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RESEARCH BULLETIN

SOURCE OF INCOME OF FORMER URBAN RELIEF CASES

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PREFACE

This bulletin is based upon preliminary data from the Survey of Trends in the Economic Status of Former Urban Relief Cases conducted in 13 cities: Atlanta, Georgia; Baltimore, Maryland; Bridgeport, Connecticut; Butte, Montana; Chicago, Illinois; Detroit, Michigan; Houston, Texas; Manchester, New Hampshire; Omaha, Nebraska; Paterson, New Jersey; St. Louis, Missouri; San Francisco, California; Wilkes-Barre, Pennsylvania. Statistical tests disclose that these cities provide a good cross-section of the urban relief population.

As a first step in the selection of cases for the present survey, a random sample was taken of all cases that were on relief in the 13 cities for all or part of the period May through October 1935. The 6,144 cases examined in this report were selected from the random sample, for study on a month-to-month basis. They include unemployable as well as employable cases. The information concerning each case is obtained monthly from official relief and Works Program records and from personal contacts with the family.

This report summarizes the changes which took place during the 10-month period October 1935 through July 1936 in the distribution of cases receiving their support from one or more (or none) of three sources - relief, Works Program, and private employment. Any case in the study may have received income from sources other than the three mentioned, e.g., dividends from investments, rent from property, pensions, and gifts from friends. For the purpose of this report, any such income is disregarded.

Relief, as the term is used herein, includes both general public relief and private relief distributed through organized agencies such as emergency relief administrations, county or municipal departments of public welfare, and private charities. Categorical relief (aid to the blind, old age pensions, mothers' aid, etc.) is not included. The term "Works Program" refers to the broad employment plan of the Federal Government carried on under the Works Progress Administration, Civilian Conservation Corps, Public Works Administration, and other agencies which operate under the Relief Appropriation Act of 1935. Private employment may be defined as work for private individuals or organizations, "regular" employment of governmental agencies, and work for self in such capacity as store proprietor and contractor.

The figures presented in the following pages are based upon unweighted data for the 13 cities. Application of weights, determined so as to represent the case load of the several cities, results in comparatively small changes in the proportions of cases falling in the various source-of-income groups. All data refer to the case or household, not to individuals.

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SOURCE OF INCOME OF FORMER URBAN RELIEF CASES
OCTOBER 1935 THROUGH JULY 1936

That an increasing number of former urban relief cases are being supported entirely by income from private employment is revealed by a study now being made in 13 cities. Of the 6,144 cases examined, the proportion whose sole income came from private employment showed a small but steady increase from October 1935 to March 1936, when it comprised 17.1 percent of the total. A more rapid increase occurred during the next four months; by July the proportion had reached 25.6 percent (See the chart and the table).

A number of the cases examined had a member employed in private industry and received additional income from relief or the Works Program, or both, during the month.¹ Cases that were wholly or partially supported by private employment in October formed nearly one-third of the total. There was little change in the size of this group until the spring of 1936. From March to July, however, the proportion of cases having one or more members employed in private industry, whether supplemented by other income or not, rose from 31.9 percent to 39.3 percent of the cases studied. The growing importance of this group of cases reflects seasonal improvement in business.

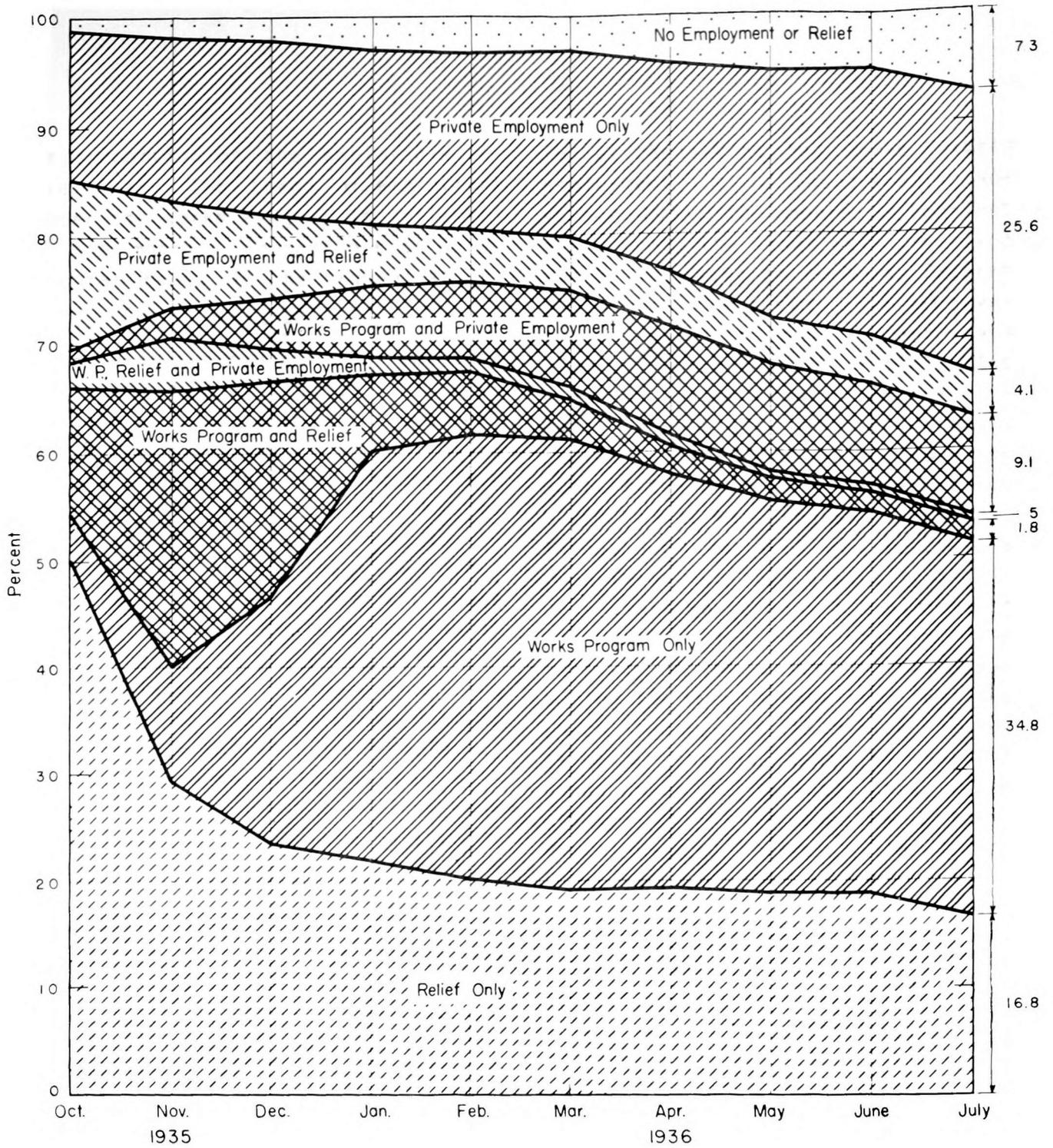
The number of former urban relief cases receiving aid from relief agencies or the Works Program, whether supplemented by private employment

income or not, decreased during each month of the survey. In October, 85.1 percent of the cases studied received assistance in the form of Works Program earnings or relief. In March the percentage was 79.7. Between March and July the rate of decrease in the size of this group was greatly accelerated with the result that more than twice as many cases left the relief or Works Program rolls during that period as during the preceding five months. This sharp decrease during the later months is attributable to increasing availability of jobs in private employment, to reductions in Works Program quotas, and to curtailment of relief in some cities because of lack of funds.

A sizeable but decreasing proportion of the cases studied derived income from both private employment and relief. This group includes cases supported by relief for a portion of the month and by private employment for the remainder of the month, as well as cases in which earnings were insufficient to meet minimum budgetary needs and were supplemented by relief. Cases whose total support came jointly from private employment and relief dropped from 15.6 percent of the cases examined in October to 4.1 percent in July. Much of this decline was caused by the transfer of employable relief cases to the Works Program and by the closing of relief cases which had one or more members in private employment.

The Works Program, which was developed to provide work for the destitute unemployed, began operations during the summer of 1935. By the end of the year, it had absorbed the

¹Throughout this report, the month is used as the unit of measurement. This means that, even though a case had two or more sources of income in a given month, it did not necessarily receive the income from those sources concurrently.



SOURCE OF INCOME OF FORMER URBAN RELIEF CASES
 (Cases which received relief at any time from May 1 to October 31, 1935)

major portion of the employable relief load. The trend of employment under the Works Program is reflected in the monthly proportions of Works Program cases in the present study.

In October, 19.2 percent of all cases examined had a member employed on a Works Program project. This proportion more than doubled in November, and by December over half of the cases studied were receiving income from the Works Program. The number of Works Program cases continued to increase until March when the group comprised 55.6 percent of all cases studied. This amounted to almost three-fourths of all cases certified as eligible for employment on the Program. Of the remaining quarter which were certified but not employed, approximately three-fifths had private employment, and one-sixth contained no workers who were physically able, at that time, to accept assignment. Subsequent to March, employment on the Program declined, and in July 46.2 percent of the cases had a member employed on a Works Program project.

During each of the earlier months of the survey a considerable proportion of cases derived income from both Works Program employment and relief. In the process of transferring cases from relief rolls to the Works Program, relief was usually continued until the worker received his first pay check. This practice accounts for most of the cases having these two sources of income during the same month.

Restricting the discussion, for the moment, to those former urban

relief cases that had Works Program employment, it is found that in November 1935, the month of heaviest assignment, the cases which received relief in addition to Works Program employment comprised somewhat over two-thirds of all Works Program cases examined, and one-sixth of these also had some income from private employment. The group fell off sharply during December and January as a result of the decreasing number of relief-to-Works-Program transfers. Throughout the next six months the proportion declined gradually and in July amounted to only 4.9 percent of all cases on the Works Program. The majority of the cases in this group during the later months were families which, because of their size, or because of the existence of special needs such as medical care, were granted relief to supplement their Works Program income.² Since earnings from odd jobs, however small, are recorded as private employment earnings, it is not surprising that a few of the cases having both Works Program employment and relief received additional income from private employment.

Throughout the period covered by this report, Works Program and private employment contributed jointly to the support of a number of cases. A special analysis of June data reveals, however, that many of these cases lost either their Works Program or their private employment, or both,

²A further analysis of the data for two months (March and April) reveals that only about three-fifths of the cases deriving their support from both sources actually received income concurrently from relief and the Works Program.

before the end of the month. Although 21.1 percent of all Works Program cases had a member employed in private industry at some time during June, only 14.6 percent had both types of employment on June 30. (These figures include the cases which received relief in addition to income from the other two sources.) That many of these private jobs either were part-time jobs or, if full-time, yielded low earnings is indicated by an examination of the private employment earnings of these cases.

About two-fifths of the cases having both Works Program and private employment on June 30 received less than \$25 from private employment during the month. Only a small proportion (2.0 percent) of the total group of Works Program cases received as much as \$75 from private employment during June and still had a member employed on the Works Program on the last day of the month. This indicates that the percentage of cases still on the Works Program which have sufficient private employment earnings to support them is very small.

Despite the absorption by private industry of an increasing number of former relief cases, there still remains a large number of people entirely dependent upon public or private aid in one form or another for support. This is shown by the fact that, throughout the 10-month period, well over half of the cases studied had no income other than relief or Works Program. From October to February the proportion of cases wholly dependent upon these two sources of income remained substantially unchanged and comprised about two-thirds

of all the cases studied. Because of increased opportunities for private employment in the spring and early summer, this group gradually declined until in July 53.4 percent of the cases subsisted entirely on income from these two sources.

As would be expected, the number of cases whose only income came from the Works Program increased as the number of cases which were entirely dependent upon relief decreased. In July the former group comprised 34.8 percent of all cases examined and the latter group 16.8 percent. One-half of the cases in the "relief only" category contain no person 16 years of age or over who is able to work.

Cases which receive no relief and have neither Works Program nor private employment have comprised an increasing proportion of total cases.³ From June to July this group increased from 5.2 percent to 7.3 percent of the cases examined. A large part of this increment consists of cases which had relief in June but no employment of any kind. These relief cases were closed mainly for two reasons - receipt of a soldiers' bonus and receipt of an old age pension. The other cases coming into the "no employment or relief" group were about equally divided between those which held private jobs and those which held Works Program jobs in June, employment in each instance having been lost by July. The change in the status of the Works Program cases resulted very largely from physical incapacitation

³ Many cases in the "no employment or relief" category receive support from pensions and from relatives and friends.

of the workers and from completion of the Works Program projects on which they had been employed.

The Veteran's Adjusted Compensation, distributed in June, was received by 5.0 percent of all cases included in the survey. The proportion of bonus recipients among the Works Program cases was the same as the general average. Former relief cases which had private employment but no Works Program employment fared somewhat better, nearly 6 percent of these cases receiving a bonus. This

may be attributed to the fact that private industry draws extensively from the present age range of World War veterans, most of whom are now between the ages of 35 and 50. As would be expected, proportionately fewer of the cases having no employment of any kind, either on the Works Program or in private industry, received a bonus. Since this group contains many unemployable cases, the proportion having male members between the ages of 35 and 50 is doubtless smaller than average.

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OCTOBER 1935 THROUGH JULY 1936

Source of Income	1935			1936							
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
Total cases studied: Number	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Relief only	50.3	29.5	23.5	21.9	20.2	19.2	19.4	18.7	18.8	16.8	
Works Program only	3.9	10.7	23.0	38.0	41.4	42.0	38.8	36.7	35.6	34.8	
Works Program and relief	11.9	25.6	20.0	7.2	5.8	3.7	2.5	2.1	1.8	1.8	
Works Program, relief, and private employment	2.2	4.8	3.0	1.5	1.2	1.1	.8	.6	.7	.5	
Works Program and private employment	1.2	2.8	4.7	6.6	7.1	8.8	10.0	9.9	9.3	9.1	
Private employment and relief	15.6	9.8	7.7	5.6	4.7	4.9	4.9	4.3	4.4	4.1	
Private employment only	13.7	15.0	16.1	16.1	16.3	17.1	19.2	22.5	24.2	25.6	
No employment or relief	1.2	1.8	2.0	3.1	3.3	3.2	4.4	5.2	5.2	7.3	
Total Works Program and relief	85.1	83.2	81.9	80.8	80.4	79.7	76.4	72.3	70.6	67.1	
Total Works Program	19.2	43.9	50.7	53.3	55.5	55.6	52.1	49.3	47.4	46.2	
Total relief	80.0	69.7	54.2	36.2	31.9	28.9	27.6	25.7	25.7	23.2	
Total Works Program and relief only†	66.1	65.8	66.5	67.1	67.4	64.9	60.7	57.5	56.2	53.4	
Total private employment	32.7	32.4	31.5	29.8	29.3	31.9	34.9	37.3	38.6	39.3	
Works Program cases: Number	1,182	2,697	3,112	3,272	3,411	3,414	3,202	3,032	2,914	2,840	
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Works Program only	20.4	24.5	45.4	71.4	74.4	75.5	74.3	74.4	75.1	75.3	
Works Program and relief	61.8	58.2	39.4	13.5	10.5	6.6	4.9	4.2	3.8	3.8	
Works Program, relief, and private employment	11.5	10.9	6.0	2.8	2.2	2.1	1.5	1.3	1.5	1.1	
Works Program and private employment	6.3	6.4	9.2	12.3	12.9	15.8	19.3	20.1	19.6	19.8	

† Cases wholly dependent on relief and/or Works Program employment.

