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THE EDUCATIONAL LEVEL OF DEPENDENT CHILDREN OF SEVERELY AND PERMANENTLY DISABLED RECIPIENTS OF WORKMEN'S COMPENSATION IN OKLAHOMA

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OF SEVERELY AND PERMANENTLY DISABLED

RECIPIENTS OF WORKMEN'S COMPENSATION

IN OKLAHOMA

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CHAPTER I

INTRODUCTION

Workmen's compensation was first introduced in the United States as a major social reform on May 30, 1908. Its purpose was to provide for the price of industrial injury to be included in the cost of production. Appendix A indicates the enactment and effective dates of the 55 jurisdictions in which the reform was to be enforced. The initial act was passed for government employees on the federal level; the most recent act was passed in Mississippi on April 13, 1948. By 1920, all but seven states had passed workmen's compensation laws.

After the federal government provided insurance for occupationally injured federal employees only, the states, in their respective jurisdictions, accepted the responsibility of securing income for workers injured while on the job. Had this reform been initiated during another time in United States history, perhaps the responsibility would have been accepted by the federal government. However, during the first two decades of the twentieth century, the states were the ones who responded to the progressive demand for workmen's compensation.

Oklahoma was the twenty-eighth jurisdiction to pass a workmen's compensation law and the thirty-second jurisdiction to make the law effective. The Oklahoma workmen's compensation law was passed March 22, 1915, and became effective September 1, 1915. Therefore, the state was neither the first nor the last to provide compensation for work injuries.

To justify laws that ultimately would involve most employers in the nation, a philosophy was necessary to make employers morally responsible for industrial injuries. "The cost of the product should bear the blood of the workingman," was a colorful slogan ascribed to Lloyd George.[1] This idea of a "trade risk," the costs of which could and should be shifted to the consumer, stemmed from the French doctrine of "risk professionnaire." It was adopted by such famous sponsors of compensation legislation as Joseph Chamberlain and Theodore Ro sevelt and was endorsed by courts and text-writers.[2] With a philosophy of industrial injuries as a part of production costs, state legislatures proceeded to adopt procedures whereby injured workmen would be paid compensation for their disability and the employer would be expected to pay the cost through self insurance or through means of insurance premiums; of course, the cost would if possible be shifted to the consumer through higher prices.

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[1]Stefan A. Riesenfeld and Richard C. Maxwell, Modern Social Legislation (Brooklyn: Foundation Press, 1950), p. 138.

[2]Ibid.

After more than fifty years of experience in workmen's compensation laws, the right of the laborer to workman's compensation for industrial injury has become an accepted institution in employer responsiblity. Because the laws are state statutes, there are variations between the amount paid and the number of employees covered among the states. An example of the variations in procedure relates to state funds. In eight states, an exclusive state fund exists which represents the only insurer in the state; in eleven states a competitive state fund exists in which the employer may choose a private company or the state fund for purchasing insurance.[3] Oklahoma is one of the eleven states which permit an employer to carry insurance with the state fund or with a private insurance company

Oklahoma is one of seventeen states in which actual coverage is less than 70 per cent of potential coverage.[4] For the nation as a whole, in 1968 about 83.3 per cent of the employed wage and salary workers were covered in an average month by workmen's compensation.[5] In the same year, the

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[3]Robert J. Myers, Social Insurance and Allied Government Programs (Homewood: Irwin, 1965), p. 200.

[4]The other states are South Carolina, Georgia, Alabama, Mississippi, Tennessee, Louisiana, Arkansas, Texas, Kansas, Missouri, South Dakota, Wyoming, Oregon, and Washington. Skolnik, Alfred M., "Twenty-five Years of Workmen's Compensation Statistics," Social Security Bulletin, XXIX (October, 1966), p. 7.

[5]Alfred M. Skolnik and Daniel N. Price, "Another Look at Workmen's Compensation," Social Security Bulletin, XXXIII (October, 1970), p. 6.

estimated average monthly number of wage and salary workers covered by workmen's compensation was 390,000 in Oklahoma.[6] The estimate of workmen's compensation payments in 1969 was $26,292,000 in Oklahoma.[7] This figure represents an increase of 11 per cent from 1968; the average increase by state from 1968 to 1969 was 10 per cent. This indicates that Oklahoma not only has accepted workmen's compensation as an institution but has been increasing the the total dollars paid more than the nation's average.

Some unanswered questions are relative to the present status of workmen's compensation in general. The first question that must be analyzed concerns whether the amount of average payment and the income of recipients are adequate compared to the current level of prices. At least one medical doctor believes that the payments are too liberal; Melvin N. Newquist contends that medicine is socialized to the extent that medical service is included under the compensation laws. He also contends that the liberal interpretations by administrative agencies and courts bring socialized medicine "through the side door of workmen's compensation."[8] To most severely injured workers in Oklahoma, the fear of the medical profession would be a small problem when compared to the

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[6] _Ibid_., p. 7.

[7] "Workmen's Compensation Payments and Costs, 1969," _Social Security Bulletin_, XXXIV (January, 1971), p. 32.

[8] Melvin N. Newquist, "Medical Aspects and Implications of Workmen's Compensation," _Archives of Environmental Health_, V (Nov., 1962), p. 509.

problem of maintaining a minimum standard of living on the maximum income available from workmen's compensation.

In 1968, awards totaling $12,072,896 were approved by the Oklahoma State Industrial Court under the state workmen's compensation law.[9] However, these awards included all injuries of 5,326 individuals.[10] The maximum payment per week for permanent disability in Oklahoma is $40; all jurisdictions have a higher maximum payment except for the states of Mississippi, Texas, Wyoming, and the territory of Puerto Rico.[11] Considering the maximum weekly payment to be $40, the amount paid for those who are not awarded the maximum amount would provoke serious income problems for the family of the disabiled unless there were other sources of income.

Even if the monetary payments were more realistic than these are, the actual cost to the individual would not be completely reimbursed. The worker may have worked around the home or may have had a second job. Also, the average person has about one-third of his time for leisure, and

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[9]Oklahoma Industrial Court, Report of the State Industrial Court of Oklahoma, Oklahoma City, 1968, p. 3.

[10]*Ibid.*, pp. 5, 6.

[11]U.S. Department of Labor, State Workmen's Compensation Laws, Bulletin 161, (Washington, D.C., Government Printing Office, 1969), pp. 46-49.

consequently, he would lose this time also.[12] No monetary reward conceivably would be adequate for the real cost paid by injured workers, but it is most unlikely that $40 per week would be nothing more than a token payment for the permanently and totally disabled. The adequacy of payments will be one of the problems investigated in this thesis.

Another relevant question about the current status of workmen's compensation is: How responsible is the group who justifies the award and determines the amount payable to the injured worker? In Oklahoma, the decision is made by a state industrial court whose judges are appointed by the governor. The time element between the injury and the settlement of the injured's claim is another factor that may be prejudicial to the claimant. No Oklahoma study has been made regarding the promptness of settlement as has been done in Texas by Barton.[13] The time a worker is without salary or workmen's compensation is more critical to his future than it is to the insurance company. This problem, too, is left for others to examine in Oklahoma.

Another factor which has not been examined in the

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[12]James N. Morgan, "Adequacy and Equity of Benefits," in Occupational Disability and Public Policy, ed. by Earl F. Cheit and Margaret S. Gordon, (New York: John Wiley and Sons, 1963), p. 323.

[13]Sam B. Barton, The Use of Workmen's Compensation Statistics as a Measure of Underwriter Performance, (Denton: by the author, 1969), p. 17-18. The author examined promptness of first payment by insurance carrier in Texas.

area of workman's compensation concerns the effect of a father's disability due to work injuries on his dependent children. A supplement to this problem is the question of the future of the children relative to their education and their future earnings. No study has been made to determine (1) the number of children who had not completed high school at the time of their father's disability, and (2) if there is an extra cost paid by the recipient's children due to reduced income or home factors that would be detrimental to the child's normal educational development. This paper will attempt to find the effects of an occupationally disabled father's injuries on his children's education and occupational opportunities in Oklahoma.

The most serious failure of the workmen's compensation laws in Oklahoma is compensation for those who are permanently disabled. The maximum payment restriction is most detrimental to the future of those who have lost the most when an industrial injury occurs. The definition of permanent disability in workmen's compensation cases is:

> Permanent disability, as the name implies, is a fixed, persistent pathological change resulting in a loss of effectiveness of one or more parts of the body. As used in compensation parlance, the condition usually remains static during the lifetime of the patient, but in some instances may be slowly progressive.[14]

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[14]Earl C. Steele, "Benefit Administration," in Occupational Disability and Public Policy, ed. by Earl F. Cheit and Margaret S. Gordon, (New York: John Wiley and Sons, 1963, p.273.

The disabled, in a society such as that of the United States, find that their social status is lowered not only through lowered income but also through loss of prestige. Status, based on one's ability to produce, presents the disabled with the distinction of being one of society's "dependents," which is not a revered position in a work-oriented environment. Since status is also highly based on wealth or income in the United States, the permanently disabled are handicapped by having little of either in the majority of cases.

If industry accepts the responsiblity of providing protection from industrial injury, their interest will decline as the permanently disabled becomes a statistic. For example, in the group studied, no individuals after a disabling injury had been given jobs by their employers.

Another conflict arises for the injured when he is caught between his desire to return to productive employment and his desire to prove his disability claim for payment of workmen's compensation.[15] The extent of his injury will have a decisive effect on the amount of settlement which he will obtain. But to appear to be progressing toward recovery might be harmful in his claim; whereas his permanent disability would leave him unable to earn wages in the future.

One readily can visualize the mental anguish which

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[15]Z. L. Gulledge, "Vocational Rehabilitation of Industrially Injured Workers," in Occupational Disability and Public Policy, edited by Earl F. Chiet and Margaret S. Gordon, (New York: John Wiley and Sons), p. 399.

would follow such insecurity after having undergone a traumatic injury. The problem further is complicated by the residual effects of the protestant ethic which presents work as an end in itself.[16] In short, the permanently disabled is disengaged from his habitual life style and must locate a new role which is, perhaps, alien to his self concept.

Included with the problem of the individual, is the problem posed for the family. The resulting emotional and mental tensions depend both on the magnitude of the problem and on the strength and integrity of the family. When a severe accident is accompanied by divorce or other evidence of family demoralization, the adjustment will be more difficult.[17] In most severe injuries, where the impact is brutal and protracted and where even the most heroic efforts to meet the economic crisis fail, the integrity of the family and even its survival depend in part on the emotional stability and mental health of both the injured worker and his wife.[18]

Although disability has received neither the publicity nor the public attention generated by accidents, malignancies,

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[16] Max Weber, The Protestant Ethic and the Spirit of Capitalism, (New York, 1958), p. 182.

[17] Sam B. Barton, How Texas Cares for Her Injured Workers, (Denton: by the Author, 1956), p. 20.

[18] *Ibid*., p. 21.

diseases of the heart, or poverty and dependency, it is an important part of these and other health and social problems.[19] Manifested not only in personal expense and lost production, the effect of disability upon the general economy also can be seen in the increasing cost of welfare payments, extended health care, compensation, and insurance benefits for the disabled.[20] The permanently disabled face an insecure future with family and emotional pressure mounting while he must find a means of adjustment.

The financial pressure under which the disabled must find his future has been established in several studies made in the last decade. Perrella and O'Boyle found that the median income of sick or disabled men, both personal and family, was below that for retired and the willfully unemployed.[21] Sick or disabled men had median monthly personal incomes of \$100 to \$149 and family incomes of \$200 to \$299 below those of men who did not want a job because they were retired.[22] About 7 per cent of the sick and disabled men reported they had no income during the year.[23]

Occupational disability that should have been provided income by workmen's compensation in 1960 relative to 1910 is shown in Table I. There were 38 per cent of the civilian

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[19]Saad Z. Nagi, Disability and Rehabilitation, (Columbus: Ohio State Univ. Press, 1969), p. 3.

[20]*Ibid.*

[21]Vera C. Perrella and Edward J. O'Boyle, "Work Plans of Men not in Labor Force," Monthly Labor Review, XCI (September, 1968), p. 39.

[22]*Ibid.* [23]*Ibid.*

labor force not eligible nor covered by workmen's compensation in 1960.[24] Even though about 87 per cent of labor force is now covered by workmen's compensation, indications are that the income of the disabled is the lowest of those who are unable or do not desire to enter the labor force.

There are a multitude of state and federal programs available for the disabled in Oklahoma.[25] Shown in Appendix B are the various programs available and the date of enactment. Under some of these programs, one would assume that the disabled would be able to find an adequate income; however, the fact that the disabled have failed to respond to these possible aids suggests that either these programs have limited scope or that the disabled do not desire to be aided by the Oklahoma programs. Unless some aid is forthcoming from some of these programs, the disabled have very few alternatives besides a forced reduction to poverty since even a permanent total disability is payable for only 500 weeks in Oklahoma; i.e., the injury may be permanent but all benefits from workmen's compensation are in a general sense temporary.[26]

Even before World War II, a few countries such as

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[24]John B. Turnbull, Malcolm S. Cohen, and Mary Pepple, The Changing Face of Economic Security, (Minneapolis: University of Minnesota Press, 1966), p. 103.

[25]Oklahoma Public Welfare Commission, Oklahoma and the Welfare Myths, (Oklahoma City: May, 1970), p. 31.

[26]Lawrence Smedley, "The Failure of Workmen's Compensation Laws," American Federationist, LXXIII (March, 1966), p.6.

Table 1

How Occupational Illness Was Met in 1910 and 1960

Category	1910	1960
Potentially eligible for Workmen's Compensation (Millions)	22.5	56.0
Covered by Workmen's Compensation (Millions)	.1	44.0
Potentially eligible covered by Workmen's Compensation	1.0%	79.0%
Covered by employers liability and tort law (Millions)	22.4	12.0
Potentially eligible covered by employers liability	99.6%	21.0%
Total Civilian labor force not potentially eligible for Workmen's Compensation (Millions)	13.9	14.6
Civilian labor force not eligible for Workmen's Compensation	38.2%	20.7%
Total civilian labor force not eligible or not covered by Workmen's Compensation (Millions)	36.3	26.6
Civilian labor force not eligible for or not covered by Workmen's Compensation	99.7%	37.7%

Source:

John B. Turnbull, Malcolm S. Cohen, and Mary Pepple, The Changing Face of Economic Security (Minneapolis: University of Minneapolis Press, 1966), p. 103.

Germany, Italy, and Austria had provisions for dependent benefits.[27] However, in Oklahoma and thirty-eight other states, no provisions are made for extra compensation for the dependent children of injured workers. According to the Perrella and O'Boyle study, the dependent of a permanently injured father still must face financial deprivation which could involve the need for other members of the family to begin work; it could mean that the child may become the victim of a broken home; it could mean that the child may be disrupted from his public school education.

The seriousness of the lack of income replacement by workmen's compensation in Oklahoma is more pronounced than in the majority of other states. In a table created by Earl F. Cheit, Appendix C, findings were that at age forty-four, only 15 per cent of the loss to a permanent total disablement was replaced; and at age fifty-five, only 23 per cent of the loss was replaced by workmen's compensation.[28] The family financial need would be most serious to the child whose father at age 44 becomes disabled and an 85 per cent reduction of the standard of living would become necessary unless other members of the family could provide additional income. The child's education could be placed in jeopardy as an immediate

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[27]Margaret S. Gordon, "Industrial Injuries in Europe and the British Commonwealth before World War II," in Occupational Disability and Public Policy, ed. Earl F. Chiet and Margaret S. Gordon, (New York: John Wiley and Sons, 1963), p. 215.

[28]Earl F. Cheit, Injury and Recovery in the Course of Employment, (New York: John Wiley and Sons, 1961), p. 172-173.

consequence while the psychological damage could have even more serious effects. The father could not provide economic means as he had done in the past and the parents might not be able to attend to the emotional needs of the children due to family disruption. Should the income loss come at the adolescent age and should a corresponding loss of social status ensue, the immediate effects of the father's disability could be traumatic.

The long run effects of disability could be even more serious for the child and for society given the assumptions of reduced income for the family and reduced social status. The child could be deprived of a college education and could be deprived of income opportunities which a higher education could bring. If the child enters college, there may be difficulty in completing a full four years; if he fails to complete college, will his future standard of living be reduced because of his dependence on a lower paying job?

Since the early years of the present decade, there has been an increased interest in poverty and its effect on society. The "War on Poverty" programs by the federal government have presented poverty as a national disorder which should be corrected. Not all relevant factors causing poverty are known; but one factor in this problem is the problem of disability and the economic costs to society and particularly to the family of the disabled. In a study made in 1968, researchers found that ill or disabled nonparticipants made up about 17 per cent of all men not in the labor force.[29] Among the few men nonparticipants between the ages of twenty and 59 years of age, over one-half of those not in school were either ill or disabled.[30]

In 1969, the number of families whose annual income was $3,000 or less included 19,438,000 people.[31] This amounted to 10 per cent of the total number of families in a year in which the median income was $9,433.[32] Since $3,000 for a family of four is below the poverty level, the magnitude of the poverty problem is scarcely shown by these general figures.

In 1964, Mollie Orshansky made a more detailed study of the poor and found that of the families with male family heads aged 20-24, in nonpoor families, 1 per cent were ill or disabled while of the poor families, 5 per cent were ill or disabled.[33] Table 2 indicates the various differences between those who are ill or disabled and the number who are poor or nonpoor. This study indicates that disability is a factor in the poverty problem; also, the number of poor households headed by disabled persons has not declined since

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29Paul O. Flaim, "Persons not in the Labor Force: Who They are and Why They Don't Work," Monthly Labor Review, XCII (July, 1969), p. 7.

30Ibid.

31U.S. Bureau of the Census, "24 Million Americans -- Poverty in the United States: 1969," Current Population Reports, series P-60, No. 76 (Washington, D.C.: Government Printing Office, 1970), p. 3.

32Economic Report of the President, 1971 (Washington, D.C., Government Printing Office, 1971), p. 220.

33Mollie Orshansky, "More About the Poor in 1964," Social Security Bulletin, XXIX (May, 1966), p. 29.

1959.[34] If the work of these groups indicates that disability is a national factor in poverty, how Oklahoma relates to this problem remains to be shown. In a study by Berkowitz and Burton in 1968, the relationship of workmen compensation payments and the poverty line in each state was computed for permanent total disability. For a three person family, Oklahoma ranked fortieth among the states in maximum weekly benefit divided by the poverty line while it ranked forty-ninth for a four person family.[35]

The studies indicate that disability is a problem in the nation and workmen's compensation as a factor in poverty is a problem for low income families in Oklahoma. The present study has relevance based on these factors alone; however, the economic and social costs to the children could be even more relevant since their future and the social problems of the country will be influenced by the deprivation due to industrial injury. The importance of completion of public education is indicated by the income that a high school graduate may expect to earn as compared to the income that a high school dropout may expect to earn. Ribish calculated the data of males between eighteen and twenty-four years of age to determine the income of high school graduates to high

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[34] Economic Report of the President 1969 (Washington, D.C., Government Printing Office), p. 169.

[35] Monroe Berkowitz and John F. Burton, Jr., "The Income - Maintenance Objective in Workmen's Compensation," Industrial and Labor Relations Review, XXIV (October, 1970), pp. 21-22.

Table 2

Male Family Heads Who Are Ill and Disabled As

A Per Cent of Total Population in 1963

	Poor Families	Non Poor Families
All Families		
Number in thousands	1,520	11,510
Per Cent ill or disabled	2.6	1.2
Aged 14 - 19		
Number in thousands	1,120	7,170
Per Cent ill or disabled	.3	.2
Aged 20 - 24		
Number in thousands	140	2,110
Per Cent ill or disabled	5.0	.9
Aged 25 - 54		
Number in thousands	190	1,630
Per Cent ill or disabled	9.9	2.8

Source:

Orshansky, Mollie, "More About The Poor in 1964," Social Security Bulletin, XXIX, (May, 1966), p. 29.

school dropouts; his data indicated that a high school graduate could expect to earn about $487 a year more in 1960 than a high school dropout.[36]

The necessity of graduating from high school is emphasized as most important to the earnings for the teenager. The cost to the family due to disorganization has been considered and the actual cost of reduced income has been indicated by previous studies. The father is placed in a reduced position in the family structure when he no longer is earning the major income for the family. Research has indicated that among low income families, the income of the husband is directly related to his participation in the family; the more he earns, the greater his power and involvement in the family.[37] A more detailed study of this cost is left to others; however, the assumption is made that family disorganization due to the lowered status of the father will exact some unknown social costs in future earnings and adjustments for the dependent children.

For the dependent children, the fact of a father's disability and its possible reduction of family income could be costly to these children in other ways. Unemployment is most likely to be highest in low income groups and these

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[36] Thomas I. Ribish, Education and Poverty, (Washington, D.C., Brookings Institute, 1968, p. 23.

[37] Richard H. Hall, Occupations and the Social Structure (Englewood Cliffs: Prentice-Hall, 1969), p. 341.

persons could be faced with a reduction of annual income due to periods of such unemployment. For the father who is disabled, the likelihood of unemployment is higher than for other groups. In the Orshansky study, the poor in 1964 who were ill or disabled did not work at all in 60 per cent of the cases and worked only part time in 33 per cent of the time.[38] Disability appears to be the prime factor causing non participation in the labor force or a factor related to unemployment or underemployment. In the case of those who receive Aid to the Permanently and Totally Disabled under Social Security, regions of serious and chronic labor surplus have higher caseloads than those areas where unemployment is less severe.[39]

When jobs become scarce and applicants are plentiful, jobs inevitably will be rationed by social standards of preference or discrimination. Color, age, inexperience, and inferior educational attainment are obvious characteristics that can serve as a means of automatically excluding individuals from competition for scarce jobs.[40] The disabled father and his dependent children both will be limited in their occupational endeavors under this situation; the father for

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[38]Orshansky, "More About the Poor in 1964," pp. 5-8.

[39]Lora S. Collins, "Public Assistance Expenditures in the United States," in Studies in the Economics of Income Maintenance, ed. by Otto Eckstein, (Washington D.C., Brookings Institution, 1967), p. 149-150.

[40]Harry G. Johnson, "Unemployment and Poverty," in Poverty Amid Affluence, ed. by Leo Fishman, (New Haven: Yale University Press, 1966), p. 194.

his disability and the child if he fails at adequate educational attainment. One estimate showed that had total unemployment in 1960 been 3.6 per cent rather than 5.6 per cent the poverty percentage would have been reduced 1.4 per cent.[41] If unemployment is a problem of the poor, underemployment is a problem just as serious. Of the poor with a male head in 1963 only 35 per cent worked full time all year.[42] Of those who did not work full time all year, 6 per cent worked part time but were ill or disabled and 12 per cent did not work at all and were ill or disabled.[43] The cost of underemployment of the handicapped, youths and others is unknown since the exact extent is not known. The total waste of human resources within this group represents an economic and social cost[44] that is being paid by the poor. To ascertain the extent that industrial injuries compensatable by workmen's compensation contribute to this social and economic cost is a partial goal of this paper.

The relevance of this study is based on the lack of available data on the dependent children of disabled workers

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[41] Lester C. Thurow, "The Causes of Poverty," Quarterly Journal of Economics, LXXXI (February, 1967), p. 56.

[42] Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," in Poverty in America, ed. by Louis A. Ferman, Joyce L. Kornbluh, Alan Haber (2nd Edition, Ann Arbor: University of Michigan Press, 1968), p. 103.

[43] Ibid.

[44] Eli Ginzberg, The Development of Human Resources (New York: McGraw-Hill Book Co., 1966), p. 195.

in Oklahoma, and the potential need for revision of workmen's compensation laws in several states. Also, the relationship of industrial injury to poverty has not been examined. Industrial countries such as Australia, Austria, Czechoslovakia, Finland, West Germany, Greece, Italy, New Zealand, Norway, Poland, the Soviet Union, and Sweden, as well as the United Kingdom provide dependent's supplements to workmen's compensation.[45] In the United States, only seventeen states award any supplement to dependents of disabled workers.[46] Alabama, Connecticut, Illinois, Massachusetts, Michigan, Montana, Oregon, and Utah provide payments in case of temporary total, permanent partial, and permanent total disability, and Idaho, Nevada, North Dakota, Rhode Island, Vermont, Washington, and Wyoming authorize such payments for permanent total and temporary disability; Arizona and Iowa provide payment in case of temporary total disability only.[47] Oklahoma neither provides supplements nor does the industrial court profess to consider dependents as a factor in awards. Before Oklahoma becomes interested in the need for more income for its industrially disabled, more data must be collected on the effects of its present structure.

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[45]Margaret S. Gordon, "Industrial Injuries Insurance in Europe and the British Commonwealth Since World War II," in Occupational Disability and Public Policy, edited by Earl F. Cheit and Margaret S. Gordon, (New York: John Wiley and Sons, 1963), p. 244.

[46]State Workmen Compensation Laws, Bulletin 161, p. 56.

[47]Ibid., p. 57.

Purpose

This study is to determine the educational attainment of a group of children whose fathers have been severely and permanently disabled by a work related injury or illness. The purpose is to find if there is sufficient evidence of a problem to warrant a nationwide sampling of the educational attainment of children whose fathers are recipients of severe, permanent workmen's compensation disability. Related to this purpose, the paper will attempt to find, of the group studied, whether the workmen's compensation recipient's dependent children attained an educational level as high as children of other parents.

An auxillary purpose is to find the educational level of workmen's compensation recipients and to what extent his educational level varies with that of his children.

Another purpose of this study is to determine to what extent the father's disability has affected the completion of public school and whether the children's college education was affected. If the child did not attend college, the attempt will be made to determine whether the primary reason is the father's disability. Based on the findings, it will be the purpose to determine whether the child's future earnings are reduced due to the incidence of a disabled father.

The scope of this study is limited to 46 male Oklahoma workers who suffered disability and whose cases were settled in the Oklahoma Industrial Court during 1963 or 1964. Those included in the study were men who had a permanent disability judged to be severe enough to cause a 60 per cent or more loss of work ability. The number interviewed represented all who could be located or who had an immediate family member who could be located; they had a total of 97 dependent children at the time of disability.

Methodology

In each case, a personal interview was conducted with the disabled worker or with an immediate member of his family. A questionnaire was the basis of the interview and was completed by the author as the interview was conducted. Information about the dependent children was obtained from the parents during the interview. The approach is one of tabular presentation of data in which classification is generalized by various criteria and is compared to findings of national and state studies. Other studies made by government agencies and private groups are presented for comparison where applicable.

Outline

The outline is constructed to present background and a review of current literature prior to presentation of the findings. Chapter II includes related writing in the field of workmen's compensation, United States proverty problems, and problems of education for low income groups. The review of literature is presented to synthesize the accumulated knowledge in these related fields.

The findings are presented in Chapters III, IV, and V. The educational level of dependent children of severely and permanently disabled workmen's compensation recipients in Oklahoma is tabulated in Chapter III. Comparison of educational level is made between parents and children and between dependent children and other children in the state and the nation. In Chapter IV, the income and occupation of the recipients are compared to that of the labor force and other workers in Oklahoma. Also, the occupations of the dependent children are compared to income and occupations status tables and compared to the occupations of their fathers. An analysis of the findings is included in Chapter 5; the responsibility for the welfare of dependent children in cases of severely disabled workmen's compensation recipients is discussed and possible remedial action is suggested.

Summary

Workmen's compensation is in need of revision, and the relevance of the study is indicated to be most significant due to the lack of data on the possible economic effects or reduced family income upon the education of the dependent children of severely and permanently disabled workmen's compensation recipients. The purpose of the study was to attempt to find if there are educational effects on dependent children when the father is disabled by industry injury or illness.

The scope is limited to men with a 60 per cent permanent disability due to injury or illness compensatable by workmen's compensation in Oklahoma in which the settlement for disability occurred in 1963 or 1964. The outline is organized so that accumulated knowledge in the field is included in Chapter II while the findings on education are included in Chapter III and the findings on income and occupations are included in Chapter IV; Chapter V is an analysis of the results of the study and suggestions for remedial action. Chapter VI is a summary of the study and some conclusions.

CHAPTER II

REVIEW OF CURRENT LITERATURE ON WORKMEN'S COMPENSATION

Empirical studies in the field of workmen's compensation have not included the effect of disability on dependent children. In the last seventy years, studies have been made concerning the effect of workmen's compensation on insurance companies, employers, medical doctors, and the workers themselves; however, there is a lack of information concerning the effect of workmen's compensation on the fate of the disabled men's children. Although the interest in poverty has been generated by the "War on Poverty" in the last decade, no one has been inspired to research workmen's compensation nor the possible effect of inadequate payments on the families of injured workers.

Reformers have been interested in poverty as a national problem and have suggested remedial action; labor reformers also have been interested in general conditions that would be beneficial to laborers. In 1963, eleven reforms of state compensation laws were proposed in the *American Federationist*.[1]

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[1] "Crisis in Workmen's Compensation," *American Federationist*, LXX (June, 1963), p. 22.

Some suggestions related to administration of the law by an agency rather than a court, establishment of an exclusive state fund, and full benefits for the totally disabled for the period of disability.[2] Only one reform suggested the maintenance of "decent standard of living for injured workers and their dependents." All of these reforms are quite commendable, but no emphasis was placed on monetary supplements for dependent children.

Labor was one of the early supporters of workmen's compensation laws. In due course, organized labor became preoccupied with other concerns which it considered more pressing, such as unemployment, old age insurance, and collective bargaining issues.[3] Of course, labor does make regular demands for additional higher maximum and benefits, but, with the exception of a few unions in which a recent interest has been stimulated, no consistent concern with the efficiency and effectiveness of the programs has been shown.[4] Although organized labor is the chief spokesman for the primary beneficiaries and makes more effort toward reform than other groups, it has not become interested in the circumstances of

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[2]Ibid.

[3]Herman Miles Somers and Anne Ramsay Somers, Workmen's Compensation (New York: John Wiley and Sons, 1954), pp. 269-270.

[4]Ibid.

dependent children whose fathers are involved in cases of industrial injury or illness.

Starting in the early 1960s, the federal government undertook to reduce the level of poverty among various groups. Once the decision was made to attack the incidence of poverty, the question of how to develop a successful nationwide program had to be answered. The approach advanced by the federal government was an attempt to change the "culture of poverty."[5] Once this approach was accepted by the policy-makers, the "War on Poverty" was focused mainly on changing the supposed customs and values of the poor rather than on altering the economic and political structure of the nation.[6] If the "War on Poverty" was any attempt to change the "culture of poverty," this national domestic goal would be of little value to the industrially disabled unless exceptions to the programs were made. Other domestic goals such as price and employment stability, environmental preservation, and equal employment opportunities, also would have only residual effects on the disabled worker.

For example, Berkowitz and Burton classified the objectives of a workmen's compensation income system under four headings.[7] These headings were income maintenance;

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[5]Charles A. Valentine, Culture and Poverty (Chicago: University of Chicago, 1968), p. 156.

[6]Ibid., 156.

[7]Monroe Berkowitz and John F. Burton, Sr., "The Income - Maintenance Objective in Workmen's Compensation." Industrial and Labor Relations Review, XXIV (October, 1970), p.15.

incentives for optimal expenditures on safety and accident prevention and health procedures; allocation of costs of disability to the source of the injuries; and optimal incentive for the maximum lifetime labor force participation of the disabled. If these are the objectives of workmen's compensation, how do they relate to the poverty problem in the United States?

The expressed economic goals of Oklahoma relate to the desire to industrialize. The state government has made no overt attempt to eradicate poverty since this goal might conflict with their attempt to industrialize. A culture of poverty develops when a stratified social and economic system is breaking down or is being replaced by another,[8] therefore, a "War on Poverty" as attempted by the Federal government has not been attempted or, perhaps, has not been needed by the Oklahoma state government. While competing with other states for new industry, Oklahoma legislators will be sensitive to the amount of state taxes which industry must pay as costs for social legislation. The benefit levels and administrative costs of workmen's compensation will add to a company's manufacturing costs.[9] Should the Oklahoma legislature attempt to raise workmen's compensation payments to

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[8]Oscar Lewis, <u>A Study of Slum Culture</u> (New York: Random House, 1968), p. 6.

[9]Abner Brodie, "The Adequacy of Workmen's Compensation as Social Insurance: A Review of Developments and Proposals," <u>Wisconsin Law Review</u>, LCLMXIII (January, 1963), p. 86.

a more adequate level, it would face the possibility of being accused of discouraging the location of new industry in the state.

In reality, the cost of workmen's compensation to the employer amounts to approximately 1 per cent of payrolls.[10] In contrast, the estimate of total fringe benefits spent by employers amounts to 25 per cent.[11] The actual cost of increased benefits would be quite small in relation to other benefit costs and the assumption remains that some of this cost would be passed on to the consumer; however, the possibility of charges that increased costs would be detrimental to economic development would have to be faced by legislators. These charges could not be made for state transfer payments which the disabled may receive since these are paid from welfare funds. The welfare funds are paid from receipts of the state general sales tax and would not affect costs of business. In May, 1970, public assistance of $2,063,787 was granted to 25,219 disabled persons by the State of Oklahoma welfare funds. Of this total, $1,333,330 was for medical assistance, $748,624 for inpatient hospitalization, $207,418 for physicians services, $748,624 for nursing home care, $24,735 for non-technical medical care, $9,996 for clinics, and $5,664

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[10] John G. Turnbull, C. Arthur Williams, Jr., Earl F. Cheit, Economic and Social Security (3rd Edition, New York: Ronald Press, 1968), p. 345.

[11] *Ibid*.

for other services.[12]

Even though the federal government launched a "War on Poverty" in the 1960's and the State of Oklahoma paid transfer payment to disabled individuals through various welfare funds in recent years there has been an amazing lack of interest in recipients of workmen's compensation or their dependent children.

Workmen's Compensation

Of interest to authors in recent years has been the basic criteria for payment under workmen's compensation laws. Determining the means by which judges should decide the amount of payment for industrial injury and establishing a consistant criteria for fairness in all cases have been problems that have plagued lawyers, judges, insurance companies, injured workers, and reformers since the inception of the concept of workmen's compensation. Berkowitz and Burton classify three possible cash benefit levels which may be used.[13] One standard would be based on some minimum standard of income such as a minimum adequate level, a more affluent level, or an arbitrary level. Another possible standard would be a specified percentage of a former standard of living; a third standard would be a replacement of some specified percentage

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[12]Oklahoma Public Welfare Commission, _Monthly Bulletin_ (Oklahoma City, May, 1970), p. 7.

[13]Berkowitz and Burton, p. 16.

of future income loss.[14] Since 1948, England has based its permanent disability rating by the degree of physical disability resulting from the injury, as compared with the condition of a normal healthy person of the same age and sex.[15] Perhaps, any of these methods are acceptable if the settlement maximums are high enough to present an injured worker with an adequate income.

Another means for alleviating the income problem of injured workers would be reemployment by the previous employer with a guaranteed income for life. In a questionnaire sent by the Bureau of Labor Statistics to 2,946 manufacturers in six states, findings were that 60 per cent of the impaired workers had received their injuries after being employed.[16] The report showed that 5 per cent of all workers were physically impaired, and the reemployment of impaired workers was at a higher rate in plants of 500 or more workers than in smaller plants.[17]

In the event that the approach to compensation is a loss of income criteria, the problems of computation is not a major deterent. Working life tables now are available to

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[14] Ibid., p. 17.

[15] Margaret S. Gordon, "Industrial Injuries Insurance in Europe and the British Commonwealth Since World War II," in Occupational Disability and Public Policy, Ed. by Earl F. Cheit and Margaret S. Gordon (New York: John Wiley and Sons, p. 227.

[16] "Workmen's Compensation Laws and Employment of the Handicapped," Monthly Labor Review, LXXXV (February, 1962), pp. 145-146.

[17] Ibid.

determine the useful working years of the labor force and the mortality for any state.[18] Philosophically, loss of income as a criterion would be in keeping with an insurance concept in which the worker is imbursed for his cost of injury; however, there are problems relative to fairness of this approach. An older worker may wonder why a younger man should get greater benefits for the same type of injury; an unskilled worker may have difficulty in understanding that his hand should be worth less than a skilled technician's. And how can one explain to a woman who has been permanently disfigured that she is entitled to nothing unless her earning capacity has been affected? The worker who has lost an arm or a leg but has succeeded in rehabilitating himself to the point of returning to work at the same wage as before also may feel that he still is entitled to a benefit based on his physical loss.[19]

In addition there is difficulty in determining the amount of disability suffered by an insured worker. The inability to identify economic loss provides legislative arguments for holding benefit levels down because it is claimed that some workers already are too "generously compensated."[20] The difficulty of using income loss as a criterion has made

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[18] Earl F. Cheit, Injury and Recovery in the Course of Employment (New York: John Wiley and Sons, 1961), p. 66-67.

[19] Somers and Somers, p. 72.

[20] Cheit, Injury and Recovery in the Course of Employment, p. 335.

the use of this method unreliable.

Seven states follow a system that does not relate the payments to the prior earning scale. These states are Kansas, Massachusetts, Oklahoma, Oregon, Washington, West Virginia, and Wyoming.[21] As previously noted, the problem in Oklahoma rests on the low maximum payment and the limited duration of 500 weeks. Cheit believes that the basis of payment should be related to physical impairment since lost income is hard to determine, and he believes that the employer should be compelled to reemploy the person or pay the liability rather than the carrier; this would be an incentive to rehire the permanently disabled.[22]

Some industries use a method of repayment other than workmen's compensation. Railroad employees and seamen retain employers' liability as a method of security due to injury. Employers' liability is a method of settlement which requires the injured to bring court action or accept an agreed claim for payment of work injuries. In a study of workmen's compensation in California, Cheit found that of permanent total disability cases, 18 per cent of the injured railroad employees

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[21]Stetan A. Riesenfeld, "Efficiency and Costs of Workmen's Compensation," in Occupational Disability and Public Policy, Ed. by Earl F. Cheit and Margaret Gordon (New York: John Wiley and Sons, 1963), p. 283.

[22]Earl F. Cheit, "Can Injured Workers Recover," in Occupational Disability and Public Policy, Ed. by Earl F. Cheit and Margaret S. Gordon (New York: John Wiley and Sons, 1963), pp. 69-71.

received more under employers' liability, known as the Federal Employers Liability Act, than they would have received under California workmen's compensation, but 35 per cent of the railroad workers received less.[23]

Despite the rising influence of an aggressive plaintiffs' bar, the impressive strength of railroad brotherhoods and seaman's unions and the increasing liberality of juries, many of the same defects that prompted fifty state legislatures to discard the tort and employers' liability approach remain for those who must use this method for recovery. Injured workers under employers' liability systems still face difficulties and uncertainties in recovering any damages. The awards they receive are often inequitable and may be delayed months, even years.[24] Workers are under pressure to refrain from filing claims or to settle for smaller amounts; fellow-employees are under pressure to refrain from testifying. Now, as always, ill will and poor employment relations are engendered by the inherent problems in the employers' liability system.[25]

Based on the performance of the employers' liability approach, few reasons are apparent to propose it as an alternative to workmen's compensation. Workmen's compensation fails to make payments equitable or adequate in Oklahoma as

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23Cheit, Injury and Recovery in the Course of Employment, p. 215.

24Cheit, "Can Injured Workers Recover," p. 57.

25*Ibid.*, p. 58.

in most states; however, the problem of equitability is even more pronounced with employers' liability than workmen's compensation. In a few cases which receive wide attention because of high awards, the advantage of employers' liability sounds convincing; however, these cases are rare and tend to obscure the large majority of cases which are less adequate than workmen's compensation.[26] One writer suggests that unless workmen's compensation systems increase their awards, knowledge of the few high settlements that occur under employers' liability could cause pressure for abolition of the workmen's compensation systems altogether.[27] It would be tragic to allow workmen's compensation systems to be destroyed and to leave workers with the deplorable systems which existed prior to the passage of the workmen compensation laws.

Somers and Somers have proposed that a system be instituted in which the worker could have access to both workmen's compensation and employers' liability.[28] Under their plan, the injured worker could file for coverage under state workmen's compensation laws and additionally, the injured worker could file suit for damages due to employer

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[26]Cheit, Injury and Recovery in the Course of Employment, p. 335.

[27]Benjamin Marcus, "Advocating the Rights of the Injured," in Occupational Disability and Public Policy, Ed. by Earl F. Cheit and Margaret Gordon (New York: John Wiley and Sons, 1963), p. 90.

[28]Somers and Somers, p. 192.

negligence. If the injured worker won his damage suit, and if the court settlement was more than that of the workmen's compensation settlement, the amount received from workmen's compensation would be deducted from the actual amount paid.[29] By providing this protection, the inadequate benefits in certain cases would be reduced and would provide a new incentive for the employer to be concerned about safety in mines, factories, and other employer owned property. The inability to make the payment to each individual equitable is probably a necessary evil that a program as complicated as workmen's compensation cannot overcome.[30] However, the ability of the injured worker to receive workmen's compensation and retain the right to sue in court is one step toward overcoming this inequity.

Federal standardization of workmen's compensation has been proposed as one remedy to the problem of inadequacy of payments to injured workers. In 1955, Larson sent a model act to several persons for their critiques, but this tentative plan was not completed for a final draft.[31] In the Economic Report of the President, 1969, a passage read:

> Improvements in workmen's compensation ought to come through State laws. To provide incentive for such action and to protect workers in its absence, Federal action may be required.

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[29] Ibid.

[30] Cheit, "Can Injured Workers Recover," p. 66-67.

[31] Arthur Larson, "Compensation Reform in the United States," in Occupational Disability and Public Policy, Edited by Earl F. Cheit and Margaret S. Gordon (New York: John Wiley and Sons, 1963), p. 29.

> Consideration should be given to legislation requiring States to extend coverage and to improve benefits. If States fail to act, the law might require employers to purchase insurance providing additional coverage and higher benefits.[32]

No move has been made to implement Larson's suggestions nor to take federal action as suggested by the President in 1969. Either there is no political pressure to force standardized acts upon the states, or the Congress believes that such action is unnecessary. Once Larson's tentatively drawn model act was known, critics attacked it; for example, Waters concluded that wage rates were not the same for all states and to standardize benefits would be unfavorable to some states. He also feared that such an act would lead to attempts to "usurp" the power of the individual states and, he believed there was "substantial agreement" that this field should be left to the individual state legislature.[33]

The Larson model study was an attempt to standardize under one umbrella the most progressive attributes of the various workmen's compensation acts. His approach was based on general categories of completeness, rehabilitation, second injury fund, choice of physician, disability theory, and duplication of benefits.[34] To Larson, all injuries should be covered whether small business or large business, and it

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[32]Economic Report of the President, 1969 (Washington, D. C.: U.S. Government Printing Office, 1969), p. 170.

[33]Theodore C. Waters, "Workmen's Compensation Laws," Archives of Environmental Health, V (November, 1962), p. 515.

[34]Larson, pp. 32-45.

should be compulsory. Rehabilitation should be under supervision from time of the accident until completion of all aid, and the employee should be able to choose from a list of physicians presented by the employer. The payment should be for the "whole-man theory" or payment should be for impairment even when there is no loss of income, and the injured should be able to accept both Old Age Security and Disability Insurance and workmen's compensation.

Larson's approach for a national standard for all state workmen's compensation laws has been advanced no further than the formative stage in which it was presented for tentative review in 1955. If states are to continue to administer and reserve complete jurisdiction of the workmen's compensation statutes, some type of national standard is a minimum step toward more equitable and adequate coverage of disabled employees.

The only federal aid to disabled employees involves funds that a state may obtain for payment to totally disabled individuals under the Social Security Administration. The federal approach provides benefits for disabled individuals whether the disability was work related or not. Until 1967, the amount paid a totally disabled worker was based on a five year average of consecutive years after 1950. These years were computed by excluding any earnings above the Social Security base; thus, a disabled worker might not be able to get all benefits due to a decline in earnings below the Social

Security base after the injury. The 1967 amendments to the Social Security Act provided inclusion of excess earnings for computation of benefits; these benefits are based on 80 per cent of the combined monthly average wage for five consecutive years.[35]

Collins found that variations in income level alone account for 47 per cent of the interstate variations in the APTD (Assistance to the Permanently and Totally Disabled) recipient rate.[36] Lower income areas account for more disability which may be a manifestation of poor health or degree of risk on particular jobs; but these payments, limited as they may be, are an aid to the totally disabled. Even though the prevalence of total disability may be higher in low income areas, the payment of social Security benefits based on past earnings tend to be less effective. Frequently, when government proceeds to help the sick or disabled, the greater part of the help may go to the nonpoor.[37]

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[35]Wilber J. Cohen and Robert M. Ball, "Social Security Amendments of 1967: Summary and Legislative History," Social Security Bulletin, XXXI (February, 1968), pp. 11-12.

[36]Lora S. Collins, "Public Assistance Expenditures in the United States," in Studies in the Economies of Income Maintenance, Ed. by Otto Eckstein (Washington, D.C.: Brookings Institution, 1967), p. 151-153.

[37]Robert J. Lampman, "Distinguishing Ends and Means," Monthly Labor Review, LXXXVIII (July, 1965), p. 838.

A possible solution to the inadequacy of workmen's compensation would be to have an income maintenance plan for the disabled without the work test provision; for example, the increasing of Social Security benefits to cover all disabilities including temporary and partial. A problem that might be encountered with this approach is one of cost. The amount of income transfers might become so large the program would become difficult to finance and the general level of benefits would suffer. Also, whether a system with higher benefits for some occupationally disabled workers is preferable to a system with lower benefits for all disabled workers is an unanswerable question in the abstract.[38] Although Berkowitz and Burton believe that unequal payments present unanswered questions, St. Clair believes that benefits for industrial disability should be more than non industrial disability.[39] He believes that employers will not promote programs of accident prevention unless there is a monetary incentive to do so.[40] Meanwhile, Fox believes that the union drive for disability pensions as a benefit negotiated with the employer may supplant the dependence on public relief

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[38]Berkowitz and Burton, p. 30.

[39]Ashley St. Clair, "Occupational Disability - Privately Insured," in Occupational Disability and Public Policy, Edited by Earl F. Cheit and Margaret S. Gordon (New York: John Wiley and Sons, 1963), p. 120.

[40]*Ibid.*

for industrial disability.[41]

To conclude, workmen's compensation has not proven to be as equitable and adequate as some believe possible. As means for reform, suggestions have taken the form of combined employers' liability and workmen's compensation, combined Social Security benefits and workmen's compensation, Social Security benefits for all disabilities, and increased negotiated private plans. None of the plans seems to be completely acceptable as a means of reform, and even the logic of workmen's compensation causing employers to be more accident conscious is now under question.[42] The recent improvement in payments in various states is more on the fringes of the principle than are substantive reform measures. For example, New Jersey recently created a new fund to pay awards for those employers who default on payment.[43] This is commendable; however, the basic questions of equity and adequacy remain unanswered.

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[41] Harland Fox, "Corporate Supplements to Workmen's Compensation," in Occupational Disability and Public Policy, Ed. by Earl F. Cheit and Margaret S. Gordon (New York: John Wiley and Sons, 1963), p. 348.

[42] Somers and Somers, p. 235.

[43] "State Labor Legislation in 1966," Monthly Labor Review, LXXIX, (December, 1966), p. 1384.

Poverty

As a field of interest, poverty has been more in the vogue than has the general field of workmen's compensation. Nor has there been any cause or effect relationships studied between poverty and workmen's compensation. Of most recent interest in poverty studies has been the income maintenance approach, or guaranteed income approach, to allievating the poverty that exists in the United States. Maintenance of a reasonable income level for those cut off from earnings through occupational injury has been an expressed objective of workmen's compensation throughout its history.[44] However, with the rigidity of fixed maximum payments and general neglect of updating workmen's compensation laws, this objective has deteriorated as standards of living increase.[45]

Any social insurance that is based on earnings or on employer payrolls has limitations relative to its usefulness as a tool to fight poverty. The impoverished worker who is disabled will remain disabled and impoverished under workmen's compensation or Social Security.[46] However, another view to this problem exists; there is the worker who is not in poverty, but who becomes impoverished due to occupational injury that restricts his income to inadequate payments

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[44]Somers and Somers, p. 272.

[45]*Ibid*., p. 272.

[46]Christopher Green, *Negative Taxes and the Poverty Problem* (Washington, D.C.: Brooking Institution, 1967), p. 42-43.

of workmen's compensation. To reduce the incidence of poverty in cases such as this and others, several general income maintenance plans have been offered in recent years.

In Challenge of Abundance, Theobald challenged our whole philosophy of self interest.[47] His contention was that the effect of an organization or individual action upon the community is not examined because of the belief that in some way any self interest action will be of advantage to the community. Income maintenance plans advanced in recent years retain the self interest concept. In the plan of the Nixon Administration, the only requirements for the poor in their pursuing of their self interest is that they be willing to work and have a family. Under the Nixon plan, the base income would be $1,600 for a family of four plus $800 in food allowances; persons in wealthier states with welfare payments of $2,400 or larger, or single individuals or poor childless couples would have little to gain.[48] Within the Theobald concept, the Nixon plan would make it in the self interest of poor families to work or be willing to work while the self interest of the wealthy would be served by paying taxes without regard to whether they were idle or working.

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[47]Robert Theobald, The Challenge of Abundance (New York: Clarkson N. Potter, 1961), p. 139.

[48]Paul A. Brinker, "The Nation's Evolving Welfare Program with a Note on President Nixon's Proposal," Oklahoma Business Bulletin, XXXVIII (June, 1970), p. 9.

A summary of the various approaches to guaranteed income has been presented by Wilcox in Toward Social Welfare.[49] The first such program was advanced by Lady Rhys-Williams. Her plan would consist of redistributing a nation's income by weekly payment, based on size of family, to all families. Robert Theobald later proposed guaranteeing all families an income large enough to enable them to live in health and decency with income above this amount taxed at 90 per cent. Edward E. Schwartz, in 1964, proposed a multilevel guaranteed income with tax rates above the "adequate" level of 60 per cent to 70 per cent. Milton Friedman, Robert J. Lampman, and James Tobin advanced plans that differed in detail but were similar except for proposing lower bases in computing income deficits, supplements that make up a fraction of the deficits, and income offsets at lower rates. The only proposal that advocates eliminating all other social insurance is that of Friedman.

The Nixon proposal has been the only such guaranteed income proposal that has been supported by an American President. In Congress there have been modifications to the plan such as a bill introduced by Senator Fred Harris which would increase the base from $1,600 to $2,520 and would include single individuals and childless couples.[50] All of

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[49]Clair Wilcox, Toward Social Welfare (Homewood: Richard D. Irwin, 1969), pp. 252-259.

[50]Brinker, "The Nation's Evolving Welfare Program," p. 10.

the current programs are aimed at placing a minimum upon the level of income of families and individuals. However, there is a question as to whether an income maintenance program will eliminate poverty. Valentine contends that segments of the poor who are now in motion are not demanding some absolute minimal level of economic security; on the contrary, they are demanding equality.[51] They want material and psychic benefits of membership in our society, and he believes that no measures of minimal income support, whether presented as welfare payments or as guaranteed subsistance, can solve the basic problem of inequality.[52]

How would an income maintenance plan affect those disabled due to occupational injury? It would not be consistent with the philosophy of risk of injury as a cost of production. It would supply more income to some disabled recipients of workmen's compensation. However, the Friedman proposal eliminating all social insurance would eliminate the incentive for employers to take accident preventive measures and would leave the disabled worker in worse economic shape after the disability than before except in very low pay occupations. The benefit would be for the working poor, and, as advanced by Valentine, there is a serious question of whether the income maintenance plans would solve the

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[51]Valentine, p. 156.

[52]*Ibid*.

problems that exist due to poverty.

Another aspect of the poverty problem relates to retraining or rehabilitation. In regard to the disabled, the most important of the two aspects is rehabilitation. Family allowance or income maintenance would not be very effective for rehabilitation; public supported agencies appear to be most adaptable for marshalling the available resources for the disabled. The Oklahoma State Welfare Department, during May, 1970, spent $823,162 for vocational rehabilitation; of this figure, $416,983 was spent for administration and services, $200,769 for medical care, and $205,409 for direct care.[53] The "War on Poverty" programs were not oriented toward the rehabilitation of the disabled; while the training of the disadvantaged poor was of importance to the nation and to the individual caught in a poverty trap, the fate of the individual who could have been rehabilitated but did not have adequate facilities to which he could go was as seriously deprived.

Cheit's proposal that the occupationally disabled be assured re-employment by their employer would possibly create support of improved rehabilitation facilities by employers' groups. Also, the cost of disability would be borne by the employer if a stipulation were made that the liability for failure to rehire at the same salary could not

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[53]Oklahoma Public Welfare Commission, p. 6.

be passed on to a carrier.[54] Unless the disabled can be rehabilitated or the employer is required to re-employ him, under present conditions, he will not be able to participate in the increase of living standards due to economic growth;[55] and most likely he will become part of the poverty problem in the United States.

As an explanation of the poverty problem in general, various analyses have studied the possibility of a "Culture of Poverty." The most complete study of this development has been made by Oscar Lewis. He summarizes most effectively:

> The culture of poverty is not just a matter of deprivation or disorganization, a term signifying the absence of something. It is a culture in the traditional anthropological sense in that it provides human beings with a design for living, with a ready-made set of solutions for human problems, and so serves a significant adaptive function. This style of life transcends national boundaries and regional and rural-urban differences within nations. Whenever it occurs, its practitioners exhibit remarkable similarity in the structure of their families, in interpersonal relations, in spending habits, in their value systems and in their orientation in time.[56]

If Lewis is correct in his conclusions, the attempt to reduce poverty must be approached with the intent of changing

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[54] Cheit, "Can Injured Workers Recover," p. 70.

[55] W. H. Locke Anderson, "Trickling Down: The Relationship Between Economic Growth and the Extent of Poverty Among American Families," Quarterly Journal of Economics, LXXVIII (November, 1964), p. 524.

[56] Oscar Lewis, "The Culture of Poverty," in Poverty in America, Ed. by Louis A. Ferman, Joyce L. Kornbloh, and Alan Haber, (2nd Edition, Ann Arbor: University of Michigan Press), p. 406.

cultural patterns which are not to be solved with mere family allowance schemes. The Lewis conclusions have been challenged; one area which Lewis studied was Puerto Rico, and one who studied this area recently contended that the urban poor of Puerto Rico have responded to the expansion of the economy with changes in attitudes and values, although, in contrast to Lewis, no documentation or prolonged study accompanied these observations.[57]

To Lewis, the culture of poverty is an adaptation and a reaction of the poor to their marginal position in a class stratified and highly individuated society. The traits exhibited are viewed as local, spontaneous attempts to meet needs not served by the institutions and agencies of the larger society because the poor are not eligible for such service, cannot afford it or are ignorant and suspicious.[58] Valentine has questioned whether these phenomena are conditions or symptoms of being poor rather than incidental patterns of social traditions.[59] As an alternative interpretation, the lack of work, lack of income and the rest pose conditions to which the poor must adapt through any resources they control.[60] Herzog believes that poverty lacks identification

[57]Helen I. Safa, "The Poor are Like Everyone Else, Oscar," Psychology Today, IV, (September, 1970), p. 26.

[58]Lewis, "The Culture of Poverty," p. 408-409.

[59]Valentine, p. 116.

[60]Ibid.

as a group, but rather, is a series of adjustments to conditions and both poor and nonpoor accept standards of mainstream culture.[61]

If Lewis is correct in his assessment of a culture of poverty emanating from cultural patterns, should a disabled fall into this pattern, the chances of his children becoming part of the mainstream culture is not encouraging. However, if the culture of poverty represents nothing more than a series of adjustments, the education of their dependent children becomes critical to future economic well being.

In summary, the recent approach to reducing poverty is through family allowances or income maintenance. The disabled could be placed in a position of obtaining a minimum income level if this principle is carried to its conclusion. Public support must be continued if occupational rehabilitation is to be successful in providing the disabled with an opportunity to remain a part of the work force; and if a culture of poverty exists, the importance of reducing the likelihood of those men and their children from becoming a part of this culture becomes even greater.

Education of the Poor

National attention was focused on the education available for children of poor families during the

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[61]Elizabeth Herzog, "Facts and Fictions About the Poor," Monthly Labor Review, XCII (February, 1969), p. 48-49.

early 1960's due to the Federal government's "War on Poverty." The key measure of this program was the Economic Opportunity Act of 1964; however, the act did not specifically address itself to the educational problems of poor children.[62] The major emphasis of the "War on Poverty" was in the approach of three programs; the Neighborhood Youth Corps provided jobs for poor youth in and out of school; the Jobs Corps provided for training youth which frequently provided little more than literacy training; the third program provided for poor students to have jobs in college.[63] Although commendable for the attack on poverty of the teenager, the major aid would be toward those ages sixteen to twenty-two; not as much emphasis was placed on those poor children who were in elementary school as was placed on the teenager whose family was poor.

Even the aid to college students was inadequate for an expanded college enrollment of students from poor homes. One aid for the impoverished college student was a work-study program which originally was enacted as part of the Economic Opportunity Act. However, it no longer restricts its clientele to youths from impoverished homes but serves middle-class students as well.[64] For the dependent children

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[62] Sar A. Levitan, The Great Society's Poor Law (Baltimore: Johns Hopkins Press, 1969), p. 135.

[63] Brinker, "Nation's Evolving Welfare Programs," p. 7.

[64] Levitan, p. 173-174.

of the occupationally disabled, the aid from the federal government to obtain a college education has diminished even from its small beginnings. Any child from a poor home will likely face more difficult adjustments than would those from other families. Unless there is hope for economic advancement or a desire for intellectual fullfillment, the children of the poor may be lacking in the requirements for acquiring a position in society that will assure a minimum standard of living.

Such deprivation is manifested in the unemployment among teenagers. The employment rate for those 16 to 19 during the fourth quarter of 1970 was 16 per cent for whites and 32 per cent for nonwhites, compared to a total unemployment of 5 per cent and 9 per cent respectively.[65] The total unemployment of those 16 to 19 in January, 1971 was 18 per cent, compared to 6 per cent for all unemployment.[66] These figures could have one of two effects on the unemployed teenager; the child could return to school or college with the goal of obtaining a job when college is completed, or the child could become discouraged and remove himself from active attempts to obtain a job. The children of the poor are most likely to accept the latter alternative if these two are the only alternatives available.

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[65]"Current Labor Statistics," Monthly Labor Review, XCIV (March, 1971), p. 89.

[66]*Ibid.*, p. 93.

For some children, adventure and experimentation is more likely to motivate their actions. For some, college is a socially acceptable "aging vat" where they can attend a few classes a week and wander among varied experiences. The middle class, non-college youth has family support to rely upon during periods of escape from routine. The plight of rural youth is hidden by isolation and underemployment. There is no socially acceptable "aging vat" for the youth of the urban slum, but the motivations are the same.[67] In spite of the "War on Poverty" programs for the teenager from the poor family, unemployment is still prevalent among this age group.

What motivates the child of the poor to seek or fail to seek increased education? There could be a problem of nutrition. Chronic hunger reduces the capacity for physical and mental labor; this is still a factor even in the United States where poverty studies have revealed serious malnutrition at low income levels.[68] A deficiency of medical care and other health factors may be present. Health will be important in the future role in the labor force for the child of the poor family. Poor health is by far the most important

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[67] Garth L. Mangum, "Guaranteeing Employment Opportunities" in Social Policies for America in the Seventies, Ed. by Robert Theobald (Garden City: Doubleday and Company, 1968), p. 41.

[68] Lloyd G. Reynolds, Labor Economics and Labor Relations (5th Edition, Englewood Cliffs: Prentice-Hall, 1970), p. 50.

factor which keeps men in the prime working ages from participation in the labor force.[69] A study in 1967 revealed that 59 per cent of those surveyed who did not want a job were sick or disabled; a majority of these men were in need of special assistance to enable them to work.[70]

Not enough is known about the entire problem of incentives or motivation. There is considerable evidence, however, that people who have minimum security show greater morale and initiative toward improving their economic status than those totally devoid of resources; furthermore, income is not the sole motivation for work. For the vast majority of men, a job is essential for dignity, fulfillment, and community status.[71] Children are affected by the attitude of their parents toward work or in establishing a set of values. Also, the family income will have an effect upon the educational level of children; a recent study found that if all families had at least a $5,000 annual income, the retardation rate would drop 30 per cent and the dropout rate 27 per cent.[72] In a similar vein, an estimation was made that in 1968, 600,000 students from poor families could be benefited by Upward Bound and similar programs; whereas, the number enrolled

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[69] Vera C. Perrella and Edward J. O'Boyle, "Work Plans of Men not in Labor Force," Monthly Labor Review, XCI (August, 1968), p. 8.

[70] Ibid.

[71] Somers and Somers, p. 261.

[72] Stanley H. Masters, "The Effect of Family Income on Children's Education: Some Findings on Inequality of Opportunity," Journal of Human Resources, IV (Spring, 1969), pp. 167-168.

amounted to 26,000 due to inadequate funding.[73]

In summary, the child of the poor family may have difficulty obtaining a job if he does not complete public school or attend college. Unless his family is able to provide the funds to attain a higher educational level, he cannot obtain adequate public funds usually, because it is not available to him.

Summary

Reforms in workmen's compensation have been suggested from the approach of improved equity and adequacy by means of inclusion of employer's liability and workmen's compensation, inclusion of Social Security and workmen's compensation, and increased negotiated private pension plans. Also, the proposal of a standardized program for all states was suggested. None of these proposals appear to be adequate to bring workmen's compensation up to an acceptable minimum of income maintenance. Most recent improvements have been the making of minor revisions of old laws by various states rather than the making of drastic reforms.

The reduction of poverty has been suggested as becoming possible through income maintenance and family allowances; the principle of these programs would be detrimental to the disabled unless public support is continued for rehabilitation

[73]Levitan, pp. 166-167.

and education. The possibility of a culture of poverty has been explored and the danger of the disabled and their children becoming a part of this group. The children of the poor are trapped in serious danger of unemployment unless they are able to attend college, and the federal aid to school attendance for poor children is inadequate.

In Oklahoma, the severely disabled is unable to obtain more than a maximum of $40 per week for a maximum of 500 weeks. This amount is the maximum whether he has a family or whether he is unattached. If he has dependent children, he is presented with the approach of depriviation for his family even though the children may be faced with several years of schooling. The children encounter high unemployment rates for the sixteen to nineteen year old age group, and federal aid to their education is not adequate. The present proposals for family maintenance would be inadequate for most severely disabled workers in Oklahoma; the reforms in workmen's compensation laws suggested recently would not be adequate unless more provision is made for family size and unless increases in the payments are made for the disabled.

In Chapter III, an examination will be made to determine whether the education of dependent children of severely and permanently disabled recipients of workmen's compensation is comparable to that of other children.

CHAPTER III

EDUCATIONAL LEVEL OF CHILDREN OF RECIPIENTS

To determine the significance of the educational level of the children of the severely disabled recipient, a table has been compiled showing the various ages of the children at the time of the father's disability. In Table 3 where the ages of the children are indicated, the median age is 14. There were 42 children under 12 years of age which represents 43 per cent of the total dependent children of those surveyed.

Table 4 indicates the number of dependent children in school at the time of the father's disability. As indicated, 54 per cent had not entered high school and 17 per cent were out of high school but were still dependents of their fathers. According to the parents, 86 per cent of those children who were not in college would have gone to college had the financial resources been available. Table 5 indicates the age of the children at the time of the survey. Only 15 per cent were still under the age of 15; therefore, enough time had passed since the father's disability to draw some conclusions about the amount of education that these children should have been able to obtain. 82 per cent were now over 20 years of age. This writer's purpose will be to find if the educational level of these 84 per cent who are now above college age were denied a college education due to their father's disability.

In a sample of occupationally killed workers in California, Cheit found that the age at which a worker had the highest number of minor dependent years for which he was responsible was 30-34.[1]

In reality, after the father's disability, the dependent children did not pursue their plans for the future which previously had been made. For example, of all the children of the disabled included in this study, 33 per cent had not completed high school and 70 per cent had not entered college. The types of employment chosen by these children were rarely professional jobs. The parents contended that there was not enough family income to aid the student in college; the child had to enter the work force to aid the family, or he simply left home. The parent usually explained that the cause was economic, but factors such as the lack of parental attention or inferiority due to family internal struggles were not known. Another survey would need to be conducted to determine the residual effects of the father's disability.

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[1]Earl F. Cheit, Injury and Recovery in the Course of Employment (New York: John Wiley and Sons, 1961), p. 80.

Table 3

Percentage Distribution and Number of Dependent Children of Oklahoma Recipients of Workmen's Compensation At Time of Disability By Age

Years	Number	Per Cent
0 - 3	8	8.2
4 - 7	18	18.6
8 -11	16	16.5
12 -15	18	18.6
16 -19	22	22.7
Over 20	15	15.4
Total	97	100.0

Source: Compiled by author.

Table 4

Educational Level of Dependent Children of Oklahoma Recipients of Workmen's Compensation at Time of Disability

Level	Number	Per Cent
Below School Age	18	18.5
In Elementary (Grades 1-8)	34	35.1
In High School (Grades 9-12)	28	28.9
Out of High School		
Not in College	9	9.3
In College	8	8.2
Total	97	100.0

Source: Compiled by author.

Table 5

Percentage Distribution and Number of Dependent Children of Oklahoma Recipients of Workmen's Compensation at Time of Interview

Age	Number	Per Cent
8 - 11	11	11.3
12 - 15	4	4.1
16 - 19	3	3.1
Over 20	79	81.5
Total	97	100.0

Source: Compiled by author.

Educational Level Attained By Children

Since the educational level of the child will be related in some way to the income level of the parents, a comparative study has been completed. Table 6 indicates the level of school attainment of the child at the time of the disability compared to the parent's income. There were 58 per cent of the children with less than 8 years of schooling and 58 per cent of the families having incomes above $6,000 at the time of the disability. Only 28 per cent of the children came from homes in which the family income was less than $5,000 at the time of the disability. Since all disabilities occurred prior to 1963, an assumption could be made that approximately 75 per cent of the children came from families with income in a category of at least adequate living standards. The figures indicate, also, that a majority of the dependent children still had four or more years of public school remaining plus college when the father became disabled.

Of those who are not now in school, 79 per cent ended their formal education when high school was completed; 21 per cent ended their formal education before completing high school. Table 7 indicates the number who completed each level of public school and college; also, it compares the completed formal education of the child to the income of the family at the time of the disability. The concentration of those who did not complete high school was higher for those whose families' incomes were below $5,000 than for

Table 6

Percentage Distribution of Annual Income of Recipient's Family Income by Educational Level of His Dependent Children at the Time of Disability

Children's School Level	Less than $5,000	$5,000 - $7,999	Over $7,999	Total
Not in School	7.2	7.2	7.2	21.6
Grades 1 - 8	5.2	14.4	16.5	36.1
High School (Grades 9-12)	10.3	9.3	8.2	27.8
Out of High School				
Not in College	2.1	2.1	3.1	7.3
In College	3.1	1.0	3.1	7.2
Total	27.9	34.0	38.1	100.0

Source: Compiled by author.

those whose incomes were over $7,999. Of those who did not complete high school, 8 per cent came from families with annual incomes of less than $5,000 while only 5 per cent came from families whose incomes were over $7,999. Of those whose families' incomes were less than $5,000, 87 per cent went no further than high school; of those families whose incomes were $5,000 to $7,999, 74 per cent went no further than high school; of those families' whose incomes were more than $7,000, 77 per cent did not go further than high school. Of families whose incomes were less than $5,000 at the time of disability, 27 per cent of the dependent children did not complete high school, while in families having incomes from $5,000 to $7,999, 23 per cent did not complete high school, and in families having incomes above $7,000, 16 per cent did not complete high school.

College attendance shows similar results. Table 8 indicates the present family income and educational level of children currently out of school. The decline of incomes of the families since the disability indicates that the dependent children who did not go to college are concentrated in families who currently have incomes of less than $5,000. Of the 79 per cent who did not go beyond high school, 61 per cent are from families who have a current income of less than $5,000; while in Table 7, only 24 per cent of the 79 per cent who did not go to college are in families who had incomes of less than $5,000 at the time of disability. In

Table 7

Percentage Distribution of Annual Income at Time of Disability of Recipient's Family By Educational Level of Dependent Children Not Now In School

Completed Level of Education	Less than $5,000	$5,000-$7,999	Over $7,999	Total
Did Not Complete High School	7.6	8.9	5.2	21.7
Did Complete High School	16.5	20.2	20.3	57.0
Completed Level of Higher Education				
1 Year of College	1.2	2.5	--	3.7
2 Years of College	2.5	3.8	--	6.3
3 Years of College	--	1.2	1.2	2.4
4 Years of College (Bachelor's Degree)	--	2.5	5.2	7.7
Post Graduate	--	--	1.2	1.2
Total	27.8	39.1	33.1	100.0

Source: Compiled by author.

Table 8

Percentage Distribution of Current Annual Income of Recipient's Family By Educational Level of Dependent Children Not Now In School

Completed Level of Education	Less Than $3,000	$3,000-4,999	$5,000-7,999	Over $7,999	Total
Did Not Complete High School	11.5	7.6	1.3	1.3	21.7
Completed High School	24.1	17.7	12.7	2.5	57.0
Completed Level of Higher Education					
1 year of College	3.7	--	--	--	3.7
2 years of College	3.7	1.3	1.3	--	6.3
3 years of College	--	1.2	1.2	--	2.4
4 years of College	1.3	2.6	2.5	1.3	7.7
Post Graduate	--	--	--	1.2	1.2
Total	44.3	30.3	19.1	6.3	100.0

Source: Compiled by author.

Table 9

Dependent Children's Formal Education Not Completed

At Time of Father's Disability And At Present

Time[1]

At Time of Father's Disability			At Present Time	
Number of Years to be Completed[2]	Number of Children	Total Years of Uncompleted Schooling	Number of Children	Total Yrs. Uncompleted Schooling
13 - 16	17	265	0	0
9 - 12	17	175	1	9
5 - 8	19	121	16	91
1 - 4	26	94	55	195
0	--	--	7	0
Totals	79	655	79	295

[1]Includes only those not now in school.

[2]Includes 12 years of public school and 4 years of college.

Source: Compiled by author.

general, as income declined, the number of dependent children attending college declined.

Table 9 indicates the dependent years currently remaining at the time of the father's disability for those who are not presently in school. A total of 655 dependent years remained for the 79 children, and of this number, 295 had not been filled with formal education. Approximately 4 years per child were completed after the father had become disabled. At the time of the disability, 8 dependent children were in college and 9 had completed high school but had not entered college although living at home. Of these 8 who were in college, 6 quit before completion of the Bachelor Degree. Two were in the first year of college, 3 were in the second year, and 1 was in the third year when their father was disabled. Both of the 2 who continued completed their second year of college.

According to the study, a total of 7 finished college, including 1 who obtained a Master Degree. Two of these children already had been in college, 2 were children of a registered nurse, 1 had been the beneficiary of an insurance policy after his father had died, 1 had been aided by means of his wife's working while he attended college, and 2 others had been able to obtain jobs while going to college in addition to aid from the family.

The few who were able to complete college had help other than family assistance in all cases except two. The number who obtained college degrees amounted to 9 per cent of the total number of children including all those previously mentioned.

Unfortunately, unless the children of the disabled are able to obtain a higher education, their chances of entering a profession are reduced.

W. Lee Hansen, in an article in Monthly Labor Review, attempted to prove that there is a redistributive effect of public financing of higher education. His conclusion was that the redistributive effects favor the upper middle and upper income groups at the expense of the lower middle and lower income groups.[2] In the case of workmen's compensation, children of the severely disabled appear to have less likelihood of attending college. To the extent that these individuals pay state taxes used for subsidizing the state colleges, a redistribution of income to higher income groups occurs. However, the answer is not to remove state subsidation of higher education; rather the solution is to make institutional changes so these children will be able to attend college.

A possibility exists that some of those who did not attend college would not have attended even if their fathers had been able to pay the costs; however, in interviewing these parents, their contentions remain that the children would have attended college had the accident not happened.

Other data regarding the number of schools that the children attended after the disability was inconclusive. No

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[2] W. Lee Hansen, "Who Benefits from Higher Education Subsidies," Monthly Labor Review, XCIII (March, 1970), pp. 45-46.

difference is apparent in education, income, age, occupation, geographic area and other factors among those who had remained in the same school through their remaining public school years and those who had transferred to other schools. Since migration has become more common and fewer children are able to remain in the same school for all of their public school education, the significance of this factor has been removed from the analysis although each interviewee was asked the number of schools the children attended after the father was disabled.

To conclude, the educational level attained by dependent children of severely and permanently disabled recipients of workmen's compensation in the survey was as follows: 21 per cent failed to complete high school, 70 per cent failed to enter college, and 9 per cent completed college.

Educational Level of Parents

The educational level of the men severely disabled through occupational injury or disease is shown in Table 10; High School education was not completed by 85 per cent. Only 7 per cent attended some college. The median age was 49 and the median educational level was 9 years. The heaviest concentration was in age levels between 40 and 59 with educational levels between sixth grade and the twelfth grade. The figures shown in Table 11 are comparable to those in Table 12 which were compiled by Cheit and based on California

Table 10

Years of Schooling Completed By Workmen's Compensation Recipients By Age At Time of Disability

Age	Years of School Completed			High School Graduates	College 1 - 2	Total
	0-5	6-8	9-12			
0-19	--	--	--	--	1	1
20-29	--	--	1	2	1	4
30-39	--	1	1	1	--	3
40-49	4	6	4	1	1	16
50-59	3	8	5	--	--	16
60-69	2	--	3	--	--	5
Above 69	-	1	--	--	--	1
Total	9	16	14	4	3	46
Per Cent	19.6	34.6	30.5	8.7	6.6	100.0

Source: Compiled by author.

permanent disability experience.[3] The median age and educational level was 42 to 52 years of age and an educational level of eight to twelve grades depending on the type of disability. Difficulty arises in trying to isolate the relationship of age and disability to education and disability, although apparently the incidence of disability for those with a college education is not common. The peak years for permanent disability appears to be in the peak income years.

The relationship of education to income involves the occupational structure in which the men were employed. Those with the lowest annual income were those who had completed high school but had not attended college, and the highest were those who had attended some college. The reasons for higher income of those with no formal education beyond eight years includes longer hours, less prestige, more laborious type work. In Table 12, the median income in California was slightly less than that in Oklahoma; however, the difference is not striking and certain factors of Cheit's study would cause difficulty in trying to make a comparison of the two states.

The results have indicated that the educational level of a father in the Oklahoma group is lower than that of his children. The children, in 79 per cent of the cases, completed high school while only 16 per cent of their fathers completed high school. The generations do not relate when requirements are considered. The majority of the fathers

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[3]Cheit, p. 338.

Table 11

Mean Annual Income of Workmen's Compensation Recipient's At Time of Disability by Years of Schooling

Years of Schooling	Mean Annual Income
0 - 8	$6,100
9 -12	5,500
Finished High School	5,000
Above High School	7,700
All	$6,200

Source: Compiled by author.

Table 12

Comparison of Selected Characteristics of Permanent Disability Cases With and Without Permanent Wage Losses

	Rated Degree of Permanent Disability			
	20-69 Per Cent (Average=30%)		70-100 Per Cent (Average = 83%)	
	No Permanent Wage Loss	Permanent Wage Loss	No Permanent Wage Loss	Permanent Wage Loss
	N = 311	N = 150	N = 26	N = 94
Age at time of injury (median)	42 yrs.	46 yrs.	48 yrs.	52 yrs.
Education (Median grade)	10th gr.	8th gr.	12th gr.	8th gr.
Earnings year before accident (median)	$4,669	$4,962	$5,143	$4,707
California Permanent Disability rating (median)	28.9	34.6	72.5	85.0

Source: Earl F. Cheit, Injury and Recovery in the Course of Employment (New York: John Wiley and Sons, 1961), p. 338.

obtained their first job before World War II; the educational requirements of a young man in that period was incomparable to that required by employers today. The parents who were interviewed generally recognized the importance of increased formal education because they generally expressed the desire that their children have more years of schooling than they were able to obtain.

Educational Level Attained By The Nation

To make a judgement upon the importance of the level of education of the group interviewed, a comparison must be made with some other group or to the United States population. Elizabeth Waldman made a study in March, 1968, of the median years of school completed by workers age eighteen or over. She found that the median educational level of all workers was 12.3 years.[4] This median has been increasing for several years; for example, in 1952, it was 10.9 years. A study made in 1958 of rehabilitants is shown in Table 13. This study was reprinted to indicate that there may be a lower educational level for disabled men than for the rest of the population.[5]

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[4]Elizabeth Walden, "Educational Attainment of Workers," Monthly Labor Review, XCII (February, 1969), p. 17.

[5]Ronald W. Conley, The Economics of Vocational Rehabilitation (Baltimore: Johns Hopkins Press), p. 9.

Only 6 per cent had attended college.

In October, 1965, a study was made of the civilian noninstitutional population aged sixteen to twenty-four. The study found that 51 per cent were enrolled in college; for males only, 57 per cent were enrolled in college.[6] Only one family interviewed was Negro, and all children in this family are still in school, so the figures for comparison purposes do not involve racial problems. As an example of the problems that could be encountered, in a study of education in urban slums and Negro youths, the researcher found that a tenth grade student facing the decision of whether or not to drop out of school could look forward to being "worth" only about five cents an hour more in the Philadelphia labor market if he choses to remain in school long enough to graduate.[7] In a study of the recipients of Assistance to the Permanently and Totally Disabled, a 1962 study found that only 22 per cent had completed more than eight years of school; the median number of years of school completed was five.[8]

In Table 14 the dependent children surveyed are

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[6]Harvey R. Hamel, "Employment of High School Graduates and Dropouts in 1965," Monthly Labor Review, LXXXIX (June, 1966), p. 644.

[7]Bennett Harrison, "Education and Earnings in Ten Urban Ghettos," The American Economist, XIV (Spring, 1970), p. 14.

[8]Lora S. Collins, "Public Assistance Expenditures in the United States," in Studies in the Economics of Income Maintenance, Ed. by Otto Eckstein, (Washington, D.C.: Brookings Institution, 1967), p. 151.

Table 13

Percentage Distribution of All Rehabilitants and of Total Population 14 and Over, by Years of School Completed: United States, 1958

Years of School Completed	Rehabilitants	Population 14 years and over
None	3.0%	1.8%
1 - 4	10.1	5.0
5 - 8	35.2	28.6
9 -12	45.7	49.3
13 & Over	6.1	15.2
Total	100.0	100.0

Source: U. S. Vocational Rehabilitation Administration, Division of Statutes and Studies Table N-69 and _Statistical Abstract of the U. S._, 1960, p. 108. Reprinted in Ronald W. Conley, _The Economics of Vocational Rehabilitation_ (Baltimore: Johns Hopkins Press, 1965), p. 9.

compared to the population, aged 20 to 24, relative to the educational level in March, 1968. The table shows that there are fewer illiterates in the survey group than in the nation as a whole. Of the survey group, 2 per cent obtained no formal education beyond the eighth grade while for the U. S. population, 7 per cent obtained no more schooling than this. However, for those above this level, the survey group failed to be as high as the population. For the population, 36 per cent went beyond the high school level of formal education, and for the survey group, only 21 per cent completed schooling beyond the high school. This indicates that the survey group was less able or less willing to proceed with their education than the population. Considering that the income of the disabled before their disability was not of a poverty level in most cases, and considering that the population includes all income groups, it appears that this is significant.

In the early 1960's, the percentage of 18 to 21 year old males in college was approximately 30 per cent.[9] This represents a relatively smaller amount than in the late 1960's when the amount was near 50 per cent. This was a continuation of the long run trend toward more schooling and the added incentive of avoiding draft calls due to the Indochina conflict.[10]

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[9] Anne M. Young, "Employment of School-Age Youth," Monthly Labor Review, XCIII (September, 1970), p. 5.

[10] Ibid.

Table 14

Percentage Distribution of Dependent Children of Workmen's Compensation Recipients and Total United States Population Aged 20 - 24, March, 1968, By Years of Schooling Completed

Years of Schooling	Survey Group	Population Aged 20 - 24
Elementary		
Less than 5 years	0.0	0.8
5 - 7 Years	1.1	2.6
8 Years	1.1	3.9
High School		
1 - 3 Years	19.5	15.2
4 Years	57.0	41.2
College		
1 - 3 Years	12.4	27.9
4 Years	8.9	8.4
Total	100.0	100.0

Source: Statistical Abstract of The United States, 1969 (Washington, D. C.: Government Printing Office, 1969), p. 107, for population and Oklahoma Study for Workmen's Compensation recipients.

Regardless of the reason for the increased enrollment, those in the survey did not participate in this trend. As an example in Oklahoma, high school completions numbered 35,809 in the school term of 1968-1969;[11] also, there were 16,222 first time students in all Oklahoma institutions of higher education in the fall of 1969.[12] This indicates that the Oklahoma colleges in the fall of 1969 had 73 per cent as many first year students as there were Oklahoma school graduates in the spring of 1969. Although there are transfer students who come into the state from other states, and there are some students who wait more than one summer to enter college after graduating from high school, there factors are offset by the number of Oklahoma high school graduates who transfer to other states for college. Based on national an state averages, the children of severely and permanently disabled workmen's compensation recipients in Oklahoma are not receiving a college education in the same relative amount as others.

The parents who were interviewed did not fare well

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[11] U. S. Department of Health, Education and Welfare, Office of Education, Statistics of Public Elementary and Secondary Day Schools, 1969 (Washington, D.C.: Government Printing Office, 1970), p. 23.

[12] U. S. Department of Health Education and Welfare, Office of Education, Opening Fall Enrollment in Higher Education, 1969 (Washington, D. C.: Government Printing Office), p. 19.

Table 15

Percentage Distribution of Workmen's Compensation Recipient and Wife and Population 25 Years Or Over March, 1968, By Years of Schooling

Years of Schooling	Workmen's Compensation Recipient	Wife of Workmen's Compensation Recipient	Workmen's Compensation Recipient and Wife	Population 25 Years and Over
Elementary				
Less than 5 Years	17.4	0.0	8.7	5.9
5 - 7 Years	13.0	6.5	9.8	9.8
8 Years	19.6	21.7	20.6	14.1
High School				
1 - 3 Years	34.8	34.8	34.8	17.6
4 Years	8.7	26.1	17.4	32.5
College				
1 - 3 Years	6.5	10.9	8.7	9.6
4 Years	0.0	0.0	0.0	10.5
Total	100.0	100.0	100.0	100.0

Source: Statistical Abstract of the United States, 1969, (Washington, D.C.: Government Printing Office, 1969), p. 107, for population and Oklahoma study for Workmen's Compensation recipients.

compared to the population educational level. Table 15 compares the age level of the disabled worker and his wife with the population twenty-five years or older. For the population, 30 per cent had completed only elementary school, while of the group interviewed, 39 per cent had reached no more than completion of the eighth grade. For those who graduated from high school, only 9 per cent of the group interviewed entered college while 20 per cent of the population had completed at least 1 year of college. For Oklahoma, in 1960, 41 per cent of the persons 25 years or older had completed no more than the eighth grade in school and 83 per cent had gone no further than a high school education.[13] This indicates that in Oklahoma in 1960, the disabled workers interviewed did not have an educational level as high as that of the Oklahoma general population. Table 16 relates Oklahoma's educational levels to that of the population in the United States in 1960. Although a higher percentage of those who completed high school continued into college in Oklahoma than in the nation, there was a higher percentage who had not completed more than the eighth grade.

Oklahoma is not a "typical" state, and the national averages include factors of race, occupational difference, and cultural environment different from those of Oklahoma; however, the national trends toward higher education should

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[13]U. S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States (90th Edition, Washington, D. C.: Government Printing Office), p. 103.

be the same for all states including Oklahoma. The national population includes blacks, Americans of Spanish descent, and other minority groups. The group interviewed had none of these minorities except, perhaps, some Indian ancestry which was not noted. There was no intent to exclude minorities, there was simply none who received severely permenant disability settlements in 1963 or 1964. The inclusion of blacks in the national comparison magnifies the problem of the children studied, since they did have the handicap of race prejudice. Had a number of blacks been interviewed, the results would have been even more serious for the children since a black has lower earnings than a white with the same number of years in school.[14]

The home environment of the child when the father is disabled has not been studied in regard to the effect that it might have on the children and their schooling. There were several instances in which parents feared that conditions at home had been detrimental to the child since he could not participate in school activities due to the necessity of working on a job or working at home. Also, some parents believed that their own inability to participate in school activities due to the necessity of caring for a disabled person was detrimental to the child's schooling. The number children who had graduated from high school in the nation

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[14]Randall D. Weiss, "The Effect of Education on the Earnings of Blacks and Whites," Review of Economics and Statistics, LCC (May, 1970), p. 159.

Table 16

Percentage Distribution of Years of Schooling Completed, Oklahoma and United States Population 25 Years of Age or Older, 1960

Completed Years of Schooling	Oklahoma	Nation
Elementary		
Less than 5 Years	8.6	8.4
5 - 7 Years	14.9	13.8
8 Years	17.9	17.5
High School		
1 - 3 Years	18.2	19.2
4 Years	22.9	24.6
College		
1 - 3 Years	9.7	8.8
4 Years	7.8	7.7
Total	100.0	100.0

Source: Statistical Abstract of The United States, 1969 (Washington, D. C.: Government Printing Office, 1969), p. 109.

was 78 per cent. This figure is comparable with the 78 per cent of children studied who had completed high school.

The educational level of the parents may not reflect factors that would make them comparable to the nation as a whole. All were wage earners and all were in jobs that contained some hazards or else they would not have been injured; also the educational level required for their job may not have been as high as would be the case now. The number of years that they attended school, see Table 15, are slightly less than the average in the nation or in Oklahoma. The fact that the parents are of an older generation should be a significant factor in the relationship between the children and the parents. A child must obtain more schooling than his parents to achieve the same level of occupation.[15] The time period during the parents growing years was more difficult and may have caused these parents to be more prone to immediate income from employment when they were of an age to attend higher educational institutions. The decade of the 1930's,when most of these would have been of college age, was the Great Depression. For a whole generation the depression became a normal aspect of life to be feared and expected.[16]

The parents and their children were asked why they

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[15]Richard H. Hall, Occupations and the Social Structure, (Englewood Cliffs: Prentice-Hall), p. 346.

[16]John Kenneth Galbraith, American Capitalism (Boston: Houghton Mifflin, 1956), p. 65.

had not continued further in their education. Table 17 compares the responses of both the parents and children. The lack of desire was given as a response in 13 per cent of the cases; however, the major reason given was a lack of funds. Of the children, 86 per cent had to terminate their education because of lack of funds. Actual additional reasons may not have been given; since funds were not available, the obvious answer could have been lack of money. Motivation for higher education might have been less if income had been available. Table 17 indicates the answers given by the parents as reasons for the child's termination of his formal education.

The parents gave more varied reasons for their own termination of formal education. Occasional reasons were given such as lack of school facilities reflecting an early rural background. However, 70 per cent still responded that termination of education was due to lack of adequate income. Possibly, time has taken its toll and the memory of the reduced social pressure for advanced schooling may not have been remembered. Even so, those who gave lack of school facilities as a reason for termination, responded that they could not afford to leave home to go to school; therefore, lack of income influenced many parents as well as the children.

In conclusion, the children of those interviewed failed to enroll in college at as high a rate as the population

Table 17

Percentage Distribution of Reason Given for Termination of Education by Workmen's Compensation Recipients and Their Children

	Parents	Children
Lack of Adequate Income	69.5	85.7
No Desire	13.0	13.0
Other[1]	17.5	1.3
Total	100.0	100.0

[1]Includes no higher schools available, family problems, marriage, miscellaneous.

Source: Compiled by author.

of Oklahoma and the nation, although the fate of high school completions is very close to the same national rate. In March, 1965, 51 per cent of the United States population 16 to 24 years of age were enrolled in college; in March, 1968, 36 per cent of the 20 to 24 age population in the United States had completed at least 1 year beyond high school. A 73 percentage of the high school graduates in Oklahoma in 1969 entered colleges in the fall of 1969; only a 21 percentage of the children whose parents were interviewed and who are not now in school completed at least 1 year of college. The parents contended that their children's failure to attend college was due to the reduced family income after the disability of the male head of the household.

In Chapter IV, the income and occupational structure of the children and the parents are related to education.

CHAPTER IV

ECONOMIC LEVEL OF WORKMEN'S COMPENSATION RECIPIENTS

The income of individuals will be affected in some degree by their educational level. In an era of increased technology, the amount of education one has obtained will be of increasing importance as skill requirements become less manual. As indicated in Chapter III, the amount of resources allocated to education have been increased as more high school graduates enter college.

In response to the evolving complexity of a modern economy, employers are demanding more formal education of their employees. A son must obtain more schooling than his father to achieve the same level of occupation; for those above the bottom income level, the potential for educational attainment has increased.[1] Employers frequently prefer to hire college degree holders because the graduates have demonstrated desirable ambition and persistence through successfully completing a long course of study.[2] However, if college

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[1]Richard M. Hall, Occupation and the Social Structure (Englewood Cliffs: Prentice-Hall), p. 346.

[2]Thomas I. Ribich, Education and Poverty (Washington, D. C.: Brookings Institution, 1968), p. 11.

is merely a sorting device, separating those with ability, intelligence, motivation, and above average socioeconomic status from those less well endowed, the fact that college graduates perform more successfully in the economic sphere is not surprising.[3] Regardless of the motivation of the employer, the high school graduate is faced with more employers demanding a college degree as a minimum requirement for desirable jobs.

The motivation and stability of individuals is, in some cases, involved in an education and income relationship. Men with more education also make more effort toward self improvement. Young men who left school before finishing high school not only may not have had the minimal education required to learn more specialized skills but probably have had less motivation and adaptability, which has slowed their progress.[4]

As long as workers are paid for their productivity, the ability of the worker to adapt to the changing skills and requirements of an industrial and service oriented economy precipitates the need for even more formal education. Therefore, the teenager who cannot participate in higher education will be in a more precarious position in the future job market. The future living standards and employment of the

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3Allen M. Cartter, "The Economics of Higher Education," Contemporary Economic Issues, Ed. by Neil W. Chamberlain, (Homewood: Richard S. Irwin, 1969), p. 152.

4Vera C. Perrella and Elizabeth Walden, "Out of School Youth - Two Years Later," Monthly Labor Review, LXXXIX (August, 1966), p. 860.

dependent children of severely and permanently disabled workmen's compensation recipients will be affected by their failure to obtain a college education.

Income and Occupation

The recipients who were interviewed had varied types of employment. Table 18 compares the categories of occupation to the annual incomes at the time of disability of the disabled. The leading types of employment were factory work, coal mining, construction work and public service employment. The income levels ranged from $17,000 annual income for one manager to $3,428 for public service employees. The mean annual income for the disabled was $6,185. As indicated by Table 18, the occupations represented employment that involved heavy and dangerous work.

Table 19 compares the annual income at the time of the disability to the age of the recipient at the time of the disability. The age level was concentrated between 40 and 59 with incomes concentrated between $4,000 and $7,000 per year. Approximately 25 per cent earned under $4,000, and approximately the same number earned over $8,000 per year. There were only four interviewed who had an annual income of less than $3,000 per year and none of these had any dependent children at the time of the disability. One could safely conclude that none of the recipients were in poverty at the time of their disability.

Table 18

Annual Income and Occupation of Recipients

Workmen's Compensation before Disability

Occupation	Mean Income	Number	Per Cent
Coal Miner	$ 6,713	7	15.2
Construction	6,225	8	17.4
Carpenter	8,000	1	
Electrical Lineman	8,300	4	
Heavy Equipment Operator	2,867	3	
Factory	5,460	10	21.8
Ginner and Miller	4,900	3	
Laborer	5,540	5	
Machinist	6,000	1	
Nightwatchman	6,000	1	
Manager	17,000	1	2.2
Mechanic	7,333	3	6.5
Oil Field Worker	8,000	6	13.0
Public Services	3,428	7	15.2
City and County Maintenance	3,417	6	
Policeman	3,500	1	
Truck Driver	5,525	4	8.7
Total	$ 6,185	46	100.0

Source: Compiled by author.

For the population, chronic health conditions that prevent full activities are either causes or effects of lower family income.[5] The proportion of persons with chronic disabilities increases with each successive older age group.[6] In the cases of those interviewed, the current income level is shown in Table 20. After approximately ten years following the disability, and after incomes have increased with costs of living increases, 38 per cent of the disabled still alive have annual incomes of less than $3,000 per year; only 15 per cent have incomes above $6,000 per year. The mean income declined from $6,185 to $3,887 which is a 37 per cent decline based on current dollars. Based on the current minimal levels of health, housing, food, and education, 50 per cent of the disabled recipients interviewed are in poverty. This would be true if the criteria is based on $4,000 annual income for a family of 4 and $2,000 for an individual living alone.[7]

The sources of current income for the family of the disabled are indicated in Table 21. Only four of those still alive do not receive income from Social Security in some form.

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[5]Carl Rosenfeld and Elizabeth Walden, "Work Limitations and Chronic Health Problems," Monthly Labor Review, XC (January, 1967), p. 41.

[6]*Ibid.*

[7]Dwight McDonald, "Our Invisible Poor," in Poverty in America, Ed. by Louis A. Ferman, Joyce L. Kornbloh, and Alan Haber, (2nd Edition, Ann Arbor: University of Michigan Press, 1968), p. 8.

Table 19

Annual Income of Workmen's Compensation

Recipients at Time of Disability by Age

Annual Income	Below 40	Age 40–59	Over 59	Total	Per Cent
$2,000-2,999	2	2	-	4	8.7
3,000-3,999	-	5	2	7	15.2
4,000-4,999	2	3	2	7	15.2
5,000-5,999	-	4	2	6	13.0
6,000-6,999	1	5	1	7	15.2
7,000-7,999	1	3	-	4	8.7
8,000-8,999	-	3	-	3	6.5
9,000-9,999	-	1	-	1	2.3
10,000 and Over	2	5	-	7	15.2
Total	8	31	7	46	100.0

Source: Compiled by author.

Table 20

Percentage Distribution of Current Annual Family Income of Workmen's Compensation Recipient

Annual Income	Number	Per Cent
$1,000-1,999	4	10.0
2,000-2,999	11	27.5
3,000-3,999	8	20.0
4,100-4,999	6	15.0
5,000-5,999	5	12.5
6,000-6,999	2	5.0
7,000-7,999	3	7.5
Over 8,000	1	2.5
Total	40	100.0

Mean Annual Income $3,887

Source: Compiled by author.

This includes Permanently and Totally Disabled pensions including dependent children and, in seven cases, Old Age Insurance. In fifteen cases, the disabiled's wife worked and nine recipients held a job. As noted, workmen's compensation is currently being paid in only four cases. The remainder have drawn all benefits or had accepted a lump sum settlement at the time of disability. In July, 1970, there were 22,000 recipients of public assistance of Aid to the Permanently and Totally Disabled in Oklahoma; the average monthly payment was $96.60.[8] Of those interviewed only 2 received payments of slightly over $50.00 per month from public assistance. In only 1 case was there a company pension and in only 5 cases were the disabled obtaining aid from their children. The primary aid for the occupationally injured who were interviewed was disability insurance from Social Security. Nagi made a study of disabled persons to determine sources of income after a disability. His results showed 33 per cent received aid from spouse's work, 6 per cent received aid from children, 8 per cent received aid from workmen's compensation, and 10 per cent received aid from a veteran's pension.[9]

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[8]"Current Operating Statistics," Social Security Bulletin, XXXIV (January, 1971), p. 60.

[9]Saad Z. Nagi, Disability and Rehabilitation, (Columbus: Ohio State University Press, 1969), p. 49.

The downward change in income is compared in Table 22. Income was increased in 2 cases, in 5 cases income remained the same, and in 33 cases income was reduced after the disability occurred. In a study of disabled persons covering samples from Louisiana, Minnesota, and Ohio, Nagi found that 15 per cent had the same income after disability, 72 per cent had reduced income, and 1 per cent had an increased income.[10] Of the workmen's compensation recipients interviewed, 12 per cent had the same income after disability as before, 83 per cent had reduced income, and 5 per cent had increased income. The Nagi computation equals less than 100 per cent because it includes those from whom no data was received; however, both groups show the same strong implication of reduced income in most cases of disability.

All of the recipients were asked the occupation of their children who were dependent at the time of the disability. Table 23 compares their present occupation with that of the white population in 1968. Also, the average annual salary for each occupation is indicated. The children of the disabled are being employed in blue collar jobs more than in service and white collar jobs. In occupations such as professional, technical and kindred; craftmen and foremen; and non farm laboring, recipients' children are above the population in relative amounts. However, they are entering

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[10] Ibid., p. 49.

Table 21

Percentage Distribution of Current Annual Family Income of Workmen's Compensation Recipients by Source

Source	Mean Annual Income	Number (40)	Per Cent
Social Security	$2,132	36	90.0
Spouse's Income	2,720	15	37.5
Present job	1,722	9	22.5
Veteran's Pension	1,367	6	15.0
Aid from Children	880	5	12.5
Workmen's Compensation	1,182	4	10.0
Public Assistance	623	2	5.0
Company Pension	750	1	2.5

Source: Compiled by author.

Table 22

Comparison of Monthly Family Income of Workmen's Compensation Recipients Before and After Disability

Monthly Income After Disability	Total	Monthly Income Before Disability				
		100-199	200-299	300-399	400-499	Over 500
0-99	2	1	-	-	-	1
100-199	13	-	2	3	2	6
200-299	15	-	3	1	4	7
300-399	8	-	1	2	-	5
400-499	2	-	1	-	-	1
Total	40	1	7	6	6	20

Source: Compiled by author.

managerial, clerical, operatives, service work, and farm work at a lower rate than the population. If salary on an average basis were the only criterion to be considered, all of the occupations chosen more frequently by these dependent children have higher than average annual incomes. However, such factors as job prestige, standing in the community, job hazards, unemployment rates, hours of work, and job satisfaction are not included in the comparison. In a more dated study, in 1959, 40 per cent of the non farm laborers earned less than $2,500 and 22 per cent of the sales workers earned less than this.[11] Apparently, Table 23 does not show all relevant factors.

An interesting analysis of the relationship between skill level, wage level, and years of education has been conducted by James G. Scoville. Scoville classified a large number of occupations into five major classes. Class one includes jobs with the most complex skills and longest training periods, while class five includes the simplest and least-skilled occupations. From 1960 census data, he obtained the average annual earnings of people at these various levels and also their average years of schooling. From the Directory of Occupational Titles used by the United States Employment Service, he obtained the years of general educational background and specific vocational preparation supposedly required

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[11]Carol Barry, "White-Collar Employment: Its Characteristics," Monthly Labor Review, LXXXIV (February, 1961), p. 146.

Table 23

Comparison of Dependent Children of Workmen's Compensation Recipients presently to United States Employed White Persons, 1968, by Occupation

Accupation	Children of Workmen's Compensation Recipients (Number)	Per Cent	White Population Per Cent	Average Annual Salaries 1967
Professional and Kindred Workers	12	22.2	14.3	$8,920
Manager, Official and Proprietor	1	1.9	11.1	6,730
Clerical and Kindred Workers	3	5.6	17.5	5,995
Salesworkers	10	18.5	6.6	6,028
Craftsmen, Foremen, Kindred Workers	12	22.2	13.8	6,957
Operation and Kindred Workers	4	7.4	17.7	5,516
Non-Farm Laborers	10	18.5	4.0	2,621
Service Workers	2	3.7	10.4	3,645
Farm Workers	-	-	4.5	833
Total	54	100.0	100.0	$6,020
Housewives	19			
Military Serv.	2			
Unemployed	4			

Source: Statistical Abstract of the United States, 1969, (Washington, D. C.: Government Printing Office, 1969), p. 223, for population and Oklahoma Survey for Children of Workmen's Compensation recipients.

for successful performance in the occupation. The figures in the last two columns are thus hypothetical estimates, while the first four columns are actual measurements. Each figure, of course, is an average for many occupations falling in a particular job content class.[12]

As one would expect, both income level and educational level rise steadily as we move from lower to higher occupational classes. Similar rises occur in the amount of general education and vocational training specified as necessary for job performance by employers and the United States Employment Service. The educational requirements by job content level are shown in Table 24.

Scoville predicted that the rates of growth in the blue collar sectors of the job structure will continue to be low in the 1970's;[13] specialized tool and machine jobs will suffer the most. He also predicted a strong growth for inspection, clerical, health, and research jobs.[14] On the basis of the study conducted by Scoville, the children of those interviewed generally are entering occupations which will have slow growth rates during the 1970's.

The predominance of blue collar employment of both the father and the children are shown in Table 25. Of the 58 children who are participants in the labor force, 54 came

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[12] James G. Scoville, The Job Content of the U. S. Economy, 1940-1970 (New York: McGraw-Hill Book Company, 1969), pp. 28-31.

[13] Ibid., p. 57.

Table 24

Relation of Education to Job Content Level, 1960

Job Content Level	Annual Earnings Male	Annual Earnings Female	Years of Education Male	Years of Education Female	"Required" Years of General Education	"Required" Years of Specific Vocational Training
1	$6797	$4426	16.3	15.9	16.2	5.3
2	6586	4013	12.2	12.8	12.1	3.2
3	5247	3397	11.4	12.2	10.5	1.6
4	4283	2361	10.4	11.1	9.5	1.1
5	3917	2042	9.2	9.2	8.0	0.8

Source: James G. Scoville, The Job Content of the U. S. Economy 1940-1970 (New York: McGraw-Hill Book Co., 1969), pp. 28-31.

from homes in which the father was a blue collar worker. Of the children, 26 have become blue collar workers, 13 have entered professional and managerial work, 13 are clerical or sales, 2 are in service, and 4 are unemployed. Of the 13 who are professionals or managers, 8 are public school teachers. Even with the decline of blue collar jobs relative to other occupations, 44 per cent of the children entered these occupations.

Some explanation for the number entering blue collar occupations may be the influence of their fathers. However, the jobs entered do not require as much formal education as do white collar jobs, and since the educational level was lower for the children of the occupationally disabled, this may have been the primary motivation. The occupational structure is the link between the economy and the family. Through this link, the family supplies manpower to the economy, and also through this link the economy affects the family's status.[15] The motivation for an occupation may be formed in the family, but the occupation will affect the family. By the same analysis, interaction will take place between the structure of occupations and the motivation of the labor force.[16]

The income of the recipient of workmen's compensation

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[15] Peter M. Blau and Otis Dudley Duncan, The American Occupational Structure (New York: John Wiley and Sons, 1967), p. 6.

[16] Hall, p. 314.

Table 25

Comparison of Workmen's Compensation Recipients at Time of Disability and Dependent Children Presently by Occupation

Dependent Children		Workmen's Compensation Recipients				
Occupation	Total Number of Children	White Collar Manager	Blue Collar Skilled	Blue Collar Semi-Skilled	Blue Collar Laborers	Service
Professional and Manager	13	2	5	6	-	-
Professional	12	2	5	5	-	-
Managers	1	-	-	1	-	-
Clerical and Sales	13	-	6	5	1	1
Clerical	3	-	1	1	-	1
Sales	10	-	5	4	1	-
Blue Collar	26	-	11	14	-	1
Skilled	12	-	5	7	-	-
Semi-Skilled	4	-	1	2	-	1
Laborers	10	-	5	5	-	-
Service	2	-	1	1	-	-
Unemployed	4	-	2	-	2	-
Total	58	2	25	26	3	2

was shown in Table 20 to be lower than before the disability. In a population study in 1962, 49 per cent of those currently without a job and earning less than $2,000 per year had a chronic disability.[17] Relating to Oklahoma, this rate of earnings would present fewer problems than in some more industrized states. Personal income per capita in the state was $3,047 in 1969, and it ranked 34th in the 50 state average.[18] However, the income of the disabled workers declined by an amount that would have made maintaining adequate standards of living difficult in addition to the difficulty of sending their children to college. As one manifestation of the income problem, the family moved to different housing in 27 of the 46 cases. The reasons given for these moves were reduction of the rent that the families had to pay. The families now are in perpetual poverty and the dependent children failed to go to college in a majority of cases.

Education

In October, 1965, a study was made of high school dropouts and high school graduates which indicated that the income of the family was a factor in their decisions. From the total dropouts, 61 per cent had come from families who

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[17]Doris K. Lewis, "Prevalence of Disability in the Work Force," Monthly Labor Review, LXXXVII (September, 1964), p. 1006.

[18]"State and Personal Income in 1969," Survey of Current Business, L (August, 1970), p. 35.

had incomes less than $5,000, while of high school graduates, 28 per cent had come from families with income of less than $5,000.[19] In a related study in February, 1965, 48 per cent of the graduates were making over $100 per week and dropouts were making this much in only 31 per cent of the cases.[20] The median income of all men aged eighteen or over increased by educational levels as shown in Table 26. Income increases were more rapid in older ages. These general observations indicate some of the importance of education on future income.

The occupational distribution for one who graduates from high school but does not enter college shifts toward blue collar, service, and farm employment. Table 27 relates the occupational distribution of the 1968 high school graduates to men 25 to 44 years old who completed only twelve years of school. This suggests that the high school graduates must enter the work force with a handicap if they want a white collar job. Only 20 per cent of the high school graduates of 1968 obtained white collar jobs, although the population average for men 25 to 44 years old was 38 per cent. Of the children of the disabled in Oklahoma, only 21 per cent entered college, and if the income difference between high school graduates and college graduates accelerates more than indicated in Table 26, the children are not going to be able

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19Harvey R. Hamel, "Employment of High School Graduates and Dropouts in 1965," Monthly Labor Review, LXXXIX (June, 1966), p. 645.

20Perrella and Waldman, p. 864.

Table 26

Median 1967 Income of Men Age 18 and Over,

Employed in March, 1968 by Education

Age	Total	Year of School Completed				
		8 Years or Less	1-3 Years or Less	4 Years H. S.	1-3 Years College	4 Years College or More
All Men, age 18 or Over	6750	5000	6150	7050	7500	10350
18-24 Years	4450	2850	2550	7050	7500	3950
25-34 Years	6950	4600	6050	7050	7600	8850
35-44 Years	7800	5350	6800	7950	9050	12100
45-54 Years	7600	5600	7100	8000	9250	12500
55-64 Years	6700	5300	6800	7350	8800	12200
65 or Over	4200	3300	3850	4900	5850	8300

Source: Elizabeth Waldman, "Educational Attainment of Workers," Monthly Labor Review, XCII (February, 1969), p. 20.

to be in the higher income groups. The occupations they are entering are primarily blue collar ones which, according to Scoville, are slow growth areas and may face economic difficulties in the future.

Had the recipient's child graduated from high school in 1958, he would have been entering the labor force as one of the 48 per cent of the 18 to 64 who had this much education. However, by 1968, he would be in the 63 per cent who had this much education.[21] His position in relation to the rest of the labor force has deteriorated because of the increased schooling which the majority of the labor force has obtained.

The seriousness of the problem of education of dependent children of disabled workers is magnified by the number of families interviewed who had dependent children. In a 1960 study, research revealed that 51 per cent of the vocational rehabilitants had dependent children,[22] Whereas of those interviewed, 78 per cent had dependent children at the time of their disability. As indicated by Table 22, the children are in families with declining income in a majority of cases. A change of schools has occurred in a majority of cases, and with declining family income, the assumption is that the move is downward in terms of housing

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[21]Vera C. Perrella, "Employment of High School Graduates and Dropouts," Monthly Labor Review, XCII (June, 1969), pp. 42-43.

[22]Ronald W. Conley, The Economics of Vocational Rehabilitation, (Baltimore: Johns Hopkins Press, 1965), p. 21.

Table 27

Percentage Distribution of 1968 High School Graduates to Men 25 to 44 Years Old Who Completed Only 12 Years of School by Occupation, 1968

	1968 High School Graduates	Men 25 to 44 Years Old Who Completed Only 12 Years of School
White Collar	20.3	37.5
Blue Collar	65.4	52.3
Service	8.7	6.3
Farm	5.6	3.9
Total	100.0	100.0

Source: Vera C. Parrella, "Employment of High School Graduates and Dropouts," Monthly Labor Review, XCII (June, 1969), p. 40.

and neighborhood. Unfortunately, the teaching quality in poorer schools tends to be lower than in schools for the more affluent.[23] The child's future occupational status may be affected by the failure to obtain an adequate instructural level in his high school and it also may be affected by failure to obtain a formal education above the high school level.

The occupations of the dependent children showed little ability toward upward mobility. The tendency for the occupation to be a sales, clerical or blue collar job in a majority of the cases, indicates that in terms of status, little upward mobility will be achieved, and perhaps some downward movement will occur. Blau and Duncan found that men who do not quite achieve a higher education are more likely than either better educated or "less than well educated" men to experience downward mobility.[24] Those who started college and did not finish it and those with one to four years of high school actually are in greater danger of serious downward mobility than either the educated elite or the uneducated mass who did not go to high school.[25] The motivation to upward mobility is difficult to ascertain; the declining income of the family could result in stimulating

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[23]"Why Teachers Can't Read," Psychology Today, IV (October, 1970), p. 12.

[24]Blau and Duncan, p. 161.

[25]*Ibid*.

the child to move into higher income groups or depress the child. Perhaps, the declining income would make an impossibility of obtaining an educational level that would permit him to achieve more than his parents.

The difference between the lifetime earnings of the elementary school graduate and the high school graduate is striking. In 1966, the average elementary school graduate could expect lifetime earnings of about $247,000 as compared with about $341,000 for the average high school graduate; this amounts to a difference of $94,000.[26] However, the greatest gains associated with additional schooling appear at the college level. In 1966, the college graduate could expect lifetime earnings of $508,000 or $147,000 more than a high school graduate.[27] The average college student earns about $40,000 extra for each year of college.[28]

In summary, the data indicates that the recipient was earning an income of $4,000 to $7,000 per year at the time of disability and his current income has declined to $3,000 to $5,000 per year. He was a blue collar worker and most of his current income comes from transfers. His children,

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[26]Herman P. Miller, Rich Man, Poor Man (Apollo Edition, New York: Thomas Y. Crowell, 1971), p. 177.

[27]*Ibid.*, p. 178.

[28]*Ibid.*

in a majority of cases, graduated from high school but did not attend college. In most cases, the child had entered the labor force as a blue collar worker or as a sales or clerical worker. His status is a declining one because of the increasing number of college graduates in the work force and because the growth of jobs for a "middle" education is declining. Generally the child has not been able to achieve upward mobility and in a few cases has experienced downward mobility. A part of the cost of the occupational disability is being paid by the disabled's children who, lacking adequate family finances, are unable to attend college.

CHAPTER V

REMEDIAL ACTION

A comparison of the income levels of severely disabled recipients of workmen's compensation in Oklahoma with the income levels of others in Oklahoma and the nation indicates that these disabled are existing on lower incomes. A plight of this nature did not exist for these families before the disability occurred. Also, the dependent children of these recipients did not enter college at the rate of other teenagers in Oklahoma or the population. The psychological effects upon the family are unknown; however, the traumatic event of a serious disability is compounded by the inability to earn an income as high as before the disability. Workmen's compensation payments are hardly adequate for a family in a crisis of this nature.

The results of the interviews reveal that few of the recipient's children who were dependent at the time of disability advanced beyond high school graduation. And except in a few cases, when entering the labor force, they chose jobs that were not of a white collar status. Most of the occupations entered were sales, clerical and blue collar jobs.

The income of the disabled man's family declined, his children failed to enter college, except in a few cases, and the children did not obtain jobs in growing employment fields. The conclusions to be drawn are that both the severely disabled worker and his dependent children are damaged financially by an occupational disability.

Although residual costs were not considered in relation to home environment, research revealed that over half of the families had to move to another residence after the disability. Valentine advanced the possibility that lower class life is not a distinctive design for living but a situational adaptation to the structural position of the bottom stratum in a highly stratified society.[1] The impression received from interviewing severely and permanently disabled recipients of workmen's compensation in Oklahoma was that these families were making a situational adaption to life in a society which does not maintain a serious goal of integrating the disabled into the mainstream of society. The loneliness pressing upon these disabled workers was manifested by their willingness to reveal personal information when interviewed.

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[1]Charles A. Valentine, Culture and Poverty (Chicago: University of Chicago Press, 1968), p. 113.

Inclusion of Dependent Children in Award

In Oklahoma, the number of dependent children a disabled worker has does not affect the amount of award he receives due to occupational injury. The dependent children are captives of the maximum benefit approach to any disability regardless of its seriousness. The award is based upon the type of injury unless a settlement is made between the insurance company and disabled outside of the Oklahoma Industrial Court. Currently, the recipient can expect no more than a maximum of $30,000 paid in some cases of total permanent disability.

The current schedule causes the disabled and his family to pay part of the cost of injury due to the low maximum weekly benefits and the limited amount of time when payments will be received. In an effort to alleviate these conditions, several bills have been introduced in the Oklahoma legislature in the 1971 session. Senator Gene Stipe and Representative Joe Musgrave have introduced bills to increase the maximum weekly benefits and to extend the number of weeks of payment for permanent disability.[2] The Stipe bill, SB 174, increases the weekly maximum benefits to $59 and increases the number of weeks in which it may be paid.[3]

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[2]"Labor Having a Triumphant Year With Legislation," Sunday Oklahoman, April 11, 1971, p. 22.

[3]Ibid.

The Musgrave bill, HB 1271, increases the weekly maximum benefits on permanent disabilities to $44; and on temporary disability, it scales maximum payments on the number of dependent children in the family to a maximum of $65 per week.[4] These bills are commendable, but they would not be broad enough to stop the shifting of the cost of occupational disability to dependent children.

What are the effects of the deprivation disposed upon the dependent children? They are the ones who are affected seriously. They not only are denied the health of their father. They are denied his ability to participate in activities important to children; no monetary award can compensate for this denial. The effect of reduced family income upon the children has residual effects such as the inability to enroll in college and the inability to obtain a job in a profession with upward mobility. The amount of income lost and the amount of unemployment, which probably is due to a lower status job, will be of importance to the child and his own family in future years of labor force participation.

The economy is affected to the extent that the child's productivity may suffer from inadequate education in a modern economy. Although it is possible these children will be most efficient in an occupation that is not of the level of the "educated elite," the failure to attend college in 79 per

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[4] Ibid.

cent of the cases indicates a lack of available alternatives to an unusually large number of dependent children. More interest should be taken by others in determining whether the most efficient occupations have been found for the aptitudes and interests of these children. Society may be forced to increase transfer payments because of the reduced educational level of the dependent children. Based on the Social Security Administration economy level of those in poverty in 1963, 42 per cent of the employed poor were clericals, craftsmen, operatives and laborers.[5] The children of the recipients of workmen's compensation in 67 per cent of the cases entered these occupations. The concentration of entrance into the more poverty-prone occupations could cost more in transfer payments. The extent to which crime and delinquency are related to family income,[6] would make the cost to society indeterminate.

Who should be considered responsible for the dependent children of disabled workers? Employers, if made responsible, most likely would need to pay higher insurance premiums. If the cost is to be related to the source, and if the price of the good is to be reflected in the cost of risk, the employer should be made responsible. This could be accomplished by including the cost of education for dependent children in

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[5] Mollie Orshansky, "Counting the Poor: Another Look at the Poverty Profile," in Poverty in America, by Louis A. Ferman, Joyce L. Kornbluh, and Alan Haber, (2nd Edition, Ann Arbor: University of Michigan Press, 1968), p. 83.

[6] Belton M. Fleisher, "The Effect of Income on Delinquency," American Economic Review, LVI (March, 1966), p. 134.

workmen's compensation awards. Since insurance companies would respond by charging more, the cost of the children's education temporarily would be shifted to employers until prices increased to reflect the higher premiums. A possibility exists that the employer would refrain from hiring married men or men with children if his premium were based on the record of accidents. Whenever possible, the employer might shift the cost to the workmen by reducing employment of fathers or, when possible, would reduce other fringe benefits. Under these circumstances the employer could no longer claim an "assumption of risk" on the part of the employee,[7] and to some degree, would have to accept part of the increasing cost inherent in educating the children of the occupationally disabled. Should workers have an alternative of employers' liability in addition to workmen's compensation, the problem would be partly solved if adequate settlement for damages could be won by injured workmen.[8]

The employer justifiably could be asked to pay more toward income for the occupationally disabled, and he could be required to rehire his injured workers or pay a penalty; but he strongly could resist the responsibility of providing

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[7]John G. Turnbull, C. Arthur Williams, Jr., Earl F. Cheit, Economic and Social Security, (3rd Edition, New York: Ronald Press, 1968), p. 315.

[8]Benjamin Marcus, "Advocating the Rights of the Injured," in Occupational Disability and Public Policy, ed. by Margaret S. Gordon and Earl F. Cheit (New York: John Wiley and Sons, 1963), pp. 87-88.

income for the dependent children of the disabled go to college.

Does the responsibility of education of children rest entirely with the family? The family already has paid significant costs in the form of economic privation and the loss of the head of the household's robust health.[9] The family of the disabled in Oklahoma is not able to send the children to college under the circumstances of inadequate compensation. To pass this fact on as simply a failure of the family is to ignore the problem. Even if the family is to be held responsible, the problem of disrupted families under pressure from the deprivation makes the family incapable of accepting the responsibility of college education for their children. Even if the family's cohesiveness remains and the parents are willing to aid the child in college, they would not be able to do so.

Unless there is a substantial level of income earned by the child after he has his own family, the state will find that the child has become their ward under the present concept. To this extent, the children are the responsibility of the state. Should the Federal Government install an income maintenance plan, and should the failure to have received a college education cause income to fall below the base, the

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[9]Sam B. Barton, How Texas Cares For Her Injured Workers (Denton: By the Author, 1956), p. 17.

Federal Government would be accepting some of the responsibility for the disability of occupationally injured workers. Although the government could provide the means of securing an opportunity of college education to the dependent children of severely and permanently disabled workers, the procedure for providing this aid is very slow when a collective approach is used. For Congress to act takes much time, debate, and compromise.

Should organized charity groups accept the responsibility of a college education for the dependent? In our society, charity in any form is generally regarded as undignified. Although the local media gives publicity to charity drives and expound the virtues of unquestioned contributions, charity has not been very effective in solving social problems. To expect that groups such as United Fund or other organized charities could or should provide the means for a college education for the dependent children of occupationally disabled workers is unrealistic.

No group wants to take the responsibility of leading a reform of the workmen's compensation laws because few are interested in matters of responsibility for the disabled or their dependent children. Medical doctors do not want to get involved in disability ratings; lawyers obtain only limited fees and prefer other fields; employers who pay insurance are interested only in rates and carriers also are interested mostly in rates. Unions look beyond workmen's compensation laws for most of their gain. Even the workers generally do not consider accidental injury or occupational disease very likely and are more interested in Social Security benefits or company retirement plans.[10] Once the worker is disabled, he is awarded a small workmen's compensation payment and the remainder of society moves on toward their own goals; both the disabled worker and his family are cast off as irrelevant victims of chance. The morality of rejecting human beings in terms of irrelevancies must be left for others to examine;[11] however, the survey discussed in Chapter III and Chapter IV suggests that reform is necessary for the disabled worker and family in Oklahoma. Perhaps, the plight of severely and permanently disabled recipients in Oklahoma justify the contention of the framers of the social security policy. They contend that disability is the "most difficult form of social insurance" and should be last in a complete program for economic security.[12]

Very little research has been attempted on the follow-up results of occupationally injured workers or their families.

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[10] Earl F. Cheit, "Can Injured Workers Recover," in Occupational Disability and Public Policy, ed. by Margaret S. Gordon and Earl F. Cheit (New York: John Wiley and Sons, 1963), pp. 48-49.

[11] Kenneth B. Clark, "Efficiency as a Prod to Social Action," Monthly Labor Review, XCII (August, 1969), pp. 54-56.

[12] Jerome Pollock, "Disability Insurance Under Social Security," in Occupational Disability and Public Policy, ed. by Margaret S. Gordon and Earl F. Cheit (New York: John Wiley and Sons, 1963), p. 95.

The findings of this study indicate that a provision should be made for college opportunities for dependent children of workmen's compensation recipients. Also, additional income for the disabled is needed through creation of jobs for disabled workers or through increased transfer payments. To receive Social Security benefits, the worker must be permanently injured and must wait six months.[13] Mangum has suggested that permanent, non-competitive public employment be provided for disabled persons.[14] However, additional alternatives may be considered.

Alternatives Providing Equality and Equity

Before an equitable standard for the nation can be reached, the Federal Government must pass some legislation affecting workmen's compensation. If state laws are to be continued as the major authority for administrating workmen's compensation, a federal minimum standard must be required. In this case, the Federal Government would collect taxes from employers in any state that failed to maintain minimum weekly payments within a short period of time after the accident or disease had occurred, or failed to provide prompt

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[13]Arthur Abraham and Irwin Wolkstein, "Workmen's Compensation and the Social Security Disability Program: A Contrast," Vanderbilt Law Review, XVI (October, 1963), p. 1067.

[14]Garth L. Mangum, "Guaranteeing Employment Opportunities," in Social Policies for America in the Seventies, ed. by Robert Theobald, (Garden City: Doubleday and Co., 1968), p. 49.

and efficient medical care. The alternative for the Federal Government simply would be a federal workmen's compensation law that would abolish all state laws and would put a national cover over the entire program. The benefits and the employer costs would be consistent throughout the nation, and states would not be under pressure from local employer groups and insurance companies to restrict benefits and costs.

For a number of years, the AFL-CIO has favored federal administration of workmen's compensation laws; however, Congress has shown little interest in proceeding into the workmen's compensation field.[15] The attempt to bring reform will be a long process with difficult and expensive struggles if each state legislature must be persuaded individually to make substantial improvements in their state workmen's compensation laws. On an individual state basis, the carriers in conjunction with employers are able to restrict the benefits for injured or diseased workers due to their local political power. Even though private carriers encourage employers to report injuries promptly and even though the private carriers meet their responsibilities in regard to the payment of benefits when due,[16] the present standards in Oklahoma are inadequate for the present level of knowledge and economic activity.

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[15] Paul A. Brinker, Economic Insecurity and Social Security (New York: Appleton-Century-Crofts, 1968), p. 185.

[16] Ansley St. Clair, "Occupational Disability - Privately Insured," in Occupational Disability and Public Policy, ed. by Margaret S. Gordon and Earl F. Cheit, (New York: John Wiley and Sons, 1963), p. 95.

The cost of administrating the state workmen's compensation laws is high relative to Social Security.[17] The multiplicity of programs for disability encouraged inefficient administration and inequity. More dollars are transfered in sick leave programs which cover only a few days of absences because of acute illness than are transferred in the combined payments for all disability programs.[18] The need for more central standards and administrative control is most important. In the process of advancing toward a federal standard for disability payments to injured or diseased workers, the data collected in Oklahoma reveals that in cases of severe permanent disability, the dependent children should be included in the award.

Under a federal workmen's compensation law, the employer could be required to carry insurance with a private carrier to guarantee the adequacy of benefits. If employers believe that private insurance coverage would make workmen's compensation more palatable to them under a federal standard, the results would be the same as long as federal supervision was available to assure adequate and equitable payments to disabled workers. If a payroll tax system was established similar to Social Security's taxation of employers, with placement of revenue in a trust fund, the palatability to employers might be increased since their belief

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[17]Monroe Berkowitz and William G. Johnson, "Towards an Economics of Disability: The Magnitude and Structure of Transfer and Medical Costs," Journal of Human Resources, III (Summer, 1970), p. 296.

[18]Ibid.

would be that their taxes were being reserved for payment to recipients of the program. The only advantage of this approach to a simple taxation of employers would be psychological. The program would be one of tax transfer rather than one of insurance, and if employers would be more comfortable with a trust fund approach, the results would be superior to the present varied state solutions.

Another approach would be the establishment of a publicly-owned corporation for collecting taxes from employers and for paying benefits to disabled workers. The approach would be similar to that presently used by the United States Post Office Department. The employer's costs would be enough to pay benefits to the disabled and his dependent children in addition to administrative costs. The corporation could make rates relate to the experience rating of the employer, and could permit the reduction of these rates if an employer was agreeable to provide lifetime employment for disabled workers.

Any of the federal approaches to workmen's compensation would terminate the competition between states for low workmen's compensation rates to attract industry into the state. Also, the ability of employer and insurance groups to prevent adequate benefits would be reduced. Major goals of any federal approach should include the transfer of income directly to dependent children when they enter college. This transfer of income should continue for the period they remain in college, up to and including four years.

If federal legislation is not feasible at this time, state reform of workmen's compensation laws should be attempted. In 1966, the AFL-CIO suggested twenty-one minimum standards to which a state law should conform.[19] The standards ranged from the full coverage of administration to the minimum benefits necessary for a program. With yearly persuasion by political agencies of labor groups, over a period of time these reforms may be forthcoming in piecemeal form. By the time all are made, these items may be obsolete, and those who are injured prior to this time will be harmed by jurisdiction under the present laws.

As a bare minimum, administrative reforms should be made promptly. The appointment of well-paid and competent administrators and staff, use of data processing equipment for more accurate and prompt recordkeeping, establishment of branch offices to facilitate handling of claims, and more adequate research and statistics programs independent of employers and carriers must be instated before adequate data are available for approaching a modern state program of workmen's compensation.[20]

In 1947, Reede proposed an additional allowance of

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[19] Lawrence Smedley, "The Failure of Workmen's Compensation Laws," American Federationist, LXXIII (March, 1966), p. 20-21.

[20] "Workmen's Compensation: Can the State System Survive"? Occupational Hazards (April, 1967), p. 77.

10 per cent of weekly earnings for dependent children of the permanent total disabled up to a total of 100 per cent net past weekly earnings until the children were no longer dependent. At this time the benefits would decline to 70 per cent of the weekly wage at the time of injury.[21] Such an approach would be an improvement to the present approach, but now a direct benefit to the dependent child for college after he has completed high school is essential either in the form of a direct allowance or through a state scholarship fund provided directly to dependents of recipients of workmen's compensation only.

Reform of state laws is not an encouraging endeavor. The legislative process at the state level is slow, and the dormant inclusion of Social Security benefits in state awards is a possibility. Benefit policies take account of OASDI benefits to some degree; however, the two systems are not coordinated and officially, law makers in the states ignore OASDI benefits, and refuse to provide adequate compensation benefits because of it.[22] The state by state approach of occupational illness insurance tends to depress advocates of economic security, and they contend that the expectation of major improvement in the near future is

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[21]Arthur H. Reede, Adequacy of Workmen's Compensation (Cambridge: Harvard University Press, 1947), p. 89.

[22]Earl F. Cheit, Injury and Recovery in the Course of Employment (New York: John Wiley and Sons, 1961), p. 144.

remote.[23] State laws have failed to provide adequate compensation for the disabled and their dependent children in the past. Apparently this situation will not change in the near future.

The use of private carriers by employers may have been politically expedient when workmen's compensation laws were passed, but all states do not offer an alternative to the private carrier by a state fund. More important use of the state fund could be made by converting this to a vehicle countervailing the power of insurance companies and employer groups. The fund could be subsidized by a compulsory tax on payrolls of all state employers and could offer improved benefits to disabled workers while keeping rates at the same level of private carriers. If the private carrier failed to give benefits equal to that provided by the state fund, the worker could petition the transfer of his case from the private carrier who then would have to reimburse the state fund for all expenses. In this way, the private carrier would have to maintain benefit standards equal to that of the state fund. One may assume that the state fund would be more worker-oriented than is the current insurance company-employer combination. However, an approach such as this would impinge upon the power of the Industrial Court and would require a complete reorganization of the state workmen's compensation

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[23] John G. Turnbull, Malcolm S. Cohen, and Mary Pepple, The Changing Faces of Economic Insecurity (Minneapolis: University of Minnesota Press, 1966), p. 114.

system. As the situation now stands, the state fund is hardly distinguishable from a private carrier's benefits and services.

The urgency of provision for dependent's children's college education is acute. This study has involved parents who had incomes above a poverty level at the time of the father's disability. If the results are considered for the workers in lower income groups, the disability of the father would be more devastating to the educational future of the child. If the income level declines for a family already near the poverty line, the children would face a more precarious future. These families were fortunate in that they were able to receive at least $9,000 as a settlement for the father's permanent disability, and the number whose disability was as serious but received less is not known. The actual amount of disability could be accepted only from the records of the Industrial Court since this was the only available means of locating workers who had any measure of permanent disability. Conceivably, there are cases in which the actual disability is more than that indicated by the amount of settlement; one claimant's attorney contended that the injured who is poor and has a large family is under such severe financial pressure that insurance carriers are able to settle below satisfactory awards due to the need for liquid assets by the family.

Reform is seriously needed in workmen's compensation laws. Whether this reform comes from a federal workmen's compensation law or through reforms in state laws, this study made in Oklahoma indicates that an allowance for dependent children of severely and permanently disabled workers should be provided until the child has had an opportunity to complete college.

CHAPTER IV

SUMMARY AND CONCLUSIONS

This study has revealed that only 21 per cent of the dependent children of severely and permanently disabled recipients of workmen's compensation in Oklahoma interviewed advanced beyond high school graduation in their educational attainment. The enrollment of first year students in Oklahoma institutions of higher education in 1969 was 73 per cent of the number of high school graduates in Oklahoma during the previous spring. For the United States population aged 20 to 24 in March, 1968, 36 per cent had completed at least one year of college beyond high school graduation. The parents, in the Oklahoma study, in 86 per cent of the cases, contended that lack of adequate funds prevented the dependent child from proceeding further than he had in his education.

The income of the parents was adequate to aid the college education of their children at the time of disability in 70 per cent of the cases using a 1958 to 1961 annual income of $5,000 or more as adequate. However, based on current income of $5,000 or more as adequate for sending children to college, only 28 per cent could currently send children to college. At current living costs, one could question whether this could be accomplished on $5,000 per year family income. Findings were that in 88 per cent of the cases, the family income, after approximately ten years, was lower than before the disability.

The conclusion can not be made that all of the children of these recipients would have entered college or that lack of adequate family income was the sole reason for only 21 per cent obtaining any college education. Based on the contention of the parents and the serious decline of family income, the conclusion can be made that some degree of causal relationship exists between disability of the father and lack of college entrance by their dependent children.

The remedial action suggested has taken the form of increased federal participation in workmen's compensation programs, preferably dissolution of state workmen's compensation laws and the institution of a broad federal workmen's compensation law. Included in such an approach is the requirement that benefits be increased and that dependent children be provided with an income allowance through four years of their college education.

This study magnifies the lack of adequate research in the field of workmen's compensation. A long term analysis of the effects upon the disabled worker's condition and upon his family, particularly his dependent children, is needed. A follow-up study of the income, status, and family of the dependent children after several years of participation in the labor force should be made to find if residual effects appear due to his father's disability and the family income's decline. A study of the educational level of dependent children of disabled workers should be made in other states or sampled in the nation as a whole to find if Oklahoma is an exception to the average state.

The findings reveal there is evidence that a problem exists for dependent children of severely permanently disabled recipients of workmen's compensation in Oklahoma regarding their ability of obtaining a college education. Implied in this conclusion is the possible danger of a similar fate awaiting any child whose father is in an occupation which is included under Oklahoma workmen's compensation laws.

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APPENDIX A

State Workmen's Compensation Laws: Enactment and Effective Dates Arranged Chronologically

State	Approved	Effective	State	Approved	Effective
U. S.[1]	5-30-08	8- 1-08	Vermont	4- 1-15	7- 1-15
Wash.	3-14-11	10- 1-11	Maine	4- 1-15	1- 1-16
Kansas	3-13-11	1- 1-12	Colorado	4-10-15	8- 1-15
Nevada	3-24-11	7- 1-11	Hawaii	4-28-15	7- 1-15
N. J.	4- 4-11	7- 4-11	Alaska	4-29-15	7-28-15
Calif.	4- 8-11	8- 1-11	Penn.	6- 2-15	1- 1-16
N. H.	4-15-11	1- 1-12	Ky.	3-23-16	8- 1-16
Wis.	5- 3-11	5- 3-11	Puerto Rico	3-13-16	7- 1-16
Ill.	6-10-11	5- 1-12	S. D.	3-10-17	6- 1-17
Ohio	6-15-11	1- 1-12	N. Mex.	3-13-17	6- 8-17
Mass.	7-28-11	7- 1-12	Utah	3-15-17	7- 1-17
Mich.	3-20-12	9- 1-12	Idaho	3-16-17	1- 1-18
R. I.	4-29-12	10- 1-12	Delaware	3- 2-17	1- 1-18
Arizona	6- 8-12	9- 1-12	Va.	3-21-18	6- 1-19
W. Va.	2-22-13	2-22-13	N. D.	3- 5-19	7- 1-19
Oregon	2-25-13	7- 1-14	Tenn.	4-15-19	7- 1-19

State	Approved	Effective	State	Approved	Effective
Texas	4-16-13	9- 1-13	Dist.Col.	7-11-19	7- 1-19
Iowa	4-18-13	7- 1-14	Alabama	8-23-19	1- 1-20
Neb.	4-21-13	7-17-13	Georgia	8-17-20	3- 1-21
Minn.	4-24-13	10- 1-13	Missouri	4-30-25	11- 2-26
Conn.	5-29-13	1- 1-14	US Long-shoremen	3- 4-27	7- 1-27
N. Y.[2]	12-16-13	7- 1-14	Dist.Col.[3]	5-17-28	7- 1-28
Md.	4-16-14	11- 1-14	N. C.	3-11-29	7- 1-29
La.	6-18-14	1- 1-15	Fla.	5-25-35	7- 1-35
Wy.	2-27-15	4- 1-15	S. C.	7-17-35	9- 1-33
Indiana	3- 8-15	9- 1-15	Arkansas	3-15-39[4]	12- 5-40
Montana[2]	3- 8-15	7- 1-15	Miss.	4-13-48	1- 1-49
Okla.	3-22-15	9- 1-15			

Source: U. S. Department of Labor, State Workmen's Compensation Laws, Bulletin 161, Revised 1969, Appendix I, p. 73.

[1]Public employees only.

[2]Earlier laws of Montana (1909), New York (1910), and Kentucky (1914) were declared unconstitutional.

[3]Private employees.

[4]Law was held in obeyance pending referendum to be voted upon at next national election, which was November 5, 1940. Effective 30 days later.

APPENDIX B

Currently Available Federal and State Welfare Services in Oklahoma and First Year of Operation

<u>Federal Funds for Social and Rehabilitative Services</u>

Child Welfare (1936)

Crippled Children (1936 and 1959)

Disability Determination for OASD (1955)

Medical Services (1957, 1960, 1965)

Special Unit on Aging (1965)

Vocational Rehabilitation (1955 and 1968)

<u>Federal Funds for Public Assistance</u>

Old Age Assistance (1936)

Aid to the Blind (1936)

Aid to Families with Dependent Children (1936)

Aid to Permanently and Totally Disabled (1951)

<u>Sales Tax Funds for Institutions</u>

Child Welfare (1936)

Crippled Children (1936 and 1959)

Commodity Distribution (1957)

General Assistance (1957)

Medical Services (1957, 1960, 1965)

Sales Tax Funds for Institutions (Continued)

State Homes and Schools (1961)

Schools for Mentally Retarded (1963)

Schools for Deaf and Blind Children (1965)

Vocational Rehabilitation (1955 and 1968)

Sales Tax Funds for Public Assistance

Old Age Assistance (1936)

Aid to the Blind (1936)

Aid to Families with Dependent Children (1936)

Aid to the Permanently and Totally Disabled (1951)

Source: Oklahoma Public Welfare Commission, *Oklahoma and the Welfare Myths*. (Oklahoma City: May, 1970), p. 31.

APPENDIX C

Estimated Percentage Wage Loss Replaced by Workmen's Compensation for Permanent Total Disability by State: Age 44 and 52

State	Percentage of Loss Replaced, Death	Percentage of Replaced, Permanent Total, Age 44	Percentage Loss Replacement Permanent Total, Age 52
Alabama	15.1	13.8	21.3
Alaska	39.5	9.2	13.9
Arizona	70.7	53.0	54.5
Arkansas	18.6	16.4	24.9
California	22.3	26.6	29.0
Colorado	15.6	31.8	32.7
Connecticut	65.8	41.2	42.3
Delaware	22.9	27.1	55.3
D. C.	45.2	48.7	49.9
Florida	17.7	53.9	55.3
Georgia	14.9	11.8	17.8
Hawaii	39.5	59.9	67.3
Idaho	13.7	29.9	30.7
Illinois	12.9	30.1	30.6

State	Percentage of Loss Replaced, Death	Percentage of Replaced, Permanent Total, Age 44	Percentage Loss Replacement Permanent Total, Age 52
(Continued)			
Indiana	17.5	13.1	19.8
Iowa	12.4	16.4	24.9
Kansas	17.7	13.7	20.8
Kentucky	18.0	14.1	21.3
Louisiana	15.9	14.6	22.1
Maine	16.9	15.3	23.2
Maryland	18.7	19.4	29.4
Massachusetts	15.6	56.0	45.1
Michigan	15.8	24.7	28.5
Minnesota	19.0	39.9	40.9
Mississippi	18.0	16.5	29.9
Missouri	18.4	30.3	31.9
Montana	18.4	18.7	25.1
Nebraska	16.2	32.6	33.8
Nevada	6.3	39.3	39.6
New Hampshire	19.1	14.4	21.8
New Jersey	25.5	31.9	32.7
New Mexico	20.2	15.0	22.7
New York	35.2	35.6	36.6
N. Carolina	19.6	12.5	18.9
North Dakota	52.0	39.3	34.6

State	Percentage of Loss Replaced, Death	Percentage of Replaced, Permanent Total, Age 44	Percentage Loss Replacement Permanent Total, Age 52
(Continued)			
Ohio	17.4	31.5	32.2
Oklahoma	18.5	15.1	22.8
Oregon	34.5	38.7	33.6
Penn.	18.3	32.9	33.8
Rhode Island	14.6	32.2	33.0
S. Carolina	16.6	12.6	19.0
S. Dakota	14.2	13.7	20.7
Tennessee	17.5	12.0	18.2
Texas	15.9	14.3	21.6
Utah	12.9	37.1	36.5
Vermont	16.7	11.2	16.9
Virginia	14.8	14.4	21.8
Washington	54.0	38.5	32.8
W. Virginia	30.5	27.9	28.6
Wisconsin	24.2	41.4	42.4
Wyoming	16.9	14.9	24.3

Source: Earl F. Cheit, Injury and Recovery in the Course of Employment (New York: John Wiley and Sons, 1961), pp. 172-173.

APPENDIX D

THESIS QUESTIONNAIRE

1. What was the number of children at home at the time of your accident:
   1____, 2____, 3____, 4__________,
   5____, 6____, 7____, more_______.

2. What were the ages of your children at the time of your accident:
   0-3____, 4-7____, 8-11____, 12-15____,
   16-19____, 20 or over_____.

3. What was the highest level of education your children reached: Elementary (what grade)_____, High School (how many years) 1____, 2____, 3____, 4____, College (how many years) 1____, 2____, 3____, 4____, Other (specify)
   ____

4. What is the current employment or profession of your children:______________________________
   ____

5. At what age did your children leave home:
   0-15____, 16____, 17____, 18____,
   19______, 20____, above 20______.

6. At what age did your children marry:
   0-15____, 16____, 17____, 18____,
   19______, 20____, 21____, above 21____.

7. Have any of your children ever drawn welfare funds:
   Yes____, No____.

8. What were the plans of your children at the time of your accident:______________________________
   ____
   ____

9. Did your accident change these plans: Yes____, No____.
   If so, how were they changed:________________________
   ____

10. Why did your children not go on to further their education: Did not desire to do so____, Lack of funds____, Other (specify)____.

11. How many times have your children changed jobs:_______

12. Do you own your own home:
Yes____, No____ If so, how long_______________________

13. Is your wife employed:
Yes____, No____ If so, how long has she been employed_
____

14. What type of job does your wife have:________________

15. What has been your source of income since your accident:
Workmen's Compensation $_________
Wife's income____________________
State Welfare____________________
Federal welfare__________________
Other (Specify)__________________
From your present job_______________
From relatives other than your children
____
Savings____________

16. Have you or your wife ever received state or federal welfare funds: Yes____, No____

17. Did you move into another home after your accident:
Yes____, No____ If so, why did you move_______________

18. What type of job did you have at the time of your accident:____

19. What is the highest level of your educational level:
Elementary (what grade)____, High School (what year)____,
College (how many years____, Other (Specify)___________
____

20. Why did you not further your education:
Did not desire to do so____, Lack of funds____,
Other (specify)______________________________________

21. Was the amount received from Workmen's Compensation sufficient to cover your injury and was it sufficient to live on: Yes____, No____ If not, what amount would have been sufficient__________________________________

22. What was your income at time of accident?____________
Wife's Income____________

23. What is your present income (Yearly)__________________
Wife's Income____________

24. How many schools did your children attend after accident?
1_____, 2_____, 3_____, 4_____, 5_____.

25. Age at time of disability_____________________________

26. What are your future income prospects?_______________
____
____