

each succeeding age group. Women made up 56 percent, for example, of the age group 35-44 and 60 percent of the group aged 45 and over.

Of the 4,873 persons who did not meet the disability requirements, women formed 54 percent; of those aged 45 and over, they made up 65 percent (table 3). In this group the women were 4½ years older, on the average, than the men, and they outnumbered them at all ages except 18-24. The proportion of women increased in each successive age group both among those who met the disability requirements and among those who did not.

### **Mobility Status**

Referral of the disabled applicant to a State vocational rehabilitation agency for assessment of his potentialities for rehabilitation and for restorative services is an important aspect of the old-age, survivors, and disability insurance program. The severity of the disability and the extent to which the handicapped person must depend, in his activities of daily living, on the help of family members and others indicate the challenge presented to rehabilitative skills and resources.

The impairments of the 36,267 persons who qualified for disability benefits were such that only 38 percent were ambulatory outside the home without the help of others. Fifty-two percent were either housebound or unable to leave the home without assistance. Ten percent were in institutions.

Older persons in this group were less likely than younger ones to be institutionalized, and they were more likely to be housebound or to require assistance in leaving the home. Persons aged 45 and older composed 14 percent of the total but only 7.6 percent of those institutionalized. The group aged 18-24 made up 21 percent of all the disabled who were awarded benefits and 40 percent of those who were institutionalized.

As was to be expected, persons who did not meet the disability requirements were less likely than those who did to be severely limited with respect to independence of movement. The majority (73 percent) were ambulatory outside their homes without the

help of others, and only 5.6 percent were institutionalized.

## **Temporary Unemployment Compensation and General Assistance, June-December 1958\***

The Temporary Unemployment Compensation Act of 1958 (Public Law 85-441) was signed by the President on June 4, 1958, and became effective on June 19. This note summarizes the Federal-State temporary unemployment compensation programs and attempts to assess their impact on the general assistance program, which is the public assistance program usually most sensitive to economic conditions.

### **Temporary Unemployment Compensation Programs**

The 1958 law provided additional benefits to unemployed workers who had exhausted their rights to benefits under the regular State unemployment insurance programs. The additional benefits were payable for weeks of unemployment beginning after June 19, 1958, or after the date the State signed an agreement to pay the benefits and before April 1, 1959. On March 31, 1959, the President signed into law an extension of the program through June 30, 1959.

Altogether, 17 States<sup>1</sup> agreed to participate in the Federal program for the payment of extended benefits to three groups—workers covered under the State unemployment insurance laws, Federal employees, and veterans. In addition, five States<sup>2</sup> extended benefits under their own laws to the first two groups of workers; they participated in the Federal program only with respect to claimants exhausting benefit rights under the program of unemployment compensation for veterans.

\* Prepared by Thomas Karter, Division of Program Research, Office of the Commissioner.

<sup>1</sup> Alabama, Alaska, Arkansas, California, Delaware, the District of Columbia, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, and West Virginia.

<sup>2</sup> Colorado, Connecticut, Illinois, Ohio, and Wisconsin.

Fourteen States<sup>3</sup> participated in the Federal program on a limited basis. Extended benefits were available in these States only to unemployed Federal employees and veterans, who together account for about 2 percent of all unemployment insurance beneficiaries under State-administered programs.

In terms of coverage, about 70 percent of all persons covered by State unemployment insurance programs as of December 31, 1957, were employed in the 22 States that had accepted the Federal program for the three groups of unemployed persons or that had extended benefits under their own laws to the three groups. These States also had about 70 percent of all insured unemployed workers who exhausted their benefit rights under State programs during the second quarter of 1958.

Benefits under the Temporary Unemployment Compensation Act could not be paid for longer than half the duration of the individual claimant's benefits under the regular State program, and they were payable at his weekly rate under the regular program. Of the States with their own temporary unemployment compensation laws, all but Colorado followed this pattern; Colorado extended the duration of benefits by 25 percent instead of 50 percent.

The potential duration of benefits under the regular unemployment insurance programs and the temporary programs in the States that extended benefits to the three groups of insured unemployed persons is shown in table 1. In Pennsylvania, for example, insured persons could receive unemployment benefits—if needed—for 45 weeks (30 weeks of regular benefits and 15 weeks of temporary benefits); at the other extreme, some unemployed workers in Indiana could receive benefits for as few as 9 weeks (6 weeks of regular benefits and 3 weeks under the temporary program).

Data are not available on the average number of weeks of benefits received by persons who drew temporary unemployment compensation

<sup>3</sup> Arizona, Florida, Hawaii, Idaho, Kentucky, Nebraska, New Mexico, North Dakota, Oregon, Puerto Rico, South Carolina, Texas, the Virgin Islands, and Washington.

**Table 1.—Temporary unemployment compensation and State unemployment insurance programs: Potential duration of benefits under each program and actual average duration for workers exhausting benefit rights under regular program, April-June 1958, 22 States<sup>1</sup>**

State	Potential duration (weeks) under—				Actual average duration (weeks) for workers exhausting regular benefit rights <sup>2</sup>
	State unemployment insurance laws		Temporary unemployment compensation legislation		
	Minimum	Maximum	Minimum	Maximum	
Alabama.....	11	20	5½	10	18.0
Alaska.....	15	26	7½	13	25.1
Arkansas.....	10	18	5	9	16.4
California.....	15	26	7½	13	23.1
Colorado.....	10	26	2½	8¼	16.9
Connecticut.....	10	26	5	13	20.2
Delaware.....	11	26	5½	13	17.8
District of Columbia.....	11	26	5½	13	18.8
Illinois.....	10	26	5	13	19.0
Indiana.....	6	20	3	10	14.7
Maryland.....	26	26	13	13	26.0
Massachusetts.....	7	26	3½	13	20.1
Michigan.....	9	26	4½	13	20.4
Minnesota.....	18	26	9	13	22.5
Nevada.....	10	26	5	13	20.4
New Jersey.....	13	26	6½	13	21.6
New York.....	26	26	13	13	26.0
Ohio.....	10	26	5	13	24.5
Pennsylvania.....	30	30	15	15	30.0
Rhode Island.....	10	26	5	13	17.0
West Virginia.....	24	24	12	12	23.2
Wisconsin.....	10	26½	5	13¼	( <sup>c</sup> )

<sup>1</sup> States with temporary unemployment compensation programs.

<sup>2</sup> For the 53 States, actual average duration for

workers exhausting regular benefit rights is 21.0 weeks.

<sup>3</sup> Not available.

benefits. From data on the actual average duration of benefits in these States for persons who exhausted their regular benefit rights during April-June 1958, it is possible to estimate the average number of weeks that temporary unemployment compensation benefits could have been paid. In Colorado the average worker could have received temporary benefits for about 4.2 weeks (25 percent of 16.9 weeks). In all other States he would receive benefits for half the actual average duration, or for as few as 7.3 weeks in Indiana and as many as 15 weeks in Pennsylvania. On the average (weighted by the number of workers in these States covered by the State unemployment insurance law), unemployed persons in the 22 States with temporary unemployment compensation programs received regular benefits for 22.5 weeks and thus could have received temporary unemployment compensation benefits for an additional 11.2 weeks.

The benefit amounts payable under the Temporary Unemployment Compensation Act are paid under the terms and conditions of the State unemployment insurance law. The national average weekly payment for

total unemployment in June 1958 was \$30.80 and ranged from \$20.78 in North Carolina to \$37.02 in Michigan.

In the Nation as a whole the number of persons exhausting their benefit rights under the regular unemployment insurance programs rose sharply during the early months of 1958 and reached a peak during July of 285,000 — nearly three times the number in July 1957. Rights to temporary unemployment compensation benefits were subsequently exhausted

**Table 2.—Temporary unemployment compensation programs: Benefit payments, number of beneficiaries, and number of exhaustions, June-December 1958, 22 States**

1958	Benefit payments (in millions)	Average weekly number of beneficiaries	Number of workers exhausting rights to temporary benefits
Total.....	\$398.2	-----	669,000
June.....	0.1	( <sup>1</sup> )	-----
July.....	45.4	( <sup>1</sup> )	5,000
August.....	81.9	633,000	46,000
September.....	91.8	673,000	147,000
October.....	71.6	507,000	221,000
November.....	51.6	422,000	124,000
December.....	55.8	399,000	126,000

<sup>1</sup> Not available.

by two-thirds of a million persons during July-December 1958. (Benefit rights under the regular programs were exhausted by 2.6 million persons in 1958, compared with 1.2 million in 1957.)

The total number of exhaustions during the 1958 recession was 47 percent greater than the total during the recession of 1954 and 34 percent greater than that in 1949. Part of the rise is attributable to the growth in the number of employed persons covered by State unemployment insurance laws. From 1949 to 1957, coverage increased 25 percent—from 31.7 million to 39.7 million.

### General Assistance

General assistance is provided by State and local governments under their own laws and regulations. The conditions under which aid is granted and the amounts of general assistance differ widely among the States and localities, reflecting the fiscal capacity of the State and/or local governments and the public attitude toward the program. Unlike the four federally aided public assistance programs, general assistance has its entire cost met from State and/or local funds. In the fiscal year 1957-58, State and local governments spent \$338 million for general assistance, compared with total Federal, State, and local expenditures of \$2,911 mil-

**Table 3.—General assistance: Total number of recipients and total amount of money payments, selected months, 1949, 1954, and 1958**

Month	1949		1954		1958	
	Recipients (number in thousands)					
	Number	Index <sup>1</sup>	Number	Index <sup>1</sup>	Number	Index <sup>1</sup>
Mar..	1,145	111.4	830	116.9	1,310	112.5
June..	1,028	100.0	710	100.0	1,164	100.0
Sept..	1,068	103.9	740	104.2	1,037	89.1
Dec..	1,337	130.1	880	123.9	1,245	107.0
Month	Money payments (amount in millions)					
	Amount	Index <sup>1</sup>	Amount	Index <sup>1</sup>	Amount	Index <sup>1</sup>
	Amount	Index <sup>1</sup>	Amount	Index <sup>1</sup>	Amount	Index <sup>1</sup>
Mar..	\$24.4	110.3	\$17.1	110.9	\$27.6	107.3
June..	22.1	100.0	15.4	100.0	25.7	100.0
Sept..	23.3	105.5	16.5	107.3	23.4	90.9
Dec..	28.4	128.6	20.1	130.2	29.9	116.3

<sup>1</sup> For each year, percent of June total.

lion for the four federally aided programs. In June 1958, there were an estimated 1.2 million recipients of general assistance.

State policy on paying general assistance to needy unemployed persons or to needy families with unemployed members varies considerably. A January 1959 survey carried out by the Bureau of Public Assistance showed that in 27 States general assistance was available throughout the State to needy persons, including the unemployed. Twenty-three States reported that general assistance was not available to employable persons who were out of work or to their families. (Alaska was not included in the survey.)

Among the 27 States reporting that general assistance was available to the needy unemployed throughout the State were 12<sup>4</sup> that also agreed to pay temporary unemployment compensation benefits to the three groups of unemployed persons who had exhausted their insurance benefits. It would be in these 12 States, therefore, that the temporary unemployment compensation program might result in some reduction of the general assistance caseloads and expenditures. Of those persons who had exhausted their rights to regular unemployment benefits, (1) some who with their families had started receiving assistance would be removed from the assistance rolls; (2) some would not need to apply for assistance because of the availability of the temporary unemployment compensation benefits; and (3) some already on the assistance rolls would continue receiving assistance, but the amount of the payment would be reduced.

Interpretation of the impact on the general assistance rolls must include the recognition that general assistance caseloads and expenditures ordinarily show a seasonal pattern. They rise during the winter months and usually reach a peak in March or April; during the spring and summer months they drop and generally hit a low point for the year in August or September. Part of this seasonal pattern is explained by greater needs

<sup>4</sup> Connecticut, Delaware, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Wisconsin.

**Table 4.—General assistance: Money payments in 12 States<sup>1</sup> paying temporary unemployment compensation benefits and providing aid for the needy unemployed, and money payments in the 41 other States, selected months, 1949, 1954, and 1958**

Month	1949		1954		1958	
	12 States	41 States	12 States	41 States	12 States	41 States
Amount (in millions)						
Mar.....	\$16.1	\$8.4	\$11.2	\$6.2	\$19.2	\$8.8
June.....	15.3	7.0	10.4	5.3	18.6	7.6
Sept.....	16.0	7.5	11.5	5.2	16.8	7.1
Dec.....	19.9	8.7	14.3	6.1	21.9	8.5
Index (June of each year = 100.0)						
Mar.....	105.7	120.1	107.9	116.9	103.6	115.0
June.....	100.0	100.0	100.0	100.0	100.0	100.0
Sept.....	105.0	106.4	110.8	97.6	90.2	92.8
Dec.....	130.5	123.8	137.4	115.2	117.7	111.4

<sup>1</sup> Temporary unemployment compensation programs in these States cover persons under State unemployment insurance laws, Federal employees, and veterans. For list of States, see text footnote 4.

during the cold months, such as that for fuel and clothing. In addition, many States remove persons and families from the assistance rolls in the spring and summer months as outdoor employment opportunities increase and add them once again to the rolls during the winter.

The seasonal pattern in general assistance, however, is affected by the business cycle. During the earlier recessions, not only was the winter rise sharper than usual but the normal summer decline did not occur. From June to September 1949, for example, general assistance expenditures rose 5.5 percent, and in June-September 1954, 7.3 percent (table 3). In all other years since 1948 they declined during these summer months — as much as 12.8 percent in 1950.

Through June of 1958, the trend in general assistance expenditures followed closely the trends in 1954 and 1949. At this point, however, the 1958 trend began to show a different pattern. General assistance expenditures, instead of rising, declined from June to September by 9.1 percent — the largest summer decline since World War II except in 1950, following the outbreak of the Korean hostilities.

The 1958 variation from the usual pattern is more noticeable when the

general assistance data are examined for the States that pay temporary unemployment compensation benefits to all insured unemployed persons and also pay general assistance to unemployed persons throughout the State (table 4). These 12 States include the large industrial States that accounted for more than three-fourths of all general assistance expenditures in the 3 recession years. During the 1949 recession the summertime increase in general assistance was 5.0 percent in these States, in comparison with 6.4 percent in the other States. During the 1954 recession the 12 States showed a summertime increase of 10.8 percent in general assistance expenditures, and the remaining States recorded a dip of 2.4 percent. During the 1958 recession, however, general assistance expenditures dropped 9.8 percent during the summer months in the 12 States and 7.2 percent in all other States.

At least part of this decline in general assistance expenditures during the summer of 1958 is attributable to the temporary unemployment compensation program. Claims under the temporary programs were accepted in the 12 States toward the end of June and the beginning of July; benefits were paid soon thereafter to persons who had exhausted their rights to regular unemployment benefits after June 30, 1957. Many of these initial claims under the temporary programs, therefore, were filed by persons who had exhausted their rights to regular benefits several months (possibly as many as 12) before the temporary unemployment compensation benefits became available. There was ample time for some of these unemployed persons to have depleted their assets and to have begun receiving general assistance. As soon as temporary unemployment compensation benefits were received, these persons were removed from general assistance rolls. By September, 535,000 persons were receiving temporary unemployment compensation benefits in these 12 States. In the Nation as a whole, two-thirds of a million persons were benefiting under the temporary programs.

From September through December 1958, the change in general assistance expenditures in these States did not

differ much from the changes in 1954 or 1949, although the relative level of assistance in the fourth quarter of 1958 remained below that of the 2 previous recession years (table 4). During this period, the number of persons receiving temporary unemployment compensation benefits dropped consistently as the number of persons exhausting rights to the temporary benefits rose sharply. Some of those who exhausted their rights under the temporary program were subsequently added to the general assistance rolls. The Pennsylvania welfare agency, for example, reported that by October the number of persons added to the general assistance rolls because they had exhausted their benefit rights under the temporary program exceeded the number removed from the assistance rolls because of the receipt of these benefits. The gap widened in November and again in December.

It is important, however, to compare the magnitudes of general assistance and temporary unemployment compensation expenditures. In September the temporary unemployment compensation program paid \$92 million in benefits, of which \$74 million was paid in the 12 States. General assistance expenditures during September in these States amounted to \$16.8 million — \$1.8 million less than in June. The size of the decline indicates that only a small proportion of the temporary unemployment compensation benefits may have affected the general assistance caseloads. Yet without the temporary unemployment compensation programs, general assistance expenditures from June to September of 1958 might have increased, possibly as much as they did in the 1949 and 1954 recessions. The "real" decline in general assistance expenditures from June to September 1958 may therefore have been more than the \$1.8 million that is shown in table 4.

One State assistance agency — Pennsylvania — reported that the third-quarter decline in general assistance expenditures was attributable primarily to the temporary unemployment compensation program. General assistance expenditures in that State during September 1958 amounted to \$1.8 million, a decline

of \$0.2 million (10 percent) from June 1958. (In 1954 and 1949 the State's expenditures for general assistance rose during the third quarter by more than 15 percent.) Temporary unemployment compensation benefits in Pennsylvania during September amounted to \$9.8 million.

### *Supplemental Unemployment Benefits*

The supplemental unemployment benefit plans, first introduced on a large scale in 1955, are another factor contributing to the decline in general assistance during the 1958 recession, particularly in the 12 industrial States mentioned. At the beginning of the recession, some 2 million workers — principally automobile workers and steelworkers — were covered by these plans. In most instances, the supplemental benefits plus the State unemployment insurance benefits provide 65 percent of an unemployed worker's normal take-home pay. Steelworkers could have received the supplemental benefits for a maximum of 52 weeks, and automobile workers could have received them for a maximum of 26 weeks (increased to 39 weeks in September 1958). After a worker exhausts his State unemployment insurance benefits, the amount provided by the supplemental unemployment benefit plans is increased to 65 percent of take-home pay, within certain dollar maximums.

Data showing total supplemental unemployment benefits in 1958 or the total number of persons receiving these benefits are not yet available. The supplemental benefits amounted to \$25.0 million in 1957, compared with \$5.0 million in 1956. The AFL-CIO Collective Bargaining Report for December 1958 shows that supplemental unemployment benefit plans at the three largest automobile manufacturing companies paid \$33.7 million in benefits during the first 8 months of 1958. The steelworkers, reporting on all their supplemental unemployment benefit plans combined, estimate that benefits totaling \$45 million were paid from September 1957 to June 1958. Altogether, the AFL-CIO estimates that more than 300,000 unemployed workers received supplemental unemployment benefits in 1958.

### *Conclusions*

There are many reasons explaining the relatively minor impact of the temporary unemployment compensation program on the general assistance caseloads, even in those States that provide general assistance to unemployed persons. First, there are many eligibility conditions other than financial need that must be met, such as residence requirements and property limitations, and that may make some persons or families ineligible for general assistance even though they need financial aid. Then there is the important consideration of the availability of State and/or local funds. Practically all State and local governments use "closed end" appropriations for general assistance. In other words, the dollar amount available for general assistance is determined in advance (annually or biennially) by specific appropriations. Occasionally, some States have special funds that can be made available to local governments in an emergency.

Because of these limits on the dollar amounts that State and local governments may spend on general assistance, only persons most critically in need can be added to the general assistance rolls when there is a sharp rise in the number needing financial help. As a result, the amount of the payment to the recipients on the rolls must often be lowered in order to permit the addition of other critically needy persons to the assistance rolls. Still other needy persons may receive aid in the form of surplus foods and occasionally some assistance to meet special needs, such as medical care and funeral expenses.

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### **1959 Amendments to the Railroad Unemployment Insurance Act\***

Public Law 86-28,<sup>1</sup> signed May 19, 1959, included provisions amending the Railroad Unemployment Insur-

\* Prepared in the Office of the Director of Research, Railroad Retirement Board.

<sup>1</sup> For a summary of the provisions affecting the Railroad Retirement Act, see "1959 Amendments to the Railroad Retirement Act," *Social Security Bulletin*, July 1959.