CALCULATION OF MONTHLY GRANTS

The participants monthly income is determined by his need, as indicated by summing the personal and shelter requirements of the participant and his family members minus any income the family might have. The WE and T Program uses the standards set by the Division of Public Assistance for the Aid to Dependent Children Program. Personal and shelter requirements vary with the number and age of children, shelter requirements are based on the number of family members as well as rental arrangement and location. The basic monthly requirements, Table I.2, follows. Several examples will carify this. The smallest possible family in the WE and T Program would be a father and one child under three years of age. From Table I.2, we could calculate the family's minimum basic monthly income requirements which follow.

Personal Requirements

Father	$37
Child	18
Total	55

Shelter Requirements

[Assuming the minimum, rural unfurnished, we would have $19 for each of the two family members, for a total of $38]

Two family members	$38
Personal requirements	55
Total	93

Thus, $93 would be the family's basic monthly income requirements. If there were any income, it would be subtracted, the balance equals the monthly grant which is paid at the beginning of every month. Farm income is averaged over 12 months, and equals total receipts minus all expenses for which there are receipts.

The average monthly grant for WE and T families was about $200 in fiscal 1966. An example of a possible family situation which would approximate this level of need would be: a two-parent family with three children, ages nine, six and two. From Table I.2 of monthly income requirements, we have:

Personal expense

Father	$35
Mother	35
Children:	
Nine	32
Six	27
Two	20
Total	149

SHELTER EXPENSE

Assuming that the family must pay rent or mortgage payments for a rural unfurnished dwelling, there is $13 for each family member. However, as the table indicates, for four or more members, multiply by four only. Therefore total shelter requirements are $52. Total basic monthly income requirement is $149 and $52 or $201.

We can observe from the table that income requirements increase as the ages and number of children increase. However, there is an upper limit of $250 on Public Assistance payments in Kentucky. Thus, no matter how many children were in the family, the maximum monthly income they would receive from WE and T would be $250.

One may expect that there will exist among smaller families more "discretionary income," especially those with fewer children than needed to qualify for maximum income benefits than among larger families who qualify for more than the maximum. By discretionary income, we refer to the concept of disposable personal income minus what is needed to cover necessities.

Moreover, because of the method employed in calculating Public Assistance grants, it will not be economically rational for participants to take any extra, part-time job. Any additional income must be reported and the amount of the monthly grant lowered equally. There, any incentive to increase one's income