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METHODS OF ESTIMATING TRANSFER PAYMENTS

IN THE COUNTIES OF OKLAHOMA

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CHAPTER I

INTRODUCTION

The Growth of National Income Statistics

Estimates of national and per capita income have become an accepted measure of the achievements of the economy. There are now reasonably accurate annual data on the national income in the United States beginning in 1929. Other estimates go back to 1799.[1] In 1947 the National Income Division of the Department of Commerce published a comprehensive body of national income statistics,[2] which has been revised in 1951 and 1954. The United Nations compiles estimates of national income for countries. Recently, they compiled data of national income for sixty-seven nations, and coverage of

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[1]See Robert F. Martin, National Income in the United States, 1799-1938 (New York: National Industrial Conference Board, Incorporated, 1939).

[2]U.S. Department of Commerce, National Income Supplement to Survey of Current Business, 1954 (Washington: Government Printing Office, 1954).

other nations is contemplated.[3]

The National Income Division of the United States Department of Commerce prepares annual estimates of the income of individuals on a state basis.[4] They include data on total and per capita income payments to individuals, personal income, and state income payments by type of payment (wages and salaries, proprietors' and rental income, property income and transfer payments).

Many individual investigators and private research organizations have contributed to the theoretical structure and statistical body of knowledge in the field of national income analysis. The pioneering work of Scott Nearing served as the stimulus for the founding of the National Bureau of Economic Research, the leading private research organization in America concerned with studies of the national income.[5] In addition to his own research, Wesley Mitchell was director of the National Bureau for a quarter of a century. The extensive contributions of the Bureau's most distinguished author, Simon Kuznets, have earned him the title of "dean of

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[3]See Statistics of National Income and Expenditures, Statistical Papers, Series H No. 5 (New York: Statistical Office of the United Nations, February, 1954).

[4]The data have been published annually in the August issues of the Survey of Current Business.

[5]Scott Nearing, Income (New York: The Macmillan Co., 1915).

income estimators."[6] Other private agencies which made significant contributions during the formative period were the National Industrial Conference Board and the Brookings Institution. In 1947 the International Association for Research in Income and Wealth was formed.

County Income Studies in the United States

In recent years a number of attempts have been made to break down state income data into county income data. The National Income Division began publishing data on total and per capita income by states in 1940, and carried their estimates back to 1929. The next logical step was to distribute the state estimates among the counties of individual states. During the past decade various groups in a growing number of states have undertaken this task. Some of these studies have been limited to a single year. In other instances county data have been kept up to date on an annual basis.[7] At least one study provides data for a city.[8]

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[6]Among his many works, see: Simon S. Kuznets, National Income and Its Composition, 1919-1938 (New York: National Bureau of Economic Research, Inc., 1941); Simon S. Kuznets, National Income: A Summary of Findings (New York: National Bureau of Economic Research, Inc., 1946); and his latest volume, Simon S. Kuznets, Shares of Upper Income Groups in Income and Savings (New York: National Bureau of Economic Research, Inc., 1953).

[7]The New York Department of Commerce has made yearly estimates of county income in New York.

[8]Louis R. Salkever, Personal Income in Philadelphia (Philadelphia: Department of Commerce, City of Philadelphia, December, 1955).

A large number of states now have estimates of county income. One consolidated study covers the following states: Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia.[9] Other states for which estimates have been prepared are California, Colorado, Delaware, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, New York, Oklahoma, and Wisconsin.[10]

Some Uses of County Income Studies

Information on county income is useful to historians, social psychologists and other social scientists outside the field of economics. County income data are useful in aiding in the solution of various problems in the field of public policy and business. Such data can be used to estimate the tax paying ability and needs of residents; to allocate money for health, welfare, education, roads, and other governmental activities; to develop resource policy and identify local

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[9] County income estimates were prepared for these seven states under the joint auspices of southern economic and business research agencies of state universities with the cooperation of the Tennessee Valley Authority. See: John Littlepage Lancaster, County Income Estimates for Seven Southeastern States (Charlottesville, Virginia: Bureau of Population and Economic Research, University of Virginia, 1952).

[10] For an extensive list of studies relating to state and county income estimates see: Daniel C. Creamer (ed.), Bibliography on Income and Wealth, 1939-1947, Volume I (Cambridge: Bowes & Bowes, Publishers, Limited, 1952). Phyliss Deane (ed.), Bibliography on Income and Wealth, Volume II (Baltimore: International Association for Research in Income and Wealth, The Johns Hopkins Press, 1953). Phyliss Deane (ed.), Bibliography on Income and Wealth, Volume III (Baltimore: International Association for Research in Income and Wealth, The Johns Hopkins Press, 1953).

economic problems; and, in appropriating general aid to local governmental units. In the field of business, county income data can be used to allocate funds for sales campaigns and analyzing market demand and potentials; in determining investment opportunities; and, for other types of business planning.

Plan of Study and Source of Data

This study is concerned with examining the available statistical data in order to provide a methodology for allocating transfer payments among the counties of Oklahoma. Transfer payments are part of personal income. Personal income is defined as

> . . . the current income received by persons from all sources, inclusive of transfers from government and business but exclusive of transfers among persons. Not only individuals (including owners of unincorporated enterprises), but non-profit institutions, private trust funds, and private pension, health, and welfare funds are classified as "person."[11]

Personal income is measured before tax deductions. It is the sum of wages and salaries, other labor income, proprietor's and rental income, interest and dividend income, and transfer payments, less personal contributions for social insurance.

Transfer payments are defined as

> . . . monetary income receipts of individuals from government and business (other than government interest)

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[11]U.S. Department of Commerce, National Income, 1954 Edition (Washington: Government Printing Office, 1954), 58.

for which no services are rendered currently, of government payments and corporate gifts to nonprofit institutions, and of individuals' bad debts to business.[12]

Transfer payments comprise income received by persons for which no current service is rendered. Transfer payments are paid by Federal, state and local governments, and business.

Government transfer payments consist of Federal, state and local government payments (1) to individuals for some reason other than as a return for current economic activity, and (2) to private non-profit institutions such as hospitals, educational institutions and charitable and welfare institutions. Such items as old-age and survivors' insurance benefits, unemployment insurance benefits, direct relief, public pensions, retirement payments and related payments to former members of the military are included under the first category.

Business transfers consist of payments to persons for which no current services are rendered. Such items as individual's bad debts to business, corporate gifts to private non-profit organizations, cash prizes, and personal injury payments by business other than to employees are included under business transfer payments.

Work has been completed on a methodology to allocate wages and salaries among the counties of Oklahoma.[13] With

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[12] *Ibid.*, p. 60.

[13] Thomas Harry McKinney, "Methods of Estimating Wages and Salaries in the Counties of Oklahoma" (Unpublished Ph. D. ~~dissertation, Department of Economics, University of Oklahoma~~, 1955).

the completion of the present study, two components of personal income will remain to be analyzed so that county personal income aggregates for Oklahoma can be compiled. These are proprietors' and rental income, and property income.

Most studies of county income have been made within the conceptual framework of the personal income series of the United States Department of Commerce.[14] This method of approach presumes that the estimates prepared by the National Income Division are the best available measures of the various types of personal income payments for the state. The problem is to determine what series of county data will most satisfactorily reflect the geographic distribution of each component within the state. This is generally called the allocation approach.[15]

Direct allocation involves preparation of county data by the agency disbursing the funds. For example, the Department of Public Welfare of the State of Oklahoma prepares monthly and annual data on disbursements of funds under its various programs for each county in the state. This makes it possible to allocate these amounts directly to each of

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[14]See: Lewis C. Copeland, Methods for Estimating Income Payments in Counties, A Technical Supplement to County Income Estimates for Seven Southeastern States (Charlottesville: Bureau of Population and Economic Research, University of Virginia, 1952). Some earlier studies used the old concept of income payments to states. See Appendix A.

[15]For a discussion of this approach, see Lancaster, *op. cit.*, pp. 12-13.

the 77 counties. Direct allocation is the ideal method of distributing state data among the counties. Fortunately, data for direct allocation are available for some of the largest types of transfer payments and for some smaller ones.

When data for direct allocation are not available, reliance must be placed on indirect allocators. When this method is used, it is necessary to find a statistical series closely related to the program under consideration but usually compiled for some purpose other than county allocation. The degree to which the indirect allocator reflects the county distribution that might be obtained by direct allocation is a measure of the reliability of the indirect allocator. In many instances indirect allocators may be only slightly less reliable than direct allocators. In other instances indirect allocators may be unsatisfactory. Veterans' pensions and compensation payments may be allocated by the indirect method in a highly satisfactory manner. This item accounts for almost 20 per cent of total transfer payments in the state and may be distributed among the counties on the basis of the number of veterans residing in each county. On the other hand, the most satisfactory indirect method of allocating corporate gifts to nonprofit organizations is very weak, because no comprehensive records are maintained on these gifts. The closest approach from existing data is the county distribution of Old Age and Survivors' Insurance taxable payrolls. There is probably some functional relationship between the size of taxable payrolls and the amount of gifts to nonprofit organizations inasmuch as large firms are expected to contribute more heavily than small firms, but the relationship is tenuous. Viewed as a problem in allocating personal income among the counties, however, the lack of adequate data is relatively minor because corporate gifts to nonprofit organizations account for only a small fraction of one per cent of the total. Consequently, any bias resulting from the use of an unsatisfactory allocator will be negligible. Some of the Federal agencies which publish information usable for county income estimates include the Veterans Administration, United States Department of Health, Education and Welfare, and the United States Department of the Treasury.

Other sources used in the preparation of county estimates in this study include the censuses of business, manufacturing, and population; published and unpublished data from other Federal and state agencies; and, data available from trade organizations such as chambers of commerce. Each of these sources will be discussed in connection with the allocator for which it is considered.

Personal Income and Transfer Payments in Oklahoma

Since 1929 personal income and transfer payments have increased appreciably in Oklahoma. In 1929 personal income in the state was $1 billion and transfer payments $21 million

(2 per cent of personal income). In 1954 personal income in the state was $3 billion, and due to the instigation of some programs and increased activities of others, such as social security and veterans' programs, transfer payments rose to $240 million. In 1954 transfer payments were 8 per cent of personal income in Oklahoma. (Tables 1 and 2)

As noted, there are three categories of transfer payments: (1) federal, (2) state and local and (3) business transfers. In recent years state and local transfer payments accounted for 40 per cent, business transfers for 6 per cent, and federal transfer payments for 54 per cent of all transfer payments. (Table 4)

The most important state and local transfer payment is direct relief, principally public welfare. Direct relief accounted for 39 per cent of all transfer payments in Oklahoma in the years 1951-1954. Each of the three items of business transfer payments (corporate gifts to nonprofit organizations, personal injury payments and thefts of cash, and consumer bad debts) are about equal in importance in Oklahoma, accounting for 2 per cent each of all transfer payments. The largest item of federal transfers for these same years was veterans' pensions and compensation, which accounted for 18 per cent of all transfers in the state. (Table 4)

In 1954 six types of transfer payments accounted for 85 per cent of total transfer payments in Oklahoma. These

TABLE 1

PERSONAL INCOME PAYMENTS IN OKLAHOMA, BY TYPE OF PAYMENT, SELECTED YEARS, 1929-1954*
(Millions of Dollars)

Personal Income	1929	1933	1939	1944	1949	1954
Wages and salaries	$ 583.5	$313.4	$455.9	$1,201.8	$1,345.0	$2,061.1
Proprietor's income	293.5	117.4	199.5	535.1	627.4	569.2
Property income	180.8	74.3	112.9	165.6	273.3	364.5
Transfer payments	20.9	25.8	40.8	60.0	209.1	239.9
Less: Personal Contributions for social insurance	1.6	1.4	4.5	22.8	22.8	47.6
Total	$1,077.1	$529.5	$804.6	$1,939.7	$2,432.0	$3,187.1

*Source: Provided through the courtesy of National Income Division, U.S. Department of Commerce.

TABLE 2

TRANSFER PAYMENTS IN OKLAHOMA, ANNUALLY, 1929-1954*

Year	Transfer payments (Thousands of dollars)	Transfer payments as a per cent of total personal income
1929	$ 20.9	1.9
1930	21.9	2.5
1931	43.1	6.0
1932	30.2	5.8
1933	25.8	4.9
1934	22.3	3.8
1935	21.6	3.1
1936	53.6	7.2
1937	37.5	4.4
1938	34.5	4.3
1939	40.8	5.1
1940	43.1	5.0
1941	49.6	5.1
1942	51.3	3.7
1943	48.3	2.8
1944	60.0	3.1
1945	102.2	5.2
1946	204.5	10.2
1947	219.6	10.1
1948	196.5	8.3
1949	209.1	8.6
1950	234.3	9.3
1951	202.2	7.2
1952	213.5	7.0
1953	233.6	7.4
1954	239.9	7.5

*Source: Data provided by National Income Division, U.S. Department of Commerce; percentages computed by author.

TABLE 3

TRANSFER PAYMENTS IN OKLAHOMA, BY TYPE OF TRANSFER, ANNUALLY, 1951-1954*
(Thousands of dollars)

Type of Transfer	1951	1952	1953	1954
State and local transfers				
State and local government retirement	$ 1,428	$ 1,553	$ 1,758	$ 2,318
Direct relief	76,788	85,594	94,696	84,501
Veterans aid	-	100	100	100
Veterans bonus	100	722	92	118
Foster home care	158	144	150	134
Payment to nonprofit organizations	208	207	180	180
Subtotal	78,682	88,320	96,976	87,351
Business transfers				
Corporate gifts to nonprofit organizations	4,252	5,141	5,368	5,425
Personal injury payments and thefts of cash	2,955	4,349	3,875	4,047
Consumer bad debts	4,100	5,096	4,975	5,114
Subtotal	11,307	14,586	14,218	14,586
Federal transfers				
Unemployment allowances World War II	49	-	-	-
Unemployment allowances Korean War	-	93	1,133	1,427
Self employment allowances World War II	4	-	-	-
Subsistence allowances World War II and Korean War	22,227	11,927	9,846	12,347
Payments to paraplegics	91	69	64	104

TABLE 3--Continued

Type of Transfer	1951	1952	1953	1954
Federal transfers				
Interest payments on veterans loans	1,490	887	843	90
Military and naval insurance	115	110	104	102
Payments to prisoners of war	383	261	905	25
Profits of PX's and ship stores	493	717	750	465
Veterans pensions and compensation	37,718	39,097	41,489	43,301
Serviceman's indemnity	50	133	209	308
Military retirement payments	1,402	1,431	1,527	1,593
Terminal leave payments	2,328	538	261	159
Mustering-out payments	-	5,854	5,414	4,723
OASI payments	16,301	19,479	28,132	34,925
State unemployment insurance	6,021	6,795	8,116	13,645
Railroad benefits	3,245	4,494	5,046	6,711
Federal civilian pensions	3,347	3,889	4,621	4,685
Government life insurance benefits	14,531	11,342	10,897	10,293
Payments to non-profit institutions	2,400	3,463	2,934	3,045
Atomic energy fellowships	1	2	1	1
Panama canal construction annuity fund	11	12	11	11
Enemy alien and civilian war assistance	1	1	1	-
Subtotal	112,208	110,595	122,304	137,960
Total	$202,197	$213,500	$233,498	$239,897

*Source: Provided through the courtesy of National Income Division, U.S. Department of Commerce.

TABLE 4

PERCENTAGE DISTRIBUTION OF TRANSFER PAYMENTS IN OKLAHOMA, BY TYPE OF TRANSFER, ANNUALLY, 1951-1954*

Type of Transfer	1951	1952	1953	1954
State and local transfers				
State and local government retirement	0.7	0.7	0.8	1.0
Direct relief	38.0	40.1	40.6	35.2
Veterans aid	-	**	**	**
Veterans bonus	**	0.3	**	**
Foster home care	0.1	0.1	0.1	0.1
Payment to non-profit organizations	0.1	0.1	0.1	0.1
Subtotal	38.9	41.3	41.6	36.4
Business transfers				
Corporate gifts to non-profit organizations	2.1	2.4	2.3	2.3
Personal injury payments and thefts of cash	1.5	2.0	1.7	1.7
Consumer bad debts	2.0	2.4	2.1	2.1
Subtotal	5.6	6.8	6.1	6.1
Federal transfers				
Unemployment allowances World War II	**	-	-	-
Unemployment allowances Korean War	-	**	0.5	0.6
Self employment allowances World War II	**	-	-	-
Subsistence allowances World War II and Korean War	11.0	5.6	4.2	5.1
Payments to paraplegics	**	**	**	**

TABLE 4--Continued

Type of Transfer	1951	1952	1953	1954
Federal transfers				
Interest payments on veterans loans	0.7	0.4	0.4	**
Military and naval insurance	0.1	0.1	**	**
Payments to prisoners of war	0.2	0.1	0.4	**
Profits of PX's and ship stores	0.2	0.3	0.3	0.2
Veterans pensions and compensation	18.7	18.3	17.8	18.1
Serviceman's indemnity	**	0.1	0.1	0.1
Military retirement payments	0.7	0.7	0.7	0.7
Terminal leave payments	1.2	0.3	0.1	0.1
Mustering-out payments	-	2.7	2.3	2.0
OASI payments	8.1	9.1	12.0	14.6
State unemployment insurance	3.0	3.2	3.5	5.7
Railroad benefits	1.6	2.1	2.2	2.8
Federal civilian pensions	1.7	1.8	2.0	2.0
Government life insurance benefits	7.2	5.3	4.7	4.3
Payments to non-profit institutions	1.2	1.6	1.3	1.3
Atomic energy fellowships	**	**	**	**
Panama canal construction annuity fund	**	**	**	**
Enemy alien and civilian war assistance	**	**	**	-
Subtotal	55.6	51.7	52.5	57.6
Total	100.0	100.0	100.0	100.0

*Source: Computed from data in Table

**Less than one-tenth of one per cent.

Components do not necessarily add to totals, because of rounding.

were direct relief, subsistence allowances for World War II and Korean veterans, veterans' pensions and compensation, old-age and survivors insurance, state unemployment insurance and Government life insurance benefits. Of the thirty-two transfer payments made to residents of Oklahoma in 1954, sixteen small ones accounted for only 3 per cent of the total.

CHAPTER II

STATE AND LOCAL TRANSFER PAYMENTS

State and local transfer payments in Oklahoma include payments under the following programs: (1) direct relief, (2) foster home care, (3) state and local government retirement, (4) veteran aid, (5) veteran bonuses and (6) payments to nonprofit organizations. In recent years state and local transfer payments accounted for 40 per cent of all transfer payments in Oklahoma, and direct relief payments accounted for virtually all of state and local transfer payments.

Direct Relief

There are six programs of direct relief in the state of Oklahoma. The amount of payments under each program is apportioned by the state legislature. At present total direct relief payments are apportioned as follows:[1]

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[1]Department of Public Welfare, Annual Report of the Department of Public Welfare, 1954 (Oklahoma City: Department of Public Welfare, 1954), p. 2. Three per cent of the funds are allocated for administrative purposes, and 1.5 per cent for an emergency fund. Direct relief is referred to as public welfare in Oklahoma.

One small program of state transfer payments, apparently not included in the National Income Division series, is discussed separately in Appendix B.

76 per cent, old-age assistance

2 per cent, aid to the blind

13 per cent, aid to dependent children

2.5 per cent, aid to the disabled

1 per cent, child welfare

1 per cent, crippled children.

These programs are administered by the state Department of Public Welfare established in 1936. The federal government provides part of the funds and Oklahoma finances its share of the cost from the proceeds of a 2 per cent general sales tax and part from the proceeds of a tax on tobacco.[2]

The state Department of Public Welfare publishes a monthly statistical report on the various direct relief programs, and an annual statistical report on a fiscal year basis. The monthly reports contain county data on the amount of payments under the major direct relief programs (old-age assistance, aid to the blind, aid to dependent children and aid to the disabled).

Fortunately, the Department of Public Welfare has complete statistical records which made possible a compilation of calendar year payments by county for the old-age assistance and aid to the blind programs. This allows direct allocation of 78 per cent of direct relief payments. In

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[2] *Ibid.*

addition the monthly reports of the Department of Public Welfare provide data which allow calendar year compilations of aid to dependent children and aid to the disabled. These two account for another 15.5 per cent of direct relief payments. The remaining two per cent (child welfare and crippled children programs) may be allocated on an indirect basis, as indicated later in this chapter.

County data on old-age assistance payments have been made available to the writer for each year since 1940. Data for selected years are shown in Tables 5 and 6. Annual county data are also available since 1945 for aid to the blind payments from the Department of Public Welfare. Data for two illustrative years are presented in Tables 7 and 8. Monthly reports have been used to compile calendar year county payments for aid to dependent children and aid to the disabled. An illustrative county tabulation of these payments is presented in Tables 9 and 10.

Total payments for the four direct relief programs amounted to $85 million in 1954, or 99 per cent of the direct relief payments for that year. (Table 4) The remaining $1 million represents payments made in connection with the other direct relief programs (crippled children and child welfare). Direct allocation of virtually all of direct relief transfer payments is possible using unpublished data obtained from the Department of Public Welfare and data compiled from monthly reports.

Because original county records are available for 99 per cent of total direct relief payments, the allocation of these payments ranks at the top of the list in terms of reliability. If data on the other components of personal income had as high a degree of reliability, the preparation of county income data in Oklahoma would approach a researcher's dream.

Method of Allocation

It is recommended that direct relief payments be allocated in the following manner. Obtain unpublished county data from the Department of Public Welfare for all available programs. For this study this includes old-age assistance and aid to the blind payments. Second, compile county calendar year payments from the monthly reports of the Department of Public Welfare for aid to dependent children and aid to the disabled programs. The remaining amount of direct relief payments as reported by the National Income Division represents payments made to the child welfare and crippled children programs.

Calendar year payments for these two programs can be obtained from the Department of Public Welfare and allocated in the following manner. Distribute child welfare payments on the basis of the percentage distribution of the number of child welfare cases by county, and allocate crippled children payments on the basis of the percentage distribution of the

TABLE 5

OLD-AGE ASSISTENCE PAYMENTS IN OKLAHOMA, BY COUNTY, SELECTED YEARS, 1940-1955*
(Thousands of dollars)

County	1940	1945	1950	1955
Adair	$ 171	$ 271	$ 544	$ 758
Alfalfa	82	128	197	227
Atoka	142	287	602	745
Beaver	57	82	114	130
Beckham	112	300	572	849
Blaine	118	203	352	455
Bryan	273	611	1,204	1,570
Caddo	234	504	913	1,199
Canadian	155	276	441	513
Carter	345	762	1,242	1,476
Cherokee	144	278	532	786
Choctaw	244	536	1,069	1,372
Cimarron	27	34	39	60
Cleveland	127	233	474	626
Coal	102	220	374	438
Comanche	191	365	724	904
Cotton	80	147	273	389
Craig	184	372	657	735
Creek	422	818	1,372	1,664
Custer	166	244	424	562
Delaware	179	296	648	751
Dewey	71	108	170	188
Ellis	72	109	140	155
Garfield	287	522	825	958
Garvin	227	473	805	1,044
Grady	300	570	1,055	1,392
Grant	69	113	181	179
Greer	107	213	349	509
Harmon	59	117	200	280
Harper	42	75	111	128
Haskell	139	300	573	719
Hughes	229	503	877	1,161
Jackson	143	279	521	706
Jefferson	91	196	427	558

TABLE 5--Continued

County	1940	1945	1950	1955
Johnston	133	266	506	643
Kay	292	595	966	1,096
Kingfisher	78	124	190	213
Kiowa	141	288	466	643
Latimer	103	214	462	558
Le Flore	369	812	1,366	1,818
Lincoln	239	491	864	995
Logan	191	423	795	807
Love	90	185	297	368
McClain	121	213	426	600
McCurtain	251	619	1,400	1,731
McIntosh	163	353	673	881
Major	78	133	184	238
Marshall	90	176	330	404
Mayes	180	354	763	874
Murray	148	294	492	667
Muskogee	435	929	1,981	2,517
Noble	82	166	268	336
Nowata	145	260	515	534
Okfuskee	186	341	571	804
Oklahoma	1,187	2,195	4,173	5,844
Okmulgee	423	797	1,413	1,637
Osage	311	491	926	1,021
Ottawa	272	488	993	1,123
Pawnee	181	286	470	569
Payne	220	434	758	948
Pittsburg	383	811	1,564	1,910
Pontotoc	224	515	967	1,302
Pottawatomie	401	805	1,490	1,673
Pushmataha	147	297	579	631
Roger Mills	68	105	179	215
Rogers	194	429	782	832
Seminole	240	538	1,031	1,312
Sequoyah	206	399	799	1,044
Stephens	196	518	946	1,186
Texas	69	85	122	167

TABLE 5--Continued

County	1940	1945	1950	1955
Tillman	119	209	459	593
Tulsa	1,056	1,899	4,041	4,590
Wagoner	180	332	669	809
Washington	163	396	607	594
Washita	106	154	295	393
Woods	109	181	273	300
Woodward	110	180	259	347
Total	$15,471	$30,324	$56,310	$69,951

*Source: Provided through the courtesy of the Oklahoma Department of Public Welfare.

TABLE 6

PERCENTAGE DISTRIBUTION OF OLD-AGE ASSISTANCE PAYMENTS IN OKLAHOMA, BY COUNTY, SELECTED YEARS, 1940-1955*

County	1940	1945	1950	1955
Adair	1.1	0.9	1.0	1.1
Alfalfa	0.5	0.4	0.4	0.3
Atoka	0.9	0.9	1.1	1.1
Beaver	0.4	0.3	0.2	0.2
Beckham	0.7	1.0	1.0	1.2
Blaine	0.8	0.7	0.6	0.7
Bryan	1.8	2.0	2.1	2.2
Caddo	1.5	1.7	1.6	1.7
Canadian	1.0	0.9	0.8	0.7
Carter	2.2	2.5	2.2	2.1
Cherokee	0.9	0.9	0.9	1.1
Choctaw	1.6	1.8	1.9	2.0
Cimarron	0.1	0.1	0.1	0.1
Cleveland	0.8	0.8	0.8	0.9
Coal	0.7	0.7	0.7	0.6
Comanche	1.2	1.2	1.3	1.3
Cotton	0.6	0.5	0.5	0.6
Craig	1.2	1.2	1.2	1.1
Creek	2.7	2.7	2.4	2.4
Custer	1.1	0.8	0.8	0.8
Delaware	1.2	1.0	1.2	1.1
Dewey	0.5	0.4	0.3	0.3
Ellis	0.5	0.4	0.2	0.2
Garfield	1.9	1.7	1.5	1.4
Garvin	1.5	1.6	1.4	1.5
Grady	1.9	1.9	1.9	2.0
Grant	0.4	0.4	0.3	0.3
Greer	0.7	0.7	0.6	0.7
Harmon	0.4	0.4	0.4	0.4
Harper	0.3	0.3	0.2	0.2
Haskell	0.9	1.0	1.0	1.0
Hughes	1.5	1.7	1.6	1.7
Jackson	0.9	0.9	0.9	1.0
Jefferson	0.6	0.6	0.8	0.8
Johnston	0.9	0.9	0.9	0.9

TABLE 6--Continued

County	1940	1945	1950	1955
Kay	1.9	2.0	1.7	1.6
Kingfisher	0.5	0.4	0.3	0.3
Kiowa	0.9	0.9	0.8	0.9
Latimer	0.7	0.7	0.8	0.8
Le Flore	2.4	2.7	2.4	2.6
Lincoln	1.5	1.6	1.5	1.4
Logan	1.2	1.4	1.4	1.2
Love	0.6	0.6	0.5	0.5
McClain	0.8	0.7	0.8	0.9
McCurtain	1.6	2.0	2.5	2.5
McIntosh	1.1	1.2	1.2	1.3
Major	0.5	0.4	0.3	0.3
Marshall	0.6	0.6	0.6	0.6
Mayes	1.2	1.2	1.4	1.2
Murray	1.0	1.0	0.9	1.0
Muskogee	2.8	3.1	3.5	3.6
Noble	0.5	0.5	0.5	0.5
Nowata	0.9	0.9	0.9	0.8
Okfuskee	1.2	1.1	1.0	1.1
Oklahoma	7.7	7.2	7.4	8.4
Okmulgee	2.7	2.6	2.5	2.3
Osage	2.0	1.6	1.6	1.5
Ottawa	1.8	1.6	1.8	1.6
Pawnee	1.2	0.9	0.8	0.8
Payne	1.4	1.4	1.3	1.4
Pittsburg	2.5	2.7	2.8	2.7
Pontotoc	1.4	1.7	1.7	1.9
Pottawatomie	2.6	2.7	2.6	2.4
Pushmataha	1.0	1.0	1.0	0.9
Roger Mulls	0.4	0.3	0.3	0.3
Rogers	1.3	1.4	1.4	1.2
Seminole	1.6	1.8	1.8	1.9
Sequoyah	1.3	1.3	1.4	1.5
Stephens	1.3	1.7	1.7	1.7
Texas	0.4	0.3	0.2	0.2

TABLE 6--Continued

County	1940	1945	1950	1955
Tillman	0.8	0.7	0.8	0.8
Tulsa	6.8	6.3	7.2	6.6
Wagoner	1.2	1.1	1.2	1.2
Washington	1.1	1.3	1.1	0.8
Washita	0.7	0.5	0.5	0.6
Woods	0.7	0.6	0.5	0.4
Woodward	0.7	0.6	0.5	0.5
Total	100.0	100.0	100.0	100.0

*Source: Compiled from data in Table 5.

Components do not necessarily add to totals, because of rounding.

TABLE 7

AID TO THE BLIND PAYMENTS IN OKLAHOMA,
BY COUNTY, 1945 AND 1954*
(Thousands of dollars)

County	1945	1954
Adair	$ 11	$ 27
Alfalfa	1	-
Atoka	8	20
Beaver	**	-
Beckham	6	21
Blaine	5	7
Bryan	18	35
Caddo	11	27
Canadian	7	7
Carter	20	39
Cherokee	12	18
Choctaw	17	54
Cimarron	-	-
Cleveland	4	11
Coal	5	7
Comanche	8	25
Cotton	4	3
Craig	7	16
Creek	28	59
Custer	4	10
Delaware	8	18
Dewey	2	1
Ellis	3	7
Garfield	6	15
Garvin	8	20
Grady	13	30
Grant	1	2
Greer	3	3
Harmon	2	3
Harper	1	1
Haskell	8	23
Hughes	18	49
Jackson	7	7
Jefferson	4	8
Johnston	7	18

TABLE 7--Continued

County	1945	1954
Kay	12	27
Kingfisher	3	2
Kiowa	3	11
Latimer	7	16
Le Flore	29	58
Lincoln	12	24
Logan	7	16
Love	3	5
McClain	6	10
McCurtain	16	42
McIntosh	9	27
Major	**	1
Marshall	4	12
Mayes	4	18
Murray	5	8
Muskogee	28	70
Noble	3	2
Nowata	6	13
Okfuskee	13	21
Oklahoma	54	156
Okmulgee	18	36
Osage	10	16
Ottawa	12	24
Pawnee	6	9
Payne	13	14
Pittsburg	19	47
Pontotoc	16	27
Pottawatomie	18	43
Pushmataha	6	17
Roger Mills	3	6
Rogers	10	28
Seminole	15	33
Sequoyah	26	48
Stephens	14	38
Texas	1	**

TABLE 7--Continued

County	1945	1954
Tillman	3	15
Tulsa	55	124
Wagoner	11	19
Washington	8	7
Washita	3	14
Woods	2	3
Woodward	1	3
Total	$ 761	$1,701

*Source: Provided through the courtesy of the Oklahoma Department of Public Welfare.

**Less than $500.

TABLE 8

PERCENTAGE DISTRIBUTION OF AID TO THE BLIND PAYMENTS IN OKLAHOMA, BY COUNTY, 1945 AND 1954*

County	1945	1954
Adair	1.5	1.6
Alfalfa	0.2	-
Atoka	1.0	1.2
Beaver	-	-
Beckham	0.8	1.2
Blaine	0.7	0.4
Bryan	2.3	2.1
Caddo	1.4	1.6
Canadian	1.0	0.4
Carter	2.7	2.3
Cherokee	1.6	1.1
Choctaw	2.3	3.2
Cimarron	-	-
Cleveland	0.6	0.6
Coal	0.6	0.4
Comanche	1.1	1.5
Cotton	0.6	0.2
Craig	0.9	0.9
Creek	3.7	3.5
Custer	0.5	0.6
Delaware	1.0	1.1
Dewey	0.3	0.1
Ellis	0.4	0.5
Garfield	0.8	0.9
Garvin	1.0	1.2
Grady	1.7	1.8
Grant	0.1	0.1
Greer	0.4	0.2
Harmon	0.2	0.2
Harper	0.1	0.1
Haskell	1.0	1.3
Hughes	2.3	2.9
Jackson	1.0	0.4
Jefferson	0.5	0.4
Johnston	1.0	1.1

TABLE 8--Continued

County	1945	1954
Kay	1.6	1.6
Kingfisher	0.3	0.1
Kiowa	0.4	0.7
Latimer	1.0	0.9
Le Flore	3.8	3.4
Lincoln	1.6	1.4
Logan	0.9	0.9
Love	0.4	0.3
McClain	0.8	0.6
McCurtain	2.1	2.5
McIntosh	1.2	1.6
Major	-	0.1
Marshall	0.6	0.7
Mayes	0.5	1.0
Murray	0.7	0.4
Muskogee	3.7	4.1
Noble	0.4	0.1
Nowata	0.8	0.7
Okfuskee	1.7	1.3
Oklahoma	7.1	9.2
Okmulgee	2.4	2.1
Osage	1.3	1.0
Ottawa	1.6	1.4
Pawnee	0.8	0.5
Payne	1.7	0.8
Pittsburg	2.5	2.8
Pontotoc	2.2	1.6
Pottawatomie	2.4	2.5
Pushmataha	0.8	1.0
Roger Mills	0.4	0.4
Rogers	1.3	1.6
Seminole	1.9	1.9
Sequoyah	3.4	2.8
Stephens	1.8	2.2
Texas	0.1	-

TABLE 8--Continued

County	1945	1954
Tillman	0.3	0.9
Tulsa	7.2	7.3
Wagoner	1.4	1.1
Washington	1.0	0.4
Washita	0.4	0.8
Woods	0.3	0.2
Woodward	0.2	0.2
Total	100.0	100.0

*Source: Compiled from data in Table 7.

Components do not necessarily add to totals, because of rounding.

TABLE 9

AID TO DEPENDENT CHILDREN IN OKLAHOMA, BY COUNTY, 1952*

County	Amount (Thousands of dollars)	Per cent of State Total
Adair	$ 454	2.6
Alfalfa	9	0.1
Atoka	331	1.9
Beaver	14	0.1
Beckham	98	0.6
Blaine	55	0.3
Bryan	356	2.0
Caddo	399	2.3
Canadian	100	0.6
Carter	425	2.4
Cherokee	370	2.1
Choctaw	546	3.1
Cimarron	7	**
Cleveland	86	0.5
Coal	126	0.7
Comanche	222	1.3
Cotton	72	0.4
Craig	125	0.7
Creek	319	1.8
Custer	92	0.5
Delaware	446	2.4
Dewey	16	0.1
Ellis	14	0.1
Garfield	116	0.7
Garvin	220	1.2
Grady	292	1.7
Grant	8	**
Greer	57	0.3
Harmon	44	0.2
Harper	18	0.1
Haskell	186	1.1
Hughes	327	1.9
Jackson	100	0.6
Jefferson	124	0.7
Johnston	227	1.3

TABLE 9--Continued

County	Amount (Thousands of dollars)	Per cent of State Total
Kay	131	0.7
Kingfisher	31	0.2
Kiowa	115	0.7
Latimer	187	1.1
Le Flore	618	3.5
Lincoln	240	1.4
Logan	209	1.2
Love	84	0.5
McClain	102	0.6
McCurtain	973	5.5
McIntosh	365	2.1
Major	31	0.2
Marshall	78	0.4
Mayes	265	1.5
Murray	128	0.7
Muskogee	894	5.1
Noble	49	0.3
Nowata	122	0.7
Okfuskee	230	1.3
Oklahoma	1,035	5.9
Okmulgee	442	2.5
Osage	185	1.0
Ottawa	220	1.2
Pawnee	76	0.4
Payne	159	0.9
Pittsburg	528	3.0
Pontotoc	157	0.9
Pottawatomie	326	1.8
Pushmataha	202	1.1
Roger Mills	34	0.2
Rogers	188	1.1
Seminole	421	2.4
Sequoyah	602	3.4
Stephens	161	0.9
Texas	24	0.1

TABLE 9--Continued

County	Amount (Thousands of dollars)	Per cent of State Total
Tillman	127	0.7
Tulsa	996	5.6
Wagoner	319	1.8
Washington	96	0.5
Washita	84	0.5
Woods	28	0.2
Woodward	32	0.2
Total	$17,664	100.0

*Source: Compiled from the monthly Oklahoma Department of Public Welfare, Statistics.

**Less than one-tenth of one per cent.

TABLE 10

AID TO THE DISABLED PAYMENTS IN OKLAHOMA, BY COUNTY, 1952*

County	Amount (Thousands of dollars)	Per cent of State Total
Adair	$ 15	0.9
Alfalfa	5	0.3
Atoka	29	1.7
Beaver	2	0.1
Beckham	14	0.8
Blaine	5	0.3
Bryan	38	2.2
Caddo	22	1.3
Canadian	15	0.9
Carter	34	2.0
Cherokee	19	1.1
Choctaw	65	3.8
Cimarron	1	0.1
Cleveland	10	0.6
Coal	21	1.2
Comanche	17	1.0
Cotton	7	0.4
Craig	12	0.7
Creek	43	2.5
Custer	12	0.7
Delaware	18	1.1
Dewey	3	0.2
Ellis	4	0.2
Garfield	19	1.1
Garvin	11	0.6
Grady	36	2.1
Grant	2	0.1
Greer	16	0.9
Harmon	6	0.4
Harper	2	0.1
Haskell	22	1.3
Hughes	26	1.5
Jackson	12	0.7
Jefferson	28	1.7
Johnston	17	1.0

TABLE 10--Continued

County	Amount (Thousands of dollars)	Per cent of State Total
Kay	24	1.4
Kingfisher	1	0.1
Kiowa	13	0.8
Latimer	30	1.8
Le Flore	51	3.0
Lincoln	20	1.2
Logan	11	0.6
Love	20	1.2
McClain	11	0.6
McCurtain	64	3.8
McIntosh	29	1.7
Major	3	0.2
Marshall	17	1.0
Mayes	11	0.6
Murray	13	0.8
Muskogee	59	3.5
Noble	9	0.5
Nowata	13	0.8
Okfuskee	26	1.5
Oklahoma	110	6.5
Okmulgee	29	1.7
Osage	15	0.9
Ottawa	39	2.3
Pawnee	8	0.5
Payne	14	0.8
Pittsburg	51	3.0
Pontotoc	22	1.3
Pottawatomie	47	2.8
Pushmataha	19	1.1
Roger Mills	8	0.5
Rogers	8	0.5
Seminole	39	2.3
Sequoyah	42	2.5
Stephens	24	1.4
Texas	2	0.1

TABLE 10--Continued

County	Amount (Thousands of dollars)	Per cent of State Total
Tillman	17	1.0
Tulsa	123	7.3
Wagoner	11	0.6
Washington	8	0.5
Washita	10	0.6
Woods	4	0.2
Woodward	4	0.2
Total	$1,693	100.0

*Source: Compiled from the monthly Oklahoma Department of Public Welfare, Statistics.

number of people by county under twenty years of age. It is assumed, in using this indirect allocator for child welfare and crippled children payments, that the distribution of child welfare payments by county is reflected in the number of welfare cases by county, and the number of crippled children receiving aid is directly proportional to county population twenty years of age and under.

County data on direct relief payments in Oklahoma have a high degree of reliability because the data were taken from the original records of county payments by program. It is necessary to use an indirect allocator only for crippled children and child welfare payments. Payments under these two programs accounted for less than one-tenth of one per cent of direct relief payments in recent years.

Foster Home Care Payments

Foster home care transfer payments are provided by the Oklahoma Public Welfare Commission. Funds for this program come entirely from state sources. Payments accounted for less than one-tenth of one per cent of total transfer payments in Oklahoma in recent years. Neither the monthly nor annual reports of the Department of Public Welfare contain statistical data for direct allocation of foster home care transfer payments. Records of the Department are not maintained in such a manner that calendar year county data can be compiled.

Data are available on foster home care applications by county in the annual reports of the Department of Public Welfare. The writer has been informed by the statistician in the Department of Public Welfare that these data reasonably represent the pattern of distribution of foster home care payments by county.[3]

Method of Allocation

It is recommended that the following procedure be used to allocate foster home care transfer payments. First, obtain the calendar year data from the National Income Division. Second, compute the percentage distribution of the number of approved foster home care applications by county from the annual report of the Oklahoma Public Welfare Commission. Apply this percentage allocator to the data furnished by the National Income Division.

State and Local Government Retirement Payments

Oklahoma provides retirement plans for three groups of state and local governmental employees. They are: teachers, firemen, and policemen. No state retirement provisions have been made for other state employees in Oklahoma. Retirement payments comprise a small part of total transfer payments in Oklahoma. In recent years they have been rising,

[3]The writer is indebted to Mr. M. R. Moore, supervisor, Division of Research and Statistics, Oklahoma Public Welfare Commission for this information.

but in 1954 accounted for only one per cent of total transfer payments.

Teacher Retirement

The Oklahoma teacher retirement program became effective through constitutional amendment in July, 1943. The Teacher Retirement Act established a retirement system under a "joint contributory plan." Members contribute 4 per cent of their contractual salary. These contributions draw a minimum of 2½ per cent interest, and the state agrees to match the sum of the contributions and interest at the retirement of the members. Upon retirement a member receives a monthly retirement allotment for life which consists of an annuity based on his contributions, a membership pension equal to the annuity, and a prior service pension if the member was teaching prior to the beginning of the program. Membership and prior service pensions are provided by the state.

Retirement payments began in 1947, when those who reached age 70 became eligible. Beginning in 1950 members who have reached age 60 or completed 30 years of teaching service in the state become eligible for retirement. Retirement at age 60 or after 30 years of service, however, is optional. A member may select one of five plans for retirement. At present the majority of the members are enrolled under the maximum benefit plan.[4]

Under the teacher retirement program minimum benefits are provided in select cases. A minimum retirement allowance of $100 per month is provided for members retiring at age 65, or over, with 30 years teaching service under the maximum benefit for life plan.

Primary data on teacher retirement in Oklahoma are found in the annual reports of the Board of Trustees of the Teachers' Retirement System. The following statistical information on a fiscal year basis is contained in these annual reports.

(1) The average monthly retirement payment

(2) The number of retirants by basis of retirement,

(3) The number retired by type of retirement plan, and whether living or dead

(4) The number of beneficiaries receiving payments, by type of option.

No data are contained in the annual reports which would provide a direct allocator for the apportionment of these payments. No differentiation is made in the reports between payments to residents and non-residents of Oklahoma.

Fortunately, the director of the teacher retirement program has provided data which allow satisfactory indirect

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[4]For further details on the teacher retirement program see: Teachers' Retirement System of Oklahoma, Know Your Retirement System (Oklahoma City: January, 1954).

allocation to be made of teacher retirement transfer payments. This information includes the amount of payments made to all retired teachers on a calendar year ($1.3 million in 1954), and the addresses of all participants. These have been converted into county of residence. (Table 11)

Four counties, Cleveland, Oklahoma, Payne and Tulsa account for 47 per cent of all retired teacher and beneficiaries.[5] (Table 11) Five other counties account for another 13 per cent of the total number of recipients. The remaining 533 recipients are scattered throughout the other 68 counties in the state.

Method of Allocation

The recommended procedure for preparing county estimates of teacher retirement payments involves the following steps. First, procure the calendar year payments for teachers' retirement from the Teachers' Retirement System. Second, compute the percentage distribution by county of the number of recipients of teacher retirement transfer payments from data provided by the Teachers' Retirement System. Third, apply the county percentage allocator obtained in the second step to total calendar year teacher retirement payments.

The use of the number of retired teachers by county to allocate teacher retirement payments assumes that the

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[5]The number of beneficiaries under the program are small. In fiscal 1953-1954 there were only 17 beneficiaries under the program.

TABLE 11

NUMBER OF RETIRED TEACHERS RECEIVING RETIREMENT BENEFITS IN OKLAHOMA, BY COUNTY, DECEMBER, 1955*

County	Number[1]	Per cent of State Total
Adair	6	0.4
Alfalfa	2	0.2
Atoka	3	0.2
Beaver	3	0.2
Beckham	17	1.3
Blaine	5	0.4
Bryan	19	1.4
Caddo	8	0.6
Canadian	11	0.8
Carter	28	2.1
Cherokee	14	1.0
Choctaw	19	1.4
Cimarron	1	0.1
Cleveland	65	4.8
Coal	5	0.4
Comanche	6	0.4
Cotton	2	0.1
Craig	8	0.6
Creek	20	1.5
Custer	9	0.7
Delaware	6	0.4
Dewey	2	0.2
Ellis	3	0.2
Garfield	34	2.5
Garvin	14	1.0
Grady	10	0.7
Grant	5	0.4
Greer	5	0.4
Harmon	3	0.2
Harper	0	-
Haskell	1	0.1
Hughes	8	0.6
Jackson	3	0.2
Jefferson	3	0.2

TABLE 11--Continued

County	Number	Per cent of State Total
Johnston	3	0.2
Kay	33	2.4
Kingfisher	6	0.4
Kiowa	5	0.4
Latimer	9	0.7
Le Flore	12	0.9
Lincoln	12	0.9
Logan	26	1.9
Love	2	0.1
McClain	4	0.3
McCurtain	17	1.3
McIntosh	1	0.1
Major	6	0.4
Marshall	4	0.3
Mayes	12	0.9
Murray	13	1.0
Muskogee	43	3.2
Noble	11	0.8
Nowata	3	0.2
Okfuskee	5	0.4
Oklahoma	289	21.4
Okmulgee	16	1.2
Osage	15	1.1
Ottawa	10	0.7
Pawnee	10	0.7
Payne	70	5.2
Pittsburg	15	1.1
Pontotoc	24	1.8
Pottawatomie	31	2.3
Pushmataha	6	0.4
Roger Mills	0	-
Rogers	8	0.6
Seminole	17	1.3
Sequoyah	9	0.7
Stephens	5	0.4
Texas	5	0.4

TABLE 11--Continued

County	Number	Per cent of State Total
Tillman	4	0.3
Tulsa	206	15.2
Wagoner	5	0.4
Washington	15	1.1
Washita	4	0.3
Woods	8	0.6
Woodward	5	0.4
Total	1,352	100.0

*Source: Compiled from data provided through the courtesy of the Oklahoma Teachers' Retirement System.

[1]The total number of persons receiving benefits as of December, 1955 under the Teachers' Retirement Program was 1,657. Of this number 1,352 reside in Oklahoma and 305 outside the state.

distribution of the number of retired teachers and beneficiaries for one month is representative for the year. Second, the size of payment to individual retired teachers is similar for all counties.[6] In discussion with the Executive Secretary of the Teachers' Retirement System, Mr. H. M. Black stated that this indirect method of allocation would provide the most reasonable estimate of teacher retirement payments by county.

Although it is not possible to allocate teacher retirement payments directly, the indirect method provides a highly adequate estimate. A monthly distribution of the number of retired teachers is fairly representative for that year except that in June each year the number of retiring teachers increases appreciably. Furthermore, the assumption that the size of payment to individual teachers by county is the same is plausible since the bulk of retired teachers (75 per cent) have retired under the maximum benefit plan.

Firemen and Policemen Retirement Payments

Firemen retirement pensions are provided in Oklahoma

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[6]Using this method allocation assumes that no payments are received by teachers who retired under similar programs in other states and now reside in Oklahoma. It might be somewhat more realistic to assume that the amount of out-of-state payments made to non-resident former Oklahoma teachers equals the amount received by out-of-state retired teachers now residing in Oklahoma, and apportion this amount to the counties in the same ratio as the county distribution of retired teachers and beneficiaries in Oklahoma.

on a small scale. Funds are obtained from compulsory contributions of the participating firemen and the state. State funds are procured from insurance companies through taxes collected on selected premiums. These funds are distributed to the participating firemen's pension funds of various cities and towns based on the value of insurance premiums written in the locality. The funds are received and disbursed by the Oklahoma Insurance Commission. Any regularly established fire department with fire equipment valued at $1,000 or more may participate in the program.

The Insurance Commission does not maintain records of amounts disbursed by the cities and towns which have retirement plans. On the other hand it has statistical data on the amounts received by cities and towns earmarked for firemen's pension funds. The Census Bureau in the annual census of City Government Finances provides partial data on firemen pension payments for cities of 25,000 population and over. (Table 12).

Police retirement pension programs are handled in the same manner as the firemen's pension program. Selected insurance company premiums are taxed and the revenue is apportioned to those cities and towns having police retirement programs in proportion to the total amount of policemen salaries paid. Participating policemen also contribute to the pension fund.

The Insurance Commission maintains records on the

TABLE 12

RETIREMENT BENEFITS OF FIREMEN AND POLICEMEN IN OKLAHOMA, SELECTED CITIES, ANNUALLY, 1951-1954*

(Thousands of dollars)

Cities	1951	1952	1953	1954
Oklahoma City				
Firemen benefits	$154	$159	$160	$162
Policemen benefits	37	39	68	64
Tulsa				
Firemen benefits	126	136	144	159
Policemen benefits	28	36	46	61
Enid				
Firemen benefits	19	23	-	23
Policemen benefits	-	-	-	-
Muskogee				
Firemen benefits	28	28	28	31
Policemen benefits	4	4	7	7
Norman				
Firemen benefits	7	7	7	7
Policemen benefits	-	-	7	-
Lawton				
Firemen benefits	-	8	8	9
Policemen benefits	-	-	-	4
Total	$403	$463	$475	$527

*Source: Compiled from data in various issues of the U.S. Department of Commerce, Bureau of the Census, <u>City Government Finances</u> (Washington: Government Printing Office).

amount of earmarked funds received by the policemen retirement programs in Oklahoma. The Census Bureau in their annual census of City Government Finances reports disbursements of policemen retirement funds for cities of 25,000 population and over. (Table 12)

Insurance Commission and Census data can be used to apportion firemen and policemen pension payments by county.

Method of Allocation

The procedure for obtaining county estimates of firemen and policemen pensions involves the following steps. First, deduct the amount disbursed for teachers' retirement from the state and local retirement estimates provided by the National Income Division. The remainder equals the amount paid to pensioned firemen and policemen. In 1954 this amounted to $1.1 million. Next allocate firemen's and policemen's retirement payments made to cities of 25,000 and over from the Census publication, City Government Finances, to the respective counties ($527,000 in 1954). The remainder represents firemen's and policemen's pension payments which must be allocated to the remaining counties ($539,000 in 1954). Distribute the remaining amount to the counties, other than those for which Census data are available, on the basis of the distribution of payments made to the counties by the Insurance Commission.

This procedure involves the following assumptions.

First, it assumes that the amounts reported by the Census to cities include all amounts paid to the counties in which the cities are located. Second, it assumes that the ratio of pensions paid by a county is proportionate to the contributions made to the county by the Insurance Commission.

Transfer payment data for firemen and policemen pensions are highly reliable for those cities (counties) surveyed by the Census Bureau. The remaining portion of firemen's and policemen's pensions apportioned indirectly to the counties are sufficiently reliable to reflect the pattern. The writer is informed by the Insurance Commission that the use of Census data and information furnished by the Commission to allocate these transfer payments provide a satisfactory estimate of the magnitude of these payments by county.

Other State and Local Transfer Payments

Other state and local transfer payments include payments made to individuals in the form of veteran aid, veteran bonuses, and pay to nonprofit organizations by state and local governments.

The National Income Division estimates state and local aid to veterans, not including state bonuses to World War II veterans, largely from data reported by the Census Bureau in its financial statistics series. For the nation, state and local government aid to veterans consists mainly of pensions paid in southern states to veterans of the Confederacy.

These payments for the nation amounted to only $11 million in 1950.[7]

State bonuses were paid by a number of states to veterans of World War II. The amount of the bonus varied from state to state. No bonus payments were made to Oklahoma veterans of World War II. The veteran bonus transfer payments shown in Table 3 represent the National Income Division's estimate of the veteran bonuses received by out-of-state veterans now residing in Oklahoma.

State and local government contributions to nonprofit organizations are estimated by the National Income Division as follows. They are

> . . . derived by multiplying total contributions to such institutions (by individuals, corporations, and governments as estimated from scattered, piecemeal data) by the estimated proportion of total receipts of nonprofit institutions obtained from State and local governments. This proportion is based on studies for a group of urban areas in 1938, 1940 and 1942 made by the Children's Bureau.[8]

As noted in Table 3 veteran aid payments in Oklahoma were $100,000 and veteran bonus payments $118,000 in 1954. Payments to nonprofit organizations by state and local governments in Oklahoma were $183,000 in 1954. There three state and local government transfer payments account for a minor portion of all transfer payments in Oklahoma. In 1954

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[7] U.S. Department of Commerce, <u>National Income</u>, 1954 Edition (Washington: Government Printing Office, 1954), 149.

[8] <u>Ibid</u>.

they amounted to $400,000, or 0.2 per cent of total transfer payments. (Table 4)

Method of Allocation

It is recommended that county population be used to allocate these three transfer payments. A population allocator is the least desirable allocator that can be used for if personal income were allocated on a population basis each county would have the same per capita income. The writer considered using the number of veterans by county as a basis for allocating veteran aid and bonus payments, but there is no reason to assume that such an allocation would be satisfactory. No information is available as to the county of residence of out-of-state veterans now living in Oklahoma, and the data available on county veteran population does not separate the number of veterans by period of service. Eighty-five per cent of the veteran population in Oklahoma are veterans of World War II and the Korean War, but the veteran aid payments refer to veterans of previous wars. In any event these three transfer payments are very small, and will not affect the relative magnitude of the distribution of total transfer payments by county regardless of the method of allocation used.

CHAPTER III

BUSINESS TRANSFER PAYMENTS[1]

Business transfer payments consist mainly of "technical and unusual items." They are broken down into three categories:

(1) corporate gifts to nonprofit organizations,

(2) personal injury payments and thefts of cash,

(3) consumer bad debts.

In 1954 total business transfer payments amounted to $15 million, about 6 per cent of total transfer payments in Oklahoma. Each of the three components of business transfer payments are about equal in size. (Tables 3 and 4)

Corporate Gifts to Nonprofit Organizations

Corporate gifts to nonprofit organizations amounted to $5 million in 1954, about 2 per cent of total transfer payments in Oklahoma. (Table 4) The National Income Division obtained direct information on corporate gifts to nonprofit organizations from the United States Treasury

[1]Business transfer payments were not included in former estimates of transfer payments by the National Income Division. See: Appendix A.

Department publication, Statistics of Income.[2] The National Income Division does not indicate its method of allocating the national totals among the states.

At present no county information is available on corporate gifts to nonprofit organizations. The 1953 County Business Patterns[3] reports taxable payrolls for nonprofit organizations for the state, but no county data. If county data were available from County Business Patterns, they could be used to allocate this transfer payment. Such a breakdown may become available in the future.

Generally speaking, nonprofit organizations such as the Boy Scouts, Chambers of Commerce, Red Cross, Community Chest, and the American Cancer Society procure funds from local businessmen. Drives for funds by these organizations are typically organized on a city, town, or county basis. There is considerable nonstatistical evidence to the effect that businessmen tend to give financial support mainly to local nonprofit organizations, as distinguished from nonprofit organizations in other towns, counties, or states. There are, of course, important exceptions to this

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[2]U.S. Department of Commerce, National Income, 1954 Edition (Washington: Government Printing Office, 1954), p. 149.

[3]U.S. Bureau of the Census and U.S. Bureau of Old-Age and Survivors Insurance, cooperative report, County Business Patterns, First Quarter 1953, Part 8, West South Central States (Washington: Government Printing Office, 1955).

generalization.

There is also reason to believe that the larger business forms contribute more than smaller firms. The Internal Revenue Code provides that gifts to nonprofit organizations are tax exempt up to a certain percentage of the net income of the donor.[4] It is common knowledge that large firms are expected to donate somewhat in proportion to their financial capacity.

For these reasons a statistical series showing the volume of manufacturing, mining, trade, finance, et cetera by county would provide a reasonable method of allocating the National Income Division estimate of corporate gifts to nonprofit organizations by county. But no such series is available. Furthermore, in view of the national (sometimes international) scope of the operations of many corporations, it is highly unlikely that such a series will become available in the future.

Another approach to a method for allocating these gifts among counties would be to find a series which would closely reflect the size of operations of the various corporations by county. Examination of the available statistical series seems to suggest that the closest approximation to such a series is the OASI taxable payrolls by county. If

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[4] U.S. Statutes At Large, Internal Revenue Code of 1954, Vol. 68A (Washington: Government Printing Office, 1954), Sec. 170, p. 58.

payrolls in each industry group in each county of the state was a constant ratio of total operations, this series would be quite satisfactory. But this is not the case. For example, payrolls in petroleum refining are a relatively small percentage of the value added by refining, compared with payrolls in meat packing as a percentage of the value added in the meat packing industry in the state. Nevertheless, recognizing these variations and limitations, taxable payrolls under OASI seem to be the most satisfactory series available for allocating corporate gifts to nonprofit organizations among the various counties of the state.

Method of Allocation

It is recommended that OASI taxable payrolls by county be used to allocate corporate gifts to nonprofit organizations in the following manner. First, obtain the amount of corporate gifts to nonprofit organizations from the National Income Division. Second, compute OASI taxable payrolls for each county as a per cent of the state total. The data are available in County Business Patterns. (Table 13) Third, apply this percentage distribution to the aggregate provided by the National Income Division.

The recommended method of allocating corporate gifts to nonprofit organizations among counties ranks near the bottom of the list of methods of allocating the various components of personal income. As noted above, the reason is

TABLE 13

TOTAL OASI TAXABLE PAYROLLS IN OKLAHOMA, BY COUNTY, FIRST QUARTER 1953*

County	Amount (Thousands of dollars)	Per cent of State Total
Adair	$ 174	0.1
Alfalfa	302	0.1
Atoka	304	0.1
Beaver	302	0.1
Beckham	1,326	0.4
Blaine	725	0.2
Bryan	952	0.3
Caddo	1,447	0.5
Canadian	1,334	0.4
Carter	5,676	1.8
Cherokee	363	0.1
Choctaw	471	0.2
Cimarron	143	**
Cleveland	1,827	0.6
Coal	119	**
Comanche	4,213	1.4
Cotton	334	0.1
Craig	625	0.2
Creek	4,117	1.3
Custer	1,096	0.4
Delaware	117	**
Dewey	120	**
Ellis	226	0.1
Garfield	6,812	2.2
Garvin	2,468	0.8
Grady	2,000	0.6
Grant	335	0.1
Greer	348	0.1
Harmon	185	0.1
Harper	171	0.1
Haskell	174	0.1
Hughes	804	0.3
Jackson	1,002	0.3
Jefferson	210	0.1

TABLE 13--Continued

County	Amount (Thousands of dollars)	Per cent of State Total
Johnston	120	**
Kay	9,311	3.0
Kingfisher	579	0.2
Kiowa	676	0.2
Latimer	107	**
Le Flore	808	0.3
Lincoln	1,074	0.3
Logan	1,377	0.4
Love	177	0.1
McClain	437	0.1
McCurtain	873	0.3
McIntosh	197	0.1
Major	324	0.1
Marshall	416	0.1
Mayes	620	0.2
Murray	646	0.2
Muskogee	6,203	2.0
Noble	713	0.2
Nowata	893	0.3
Okfuskee	404	0.1
Oklahoma	74,039	24.0
Okmulgee	5,532	1.8
Osage	1,858	0.6
Ottawa	4,512	1.5
Pawnee	612	0.2
Payne	3,851	1.2
Pittsburg	3,177	1.0
Pontotoc	4,111	1.3
Pottawatomie	5,547	1.8
Pushmataha	167	0.1
Roger Mills	78	**
Rogers	746	0.2
Seminole	3,859	1.3
Sequoyah	390	0.1
Stephens	5,837	1.9

TABLE 13--Continued

County	Amount (Thousands of dollars	Per cent of State Total
Texas	979	0.3
Tillman	615	0.2
Tulsa	93,306	30.3
Wagoner	310	0.1
Washington	11,895	3.9
Washita	345	0.1
Woods	747	0.2
Woodward	986	0.3
Statewide	17,874	5.8
Total	$308,150	100.0

*Source: U.S. Bureau of the Census and U.S. Bureau of Old-Age and Survivors Insurance, cooperative report, County Business Patterns, First Quarter 1953, Part 8, West South Central States (Washington: Government Printing Office, 1955), Tables 3 and 4, pp. 61-82.

**Less than one-tenth of one per cent.

Components do not necessarily add to totals because of rounding.

the lack of a satisfactory statistical series. Fortunately, the item is relatively small and the recommended allocation method will not result in substantial distortion of the county or per capita income figures.

Other Business Transfer Payments

"Other business transfer payments" consist of cash prizes, personal injury payments, and unrecovered thefts of cash and capital assets.[5] The National Income Division prepares estimates for Oklahoma for only two of these items: personal injury payments, and thefts of cash. The present discussion, therefore, will be limited to these two items.

Although these two items are lumped together in the national income data for Oklahoma, it is possible to arrive at a rough approximation of the size of each item indirectly. The National Income Division estimates that in 1950 personal injury payments accounted for 85 per cent of "other business transfer payments" for the nation as a whole. Since the only other component of "other business transfer payments" for Oklahoma is "thefts of cash," it is reasonable to assign the remaining 15 per cent to this item. It also seems reasonable to assume that the relative size of these two items in Oklahoma is similar to the national pattern. Using this breakdown, personal injury payments in Oklahoma in 1954

[5]U.S. Department of Commerce, National Income, 1954 Edition (Washington: Government Printing Office, 1954), p. 150.

amounted to $3.4 million, and thefts of cash amounted to $607,000.

Personal Injury Payments

Data on personal injury payments are obtained in part from such private sources as the Spectator Company and the American Management Association's Insurance Series on losses paid on automobile policies. The Interstate Commerce Commission provides data of railroad personal injury payments. Finally, the National Income Division makes rough approximations of a number of miscellaneous items.

The National Safety Council reports data for the nation on the number and type of injuries and the cost of accident injuries. In 1954 there were 1.3 million motor vehicle accidents in the nation and 2.0 million public non-motor vehicle accidents.[6] However, the bulk of paid claims in the nation occurred as the result of accidents involving motor vehicles. In 1954 the cost of claims for accident injuries involving motor vehicles was $1.5 billion and public non-motor claims $10 million.[7] It is reasonable to assume that the same relative distribution of paid claims exists in Oklahoma.

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[6]National Safety Council, Accident Facts, 1955 (Chicago: National Safety Council, 1955), passim. Public non-motor vehicle accidents are defined as any accident in which motor vehicle (s) are not involved.

[7]*Ibid*.

Assuming that the bulk of personal injury payments arises out of auto accidents, it would be desirable to have complete county records on these payments. County court records will show the amount of awards by county for injury cases arising from court action. But there are no records showing the volume of payments arising from auto injuries settled out of court.[8]

The writer is informed that insurance companies rely heavily on the number of auto registrations in establishing auto insurance rates for various localities.[9] Data on auto registrations by county are available. (Table 14) Until more satisfactory data become available, county data on auto registrations may be used to allocate personal injury payments.

Method of Allocating Personal Injury Payments

The recommended procedure for allocating personal injury payments involves the following steps. First, obtain the amount of personal injury payments from the National Income Division. Second, compute the county distribution of automobile registrations. These data are available from the Oklahoma Motor Vehicle Commission. Third, apply these percentages to aggregate state personal injury payments.

[8]The Oklahoma Highway Commission compiles data on the number of accidents for the entire state, but does not have county data.

[9]Other factors taken into consideration are population density, and class of ownership.

TABLE 14

AUTOMOBILE REGISTRATIONS IN OKLAHOMA, BY COUNTY, 1955*

County	Number of Registrations	Per cent of State Total
Adair	2,577	0.3
Alfalfa	3,700	0.5
Atoka	2,134	0.3
Beaver	2,310	0.3
Beckham	6,858	0.9
Blaine	4,353	0.6
Bryan	7,727	1.0
Caddo	9,152	1.2
Canadian	9,993	1.3
Carter	14,352	1.9
Cherokee	3,441	0.5
Choctaw	3,157	0.4
Cimarron	1,556	0.2
Cleveland	15,444	2.0
Coal	1,468	0.2
Comanche	17,825	2.3
Cotton	3,119	0.4
Craig	4,736	0.6
Creek	13,795	1.8
Custer	7,416	1.0
Delaware	3,514	0.5
Dewey	2,392	0.3
Ellis	2,048	0.3
Garfield	19,386	2.6
Garvin	9,804	1.3
Grady	10,992	1.4
Grant	3,892	0.5
Greer	3,193	0.4
Harmon	2,214	0.3
Harper	2,178	0.3
Haskell	2,259	0.3
Hughes	4,617	0.6
Jackson	7,411	1.0
Jefferson	3,325	0.4
Johnston	1,794	0.2

TABLE 14--Continued

County	Number of Registrations	Per cent of State total
Kay	21,108	2.8
Kingfisher	4,483	0.6
Kiowa	5,685	0.7
Latimer	1,466	0.2
Le Flore	7,664	1.0
Lincoln	7,026	0.9
Logan	6,653	0.9
Love	1,756	0.2
McClain	4,340	0.6
McCurtain	4,483	0.6
McIntosh	2,942	0.4
Major	3,223	0.4
Marshall	2,358	0.3
Mayes	5,444	0.7
Murray	3,924	0.6
Muskogee	16,712	2.2
Noble	4,188	0.6
Nowata	4,858	0.6
Okfuskee	3,236	0.4
Oklahoma	140,238	18.5
Okmulgee	12,085	1.6
Osage	12,131	1.6
Ottawa	11,486	1.6
Pawnee	4,842	0.6
Payne	13,658	1.8
Pittsburg	10,579	1.4
Pontotoc	9,543	1.3
Pottawatomie	14,693	1.9
Pushmataha	1,713	0.2
Roger Mills	1,676	0.2
Rogers	6,332	0.8
Seminole	11,003	1.4
Sequoyah	3,293	0.4
Stephens	14,284	1.9
Texas	5,279	0.7

TABLE 14--Continued

County	Number of Registrations	Per cent of State Total
Tillman	5,198	0.7
Tulsa	122,912	16.2
Wagoner	3,993	0.6
Washington	14,462	1.9
Washita	4,660	0.6
Woods	4,812	0.6
Woodward	4,378	0.6
Total	758,940	100.0

*Source: Provided through the courtesy of the Oklahoma Motor Vehicle Commission.

Components do not necessarily add to totals because of rounding.

Thefts of Cash

For obvious reasons no comprehensive data are available on thefts of cash, by county. The only reasonable method of allocating this sum seems to be OASI taxable payrolls by county. Use of this method assumes that the amount of thefts is proportionate to aggregate wages paid in each county. It implies that employee dishonesty is proportionate to the aggregate wage volume throughout the state.

Method of Allocating Thefts of Cash

The recommended method of allocation is: First, obtain the estimate of the state total for thefts of cash from National Income Division data. Second, compute OASI taxable payrolls in each county as a per cent of the state total. Data are available in County Business Patterns. (Table 13) Third, apply the percentage distribution to the state total.

The recommended method of allocating personal injury payments and thefts of cash falls far short of the ideal. It is, however, the most satisfactory available. Furthermore, despite the shortcomings there is reason to believe that the data give a fairly reasonable picture of the pattern of distribution of these sums among the various counties of the state. Together, these items account for about two per cent of transfer payments in the state, and only a small fraction of one per cent of total personal income in the state.

Consumer Bad Debts

Consumer bad debts refer to losses by retailers on credit sales of goods and services to customers. For example, suppose a consumer buys a television set at $300 with no money down and agrees to pay a fixed sum each month. For simplicity, assume that the buyer makes no monthly payments and that the retailer is unable to collect either the amount due or repossess the set. In due time the retailer may charge off the bad debt as a business loss for tax purposes. In recent years these losses have averaged $328 million for the nation as a whole, and have amounted to about $5 million annually in Oklahoma.

The National Income Division estimates consumer bad debts

> . . . . through an allocation of total bad debts (consumer and intrabusiness) by industry, as reported in Internal Revenue tabulations of corporate and noncorporate income tax statistics. This assumption is a twofold one: (1) elimination by assumption, of those industries in which consumer bad debts do not arise (or are very small), and (2) apportionment of the remaining total bad debts, by industry between consumers and business on the basis of sales, with sales to consumers being approximated from groupings of the personal expenditure estimates, and business sales being derived as the difference between reported sales and estimated consumer sales.[10]

The National Income Division prepares estimates of consumer bad debts by states. It allocates the national total among the states mainly on the basis of retail sales.

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[10]U.S. Department of Commerce, National Income, 1954 Edition (Washington: Government Printing Office, 1954), pp. 149-150.

TABLE 15

PERCENTAGE DISTRIBUTION OF SALES OF RETAIL ESTABLISHMENTS IN OKLAHOMA, BY COUNTY, 1939, 1948 AND 1954*

County	1939	1948	1954
Adair	0.2	0.3	0.3
Alfalfa	0.5	0.5	0.4
Atoka	0.3	0.3	0.3
Beaver	0.2	0.3	0.2
Beckham	1.0	1.2	1.0
Blaine	0.7	0.7	0.6
Bryan	1.1	1.1	1.0
Caddo	1.4	1.4	1.0
Canadian	1.2	1.1	1.1
Carter	1.7	1.7	2.2
Cherokee	0.4	0.4	0.4
Choctaw	0.6	0.6	0.4
Cimarron	0.2	0.3	0.2
Cleveland	1.1	1.3	1.3
Coal	0.3	0.2	0.2
Comanche	1.9	2.4	3.2
Cotton	0.5	0.4	0.3
Craig	0.7	0.6	0.6
Creek	2.0	1.6	1.4
Custer	1.1	1.2	1.0
Delaware	0.2	0.2	0.2
Dewey	0.3	0.3	0.2
Ellis	0.3	0.3	0.2
Garfield	3.3	3.5	3.5
Garvin	0.9	1.2	1.2
Grady	1.5	1.5	1.4
Grant	0.5	0.4	0.5
Greer	0.5	0.5	0.3
Harmon	0.2	0.3	0.3
Harper	0.2	0.3	0.2
Haskell	0.3	0.3	0.2
Hughes	0.8	0.7	0.6
Jackson	0.8	1.0	0.9
Jefferson	0.4	0.4	0.4
Johnston	0.3	0.2	0.2

TABLE 15--Continued

County	1939	1948	1954
Kay	2.7	2.6	2.5
Kingfisher	0.7	0.8	0.6
Kiowa	0.9	1.0	0.7
Latimer	0.2	0.2	0.1
Le Flore	0.9	0.8	0.7
Lincoln	0.7	0.8	0.8
Logan	1.2	0.9	0.9
Love	0.2	0.2	0.2
McClain	0.4	0.4	0.4
McCurtain	0.7	0.7	0.5
McIntosh	0.4	0.4	0.3
Major	0.3	0.4	0.3
Marshall	0.3	0.2	0.2
Mayes	0.6	0.5	0.7
Murray	0.4	0.4	0.5
Muskogee	2.9	2.6	2.4
Noble	0.6	0.6	0.5
Nowata	0.5	0.4	0.4
Okfuskee	0.6	0.4	0.4
Oklahoma	18.6	19.4	21.8
Okmulgee	1.9	1.7	1.5
Osage	1.6	1.0	1.0
Ottawa	1.4	1.4	1.2
Pawnee	0.5	0.4	0.5
Payne	2.0	1.9	1.8
Pittsburg	1.6	1.6	1.4
Pontotoc	1.9	1.6	1.4
Pottawatomie	2.5	2.0	1.9
Pushmataha	0.3	0.3	0.2
Roger Mills	0.2	0.2	0.2
Rogers	0.6	0.6	0.6
Seminole	2.5	1.7	1.3
Sequoyah	0.3	0.3	0.3
Stephens	1.2	1.7	1.9
Texas	0.6	1.0	0.7

TABLE 15--Continued

County	1939	1948	1954
Tillman	0.6	0.9	0.7
Tulsa	14.5	15.5	17.3
Wagoner	0.4	0.4	0.4
Washington	1.8	1.5	1.7
Washita	0.6	0.6	0.6
Woods	0.8	0.9	0.6
Woodward	0.9	0.8	0.6
Total	100.0	100.0	100.0

*Source: Compiled from data in: U.S. Department of Commerce, Bureau of the Census, Sixteenth Census of the United States: 1940, Census of Business, Volume I, Retail Trade: 1939, Part 3, Kinds of Business by Areas, States Counties and Cities (Washington: Government Printing Office, 1941), pp. 549-550; U.S. Department of Commerce, Bureau of the Census, U.S. Census of Business: 1948, Retail Trade, Oklahoma, Bulletin No. 1-R-35; (Washington: Government Printing Office, 1950), pp. 35.06-35; and U.S. Department of Commerce, Bureau of the Census, U.S. Census of Business: 1954, Retail Trade, Oklahoma, Preliminary Report (Washington: Government Printing Office, January, 1956), pp. 4-11.

Components do not necessarily add to totals because of rounding.

Data for direct allocation of the state total among the counties are not available. To compile such information would require that some agency collect data from individual merchants in each county, at least on an annual basis. The retail trade section of the Census of Business contains data on dollar volume of sales of retail establishments by county. These data can be used as an indirect method of allocating consumer bad debts among counties. The method is based on the assumption that bad debts are proportionate to retail sales in each county. It is also assumed that consumer bad debts are limited to retail establishments or that the pattern of distribution of other types of consumer bad debts is similar to that of consumer bad debts to retail establishments. This assumption appears reasonable, although statistical support is not available. For example, it seems reasonable to assume that consumer bad debts to physicians, lawyers, and dentists will be larger in a leading metropolitan area than in a small town.

Method of Allocation

The recommended procedure for allocating consumer bad debts involves the following steps. First, procure consumer bad debts from the National Income Division for the state. Second, compute retail sales in each county as a per cent of the state total from the Census of Business for 1939, 1948, and 1954. (Table 15) Use as a bench mark the census year data nearest to the year for which allocation is to be made. Third, allocate consumer bad debts to the counties by applying the county percentages of retail sales to total consumer bad debts for the state.

CHAPTER IV

UNEMPLOYMENT INSURANCE COMPENSATION AND SERVICEMEN'S UNEMPLOYMENT AND SELF-EMPLOYMENT ALLOWANCES

Unemployment Compensation

The Oklahoma Unemployment Compensation Act was passed in 1936. In 1941 this law was replaced by the Oklahoma Employment Security Act. The Oklahoma Employment Security Commission (OESC) is responsible for the payment of benefits to eligible unemployed workers. In recent years employment covered by the OESC amounted to about 60 per cent of total nonfarm employment (533,800) in the state.[1] Benefit payments to eligible unemployed workers were first made in 1938. In that year average weekly benefit payments were $11.00, and rose to $23.00 in 1954.[2]

The volume of unemployment benefit payments changes sharply from year to year. For example, benefit payments

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[1]Oklahoma Employment Security Commission, Handbook of Employment Statistics, Oklahoma 1929-1954 (Oklahoma City: Oklahoma Employment Security Commission, March, 1955), p. 2.

[2]Oklahoma Employment Security Commission, Handbook of Employment Security Program Statistics, Oklahoma 1939-1955 (Oklahoma City: Oklahoma Employment Security Commission, May, 1955), Table B-8, p. 16.

amounted to $4 million in 1939, dropped to less than $0.5 million in 1944, and amounted to $12 million in 1954.[3] The National Income Division reports that in 1954 unemployment benefit payments amounted to 6 per cent of total transfer payments in Oklahoma. (Table 4)

Data for allocating unemployment benefit payments among the counties are readily available. Practically all of the payments may be allocated directly and the data have a very high degree of reliability. The primary source of the data is found in the annual reports of the Oklahoma Employment Security Commission. These reports, published each year since 1940, contain almost complete statistical data on unemployment compensation benefits, by calendar year, by county.

There is only one minor source of inaccuracy in the county data. It relates to workers who accumulate rights to unemployment compensation benefits in one state and who later receive the benefits as residents of another state. Some workers now residing in Oklahoma receive unemployment compensation benefits from other states. Such benefits mean that the OESC county data understate total benefits received by Oklahoma residents. On the other hand, some workers accumulate rights to benefits under the Oklahoma system and later receive the benefits as residents of another state.

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[3] *Ibid.*, Table B-6, p. 14.

TABLE 16

UNEMPLOYMENT COMPENSATION PAYMENTS IN OKLAHOMA, ANNUALLY, 1940-1954*

Year	Amount (millions of dollars)
1940	$ 3.3
1941	2.6
1942	2.8
1943	0.6
1944	0.4
1945	3.3
1946	9.3
1947	5.4
1948	4.9
1949	7.5
1950	8.8
1951	5.4
1952	5.7
1953	6.8
1954	$11.4

*Source: Oklahoma Employment Security Commission, Annual Report(s).

The extent to which these in and out payments offset each other is not known precisely, except for one year. In 1947 Oklahoma entered into an interstate compact regarding these payments. For that year the Oklahoma Employment Security Commission kept a record of payments made by other states to current residents of Oklahoma by county. In that year, as in other years, it kept records of payments to former residents of Oklahoma residing in other states. In 1947 out payments amounted to about $500,000 and in payments $1 million. Total payments in that year were $5.7 million. After 1947 the interstate arrangement with respect to unemployment compensation payments was discontinued.

The OESC and National Income Division report the following amounts for unemployment compensation benefits for Oklahoma for recent years:

	1951	1952	1953	1954
	(Millions of dollars)			
National Income Division	$6.0	$6.8	$8.1	$13.6
OESC	5.9	6.2	7.3	12.4
Difference	$0.1	$0.6	$0.8	$ 1.2

Except for 1951, the estimates of unemployment compensation benefits by the National Income Division are about 10 per cent greater than the estimates of the OESC. The differences occur because the National Income Division estimates, by the use of a formula, the amount of unemployment compensation benefits received by residents of a state who formerly

TABLE 17

UNEMPLOYMENT COMPENSATION PAYMENTS IN OKLAHOMA, BY COUNTY, SELECTED YEARS, 1940-1954*
(Thousands of dollars)

County	1940	1946	1950	1954
Adair	$ 8	$ 32	$ 30	$ 66
Alfalfa	6	2	22	7
Atoka	7	15	31	58
Beaver	2	-	-	6
Beckham	20	33	62	110
Blaine	8	12	24	14
Bryan	27	57	80	72
Caddo	25	46	71	98
Canadian	18	53	46	55
Carter	49	100	160	233
Cherokee	9	113	85	101
Choctaw	12	37	39	56
Cimarron	-	-	2	3
Cleveland	22	34	44	34
Coal	6	14	28	69
Comanche	33	46	68	125
Cotton	10	10	16	20
Craig	36	90	53	57
Creek	115	268	163	224
Custer	16	27	57	70
Delaware	44	53	27	45
Dewey	2	1	8	8
Ellis	2	-	3	1
Garfield	84	48	137	158
Garvin	12	64	145	155
Grady	41	137	143	149
Grant	3	3	6	4
Greer	7	14	25	20
Harmon	6	10	9	9
Harper	5	1	3	1
Haskell	9	39	44	106
Hughes	24	53	70	153
Jackson	18	33	65	104
Jefferson	4	18	17	44
Johnston	5	10	18	36

TABLE 17--Continued

County	1940	1946	1950	1954
Kay	51	180	193	129
Kingfisher	7	6	15	13
Kiowa	13	25	37	44
Latimer	6	18	31	60
Le Flore	79	114	196	244
Lincoln	15	83	78	136
Logan	25	72	60	70
Love	2	3	10	28
McClain	7	23	52	44
McCurtain	15	99	78	83
McIntosh	6	13	25	61
Major	5	8	12	17
Marshall	4	23	21	45
Mayes	55	356	130	205
Murray	10	28	54	77
Muskogee	115	219	407	602
Noble	7	13	29	18
Nowata	29	41	35	36
Okfuskee	10	34	42	73
Oklahoma	737	2,131	1,630	2,220
Okmulgee	104	192	315	486
Osage	40	165	73	122
Ottawa	100	202	240	138
Pawnee	11	42	39	29
Payne	55	57	211	237
Pittsburg	68	147	138	437
Pontotoc	72	102	183	198
Pottawatomie	91	327	197	345
Pushmataha	13	18	24	25
Roger Mills	3	1	4	11
Rogers	15	171	54	102
Seminole	125	200	136	174
Sequoyah	10	48	60	60
Stephens	23	134	146	196
Texas	2	7	8	7

TABLE 17--Continued

County	1940	1946	1950	1954
Tillman	17	16	25	42
Tulsa	574	2,300	1,674	1,858
Wagoner	7	116	72	82
Washington	79	77	151	115
Washita	7	6	20	34
Woods	9	7	11	18
Woodward	21	7	36	45
Total	$3,339	$9,304	$8,753	$11,437

*Source: Compiled from the Oklahoma Employment Security Commission, Annual Report (s).

TABLE 18

PERCENTAGE DISTRIBUTION OF UNEMPLOYMENT COMPENSATION PAYMENTS IN OKLAHOMA, BY COUNTY, SELECTED YEARS, 1940-1954*

County	1940	1946	1950	1954
Adair	0.2	0.3	0.3	0.6
Alfalfa	0.2	**	0.3	0.1
Atoka	0.2	0.2	0.4	0.5
Beaver	0.1	-	-	0.1
Beckham	0.6	0.4	0.7	1.0
Blaine	0.2	0.1	0.3	0.1
Bryan	0.8	0.6	0.9	0.6
Caddo	0.7	0.5	0.8	0.9
Canadian	0.5	0.6	0.5	0.5
Carter	1.5	1.1	1.8	2.0
Cherokee	0.3	1.2	1.0	0.9
Choctaw	0.4	0.4	0.4	0.5
Cimarron	-	-	**	**
Cleveland	0.7	0.4	0.5	0.3
Coal	0.2	0.4	0.3	0.6
Comanche	1.0	0.5	0.8	1.1
Cotton	0.3	0.1	0.2	0.2
Craig	1.1	1.0	0.6	0.5
Creek	3.4	2.9	1.9	2.0
Custer	0.5	0.3	0.7	0.6
Delaware	1.3	0.6	0.3	0.4
Dewey	0.1	**	0.1	0.1
Ellis	0.1	-	**	**
Garfield	2.5	0.5	1.6	1.4
Garvin	0.4	0.7	1.7	1.4
Grady	1.2	1.5	1.6	1.3
Grant	0.1	**	0.1	**
Greer	0.2	0.2	0.3	0.2
Harmon	0.2	0.1	0.1	0.1
Harper	0.1	**	**	**
Haskell	0.3	0.4	0.5	0.9
Hughes	0.7	0.6	0.8	1.3
Jackson	0.5	0.4	0.7	0.9
Jefferson	0.1	0.2	0.2	0.4
Johnston	0.1	0.1	0.2	0.3

TABLE 18--Continued

County	1940	1946	1950	1954
Kay	1.5	1.9	2.2	1.1
Kingfisher	0.2	0.1	0.2	0.1
Kiowa	0.4	0.3	0.4	0.4
Latimer	0.2	0.2	0.4	0.5
Le Flore	2.4	1.2	2.2	2.1
Lincoln	0.4	0.9	0.9	1.2
Logan	0.7	0.8	0.7	0.6
Love	0.1	**	0.1	0.2
McClain	0.2	0.2	0.6	0.4
McCurtain	0.4	1.0	0.9	0.7
McIntosh	0.2	0.1	0.3	0.5
Major	0.1	0.1	0.1	0.1
Marshall	0.1	0.2	0.2	0.4
Mayes	1.6	3.8	1.5	1.8
Murray	0.3	0.3	0.6	0.7
Muskogee	3.4	2.3	4.6	5.3
Noble	0.2	0.1	0.3	0.2
Nowata	0.9	0.4	0.4	0.3
Okfuskee	0.3	0.4	0.5	0.6
Oklahoma	22.1	22.9	18.6	19.4
Okmulgee	3.1	2.1	3.6	4.2
Osage	1.2	1.8	0.8	1.1
Ottawa	3.0	2.2	2.7	1.2
Pawnee	0.3	0.5	0.4	0.3
Payne	1.6	0.6	2.4	2.1
Pittsburg	2.0	1.6	1.6	3.8
Pontotoc	2.2	1.1	2.1	1.7
Pottawatomie	2.7	3.5	2.3	3.0
Pushmataha	0.4	0.2	0.3	0.2
Roger Mills	0.1	**	**	0.1
Rogers	0.4	1.8	0.6	0.9
Seminole	3.7	2.1	1.6	1.5
Sequoyah	0.3	0.5	0.7	0.5
Stephens	0.7	1.4	1.7	1.7
Texas	0.1	0.1	0.1	0.1

TABLE 18--Continued

County	1940	1946	1950	1954
Tillman	0.5	0.2	0.3	0.4
Tulsa	17.2	24.7	19.1	16.2
Wagoner	0.2	1.2	0.8	0.7
Washington	2.4	0.8	1.7	1.0
Washita	0.2	0.1	0.2	0.3
Woods	0.3	0.1	0.1	0.2
Woodward	0.6	0.1	0.4	0.4
Total	100.0	100.0	100.0	100.0

*Source: Computed from data in Table 17.

**Less than one-tenth of one per cent.

resided in and are receiving benefits from other states.

Despite the difference, 90 per cent or more of total unemployment compensation payments may be allocated directly. The remaining difference between the state and National Income Division estimates may be allocated on the assumption that the county distribution of recipients of the 90 per cent is similar to that of the remaining 10 per cent.

Method of Allocation

It is recommended that unemployment compensation benefits be allocated in the following manner. First, obtain aggregate unemployment compensation payments from the National Income Division. Second, copy county unemployment compensation payments from the annual report of the OESC. (Tables 17 and 18) Third, subtract the amount of unemployment compensation payments reported by the OESC from the amount reported by the National Income Division. The difference equals the amount of out of state payments received in Oklahoma as estimated by the National Income Division. Fourth, apportion this remainder using as an allocator the county distribution of recipients as reported by the OESC.

Servicemen's Unemployment Allowances

The Servicemen's Readjustment Act of 1944 provided, among other things, unemployment allowances for veterans of World War II. Unemployed veterans were eligible to receive up to a maximum of $20 per week for 52 weeks. The program in Oklahoma was administered by the Oklahoma Employment Security Commission.

Payments under this program were important in the immediate postwar period. Payments began in September, 1944 and reached a peak in 1946 when they amounted to $23 million. From 1946 until the end of the program annual veteran unemployment payments decreased, reaching a low of $4.7 million in 1949, the last significant year of the program.

The annual reports of the OESC present county data on veterans unemployment payments by calendar year for the period, 1945-1949. (Table 19) The series was discontinued in 1949 because the program had become nominal.[4] For the years county data are available with respect to veterans unemployment payments, allocation involves a simple transcription of the data from the annual reports of the OESC. Data on veterans unemployment payments have the highest degree of reliability for they are nothing short of a complete census of the total dollar amounts paid out by county.

Method of Allocation

Data on veterans unemployment allowances under the Servicemen's Readjustment Act of 1944 can be allocated directly for the years 1945-1949 by copying the county data

[4]Entitlement for Servicemen's Readjustment Allowances expired in 1949, and state responsibility for the program ceased in 1952. Payments dropped sharply under the program in 1950 and from then on were nominal until the termination of the program.

TABLE 19

SERVICEMEN'S UNEMPLOYMENT ALLOWANCES IN OKLAHOMA, BY COUNTY, ANNUALLY, 1945-1949*
(Thousands of dollars)

County	1945	1946	1947	1948	1949
Adair	$ 9	$ 104	$ 116	$ 93	$ 49
Alfalfa	2	20	25	12	7
Atoka	-	114	115	57	46
Beaver	-	2	2	2	3
Beckham	9	174	110	43	36
Blaine	1	85	75	53	27
Bryan	2	267	193	96	55
Caddo	2	370	272	93	71
Canadian	5	206	103	53	36
Carter	14	595	415	156	98
Cherokee	2	324	194	85	59
Choctaw	9	286	149	54	27
Cimarron	-	1	2	2	2
Cleveland	1	126	91	46	16
Coal	2	109	55	27	19
Comanche	8	354	311	115	87
Cotton	2	112	62	21	8
Craig	8	269	167	57	23
Creek	16	532	270	91	49
Custer	5	188	100	68	46
Delaware	5	206	165	50	28
Dewey	1	21	8	6	14
Ellis	-	14	8	5	2
Garfield	11	237	223	89	55
Garvin	4	239	184	74	66
Grady	9	544	317	93	88
Grant	2	15	19	13	6
Greer	5	126	73	30	14
Harmon	2	93	61	27	11
Harper	**	8	4	2	5
Haskell	2	158	144	69	44
Hughes	4	252	239	121	59
Jackson	4	249	118	62	54
Jefferson	2	151	86	40	21

TABLE 19--Continued

County	1945	1946	1947	1948	1949
Johnston	4	152	119	55	32
Kay	6	275	183	105	83
Kingfisher	1	38	33	12	9
Kiowa	5	179	102	43	32
Latimer	-	98	70	35	23
Le Flore	10	604	420	214	119
Lincoln	4	188	129	64	35
Logan	1	139	91	46	42
Love	1	65	52	27	7
McClain	2	121	73	37	30
McCurtain	46	768	405	173	107
McIntosh	1	169	139	78	45
Major	1	23	25	11	5
Marshall	-	74	69	41	32
Mayes	22	515	258	87	53
Murray	5	162	125	68	41
Muskogee	17	1,175	620	329	191
Noble	2	47	43	25	15
Nowata	3	175	109	41	22
Okfuskee	2	177	156	80	39
Oklahoma	74	2,556	1,350	718	692
Okmulgee	35	787	452	226	167
Osage	3	290	194	84	51
Ottawa	7	347	322	203	127
Pawnee	2	126	108	43	29
Payne	11	270	170	89	72
Pittsburg	3	664	468	210	124
Pontotoc	21	560	298	147	89
Pottawatomie	20	624	400	178	118
Pushmataha	2	151	93	40	25
Roger Mills	1	25	17	4	8
Rogers	4	253	124	36	22
Seminole	30	729	354	143	93
Sequoyah	1	292	187	72	41
Stephens	4	392	220	43	56
Texas	-	7	4	1	2

TABLE 19--Continued

County	1945	1946	1947	1948	1949
Tillman	4	174	102	44	27
Tulsa	68	2,240	1,077	450	625
Wagoner	2	188	100	52	30
Washington	7	294	169	62	44
Washita	2	65	36	21	29
Woods	**	27	26	10	6
Woodward	**	38	18	17	20
Total	$582	$22,969	$13,986	$6,369	$4,690

*Source: Oklahoma Employment Security Commission, Annual Report(s).

**Less than $500.

reported in the annual reports of the OESC.

Data for 1944 cannot be allocated directly, but a satisfactory indirect method is to use the percentage distribution for 1945 and apply this distribution to the state total. The amount was nominal in 1944. Amounts paid in 1950, 1951, and 1952 were also nominal. The state totals may be reasonably allocated by applying the county distribution for 1949.

Servicemen's Self-Employment Allowances

Another provision of the Servicemen's Readjustment Act of 1944 provided for payment of benefits to self-employed veterans. Self-employment payments were made to any eligible veteran who was self-employed in an independent establishment, trade, business or profession. If the veteran's net earnings were less than $100 in a calendar month, the veteran was entitled to receive the difference between $100 and his net earnings for that month.

This program was available to veterans of World War II for a limited period. Payments began in November, 1944 and ended September, 1952. Payments under the program reached a peak in 1946 when they amounted to $8.0 million. By 1949 they had dropped to $1.4 million and were nominal after that year. (Table 20)

The Oklahoma Employment Security Commission also administered the self-employment program for veterans of World

TABLE 20

SERVICEMEN'S SELF-EMPLOYMENT ALLOWANCES IN OKLAHOMA, BY COUNTY, ANNUALLY, 1947-1949*
(Thousands of dollars)

County	1947	1948	1949
Adair	$ 135	$ 43	$ 24
Alfalfa	18	8	3
Atoka	109	89	57
Beaver	16	5	5
Beckham	104	48	25
Blaine	43	20	7
Bryan	172	131	68
Caddo	167	73	47
Canadian	42	18	11
Carter	86	34	11
Cherokee	88	30	18
Choctaw	154	84	46
Cimarron	26	7	5
Cleveland	33	14	10
Coal	62	19	7
Comanche	92	30	24
Cotton	46	14	3
Craig	53	25	4
Creek	50	27	13
Custer	118	39	25
Delaware	42	24	17
Dewey	23	9	10
Ellis	30	17	4
Garfield	65	31	29
Garvin	59	25	17
Grady	150	49	35
Grant	40	17	9
Greer	52	22	17
Harmon	54	33	18
Harper	10	5	3
Haskell	49	38	22
Hughes	76	51	23
Jackson	85	36	30
Jefferson	39	12	4

TABLE 20--Continued

County	1947	1948	1949
Johnston	45	29	15
Kay	75	36	15
Kingfisher	27	17	8
Kiowa	41	37	32
Latimer	38	24	18
Le Flore	81	71	53
Lincoln	46	16	12
Logan	11	12	7
Love	22	10	6
McClain	71	32	14
McCurtain	163	63	40
McIntosh	170	77	28
Major	34	17	5
Marshall	8	23	17
Mayes	74	26	13
Murray	15	5	4
Muskogee	211	85	33
Noble	27	15	6
Nowata	40	17	5
Okfuskee	60	24	10
Oklahoma	156	86	53
Okmulgee	118	46	20
Osage	51	22	11
Ottawa	42	21	8
Pawnee	50	26	11
Payne	63	36	20
Pittsburg	199	90	45
Pontotoc	83	28	21
Pottawatomie	41	13	8
Pushmataha	94	46	21
Roger Mills	53	41	27
Rogers	52	21	5
Seminole	105	35	11
Sequoyah	72	17	11
Stephens	88	20	14
Texas	36	10	4

TABLE 20--Continued

County	1947	1948	1949
Tillman	92	45	23
Tulsa	109	45	32
Wagoner	64	26	16
Washington	20	17	3
Washita	89	62	38
Woods	38	11	5
Woodward	83	28	16
Total	$5,445	$2,555	$1,415

*Source: Oklahoma Employment Security Commission, Annual Report(s).

War II in Oklahoma. During most of the active period of the program the OESC published county data on payments to self-employed veterans. County data were published in the annual reports of the OESC for the years 1947, 1948 and 1949. For these years the allocation of self-employed veteran payments consists of copying the data from the appropriate annual report of the OESC.

Method of Allocation

Data on servicemen's self-employment allowances can be allocated directly for the years 1947, 1948 and 1949. The data are available in the annual reports of the OESC. Data for 1946 cannot be allocated directly, but a satisfactory indirect method is to use the percentage distribution for 1947 and apply this distribution to the state total. Amounts paid in 1950, 1951 and 1952 were nominal. The state totals may be reasonably allocated by applying the county distribution for 1949.

Korean Veterans Readjustment Allowances

The Veterans Readjustment Assistance Act of 1952 provided Korean veterans with unemployment compensation benefits. Payments to eligible veterans were at the rate of $26 per week for a total of 26 weeks. No provisions were made in this Act for self-employment allowances to veterans.

The Oklahoma Employment Security Commission was again called upon to act as the disbursing agency for this program.

TABLE 21

KOREAN VETERANS UNEMPLOYMENT ALLOWANCES IN OKLAHOMA, BY COUNTY, 1953 AND 1954*
(Thousands of dollars)

County	1953	1954
Adair	$ 28	$ 21
Alfalfa	2	1
Atoka	20	13
Beaver	-	1
Beckham	9	14
Blaine	9	6
Bryan	11	15
Caddo	24	27
Canadian	12	15
Carter	19	25
Cherokee	27	18
Choctaw	17	17
Cimarron	-	1
Cleveland	5	7
Coal	6	14
Comanche	29	42
Cotton	2	5
Craig	4	9
Creek	10	12
Custer	12	19
Delaware	10	20
Dewey	4	2
Ellis	-	1
Garfield	9	16
Garvin	14	11
Grady	21	21
Grant	1	1
Greer	5	11
Harmon	3	4
Harper	-	-
Haskell	10	18
Hughes	26	19
Jackson	18	13
Jefferson	6	10
Johnston	9	10

TABLE 21--Continued

County	1953	1954
Kay	23	13
Kingfisher	3	3
Kiowa	15	16
Latimer	9	13
Le Flore	31	42
Lincoln	12	11
Logan	5	8
Love	5	5
McClain	6	10
McCurtain	27	24
McIntosh	9	18
Major	1	3
Marshall	9	10
Mayes	20	23
Murray	13	7
Muskogee	72	75
Noble	2	3
Nowata	2	6
Okfuskee	8	9
Oklahoma	147	227
Okmulgee	40	46
Osage	5	16
Ottawa	18	23
Pawnee	6	6
Payne	23	25
Pittsburg	46	66
Pontotoc	22	24
Pottawatomie	31	41
Pushmataha	9	9
Roger Mills	6	4
Rogers	6	7
Seminole	24	18
Sequoyah	18	22
Stephens	12	13
Texas	1	-

TABLE 21--Continued

County	1953	1954
Tillman	3	8
Tulsa	40	94
Wagoner	3	6
Washington	8	10
Washita	7	11
Woods	4	2
Woodward	1	4
Total	$1,134	$1,420

*Source: Oklahoma Employment Security Commission, Annual Report (s).

Payments under this program began in October, 1952. In 1953 unemployment payments to Korean veterans amounted to $1.1 million, and $1.4 million in 1954. (Table 21) In 1954 these payments accounted for 0.6 per cent of total transfer payments in Oklahoma. (Table 4)

Since 1953 the OESC, as in the case of World War II veteran unemployment and self-employment allowances, has reported county payments of Korean unemployment allowances in their annual reports. This allows a direct allocation of these payments by copying the information from the annual reports.

Method of Allocation

Korean unemployment compensation payments can be allocated directly for 1953 and 1954 using data in the annual reports of the OESC. The OESC did not report county data for Korean unemployment payments in 1952. In 1952 payments amounted to $93,000. Data for 1952 can be satisfactorily allocated indirectly by using the percentage distribution for 1953 and applying this distribution to the state total.

CHAPTER V

VETERANS TRANSFER PAYMENTS

In this chapter we discuss the method of allocating funds disbursed by the federal government under eight of its programs of financial aid to veterans. The origin of some of these programs runs far back into our national history. For example, the veteran pension and compensation program dates back to the Revolutionary War period. Others were inaugurated during World War I or World War II. The volume of funds disbursed under these programs has become increasingly important since the beginning of World War II. Some of the programs are temporary in character, while others are of a more permanent nature. An indication of the magnitude of these programs is reflected in the fact that in calendar year 1953 the federal government disbursed about $4 billion in aid to veterans throughout the nation.[1]

These programs are of considerable importance as a source of income to the people of Oklahoma. In 1954 the

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[1] U.S. Department of Commerce, National Income, 1954 Edition (Washington: Government Printing Office, 1954), Table 36, pp. 212-213.

National Income Division estimates that $70 million were paid to residents of Oklahoma under these programs. This was two per cent of total personal income in that year, and 30 per cent of transfer payments in the state. The programs under which the funds were distributed were: (1) Veteran pensions and compensation; (2) Government life insurance benefits; (3) Military and naval insurance payments; (4) Servicemen's indemnity payments; (5) Payments to paraplegics; (6) Interest payments on veterans' loans; (7) Subsistence allowances to World War II and Korean veterans; and, (8) Payments to private non-profit institutions.[2] In each instance the Veterans Administration acted as the disbursing agency of the federal government.

Veteran Pensions and Compensation

The National Income Division defines veteran pensions and compensation as payments made to veterans for disability and payments made to qualified beneficiaries or dependents of deceased veterans for compensation, pensions, burial allowances, death insurance or accrued benefits.

Veteran pensions and compensation has been the largest veteran transfer payment in Oklahoma in recent years. This transfer averaged $40 million annually for the period 1951-1954. Veteran pensions and compensation in recent years has

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[2] Two other programs of aid to veterans were discussed in Chapter IV. They were veterans' unemployment and self-employment allowances.

been the second largest transfer payment in Oklahoma in recent years. In 1954 it accounted for 18 per cent of total transfer payments in the state. (Table 4)

The primary source of data on veteran pensions and compensation is the Veterans Administration office in Muskogee, Oklahoma. This office processes all claims and authorizes payment. The ideal method of allocating the state total among the counties would be to have the regional office of the Veterans Administration in Kansas City (where the checks are written) tabulate the amounts paid to veterans or beneficiaries in each county of the state each month, and provide annual totals. The Veterans Administration in Kansas City does not have this kind of information, nor is it available in the state Veterans Administration office in Muskogee.

Under this program some persons have received monthly checks of a constant sum of a period of many years. This would apply, for example, to dependents of veterans of the Civil War, Spanish-American War, and more recent wars. In other instances beneficiaries may receive a lump sum payment to cover an item such as burial expenses. The amount paid to disabled veterans some times changes as a result of improvement or deterioration in the physical condition of the recipient. By and large, however, since the payment to individual recipients are determined by formulae applied nationally, the amount of the monthly payment to individual recipients does not change significantly from month to month or from year to year. For these reasons, personnel at the Veterans Administration office in Muskogee agreed with the writer that the most satisfactory method of allocating pension and compensation payments would be to assign to each county its proportionate percentage of total veteran population in the state.[3] Because veteran population will serve as the basis for allocating payments under other programs, the precise steps involved in the allocation of pension and compensation payments will be discussed later in this chapter.

Government Life Insurance Benefits

The National Income Division defines Government life insurance benefits as death benefit payments made from the National Service Life Insurance fund to survivors of World War II and Korean veterans; death benefits paid from the fund to survivors of World War I veterans; and special dividends paid to holders of World War I national Service Life Insurance policies.

The size of this transfer payment has varied greatly from year to year since the end of World War II. Fluctuations from year to year have been due mainly to the granting of dividend payments. Payments have been very large in years when dividends to World War II NSLI premiums were declared. In other years payments have been relatively smaller when

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[3]Interview with Mr. Menter G. Baker, Manager, Veterans Administration, Regional Office, Muskogee, Oklahoma, March 6, 1956.

benefits were paid only to beneficiaries of deceased veterans. In recent years Government service life insurance transfer payments have amounted to an average of $11 million annually. In 1954 they accounted for 4 per cent of total transfer payment in Oklahoma. (Table 4)

The insurance provisions for Korean veterans were not as favorable as those for World War II veterans, and the result has been that a much smaller percentage of Korean veterans continued their policies after they returned to civilian life.

Tabulations were made available by the Oklahoma Selective Board showing the number of persons leaving the Armed Forces in Oklahoma, by county, by year from 1950 to date. If all Government life insurance benefit payments were made to veterans of World War II and the Korean War, it might be possible to allocate the amounts on the basis of the proportionate number entering or leaving the Armed Forces for each county. But this method would have two defects. First, some World War I veterans or their beneficiaries receive payments under this program. Second, some veterans who entered the Armed Forces as residents of Oklahoma left the state at the end of their period of service, and some veterans from other states currently reside in Oklahoma.

After examining the various possible alternatives for allocating Government life insurance benefits, it appears that the most satisfactory method would be to use the Veterans

Administration distribution of veteran population in Oklahoma by county. This method is based on the assumption that death benefit payments and dividend payments are proportionate to the veteran population. It involves the further assumption that the number of veterans with insurance who die in each county is proportionate to that county's veteran population. In any given year this may result in a very minor overstatement or understatement of insurance benefits received by persons in a particular county, especially in counties with a relatively small population. But the distortion will not be significant.

Military and Naval Insurance

Another government insurance program for veterans requires brief mention. Members of the Armed Forces during World War I were permitted to purchase War Risk Insurance up to $10,000 against death or total disability. It was issued on a one-year-renewable term plan. In addition, automatic coverage was granted to those who became totally and permanently disabled or dies within 120 days after entrance into service without having applied for War Risk Insurance.[4] Under the program disbursements were made from the Military and Naval appropriation by Congress. Total payments under the program have been in excess of $2 billion, and in 1954

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[4]Administrator of Veterans Affairs, Annual Report, for fiscal year ending June 30, 1954 (Washington: Government Printing Office, 1955), pp. 121-122.

amounted to $5 million.[5] In Oklahoma the payment in 1954 was $102,000, less than 0.1 per cent of total transfer payments in the state. (Table 4) Since a tabulation of actual payments by county is not available, it is recommended that this small item be allocated on the basis of veteran population by county.

Servicemen's Indemnity Payments

This program was inaugurated during the Korean War period. The purpose of the program was to provide indemnity to beneficiaries of deceased veterans in lieu of insurance. If no Government insurance is in effect at the time of the veteran's death, the amount of the indemnity is $10,000. If Government insurance is in effect, the amount of the indemnity is reduced by the amount of the insurance. Payment of indemnity is limited to the surviving spouse, child or children, parent, brother, or sister of the deceased veteran. The payments are made in 120 equal monthly installments.[6] The National Income Division estimates indicate that payments to beneficiaries of deceased Oklahoma veterans rose from $50,000 in 1951 to $308,000 in 1954. In the latter year payments amounted to 0.1 per cent of total transfer payments in the state.

The primary source of data for these payments is the

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[5] *Ibid.*

[6] *Ibid.*, p. 79.

United States Treasury by county tabulations are not available. Various other methods of allocating these payments among the counties were examined. For example, it would be possible to use the number of persons entering the Armed Forces each year since 1950, by county but many persons serving during the Korean War period had begun their military service at an earlier date. Or, it might be possible to use county data on the number of persons leaving the Armed Forces since 1950. But this method would exclude the deceased veterans whose beneficiaries were entitled to the payments under the program. Veteran population by county falls far short of the ideal allocator because a high percentage of the veteran population is made up of veterans of World War II. Nevertheless, the smallness of total annual payments under the program and the lack of more adequate data suggest that veteran population by county is the most satisfactory allocator available at this time.

Payments to Paraplegics

The National Income Division defines payments to paraplegics as compensation payments to paraplegics for medical care, housing, purchase of automobiles, and other special equipment such as wheel chairs. A paraplegic is defined as one whose lower half (or both sides) of the body is paralyzed.

Payments to paraplegics have been nominal in Oklahoma, averaging about $75,000 annually in recent years. In 1954 these payments accounted for less than 0.1 per cent of total transfer payments in Oklahoma. (Table 4). Payments under this program increase substantially immediately following a war when special paraphernalia must be bought for paraplegics, but in general these payments are very small.

Records on the number of paraplegics and authorized payments are maintained by the Veterans Administration in Muskogee. The ideal method of allocating this transfer payment would be to have a monthly tabulation and annual total of payments to paraplegics by county from the Veterans Administration office. But these data are not available.

Since the payments are nominal and since a tabulation of payments is not available, the most reasonable method of allocation appears to be each county's proportionate share of the total veteran population.

Interest Payments on Veterans' Loans

The National Income Division defines payments on veterans' loans as payments made by the Veterans Administration to cover the first year's interest on the guaranteed portion (up to $4,000) of veterans' loans under the "G.I. Bill," the interest not to exceed 4 per cent. The bulk of these payments have been in connection with the purchase of new or existing dwelling units, but they include relatively small amounts in connection with loans for business and agricultural ventures. Interest payments on veterans' loans were important in Oklahoma immediately following World War II and the Korean War. Currently, payments under this program are small. Although payments amounted to almost $1 million annually in 1952 and 1953 when large numbers of veterans of the Korean War took advantage of the program, payments in 1954 dropped to $90,000. (Table 3) In 1952 and 1953 interest payments on veterans' loans amounted to 0.4 per cent of total transfer payments in Oklahoma annually, and in 1954 had fallen to less than 0.1 of one per cent. (Table 4)

Payments under this program are disbursed from Kansas City. Records of veterans who apply for benefits under the program are maintained in the regional Veterans Administration office in Muskogee. The Veterans Administration office in Muskogee, however, does not maintain its records in a manner that makes possible direct allocation. Nor have county data been available from the United States Treasury.

If total payments under the program were large and constituted a significant percentage of total personal income or total transfer payments, it would be possible to compile data on veteran mortgage loans from county courthouse records. Since the amount of the payments fluctuates widely from year to year, however, it would be necessary to repeat the compilation for each year for which estimates are needed. It would not be satisfactory to compile the data for one year and use the results as a benchmark for earlier or later years. Because the total amount involved is small, and

TABLE 22

VETERAN POPULATION IN OKLAHOMA, BY COUNTY, AUGUST 26, 1954*

County	Veteran Population	Per cent of State Total
Adair	2,004	0.6
Alfalfa	1,437	0.5
Atoka	1,833	0.6
Beaver	996	0.3
Beckham	2,905	0.9
Blaine	2,021	0.7
Bryan	3,895	1.3
Caddo	4,689	1.5
Canadian	3,444	1.1
Carter	4,897	1.6
Cherokee	2,551	0.8
Choctaw	2,747	0.9
Cimarron	617	0.2
Cleveland	5,567	1.8
Coal	1,082	0.3
Comanche	7,411	2.4
Cotton	1,367	0.4
Craig	2,453	0.8
Creek	5,795	1.9
Custer	2,834	0.9
Delaware	1,980	0.6
Dewey	1,180	0.4
Ellis	984	0.3
Garfield	7,095	2.3
Garvin	3,963	1.3
Grady	4,684	1.5
Grant	1,405	0.5
Greer	1,579	0.5
Harmon	1,085	0.4
Harper	803	0.3
Haskell	1,789	0.6
Hughes	2,776	0.9
Jackson	2,697	0.9
Jefferson	1,494	0.5
Johnston	1,425	0.5

TABLE 22--Continued

County	Veteran Population	Per cent of State Total
Kay	6,567	2.1
Kingfisher	1,727	0.6
Kiowa	2,540	0.8
Latimer	1,303	0.4
Le Flore	4,739	1.5
Lincoln	2,969	1.0
Logan	2,978	1.0
Love	1,037	0.3
McClain	1,972	0.6
McCurtain	4,243	1.4
McIntosh	2,395	0.8
Major	1,381	0.4
Marshall	1,098	0.4
Mayes	2,652	0.9
Murray	1,448	0.5
Muskogee	8,818	2.8
Noble	1,633	0.5
Nowata	1,781	0.6
Okfuskee	2,277	0.7
Oklahoma	50,000	16.1
Okmulgee	5,985	1.9
Osage	4,444	1.4
Ottawa	4,328	1.4
Pawnee	1,829	0.6
Payne	6,236	2.0
Pittsburg	5,512	1.8
Pontotoc	4,147	1.3
Pottawatomie	5,845	1.9
Pushmataha	1,612	0.5
Roger Mills	994	0.3
Rogers	2,624	0.8
Seminole	5,463	1.8
Sequoyah	2,656	0.9
Stephens	4,572	1.5
Texas	1,913	0.6

TABLE 22--Continued

County	Veteran Population	Per cent of State Total
Tillman	2,364	0.8
Tulsa	37,189	12.0
Wagoner	2,249	0.7
Washington	4,417	1.4
Washita	2,372	0.8
Woods	1,951	0.6
Woodward	1,932	0.6
Total	309,676	100.0

*Source: Provided through the courtesy of the Veterans Administration, Regional Office, Muskogee, Oklahoma. The Veterans Administration estimates the veteran population of the state as follows:

World War I and previous wars	48,500
World War II and Korean War	261,176
Total	309,676

because it seems reasonable to assume that veterans in one county are about as likely to borrow under this program as veterans in any other county, a rough approximation of the county distribution may be obtained by using veteran population, by county, as the allocator.

Method of Allocation

It is recommended that the following six types of transfer payments be allocated on the basis of veteran population by county: (1) Veteran pensions and compensation; (2) Government life insurance benefits; (3) Military and naval insurance payments; (4) Servicemen's indemnity payments; (5) Payments to paraplegics; and, (6) Interest payments on veterans' loans. The steps involved are as follows. First, obtain the amount of each payment from the National Income Division. Second, compute the county veteran population as a per cent of total state veteran population. The data are available from the Veterans Administration office in Muskogee. (Table 22) Third, apply the county percentages to the National Income Division's estimates. Data for recent years for each of these programs were shown in Table 3.

Subsistence Allowances to World War II and Korean Veterans

The basic legislation providing vocational rehabilitation and educational benefits to World War II and Korean veterans was Public Law 346 (78th Congress), Public Law 16

(78th Congress), Public Law 550 (82nd Congress), and Public Law 894 (81st Congress).

Public Law 346 provided for educational training for World War II veterans in any approved school or "on-job" or "on-farm" training, provided that such course was initiated not later than July 25, 1951 or four years after the date of discharge. For veterans attending educational institutions under this law, the Veterans Administration paid the cost of tuition, books, supplies and equipment, provided that such costs for an ordinary school year did not exceed $500. Veterans attending educational institutions under this Act received compensation of $50 a month if there were no dependents, or $75 a month if there were dependents.[7] World War II disabled veterans attending institutions of learning under Public Law 16 received compensation in addition to the amount received by non-disabled veterans.

Korean veterans attending educational institutions under Public Law 550 receive compensation at the full time attendance rate of $110 per month if there are no dependents, $135 per month if there is one dependent, and $160 if there are more than one dependent. Korean disabled veterans attending educational institutions under Public Law 894 receive an amount in addition to the amount received by non-disabled

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[7]Currently, veterans attending school under Public Law 346 receive $90 if there are no dependents, $110 if there is one dependent, and $120 if there are more than one dependent.

TABLE 23

NUMBER OF VETERANS IN TRAINING IN INSTITUTIONS OF HIGHER LEARNING IN OKLAHOMA, BY COUNTY, BY PROGRAM, MARCH 31, 1956*

County	Public Law 550	Public Law 346	Public Law 894	Public Law 16	Total
Beckham	42	-	1	-	43
Bryan	498	119	9	-	626
Canadian	7	-	-	-	7
Carter	5	1	-	-	6
Cherokee	317	8	5	-	330
Cleveland	1,861	62	35	7	1,965
Comanche	118	-	4	1	123
Custer	327	1	9	2	339
Garfield	138	12	3	2	155
Grady	1	-	-	-	1
Jackson	12	-	-	-	12
Johnston	67	-	-	-	67
Kay	74	-	3	-	77
Latimer	274	20	3	-	297
Le Flore	381	17	-	-	398
Logan	105	5	6	1	117
Muskogee	146	11	2	1	160
Oklahoma	2,124	88	26	13	2,251
Ottawa	303	10	2	-	315
Payne	1,838	41	54	11	1,944
Pittsburg	7	1	-	-	8
Pontotoc	374	20	-	-	394
Pottawatomie	163	10	4	4	181
Rogers	8	1	-	-	9
Seminole	10	-	1	-	11
Stephens	17	-	-	-	17
Texas	76	-	2	-	78
Tulsa	1,460	143	28	4	1,635
Washington	39	-	-	-	39
Woods	133	-	2	1	136
Total	10,925	570	199	47	11,741

*Source: Provided through the courtesy of the Veterans Administration, Regional Office, Muskogee, Oklahoma.

veterans attending educational institutions under Public Law 550. The veteran pays the cost of tuition, books, and personal equipment from his total sllowance and the Government does not make direct payment for these services to educational institutions.[8]

"On-job" trainees under Public Law 346 receive payments of $70 per month if there are no dependents, $85 per month if there is one dependent, and $105 per month if there are more than one dependent. "On-farm" trainees receive $95 per month if there are no dependents, $110 per month if there is one dependent, and $135 per month if there are more than one dependent. Payments to "on-job" and "on-farm" trainees under the Korean Act are reduced every four months until compensation is exhausted.

The Regional Office of the Veterans Administration in Muskogee, Oklahoma has compiled data from the original records which make it possible to allocate payments under these programs with a high degree of reliability, although they do not have data for direct allocation. The Veterans Administration provided a tabulation of the number of veterans attending institutions of higher learning in the state under the various programs as of March 1956. (Table 23) The tabulation can be used as a bench mark for the distribution of payments for earlier years. In March 1956 there were

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[8]The Government does make payments to institutions for the use of some equipment by veterans, and clerical work. See pp. 118.

12,000 veterans attending institutions of higher learning under these programs. Of the total, 95 per cent were under the Korean bills and 5 per cent under the World War II bills. A very small percentage of these veterans were receiving benefits under the "disabled" program.

About two-thirds of the veterans receiving assistance under these programs were attending college in four counties, principally the University of Oklahoma in Cleveland County, Oklahoma Agricultural and Mechanical College in Payne County, Oklahoma City University in Oklahoma County, and Tulsa University in Tulsa County. The remainder were distributed through 26 other counties. (Table 23)

There are minor variations in the amounts received by individual veterans due to differences in dependency, disability, and full or part time attendance. The personnel at the Veterans Administration in Muskogee who are in constant contact with these programs have assured the writer that a tabulation of the amount paid each veteran in each county would show only unimportant variation from a county estimate based on equal payments to all veterans.[9] Consequently, an allocation of the state total of benefits under these programs according to the proportionate number of veterans

[9]The writer is indebted to Mr. Seth Wilson, Chief, Vocational Rehabilitation and Educational Division, Veterans Administration, Regional Office, Muskogee, Oklahoma for providing special tabulations of veterans attending institutions of higher learning under this program, and for other information.

attending institutions of higher learning in each county will have a high degree of reliability. It should be noted in passing that the United States Bureau of the Census classifies students as residing in the county in which they attend school rather than in the county in which their parents reside.

The writer is informed by the Veterans office in Muskogee that veterans receiving allowances under the "on-job," "on-farm" provisions and the small number receiving allowances while attending secondary schools are distributed throughout the state. In the absence of direct allocation data, it is recommended that benefits under these provisions be allocated to the veteran population by county. The effect of using this method is probably to assign a slightly larger amount than appears warranted to the two most heavily populated counties in the state--Oklahoma and Tulsa, but the error is negligible.

Currently, payments under these programs amount to $12.3 million, about 5 per cent of total transfer payments. These payments are made to some 13,380 veterans in Oklahoma divided as follows:

Attending college	12,000
On-job and on-farm training	1,300
Attending secondary educational institutions	80
Total	13,380

The Veterans Administration recommends that the total amount of benefits be divided among the total number of recipients in proportion to the number receiving benefits under each program. This involves the assumption that each veteran receives an equal monthly or annual amount. The Veterans Administration recognizes that there are minor variations in the amounts paid but feel confident that there is no significant variation between the amount received per veteran in other counties. If we divide the total payments for 1954 among the three categories, the results are:

Attending college	$11,033,100
On-job and on-farm training	1,193,100
Attending secondary educationsl institutions	73,800
Total	$12,300,000

Payments to Private Nonprofit Institutions

In the national income framework private nonprofit institutions are classified as "persons." The reason is found in the realm of convenience rather than logic. The category does not include publicly owned and operated institutions of higher learning. Nor does it include such institutions of learning as flying schools, barber schools and beauty parlor schools, dancing schools, and bar tending schools because these institutions are organized for profit. In 1954 payments to private nonprofit institutions in

TABLE 24

NUMBER OF VETERANS IN TRAINING IN PRIVATE NONPROFIT INSTITUTIONS OF HIGHER LEARNING IN OKLAHOMA, BY COUNTY, BY PROGRAM, MARCH 31, 1956[*]

County	Public Law 550	Public Law 346	Public Law 894	Public Law 16	Total
Oklahoma[1]	1,560	84	21	13	1,678
Tulsa	1,460	143	28	4	1,635
Garfield	138	12	3	2	155
Muskogee	19	-	-	-	19
Pottawatomie	163	10	4	4	181
Washington	39	-	-	-	39
Total	3,379	249	56	23	3,709

[*]Source: Provided through the courtesy of the Veterans Administration, Regional Office, Muskogee, Oklahoma.

[1]May include a very small number of veterans attending publicly owned and operated institutions.

Oklahoma amounted to $3.0 million, or 1.3 per cent of total transfer payments in the state. (Tables 3 and 4)

The problem of allocating these payments among the counties is simple because two institutions (Oklahoma City University and Tulsa University) account for more than 90 per cent of veteran enrollment in all private nonprofit institutions in the state. The remaining veterans attend institutions in four other counties. (Table 24). Furthermore, about 90 per cent of the veterans attending school at private nonprofit institutions are under the Korean War "G.I. Bill." Under that bill, payments are computed on the basis of a flat fee per veteran in attendance.

Method of Allocation

The recommended method of allocation of payments to private nonprofit institutions of learning involves the following steps. First, obtain the amount of this transfer payment from the National Income Division. Second, procure the number of veterans attending these private nonprofit institutions from the state Veterans Administration in Muskogee. Third, compute the percentage distribution by institution (county) of the total number of veterans attending these private nonprofit institutions of higher learning. (Table 23) Fourth, apply this distribution to the aggregate payment reported by the National Income Division.

CHAPTER VI

OTHER VETERANS TRANSFER PAYMENTS, CONTINUED

The veterans transfer programs discussed in the preceding chapter are administered in whole or part by the Veterans Administration. In this chapter we discuss four additional veteran programs which are administered by agencies other than the Veterans Administration. The programs are: (1) Mustering-out payments; (2) Terminal leave payments; (3) Military retirement payments; and, (4) Payments to prisoners of war. (Table 25)

Mustering-out Payments

Mustering-out pay is defined as payments made to veterans at time of discharge or separation from the Armed Forces. The maximum payment to an individual is $300. To be eligible for the maximum, a veteran must have more than 90 days of service, including some overseas duty. Other veterans may become eligible for smaller amounts. Veterans with more than 90 days of service in or out of the country are entitled to some benefit payment. A veteran with more than 90 days of service entirely within the United States is

TABLE 25

OTHER VETERANS TRANSFER PAYMENTS IN OKLAHOMA, ANNUALLY, 1951-1954*
(Thousands of dollars)

Transfer Payments	1951	1952	1953	1954	Other Veterans Transfer Payments in 1954 as a Per Cent of Total Transfer Payments in Oklahoma
Mustering-out payments	$ **	$5,854	$5,414	$4,723	2.0
Terminal leave payments	2,328	538	261	159	0.1
Military retirement payments	1,402	1,413	1,527	1,593	0.7
Payments to prisoners of war	383	261	905	25	a

*Source: Provided through the courtesy of the U.S. Department of Commerce, National Income Division.

**Less than $50,000.

[a]Less than one-tenth of one per cent.

eligible for a payment of $200. The program was inaugurated during World War II and continues to the present. It is administrated by the various branches of the Armed Forces. Thus, the Army pays Army personnel; the Navy administers the program for Navy and Marine personnel; and the Air Force has its separate program.

In the years immediately following World War II payments were very large. Payments declined later and amounted to less than $50,000 in 1951. They rose again as a result of the Korean War, amounting to $5.9 million in 1952. In 1954 they amounted to $4.7 million, about 2 per cent of total transfer payments in the state.

The separate branches of the Armed Services do not have county tabulations of amounts paid to veterans but data are available for making a highly satisfactory allocation. The Oklahoma Selective Service Board has provided data by county, by year on the number of veterans released from active duty. Since virtually all veterans serve more than 90 days before release, they are eligible for mustering-out benefits of $200 or $300. There is no evidence to suggest that the percentage of veterans entitled to the maximum benefit in one county is substantially different from that in other counties. Consequently, allocation of these payments on the basis of each county's percentage of the number of veterans released from active duty throughout the state is a highly satisfactory procedure. In a given year when the

TABLE 26

NUMBER OF PERSONS LEAVING THE ARMED SERVICES IN OKLAHOMA, BY COUNTY, 1954*

County	Number of Veterans	Per cent of State Total
Adair	151	0.8
Alfalfa	101	0.5
Atoka	111	0.6
Beaver	65	0.3
Beckham	197	1.0
Blaine	168	0.8
Bryan	309	1.5
Caddo	446	2.2
Canadian	241	1.2
Carter	303	1.5
Cherokee	164	0.8
Choctaw	226	1.1
Cimarron	34	0.2
Cleveland	298	1.5
Coal	89	0.4
Comanche	516	2.6
Cotton	104	0.5
Craig	186	0.9
Creek	396	2.0
Custer	219	1.1
Delaware	112	0.6
Dewey	79	0.4
Ellis	63	0.3
Garfield	448	2.2
Garvin	255	1.3
Grady	278	1.4
Grant	118	0.6
Greer	129	0.6
Harmon	83	0.4
Harper	70	0.3
Haskell	157	0.8
Hughes	193	1.0
Jackson	166	0.8
Jefferson	130	0.6
Johnston	108	0.5

TABLE 26--Continued

County	Number of Veterans	Per cent of State Total
Kay	425	2.1
Kingfisher	130	0.6
Kiowa	206	1.0
Latimer	102	0.5
Le Flore	349	1.7
Lincoln	214	1.1
Logan	196	1.0
Love	78	0.4
McClain	165	0.8
McCurtain	318	1.6
McIntosh	179	0.9
Major	97	0.5
Marshall	80	0.4
Mayes	178	0.9
Murray	88	0.4
Muskogee	590	2.9
Noble	142	0.7
Nowata	124	0.6
Okfuskee	174	0.9
Oklahoma	2,608	13.0
Okmulgee	416	2.1
Osage	283	1.4
Ottawa	248	1.2
Pawnee	140	0.7
Payne	354	1.8
Pittsburg	342	1.7
Pontotoc	294	1.5
Pottawatomie	442	2.2
Pushmataha	137	0.7
Roger Mills	84	0.4
Rogers	197	1.0
Seminole	360	1.8
Sequoyah	190	0.9
Stephens	311	1.5
Texas	121	0.6

TABLE 26--Continued

County	Number of Veterans	Per cent of State Total
Tillman	183	0.9
Tulsa	1,956	9.7
Wagoner	134	0.7
Washington	271	1.3
Washita	191	1.0
Woods	139	0.7
Woodward	151	0.8
Total	20,000	100.0

*Source: Provided through the courtesy of the Oklahoma Selective Service Board.

[a]The Oklahoma Selective Service Board defines the year as beginning on April 1, and ending March 31.

Components do not necessarily add to totals, because of rounding.

total number of veterans released from duty is relatively small, the amount of money assigned to a sparsely settled county might be overstated, but the amount of the overstatement will be trifling.

Method of Allocation

It is suggested that the following method be used in allocating mustering-out payments to the counties in Oklahoma. First, procure the aggregate state payment from the National Income Division. Second, compute the number of veterans released from active duty in each county as a per cent of total released from active duty veterans in the state. (Table 26) Third, apply this percentage distribution to aggregate state mustering-out payments.

Terminal Leave Payments

The National Income Division defines terminal leave payments as payments made to veterans for leave-time earned but not taken while in the military service. Payments under the program were made only to veterans of World War II. When the program was first inaugurated enlisted men received their benefits in the form of non-negotiable, non-redeemable bonds of $50 denomination, with odd amounts being paid in cash. Officers received their benefits in cash. The official reason for paying enlisted men in the form of bonds was to prevent redemption and possible use of the bonds as collateral for bank loans. It was felt that if enlisted men could not spend the proceeds of these benefits, the effect would be to dampen the inflationary forces that were so widespread at the time. A storm of protest produced a change in the law which permitted holders of these bonds to redeem them for cash at any time after September 2, 1947.[1]

The amount of payment to each veteran depended mainly on two factors: (a) rank, and (b) length of accrued leave time. Terminal leave bonds for enlisted men were issued originally by the various branches of the Armed Forces. Officers received their terminal leave pay in cash directly from the various branches of the Armed Forces. Later, when enlisted men's bonds were redeemed, checks were written by the United States Treasury.

The National Income Division reports terminal leave payments to officers at the time the payments are made. It records payments to enlisted men, not at the time the bonds are issued, but at the time the bonds are redeemed for cash. Thus, if an enlisted man was released from active duty and received terminal leave bonds in 1947 and redeemed them for cash in 1950, the National Income Division will record the payment for the year 1950. This procedure is consistent with the Division's concept of personal income receipts.

The bulk of the terminal leave bonds was issued in the period immediately following World War II when millions

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[1]U.S. Statutes 748 (1947).

of enlisted personnel were released from active duty. But the bulk of the cash redemptions occurred in the last four months of the calendar year 1947, and were reported by the National Income Division as part of personal income for that year. Smaller amounts of redemptions have occurred each year since 1947, and are very small at the present time. For example, in 1954 redemptions amounted to $400,000, about one-tenth of one per cent of total transfer payments in the state.

The writer tried to obtain county tabulations of the cash disbursements and the value of bond redemptions from the separate branches of the Armed Forces, by year, but they were not available. Satisfactory allocation of these payments, however, can be achieved by other data which are available. The Veterans Administration in Muskogee estimates that 70 per cent of all veterans in the state of Oklahoma are veterans of World War II. Furthermore, the county distribution of World War II veterans is not substantially different from the county distribution of veterans of other periods. The reason is that the Oklahoma Selective Service Board allocates the state draft total among the counties on the basis of the number of the male population of draft age. Consequently, county data on total veteran population of the state reasonably reflect the county distribution of World War II veterans. The Veterans Administration in Muskogee has provided a county distribution of the total veteran population of the state. It is recommended, therefore, that terminal leave payments be allocated on the basis of the total veteran population of each county. The precise steps to be followed will be enumerated later in the chapter.

Military Retirement Payments

The program of military retirement payments is designed to provide a continuous source of income for retired career servicemen. Usually, recipients of these benefits have served 20 years or more as a member of some branch of the Armed Forces. Although some type of retirement program for military personnel dates back at least a century and a half, our interest is limited to the current program.[2]

The program is financed by an annual appropriation by Congress from the General Fund of the Treasury. This means that the program is noncontributory on the part of members of the Armed Forces. Servicemen become eligible for retirement benefits as a matter of legal right, after a stated period of service. The amount of the monthly retirement benefit is determined by a formula based mainly on (a) length of service, (b) rank, and (c) number of years in rank. Retirement benefits are paid only to former members of the Armed Forces but lump-sum payments are made to surviving widows and orphans. Enlisted men who become eligible for

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[2]Thurza J. Brannon, Outline of Federal Retirement Systems (Washington: Social Security Administration, 1948).

military retirement benefits receive payments from the branch of the Armed Forces to which they are attached. Retirement benefits for officers are made by the Veterans Administration.

Up to the present, military retirement benefit payments throughout the nation have been relatively small for two closely related reasons. First, payments have been limited to "career" servicemen. Second, prior to World War II the number of "career" servicemen has been small. At the present time only about 120,000 persons throughout the nation receive military retirement benefits. The future, however, is certain to be different. Since the beginning of World War II our military forces have been much larger than in earlier periods and a career in the Armed Services is attracting more and more people. One of the important inducements held out to military personnel is the prospect of military retirement benefits. Large numbers of military personnel are accumulating the necessary longevity. Hence, regardless of international military considerations, these payments are destined to increase in the next two decades.

In some previous studies of county income for other states military retirement benefits have been allocated on the basis of the total male population by county 65 years of age and over.[3] But examination of the age distribution of

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[3]Lewis C. Copeland, Methods For Estimating Income Payments In Counties, County Income Estimates for Seven Southeastern States (Charlottesville: University of Virginia, 1952), 80.

recipients of military retirement benefits strongly suggests that this is not a satisfactory procedure. In a recent study of the age distribution of military retirement benefits, it was found that a substantial majority of the recipients are probably under 65 years of age.[4]

Since the total number of recipients of these benefits is small, it would be a relatively simple statistical problem to prepare a nationwide county tabulation of the number of recipients and the amount of payments for each year. As indicated earlier, the data for enlisted men are available in the records of the various branches of the Armed Services and data for officers are available in the records of the Veterans Administration. This writer, however, was unsuccessful in his efforts to obtain these tabulations for veterans in the state of Oklahoma. Perhaps, as payments under the program increase, the data will be made available.

The National Income Division estimates that military retirement benefits in Oklahoma have amounted to about $1.5 million annually in recent years, or 0.7 per cent of total transfer payments in the state. (Table 4) On the basis of series available for indirect allocation of this sum among the counties, the most reasonable seems to be total

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[4]John J. Corson and John W. McConnell, Economic Needs of Older People (New York: Twentieth Century Fund, 1956), 262.

veteran population. The steps involved in this method will be indicated later in the chapter.

Payments to Prisoners of War

The United States War Claims Commission makes relatively small amounts of payments to Americans who became prisoners of war by the enemy during World War II and the Korean War.[5] Payments are made at the rate of $1.00 per day for each day of detainment on the assumption that the enemy failed to provide adequate food, clothing, and shelter, as specified at the Geneva Conference of 1929. In 1952 payments of an additional $1.50 per day were added on the assumption that prisoners received "inhumane treatment." To become eligible for these payments, it was not necessary that the former prisoner of war produce evidence of unsatisfactory food, clothing, or shelter, or "inhumane treatment." The payments were designed as a gesture of gratitude, and in many instances the evidence of unsatisfactory provisions and "inhumane treatment" was overwhelming. Payments under the program are not automatic. Claimants must apply for compensation. On approval of the application, lump-sum payments are made.

Because the total payments are small and because tabulations of actual payments by county are not available, it is recommended that the amount of these payments be allocated

[5]War Claims Act of 1948, (Public Law 896).

among the counties on the basis of total veteran population. There seems to be no evidence that a given percentage of servicemen from one county are more likely to become prisoners of war than a similar percentage of servicemen from another county. It is highly probable, however, that this method of allocation will assign very small amounts to some counties in some years which are above amounts actually received.

Method of Allocation

It is recommended that terminal leave payments, military retirement payments, and payments to prisoners of war be allocated as follows: First, obtain the National Income Division estimate for the state for each of these three payments. Second, compute the number of veterans in each county as a per cent of the state total. Third, apply this percentage distribution to the National Income Division estimates. Data on each of the above items for some recent years are shown in Table 3, Chapter I. The county distribution of the veteran population in Oklahoma is shown in Table 22, Chapter V.

CHAPTER VII

FEDERAL RETIREMENT AND INSURANCE BENEFITS

In this chapter we discuss three types of retirement and insurance programs. These are: (1) Old-age and survivors' insurance benefits; (2) Railroad retirement benefits; (3) Federal civilian pensions. These programs are administered by the following agencies of the federal government: (1) The Social Security Board; (2) The Railroad Retirement Board; and, (3) The United States Civil Service Commission. Payments under these programs have become relatively important in recent years and show signs of becoming more important in future years.

Old-Age and Survivors' Insurance

The federal social security program was inaugurated in 1935. The original Act provided benefit payments for insured workers only. Survivors' insurance benefits were added in the 1939 amendment to the Act. The 1935 and 1939 amendment include the basic provisions of the old-age and survivors' insurance program as it exists today, although the program has been expanded by a series of amendments in 1950, 1952 and 1954.

In the original Act coverage was limited to persons employed in commerce and industry, and substantial numbers of these groups were exempt. In later amendments coverage was extended to include employees of state and local governments, and nonprofit institutions on an elective basis. Coverage was also extended on a compulsory basis to non-farm self-employed, some Federal employees, and regularly employed farm and domestic workers. The 1954 amendment extended coverage to include farm owners and some professionally self-employed persons previously excluded, additional farm workers and domestic employees and others. As a result of the continuous broadening of coverage and other federal insurance programs (such as the Railroad Retirement Act and the Federal employee retirement systems) about 90 per cent of all paid jobs in the nation are covered by old-age and survivors' insurance (OASI) and related programs.[1]

The program is financed through payroll taxes paid by the insured worker and his employer, or by the self-employed. Beginning in 1937 employers and employees covered by the Act each were subject to a tax of one per cent of wages up to $3,000 a year to finance the program. In January, 1950 old-age and survivors' insurance contribution rates were increased

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[1]For a chronology of the provisions of the Social Security Act and its amendments see: U.S. Department of Health, Education and Welfare <u>Social Security Bulletin</u> (Washington: Government Printing Office, August, 1955), pp. 28-30.

to one and one-half per cent each for employees and employers, and in 1954 contribution rates were increased to two per cent with the amount of wages covered raised to $4,200.

The basis of the benefit payment structure under the old-age and survivors' insurance program is the primary benefit. Primary benefits are payable only to eligible insured persons. Dependency benefits are payable only if a primary benefit is payable. Survivors' benefits are payable only to certain dependents of the insured deceased. Both dependency and survivor benefits are computed as fractional parts of primary benefits.

The number of beneficiaries and the amount of benefit payments under the OASI program have increased steadily since payments began in 1940. In 1940 only 220,000 persons were receiving payments under the program. Partially as a result of the increased coverage provided for in the 1950, 1952 and 1954 amendments to the Act the number of beneficiaries increased to 3 million in 1950, and to 7 million in 1954. As a result of the increased number of beneficiaries and the liberalization of benefits, payments under the program have also increased steadily. Monthly benefits rose from $4 million in 1940 to $340 million in 1954.[2]

The proportionate amount of benefits received by the

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[2]U.S. Department of Health, Education and Welfare, Social Security Bulletin (Washington: Government Printing Office, September, 1955), Table 40, p. 55.

TABLE 27

NUMBER OF BENEFICIARIES OF OLD-AGE AND SURVIVORS' PAYMENTS IN OKLAHOMA, AT THE END OF EACH YEAR, 1949-1954*

December 31	Number of Beneficiaries (Thousands)
1949	24.3
1950	34.1
1951	45.1
1952	53.2
1953	64.9
1954	75.2

*Source: Compiled from data in the September issues of the U.S. Department of Health, Education and Welfare, Social Security Bulletin, 1950-1955.

various categories under the OASI program have remained fairly stable since the initiation of the program. The distribution of payments for 1954 is typical. In that year 66 per cent of OASI benefit payments went to old-age recipients, 21 per cent for supplemental benefits, and 13 per cent for survivors' benefits.[3]

The number of recipients and amount of benefit payments in Oklahoma have paralleled the nationwide trend. In recent years the number of beneficiaries in Oklahoma increased rapidly, rising from 24,000 in 1949 to 75,000 in 1954. (Table 27) During the same period payments increased from $5 million to $35 million. (Table 28) In 1954 OASI benefits were the third largest transfer payment in Oklahoma, accounting for 15 per cent of the total. (Table 4) A major portion of OASI payments received in Oklahoma, as for the nation, is received by primary beneficiaries. (Table 29) In 1954 primary benefits amounted to $21 million (62 per cent of total OASI benefit payments). Supplemental benefits amounted to $3 million (10 per cent), and survivors' benefits amounted to $9 million (26 per cent). In 1954 lump sum death payments amounted to $0.8 million (2 per cent).

The regional office of the Social Security Administration in Oklahoma City has compiled county data on benefit payments in the state. Ideally, ~~it~~ would be desirable to

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[3] *Ibid*.

TABLE 28

OLD-AGE AND SURVIVORS' INSURANCE PAYMENTS IN OKLAHOMA, BY TYPE OF BENEFIT, ANNUALLY, 1949-1954*
(Thousands of dollars)

Year	Total	Old-age	Supplemental[1]	Survivors[1]	Lump Sum
1949	$ 5,406	$ 2,808	$ 463	$1,900	$235
1950	9,252	4,542	1,405	2,976	329
1951	16,793	9,483	1,562	5,273	475
1952	20,354	11,613	1,877	6,291	573
1953	28,129	16,848	2,670	7,767	844
1954	34,925	21,490	3,389	9,250	796

*Source: Compiled from data in the September issues of the U.S. Department of Health, Education and Welfare, Social Security Bulletin, 1950-1955.

[1]Supplementary benefits are paid to entitled wives and children of retired (primary) beneficiaries. Survivor benefits are paid to the following survivors of deceased insured workers: aged widows, children, younger widows with child beneficiaries in their care, or dependent aged parents.

TABLE 29

PERCENTAGE DISTRIBUTION OF OLD-AGE AND SURVIVORS' INSURANCE PAYMENTS IN OKLAHOMA, BY TYPE OF BENEFIT, ANNUALLY, 1949-1954*

Year	Total	Old-age	Supplemental	Survivor	Lump Sum
1949	100.0	51.9	8.6	35.1	4.3
1950	100.0	49.0	15.2	32.2	3.6
1951	100.0	56.5	9.3	31.4	2.8
1952	100.0	57.0	9.2	30.9	2.8
1953	100.0	59.9	9.5	27.6	3.0
1954	100.0	61.5	9.7	26.5	2.3

*Source: Compiled from data in Table 28.

Components do not necessarily add to totals because of rounding.

have a tabulation of payments each month or calendar year for each county. But a high degree of reliability can be achieved by a different approach. Because the program is so large and involves monthly payments to so many millions of persons, the Social Security Administration at the national level prepares a distribution of the number of beneficiaries and amount of benefits by states for a single month each year. Reliable estimates for a calendar year may be obtained by multiplying the data for a single month (usually December) by 12. There are, of course, occasional changes in the amount of benefits paid to individual recipients and changes in coverage but these changes do not result in significant shifts in the distribution of payments among the 48 states.

Similarly in Oklahoma it is not necessary to compile monthly data for each recipient for each county. Data for state totals by calendar years are readily available. A distribution of these payments by county for a single month provides a highly satisfactory basis for distributing the annual payments. The regional office of the Social Security Administration has prepared county tabulations of payments of all programs for 1949, and tabulations of payments for each program for a single month in 1951 and 1954. (Table 30) Currently, the regional office plans to compile similar data each year in the future. Since the seasonal factor is not an important characteristic of benefit payments, data for

TABLE 30

OLD-AGE AND SURVIVORS' BENEFIT PAYMENTS IN OKLAHOMA, BY COUNTY, 1949, 1951, AND 1954*
(Thousands of dollars)

County	1949[a]	1951[b]	1954[c]
Adair	$ 4	$ 4	$ 14
Alfalfa	9	4	12
Atoka	39	4	11
Beaver	5	2	5
Beckham	26	7	24
Blaine	21	3	13
Bryan	24	12	33
Caddo	30	10	29
Canadian	31	10	29
Carter	80	22	59
Cherokee	6	4	17
Choctaw	14	6	19
Cimarron	3	1	3
Cleveland	37	12	47
Coal	4	3	8
Comanche	74	16	53
Cotton	11	3	10
Craig	15	7	22
Creek	60	39	95
Custer	36	7	24
Delaware	4	4	12
Dewey	3	2	7
Ellis	4	2	6
Garfield	158	28	87
Garvin	23	8	26
Grady	42	16	45
Grant	9	3	11
Greer	9	3	13
Harmon	5	2	7
Harper	3	1	5
Haskell	5	3	11
Hughes	17	8	23
Jackson	22	6	22
Jefferson	5	4	11

TABLE 30--Continued

County	1949[a]	1951[b]	1954[c]
Johnston	2	4	11
Kay	157	37	100
Kingfisher	12	4	13
Kiowa	19	6	17
Latimer	3	4	11
Le Flore	26	16	46
Lincoln	17	10	30
Logan	25	11	31
Love	2	2	7
McClain	5	4	13
McCurtain	25	10	31
McIntosh	5	3	12
Major	7	2	6
Marshall	14	3	8
Mayes	10	9	26
Murray	11	6	18
Muskogee	155	31	98
Noble	13	5	14
Nowata	17	9	24
Okfuskee	9	5	19
Oklahoma	1,553	209	588
Okmulgee	136	36	87
Osage	21	18	47
Ottawa	107	26	62
Pawnee	12	7	22
Payne	68	21	65
Pittsburg	43	23	62
Pontotoc	81	17	50
Pottawatomie	77	21	66
Pushmataha	4	5	14
Roger Mills	1	2	3
Rogers	17	9	29
Seminole	64	22	59
Sequoyah	6	5	19
Stephens	86	11	41
Texas	22	4	12

TABLE 30--Continued

County	1949[a]	1951[b]	1954[c]
Tillman	14	5	16
Tulsa	1,375	202	523
Wagoner	5	3	14
Washington	287	26	71
Washita	9	3	10
Woods	20	4	15
Woodward	22	5	17
Total	$5,406	$1,125	$3,238

*Source: Provided through the courtesy of the Oklahoma City Regional Office of the Social Security Administration.

[a]Calendar year.

[b]Data refer to February 28, 1951.

[c]Data refer to December 31, 1954.

TABLE 31

PERCENTAGE DISTRIBUTION OF OLD-AGE AND SURVIVORS' BENEFIT PAYMENTS IN OKLAHOMA, BY COUNTY, 1949, 1951, AND 1954*

County	1949[a]	1951[b]	1954[c]
Adair	0.1	0.3	0.4
Alfalfa	0.2	0.3	0.4
Atoka	0.7	0.3	0.3
Beaver	0.1	0.2	0.1
Beckham	0.5	0.6	0.7
Blaine	0.4	0.3	0.4
Bryan	0.4	1.0	1.0
Caddo	0.6	0.9	0.9
Canadian	0.6	0.9	0.9
Carter	1.5	1.9	1.8
Cherokee	0.1	0.4	0.5
Choctaw	0.3	0.6	0.6
Cimarron	0.1	0.1	0.1
Cleveland	0.7	1.1	1.4
Coal	0.1	0.2	0.2
Comanche	1.4	1.5	1.6
Cotton	0.2	0.2	0.3
Craig	0.3	0.6	0.7
Creek	1.1	3.4	2.9
Custer	0.7	0.6	0.7
Delaware	0.1	0.3	0.4
Dewey	0.1	0.2	0.2
Ellis	0.1	0.2	0.2
Garfield	2.9	2.5	2.7
Garvin	0.4	0.7	0.8
Grady	0.8	1.4	1.4
Grant	0.2	0.3	0.3
Greer	0.2	2.4	0.4
Harmon	0.1	0.2	0.2
Harper	0.1	0.2	0.1
Haskell	0.1	0.3	0.3
Hughes	0.3	0.7	0.7
Jackson	0.4	0.6	0.7
Jefferson	0.1	0.3	0.3
Johnston	**	0.3	0.3

TABLE 31--Continued

County	1949[a]	1951[b]	1954[c]
Kay	2.9	3.2	3.1
Kingfisher	0.2	0.3	0.4
Kiowa	0.4	0.5	0.5
Latimer	**	0.3	0.3
Le Flore	0.5	1.4	1.4
Lincoln	0.3	0.8	0.9
Logan	0.5	1.0	1.0
Love	**	0.2	0.2
McClain	0.1	0.4	0.4
McCurtain	0.5	0.9	1.0
McIntosh	0.1	0.2	0.4
Major	0.1	0.1	0.2
Marshall	0.3	0.3	0.3
Mayes	0.2	0.8	0.8
Murray	0.2	0.5	0.6
Muskogee	2.9	2.8	3.0
Noble	0.2	0.4	0.4
Nowata	0.3	0.8	0.8
Okfuskee	0.2	0.5	0.6
Oklahoma	28.7	18.5	18.1
Okmulgee	2.5	3.2	2.7
Osage	0.4	1.6	1.4
Ottawa	2.0	2.3	1.9
Pawnee	0.2	0.6	0.7
Payne	1.3	1.8	2.0
Pittsburg	0.8	2.0	1.9
Pontotoc	1.5	1.6	1.5
Pottawatomie	1.4	1.9	2.0
Pushmataha	0.1	0.5	0.4
Roger Mills	**	0.1	0.1
Rogers	0.3	0.8	0.9
Seminole	1.2	2.0	1.8
Sequoyah	0.1	0.5	0.6
Stephens	1.6	1.0	1.3
Texas	0.4	0.4	0.4

TABLE 31--Continued

County	1949[a]	1951[b]	1954[c]
Tillman	0.3	0.4	0.5
Tulsa	25.4	17.9	16.1
Wagoner	0.1	0.3	0.4
Washington	5.3	2.3	2.2
Washita	0.2	0.3	0.3
Woods	0.4	0.4	0.5
Woodward	0.4	0.4	0.5
Total	100.0	100.0	100.0

*Source: Compiled from data in Table 30.

[a]Calendar year.

[b]Data refer to February 28, 1951.

[c]Data refer to December 31, 1954.

**Less than one-tenth of one per cent.

Components do not necessarily add to totals because of rounding.

any single month will be about as representative as data for any other month.

Recipients of benefits are located in every county of the state although, as might be expected, there is considerable concentration of payments to persons in the two most heavily populated counties, Oklahoma and Tulsa. (Table 31) Prior to the 1950 amendments recipients in these two counties accounted for more than half the total benefits in the state. Extension of coverage by recent amendments has had the effect of reducing the percentage of the state total going to these two counties. In 1954, for example, recipients in these two counties accounted for about one third of the state total.

Method of Allocation

The recommended procedure for allocating OASI payments involves the following steps. First, obtain the calendar year state totals for OASI benefit payments from the National Income Division. The data are also available in the <u>Social Security Bulletin</u>. Second, procure the monthly distribution of payments by county for the specific calendar year from the regional office of the Social Security Administration. Third, compute the percentage distribution of county benefit payments from the monthly data. Fourth, apply the percentage distribution of OASI payments to the state aggregate.

The high degree of accuracy of the data for the state total and the data for distributing the state total among the counties means that final county data for this important item rank among the most satisfactory of all county transfer payment data.

Railroad Retirement and Insurance Benefits

Although most of the 65 million persons in the labor force in the United States are covered by the Social Security Act of 1935 and subsequent amendments, railroad workers are covered by separate legislation. In fact, the first railroad retirement legislation was passed in 1934, a year before the Social Security Act, but this legislation was declared unconstitutional.[4] Within a few months, however, new legislation was enacted to cover railroad workers, and the constitutionality of this legislation was upheld by the Supreme Court. Basically, the Railroad Retirement Act provides benefits for railroad workers comparable with those of other workers under the Social Security Act, and amendments to the Railroad Retirement Act have paralleled closely those of the Social Security Act. Two important differences may be noted. First, unemployment benefits under the social security laws are administered by the states, while unemployment benefits for railroad workers are administered at the national level. Second, the social security legislation does not provide for

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[4]Railroad Retirement Board et al. v. Alton Railroad Company et al. 295 U.S. 330 (1935).

temporary disability benefits but an amendment to the Railroad Retirement Act in 1946 provided temporary disability (sickness) benefits for railroad workers.[5]

The National Income Division provides state data for total "railroad benefits" but does not provide data for benefits by type of program. This information, however, is available for recent years in the Annual Report (s) of the Railroad Retirement Board and is reprinted in the Social Security Bulletin.

Total railroad retirement and insurance benefits account for a relatively small part (3 per cent in 1954) of total transfer payments in Oklahoma. Somewhat more than half the total are retirement benefits, while the remainder is divided among survivors', unemployment, and sickness benefits. (Table 32)

The original data for compiling the county distribution of annual payments, by program, by year, are in the offices of the Railroad Retirement Board. Correspondence with the Board and personal visits to the regional office in Oklahoma City, however, indicated that it would be a prodigious statistical undertaking to rearrange the payment data to arrive at a satisfactory county distribution. Checks for benefit payments under these programs are disbursed throughout

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[5]For an extended comparison of benefits under the two programs see: Eveline M. Burns, The American Social Security System (Boston: Houghton Mifflin Company: 1951), passim.

TABLE 32

BENEFIT PAYMENTS UNDER THE RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE ACTS, BY TYPE OF BENEFIT, IN OKLAHOMA, 1949-1954*
(Thousands of dollars)

Year	Total	Retirement	Survivor	Unemployment	Sickness
1949	$3,449	$2,129	$357	$ 713	$250
1950	3,655	2,246	420	723	266
1951	3,376	2,389	498	261	228
1952	4,563	3,241	708	307	307
1953	4,967	3,288	765	509	405
1954	6,753	3,745	855	1,740	413

*Source: Provided through the courtesy of the Railroad Retirement Board.

TABLE 33

RAILROADS AND RAILWAY EXPRESS EMPLOYMENT IN OKLAHOMA, BY COUNTY, 1950*

County	Number of Employees	Per cent of State Total
Adair	56	0.5
Alfalfa	60	0.5
Atoka	71	0.6
Beaver	32	0.3
Beckham	86	0.8
Blaine	45	0.4
Bryan	117	1.0
Caddo	69	0.6
Canadian	987	9.7
Carter	86	0.8
Cherokee	17	0.1
Choctaw	145	1.3
Cimarron	30	0.3
Cleveland	50	0.4
Coal	33	0.3
Comanche	59	0.5
Cotton	5	**
Craig	85	0.7
Creek	305	2.7
Custer	88	0.8
Delaware	5	**
Dewey	32	0.3
Ellis	54	0.5
Garfield	521	4.6
Garvin	86	0.8
Grady	110	1.0
Grant	36	0.3
Greer	15	0.1
Harmon	11	0.1
Harper	19	0.2
Haskell	17	0.1
Hughes	93	0.8
Jackson	104	0.9
Jefferson	58	0.5
Johnston	45	0.4

TABLE 33--Continued

County	Number of Employees	Per cent of State Total
Kay	200	1.8
Kingfisher	27	0.2
Kiowa	58	0.5
Latimer	23	0.2
Le Flore	452	4.0
Lincoln	83	0.7
Logan	163	1.4
Love	47	0.4
McClain	153	1.3
McCurtain	40	0.4
McIntosh	34	0.3
Major	73	0.6
Marshall	69	0.6
Mayes	36	0.3
Murray	66	0.6
Muskogee	826	7.3
Noble	81	0.7
Nowata	59	0.5
Okfuskee	16	0.1
Oklahoma	1,384	12.2
Okmulgee	167	1.5
Osage	153	1.3
Ottawa	249	2.2
Pawnee	69	0.6
Payne	152	1.3
Pittsburg	224	2.0
Pontotoc	146	1.3
Pottawatomie	298	2.6
Pushmataha	30	0.3
Roger Mills	19	0.2
Rogers	68	0.6
Seminole	48	0.4
Sequoyah	99	0.9
Stephens	41	0.4
Texas	61	0.5

TABLE 33--Continued

County	Number of Employees	Per cent of State Total
Tillman	47	0.4
Tulsa	1,300	11.4
Wagoner	81	0.7
Washington	78	0.7
Washita	31	0.3
Woods	389	3.4
Woodward	85	0.7
Total	11,357	100.0

*Source: U.S. Bureau of the Census, United States Census of Population: 1950, Vol. II, Characteristics of the Population, Part 36, Oklahoma, Chapter B (Washington: Government Printing Office, 1952), Table 43, pp. 91-100.

**Less than one-tenth of one per cent.

Components do not necessarily add to totals because of rounding.

the nation from the national office in Chicago. The writer is informed that records from which checks are prepared are not kept in a manner that would make it possible for him to compile county data for Oklahoma even for a single month. Therefore, it is necessary to use an indirect allocator for these payments.

The United States Census of Population shows the number of persons, by county, employed in "railroads and railway express service" for 1950. (Table 33) Railway express employees are not covered by the Railroad Retirement Act nor has it been possible to separate railway express employees from railroad workers. There is some evidence to suggest, however, that the pattern of distribution of railroad workers is not substantially different from the distribution of railway express workers. If this assumption is correct, the county distribution of the combined category, "railroad workers and railway express service" employees will reasonably reflect the distribution of railroad workers. Still another assumption is necessary. If this series is used, it requires the assumption that the distribution of beneficiaries under all programs of retirement and insurance benefits for railroad employees is similar to the distribution of railroad workers in the various counties of the state. Furthermore, data are available only for a single year, 1950, which must serve as a bench mark for other years. For these reasons, use of this method of allocating benefits means that the county data for this item are rather weak. It is hoped that a more satisfactory method will become available in the near future.

Method of Allocation

It is recommended that the following procedure be used in allocating railroad benefits to the counties of Oklahoma. First, obtain the aggregate state payment from the National Income Division. Second, compute the number of railroad workers and railway express workers by county as a per cent of the state total. The data are available in the United States Census of Population. Third, apply the percentage distribution to the state aggregate.

Federal Civilian Pensions

Federal civilian pensions include payments made to, or on behalf of, former employees of the Federal government by the Civil Service Retirement and Disability Fund and under special contributory and noncontributory retirement systems. Payments can be received in the form of retirement annuities, survivor annuities, and lump sum death benefits and refunds of contributions.[6]

Federal civilian pension payments account for a relatively small portion of transfer payments in Oklahoma. In 1954 they amounted to $5 million, or two per cent of total

[6] U.S. Department of Commerce, Income of Hawaii (Washington: Government Printing Office, 1953), p. 68.

transfer payments in the state. (Tables 3 and 4) In 1952 some 2,000 persons were receiving monthly annuities under the Federal Civilian Retirement program in Oklahoma.[7]

Ideally Federal civilian pension payments should be allocated directly to the counties of Oklahoma. This would entail a monthly and annual tabulation of benefits paid to residents of each county. The United States Civil Service Commission does not maintain its records in a manner that makes feasible county data on retirement pensions.[8]

Since data for direct allocation of pensions are not available, it is necessary to consider series for indirect allocation. Two such series are available. First, the United States Census for 1950 contains county data on the number of persons classified as government workers. The definition of government workers is "persons who worked for any governmental unit (federal, state, or local), regardless of the activity which the particular agency carried on."[9] Unfortunately, county data on the number of government workers in the Census of Population are not broken down to show the

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[7]U.S. Civil Service Commission, Retirement Report, fiscal year ending June 30, 1953 (Washington: Government Printing Office, 1954), Table 9, pp. 13 and 14.

[8]Letter from Andrew E. Ruddock, Chief, Retirement Division, U.S. Civil Service Commission, Bureau of Departmental Operations, dated March 19, 1956.

[9]U.S. Bureau of the Census, U.S. Census of Population: 1950. Vol. II, Characteristics of the Population, Part 36, Oklahoma, Chapter B (Washington: Government Printing Office, 1952), p. xiii.

number working for the various levels of government, federal, state, and local. Hence, if this series is used, the resulting allocation would be seriously distorted for those counties in which relatively large numbers of state and local government employees are located. For example, in Cleveland County the entire academic and nonacademic staff of the University of Oklahoma is classified as "government employees," but they are employees of the state government and the number of federal civilian employees is negligible. A similar distortion would arise in the case of Payne County where Oklahoma Agricultural and Mechanical University is located. For this reason the Census data are not a satisfactory basis for allocating federal civilian pensions.

The other series is contained in the so-called "Byrd report," the formal title of which is Federal Civilian Employment, 1950.[10] This report contains county data on the number of federal civilian employees in each of the 48 states in 1950. (Table 34) It would have been helpful if the report had contained data on the number of retired federal civilian employees for each county, but no such tabulation is available. If this series is used, it is necessary to make the assumption that the number of retired federal civilian employees receiving pensions and their beneficiaries

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[10] U.S. Congress, Joint Committee of Reduction of Nonessential Federal Expenditures, Federal Civilian Employment, 1950, Senate Committee Print, 82nd Congress, 1st Session (Washington: Government Printing Office, 1950).

TABLE 34

FEDERAL CIVILIAN EMPLOYMENT IN OKLAHOMA, BY COUNTY, 1950*

County	Number of Employees	Per cent of State Total
Adair	28	0.1
Alfalfa	53	0.2
Atoka	33	0.1
Beaver	36	0.1
Beckham	69	0.2
Blaine	64	0.2
Bryan	85	0.3
Caddo	298	1.0
Canadian	435	1.5
Carter	147	0.5
Cherokee	150	0.5
Choctaw	65	0.2
Cimarron	19	0.1
Cleveland	89	0.3
Coal	27	0.1
Comanche	1,454	5.0
Cotton	29	0.1
Craig	54	0.2
Creek	103	0.4
Custer	114	0.4
Delaware	42	0.1
Dewey	50	0.2
Ellis	46	0.2
Garfield	648	2.2
Garvin	78	0.3
Grady	103	0.4
Grant	46	0.2
Greer	38	0.1
Harmon	30	0.1
Harper	25	0.1
Haskell	39	0.1
Hughes	63	0.2
Jackson	144	0.5
Jefferson	40	0.1
Johnston	52	0.2

TABLE 34--Continued

County	Number of Employees	Per cent of State Total
Kay	317	1.1
Kingfisher	54	0.2
Kiowa	76	0.3
Latimer	21	0.1
Le Flore	251	0.9
Lincoln	66	0.2
Logan	86	0.3
Love	25	0.1
McClain	44	0.2
McCurtain	109	0.4
McIntosh	59	0.2
Major	38	0.1
Marshall	27	0.1
Mayes	111	0.4
Murray	54	0.2
Muskogee	1,203	4.1
Noble	43	0.1
Nowata	36	0.1
Okfuskee	44	0.2
Oklahoma	16,071	55.1
Okmulgee	118	0.4
Osage	161	0.6
Ottawa	155	0.5
Pawnee	136	0.5
Payne	207	0.7
Pittsburg	1,293	4.4
Pontotoc	90	0.3
Pottawatomie	187	0.6
Pushmataha	42	0.1
Roger Mills	48	0.2
Rogers	91	0.3
Seminole	90	0.3
Sequoyah	42	0.1
Stephens	86	0.3
Texas	60	0.2

TABLE 34--Continued

County	Number of Employees	Per cent of State Total
Tillman	53	0.2
Tulsa	2,334	8.0
Wagoner	35	0.1
Washington	211	0.7
Washita	59	0.2
Woods	51	0.2
Woodward	89	0.3
Total	29,169	100.0

*Source: U.S. Congress, Senate, Joint Committee on Reduction of Nonessential Federal Expenditures, Federal Civilian Employment, 1950, U.S. Senate, 82nd Congress, 1st Session (Washington: Government Printing Office, 1950), p. 59-60.

stands in the same relationship to the total number of active federal civilian employees in each county in the state. At first glance this might appear to be a doubtful assumption. On closer examination, however, it seems reasonable that most employees who reach retirement age in a given county continue to live in that county while receiving pensions. Since the data are available for only one year, it is necessary to use data for 1950 as a bench mark. This procedure involves the further assumption that the average size pension or other benefit is the same for all counties of the state. Until more reliable data become available, it is recommended that this method be used.[11]

Method of Allocation

The procedure recommended in allocating federal civilian pensions involves the following steps. First, obtain the amount of pension payments from the National Income Division. Second, compute the number of federal employees by county as a per cent of total federal employees in Oklahoma. The data are available in Federal Civilian Employment, 1950. (Table 34) Third, apply the percentage allocator to the aggregate payment reported by the National Income Division.

[11]It is likely that this method of allocation overstates the percentage of federal civilian employees in Pittsburg County for most years. If possible, special study of the federal civilian employees in that county might indicate that part of its share of the state total should be reallocated to other counties. In any event, the distortion will not be statistically significant in determining total personal income or per capita income for that county.

CHAPTER VIII

MISCELLANEOUS TRANSFER PAYMENTS

The transfer payments discussed in the preceding chapters include all the important transfer payments received by the people of Oklahoma. There remain four minor types of transfer payments for discussion in this chapter. They are: (1) Profits of PX's and Ships' Stores; (2) Panama Canal Construction Annuity Pensions; (3) Atomic Energy Fellowships; and, (4) Enemy Alien and Civilian War Assistance payments. Together these transfer payments account for only a fraction of one per cent of total transfer payments and an insignificant fraction of one per cent of total personal income. The only one of these payments of any size is profits of PX's and Ships' Stores, and there is a highly satisfactory method of allocating them. (Table 35)

Profits of PX's and Ships' Stores

The National Income Division defines profits of PX's and Ships' Stores as profits returned to enlisted men in the form of various types of benefits. The Chief of the Army and Air Force Exchange Service disburses the funds to Army

TABLE 35

MISCELLANEOUS TRANSFER PAYMENTS IN OKLAHOMA, ANNUALLY, 1951-1954*
(Thousands of dollars)

Item	1951	1952	1953	1954	Payments in 1954 as Per Cent of Total Transfer Payments
Profits of PX's and Ships' Stores	$493	$717	$750	$465	0.2
Panama Canal Construction Annuity Pensions	11	12	11	11	**
Atomic Energy Fellowships	1	2	1	1	**
Enemy Alien and Civilian War Assistance Payments	1	1	1	-	-

*Source: Data provided through the courtesy of the U.S. Department of Commerce, National Income Division.

**Less than one-tenth of one per cent.

and Air Force installations. The Navy follows a similar procedure. The funds are paid first to installation commanders on the basis of troop population without regard to the profit or loss of a particular PX or Ship Store. The installation commanders, in turn, distribute the profits to the various company units on the basis of the number of enlisted men in each unit. The common practice is not to distribute the funds to individual enlisted men but to spend them for recreational and welfare activities of enlisted men in the units. For example, part of the funds might be spent for reading materials and lounging quarters, or company "get togethers."

The Chief of the Army and Air Force Exchange Service furnished the writer data on the distribution of PX profits for the Army and Air Force in Oklahoma for a recent year. Data for Navy installation in Oklahoma was procured directly from the installation in Cleveland County.[1] Although the data are on a fiscal year basis, this does not introduce any important problem because changes in the pattern of distribution are not due to seasonal factors. The amount returned to individual units varies from year to year depending on the total profits of all stores and the military strength of individual units. Thus, the payments are larger during

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[1]This writer wishes to thank Captain D. E. Wilcox, U.S.N., Ret. for providing this information. The naval installation at McAlester (Pittsburg County) has no ship store.

TABLE 36

PROFITS OF PX'S AND SHIPS' STORES DISBURSED TO MILITARY INSTALLATIONS IN OKLAHOMA, BY COUNTY, FISCAL YEAR, 1955*

County	Installation	Amount	Per Cent of Total
Carter	Ardmore Air Force Base	$ 35,000	7.3
Cleveland	Naval Air Technical Training Center	70,000	14.6
Comanche	Fort Sill	256,000	53.6
Garfield	Vance Air Force Base	47,000	9.8
Jackson	Altus Air Force Base	31,000	6.5
Oklahoma	Tinker Air Force Base	39,000	8.2
	Total	$478,000	100.0

*Source: Data provided through the courtesy of the Chief of the Army and Air Force Exchange Service, and Captain D. E. Wilcox, U.S.N., Ret.

periods of war than in periods of peace.

Data for 1954 will illustrate the general procedure to be followed. In that year the National Income Division estimates that profits of PX's and Ships' Stores in Oklahoma amounted to $465,000, or about 0.2 per cent of transfer payments in the state. (Table 35) It will be observed that data for the fiscal year 1955 correspond closely with data for calendar year 1954. (Table 36) The state total may, therefore, be allocated on the basis of the relative size of the individual military installations. Because the data are complete and are available from the original disbursing units, tho method of allocation is highly satisfactory.

Method of Allocation

It is recommended that the following method of allocating profits of PX's and Ships' Stores be used. First, procure the aggregate state total from the National Income Division. Second, obtain the distribution of these profits, by military installation, from the various branches of the Department of Defense, or the military installation. Third, allocate the National Income Division estimate on the basis of data by military installation. During periods in which shifts in the relative strength of the various installations are minor bench mark, data for a recent fiscal year will provide a satisfactory basis for allocating calendar year estimates of the National Income Division.

Panama Canal Construction Annuity Payments

The United States Civil Service Commission makes relatively small annuity payments to United States citizens (or their immediate survivors) who participated in the construction of the Panama Canal during the period 1909-1914. The program was inaugurated in 1944 and payments began that year. Funds are obtained from the General Fund of the United States Treasury.

Payments under the program have been small in Oklahoma and, barring a change in the law, will become smaller in future years. In a recent year there were only 13 persons in the state who received annuity payments. The National Income Division estimates of payments to persons in Oklahoma for recent years are shown in Table 35. In 1954 these payments accounted for only 0.005 per cent of total transfer payments.

The writer requested data on the county location of recipients of these annuities but the United States Civil Service Commission was not in a position to disclose the data. This is understandable because of the small number of the persons involved. It would be possible to distribute the state total on the basis of county population but this would be unrealistic because there are not more than 13 persons involved. For convenience, it is recommended that the total be distributed among the two largest counties of the state, Oklahoma and Tulsa, on the basis of the relative size of the population. The decision is arbitrary.

Atomic Energy Fellowships

In recent years the Atomic Energy Commission has made available small sums of money to a selected group of students engaged in atomic energy research at institutions of higher learning. The National Income Division has assigned $1,000 a year to persons in Oklahoma for 1953 and 1954.

The semi-annual reports of the Atomic Energy Commission list the universities and other institutions and organizations in the country engaged in atomic energy research under the auspices of the Commission. The only institutions of higher learning in Oklahoma receiving research funds from the Commission are the University of Oklahoma in Cleveland County, and Oklahoma Mechanical and Agricultural University in Payne County.[2]

It is recommended that the state total be divided equally between Cleveland County and Payne County. If the program is expanded in the future, it may be desirable to try and collect precise data from the Atomic Energy Commission.

Enemy Alien and Civilian War Assistance Payments

During World War II the federal government inaugurated

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[2]U.S. Atomic Energy Commission, *Major Activities of the Atomic Energy Program, January-June, 1955* (Washington: Government Printing Office, July, 1955).

a program of payments to enemy aliens interned in relocation camps in the United States. None of these camps was located in the state of Oklahoma. Another program provided emergency assistance payments to United States civilians suffering personal or property damage from wartime activity. The program was designed to aid such groups as civilians in Hawaii whose houses may have been damaged by bombing or other enemy action. There is no evidence that any such losses were suffered by the people of Oklahoma. It is possible, however, that a person living elsewhere during the war might have suffered damage now receives payments as a resident of Oklahoma.

In any event the National Income Division has allocated $1,000 a year of the national total to Oklahoma during 1951-1953. In 1954 the Division showed no payments for Oklahoma. For the period during which small amounts were assigned to the state it is recommended that it be divided between Oklahoma and Tulsa counties on the basis of the relative size of their population.

CHAPTER IX

SUMMARY AND CONCLUSIONS

The National Income Division of the United States Department of Commerce has prepared annual estimates of total and per capita income of persons by states for the period 1929 to date. During the past decade a number of groups has attempted to distribute the state estimates among the counties. In some cases the studies have been limited to a single year; in others the data are kept up to date on an annual basis.

Personal income consists of current income received by persons from wages and salaries, other labor income, proprietors' and rental income, interest and dividend income, and transfer payments. In a previous Oklahoma study Dr. T. Harry McKinney found that data are available for a reasonably reliable method of allocating wages and salaries among the 77 counties of the state. The present study undertook to examine the available data for allocating transfer payments among the counties. Transfer payments refer to receipts of income for some reason other than that the recipient is engaged in current economic activity. They account for about 8 per cent of total personal income in Oklahoma and are likely to become a larger percentage in the future. The National Income Division currently prepares state estimates for 34 types of transfer payments in Oklahoma. (Table 3). Three types of payments account for more than two-thirds of the total. They are direct relief, veterans' pensions and compensation, and old-age and survivors' insurance benefits.

Four agencies were especially helpful in providing data for allocating the major items. They were the Oklahoma Department of Public Welfare, the regional office of the Social Security Administration, the regional office of the Veterans Administration, and the Oklahoma Employment Security Commission. In some instances the data were available from published records of the agency. In other instances unpublished data had already been compiled by the agency for purposes other than this study. In still other instances the agencies were generous in preparing special tabulations at the request of the writer.

The Oklahoma Department of Public Welfare keeps up-to-date, detailed records of disbursements under the various programs it administers. Disbursements under some of the programs administered by the Department are published in their annual reports on a fiscal year basis. Fortunately, it was possible through special tabulations to procure county calendar year data of the amounts disbursed for the larger of the programs handled by the Department.

The regional office of the Social Security Administration compiles county data on disbursements under the OASI program for their own purposes. Data are compiled for one month in each year. Due to the nature of the program it was possible to use these data to allocate OASI benefit payments to the counties in Oklahoma by calendar year.

The regional office of the Veterans Administration has estimates on the number of veterans by county in Oklahoma. These data were used as an allocator for some of the transfer payments made to veterans in Oklahoma. In addition, the Veterans Administration provided special tabulations which made possible highly satisfactory county allocations of veterans' "G.I. Bill" payments and payments to nonprofit institutions.

The annual reports of the Oklahoma Employment Security Commission contain calendar year data on the state unemployment insurance program, and veterans' unemployment and self-employment program. These data are an actual census of the payments received by residents, by county, in Oklahoma. It was possible to allocate these transfer payments by copying data from the annual reports of the Oklahoma Employment Security Commission.

Special tabulations of the number of retired teachers in Oklahoma by county were furnished by the Teacher Retirement System in the state. These data permitted a satisfactory allocation of teacher retirement payments by county.

The Department of the Army furnished fiscal year census data on the amount of PX profits received in the state by the various Army and Air Force installations. These data were used to allocate PX profits to the Army and Air Force installations for the calendar year 1954. Data for the one naval installation in Oklahoma which has a Ship's Store were obtained directly.

Data from sources other than those mentioned were used to allocate other types of transfer payments. Among the more important sources were the Census of Business, Census of Population, County Business Patterns, and City Government Finances.

For some of the smaller state and local, and federal transfer payments it was necessary to use data from the Census of Population as an allocator. This allocator was used to apportion the following transfer payments: (1) veteran aid; (2) veterans bonus; and (3) Panama Canal Construction annuity payments.

In general other census and OASI data were used to allocate business transfer payments. Taxable payrolls by county obtained from County Business Patterns were used to allocate corporate gifts to nonprofit organizations and thefts of cash. Data from the Census of Business were used to allocate consumer bad debts. Car registrations data supplied by the Oklahoma Motor Vehicle Commission were used to allocate personal injury payments.

Veteran population by county was used to allocate several veteran programs conducted by the federal government. Data were furnished by the Oklahoma Selective Service Board on the number of veterans released from the Armed Forces by county for several years. These data were used to allocate mustering-out payments.

The Census of Population which contained county data on the number of railroad and railway express workers by county was used to allocate railroad retirement and insurance benefits among the counties in Oklahoma. The "Byrd Report", which reported the number of federal employees by county for the nation, was used to allocate federal civilian pensions.

Ideally, data by county should be prepared for each type of transfer payment by the agency disbursing the funds. This method is called direct allocation. Fortunately data of this kind are available for the largest single transfer payment, direct relief, and for some smaller items. The other method is indirect allocation. This method is used when data for direct allocation are not available. In many instances indirect allocation may be only slightly less reliable than direct allocation. For example, veterans' pensions and compensation, which account for almost 20 per cent of total transfer payments, may be allocated in a very satisfactory manner by using data on the number of veterans residing in each county.

It is not possible to apply highly refined statistical measures to ascertain the precise accuracy of each method of allocating a given transfer payment. It is possible, however, to indicate in general terms the reliability of individual methods of allocating. For example, data for allocating state unemployment compensation payments are available from the Oklahoma Employment Security Commission which distributes the funds. This agency prepares annual data on the amount of money paid to recipients in each county of the state. This method of allocating has been classified as "highly satisfactory." At the other extreme, data for allocating corporate gifts to nonprofit organizations are very poor because there is no statistical record of the amount of these gifts in the various counties of the state. Therefore, the method of allocating this small item is classified as "weak." Methods of allocating items between the "highly satisfactory" and "weak" have been classified as "satisfactory."

Table 37 has been prepared in an effort to summarize the reliability of the data for allocating each of the 34 types of transfer payments among the 77 counties of the state. In each instance the classification of the method of allocation into "highly satisfactory," "satisfactory," or "weak" is based on the recommendations and conclusions in earlier chapters of the study. The classification reflects the writer's subjective evaluation of the individual method

TABLE 37

RANKING OF METHODS OF ALLOCATING TRANSFER PAYMENTS IN OKLAHOMA,

Code Number	Type of Payment	Amount (Thousands of dollars)	Me[illegible]
	State and Local Transfer Payments:	$	
1	Direct relief	84,501	
2	Teacher retirement	1,300	
3	Firemen and policemen retirement	1,018	
4	Veterans aid	100	
5	Veterans bonus	118	
6	Payment to nonprofit organizations	180	
7	Foster home care	134	
	Business Transfer Payments:		
8	Corporate gifts to nonprofit organizations	5,425	
9	Consumer bad debts	5,114	
10	Unrecovered thefts of cash and capital assets	603	
11	Personal injury payments	3,440	
	Federal Transfer Payments:		
12	State unemployment compensations	13,645	
13	Servicemen's unemployment allowances, World War II	...	
14	Servicemens' self-employment allowances, World War II	...	
15	Servicemens' unemployment allowances, Korean War	1,427	
16	Veterans' pensions and compensation	43,301	
17	Government service life insurance	10,293	
18	Military and naval insurance payments	102	
19	Servicemens' indemnity payments	308	
20	Payments to paraplegics	104	
21	Interest payments on veterans' loans	90	

TABLE 37

PAYMENTS IN OKLAHOMA, BY TYPE OF PAYMENT, 1954*

Amount (Thousands of dollars)	Method of Allocating per cent of state total: Highly Satisfactory	Satisfactory	Weak
$			
84,501	35.2		
1,300	0.5		
1,018		0.5	
100			**
118			**
180			0.1
134		0.1	
5,425			2.3
5,114			2.1
603			0.3
3,440			1.4
13,645	5.7		
...	**		
...	**		
1,427	0.6		
43,301		18.1	
10,293		4.3	
102			**
308			0.1
104			**
90			**

(continued on next page)

TABLE 37 (continued)

Code Number	Type of Payment	Amount (Thousands of dollars)
22	Subsistence allowances, World War II and Korean War	$ 12,347
23	Payments to nonprofit organizations	3,045
24	Mustering-out payments	4,723
25	Terminal leave payments	159
26	Military retirement payments	1,593
27	Payments to prisoners of war	25
28	Old-age and survivors' insurance benefits	34,925
29	Railroad retirement and insurance benefits	6,711
30	Federal civilian pensions	4,685
31	Profits of PX's and Ships' Stores	465
32	Panama Canal construction annuity payments	11
33	Atomic energy fellowships	1
34	Enemy alien and civilian war assistance	----
	TOTAL	$239,896

*Source: This table was prepared from data and conclusions in pre

**Less than 0.05 per cent.

Components do not necessarily add to totals because of rounding.

ABLE 37 (continued)

	Amount (Thousands of dollars)	Method of Allocating per cent of state total: Highly Satisfactory	Satisfactory	Weak
II				
	$ 12,347	5.1		
s	3,045	1.3		
	4,723	2.0		
	159		0.1	0.1
	1,593			0.7
	25			..
enefits	34,925	14.6		
	6,711			2.8
	4,685		2.0	
	465	0.2		
	11			**
	1	**		
ance	----			**
	$239,896	65.2	25.0	9.9

conclusions in preceding chapters of this study.

ause of rounding.

of allocation.

The items included in the "highly satisfactory" category are those for which either (a) direct allocation is possible or (b) the data for indirect allocation are practically as reliable as direct allocation. Items included in the "satisfactory" category are those for which data are available to indicate the pattern of distribution of payments among counties but are not precisely accurate. It is possible that relatively minor improvements in the data for some of these items would warrant shifting the method from the "satisfactory" to the "highly satisfactory" category. Items included in the "weak" category are those for which reliable statistical data are not available at present.

In most instances the classification of individual items was simple and clear. But two items presented difficult problems of classification. They were veterans' pensions and compensation and Government service life insurance. Data for allocating these items are highly satisfactory because of the nature of the programs. It is doubtful that a complete tabulation of payments from the records of the disbursing agencies would yield a significantly different pattern. It was difficult to decide whether these items should have been put in the top or middle category. To be on the safe side, they were classified as "satisfactory."

The data for allocating each of the 34 types of transfer payments in the state were examined by the writer. It was found that highly satisfactory series are available for allocating items which together account for 65 per cent of total transfer payments. Data for allocating an additional 25 per cent of transfer payments are satisfactory. The methods of allocating the remaining 10 per cent of transfer payments are weak. The major conclusion of the study, therefore, is that data are available for allocating the major items of transfer payments among the counties of the state in a "satisfactory" or "highly satisfactory" manner. Better source materials must precede a meaningful improvement in the method of allocating some of the smaller items.

In order to illustrate the application of the methods recommended in earlier chapters, county data for the calendar year 1954 have been prepared. (Table 38) The first step was to obtain National Income Division estimates for each item for the state of Oklahoma. The next step was to apply the recommended method to the state total.

One minor departure from the above procedure should be noted. The National Income Division prepares state data on direct relief payments on the basis of reports received from state agencies, in this instance the Oklahoma Department of Public Welfare. This agency also prepared the county data and state total shown in Table 38. The state total provided by the National Income Division was $84 million. The state total shown in Table 38 was $85 million. The difference in the two figures represents a minor revision of

TABLE 38

TRANSFER PAYMENTS IN OKLAHOMA, BY COUNTY, CA

(Thousands of Dollars)

County			State and Loca
	Direct relief (1)	Other state and local transfers (2)	Foster home care (3)
Adair	$ 1,096	$ 3	$
Alfalfa	248	2	
Atoka	1,001	2	
Beaver	138	1	
Beckham	888	4	
Blaine	481	3	**
Bryan	1,853	5	
Caddo	1,506	6	1
Canadian	605	4	1
Carter	1,884	6	**
Cherokee	1,067	4	2
Choctaw	1,859	4	
Cimarron	57	1	
Cleveland	685	8	12
Coal	545	2	
Comanche	1,095	10	1
Cotton	423	2	
Craig	835	3	3
Creek	1,987	8	3
Custer	620	4	
Delaware	1,070	3	
Dewey	201	2	
Ellis	176	1	
Garfield	1,104	10	1
Garvin	1,200	5	**
Grady	1,706	6	2
Grant	173	2	
Greer	545	2	
Harmon	308	2	
Harper	148	1	
Haskell	885	2	
Hughes	1,439	4	
Jackson	800	4	5
Jefferson	691	2	
Johnston	818	2	

TABLE 38

AHOMA, BY COUNTY, CALENDAR YEAR 1954*

sands of Dollars)

State and Local Transfer Payments		
Foster home care (3)	Teacher retirement (4)	Firemen and policemen retirement (5)
$	$ 5	$ 2
	3	4
	3	2
	3	2
	17	11
**	5	4
	18	8
1	8	11
1	10	12
**	27	18
2	13	3
	18	5
	1	2
12	62	7
	5	2
1	5	13
	1	3
3	8	4
3	19	13
	9	10
	5	2
	3	3
	3	4
1	32	30
**	13	13
2	9	12
	5	3
	5	4
	3	3
		3
	1	2
	8	5
5	3	11
	3	3
	3	1

(continued on next page)

TABLE 38 -- Co

County	Direct relief	Other state and local transfers	State and Foster home ca
	(1)	(2)	(3)
Kay	$ 1,291	$ 9	$ 2
Kingfisher	236	2	
Kiowa	731	3	1
Latimer	756	2	**
Le Flore	2,346	6	**
Lincoln	1,233	4	
Logan	1,005	4	
Love	460	1	
McClain	648	3	
McCurtain	2,552	6	
McIntosh	1,183	3	**
Major	251	2	- -
Marshall	476	2	
Mayes	1,077	4	1
Murray	741	2	**
Muskogee	3,335	12	16
Noble	384	2	
Nowata	666	2	
Okfuskee	996	3	
Oklahoma	6,739	58	36
Okmulgee	2,059	8	
Osage	1,183	6	**
Ottawa	1,349	6	**
Pawnee	615	2	- -
Payne	1,056	8	2
Pittsburg	2,350	7	10
Pontotoc	1,384	6	3
Pottawatomie	1,942	8	1
Pushmataha	815	2	
Roger Mills	251	1	
Rogers	1,002	4	**
Seminole	1,691	7	**
Sequoyah	1,514	4	**
Stephens	1,312	6	2
Texas	183	2	

38 -- Continued

State and Local Transfer Payments		
home care	Teacher retirement	Firemen and policemen retirement
(3)	(4)	(5)
2	$ 31	$ 44
	5	5
1	5	6
**	9	2
**	12	8
	12	8
	25	7
	1	2
	4	3
	17	6
**	1	4
--	5	2
	4	3
1	12	6
**	13	4
6	42	28
	10	6
	3	3
	5	4
36	278	226
	16	15
**	14	10
**	9	11
--	9	4
2	68	17
0	14	13
3	23	12
1	30	18
	5	2
		1
**	8	5
**	17	13
**	9	3
2	5	16
	5	10

(continued)

TABLE 38 -- Con

County	Direct relief (1)	Other state and local transfers (2)	State and Foster home car (3)
Kay	$ 1,291	$ 9	$ 2
Kingfisher	236	2	
Kiowa	731	3	1
Latimer	756	2	**
Le Flore	2,346	6	**
Lincoln	1,233	4	
Logan	1,005	4	
Love	460	1	
McClain	648	3	
McCurtain	2,552	6	
McIntosh	1,183	3	**
Major	251	2	--
Marshall	476	2	
Mayes	1,077	4	1
Murray	741	2	**
Muskogee	3,335	12	16
Noble	384	2	
Nowata	666	2	
Okfuskee	996	3	
Oklahoma	6,739	58	36
Okmulgee	2,059	8	
Osage	1,183	6	**
Ottawa	1,349	6	**
Pawnee	615	2	--
Payne	1,056	8	2
Pittsburg	2,350	7	10
Pontotoc	1,384	6	3
Pottawatomie	1,942	8	1
Pushmataha	815	2	
Roger Mills	251	1	
Rogers	1,002	4	**
Seminole	1,691	7	**
Sequoyah	1,514	4	**
Stephens	1,312	6	2
Texas	183	2	

38 -- Continued

tate and Local	Transfer Payments	
home care	Teacher retirement	Firemen and policemen retirement
3)	(4)	(5)
2	$ 31	$ 44
	5	5
1	5	6
**	9	2
**	12	8
--	12	8
	25	7
	1	2
	4	3
	17	6
**	1	4
--	5	2
	4	3
1	12	6
**	13	4
5	42	28
	10	6
	3	3
	5	4
5	278	226
	16	15
**	14	10
**	9	11
--	9	4
2	68	17
0	14	13
3	23	12
1	30	18
	5	2
		1
**	8	5
**	17	13
**	9	3
2	5	16
	5	10

(continued)

TABLE 38 -- Cont

County	Direct relief	Other state and local transfers	State and l Foster home care
	(1)	(2)	(3)
Tillman	$ 708	$ 3	$ 1
Tulsa	5,724	45	18
Wagoner	1,051	3	2
Washington	696	6	3
Washita	463	3	
Woods	325	3	
Woodward	348	2	
Total	$85,264	$402	$130

E 38 -- Continued

State and Local Transfer Payments		
er home care	Teacher retirement	Firemen and policemen retirement
(3)	(4)	(5)
$ 1	$ 4	$ 9
18	198	220
2	5	3
3	14	18
	3	4
	8	6
	5	7
$130	$1,299	$1,029

TABLE 38 -- Cont

County	Business Transf	
	Corporate gifts[a]	Personal injury payments
	(6)	(7)
Adair	$ 5	$ 10
Alfalfa	5	17
Atoka	5	10
Beaver	5	10
Beckham	22	31
Blaine	11	20
Bryan	16	34
Caddo	27	41
Canadian	22	44
Carter	98	65
Cherokee	5	17
Choctaw	11	14
Cimarron	**	7
Cleveland	33	68
Coal	**	7
Comanche	76	78
Cotton	5	14
Craig	11	20
Creek	71	61
Custer	22	34
Delaware	**	17
Dewey	**	10
Ellis	5	10
Garfield	119	88
Garvin	43	44
Grady	33	48
Grant	5	17
Greer	5	14
Harmon	5	10
Harper	5	10
Haskell	5	10
Hughes	16	20
Jackson	16	34
Jefferson	5	14
Johnston	**	7

E 38 -- Continued

...iness Transfer Payments		
...injury ...ts	Thefts of cash	Consumer bad debts
	(8)	(9)
	$ 1	$ 15
	1	20
	1	15
	1	10
	2	51
	1	31
	2	51
	3	51
	2	56
	11	112
	1	20
	1	20
	**	10
	4	66
	**	10
	8	164
	1	15
	1	31
	8	72
	2	51
	**	10
	**	10
	1	10
	13	179
	5	61
	4	72
	1	26
	1	15
	1	15
	1	10
	1	10
	2	31
	1	46
	**	20
	18	10

(continued)

TABLE 38 -- Con[t]

County	Business Trans[actions]	
	Corporate gifts[a] (6)	Personal injury payments (7)
Kay	$ 163	$ 95
Kingfisher	11	20
Kiowa	11	24
Latimer	**	7
Le Flore	16	34
Lincoln	16	31
Logan	22	31
Love	5	7
McClain	5	20
McCurtain	16	20
McIntosh	5	14
Major	5	14
Marshall	5	10
Mayes	11	24
Murray	11	20
Muskogee	108	75
Noble	11	20
Nowata	16	20
Okfuskee	5	14
Oklahoma	1,499	629
Okmulgee	98	54
Osage	32	54
Ottawa	81	54
Pawnee	11	20
Payne	65	61
Pittsburg	54	48
Pontotoc	71	44
Pottawatomie	98	65
Pushmataha	5	7
Roger Mills	**	7
Rogers	11	27
Seminole	16	48
Sequoyah	5	14
Stephens	103	65
Texas	16	24

ABLE 38 -- Continued

Business Transfer Payments		
al injury yments (7)	Thefts of cash (8)	Consumer bad debts (9)
95	$ 1	$ 128
20	1	31
24	**	36
7	**	5
34	2	36
31	2	41
31	2	46
7	1	10
20	1	20
20	2	26
14	1	15
14	1	15
10	1	10
24	1	36
20	1	26
75	12	123
20	1	26
20	2	20
14	1	20
29	183	1,115
54	11	77
54	4	51
54	9	61
20	1	26
61	7	92
48	6	72
44	8	72
65	11	97
7	1	10
7	**	10
27	1	31
48	8	66
14	1	15
65	12	97
24	12	36

(continued)

TABLE 38 -- Conti

County	Business Transfe	
	Corporate gifts[a] (6)	Personal injury payments (7)
Tillman	$ 11	$ 24
Tulsa	1,841	551
Wagoner	5	20
Washington	212	65
Washita	5	20
Woods	11	20
Woodward	16	20
Total	$5,420	$3,396

TABLE 38 -- Continued

Business Transfer Payments		
nal injury payments (7)	Thefts of cash (8)	Consumer bad debts (9)
24	$ 1	$ 36
551	212	885
20	1	20
65	24	87
20	1	31
20	1	31
20	2	31
396	$640	$5,115

TABLE 38 -- (

County	Federal Tran		
	Unemployment Compensation (10)	Korean unemployment compensation (11)	Veteran
Adair	$ 79	$ 21	$
Alfalfa	9	1	
Atoka	69	13	
Beaver	8	1	
Beckham	132	14	
Blaine	16	6	
Bryan	85	15	
Caddo	118	27	
Canadian	66	15	
Carter	277	25	
Cherokee	121	18	
Choctaw	67	17	
Cimarron	3	1	
Cleveland	41	7	
Coal	82	14	
Comanche	149	42	1
Cotton	24	5	
Craig	68	9	
Creek	268	12	
Custer	83	19	
Delaware	54	20	
Dewey	10	2	
Ellis	1	1	
Garfield	189	16	
Garvin	186	11	
Grady	178	21	
Grant	4	1	
Greer	24	11	
Harmon	11	4	
Harper	1	--	
Haskell	126	18	
Hughes	182	19	
Jackson	124	13	
Jefferson	53	10	
Johnston	43	10	

8 -- Continued

. Transfer Payments		
'eterans' pensions[b] (12)	Government service life insurance (13)	Other veteran[c] payments (14)
$ 259	$ 62	$ 14
217	51	12
260	62	14
130	31	7
390	92	21
303	72	17
563	134	31
650	154	36
476	113	26
693	165	38
346	82	19
390	93	21
87	21	5
779	185	43
130	31	7
1,039	247	57
173	41	10
346	82	19
823	196	45
390	93	21
260	62	14
173	41	10
130	31	7
996	237	55
563	134	31
650	154	36
217	51	12
217	51	12
173	41	10
130	31	7
260	62	14
390	93	21
390	93	21
217	51	12
217	51	12

(continued)

TABLE 38 -- C

County	Federal Trans		
	Unemployment Compensation (10)	Korean unemployment compensation (11)	Veterans
Kay	$ 153	$ 13	$
Kingfisher	15	3	
Kiowa	53	16	
Latimer	71	13	
Le Flore	290	42	
Lincoln	162	11	
Logan	83	8	
Love	32	5	
McClain	53	10	
McCurtain	98	24	
McIntosh	72	18	
Major	19	3	
Marshall	54	10	
Mayes	245	23	
Murray	92	7	
Muskogee	719	75	1,
Noble	22	3	
Nowata	43	6	
Okfuskee	86	9	
Oklahoma	2,648	227	6,
Okmulgee	519	46	
Osage	146	16	
Ottawa	164	23	
Pawnee	36	6	
Payne	283	25	
Pittsburg	521	66	
Pontotoc	236	24	
Pottawatomie	411	41	
Pushmataha	39	9	
Roger Mills	13	4	
Rogers	122	7	
Seminole	207	18	
Sequoyah	71	22	
Stephens	234	13	
Texas	9	--	

8 -- Continued

Transfer Payments		
eterans' pensions[b] (12)	Government service life insurance (13)	Other veteran[c] payments (14)
$ 909	$ 216	$ 50
260	62	14
346	82	19
173	41	10
650	154	36
433	103	23
433	103	23
130	31	7
260	62	14
606	144	33
346	82	19
173	41	10
173	41	10
390	93	21
217	51	12
1,212	288	67
217	51	12
260	62	14
303	72	17
6,971	1,657	383
823	196	45
606	144	33
606	144	33
260	62	14
866	206	48
779	185	43
563	134	31
823	196	45
217	51	12
130	31	7
346	82	19
779	185	43
390	93	21
650	154	36
260	62	14

(continued)

TABLE 38 -- (

County	Unemployment Compensation (10)	Korean unemployment compensation (11)	Veterans' (12
Tillman	$ 51	$ 8	$ 346
Tulsa	2,216	94	5,196
Wagoner	97	6	303
Washington	137	10	606
Washita	41	11	346
Woods	22	2	260
Woodward	54	4	260
Total	$13,640	$1,420	$43,304

3 -- Continued

ans' pensions[b] (12)	Government service life insurance (13)	Other veteran[c] payments (14)
346	$ 82	$ 19
5,196	1,235	286
303	72	17
606	144	33
346	82	19
260	62	14
260	62	14
3,304	$10,290	$2,377

TABLE 38 --

County	Subsistence allowances[d] (15)	Federal Transfer Paymen Payments to non-profit organizations (16)	Muster pay (
Adair	$ 8	$	$
Alfalfa	6		
Atoka	8		
Beaver	4		
Beckham	55		
Blaine	9		
Bryan	601		
Caddo	19		1
Canadian	25		
Carter	31		
Cherokee	319		
Choctaw	11		
Cimarron	3		
Cleveland	1,886		
Coal	4		
Comanche	140		1
Cotton	5		
Craig	10		
Creek	24		
Custer	331		
Delaware	8		
Dewey	5		
Ellis	4		
Garfield	172	128	1
Garvin	16		
Grady	20		
Grant	6		
Greer	6		
Harmon	5		
Harper	4		
Haskell	8		
Hughes	11		
Jackson	22		
Jefferson	6		
Johnston	72		

38 -- Continued

Payments -- Continued

Mustering-out payments (17)	Old-age and survivors insurance (18)	Railroad[e] retirement (19)
$ 38	$ 140	$ 34
24	140	34
28	105	40
14	35	20
47	244	54
38	140	27
71	349	67
104	314	40
57	314	584
71	629	54
38	175	7
52	210	87
9	35	20
71	489	27
19	70	20
123	559	34
24	105	**
43	244	47
94	1,013	181
52	244	54
28	140	**
19	70	20
14	70	34
104	943	309
61	279	54
66	489	67
28	105	20
28	140	7
19	70	7
14	35	13
38	105	7
47	244	54
38	244	60
28	105	34
24	105	27

(continued)

TABLE 38 -- C

County	Federal Transfer: Subsistence[d] allowances (15)	Payments to non-profit organizations (16)	Musteri paym (1
Kay	$ 104	$	$ 9
Kingfisher	8		2
Kiowa	10		4
Latimer	281		2
LeFlore	394		8
Lincoln	13		5
Logan	123		4
Love	4		1
McClain	8		3
McCurtain	18		7
McIntosh	10		4
Major	5		2
Marshall	5		1
Mayes	11		4
Murray	6		1
Muskogee	189	15	13
Noble	6		3
Nowata	8		2
Okfuskee	9		4
Oklahoma	2,322	1,376	61
Okmulgee	24		9
Osage	18		6
Ottawa	316		5
Pawnee	8		3
Payne	1,863		8
Pittsburg	34		8
Pontotoc	391		7
Pottawatomie	189	149	10
Pushmataha	6		3
Roger Mills	4		1
Rogers	21		4
Seminole	34		8
Sequoyah	11		4
Stephens	30		7
Texas	85		2

38 -- Continued

ansfer Payments -- Continued

Mustering-out payments (17)	Old-age and survivors insurance (18)	Railroad[e] retirement (19)
$ 99	$ 1,083	$ 121
28	140	13
47	175	34
24	105	13
80	489	218
52	314	47
47	349	94
19	70	27
38	140	87
76	349	27
43	140	20
24	70	40
19	105	40
43	279	20
19	210	40
137	1,118	490
33	140	47
28	279	34
43	210	7
614	6,406	829
99	943	101
66	489	87
57	664	148
33	244	40
85	699	87
80	664	134
71	524	87
104	699	174
33	140	20
19	35	13
47	314	40
85	629	27
43	210	60
71	454	27
28	140	34

(continued)

TABLE 38 -- Co

County	Federal Transfer		
	Subsistence[d] allowances (15)	Payments to non-profit organizations (16)	Musteri paym (1
Tillman	$ 10	$	$ 4
Tulsa	1,686	1,343	45
Wagoner	9		3
Washington	51	33	6
Washita	10		4
Woods	140		3
Woodward	8		3
Total	$12,346	$ 3,044	$4,72

38 -- Continued

Transfer Payments -- Continued		
Mustering-out payments (17)	Old-age and survivors insurance (18)	Railroad[e] retirement (19)
$ 43	$ 175	$ 27
458	5,673	765
33	140	47
61	768	47
47	105	20
33	175	228
38	175	47
$4,720	$34,918	$6,712

TABLE 38 -- Cont

County	Federal Transfer Payments -- Continu Federal civilian pensions (20)	Miscellaneous transfer paymen (21)
Adair	$ 5	$
Alfalfa	9	
Atoka	5	
Beaver	5	
Beckham	9	
Blaine	9	
Bryan	14	
Caddo	47	
Canadian	70	
Carter	23	34
Cherokee	23	
Choctaw	9	
Cimarron	5	
Cleveland	14	69
Coal	5	
Comanche	234	249
Cotton	5	
Craig	9	
Creek	19	
Custer	19	
Delaware	5	
Dewey	9	
Ellis	9	
Garfield	103	46
Garvin	14	
Grady	19	
Grant	9	
Greer	5	
Harmon	5	
Harper	5	
Haskell	5	
Hughes	9	
Jackson	23	30
Jefferson	5	
Johnston	9	

TABLE 38 -- Continued

ments -- Continued

Miscellaneous transfer payments (21)	Total transfer payments (22)	Per capita transfer payments (dollars) (23)
$	$ 1,797	$ 121
	803	75
	1,643	115
	425	57
	2,084	96
	1,193	80
	3,917	135
	3,163	91
	2,502	98
34	4,261	117
	2,280	120
	2,889	142
	267	58
69	4,556	110
	953	118
249	4,323	78
	856	84
	1,793	98
	4,917	114
	2,058	98
	1,698	116
	588	67
	511	70
46	4,874	92
	2,733	93
	3,592	103
	685	65
	1,092	93
	692	85
	418	70
	1,559	117
	2,595	125
30	1,978	98
	1,259	113
	1,429	135

(continued)

TABLE 38 -- Co

County	Federal Transfer Payments -- Contin Federal civilian pensions (20)	 Miscellaneous transfer paym (21)
Kay	$ 52	$
Kingfisher	9	
Kiowa	14	
Latimer	5	
LeFlore	42	
Lincoln	9	
Logan	14	
Love	5	
McClain	9	
McCurtain	19	
McIntosh	9	
Major	5	
Marshall	5	
Mayes	19	
Murray	9	
Muskogee	192	
Noble	5	
Nowata	5	
Okfuskee	9	
Oklahoma	2,581	42
Okmulgee	19	
Osage	28	
Ottawa	23	
Pawnee	23	
Payne	33	1
Pittsburg	206	
Pontotoc	14	
Pottawatomie	28	
Pushmataha	5	
Roger Mills	9	
Rogers	14	
Seminole	14	
Sequoyah	5	
Stephens	14	
Texas	9	

BLE 38 -- Continued

ts -- Continued iscellaneous transfer payments[f] (21)	Total transfer payments (22)	Per capita transfer payments (dollars) (23)
$	$ 4,564	$ 93
	863	67
	1,613	85
	1,517	156
	4,915	139
	2,514	114
	2,419	109
	817	106
	1,386	94
	4,039	128
	1,985	112
	685	67
	973	119
	2,316	118
	1,481	137
	8,253	126
	996	82
	1,471	116
	1,813	107
42	36,819	113
	5,213	117
	2,987	90
	3,758	117
	1,414	104
1	5,572	120
	5,286	129
	3,698	120
	5,129	118
	1,369	114
	535	72
	2,101	108
	3,887	96
	2,491	126
	3,301	97
	929	65

(continued)

TABLE 38 -- C

County	Federal Transfer Payments -- Cont Federal civilian pensions (20)	Miscellaneou transfer pay (21)
Tillman	$ 9	$
Tulsa	375	5
Wagoner	5	
Washington	33	
Washita	9	
Woods	9	
Woodward	14	
Total	$4,687	$476

*Source: Prepared from data and conclusions in preceding U. S. Bureau of the Census. United States Census of Population Part 36, Oklahoma, Chapter B (Washington: Government Printing O

**Less than $500.

[a]To nonprofit organizations.

[b]Includes veterans compensation.

[c]Includes code numbers 18, 19, 20, 21, 25, 26, and 27, a

[d]To World War II and Korean veterans.

[e]And insurance payments.

[f]Includes code numbers 31, 32, and 33, as shown in Table

38 -- Continued

-- Continued ellaneous sfer payments[f] (21)	Total transfer payments (22)	Per capita transfer payments (dollars) (23)
	$ 1,567	$ 89
5	29,006	115
	1,839	110
	3,048	93
	1,220	69
	1,350	93
	1,107	77
$476	$240,609	$108

receding chapters of this study. Population data from: pulation: 1950. Vol. II, Characteristics of the Population, inting Office, 1952), Table 42, pp. 86-90.

nd 27, as shown in Table 37.

in Table 37.

the data by the Oklahoma Department of Public Welfare. The only other differences in the two sets of figures are due to rounding.

Per capita transfer payments by county were computed on the basis of the data in Table 38, and county population data for 1950 from the United States Census of Population.[1] For the state as a whole per capita transfer payments were $108, about the same as the national average of $107. It is significant that per capita income in Oklahoma is only 80 per cent of the national average, but that per capita transfer payments in Oklahoma are about equal to the national average. Consequently, transfer payments are relatively more important in Oklahoma than in the nation as a whole.

There was marked variation in per capita transfer payments among the counties. In the rich agricultural counties in the Panhandle (Beaver, Cimarron, and Texas) per capita transfer payments were only half the state average. In the two most heavily populated counties (Oklahoma and Tulsa) per capita transfer payments were slightly above the state average. As might be expected, per capita payments in the relatively poor eastern counties were the highest in the state. Per capita payments were highest in Latimer County and amounted to $156, almost three times as high as in Beaver County.

[1]U.S. Bureau of the Census, United States Census of Population: 1950, Vol. II, Characteristics of the Population, Part 36, Oklahoma, Chapter B (Washington: Government Printing Office, 1952), Table 42, pp. 86-90.

APPENDIX A

In the September, 1955 issue of the Survey of Current Business[1] new estimates of personal income by states replaced the income payment series previously reported by the National Income Division. The shift involved a number of definitional changes and provided an opportunity for statistical revisions of earlier data. The purpose of the shift was to make the series on personal income by states conform statistically and conceptually with the series on personal income published for the nation as a whole.

Personal income by states is defined as the "current income received by residents of States from all sources, inclusive of transfers from government and business but exclusive of transfers among persons."[2] Personal income by states is measured before deductions of income and other direct taxes, but after deductions of individual contributions to social security and governmental retirement programs. In addition to cash income, state personal income includes

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[1] U.S. Department of Commerce, Survey of Current Business (Washington: Government Printing Office, September, 1955).

[2] Ibid., p. 12.

nonmonetary income, or income in kind.

> Personal income covers the income received by residents of each State from business establishments, Federal and State and local governments, households and institutions, and foreign countries. All forms of income flowing to persons from these sources are included . . . wages and salaries, various types of supplementary earnings termed 'other labor income,' the net incomes of proprietors of unincorporated businesses, net rental income, dividends, interest and governmental and business 'transfer payments' (consisting in general of disbursements to individuals for which no services are rendered currently) . . . All in all, the personal income series is the most comprehensive available record of differences among States in economic structure and change.[3]

The most important change made in the revision is that personal income by states provides more extensive coverage of income in kind, and treats differently transactions under private pension, health and welfare plans. The rental value of owner-occupied dwellings and the value of food and clothing furnished the armed forces are the two major items of income in kind counted in the state personal income series but not in the state income payment series. The new state series includes contributions made by employers.

The most important differences between wages and salaries in the income payment series by states and the personal income series by states are, in the new series (1) wages and salaries are measured gross of employee contributions for social insurance, (2) allotments and work relief, and the value of food and clothing furnished members of the armed

[3] *Ibid.*, pp. 12-13.

forces are included. This last item was part of "other income" in the state income payment series.

Proprietor's income in the new series is broader in scope than in the old series. Specifically, farm proprietor's income includes the net rental value of owner occupied farm dwellings and the agricultural net rent received by landlords living on farms. The first item was omitted from the old series, and the second was part of property income in the old series.

The property income aggregate in the new series differs from the old series by including the rental value of owner-occupied non-farm dwellings, and, as noted above, excluding agricultural net rents accruing to landlords living on farms.

Transfer payments and other labor income in the new series correspond roughly to "other income" as reported in the old state income payment series.

> . . . The list of specific differences in content, however, is lengthy. The three most important ones have already been noted. Military allowances and allotments and work relief wages, which were part of 'other income,' are now contained in wages and salary disbursements; and employer contributions to private pension and welfare funds have been substituted for pension payments. In addition, business transfer payments were omitted altogether from the former estimates.[4]

[4] *Ibid.*, p. 22.

APPENDIX B

THE OKLAHOMA EMERGENCY RELIEF FUND

The Oklahoma Emergency Reflief Board was established in 1951 to administer the Oklahoma Emergency Relief Fund.[1] The Act was amended in 1953[2] to provide for a yearly appropriation of $982,000 for fiscal 1954 and 1955. In addition the amendment stated that money could be expended by the Board either as an independent agency, or in conjunction with the functions of the federal government, other state agencies, cities, towns, counties, or school districts. Funds could be used for distributing, storing, or processing anything of value received from the federal government or other sources that would relieve the destitution of persons in Oklahoma. Money could also be spent in the event of emergency to preserve public peace, health and safety. In addition $15,000 each year was earmarked to relieve suffering as the result of flood, fire, or tornado.

There are three divisions of the Oklahoma Emergency

[1] Oklahoma Statutes, 1951, Title 56, Sec. 26:1.

[2] Oklahoma Session Laws, 1953, p. 444.

Relief Board. They are:[3]

(1) The Administrative Division which formulates rules and procedures of operation.

(2) The Commodity Distribution Division which is responsible through contractual arrangements with the United States Department of Agriculture to receive, store, process, transport and distribute food donated to the state.

(3) The General Relief Division which is responsible for aid and cash assistance to those "destitute and unemployable" residents of the state who cannot obtain gainful employment. This division also provides emergency cash assistance to victims of disasters as a result of fire, flood, tornado, or other emergencies.

Under the commodity distribution program $24 million worth of food was distributed to school districts and individuals in 1955. Although this transaction may theoretically be considered a transfer payment, it is not in the form of money income, and, therefore is not included as an item of transfer payments, as defined by the National Income Division.

Under the general assistance provisions of the program the Board allows for cash assistance payments in the amounts of $10 and $20 per month, depending on the degree of destitution. So far as the writer has been able to determine,

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[3]State of Oklahoma, Budget for Fiscal Year Ending June 30, 1956-1957 (Oklahoma City: Division of the Budget, 1955), p. 179.

TABLE 39

EMERGENCY RELIEF ASSISTANCE PAYMENTS IN OKLAHOMA, BY COUNTY, APRIL, 1956*

County	Amount	Per cent of State Total
Adair	$ 700	1.3
Alfalfa	200	0.4
Atoka	400	0.7
Beaver	180	0.3
Beckham	680	1.2
Blaine	210	0.4
Bryan	1,680	3.0
Caddo	750	1.3
Canadian	230	0.4
Carter	1,190	2.1
Cherokee	490	0.9
Choctaw	1,200	2.1
Cimarron	50	0.1
Cleveland	360	0.6
Coal	480	0.9
Comanche	780	1.4
Cotton	470	0.8
Craig	290	0.5
Creek	1,030	1.8
Custer	440	0.8
Delaware	690	1.2
Dewey	220	0.4
Ellis	180	0.3
Garfield	320	0.6
Garvin	540	1.0
Grady	1,020	1.8
Grant	30	0.1
Greer	230	0.4
Harmon	200	0.4
Harper	90	0.2
Haskell	440	0.8
Hughes	780	1.4
Jackson	860	1.5
Jefferson	500	0.9

TABLE 39--Continued

County	Amount	Per cent of State Total
Johnston	430	0.8
Kay	830	1.5
Kingfisher	140	0.3
Kiowa	780	1.4
Latimer	320	0.6
Le Flore	1,050	1.9
Lincoln	1,110	2.0
Logan	750	1.3
Love	560	1.0
McClain	700	1.3
McCurtain	2,210	3.9
McIntosh	720	1.3
Major	170	0.3
Marshall	770	1.4
Mayes	600	1.1
Murray	280	0.5
Muskogee	850	1.5
Noble	220	0.4
Nowata	310	0.6
Okfuskee	710	1.3
Oklahoma	5,040	9.0
Okmulgee	860	1.5
Osage	540	1.0
Ottawa	1,530	2.7
Pawnee	330	0.6
Payne	760	1.4
Pittsburg	2,160	3.9
Pontotoc	940	1.7
Pottawatomie	1,260	2.3
Pushmataha	960	1.7
Roger Mills	320	0.6
Rogers	560	1.0
Seminole	820	1.5
Sequoyah	1,790	3.2
Stephens	440	0.8
Texas	210	0.4

TABLE 39--Continued

County	Amount	Per cent of State Total
Tillman	460	0.8
Tulsa	3,600	6.4
Wagoner	610	1.1
Washington	730	1.3
Washita	250	0.4
Woods	180	0.3
Woodward	200	0.4
Total	$55,970	100.0

*Source: Data provided through the courtesy of the Oklahoma Emergency Relief Board.

Components do not necessarily add to totals because of rounding.

these cash assistance payments are not included in the current National Income Division list of transfer payments for Oklahoma, but it would be consistent with the National Income Division's concept to include them. Cash disbursements for general relief amounted to $415,000 and cash disbursements for emergency amounted to $5,000 in the calendar year 1954.[4] In 1955 cash disbursements for general relief amounted to $628,230.[5] The records of the Emergency Relief Board show no disbursements for emergency relief during that year.

The writer[6] has been informed that the relative size of the disbursements for general assistance to individual counties is not subject to significant month-to-month change. Consequently, data for a single month fairly represent the proportionate amounts distributed in a given calendar year. Disbursements for emergency relief are limited to $15,000 a year and will cause little, if any, distortion in the total pattern for a calendar year.

Illustrative county data of cash disbursements by the Oklahoma Emergency Relief Board for April, 1956 are shown in Table 39. These data may be used as a bench mark for allocation of general assistance and disaster payments. This

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[4]*Ibid*.

[5]Data provided through the courtesy of the Oklahoma Emergency Relief Board.

[6]Interview with Mr. Frank Easley, Administrator, Oklahoma Emergency Relief Board, May 10, 1956.

allocator will provide a satisfactory picture of the pattern of distribution of general assistance payments by county. If, however, these payments are to be included as part of transfer payments at a later data, annual county data can be compiled from the records of the Emergency Relief Board.

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Special Materials

A major source of data for this study consists of special tabulations and interviews with personnel in a number of state and federal agencies as indicated below:

United States Department of Commerce, National Income Division, Washington, D. C.

The Department of the Army, Washington, D. C.

The Railroad Retirement Board, Regional Office, Oklahoma City, Oklahoma.

The Social Security Administration, Regional Office, Oklahoma City, Oklahoma.

The Veterans Administration, Regional Office, Muskogee, Oklahoma.

The Oklahoma Employment Security Commission, Oklahoma City, Oklahoma.

The Oklahoma Department of Public Welfare, Oklahoma City, Oklahoma.

The Oklahoma State Insurance Commission, Oklahoma City, Oklahoma.

The Oklahoma Motor Vehicle Commission, Oklahoma City, Oklahoma.