a. Transfer of Aged, Blind and Disabled to Social Security

The aged, blind and disabled comprise one-third the public assistance roll. This group will never be less aged, blind or disabled, yet $238-million a year of public funds are spent to administer this portion of the program, much of the funds being used to determine and check eligibility. In New York City alone, it was reported, more than 2,250 persons are employed at this task at an annual cost of $15-million a year.

We believe the administration of this entire category might be transferred to the Social Security System, with payments made automatically at far less administrative cost. The financing of these payments would, of course, be separate from the financing of the Social Security System itself. While the intent is not to save funds on payments, because the sums allocated by most states are already too low, the administrative savings and increase in bureaucratic efficiency would be marked. It deserves serious study.

b. "Man in the House" Rule

Continuation of the "man in the house" rule by 28 states and the District of Columbia adversely affects family stability, encourages deceit and deception, and in the long run costs the public far more in terms of money and social problems than it is worth. In practice, the policy is destructive of family life. We recommend the rule be abolished.

c. Incentive to Work

Until the new welfare legislation went into effect January 3, there was no incentive to work as part of the assistance structure. In practice, the *dis*incentives were an integral part of the system. The Committee welcomes, as a start, the new law that permits a welfare recipient to retain the first $30 a month and 30 per cent of the remainder of his earnings, even though it believes the $30 is too low to do the job.* It hopes the effect of this will be watched closely, and the amount liberalized if the evidence warrants it. We believe an incentive to work is a vital dimension and encourage all such moves. Based upon other data examined, we believe welfare administrators should err on the side of liberality to encourage all who can to experiment with work, without fear of suffering economic hardship during the transition from welfare to work. Testimony from the poor indicates that the backlog of deprivation frequently requires partial assistance for more adequate clothing, furnishings and housing during the transition process than is presently allowed. Regulations which dilute the incentive to work should be reviewed. If necessary, a "transition" grant should be available to recipients to encourage them to seek employment without being penalized.

*New York City, on a demonstration basis, reports excellent results with an incentive closer to the model developed by the Office of Economic Opportunity, by allowing an exemption of $85 a month and 30 per cent of the balance earned. More than 1,200 welfare recipients, some of whom have not worked for more than five years, have obtained employment since this incentive program began September 1, 1967.