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RESEARCH BULLETIN

SURVEY OF UNEMPLOYABLE CASES TRANSFERRED FROM FEDERAL
CARE TO STATE AND LOCAL CARE IN TWO COLORADO COUNTIES

(Study made in November 1935 covering June and July closings)

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Preface

During October and November 1935, a series of special inquiries was conducted in a group of western and southwestern states to study the condition of cases closed from the relief rolls in anticipation of the Works Program and in accordance with the policy of transferring unemployable cases from Federal to state and local care. This group of studies was planned to supplement the information obtained from earlier inquiries into the results of administrative closings in Georgia^{1/}.

The second series of studies was carried out in much the same manner as the Georgia studies. Background information on each community was secured from relief agency officials and from citizens familiar with the problems of relief. Family interviews were conducted in order to secure primary data bearing on the family composition, the occupational experience of the workers, and the economic status of each household for comparable periods before and after the closings.

Both urban and rural communities were covered by field surveys. The cities chosen were Sioux Falls, South Dakota, and Little Rock, Arkansas; the rural areas included Custer, Corson, Hand, and Hutchinson Counties

in South Dakota and Kit Carson and Weld Counties in Colorado.

These communities were selected not for the purpose of giving a picture of conditions prevailing generally in the United States, but because they showed clearly certain kinds of problems. Their value in giving direction to future administrative policy is increased by the fact that they display diverse conditions. Two of the studies--those in Colorado and Arkansas--cover only unemployable cases and hence throw light upon the problems confronting the state and local agencies that are assuming the care of such cases. The two South Dakota inquiries, including only employable cases, yield information upon the significance of harvesting work as a means of reducing the relief rolls and upon the problems involved in the development of a comprehensive program to meet the needs of these people.

In the two Colorado counties chosen, the proportion of administrative closings was consistent with that shown in other parts of the state. These counties had previously been selected as representative of two rural areas of the state. Kit Carson which was heavily affected by drought, is chiefly devoted to the raising of winter wheat. Sugar beets are the chief agricultural product of Weld County.

^{1/} See Research Bulletins Series II No. 8; Series I, No. 11; and C-19.

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SUMMARY

This study of the status of 72 rural cases classified as unemployable which were removed from Federal relief in Kit Carson and Weld counties, Colorado, in June and July 1935 revealed that these cases fared almost as well from an economic point of view, under state and local care as when receiving E.R.A. assistance. Under the E.R.A. the average amount of aid granted for the last full month of relief was \$17.44 for the 63 cases eventually transferred to local care, while for a later month the average grant from state and county funds for the same cases was \$16.46. Moreover, after removal from Federal rolls, the private income of these cases increased slightly.

Only 7 cases had ever received assistance from a welfare agency prior to application for Federal relief. The 72 cases had received Federal relief for an average of 16 months each, half of them having come on the rolls before the middle of 1933. However, it was not until the nine months' period just prior to the administrative closings that as many as three fourths of the cases were on relief continuously.

Slightly more than one fifth of the families reported some decrease in the amount of food consumed in the post E.R.A. relief period as compared with the E. R. A. relief period. Half of the cases were managing to work a garden and to care

for poultry or livestock, and for such families garden produce and poultry and dairy products were important items of food.

Approximately two thirds of the property owners in the sample owed real estate mortgages; these averaged nearly \$1,500 in amount. Furthermore, almost three fourths of all cases owed short term debts, averaging \$209. Debts for farm operating expenses, delinquent taxes, and back interest accounted for two thirds of the short term debts. Medical bills were also important, and grocery bills, while usually small in amount were numerous.

Practically none of these families had any available resources. Few had life insurance in force. Most of those with policies had borrowed on them to the limit. According to investigations by E.R.A. case workers, there were no savings accounts, and very few relatives could be called upon for assistance. Almost all of the families had exhausted their available resources and it appeared certain that most of them would continue to be dependent upon some form of public assistance.

The need for persons trained in administering aid has been recognized by the state. In December 1935 a well-organized and well staffed state welfare agency was created to meet this need on a county basis.

On the whole, it appears that the transfer of unemployable cases from Federal to state and local care has been accomplished satisfactorily in Colorado, provided that available funds prove sufficient to care for

the increased needs of the present load throughout the winter, together with the needs of such additional cases as may be admitted to the rolls.

Note: The above conclusions with regard to the adequacy of state and local care for unemployable cases in Colorado are consistent with those based upon unpublished data collected in Denver, Colorado. Home interviews were not undertaken in Denver itself, but information was gathered from local officials as to the success with which the transfer had been accomplished. Disbursements of relief funds after the transfer in July 1935 continued to be made through the Denver Bureau of Public Welfare, the same agency which distributed E.R.A. funds. So far as the Bureau of Public Welfare was concerned, the change involved chiefly a shift in the source of funds. Hence, the twenty-seven hundred unemployable cases which were transferred from E.R.A. relief to state and local relief experienced no interruption of budgetary allowances. Their average relief allowance under state and county funds in September was \$20.76, an amount representing only a moderate decline from the average of former E.R.A. grants.

SURVEY OF UNEMPLOYABLE CASES TRANSFERRED FROM FEDERAL CARE TO STATE AND LOCAL CARE IN TWO COLORADO COUNTIES

According to an administrative order of July 1, 1935, all unemployable cases in Colorado were to be removed from Federal relief rolls and to become the care of the counties or municipalities. In June the number of unemployables receiving Federal relief was estimated at approximately 12,900^{1/}. By the middle of July, according to figures released by the state E.R.A., 8,580 unemployables had been removed from Federal relief rolls. By September 30 very few cases which could be classified as unemployable still remained under the care of the E.R.A. The findings of this survey substantiate the belief that the transfer of most of the rural unemployable cases from Federal relief to state and county care was accomplished fairly successfully.

A fifty percent random sample, consisting of 80 rural cases, was selected from the cases thus removed from Federal relief rolls in Kit Carson and Weld Counties during June and July 1935. Through family interviews, full information was obtained for 72 cases which provide the basis for the findings reported in this study^{2/}.

Composition and Characteristics of the Families. The cases included in the survey fell into three distinct groups. There were 45 cases in which the head of the household

was 65 years of age or over. In 10 cases the head was a woman with one or more children 16 years of age or younger. Finally in 17 cases the head was under 65 years of age, but was physically or mentally disabled. Six of the 72 cases could not be called unemployable in the strict sense of the term, since there was one eligible worker in the family.

All except seven of the 45 heads in the aged group were recorded by the E.R.A. as having some permanent disability other than old age^{3/}, rheumatism occurring most frequently. Three of the 10 mothers with dependent children had permanent disabilities.

The families were small, averaging 2.3 members. More than a third of the aged group and an even larger proportion of the disabled group consisted of single-person cases.

Mothers with dependent children were much younger as a rule than the heads of disabled cases, half of whom were over 55 years of age and therefore usually too old for physical cure or vocational rehabilitation. The average (median) age of heads in the aged group was 68 years. In slightly more than half of the aged and disabled cases, husband and wife were living together in the household.

Less than half of these rural cases lived in the open country, a

^{1/} From data on file in the Division of Social Research, Works Progress Administration.

^{2/} Five cases had moved out of the county since the date of the administrative closing, one was deceased, and no trace could be obtained of the other two.

^{3/} Data on health of the families were transcribed from E.R.A. case records which had been filled out by case aides. It is not known whether the records of disabilities were based upon medical examinations in all cases.

proportion much smaller than in the general relief population. Nevertheless, out of every ten of these cases, the former occupation^{4/} of the head was reported as agriculture for seven; for two a non-agricultural occupation was recorded; while one in ten had never had an occupation (Table 1). Since a majority of the heads were formerly engaged in agriculture, the figures on residence suggest that there has been a decided tendency for unemployable cases to move into villages.

Only seven of these unemployable cases had ever received aid from a welfare agency prior to Federal relief. The 72 cases had received Federal relief for an average of sixteen months each. Approximately one half of the cases first came on relief before the middle of 1933. Early in the Federal relief program this particular group of families tended to require only intermittent relief, but during each of the nine months immediately prior to the administrative closings of June and July more than three fourths of these cases received relief.

Comparison of Incomes during E.R.A. Relief Period and Post E.R.A. Relief Period. The average monthly income of the 72 families was slightly lower in the post E.R.A. relief period than in the E.R.A. relief period^{5/}, declining from \$20.15 to \$18.54 (Table 2).

^{4/} Former occupation was defined as the occupation at which the head had been engaged for the longest period during his working years.

^{5/} Throughout this discussion the last month of Federal relief is designated as the "E.R.A. relief period" and the period September 15 to Oct-

E.R.A. direct and work relief averaged \$17.00 per case during the last month of Federal relief. Non-E.R.A. assistance, averaging \$1.76, consisted in the main of Federal surplus commodities although an occasional case was receiving aid from the county while still on the Federal rolls.

During the post E.R.A. relief period, the average amount of non-E.R.A. assistance, consisting principally of aid from state and county funds (with a small amount of assistance from relatives), was \$15.19.

Income comparisons are not greatly altered if the nine cases which were not transferred to state and county care are excluded. During the last month of Federal relief, the 63 cases which were transferred received from E.R.A. an average of \$17.44 each, while during the post E.R.A. relief month they received an average of \$16.46 from state and county funds.

Both the number of cases having private income and the amount of such income increased in the post E.R.A. relief period. Even so, the private incomes demonstrated the initiative and self-reliance of these cases rather than their ability to support themselves. Half of the 18 cases having private employment other than farm operation reported it to be of a seasonal nature. In only three instances was all of this employment held before removal from relief. Sixteen of the aged and

over 15 as the "post E.R.A. relief period." Monthly income here excludes the value of poultry, dairy, and garden products produced and consumed at home.

disabled cases attempted to farm in 1935 but only four of them reported a gross cash income of more than \$100 from sale of crops and livestock^{6/}.

Debts and Available Resources.

About two thirds of the 20 property owners in the sample had their places mortgaged; the mortgages averaged nearly \$1,500. Furthermore, almost three fourths of all cases owed short term debts which averaged \$209 (Table 3). One third of the aggregate of these short term debts were for farm operating expenses; and delinquent taxes and interest accounted for another third. Debts for medical care also constituted an important portion of the short term debts. Grocery bills, while numerous were usually small in amount. During the four or five months between the date of the administrative closing and the time of interview, 30 of the 72 cases had contracted debts averaging \$30.

The heads of 11 families had life insurance in force, but most of them had borrowed to the limit on their policies. Investigations by E.R.A. case workers revealed no savings accounts. Relatives who might be called upon for assistance were few in number. It appeared that few available resources existed which these families had not exhausted and that a large majority would continue to be dependent upon some form of public assistance.

Living Conditions. About eight families out of every ten reported that their diet contained as much or more milk, staples, canned goods and

^{6/} Expected receipts from crops and livestock to be sold during the remainder of the year were included in gross income.

fresh vegetables during the post E. R.A. relief period as during the E. R.A. relief period. There appeared to have been little suffering up to the time of the survey and less than one tenth of the cases reported food as an immediate need. The generally adequate diet was partly due to the fact that approximately half of the cases were managing to work a small garden and to care for a few chickens or livestock.

The 72 cases were distributed fairly evenly among the three ratings for housing conditions: good, fair, and poor. Hence, the lack of adequate housing was a serious problem for some of the families. Slightly more than one fourth owned their homes, while about a third were paying cash rent and a third reported rent-free dwellings. Cases reporting free house rent were sometimes living with relatives, while a few were in dilapidated shacks. A fourth of the families had running water, while a fifth had electricity.

Immediate Needs and Future Prospects. Almost three fifths of the cases reported immediate and definite needs. More than a third were in need of winter clothing. One in every six reported inability to obtain adequate fuel as winter set in. One in seven needed prompt medical care. Other needs reported less frequently were food, furniture, and bedding. Over half of the cases stated that they would be unable to get through the winter on the amount of assistance being provided in November.

In addition to these needs for increased assistance on the part of the present relief load, the counties were faced also with the probability of a marked increase in the number of relief cases during the winter.

Many cases not aided by E.R.A. or the counties in the summer or fall of 1935 were expected to need assistance this winter.

Despite the likelihood of an increasing burden during the winter months, which will result from increases both in the amount of assistance required per family and in the number of needy families, county officials were certain that there would be no increase in local funds above the November level. Though allotments of state aid were larger in November than in September and October, it was not certain that funds would be available on the larger scale throughout the winter. With total needs likely to expand and total funds unlikely to increase the prospect clearly is for a decreased amount of financial assistance per case.

The Care of Unemployables in the State. The State of Colorado has had legislation since 1913 granting aid to dependent children in their own homes. An Old Age Assistance Act was enacted in 1927. Under the legislation granting aid to dependent children, it was made mandatory upon the several counties to provide funds. The responsibility for the administration of these funds was placed solely on the counties. The setting up of an old age assistance system was also made mandatory upon all counties. The counties were reimbursed by the State on a population basis for expenditures made for old age assistance.

The Old Age Assistance Act has been amended to permit the State to

participate under the provisions of the Federal Social Security Act granting old age assistance. The legislation granting aid to dependent children in their own homes has not been thus amended.

A two percent state sales tax, in effect since March 1935, has been providing approximately \$100,000 monthly to the counties and municipalities to supplement existing funds for old age assistance, \$195,000 monthly to supplement county and municipal poor funds for the care of cases not eligible for special types of assistance, and \$5,000 monthly for administrative expenses. The amount allocated for cases not eligible for special types of assistance may be, and often is, used to supplement pensions when such are insufficient. These sales tax funds are administered by a State Relief Committee which receives reports on needs from the several local governmental units and makes monthly allocations of funds accordingly.

The Care of Unemployables in the Two Counties. Old age assistance and aid to dependent children in their own homes are administered in both Kit Carson and Weld Counties. Aid to dependent children is comparatively insignificant in the two counties because of lack of available county funds.

The following summary of percentage changes in the number of cases on the various relief programs from January to October 1935 shows clearly the transfer of cases from Federal to state and local responsibility (see tables 4 and 5 for detailed data).

Table A. Percentage Changes in the Number of Cases Aided by the Various Relief Programs, January to October 1935

Type of Program	Percentage Change	
	Kit Carson County	Weld County
Federal Program ^{a/}	-20	-40
E.R.A. (work and direct relief)	-51	-59
State and County Programs	+86	+89
State Old Age Pensions	+57	+115
General Relief to Unemployables	+123	+64
Total (duplications eliminated)	+2	-17

^{a/} Includes E.R.A., Rural Rehabilitation, Rural Resettlement, and W.P.A.

Without state aid, the counties would have been absolutely unable to assume the full burden transferred to them. In the two counties studied, this state aid, in the form of allocations for old age assistance and for care of other cases, amounted between July and October to more than four times the total expended from county funds for relief purposes. Since the sales tax funds have been available, local county funds have decreased noticeably although the relief load has been rising steadily. The total amount of state aid allocated monthly to the two counties, based on the total number of cases aided, ranged during the late summer and early fall of 1935 from \$11 to \$18 per case.

Even with state aid from the sales tax, the total amount of available funds did not increase in pro-

portion to the rise in the unemployable load during July and subsequent months. Old age assistance cases fared relatively better than other types.

Need for Service of Trained Persons. In Kit Carson County, as was true of most rural counties in Colorado, assistance from county and state funds has been administered by the county commissioners, each being responsible for the particular district which he represents. As the county commissioners have had their time occupied with duties other than administration of relief, they have seldom made any systematic investigation of cases, and medical examinations to determine employability have been the exception rather than the rule. Commissioners have relied chiefly upon their knowledge of the citizens of the county, and also upon E.R.A. case records, and have undoubtedly done well considering the difficulties with which they have been confronted.

In the absence of careful investigations, relatives with adequate resources sometimes have been able to relieve themselves of legitimate responsibility by "railroading" unemployable cases upon county or state care. Monthly grants have been based upon number in family, but beyond that, differentiation among cases has not been frequent.

Weld County is one of the Colorado counties in which there has been a welfare organization with personnel qualified to handle the administration of relief from state and county funds. The county welfare office functioned smoothly in cooperation with the E.R.A. office, caring for needy cases not eligible for Federal relief. Investigation

of an application for assistance from the county included: acquisition of past relief history from the E.R. A. office, contact with applicant and a home visit, collateral contacts, and occasional subsequent home visits if the client was accepted. The adequacy of this investigation explains why some of the cases removed from relief in this county were not able to effect the transfer to state and county aid,

while all were transferred in Kit Carson County.

The need for persons trained in administering aid has been recognized by the state. In December 1935, a well staffed state welfare agency was created, and it is planned to place trained or experienced social workers in most of the counties.

Table 1. Distribution of Heads of 63 Unemployable Cases Removed from Federal Relief, by Former Occupation^{a/} and Sex

Former Occupation	Total ^{b/}	Male	Female
Total	63	47	16
Agriculture	<u>43</u>	<u>38</u>	<u>5</u>
Farm owner	17	14	3
Farm tenant	20	20	-
Farm laborer	6	4	2
Non-Agriculture	<u>14</u>	<u>9</u>	<u>5</u>
White-collar	5	4	1
Skilled	2	1	1
Semi-skilled	3	1	2
Unskilled	4	3	1
No usual occupation	6	-	6

^{a/} Former occupation was defined as the occupation at which the head had been engaged for the longest period during his working years.

^{b/} Information concerning former occupation of head was not ascertainable for 9 cases with female head.

Table 2. Distribution of 72 Unemployable Cases Removed from Federal Relief, by Source of Income and by Amount of Income for the Last Month of E.R.A. Relief (June or July) and the Period September 15 to October 15

Source of Income	Number of Cases Receiving Specified Amounts							Average per case ^{b/}
	Total: all amounts	\$0	\$1-9	\$10-19	\$20-29	\$30-39	\$40 and over	
<u>Last Month of E.R.A. Relief</u>								
Total ^{a/} : all sources	72	-	10	28	24	8	2	\$20.15
E.R.A. relief	72	-	11	37	21	3	-	17.00 ^{c/}
Non-E.R.A. assistance	72	46	22	1	2	1	-	1.76
Private income	72	57	10	5	-	-	-	1.39
<u>Sept. 15 - Oct. 15</u>								
Total ^{a/} : all sources	72	3	7	30	23	6	3	18.54
Non-E.R.A. assistance	72	5	8	36	20	2	1	15.19 ^{d/}
Private income	72	50	13	4	4	1	-	3.35

a/ The total number of cases falling in a given class interval in this row does not equal the sum of the corresponding frequencies in the two or three subordinate rows immediately below it because a case receiving a specified total income, e.g. \$25.00, may receive \$15.00 from E.R.A., \$7.50 from Non-E.R.A., and \$2.50 from private earnings, and hence will not be classified in the \$20-29 class interval in any of the subordinate rows.

b/ Averages were based on 72 cases.

c/ The average amount of E.R.A. relief for the 63 cases eventually transferred to state and county care was \$17.44.

d/ The average amount of assistance from state and county funds for the 63 cases transferred to state and county care was \$16.46.

Table 3. Debts Other than Real Estate Mortgages of
72 Unemployable Cases Removed from Federal Relief,
Classified by Type of Debt

Type of debt	Number of cases reporting debts	Debts		Average debt per case reporting
		Amount	Percent of total	
Total short term debts ^{a/}	52	\$10,869	100.0	\$209
Farm operating loans and expenses ^{b/}	12	3,630	33.4	303
Tax arrears	21	1,977	18.2	94
Interest arrears	9	1,654	15.2	184
Medical	30	1,326	12.2	44
Groceries	28	920	8.5	33
Rent	9	242	2.2	27
Other	16	1,120	10.3	70

^{a/} Includes \$903 in debts contracted by 30 families since the administrative closing.

^{b/} Includes feed and seed loans, chattel mortgages held by individuals, banks, supply merchants, etc., and farm operating expense debts not secured by chattels.

Table 4. Number of Cases Aided by the Various Relief Programs (Federal, State and County) in Kit Carson and Weld Counties, Colorado, January - October 1935

Month 1935	ERA (work & direct)	Rural Rehabilitation (on rolls)	Rural Resettlement (on rolls)	W.P.A.	State Old Age Assistance	General relief to unemployables ^{a/}	County Aid to Dependent Children in Their Own Homes	Total ^{b/}
<u>Kit Carson</u>								
January	1,007				147	62		1,164
February	971				152	53		1,139
March	945				151	29		1,109
April	758	178			160	71		1,108
May	858	281			165	56		1,072
June	676	353			174	61		1,023
July	549		314		210	78		1,124
August	532		293		222	132	25	1,184
September	520		276	7	229	130	31	1,175
October	495		276	39	230	138	31	1,192
<u>Weld</u>								
January	3,189				385	318	3	3,695
February	3,438				410	385	3	4,036
March	3,448				406	352	3	4,021
April	3,367				445	331	3	4,002
May	3,141	200			489	299	3	3,837
June	2,128	460			537	344	3	3,240
July	1,843		450		600	521	3	3,283
August	1,783		440		676	606	3	3,336
September	1,638		430	211	772	531	3	3,184
October	1,321		425	454	826	521	3	3,056

a/ County funds, supplemented after July by funds from state sales tax; includes cash and commodity outdoor relief, medical care, hospitalization, blind benefits, burials, etc.

b/ Adjusted to eliminate duplications. It was necessary in some instances to use estimates by local officials as to the number of duplications between rural rehabilitation and ERA relief, general relief to unemployables and ERA relief, general relief to unemployables and old age pensions, etc.

Table 5. Number of Cases Aided by Federal and State and County Relief Programs in Kit Carson and Weld Counties, Colorado, January - October 1935

Month 1935	Kit Carson County			Weld County		
	Federal ^{a/}	State & County ^{a/}	Total ^{b/}	Federal ^{a/}	State & County ^{a/}	Total ^{b/}
January	1,007	209	1,164	3,189	706	3,695
February	971	205	1,139	3,438	798	4,036
March	945	180	1,109	3,448	761	4,021
April	934	231	1,108	3,376	779	4,002
May	1,060	221	1,072	3,191	791	3,837
June	1,003	235	1,023	2,488	884	3,240
July	863	288	1,124	2,293	1,112	3,283
August	825	368	1,184	2,223	1,248	3,336
September	796	379	1,175	2,068	1,281	3,184
October	804	388	1,192	1,907	1,333	3,056

^{a/} Based on Table 4 but adjusted to eliminate duplications.

^{b/} Adjusted to eliminate duplications.

