and rejections of registrants for military service, by cause.

- Percent of children under 18 in broken families.

- Levels of educational attainment.

- Number and proportion of children in school, full time and part time.

- Number of persons covered and not covered by social-insurance programs.

- Average size of social-insurance payments.

- Number of persons receiving public aid.

Consideration might be given, also, to including Federal, State, and local outlays for the development of human resources, perhaps according to categories such as have been discussed here.

But the basic objective should be to clarify human well-being, insofar as this can be measured in either monetary or nonmonetary terms.

Great emphasis is customarily placed on material progress, which, so far, has been more successfully achieved and measured.

A better rounded picture, focusing primarily on people, could have a profound effect on furtherance of our Nation's goals of life, liberty, and the pursuit of happiness.