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CASH RELIEF

BY

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INTRODUCTION

PUBLIC relief in the form of cash grants is all but universal in European countries. A recent study¹ of 24 countries mentions only Czechoslovakia as still making use of food orders, and that only for the relief of those not protected by unemployment insurance schemes. In other European countries cash relief is the rule except when congregate shelter is afforded the homeless and others who have to be provided for in institutions.

In the United States the first reference to the use of cash grants is found in the report of the Chicago Relief and Aid Society² for 1873, covering its experience in dealing with victims of the great Chicago fire of 1871. The passage is interesting on account of its early date and its modern tone. For two years following the fire, the agency had itself purchased and distributed such articles as food, clothing, bedding, furniture, and fuel, believing that it "could purchase in large quantities at lower rates, and disburse [the goods] with greater economy and satisfaction than individuals could procure them." This plan was abandoned in May, 1873, on account of "the expense of keeping up several large storehouses, the inevitable waste and loss in handling, and numerous complaints as to quantity and quality." A system was adopted of issuing orders upon dealers in

¹ Kraus, Hertha, *Aiding the Unemployed: A Survey of Methods and Trends in 24 Foreign Countries Made for the Advisory Committee on Planning of the Temporary Emergency Relief Administration*. The Administration, New York, June, 1935, p. 28.

² Later merged into the United Charities of Chicago.

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different parts of the city, who delivered goods to relief clients in their homes.

But this soon proved less satisfactory than the first. Complaints were very frequent of ill-treatment and of neglect in delivering, and the old charge of fraud in quantity and quality of goods ordered was no less frequent than before. We could not investigate and correct every possible error; and while doubtless there was occasion for some complaint, many of the charges were utterly groundless or greatly exaggerated. In view of all these facts, we concluded to abolish the whole system of relief in kind, excepting only fuel, blankets, and shoes, and for all other purposes give money. Whatever objections may be urged against this policy, we think that it is justified by experience. It certainly takes away all ground of complaint. The applicants can in most cases make as good or better use of the money in providing only that which they most need, and being obliged to receive nothing they do not want. The principal objection to the cash policy is the possible abuse of money by some. The proportion of such cases is small, and any kind of goods can very readily be diverted by the intemperate. The mass of worthy, honest, and economical poor should not be treated as thieves and paupers, because large numbers of these last classes attempt to defraud us, or because a few of them may possibly succeed in doing so.¹

This argument was continually revived by the private relief-giving agencies, and became the accepted basis of their practice. The author, writing in 1923, said:

Conservation of self-respect, in other words, is an important consideration in the granting of an allowance. It is, indeed, this realization of the need of conserving family independence and self-respect which has caused the cessation of the old system of giving relief-in-kind to allowance families. The tremendous advantages of the carefully supervised cash allow-

¹ Chicago Relief and Aid Society, Sixteenth Annual Report, December 31, 1873, p. 6.

INTRODUCTION

ance because of the training which it gives in household management and individual budget planning, is now fully recognized, and the old-fashioned grocery order and bundle of half-worn clothing have disappeared.¹

Public relief agencies, on the contrary, adhered with few exceptions up to the depression of the 1930's to the policy of giving direct relief in kind. Wages to relief workers were generally paid in cash, though there were many exceptions, particularly in respect to transients and the homeless, who were usually expected to "work out" on tasks provided, the value of the temporary shelter and food offered them.

Unwillingness of public agencies to entrust clients with cash was probably a survival from the English poor-law of the eighteenth century, from which public relief in America took its origin. During the intervening century and a half, marked modifications had taken place in England, and much of the deterrent emphasis on making relief unacceptable by surrounding it with hardships and humiliations had been swept away. In this, as in other laws respecting the welfare of the people (e.g., the persistence in the United States of common law marriage long after it had been extirpated in Europe), no similar developments had taken place on this side of the Atlantic. Our public welfare laws remained, like flies embalmed in amber, a memorial to a vanished social-economic pattern.

In Part I an attempt has been made briefly to trace the methods of relief-giving current during the early 1930's, and the steps by which, during 1934 and 1935, the use of cash relief became widespread among emer-

¹ Colcord, Joanna C., "Relief." In *The Family*, vol. 4, March, 1923, p. 14.

agency relief administrations. Believing that it would be valuable to gather and record some of the experience thus gained as to the administration of cash relief, the staff of the Charity Organization Department of the Russell Sage Foundation made field visits during the summer and fall of 1935 to nine cities where this system had been in operation under the local public agencies administering emergency relief. These were Baltimore, Cleveland, Denver, Detroit, Los Angeles, New York, Philadelphia, Pittsburgh, and San Francisco. Headquarters of state emergency relief administrations in California, Colorado, and New Jersey were also visited, and a large correspondence conducted with other state and city relief administrations. Material from Denver, Los Angeles, and San Francisco was gathered by the author; from the remainder of the cities by Russell H. Kurtz of the staff of the Russell Sage Foundation. Except in Denver, cash relief had been either under experimentation or in full operation for more than six months at the time of our visit. In Baltimore, Cleveland, Detroit, New York City, and San Francisco the elapsed period had been over one year.

In Part II will be found a descriptive account of the experience in the nine cities. We have avoided detailed statistics except when these seemed necessary for clarity. Figures were secured of weekly or monthly case loads and expenditures of agencies before and after the change to cash, but for the most part the text has not been laden with these figures nor with the complicated notes and qualifications necessary to bring out their true meaning. For the same reason the actual standard budgets in effect in the cities at different periods have not been included in dollars and cents,

attention rather being paid to the methods employed to issue the several items of relief. The standard budget was in most places used by agencies only as a guide. Methods of calculating budgetary deficiency varied. Only a study of how these instructions were applied case by case, in periods when funds were low as well as when they were ample, could determine the actual adequacy of the amounts given under either the commodity or the cash-relief system. To include standard budgets in this written account might even be misleading since our experience causes us to believe that they represent aspirations rather than accomplishments.

Part III consists of a summary by topics of the findings in the nine cities, together with comments and recommendations; while in Part IV there has been brought together such material as was available bearing upon comparative costs of relief in cash and in kind.

For the benefit of any reader not familiar with the jargon of social work, we include here a few definitions of the technical phrases most frequently employed in the text.

An "applicant" is a person who seeks the services of a social agency; a "client" is one whose application has been accepted, and who is "under care." "Families under care" have increasingly come to mean the entire "case load," including so-called "one-person families" as well as family groups.

"Work relief" means work done by clients on projects set up by or in connection with the relief agency, assignment to which is made on the basis of need. It is therefore to be differentiated from public works as ordinarily carried out. Payment for such work may be either in cash or in kind. "Direct relief" and "home

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relief" are used interchangeably to mean relief in cash or kind, given to persons in their own homes, in return for which no work is required.

"Budgeted relief" is that given on the basis of a schedule of items necessary for subsistence. The "standard budget" is the minimum amount, calculated at local current prices, required to sustain for a stated period a family of given composition as to number and ages of members. "Budgetary deficiency" is the difference between this figure and the total amount in money and commodities available during the same period as income for the same family.

The term "cash relief" as herein employed relates only to the payment of direct or home relief. It does not relate to cash wages in return for work performed on relief work projects; but is restricted to mean cash, advanced for subsistence to families and single persons living in their own or rented quarters, in return for which they are *not* required to perform work. It is further defined to mean a system under which at least the food item in the family budget is covered by a cash grant. The practice of giving a small amount of money for incidentals, and the rest of the relief "in kind" does not constitute cash relief in the terms of this discussion.

The term "relief in kind" is here used to cover "commodity relief"; that is, the direct issuance of goods to relief clients from storehouses managed by the relief agency, and various types of "order relief" by which disbursing orders, sometimes called "vouchers," are given to the client or mailed directly to the landlord or dealer, calling for goods to be furnished to the client as specified, the bills to be subsequently presented to the relief agency.

PART I GENESIS OF CASH RELIEF

PART I

GENESIS OF CASH RELIEF

METHODS OF ADMINISTERING RELIEF IN THE DEPRESSION OF THE 1930's

AT THE beginning of the current depression approximately three-quarters of the relief bill for the country as a whole was being met from public funds. In states that had special legal provisions for assistance to the aged, "mothers' aid," or compensation to injured workmen, such allowances were as a matter of course paid in cash. Other needy persons getting assistance from the public purse generally received it in kind.

Private family agencies, which bore a large share of the increased relief burden during the first year of the depression, found their standards slipping as the result of pressure.

As the number of clients increased and funds became harder to secure, workers found that they could not possibly become well enough acquainted with the majority of their clients to determine with any degree of accuracy the client's capacity and willingness to spend money judiciously. This made it seem necessary to insure that money actually went for basic necessities. Relief in kind became an indirect substitute for education in home economics and knowledge of clients. Moreover, donations, including everything from malted milk to discarded furniture, began to pour into the agencies. These donations, made in a generous spirit, were hard to refuse without giving offence and it soon became evident that they

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would have to be accepted and distributed in the interests of economy.¹

Breadlines and Soup Kitchens

The public distribution of cooked food to all who ask for it is a method of relief-giving approved during the first few days of any great catastrophe of nature, such as fire, flood, or earthquake, which has destroyed normal communications and living habits. At any other time it has come as a result of experience to be considered a thoroughly discredited and positively harmful means of extending relief. Its appeal is constant, however, to those whose conceptions of relief are primitive ones; and the early years of the depression saw breadlines and soup kitchens in full swing in many communities, particularly in Des Moines, New York, and Philadelphia. The Community Council of the last named city made a study of 60 such enterprises conducted in Philadelphia during the winter of 1930-1931, and concluded that:

So long as the public continues to support unorganized and sporadic attempts at relief work, there will be a large amount of actual waste of money and materials, to say nothing of the demoralization and pauperization of the clients which follow upon the discovery that it is comparatively easy to obtain help from several different sources.

In almost no instances, however, were public feeding stations sponsored or conducted by established public or private relief agencies. The Cincinnati Department of Public Welfare accepted a large gift from a private donor and established a "restaurant" for its clients, chiefly in order to control an enterprise which would

¹ Wead, Margaret, "Drifts in Unemployment Relief." In *The Family*, vol. 13, November, 1932, p. 225.

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have been undertaken in any event. Tickets for meals were issued in the main to homeless persons and those living in furnished lodgings, and no families with children were permitted to eat there. The Detroit Department of Public Welfare, under pressure of shortage of funds, opened a number of "welfare cafeterias" in the spring and summer of 1932, at which meals were served to upward of 6,000 families, including children. Thought of at first as a device for reducing the case load (which it effectively did, since nearly one-third of the families transferred to this type of relief preferred to go without the food rather than be fed in public, and failed to appear), later experience showed that the plan was both uneconomical and inhumane, and the cafeterias were abolished early in 1933.

With these exceptions and possibly a few others, it can confidently be said that the only mass feeding undertaken by recognized and responsible social agencies was in the congregate care of the homeless and transient population. By the beginning of 1933, breadlines and soup kitchens had practically ceased to exist, so far as the resident needy were concerned.

Commissaries

As relief needs began to increase in the early 1930's some public welfare departments adopted or enlarged a system of buying supplies in bulk, maintaining commissaries from which food and clothing in variety and amount specified by the social worker were issued on order. In only a few cities were these articles delivered to the homes; it was usually necessary for the client to present the order in person and carry the goods away. This frequently meant traveling long distances on foot,

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visiting a place known to be a "charity store," lining up publicly to receive relief commodities, and carrying them home in the pitiless glare of publicity. It usually meant accepting whatever was offered, without the opportunity of exercising personal choice. It often meant not only distressing monotony of diet, but poor quality and unpalatability. Clothing and bedding, when available at all, were of sleazy materials, or consisted of second-hand articles, sometimes renovated, sometimes not. Wood for fuel was distributed from municipal wood yards in the same way; though if coal were supplied it was usually delivered directly to the homes, by the dealers from whom the relief agencies bought it under contract.

Undoubtedly the governmental policy adopted during the current depression of buying up surplus agricultural products and disposing of them through relief channels has served to extend commissary distribution. Begun first by the American Red Cross, which under President Hoover's administration distributed about 60 million bushels of wheat and half-a-million bales of cotton secured from the Stabilization Corporation of the Federal Farm Board, the program was continued under the Roosevelt administration and extended to include a wide variety and enormous quantities of surplus products secured through the Agricultural Adjustment Administration or by direct purchase. These were handled by the Surplus Relief Corporation, of which the Federal Emergency Relief Administrator was president. State emergency relief administrations and their conjoined surplus relief corporations were entrusted with the handling, storage, and distribution of the goods, and were sometimes given "earmarked" funds

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to purchase intra-state surpluses. They were under injunction from Washington to issue these supplies *in addition* to relief otherwise budgeted, and not to permit them to replace commodities that the relief administrations would otherwise be obliged to purchase; but this was an ideal not universally reached. When needs exceeded available funds, when relief checks failed to come through from the FERA, or when, as in some rural areas, county officials were allowed to requisition for surplus commodities to be issued to the "county poor," there is no reasonable doubt that "surplus" commodities ceased to be surplus. They were in some regions and at certain periods the only relief commodities which reached those in need.

At the outset of the FERA surplus program, in October, 1933, instructions went to SERA's urging them to "proceed without delay with the selection of wholesale, retail and/or chain organizations for handling surplus commodities." The use of existing commercial channels for the actual distribution of goods to clients was consistently recommended, but not prescribed, to the states, which accordingly varied considerably in their plans. Pennsylvania, for instance, in the beginning followed federal recommendations closely:

Among the first problems involved was the selection of wholesale and retail outlets. . . . The retail outlets are being selected, so that the recipients on relief will not have to travel an excessive distance to secure the surplus foods. Final selection of distributors is being made by the State Emergency Relief Board rather than by the Local Emergency Relief Board. Full consideration is given to all types of retailers, whether they be members of a voluntary chain, or unattached independent unit retailers. The final selection rests entirely

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upon the ability of the vendors to render the necessary services required.¹

After Pennsylvania changed to the commissary system, under the euphemism of Community Markets, as described below, surplus commodities were handled through these governmental agencies where they existed.

In Michigan, "the diversity of local conditions resulted in some variety of method, but virtually all communities used some form of commissary system to distribute Federal commodities to those persons who were receiving direct relief."²

Many communities, which might otherwise never have embarked on a commissary system, decided that they might as well take care of all relief in this fashion, since they already had a central depot issuing surplus goods.

The commissary system had its staunch defenders, who claimed (a) that relief money was not wasted and children were better nourished when the dietary was controlled; (b) that clients felt no objection to receiving food publicly, and that in fact labor unions, self-help groups, and so on, usually adopted the commissary system to distribute commodities to their members; (c) that employment could be given to relief clients in the operation of the commissary; (d) that it was cheaper, and made relief funds "go farther."

One champion of the system, John H. Leavell, an

¹ Pennsylvania State Emergency Relief Board, Report of the Executive Director on Unemployment Relief in Pennsylvania, September 1, 1932, to October 31, 1933, p. 32.

² [Michigan] State Emergency Welfare Relief Commission, First Report, Unemployment and Relief in Michigan, January, 1935, p. 129.

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army engineer of Tulsa, Oklahoma, claimed that in the commissary he established it was possible to give a suitable dietary at a cost of six cents per person per day.¹ Although his plan was abandoned in Tulsa at the end of about a year, Major Leavell became an evangelist for the method and succeeded in convincing Governor Gifford Pinchot of Pennsylvania of its value. On January 18, 1933, a general order went out to county relief units in Pennsylvania as follows:

The State Emergency Relief Board has approved the Community Market System wholly as a means made necessary by one of the greatest emergencies the Commonwealth has ever had heretofore.

The fullest amount of money for which we can hope will be insufficient to meet the need. Under the present store order system the money available to the Board, or likely to be available to the Board, cannot possibly be stretched to cover the needs of our people.

But with the Community Market System carefully administered, there will be something left for other needs, such as fuel, clothing, shoes and medicine.

The Board is not unmindful that the Community Markets will not contribute to the relief of local retail stores. It recognizes and appreciates the service these stores have rendered in carrying their customers, but this and all other claims must be weighed against the rapidly increasing number which must be cared for, the impossibility of securing adequate funds to meet their increasing needs, and the human cry for relief.

Philadelphia and Pittsburgh, the leading municipalities in the state, successfully resisted this order; 17 or more of the smaller units complied. The Annual Re-

¹ Leavell, John H., The Leavell Commissary Plan in Operation in Tulsa, Oklahoma. February, 1932.

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port of the State Emergency Relief Board for 1933, says, however:

Increasing opposition and objections were heard against establishing such a system of markets. Most vehement were the newspapers, Chambers of Commerce, unemployed groups, many social workers, trade organizations and the huge body of retail grocers and their circle of influence, claiming the result would be a dislocation of trade.

The arguments most frequently advanced against the commissary system are as follows:

1. It makes inadequate allowance for differences in food preferences arising from custom, nationality and race, or mere choice.
2. It causes waste because family and individual needs and ability to consume particular food items vary.
3. It results in diverting trade from normal channels and therefore tends to further depress industry and trade; whereas relief purchases spent in normal business channels stimulate industry and trade. It is, therefore, at cross purposes with the entire recovery program.
4. Its apparent economy is only partially real because the markets were often operated on a work relief basis in which there is some element of exploitation and un-economic competition. Furthermore, expenditures for equipment and administration were often not taken into consideration in determining the true cost of furnishing such relief. Even when equipment and administration were loaned by private citizens such costs should be considered as part of the cost to society.
5. The commissary system is more humiliating to the recipient. Relief recipients are often required to travel excessive distances to obtain their provisions. . . .

After several months, the State Board relinquished its former stand. . . . While the Community Market plan has proven to be relatively successful in some of the areas in

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which it has been tried, experience has conclusively shown that the plan is not suitable for general widespread use throughout the State.

Two additional state relief administrations studied the operation of commissaries and decided against them as a state relief policy. The New York Temporary Emergency Relief Administration in a memorandum issued in June, 1932, said:

Careful study of commissaries leads to the conclusion that it is doubtful whether any greater saving can be secured by this method of food distribution than by an advantageous price agreement based on the wholesale cost of food. The low per capita cost claimed for commissaries in cities in other states is often due to exceptional local circumstances which could not be duplicated elsewhere, or to a scale of relief which it would not be desirable to adopt. . . .

A commissary system can be made economical only if it provides a ration which includes too few perishable foods and has little variety. A cost accounting study of the Yonkers municipal food store which supplies an adequate and varied food order shows that the cost is practically the same as if the food was purchased at a chain store. . . .

No Department of Public Welfare should adopt a commissary plan of relief until it has tried out thoroughly either a price agreement with retail stores on a list of articles from which the recipient chooses his own food, or a system of rations issued by retail stores in the recipient's neighborhood.

The New Jersey Emergency Relief Administration issued in August, 1932, a pamphlet entitled Food Orders, which states:

New Jersey's experience does not alter the impression gained from observations elsewhere, that the commissary system is unsound. It is rapidly being abandoned in the State because it is cumbersome and costly. This last com-

ment is made in full recognition of the fact that the chief argument usually advanced in favor of the commissary system is its low cost. However, figures recently compiled in this office show that the net cost of food in commissary towns is but three per cent less than in store order municipalities and this three per cent is more than offset by the added personnel necessary to operate the commissary, by spoilage, waste, and interest on capital funds. It is almost impossible to provide adequate supplies of fresh meats and fresh vegetables without expensive equipment nowhere found in New Jersey. This, plus the fact that the commissary system is destructive of the client's initiative and hurtful to trade in the community, has caused seven towns where the commissary system has been in vogue to change to the store order system.

The Heller Committee of the University of California in 1933, however, pronounced the commissary system the cheapest form of administering relief.¹

Commissaries in Ohio, reported as relatively successful,² were nevertheless severely attacked by groups representing retail trade interests. Widespread publicity was given to the plan of Grand Rapids, Michigan, under which work relief on city projects was paid for in orders for food and clothing on the city commissary.³ A citizens' Committee of 100, which investigated Grand Rapids' relief program in 1932, urged and finally secured the complete abolishment of this plan.⁴

¹ See discussion of this Committee's report on pp. 167-168 and 208-209.

² Luntz, A. M., "Canton's Community Store," and Reed, Ellery F., "Cincinnati's Commissary." In the Survey, vol. 68, November 15, 1932.

³ Clark, Neil M., "A City Where Every Man Has a Job." In the American Magazine, January, 1932.

⁴ Report of the Committee of 100 Submitted to the City Commission, Grand Rapids, Michigan, August 1, 1932, published by Grand Rapids League of Women Voters, October, 1932. Also Amberg, Julius H., "Scrip Wise and Pound Foolish." In the Survey, vol. 68, November 15, 1932.

Dealer Agreements

At least four cities, Philadelphia, Syracuse, New York, and Racine, Wisconsin, sent delegations to study the operations of commissaries in cities where such undertakings had received wide publicity. In each case the report returned was unfavorable to the establishment of a commissary, and none was set up. Reports of these delegations (unpublished) showed in detail that if rent, equipment, and necessary operating expense such as labor and trucking were figured in, and the necessary allowance made for loss and spoilage in distribution, the net savings involved in commissary operation would be brought down to a figure which retail grocers in the four cities mentioned were found willing to meet on a discount basis, rather than have commissaries opened. The so-called "Syracuse plan"¹ of dealer agreements in the handling of food orders thereafter found many imitators and proved widely satisfactory.

Under this plan, conferences were held with representatives of the local retail grocers, and standard food orders were worked out, which the dealers agreed to furnish on order, at an agreed percentage above wholesale costs. In some cities this was a mere handling charge of 4 per cent; in others it was as high as 12 per cent. Price lists were gone over and revised at frequent intervals.

Some cities developed an interesting variant on the dealer agreement system under which standard packages of staple foodstuffs were delivered to the homes by grocery concerns at two-week intervals, and an in-

¹ Daniels, F. L., The Syracuse Plan. Department of Public Welfare, Syracuse, New York. n. d.

terim order was issued to each family, on which it might obtain meats and perishable foodstuffs from the dealer of its choice.

Disbursing Orders

By far the majority of public relief agencies, however, used the "order system" for disbursing relief commodities.¹ This had numerous variations, the simplest being the standard food order or ration alluded to above, with a specified list of items repeated week after week. Usually the quantities varied with the size of the family. The client presented this order to the dealer on whom it was drawn and obtained the goods specified. In some cities no dealer was indicated and the order might be presented to any grocer. Orders for other specified articles, clothing, fuel, and the like were similarly handled.

A variation which allowed the client more freedom of choice was the issuance of weekly food orders limited only to the amount in dollars and cents which the agency was willing to pay. Dealers were furnished with a list of articles which they might supply, and the bills rendered by them were supposed to contain no article not appearing on this list. Within limits set by the price and the listed items, the client was free to choose his supplies. Under this plan, instead of prescribing the client's diet, the agency usually made some effort to place information in his hands about the proper spending of the food dollar. Considerable literature, simply phrased and attractively printed, became available for the use of relief clients.

In a few agencies no list of approved items was sup-

¹ See p. 14.

plied, only a "gentleman's agreement" being reached with individual dealers that nothing except necessities would be furnished. The Department of Public Welfare of Bridgeport, Connecticut, which at one time paid its clients on work relief by means of scrip, printed on the face of each unit of this paper currency: "This order will be honored on demand when presented in accordance with instructions on reverse side. It may be used for the purchase of necessities only." This was, in effect, an unrestricted authorization addressed to any dealer in the city to furnish such "necessities," up to the amount specified, as the client might wish to purchase, and to send the bills in to the Department.

Even the Bridgeport plan, which in some ways approached a cash-relief system, was beset with many difficulties. All systems involving a disbursing order mean a vast and expensive amount of checking the bills rendered by dealers, to see that items and prices listed are within the agreement, and that no obvious fraud is being perpetrated. In the case of standard rations it is common knowledge that food has been frequently wasted and thrown away because of dislike for or unfamiliarity with a certain article. While some effort was made by most relief agencies to provide special dietaries for certain racial groups, there were well-authenticated instances of packages of that wholesome but uninteresting food, oatmeal, for example, joining each other week after week unopened on pantry shelves, and eventually reaching the garbage can. Relief clients simply refused to eat according to someone else's prescription.

Often the relief client had good grounds for dissatisfaction with the food furnished. Since he had no option

but to present his order to a single tradesman, he was almost at the mercy of the latter, who might with impunity foist off upon him spoiled or inferior goods and charge the relief agency full price. Any concentration of complaints of this sort about a single dealer would stimulate the agency to investigate, but in the rush of more pressing duties, single instances of such petty cheating often went unnoticed.

Another difficulty in the order system which showed the common human attributes of clients and dealers alike was the frequent acceptance of the opportunity it presented for collusive fraud. Both clients and dealers were a fair cross-section of the American people, one of whose outstanding characteristics is the ingenuity it displays in "getting around" anything it regards as an infringement on its liberty of personal action. Families on relief, most of them used to handling their own finances, found it particularly irksome, even when their relief was adequate, to go for week after week with not a penny in cash to spend for newspapers, carfare, a new saucepan when the old one burned through, or even an occasional plug of tobacco or package of cigarettes for father and the boys. As the trade of the relief client grew to be an important factor, many dealers were found to be willing to substitute other items for those on the approved list, or even to discount part of the order for cash, and write in "faked" items to make up the total. In one city 25 plain-clothes policemen were sent out with relief orders, and not one was unsuccessful in securing either unauthorized luxuries or part cash from the tradesman filling his order. Needless to say, the dealers on being invited to come to city hall and reclaim their property neither appeared nor

sent in bills. This particular city, however, instead of considering the possible advantages of cash relief in overcoming the situation, promptly opened its own commissary. Many relief bureaus, notably that in Newark, New Jersey, tried to "have the law on" offending tradesmen for breach of contract, but without any conspicuous success. Many relief administrations took the existence of such petty chiseling philosophically, however, and contented themselves with refusing to place further orders with dealers detected in any flagrant misconduct of the sort.

A constant source of bickering centered around decisions as to which merchants should be included in the order system. Coal and food dealers, the latter arrayed in the warring camps of the chain stores and the neighborhood retailers, made charges and countercharges of preferential treatment. Accusations of political partiality in the selection of dealers were also common—so much so that many relief administrations insisted that the client himself name the store at which he wished to trade, and drew the orders accordingly. It was expected that this step would quiet complaints from tradesmen; but this was far from the case. Few clients wished to present their relief orders to neighbor-dealers with whom they had traded in their days of independence. If there was a bill standing against them, they were particularly desirous of transferring their custom to another store; and dealers continued to feel that they had a just grievance against the relief administration, which might have given them the debtor's business as an offset against the amount he owed, but which failed so to do.

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DEMANDS FOR CASH RELIEF

Many social workers and lay board members engaged in emergency relief programs of the 1930's had had prior experience with cash relief as professional or volunteer workers in private relief-giving agencies. They resented the compulsion to return, under emergency public auspices, to a form of relief administration which the best experience of their profession had found undesirable. Almost daily meetings with so-called "pressure groups" representing the unemployed, whose parades, demonstrations, and formulated programs always included a demand for relief in cash, placed relief administrators in the position of seeming to defend a system of relief-giving which many of them disliked as heartily as did the complainants.

In increasing volume, questions began to be raised. Why is it necessary for agencies to control the use of relief funds given the unemployed? Does just losing a job deprive a family of thrifty habits? Is it not absurd to pay cash wages to a man on work relief, and after his job is finished, insist that he can no longer be trusted to spend money? Is the commissary, is the food-order system, really as economical as we think it is? What about all that clerical work in the accounting department? Could not bargain-hunting housewives stretch their relief dollar farther than we can? Why should they be forced to confine their purchases to one store? Does independence in purchasing have no bearing on the preservation of morale?

The spring of 1933 saw the publication of two important statements, with wrath on their wings, which helped to crystallize questioning into settled conviction.

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Helen Hall, director of Henry Street Settlement, made a plea that the wives of unemployed workers be not forced to lose their job of home manager too. With relief in cash "even though he were out of work and theirs was a collapsed budget, she would still have her job and be a much more spirited and adequate person for the holding of it."

If we cannot supply work why not administer relief so that [our clients'] unwanted dependency may do them as little harm as possible? If we want to preserve the qualities essential to future independence we must provide a minimum of cash to take the place of the lost wages, let the family use their own powers of decision and choice as much as possible, and thus give them a fighting chance to keep up their place in the community. . . . We are told that there are too many unemployed in the United States now, to initiate adequate methods of relief; rather there are too many to ignore their mental and spiritual deterioration. The question is not, whether we are able to afford anything better than commissaries or grocery orders, but whether at the end of nearly four years we can any longer afford commissaries, grocery orders, non-payment of rents, light and heat; in other words, a complete breakdown in the home life of millions of our fellow citizens. It is demoralizing enough for the man to lose his work without our taking away the woman's job as well, and denying the family any vestige of normal living.¹

Dorothy Kahn, executive director of the Philadelphia County Relief Board, in a paper read before the National Conference of Social Work held in Detroit in May, 1933, said:

The great majority of persons now receiving public relief were, until recently, wage earners. Even those who may have

¹ "Charity in the Market Place." In the New Outlook, May, 1933, pp. 49-50.

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been dependent earlier upon relatives or upon social agencies for support, were accustomed to the use of money. Money for them means the exercise of intelligence and discretion in providing for the fundamentals of existence for their families. It connotes household economy in its broadest sense. Around the family purse centers the education of children in wise and individual ways of spending, thrift, relative values, and the ethics of possession and sharing Around money there is a kind of aura of responsibility which does not attach to *things*. . . .

If you are a vast relief organization, impersonal, designed for relieving the distress of hundreds of thousands like myself, these things you give me are leaden with the weight of your power, your choice, your restrictions, your arrogance—in fact, in assuming that you can meet my individual needs more wisely, merely because you have the purchasing power and I, for the time being, have not.

If I have some initiative left, and a generous spirit, I will assume that you did not intend to rob me of my opportunity to participate in the spending of these funds, to which, by the way, as a taxpayer, I once contributed and will again, please God! In that event I shall conclude that your unwise choices are the inevitable errors of an elephantine machine, and I will sell or swap the ill-fitting or unbecoming dress. I will persuade the grocer to connive with me and write in three loaves of bread on the grocery order in lieu of the 15 cents in cash he has given me to take my crippled child to the hospital. . . .

The food purchased in an anguish of violated pride, or after a walk of miles to find an unfamiliar grocer, may be indigestible. Perhaps half the amount would have produced twice the results if the remaining cash could have been used to stave off pending eviction and thus allay gnawing anxiety. Perhaps the food cannot be eaten at all because the dispensing machinery neglected to provide the fuel with which to cook it. These are practical problems of converting relief money into nutrition. . . . This system which we have set up to

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protect our relief funds from abuse protects the food business of the nation more than it protects the relief funds. . . . Those persons who are going to cheat, whether they are clients or grocers or fuel-dealers, or milk companies or landlords, are going to cheat in any system. They are cleverer than we are. And since the presence of an adequate police system is no guaranty of an utter absence of crime, so no system we devise is going to eliminate or defeat the intentional cheaters. The amazing thing is not that there are so many, but that there are so few abuses. And credit for this fact belongs not to the eagle-eyed administrators of relief, but to the fundamental decency of human beings. . . .¹

When these pronouncements were made, the Federal Emergency Relief Administration was in process of being organized. Federal relief funds were about to be granted, not lent, to the states, under conditions of closer regulation and control than had heretofore been exercised by the federal government. It was known that those administering the FERA were personally convinced of the desirability of cash relief, and it was hoped in some quarters that the system might be imposed upon the states by federal fiat. However, in only a few cities up to this time—particularly in Baltimore and Boston—had public funds for emergency unemployment relief been administered as cash grants. There was therefore little large-scale experience on which to base such a sweeping change; and public opinion could not be counted upon to uphold it. The FERA contented itself, therefore, with issuing in its Rules and Regulations No. 3, July 11, 1933, a tacit invitation to such state and local administrations as

¹ "The Use of Cash, Orders for Goods, or Relief in Kind, in a Mass Program." In Proceedings of the National Conference of Social Work for 1933, pp. 273-277.

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might desire to do so to experiment further with cash relief.

Such relief shall be in the form of food, shelter, clothing, light, fuel, necessary household supplies, medicine, medical supplies, and medical attendance, or the cash equivalent of these to the person in his home.

In September, 1933, the FERA made inquiry of all state emergency relief administrations to learn what percentage of direct relief was given in cash. Of 31 states replying, 28 gave no direct cash relief, or only trifling amounts in exceptional circumstances. North Carolina reported 6 per cent, Kansas 10 per cent, and Arkansas 70 per cent, but this reply probably referred, through a misunderstanding of the question, to work-relief wages paid in cash.

ADOPTION OF CASH RELIEF¹

There were no immediate responses to the invitation of the FERA; but in November, 1933, the San Francisco Emergency Relief Committee undertook to experiment with cash relief for food only, in two of the districts into which it had divided the city, and for a limited period of time. Restricted though the experiment was, it was the first instance during the depression of a change from commodity to cash relief; and it

¹ It should be noted (a) that no uniformity existed in the cities which adopted cash relief as to proportion of clients transferred to this basis or items in the relief budget regularly included in the cash allowance; (b) that transient families were not included in the cash relief program at least until the abandonment of the Federal Transient Bureau in the fall of 1935; (c) that surplus commodities continued everywhere to be issued in kind; and (d) that no cash allowance was provided for medical care. Since the need for it is unpredictable in advance, medical care when given was furnished individually, through a wide variety of local arrangements.

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was the more remarkable because for a number of years San Francisco had been committed to the commissary system of relief distribution. The commissary was developed by a powerful private relief society,¹ and was later used by the Emergency Relief Committee itself.

In a memorandum issued January 31, 1934, the Committee said:

Because of the long-continued controversy between cash and commissary proponents, this experiment was undertaken as a method of securing more concrete evidence of the practical possibilities of a more extensive cash relief program. It was the sentiment of the Citizens' Committee that if costs under the proposed cash relief plan would not exceed current relief costs by more than 5 per cent then such a plan ought to be inaugurated in view of the apparently prevailing sentiment and the recognized superior social values.

After trying out the plan in two districts and finding the results satisfactory, the Committee, in March, 1934, extended its plan to embrace the entire city.

Agitation had meanwhile been going on in New York, particularly in New York City, to amend the state relief act. The so-called "Wicks Act" made it mandatory on localities to pay work-relief wages in cash, but prohibited cash grants to those receiving home relief. On March 16, 1934, the act was amended to permit direct relief in cash, at the option of the localities. In May of the same year the New York City Emergency Relief Bureau moved its tremendous home relief case load from a system of disbursing orders over to cash grants. It was to remain the only New York

¹ The Associated Charities, now no longer operating as a family welfare agency.

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community to embark upon cash relief, with the single exception of Nassau County, Long Island.

Also in May, Cleveland began a cautious experimentation with cash relief, putting four districts, one at a time, over on this basis during the ensuing summer and fall. June saw the experimental beginning of cash relief in Detroit, a far cry from its "welfare cafeterias" of 1932-1933. By October, 1934, the whole city was on cash relief.

During the summer of 1934 announcement was made that another state, New Jersey, had adopted cash relief as a state-wide policy. Examination of what this change actually involved does not, however, indicate that cash relief as herein defined¹ was ever a large factor in New Jersey's program.

New Jersey clung longer and with more conviction than most states to the policy of paying work-relief wages in kind. From July, 1932, until the beginning of the Civil Works Administration in November, 1933, the state's "work-for-relief" program² was in effect, under which disbursing orders were issued for all relief given, and the value of this relief subsequently worked out through the assignment of all "employable" clients to work projects for a number of hours roughly comparable to the amount of relief already advanced. The small number of families (mostly "unemployables") who did not participate in the work program received relief on the same budgetary basis and in the same way, as those who worked.

In June, 1933, the work-for-relief program was modi-

¹ See p. 14.

² New Jersey Emergency Relief Administration, "Work For Relief." The Administration, Newark, New Jersey, 1933.

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fied to permit an additional cash payment of five cents for each hour worked. This supplementary allowance, intended to cover only carfare, lunches, and increased wear on clothing of those at work, was called "cash relief" in New Jersey. This program, as indicated, terminated with the beginning of CWA in November, 1933.

After the cessation of CWA, it was proposed to resume work-for-relief in June, 1934, the cash bonus being increased to 10 cents an hour; and two hours' labor was established as the standard in return for each dollar's worth of relief received. Clients who had had the benefit of full cash wages under CWA protested, and the FERA, which was by that time carrying 90 per cent of relief costs in the state, exerted pressure for the payment of work-relief wages in cash. In part compliance, the New Jersey Emergency Relief Administration in August, 1934, issued permissive orders that cash allowances *for food only*, increased by 20 per cent over the standard budget formerly in effect, might be paid to both work-relief and direct-relief families, the remainder of the budget continuing to be given to both groups in the form of orders. Since these instructions were not mandatory on the counties, wide variations in procedure ensued. All except one county eventually adopted the payment of work-relief wages in cash; but many counties never gave cash to families on direct relief.

There was also the widest variation in whether the 20 per cent increase for food continued in effect, or if paid to those on work relief, was added to the budgets of those on direct relief. There is evidence that in many New Jersey counties, granting relief in the form of cash was used as a reward, and curtailment of the

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privilege as a punishment. In general it is fair to say that preoccupation with the relation of cash to work-relief wages prevented any real trial of cash as direct relief in New Jersey.

In August, 1934, Baltimore, which had used cash relief in varying degrees since the beginning of the depression, adopted it as a city-wide policy; the Delaware Temporary Emergency Commission commenced giving cash grants for food; and Los Angeles County began a cash-relief experiment in the suburban city of Pomona.

Chicago had long been desirous of joining New York City in the ranks of cash-relief disbursers; and the Illinois Emergency Relief Commission in August authorized its executive staff to put into effect, if legally possible, "a program for payment of relief in cash, to replace in part or in total the furnishing of relief in kind." On October 18, 1934, the Attorney General of Illinois ruled, however, that the action would be contrary to law. His opinion drew a distinction between funds received from the federal government, and those appropriated by the state itself, but none between funds used for direct relief and those used to pay work-relief wages. Its implication was that even for the latter purpose, cash payments from state funds were illegal. The Attorney General said:

I am quite of the opinion that any expenditure from any appropriation of State funds for relief is an expenditure by the Commission and no warrant can be issued except upon the presentation of an itemized voucher showing the obligations which have been incurred and such voucher must be certified to by the chairman and secretary of the Commission. . . . The withdrawal of any funds from the State treasury in

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advance of the incurring of an obligation, would be in violation of the Constitution of the State. . . . Is cash, moneys, or funds delivered to a person on the relief rolls, such relief or assistance as contemplated in the law or intended by the legislature of the State when it passed the law? . . .

In no instance can I find the wholesale distribution of cash to poor and indigent persons or those on the relief rolls of the unemployed who are in destitute or necessitous circumstances. Such cash, money or distribution of funds would not be relief unless it was used for the actual necessities of life, such as food, fuel, clothing, shelter, medical attention and burial. In conclusion, therefore, I am of the opinion (1) it is not legally possible, either under the constitution or the statutes of this State, for your Commission to pay relief in cash to replace the furnishing of relief in kind. (2) I am further of the opinion that such practice was not contemplated by the General Assembly of this State and its consequences too dangerous to be countenanced.

This decision held up the installation of cash relief in the state for more than a year.

So well pleased was the California State Emergency Relief Administration with the experience of San Francisco, that in November, 1934, it sent out instructions for the cessation of commodity relief and the installation of cash payments by all emergency relief units under its jurisdiction. This order did not affect the procedure of county relief supervisors dispensing local tax funds; and in Los Angeles, the largest county affected by the new ruling, much confusion resulted from the attempt to segregate "employables" for cash relief under the Los Angeles County Relief Administration, while "unemployables" remaining under care of the County Department of Charities continued to receive commodity relief.

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In the same month, Philadelphia transferred its entire relief load on a single day from orders to cash.

The situation as regards relief in cash versus relief in kind at the end of 1934 is set forth in a report issued by the FERA in March, 1935.¹ This report states:

Although more than three-fourths of all direct relief was still being paid "in kind" during December, 1934, there is definite evidence of a tendency toward the payment of direct relief in cash. While in May, 1934, only six States were paying as much as 25 per cent of the total direct relief in cash, 14 States were in this group in December. The shift to the cash basis was most marked in California, Maryland, Michigan, New Jersey,² New York, Pennsylvania and West Virginia. With the exception of West Virginia which instituted the cash payment of direct relief on a State-wide basis in December, the shift in these States was almost entirely due to changes in the system of issuing relief in the large cities.

In the 25 largest cities in the country, the report shows that 11 were paying over 50 per cent of direct relief in cash in December. Philadelphia was highest, with 99.2 per cent in cash; next were Boston, Baltimore, Washington, Los Angeles, Jersey City,² New Orleans, New York, Newark,² San Francisco, and Detroit, in the order named. The percentage of direct relief given in cash in the continental United States outside these 25 cities was 8.7; in these cities, it averaged 41.7 per cent.

For the country as a whole, only about 2 per cent of work-relief wages were being paid in kind, even this amount being due to the practice in a few states, no-

¹ Tabular material in this report may also be found in the Monthly Report of the FERA for January, 1935.

² But see discussion of New Jersey's program, pp. 38 ff.

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tably in Nebraska, of requiring work-relief clients to do additional work for such surplus commodities as were issued to them. With these few exceptions, work in return for commodity relief had vanished from the picture by the end of 1934.

Direct relief grants in cash represented more than half of such expenditures in California, District of Columbia, Louisiana, Maryland, Massachusetts, New Jersey,¹ Oklahoma, and West Virginia. From one-third to one-half cash expenditures were reported from Alabama, Idaho, and New York. For the continental United States direct cash relief accounted for 23.4 per cent of such expenditures in December, 1934, as contrasted with only 9.9 per cent the previous May. A marked trend in the direction of cash relief is apparent in these figures.

January, 1935, saw Pittsburgh follow its sister-city Philadelphia into the cash-relief column. In February San Francisco went from a part-cash over to a full-cash basis, and the following month Cleveland extended cash relief to embrace the entire county. Denver went on cash relief on April 1; and in the same month, "encouraged by a successful program of giving cash relief for groceries," Delaware added "clothing, fuel, oil and other necessities" to its cash grants, which were reported as being 60 per cent of its total relief disbursements.²

In August Cleveland found it necessary to contract its cash-relief program. In July Colorado made cash

¹ But see discussion of New Jersey's program, pp. 38 ff. FERA figures apparently include all those receiving cash food allowances in New Jersey, whether as direct relief or in return for work performed.

² Delaware Temporary Emergency Relief Commission Bulletin, April, 1935.

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relief state-wide and mandatory on county emergency relief units. Nebraska took the same step in September, and in December, 1935, the Washington (State) Department of Public Welfare instructed its county departments to transfer to cash relief all regular relief families *except* those of the able-bodied unemployed, who were expected shortly to be absorbed by the Works Progress Administration.

Also in December, the Illinois Emergency Relief Commission proposed to the Attorney General an ingenious device for meeting his adverse ruling of the previous year. The following form letter was proposed to be sent to each client with a monthly check drawn in advance covering his budgetary deficiency. It was held that a copy of this form, sent to the Auditor of Public Accounts, would constitute a warrant for the advance payment of cash.

Mr. John Doe
1000 State Street
Chicago, Illinois

Dear Sir:

Monthly Budget

Rent.....
Food.....
Gas.....
Light.....
Fuel.....

Pursuant to your application for relief and an examination thereof, and based on your representation that you are a person who is destitute and in necessitous circumstances, the Illinois Emergency Relief Commission has made an award to you of the amount of \$..... for the relief and support of yourself and your family for the period from 19.... to 19.... The Commission, in the discharge of the duty imposed on it by law, hereby undertakes to furnish you with the sum of \$..... for the period mentioned above, upon the

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Clothing..... conditions that this sum be used by you for the necessities of life and for the uses and purposes specified on the margin of this letter.
Medical Care.....
Other Needs..... Present this letter, in person, at the..... District Office, 1319 South Michigan Avenue, Chicago, Illinois, on theday of..... 19....

ILLINOIS EMERGENCY RELIEF COMMISSION

By.....

The client was to be required to sign and return a receipt in the following form.

To the Illinois Emergency Relief Commission:

I am the person addressed in the foregoing letter. I am destitute and in necessitous circumstances, without means to provide support for myself and my family. I have relied on the commitment contained in your letter, and certify that the money furnished to me will be used to procure the necessities of life.

Date.....19....

On December 10 the Attorney General rendered an opinion that this procedure would comply with the law, and it was forthwith put into effect in Chicago.¹

To date in 1936 Illinois, on the basis of four months' experience in Chicago, made cash relief a state-wide policy on March 1; while on the same date, New Jersey abandoned its limited use of cash² and went back on disbursing orders for direct relief, although under WPA rules it is prevented from resuming work-for-relief.

¹ For early experience of the Cook County Bureau of Public Welfare with cash relief, see a memorandum from its divisional director, reproduced in part as Appendix I.

² See pp. 38 ff.

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Commenting editorially on this reversal, the Atlantic City Press said:

Numerous bad features caused the Relief Administration to abandon the food order plan some time ago. . . . Lack of funds was given as the principal reason for changing back. . . . Can it be that the ERA is relying heavily upon the credit to be extended it by grocers, butchers and other food merchants? Food orders are embarrassing to many helpless victims of hard times. It seems a great pity to have to add this vinegar to their misery.

PART II

DETAILED EXPERIENCE WITH CASH RELIEF IN NINE CITIES

BALTIMORE¹

CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

BALTIMORE is one of the large number of American cities in which, prior to the depression of the 1930's, all relief was administered by private agencies using contributed funds. In the early years of the depression, the municipal government refrained from organizing its own department of public relief, but made funds available to a group of private agencies to administer as emergency unemployment relief under the general supervision of the Mayor's Unemployment Relief Committee. Under this system, standards and practices varied markedly and relief was acknowledged to be most inadequate, but the leading agencies continued with city funds their former policy of giving the greater part of the relief budget in cash. State aid became available in June, 1933, and was made retroactive in respect to Baltimore, the city government being reimbursed for part of its relief expenditures for the previous year.

This was followed in September, 1933, by grants from the Federal Emergency Relief Administration, under pressure from which body Baltimore reluctantly abandoned its plan of disbursing public relief through private hands. The Baltimore Emergency Relief Commission began to function in September, 1933, as a unit of the Maryland Emergency Relief Administration, its staff being brought over from the private agen-

¹ Information secured in July, 1935.

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cies which had functioned under the Mayor's Committee. About 25,000 families were taken over for care by the BERC.

It was deemed necessary under the new set-up, in the interests of economy and expediency, to modify the use of cash relief, in spite of the fact that Harry L. Hopkins, Federal Emergency Relief Administrator, speaking in Baltimore on November 27, 1933, had warmly advocated cash relief and commended the city's employment of it.

Food allowances were given in cash, but milk was distributed on order because of a substantial price advantage from dealers, and also because of the fear that families would not buy sufficient milk for their children if given cash to cover the cost. Coal was distributed in kind during the winter of 1933-1934. Because of the tendency of the public utility companies to apply cash payments made by the client to the liquidation of old bills rather than in satisfaction of current ones, the agency paid current utility bills by check. Clothing and shoes were purchased in wholesale lots and given in kind except for special items which were given by order on local merchants.

An attempt was made to regularize the rent policy. Anna D. Ward, director of social work in Baltimore, in a Statement Regarding the First Eight Months' Work¹ of the Baltimore Emergency Relief Commission said:

Prior to the organization of the BERC shelter was provided on a very irregular and inequitable basis. Landlords who were most sympathetic and generous secured no rental from houses occupied by dependent families. Others received rent only

¹ The Commission, June 4, 1934. Mimeographed.

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after they had threatened eviction, some when they made complaint, and some who were very insistent received it regularly and at the full market rate. The result was great insecurity to hundreds of families living constantly in fear of ejection, and unfair discrimination between landlords.

A rent bureau was set up in the BERC in January, 1934, and all dealings with landlords centered there. A schedule of rental allowances was developed calling for a monthly check direct to the landlord for one-twelfth of 6 per cent of the assessed valuation of the unit of property occupied, and one-twelfth of the annual taxes and water rent to be paid to the city treasurer on the landlord's account. By March, 1934, the rent bureau had a staff of more than one hundred. The plan proved difficult and costly of operation. There was delay in getting tax allowances credited to the landlords in city hall, and much friction between landlords, tenants, and the rent bureau. In June, in consequence partly of dissatisfaction with its effectiveness, and partly of pressure from the FERA to reduce administrative costs, the rent bureau was abolished, and a simpler system of rent allowances paid through the district offices was put into operation, the rent allowance being set at a figure roughly approximating 75 per cent of the rental charged.

Thus by the early summer of 1934, while work-relief wages were and continued to be paid wholly in cash, the only items of direct relief covered by weekly cash grants to clients were food and household and personal incidentals. Precisely the same basic budget was set up for families on direct and on work relief, except that the latter got all their earnings in cash.

Under the order system, it was believed that con-

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siderable fraud was practiced by tradesmen and clients, often in collusion. While most food was provided through cash grants, there were exceptions enough to convince the Administration that relief orders could be misused with ease. Several attempts were made to check up on such malpractices, and invariably substantial irregularities were discovered.

ADOPTION OF CASH RELIEF

Experimental Period

After the disbanding of CWA in April, 1934, the BERC had nearly 40,000 families in its care. At the request of the director of social work, the commission authorized an experiment with total cash relief in three districts, which was begun in June, 1934, but discontinued after a few weeks, chiefly because the FERA reduced its allotment of funds, which was felt to make further experimentation impossible. It should not be assumed, however, that the Maryland Emergency Relief Administration was unfavorable to cash relief in Baltimore; quite the contrary. As far as could be judged, in view of its short duration, the experiment was satisfactory to clients and staff, but dairying interests made representations to the BERC that consumption of milk by families on cash relief had decreased more than 60 per cent. This report seems to have been accepted by the BERC without question, and with no examination of the accuracy of the statements.

City-wide Cash Relief

In August, 1934, after a change in administrative direction of the BERC, the new director, Howard C.

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Beck, Jr., immediately set out to reorganize accounting and administrative procedures, centralizing many functions in his office which had hitherto been scattered among the districts.¹ From his previous contact with BERC affairs as a city officer and a member of the Committee, Mr. Beck had become convinced that a greater use of cash relief was not only desirable from the point of view of client morale but would also result in substantial administrative savings. Accordingly, from August 1, the policy was adopted of adding one item at a time to the cash food allowance already in effect for some 28,000 families on direct relief. A very few families were kept on disbursing orders because of their obvious inability to manage money. A central check-writing system was established which relieved the district offices of much clerical and financial work.

The installation of the new business system and the transfer to cash relief required practically the entire month of August during which time the staff made the necessary readjustments in method. Publicity concerning the proposed change was issued in the newspapers and received calmly by the public. No special effort seems to have been made to consult in advance with the clients. A new agreement was reached with the gas and electric companies by which the latter pledged themselves to apply cash tendered by clients exclusively for payment of current bills, and agreed to give clients six months' time to make up arrears as best they could. By October, 85.2 per cent, and by April, 1935, 88.3 per cent of all relief was being given in cash. At the time of our visit, only milk continued to be furnished in the form of weekly milk checks,

¹ For a complete description of this system, see Appendix II.

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partly because of discounts secured by the BERC and partly as a result of the information presented by milk dealers the previous June. Rent was at first arrived at by calculating 9 per cent of the assessed valuation of the property, prorating this amount weekly and adding this amount to the cash allowance.¹ The clothing allowance was not prorated, but lump sums were added for this purpose at intervals. Checks were issued weekly, and were at first mailed to clients, but trouble was experienced with delay and non-delivery; so that a delivery system was installed by a corps of messengers, mostly selected from the relief rolls. Although this increased administrative costs, it reduced relief rolls nearly as much, and was found to be more satisfactory.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

In October, 1934, and again in June, 1935, slight revisions upward were made in the basic food allowance, to meet increased prices. The June increase coincided, however, with shortage of funds, and drastic measures were adopted to reduce expense, such as restricting intake and setting the maximum relief allowance at \$17 a week—measures which caused dissatisfaction and protest from clients and from other social agencies.

Problems Anticipated

No increase in numbers on relief followed the change to cash. Families on direct relief had been steadily decreasing in number since the previous May. After August, when the change to cash took place, they continued to lessen till the middle of October, when they

¹ Under pressure from the state ERA, this figure was reduced to 7 per cent in the spring of 1934.

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stood at 26,700. A seasonal increase then set in, slightly over 30,000 receiving relief in February, 1935, from which point they had dropped to 22,000 at the time of our visit.

No difficulty was experienced with requests for supplementary grants because of spending the allowance before the week had expired, and adjustment for irregular or part-time earnings was not reported as a problem, although a less generous policy was in effect in Baltimore than in several of the other cities visited with respect to proportion of earnings which working members of families might keep for their own use.

In a negligible number of instances there had been evidence of the use of relief funds for other than necessities. The Banking Department¹ examined endorsements on returned checks, and reported to the social worker any that had been deposited in savings banks, or cashed by auto finance companies, instalment concerns, and the like; and a very few prosecutions for fraud had resulted.

Most families had kept up their current rent payments; in the few cases where failure to do so had been persistent, the rent item was withdrawn from the cash allowance and paid direct to the landlord. With this exception, it had not proved necessary to place families back on disbursing orders as a disciplinary measure.

Some pressure was felt, both by the clients and the agency itself, from creditors desirous of levying on cash allowances for past debts. In no case, however, was this so severe as to cause the client to ask to be returned to commodity relief.

The number of persons unwilling to accept assign-

¹ See Appendix II.

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ment to work relief increased following the change to cash. It was felt, however, that they had a just grievance when no extra allowance was made for added expenses of those at work, such as lunches, carfare, and wear and tear on clothes; and in March, 1935, 20 per cent of the weekly allowance was added to the work-relief wage. After that, no difficulty had been experienced with refusal of assignments to work relief. Baltimore was one of several cities in which alleged refusals by relief clients to accept private employment were studied by the FERA. Out of 195 such complaints reported in March and April, 1935, and investigated, but 130 were found to relate to persons actually receiving relief, and of that number, only 4 refusals of jobs were ascertained to be without justification.¹

Baltimore is the only city among those visited which had attempted to compare actual expenditures made by clients with budget allotments. During July, 1935, 500 such schedules were secured, but only 346 could be tabulated, because of errors or because the total expenditures exceeded the known income plus the cash allowance. In brief, the study showed that clients were using less than had been allowed for food, and paying more than had been allotted for rent. This variation was more marked in colored than in white families. Insurance was being purchased in amounts larger than those provided in the budget.

The study did not attempt to estimate adequacy of dietary procured by clients. The only testimony on this point came from the Director of the Bureau of

¹ Federal Emergency Relief Administration, Division of Research, Statistics and Finance, Research Bulletin D-12 on The Report of the Study of Alleged Job Refusals by Relief Clients in Baltimore, Maryland, June 13, 1935.

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Child Welfare in the Department of Education, who, in approving retention of milk on the order basis, had reported that there had been less malnutrition among school children since cash relief went into effect.

TABLE 1.—PERCENTAGE DISTRIBUTION OF AGGREGATE EXPENDITURES AND OF BUDGETS ALLOWED 346 RELIEF FAMILIES OF THE BALTIMORE EMERGENCY RELIEF COMMISSION, JULY, 1935^a

Budget item	Expenditures	Amounts budgeted
Food, other than milk	45.5	55.8
Milk	10.7	10.4
Shelter	29.2	21.2
Clothing and incidentals	1.4	1.6
Fuel and light	5.8	5.6
Insurance	1.6	. . b
Other items	5.8	5.4
Total	100.0	100.0

^a Condensed from more detailed data presented in an unpublished study of the Baltimore Emergency Relief Commission.

^b Less than 0.1 per cent. Payment of insurance premiums was provided only if the client was not reinsurable.

Attitudes toward Cash Relief

As far as BERC officials could judge, clients uniformly favored cash as against commodity relief.

Prior to its adoption, the staff of the BERC had been continuously agitating for cash relief and were its enthusiastic adherents at the time of our visit. A committee on relief standards appointed by the Baltimore Council of Social Agencies had endorsed the principle of cash relief in September, 1934, as follows:

Relief should, to as great a degree as possible, be given in the form of cash, in order to provide some choice of selection according to individual preference and traditional habits. It should be kept in mind that most of these families have been

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capable of managing their own affairs in the past, and this ability has not decreased because of their dependency. Taking away such privilege emphasizes their feeling of failure.

Real estate associations complained bitterly at several stages in the changing rent policies of the BERC, especially after the cut from 9 to 7 per cent of assessed valuation. They were quite willing to have the Rent Bureau abolished, and to take their chances in a cash-relief system. Comparative absence of complaint after the change to cash undoubtedly meant, as was shown in the study of clients' expenditures, that landlords were securing increased rent payments at the expense of other items in the clients' budgets. Attitudes of milk dealers have already received comment. No opposition was made to cash relief by other mercantile interests.

No taxpayers' groups had offered opposition to cash relief, nor had the system received any unfavorable editorial comment in the newspapers.

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CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

BETWEEN 1922, when outdoor relief was discontinued, and 1930, neither public agencies nor public funds had been concerned with relief in Cleveland; the Associated Charities and a few smaller agencies had given what relief was available from private funds. The depression early affected Cleveland, a heavy-industries city, and by the summer of 1930 the private agencies were petitioning the city government to reinstate public outdoor relief. This the municipal authorities were loath to do, maintaining that to administer relief in the home was the proper job of private agencies. Instead, the city appropriated over \$1,000,000 in the fall of 1930 and developed one of the large local work programs which characterized that period of the emergency.²

With the cessation of this municipal work program in the spring of 1931, the situation of the private agencies became critical, and the city made available funds to be disbursed by them on its account for direct emergency relief. This arrangement continued until the fall of 1932, when the newly formed Cuyahoga County Joint Relief Committee prevailed upon the governor to seek and secure a loan from the Federal Reconstruction Finance Corporation to meet Cleveland's greatly enlarged relief needs for the ensuing winter. This

¹ Information secured in August, 1935.

² Colcord, Joanna C., and others, *Emergency Work Relief*. Russell Sage Foundation, New York, 1932, pp. 80-84.

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Committee remained constantly active, under the chairmanship, first of A. V. Cannon and later of Marc Grossman, and was a powerful force in directing the future course of relief in the county and city. After the Federal Emergency Relief Administration was set up in the early summer of 1933, this Committee became, with the approval of the Ohio State Relief Commission and the Commissioners of Cuyahoga County, the local agency responsible for emergency relief. Preparatory to this change the Associated Charities had carefully segregated its case load and set up separate district offices with a separate staff to deal with families of the unemployed. This organization was transferred intact to the new public agency, the general secretary of the Associated Charities resigning to become the first director of the Cuyahoga County Relief Administration.

In spite of its private agency background, the CCRA at first gave cash relief only in cases of unusual emergency. A disbursing order system was in effect, grocery orders good on 1,200 listed concerns being issued twice a month. A restricted list of purchasable items was printed on the back of the orders, which were delivered to the homes by messenger service. Milk could be purchased on the grocery order, but two-thirds of that given clients was on separate orders by which they could secure milk on presentation at a dairy. Doorstep delivery was avoided because of its higher cost.

Rent was paid according to the provisions of a state law, the Indigent Tenants' (facetiously known as the "Indignant Landlords'") Act. Not more than one-twelfth of the annual taxes on the property, and in any case not more than \$10 a month, might be claimed by any landlord housing indigent families. The State

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Relief Commission liberalized the rent policy by a system of supplementary grants which early in 1935 permitted a maximum rental of \$15.50 a month to be paid in Cleveland. Payment was by check to the landlord direct.

Orders for clothing, good on any of 600 listed dealers, were issued as needed—at first itemized, but later with a list of items on the reverse from among which a choice could be made. Some clothing made in CCRA sewing-rooms and later in the factories of the Ohio Relief Production Units¹ was held in a depot and issued on requisition of the districts.

Coal was distributed on order by four dealers, who operated under the Federal Fuel Replacement Plan while that was in effect. Other orders were distributed for kerosene, gas, electric current, and ice in summer, as well as for needed household supplies that could not be purchased on the grocery order. Tickets were given for carfare to attend clinics. No provision was made for personal or incidental expenses.

Under the disbursing-order system the manifold orders thus issued had to be returned by the dealer and were attached to an itemized sales slip. From this point, 10 separate clerical operations were necessary before payment could be made. The delays and complications involved are set forth in the report of a study issued in March, 1935.

With the system of requisition relief, the bookkeeping department is from two to three months behind in the paying of bills, that is, the bills for July will not be cleaned up until September.

¹ See Colcord, Joanna C., "Ohio Produces for Ohioans." In the Survey, vol. 70, December, 1934.

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It is also necessary to have personal contact about bills with many vendors. At present, we have registered about 1,150 groceries, with applications from 200 more on file; we have 50 kosher meat people; 100 dairies and 125 clothing merchants and many shoe repair men, ice men, second-hand furniture men, etc. It is necessary to spend a great deal of time explaining our bookkeeping system to these various merchants and calling them in for personal interviews when they do not understand or are not following our rules.

As changes are made in our bookkeeping system, it is necessary to get out letters to all these merchants, explaining the new system. This means an expenditure of \$30.00 in stamps, plus extra money for stationery and clerical help whenever a notice like this is required. At times, it has been necessary for us to notify merchants at least twice during one month of a change in our rules for administering relief.¹

Aside from the tedious detail involved, no dissatisfaction was expressed in Cleveland with the order system because of amount of abuses it engendered. Attempts to defraud by tradesmen and clients, and such evils as substitution, overcharging, and discounting for cash were occasionally discovered, but not to any marked degree. A newspaper reporter, with the permission of the agency, took 20 food orders and attempted to sell them outright for cash as a test of the process, but did not succeed in so disposing of any. Apparently he did not try the plan of asking for a little cash, along with the bulk of the order in groceries. Clients sometimes complained that they were compelled to wait for service until cash customers had been served or that inferior goods were forced upon them. Four shoppers and store investigators on the agency's

¹ Ohio State Relief Commission, *A Study of Cash Relief in Ohio*. The Commission, March, 1935, Appendix, p. 2.

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staff investigated complaints, but no substantial evidence was ever discovered of short weights or overcharging. The Retail Grocers' Association was helpful in controlling the behavior of its members.

ADOPTION OF CASH RELIEF

Three distinct stages are to be observed in the cash-relief program in Cleveland. In Stage 1, the CCRA, with only cautious permission from the SRC, tried the system out in one after another of four districts, for nearly a year. In Stage 2, a sudden change in the state set-up resulted in cash relief being made county-wide. This continued for only five months. In Stage 3, reduction in federal relief funds compelled a return to disbursing orders for food.

Stage 1

Pressure for cash relief came altogether from within the agency's staff. A staff committee had been appointed on the subject, and early in 1934 had urged its adoption. Groups of clients who were called together to discuss cash relief were found to be highly in favor of it. Officials of the CCRA were convinced of its desirability and requested permission of the SRC to try cash relief for three months in one district—not, they firmly pointed out, as an experiment, because no experiment was needed to convince the staff of its desirability over commodity relief; but rather as a period during which procedures could be tried out and established prior to extending the system to the entire county. The SRC approved the plan on April 28, 1934, with the proviso that no increase in relief costs must be allowed.

After some discussion, the district hereafter called A

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was selected to lead off, in May, because it was near the markets, and because its secretary had had experience in the Associated Charities in handling cash relief. In order to observe the provision laid down by the SRC, and avoid raising total cost of relief per family, it was necessary to make a 4 per cent cut in the food and milk item, in order to compensate for the discounts which dealers had been giving the CCRA. After careful explanation of what would be involved, it was decided to offer clients individually a chance to accept or reject the change to cash. The cash check would include, besides the reduced food allowance, rent, but only in case the family lived in furnished rooms. Rent in unfurnished apartments had, under the Indigent Tenants' Act, to be paid directly to the landlord. Allowances for gas and electricity would be included, if the agency had been paying these bills for the family, to an amount equal to the last bill paid. Allowances for clothing and incidentals would be made on the basis of the actual articles needed and would have to be adjusted on each check. Coal was retained on the order basis.

A highly selective process was employed in choosing families to be placed on cash. Before May 1 the visitors in District A had thoroughly discussed its budgetary needs with each family selected. The reduction in food allowance was carefully explained, and each family was permitted to make its own choice whether to go on cash or remain on orders. No report is available as to how many refused, but 34 families were transferred to cash relief in May. The number was gradually increased, until by October, 2,500, or about 70 per cent, of District A's case load were on the cash basis. Meanwhile a second district had gone on cash in August, and by

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October was carrying one-third of its families, about 1,100, on that basis. A third district followed in November, and a fourth in January, 1935.

Late in January a 3 per cent sales tax became operative in Ohio. The CCRA was exempted from payment of this tax for goods furnished on order to its families on relief, but the portion of relief given in cash was not exempted, since clients spent this without its being identified as coming from relief sources.

At this point the SRC, from the first only tolerant of Cleveland's experiment with cash, called a halt to further extensions of the plan, though permitting the four districts already on cash to continue. Again, an opportunity was given families who wished to do so to return to disbursing orders, thus avoiding both the 4 per cent cut for discount, and the 3 per cent additional loss due to the new tax, but most of them preferred to remain on the cash basis and manage as well as they were able. By March, 11,389 families were being carried on cash, out of a total in the county of 56,832 on direct relief.

Stage 2

In March, following differences of opinion between the governor and the FERA, the latter took over the state relief organization and set up the "FERA in Ohio." One of the first acts of its new administrator, Charles C. Stillman, was to institute a system of issuing all relief checks from the state office in Columbus, and to issue the following orders to counties, on April 3, 1935:

It is imperative that each family visitor immediately select her relief cases which are to be put on cash relief beginning April 16th, as the payrolls are due in Columbus within the next

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few days. Naturally, good judgment should be used in the selection of these cases. However, unless you have good reasons for not doing so, give the client the benefit of the doubt and entrust him with the cash. Obviously the client need not accept the cash plan if he chooses otherwise. A client can be placed back on direct relief if he insists on abusing his privilege. It is conceivable that a client's earnings might be so spasmodic and irregular that constant supplementation is necessary, consequently cash relief would be unsatisfactory.

If the visitor has not found the time to go over the cash plan with the client in advance of authorizing the amount, she should do so by the time the check is to be delivered. The client must understand what items in the budget are covered. Furthermore, no doubt shall be left in the mind of the client about using the funds for those items. The grant to the county will not accommodate any making up where clients fail to follow the plan and attempt to excuse themselves on the grounds of pressure from creditors, lack of understanding, et cetera.

Since the checks will be sent from Columbus to the respective counties for your distribution to clients by *mail*, *messenger*, or *visitor*, we ask that a cash allowance *summary* be given each client along with his check.

Each county may differ somewhat but for the most part the following items may be included in the cash allowance: *Food*; *lunch allowance*, where necessary; *carfare*, if a member of the family is employed; *public utilities* (be sure to get advantage of the discounts); *rent*, according to cash allowances permitted under the shelter policy in force as of March 31 [but not to exceed amounts hitherto granted for this purpose] and finally, *miscellaneous* household articles as the specific needs are known.

You will note we have omitted: medical aid, coal and clothes. It is impossible to budget in advance for medical aid. Coal is to be purchased by the Columbus office. Some articles of clothing are available through the Ohio Relief Pro-

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duction Unit. If [this agency] cannot supply the article of clothing, use the relief purchase order.¹

In a recent release, you have been granted permission to continue purchasing milk by the relief purchase order. This matter should be treated on an individual basis with the family given the choice of buying the milk with cash, if so desired. In some instances, because of health situations or utter incompetence, milk should be continued on the relief purchase order.

It is not necessary that the check be made out to the head of the household; any reliable member may receive it. If the mother is designated, use her given name, not that of the husband.

Correct addresses cannot be overemphasized.

If the visitor learns before the check is delivered that altered conditions in the family's situation make the funds unnecessary, she should cancel the delivery of same. Where the resources are discovered after the check is delivered, make the proper corrections by reducing the check for the next pay period accordingly and notify the client at once of this plan as he will have to make the necessary adaptations with this in mind.

Some few counties will be slow to adopt the Cash plan for it does take some extra effort and imagination at the outset. However, we feel that a fair test will make you enthusiastic supporters of the plan, as it is one of the inevitable tools in relief administration. While it is not mandatory that your county adopt the Cash Relief plan, you are indeed encouraged to do so.

However they may have been received elsewhere in the state, these directions tallied exactly with Cleveland's desires. The privilege of giving relief in cash was extended to all districts, and single resident persons,

¹ Authorization was given in the following month to include clothing in the cash grant when necessary to purchase it.

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who had hitherto been kept on orders, were as rapidly as possible transferred to cash for the items permitted by state ruling.

A staff Committee on Cash Relief was given charge of drawing up plans and instructions for districts which had hitherto had no experience with the program. Permission was sought and received from the FERA-in-Ohio in May, to revise cash-relief allowances upward by 3 per cent, to remove from clients the burden of the sales tax. Items of clothing not available from the clothing center, and household necessities, were to be included in the cash allowance, but only as definite items were needed.

Detailed instructions were issued to the districts concerning new clerical procedures made necessary when checks were to be written in Columbus. Requests for checks had to be made out in the districts two weeks in advance of the date they were due, and payrolls made up in the central office and sent to Columbus eight days in advance. Provision had to be made for all contingencies that might arise during this interval. Emergent orders were allowed to be issued in the event of non-receipt of checks and the amount adjusted in the check issued for the next period.

By July, 1935, 57,000 families and individuals were on cash relief in Cuyahoga County, with about 8,000 remaining on orders.¹

In the meantime other changes had been taking place. As the "FERA in Cuyahoga County," the former CCRA had the franking privilege, and the messenger

¹ About one-half of these, however, were persons on work relief who received supplementary aid, usually in the form of coal and shelter payment.

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service to clients was abandoned in favor of sending checks and orders by mail. The annoying procedure under the Indigent Tenants' Act was modified so that a separate check for the rent could be mailed direct to the client to be turned over to the landlord, thus apprising the tenant exactly what the legal amount was and enabling him to resist further exactions of rent. This applied to families still on disbursing orders as well as to those receiving cash relief. Itemization on grocery and clothing orders as well as restricted lists of dealers to whom they might be presented, were abandoned in April and May.

Stage 3

In July, 1935, a drastic cut was announced for August in federal funds available for direct relief in the county; and further cuts impended. Under state law, state funds could not be given in the form of cash. After all possible local funds had been figured in, all possible savings anticipated through transfers of relief clients to WPA, and all possible administrative cuts allowed for, the total was less than the needed budget by more than \$120,000. Relief had to be cut; but the alternatives remained of issuing reduced allowances as cash, or returning to the order basis for food at least, and by so doing to secure discounts of 4 per cent from food dealers and avoid the increased allowance for payment of the sales tax. After anxious discussion by both staff and board, it was reluctantly decided to adopt the second alternative. After August 4, 1935, orders replaced cash for food, other items (except coal) continuing to be included in the bi-weekly check.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

The experience just related would indicate that a heavy sales tax, which an agency does not have to pay, but which its clients have to meet, may be a deciding factor in favor of the disbursing order system. It should be borne in mind, however, that the decision was made in time of great stress, and without any careful study or consultation of the clients' preferences. A comparison with the experience of Denver¹ is interesting. There, however heavily the allowance had to be cut, clients preferred to absorb the sales tax and have their allowance in cash to manage as best they could.

Problems Anticipated

The experimental beginnings of cash relief in Cleveland followed closely upon the liquidation of the CWA program, the nation-wide effect of which was to increase relief case loads. No large-scale work program succeeded CWA in Cleveland. From May, 1934, when 51,000 families were receiving relief, the total case load rose steadily until February, 1935, when nearly 74,000 families were under care. In March a seasonal reduction set in and continued until midsummer. At the time of our visit, about 71,000 families were receiving relief. County-wide cash relief, beginning in April, had not appeared to affect the size of the case load.

The careful selection of families, and the comparatively large proportion of those kept on commodity relief in Stage 1 reduced difficulties experienced at this period. Overspending had not been a serious problem. No very firm stand was taken by CCRA against issuing

¹ See pp. 76 ff.

supplementary orders in emergencies, and in January, 1935, a study of experience in the four districts showed that emergency orders in addition to regular cash relief had been given to 73 families. Nine of these instances were listed as "duplications necessitated by expenditure of cash relief for items not included in the budget." No difficulty had been reported with instalment or luxury buying. An inquiry from clothing stores patronized by clients brought the information that they were buying in small amounts and cheap goods. Since rent was paid direct to landlords, there had been little occasion for failure on clients' part to save to meet current bills, and no important complaints on this score had been made.

A study of actual food purchases by families on cash relief was made by the CCRA in March, 1935. Proportion of vegetables and cereal foods was found to be in accordance with accepted standards of diet, but more meat and less milk were being consumed than under the order system. It was recognized that these findings tallied with the general food habits of the American people when free to make its own choice, and no attempts were made at coercive action. Milk interests had made statements that milk consumption had dropped markedly, but failed to produce statistics when invited to do so. Similarly, police officials stated there had been increase in disorder due to drunkenness, especially in Negro districts; at the time of our visit, arrangements had been made by CCRA for a daily check-up and investigation of these complaints.

In a number of instances, the exact extent of which could not be learned, cash relief had been withdrawn because of misspending. The experience of only one

district on this point was available in detail. In December, 1934, out of a case load of 3,795, but 45 families were on disbursing orders for inability to handle cash; six months later the figure was only 25. In December, 26 were on disbursing orders because they so preferred. Half of these had requested to be returned to orders after some experience with cash. By May, 1935, the number had increased to 32. If this experience was at all typical, it indicates that 99 per cent of relief families preferred cash and were able to manage it to the satisfaction of the agency.

Out of 145 families questioned on the point, only 5 indicated that creditors had become more pressing after the family was transferred to cash.¹ A group of visitors interviewed at the same time did not share this optimistic attitude, the majority feeling that creditor demands upon their clients had increased. It had been particularly noted that certain landlords extorted whatever they could from relief tenants over and above what the law permitted them to collect from the agency; but with this exception, creditor pressure was not felt to constitute a serious drain on current subsistence.

The policy of the CCRA was to keep on disbursing orders families whose irregular earnings made it necessary frequently to adjust relief allowances. Of the 13 who asked to be returned to orders, 4 did so because of irregular shutdowns in the plant where they were employed. No increase had been noted in unwillingness to accept assignment to work relief since direct cash relief became available.

¹ A Study of Cash Relief in Ohio, p. 25.

Attitudes toward Cash Relief

In the study of 145 families alluded to above, all but one of those interviewed stated that cash relief provided more adequate maintenance than relief in kind, because of its greater flexibility and purchasing power. All but three preferred it. A marked change had been noted by the administrator in the attitude of "pressure groups," who had been more co-operative and easier to deal with since the installation of cash relief.

Visitors interviewed during the same study "seemed to believe that the values of cash relief cannot be over-estimated," particularly because of the responsibility which it places upon clients for managing their own affairs. Reasons for this preference were stated by 33 visitors as follows:

- Increased self-respect and independence of family
- Ability to take advantage of sales
- Increased sense of family responsibility, particularly for budgeting
- Family not identified as relief client
- Family makes money go farther
- Greater flexibility
- Ability to meet emergencies, such as illness
- Family ingenuity is utilized in the saving for utility bills
- Can buy fresher, better quality foods cheaper
- Can buy greater variety of foods
- Can buy food clients are accustomed to eating, such as spaghetti for Italians
- Cheaper for client and the agency
- Clients not humiliated by waiting in line for service
- Merchants do not discriminate against cash clients

CASH RELIEF

Less friction between client and agency
Marketing furnishes social outlet.¹

A few visitors listed as disadvantages:

Misuse of the money
Pressure from creditors
Money is not always spent as planned by the agency
Cash cannot be quickly withdrawn
The mechanics of cash are not flexible enough to plan for emergencies
Money may be lost or stolen
Clients may buy inferior product and save the difference.²

"It is apparent," says the report, "that the advantages of the cash system in the minds of the visitors far outweigh the advantages of relief in kind."

Health agencies, when the county-wide change was announced, showed apprehension that nutrition of children in relief families would suffer, the Child Health Association even making a formal protest to this effect. No testimony had been presented by either school or health authorities to show that these apprehensions were well grounded.

Among groups of dealers affected, the milk dealers were the only ones to make complaint. They appeared before a legislative committee investigating the relief situation in Cleveland, seeking to force a return to disbursing orders. Otherwise, only a few individual shopkeepers appeared to complain to the Legislative Committee that they were not getting as much business under the new plan.

During Stage 1, whenever the system was being installed in a new district, fears would be expressed on

¹ *Ibid.*, p. 28.

² *Ibid.*, p. 29.

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various points and from various quarters, but no general complaints based on experience after trial of the system had ever been lodged. Newspaper comment had been favorable with few exceptions. In July, 1934, when pressure groups put on a "demonstration" which turned into a riot, one newspaper commented that the trouble might have been averted by a wider use of cash relief.

DENVER¹

CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

THE Denver Bureau of Public Welfare has a long and honorable history of individualized treatment for those in need, comparable in quality to that extended by private welfare agencies. Since 1921 it has been a member of the Family Welfare Association of America. Before the depression it gave relief in cash. In 1931, when a local relief commission raised private funds and turned them over to the Bureau for administration, it was with the proviso that direct relief must be given in kind; and the governing board and staff of the Bureau were reluctantly forced to institute a system of disbursing orders on specified retail stores.

In 1932, with the advent of Reconstruction Finance Corporation funds administered by a state body, it was possible for the Bureau to secure some relaxation of this ruling. Orders for food were drawn on the grocer of the client's choice, the amount of the order only being specified. No approved list of items which could be purchased was given to either dealers or clients. Rent and utility bills when paid, which was infrequently, were by check direct to landlords and utility companies. Clothing made in relief workrooms was provided only irregularly, in kind. Budgetary standards and instructions in effect, 1932 to 1934, were not available in the files of the agency at the time of our visit.

In 1934, coincident with complicated changes in the

¹ Information secured in August, 1935.

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manner of financing relief from local, state, and federal funds, the Bureau of Public Welfare was incorporated as an independent agency, separate from the city-county government, the mayor continuing, however, annually to appoint all but one member of the board. Contracts were made:

(a) with the Colorado Emergency Relief Administration to receive and expend federal and state funds, in accordance with state instructions, for work and direct relief (all salary costs were also met from federal funds, though the bureau's staff were neither federal nor state employees);

(b) with the city-county administration to receive and expend city-county appropriations, which sufficed only to cover rent and office supplies and materials and operating funds for work-relief projects.

In addition, serving as agent of the Juvenile Court, the Bureau administered mothers' assistance under the state law for the city and county.¹

Relief continued to be on the disbursing-order basis, but a Housing Division was set up in November, 1934, and dealings with landlords centered there. Regulations issued in January, 1935, provide that no rental contracts shall be made with landlords on behalf of clients; that "housing allowances" must be the last relief responsibility assumed by the Bureau and the first claim on the client's income from any other source; that housing allowances should not be made for a period longer than one month, except in the case of families with no member able to work, when a continuous re-

¹ In July, 1935, the Bureau entered into a contract with the Official State Relief Committee of Colorado to administer state sales-tax funds, to the amount of about \$60,000 a month, for the relief of "unemployables" in the city and county of Denver.

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sponsibility for rent might be assumed by the Bureau; and that no housing allowance should exceed a maximum of \$20 a month.

It was acknowledged that in practice, no uniform budgetary standards can be said to have been in effect except for food. Visitors in conference with their district secretary gave whatever they thought the family needed. Wide variation existed between amounts of relief furnished to families of the same size and condition in the four districts into which the city was divided. The practice was to allot the sum available for relief monthly to the districts on the basis of active case load. Sub-allotments were made by the district secretary to the visitors, whose job it then was to stretch the sum available over the needs of their particular families. Much difficulty arose when visitors spent their allotments before the expiration of the month.

Friction between visitors and clients on every conceivable detail of the relief budget was of course widespread under such a system. Dissatisfaction of landlords, dealers, and the general public added to the pressure of complaints laid upon the Bureau to adjust. So great was the daily influx of complainants that it was difficult for visitors to find time to leave the office for their regular duties in the field.

Under the disbursing-order system, no systematic attempts were made to ascertain or control fraud and collusion between dealers and clients. Occasionally the clerks whose duty it was to check the bills would notice strange discrepancies or equally strange similarities in vouchers turned in by dealers. Complaints were sometimes made by individuals. If on investigation, fraudulent practices were found, the dealer was in-

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formed that no more relief orders would be directed to him. Neither dealer nor client was ever prosecuted.

ADOPTION OF CASH RELIEF

A possible change to their earlier system of cash relief was constantly in the minds of the Board and staff of the Bureau. Minutes of Board meetings show that it was repeatedly under discussion in 1934. During February, 1935, when great pressure was being brought by the State Emergency Relief Administration upon local administrations to reduce overhead costs, the Bureau saw its opportunity and seized it. On March 1, 1935, the Board voted to adopt direct relief in cash, beginning April 1. The change was approved by the State Emergency Relief Administration, which three months later adopted cash relief as a state-wide policy.

The ensuing month was occupied with planning for the change. In retrospect, it seemed to Bureau executives that this period of preparation had been sufficient. Budget instructions were revised upward in accordance with price levels then in effect, new forms were devised, and plans made to let some disbursing-order clerks go, while transferring others to increase the staff which would be necessary to write and mail checks. The net reduction in number of clerical staff was 38. The staff, in frequent conferences, were apprised of the steps taken and necessary changes in procedure were thoroughly discussed. Newspaper releases were given out announcing the change to cash. A policy was adopted of informing each family in advance, not only of the impending change and what would be expected of them, but of showing them the new budgetary standards and working out with the heads of the family exactly what

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their "optimum" budget should be in dollars and cents. At the same time they were warned that the proportion of this basic budget which could be given them month by month would depend upon the funds made available to Denver by the state and the federal government. This policy of frankness has since been felt to have borne fruit in improved relations between the Bureau's personnel and their clients; and it was interesting to find, on visiting a number of clients in their homes, that several took occasion to explain to our field worker in most objective fashion what their basic budget was and why the amount they received varied from it.

The change to full cash allowances was made city-wide on April 1, 1935. After that date, the only relief in kind was surplus commodities.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

The case load was divided into A and B classifications, "A-families" being those who, because of illness or for other reasons must be given the full amount called for each month. Many of these were elderly people for whose board in private homes the Bureau had made itself responsible. "B-families," comprising all the remainder¹ were subject to cuts according to the amount of funds available. Checks were sent semi-monthly; if emergency demands between checks reduced the amount in hand, the deficit was prorated to all B-families with the next check. At no time was it possible to give B-families more than 80 per cent of their basic budget. In August, 1935, only 70 per cent could be allowed. This meant that no family could plan ahead and be

¹ Except transient families, who continued to get relief on the disbursing order basis.

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certain what it would have to subsist upon for longer than two weeks; a difficulty which the agency deplored, but saw no way to remedy.

Under the new system the only difference between budgets for families on direct and on work relief was that those at work received one day's pay (\$3.50) a month in addition to wages, to cover lunches, transportation, and extra wear and tear on clothing.

Great savings in the drain on visitors' time and the wear and tear on the nerves of visitors and clients alike were immediately apparent after the change. The stream of clients asking special consideration on this or that point, from shoe repairs to garden seeds, dried to a mere trickle; the staff had time to plan for and with the families in their own homes. Complaints centered on the inadequacy and unpredictability of relief checks, and no longer concerned what, in detail, the family desired to have supplied. Of complaints handled by the special Complaint Department of the Bureau, those relating to cash relief dropped from 12.4 per cent of the total in April to 4.7 per cent in July. One cause of the high ratio in April was that the beginning of the cash program happened to coincide with the imposition of the Colorado sales tax; the charge was made by clients singly and in groups that the Bureau made the change in order to transfer to its clients the burden of paying the tax. This was a symptom of the hysteria of ill-feeling prevailing at the time. Although each client visited by our field worker was carefully questioned about the effect of the sales tax, none seemed to feel the burden of it especially, nor suggested any lingering feeling of antagonism toward the Bureau on account of it.

CASH RELIEF

Problems Anticipated

The case load increased slightly in April, and this may have reflected stimulation of applications through announcement of the change to cash relief, but it promptly began again to decline.

All resident families and individuals were placed on cash without discrimination, the expectation being that some would have to be returned to disbursing orders because of mishandling of money. This was found necessary in a surprisingly small number of cases. Less than one-tenth of one per cent had to be placed back on disbursing orders. Most of the difficulty in these few cases was with the client's spending for other purposes the portion of his allowance intended to be applied to rent.

During the first month of cash allowances, a few families spent the money before the period was up and asked for further assistance. Since the plan had been carefully explained to each one in advance, the Bureau firmly refused to issue supplementary checks, except when an unpredictable emergency had arisen, and no further difficulty of this sort was experienced.

Work refusal presented no problem—the statement was emphatically and repeatedly made that relief clients in Denver preferred work to direct relief, even though the small differential mentioned above was scarcely enough to cover the added expenses of a work-member. A few instances where the man of the family on work relief refused to turn his earnings over to the support of his family were met by discharging him and placing some other member of the family on a work project.

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Charges were at one time current in the community that persons receiving cash relief were refusing to accept private employment. A study was made by the Bureau of all such complaints during June, July, and August, and 66 alleged job refusals were classified, of which only four appeared to be clearly unjustified.

Never known as relief clients	14
Not receiving relief at time of complaint	8
Working at another job	3
Temporarily unemployable from illness	7
Permanently unemployable	5
Job not as represented	2
Lacked training for job	2
Refused because of contagious disease in prospective employer's home	1
Lacked transportation	3
Unwilling to accept substandard wages	10
Acceptance of job would violate terms of parole	1
Facts uncertain	6
Refusal clearly unjustified	4
	<hr/> 66

Irregular earnings presented no problem in the adjustment of cash budgets, since it was the Bureau's policy to deduct no portion of casual earnings in estimating need. Earnings from regular part-time employment were deducted in full if earned by the head of family; other members were allowed to retain 25 to 50 per cent of such earnings for their personal use.

No difficulty was reported because of pressure from creditors to recover bills incurred before relief began, or from increased instalment buying by clients with cash to spend.

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A close watch had been kept, with the co-operation of the police department, over arrests of relief clients for drunkenness; and no increase had taken place since April 1st.

No study had been made of clients' spending habits. It was believed that certain families, particularly Spanish-Americans, bought less milk than had been delivered to them under disbursing orders.

Attitudes toward Cash Relief

Relief clients uniformly preferred cash, because they could make the money go farther by shopping around; and because it made them "feel better" to buy with cash, like other people. Only one client, a single homeless man, had ever asked to be put back on commodities, giving as reason that "money burned a hole in his pocket." Pressure groups representing the unemployed found much less about which to complain than under disbursing orders.

The Bureau's own staff were enthusiastic supporters of cash relief, believing that in general the effect of individual purchases is to build up morale. They also pointed to reduction in burden of office detail, for both the professional and the clerical staff, and improved relations with clients, as major gains under the new plan.

Other social and health workers felt that while undernourishment due to inadequate budgets had been continuous since the depression, there was no reason to think that families had fared worse in this respect since the change to cash.

Complaints about rent bulked large in the Bureau's problems prior to April first. From an average of 20

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irate landlords a day in March, desiring to know why their rent was not paid, the average fell to three or four a day, mostly the same group of small landlords who could not grasp the fact of the changed policy.

Following the heavy cut in B-family budgets in August, some families were forced to move leaving rent unpaid, and landlords were beginning to oppose the cash system instead of its inadequacies. The Retail Grocers' Association opposed the change in the beginning, because they feared that chain stores would get the clients' trade; but this was a transitory difficulty. Milk dealers persistently opposed the change, reporting lowered sales.

There had been no opposition from taxpayers or other civic groups; and no expression of concern from the general public one way or the other. One of the leading newspapers, which gave "honorable mention" weekly to citizens who had given special service to the community, awarded the director of the Bureau such honor soon after the change for reducing administrative costs of relief and giving the unemployed "cash to jingle in their pockets."

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CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

DETROIT is one of the few important American cities which prior to the depression had no large private agency giving relief. The Detroit Department of Public Welfare, a public body, was the only agency dispensing relief on any considerable scale.

Up to August, 1932, relief was financed entirely through local tax funds. In the first year of the depression the Committee on Unemployment, appointed by a reform mayor, created such a situation by its well-meant efforts to register the unemployed that a complete breakdown of relief measures threatened. The Department of Public Welfare, with a load of 48,000 in March, 1931, was spending at the rate of \$2,000,000 a month—unprecedented in those days. Reorganization took place under the present director, John F. Ballenger, during that month. Crisis followed crisis; Henry Ford “exposed” chiseling by clients, an accountant was found to have embezzled \$200,000, and the bankers “cracked down” on the city’s credit. Private donors came to the rescue with more than one-half million dollars. A work-relief program was resorted to and received popular approval, but a serious deficit had been incurred by June, 1932.

Strong pressure to establish a commissary was resisted with the help of the local chapter of the American Association of Social Workers, but the “Welfare

¹ Information secured in August, 1935.

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Cafeterias,” described on page 19, were resorted to as a measure of desperate economy; staff and expenditures were curtailed and the work-relief program abandoned. Issue of “Calamity Bonds” by the city was authorized to the amount of \$10,000,000, the unsold balance of \$1,800,000 being used in August, 1932, as collateral for a loan from the Reconstruction Finance Corporation. Public feeding-stations were closed in December and work relief resumed in February, 1933, just prior to the crisis induced by the “bank holiday” and the failure of many Detroit banks to open thereafter.

In May, 1933, FERA grants, and in June state-relief funds, became available; and while periods of stress occurred subsequently, the strong back-log of federal relief, which up to the time of our visit had carried about three-quarters of the load in Michigan, permitted the Department of Public Welfare (which in its emergency relief aspects had become the Wayne County Welfare Relief Commission, functioning as the county unit under the State Emergency Welfare Relief Commission) to develop a more adequate program of relief.

Prior to June, 1934, the only cash given in Wayne County was in the form of wages for work relief,¹ with the minor exception of a few aged couples who received cash grants. The remainder of those on direct relief received food orders, issued bi-weekly, and good on any grocer for the amount stipulated. Cleaning supplies might also be purchased with these orders. The reverse of the order contained the statement: “Grocers are not permitted to furnish any commodity on this order which would not be considered essential

¹ But fuel and clothing continued, at least up to the time of our visit, to be supplied in kind to families on work relief.

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to the livelihood of the family to whom furnished." Precise directions followed for presenting the order for payment, stipulating that the grocer must certify over his signature that these directions would be complied with. The order was transferable for payment to one wholesaler and one manufacturer, the payee being required to furnish an affidavit of the correctness of the account. Vouchers on the city treasurer were then issued to him, and payment eventually reached him after much checking and counter-checking in four to six weeks. Surplus foods were, of course, given in kind, partly through orders on dealers, partly through "depots" managed as work-relief projects.

Milk tickets, good for two weeks on any dairy in the retail dairymen's association, were issued with the food order.

Rent was paid only on eviction prior to January, 1933, when a standardized policy was adopted, under which prior consideration was given to "(a) clients who have exhausted their resources to meet rent obligations either by payment or by labor . . . (b) landlords who have sheltered clients free to the fullest extent of their ability . . . (c) landlords who are losing the tax titles on suitable property because of long, unpaid occupancy by Welfare clients."

Maximum rates, at first considerably lower, were by November, 1934, fixed at \$15 a month for unfurnished, unheated dwellings, and \$20 when furnished or heated or both. No written or verbal promises of continued payment were to be made, the necessity for rent payment being reviewed each month. Landlords had to sign an affidavit of ownership for each instalment of rent and await eventual payment as in the case of grocers,

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certain deductions being made by the city treasurer to apply to any taxes the landlord might owe. Monthly renewals often got overlooked in the pressure of other demands. In the summer of 1934 a simpler plan was put into effect, a daily list of renewal authorizations being sent to the treasurer. Rent was paid, however, for only about one-fifth of families on direct relief during the summer and fall of 1934.

Clothing was issued in kind on requisitions issued at irregular intervals, from district clothing bureaus stocked by wholesale purchase, and by articles made in sewing-rooms or closed factories by work-relief labor. Fuel was delivered to the home, at first from stocks purchased at wholesale, but in 1933-1934 on order to fuel dealers, under the Federal Fuel Replacement plan, delivery charges only being paid by the WCWRC. Utility bills were paid only rarely, because of the persistence of some concerns in applying them to the clients' back bills instead of to current ones. The only allowance for incidentals was the occasional provision of carfare and payment of insurance premiums when approved by the Commission's insurance worker.

The disbursing order system as operated in Detroit was cumbersome, expensive, and slow, but it did seem to furnish protection against abuses found elsewhere. The agency's policy was to allow clients considerable liberty of choice, and not to fuss if he sometimes substituted cigarettes for foodstuffs. Occasionally neighbors would report selling or wasting foods, and grocers themselves sometimes took the trouble to report flagrant irregularities in clients' selections. Complaints, both about clients and dealers, were investigated, but no important issue was made about minor abuses discovered.

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ADOPTION OF CASH RELIEF

Experimental Period

A staff committee appointed to consider relief methods made a report in the spring of 1934 mildly favoring cash relief. Mr. Ballenger had long desired to bring about its introduction, and now believed that the appropriate time had arrived. He induced the Commission to give general approval to a change (Minutes of June 13, 1934), and proceeded immediately to experiment with a limited group of families on direct relief. The procedure was started by the "careful selection of high-type families who needed the incentive of . . . cash; and of families who had managed their pay-checks satisfactorily when previously on . . . work programs." These were given a cash allowance covering food, shelter, utilities, and household supplies by two-week periods, but milk, fuel and clothing continued to be supplied on orders as described above. By the end of September, 1934, approximately 800¹ such families drawn from the direct-relief rolls were receiving this part-cash relief.

County-wide Cash Relief

In August, 1934, relief budgets were revised upward by about 25 per cent to meet rising prices; but in early October, it became apparent that funds available to carry out the increased program had been overestimated. The total case load at this period was about 65,000, four-fifths being in the city of Detroit. About 23,000 were on work relief, and 42,000 on direct relief.

¹ In addition, about 2,200 aged couples and others who had previously received cash allowances continued to do so.

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Mr. Ballenger proposed that a cut of 5 per cent be made in the food budget of all families on work and direct relief, but that in order to make the decision somewhat more acceptable to the latter group, the food allowance be given in cash. Approval of the State Emergency Welfare Relief Commission was secured and the local Commission, somewhat doubtful as to the wisdom of the plan, authorized a four weeks' trial, "during the harvest season," and the date of October 18 was set for the change. Announcement was made in the newspapers, but otherwise there was no advance consultation with food dealers. The following letter was mailed to each client with his food order during the week of October 9.

You are being given cash relief so that you may buy at special sales. Fruit and vegetables can be purchased at very low cost at present.

Your check is reduced 5% because the Wayne County Welfare Relief Commission does not have sufficient funds to continue your present amount of relief.

JOHN F. BALLENGER, *Administrator*

Visits were made to as many clients as possible to explain the changed procedure. The visitors reported that something like 20 per cent of the families expressed some fear of the proposed change. The fact that many of the staff were unconvinced of the practicability of transferring the whole direct case load to cash, and would have preferred a more gradual and selective process, may have influenced the clients' reactions.

During the late summer of 1934, many clerical details connected with issuing orders, previously lodged in the district offices, had been transferred to the central office,

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where efficient modern machinery was installed. A simple order form was sent in from the districts, which could be written either as an order or a check, and mechanically posted on centralized records with speed and ease. Checks and orders were not sent by mail, but clients called for them at the district offices on stated days, scheduled so as to avoid crowding. Since only food orders were involved in the change to cash, the instructions to districts, issued on October 15, were extraordinarily simple and casual as compared, for instance, with the flood of new procedures demanded when New York, Philadelphia, and Pittsburgh changed from orders to cash. Districts were instructed to requisition food checks for all families except those they had reason to believe could not manage cash, the 5 per cent deduction being figured at the central office. Only 73 families were kept on food orders, the remainder being transferred to cash food allowances on October 18, 1934.

Those who were already receiving what was spoken of in Detroit as "total cash relief" (i.e., cash for food, rent, and utilities) continued on this basis; the group newly transferred received cash for food only, the agency continuing to issue milk, fuel, and clothing in kind to all, including work-relief clients. The reasons given for this procedure, which was still in effect at the time of our visit, were that coal, milk,¹ and clothing could be purchased centrally at substantial savings; that if clients were allowed to order milk "consumption might fall below good social levels"; and that families would not defer spending their cash until funds had accumulated to replenish their wardrobes.

There was no review of the plan at the end of the

¹ Subsequently milk was included in the cash allowance.

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four weeks authorized by the Commission, and it continued unchanged, except that gradually more and more families were placed on "total cash relief" as defined in Detroit. At the time of our visit about 10,000 families were receiving the increased cash allowance, 15,000 got cash for food only, and some 300 were on a complete program of disbursing orders. No changes had been made in budgetary standards.

Detroit had made an interesting division of its case load on the basis of treatment given, which had a bearing on the operation of cash relief. "A" cases, amounting to three-quarters of the total, were those in which the agency "did not participate in family life," but merely provided the missing income. The staff took the position that, in such cases, their approach should be similar to that of administrators of unemployment insurance. They made sure that economic need existed, provided the relief income, and took no further responsibility. Unless the family so expended its income as to indicate that economic need did not exist, the expenditure was held to be strictly its own affair. In "B" and "C" cases problems other than the need of relief made it necessary for the agency to offer other services.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

Prior to the change, purchases by the agency had been exempted from the 3 per cent sales tax operating in Michigan. If this tax had been allowed to fall on clients, it would have meant an 8 per cent instead of a 5 per cent cut. Three per cent was, therefore, replaced in the cash budgets, so that, although a possible saving was what had offered an excuse for putting cash relief

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in operation, it is fairly apparent that net savings from cuts in the food budget must have been small.

Problems Anticipated

The total case load increased during the fall and early winter from about 50,000 in August to an all-time high of 72,600 at the beginning of December, 1934. During that month a marked improvement in employment took place in Detroit, and case load declined steadily until at the beginning of June, 1935, it stood at 43,400. June showed a slight upward turn, reflecting a recession in employment in the automobile industry which began several weeks earlier. Comparison of the relief load with employment indices for the city makes it perfectly apparent that the condition of Detroit's chief industry, and not the adoption of cash relief, was the major factor influencing the size of the subsequent case load.

Two months after the change to cash, Mr. Ballenger wrote:

We anticipated a certain percentage of failure and even expected that we should have to duplicate relief in a large number of cases in the event that families so long unused to cash would be unable to budget it properly. During the first two weeks of this experiment we were rather astonished by the complete silence from the clientele. Men clients did not use it for liquor, fathers did not leave their families, and mothers apparently were able to feed their children over the two-week period. If they made mistakes in managing they kept it to themselves and did not expect the agency to duplicate relief because of their error. After three weeks we made a canvass of all of our district offices to find further explanation of the silence.

Even when we made aggressive inquiries we could only locate seven families . . . who had used their money for

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purposes other than food. Even within these seven cases the money had been used with considerably more imagination than a good case worker could have suggested. One family had used their first cash . . . to join the father of the family in a southern city where he had secured work. We had not been able to send the family because of lack of residence in the other community. Another family used it to buy stock for a small retail sales project. Still another bought a license for a truck, with which to pick up odd jobs.

On the other hand, some of our families have returned and asked us to reinstate them on orders as they felt too unsure of themselves to manage money. They tell us that their greatest difficulty is in meeting the demands of their children, who knowing that they have cash in their pockets, ask for school books, carfare or movie money. They say that it is too great a conflict for them to endure and they would prefer the grocery order which was understood by the children. Of course, in these latter cases it shows the depths to which dependency has gone in some cases and makes us more interested than ever in teaching families how to live on cash.

At the time of our visit, about 200 families in addition to the original 73 had been placed back on food orders. Old couples too feeble to do the necessary shopping accounted for 94 of these; 34 lived in a remote rural district where there were no facilities for cashing checks. Others had been returned at their own request, or on account of illness, alcoholism, or irresponsibility. Soon after the inauguration of cash relief, court arraignments for drunkenness were checked with the agency's records, but very few relief clients were found to be involved.

Comparatively little difficulty had been experienced with spending the cash allowance before the expiration of the two weeks, with instalment or luxury buying, or with pressure from creditors to collect back debts.

The speed with which checks were got out made adjustment for irregular earnings easy.

Although work-relief earnings were no greater than direct cash relief, there had been no increase of refusals to accept work, greatly to the surprise of the staff.¹

The families who received shelter allowances had kept up rent payments remarkably well, movings had lessened, and evictions had practically ceased to occur. When a family persistently spent its rent allowance for other things, the rent item was withdrawn from the cash allowance and payment made direct to the landlord. No studies had been made of consumption habits of relief families, and information on the points covered above was only a consensus of opinion formed by the staff from occasional questions asked of families, and from the scarcity of independent complaints.

Attitudes toward Cash Relief

Clients, except the few who had asked to return to orders, were reported generally to prefer cash relief. It might be expected that the group on "food relief only" would seek actively to be advanced to the status of "total cash relief"; but we were unable to learn that such pressure had been felt. The so-called, "pressure groups," on hearing that cash relief was to be put into effect, hastened to pass resolutions demanding it in order to claim credit for the change.

Supervisors and visitors of the WCWRC, somewhat lukewarm and nervous about the change in the beginning, were "one hundred per cent" for cash relief at the

¹ See also report regarding refusal of WPA jobs in Detroit, in WPA Research Bulletin, Series II, no. 16, Reasons for Failure to Accept Assignment to Works Program Employment in Thirteen Cities, April 6, 1936.

time of our visit. Speaking for them, the administrator wrote in June, 1935:

The more experience we have with cash relief, whether it be partial cash relief (such as for food only) or entire cash relief, the more certain we are that it is a superior plan to any [commodity] relief program. . . . We wish that we could put into effect a complete cash relief plan covering every item of the budget for all families who are qualified to handle their budget in that manner.

In spite of this he pointed out, however, that a crisis in funds might at any time precipitate a return to disbursing orders, because of the four to six weeks' "cushion of credit" which that system would interpose.

The Council of Social Agencies had commended the plan. One head of a private agency expressed reservations concerning it, stating that landlords were generally averse to housing "welfare" clients unless the rent were paid by the agency direct; that contributions from relief families to religious groups deflected some of the funds intended for food; and that a public agency ought not to discriminate between its citizens in the type of relief it extends to them. This informant went on to say:

I am not yet convinced that the rank and file of our social workers are without bias in appraising cash relief. Many of them were enthusiastically in favor of it as a policy, and it is much to ask that they should be wholly objective. The acid test of cash relief in Detroit will come after Federal funds are no longer available.¹

¹ In reply to this comment, the director of social service wrote on April 1, 1936: "We feel that the acid test has come, and that cash relief has withstood the test. . . . This is proved, we think, by the act of the Common Council early this month when an emergency appropriation of \$480,000 was made to cover our anticipated deficit

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No complaints had been received from educators or health workers that the nutrition or appearance of school children has been less favorable under the cash plan.

When the plan was first announced, executives of the grocery concerns which had been filling orders, together with representatives of real estate associations, made inquiry as to what the change would mean to them in a business way. The explanations given satisfied them, however, and their attitude was reported to be in general entirely co-operative. No change had been involved, of course, in the agency's relation with milk and fuel dealers.

No complaints had been received from taxpayers or civic groups. The newspapers had been sympathetic in their comments throughout.

Note continued from p. 97.

for March. Within the \$480,000 a revolving fund of \$150,000 was set up to guarantee the maintenance of cash relief so it does seem that the elected officials of the City of Detroit are sold on the idea of cash relief, and that it has stood the test of public opinion."

LOS ANGELES¹

CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

PRIOR to the depression, public relief in Los Angeles County was disbursed entirely through the Los Angeles County Department of Charities, an agency which had had a checkered history of involvement from period to period in political situations in the county. Food in standard packages, issued from a central commissary called "the Warehouse" has been for many years the form of relief preferred by the County Supervisors. It is interesting in this connection to note that the warehouse has been managed not by the Department of Charities itself, but by the County Purchasing Department, directly responsible to the Supervisors.

In 1931 a State Unemployment Commission was appointed by the governor, but exercised no supervisory powers over local relief administration, which was financed entirely with local tax funds until, in the spring of 1933, funds became available from the RFC. A State Emergency Relief Commission was set up in March, and was merged a few months later with the State Emergency Relief Administration, operating under the regulations of the FERA, and administering both federal grants and the state funds which became available in June, 1933. Since the relief load in Los Angeles was about half that of the entire state, the question of how far state regulation could go in Los Angeles was, and continued to be, a burning one.

¹ Information secured in August, 1935.

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A Los Angeles County Relief Administration, with an administrator appointed by the SERA, was set up to control and administer work relief; but throughout this period, and up to the fall of 1934, the Los Angeles County Department of Charities continued to handle all direct relief to resident families and individuals. Its program was financed by local tax funds and by grants from the SERA of federal-state funds. During 1934 the Department's case load fluctuated between 45,000 and 85,000 as the CWA program rose to a peak, declined, and was replaced by the Emergency Work Program. Food was issued in standard packages and called for weekly by the clients.¹ Fourteen standard orders had been worked out by home economists on the staff, to allow for variations in size of family, health conditions, and racial backgrounds. A small weekly check was given for incidentals. Milk was delivered to the homes. In a few special-diet cases, the entire food allowance was given in cash. Surplus commodities, including much food produced by the Los Angeles County Relief Administration in its gardening and canning program, and clothing, consisting of purchased or renovated goods as well as those produced in LACRA sewing-rooms, were also issued through the warehouse. Rent and utility bills, when paid, were by check directly to the landlord or creditor concern. The budget allowed at this period for a family of five was but \$37.63, as contrasted with \$51.35 which the head of a family of the same size could earn on work relief under the LACRA.

Instances were constantly being discovered of clients who sold unwanted relief items to secure a little cash.

¹ During 1935 delivery of packages to the homes was instituted.

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Procedure in these cases was to punish the client by reducing the relief allowed or occasionally even by prosecuting him. In the main, the Department relied on its system of house delivery as a protection against petty dishonesty. Clients on application had to sign an affidavit that they had stated all their resources, to promise that they would reimburse the Department for relief advanced if ever in position to do so, and to give it a lien on any property they might possess.

ADOPTION OF CASH RELIEF

The Pomona Experiment

During the late spring, news drifted down to Los Angeles about San Francisco's novel venture into cash relief.¹ Under pressure from social workers, and because of the well-known rivalry between the two cities, the Department of Charities in May and June, 1934, undertook to give cash relief on an experimental basis to some 4,400 families in the Pomona district. Cash allowances were fixed at 25 per cent in excess of cost of warehouse relief, a figure arrived at by securing prices from retail merchants on the articles included in the warehouse ration. No careful estimate was made, including costs of warehouse operation, delivery, spoilage, and so on—costs which have to be met by retail dealers under the cash system. Actually, however, the full budget for a family of five receiving cash in Pomona was \$42.27—a 12½ per cent rather than a 25 per cent increase over the amount allowed from the warehouse.

When the experiment had been in operation about six

¹ See pp. 162 ff.

weeks, Seward Simon, director of the Council of Social Agencies in Pasadena, wrote to the County Supervisors as follows:

We have made a somewhat careful study of the actual results in Pomona, and we have not found a single person directly dealing with the system who is not very much pleased with its operation. . . .

We have been unable to find a single case where a landlord has not received his rent. A number of landlords interviewed stated that they were better satisfied with the cash system. . . . The utility companies report that collections from county clients have been excellent. . . . The merchants throughout the district seem very enthusiastic about the results of cash relief upon their business. . . .

There has been no evidence of any increase in gambling or drinking . . . one individual arrested for drunkenness had a history of alcoholism and had been placed in this rural district in the hope of breaking his habit. Even so, he had paid his rent for a month in advance, and had bought groceries, before his excess drinking got him into trouble. The only other case of drunkenness involved another single man in the same boarding house. . . .

Very few individuals—not more than six families—returned to the relief offices before the conclusion of the month stating that they were out of food. . . . A question of importance is whether the families are purchasing wisely and in such a way as to prevent malnutrition. The judgment of the social workers is that they are. It is estimated that actually more milk has been sold in the Pomona district under the cash relief system than previously. . . .

Clients, as might be expected, are enthusiastic over the method, but their enthusiasm rests on very real advantages. . . . The store system involved transportation expense which curtailed their available resources. Perhaps most important of all in its effect upon the client has been an increased

feeling of respect and responsibility. . . . A tragic instance in reverse was the request, at the beginning of the experiment, from two families that they be not given cash because they had been so long without money that they were afraid they could not spend it wisely. . . . Assisted in budgeting, they already feel that they are being helped back to self-support. . . .

A prominent citizen who has been in close touch with welfare matters for many years says "I was one of those who were fearful of the results of cash relief. I mistrusted the ability of county beneficiaries to handle their funds. I have made it my business, for the last several weeks, to investigate the actual results. I am completely convinced of the success of the experiment."

In spite of urgent requests from the local chapter of the American Association of Social Workers, the Council of Social Agencies, and other interested groups, that the experiment be continued and extended, it was brought to a close at the end of two months as being "too expensive." Cynical observers commented that valuable perquisites from wholesale purchase of commodities by the county would have been cut off if the cash-relief system had been allowed to spread in Los Angeles County.

There is no reason to believe that the trial in Pomona by the Department of Charities influenced in any way the subsequent adoption of cash relief by the LACRA. As an isolated and early experiment, it received a certain amount of publicity, and is set down here merely to complete the story.

County-wide Cash Relief under the LACRA

During the summer of 1934 the SERA, concerned over the amounts it had to advance to the Department

of Charities for direct relief, insisted upon the appointment of a special staff of investigators to divide the case load into "employables" and "unemployables" and speed up the transfer of the former to work projects under the LACRA. A local Los Angeles County Relief Committee which had been appointed by the State Relief Commission and accepted in an advisory capacity by the Board of Supervisors, was in active charge of this process. Results, however, were disappointing. At the beginning of October, 46,500 employables remained on direct relief from the Department, while but 35,700 were on work relief under the LACRA.

Late in October, 1934, coincident with the appointment of a new local administrator, the announcement was made that no further allotments from the SERA would be advanced to the Department of Charities for the relief of employables, all of whom must be transferred, on forty-eight hours' notice, to the LACRA. At the same time these families were to be placed on a full cash allowance, in accordance with the state-wide program just going into effect. Even the supervisory staffs of the two agencies concerned had no advance inkling of what was contemplated.

Up to this time the staff of the LACRA had, of course, had no experience in administering direct relief. Their chief duty had been to certify persons and families as eligible for assignment to work-relief jobs. Almost overnight they had to prepare to receive and care for some 50,000 "employables" taken over from the county charities. In addition they were directed to devise and put into effect a system of cash relief to become operative two days later. Probably no group

of social workers, except in the case of disaster from fire, earthquake, or flood, has ever been called upon to cope with a more appalling task. And few incidents of the depression illustrate better than this one the havoc which can be wrought in social programs by off-hand executive decisions, made by administrators with no first-hand knowledge or competence in the tasks they order performed.

It was realized from the start by the LACRA executives that to put cash relief into effect instantly would be a physical impossibility. To avoid unthinkable suffering for their new group of clients, it was necessary as an emergency measure to make arrangements for disbursing orders upon dealers. The first task was to find and "sign up" grocers and others who would extend credit on the agency's promise to pay. The accounting department worked all the first night to devise the necessary order blanks and other accounting forms to be printed the following day.

There was no time to close and transfer case records from the Department of Charities. Only cards with the names and addresses of the families and the amount of relief each was receiving were turned over from the Department's accounting department to that of the Relief Administration. With the transferred case load came between two and three hundred visitors from the Department staff who were being taken over on the Administration payroll, and who were as unfamiliar with the policies and procedures of their new employers as were the staff of the LACRA with their new duties.

Under these conditions, cash relief in Los Angeles County got off to a handicapped start on November 1, 1934.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

The confusion and actual suffering resulting to both staff and clients, during the three months following the transfer were almost inconceivable. Disbursing orders had to be continued more or less till the beginning of 1935. Several staff members broke under the strain; many transferred employes were found unsatisfactory and dismissed, amid outcries and newspaper attacks from the protective association of employes of the Department of Charities, and new and for the most part inexperienced personnel brought in to take their places. It was found that the Department of Charities had interpreted very liberally indeed the word "employable," in choosing 50,000 cases for transfer although their reports showed only 46,500 so listed in October. Four thousand cases had to be transferred back in December as in no way meriting this description. This process continued for several months, meeting with determined resistance from the Department, anxious to keep down the drain on local taxes by shifting as much of the burden as possible to the state. At the time of our visit the following August, the Social Service Exchange was still behind on the registrations and re-registrations occasioned by this unhappy situation. Its full effect can be appreciated only when translated into terms of the insecurity it created for families so unfortunate as to be the shuttlecocks flying between these two battledores.

Gradually, and over a period of months, some degree of order was brought out of the chaos of the early period. At first, the budget of the Department was used as the basis of the cash-relief grants, 25 per cent being arbi-

trarily added to represent the difference between wholesale and retail purchase. Budgetary maxima varied at different periods, and were suggestive only, allowances being subject to percentage cuts when funds were low. From December on, the same budgetary standard was used in calculating amounts for families on direct and on work relief, except that the latter received a 15 per cent bonus in the form of an additional check with each weekly pay check. (State order effective in Los Angeles, December, 1934.)

Several experimental methods in administering cash relief were tried and discarded. The naiveté with which the staff approached its unaccustomed task is indicated by a procedure adopted directly after the change to cash, under which a "case aide" (a worker whose training was less than that of a full-fledged visitor) was assigned to accompany client housewives on their shopping expeditions and oversee their purchases! Needless to say, this chaperonage was promptly discontinued after a few days' trial. Rent was at first paid directly to the landlord as a separate check; later, still in the form of a separate check, it was mailed to the client and had to come back bearing both his endorsement and the landlord's. By August, 1935, the administration had reached the conclusion that it had better stop holding the end of the reins and permit cash relief to be cash relief. The rent item was no longer kept separate, the total monthly allowance was being prorated in weekly instalments, for which checks were mailed out from the accounting department on the order of the visitor or case aide. There were still many delays and difficulties due to slips in the clerical system, changes of address, and so on; but clients in the main

received their checks regularly and were responsible for meeting their own bills and saving from week to week, as they used to do from their pay-envelopes, to be ready for the landlord when rent day rolled around.

Meanwhile all "unemployables," to the number of about 25,000, whose status the Department of Charities could not successfully protest, continued to get their relief from the county warehouse, which in February, 1935, was investigated by the Grand Jury and an adverse report returned alleging waste, inefficiency, financial irregularities, and the issuance of foodstuffs that were sometimes wormy or decayed.

At the time of our visit, the WPA was just getting under way in Los Angeles, with re-investigation and attempts again to segregate "employables" and "unemployables" in the case load of the two agencies. Moreover, federal grants for direct relief were being cut down, with recurrent crises and failure to receive funds from the state administration. An emergency return to disbursing orders was possible at any moment, and any clear picture of the situation was difficult to secure.

Problems Anticipated

The problems due to forced speed and lack of preparation for the change to cash relief have been indicated earlier in the text. Total case load of the Los Angeles CRA, which was 105,000 in December, 1934, increased to 110,000 at the end of March, 1935, and had declined to 102,000 by July. This would appear to be only a seasonal variation.

As to prevalence of misspending cash relief, testimony in Los Angeles differed. Less than 100 out of a direct-relief case load averaging 56,000 a month had

been put back on disbursing orders by the LACRA, and this included a number who may have managed their finances well enough, but who refused work assignments. The LACRA had, and freely used, however, the recourse of returning to the county as unemployable persons who flagrantly misused the cash given them. Officials of the Probation Department, an arm of the county government, made verbal statements that there had been a marked increase in cases of drunkenness, neglect of children, and so on, during the spring and early summer of 1935, and that these were very largely from among clients of the LACRA. They failed, however, to confirm these statements in writing when invited to do so, or to produce evidence showing whether these cases occurred among work-relief clients or among those transferred in November from commodity to cash relief. Social workers in private agencies, less involved in the situation, said that many families improperly transferred as employable in November had remained on the direct-relief rolls of the LACRA through sheer inability of an inadequate and inexperienced staff to detect and retransfer them. Repeated statements from different persons were to the effect that complaints about misspending got little attention from the overburdened LACRA staff.

The area supervisors of the LACRA, with whom a group consultation was held, agreed that since January it had been necessary to issue very few supplementary orders because families had got behind with their expenses. The feeling was that they were becoming increasingly able to manage their finances on the cash basis.

Charges had been rife in the newspapers that direct

cash relief encouraged refusals to work. While the supervisors knew of, and had taken disciplinary action upon, a few cases of the sort, they strenuously denied that it was either a common or an increasing phenomenon. It was pointed out that of 14,000 cases closed since the previous May, almost exactly one-half had been because the clients had secured private employment. A much more serious difficulty, they acknowledged, was to discover when enterprising clients took such jobs and neglected to mention the fact to their relief visitors. A staff of seven investigators was constantly employed in checking private industrial payrolls. A few "chiselers" thus discovered were prosecuted, but only with the approval of the Social Service Division; others made restitution or were simply dropped from relief when there were extenuating circumstances.

The problem of irregular earnings, as well as pressure of back debts, was rendered less acute by California's generous policy of allowing families to earn through casual employment up to 25 per cent of their relief budget without making any deduction.

There had been no increase in complaints from landlords and other creditors that current bills provided for in the cash allowances were not being met; nor had luxury purchases on the instalment plan been called to the notice of the agency.

Attitudes toward Cash Relief

Clients were reported to be strongly in favor of cash relief. None had ever asked to be returned to disbursing orders, and they exhibited the utmost reluctance to be returned to the county and placed on commodity re-

lief. Pressure groups had agitated continuously for cash relief; now that it was in effect, they had transferred their attacks to such questions as adequacy and wage scales. On the whole, however, such attacks were said to be diminishing, with regular opportunities furnished for these groups to be heard, and some changes for which they had agitated being put into effect.

As has been indicated, LACRA staff members most closely concerned with administering cash relief were enthusiastic advocates of it, in spite of all the grief that accompanied its early history in Los Angeles. Workers in the Department of Charities expressed themselves cautiously as favoring cash if properly administered, and if its higher cost, which they maintained without being able to produce evidence of the fact, did not make it prohibitive. They constituted an older and more experienced group, and influenced the thinking of the entire group of social workers in the city more than did the staff of the LACRA, who remained the most convinced and enthusiastic group in the community on the subject of cash relief. The early difficulties connected with its installation, and a continuing feeling that it was unsuitable to many of the clients to whom it was being administered, were points more frequently brought up in discussion with social workers outside the LACRA. It had not been the same surprisingly happy experience there as in most of the other cities visited.

Some apprehension was expressed by health workers early in the program, and particularly by the county health officer, that malnutrition would increase among children as a result of cash relief. Nothing more to this effect had been heard, however; and no study had

been made or proposed by school or health authorities that would throw light on this particular situation.

No increase was noted after the change to cash in complaints from landlords about non-payment of rent, although some area supervisors thought there were more instances than formerly of families moving and leaving unpaid rent behind. Some complaints on this score had been received from the real estate association, but no study had been made on this point. An official of the city utilities company who was interviewed stated that 1,300 relief families whose records had been studied by the company had incurred total delinquencies amounting to only \$40 since the change to cash relief. The Chamber of Commerce, representing retail trade, is reported to have consistently opposed the warehouse system and favored cash relief. The only group of retailers opposed to the change were the dairymen, who continually agitated for milk to be sent on order and paid for by the LACRA. The latter's supervisors asserted that the dairymen's figures of decreased milk consumption took no account of canned and loose milk bought in the stores, but no definite figures were forthcoming, and informed persons in the community were positively of the opinion that children in families on direct relief were getting less milk than under the order system.

As reflected in the newspapers, cash relief was not a question of burning importance in Los Angeles.¹ Arti-

¹ The Los Angeles Examiner for June 18, 1936, stated that the County Supervisors had approved cash allowances for food, abolishing the warehouse system as of July 1. "Costs will be increased approximately 25 per cent but . . . elimination of . . . more than 20 food depots, together with clerical work and purchasing costs, will bring the cost to approximately the present level."

cles attacking the County Supervisors for their management of the warehouse appeared in the same columns with others attacking the LACRA for "perpetuating the dole." Out of a mass of confused prejudices, it would appear that work relief was the only form enjoying public confidence in Los Angeles, and that direct relief, however administered, was disapproved.

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CONDITIONS PRECEDING THE ADOPTION OF CASH RELIEF

WHILE a Department of Public Welfare exists in New York's municipal government, its main duties are to manage public institutions and to administer state funds for certain types of categorical relief. The charter of the city has for over fifty years forbidden it to engage in the administration of general relief to persons and families in their own homes. Prior to the depression this function had traditionally been performed by a group of private agencies, with funds contributed by the charitable public.

With the onset of the depression a group of prominent citizens volunteered in the fall of 1930 to assist the private agencies by securing contributed funds and setting up a work-relief program.² Later the scope of this Emergency Employment Committee (Prosser Committee) was enlarged to include raising supplementary funds to be disbursed by the private agencies as direct relief.

The sum of \$8,500,000, unprecedented at that time, was raised and spent during the ensuing winter for these two purposes. By January, 1931, it became apparent to the Welfare Council, representing the private agencies of the city, that the Committee's funds would be exhausted early in the spring, and it began a concerted drive on the municipal government to appropriate

¹ Information secured in June-July, 1935.

² Colcord, Joanna C., and others, *Emergency Work Relief*. Russell Sage Foundation, New York City, 1932, pp. 136.

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\$10,000,000 to continue the work program. Special action was sought and secured from the state legislature to make this possible, and in April the city began the task of relieving the unemployed through work relief.¹ Again in the fall, the Citizens' Committee (Gibson Committee) campaigned for private funds and raised \$18,000,000.

The state of New York in September of the same year passed the so-called "Wicks Act" creating a Temporary Emergency Relief Administration and appropriating \$20,000,000 to assist counties and municipalities with unemployment relief. Under this act, work-relief wages had to be paid in cash, but it was made obligatory that all agencies dispensing state funds for direct relief (in New York called "home relief") must issue it in kind. The only items which might be given out of state funds were food, shelter, fuel, light, clothing, necessary household supplies, and medical care.

Ordinarily, city or county departments of public welfare were the agencies through which the state's relief funds were disbursed, but the charter stood in the way of this in New York City. As an emergency measure, in order to participate in state funds and to be able to use its own funds for relief under the terms of the Wicks Act, New York City found it necessary to create temporary machinery for administering home relief and work relief. The commissioner of public welfare was authorized to establish an Emergency Home Relief Bureau and appoint an advisory board.² On Decem-

¹ *Ibid.*, p. 150.

² A separate commission was at the same time set up to establish the Emergency Work Bureau.

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ber 28 the work was begun of taking over from private hands the bulk of the task of caring for the unemployed. Five supervisory borough offices were established, with "precinct" offices, which have varied in number from 70 to 25. Space does not permit a recital of the successive financial crises and changes of policy of the next two years, in which the successive work programs held the center of the stage.¹ Direct relief was given through disbursing orders (called "vouchers" in New York), except for coal, surplus commodities, and clothing made in sewing-rooms, which were issued from depots managed by the EHRB. Vouchers were delivered bi-weekly to the homes by the so-called "investigators," who were at first recruited largely from among unemployed "white-collar workers," and who were carried on the work-relief payroll. Later the investigating staff was made part of the regular administrative set-up but continued the delivery of vouchers. This system was felt to be valuable for purposes of supervision, since it required contact at least twice a month with clients in their own homes.

Food tickets which included milk, meat, and cleaning supplies were issued for two-week periods and could be filled only by stores inspected and authorized by the Home Relief Bureau. Shelter, though inadequate in amount, was provided for relief families on order to landlords. Gas and electricity were paid directly to the utility company. There was no allowance for incidentals.

There were frequent complaints of overcharging, dis-

¹ For a succinct account, see [New York] Governor's Commission on Unemployment Relief, *The Administration of Home Relief in New York City*, 1935, pp. 33-42.

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counting for cash, and other abuses on the part of tradesmen and clients. If investigation proved dealers guilty of fraud, their authorizations were revoked. From July to December, 1933, 88 firms were thus removed from the list, out of over 8,000 authorized.

The auditing office inspected vouchers returned for payment and such irregularities as erasures, or different handwriting on face and back of voucher, were referred to a special division for investigation. A triplicate voucher system was devised, in the effort to check improper transfer of orders, forgery, and similar attempts to defraud. In some instances refunds were secured on threat of punishment.

ADOPTION OF CASH RELIEF

The Welfare Council of New York City, continuing its role of vigilant but friendly critic of relief developments, agitated continuously for an amendment to the Wicks Act to permit relief, at least in New York City, to be granted on a cash basis. Committees of the Council and of the staff of the Emergency Home Relief Bureau on January 1, 1934, rendered the following joint report:

Many families are now beginning the third year of relief. Those without earning power have reached the point where cash is absolutely imperative for various necessities of life which Home Relief does not at present provide for. There are positive values in families planning their own expenditures on the basis of the accepted medium of exchange. We feel that the continued issuing of specific commodities to families as such deprives them of their normal function of choice and planning, and undermines their morale, independence and sense of responsibility.

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We believe that cash relief should cover all items of a minimum standard budget. We recognize however that certain items in the budget may have to be met in some other way, depending upon what resources are available at the time. Examples that present themselves at the moment are the provisions for clothing and medical care.

We recognize that certain risks are involved in the giving of cash relief and therefore suggest the following safeguards:

1. That the staff administering this relief be chosen from those with adequate background and training, and that they meet the minimum requirements set up by the Temporary Emergency Relief Administration to insure adequate study of applications and adequate investigation of resources in order that relief may be given only to those in actual need.
2. That in the beginning all families be given cash relief for general purposes rather than a few selected families. When evidence is forthcoming that cash relief is inadvisable, cases can then be transferred to relief in kind. Cash relief should be withdrawn only on the basis of a tested experience of the family's inability to manage, based on objective data, and should be approved by the borough office.
3. That cash payment be made by check, delivered to the home of the client by the investigator. The giving of a check would make it possible to keep Home Relief clerical set up as it is functioning at present. The checks would only become negotiable when the client signs on the face in the presence of the investigator and endorses on the back in the regular manner, in order to obtain the cash at the bank. The client would also sign a receipt which it is suggested be a permanent one . . . in order to protect the investigator and the Emergency Home Relief Bureau.
4. That a written statement be given the client showing

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the various items the check covers, a new statement to be given if budget changes are made.

5. That the client be required to show receipts for expenditures to date covering certain items, such as rent, gas, etc., before new relief is issued to cover these same categories.
6. That the client be urged to spend the money according to the budget items and not to meet accrued indebtedness with relief intended to meet current expenditures.

Mayor La Guardia, who had advocated cash relief in his campaign for election, and William Hodson, his newly appointed commissioner of public welfare, actively supported the proposal, as did the New York Chapter, American Association of Social Workers, and many civic and social agencies. Governor Lehman proved friendly, and a somewhat reluctant legislature passed in March, 1934, an amendment permitting the TERA to authorize municipal corporations to give direct relief in cash.

The TERA hastened to issue instructions to towns and counties how to proceed to secure this permission, the initiative being left entirely with the local agency. Some preference was suggested by the TERA for a part-cash budget, with certain items still on the order basis for reasons of economy, and for a selective process in choosing families to be placed on cash relief, but neither of these suggestions was made mandatory. Said the Survey in April, 1934:

Thus, qualified by ifs and buts, the legal knot is cut by which communities and relief officials, however intelligent, were forced to deny to men and women in distress—because their opportunity for work and wage had disappeared—the right to manage so simple a detail of their lives as the choice of their own groceries.

The Emergency Home Relief Bureau of New York City sought and secured permission from the TERA to transfer direct-relief families to cash in May, 1934.

There was no preliminary period of experimentation, but even before the amendment was passed, the staff of the EHRB was being prepared for the impending change by frequent conferences and discussions.

Anticipating that some families would have difficulty in stretching their allowance over the two-week period, the Nutrition Department, which had heretofore consisted of one person at the central office, was expanded by stationing a home economics adviser in each of the precinct offices. It was the duty of these nutritionists, partly through visits to the homes and partly by furnishing educational material on low-cost diets, menus, and recipes, to help such families as required it. Detailed instructions went out on May 9 for refiguring family budgets and for a city-wide transfer to cash, involving about 170,000 families, to take place over the period May 21-June 1.

The position was taken by the EHRB that all families and single persons should be given a chance to demonstrate whether they could handle cash satisfactorily. When the last relief orders were delivered, visitors were instructed to explain the impending change to each family. Checks were to be prepared by the Finance Department on requisition of the visitors and delivered to the homes by a messenger service attached to the Finance Department, instead of by the visitors themselves as heretofore. A series of "deadlines" was established for each step in the process of getting ready for the transfer.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

At first, only food and household supplies were included in the cash allowance. Gas and light were added in June after an agreement had been signed by the utility companies that amounts received from clients would not be applied to back bills. Coal continued to be given in kind,¹ and although there had been some experimentation with clothing allowances in the form of cash, the small amount of clothing issued continued to be given in kind or on orders. Vouchers continued to be issued to landlords authorizing payment of rent.

In January, 1935, procedure for issuing checks was as follows:

The investigator delivers all vouchers by hand directly to the family, but he does not participate in the delivery of the check. On new cases if there is an emergency, a food voucher may be issued immediately since there is necessarily a lapse of over a week before cash relief can be obtained through the Finance Department. If on the other hand the investigator believes that the family would feel the stigma of a voucher too greatly and can wait for cash, the latter may then be given as the first relief. On under-care cases following a visit to the home where the investigator has among other things discussed with the family the receipt of the last check, he records his visit in the case record and with his supervisor either au-

¹ In the winter of 1935-1936 the EHRB gave up commodity distribution of coal and provided an additional allowance in the relief check for coal. The EHRB secured agreement with wholesale and retail coal-dealers to "peg" the price for the ensuing winter to relief clients at 75 cents per 100 pounds. This included a sales tax of 2 cents on each transaction. The client identified himself by a special coupon which, together with 75 cents in cash, entitled him to 100 pounds of coal. Twenty coupons enabled the coal peddler to purchase a ton of coal for \$10. Therefore the coupon served the double purpose of identification and the stabilization of the price. Six months later the plan was reported to be giving complete satisfaction.

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thorizes the continuation of the former cash allowance, or, on the proper forms, he approves a new allowance.

From the payroll record card upon which authorizations are recorded, the office department lists upon payrolls the family name, address and amount of the relief check. Payrolls are then arranged geographically and certified by each Precinct Administrator and are sent five days before the checks are actually written, to the Finance Department of the Works Division, which is under the Comptroller's Office of New York City. The Finance Department then writes the checks and supervises their delivery by bonded messengers who reach the client's home regularly on the date that relief is due. (It is possible to stop the delivery of the check up to the morning of delivery when it is known that the situation of the client has changed in the interval.) The messenger identifies the client in the home by means of a card in the possession of the client, the signature on the card being compared with that which is written by the client on his payroll. In many cases the client has secured employment since the investigator's visit or has acquired other resources. Such information he may give to the messenger and it is then reported to the central Finance Department and the information is routed properly to the precinct. The messenger, however, does not act as an investigator in the situation nor is he to establish any other than a delivery relationship to the client. On the other hand, it is his privilege to report any outstanding incident in relation to his calls.

If the client is not at home at the time of the messenger's visit, the unclaimed check is returned to the local Home Relief precinct office where a representative of the Finance Division is permanently stationed. . . . The client may then call at the precinct for his check within eight days. (Within three days, the investigator has had notice that the check has not been delivered and he and the supervisor may use their judgment about a call at the home at this point.) At the time that he calls, he is seen first by an interviewer of the Home Relief

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Bureau who ascertains the reason for his failure to be at home. If it is proper for him to receive the check, he is then given this by the Finance Department representative. A file record is kept of those clients who obtain their checks in the precincts and the reasons noted. Frequent recurrence of these calls without adequate reason means that a complete review is in order by the investigator and, therefore, all of the material is routinely turned over to him. This interviewing in the precinct office has proved fruitful in the discovering of cases of unacknowledged employment.

If the check is not claimed within eight days, a notification is given to the precinct by the Finance Department and a decision is made by the case department regarding the continuance of the case. If there is suspicion of income and it is known that the family is able bodied and prepared to come to the precinct, the case may be closed at once. If the investigator knows of reasons why the client may not have been able to call nor have been able to be at home at the time of delivery, he makes an extra home visit for further study of the case. Reports regarding unclaimed, cancelled checks come regularly to the Central Office and it is found that between 70 and 80% of these cases are closed. . . .

. . . The delivery itself is something of an auditing check upon the existence of the relief families. Also since the messenger makes a bi-weekly visit to the home, it is not necessary, except for emergencies, for the investigator to visit but once a month. He, therefore, should have more time for collateral work on his families so that eventually a more thorough study of family situations would result. . . . A plan of having clients call for all of their checks has not been practicable for New York City because there is no space in the precinct offices for the reception of clients for this purpose nor have facilities outside of these offices been available.¹

¹ Memorandum to TERA from Director, Home Relief Bureau, New York ERB, January 29, 1935.

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In March, 1935, a committee appointed by Mayor La Guardia to study the relief situation in New York City rendered a searching report. It showed that while the standard budget for a family of five adopted by private relief-giving agencies in New York City was between \$20 and \$21 a week, that of the EHRB was only \$12.10; that the discrepancies between the two standards were especially marked in the items of rent, clothing, and incidentals; that the differential between rent allowances paid by EHRB and the actual rentals demanded by property owners was so high that clients were under excessive pressure from landlords to make additional payments out of their relief checks; that rental allowances were being paid on properties unfit for habitation; that the high proportion of earnings of working children¹ which the EHRB insisted on including in calculating the family income often resulted in concealment of these resources, or in the young people's leaving the family and using their earnings for their own support, and in any case acted as a deterrent toward obtaining part-time employment; and that malnutrition among school entrants in New York City had been consistently higher since 1932 than in any of the five previous years. Among the Committee's numerous recommendations were the following:

1. The budget allowance for food should be increased at once and kept in line with the cost of food in New York.
2. The maximum rent allowance should be increased in New York City. The procedure recommended for determining the rent allowance to each family on the basis of both the size of the family and the real estate problem in the City

¹ All but carfare, lunch money, and \$1.00 a week for clothing.

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should be adopted. The rent allowance should be paid in cash rather than by voucher. A rent allowance should be granted to home owners as well as tenants.

3. A regular clothing allowance to be determined by the Home Relief Bureau in co-operation with the Home Economics group of the Welfare Council should be included in all budgets.

4. A regular allowance for household supplies, ice, carfare and incidentals should be added to the Home Relief Budget.

5. A minor member of a family on home relief who secures work should be permitted to retain 50% of his earnings and 50% should be charged against the family budget. All other members of a family on home relief should be permitted to retain 50% of their earnings until the total family income reaches the minimum budget allowed by the private agencies, as necessary to maintain health standards.

6. Cases in which a member of a family on relief secures work in industry equal to or exceeding the minimum budget allowed by private agencies should be considered open, but inactive, for a period of six months.

7. A reasonable allowance for moving expenses should be granted to relief families where they are forced to move or where moving is recommended by the Home Relief Bureau.¹

The Committee made the additional statement that:

The administrative burden and costs have been unnecessarily increased to some extent by the failure to substitute a complete system of cash relief for voucher relief. The present system under which cash is delivered for food, and vouchers for rent, coal, and clothing, involves not only a duplication of auditing functions, but a duplication of visits by investigators who could make more thorough investigations if they were not so burdened. A change to exclusive cash relief would also be in keeping with the recognition that the granting of

¹ Report of Mayor La Guardia's Committee on Unemployment Relief, New York City, 1935, p. 25.

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relief carries with it no implication that the recipient is unable to manage his own life or that the use of the allotted budget cannot be left to his own judgment.¹

Some action followed these recommendations, but it was not deemed possible to put most of them into effect. The standard budget was revised upward slightly in March. Food standards were set in accordance with age and composition of family. Special dietaries were to be provided in pregnancy or illness; cod-liver oil might be included on authorization of the nutritionist. Percentage revisions upward for families of less than three members, and downward for families of more than seven members, were authorized. Slight increases were made in allowances for fuel for light and cooking. An elaborate rental schedule provided rent at varying levels depending upon whether the rooms were furnished or unfurnished, and with or without central heating or bath. At about this period, a system was installed of delivering to the client a rent check, made payable to the landlord.² Clothing was not included in the regular bi-weekly check, the size of which was adjusted from time to time to cover specific articles to be purchased. No change was made in the demands on cash income of working members.

An interesting policy in New York was the pains taken to acquaint clients with the details of the relief grant. When any change was made in individual family budgets, the visitor gave the family a copy of

¹ *Ibid.*, pp. 29-30.

² In April, 1936, the EHRB began in two districts the experiment of delivering checks by mail. At the same time, the special rent check was abolished in these two districts, the rent allowance being prorated and added to the two semi-monthly checks. In the few weeks that have elapsed since then the plan has worked smoothly.

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its budget sheet, and explained how each item was set up and how the budgetary deficiency was established. Budgetary instructions state that the plan was devised "to inform the family how their budget was planned and to serve as a guide to them in planning their expenditures."

Problems Anticipated

In April, 1934, the month preceding the transfer to cash, total numbers on work and direct relief in New York City had more than doubled, to a figure well over 300,000, owing to the abandonment of the CWA program. Slight decreases occurred in the early summer months following the transfer; but an upward trend showed itself in the late summer months, and heavy seasonal increases began in December, bringing the total load to over 350,000 by March, 1935, where it remained with slight fluctuations until the time of our visit. Absence of seasonal decline may have been due to efforts on the part of the unemployed population to qualify through applying for relief for assignment to the new WPA program. It seems probable that these changes in case load were due in New York, as elsewhere, to seasonal demands and to the influence of successive work programs.

The memorandum quoted on page 123 states:

There were a number of families who in the possession of cash for the first time in years used their first check in a questionable manner. There was the middle aged client who half starved herself but got a permanent wave and a henna shampoo. There was the young father who insisted that his pregnant young wife use all of the food allowance in the first few days of the week in order that there would be especially good

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nourishment for the coming baby. A number of husbands promptly deserted, taking the money with them, but returned shortly. In many cases it was possible to help the families over this period with understanding and guidance (though not with additional funds) without putting them back on voucher relief.

Other families, however, have demonstrated that they are entirely unable to manage on cash and it becomes necessary to return them to voucher. We are hoping to eliminate a punitive attitude on the part of the investigator toward such clients and to help them to make the change as constructive as possible. Cases where the father or mother, or both, drink heavily either regularly or intermittently, make up a large majority of this group. In these instances there is danger of resultant malnutrition on the part of the children as well as the mother or father. In many instances the wife herself is an able manager, but is unable to refuse money to her husband who drinks heavily and she begs us to keep the family on voucher relief. We have families who have used their food budget for the purchase of clothing, the upkeep of insurance, luxuries, and so on, many of these people having been adequate in their functioning before the depression. Some of these cases are referred to the private agencies for treatment. There are many other cases, however, where the client lacks either sufficient intelligence or the emotional stability to make proper purchase and to use these for the benefit of the family. Many of these families need additional help even when returned to voucher relief and our nutritionists are busy with them.

However, in June, 1935, only 880 families out of 245,000 under care—less than one-half of 1 per cent—had been returned to disbursing orders because of inability to manage cash.

Pressure to collect payment for back debts, or failure to keep up payments on current obligations, had not

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been serious problems. It was known that landlords' demands for further payment made serious inroads, however, on the cash allowances given for other purposes. Nevertheless, very few clients asked to be returned to relief orders.

No increase in work refusals was believed to have followed the introduction of cash relief. Refusal of clients on work relief to accept private employment had been an issue frequently raised and bitterly debated, although never competently studied in New York City, but these charges have not related especially to clients on direct cash relief.

Attitudes toward Cash Relief

The preferences of clients as between cash and order relief had received no formal study. From the general reactions of clients individually and of "pressure groups," and from the almost complete absence of requests to be returned to commodity relief, it was assumed by the EHRB that New York's clients preferred relief in cash.

Administrators and staff of the EHRB, as well as of most of the co-operating private social agencies, had been strongly in favor of the transfer, and after nine months' experience with cash relief were reported as still convinced of its superiority to the order system. Replies to a questionnaire from the EHRB to its supervisors and investigators brought out the following points:

1. Most important of all it was felt that there was a general improvement in the morale of clients. A feeling of independence and self respect is restored when the client is allowed to handle money as he has been accustomed prior to his unemployment.

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2. There were numerous instances reported where clients had been able to obtain more food for their money by cash and were thus able to improve the health of their families. By employing ingenuity and planning ability, they were able to "shop around" taking advantage of sales, special offers, push cart bargains, and so forth. These same clients were overcharged when they had been in receipt of voucher relief because the supplier had to wait long intervals for payment.

3. Cash relief has permitted some families to obtain greater variety in diet, and racial food tastes and habits can be satisfied. Under the voucher system, a client was practically restricted to the purchase of all food from one store which very frequently did not carry a full line of products.

4. Several clients with cash in hand were able to set themselves up in small businesses such as peddling eggs, fruits, etc. Other clients, managing extremely well, have been able to save small amounts for other necessities not included in the budget, such as home remedies, shoe repairs and an occasional movie.

5. It is no longer necessary for the client to resort to illicit arrangements with suppliers to obtain a few cents here and there for an emergent telephone call, occasional carfare, and so on. Clients and suppliers are released from the humiliating experience of being investigated for practices which were implicit in the system itself.¹

Landlords had kept up constant pressure for increase in rental allowances but had not opposed the cash system. Tradesmen in general realized that they were better off, since they were paid directly in cash by the client and did not have to wait for the Finance Department to honor their vouchers.

The whole relief situation in New York City has been so involved in constant controversy that it is difficult to isolate any especial community attitudes

¹ Memorandum to TERA from Director, Home Relief Division, New York ERB, January 29, 1935.

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toward direct cash relief *per se*. It has been a minor factor in public discussion and has not been featured in newspaper comment. Occasionally protests specifying cash relief have been made by individual taxpayers, but it is to be doubted whether the average citizen knows it is in effect, or draws distinction between direct cash relief and the work-relief wages about which he has heard so much more.

The latest official word on the subject of cash relief was spoken by the Governor's Commission on Unemployment Relief in its report issued June 24, 1935.

A complete cash relief system should be adopted. The Commission agrees with the Mayor's Committee on Unemployment Relief that rent voucher system is wasteful and has led to uncalled for abuses by landlords. Vouchers may be necessary for emergency "unit" relief where immediate action is required in eviction or other emergencies and for the very few families who fail to handle their affairs competently, but the success of the cash relief method since last May warrants the use of it for the entire relief allowance.¹

It is interesting to note that the report of the Aldermanic Committee to Investigate the Relief Administration in the City of New York, issued a month afterward, which attacks the work of the EHRB in every conceivable particular, is entirely silent upon its practice of giving direct relief in cash.

¹ Governor's Commission on Unemployment Relief. The Administration of Home Relief in New York City, New York, 1935, p. 112.

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CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

PUBLIC relief had been practically unknown in Philadelphia for many years preceding the depression.² Emergency relief during the first winter (1930-1931) was administered by a group of private agencies, with funds raised through private subscriptions by a Citizens' Unemployment Relief Committee.³ During the summer the load of relief was allowed to drop back upon the limited resources of the private agencies, and great suffering resulted. In the fall of 1931, the city provided \$3,000,000 for relief through a bond issue, and a Bureau of Unemployment Relief was created in the municipal government which was, however, entirely staffed and managed by the same group of private agencies active under the Committee during the first winter, and represented no responsibility on the part of the municipal government except to furnish funds. Both the city appropriation and a small amount available from state funds were exhausted by late spring, and in the early summer of 1932 occurred a dreadful hiatus of ten weeks during which 52,000 families previously on relief were left uncared for.⁴

In August, 1932, Pennsylvania created a state-wide

¹ Information secured in July and October, 1935.

² During 1921 the Department of Public Welfare administered a small amount of direct relief to the unemployed, but only as a temporary and emergency measure.

³ Colcord, Joanna C., and others, *Emergency Work Relief*, Russell Sage Foundation, New York, 1932, pp. 166-181.

⁴ See Clague, Ewan, "When Relief Stops, What Do They Eat?" In the *Survey*, vol. 68, November 15, 1932.

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system of new county relief boards functioning under the newly established State Emergency Relief Board, which began the following month to administer combined state and federal funds for unemployment relief. For the first time in its history, Philadelphia began to have a system of public relief which was reasonably adapted to the need existing within its borders.

Until the summer of 1934 no budget standard was in effect in Philadelphia for either work-relief or direct-relief clients. Work-relief wages were paid in cash; clients on direct relief received disbursing orders. Food orders, at first in multiples of \$5.00 or less, later of \$10 or less, made out to the client for food, and negotiable in any grocery, were issued once in two weeks, the maximum allowed for food being \$15. In the beginning, these orders carried on the reverse a list of articles allowed to be purchased; but this proved to be ineffective for any purpose of control, and was discontinued in 1933. Surplus commodities were distributed through the same grocers who handled food orders, a supplementary order for these commodities being issued to the client with his food order. By arrangement, retail grocers after filling orders for food and surplus commodities, sent the order slips to their wholesalers, who made up monthly statements and presented them to the Board, thus simplifying clerical work and the problem of credit. Milk orders good on any dairy were issued at four-week intervals.

An arrangement was worked out with the coal dealers' association or "conference" under which this group accepted orders and parceled them out to individual dealers for delivery, sending the Board a single monthly invoice.

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Clothing was issued "as needed and when available," on the visitors' requisition, from a central warehouse. This system was expensive to operate and highly unsatisfactory.

For the first two years of the Board's operation these items practically comprised what direct-relief clients were able to receive with the exception of medical care, which was provided as needed and not included in the budget. Only exceptionally were gas or electricity bills paid, and no allowance was included for household supplies or other incidentals. Most important omission of all, no rent was paid by the Philadelphia County ERB until after November, 1934. This was a deliberate policy, due to the absence of local funds, and to the position taken by the SERB that relief was an emergency measure, and rent one of the things clients might be expected to provide for themselves, through their own efforts or by securing extended credit. It was perhaps contributed to by the willingness of private relief agencies in the city to supplement in some cases (not more than 2 or 3 per cent) the inadequate allowances of the CERB.

The staff was aware of many abuses, on the part of both clients and dealers, under the order system. A continuous educational campaign was carried on through the Wholesale Grocers' Association, and with the clients direct. Because some grocers did not stock meats, the practice of partial cashing of food checks had to be winked at; and this furnished a loophole for some grocers to furnish part cash for less acceptable purposes, and even to discount heavily the small amounts of cash they advanced. Grocers who were discovered to be notorious offenders in substituting

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unauthorized commodities, overcharging, or discounting cash advances, were blacklisted and in some cases prosecuted for fraud. No studies were made of the extent of these various evils. Undoubtedly the irritation they created was far greater than the actual proportion of such malpractices discovered.

ADOPTION OF CASH RELIEF

The dissatisfaction of the staff of the Philadelphia ERB with the system of commodity relief they were obliged to operate had found expression in the stirring appeal for cash relief, made in May, 1933, by Dorothy Kahn, executive director of the Board.¹

Early in 1934, the executive director of the Pennsylvania Emergency Relief Board said:

The attempt to distribute relief in kind has resulted in an immensely cumbersome system which involves the issuing, auditing and disbursing of the millions of relief orders distributed monthly. It has been necessary to establish an elaborate control system in order to insure a proper safeguard of expenditures. Furthermore, this system of relief has created a tendency to think in terms of separate types of relief, rather than in terms of the total needs of the individual receiving relief. Relief grants made in cash instead of in kind is the only remedy.²

He added, however, the warning that:

Any relief system which contemplates direct relief in cash requires certain machinery and safeguards which the Pennsylvania system does not yet possess. The present system has

¹ See pp. 33 ff.

² Pennsylvania State Emergency Relief Board, Report of the Executive Director on Unemployment Relief in Pennsylvania, September 1, 1932, to October 31, 1933, pp. 60-61.

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barely completed its organization period. Much still remains to be done with a view to perfecting its administrative personnel and methods. Therefore, it is not considered wise under present conditions to depart from the present policy of giving relief in kind. It would be the better part of wisdom to allow another year to elapse so that standards of relief administration throughout the State may be brought to the high level necessary as a basis for a cash relief system.

The Philadelphia Emergency Relief Board voted early in 1934 to introduce cash relief as soon as practicable; but after the liquidation of CWA, so great a burden of direct relief was thrown upon the agency that it seemed inexpedient to attempt any change in a system that was at least working after a fashion. Constant discussion went on with the state authorities in Harrisburg, eager on their part to see cash relief undertaken in Philadelphia.

During the summer of 1934, in preparation for a vigorous resumption of work relief following the collapse of CWA, the SERB promulgated a standard budget for work-relief families with complicated tables for calculating budgetary deficiency. At the time this went into effect the SERB directly requested the CERB to examine its direct-relief lists also and to place direct relief on the cash basis. In line with the state policy of raising relief standards, the payment of a shelter allowance in lieu of rent was also authorized. As a matter of fact it would have been impossible to give relief in cash and continue to ignore the problem of rent, since landlords who knew that their tenants had money in hand would not consider themselves bound by the wishes of the donors as to the purposes for which it was to be spent, but would, under threat of bringing

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eviction proceedings, secure as much of the stipulated rental charge as they could wrest from the tenants.

Budgets were therefore figured under the new standard, beginning in August, 1934, and included shelter allowances intended to cover taxes and water rate for that portion of the premises occupied by tenants on relief.

The standard work-relief budget was used in calculating budgetary deficiency for all families, but an arbitrary reduction of 20 per cent was made in the resultant allowance to families on direct relief. This was done partly in order to create a differential in favor of working, and partly to offset added expenditures in families with a working member. An added powerful motive was the chronic shortage of funds from which Philadelphia suffered. The ordinary maximum for cash grants was set at \$18 a week, although in exceptional cases they might, by special permission of the supervisor, be increased to \$24.

Work relief was resumed in October, with earnings based on the new budgetary deficiencies. The financial departments of the Relief Division and the Work Division of the CERB, hitherto entirely separate, were merged into a single unit, with resultant changes in personnel and procedure. Clients on direct relief continued to receive disbursing orders on the old basis, pending the projected change to cash relief. On October 3 the state ERB released to the newspapers the announcement that direct relief in cash would begin in the city and county of Philadelphia one month later. Dealers were informed at the same time about the contemplated change. Instructions to district supervisors had already been prepared, and were sent out immedi-

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ately. These instructions so clearly show the enormous amount of office detail which had to be covered in advance that they have been reproduced in Appendix III.

During the ensuing month the families to be transferred were visited and the plan explained to them. Frequent staff conferences were held to iron out difficulties. The task proved so enormous that the deadline was advanced one week. The CERB issued the following statement through the press to its numerous clients:

We have confidence in your ability to manage small amounts of cash better than we can manage them for you. You have been wage earners, receiving weekly salaries which you have had to stretch to cover your family's needs. Before you lost your jobs you saved week by week to pay your gas bill, to pay your rent, to buy coal, and clothing. Your credit was good or bad, depending on how well you managed to meet your obligations. Often you were tided over difficult times because the people with whom you dealt knew that you, were careful and conscientious. It is essential that you now re-establish your credit with them by meeting your current expenses with the money you receive for relief. You cannot hope to pay back debts with your relief check. If the landlord asks payment of back rent, or the grocer and other dealers payment of accumulated bills, you will have to make this clear to them. But at the same time, you should immediately begin to pay a fair portion of your current rent and to meet your other expenses in cash, for your relief check includes this, and the landlord and other dealers are entitled to it.

In a newspaper interview on November 11, Miss Kahn said:

Cash relief means that we are reaffirming our confidence not only in our clients, but in the normal channels of trade.

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We must rely on landlords, grocers, clothing merchants, coal dealers, and public utilities to treat the expenditure of \$2,000,000 a month as an opportunity not to liquidate old debts, but to re-establish the normal day to day flow of money through the usual channels of trade. . . .

In order to receive relief every family must register for work with the State Employment Bureau. Cash grants to families are twenty per cent less, in each instance, than what the family could earn if assigned to a work-relief job. Our experience is that nearly all breadwinners prefer work to relief, but under the present plan the amount of relief granted will be so much less than what could be obtained through work that it will be to the interest of the family to take a job because of the larger income which this will make possible. Our confidence in the success of the cash system rests upon the fact that we know that the vast majority of our mothers are excellent shoppers. . . . Such families as prove themselves to be utterly incapable of managing their own affairs we shall arrange to return to the order system. If experience elsewhere is of any value the number of these will be small.

On November 10, 1934, approximately 74,000 families on direct relief joined some 1,200 on work relief in receiving weekly checks by mail. The change was county-wide, and applied to all items except medical relief. So efficient a check-writing system was developed that at the time of our visit in July checks were mailed out and received by the clients within two days of the time the visitor put in the order.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

Problems Anticipated

Since the change to cash took place at the onset of winter, some increase in case load was to be expected and did in fact occur during the following months. By

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the end of February, 1935, there were 86,000 families on direct relief and 15,000 on work relief. With the contraction of the work program following the announcement of the WPA, the number of those on direct relief increased markedly. At the time of our visit over 91,000 families were being carried on direct cash relief and only a few hundred were at work, most projects having been discontinued.

Misspending or overspending had constituted no problem. No family had been put back on disbursing orders. It is the custom in Philadelphia to issue direct-relief checks in the name of the housewife, a circumstance which helped to quiet the fears of the more conservative members of the community that relief funds would be squandered. It is related, however, that the first complaint received was from a man who said that his wife cashed her check and drank up the proceeds! Most families seemed able to plan their expenditures for a week ahead. When it came to saving week by week to meet monthly bills, such as rent, some clients of course "failed to make the grade." Regarding such problems, Miss Kahn wrote in April, 1935:

We emphasize with the client that his cash grant is to be managed exactly as if it were earned income, and that it is necessary for him to assume all the responsibilities which this implies, including the payment of his rent to his landlord. If clients do not turn over to their landlords [the amount we provide them for] rent, we allow them to become subject to eviction, without . . . assistance from us.

Some large families asked to be returned to "orders," but only because they believed they would receive more relief under that system. This the staff felt to be a

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reaction to the inadequacy of the present budget rather than a rejection of the cash plan.

Refusal to accept work relief or private employment had been rare and did not measurably increase after adoption of cash. The fact that work-relief families got 20 per cent more than direct-relief families, and that persons with regular earnings continued to receive supplementary relief if their income was below the family's budgeted needs, served as encouragement to take work when offered. Casual or irregular earnings were averaged over a six weeks' period, and if they did not total the amount of budget, the difference was regarded as the budgetary deficiency.

Some pressure was noted upon clients to use current relief money to pay up back bills, as well as some, though not a significant, incurrence of new obligations through instalment buying and re-establishment of credit. Instalment houses anxious to protect themselves against bad risks but posing as guardians of the public purse asked to "clear" their applications with the Board's lists, but for obvious reasons were denied the privilege.

A study of rent payments issued by the Board in January, 1936, showed that of about 2,700 families who had been continuously at the same address and in receipt of cash relief for six months, 19.7 per cent had paid as rent the actual amount allowed in their budget, 70.9 per cent had paid more and 8 per cent less than the budgeted amount, while 1.4 per cent had made no rent payments with the money granted for this purpose. As compared with the total rent charges for the six months made by landlords to these families, actual payments made by them had amounted to 79 per cent,

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whereas the amounts allotted for the purpose in their cash allowances was 60 per cent. The study concludes "that the problem of rent arrearage among relief families is not due to delinquency in the use of the rent allowance, but is rather a result of the inadequacy of our present standards, which are insufficient to meet current rentals in the city."¹

Attitudes toward Cash Relief

A group of 766 clients were interviewed during the last three weeks in November, and another group of 1,233 two months later. Of the first group, 83.2 per cent, and of the second group, 88.3 per cent preferred cash relief. The report giving their reactions and experiences presented often in their own language, forms a document of extraordinary human interest. It will be found in full in Appendix IV. Except for the indications in this study no data were available as to changes in family dietaries since cash became effective. "Pressure groups" felt that they had gained a victory when cash was installed, but they were soon denouncing the inadequacy of the grants.

Some of the Board's large staff of social workers were apprehensive of the results of a wholesale essay into cash relief, but experience had converted them into a generally favorable group, who had accepted the plan without reservation. Freedom from pressure of disbursing-order detail had enabled them to use their time more effectively, and with greater satisfaction to themselves and better relations with their clients.

A careful inquiry made at our request by Henry J.

¹ Philadelphia County Relief Board, How Much Rent Do Relief Families Pay? Philadelphia, 1936. Mimeographed.

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Gideon, director of the Junior Employment Service, Bureau of Compulsory Education, revealed that of 72 attendance officers and supervisors in the school system questioned, at least 67 believed that children in relief families were happier, better treated at home, and better clad under the cash-relief system. Only 6 mentioned receiving complaints that cash was being used by parents for liquor.

Real estate merchants opposed the inclusion of the rent item in the cash allowance, and sent several resolutions on the subject both to the county and the state emergency relief boards, calling for payment of shelter allowance by check direct to landlords. In the Bulletin of the Real Estate Board for January, 1935, however, the following statement appeared:

While we opposed the plan adopted it would be fair to observe how it worked and without prejudice record the findings. The only way, of course, would have been to inquire of the various real estate offices their experience with the new plan; whether they were getting the amount given to the recipient of relief as rent. While a few offices indicated that they were not getting rent or the amount prescribed from a few on the relief rolls, the overwhelming number reported that they were getting more than was allocated as rent payment.

Presentation of the results of the rent study of January, 1936, to the real estate boards removed the last trace of desire on the part of the landlords for direct payment of rental allowances by the CERB. One member frankly stated that if rent were paid by voucher, the landlord would get only the amount stipulated in the budget and nothing more—"which would not help the situation much!"

A leading utility company had been "agreeably sur-

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prised" at the way in which people on cash relief paid their current bills, and even in some cases retired back bills by small payments.

An informant in the Retail Grocers' Association gave as reasons for favoring cash relief that it reduced their bookkeeping costs, insured cash sales, and obviated fraud on the part of clients! Our field notes read: "Reminded him that grocers' own skirts had been far from clean in this latter respect under the food order system; he hastened to acknowledge that this was so."

Coal dealers were entirely co-operative, and on their own initiative worked out a plan of payment in weekly instalments for clients on cash relief.

Milk dealers only remained irreconcilable to cash relief. The Philadelphia Dairy Council presented to the Board a "study" made by its delivery drivers a few weeks after cash went into operation, showing a 28 per cent drop in their deliveries to persons previously served by them as relief customers. No figures were presented as to new accounts opened during the same period, nor as to distribution through grocery stores. The relief authorities pointed out that quite generally, relief clients when they "went on cash" were known to have changed to another company in order to deal with a driver who had not known them as relief clients. Many others bought milk at groceries, loose or in paper cartons, in preference to having it delivered. Finally the change to cash was coincident with the receipt of large quantities of surplus-commodity butter, which might easily have temporarily decreased milk consumption among relief clients. In spite of this rebuttal, the milk dealers had continued, however, to denounce the cash plan and endeavor to bring pressure

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through the state organization to force a return to milk delivery on order.

Comment from the general public had been inconsequent in amount. A few taxpayers voiced the fear that cash relief would create a dependent class. Occasional newspaper stories played up the "drink" motive, but in general such comment as appeared in the newspapers and elsewhere had been favorable.

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CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

PRIOR to the establishment of the Pennsylvania State Emergency Relief Board in August, 1932, as described under Philadelphia,² a citizens' committee with privately contributed funds had managed a work-relief program³ and supplied a group of private societies with funds to carry on direct emergency relief in Pittsburgh and Allegheny County. With the organization of the state by the SERB in the fall of 1932, the Allegheny County Emergency Relief Board was established to administer direct and work relief, with federal and state funds, supplemented by city and county funds, the latter usually given for specified purposes.

Food was provided through weekly orders for specified sums, good on any grocer. Up to May, 1934, the back of the order blank carried an itemized list of goods from which selection might be made; after that date, the approved list was discontinued. The client's attention was directed to "fair price lists" published weekly in the newspapers, and evidence of overcharging was investigated. Milk orders, good for twenty-eight days on any dairy, were given. These were the only items of relief issued regularly on a weekly basis. Separate applications had to be made for other necessities.

¹ Information secured in August, 1935.

² See pp. 132 ff.

³ Colcord, Joanna C., and others, *Emergency Work Relief*. Russell Sage Foundation, New York, 1932, pp. 182-191.

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Rent was paid only in exceptional instances; more private funds were available for this purpose, however, than was the case in Philadelphia. Coal was furnished through orders good on any dealer; but payments of gas and electric bills, when made, went direct by check to the utility company.

Clothing and shoes were issued in kind from a central depot, with subsidiary "outposts" in the county. Most of the stock was centrally purchased by the SERB, and reached the depots from the SERB warehouse in Philadelphia, so that gaps in articles or sizes were of frequent occurrence. The depots, manned by untrained work-relief labor, were inefficient in filling requisitions, some of which took weeks or even months to trace and fill. Securing these items, after the family had applied for them, depended upon the family's energy and persistence in bringing pressure on their visitor, and the success with which the visitor transmitted the pressure on to the depots.

No standard budget was in effect until, in August, 1934, the standards for work and direct relief promulgated by the state ERB became effective in Pittsburgh.¹ As with Philadelphia, this meant for the first time any general and standardized provision for the payment of shelter allowances in lieu of rent. A special Rent Relief Department and a so-called "Gas Unit" were set up in the Board's headquarters, and special "rent" and "gas" clerks in each district office assigned to handle with the administrative office the visitors' requests for payment of such bills incurred by families. Through a special fund from the city, electric light payments up to \$3.00 a month were assumed for relief families in the urban area.

¹ See discussion on p. 136.

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The change was more apparent than real, however. Actually, the procedures for administering relief under the state budget were so complicated that it was not fully in effect by the end of 1934. Clothing distributed in October, for instance, amounted to only about one-third of the budgeted amount. By December rental allowances were being paid for only about 11,000 families, or about 15 per cent of those receiving relief.

The Allegheny County ERB was aware of very few difficulties in the way of petty cheating, collusion between grocers and clients, and so on, under the disbursing order system, but the burdensome detail demanded in its operation, and the denial of independence it involved for clients were defects often under discussion.

ADOPTION OF CASH RELIEF

Pittsburgh and Philadelphia relief authorities held several joint conferences during 1934 with state relief officials in Harrisburg on the practicability of a transfer to cash, at least in those two cities. As stated in discussing Philadelphia experience, the state Board's attitude was encouraging; and by agreement, Philadelphia led the way in November, 1934. Pittsburgh watched closely the developments in its sister-city. The ensuing two months were definitely used in Allegheny County as a period of preparation for the change that all believed was about to take place, and staff discussions began on next steps to be taken.

Up to December 5, no assurance had been obtained as to whether or when the change to cash would be made. On that date, however, orders went out to all districts to review their active case load, and make out "RGA's" (relief grant authorizations, or requisitions for the issu-

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ance of checks) to take the place of the separate "RAN's" (relief authorization notices) hitherto prepared for each item of relief given. Standard budget sheets had already been made out for each family and the budgetary deficiency calculated; these had to be reviewed by the district supervisor in conference with each visitor, beginning December 10, and the amount of the relief check determined. A corps of clerical workers on night duty was assigned to each district, to prepare RGA's, in quadruplicate, in accordance with these approvals. Careful provision was made for checking the completed requisitions, and for scheduling the work so that the machinery would not be clogged. The process was to be complete by January 2, 1935.

Directions covered procedure in cases where the situation changed during the process of transfer. The forethought and precautions felt to be necessary are indicated by a supplementary order on December 14, calling for signatures in ink by the checkers and for recording their signatures, and notifying that any RGA which showed evidence of alteration or erasure in the amount of the grant would have to be returned and a new requisition made out.

On December 22 the SERB approved cash relief in Pittsburgh, and itself issued the publicity concerning the change, the date for which was set for January 14. The following notice was enclosed in the milk order of each family sent out the week of December 26:

The relief system in Allegheny County will be changed to a cash basis about the middle of January. The enclosed milk order will provide you with milk until you receive your first cash check. Upon receiving your cash check it will be necessary for you to purchase your own milk. No further milk

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orders will be issued. You will receive a notice one week in advance of getting your first cash check.

Similar notices were enclosed with food orders in January. In addition, notices were sent to all district offices as of December 26 as follows:

The importance of visiting as many families as possible between this date and the actual introduction of cash relief is obvious. In talking to the families, will you work out carefully ways of phrasing the following points, so that there can be no misunderstanding:

1. The grant of cash is made on a schedule and not on a budget. No definite amount is assigned within that schedule to be spent for a given item in a given week. The schedule is a method of calculation and not a guide for spending. The family's difficulty will lie in the fact that the cash relief grant covers all forms of relief except medical relief in any given week. It means that the family must look ahead and plan expenditures—shoes one week, coal the next, etc. It is possible to suggest that the larger bills, like rent, may be paid in small amounts at a time. It is better to state this positively than to allow any possible misinterpretation that we are advising families against paying rent or any other ordinary obligation. Already public opinion has been expressed indicating an expectation that we will advise against the payment of certain items. It must be avoided by every device possible.

2. The cash grant is for current needs and makes no provision for back bills. The distinction between this point and the one above about the payment of the larger current obligations must be kept clear in the worker's mind and made as clear as possible to the client. Specifically, it would be well, if the client has his check cashed by a grocer to whom he owes an old account, that he has a clear understanding that no part of the check is to be retained for the back bill. He will necessarily need to be warned about pressures from other dealers and be told again and again that it is his choice and

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his decision to make within the amount of money granted as to which dealer to patronize and how much he orders of a given commodity.

In the central office, the new file of RGA's was cleared with the addressograph plates used for mailing weekly food orders, and proof slips sent to the districts for final correction. So carefully had the preliminary work been done that the final check-up disclosed only seven errors. Deadlines were established for each separate step connected with the transfer, which finally took place as scheduled, all direct-relief cases in Allegheny County, to the number of about 70,000, being transferred to cash relief¹ during the week beginning January 14, 1935.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

A definite policy was adopted of supplying clothing and fuel in advance for the month of January, so as to have less detail to struggle with during the period of change. Coincident with the change to cash, the special units charged with the issuance of orders for gas, electricity, fuel, rent, and milk, were disbanded. The clothing depots had to be kept open till March, to distribute the final shipment of goods received from the SERB warehouse, and to wind up arrearages on clothing requisitions which had been previously filed at the depots. All disbursement of checks was concentrated in a single financial department in the main office.

Except for minor changes in procedure to meet requirements of the SERB in accounting, establishing budgetary deficiency, and so on, there had been no

¹ Certain items remained unbudgeted in the cash grant, and for these, when needed, special RAN's continued to be issued: e. g., medical care, medical appliances, household furnishings, moving expenses, and transportation.

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alteration in the plan in the six months intervening before our visit. In May, 1935, the maximum weekly cash grant was raised from \$18 to \$24.

A certain number of checks had been lost, accidentally destroyed, or even forged. A plan had been put into operation to replace the check on the client's sworn affidavit. If the loser was a dealer through whose hands the check had passed, he was required in addition to put up a bond.

A minor but irritating problem had been the practice of some small banks, and even some shopkeepers, of charging the client 10 cents for cashing his check.

Problems Anticipated

No significant increase in total case load followed the change to cash relief in Allegheny County. About 85,000 cases were receiving either work or direct relief in the week of the transfer to cash; and the load continued at about this figure until April, when a seasonal decline began which brought total case load to 81,000 by the end of June, and to 75,000 by the end of July.

Pittsburgh had made a more elaborate attempt to study the effect of change to cash relief than any city visited. A preliminary inquiry was made on February 4, concerning problems encountered, and 3,651 family schedules were secured from visitors and aides. Since most of the families listed had received but three checks at that time, the results were not considered significant, and a wider study was made during the week of March 18, of 13,820 families who had by that time been in receipt of cash for at least one full month. Only about 3,000 families were known to have had other income than their relief checks.

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Only 131 cases, or less than one per cent, were believed by the visitors to have actually misspent portions of their relief allowances. Purchase and use of liquor was the most frequent delinquency, noted in 65 cases. One jovial client spent \$5.00 from his first check to "set up the drinks" for his cronies. The police department reported more disorder in certain districts on the days when relief checks were received, and the agency was investigating these reports at the time of our visit. Buying luxuries such as unnecessary clothing, furniture, redemption of pawned jewelry, cigarettes, and permanent waves, accounted for 10 instances. Attendance at theaters, "playing the numbers," giving parties, attending pool halls, and operating cars were noted in 13 instances. One family of five with a weekly allowance of \$9.00 obligated themselves to purchase a gas-range at \$9.00 monthly payments. In some instances, the man of the family was found to be cashing the check and using the proceeds for purposes unknown to his family. Less blameworthy was the man who bought material to build himself a greenhouse, and the one who, omitting to pay his rent, fitted his family out with brand-new insurance policies all 'round!

These troublesome instances bulked small, however, among nearly 14,000 families. Putting families back on orders as a disciplinary measure had not been resorted to. In Pittsburgh, family checks were made out in the name of husband and wife jointly, and had to be endorsed by both, a practice which was felt to be a safeguard against misspending. A check-up of endorsements on returned checks made by one district pointed to only a few irregularities in the firms with which clients were dealing.

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In anticipation that creditors would attempt to collect back debts from families receiving cash, counter-acting publicity was given out in December and January, similar to Philadelphia's.¹ Nevertheless, in the study mentioned above, it was found that 2,508, or 18 per cent, had made payments totaling more than \$15,000 on back debts, including rent, for which their budget, of course, made no allowance.

Not reported in the study as misspending, 562 families had taken out new insurance policies, and 683 had incurred debts totaling \$9,800 for clothing, medical care, household necessities, and so on. A check-up of instalment concerns was made soon after the change to cash, but no evidence found of increased instalment purchase by clients. In one district endorsements on returned checks were examined and any indication that the clients were purchasing new articles on credit followed up.

Small families were found to be more successful in making some payment on rent and other current bills than large families. In all, slightly less than half the families interviewed in March had made payments on current rent bills. Families had moved less frequently and there had been far fewer evictions, than in the period some months prior to the installation of cash relief, when the agency was paying no rent allowances. It had been noted that a few families had moved into better quarters since going on cash relief.

In general, 9,462 families agreed that they were able to manage on the cash allowance provided. The others gave as their chief budget problems groceries, milk, rent, and clothing, in frequency of the order given.

¹ See pp. 138-139.

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The study threw no especial light on changes in dietary taking place after the transfer to cash.

In a general way the agency believed that doorstep deliveries of milk to relief families had decreased, and store purchases increased. The families reported that they were using as much milk as formerly, but the only attempt to verify this had been done on a very small scale by the Public Health Nursing Association, which made an inquiry among 171 relief families served by it, and found that while the number of families purchasing milk was about the same as those formerly receiving it, there had been nearly 25 per cent reduction in the amount purchased following transfer to cash relief.

School officials had reported that children in relief families had appeared badly clad toward the close of the school year, and had requested supplementary outfitting before school opened in the fall.

In some cases private agencies had been asked to go in and advise the family on how better to budget its relief allowance. At the time of our visit, it was felt that the group of families transferred to cash in January had had time to work through the problem of handling a minimum budget, and were doing on the whole a much better job of managing cash than during the first few weeks. The agency had adhered to the practice of issuing no emergency orders to supplement weekly checks.

There had been difficulty, though not more than formerly under the order system, in adjusting checks to the needs of families with irregular incomes. It had been found impossible to eliminate a lag of about six days between the date the visitor authorized a change

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in amount of check, and the date of its mailing out from the check-writing division.

Some difficulty in regard to work refusal occurred in May, 1935, when the practice was discontinued of supplementing work-relief wages by direct cash allowances and a maximum of \$24 was set for large families. The number of would-be work-evaders was reported to be small, however.

Attitudes toward Cash Relief

The study of 13,820 families made in March had included a statement concerning preference for cash or orders; 78.5 per cent preferred cash, 11.3 per cent preferred commodity relief, and 10.2 per cent had no preference or did not answer. Possession of other income besides relief seemed to influence choice; of those with part-time earnings, the majority rural dwellers in the county, only 73.6 per cent preferred cash relief.

The reasons most frequently advanced for preferring cash to orders were:

- Gives better purchasing power
- Makes us feel more self-respecting
- Can buy things when needed—more convenient
- Can pay for rent, gas, etc.
- Can save for future purchases
- Can buy clothing that fits
- Can pay our bills

The difficulties complained of by clients were set forth in a summary of points made by 3,651 clients interviewed in the preliminary study on February 4, after only three weeks' experience with cash.

The statement most generally agreed upon was that the cash grant is too small to take care of all the expenses neces-

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sarily incurred by the ordinary family, although many of these families stated that they were able to manage by very careful budgeting. In a few instances it was noted that after taking care of the current weekly expenditures the family was able to put some money aside for various purposes, such as future clothing needs, minor household replacements, medical needs, home supplies, and for payment on back debts.

Many of the remarks were in the form of complaints. Some of those definitely stated are:

1. Presence of another person in the family, other than those included in the cash grant.
2. Differences within the family over the distribution of the check, several families requesting that separate checks be issued.
3. Budget deficiencies based on incomes of members of the family who refused to contribute from their earnings.
4. One woman complained that her son was lazy and refused to work—having ignored two cards sent by the Works Division.
5. Several families requested that adjustments be made in their budget deficiencies. Cash grants were made when the man of the family had part-time work.
6. The 20% deducted from their allowance when the man of the family is off the W.D. would take care of extra food and provide coal.
7. The woman of the family is a poor manager and cannot budget the amount received.
8. Will not be able to buy clothing and coal when the supplies given by the ACERB are used up.
9. Money is taken by some member of the family for liquor. In several instances it was the woman of the family and one woman complained that her two daughters took money for drinks.
10. The amount allowed for food does not take into consideration the rise in food prices since cash relief. Many

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persons stated that they believed the rise in prices due to cash relief.

11. Persistent demands by creditors and landlords for back debts. Many landlords tried to force payments by cashing the client's check and taking more than the client wished to have taken out for current rent.

Suggestive remarks:

1. Cash checks should be issued for food only. ACERB should take care of the other expenditures.
2. Clothing should not be included in the cash grant. It should be provided for by the state.
3. Coal should be provided for by office orders, additional to the cash grant.
4. Each family should receive a minimum grant of \$15.00.

In the additional remarks for the preference of commodity relief it was stated by two families that they were not handling the cash properly, not being used to it, and that they preferred the assurance of commodity relief. Several clients complained that they spend all for food and cannot take care of other necessities. In a few instances it was noted by the visitor that the family spends all of the check by the middle of the week and has to stint on food for the remainder of the week. One family, due to paying off back debts with the first two checks, has to charge their needs for the current week and pay for them with the next check received. Women frequently stated that they prefer to leave the amount allowed for food with the grocer when they receive the check, assuring themselves food for the week. One single man stated that it was impossible for him to pay for a furnished room and take care of his other expenses with the amount allowed him. Another one said that cash relief was much better for him because it enabled him to have his laundry done. Among the needed incidentals which can now be obtained with cash relief were hair cuts, soaps, lamp burners, brooms, medical remedies and towels.

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Relief

Most of the remarks concerning rent were in the nature of complaints at the demands of the landlords for back rent and for larger payments of current rent than their cash grants warranted. Quite a few of the families are making an earnest effort to pay rent and are willing to co-operate with the landlord if his demands are not too great. Some families mentioned that they have already made arrangements for payment on back rent as well as current rent.

Families desiring to move where they can make better rental terms are prevented from doing so because they lack the moving expenses. Several families living in condemned houses are trying to save enough money from their weekly checks so that they can move to better quarters.

Home owners on relief were generally in favor of cash relief. Most of them are making partial payments to the HOLC and holders of their mortgages. In several cases foreclosure was forestalled by payments they were able to arrange.

A few families now paying rent do not think they will be able to afford it when the family will have to purchase clothing and other necessities which they are now provided with.

In several instances families living with their in-laws and not receiving a rental allowance said that they would like to have their checks increased so that they could move for themselves. Many families who cannot manage to pay rent have been threatened with and are worried about eviction. In contrast to this, one family has signed an agreement with their landlord freeing them from payment of rent until the man of the family gets a steady job.

Prompt payments from weekly relief checks are being demanded by many landlords. A few clients reported that if they allow the landlord to cash their check he frequently attempts to take more than agreed upon, especially if they are in arrears in their rent.

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Clothing

Many of the families who do not mention clothing as a problem are still supplied with the items given them by the ACERB before cash relief. Most of them are managing well now but state that they do not see how they will be able to satisfy their clothing needs when they arise. A few women are trying to save a little from each check for their future needs. Many families needing clothing cannot purchase any because all their money is taken up by food and rent.

Food

The factor most frequently mentioned concerning food was the high price of food supplies in comparison to the food allowance. Many women are spending more for food than with a food order because of the purchasing freedom cash allows them. Most families are unable to provide as much milk for themselves as they received under commodity relief. Special diets was frequently mentioned as a food problem. Some families report that they are spending the entire amount on food and cannot take care of other needs. Families with undernourished children, pregnant women, and persons on special diets are generally unable to afford the milk and foods required by them.

Utility Service

Few families are able to make the deposits required by the utility companies for service. In most cases credit terms had to be arranged. Payments on back debts had to be arranged for quite frequently before service would be continued. One client was warned that service must be paid for within the discount period or else their service would be shut off. Families using the first check they received to make the required deposit had to cut down on food and other necessities. According to the clients' opinion little courtesy was extended them by the service companies.

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The staff of the Allegheny County ERB were unanimously in favor of cash relief. Under the disbursing order system, visitors and aides had been so occupied with weekly relief, item by item, that they had no opportunity to know or attempt to meet their families' other problems. Ten-minute visits to the homes were the rule. After the change, they were at a loss at first to know how to get on other terms with their families than those revolving about groceries, coal and clothing. In the fear that the visitors would do too much advising about expenditures, they had been instructed to offer no unsought counsel on this point, so that "everyone leaned over backward for a while." No attempt seems to have been made to have families understand in the beginning how their budgetary deficiency was arrived at, and this created some initial difficulties. Now that they were enabled through lowered case loads and reduced clerical detail, to investigate more thoroughly and plan more helpfully, the enthusiasm of the staff for the new plan was freely expressed. No inquiry was made among other social and health agencies as to their experience with cash-relief clients.

No increased complaints had been received from landlords, dealers, or taxpayers as a result of the change to cash. The newspapers had reported it in matter of fact fashion, and such editorial comment as was made was favorable.

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CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

PRIOR to the depression, relief to persons in their homes was largely if not entirely administered in San Francisco by private agencies. In 1932 the mayor appointed a body of citizens, spoken of as the "Sloss Committee," or "old" Emergency Relief Committee, to take over from the private agencies the care of families whose need was due to unemployment. Charles Wollenberg, superintendent of the Laguna Honda Home, was the Committee's first director, and Hyman Kaplan, executive director of the Federation of Jewish Charities, became its assistant director.

No private funds were raised or disbursed by the Committee. Relief funds were at first secured by levies of from 5 to 15 per cent on the salaries of city-county employes and by diversions from the general funds. In August, 1932, the city voted relief bonds to the amount of \$6,500,000. During the spring of 1933, federal and state relief funds became available,² and the Committee was given control of their disbursement in San Francisco for both work and direct relief, under an arrangement by which the newly formed State Emergency Relief Administration reimbursed one-third of the Committee's relief expenditures.

A commissary which had long been operated by the Associated Charities was taken over by the Committee, and relief was furnished in kind to both work-relief and

¹ Information secured in August, 1935.

² See p. 99.

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direct-relief clients. Under this system food was issued weekly from the commissary in standard packages locally called "boxes," delivery to the home being optional with the client. The standard package, made up on what was called the "Jaffe budget," grouped the various foodstuffs into "units," and a narrow range of substitution was permitted within each unit. The units had to remain in the same ratio to each other except on physicians' orders. Surplus commodities were also issued from the commissary.¹

Milk was delivered to the homes on order by commercial dairies, in the proportion of one pint daily for each child in the family. In addition a so-called "bread and meat check" was given with each standard order, to cover the purchase of perishable foodstuffs and miscellaneous items. This check amounted to from \$2.00 to \$3.00 for average-sized families and was the only cash relief given at this period. Rent at \$20 maximum was paid only in emergencies, with the result that it was paid only about one month in three. Clothing consisted at first only of salvaged goods; later goods manufactured in relief workrooms were added; finally purchased garments were issued from the commissary. The cash value to which each family could draw for clothing was indicated on the order; within that amount, usually very small, they might select what they wished. Shoe repairing was done free as a work project. Utilities were paid only when shut-off was threatened, then by check to landlord or utility company. No mention is made of other fuel than gas.

¹ At one period, there was also experimentation with a so-called "Groceteria" managed by the Committee, in which clients were permitted, within the limits indicated above, to select the food items they desired.

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Selling by clients of unwanted food items is reported to have been a fairly common practice under the commissary system, but no systematic attempts appear to have been made to control it. The testimony of other social agencies whose workers visited the homes is that food often went untouched into garbage cans or gathered weevils on pantry shelves.

ADOPTION OF CASH RELIEF

In April, 1933, the Board of Supervisors, City and County of San Francisco, appointed a committee, of which Dr. William Palmer Lucas became the acting chairman, to survey the unemployment relief situation in the city. One of the recommendations in this committee's exhaustive report, rendered the following September, was:

. . . the establishment of a uniform system of cash allowance for food relief for all persons on emergency aid in San Francisco; with milk delivered to families which include children. . . . In the study made of 100 families on relief, the most important fact brought out was the lack of essential information and the infrequency of contact between the agency and the families on aid . . . due largely to the great amount of the visitors' time consumed in continual emergencies arising out of the grocery distribution.

Careful study and consideration has convinced the Survey that the greatest possible saving in the administration of relief lies in having frequent and effective contact with the families. The study of families indicated that at least 15 per cent of the families had sufficient income and could have been dropped from aid without hardship. The saving here indicated is so much greater than any saving which could possibly be effected through commissary purchase of groceries that the Survey

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unhesitatingly recommends the adoption of a system of cash relief as an economy measure. . . .

The benefits of the cash system to the client are obvious. The client has a chance to seek bargains and to exert initiative to obtain the best return for his money. There can be no complaint as to quality or service as the client may change his dealer as often as he wishes. The very evident amount of wastage that our Survey has discovered in families where the standard food box is delivered would be completely eliminated. Diet adjusted to the individual needs of the client is made possible. The cash system allows all the types of special diets now laboriously planned for distribution through direct food relief. With a careful supervision of the families on relief, which would be possible in the district set up, such few families as are not able to handle their money wisely can be segregated and given direct grocery orders for specified commodities. . . .

The fact must never be lost sight of that the vast majority of the clients on emergency relief are not the average charity cases of pre-emergency periods, but merely ordinary citizens whose only social problem is lack of a job. There is no reason to believe that these people, who have all their lives maintained themselves and their families, cannot be trusted to handle cash which is, after all, merely a minimum maintenance wage, in essence presenting exactly the same problems of expenditure which they have met during their entire economic lives.¹

No immediate action followed the issuance of this report.

In November, 1933, work relief under Committee auspices was discontinued, and replaced by Civil Works, a San Francisco unit of the State CWA being

¹ City and County of San Francisco, Board of Supervisors: Supplement to Journal of Proceedings, Report of Survey of Unemployment Relief Administration, September 11, 1933, pp. 45-47.

set up to manage this program. All direct relief continued to be administered by the Emergency Relief Committee, with state and local funds, reimbursement from federal funds being discontinued in December, 1933.

Experimental Period

In November, 1933, Mr. Kaplan, convinced by his previous experience of the superiority of a cash system, persuaded the Committee to replace commissary food orders in two districts by cash allowances *for food only* for an experimental period of two months. The experiment involved about 1,000 families, or 19 per cent of the family relief load. The plan provided that the cash allowance be computed so as to exceed by no more than 5 per cent all the costs, conservatively estimated, of operating the commissary system. Such costs would include the grocery rations, meat and bread checks, milk delivery and operating expense of the commissary, and time spent by investigating and clerical personnel in the district offices upon grocery distribution problems, which was estimated to cost in wages about \$2,000 a week.

The two district staffs were instructed not to place on a cash allowance families who there was reason to feel would be irresponsible in handling money. Of the families on relief in these districts, 98 per cent were considered competent to participate, while 2 per cent were either denied the privilege at the outset or "put back on the box" for disciplinary reasons during the course of the experiment.

On January 31 Mr. Kaplan stated in a memorandum which received wide circulation that both clients and staff who had participated preferred cash to the former

system; that costs had been kept within the stipulated five per cent increase; that of 69 complaints concerning food relief received by the Committee during the past three months, only one was from a client on cash relief; and that no increase in applications had resulted, while the number of "cases closed" in the two experimental districts had compared favorably with the record of the districts still using the commissary. He concluded:

The experiment, with all its limitations, has demonstrated that, judged by the relative satisfaction of relief recipients, more inclusive cash relief is practical within the limits set up by the committee, namely: a 5% increase over September costs. Moreover, if existing conditions continue cash relief is possible at a saving over present relief costs. . . .

Thus, the only justification for continuing the commissary disappears. The superior social value of cash relief as contrasted with the box is granted locally and by authorities elsewhere. The negative aspects of the commissary are considered so definite that throughout the country this form of food distribution is not operative. It is my conviction that with the mechanism of the relief agency functioning adequately, there need be no undue fear of initiating cash relief for the city at large, with such individual limitations as are found necessary by the administration.¹

¹ Kaplan, Hyman, Memorandum Regarding Cash Relief Experiment. Mimeographed, January 31, 1934.

The findings as to costs were at variance with the predictions of the Heller Committee mentioned on pp. 208-209. In December, 1933, that Committee had figured the cost of the food provided for a family of four for one month in San Francisco to be as follows:

Standard box at commissary	\$12.22
Milk delivered	2.73
"Bread and meat check"	8.88
Overhead	3.73
	<hr/>
	\$27.56

An "adequate cash allowance," which the Committee defined as the cost at retail of the items and quantities in their food allowance

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An irreconcilable group in the Committee's membership continued to uphold the commissary system, and some weeks elapsed before a compromise vote could be secured. The Committee's minutes record finally, on January 31, 1934, votes "That the cash relief system be installed as an experiment in San Francisco on or about March 5, 1934, to continue six months. At the end of that time it shall be subject to review on every side by the Committee"; and "That the experimental feature of the plan be given the widest publicity at this time; the cash to be adjusted monthly in accordance with the retail price level."

City-wide Cash Relief

Cash relief, for food only, was thus instituted on a city-wide basis in March, 1934. No record exists that any attempt was made to reconsider the plan when the six months had elapsed. The two-district experiment had served as a period of preparation, and the change involved no major dislocations. The commissary was closed, but as practically its entire personnel had been

Note continued from p. 167.

recommended for dependent families (not necessarily the same as what was furnished in San Francisco) was estimated to cost 6.3 per cent more.

Cost of food at retail (prices as of November, 1933)	\$28.30
Sales tax	.71
Estimated cost of overhead	.29
	<hr/> \$29.30

The cash experiment going on simultaneously furnished an interesting check on the Heller Committee's predictions. Questioned later on this point, Mr. Kaplan pointed out that the Committee had secured price lists from retail stores, but had not taken into account savings which families had been able to make by buying day-old bread at half price or doing their own baking, and purchasing left-over vegetables and other goods after market hours, or at week-end sales.

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on work relief, they were not dismissed but transferred to other projects. No cost accounting was made, or if made it is not available, to ascertain whether unit costs under the new system were greater or less than before. Menus and nutrition suggestions prepared by home economists were given to relief families to help them in spending cash allowances wisely.

CWA was discontinued in April, 1934, but the Emergency Work Program which succeeded it was not placed under the direction of the SFERC. A separate unit of the SERA was established to carry out this function in San Francisco. There was constant bickering between the two bodies responsible for relief in the city until in October, 1934, when the Sloss Committee disbanded. A "new" Emergency Relief Committee (known as the McAuliffe Committee) was appointed by the mayor at the instance of the California State Relief Commission¹ and placed in charge of both work relief and direct relief, administration of which was amalgamated under a single body, known as the San Francisco Emergency Relief Administration. Work-relief wages were given in cash, but only food allowances were given in cash to those on direct relief.

Full Budget Cash Relief

In February, 1935, the cash allowance was extended to include total relief given to clients on direct relief. This was in accordance with a state-wide policy adopted some months earlier, and not approved by the local ERC. As a result of friction between it and the State Relief Commission, the latter suddenly announced, in April, 1935, that it was no longer willing to recognize

¹ See discussion, p. 99.

the Committee as its local representative, or permit it to supervise the expenditure of federal and state funds. Separation of the two agencies and redistribution of their functions was effected. The SFERC, now responsible only to the mayor and council of San Francisco, retained "unemployables," to the number of about 3,000, and expended city-county funds for their direct relief, reverting at once to the practice of giving the food allowance only in cash.

The SFERA assumed responsibility for all relief to "employables," some 23,700 of whom it retained under its care, and administered both work and direct relief with federal and state funds. In practically all cases, a full cash allowance was given to those on direct relief, the only relief in kind consisting in the issuance of surplus commodities. Direct relief was paid by check in four instalments each month. In accordance with SFERA regulations, the same budget was used for both direct and work relief, but those working on projects received in addition a weekly "bonus check" amounting to 15 per cent of their wages.

Omitting reference to further difficulties which developed between the local and state agencies, it is sufficient to say that at the time of our visit in August, 1935, no essential change had taken place in the field of work occupied by the two bodies. Emergency relief was being administered in San Francisco by two separate public administrations,¹ on different budgetary levels and by different methods.

¹ A third body, the Department of Public Welfare, responsible to the County Board of Supervisors, administered cash allowances to the aged, the blind, and to dependent mothers, the maxima being established by state laws. Since the DPW has been in no way concerned in the relief controversies of the last two years, it is mentioned here merely to complete the picture of public outdoor relief in San Francisco.

The central offices of the ERC and ERA were separate, but the district workers of both agencies occupied the same offices, and the two agencies continued jointly to operate certain services, such as a central file of closed records, an inter-city inquiry service, an inter-district service for verifying bank and other accounts, and a central medical clinic. Strained relations had been confined throughout to the governing bodies; the staffs worked in entire co-operation, and had frequently passed from the employ of one agency to the other, in response to movements of the case load.

EXPERIENCE AFTER ADOPTION OF CASH RELIEF

Problems Anticipated

When the first cash-relief experiment began in November, 1933, the ERC was carrying over 20,000 families. CWA cut this figure promptly in half, but in March, 1934, when cash relief was made city-wide, the CWA program was succeeded by a work program directed by a newly constituted body, the San Francisco ERA; and from then until the following October, when the two bodies merged, successive changes of policy make case load figures meaningless. In February 1935, when full-budget cash became effective for direct-relief cases, there were 14,000 cases on direct and 21,000 on work relief. There was a slight decline in total case load until, in April, the two agencies again separated and divided the joint case load on a new basis. It is nowhere apparent in this complexity of changes that the possibility of securing relief in cash was more than a very minor factor in influencing applications for relief.

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Unlike the experience in March, 1934, the change to all-cash relief under the SFERA, in February, 1935, was accompanied by much confusion and difficulty, owing to inter-organizational differences of opinion. A principal difficulty was delay in getting checks to the recipients, all of which by no means had been overcome by the following August.¹ It was at that time the practice to give emergency disbursing orders to new applicants as soon as certified for relief, to tide them over a ten-day period before checks could begin to go out regularly.

As has been stated, the change to part cash under the ERC in March, 1934, was made selectively, and about 3 per cent of the ERC's case load in August, 1935, was still being given grocery orders instead of cash. The ERC, adhering to its policy adopted March, 1934, was opposed to granting more than the food allowance in cash, on the grounds that their policy insured that children get the proper quantity of milk, and protected their clients against running up debts, with consequent creditor pressure.

The ERA's transfer to all cash in February, 1935, was made "100 per cent" in the belief that each person had a right to a trial of his capabilities under the new system. Up to August, 1935, not more than five or six families had been put back on commodity relief, and those mainly for disciplinary reasons in connection with work refusal. No instance could be recalled of such action being taken because of the client's failure to handle

¹ The director of the ERA reported, however, that shortly after our visit "our difficulties with delayed checks were resolved by several changes in the personnel of our accounting division, the program then operating quite smoothly until the inauguration of the WPA reintroduced turmoil."

cash properly. It was estimated that in 15 or 20 cases there had been delinquencies in payment of rent or utility bills, and, in a few instances, the ERA paid the bill and deducted it in instalments from subsequent relief checks. On the whole, however, it was stated that clients kept their regular bills paid up "surprisingly well."

Work refusals had presented no problem, and there was no evidence that families prefer direct relief to work. The added 15 per cent bonus to workers no doubt influenced their choice in some degree.

Cash relief had presented no difficulties in families with irregular earnings since, in accordance with state policy, no deductions were made on account of such earnings unless they exceeded 25 per cent of the family's budgeted relief.

With the exception of one instalment furniture firm which had brought pressure in some instances, there had been no experience with creditors hounding clients on cash relief to use it to pay bills earlier incurred. Clients were free to apply casual earnings to retiring such indebtedness.

No evidence had appeared that clients were incurring new indebtedness through fresh instalment buying, nor that there was any increase of misspending for non-necessities. No study had, however, been made of their spending habits.

Attitudes toward Cash Relief

During the two-district experiment, clients receiving cash food allowances in January, 1934, were asked to express their preference, and 84 per cent favored cash. A few commented on the difficulty, after becoming used

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to being rationed, of again getting accustomed to planning expenditures independently. Among the 16 per cent who preferred "the box," this undermining of initiative was even more apparent. "Too much trouble to plan ahead" one family felt. Another housewife "does not speak good English; does not go out much; likes just what came in the box."

The ERA had made no especial study of clients' attitudes in relation to the full cash budget, but was sure from the absence of adverse complaint that they greatly preferred the current system. No client had ever asked to be returned to commodity relief; and in the few cases where this had been done for disciplinary reasons, it was regarded as great deprivation and disgrace.

The staff members concerned in the administration of cash relief both in the ERC and the ERA presented a common front of opposition to any return to the commodity basis. Others interviewed who represented private case-working agencies were almost equally emphatic about the preferability of cash. In the few instances they were able to present of clients who were misusing cash and neglecting the needs of their children, it was felt that putting the families back on commodity relief would have no remedial effect on the deep-seated difficulties in these situations.

Certain health agencies, and (strange to say) one representative of organized labor, opposed cash relief on the ground that commodity relief assured families, and particularly children, a more adequate dietary. Dr. J. C. Geiger, director of the San Francisco Department of Public Health, referred to a comparison made early in 1934, following the ERC's abandonment of the commissary, of the health of 4,500 children whose families

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had been receiving food from the commissary, with that of a control group of 3,760 children from non-relief families. The findings of this study were, in brief, that the commissary-fed children were as well nourished as those from non-relief families.¹ The study was made too soon after introduction of cash relief to justify conclusions as to its effect. It was Dr. Geiger's hope to repeat the study after cash relief had been in operation for some months, but funds to do so had not been available. He presented the following unpublished figures, however, as showing an increase of malnutrition in the general school population.

TABLE 2.—MALNUTRITION SHOWN IN HEALTH EXAMINATIONS OF PUBLIC SCHOOL CHILDREN IN SAN FRANCISCO, 1930 TO 1935

School year	Children examined	Children with malnutrition	
		Number	Per cent
1930-1931	47,132	1,658	3.5
1931-1932	51,830	2,759	5.3
1932-1933	47,264	1,701	3.6
1933-1934	47,663	1,911	4.0
1934-1935	36,235	2,007	5.5

Complaints from landlords had centered not around the difficulty of getting clients to pay their rent, but upon the low maximum of \$15 a month set in the state budget—a figure wholly inapplicable to a city like San Francisco, hemmed in between its bay and the ocean, where high rentals are an economic necessity. The Apartment Owners' Association, backed by a leading

¹ Geiger, J. C., and Barrett, Paul S., "A Nutritional Survey of 4,500 Children on Relief." In the *American Journal of Public Health*, vol. 25, February, 1935, pp. 183-191.

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newspaper, was in August, 1935, conducting a campaign to secure a higher maximum. Retail food dealers were naturally in favor of cash relief; no concerted opposition to the change was made by milk dealers or similar groups. Gas and water companies reported no unusual difficulty in collecting current payments from ERA clients on full cash relief.

No taxpayer opposition to cash relief has appeared in San Francisco. Newspapers had little comment to make on the change. The feeling was expressed that the attitude of the community after a year's experience with cash relief, was mildly favorable, and no indications are to be found of a desire to return to the commodity system.

PART III

SUMMARY OF EXPERIENCE WITH CASH RELIEF IN NINE CITIES

PART III

SUMMARY OF EXPERIENCE WITH CASH RELIEF IN NINE CITIES

CONDITIONS PRECEDING ADOPTION OF CASH RELIEF

IN DENVER and Detroit, permanent Departments of Public Welfare, acting as the local agencies of State Emergency Relief Administrations, had been administering emergency unemployment relief prior to the adoption of cash relief. In Baltimore, Cleveland, New York, Philadelphia, and Pittsburgh, groups of private agencies administering both private and public funds had been succeeded by emergency public agencies, not yet part of the municipal administrations, and functioning more or less directly under the respective State Emergency Relief Administrations.

In Los Angeles both an established public welfare department and an emergency administration existed simultaneously and were involved in the situation leading to the adoption of cash relief. The public welfare department at first administered all direct relief through a commissary; the local ERA all work relief. "Employables" on direct relief were transferred to the ERA and placed upon cash relief.

In San Francisco a somewhat similar situation existed, an official emergency committee at first administering both work and direct relief, the latter through a commissary. This committee, after preliminary experiment, abandoned its commissary and administered direct relief on a part-cash basis. Later, a local ERA established by the state ERA took over all responsi-

bility for "employables" and administered direct relief on a full cash basis.

From the experience of Los Angeles, it is safe to say that a serious handicap is encountered when a change in the method of giving relief coincides with the transfer of large groups of clients from one agency to another. In such a situation, the new agency should, whenever possible, continue relief on the same basis as in the transferring agency, and give itself time to assimilate its increased case load and its enlarged staff, and to make careful preparation for a change in method so radical as from commodity to cash relief.

CONSIDERATIONS LEADING TO ADOPTION OF CASH RELIEF

Belief that clients should be freed from tutelage in spending their relief dollars, dissatisfaction with various features of the commodity relief system, and the hope of reducing administrative overhead, may be said to be the principal factors which led to experimentation with cash relief. In Baltimore, New York and Philadelphia, abuses inseparable from the disbursing order system, such as overcharging, giving short weight or inferior goods, and discounting relief orders for cash were particularly stressed. In Cleveland, Detroit and Pittsburgh while not so much difficulty had been experienced with attempts to defraud, the endless tedious detail necessary to prevent it, and the sheer labor involved in dealing with so many individual merchants, were points of irritation. Denver's keenest recollection was of the friction which commodity relief engendered between clients and the visiting staff of the agency.

Pressure for the change to cash may be said to have originally come in practically all cases from the staffs of the agencies themselves involved. In Baltimore, private agencies administering public funds had given cash as a matter of course, for food and certain other items. After reorganization of the local emergency agency, and with the approval of the State Emergency Relief Administration an almost complete cash-allowance system was put into effect, partly because of hoped-for administrative savings. In Cleveland, board and staff joined in securing somewhat reluctant permission from the State Relief Commission to try a limited part-cash experiment successively in four districts. After a state reorganization, the state policy stimulated a wider and more complete use of cash. In Denver also, board and staff joined in seizing the opportunity, with state approval, to introduce cash relief at a time of shortage of funds, the reason expressed being that this step would reduce administrative costs.

Detroit's change to cash was brought about by the administrator, who won the doubtful consent of his board and the hearty backing of the State Emergency Welfare Relief Commission to try a limited, part-cash experiment, which later was extended to the county. The precipitate change to cash relief in Los Angeles followed the adoption of a state-wide plan.

New York, the only city among the nine studied where legislative enactment or decision was required,¹ secured, with the participation of Mayor La Guardia,

¹ Chicago, not one of the cities studied, was prevented for about a year by an adverse decision of the Attorney General of Illinois from embarking upon cash relief. See pp. 40 ff.

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the Welfare Council, the State Temporary Emergency Relief Administration, and Governor Lehman, an amendment to the state law permitting cash to be given as direct relief.

The director of the Philadelphia County Emergency Relief Board led a crusade for cash relief, won over a majority of her board, and was instrumental in convincing the state authorities of its desirability. With state approval and stimulus, cash relief was first adopted in Philadelphia and later in Pittsburgh.

In San Francisco, the earlier experiments were also the outgrowth of efforts of the assistant director of the Emergency Relief Committee, who took the plunge into cash relief while a few members of his board remained strongly opposed to it. The subsequent experience was instrumental in bringing about a state-wide policy of cash relief in California later in the same year.

In the long run, it is believed that advantage will be gained if an agency contemplating the adoption of cash relief takes the general public, the clients, and the co-operating social and health agencies fully into its confidence as to its desires and plans. Especially from the last two groups can co-operation and backing be expected in case there are obstacles to be overcome. In this preliminary stage, emphasis should be placed, where it rightfully belongs, on the moral value and the essential justice of cash relief, rather than upon mechanical and financial advantages to the agency.

PERIOD ALLOWED FOR PREPARATION

In most of the nine cities, cash relief had been a foregone conclusion before the official announcement of its

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adoption was made. Preparations within the staff were frequently made in advance of official decisions. In Baltimore, after a preliminary restricted experiment during the early summer of 1934 and the reorganization of the accounting system, extension of an existing part-cash system was undertaken, beginning in August. In Cleveland, during the experiment carried out in four districts, each successive district had about a month in which to get ready for the change. The county-wide adoption of the system was made more precipitately, a year later, under pressure from the State Relief Commission, an announcement on April 3 giving April 16 as the effective date of transfer. In Denver, the staff received only one month's warning, but that was afterward felt to be ample time. Detroit went into its experimental period without preparation, but owing to the small and selective nature of the trial no difficulties were experienced. The county-wide change to cash was preceded by about two weeks' notice. Los Angeles alone of the cities visited was precipitated almost overnight into the attempt to administer cash relief. The county-wide change had been preceded by an earlier experiment by another agency, but this had no relation to the final plan. New York City gave its workers at least a month's warning, and issued elaborate directions covering the mechanics of the change. Philadelphia began refiguring budgets in August, 1934, pending the change to cash in November, and Pittsburgh, using Philadelphia's experience as a guide, began to prepare in November for the transfer to cash which took place the following January. The San Francisco Emergency Relief Committee, after several months of experiment in two districts, began in

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late January to prepare for the city-wide transfer to cash that took place early in March, 1934. The period of preparation for the full-cash program under the San Francisco Emergency Relief Administration was shorter, and was greatly complicated by friction between these two agencies.

The amount of preparation given to clients varied considerably. In Cleveland, each client was visited in advance and given the option to accept or reject transfer to a cash allowance. In Denver and New York, each client was made acquainted with the details of how his budget was figured, as a preliminary to going on cash relief. In addition to individual visits to explain the plan, Detroit, Philadelphia and Pittsburgh sent written communications to their clients, and Philadelphia addressed an open letter to them in the local newspapers. The Los Angeles Emergency Relief Administration was naturally unable to give its clients any warning of what was impending, since it had none itself.

The experience of the cities visited seems to indicate that from one to two months should be allowed between the decision to adopt cash relief and its actual installation, in order to develop the necessary forms and procedures, acquaint both staff and clientele with them, and make the explanations necessary to dealers, co-operating social agencies, and the general public. The experience of Baltimore and Detroit demonstrates the great advantage of having already installed, prior to the adoption of cash relief, a modern and mechanically equipped accounting system.

Ideally, the period of preparation should include, not necessarily in the order given:

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(a) Carefully worded publicity in the newspapers, to acquaint the general public with the proposed change.

(b) Conferences with groups of landlords and dealers affected, to secure "non-disturbance agreements" in regard to back debts, and to forestall objection and work out methods of preventing dissatisfaction.

(c) Conference with "pressure groups" representing the clients to secure if possible their co-operation and participation in plan-making.

(d) Conference with other social and health agencies having contact with client families; e.g., school health departments, child welfare agencies, probation departments.

(e) Review of individual family budgets and individual explanation to clients of what the change will involve.

(f) Preparing or securing and distributing literature designed to help clients in self-budgeting.

(g) Preparation of new forms required.

(h) Staff conferences to make sure that not only details of procedure, but the basic philosophy underlying cash relief are thoroughly understood by all who have a part in carrying out the plan.

(i) Organization changes, including ample notice to personnel whose services will not be needed to operate the new system.

(j) Provision for prompt investigation of complaints arising in connection with cash relief, and for securing current and pertinent data from other welfare and health agencies on the basis of which to answer complaints.

VARIATIONS IN PLANS

Only in San Francisco were families transferred directly from relief issued through a commissary to a (part) cash allowance system. The attempt was made to do so in Los Angeles, but owing to lack of preparation it was necessary to interpose a system of disbursing

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orders for a short period. In all the other cities listed, transfer was made from disbursing orders to cash.

Of the cities visited, only Denver, Philadelphia, and Pittsburgh gave the entire budget in cash from the outset of the program. Los Angeles, after some experimentation with separate payment of rent checks, was on full cash allowances at the time of our visit. San Francisco had two cash programs in effect—a full cash allowance for “employables” and part-cash for “unemployables.” In Baltimore the novel plan was adopted of beginning with the food allowance only in cash, and adding other relief items to the cash allowance one at a time and at different periods until only milk continued to be given by orders. In Cleveland, Detroit, and New York, milk, fuel or rent, or some combination of these, continued to be furnished up to the time of our visit through disbursing orders.

Cities varied also in the matter of general or selective transfer to cash. Denver, Los Angeles, New York, Philadelphia, Pittsburgh and San Francisco (ERA program) went on the principle that the entire case load should be transferred at one time, and each family given the chance to demonstrate whether it could manage cash, the privilege to be later withdrawn from those who showed that they could not. In Cleveland especially, and to a less extent in some of the remaining cities, visitors were instructed in the beginning to continue on the order basis families whose ability to manage cash there was reason to doubt. In the end, it made no great difference which philosophy was in the ascendant; only a trifling proportion of families remained on disbursing orders.

All the cities studied except Baltimore, Cleveland,

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Detroit, and San Francisco, made the change to cash without preliminary experiment. In Baltimore, a few weeks of experimentation with total cash relief in three districts had terminated before the city-wide program began. In Cleveland, four districts went successively on cash relief, each district's case load being selectively and gradually shifted to the new basis. This stage lasted for nearly a year. Detroit conducted a city-wide experiment for three months, with a highly selected group of families, and San Francisco an experiment of about the same length with all families in two districts. In all four cities, complete transfer to cash on a city or county-wide basis ensued.

While a preliminary period of experimentation was an advantage in the cities which pioneered in adopting cash relief, cumulative experience available from other cities would now seem to make experimentation unnecessary. It will be noted in the pages following that most of the problems foreseen failed to arise. Difficulties of administering two systems of relief-giving at the same time should be avoided as far as possible.

Where the initial plan was to give relief part in cash and part in kind, the tendency has been to place additional items in the cash allowance or adopt a full-cash budget. Retention of certain items on the order basis complicates the work of the agency and fails to secure the advantages of reduction of clerical detail for the staff and freedom from paternalistic supervision for the clients which are afforded by consolidated cash payments.

The same considerations may be urged against progressive transfer to cash district by district, or segregation of two groups on a city-wide basis, one on cash

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and one on orders. Granted careful advance preparation, the more generous policy is here favored of transferring all relief clients to cash at approximately the same period. Co-operation of clients undesirous of changing to cash should be sought to the end of giving the plan a trial, and assistance and advice offered them on an individual basis to help them overcome the difficulties they fear. After trial, those who prefer to receive disbursing orders, together with those who fail to manage cash properly or whose incomes are so variable that relief must be irregular in amount, can be returned to the order system. If the experience in the nine cities visited is to be relied upon, the total number who need or desire this special treatment will be extremely small.

PROBLEMS ANTICIPATED

The disastrous results which have been predicted as a result of giving direct relief in cash are listed below, with the experience of the nine cities on each point up to the date of our visit.

Increase in Applications

Prediction: Relief offices will be swamped by unemployed persons unwilling to accept commodities but eager to receive cash.

Where increase in case load did follow the adoption of cash relief, in the majority of instances it was only a temporary phenomenon, perhaps due to seasonal causes or to the increased applications which usually succeed every public announcement of change in relief policies. Where greater or more sustained increases took place, they were associated with changes in the work program

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which had the effect of swelling relief applications not only locally but nationally. In one-industry cities, the local condition of private employment was clearly the factor controlling the size of the case load. In no city visited was increase due clearly and unmistakably to the adoption of cash relief.

Misspending

Prediction: Recipients of cash will spend the money in drinking and gambling. Their children will be malnourished and neglected. They will buy luxuries instead of necessities. They will become the prey of high-powered instalment salesmen, and involve themselves in the purchase of furniture, electrical equipment, and automobiles.

Some of these things happened everywhere. They had been happening before, through the sale by clients of relief commodities. But the testimony of relief administrators in every city visited was that relief misspenders were far outweighed in numbers by the people who used cash with thrift, resourcefulness and imagination. In Los Angeles, New York, Pittsburgh and San Francisco critics of the relief administration alleged that drinking, child neglect or similar evils had been increased as a direct result of cash relief, but definite figures, when they could be secured, did not substantiate the charges.

Inadequacy of relief allowances, whether in commodities or in cash, was generally admitted, and was held responsible for increase in malnourishment among school children, where, as in New York City, this had been reported. It seems probable that families on cash relief purchase somewhat less milk than the amount

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formerly delivered to them under the order system, but testimony of dairymen as to losses they have suffered in relief customers cannot be accepted as unprejudiced testimony. The experience of Philadelphia and several other cities shows that transfer of custom to grocery stores accounts for much of the reduction in business reported by milk dealers.

Overspending

Prediction: Clients will spend all their cash in the first few days after receiving it, and will be back on the doorsteps of the relief agency demanding additional relief.

This was a situation found, if at all, only in the early stages of a cash-relief program. Measures by which it was easily controlled were (a) careful advance explanation to clients of what was expected of them, (b) firm refusal to grant supplementary orders unless the overspending had been caused by some real emergency, (c) practical advice from nutritionists in budgeting, low-cost dietaries, and menus.

Failure to Pay Current Obligations

Prediction: Clients on cash relief will run up bills at the stores and get behind with the rent.

These predictions, usually made by landlords and tradesmen, also proved to be without foundation as far as the great majority of those on cash relief were concerned. Only when allowances were so deeply cut as to leave them no other recourse did clients move leaving rent unpaid. In Baltimore, Philadelphia, and Pittsburgh, studies of clients' actual expenditures showed,

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indeed, that they paid more over to landlords than was allowed for in their budgets; and in other cities, particularly Cleveland and New York, while no definite studies had been made, it was a matter of common knowledge throughout the agency's staff that these added exactions for rent were taking place.

Companies supplying water, gas, and electricity, wherever information was sought from them directly, testified that they were having no difficulty in collecting current payments from families on relief.

Increase in Refusals to Accept Work

Prediction: If people are given money instead of groceries, there will be no incentive for them to accept work when offered.

A certain proportion, although exceedingly small, of people on relief are so demoralized that they prefer to be idle rather than to work. No evidence was found that families preferred direct cash relief to the extent of refusing or evading work relief when offered. In most cities, it was considered equitable to make a small differential in favor of work-relief wages to cover the additional expenses involved, and various devices of bonuses or cuts were introduced to make wages a little more attractive than the basic cash-relief grant.

Charges were widely made, and strenuously denied by all administrators interviewed, that increased refusals of private work opportunities had followed the introduction of cash relief. Where, as in Baltimore and Denver, studies had been made of alleged work refusals, a number of such complaints had been found to involve families not in receipt of relief; and unjustified refusal of private employment by recipients of direct

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cash relief had been found in only a negligible number of instances.

Had misspending, overspending, failure to pay bills and refusal to work been prevalent, the remedy in the hands of every relief administration would have been to place back upon commodity relief those who misused their opportunity. The fact that less than one per cent of families were kept on disbursing orders or placed back upon them after trial for disciplinary reasons of this nature was the outstanding refutation of the distrust of the unemployed as a group which underlay these predictions. They were usually made by people unfamiliar with relief problems, and were not generally shared by social workers.

Certain other fears, discussed below, have, however, been definitely in the minds of relief administrators, and have operated in the case of one state known to us to swing the decision against cash relief.

Pressure of Creditors to Collect Back Debts

Prediction: Since families customarily incur debt before resorting to relief, creditors who learn that they have cash to spend will hound them and extort some portion of the funds budgeted for their current subsistence.

In most of the cities visited, it was believed that this problem had not been so serious as was anticipated. But when, as in Philadelphia and Pittsburgh some effort had been given to discovering what had actually happened, it was found that many families had stinted themselves in order to make payments on back bills which totaled considerable sums. Payment on back rent, under threat of eviction, accounted for the larger

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part of these expenditures. In several cities, it had been possible to reach agreements with utility companies that sums paid by clients on their current bills would not be diverted to apply to past obligations.

Difficulty of Adjusting Cash Relief to Irregular Incomes

Prediction: The mechanics of getting out relief checks will make it difficult or impossible to adjust cash payments from week to week to variable family incomes.

In no city except Cleveland had this proved a serious problem. In that city, relief to families with intermittent income was given as disbursing orders. Denver, Los Angeles, and San Francisco had liberal policies of disregarding casual and part-time earnings in calculating budgetary deficiency, and permitting them to be applied to back debts or items not covered in the allowance, so that there these cases presented no administrative difficulty. In Baltimore, Detroit, New York and Philadelphia, the system of writing checks had been brought to the point where cancellation or alteration could be made up to a few days in advance of the date due.

It would appear from the experience of nine cities that the only one of the foregoing difficulties likely to be encountered in any serious proportion after adoption of cash relief is creditor pressure upon clients. Preparatory to adopting such a system, every effort should be made to arrive at agreements with responsible groups of creditors, such as utility companies and real estate associations, not to levy on current payments for back debts. The experience of rural rehabilitation divisions in some states in securing non-dis-

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turbance agreements from individual creditors as a prerequisite to accepting farm families for rehabilitation is worthy of careful study in this connection.¹

ATTITUDES EXPRESSED TOWARD CASH RELIEF

Relief Clients

In general, an overwhelming volume of evidence was forthcoming that cash relief is preferred by the vast majority of clients. Even when relief allowances had to be heavily reduced, or when clients were obliged to stretch them to cover state sales taxes, where such were in effect, they were still reluctant to return to a commodity system. Clients felt that they could obtain more and better goods by personal selection and bargain hunting; could follow their own and their families' preferences and habits; and felt their self-respect enhanced by having money to spend. That they no longer had to appear at a commissary, or present an order that made them an object of curiosity to cash purchasers in retail stores, were points repeatedly made in favor of cash relief.

Whether unlettered and unskilled, or a white-collar graduate of a technical school, the unemployed client expresses the same sentiments toward cash relief, though the language he employs may differ. A manual worker writes to the relief office:

In the Sunday paper there was a piece of news that the people would have to go back to a sack of groceries. That

¹ See, for instance, Public Welfare Service in Kansas, Report of the Kansas Emergency Relief Committee for 1934, p. 78, and the following bulletins issued by the same administration:

KERC 210, May 16, 1935, Legal Procedure for Emergency Loans.
KERC 196, April 19, 1935, Debt Adjustment.

SUMMARY OF EXPERIENCE

they don't get enough to eat with their check money. Don't ever believe it. With our check this week we could lay out so much for each day—buy 5¢ spinach, 5¢ beets, a dime's worth of soup meat. It's a change from the same old groceries—cornmeal and pink beans.

We cannot help it if we have no work. Just let those folks that object to the cash check try living on the stuff we poor people have been on so long. Your work of giving checks is 100 per cent better. Thanking you

—Just one who is out of work.

The college-bred wife of a professional man, discussing in a published article her experiences as a relief client, says:

Instead of giving a stipulated sum, gauged by the number of persons in a family, a social worker made a budget of our normal expenditures. She allotted so much for food, fuel, lighting, a little for ice, fresh milk and so on. Then a few days later we received through the mail cash to cover these items. Cash to be applied to our grocery bill and other debts as we saw fit. Yes, my husband bought a can of tobacco. This plan is looked upon as an experiment in our city. For the thousands of suffering unemployed I ask that it be continued. Gone is the humiliation of taking a printed slip to a grocery store. If the parents think that cod-liver oil is more important than prunes in a particular child's diet, with cash they may shop in any store they choose. We have learned to manage on small salaries (and I know my family is representative of thousands) so why not allow us to manage as we see fit our meager dole when circumstances force us to accept help? . . . It is the person that has never had to ask for aid who assumes the attitude that cash given to the unemployed man is a deteriorating factor.¹

¹ "Charity Bread." By a Recipient. In *The Family*, vol. 16, May, 1935, p. 83.

Relief Administrators

Those engaged in operating a cash-relief program were found to be almost without exception its ardent advocates. They dwelt first of all upon the value to the clients' morale and the favorable developments in character and personality which they had witnessed as the program continued. In defense of their program, they pointed out that cash relief means or should mean a deliberate withdrawal from the paternalistic attitude. It is a necessary part of such abjurement that clients be allowed to exercise their own judgment, even when it is inexpert or mistaken. When they return to jobs and cease to get relief, nobody will be at hand to tell them what and how much to buy. "Give clients advice only when they desire it, and lay upon them the responsibility of making their own contracts and expenditures" was the principle found to be generally animating the cash-relief program.

From the side of administration, the advantages of cash relief were named as

- Reduction in clerical expense
- Reduction in number of request and complaint visits to the offices
- Increase of effective time of social work staff when relieved of making out orders
- Improved relations between visitors and clients
- Better understanding with pressure groups

The Community

No outstanding public interest had become apparent, in any city visited, concerning the change to cash relief. Newspaper comments had been in general mildly favorable. Taxpayers' associations and political groups,

while concerned over the magnitude of the relief program, had not made cash relief a particular target of attack. Organized labor was in general favorable to the change. The attitude of particular trade associations had varied directly with whether they considered their financial interests furthered by the plan or the reverse. Food dealers were generally favorable; milk dealers, landlords, and others who had been getting payment in cash directly from the relief authorities opposed cash to clients, although this opposition was frequently transitory and ceased after experience with the system.

SELF-STUDIES OF CASH RELIEF IN THE CITIES AND STATES VISITED

Helpful studies had been made in several cities upon different phases of experience with cash relief. Footnote references to these studies will be found in the preceding section.

Baltimore, after about one year's experience, compared the proportion of clients' expenditures for different items with the proportion allowed for these items in the standard budget.

Cleveland, in co-operation with the State Relief Commission, studied comparative costs of administering relief in cash and in kind, after about nine months of the experimental period had elapsed. A little later, a study was made of clients' actual food choices.

Denver, in order to meet criticisms about work refusal, studied all complaints on this point for a period of three months, beginning about two months after cash relief went into operation.

The New York TERA made an inquiry immediately

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after the transfer in New York City, to ascertain whether average relief grants to the group of families placed on cash relief had been affected by the change.

Philadelphia, immediately after the transfer to cash and again two months later, studied clients' attitudes and preferences as between commodity and cash relief. It also made a careful study in January, 1936, of amounts of rent paid by clients on cash relief.

Pittsburgh canvassed the experience of its visitors and clients two months after the transfer, to discover the attitudes and preferences of both groups, and particularly to sum up experience as to the possible misuses of relief in cash.

San Francisco made a general study of comparative costs, client preferences, and so on, after its preliminary experiment with cash relief had continued for about three months. At the request of the Emergency Relief Committee, school health authorities made a comparison of nutrition among children in relief and non-relief families.

PART IV

COMPARATIVE COSTS OF RELIEF IN CASH AND IN KIND

PART IV

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EVIDENCE on comparative costs of relief in cash and relief in kind was vague and conflicting. Rather than attempt to discuss this feature in Part II under the detailed account of each city's experience, we have chosen to bring together under a single head information bearing upon costs, and explanations as to why it is so unsatisfactory. In studying the comparative costs of the two systems, two factors are to be considered: cost of family relief and cost of administration. Reference should be made to the individual accounts of city experience in Part II if allusions are not clear.

EXPENDITURES FOR RELIEF

In the cities visited, with two exceptions, the data used for studying costs of family relief were limited to those statistics regularly collected by the accounting divisions of the local emergency relief administrations, namely, those relating to resident case load and to relief expenditures. There are two main reasons inherent in the method used in the collection of these data that make them inadequate for a study of cash relief. First, there is the difficulty underlying the use of a crude arithmetic average of relief per family over a period of time. These averages are considerably influenced by an undetermined number of families getting only sup-

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plementary or partial relief during the month. The proportion of such families in the total case load fluctuates not only from city to city, but also from month to month in the same city, thus making all except the most general comparisons impossible. Second, we were not able to separate direct-relief from work-relief expenditures. In every city visited some work-relief families received direct relief as well, and while the number of duplications in the two rolls might have been ascertainable direct-relief expenditures for this group were not separately reported.

To overcome some of these difficulties New York and Cleveland used special data taken from individual cards showing relief expenditures case by case. Cleveland on the basis of its experience in studying a small number of cases decided that the amount of labor involved in this method was prohibitive and the possibility of error great.

Other factors make the study of cash-relief costs difficult, namely, the changes in general relief policy which occur simultaneously or in close proximity to the introduction of cash relief. In such cases it is largely a matter of opinion as to which is the more influential factor. Such changes can best be studied by following the story of cash relief in the nine cities.

In Baltimore average relief per case increased slightly following the introduction of cash relief, but no more than was accounted for by increased fuel needs of the winter, and by rectifications of the food allowance which were made to meet increased price levels.

In Cleveland studies were made by the Ohio State Relief Commission, covering the period from November, 1934, to January, 1935, of comparative costs of

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commodity relief and of cash relief in two of the four districts in which the latter system was then operating. Several methods of comparison were adopted. With regard to actual relief costs the conclusions announced in March, 1935, were:

1. In the two districts studied, the institution of the cash relief system has had no noticeable effect upon relief costs.
2. In a study of the cost of [relief granted to] a group of 145 cases on relief in kind, and later on cash relief, no difference in the cost of the two methods was indicated.¹

Cost of family relief was studied by comparing average relief per case in the county with that of two districts using cash, from May, 1934, to January, 1935, during which period the proportion of families on cash relief was of course steadily increasing. It will be seen from Table 3 on page 204 that both districts followed closely the seasonal advance in average relief shown by the county, and that increasing amounts of cash relief being given had no perceptible effect in increasing average relief.

For the special study (see 2 above) families were studied from District A where cash relief had been in use longest. From the group of families transferred to cash relief, and who had been receiving relief in kind for at least three months previously, 145 were selected at random. Data regarding the amount of relief received each month were taken from the individual financial cards in the case records. The report points out, however, that the accuracy of the figures was doubted. It was found impossible to tell what part of

¹ Ohio State Relief Commission, *A Study of Cash Relief in Ohio* The Commission, March, 1935, p. 1.

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the relief issued each month was in kind and what part was in cash, so that the figures represent total relief received during the month, both in cash and in kind.

TABLE 3.—AMOUNT OF RELIEF PER CASE PER MONTH IN TWO DISTRICTS USING CASH RELIEF, AND IN ENTIRE COUNTY, CUYAHOGA COUNTY, OHIO, MAY, 1934, TO JANUARY, 1935

Month	District A		District B		Entire county
	Average amount per relief case	Per cent of relief cases receiving cash	Average amount per relief case	Per cent of relief cases receiving cash	Average amount per relief case
<i>1934</i>					
May	\$24.67	35	\$27.89	0	\$24.26
June	23.28	72	25.00	0	22.75
July	24.30	74	25.38	0	23.95
August	26.24	74	.. ^a	16	25.73
September	24.71	72	.. ^a	24	25.42
October	28.21	71	27.91	30	27.67
November	28.50	73	28.20	36	27.33
December	29.53	78	29.34	47	28.41
<i>1935</i>					
January	29.35	82	27.79	65	28.94

^a Average amount not available, since recorded number of cases and amount of relief for the month were not comparable.

Average relief benefits per family for the months of March, April and May were \$25.46, \$27.20, and \$28.30 respectively, and for the months of June, July, and August were \$24.75, \$26.71, and \$30.26, which would indicate no marked change in the cost of relief under the cash system. The number of cases studied was too small, however, to give any degree of reliability to the results obtained.

A third comparison was attempted for a single month

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between average relief granted to the two groups of families within the two districts. Its conclusions were without significance, because of the totally different composition of the two groups. Those on cash relief were families receiving full budget in direct relief for considerable periods. The order group contained:

(a) All single resident persons under care, which tended greatly to reduce "average number of persons per case," and consequently relief needed in the order group.

(b) Many families whose average direct relief for the month was low, because they had been accepted for relief during the course of the month, and were being carried on orders for a probationary period; or because they were on work relief and getting only fuel and rent in the form of orders; or because they had intermittent earnings and needed only partial or irregular relief, most easily furnished in commodities. The study found what might have been anticipated from these two converging influences, that "average relief per case" during the month was considerably higher for the group receiving cash.

In Denver, the practice was to prorate all available relief funds among all clients monthly, by means of percentage cuts, so that average relief per family before and after going on cash relief has no significance as an index of comparative costs.

The stated opinion of Detroit's administrator was that no difference existed between the actual relief costs under the two systems. The attempt to set up actual figures to show whether average relief per family did or did not increase in Detroit proved fruitless, however, since statistics of case load and expenditures were complicated by the practice of supplementing work-relief wages through direct relief given as disbursing orders,

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and counting each family thus assisted as being on direct relief.

No clear picture is to be found, amid the confusion of conflicting agency procedures, to show whether relief in Los Angeles was more or less expensive because of the introduction of cash relief. Transfer of a large group of cases from one agency to another prevented any comparison of relief costs. The fact that budgetary standards for direct relief became more generous immediately after the change, and as soon as state supervision had a chance to exert itself, also makes comparison unreliable.

Immediately following the transfer in New York City, the Temporary Emergency Relief Administration made a statistical study of a sample of 930 families which had been transferred from vouchers to cash, and had been on the latter basis for at least four weeks, in order to determine whether any increase or decrease was apparent in the amounts these families received under the cash plan.¹ The information on which the study was based, was taken from the individual financial cards, as in Cleveland, and from the payment record cards in the Financial Division. It was found that the amount allowed under cash relief was larger than under voucher relief in 433 cases, identically the same in 15, and smaller in 482. In the four weeks preceding transfer, relief granted per family had averaged \$36.06; in the four weeks following, it had been \$34.57.² When the

¹ New York State TERA, Division of Information and Review: Cash Relief Survey, New York City, May-June, 1934. New York, November, 1934.

² But average amounts spent for food and milk, the only items covered in the cash grant, showed a reverse trend, from \$23.81 on orders to \$24.29 on cash.

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material was broken down more elaborately, into averages per individual in the families, it still showed a close correlation with average amounts granted before the change to cash relief. This analysis covers, of course, a very early period after the inception of cash relief and cannot be taken as conclusive regarding the whole period. Average direct relief per case in New York City appears to have been at no time up to June, 1935, however, as high as it was during January, February and March immediately preceding the change to cash.

Philadelphia has no light to throw upon increase or decrease in relief costs, because a complete revision in budgets and in the method of calculating budgetary deficiency coincided with the adoption of cash relief. Rents, which up to this time were practically never paid, were included in the cash budget. Moreover, the work program expanded rapidly following the change, so that many families received both direct-relief and work-relief wages at a scale 20 per cent higher at different periods in the same month. The change took place at the onset of winter, which means necessarily increased costs for fuel during the succeeding four months.

For many of the same reasons no conclusive statement can be made regarding costs in Pittsburgh. Budgetary standards of relief were not actually put into effect until the adoption of cash relief. With the inclusion of regular amounts in the weekly relief checks for rent, clothing and so on, and with the increased fuel needs of the winter months, average relief per family might be expected to increase, and did so.

Another cause of increased cost was the concurrent

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increase in the proportion of families on work relief, who received a 20 per cent advance in weekly relief over those on direct relief. In October, 1934, the work program was at a standstill in Pittsburgh, and the entire case load was on direct relief. From the first of December until the time of transfer in January, the proportion of those at work increased from 3 to 18 per cent. During the week ending March 2, the percentage at work had risen to 23. It decreased sharply with the curtailment of the work program around the first of April, and by the end of June, 1935, only about 10 per cent of those under care were receiving the increased work-relief budget. Under the circumstances, inclusion of the actual figures of average relief per family would be misleading.

The only cost study of cash relief which has come to our attention made by a body equipped to do research, and not itself involved in administering relief, was that of the Heller Committee.¹ This Committee was asked in December, 1933, by the Alameda (California) Charities Commission to estimate relative costs in that county of food relief under the commissary system, disbursing orders, and cash relief. The Committee compared the existing system in Alameda County, which gave disbursing orders, with San Francisco across the bay which issued rations from a commissary. Since no cash-relief system was in effect at that time, cost of cash relief was estimated from retail food prices. The study concluded that:

The lowest cost system of food relief is a commissary

¹ The Heller Committee for Research in Social Economics, University of California: Report on the Probable Costs of Administering Food Relief in Alameda County by the Grocery Order, Commissary, and Cash Systems—December, 1933. The University of California, January, 1934.

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system; a grocery order system is next higher in expense, and cash relief involves the highest cost. The estimated monthly cost of food for a family of four under a commissary system is \$23.46 when all employees are on salary, \$20.69 when relief workers are used wherever possible and their costs charged to relief. Under a grocery order system the costs are \$25.31, and under a cash system \$27.32. The grocery order system costs 8 per cent more than a commissary system with all employees on salary and cash relief 16½ per cent more. In comparison with a commissary where the greater part of the payroll has been charged to relief, grocery orders cost 22½ per cent more and cash 32 per cent more.

This estimate of probable increased cost of cash relief was found to be excessive by the relief authorities of San Francisco in the light of results from the cash-relief experiment undertaken in that city at about the same time. It was maintained that food costs during this period had not exceeded costs of commissary distribution to the same families by more than 5 per cent. The statement could not, however, be checked by any examination of average costs per family in the period preceding and following the experiment, the beginning of which coincided with the opening of the CWA program. Transfer of persons from direct relief to the work program within a given month had the effect of causing them to be counted twice, once as a relief recipient and once as a wage-earner and would render valueless any figures as to average relief in a month when such transfers were taking place. After CWA was well under way, in the early months of 1934, relief supplementation in families where the CWA wage was insufficient would have the effect of lowering the rate of relief per family per month. The establishment of a new agency, the

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ERA, in April, 1934, makes comparison difficult from this point on. Continuous adjustments of budgetary standards upward or downward, and changing policies as to the payment of rent, also obscure the picture. The utmost that can be said is that no increase of expense had occurred in San Francisco obvious enough to attract attention and opposition from any quarter.

In short, while no indication was noted that relief costs had anywhere increased as a direct result of adopting a cash-relief system, it is impossible to show that they had decreased for this reason. Often changes, either in budgetary standards or in the method of calculating budgetary deficiency took place at the period of transfer to cash. The season of the year at which the change went into effect influenced increase or decrease in relief costs, especially in northern cities where fuel is a heavy item in the relief budget during the winter.

In several instances, amounts granted in kind or afterward in cash had little relation to the individual budgetary deficiencies established, but were scaled down, on a percentage basis or by the exclusion of definite items of relief, in accordance with the funds available from time to time.

Variation in the direct-relief case load, as well as in average relief per family before and after the adoption of cash relief, were in many instances rendered meaningless by coincident transfers of large groups of clients to or from one of the many changing work-relief programs. In one instance, transfer of a large group of families from one agency to another coincided with the shift to cash relief.

It must be pointed out that in no city visited did

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those who were administering relief feel that it had been adequate or regular in amount under either system. Other factors than the change to cash relief had operated to control the actual amounts of relief given. The belief was generally expressed that, granted inadequate relief, the majority of families had been able to utilize it better as cash, and make it go farther in meeting their needs, than under the previous system of order relief. The one exception to this statement was Cleveland, which under pressure of reduced funds, returned to orders for food in order to secure discounts from dealers and exemption from payment of a sales tax.

ADMINISTRATIVE COSTS

Great administrative savings were said to have accompanied the change to cash relief in Baltimore, in part due to the effectiveness of a new business system, as well as to consolidation of district offices and other organization changes which took place concurrently with the change to city-wide cash relief. The administrator estimated that large clerical savings resulted from these changes and stated that clerical personnel had been greatly reduced in the twelve months following August, 1934.¹ The number of visitors had fluctuated between 270 and 290, varying with the number of families under care so that at no time had average case load per visitor risen above 100 or dropped below 87.

The report of Cleveland's cost study previously mentioned states that the study of administrative costs "was neither as completely nor as carefully done as might be desired."² It is evident that those in charge

¹ See Appendix II.

² A Study of Cash Relief in Ohio, p. 45.

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of the study found themselves faced with the same difficulties elsewhere noted in these pages. Administrative costs are difficult if not impossible to segregate into those relating strictly to cash relief and those relating to other parts of the program.

The report assumes that:

If equally good case work service is given under both systems there will be little or no difference in the cost of case work under the two systems. It may take more of the visitor's time in the home to plan an entire cash budget for two weeks than it usually takes under the relief in kind system, but on the other hand time may be saved because of fewer office calls and the necessity of fewer requisitions under the cash system.

Attempts were made to estimate possible reductions in cost of clerical operations in two ways; first, by estimating the actual number of positions which could be consolidated or abolished, and second, by figuring unit costs on issuing checks and orders, and estimating on this basis the net reductions which would be secured by a cash system, under which, the report states, "all indications point to a more economical administration." Cautiously, and with many qualifying phrases, the prediction was made that if 80 per cent of families in the county were to be placed on cash relief, clerical expenses could be cut one-third.

With the change to county-wide cash relief in April, 1935, the business of writing checks was taken over by the state organization, and no allocation of costs was possible. The adventitious acquirement of free postal facilities by the Cuyahoga County Relief Administration and the disbanding of the messenger service meant administrative savings, but the system as worked out

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was found to mean more clerical work in the district offices than had been expected.

In Denver the program had been of too short duration at the time of our visit to permit definite conclusions to be drawn. The change to cash relief took place shortly before a sweeping change in federal relief policy; namely, the discontinuance of the Emergency Work Program and the inception of WPA. During March and April the number of administrative employes, exclusive of those on the Emergency Work Program was just under 400. In May, the month following the introduction of cash relief, the staff was reduced from 396 to 363, a net reduction of 33. However, during a six-week period in June and July it was necessary to add about 12 persons to the staff to help take care of recertification and reinvestigation of all families on relief which had been ordered by the FERA. During June and July the administrative staff numbered 373 and 374 respectively. In August it dropped to 356, coincident, however, with a 20 per cent reduction in case load.

Detroit's administrator, questioned on administrative costs, wrote on June 11, 1935: "It is difficult to estimate overhead administrative savings exactly, because accounting in cash relief is involved with other procedures. There have been very definite savings, however, from reduction of clerical help required in certain units of our accounting division."

In Los Angeles, relief was administered before and after the adoption of cash relief by two separate agencies, which differed widely in their personnel policies, administrative set-up, and financial resources. With the transfer of "employables," the Department of Charities payroll decreased by nearly 50 per cent, while

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that of the Los Angeles County Relief Administration increased by about 40 per cent. Subsequently there had been no significant change in number of employees on either staff up to the time of our visit.

Clerical duties of visitors decreased in New York with the installation of the cash-relief system; but the number of families requiring care increased, and at the same time a decided effort was made to provide more effective case work service. Individual case loads became smaller, and the number of visitors was increased both actually and in proportion to number of families under care. Transfer of the entire business of writing and delivering checks to the Emergency Relief Bureau's enormous Finance Division, which handled expenditures for both direct and work relief, makes it impossible to estimate with any accuracy the amount saved in clerical expenditures. The chief statistician, writing on January 21, 1936, said:

I am in no position to give you figures on administrative costs at the moment but there is no question but that the handling of cash relief is cheaper, administratively, than voucher relief. The endless auditing of vouchers is eliminated. The difficulty in giving you total figures on administrative costs, is that when we made these changes our case load was going up. The probabilities are that we would have had to add staff much more rapidly than we did had we not instituted a system of cash relief. We therefore, cannot point to a definite number of employees who were released because of the installation of the cash system.

In Philadelphia, changes in organization of the County Emergency Relief Board coinciding with the change to cash, and particularly the assumption by visitors of duties in connection with the Work Bureau,

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made officials unwilling even to attempt an estimate of administrative expenses under the two systems.

Pittsburgh alone of the cities visited, showed after adoption of cash relief an increase disproportionate to the increase in case load, both in visiting staff and clerical force. Personnel in the clothing bureaus and the special units disbanded with the change was in the main absorbed elsewhere in the organization, on the principle of "continuing people in jobs rather than adding them to the number of the unemployed." Financial and clerical staff in the Central Office was increased. District staffs, for which complete monthly figures could be secured, comprised 1,207 persons in November, 1934, of whom 919 were engaged in supervising or making direct contacts with clients, while 288 were engaged in clerical or manual duties. In December and January, while the change was being prepared for or in process, 23 professional and 48 clerical employees were added to district staffs. During the five months following the change to cash, district employees in both categories continued, however, steadily to increase, until in June the total staff was 1,360 persons, 992 in supervision and contact, 368 in clerical and other duties. In other words, during a period when total case load decreased by 7.5 per cent, supervisory and contact staff increased 5.3 per cent and clerical and other staff increased 9.5 per cent.

The increase in case workers and aides was the result of a deliberate policy to decrease case loads, which had averaged 135 per worker in February. By June the average case load had been reduced to 116. Explanations given to account for the increase in financial and clerical personnel were:

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(a) Concern of the County Emergency Relief Board to do a more careful accounting job when cash was being disbursed. A more rigid control was instituted which meant double-checking of accounts, and more expenditure of time in the process of actual disbursing and mailing.

(b) Desire to relieve supervisors and visitors of clerical duties, and supply the districts with adequate clerical assistance.

The period following change to cash was, in the words of the former director of social service, "an expanding period with the acceptance of the general idea that we should be attempting to achieve a better standard of performance and that additional staff could be had, if necessary."

In San Francisco as in Los Angeles, complicated changes in program involving a local and a state agency rendered comparison of administrative costs impossible.

To sum up, with the introduction of cash relief a marked reduction was generally believed to have taken place in the amount of time necessarily consumed by visitors and supervisors in the many detailed operations involved in giving relief in kind. The time thus saved was used in increased contacts with and in behalf of families, and did not result in reduced salary expenditures or increased case loads. In two cities, indeed, the ratio of visitors to number of families increased rather than decreased after the introduction of cash relief, as part of a deliberate policy to reduce visitors' case loads to a point where they could render effective service to their families.

Reduction in the number of operations requiring the time of clerical personnel did, however, lead in most

COMPARATIVE COSTS OF RELIEF

places to reduction of clerical staff, with resultant administrative savings. As far as could be determined, this definitely took place in five of the nine cities, although in none of these was it possible to do more than guess at the amount. Only one city showed definite increase in clerical personnel under the cash system. For the remaining cities, either information was not available, or accompanying mergers and organizational changes made it impossible to state what effect cash relief had had upon administrative expenditures.

While the writer is convinced that expenses of operation can be reduced by introduction of cash relief, studies have not been made in sufficient number or detail to establish this contention. It would seem unwise to pledge on behalf of an agency desiring to introduce cash relief that costs will be definitely lowered. As previously stated, the case for cash relief should be based on other premises than reduced expenditures.

As this book goes to press, the outlook for cash relief in 1936 is uncertain. Withdrawal of federal grants for direct relief, and the impoverishment of state and local relief units are taking their toll. Many communities will reluctantly return to a commodity basis because of the belief that relief funds can thus be made to stretch further or because in an emergency grocers will extend them credit; others will revert with alacrity when state pressure accompanying state grants is withdrawn, because of the persistent conviction that relief recipients will misuse public relief money unless its expenditure is controlled and prescribed.

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On the other hand, some communities have had it so conclusively demonstrated that cash relief is superior to commodity relief on every count that they will be likely to cling to the system as long as they have any public relief funds at all to disburse. It is, quite frankly, in the hope of offering encouragement in this direction that this book has been written.

APPENDIX I

MEMORANDUM ON CASH RELIEF COOK COUNTY BUREAU OF PUBLIC WELFARE

COOK COUNTY BUREAU OF PUBLIC WELFARE

December 27, 1935.

TO: THE ILLINOIS EMERGENCY RELIEF COMMISSION
SUBJECT: CASH RELIEF

NUMBER OF FAMILIES ON CASH RELIEF

There are approximately 67,963 families on Cash Relief at the present time, or approximately 85 per cent of the entire case load, excluding families with persons assigned to WPA jobs. Approximately 12,113 families, or 15%, are on the disbursing order basis, most of which represent new and reopened cases that will be placed on Cash Relief basis within a month or two. A little over 1% represents persons from whom Cash Relief has been withheld, or who have requested to be returned to disbursing order plan from the Cash Relief plan, or had to be returned to disbursing order plan because of case work reasons.

There are approximately 63,742 families certified to WPA, including cases whose earnings on WPA will be supplemented, that are receiving disbursing orders in place of cash.

NUMBER OF FAMILIES FROM WHOM CASH RELIEF HAS
BEEN WITHHELD

Less than seven-tenths of one per cent, or 481 cases, of the total families on cash relief have remained on the disbursing order plan at the request of the case worker because of the following:

- 1) $\frac{1}{3}$ because of alcoholism
- 2) $\frac{1}{4}$ because of poor management
- 3) $\frac{1}{6}$ because irresponsible

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- 4) The remainder because of one of the following:
 - a. Mentally incompetent
 - b. Partial incomes variable
 - c. Fraud investigations pending
 - d. Drug addict

NUMBER OF FAMILIES ON CASH RELIEF PLAN THAT HAD TO BE RETURNED TO THE DISBURSING ORDER PLAN

Approximately one-fourth of one per cent, or 186 cases, of the total families on cash relief had to be returned to the disbursing order plan, as a protective measure because of the following:

- 1) $\frac{1}{4}$ because of alcoholism
- 2) $\frac{1}{8}$ because of poor management
- 3) $\frac{1}{8}$ because the money was used to pay old bills
- 4) The remainder because of one of the following:
 - a. Cash had been stolen
 - b. Failed to report incomes promptly
 - c. Pending fraud investigations
 - d. Horse racing
 - e. Irresponsible

NUMBER OF FAMILIES WHO HAVE REQUESTED TO BE RETURNED TO THE DISBURSING ORDER PLAN FROM THE CASH PLAN

Approximately one-fourth of one per cent of the total families on cash relief have requested to be returned to the disbursing order plan. The reasons given are various and are listed according to the number in each group.

1. Because of the difficulties with the Public Utility Companies who have refused to accept partial payments on current bills and wish to apply the amount given on old defaulted bills, threatening shut-off.
2. Old age cases—difficult for them to shop and the stores will deliver.

COOK COUNTY PUBLIC WELFARE BUREAU

3. Afraid money would be stolen.
4. Poor management. These families have expressed a feeling of inadequacy in handling the small amount of cash which must cover all their needs.
5. Husband or wife uses money for drink.
6. One widow, 48 years old, with two children, feared the responsibility of handling money at Christmas time. She feared she would spend it for Christmas gifts.
7. One client stated he knew he was irresponsible and would spend this money for liquor when not working. Said when he has a job and is busy, he is able to overcome this tendency.
8. Inability to spend wisely because of the pressure of the children who ask for spending money which is not allowed in the budget.
9. Use of check "too much trouble."

APPROXIMATE NUMBER OF COMPLAINTS FROM ANY SOURCE, REGARDING MISUSE OF CASH RELIEF

The number of complaints regarding the misuse of cash relief is negligible. In fact, they represent less than one-tenth of one per cent, and many of these are unfounded. They are more rightfully called apprehensions instead of complaints. The complaints are as follows:

1. Some landlords complained that they had no assurance that they would receive the rent from the tenants. In several instances, upon investigation, it was found that the family was temporarily withholding payment of rent because of a difference of opinion between landlord and tenant over an agreement. In only two recorded instances, clients failed to pay rent.
2. A school claimed that children were not getting sufficient food, and parents stated all cash had been used. It is the case worker's belief that the family still had some cash but was attempting to get assistance from the school also.

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3. A neighbor complained that a client was using money for beauty treatments.
4. Several neighbors complained that clients were using money for liquor. In one such instance, the client lives above a tavern and was always able to obtain liquor when receiving disbursing orders.
5. A daughter complained that her father gambled with the money.
6. Several clients complained that too much was being deducted because of the sales tax. This complaint is prevalent among single men who make small purchases of fifteen and twenty cents and are obliged to pay one cent on each purchase.

THE EFFECT OF CASH RELIEF UPON THE PURCHASE OF MILK

It is the opinion of most case workers that the same amount of milk is consumed as heretofore. Six of the largest dairies report that the total volume (wholesale and retail) of their business had decreased in amounts varying from 9 to 15% from December 1st to 15th. However, reports from district office nutritionists and case workers show that this decrease may be counterbalanced by the fact that clients are buying milk from cut-rate dealers at $8\frac{1}{2}$ c a quart instead of 11c, or in bulk at 25c a gallon; and many are replacing pasteurized with the evaporated milk.

Case workers report that there is a very definite trend among the clients to the store purchase of milk. One large dealer in cut-rate milk reports that his sales have been increasing steadily for several months. It is natural to assume that our families would prefer to pay $8\frac{1}{2}$ c and 10c for a quart of milk at the store instead of 11c from the milk driver. Several district offices have made spot checks among the clients and report the following:

From a group of fifteen clients that formerly received milk by disbursing order, eleven reported that they have changed from a milk dealer to a store, where they can buy the milk

COOK COUNTY PUBLIC WELFARE BUREAU

at a lower price. Fifty-one cash relief clients were asked: "Are you buying as much milk now as you received with the disbursing order?" 32 answered "Yes," 19 answered "No." 23 stated that they were buying the milk from the same dealer or store and 28 stated they had changed.

Interviewed 25 clients on cash relief, 18 of whom received milk by disbursing orders in the past. 22 purchase milk with cash, 4 of whom never received milk by disbursing orders. 11 purchase the same amount of milk as given by disbursing order. 7 purchase more milk than received by disbursing order in the past. Of this group, 3 purchase $\frac{1}{2}$ quart more per day, 3, one quart more, and 1, $\frac{3}{4}$ quart more per day. Not one purchases less milk than given by the district office in the past. Of this group, 10 purchase from dairies and 12 from stores.

50% of the clients who formerly received milk through disbursing orders are now purchasing milk from milk stations where they can secure milk at 25c per gallon.

The families that have been interviewed are buying the same amount of milk as formerly. However, they are buying it at neighborhood stores where they save one to two and one-half cents per quart. Specific interviews have been held with nine families and the workers report the normal number of empty milk bottles in many other houses.

A spot check in the waiting room showed that the clients questioned were getting the same amount of milk under cash that they were previously getting under the disbursing order plan. There has been one complaint from a milk dealer that the clients are not buying as much milk as previously.

A spot check of 43 clients reveals: Can milk—5; raw milk—17; more milk on cash than on disbursing order—5; less milk on cash—5; same quantity of milk—11. Many case workers are reporting that clients are using a great deal of canned milk and are also purchasing from independent dealers where milk is cheaper.

The case workers insist that by far the greater number of families are getting the same amount of milk as when it was issued by disbursing order. However, a great many families

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are not purchasing milk from the large milk companies but are buying milk in bulk from small dairies at 25c a gallon.

The workers believe that in some cases some money which might be spent for milk was used the first month for small miscellaneous items which we have never furnished and which were badly needed—needles, thread, etc. They believe that these families will quickly return to buying milk as their children are used to it, and ask for it.

Some workers are under the impression that clients are not purchasing as much milk as they had when on disbursing order; however, about 75% of the workers have spoken to their clients who advise that they are purchasing as much as they had formerly, either from the milk dealers or from the stores directly.

WHAT THE MERCHANTS, LANDLORDS, ETC., THINK OF CASH RELIEF

Reports from districts are:

Landlords welcome the idea of getting their rent more quickly. One Rental Company in our district prefers clients on cash relief. A landlord stated: "I will not allow clients to move into my building unless they are on cash relief." (The renting problem is most acute in this district.) Two merchants complained that there has been a decrease in the amount of their business since the introduction of cash relief.

Landlords of rooming houses with more than one relief client prefer the disbursing order because they are sure of their money. Many landlords in transient neighborhoods have been glad to accept relief clients because their rent was assured. Landlords of smaller places where they have more personal contact with their tenants prefer cash relief as they know their tenants and have confidence in their handling of money.

Our experience has been that landlords for whose tenants we are making rent payments are most enthusiastic about cash relief since they no longer need to wait thirty or sixty days which was formerly necessary.

One landlord had a final notice on water service and he was able to make immediate payment with the cash rent received

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from the client, thus eliminating a hardship on himself and the client. Another landlord, a widow with minor children, stated that she stayed off of the relief rolls because of the prompt and regular cash payments of rent. She is in a position to plan her budget more adequately with a definite knowledge of her income. One landlord who has made himself known to both the district and general offices, by his numerous and frequent threats of eviction of the clients from furnished rooms, has not made a single complaint since the introduction of cash relief. One landlord complained because no rent had been paid even though the client had been budgeted for it.

One nutritionist reports that she found grocers very intolerant of cash relief at first. Recent visits paid to the same grocers revealed a change of attitude. They report that families who had traded with them on grocery orders are still coming into the store and are buying more carefully than before. In that district single men are in several instances depositing their food money with a given grocer and charging against it daily. At least one grocer has reported that families trading with him are buying more cake and cookies than they did when grocery orders were supplied.

Community business men feel there is a better general distribution of relief funds which makes money in the community circulate more freely.

Case workers report that some grocers like the cash relief plan better in that they do not have to bother so much with the maximum price list.

Two chain store managers have stated that they prefer cash relief because it involves no bookkeeping. Many landlords have approved cash relief because they have cash instead of waiting for disbursing order payments. On the other hand, some landlords have complained that they were not receiving cash from the clients when clients receive their checks.

WHAT THE CLIENT THINKS OF CASH RELIEF

District reports are as follows:

Clients in the mass are overwhelmingly in favor of cash relief. Their stated reasons are:

1. It permits shopping around with resultant savings.

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2. Eliminates the humiliation of the disbursing order. (Not only the storekeepers but the other customers had to be faced.)
3. Removes the element of insolence in the attitude of the clerks in the store.
4. They like their feeling of independence. One client states: "I find that the dollar goes farther, that we can buy what we want, and feel more independent." Another says: "I feel like a different person when I can hand money over the counter instead of using a disbursing order."
5. Better management possible and elimination of small irritations, resulting in a happier home life.
6. Clients can purchase articles on sale whereas the grocer formerly refused to sell sale items at sale price on disbursing orders. Clients like the opportunity of shopping around and obtaining the "best buys."
7. Removes discrimination of the storekeepers against the clients *as clients*.

Clients get better service and more consideration from landlords and grocers when they have cash. It is much easier to find adequate apartments with cash.

Most families have stated they can manage much better because they can shop for bargains, as they are now able to make their purchases in several stores instead of one. Formerly many clients complained that they were given inferior food when they had to make their purchases on disbursing order. Some clients have stated that cash relief permits them to meet small emergencies such as household items and carfare.

They are not forced to go to a relief counter in the large stores and chain stores for special attention which singles them out to other customers in the store.

In a few cases where errors have been committed and it was necessary to cancel the checks, the clients were disappointed. They claim that they can purchase more on cash and get a better grade of vegetables and fruits by purchasing them from peddlers. They have made numerous complaints about the chain stores because they were obliged to take what merchandise they had in stock and were unable to shop elsewhere. Our clients have also reported that their grocers had

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held prices high and they were unable to shop at other stores in the neighborhood having the same articles on sale.

Unattached men prefer to buy their own meals, which they now can do quite cheaply and are pleased because they do not have to prepare their food any longer. Some landlords have in the past complained when the men did their own cooking, since the gas bills of the particular rooming house increased in amount.

In our district particularly the clients are very sensitive regarding the fact that they are on relief and many, therefore, go as far as a mile and a half to a grocery store so that their neighbors will not know they are on relief. One woman asked that no ration box be given her so the neighbors would not see the wholesale grocer stop.

One client states: "Sure it's better to have cash and be able to buy where you want, but you know why we have it now, don't you? Because it's before election time. You'll see, after the election we'll return to the old way. I predict that right now. Just politics, that's all."

One client states: "I like cash because I can shop like others." Another says: "We can buy what is needed and the grocer can't sell old merchandise to us." Many feel that the best thing about cash relief is that people in the stores are not aware of the fact that they are on relief.

One housewife said that even her children feel the difference in that now they put the responsibility for getting certain items from their parents rather than referring everything to the "Relief."

One man stated that carrying a disbursing order into a store was like carrying a sign on his coat reading, "I am on relief." He said the cash allotment had made him feel less "licked."

Clients have reported landlords' willingness to reduce rent for cash payment.

A client was slightly intoxicated in the waiting room one day. Several clients complained of his conduct, saying "He will spoil cash relief for all of us."

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A client writes: "I was at the district office on November 20th. I got a check for \$4.66 and I can tell you truly it was the best two weeks I lived since I've been on the Relief. I got about twice as much groceries for that money that I could get on a grocery order and besides I felt a different man. I go to church every Sunday and before I got that check I never had a cent to put in the collection box when it came around. But in the last two weeks I always had a nickel or a dime to put in it when it came around. I tell you it made me feel good, that I was living like a man once more. And besides, I could buy my tobacco without having to pick it up on the street and I could buy myself some razor blades and little things I wanted and still have money left. My next order is due on the fifth of the month. I hope they keep it up because it raises a man's morale and he always has a little change in his pocket."

GENERAL COMMENTS

Of the 13,512 individual complaints received in the Public Relations office during November, not *one* has been a complaint against cash relief as such.

The popularity of cash relief is evidenced by the fact that it represents a major change in policy which has not caused a flood of criticism.

Cash relief for the majority of clients seems to give them more responsibility and tends towards a more normal existence.

The client group is certainly spending *somewhere* whatever cash they get hold of. It is not being hoarded. It naturally will flow into slightly different channels than those into which it went in the past.

It would seem that the "feel of money" in itself might be a little intoxicating the first month, after years of handling pieces of paper. Does it not also seem likely that this very "feel of money" will act as a strong stimulus to seek work more diligently? Families had forgotten what actual money was like. Their desire to get it themselves will unquestionably be awakened.

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There is a decided lessening of tension, a noticeable increase of feeling of independence and self-respect among the families. Does it not seem logical that people who have always been accustomed to making plans for themselves and handling cash, could be trusted to take care of their needs if given the opportunity? The entire staff is decidedly in favor of cash relief and I sincerely trust it will be continued.

Cash relief has been astonishingly successful for so short a trial.

CLARA PAUL PAIGE, *Divisional Director*

APPROVED

LEO M. LYONS, *Administrator—Cook County*

APPENDIX II
ACCOUNTING FOR CASH-RELIEF
EXPENDITURES, BALTIMORE

ACCOUNTING FOR CASH-RELIEF EXPENDITURES¹

BY: HOWARD C. BECK, JR., ADMINISTRATOR,
BALTIMORE EMERGENCY RELIEF COMMISSION

THE Baltimore Emergency Relief Commission has installed a rather successful system for accounting for relief expenditures which may be of interest to the readers of the "Certified Public Accountant." At the time the emergency public agency was established in Baltimore, public funds were very largely being disbursed through the private charity agencies, operating under their own accounting systems. The public agency was established by borrowing personnel from these private agencies to create complete public control in accordance with the regulations of the Federal Emergency Relief Administration. It was difficult at first to amalgamate these various units into one organization and to successfully install an accounting system to meet all requirements. This was accomplished, however, as adequately as could be expected under the circumstances, and twelve district offices were set up, each of which was permitted to have its own fund and make direct disbursements, on the signature of the District Secretary supported by authorization submitted to her by the Field Worker bearing the approval of a Supervisor.

A posting unit in the Central Office was established for the purpose of accumulating the charges against each individual relief client's account. It was soon discovered, however, that the posting became weeks and months in arrears as a result of which a correct record of what had been spent on any one family was not available. Relief disbursements were being

¹This article appeared in the Certified Public Accountant for August, 1935.

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made in the districts on the basis of an automatic card file, showing the weekly amount to be allowed. These cards were submitted to a typist weekly who prepared a list on a form known as the social worker's authorization. These forms were reviewed by the worker for the purpose of adding the names of any persons who were to receive relief or to make changes in amounts or deletions of those already listed. Upon the certification of the worker that the authorizations were correct, and the approval of her Supervisor, the form was then submitted to the financial clerk for checks and a check register in duplicate to be prepared. These checks were prepared in some districts on the typewriter and in some districts by long hand. They were then forwarded with the social worker's authorization to the District Secretary, together with the check register. The District Secretary and her clerk checked the check register, the checks and the authorizations, for the purpose of determining that she had the proper approval before affixing her signature to the checks and permitting their release. This plan worked out rather successfully but it resulted in a more or less automatic distribution of relief which was not to be desired. In order to overcome this difficulty and to bring the posting of ledger accounts absolutely up to date a plan was devised of centralizing the writing of checks in the Central Office. Authorizations are prepared on a numbered form for every case on relief and are submitted to an addressograph division which makes up an addressograph plate for each relief client, showing the name of the individual to whom the check is to be drawn, his address, the family name under which the case is known, and certain coded data identifying the worker on the case, the district and the number of persons in the family. From these addressographed plates, payrolls having columns for the distribution by classifications of relief are pre-addressographed and sent to the district office for the recording of relief allowances. Immediately after the payrolls are addressographed the plates go to a machine to addressograph the checks

ACCOUNTING FOR CASH-RELIEF EXPENDITURES

[drafts] in the same order as they appear on the payroll. These checks are retained in the Central Office and the payrolls forwarded to an Office Manager, who has been established in each district. Payrolls are staggered so that a group of Field Workers assigned for each day of the week are required to come into the financial office and make their posting of relief authorizations to a record of relief granted card [ledger] showing the total and distribution of weekly allowances to relief clients. These entries are initialed by the worker for identification purposes. In this manner the ledger card is posted absolutely up to date before the expenditure is made and constitutes the original authorization. From this information the posting clerk in the financial office of the district transcribes the amounts authorized from the ledger card to the payroll, balancing both records for the purpose of verification of total and distribution. Four days before the checks are to be released, the payroll, approved by both the worker and her supervisor, is submitted to the Central Accounting Office for imprinting the amount on the checks. As the payrolls are received in that office they are turned over to a National Check Writing Machine operator together with the pre-addressographed checks, both of which are inserted in the machine to have the authorized amount mechanically printed upon them. This machine dates, numbers, prints the amounts in two places, signs the checks, and prints the amount and number of the check on the payroll, accumulates and prints a total on each page of the payroll, a total on each district recapitulation, and prints a grand total which is under lock control for the day's disbursements. It is possible under this method to verify the accuracy of additions as each page of the payroll is completed, as well as to have a subsequent verification when the district recapitulation sheet is totalled mechanically. A final proof on the daily recapitulation sheet of all districts is available to the Disbursing Officer by releasing the locked total.

The payrolls are audited by a group of persons assigned to

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that function in the Central Accounting Office and are then released for the purpose of having surplus commodity tickets attached to them and a milk check which is good for one week's supply. The policy of giving milk in kind was adopted to insure an adequate supply to young children and is mandatory up to twelve years of age, one quart for each child under six and one pint to a quart up to twelve. Under this arrangement it has been possible to contract for milk at a $4\frac{1}{2}$ c reduction per quart. The milk check or ticket is mechanically printed by a National Accounting Machine on the basis of milk authorizations shown on the payroll. The attaching of the surplus commodity tickets and the milk ticket to the checks results in verification of the fact that the checks have not gotten out of order and are definitely in accordance with the payroll authorization. The checks are then sent to the district. The Field Workers then have an opportunity to withhold any checks where the relief situation may have changed, between the time they posted their authorization on the ledger cards and the checks are received. When the checks are released by the worker they are routed for delivery to messengers who insert them in a window envelope upon which is written the amount and date of the check. This envelope has space for five entries and provides a means of securing the client's signature when the check is delivered by the messenger. This method also makes it possible to compare signatures week by week to see that the checks are going to the person for whom intended.

As a result of the installation of centralized check writing it has been possible to effect a savings of \$87,000 per annum as compared with the former system of having each district write its own checks, prepare social worker's authorization and check registers, and subsequently have the bank accounts reconciled in the Central Office.

Coincident with establishing the centralized check writing plan, which as a matter of fact is a centralized draft writing division, we created our own Banking Department. This

ACCOUNTING FOR CASH-RELIEF EXPENDITURES

was done because the banks had proposed to charge the relief administration $1\frac{1}{2}$ c for each check handled. Under the draft plan they were willing to cash the drafts without charge, accepting no responsibility for the original signature. Our draft division has been one of the most successfully operated departments, and is well worthy of mention. When the drafts have been completely prepared through the Central Accounting Office and the total determined, a check prepared on the main bank account of the organization is deposited to a draft account in any one of three banks depending upon the bank on which the drafts were drawn for that day. Before this check is signed by the Administrator, however, it is compared with a district control sheet, that comes to him independently of the central draft writing division control, indicating the amounts the districts have authorized in direct relief. An accumulation kept in his office of these authorized amounts assures him that the check submitted is in accordance with authorizations. As each check is deposited in bank, an individual daily account is kept in the banking division indicating the total debit against the bank for that day's drafts. It is likewise posted to a general control of all cash in the bank through which the drafts are drawn. As drafts clear daily from the various banks they are submitted in bundles with a tape attached. These tapes and bundles are immediately verified by adding machine operators as to accuracy, authenticity and the examinations of endorsements. The banks are notified by letter of acceptance of the charge made, or of any discrepancy, by 12:45 P.M. The drafts are then assorted into numerical order, which at the same time breaks them down into daily order. Having been so broken down, they are again relisted by days, and balanced against the total of the first run. After this verification a credit entry is made against the bank on the daily ledger and control sheet so that there is available the amount of drafts outstanding for each day of issuance and a general control of outstanding drafts by banks. After thirty days the accounts are reconciled with

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little effort as the number of outstanding drafts has been reduced to a minimum. Many days ledger sheets actually balance themselves in less than thirty days as the last one is paid.

Although I have not gone into the many little details of our system I believe it can be understood why I am of the opinion that the Baltimore relief disbursement plan will compare favorably with any in the country. It is practically self-balancing and has worked out to the entire satisfaction of the Social Division with a minimum of effort and a minimum of cost.

APPENDIX III

INSTRUCTIONS TO DISTRICT SUPERVISORS COVERING TRANSFER TO CASH RELIEF, PHILADELPHIA COUNTY RELIEF BOARD

PHILADELPHIA COUNTY RELIEF BOARD

October 4, 1934.

TO: DISTRICT AND AGENCY SUPERVISORS
FROM: DOROTHY C. KAHN
RE: TRANSFER TO CASH RELIEF

Beginning Monday, November 5th, and continuing through Friday, November 9th, each client will receive with the regular relief order a notice stating that the next order will be a check, and outlining, in a general way, the easiest method by which it may be cashed to cover his needs.

On Monday, November 12th, all recurrent relief (food, gas, kerosene, milk) will be discontinued *automatically* by the Relief Order Department. No discontinue slips will be necessary for this particular discontinuance. Thereafter, checks will be sent on the same code day as the present relief orders. *An individual requisition for every active case* will be necessary, in order that the family may receive its allowance, and in order to properly handle the work in R.O.D., the *last* of these requisitions (excluding new and reopened cases as they occur from that date on) must be in R.O.D. by Friday, November 2nd. This means that standard budget sheets for all the active cases will have been completed and the procedure for transferring visitors' case loads from grocery order to cash relief completed before then. It also means that the greatest part of the district will have been completed and transferred at least a week or *two* prior to November 2nd.

For your information, the following steps are being taken to secure the complete liquidation of the items in kind now being distributed, as we approach the actual date of distribution in cash:

CASH RELIEF

A. COAL A notice which shortly will be sent outlines the procedure for covering the coal needs of the family for the period elapsing between the first day of the heating season and the first day of cash relief. This procedure also starts the family with a supply of coal, making it possible for the family to budget the cash checks received over a monthly period.

All of the orders requisitioned by this procedure will be delivered to clients before the actual day of the starting of cash relief, so that after that date there will be no distribution in kind.

B. CLOTHING The notice of September 27th, completely eliminating requisitioning against the Clothing Division, has already liquidated clothing as an item of distribution in kind. During the month of October and up to the date of actually going on cash relief, the Clothing Division will call in all clients having only partially filled requisitions. Unfilled requisitions older than 3 months, however, are not being filled.

C. MILK During the period of transition, R.O.D. will begin to send partial orders for milk instead of the present orders which are good for 28 days. The last orders for milk immediately preceding November 12th will be for one week only. After November 12th, of course, no milk orders will be sent.

D. GAS The Gas Companies will be notified to automatically discontinue all cases being carried for Gas, and a form letter notifying them of the change in relief policy, together with a request for their cooperation during the transition period, will be sent.

PHILADELPHIA COUNTY RELIEF BOARD

E. KEROSENE All recurrent orders for Kerosene will be discontinued automatically.

F. MEDICAL Medical relief will continue in the same form
RELIEF as at present.

The transfer of direct relief to cash relief will be effected in the districts by a transfer of individual visitor's case loads, taken one at a time. When a visitor has completed the making of the budget sheets, his case load will be ready for transfer to a cash relief basis. From that time until the date of actual cash distribution from R.O.D., the visitor whose case load has been transferred to a cash relief basis will have to operate his case load both as a cash relief case load and as an order system case load.

TRANSFERRING A CASE LOAD TO A CASH-RELIEF BASIS

When a visitor has nearly completed the making of budget sheets for his entire case load, he will arrange with his supervisor for an appointment to review the budget sheets for his entire case load. At the end of the day preceding the date of his appointment with the supervisor, he will leave his visitor's box with the office manager. The following morning the record for every case will have been pulled and left on the visitor's desk. In consultation with his supervisor, every case, in alphabetical sequence, should be reviewed in so far as the making of the budget table is concerned. If there has been no change in the circumstances and the supervisor re-approves the items as set down in the budget, the supervisor will place the date of the conference in the square at the bottom of the column now bearing her signature. Budget sheets made and approved after October 4th will probably be re-approved without the necessity of much further discussion. Certain other cases of which the visitor is certain, will also be re-approved without much further discussion. In order to facilitate the work involved in rechecking budget sheets visitors should be sure that the back of all budget sheets be filled out in so far

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as it is necessary to explain the items entered on the front. This is particularly true with the item of income. As the budget sheet for each case is approved, it should be detached from the record and placed in a pile, which is to be alphabetically arranged. The folder containing the rest of the record is to be placed in another pile, alphabetically arranged. If there has been a change in the situation, or if for any other reason the amounts entered in the first calculation of the budget should be changed, the case should be set aside for recalculation of the budget. When the change is made, the visitor should write a summation of the reasons for this change in the running record. The changes themselves should be made on the budget sheet in a new column headed "Weekly Budget Needs" and the supervisor should sign both the new column on the budget sheet and the summation in the running record. The visitor should then determine the amount of relief for each case from the table now being distributed, using the *Total Budget (Item 10)* on the Standard Budget Sheet, and the *Adjusted Income (Item 11)* on the Standard Budget Sheet, as the basis for making the determination. When the amount of relief has been determined, it should be entered *in red pencil* in the column on the Standard Budget Sheet under the heading "Direct Relief" (or "Relief Provides") and in the square opposite Item 10. When the relief grants for the entire active case load have been determined and entered on the standard budget sheets, the budget sheets should be given to the Office Manager, alphabetically arranged, together with the visitor's box of green cards. The amount of relief grant may be figured at the time the budget sheet is made as soon as the table for this determination is distributed. This will obviate the necessity of re-determining the relief grant for these cases at the time of the conference with the supervisor.

Clerks working on the night project will type the actual requisitions from the information given on the budget sheets. They will check the calculation made by the visitor and will

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enter the amount of the relief grant on the visitor's green card under the column headed "Other Relief," as "9/22-9.00 Grant."

The requisition, which will be used only for the specific purpose of transferring a case from grocery order relief to cash relief, will be entitled "Relief Transferred to Cash."

OPERATING A CASE LOAD ON A CASH BASIS

PRESENT ACTIVE CASES

Requisition clerks will be supplied with a list of names of these visitors whose case loads have been converted to a cash basis. From the date of transfer to the date of actual cash distribution, the requisition clerk will not write any requisitions affecting the grocery order relief without also writing a requisition affecting the cash grant for cases of those visitors. Visitors should indicate the change in both kinds of relief by a summation at the end of the running record showing the number in the family, the change in the amount of grocery order relief *and* the change in cash relief. The number in the family must be indicated hereafter as adults and children on all requisitions affecting the *cash* allowance.

REOPENED CASES AND NEW CASES

Requisition clerks will not issue a "relief resumed" or "original requisition" slip (grocery order relief) for a case of a visitor who has converted her case load to a cash basis without also issuing a "Relief Transferred to Cash" slip. After November 12th the summation need only show the change in the cash allowance recommended.

PHILADELPHIA COUNTY RELIEF BOARD

October 24, 1934.

TO: DISTRICT SUPERVISORS
FROM: DOROTHY C. KAHN
RE: TRANSFER TO CASH RELIEF—SUPPLEMENT

The following should be carefully noted in connection with the procedure for the transfer to cash relief:

TRANSFERRED CASES

Certain cases transferred to visitors will have been transferred to cash relief. Visitors should carefully check all cases transferred to them. If a copy of the requisition "Transfer to Cash Relief" is attached to the record, the visitor to whom the case has been transferred should keep the changes in respect to cash relief up to date, as well as the changes in the grocery order relief.

At the time the visitor's case load is transferred to cash, the cards for the above cases should be taken out of the box before handing the box to the office manager for pulling the records.

TEMPORARILY DISCONTINUED CASES

It has been a practice in some cases to discontinue relief without closing a case. If this is done, the cards for those cases should be taken out of the regular file in the visitor's box and kept in the lid of the box pending resuming or closing.

At the time of transfer to cash relief, these cards *should not be given to the office manager* for pulling the record, even though the visitor feels that the case will be resumed shortly. The cash relief requisition for that case will be written at the same

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time the "relief resume" slip is written if the case is actually resumed later.

WORKS DIVISION CASES

Inasmuch as a case receiving Works Division checks may not receive direct relief, these cases should not be transferred to cash.

At the time the visitor's case load is transferred to cash, the cards for Works Division cases should be kept by the visitor and not given to the office manager for pulling the records.

At the time of dismissal, when the visitor indicates the amount of relief to be sent by "continuance," "increase," or "decrease," he should also indicate in the written summation the amount of cash relief to be sent.

Requisition clerks should, *at that time*, type the Transfer to Cash Relief requisition.

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November 5, 1934.

TO: DISTRICT AND AGENCY SUPERVISORS
FROM: DOROTHY C. KAHN
RE: ACKNOWLEDGMENT OF TRANSFER TO CASH
RELIEF

On Monday night, November 5th, R.O.D. will prepare an acknowledgment for the first code day (Friday, November 9th) to be transferred to cash relief. The acknowledgments will be sent out immediately and, therefore, will be in the districts on Tuesday. The acknowledgments will continue for one week. The acknowledgments will be sent in two separate envelopes to the Office Manager.

One group will represent cases on which the change to cash relief has been made and will consist of a 3½" x 8" white slip showing:

10.00

124567 F.
Jennie Dodge,
1284 S. Juniper

Office Managers should assign these to the proper visitor or agency. Visitors should check the amount, *spelling of the name*, etc., as promptly as possible and return to the Office Manager. If either the amount or spelling of the name is in error, the visitor should make the change promptly. If the case is one that should not be active, visitors should discontinue the relief promptly.

The other group will represent cases which are at present active but for which no slip which would transfer the case to

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cash has been received. These acknowledgments will be the same form as the others but will read:

"Transfer to Cash" Slip Not Received
Philadelphia Co. Relief Board
6.10

124658 F.
Sidney Burns
776 No. American

Office Managers should turn these over to the adjuster in the district, accompanied by the form provided for a report on these cases. Office Managers should fill in the top two lines of the form showing the number of acknowledgments received (total) and the number to be adjusted.

The adjuster should follow through each of these cases and should receive the acknowledgment form back from the visitor after the proper adjustment has been made. The acknowledgment received from the visitor should be marked by the visitor to indicate what adjustment was made. The adjustment acknowledgments should be kept pending further instructions but a daily report of the type of adjustment made and the apparent reasons for an adjustment being made should be sent to G. F. Schwarzwald, Headquarters, on the form provided.

Visitors should adjust these cases immediately, since the amount shown in the acknowledgment actually will be mailed unless an adjustment is made. The procedure is outlined below:

CASES WHICH SHOULD BE DISCONTINUED

If the case is one which is unknown to the visitor, he should return the acknowledgment slip to the adjuster marked "Not active—unknown" for further checking in the district master files.

If the case is one which is known to the visitor and is not active, he should have a "Discontinuance of Relief" slip

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prepared and should return the acknowledgment slip to the adjuster marked "Discontinued—should not have been active."

If the case is one which is at present active but is ineligible under the cash relief standards, the visitor should have a "Discontinuance of Relief" slip prepared and should return the acknowledgment slip to the adjuster marked "Discontinued—Not eligible for cash relief."

The visitor should be particularly careful to adjust these cases immediately. If not adjusted, the family will receive one *check* in the amount of the old grocery order and will be discontinued the following week. It will be much more difficult for the visitor to explain to the client that he is ineligible for relief under the cash relief standards if one *check* actually has been sent.

CASES WHICH SHOULD BE CONTINUED ACTIVE

(Probably increased or decreased)

If the case is one for which a "Transfer to Cash" slip has been sent (duplicate actually in record) the visitor should return the acknowledgment form to the adjuster, marked "slip sent."

If the case is one which has not yet been transferred to cash, the visitor should return the slip, marked "slip not sent." Visitors should know that a check will be sent for this family in the amount of the old grocery order but that the following week the case will be automatically discontinued. The case, therefore, should be transferred to cash, if eligible, within one week from the date of receiving the acknowledgment.

APPENDIX IV

CASH-RELIEF SURVEY, PHILADELPHIA COUNTY RELIEF BOARD

PHILADELPHIA COUNTY RELIEF BOARD

March, 1935.

CASH RELIEF SURVEY

THIS survey was made during the period of December 3, 1934, and March 1, 1935. The purpose of the survey was to secure an objective picture of what the relief families think of cash relief, and how well they manage under this system. Two visitors from each supervisor's group, or a total of approximately one hundred visitors, interviewed their clients on the regular revisits made sometime during this period, as to the effect of this new relief system. Thus, the approximate 2,000 families interviewed represented a sample, taken at random, of a cross section of the relief population in the City. The survey schedule consisted of such questions as, client's preference to relief in cash or relief in kind, reasons for such preference, ability to manage under either system, chief budget problems in the family, such as rent, food, fuel, clothing, pressure from creditors, etc. An attempt was also made to find out to what extent financial help from relatives or other sources was affected by the fact that the family was now receiving a cash grant from the CRB. Was this help discontinued? Is it being continued? There were also questions dealing with the problem of cashing the check, misuse of the check by some member of the family, the problem of the landlord's relationship, etc.

The visitors were instructed to get the client's own reaction, to answer the questions in the schedule in the client's own words, and to be as objective as possible. It was the client's reaction we wanted and not the visitor's.

The survey was divided in two parts, i.e., the 766 families who were interviewed during the first three weeks of the Cash

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Relief System, and the remaining group interviewed later. The analysis for the two groups was made separately.

CLIENT'S PREFERENCE

Of the 766 families interviewed in the first group, 637, or 83.2% of the total, preferred relief in cash: 105, or 13.7%—relief in kind; and 24, or 3.1%—gave no preference to either system. One client in this last group stated, "I am not certain as to which I dislike more. I am sure however, that I dislike both of them violently. To satisfy me, you would have to give me my job back."

The reaction of the second group of families is more significant than that of the first group since this sample was taken at least two months after the cash relief system was introduced. These clients have had a better chance, therefore, to adjust their budgeting under the cash allowance and overcome some of the difficulties and confusion which were created during the first few weeks of the cash relief system.

Of this second group interviewed, 88.3% prefer relief in cash, as compared with 83.2% in the first group. Only 10.3% of this second group preferred relief in kind, with the remaining 1.4% giving no preference to either system.

REASONS FOR PREFERENCE GIVEN TO EITHER SYSTEM

As stated above, there were 105 families in the first group whose preference was relief in kind. On the surface, this may seem rather a large number, almost 1 out of 7 clients interviewed. However, an analysis of the reasons given by these families shows that more than half of them (62) favored this system not because of any objections they had to receiving their relief grants in cash, but because in their cases, under the relief in kind system, they were getting a more adequate allowance than the one under the cash plan. Most of the remaining families in this group also preferred relief in kind for similar reasons, i.e., because under the new system they would

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find it difficult to buy any clothing or fuel, which under the previous system they were receiving from the CRB in kind.

It is worthwhile noticing here, that the great majority of these families are large size families. Since under the new cash relief system, the maximum weekly grant to any family, regardless of how large it may be, was limited to \$18.00, these families felt that formerly the value of the items given to them in kind in addition to the grocery order, was higher than the present cash allowance of \$18.00. In other words, *it was the inadequacy of the cash allowance, rather than the system of cash grants, which they objected to.* Naturally, with this maximum limit of the allowance being revised, these families will find it easier to manage under this plan.

Only one client in this group gave the preference to the old system because of the misuse of the check by the husband. Another client admitted that she cannot resist spending the cash allowance foolishly, and therefore would prefer to go back to the relief in kind system.

It would be difficult to mention here all the different reasons given by the families for preference to cash relief. Many families gave two and three reasons. The following are some of the more common reasons appearing in the schedules listed in order of the greatest number:

Can purchase more economically	547
Can pay rent	210
Can purchase clothing, fuel, shoes, and other necessities	100
Can pay insurance, gas and electric bills	97
Feel more secure and independent	57
Cash allowance is more adequate	15

It is interesting to note here that more than 70% of the reasons given for preference of the new system, were in connection with the possibility of buying more economically and the ability of paying rent.

The following quotations of some clients, as taken from the

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survey schedules and letters received, may give a better picture of the client's reaction.

"With cash, can get a larger variety of foods at a saving—being able to go to more than one store."

"Can buy clothing that fits, and get things we need."

"Cash holds what you call your dignity and pride."

"Can pay gas and electric bills and 'some rent.'"

"Can pick up bargains."

"Cash money goes further."

"Like the freedom attached to purchasing for cash and do your own budgeting."

"Can buy anywhere with cash, but with grocery order had to take what was in store and never a cent in your pocket."

"Can buy cheaper from hucksters."

"Can buy day-old bread at bakery for 6c per loaf, instead of 10c for fresh bread. Under grocery order could not be done, because of having to buy in one store. We like day-old bread and prefer it to fresh."

"Saves a lot of embarrassment. Cash, even when it is not earned, gives nerve and ambition."

"Can give a little to creditors and shut them up."

"It is fun having a few pennies in pocket."

"Can buy postage stamps."

"Fun to spend foolishly once in a while."

"Always money for carfare."

The other side of the picture can be shown by the following quotations:

"Cash grant \$3.50. If I use it for food, I have not a cent for rent, and if I use it for rent, it does not cover same; yet, those who are contributing millions feel happy that we are being sheltered and fed."

"Cannot tell as yet. Can't see how will be able to buy clothing."

"Feel more helpless now. Hard to make money stretch to cover all expenses."

"One system is as bad as the other—both inefficient."

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"So dependent on relief in kind that find it burdensome responsibility to manage cash."

"Client repeatedly refers to CRB as an association or club. States that she has never received what has been due her since becoming a member of the CRB."

In the first group, more than half of the families interviewed, stated that although the present cash allowance is more liberal than the allowance under the previous system, and that they would not like to go back to relief in kind, nevertheless, *they find it very difficult to manage adequately even on this present grant.*

The following table gives the chief budget problems in order of the greatest number. Many families had more than one problem and each problem was listed.

	1st Group	2nd Group
Clothing	349	573
Coal	184	319
Rent	152	334
Food and milk	51	98
Gas, electric, insurance, etc.	37	41
Medical	7	8
No major problem	261	385

It is interesting to note that most of the letters written by the clients deal with the amount of their cash grant, as related to what other relief families are getting, rather than with the inadequacy of their own grant. In other words, the complaint is that they know of other relief families who are receiving more than they do. This is natural, when one considers the difficulties a client would have in accepting the methods and standards used by the CRB in computing the relief grant. The client is not aware of the fact that in computing the relief budget different factors are involved such as, size of family, number of rooms, number and ages of children, income, source of income, etc. Some of the complaints are very often along the following lines: "My grocery clerk at the A & P Store, told me about other relief checks he has

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seen. And what a raise they got! I should get at least around \$9.00 or \$10.00. I am sure my \$1.05 which the CRB saves on me won't start the wheels of industry." "Other families are getting more. We are Protestant Republicans, living in a Catholic and Democratic locality. Maybe this has something to do with it." "If the captain in our district would allow my daughters to tell fortunes in our house, then we would not have to come to you and bother you like we do."

HOW IS THE FAMILY PLANNING TO BUY CLOTHING?

At the time of the interview, about one-quarter of the families had made no plans as yet how to manage this item of their budget, while another quarter felt more definite and stated that they were not going to be able to buy any clothing under the present system, for a long time to come.

However, the other half of this group of families interviewed, outlined one or another plan, listed below:

Save a small amount of cash each week and buy as need arises	233
Buy one or two articles as need arises	128
No need for clothing at present, but will be able to manage	16
Buy on instalment	15
Provided by relatives, friends, Salvation Army	14

FUEL

Almost half of the families interviewed managed to buy some coal during the first three weeks after they had been on cash relief. The other families stated they either did not need any coal at present, having some of the CRB coal left, or made no plans to buy any as yet. Although the majority of the clients who bought coal managed to buy it in ton or half ton lots, there were a great number who could not afford to buy more than a few bags at a time, which is rather an expensive way to buy coal.

Almost 80% of the families who bought any coal, paid for it in cash, with only 20% having bought it on credit or instal-

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ment plan. Almost the same percentages hold true for the second group of families.

One family used the following way of managing the cash grant for various items: "We deduct the amount of the former grocery order from the cash grant and \$.77 for milk. Keep balance in lots divided into three sections marked coal, gas, electricity. Unable to save for clothing. Rent provided free."

WHERE DOES THE FAMILY CASH THE CHECK?

Although there was some confusion in connection with cashing the check during the first week of the Cash Relief System, from the answers given by the clients to this question, it appears that most of these difficulties have been ironed out to great satisfaction.

The great majority of the clients stated that they were cashing the checks at the grocery and meat stores without any difficulty. Other clients had their checks cashed by the milkman, landlord, or friends. Some of them were cashing them at the banks, using a gas or electric bill as identification. "I am cashing my check at the Corn Exchange Bank," one client said, "I used to be a depositor there and the teller knows me."

RENT

Of the 1,233 families interviewed in the second group, 1,003 families, or 81.4% have been paying rent since cash relief was introduced, in part or in full amounts. 110 families or 8.9% were free rent families (naturally not receiving any allowance for rent in the relief budget). These are the families who are either living with friends or relatives who give them free rent quarters, or who in exchange for rent, are giving janitor service, or perform domestic duty service.

Only 120 families (9.7%) have not made any rent payment as yet. Most of these families, however, (84) have made arrangements with the landlord for such payment in the near future. The delay for this non-payment was in most cases due

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to the pending of an agreement with the landlord as to the amount and terms of the payments. As one client said, "I would rather starve, but pay rent." The study also showed that 71 families were being assisted in paying their rent by relatives or friends.

Many of the families report various amounts of back rent due. One family owes \$365.00 back rent and another said, "I owe so much rent that I can never possibly get out of the hole." Nevertheless, the landlords have been quite lenient with clients and seem satisfied that they continue their current payment.

Only 143, or 11.6% have paid some back rent, but we were unable to determine the amount because it was not specified in the questionnaire. As a rule, the landlord seems to understand the financial circumstances of these families and realizes the difficulty they would encounter in making payment of back rent and therefore in the whole group we find only 5 families who are being threatened at present by a constable for non-payment of back rent.

Of the families who paid rent, 545 families, or 54%, paid it on a weekly basis. The total amount paid by these families was \$1,682.20 a week, or a weekly average of \$3.09 per family; 301 families, or 30%, paid on a monthly basis, the total amounting to \$4,775.50, or a monthly average of \$15.87 per family. This high percentage of weekly payments is due to the fact that many families are living in rooms and apartments where weekly payment is required. This is significantly noted in the colored families where 68 families paid a weekly rental of less than \$2.00 and 201 families paid a weekly rental of less than \$3.00. Of the remaining 157 families, 141 paid rent irregularly on a weekly or monthly basis. The total amount paid by these families in a three month period was \$4,427.95, or an average of \$10.47 a month per family. No figure as to the amount of rent paid was given for the remaining 16 families. In almost one half of the families, the weekly rental paid amounted to less than \$3.00.

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With approximately 90% of the families cashing their checks at the grocery store, only 17 families in the group (1.4%) reported their checks being cashed by the landlord. . . .

The following table illustrates a group of 545 families classified according to size of family and weekly and monthly rent payments.

Size of family	WEEKLY			MONTHLY		
	Number of families	Amount of rent	Average rent paid	Number of families	Amount of rent	Average rent paid
1	95	\$201.00	\$2.12	7	\$73.00	\$10.43
2	141	388.25	2.75	56	827.50	14.78
3	84	248.50	2.96	53	717.25	13.53
4	77	266.60	3.46	55	935.75	17.01
5	38	139.85	3.68	49	821.60	16.77
6	35	125.50	3.59	21	321.90	15.33
7	23	99.25	4.31	29	533.00	18.38
8	24	102.50	4.27	15	254.50	16.97
9-13	28	110.75	3.96	16	291.00	18.19
Total	545	\$1,682.20		301	\$4,775.50	

SAYA S. SCHWARTZ
Administrative Assistant
Research and Statistics





