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Poverty Welfare: Historical Perspective

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Welfare: Historical Perspective


Some people believe the current welfare programs got underway with former President Johnson's "War on Poverty." Others believe they started under President Kennedy. Still others attribute the programs to the massive government involvement in social problems during the depression years of the 1930's.

The idea of providing aid or relief to the poor has been with us at least since the days of Moses. Mosaic law met the responsibility of assisting the needy by admonishing people to be charitable. The first poor tax was levied during the reign of Charlemagne in the year 779. The first legislative enactment covering relief for the poor was the Elizabethan Poor Law of 1601. This law followed the decline of the feudal system. The intent was to prohibit the prevalence of begging.

The Elizabethan Poor Law established public responsibility as the main agency for providing programs of relief. Relief had been principally a responsibility of the church. Almshouses were established to care for destitute persons. With widespread unemployment in 1834, the workhouse system could not meet the demands, and districts for poor relief were established.

As early as 1711, poor districts were established in Hamburg, Germany. In each of these districts a citizens council obtained funds through church poor boxes, house to house canvasses and later through an annual citizens subscription supplemented by revenue from certain taxes.

In 1817 a Society for Prevention of Pauperism was formed in New York City followed in 1843 by an Association for Improving the Conditions of the poor which sought to improve housing, health and living conditions. Between the years 1769 and 1917, many states began to establish schools for the blind, the insane, and deaf and dumb and special programs for juvenile delinquents. The first State Department of Public Welfare as we think of it today was established in Illinois in 1917.

Early Requirements

The eligibility requirements in Illinois' first law were common to the relief programs adopted during this period and were later established by the Social Security Act. The applicant was not eligible if he was an inmate in a penal or charitable institution or if he had relatives able to support him. The establishment of aid to the blind reflected a conflict between a desire to compensate for the disability and a desire that definite need be established as a basis for grants. This conflict is reflected today in HR-1 passed by the 92nd Congress in the provision that more income related exemptions are provided for the blind than for other recipients of Supplementary Security Income payments.

Separate institutions for children were founded by private organizations in the United States during 1729. In 1853 private agencies began to utilize family homes for foster care. The White House Conference on Children held in 1909 stressed the vital role of the mother in the life of a child and concluded that a child should not be deprived of his mother simply because of poverty in the family. Programs were started in several states to provide aid for mothers who were widowed or whose husbands were removed as normal providers by imprisonment, incapacitation, desertion or divorce. Aid to the children in
their homes was found to be less expensive than foster care.

Every state had its own Poor Relief law and regulations. Many of these laws were found to be demoralizing to the individuals as well as to their families. They were also very costly to the taxpayer. People sought other forms of relief. Programs providing aid to the aged had their beginnings in 1915. There were limitations on the property and incomes which a recipient might have and still be eligible for relief. Age requirements for benefits were for minimum ages ranging from 65 to 70 years of age. During that period of time the average life expectancy was much shorter than 65 to 70 years.

Federal Participation in Welfare

Federal participation in welfare activities goes back to land-grants made to the state of Kentucky in 1826 for the education of the deaf and dumb. The Federal government made other land-grants for educational purposes and when land was no longer available to distribute, the government shifted to money grants. The oldest direct welfare service of the Federal government was that of the United States Public Health Service in 1798 with its primary purpose to plan a health program for merchant seamen. The Office of Indian Affairs and its predecessors provided services for Indians as wards of the United States. After the White House Conference on Children in 1909 further development took place including the Children's Bureau, the Women's Bureau, Immigration Bureau, Bureau of Prisons and Boards of Parole. Money grants to states were made in 1917 for vocational education, in 1918 for venereal disease, in 1920 for vocational rehabilitation—first for the soldiers and later for civilians too—and in 1921 for welfare and hygiene of maternity and infancy.

Historical Perspective of South Dakota Welfare

The Constitution

South Dakota's State Constitution reflects developments of the period in which it was written. It established as state institutions a penitentiary, an insane hospital, a school for the deaf and dumb, a school for the blind, and reform school under the Control of the State Board of Charities and Corrections.

The independence and self-reliance of South Dakota pioneer forefathers dominated the cultural life style. The pioneer forefathers conquered the unbroken prairies, built homes of logs or sod, grew the food they ate, made the clothes they wore, cared for the horses that furnished them with work power and transportation, and opened their homes to the elderly, the handicapped, the homeless child and the maiden aunt.

The farmer was foreman of the family enterprise, vocational teacher for his children, juvenile judge, and spiritual leader for his family. Natural resources were abundant. Supplying the necessities of life required physical strength and stamina, the will to do, and a minimum of skill. Not to provide for oneself or one's family was an indication of weakness, of lack of will, or of lack of even minimal skill.

The farmer's world largely was found within a five mile radius of his nearest trading center. Distance was measured in terms of how far he could go with his horses, do his trading, and return in time for chores the same day. The spread between the rich and the poor was not seen as insurmountable and the children of the poor could hope to achieve similar affluence through diligence. Little was known of the more affluent life of the cities so people were unaware that they were living under conditions that might be considered poverty by city standards.

The community provided law enforcement through the sheriff's office, opportunity for formal worship, and education of the very young. When an emergency occurred, neighbors shared their resources—labor, supplies, and home-made clothing. When a couple married or a new child was born, neighbors shared by making gifts that would be needed in the new home.

Built-In System

The farm economy had its built-in "Social Security" system. The hired man or hired girl lived-in and was assured of room and board during periods of seasonal unemployment as well as the days when too old to continue to work. Old and young and the disabled could still have a part through the many small chores to be done in and out of the house. For those who did not have these ties, there was the County Poor Farm.

If the rain did not come, or the hail did, there was always next year to look forward to, when things would be better.
1930's — Drought, Stockmarket Crash, Depression

The overwhelming need which developed in the 30's changed many things. South Dakota farmers were in trouble because of drought even before the general economic depression. Private sources of relief were swamped with demands. National aid was provided to help deal with what had become a national emergency. At one time over 50 percent of the people of South Dakota were receiving aid through Federal Emergency Relief and related programs. Everyone was in a similar situation. It is said to have been an accident which side of the desk a person was on, as a relief recipient or a relief worker.

In 1929 public poor relief was based on a policy of repression assuming that to be poor was proof of failure or deficiency of the individual. Care was provided to groups in institutions and through cash grants in the form of pensions. The federal government was participating through direct services and grants to the states. Private agencies were concerned with understanding and molding human character and regarded relief as an opening wedge to reach people who needed help.

With the stock market crash, a great number of persons become unemployed. The well accepted concept of failure had to be altered, as twelve million people could not all be failures. The problem of the poor looked different to many people when the poor were their own family and friends.

Private agencies could not begin to cope with the demand for financial assistance. The Federal Government accepted responsibility for action in a national emergency. Many Federal programs were devised and adopted with the intention of stabilizing the economy, keeping farmers and business men in business, and preserving work skills of the unemployed.

On August 14, 1936 the Social Security Act was signed into law. This set up a social insurance plan to provide income maintenance during retirement for workers in “covered employment.” The same Social Security Act also recognized Federal responsibility for sharing with the states the cost of providing assistance to the special groups not normally expected to benefit by improved economic conditions because they are not normally in the labor force—the aged, the blind, and mothers with children deprived of normal parental support. The disabled were added later.

South Dakota Establishes a Welfare System

South Dakota did not have a statewide welfare agency prior to the 1930's. The State Relief Committee was formed in 1932 to accept Reconstruction Finance Corporation loans for projects using relief labor. The 1933 state legislature empowered counties with municipalities of the first class to employ welfare workers.

The 1935 legislature, realizing that some action would be taken by the Federal government, established a State Department of Public Welfare to enable the state of South Dakota to take advantage of provisions for the administration of relief, Old Age Pensions, unemployment insurance or other welfare activities under laws of the United States. A nine-member commission was appointed by the governor. County welfare boards were authorized to administer Federal relief funds when available and to act as agents for the county commissioners in the administration of county relief funds. A division of child welfare was established within the department of Public Welfare.

After passage of the Federal Social Security Act, a special session of the legislature was held in 1936 to adopt an unemployment compensation plan. In October 1936 an Old Age Assistance Plan (OAA) was put into operation under the general authorization of the 1935 law.

A plan for Aid to the Blind (AB) became operative in February 1938. The 1937 legislature also passed a bill providing for Aid to Dependent Children (ADC), but added a provision that it would not be effective until the Federal government provided dollar for dollar matching basis as in OAA and AB. Federal provisions were changed in 1940 and the first ADC payments were made in November 1940.

County Welfare offices became local offices of the State Department. In addition to receiving applications and determining eligibility and the amount of the grant for OAA, AB, and ADC, the workers in the local offices certified the eligibility for persons for Federal work programs and commodity distribution and food stamps. The workers provided community services in cooperation with the State Commission for the control and segregation of the feebleminded. In some instances they continued to serve as agents for the County Commissioners in making recommendations for the granting of County Poor Relief.

State Department of Public Welfare, 1950 - 1973

Aid to the Disabled (AD) was added in 1951 to the OAA, AB, and ADC programs administered within the Division of Public Assistance. Vendor payments for medical care, including care in nursing homes, was also authorized by the Social Security Amendments of 1950 and a separate program of Medicaid (Title XIX) — medical care payments for persons receiving financial assistance was established in 1967. Effective July 1, 1973 a medical screening program for all children receiving aid under the age of 21 was added to the Medical program.

The Division of Child Welfare was responsible for the placement of children for adoption and the provision of foster care for children who could not remain in their own homes. The foster care program was greatly expanded when the Division, under contract with the Bureau of Indian Affairs, accepted responsibility for foster care of Indian children with residence on a reservation. Other special services were developed,
such as homemaker service and payment for day care. Beginning with the Social Security act amendments of 1950, the provisions of social services to recipients of public assistance was emphasized, until in 1969 when the two divisions become the Payments Division and Social Services Division. In 1973, as part of executive reorganization, the Department of Public Welfare become the Division of Social Welfare in the Department of Social Services and Human Relations.

**County Poor Relief**

County poor relief remains the only resource for persons who are in need but who do not meet the eligibility requirements for aid through the Federal-state programs. These include single persons, not disabled and not yet 65 years old, childless couples, and intact families, that is, with both a father and a mother present. County poor relief also is the resource to which recipients of Federal-state aid must turn for such help as prescription drugs, dental care, eye care and glasses which are not covered by Medicaid in South Dakota, and for emergency aid when the assistance payment does not meet the recipient's needs.

One of the purposes of the original Social Security Act was to make County Poor Farms unnecessary. The last of the 31 County Poor Farms once in operation in South Dakota closed in 1970.

**Related Programs of Income Maintenance**

The Railroad Retirement program has frequently been used to try out an expansion in social insurance, later to be adopted by the larger Social Security program.

Unemployment insurance was removed from the Social Security Act soon after enactment, and remains largely state administered. Coverage has been broadened and the amount and duration of benefits provided unemployment workers has increased through the years. In 1939, 38.5 percent of the non-agricultural wage and salaried workers in the state were covered by unemployment compensation. By 1972, this coverage had expanded to 77.7 percent. Agricultural workers, the largest single group of workers in the state, are not covered and not included in these percentages.

Workmen's compensation in South Dakota has been very limited. Substantial liberalization was accomplished by the 1973 session of the South Dakota legislature. The law requires employers to insure their employees against injury or death on the job. Veterans benefits and medical services available to World War I veterans have been carried forward to veterans of later wars and additional services have been adopted, including vocational rehabilitation programs, unemployment allowances, educational and training benefits and counseling and job placement services. Children of deceased and disabled veterans receive educational assistance.

Food programs under the Department of Agriculture, in addition to food stamps, include direct commodity distribution, and school lunch programs providing free or reduced cost lunches for needy children.

**Expansion of Social Security Benefit Provisions**

The initial retirement program under Social Security was limited in its impact on South Dakota. Not included in "covered employment" were farm management and labor, many service occupations, government employment, professions, self-employment, and employment for non-profit organizations. Since these constitute the major types of employment in the state, it is not surprising that in 1955 only 29 percent of the aged in the state were receiving Social Security benefits compared with 44 percent for the country as a whole.

The retirement insurance provision under the Social Security Act of 1935 was soon expanded to provide survivors benefits to children and their mothers, and later children and wives of retired and disabled workers were eligible for dependents' benefits. In addition to survivors insurance, disability insurance and Medicare have been added. Major expansions in coverage occurred in 1959 which brought many more South Dakotans into the system. With the exception of most Federal employees, and some state and local government employees, almost all paid employment and self-employment is now "covered." Many older persons in South Dakota have not had an opportunity to build credits for retirement benefits. The size of the benefit is dependent on the amount of the beneficiaries past earnings. The former exclusion of farm and household employees, farm operators and self-employed individuals, coupled with the generally low wage level, puts elderly South Dakotans in a disadvantageous position. South Dakota is among the 14 states with the lowest average Social Security benefits.

South Dakota is at a disadvantage in other ways as well. For example, one provision of the 1972 amendments to the Social Security Act is a guaranteed minimum to persons who have worked in "covered employment" for 30 years. Under these provisions the large number of persons working in South Dakota who were not "covered" until 1959 will not be eligible for the minimum until 1989.

**Summary**

It was estimated in 1964 that the public income-maintenance programs, including public assistance, removed from poverty 4.7 million households or 30 percent of the households that would otherwise have been counted as poor. Yet, in spite of these rather extensive efforts and expenditures to meet the problem of poverty, in 1970 there were still over 25 million poor persons—about 12.5 percent of the total population— in the United States living below the poverty level. In South Dakota about 120,000 or 18 percent were below the poverty level in 1970.

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