How Welfare Began in the United States

During the Great Depression of the 1930s, local and state governments as well as private charities were overwhelmed by needy families seeking food, clothing, and shelter. In 1935, welfare for poor children and other dependent persons became a federal government responsibility, which it remained for 60 years.

MINNEAPOLIS—Several hundred men and women in an unemployed demonstration today stormed a grocery store and meat market in the Gateway district, smashed plate glass windows and helped themselves to bacon and ham, fruit and canned goods.

—from the *New York Times*, February 26, 1931

The 1920s in America seemed like an age of endless prosperity. Construction boomed, business flourished, and the stock market soared. Then on October 29, 1929, the stock market crashed. The crash sent shockwaves throughout the economy. Banks failed. Businesses closed. Millions found themselves out of work. The Great Depression, which would last through the 1930s, had begun.

When the Great Depression began, about 18 million elderly, disabled, and single mothers with children already lived at a bare subsistence level in the United States. State and local governments together with private charities helped these people. By 1933, another 13 million Americans had been thrown out of work. Suddenly, state and local governments and charities could no longer provide even minimum assistance for all those in need. Food riots broke out. Desertions by husbands and fathers increased. Homeless families in cities lived in public parks and shanty towns. Desperate times began to put into question the old American notion that if a man worked hard enough, he could always take care of himself and his family.

The effect of the Depression on poor children was particularly severe. Grace Abbott, head of the federal Children's Bureau, reported that in the spring of 1933, 20 percent of the nation's school children showed evidence of poor nutrition, housing, and medical care. School budgets were cut and in some cases schools were shut down for lack of money to pay teachers. An estimated 200,000 boys left home to wander the streets and beg because of the poor economic condition of their families.

Most elderly Americans did not have personal savings or retirement pensions to support them in normal times, let alone during a national economic crisis. Those few able to set aside money for retirement often found that their savings and investments had been wiped out by the financial crash in 1929. Senator Paul Douglas of Illinois made this observation in 1936:

The impact of all these forces increasingly convinced the majority of the American people that individuals could not by themselves provide adequately for their old age, and that some form of greater security should be provided by society.

Even skilled workers, business owners, successful farmers, and professionals of all kinds found themselves in severe economic difficulty as one out of four in the labor force lost their jobs. Words like "bewildered," "shocked," and "humiliated," were often used at the time to describe increasing numbers of Americans as the Depression deepened.

Although President Franklin D. Roosevelt focused mainly on creating jobs for the masses of unemployed workers, he also backed the idea of federal aid for poor children and other dependent persons. By 1935, a national welfare system had been established for the first time in American history.

Welfare Before the Depression

A federal welfare system was a radical break from the past. Americans had always prided themselves on having a strong sense of individualism and self-reliance. Many believed that those who couldn't take care of themselves were to blame for their own misfortunes. During the 19th century, local and state governments as well as charities established institutions such as poorhouses and orphanages for destitute individuals and families. Conditions in these institutions were often deliberately harsh so that only the truly desperate would apply.

Local governments (usually counties) also provided relief in the form of food, fuel, and sometimes cash to poor residents. Those capable were required to work for the town or county, often at hard labor such as chopping wood and maintaining roads. But most on general relief were poor dependent persons not capable of working: widows, children, the elderly, and the disabled.

Local officials decided who went to the poorhouse or orphanage and who would receive relief at home. Cash relief to the poor depended on local property taxes, which were limited. Also, not only did a general prejudice exist against the poor on relief, but local officials commonly discriminated against individuals applying for aid because of their race, nationality, or religion. Single mothers often found themselves in an impossible situation. If they applied for relief, they were frequently branded as morally unfit by the community. If they worked, they were criticized for neglecting their children.

In 1909, President Theodore Roosevelt called a White House conference on how to best deal with the problem of poor single mothers and their children. The conference declared that preserving the family in the home was preferable to placing the poor in institutions, which were widely criticized as costly failures.

Starting with Illinois in 1911, the "mother's pension" movement sought to provide state aid for poor fatherless children who would remain in their own homes cared for by their mothers. In effect, poor single mothers would be excused from working outside the home. Welfare reformers argued that the state pensions would also prevent juvenile delinquency since mothers would be able to supervise their children full-time.

By 1933, mother's pension programs were operating in all but two states. They varied greatly from state to state and even from county to county within a state. In 1934, the average state grant per child was $11 a month. Administered in most cases by state juvenile courts, mother's pensions mainly benefitted families headed by white widows. These programs excluded large numbers of divorced, deserted, and minority mothers and their children.

Few private and government retirement pensions existed in the United States before the Great Depression. The prevailing view was that individuals should save for their old age or be supported by their children. About 30 states provided some welfare aid to poor elderly persons without any source of income. Local officials generally decided who deserved old-age assistance in their community.

A National Welfare System

The emphasis during the first two years of President Franklin Roosevelt's "New Deal" was to provide work relief for the millions of unemployed Americans. Federal money flowed to the states to pay for public works projects, which employed the jobless. Some federal aid also directly assisted needy victims of the Depression. The states, however, remained mainly responsible for taking care of the so-called "unemployables" (widows, poor children, the elderly poor, and the disabled). But states and private charities, too, were unable to keep up the support of these people at a time when tax collections and personal giving were declining steeply.

In his State of the Union Address before Congress on January 4, 1935, President Roosevelt declared, "the time has come for action by the national government" to provide "security against the major hazards and vicissitudes [uncertainties] of life." He went on to propose the creation of federal unemployment and old-age insurance programs. He also called for guaranteed benefits for poor single mothers and their children along with other dependent persons.

By permanently expanding federal responsibility for the security of all Americans, Roosevelt believed that the necessity for government make-work employment and other forms of Depression relief would disappear. In his address before Congress, Roosevelt argued that the continuation of government relief programs was a bad thing for the country:

The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. . . .

A few months later, on August 18, 1935, Roosevelt signed the Social Security Act. It set up a federal retirement program for persons over 65, which was financed by a payroll tax paid jointly by employers and their workers. FDR believed that federal old-age pensions together with employer-paid unemployment insurance (also a part of the Social Security Act) would provide the economic security people needed during both good and bad times.

In addition to old-age pensions and unemployment insurance, the Social Security Act established a national welfare system. The federal government guaranteed one-third of the total amount spent by states for assistance to needy and dependent children under age 16 (but not their mothers). Additional federal welfare aid was provided to destitute old people, the needy blind, and crippled children. Although financed partly by federal tax money, the states could still set their own eligibility requirements and benefit levels. This part of the law was pushed by Southern states so they could control the coverage made available to their African-American population.

This is how welfare began as a federal government responsibility. Roosevelt and the members of Congress who wrote the welfare provisions into the Social Security Act thought that the need for federal aid to dependent children and poor old people would gradually wither away as employment improved and those over 65 began to collect Social Security pensions. But many Americans, such as farm laborers and domestic servants, were never included in the Social Security old-age retirement program. Also, since 1935, increasing divorce and father desertion rates have dramatically multiplied the number of poor single mothers with dependent children.

Since the Great Depression, the national welfare system expanded both in coverage and federal regulations. From its inception, the system drew critics. Some complained that the system did not do enough to get people to work. Others simply believed the federal government should not administer a welfare system. As the system grew, so did criticism of it, especially in the 1980s and '90s.

In 1992, candidate Bill Clinton, a Democrat, ran for president promising to "end welfare as we know it." In 1996, a Republican Congress passed and President Clinton signed a reform law that returned most control of welfare back to the states, thus ending 61 years of federal responsibility.

For Discussion and Writing

1. How did needy Americans get help before 1900?

2. Why did most states adopt "mother's pension" programs after 1910? In what ways were these pensions sometimes administered unfairly?

3. Did President Franklin D. Roosevelt view the Social Security Act's welfare provisions helping needy children and other dependent persons as permanent or temporary? Explain FDR's reasoning on this matter.

For Further Reading

Burg, David F. *The Great Depression, An Eyewitness History*. New York: Facts on File, 1996.

Handler, Joel F. *The Moral Construction of Poverty*. Newbury Park, Calif.: Sage Publications, 1991.

ACTIVITY: Who Should Be Responsible for Welfare?

The debate still continues over who should be responsible for the welfare of destitute old people, disabled persons, and poor single mothers and their children.

1. Divide into small groups to discuss the four different positions on the responsibility for welfare that are listed below.

2. Each group should decide which position is the best and report its conclusions and reasons to the rest of the class.

3. The class should then vote on the four choices.

4. Finally, each student should write an editorial explaining why his or her choice is the most preferable.

Positions

A. Welfare should be a national government responsibility so that needy single mothers of dependent children, elderly, and disabled persons in every part of the country can get support when they meet certain qualifications.

B. Welfare should be a state government responsibility so that each of the 50 states will be free to design its own qualifications and levels of support.

C. Welfare should be the responsibility of charities, churches, and other non-profit groups.

D. There should be no welfare. Individuals should take care of themselves with the help of their families, friends, and neighbors.