

Estimated number of employers¹ and workers and amount of earnings in employment covered under old-age and survivors insurance, for specified periods, 1940-55²

[Corrected to Mar. 21, 1956. Estimates include self-employment on an annual but not quarterly basis after 1950, and exclude agricultural labor in quarterly data after 1954. Beginning 1952 estimates are preliminary.]

Year and quarter	Em- ployers reporting wages (in thou- sands)	Workers with taxable earnings ³ during period (in thou- sands)	Taxable earnings ⁴		All workers in covered employ- ment during period ⁵ (in thou- sands)	Total earnings in covered employment ⁶	
			Total (in millions)	Average per worker		Total (in millions)	Average per worker
1940	2,500	35,393	\$32,974	\$932	35,393	\$35,668	\$1,008
1941	2,646	40,976	41,848	1,021	40,976	45,463	1,110
1942	2,655	40,363	52,939	1,142	46,363	58,219	1,256
1943	2,394	47,656	62,423	1,310	47,656	69,653	1,462
1944	2,469	46,296	64,426	1,392	46,296	73,349	1,584
1945	2,614	46,392	62,945	1,357	46,392	71,580	1,543
1946	3,017	48,645	69,088	1,414	48,845	79,260	1,623
1947	3,246	48,908	78,372	1,602	48,908	92,449	1,890
1948	3,296	49,018	84,122	1,716	49,018	102,255	2,086
1949	3,316	46,796	81,808	1,748	46,796	99,989	2,137
1950	3,345	48,283	87,438	1,812	48,283	109,804	2,274
1951	4,440	58,100	121,000	* 2,080	58,100	148,000	* 2,550
1952	4,450	59,600	128,700	* 2,160	59,600	161,000	* 2,700
1953	4,350	61,000	136,100	* 2,230	61,000	173,000	* 2,840
1954	4,350	60,000	134,000	* 2,230	60,000	172,000	* 2,870
1946							
January-March	2,287	36,038	16,840	467	36,038	17,397	483
April-June	2,416	38,655	17,845	469	38,163	19,079	500
July-September	2,478	39,670	17,709	446	40,228	20,222	503
October-December	2,513	37,945	16,694	440	39,930	22,562	565
1947							
January-March	2,509	38,765	20,805	537	38,765	21,497	555
April-June	2,587	39,801	20,655	519	40,175	22,245	554
July-September	2,617	40,255	19,556	486	41,155	23,036	560
October-December	2,609	37,448	17,357	463	40,748	25,672	630
1948							
January-March	2,588	39,560	23,080	583	39,560	23,923	605
April-June	2,690	40,245	22,708	564	40,524	24,668	609
July-September	2,699	40,585	21,150	521	41,675	25,700	617
October-December	2,661	36,790	17,184	467	41,540	27,964	673
1949							
January-March	2,639	38,162	23,376	613	38,162	24,254	636
April-June	2,693	38,591	22,571	583	38,864	24,570	632
July-September	2,697	38,333	20,160	528	39,601	24,971	631
October-December	2,692	34,529	15,701	455	39,477	26,194	664
1950							
January-March	2,671	37,393	23,400	628	37,393	24,316	650
April-June	2,766	39,264	24,052	613	39,557	26,210	663
July-September	2,768	40,486	22,382	553	41,923	28,165	672
October-December	2,741	35,609	17,574	494	41,792	31,113	744
1951							
January-March	3,552	43,908	30,336	691	43,908	31,000	* 710
April-June	3,658	45,483	30,693	675	45,718	33,000	* 720
July-September	3,635	45,693	27,815	609	46,778	33,000	* 710
October-December	3,638	41,846	22,702	543	46,107	35,000	* 760
1952							
January-March	3,595	45,000	33,150	737	45,000	34,000	* 760
April-June	3,690	46,800	32,627	697	47,000	35,000	* 740
July-September	3,663	46,700	29,166	625	48,100	36,000	* 750
October-December	3,640	42,600	24,067	565	47,900	39,000	* 810
1953							
January-March	3,590	47,000	36,382	774	47,000	37,000	* 790
April-June	3,662	48,300	35,963	745	48,500	39,000	* 800
July-September	3,654	47,800	30,864	646	49,200	39,000	* 790
October-December	3,652	41,400	22,824	551	48,000	41,000	* 850
1954							
January-March	3,620	46,000	35,813	779	46,000	37,000	* 800
April-June	3,700	46,800	35,100	750	47,100	38,000	* 810
July-September	3,700	46,300	30,000	648	48,000	38,000	* 790
October-December	3,730	40,300	22,500	558	47,000	41,000	* 870
1955							
January-March	3,770	46,200	37,600	814	46,200	39,000	* 840
April-June	3,840	48,000	38,000	* 790	48,500	41,000	* 850

¹ A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole. Annual figures correspond to the number of different employers filing returns for the year. Quarterly figures correspond to the number of returns for the quarter.

² Excludes joint coverage under the railroad retirement and old-age and survivors insurance programs.

³ Represents reported workers with taxable earn-

ings. Through 1950, the annual limit on taxable earnings was \$3,000; beginning 1951, the limit was \$3,600; and beginning 1955 the limit was \$4,200.

⁴ Excludes earnings in excess of taxable limit.

⁵ Includes workers with earnings in excess of annual taxable limit.

⁶ Includes earnings in excess of annual taxable limit.

⁷ Rounded to nearest \$10.

out that protection. The coverage extension is reflected in the estimates of the number of employers and workers under old-age and survivors insurance and the amount of wages in the first and second quarters of 1955, shown in the accompanying table. The rapid recovery during the first 6 months of the year from the moderate and brief business decline of 1954 also contributed significantly to the increases in covered employment. As in the past, the quarterly estimates exclude data relating to self-employment, which are included in the annual figures beginning with 1951. The quarterly estimates also exclude agricultural employees beginning in 1955, because the coverage test for these workers was then placed on an annual basis.

Taxable wages were estimated to average \$814 in the first quarter of 1955 and \$790 in the second quarter, while estimated average wages in covered employment were \$840 and \$850, respectively. Primarily because of increases since June 1954 in average hourly earnings and in the average number of hours worked per week, the average taxable wages and average wages in covered employment in each of the 2 quarters were about 5 percent higher than those in the corresponding quarters of 1954.

The number of workers in covered employment increased from 46.2 million in January-March 1955 to 48.5 million in April-June 1955. Their total earnings increased from \$39 billion in the first quarter of 1955 to \$41 billion in the second quarter.

The estimated number of employers reporting payment of taxable wages was 3,770,000 in the first quarter of 1955 and 3,840,000 in the second quarter. In both quarters the totals were about 4 percent higher than those in the corresponding quarters of the preceding year.

Federal Grants to State and Local Governments, 1954-55

Federal grants to State and local governments continued their general upward trend during the fiscal year 1954-55, although at a lower rate of annual increase than in the 2 pre-

ceding years. Declines in grants for health services, for employment security administration, and for public assistance were more than offset by substantial increases in grants for welfare services other than public assistance, for education, and for all other purposes. In consequence, total grants increased 5 percent from the 1953-54 level; they amounted to \$3,092 million, compared with \$2,954 million the preceding fiscal year (table 1).

Existing Federal aids to States and localities vary considerably in purpose and financial characteristics. The term "grants," as used here, is confined to grants for cooperative

Federal-State or Federal-local programs administered at the State and/or local level and for those programs in which the bulk of the funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind have been included when they conform to this definition. Federal aid granted directly to individuals and private institutions and reimbursements to State and local governments for expenses incurred by them as agents of the Federal Government in administering programs primarily national in character have been excluded. Shared revenues have also been excluded.

Table 1.—Federal grants to State and local governments, by purpose, fiscal years 1934-35 through 1954-55

[In thousands]

Fiscal year	Total		Public assistance ¹	Employment security administration ²	Health services ³	Other welfare services ⁴	Education ⁵	All other ⁶
	Amount	Percentage change						
1934-35	\$2,196,577			\$1,257		\$1,516	\$12,722	\$323,592
1935-36	799,138	-54.7	\$28,424	3,068	\$4,389	2,117	13,322	467,305
1936-37	7808,668	-18.7	143,934	11,484	12,758	3,089	15,651	620,030
1937-38	7800,466	-1.1	216,074	45,939	15,329	3,655	24,625	494,359
1938-39	1,029,557	+28.6	246,898	62,858	14,754	3,893	25,411	675,743
1939-40	965,239	-6.2	271,135	61,539	21,873	4,558	25,137	581,001
1940-41	858,591	-11.0	330,408	65,632	25,870	5,078	25,620	405,984
1941-42	827,478	-3.6	374,568	74,034	29,057	5,541	25,811	318,467
1942-43	850,995	-2.9	395,623	36,480	30,396	5,824	26,158	356,514
1943-44	896,926	+5.4	404,042	35,229	60,223	8,616	25,644	362,272
1944-45	864,905	-3.6	410,364	33,730	78,555	9,670	25,131	307,454
1945-46	840,098	-2.9	439,132	54,547	71,169	13,361	25,341	236,549
1946-47	1,187,478	+41.3	613,831	99,252	63,134	98,757	31,145	281,359
1947-48	1,452,644	+22.3	718,359	133,610	55,309	91,958	35,813	417,594
1948-49	1,814,751	+24.9	927,897	140,314	66,646	98,843	36,951	544,100
1949-50	2,195,473	+21.0	1,123,418	207,617	119,158	113,163	38,501	593,617
1950-51	2,242,921	+2.2	1,185,764	173,838	168,938	102,553	49,123	662,706
1951-52	2,322,238	+3.5	1,177,688	182,894	182,865	114,802	112,003	651,986
1952-53	2,753,083	+18.6	1,320,933	197,779	168,822	114,020	215,205	727,323
1953-54	2,953,964	+7.3	1,437,516	200,136	138,422	115,248	203,691	859,331
1954-55	3,092,312	+4.7	1,426,599	188,898	117,581	141,421	239,444	978,369

¹ Old-age assistance, aid to dependent children, aid to the blind, and, beginning 1950-51, aid to the permanently and totally disabled under the Social Security Act as amended.

² Unemployment insurance administration under the Social Security Act beginning 1935-36; employment service administration, 1934-35 through December 1941 and, after wartime emergency nationalization of State employment services, from Nov. 16, 1946, to date.

³ Maternal and child health services and services for crippled children under the Social Security Act and general public health services from 1935-36 to date; from inception of the program through 1948-49, emergency maternity and infant care; from inception of the program to date: venereal disease, tuberculosis, cancer, and heart disease control, mental health activities, hospital survey and construction, and water pollution control.

⁴ Child welfare services under the Social Security Act from 1935-36 to date; vocational rehabilitation and State and Territorial homes for disabled soldiers and sailors from 1934-35 to date; community war service day care for 1942-43; school lunch program from 1946-47 to date; and school milk program beginning 1954-55.

⁵ Colleges for agriculture and mechanic arts, vocational education, education of the blind, and State marine schools from 1934-35 to date; emergency Office of Education grants from 1935-36 to 1940-41; maintenance and operation of schools in certain areas from 1946-47 to date; school survey and construction in certain areas from 1950-51 to date; and, for 1954-55, State and local preparation for the White House

Conference on Education.

⁶ Agricultural experiment stations and extension work from 1934-35 to date; cooperative projects in marketing from 1947-48 to date; forestry cooperation from 1934-35 to date and wildlife restoration from 1938-39 to date; supply and distribution of farm labor from 1942-43 to 1943-49; removal of surplus agricultural commodities under sec. 32 of the Act of August 24, 1935, from 1935-36 to date; commodities furnished by the Commodity Credit Corporation from 1949-50 to date; Federal annual contributions to public housing authorities from 1939-40 to date; regular and emergency highway construction from 1934-35 to date; Federal airport program from 1947-48 to date; Public Works Administration grants and liquidation thereof from 1934-35 through 1949-50; wartime public works from 1941-42 through 1949-49; community facilities and disaster and emergency relief from 1941-42 to date; civil defense from 1951-52 to date; slum clearance and urban redevelopment, from 1952-53 to date; and drought relief from 1953-54 to date.

⁷ Includes Federal Emergency Relief Administration grants of \$1,857,490,000 for 1934-35, \$476,513,000 for 1935-36, \$1,722,000 for 1936-37, and \$484,000 for 1937-38.

Source: Annual Reports of the Secretary of the Treasury, the Combined Statements of Receipts, Expenditures, and Balances of the United States Government, and other Treasury reports. Grants for part of the school lunch program for 1946-47 and for the removal of surplus agricultural commodities for 1935-36 through 1946-47, as reported by the Department of Agriculture.

Grants for public assistance payments and administration amounted to \$1,427 million in the fiscal year 1954-55, \$11 million or 0.8 percent less than the \$1,438 million granted in 1953-54. The proportion of the total granted for each of the four categorical assistance programs and the percentage change from the previous year are shown below.

Program	Amount (in millions)		Percentage change
	1954-55	1953-54	
Old-age assistance	\$920	\$960	-4.2
Aid to the permanently and totally disabled	82	75	+9.8
Aid to dependent children	388	365	+6.2
Aid to the blind	36	37	-1.9

The provision in the 1952 amendments to the Social Security Act for increased financial participation in the four assistance programs had been originally scheduled to expire September 30, 1954, but it was extended by the 1954 amendments for 2 more years and was in effect during 1954-55.

Grants for aid to the permanently and totally disabled—the youngest of the four assistance programs—showed the most marked increase. The rate of increase, however, continues to fall off as most States (42) now have programs in operation.¹ These grants increased 33 percent in 1952-53, 27 percent in 1953-54, and 10 percent in 1954-55.

In line with the relatively slight decrease in the amount of public assistance grants, their total represents a somewhat smaller proportion of all Federal grants than in the preceding fiscal year—46.1 percent in 1954-55 and 48.7 percent in 1953-54. Public assistance grants represented 78.6 percent of the grants administered by the Department of Health, Education, and Welfare in 1954-55, compared with 79.4 percent the year before. In both years they represented 98 percent of the Social Security Administration grants; the re-

¹ After the close of the fiscal year, Maine's plan for aid to the permanently and totally disabled was approved for Federal participation, and \$8,000 was granted, retroactive to April 1955. Data for Maine are not included in the totals appearing here.

mainder went for the three grant programs administered by the Children's Bureau.

Federal grants for the administration of the State unemployment insurance and employment service programs amounted to \$189 million, 5.6 percent less than the \$200 million granted in 1953-54. While these grants, like all grants, are made from the general funds of the Treasury, they have been regarded as coming from the portion of the Federal unemployment tax against which employers are not permitted to offset their payments under State unemployment insurance laws. Administrative costs of the employment security programs in the States have never equaled the amount of the Federal collections (0.3 percent of taxable payrolls). Under the Employment Security Financing Act of 1954 (Public Law No. 567, Eighty-third Congress, second session) the excess—up to \$200 million—of collections over administration costs is appropriated to the Federal unemployment account within the unemployment trust fund. From the fund thus established, States with depleted reserves may borrow to help pay benefits. One loan of \$3 million to Alaska has so far been made. Amounts over the \$200 million are to be allocated to the accounts in the unemployment trust fund of the various States in the same proportion that their covered payrolls bear to the aggregate payroll of all States.

Grants for health services to the States and localities continued to decline from their all-time high of 1951-52. Among programs administered by the U.S. Public Health Service, grants for tuberculosis control were 5 percent greater than those in 1953-54; grants were about the same in both years for mental health activities and for cancer and heart disease control and were lower—in some cases substantially lower—for venereal disease control, general health assistance, hospital construction, and construction of community facilities for water treatment in defense-impacted areas, a program presently in liquidation.

Grants for welfare services other than public assistance totaled \$141 million in 1954-55, an increase of \$26 million or 23 percent from the pre-

Table 2.—Per capita Federal grants to States and localities, by State and purpose, fiscal year 1954-55

States ranked by 1952-54 average per capita personal income	Average per capita personal income, 1952-54	Population July 1, 1954 (in thousands)	Per capita grants						
			Total	Public assistance ¹	Employment security administration ²	Health services ³	Other welfare services ⁴	Educational ⁵	All other ⁶
Total ⁷	164,166	138.84	\$8.69	\$1.16	\$0.72	\$0.86	\$1.46	\$5.96	
Continental United States	161,183	18.91	8.79	1.16	.70	.85	1.44	5.97	
High-income group.....	88,297	15.60	7.19	1.40	.49	.64	1.29	4.60	
Delaware.....	2,302	371	21.79	3.79	1.09	1.78	.91	13.22	
Nevada.....	2,383	210	48.82	5.65	2.73	2.19	.78	28.99	
Connecticut.....	2,369	2,185	12.31	5.20	1.36	.38	.77	1.62	
District of Columbia.....	2,267	849	16.61	4.95	.97	.72	.80	.13	
New Jersey.....	2,188	5,303	9.88	2.62	1.98	.42	.53	.66	
California.....	2,165	12,500	23.24	12.87	1.54	.43	.62	3.41	
Illinois.....	2,135	9,193	13.27	6.55	.93	.39	.67	.55	
New York.....	2,130	15,826	14.80	6.80	1.72	.30	.55	.50	
Michigan.....	2,027	7,028	14.50	6.38	1.33	.47	.72	1.04	
Ohio.....	1,986	8,720	13.30	6.19	.87	.62	.61	1.06	
Washington.....	1,938	2,531	26.01	12.60	1.46	.74	.95	4.86	
Maryland.....	1,936	2,601	13.31	4.08	1.16	.73	.61	3.54	
Massachusetts.....	1,912	4,924	18.52	11.01	1.62	.65	.63	.41	
Indiana.....	1,846	4,235	10.97	4.65	.77	.48	.70	.71	
Pennsylvania.....	1,838	10,884	13.88	4.72	1.44	.59	.68	.35	
Rhode Island.....	1,824	837	19.58	8.00	1.93	.44	.74	2.30	
Middle-income group.....	36,453	21.56	10.28	.93	.76	.90	1.50	7.18	
Wyoming.....	1,817	298	37.25	7.58	1.74	1.48	1.24	2.27	
Oregon.....	1,788	1,640	13.44	7.56	1.37	.44	.78	.90	
Montana.....	1,753	619	33.65	9.69	1.47	.80	1.00	2.06	
Colorado.....	1,748	1,499	32.14	17.93	.99	.84	.75	3.07	
Wisconsin.....	1,731	3,628	13.41	6.14	.74	.72	.95	.40	
Missouri.....	1,717	4,076	26.92	17.97	.76	.62	.88	.95	
Kansas.....	1,687	2,023	23.93	9.29	.66	.76	.76	3.11	
Minnesota.....	1,609	3,132	17.86	8.17	.88	.54	1.01	.57	
Arizona.....	1,606	928	27.55	10.15	1.81	.50	.97	3.39	
Nebraska.....	1,604	1,366	18.74	6.57	.61	.81	.79	1.30	
Iowa.....	1,600	2,665	17.71	7.98	.54	.71	.96	.45	
New Hampshire.....	1,565	550	19.59	6.22	2.03	1.38	.78	1.26	
Florida.....	1,554	3,300	19.88	10.56	.88	.86	.94	1.57	
Texas.....	1,549	8,479	20.98	10.54	.88	.82	.88	1.79	
Maine.....	1,493	890	21.65	9.05	1.07	1.10	.84	2.09	
Utah.....	1,491	762	28.97	9.01	1.76	1.15	1.23	3.70	
Idaho.....	1,486	598	33.77	8.57	1.63	1.00	1.26	2.44	
Low-income group.....	36,434	24.28	11.19	.82	1.13	1.30	1.75	8.09	
Virginia.....	1,466	3,560	17.02	3.19	.47	.82	.90	5.07	
Oklahoma.....	1,422	2,174	39.91	23.04	1.01	1.05	1.26	3.58	
Vermont.....	1,390	377	22.56	9.20	1.62	.60	1.33	.89	
New Mexico.....	1,371	778	38.87	12.85	1.29	1.08	1.10	6.80	
South Dakota.....	1,288	672	25.46	9.35	.65	.92	1.14	2.01	
Louisiana.....	1,282	2,882	32.66	22.37	.84	1.07	1.51	.73	
West Virginia.....	1,264	1,990	22.27	10.62	.79	.95	1.24	.33	
Georgia.....	1,238	3,606	25.44	12.66	.72	1.38	1.44	2.27	
Kentucky.....	1,215	2,978	20.93	9.78	.75	1.09	1.05	.81	
Tennessee.....	1,190	3,362	21.74	10.53	.80	1.05	1.28	.96	
North Dakota.....	1,187	635	22.92	7.32	.95	.59	1.15	.89	
North Carolina.....	1,172	4,225	16.75	7.39	.80	.93	1.41	.60	
South Carolina.....	1,098	2,270	19.66	8.48	.88	1.48	1.28	1.28	
Alabama.....	1,096	3,001	26.35	9.77	.90	1.24	1.36	1.47	
Arkansas.....	969	1,798	28.69	12.21	1.04	1.60	1.58	1.40	
Mississippi.....	865	2,126	26.07	11.41	.88	1.52	1.62	.84	
Territories and possessions.....	2,983	14.24	3.19	.58	1.86	1.43	2.33	4.85	
Alaska.....	208	33.91	7.46	2.74	2.19	.53	15.99	5.00	
Hawaii.....	1,722	522	25.01	6.90	1.01	1.61	1.07	6.55	
Puerto Rico.....	2,229	9.72	1.87	.27	1.83	1.58	.30	3.85	
Virgin Islands.....	24	28.74	7.90	.96	7.18	2.82	1.55	8.33	

¹ Old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled.

² Unemployment insurance and employment service administration.

³ Maternal and child health services; services for crippled children; general public health services; venereal disease, tuberculosis, heart disease, and cancer control; mental health activities; hospital survey and construction; and water pollution control.

⁴ Child welfare services, vocational rehabilitation, State and Territorial homes for disabled soldiers and sailors, and school lunch and school milk programs.

⁵ Colleges for agriculture and mechanic arts, vocational education, education of the blind, State marine schools, school survey and construction in certain areas, maintenance and operation of schools in certain areas, and State and local preparation for White House Conference on Education.

⁶ Agricultural experiment stations and extension work, cooperative projects in marketing and commodities donated by the Commodity Credit Cor-

poration, forestry cooperation, removal of surplus agricultural commodities, wildlife restoration, annual contributions to public housing agencies, Federal airport program, regular and emergency highway construction, community facilities, disaster and emergency relief, slum clearance and urban redevelopment, civil defense, and drought relief.

⁷ Includes small amount undistributed, as well as civil defense contributions to the island of Guam and the Canal Zone.

Source: Grants data are from the *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1955*, and are on the basis of checks issued in the fiscal year. Per capita grants are based on estimates by the Bureau of the Census for the total population, excluding Armed Forces overseas, as of July 1, 1954, which appear in *Current Population Reports, Population Estimates*, Series P-25, No. 124. Personal income data used are from the *Survey of Current Income*, September 1955.

ceding year. This group of grants is a heterogeneous one, including as it does child welfare services, vocational rehabilitation, soldiers' and sailors' homes, the school lunch program,

and the newly instituted program of school milk distribution. Most of the increase is attributable to this new program, for which \$22 million was granted in 1954-55. Vocational re-

habilitation grants increased slightly; those for the other welfare programs remained at about the same level as in the preceding fiscal year. Grants for health services and for welfare services other than public assistance together represented 8.4 percent of all Federal grants in 1954-55, about the same proportion as in 1953-54.

Education grants totaled \$239 million in 1954-55, 18 percent higher than in 1953-54. From 1934-35 through 1950-51 grants for education ranged from less than 1 percent to slightly more than 3 percent of all Federal grants and averaged 2.4 percent of the total. In 1951-52 they increased sharply, both in dollar amount and as a percent of the total. In that year they formed 4.8 percent of total grants; in 1952-53, 7.8 percent; in 1953-54, 6.9 percent; and in 1954-55, 7.7 percent. The rise in 1954-55 is attributable to substantial increases in grants for vocational education, school construction and maintenance, and the operation of the American Printing House for the Blind, as well as a one-time grant of \$608,048 to help the States prepare and hold conferences preliminary to the White House Conference on Education. Grants for colleges of agriculture and mechanic arts remained the same, and grants for State marine schools decreased by about one-third. Grants for all other purposes amounted to \$978 million in the fiscal year 1954-55, an increase of 14 percent or \$119 million from 1953-54. The components of this miscellaneous group, with the amounts granted in the 2 fiscal years, are shown below.

Table 3.—Federal grants to States and localities in relation to personal income and State general revenues, by State, fiscal year 1954-55

	Total grants to States			Grants under programs administered by Social Security Administration				
	Amount (in thousands)	As percent of personal income	As percent of total State general revenues	Amount (in thousands)	As percent of personal income	As percent of total State general revenues	As percent of total grants	Per capita
Total Continental United States	\$3,092,312			\$1,455,856			47	\$8.87
High-income group	1,377,779	.8	16	644,619	.4	7	47	7.30
Delaware	8,084	.9	12	1,605	.2	2	20	4.33
Nevada	10,252	2.0	27	1,356	.3	4	13	6.46
Connecticut	26,901	.5	12	11,748	.2	5	44	5.38
District of Columbia	14,106	.7	(?)	4,521	.2	(?)	32	5.33
New Jersey	52,374	.4	15	14,283	.1	4	27	2.69
California	290,463	1.1	16	162,032	.6	9	56	12.96
Illinois	121,950	.6	17	61,094	.3	9	60	6.65
New York	234,205	.7	16	108,542	.3	7	46	6.86
Michigan	101,926	.7	12	45,702	.3	5	45	6.50
Ohio	116,002	.7	15	54,903	.3	7	47	6.30
Washington	65,838	1.3	17	32,524	.7	8	49	12.85
Maryland	34,631	.7	14	11,310	.2	4	33	4.35
Massachusetts	91,215	1.0	19	54,861	.6	12	60	11.14
Indiana	46,461	.6	13	20,148	.3	6	43	4.76
Pennsylvania	146,983	.7	18	53,079	.3	6	36	4.83
Rhode Island	16,388	1.1	21	6,912	.5	9	42	8.26
Middle-income group	785,777	1.3	21	381,669	.6	10	49	10.47
Wyoming	11,101	2.1	18	2,425	.5	4	22	8.14
Oregon	30,248	1.0	16	12,670	.4	7	42	7.73
Montana	20,831	1.9	27	6,240	.6	8	30	10.08
Colorado	48,178	1.9	24	27,243	1.1	13	57	18.17
Wisconsin	48,654	.8	14	22,902	.4	6	47	6.31
Missouri	109,713	1.5	32	73,912	1.0	22	67	18.13
Kansas	48,416	1.4	23	19,141	.6	9	40	9.46
Minnesota	55,953	1.1	16	26,185	.5	7	47	8.36
Arizona	25,566	1.7	21	9,572	.7	8	37	10.31
Nebraska	25,603	1.1	23	9,217	.4	8	36	6.75
Iowa	47,195	1.1	17	21,757	.5	8	46	8.16
New Hampshire	10,772	1.2	24	3,605	.4	8	33	6.56
Florida	65,611	1.2	17	35,430	.7	9	54	10.74
Texas	177,919	1.3	23	90,600	.7	12	51	10.69
Maine	19,271	1.5	22	8,307	.6	9	43	9.33
Utah	20,553	1.8	24	7,135	.6	8	35	9.36
Idaho	20,192	2.4	29	5,326	.6	8	26	8.91
Low-income group	884,785	2.0	24	418,467	.9	11	47	11.49
Virginia	60,575	1.1	21	12,192	.2	4	20	3.42
Oklahoma	86,755	2.7	28	50,607	1.6	16	58	23.28
Vermont	8,505	1.6	22	3,654	.7	10	43	9.69
New Mexico	30,242	2.8	21	10,278	1.0	7	34	13.21
South Dakota	17,101	1.9	23	6,519	.7	9	38	9.70
Louisiana	94,134	2.5	17	65,212	1.7	12	69	22.63
West Virginia	44,317	1.8	26	21,725	.9	13	49	10.92
Georgia	91,724	2.1	27	46,625	1.0	14	51	12.93
Kentucky	62,322	1.7	27	30,011	.8	13	48	10.08
Tennessee	73,078	1.8	26	36,235	.9	13	50	10.78
North Dakota	14,557	1.9	16	4,899	.6	5	34	7.70
North Carolina	70,781	1.4	17	32,540	.6	8	46	7.70
South Carolina	44,619	1.8	20	19,969	.8	9	45	8.80
Alabama	79,072	2.4	31	30,322	.9	12	38	10.10
Arkansas	51,580	2.9	31	22,599	1.3	14	44	12.57
Mississippi	55,422	3.0	29	25,091	1.4	13	45	11.80
Territories and possessions	42,476			11,101			26	3.72
Alaska	7,053			1,815			26	8.73
Hawaii	13,056			3,922			30	7.51
Puerto Rico	21,677			5,009			23	2.25
Virgin Islands	690			356			52	14.83

Purpose	Amount (in millions)	
	1954-55	1953-54
Total	\$978.4	\$859.3
Agricultural experiment stations	18.6	13.3
Agricultural extension work	38.4	31.5
Commodity Credit Corporation	110.5	0.1
Cooperative marketing projects	2.2	1.3
Drought relief	4.9	4.0
Forestry cooperation	9.8	9.7
Surplus agricultural commodity distribution	56.4	154.7
Airport construction	8.4	17.5
Highway construction	596.7	538.5
Wildlife restoration	16.4	15.1
Low-rent public housing	60.9	38.2
Slum clearance	33.5	11.6
Civil defense	10.5	13.7
Defense community facilities and services	2.4	8.6
Disaster relief	8.9	1.5

¹ Includes small amount undistributed, as well as civil defense contributions to the island of Guam and the Canal Zone.

² General revenue data for the District of Columbia for 1954-55 not yet available.

Source: Grants data are from the *Annual Report of the Secretary of the Treasury on the State of the Finances for the Fiscal Year Ended June 30, 1955*, and are on the basis of checks issued in the fiscal year. Personal

income data are for calendar year 1954 and are from the *Survey of Current Business*, September 1955. State general revenue data are for the fiscal year 1955 and are from the *Summary of State Government Finances in 1955* (Bureau of the Census). Per capita grants are based on estimates by the Bureau of the Census for the total population, excluding the Armed Forces overseas, as of July 1, 1954.

In both years, grants for highway construction were by far the largest in the group. In 1954-55 they represented 61 percent of the group total, compared with 63 percent in the earlier year. The largest increase was in grants representing the value of commodities donated by the Commodity Credit Corporation in 1954-55. This increase is attributable to a variety of causes but mainly to a change in the statutes governing the program. Beginning July 1954, the Federal Government, which up to that point had paid only for the commodities, took over also the cost of packaging and reprocessing and a substantial portion of the costs of delivery to distribution points within States. The change encouraged State welfare agencies and administrators of the school lunch programs to avail themselves of notably larger amounts of the commodities at little or no additional cost to them.

Per capita grants are shown in table 2 by State and by major purpose. The States have been ranked by average 1952-54 per capita personal income and divided into high-, middle-, and low-income groups. Within each income group the States vary widely in per capita grants received. Total grants received in 1954-55 by the high-income group, for example, averaged \$15.60 per capita, but the range was almost \$39—from \$9.88 in New Jersey to \$48.82 in Nevada. Among the low-income group of States, average per capita total grants were \$24.28, with a range of only \$23—from \$16.75 in North Carolina to \$39.91 in Oklahoma. The range widened for both groups of States from that of the preceding year, when the high-income group had a range of \$37 and the low-income group a range of \$18 in per capita total grants. For the middle-income group, average per capita total grants changed only slightly—from \$21.70 in 1953-54 to \$21.56 for 1954-55. Here, too, the range widened; it was \$23.84 in 1954-55 (from \$13.41 in Wisconsin to \$37.25 in Wyoming), compared with \$18.16 in 1953-54 (from \$16.71 in Iowa to \$34.87 in Wyoming).

Both the total grants and those for public assistance, health, welfare, and education tend to vary inversely with per capita income whether calculated

on the income payments or the new personal income basis. In general, the grants average somewhat higher per capita in the low-income States than in the middle-income group, and higher in the middle-income States than in those of the high-income range. In many of the programs the grant-in-aid formula for distribution of Federal funds is designed to achieve at least a minimum degree of equalization in the program among all States. As in previous years, there was an observable tendency for per capita grants for employment security administration to vary in direct relationship to State per capita income. The "all other" category, including as it does grants for activities at least partly concentrated in urban and suburban areas as well as exclusively rural programs, cannot be analyzed on the basis of income and population relationships.

Grants for many purposes are higher per capita in the sparsely populated "public land" States as a result of the operation of minimum allotment provisions and certain allocation formulas. In Nevada, for example, which ranked second highest in terms of per capita income and where grants amounted to \$48.82 per capita, in comparison with \$18.91 for the continental United States, 46.6 percent of total grants to the State went for highway construction. Wyoming, in the middle-income group, received \$37.25 per capita in grants, and 45.8 percent of the grants went for highways. New Mexico, among the low-income States, received \$38.87 per capita in grants. Almost 31 percent of this total was for highways and 36 percent for public assistance. A similar situation exists in other Western States.

Total grants per capita are also significantly high in States that spend relatively large sums from State and local funds for their public assistance programs, because of the Federal matching requirement in the Social Security Act. Oklahoma, for example, with total per capita grants of \$39.91, received 57.7 percent of its total grants for public assistance. More than 68 percent of total grants to Louisiana were for public assistance; total grants per capita were \$32.66.

Total grants were slightly less per capita for the Territories and possessions in 1954-55 (\$14.24) than in the preceding fiscal year (\$14.65). They continue to be less than per capita total grants for the continental United States mainly because of the significantly low per capita grants to Puerto Rico—the most populous of the Territories and possessions. These low per capita grants are occasioned, in turn, by the fact that the maximums on individual assistance payments in which the Federal Government will share and the Federal share of the payments are lower for Puerto Rico and the Virgin Islands than for the States; in addition there is an overall dollar maximum on the Federal payment to these possessions.

Total grants to State and local governments as a percent of personal income received and of total State general revenues tend to be higher, on the average, in States with low per capita income (table 3). These percentages are also high in the sparsely populated public land States and the States that make relatively heavy expenditures for public assistance. Federal grants represented 1.1 percent of personal income for the continental United States and 19 percent of State general revenues. Grants to State and local governments are presented here as percentages of total State general revenues, but they would be more meaningfully related to combined State and local general revenues. No complete and consistent series for recent years on total local government revenues, by State, is now available, however.

Grants administered by the Social Security Administration amounted to \$1,456 million in 1954-55, \$11 million or $\frac{3}{4}$ of 1 percent less than the \$1,467 million granted in 1953-54. They represented 47.1 percent of all Federal grants, compared with exactly half in the preceding year. These grants equaled, on the average, 0.5 percent of personal income in the continental United States and 9 percent of State general revenues. Here, too, percentages tended to be larger in the States with low per capita income. The percentage that Social

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