

and encourage them, if at all possible, to obtain this income from work rather than government transfer payments. This is really all that system should do. Nothing more. Income maintenance is not a substitute for a high level of demand. It cannot be effective in the absence of full employment, and it cannot substitute for a much needed improvement in educational and community institutions.

Indeed I am sure that to the extent that income maintenance is required to cover deficiencies in employment or training it will fail of its real intent—to provide an income floor without substantially reducing the incentives to make one's own way in life. Income maintenance is not a cure-all; any incentive features of an income maintenance program will be worthless and the program will become quite expensive if the incentive to obtain a job is frustrated by the absence of work opportunities.

I think that I can best begin by focusing attention on some basic facts about the population we call the poor, and thus indicate where my concern in the design of an income maintenance program lies.

The program designs which will have the greatest likelihood of success in eliminating dependence and poverty through programs of income maintenance are determined in large part by the characteristics of the population to be benefited. Thus it is important to know that over half of the poor are either less than 16 years old or over 65. Of even greater importance is the fact that male heads of poor households in the normal working ages (22-54) are not simply waiting for the next check to arrive from the government. Over 55 percent of such persons are working full time 40-52 weeks a year, and are poor in spite of it all. Statistics can be dull, but a statistic such as this highlights the fact that many millions of persons are poor in spite of strong attachment to the labor force, and underlines the need for income support which would include strong work incentives. The following tables specify some basic characteristics of the poverty population which can help guide the design of such a program.

Table 1 enables us to see how the size of the poor population has begun to diminish in recent years in absolute terms and how that diminution has been distributed between farms and urban places, and between those who are white and non-white.

Table 2 classifies those who were poor in 1966 by color and sex among various age groups and permits greater insights into the question of which groups would benefit from a generalized program of income transfers. It is useful to note, incidentally, that $\frac{2}{3}$ of the poor are white. A broad income maintenance program based on need would benefit twice as many whites as non-whites, if that is relevant—which I don't really think it is.

Table 3 then separates out those living in families and distributes family members of distinct age groups by the age of the head of the family. This distribution shows the ages and number of people who live in poor families headed by persons in the prime working ages, as compared to the number in families for which work incentives might not be as effective.

Table 4 examines the work experience of distinct age groupings of the poor population during a recent year, so that the need for programs which attempt to provide income support in concert with work incentives can be judged.

These are the poor.

TABLE 1.—NUMBER OF POOR PERSONS BY PLACE AND COLOR, 1964-66

	1964	1965	1966
WHITE			
Total.....	23,614	21,698	20,459
Farm.....	3,046	2,092	1,565
Nonfarm.....	20,568	19,606	18,894
Inside SMSA.....	10,769	10,186	10,243
Central city.....	5,625	5,426	5,392
NONWHITE			
Total.....	10,638	10,524	9,458
Farm.....	1,329	1,199	886
Nonfarm.....	9,309	9,325	8,572
Inside SMSA.....	5,577	5,887	5,047
Central city.....	4,431	4,924	4,095