

ment? What is the effect of above-average wealth? Is physical hardship, or over-protection, always harmful? If not, at what point do they become harmful? How much of what appears to be the effect of poverty or wealth is actually due to community attitudes?

The questions that must be put to the social-psychologist are endless. What effect have national, or local, standards of excellence on character development? How do these standards differ among the various geographic, ethnic, and economic groups that make up our Nation? How do prejudice, discrimination, and segregation affect the children toward whom they are directed? How do these attitudes affect the children who hold them?

There are relatively few branches of study that may not have something to contribute to this problem. The family is basic and strategic. Religion and the church have their vital role to play. The schools, which are usually the child's first contact with the larger community, are obviously important. But there are also the courts, social services, health services, recreation groups and clubs, and employment services.

The factors that contribute to a child's personality undoubtedly lie in his physical condition, the personal

atmosphere of his home, his relation to the community, the type of community he finds himself in. All these aspects of the problem must be understood before we can plan for healthy personality development. The fact-finding staff has the job of bringing together as much of this information as possible so that we may see where we stand.

Planning for Action

When all the facts are in, the most important thing brought to light will probably be the gaps—the unanswered questions—that will show us where further study should be made. But there will also be information on improved procedures that could be put into practice at once. To direct such research or organize such practice is beyond the power of any one committee or organization. What is needed is a Nation-wide, cooperative effort involving many groups and countless individuals. It is expected that the Conference will stimulate this type of work, which will be carried on by local organizations throughout the whole decade of the 1950's.

At the request of President Truman, the Governors of all States and Territories have appointed White House Conference committees. These groups, in turn, are stimulating local

discussion, inquiry, and activity throughout the country. Such committees have been at work for some time in every State and Territory, and an Advisory Council on State and Local Action is an integral part of the Conference structure.

In addition, several hundred national organizations devoted to the interests and welfare of children are setting up discussion groups, evaluating their programs in the light of the Conference theme, and initiating projects and studies closely related to it. Young people are at work on all aspects of Conference activity and are coordinating their interests and contributions through an Advisory Council on Youth Participation. There are also 37 Federal offices that are making studies and generally contributing their resources of technical skills and experience to the Conference activities.

When the Conference meets in December the findings of all these groups will be brought together. In the light of all the information before them, the several thousand participants will formulate principles, draw up recommendations, and suggest lines of post-Conference action. And it is hoped that these same groups will carry the recommendations back to their local areas and assist in putting them into practice.

Notes and Brief Reports

Size of Firms Covered by Old-Age and Survivors Insurance, 1945-48

The majority of the workers covered by old-age and survivors insurance are employed by large firms of 100 or more employees. From 1945 to 1948,¹ however, there was a shift toward firms of smaller size, together with a slight decline in the relative importance of the larger firms as measured by the number of employees and average wages paid. During this period the number of employing organizations increased at a faster rate than the number of covered employees.

¹ All data in this discussion pertain to the first quarter of the year.

For the pay period ending nearest the middle of March 1948, about 2.6 million employing organizations² reported the employment of an estimated 35.8 million workers in jobs covered by old-age and survivors insurance (table 1). As compared with the number for the 1945 mid-March pay period, the number of firms had increased by about 29 percent.³ The number of employees had increased by 3,002,000, or 9.2 percent. In the 1 year from 1947 to 1948 the number of

² The terms "employing organization," "employer," "firm," and "concern," are used interchangeably in this discussion; they refer to the legal entity filing the tax report.

³ Excludes employers with covered workers at some time during the first calendar quarter but with no employees in the pay period nearest March 15.

firms went up 4.2 percent, and the number of employees increased 2.1 percent.

The postwar shift in the composition of American industry toward firms of smaller size is illustrated by the marked increase—580,000, or 30 percent—from 1945 to 1948 in the number of firms with fewer than 50 employees. For firms of all sizes the increase amounted to 589,000.

Firms with 8-19 employees experienced the greatest percentage increase in number of firms—39 percent—although firms with 1-3 employees had the greatest numerical increase—314,000.

Because these data⁴ on size of concerns reflect the number of persons

⁴ Data like those in table 1, classified by industry, State, and county of the employing organization, are tabulated by the Bureau of Old-Age and Survivors Insurance.

working for an entire employing organization in the mid-March pay period, there are many instances in which the reported number of workers represents employees in more than one plant or place of business. A large business organization comprised of several separately incorporated entities, however, is represented here as several employers, although it is ordinarily regarded as a single employer.

In each of the years 1945-48, better than nine-tenths of all employers had fewer than 20 employees, but only one-fifth to one-fourth of all workers in the mid-March pay period of each year were in the employ of these concerns. By contrast, the approximately 1.3 percent of the employing organizations with 100 or more employees accounted for 63 percent of the workers in 1945 and 57 percent in 1948. Better than 1 in every 3 workers were employed in the relatively few firms with 1,000 or more employees.

The postwar readjustments in industry brought about a marked decline in the concentration of workers in the largest firms of 10,000 or more employees. In 1945 these largest firms accounted for 20 percent of the employees. This proportion dropped to 13 percent in 1946; in 1948 it was 15 percent. Some of these firms had operated large war plants in which production was curtailed or discontinued at the end of the war, or in which reconversion was not attempted by the same management.

By contrast, firms with 1,000-9,999 employees, which also accounted for 20 percent of all covered employees in 1945, experienced no such marked decline in 1946 and in 1948 accounted for 19 percent of the workers in covered employment. With respect to the group of firms with 50-999 employees, there was practically no change from 1945 to 1948 in the proportion of workers employed, although there was some decline in the proportion these firms made up of all firms.

Exhibiting a trend contrary to that of the largest firms, the firms with fewer than 50 employees experienced a sharp increase in the number of employees in 1946. Firms of this size accounted for 30 percent of the employees in 1945, 36 percent in 1946, 35 percent in 1947, and 36 percent in 1948. Among these smaller firms,

Table 1.—Estimated number and percentage distribution of employers, wage items, pay-period employment, and amount of taxable wages by size of concern, first calendar quarter 1945-48

[Data based on tabulations of almost 100 percent of the quarterly employer tax reports, adjusted to include employers who reported too late for inclusion in the tabulations; the number of employees in the mid-March pay period estimated for the employing organizations that failed to report such information. Estimates corrected to Apr. 15, 1950]

Item	Number of employees in concern ¹										
	Total	0 ²	1-3	4-7	8-19	20-49	50-99	100-499	500-999	1,000-9,999	10,000 and over
	Number or amount										
Employers (in thousands): ³											
1945.....	2,001.0	23.3	1,174.3	404.0	233.4	100.5	34.0	25.6	3.2	2.6	0.2
1946.....	2,280.0	29.2	1,288.0	482.1	293.3	115.9	38.1	27.7	3.1	2.5	0.2
1947.....	2,486.7	40.4	1,415.7	519.6	314.8	121.6	39.6	28.9	3.3	2.8	0.2
1948.....	2,590.0	42.4	1,488.5	537.2	325.0	122.3	39.3	29.0	3.3	2.7	0.2
Employers (in thousands): ⁴											
1945.....	32,803	0	1,949	2,078	2,759	3,018	2,322	5,269	2,233	6,554	6,623
1946.....	32,483	0	2,194	2,507	3,496	3,483	2,611	5,581	2,157	6,183	4,270
1947.....	35,057	0	2,382	2,650	3,704	3,599	2,676	5,782	2,269	6,794	5,201
1948.....	35,805	0	2,497	2,739	3,832	3,662	2,690	5,779	2,281	6,812	5,513
Taxable wages (in millions): ⁵											
1945.....	\$17,938	\$23	\$662	\$793	\$1,148	\$1,408	\$1,165	\$2,740	\$1,242	\$4,043	\$4,715
1946.....	16,840	18	779	1,010	1,614	1,800	1,386	2,992	1,190	3,570	2,483
1947.....	20,805	28	950	1,193	1,917	2,086	1,595	3,542	1,437	4,534	3,523
1948.....	23,080	35	1,059	1,310	2,112	2,289	1,728	3,847	1,587	4,975	4,138
Wage items (in thousands): ⁶											
1945.....	43,033	98	2,485	2,776	3,827	4,217	3,196	7,124	2,908	8,330	8,071
1946.....	43,579	88	2,777	3,349	4,899	5,038	3,685	7,602	2,850	7,903	5,388
1947.....	45,333	156	2,996	3,490	5,144	5,026	3,644	7,629	2,892	8,289	6,067
1948.....	45,534	155	3,165	3,617	5,148	5,150	3,649	7,436	2,817	8,098	6,299
	Percentage distribution										
Employers: ³											
1945.....	100.0	1.2	58.7	20.2	11.7	5.0	1.7	1.3	0.2	0.1	(7)
1946.....	100.0	1.3	56.5	21.1	12.9	5.1	1.7	1.2	0.1	0.1	(7)
1947.....	100.0	1.6	56.9	20.9	12.7	4.9	1.6	1.2	0.1	0.1	(7)
1948.....	100.0	1.6	57.5	20.7	12.6	4.7	1.5	1.1	0.1	0.1	(7)
Employers: ⁴											
1945.....	100.0	0	5.9	6.3	8.4	9.2	7.1	16.1	6.8	20.0	20.2
1946.....	100.0	0	6.8	7.7	10.8	10.7	8.0	17.2	6.6	19.1	13.2
1947.....	100.0	0	6.8	7.6	10.6	10.3	7.6	16.5	6.5	19.4	14.8
1948.....	100.0	0	7.0	7.6	10.7	10.2	7.5	16.1	6.4	19.0	15.4
Taxable wages: ⁵											
1945.....	100.0	0.1	3.7	4.4	6.4	7.8	6.5	15.3	6.9	22.5	26.3
1946.....	100.0	0.1	4.6	6.0	9.6	10.8	8.2	17.8	7.1	21.2	14.7
1947.....	100.0	0.1	4.6	5.7	9.2	10.0	7.7	17.0	6.9	21.8	16.9
1948.....	100.0	0.2	4.6	5.7	9.2	9.9	7.5	16.7	6.9	21.6	17.9
Wage items: ⁶											
1945.....	100.0	0.2	5.8	6.5	8.9	9.8	7.4	16.6	6.8	19.4	18.8
1946.....	100.0	0.2	6.4	7.7	11.2	11.6	8.5	17.4	6.5	18.1	12.4
1947.....	100.0	0.3	6.6	7.7	11.3	11.1	8.0	16.8	6.4	18.3	13.4
1948.....	100.0	0.3	7.0	7.9	11.3	11.3	8.0	16.3	6.2	17.8	13.8

¹ Number employed during the mid-March pay period.

² Reporting units with "0" employees had no employees in the mid-March pay period but had at least 1 employee at some other time during the January-March quarter.

³ An employer represents a legal entity, such as a corporation, partnership, or single ownership, that filed a single tax return for the entire concern. Only employers paying taxable wages for employments during the quarter are included. The estimated total number of employers differs slightly from previously released estimates based on a different source.

⁴ Persons employed during the mid-March pay period.

⁵ Wages paid for covered employment during first calendar quarter; excludes wages in excess of \$3,000 paid by any 1 employer to any 1 worker.

⁶ A wage item represents a single report of taxable wages as indicated on the individual employer tax return. Because the same worker may have been employed by more than 1 concern in a quarter and thus may have been reported more than once, these figures do not represent an unduplicated count of workers during the quarter.

⁷ Less than 0.05 percent.

those with 8-19 employees experienced the greatest percentage increase in number of employees from 1945 to 1948, although firms with 1-3 employees had the greatest numerical increase in employees.

Firms with fewer than 10,000 employees had an increase in employment in each year from 1946 to 1948.

But firms with 10,000 or more employees, which experienced a 36-percent drop in employment in 1946, had not regained their 1945 levels of employment by 1947 or by 1948; in 1948, these largest firms employed 1.1 million (17 percent) fewer employees than in 1945.

The total of \$23 billion in taxable

Table 2.—Estimated average taxable wage¹ per wage item² by size of concern, first calendar quarter 1945-48

[Data based on tabulations of almost 100 percent of the quarterly employer tax reports, adjusted to include employer reports received too late for inclusion in the tabulation; the number of employees in the mid-March pay period estimated for the employing organizations that failed to report such information. Estimates corrected to Apr. 15, 1950.]

Number of employees ³	1945	1946		1947		1948		
		Average	Percentage change from 1945	Average	Percentage change from 1946	Average	Percentage change from 1947	Percentage change from 1945
Total.....	\$417	\$386	- 7.4	\$459	+18.9	\$507	+10.5	+21.6
0.....	234	206	-12.0	179	-13.1	226	+26.3	-3.4
1-3.....	266	280	+5.3	317	+13.2	335	+5.7	+25.9
4-7.....	285	302	+6.0	342	+13.2	362	+5.8	+27.0
8-19.....	300	329	+9.7	373	+13.4	410	+9.9	+36.7
20-49.....	334	357	+6.9	415	+16.2	444	+7.0	+32.9
50-99.....	365	376	+3.0	438	+16.5	474	+8.2	+29.9
100-499.....	385	394	+2.3	464	+17.8	517	+11.4	+34.3
500-999.....	427	417	-2.3	497	+19.2	563	+13.3	+31.9
1,000-9,999.....	485	452	-6.8	547	+21.0	614	+12.2	+26.6
10,000 and over.....	584	461	-21.1	581	+26.0	657	+13.1	+12.5

¹ Wages paid for covered employment during first calendar quarter; excludes wages in excess of \$3,000 paid by any 1 employer to any 1 worker.

² A wage item represents a single report of taxable

wages as indicated on the individual employer tax return.

³ Number employed during the mid-March pay period.

individual wage items reported for all workers who had any covered employment during the January-March quarter. Included in the computation are not only the wage items reported for the workers who were in covered employment during the mid-March pay period but also those reported for workers who had covered employment at some other time during the calendar quarter but not during the mid-March pay period. Furthermore, the average amount of taxable wages per wage item is smaller than the average taxable wage per worker during the quarter because some workers changed their covered employer during the quarter and therefore had taxable wages reported for them by more than one employer.

The smaller labor turn-over that is often characteristic of large employers was probably responsible for only a part of the increase of average taxable wages per wage item as size of firm increased. Other factors that may have accounted for this variation were the differences in wage rates and types of labor employed. Furthermore, because of the high rate of investment per worker in many of the largest firms for research, machinery, and plant, the productivity of workers in these firms is likely to be of a high order; this high productivity, combined with strong unionization, is likely to result in high wage rates. In addition, most of the larger firms were engaged in the manufacturing industries that are characterized by more continuous operations than the nonmanufacturing firms.

wages reported for the first calendar quarter of 1948 was about 11 percent greater than the amount reported for the corresponding period of 1947 and 29 percent greater than the amount reported for the corresponding period of 1945.

The average taxable wage per wage item² increased from \$417 in 1945 to \$459 in 1947 and \$507 in 1948 (table 2). While firms of all sizes participated in this increase, the larger firms—those with 500 or more employees—showed the greatest increase from 1947 to 1948. During the 3 years

² A wage item is a statement of the taxable earnings of a worker in covered employment during a calendar quarter as reported by an employer on the employer tax returns.

1945-48 the percentage increase in average taxable wage per wage item varied from 13 percent for firms with 10,000 or more employees to 37 percent for firms that had 8-19 employees.

In each of the years 1945-1948, the average taxable wage per wage item increased with the size of the firm as measured by the number of employees in the pay period nearest March 15 (table 2). For the first quarter of 1948 the average ranged from \$331 for concerns that had from 1-3 employees in this pay period to \$657 for concerns with 10,000 or more employees.

The average taxable wage per wage item represents the average of all the

FEDERAL GRANTS-IN-AID

(Continued from page 6)

the conditions attached to the grants. And the participation of Federal officials in this process will then not be regarded as interference in a State's operations.

It is of vital importance that some of these matters be better understood in order that the grant-in-aid may serve its purpose. The grant-in-aid is the only device that will enable us, as a Nation, to achieve certain national objectives, especially those relating to the welfare of the individual citizen, without taking away from the States some of their most impor-

tant and most cherished functions. It is true, grants do involve a certain amount of supervision or control, but the alternative course in most cases is far less attractive. The only alternatives in many States are either an altogether inadequate service and exorbitant State taxes on the one hand, or direct operation by the National Government on the other. Neither is satisfactory in our democratic, Federal system of government. The Council of State Governments in its report on grants-in-aid examines this question in some detail and concludes:

"There can be no disputing the fact that grants lead to various forms of

control. However, it has been demonstrated that abolishing of grants-in-aid would not necessarily bring about any reversal in the trend toward centralization. On the contrary, a number of grant programs have served to halt a swing in that direction."

That is to say, the demands made upon government have brought about a trend toward centralization. The grant-in-aid, far from promoting that trend, has halted it, in a measure, by enabling State and local governments to serve more adequately. And, as to the effect of the whole grant-in-aid approach, the Council of State Governments further concludes: