COMPARATIVE COST OF TRADE ADJUSTMENT

In order to ascertain the gain to be derived from the proposed program, its estimated cost may best be compared with the cost of benefits being made available by units of Government to those affected by dislocation in Fulton County industry, in the form of unemployment benefits, social security benefits, and public assistance benefits.

In New York State, maximum weekly unemployment insurance benefits in 1957 were $36. These benefits are contributory, with employers paying varying percentages of the first $3,000 of wages paid each employee. The percentage depends on the employer's record of stability. The State collects the money, and pays out benefits as and when needed. No Federal funds are involved, except that administrative costs may be provided from Federal funds, if the U.S. Department of Labor deems it necessary.

Social security benefits also are contributory, both by employer and employee. Payments go into a trust fund, and no further appropriations of Federal funds are necessary. Benefits include retirement and disability insurance payments, as well as survivor insurance payments to widows, children, and parents.[40]

Public assistance, the third type of benefit to be used in this comparison, includes old-age assistance, aid to dependent children, to the blind, and permanently and totally disabled. Expenditures are split between the Federal Government and the States, on a pro rata basis. Funds in this program are channeled through the Federal budget, in the form of an open-ended appropriation, with deficits made good by supplemental appropriations at the end of the fiscal year.

In New York State, Federal grants for these several benefits were disbursed on a per capita basis as follows (for the fiscal year 1952/3).[41] Employment security, $2; old-age assistance, $3.21; aid to permanently and totally disabled, $1; aid to dependent children, $2.52. For Fulton County, the aggregate amounts of these grants can be estimated as follows: With a 1950 population of 50,021, the Federal contribution for employment security would have been about $100,000; for old-age assistance, $161,000; for aid to disabled, $50,000; and for aid to dependent children, $126,000. The total, in round figures, would be $400,000 per year. But since old-age benefits are not dependent on the recipient being jobless, they need not be included. The total, then, reduces to $260,000.

Though not necessarily related to the level of employment in the county, these expenditures are not productive in the sense that they cannot be expected to generate income, but merely keep recipients from becoming destitute. Two-thirds of this money may be presumed to be paid out irrespective of the level of prosperity in the county. A possible saving of one-third of these outlays, or roughly $150,000, could be regarded as a gain due to successful readjustment programs.[42]

State payments in unemployment insurance benefits amount to $36 per claimant per week. For a maximum period of 26 weeks a year,

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[40] On social security payments as a source of income, see for example, Schaller, Howard G., "Social Security Transfer Payments and Differences in State Per Capita Incomes, 1929, 1939 and 1949," *Review of Economics and Statistics*, vol. XXXVII, No. 1 (February 1955), pp. 83–89.

[41] "Report of Commission on Intergovernmental Relations," Washington, D.C., June 1955, appendix tables 4 and 5.

[42] The amount saved by the State in matching contributions would be considerable, but of an indeterminate amount.