transfer programs: the social insurance system (primarily OASDHI) and public assistance (PA).[1]

OASDHI reaches a minority of the poor, either taking them above the poverty limits or raising their incomes toward those limits. Mainly it embraces retired employees and their dependents, although it also extends to disabled workers and their families and to survivors and dependents. As a general rule, the able-bodied adult poor and their children draw no benefits from OASDHI, because the system was intentionally drafted to concentrate upon certain groups. However, any eligibility rules of necessity define those who are to be excluded as well.

PA is also a deliberately exclusionary group of programs that limit eligibility to those who are both poor and unable to work by reason of extreme youth or old age, incapacitation, or home duties. Moreover, in several States exclusion is further increased by residence requirements and other devices, and in the case of aid to families with dependent children (AFDC), by the rule that there be no man in the house.

As of 1966, the Bureau of the Census estimated that there were 29.7 million poor people in the United States, on the basis of the standards developed by the Social Security Administration. Of these, 12.5 million were children under 18 and perhaps 4 million more were elderly adults living alone.[2] By contrast, as of December 1966, about 8 million people were recipients of PA payments. Of these, 1.1 million adults and 3.5 million children, 57.5 percent of all public assistance recipients were on AFDC, while 2 million were on old age assistance. By September 1967, the PA total had risen to 8.6 million persons, of which 5.1 million (59.3 percent) were on AFDC.[3]

So far as the poor are concerned, OASDHI and PA together constitute a quite incomplete system of income maintenance. To stress the point, of the 12.5 million children of the poor in 1966, probably no more than 4.5 million were protected by either method of provision. Even more, the majority of these youngsters were dependent upon AFDC, a program that in August 1967 provided as little as \$8.35 per head per month in Mississippi, as against \$56.05 in New Jersey and \$37.65 on national average.[4]

In short, at least 8 million children came under neither program, although they, too, were poor.

A special Census survey indicates that in 1966 an estimated 9.1 million employed persons either earned less than \$3,000 from year-round full-time work or were unemployed for 15 weeks or more. Of these, 4.5 million were men. Among nonwhites, 22 percent of their segment of the labor force were in subemployment as just described, as against 8 percent for whites.[5]

---

[1] Unemployment and workmen's compensation are primarily State programs.

[2] U.S. Department of Commerce, Bureau of the Census, "Income in 1966 of Families and Persons in the United States," Current Population Reports, series P–60, No. 53 (Dec. 28, 1967), 5 and 18.

[3] The public assistance totals include those on general assistance (663,000 at end of 1966 and 729,000 in September 1967), which is a purely State and local program mostly for the marginally employable and their families. Some States do not provide general assistance while payment levels vary widely among those that do. Figures for those provided with medical assistance through vendor payments are excluded.

Figures for public assistance from U.S. Department of Health, Education, and Welfare, "Welfare in Review," 6 : 1 (January–February 1968), 43.

[4] "Welfare in Review," as cited, 32.

[5] "Manpower Report of the President," transmitted to the Congress in April 1968 (Washington : Government Printing Office, 1968), 34–36. These figures are conservative : they exclude those who were involuntarily employed part-time, those who were unemployed for a moderately long time, those who had dropped out of the labor force after 15 weeks of unemployment, and those groups who were unavoidably undercounted in the survey.