The Business Cycle

Jewish Social Service Quarterly

The articles appearing in this, the first, issue of the Quarterly indicate the rich field of opportunity for worthwhile, productive effort and furnish evidence of the capacity of our workers to exploit that field in a scientific manner. They reflect the existence of a spirit of inquiry and show that there are Jewish social workers who have developed a scientific methodology in analysis and presentation. The Quarterly is intended as a stimulus for thoughtful work of this kind and offers a ready vehicle to all who can impart real knowledge—not mere opinion, conjecture or a priori judgment. Its pages, however, are open not only for detached theoretical discussions but primarily for analyses of practical problems which confront every Jewish community and for elucidation of facts and occurrences, changes and reforms which actually come within the purview of our experience.

In a sense and within the boundaries of our own province -Jewish Social Service-the Quarterly seeks to be what Walter Lippman calls a "running audit which makes work intelligible to those who do it and to those who superintend it." to present a reliable index, if only in cross section form, of the complex forces that act and react upon our multifarious activities. We make our bow modestly, but we hope with dignity, at any rate, with confidence that as time goes on, the Quarterly will serve as a cumulative record of constructive thinking and constructive service, upon the intelligent performance of which depends the welfare and happiness of countless human beings.

Morris D. Waldman.

THE BUSINESS CYCLE, RELIEF WORK. AND DESERTION

By MAURICE B. HEXTER, M.A. Executive Director, Federated Jewish Charities, Boston, Mass.

"Mathematical statistics is the means by which the statistician is put in position to draw conclusions from his statistical data. As with every other apparatus the result and its worth depend directly upon how well the author understands its operation. The apparatus can be misused or abused—possibly more easily than contrariwise—particularly since the mathematical method has in recent years achieved a degree of precision (Schärfe) which it did not earlier possess. Mathematical statistics is not an 'Automat' into which one need only place statistical material the results of which, after several mechanical manipulations, one reads off as on a calculating machine. It is not always certain that in this manner a correct answer to the given problem has been reached. With these strictures it must on the other hand be stated that mathematical statistics are as important for the statistician as the knife is for the surgeon¹." Despite the development of statistical methodology in the last two decades very little use has been made of it by social workers, although much of the data at their disposal would, after proper treatment, disclose information of value to mankind. And furthermore, as late as 1918, Rubinow was able to wonder "how many, even professional statisticians, realize what an enormous amount of interesting and useful statistical information goes to waste for lack of finding its way into the accepted scientific channels²." And it is hard to view with equanimity the all too true differentiation made some years ago by Raymond Pearl between scientific method and statistics of social workers³. As long as agencies exist, which look to the public for financial support.

¹Vorlesungen ueber Die Grundzuege der Mathematischen Statistik, C. V. L. Charlier. Second Edition, Lund, 1920, 3. ²Dependency Index of New York City, 1914-1917, I. M. Rubinow, American Economic Review, Vol. VIII, No. 4, (December, 1918), 716. ³D. Caradog Jones, (A First Course in Statistics, London, 1921, v) has the same thing in mind when he says: "The man who wishes his work to stand must make sure of its foundations. He cannot afford to rest satisfied, as too often the politician and social worker do, with wild and Ill-informed generalizations where more exact knowledge is possible, and there are few human problems in the dis-cussion of which some acquasingenerative the proper treatment of statistics is not cussion of which some acquaintance with the proper treatment of statistics is not in the highest degree necessary."

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some sort of annual accounting, in the shape of annual reports, will be presented. These will contain invaluable material which social workers should carefully work over to bring forth interesting and useful scientific knowledge. "The genius of the Italian renaissance Leonardo da Vinci, as early as 1479 proclaimed 'that no part of human knowledge could lay claim to the title of science before it had passed through the stage of mathematical demonstration'. Comparatively few branches of learning measure up to the standard of Leonardo da Vinci, and our learned friends among the economists and sociologists have a long road to travel before they succeed in placing their methods in the coveted niche of science¹."

While it is true that philanthropy, both public and private, deals with a selected class of individuals it is possible to allow for this element in the findings and in the comparisons. In certain fields, however, it is just this selected class with which it is desired to deal. Take, for example, the two fields of unemployment and the relief incident to it. The findings of statistical analyses of the former would have to be interpreted with extreme caution; the results of studying the latter would indicate the extent of relief which followed a certain unemployment situation. And yet, the writer has been able to find little such scientific treatment of relief statistics stretching over a relatively long period and handled in a manner akin to that used by the economists in growing numbers during the past decade².

This present undertaking comprises an attempt to apply such methods to two series of data with which philanthropy is vitally concerned: (1) the number of relief cases and (2) the number of desertion cases³. The presentation will be divided into three parts.

- I. An Analysis of the Number of Relief Cases.
- II. An Analysis of the Number of Desertion Cases.
- III. The Correlation Between These Two Variables and the Business Cycle.

respective organizations.

PART 1

ANALYSIS

OF NUMBER OF FAMILIES UNDER CARE UNITED HEBREW CHARITIES NEW YORK CITY

This analysis deals with the "families under care" of the United Hebrew Charities of New York City. We have purposely selected this organization for a variety of reasons. The United Hebrew Charities is the largest relief organization amongst the Jews of America; much has been written about its volume of work and changes therein¹; a longer homogeneous series was available, namely, from October, 1907, to date², during much of which time the same professional head remained to direct the organization. In addition, desertion data (the second section of this study) were available for a long time; and, what is as important, reliable material was obtained pertaining to one phase of the business cycle most likely to affect the work of the United Hebrew Charities with both regular relief problems and the problems of desertion.

Table 1, which follows, presents this series, month by month, from January, 1908, through December, 1921. A Graph of this material is presented as Chart A. An inspection of this series shows that the peak load occurred in December, 1908, when 4014 cases appear; September, 1919, was the lightest month with 1266 cases. It is not, however, with such obvious conclusions with which this paper deals.

Like all crude series of economic data running over a long period of months (frequently called a time series or an historic series), this series is the resultant of four distant forces. No specific conclusion can be drawn from such a series until

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¹ Frequency Curves, Arne Fisher, New York, 1922, 5. ² One of the rare cases is the work by Rubinow, not at that time a professional * The of the face cases is the work by Kubihow, not at that time a professional social worker. In addition the purpose of his Index is, of course, different from the writer's in this present paper. Diverging in purpose the method naturally diverges from the one presented in this brochure. *I am indebted to Miss Frances Taussig. Executive Director, United Hebrew Charities of New York City and to Mr. Charles Zunzer, Secretary of the National Desertion Bureau, for cheerfully placing in my hands the material of their Numerica computation.

¹The former director of the organization, Morris D. Waldman, has written and spoken extensively of its work. See the Proceedings of the National Conference of Jewish Charities, especially the Memphis Sessions, 1914.

² We closed our series with December, 1921. From March, 1920, onward the aber of cases "held open without service" were originally included. These number of cases "held open without service" were later deducted.