

The Effect of War Displacements on the Detroit General Assistance Program*

BECAUSE, EARLY IN 1942, Detroit had the largest number of war-displaced workers, the attention of welfare authorities was focused on the city to discover the community problems arising during the shift from peacetime to wartime work. It was expected that one of the problems arising from such disemployment would be a considerable increase in the demand for general assistance. To test this assumption, the Detroit Department of Public Welfare conducted a study of the effect of war displacements on its general assistance program. The study was based on schedules completed by the intake workers in the various district offices of the Detroit and Wayne County departments of public welfare for each person requesting assistance during April 1942.

The most important question to be decided by the intake workers was whether the applicant was unemployed because of the war. Determination of the connection between the war and unemployment was extremely difficult in many cases. The intake workers were, however, familiar with the industrial pattern in Detroit, and they also had the advice of the Employment Service Bureau of the Department of Public Welfare in determining the reason for loss of job. These factors, added to the interest and painstaking care of the intake workers in filling out the schedules, reinforce confidence that the data collected reflect as accurately as possible the effect of the war on the general assistance program.

Nature of War-Displacement Problem

After December 7, 1941, unemployment in Detroit was accelerated by the change-over from the manufacture of automobiles and related products to that of tanks, guns, planes, and other armament necessary for the successful prosecution of the war. It was expected that the lay-offs during the period of conversion would have especially serious repercussions in Detroit because of the community's dependence on the automobile in-

*Data collected by the Detroit Department of Public Welfare and analyzed by Charles J. Lopes, Bureau of Public Assistance, Social Security Board. The study was outlined by the Division of Assistance Analysis, Bureau of Public Assistance.

dustry. According to the 1940 census, 30 percent of Detroit's employed workers were engaged in manufacturing automobiles and automobile equipment. Only 17 percent were employed in all the other manufacturing industries, which were, to a considerable extent, allied to the manufacturing of automobiles. About one-fifth of the workers were in the wholesale and retail-trade industry and almost the same proportion in the service industry. Consequently, when automobile production stopped, the other industries not only were unable to absorb the unemployed but also suffered considerable unemployment from the decline in demand for services and goods by the displaced automobile workers. Factories manufacturing nonessential consumer goods and civilian durable goods were affected adversely by material shortages and governmental controls, such as curtailment orders and priority and preference ratings. Unemployment, directly and indirectly attributable to the war, hit the wholesale and retail-distribution and service industries as a result of manufacturing and/or sales restrictions on automobiles, tires, radios, washing machines, and other heavy consumer goods, and of reduction in the buying power of the displaced automobile workers.

Table 1.—Families requesting general assistance in Detroit, by employment status, April 1942

Employment status	Families requesting assistance		
	Number	Percentage distribution	Median size
Total.....	1,118	100.0	2.1
Families with no recently unemployed member.....	746	66.7	1.9
Families with recently unemployed members, by reason of unemployment ¹	372	33.3	2.9
War-connected reason ²	147	13.1	3.7
Reasons not war-connected.....	220	19.7	2.2
Illness or other disability.....	115	10.3	1.7
Other ³	105	9.4	2.7
Reasons unknown.....	5	.4	(⁴)

¹ In addition, 11 families requested assistance because employment of family member was interrupted by entrance into armed forces.

² Families in which 1 member was unemployed for war-connected reason and another for any other reason classified under war-connected reason.

³ Shortages of materials, supplies, or equipment, Government priority, curtailment or conversion orders, and other reasons directly or indirectly connected with war.

⁴ Seasonal lay-offs, completion of work, and personal or other reasons.

⁵ Base too small for computation.

Table 2.—Families approved for general assistance in Detroit, by employment status, April 1942

Employment status	Families approved for assistance	
	Number	Percentage distribution
Total.....	511	100.0
Families with no recently unemployed member.....	1 303	59.3
Families with recently unemployed members, by reason of unemployment ¹	208	40.7
War-connected reason ²	79	15.5
Reasons not war-connected.....	127	24.9
Illness or other disability.....	72	14.1
Other ³	55	10.8
Reasons unknown.....	2	.4

¹ Estimated.
² See table 1, footnote 2.
³ See table 1, footnote 3.
⁴ See table 1, footnote 4.

It has been estimated that, for every 100 manufacturing jobs lost, 30-40 nonmanufacturing jobs are lost.¹

Serious as the war-displacement problem loomed in magnitude, it was freely predicted that it would not last long. In a labor-market report for March 1942 the Bureau of Employment Security reported that conversion was being rapidly effected, and new war plants were under construction. "It is antici-

¹ U. S. House of Representatives, Select Committee Investigating National Defense Migration, *Hearings . . . Part 18*, 1941, p. 7174.

pated that all workers usually employed by the automobile industry will be reabsorbed by the fall of 1942."² Later the Bureau reported a sharply accelerated rate of rehiring of war-displaced workers in the major war industries. Conversion, completion of new plants, and the expanded hiring rate in many war industries combined to keep the actual number of lay-offs below previously anticipated levels and to provide reemployment opportunities sooner than had been expected.

Testifying before the Tolan Committee in December 1941, a representative of the Michigan Unemployment Compensation Commission estimated that more than 100,000 workers would be unemployed after the first of the year in Wayne County alone.³ Estimates made in February indicated that about 170,000 would be unemployed in Wayne County at the end of the month.⁴ It was predicted that unemployment would reach its crest early in March and would recede quickly thereafter. Estimates for April showed a considerable decrease from previous months in unem-

² Social Security Board, Bureau of Employment Security, *The Labor Market*, March 1942, pp. 14-15.

³ U. S. House of Representatives, Select Committee Investigating National Defense Migration, *Hearings . . . Part 24*, 1942, p. 9442.

⁴ Armlon, Beulah, "The Battle of Detroit," *Surrey Graphic*, April 1942, p. 202.

Table 3.—Families with recently unemployed members requesting general assistance in Detroit, by reason of unemployment and by prior assistance status, April 1942

Reason of unemployment	Families with recently unemployed members	Prior assistance status								Unknown
		Families on assistance rolls							Median number of months since assistance last received	
		Families never on assistance rolls	Total	Less than 6 months previously	6 months but less than 1 year previously	1 year but less than 5 years previously	5 or more years previously	Elapsed time unknown		
Number										
Families with recently unemployed members ¹	372	124	247	51	20	148	11	8	20.8	1
War-connected reason ²	147	22	125	25	11	75	7	7	21.9	0
Reasons not war-connected.....	220	98	121	25	18	73	4	1	19.8	1
Illness or other disability.....	115	52	62	10	8	41	2	1	23.5	1
Other ³	105	46	59	15	10	32	2	0	15.2	0
Reasons unknown.....	5	4	1	1	0	0	0	0	(⁴)	0
Percentage distribution										
Families with recently unemployed members ¹	100.0	33.3	66.4	13.7	7.8	39.7	3.0	2.2	.....	.3
War-connected reason ²	100.0	15.0	85.0	17.0	7.5	51.8	4.8	4.8	.....	0
Reasons not war-connected.....	100.0	44.5	55.0	11.3	8.2	33.2	1.8	.5	.....	.5
Illness or other disability.....	100.0	45.2	53.9	8.7	7.0	35.6	1.7	.9	.....	.9
Other ³	100.0	43.8	56.2	14.3	9.5	30.5	1.9	0	.....	0
Reasons unknown.....	100.0	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	.....	(⁴)

¹ See table 1, footnote 2.
² See table 1, footnote 3.

³ See table 1, footnote 4.
⁴ Base too small for computation.

Table 4.—Recently unemployed workers in families requesting general assistance in Detroit, by reason of unemployment, and by age group and sex, April 1942

Reason of unemployment	Recently unemployed workers		Age group				
	Number	Median age	Under 25	25-44	45-64	65 and over	Unknown
Total							
All recently unemployed workers.....	380	35.8	61	225	82	7	5
War-connected reason ¹	148	34.0	18	104	25	1	0
Reasons not war-connected.....	227	36.5	42	118	57	6	4
Illness or other disability.....	117	38.7	17	66	31	3	0
Other ²	110	33.2	25	52	26	3	4
Reasons unknown.....	5	(?)	1	3	0	0	1
Male							
All recently unemployed workers.....	272	37.2	36	162	66	4	4
War-connected reason ¹	131	35.4	16	90	25	1	0
Reasons not war-connected.....	137	39.1	20	70	41	3	3
Illness or other disability.....	63	41.2	7	35	22	1	0
Other ²	72	35.4	13	35	19	2	3
Reasons unknown.....	4	(?)	1	2	0	0	1
Female							
All recently unemployed workers.....	108	32.5	25	63	16	3	1
War-connected reason ¹	17	(?)	3	14	0	0	0
Reasons not war-connected.....	90	32.5	22	48	16	3	1
Illness or other disability.....	62	34.4	10	31	9	2	0
Other ²	38	(?)	12	17	7	1	1
Reasons unknown.....	1	(?)	0	1	0	0	0

¹ See table 1, footnote 3.
² See table 1, footnote 4.
³ Base too small for computation.

ployment in the Detroit area. From reports published jointly by the U. S. Employment Service for Michigan and the Michigan Unemployment Compensation Commission,⁵ the number of unemployed in the Detroit area for each week in April 1942 was estimated as follows:⁶

Week ending:	Number unemployed
Apr. 4.....	76,250
Apr. 11.....	71,800
Apr. 18.....	70,500
Apr. 25.....	68,500

The total number of persons unemployed at some time in April undoubtedly was greater than the highest weekly figure of 76,250. On the basis of the latter figure, however, it can be estimated conservatively that at least 10 percent of the

⁵ Weekly Report on Selected Employment Security Activities for weeks of April 4, 11, 18, and 25, 1942.

⁶ The weekly reports for April show that approximately 80 percent of the total certifiable claims received in Michigan were filed in the Detroit area. This percentage was applied to weekly estimates of total State unemployment to obtain a rough estimate of unemployment in Detroit.

Wayne County labor force was unemployed in this month. No information is at hand to indicate what proportion lost their jobs because of the war. However, it is believed that the war was directly responsible for the unemployment of three-fourths or about 60,000 of the displaced workers in Wayne County for the month of April.

The extent of new unemployment was also indicated by the trend of initial claims filed for unemployment compensation. A comparison of initial claims filed for each month from November 1941 through April 1942 with claims filed for the corresponding months in 1940 and 1941 clearly shows an increase in claims filed after the declaration of war and the decline in April of this year to a point below April 1941. Initial claims filed in Detroit, Hamtramck, and Highland Park for selected months in 1940, 1941, and 1942 are given below:⁷

	1940	1941
November.....	10,019	14,050
December.....	14,386	104,098
	1941	1942
January.....	13,525	50,906
February.....	10,219	29,797
March.....	9,898	16,862
April.....	15,878	15,288

A large proportion of the claims filed in the early part of 1942 came from workers in plants manufacturing automobiles and allied parts, who were laid off while the plants were being converted to war production.

Applications for General Assistance

Although unemployment in Detroit was still of grave proportions in April, it did not react seriously on the general assistance program. The assistance rolls of the Detroit welfare department had been declining steadily and in April were the lowest since 1929. About two-thirds of the families⁸ requesting assistance in April had no member who had lost employment recently (table 1). Only 13 percent had members displaced for reasons directly or indirectly connected with the war, such as shortages of materials,

⁷ Compiled by Reports and Analysis Division, Bureau of Employment Security.

⁸ Data are for 1,120 families included in the study. Schedules were obtained for approximately four-fifths of the applicants during April. For purposes of this study, a worker was considered to be recently unemployed if he lost his job after November 14, 1941, and was still unemployed as of the date on which he applied for assistance. The first important lay-offs because of material shortages and priority orders started in Detroit in November 1941.

Table 5.—Recently unemployed workers in families requesting general assistance in Detroit, by reason of unemployment and by race, April 1942

Reason of unemployment	Recently unemployed workers	Race			
		Number		Percent of total	
		White	Negro	White	Negro
All recently unemployed workers.....	380	188	192	49.5	50.5
War-connected reason ¹	148	92	56	62.2	37.8
Reasons not war-connected.....	227	93	134	41.0	59.0
Illness or other disability.....	117	40	71	39.3	60.7
Other ²	110	47	63	42.7	57.3
Reasons unknown.....	5	3	2	(*)	(*)

¹ See table 1, footnote 3.
² See table 1, footnote 4.
³ Base too small for computation.

supplies, or equipment, Government priority, and curtailment or conversion orders. Furthermore, families with members unemployed because of the war comprised only 15 percent of the 511 families approved for assistance (table 2).

Of the 60,000 estimated war-displaced unemployed in Detroit, only 148 or 0.2 percent applied for assistance during April. The lack of demand for assistance from the war-displaced workers was due to several reasons. Probably the most important was the fact that Michigan liberalized its Unemployment Compensation Act late in February, after the House Ways and Means Committee of the U. S. Congress had rejected a war-displacement benefits bill which proposed to supplement State unemployment benefits with Federal funds. The Michigan amendments, effective until May 31, 1943, increased the weekly benefit rate; raised the minimum weekly benefit from \$7 to \$10 and the maximum from \$16 to \$20; reduced the waiting period from 2 weeks to 1; and increased the maximum number of weekly payments from 18 to 20 weeks. In addition, workers who lost jobs prior to the passage of the amendments and had not exhausted their benefit rights also profited from the changes through a redetermination of benefit rights. The immediate result of the new law was to increase the average weekly benefit payment for the State from about \$14.80⁹ during the last quarter of 1941 to \$17.45¹⁰ in April 1942. Consequently, most families with members receiving unemployment benefits would be ineligible for general assistance.

⁹ Computed from data in the Bulletin, April 1942, p. 51.
¹⁰ Michigan Unemployment Compensation Commission, Weekly Report on Selected Employment Security Activities for weeks of April 4, 11, 18, and 25, 1942.

Table 6.—Recently unemployed workers in families requesting general assistance in Detroit, by reason of unemployment and by sex, April 1942

Reason of unemployment	Recently unemployed workers	Sex			
		Number		Percent of total	
		Male	Female	Male	Female
All recently unemployed workers.....	380	272	108	71.6	28.4
War-connected reason ¹	148	131	17	88.5	11.5
Reasons not war-connected.....	227	137	90	60.4	39.6
Illness or other disability.....	117	65	52	55.6	44.4
Other ²	110	72	38	65.5	34.5
Reasons unknown.....	5	4	1	(*)	(*)

¹ See table 1, footnote 3.
² See table 1, footnote 4.
³ Base too small for computation.

Another reason for the small demand for general assistance was the unusually long period of continuous employment at good wages which had been experienced by the displaced workers. Probably most of the workers had been able to accumulate savings and draw on them, as well as on other resources in addition to unemployment compensation, to tide their families over the conversion period. This assumption is borne out in part by the fact that the families who did apply for assistance seem to have been those least able to accumulate savings. These were large families who had not experienced a long period of continuous employment. Approximately 8 out of every 10 families with a member unemployed because of the war had previously received assistance from the agency within the

Table 7.—Disposition of requests for general assistance in Detroit, by employment status, April 1942

Employment status	Requests disposed of				
	Total	Approved		Denied	
		Number	Percent	Number	Percent
Total.....	1 781	511	65.4	270	34.0
Families with no recently unemployed member.....	1 492	303	61.6	189	38.4
Families with recently unemployed members, by reason of unemployment ¹	280	208	72.0	81	28.0
War-connected reason ²	114	79	69.3	35	30.7
Reasons not war-connected.....	171	127	74.3	44	25.7
Illness or other disability.....	88	72	81.8	16	18.2
Other ³	83	55	66.3	28	33.7
Reasons unknown.....	4	2	(*)	2	(*)

¹ In addition, 10 families with members in the armed forces requested assistance; 8 were approved.
² Estimated.
³ See table 1, footnote 2.
⁴ See table 1, footnote 3.
⁵ See table 1, footnote 4.
⁶ Base too small for computation.

Table 8.—Families with recently unemployed members requesting general assistance in Detroit, by unemployment benefit status, April 1942

Unemployment benefit status	Total	
	Number	Percentage distribution
Total.....	372	100.0
Families not claiming benefits.....	196	52.7
Families claiming benefits.....	175	47.0
Families with claims pending determination..	29	7.8
Families not entitled to benefits.....	115	30.9
Insufficient earnings.....	17	4.6
Disqualified.....	20	5.4
Exhausted benefit rights.....	78	20.9
Families receiving benefits.....	29	7.8
Disposition unknown.....	2	.5
Status unknown.....	1	.3

last 5 years (table 3). In addition, they averaged almost 4 persons per family (table 1).

Undoubtedly, also, in view of the temporary character of the unemployment, families were able to get along without applying for assistance because merchants, landlords, personal loan companies, and other creditors extended credit freely.

Prevalence of Illness Among Applicants for General Assistance

One of the striking findings of the study was that illnesses and other physical disabilities were responsible for almost as many requests for assistance as were war displacements. Disability was particularly prevalent among older workers, Negroes, and women (tables 4, 5, and 6) and also among workers in the low-paid service industry in which these groups predominate.

About one-tenth of the families applying for assistance stated that illness or other disability was responsible for unemployment in the family. Furthermore, almost half of the families with illness had no previous public assistance history and were forced by illness to apply for assistance for the first time (table 3). One-seventh of all families approved for assistance were families with members unemployed because of illness or other disability (table 2). Moreover, such families had the highest percentage of approvals of any group of applicants (table 7).

Information on illnesses and other disabilities

was collected only for families with recent unemployment. Undoubtedly, the proportion of families with incapacitated members would be considerably higher if data were collected on all families requesting assistance. If all the families without recent unemployment were excluded, those families with illnesses would comprise 35 percent of the approved cases.

Unemployment Compensation Status of Assistance Applicants

Another salient fact brought out by the study was the extent to which unemployment compensation was effective in protecting workers during the period of war dislocations.

Almost half of the 372 families with recent unemployment who applied for assistance during April had members who had filed claims for unemployment benefits (table 8). About one-third of these families had members who were not entitled to benefits, because they had insufficient earnings, had exhausted benefit rights, or had been disqualified. Some of the individuals who had wage credits in covered industries may have been disqualified because they were unavailable for work as a result of illness or disability.

Despite their relative importance in the number of requests for assistance, however, the 175 families claiming benefits who applied for assistance during April represented an insignificant portion of the 60,000 who were disemployed. The number of workers who applied for WPA employment was also very small. For most of the workers, therefore, benefits and other family resources apparently were sufficient during this period to combat the frictional unemployment resulting from war displacement.¹¹ Undoubtedly, the liberalization of the Michigan unemployment compensation law was a principal factor in keeping all but a few of the war-displaced workers out of the assistance population.

¹¹ For contrast and for an indication of the effectiveness of unemployment compensation in Detroit in a period of economic recession, see Creamer, Daniel, and Wellman, Arthur O., "Adequacy of Unemployment Benefits in the Detroit Area During the 1938 Recession," *Social Security Bulletin*, Vol. 3, No. 11 (November 1940), pp. 3-11.