

THE EFFECT OF UNEMPLOYMENT BENEFITS ON 2,500 RELIEF CASES IN PHILADELPHIA

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All States, the District of Columbia, Alaska, and Hawaii have unemployment compensation laws approved by the Social Security Board. Unemployment compensation laws provide for weekly payments over specified periods to qualified workers who are laid off or lose their jobs. These payments come from a fund made up of contributions collected by the State for the purpose. They are not equal to the worker's regular pay, but represent a partial compensation for a wage loss resulting from unemployment.

In Pennsylvania benefits were first payable in January 1938, and beginning the first of February (the waiting period before benefits can be paid is 3 weeks' total unemployment within 52 consecutive weeks) checks were distributed in Philadelphia from the State unemployment compensation fund. The maximum allowed by law is \$15 per week and the minimum is \$7.50.

The total amount of compensation which will be received by these workers is dependent upon the benefit rate and the duration of the benefit period, which is governed by wage credits built up during the period of previous employment and limited by law to not more than 13 weeks.

Although it is too early to determine to what extent these benefits will affect general relief, an analysis has been made of approximately 2,500 relief cases affected by the initial distribution of unemployment benefits in Philadelphia during February. Of the 2,500 cases studied, general relief was discontinued in about 2,000 instances as a result of unemployment benefits, but in approximately 500 cases there was some supplementation necessary since the amount of unemployment compensation was insufficient to remove the cases from the relief rolls. These two facts offer some picture of components of the relief group affected by the initial distribution of unemployment benefits.

One of the most interesting characteristics of the 2,000 cases which were closed for relief is that they are composed almost entirely of the cases most recently added to the relief rolls. Approximately 75 percent of this group had been on relief for only 3 months or less since the last approval

and only 6 percent had been receiving relief for more than 6 months. These findings, however, were to be expected since cases that had been on relief for long periods of time would not be able, in all likelihood, to fulfill the employment or wage qualifying requirement of the unemployment compensation law. Those cases added to the relief rolls because of recent loss of employment undoubtedly should compose the bulk of the relief group affected by the payment of unemployment compensation.

The weekly amount of the direct relief grant which these cases had been receiving prior to the closing of the cases amounted to an average of \$8.68 per case, or considerably more than that of \$7.76 shown at present for the total case load. This average (\$8.68) per closed case is of further interest when it is compared with the average amount of unemployment benefits received by this group. For 390 of these cases, where the data were available on the schedule, the unemployment benefit averaged \$11.28 a week. A distribution of these 390 cases by the amount of weekly benefits is as follows:

Weekly amount of unemployment compensation	Number of cases	Percentage distribution
Total	390	100.0
\$7.50- 7.99	78	20.0
8.00- 9.99	55	14.1
10.00-11.99	87	22.3
12.00-13.99	70	17.9
14.00-14.99	22	5.6
15.00	78	20.0

¹ Includes 71 cases receiving the minimum benefit of \$7.50.

It is interesting to note that about 20 percent of the cases were receiving the minimum weekly benefit of \$7.50, and approximately the same proportion were receiving the maximum benefit of \$15 a week.

Primarily, however, the amount of benefit is of interest when related to the relief grant. Thus, with an average weekly relief allowance of \$8.68 per case and an average unemployment compensation of \$11.28, it appears that the income in these cases was increased by \$2.60 a week, on the average. In approximately 28 percent of the cases the amount of difference was less than \$2

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a week; in 36 percent, between \$2 and \$4 per week; in 20 percent, between \$4 and \$6; and in only 16 percent was the difference more than \$6. At the same time, there were 34 cases in the group studied in which the relief grant was larger than the unemployment compensation, but relief could not be continued since the difference was less than \$1 a week. For these cases, the relief closing will mean a slight reduction in income.

Of the other characteristics among the 2,000 closed cases it was observed that the average number of persons per case was 3.1, including cases of single persons, and 3.7 for family cases. The bulk of the cases were families of two, three, or four persons, with both lone individuals and large-sized families underrepresented. Lone persons constituted only about one-fifth of the total, as compared with over two-fifths in the present relief load.

Negro cases were also underrepresented among the relief cases that were closed because they received benefits under the unemployment compensation law. The Negro group comprised only about one-fifth of the closed cases, whereas the proportion it forms of the present relief rolls

amounts to considerably more than two-fifths. This underrepresentation of Negro cases may be attributed to the general type of work common to this group. For example, domestic service in private homes in which many Negroes are engaged is not covered by the unemployment compensation law.

Of the 524 cases in which some supplementation in the form of relief was granted in addition to the unemployment benefit, it was noted that they were cases also that had been added recently to the rolls. The average weekly relief grant prior to receiving the benefit had been \$14.14 per case, and the amount of unemployment benefits averaged \$9.59 per case weekly. The adjusted cash-relief grant now averages the difference between these two amounts, or \$4.55 per week, per case. It will be noted that the average unemployment benefit here is lower than that shown for the cases closed and also that the average weekly relief grant was higher in this group.

The larger average relief grant among these 524 cases is a result of the fact that they averaged 5.7 persons per case.

ALMSHOUSE CARE AND THE OLD-AGE ASSISTANCE PROGRAM

The initiation and development of the old-age assistance program under the Social Security Act have not been followed by a marked reduction in the population of almshouses or in the number of almshouses except in a few States. This is a tentative conclusion based partially upon statistical data and partially upon the opinions of informed persons. Exceptions to this generalization are to be found, for the most part, in States in which the agency administering public assistance has adopted an aggressive policy of substituting public assistance and other types of care for almshouse care. Reports from Alabama, Georgia, Tennessee, and West Virginia indicate that an aggressive administrative policy has reduced the almshouse population. In Minnesota there has been a marked reduction in the number of almshouses and in the number of residents 65 or more years of age, and in Colorado a large reduction in total almshouse population has occurred.

Reports from other States indicate that the majority of the persons 65 or more years of age cared for in almshouses require institutional care

and hence cannot be removed. Many reports emphasize the fact that persons 65 or more years of age comprise only a fraction of the almshouse population, and that providing another kind of care for the aged group merely makes these facilities available for other destitute or handicapped persons. Thus, a reduction in the almshouse population and in the number of almshouses has not occurred although the character of the group cared for has changed.

Some information about the effect of the old-age assistance program on the population of almshouses or on the number of almshouses has been obtained for 30 States. In 11 States, inquiry revealed that no data are available, and for 6 States no reports have been received.

The numbers of almshouses closed in the several States are shown in table 4. Eleven States which formerly had 468 almshouses report that 106 of these have been closed.¹ Of this number, 48

¹ In addition, the *Social Work Year Book, 1937* notes that Delaware "in the past few years, has closed its county poorhouses and transferred to its new State Welfare Home all residents who cannot be cared for by old-age pensions and home relief."