



# Job Creation Programs of the Great Depression: the WPA and the CCC

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With the exception of the Great Depression, the recession that began in December 2007 is the nation's most severe according to various labor market indicators. The 7.1 million jobs cut from employer payrolls between December 2007 and September 2009, when it is thought the latest recession might have ended, is more than has been recorded for any postwar recession. Job loss was greater in a relative sense during the latest recession as well, recording a 5.1% decrease over the period.<sup>1</sup> In addition, long-term unemployment (defined as the proportion of workers without jobs for longer than 26 weeks) was higher in September 2009—at 36%—than at any time since 1948.<sup>2</sup>

As a result, momentum has been building among some members of the public policy community to augment the job creation and worker assistance measures included in the American Recovery and Reinvestment Act (P.L. 111-5). In an effort to accelerate improvement in the unemployment rate and job growth during the recovery period from the latest recession,<sup>3</sup> some policymakers recently have turned their attention to programs that temporarily created jobs for workers unemployed during the nation's worst economic downturn—the Great Depression—with which the latest recession has been compared.<sup>4</sup>

This report first describes the social policy environment in which the 1930s job creation programs were developed and examines the reasons for their shortcomings then and as models for current-day countercyclical employment measures. It then provides a brief overview of the two job creation programs of the Depression-era that Members of Congress have asked about most frequently: the Works Progress or Projects Administration (WPA)<sup>5</sup> and the Civilian Conservation Corps (CCC).

## Then and Now

At the outset of the Great Depression, the assistance government offered to unemployed workers and their families was in the form of direct relief. As recounted by Bremer based on historical documents, the provision of public assistance to workers displaced in the early years of the Depression entailed their first being

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<sup>1</sup> Based on data from the Current Employment Statistics survey, the net job loss from peak to trough of prior postwar recessions was: 2.2 million (5.0%) for the November 1948-October 1949 recession, 1.6 million (3.1%) for the July 1953-May 1954 recession, 2.1 million (4.0%) for the August 1957-April 1958 recession, 1.3 million (2.3%) for the April 1960-February 1961 recession, 0.8 million (1.2%) for the December 1969-November 1970 recession, 1.3 million (1.6%) for the November 1973-March 1975 recession, 1.0 million (1.1%) for the January 1980-July 1980 recession, 2.8 million (3.1%) for the July 1981-November 1982 recession, 1.2 million (1.1%) for the July 1990-March 1991 recession, and 1.6 million (1.2%) for the March-November 2001 recession.

<sup>2</sup> Based on duration of unemployment data from the Current Population Survey, previous record highs for long-term (more than 26 weeks of) unemployment were attained between November 2003 and March 2004 (24%), October 1992 (23%), June 1983 (26%), and November 1975 (21%)—after the respective ends of the March-November 2001, July 1990-March 1991, July 1981-November 1982, and November 1973-March 1975 recessions.

<sup>3</sup> For information on the path of the two measures following prior recessions, see CRS Report R40798, *Unemployment and Employment Trends Before and After the End of Recessions*, by Linda Levine.

<sup>4</sup> For a comparison of the labor market effects of the Great Depression and the latest recession, see CRS Report R40655, *The Labor Market During the Great Depression and the Current Recession*, by Linda Levine. (Hereafter cited as CRS Report R40655, *The Labor Market During the Great Depression and the Current Recession*.)

<sup>5</sup> From 1935-1939, it was known officially as the Works Progress Administration. From 1939 until its end in 1943, it was renamed the Works Projects Administration.

subjected to means tests to prove their destitution, a procedure that [WPA Administrator] Hopkins described as fostering the “wholesale degradation of [their] finest sensibilities.” Second, direct relief was given in kind, so that others prescribed what the unemployed should eat and wear. Finally, relief investigators intervened in the lives of the unemployed, telling them “where and how they should live...[and] how they should order their relationships within the family group, with their relatives, neighbors and friends.” Viewed as charity, direct relief bore a stigma derived from the traditional assumption that workless people were personally responsible for their misfortunes and incapable of managing their own affairs.<sup>6</sup>

Reformers of the day sought to dispel the notion that those unemployed during the Great Depression were at fault for their situation, to restore their badly battered morale, and to maintain their skills while they were out-of-work for years in many cases. Advocates of the Roosevelt Administration’s New Deal tried to achieve these objectives through congressional enactment of

- an unemployment insurance program so that workers could earn the right to cash benefits when they lost jobs through no fault of their own rather than having to rely solely on private charity and public assistance, and
- work relief (job creation) programs so that the unemployed could earn a cash wage from employment rather than remaining idle and dependent on “the dole” (the caustic label then applied to public assistance).

But, the several work relief programs in effect during the Depression period<sup>7</sup> appear to have had difficulty maintaining the morale and skills of participants for two policy-related reasons. First, publicly funded projects were not permitted to compete for workers with private employers. Toward that end, the job creation programs typically paid wages so low as to not dissuade participants from accepting work in the private sector. As a result, the wages offered through these programs sometimes were inadequate to fully support workers’ families; this left them still dependent on public assistance. Second, many participants were employed in jobs derisively called *make work*, *leaf raking*, or *shovel leaning* because “construction projects that might take business away from private contractors” were prohibited and government could not be involved “in the production, distribution, or sale of goods and services normally provided by private employers.”<sup>8</sup> Such limitations made it difficult to develop worthwhile jobs, that is, jobs that boosted participants’ morale and utilized skills they had acquired during prior employment.

The programs also were seemingly unable to employ a large proportion of unemployed workers due in part to their eligibility requirements and funding. Federal budget constraints were often

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<sup>6</sup> William W. Bremer, “Along the “American Way”: the New Deal’s Work Relief Programs for the Unemployed,” *Journal of American History*, vol. 62, December 1975, p. 639. (Hereafter cited as Bremer, “Along the American Way.”)

<sup>7</sup> Job creation programs included the CCC, authorized in March 1933, making it the first work relief program operated by the federal government; the Civil Works Administration (CWA), initiated by executive order in November 1933 and operated for four months, during which time it was hoped the Public Works Administration (PWA) would be further along in starting up; and the PWA, created in Title II of the National Industrial Recovery Act, enacted in June 1933, “to stimulate industry through the purchase of materials and the payments of wages” in the construction of public works. National Resources Planning Board, *Security, Work, and Relief Policies*, Washington, DC, U.S. Government Printing Office, 1942, pp. 30-31. (Hereafter cited as National Resources Planning Board, *Security, Work, and Relief Policies*.)

<sup>8</sup> Bremer, “Along the American Way,” p. 644. According to the National Resources Planning Board, *Security, Work, and Relief Policies*, p. 246, the CWA, PWA, and WPA could undertake such activities as highway, road, sewer, and dam construction because they were “capital improvements and services which for many years have been regarded as public, rather than private, responsibilities.”

invoked as a reason for limiting the funding of work relief programs. Even in the case of the comparatively well-funded WPA, appropriations typically were made annually in emergency acts and not adjusted upward to reflect later increases in unemployment. As a result, the largest of the job creation programs was unable to keep pace with increasing demand for public employment. For example, after the WPA's annual appropriation had been set, unemployment again began to rise in late 1937, and the percentage of unemployed persons in WPA jobs fell from about 30% to less than 20%.<sup>9</sup> Although part of the decline during the 1930s in the proportion of unemployed persons participating in the WPA can also be attributed to the development of other job creation programs and to the availability of unemployment insurance benefits starting in 1938, these measures did not assist a majority of unemployed workers even at the decade's end.

Work relief programs were not available to all unemployed persons, however. "Except for the short-lived Civil Works Administration and to a lesser extent the youth programs, employment on projects has been limited to unemployed persons in need."<sup>10</sup> In the case of the WPA specifically, public jobs were to be provided to *one unemployed person per family eligible for or receiving direct relief*.<sup>11</sup> Typically, local public assistance agencies certified the unemployed head of the needy family for WPA employment.

Although some might argue that the WPA's eligible population of one unemployed person per family was less limiting than it might appear because relatively few married women were members of the labor force in the 1930s compared to today, the policy nonetheless suggests that demographic and other changes since then in the labor force (e.g., occupational composition) might lessen the suitability of Depression-era programs as models for current-day job creation programs. For example, laborers and semiskilled workers accounted for over one-half of all persons unemployed during the Depression.<sup>12</sup> Thus, they were a plentiful source of fitting candidates for the many low-skilled jobs created by WPA public works (construction) projects, and for the many physically demanding jobs of the CCC. Today, in contrast, perhaps one-fourth of the unemployed previously worked in comparable occupations.<sup>13</sup>

## The WPA

On January 4, 1935, President Roosevelt presented to Congress a plan for a federal works program. Congress in April authorized almost \$4.9 billion in the Emergency Relief Appropriation (ERA) Act of 1935 (P.L. 74-11), with about \$4.0 billion directed to the activities of the new works program.<sup>14</sup> Some \$1.4 billion was allocated to the WPA, which President Roosevelt, acting under

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<sup>9</sup> National Resources Planning Board, *Security, Work, and Relief Policies*, pp. 234-238.

<sup>10</sup> *Ibid.*, p. 464.

<sup>11</sup> In addition, Congress in Emergency Relief Appropriation Acts first excluded individuals illegally in the United States and later excluded all but U.S. citizens. Congress also established preferences for employment on WPA projects (e.g., relative need of families; veterans, the unmarried widows of veterans and wives of disabled veterans).

<sup>12</sup> See Table 5 in CRS Report R40655, *The Labor Market During the Great Depression and the Current Recession*.

<sup>13</sup> Calculated by CRS from occupational employment data of the U.S. Bureau of Labor Statistics.

<sup>14</sup> The ERA Act allocated the approximately \$4.0 billion to finance chiefly public works activities to be undertaken by numerous federal agencies. For example, the Department of Agriculture received about \$800 million, with more than half awarded to its Bureau of Public Roads, and the War Department's Corps of Engineers received about \$130 million for river and harbor projects. Two emergency public employment agencies—the CCC (\$600 million) and Public Works Administration (\$400 million)—received funds under the act as well. Josephine Chapin Brown, *Public Relief 1929-1939*, (NY: Octagon Books, 1971), pp. 444-446.

the authority of the ERA Act, established in Executive Order 7034 in May 1935. He charged the WPA with

- coordinating the activities of the works program—which was to provide temporary jobs through existing (the CCC and Public Works Administration) and new emergency public employment agencies established under the authority of the ERA Act (the Resettlement Administration and National Youth Administration) and numerous other federal agencies (the Bureau of Public Roads and Corps of Engineers)—and
- administering small-scale “useful projects” utilizing unemployed workers receiving or eligible for public assistance.<sup>15</sup>

However, the WPA’s primary responsibility almost immediately became provision of employment on public works and public service projects rather than coordination of the overall program because most of the other federal agencies were able to provide little temporary employment.<sup>16</sup>

The WPA differed considerably from the Public Works Administration (PWA), with which it sometimes is confused. The public works (construction) projects of the WPA were intended to be quicker to start up, less costly, and more labor-intensive than those of the PWA. The WPA was to undertake construction projects (including repair and maintenance) costing less than \$25,000, while the PWA was to undertake new construction projects costing more than \$25,000.<sup>17</sup> The PWA operated almost completely by awarding grants to states, municipalities, and other public agencies, which in turn entered into contracts with private employers; this resembles the dissemination of much federal infrastructure spending today. In contrast, the WPA, by hiring participants onto the federal payroll, was able to ensure that jobs went to the needy unemployed.<sup>18</sup> With regard to the labor-intensity of WPA and PWA projects, it was estimated that an individual could be employed for one month on a WPA project for \$82, on average, with the federal share being \$63.50, while the cost of employing an individual for one month on a PWA project was estimated to average \$330.<sup>19</sup> The WPA differed from the PWA as well by having a small public service component.

WPA employment ranged from fewer than 1.0 million persons as it started up in 1935, and as it wound down in 1942-1943, to a high of more than 3.3 million persons in November 1938.<sup>20</sup> The percentage of the unemployed who participated in WPA projects peaked at almost 40% in late 1936.<sup>21</sup>

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<sup>15</sup> Executive Order 7046, also issued in May 1935, required that at least 90% of program participants come from the relief rolls unless exempted by the WPA. The WPA exempted several federal agencies at their urging. Congress in large part eliminated the exemptions in the ERA Act of 1939.

<sup>16</sup> Federal Works Agency, *Final Report on the WPA Program, 1935-43*, (Westport, CT: Greenwood Press, 1976), p. 7. (Hereafter cited as Federal Works Agency, *Final Report on the WPA Program*.)

<sup>17</sup> Anthony J. Sulvetta, Norman L. Thompson, and William J. Tobin, *Alleviating Unemployment Through Accelerated Public Works in the United States: An Historical Perspective*, U.S. Department of Commerce, Economic Development Administration, Washington, DC, June 1976, pp. 14-20.

<sup>18</sup> Donald S. Howard, *The WPA and Federal Relief Policy*, (NY: Russell Sage Foundation, 1943). (Hereafter cited as Howard, *The WPA and Federal Relief Policy*.)

<sup>19</sup> Arthur W. MacMahon, John D. Millett, and Gladys Ogden, *The Administration of Federal Work Relief*, (NY, Da Capo Press, 1971), p. 126.

<sup>20</sup> Federal Works Agency, *Final Report of the WPA Program*, pp. 28-30.

<sup>21</sup> National Resources Planning Board, *Security, Work, and Relief Policies*, p. 236.

For most of its existence, at least three-fourths of WPA employment involved public works projects of various types. More than one-half of this employment involved highway, road, and street construction. Three other types of projects accounted for about one-third of WPA public works employment: water and sewer systems and other public utilities, parks and other recreational facilities, and public buildings. The remaining temporary construction jobs were on conservation, sanitation, and airport projects. Except for the construction of public buildings, which required greater use of skilled workers, the majority of participants on WPA works projects were unskilled laborers and semiskilled factory workers.<sup>22</sup>

The public service component created jobs for less than one-fourth of WPA participants during most of the program's existence. Of the workers employed on service projects, most were engaged in so-called welfare activities (e.g., sewing and other goods production, feeding projects including school lunches, and public health work). Welfare activities provided employment largely to unskilled and semiskilled women workers. Research and records service projects (e.g., social and economic surveys, research assistance in publicly supported institutions of higher education), in contrast, accounted for most of the jobs that went to unemployed office and sales workers. Unemployed persons with professional and technical experience worked on so-called public activities service projects (e.g., educational services; library services; and music, art, writing, and theater projects).<sup>23</sup>

Although all persons employed by the WPA—from those who worked in headquarters, state, and local offices to those who worked on the program's projects—were federal employees, states and localities had a substantial role to play. Governmental agencies at state and local levels suggested projects to the WPA and managed their actual operation. After a sponsor developed a project plan in coordination with locally based WPA personnel, the plan was forwarded first to the state office staffed by WPA personnel and then to WPA headquarters for approval. An approved plan was

returned to the state WPA office and may be put into operation at the discretion of the state administrator, who must plan his program in such a way that, within the limits of funds and employment quotas allotted to him, the various classes of needy workers in his area are kept regularly employed. ...State administrators have used various devices...to help solve the knotty problem as to which approved projects shall be given priority as opportunity presents itself. Frequently, however, the problem is not so much to choose among approved projects, as to find a sponsor to initiate a project needed to give employment. Failure of sponsors to initiate sufficient projects or those which will utilize special skills of white-collar or other workers, seriously hampers the WPA's effectiveness.<sup>24</sup>

Sponsors were required to contribute, either in cash or kind, to project costs. Their contributions principally went toward nonlabor costs and often made up a substantial share of total project costs. However, the variability across and within states in the share of project costs contributed by sponsors led Congress in the ERA Act of 1939 to set a minimum contribution for a state of 25% of the cost of all its projects. As part of their unsuccessful argument against the requirement, WPA officials stated that "Regardless of the amount of need in a given community, or of the desirability

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<sup>22</sup> Federal Works Agency, *Final Report of the WPA Program*, pp. 47-54.

<sup>23</sup> *Ibid.*, pp. 59-70.

<sup>24</sup> Howard, *The WPA and Federal Relief Policy*, p. 144.

of a particular project, we cannot undertake it if it will reduce the average of all sponsors' participation [in a state] below 25 percent.”<sup>25</sup>

Subject to the lobbying of Congress by business and labor groups, the WPA determined the wages, hours, and working conditions of program participants. As previously mentioned, firms did not want WPA wages set so high that project workers would be unwilling to accept jobs in the private sector.<sup>26</sup> Unions, for their part, were concerned about the potentially depressing impact WPA wages might have on those offered by companies.<sup>27</sup> The WPA developed a schedule of monthly earnings called “security wages” that was based on the skill level of jobs (unskilled, semiskilled, skilled, professional, and technical) and geographic area of employment. It also initially set a minimum range of hours to be worked each month by all workers on a project in order for them to earn their respective security wage. But, “it was pointed out that if skilled workers were required to work 140, or even 120, hours a month for security wages, their hourly rates would be below prevailing hourly rates, and this might lead to a lowering of hourly rates in private industry.”<sup>28</sup> Congress consequently eliminated the uniform minimum hours requirement in 1936 by linking WPA wages to the prevailing hourly wage rate earned by workers in similar jobs in a locality. As a result, the number of hours worked by WPA participants on a given project varied greatly. The higher prevailing rate of skilled workers enabled them to earn their monthly security wage in many fewer hours than lesser skilled workers employed on the same project. Recognizing that the unequal hours of persons in different occupations working on the same project greatly hampered the efficiency of WPA operations, Congress in 1939 required that all project participants work 130 hours a month to earn their security wage. This effectively ended the WPA’s prevailing wage policy.

## The Civilian Conservation Corps

In March 1933, President Roosevelt proposed establishing a conservation corps “to be used in simple work, primarily confining itself to forestry, erosion, flood control, and related projects.”<sup>29</sup> Secretary of Labor Frances Perkins testified at congressional hearings that the Administration regarded the program as a measure intended chiefly to help young single men who relief agencies had not considered because they were not a family’s primary earner. That same month, Congress passed the Emergency Conservation Act (P.L. 73-5). It authorized the President to establish a program that would provide jobs to unemployed U.S. citizens in “the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands..., the prevention of forest fires, floods, and soil erosion, plant pest and disease control, the construction, maintenance or repair of paths, trails and fire-lanes in the national parks and national forests...” The legislation further authorized the President by regulation to give program participants housing, clothing, health care, and a cash allowance.<sup>30</sup> The following month, the President created a conservation corps in Executive Order 6101 that came to be known as the CCC.

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<sup>25</sup> Ibid., p. 150.

<sup>26</sup> Ibid., pp. 486-492.

<sup>27</sup> Federal Works Agency, *Final Report on the WPA Program*, p. 22.

<sup>28</sup> Ibid., p. 24.

<sup>29</sup> John A. Salmond, *The Civilian Conservation Corps, 1933-1942: A New Deal Case Study*, (Durham, NC: Duke University Press, 1967), p. 12. (Hereafter cited as Salmond, *The Civilian Conservation Corps*.)

<sup>30</sup> Each enrollee—regardless of where they came from or a camp’s location—received a monthly cash allowance of (continued...)

When Congress enacted the Civilian Conservation Corps Act of 1937 (P.L. 75-163), it put into statute many of the policies the Administration had developed through executive orders and other means in prior years. Most of the 300,000-enrollee-per-year cap set by Congress was meant to be filled by unemployed single male citizens aged 17 to 23.<sup>31</sup> The following groups could be enrolled regardless of marital status and age up to the stated levels: veterans, 30,000; Native Americans, 10,000; and residents of the territories, 5,000. Education of enrollees as a program objective was mentioned in statute for the first time: no less than 10 hours each week may be given over to general educational and vocational training.<sup>32</sup> In part because enrollees usually spent eight hours a day, five days a week working, the educational objective does not appear to have been well met.<sup>33</sup>

A director appointed by the President ran the CCC with the aid of an advisory council. The council was composed of the following federal agencies: the Departments of Agriculture, the Interior, Labor, and War, and the Veterans Administration. The director allocated the CCC's funds among the cooperating federal agencies. In FY1940, for example, more than 75% of the \$278.8 million expended by the CCC was allotted to the War Department, 13% to the Agriculture Department, and 9% to the Interior Department.<sup>34</sup> The Labor Department relied on local relief agencies to certify the single young men for program enrollment.<sup>35</sup> The Veterans Administration selected enrollees from the population of eligible veterans. In the case of Native Americans, the Office of Indian Affairs in the Department of the Interior had total responsibility for all aspects of the program.<sup>36</sup>

The War Department housed, clothed, and otherwise oversaw the enrollees' welfare, including their education. The enrollees lived in camps that were usually built in isolated locations (e.g., national and state forests). There were approximately 2,000 camps, each of which housed about 200 persons. Individuals enrolled for a six-month period. Reenrollment was possible for additional six-month periods, subject to a two-year total limit.<sup>37</sup>

The Departments of Agriculture and the Interior were responsible for development and supervision of the work projects. The work projects fell into 10 general classifications:

1. structural improvements (e.g., fire towers, bridges, service buildings);
2. transportation improvements (e.g., truck trails, minor roads);
3. erosion control (e.g., check dams, terracing, vegetative covering);

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(...continued)

\$30. Most of it was given to their families.

<sup>31</sup> The number of enrollees peaked at more than 500,000 in 1935. For comparison purposes, there were perhaps 2 million unemployed men between the ages of 14 and 24 in 1940. See Table 4 in CRS Report R40655, *The Labor Market During the Great Depression and the Current Recession*, which also discusses the paucity of labor force data available before 1948.

<sup>32</sup> An education program had been established after much internal wrangling in late 1933. Salmond, *The Civilian Conservation Corps*, pp. 47-54. For information on the education program from 1937 until the CCC's end in 1943, see Salmond, *The Civilian Conservation Corps*, pp. 162-168.

<sup>33</sup> National Resources Planning Board, *Security, Work, and Relief Policies*, pp. 261, 264.

<sup>34</sup> *Ibid.*, pp. 67-68.

<sup>35</sup> Over the course of its existence, it sometimes was required that youth enrollees be from families on relief.

<sup>36</sup> Salmond, *The Civilian Conservation Corps*, p. 27.

<sup>37</sup> National Resources Planning Board, *Security, Work, and Relief Policies*, pp. 67-68, 261.



4. flood control, irrigation, and drainage (e.g., dams, ditching);
5. forest culture (e.g., planting trees, seed collection);
6. forest protection (e.g., fire fighting, fire prevention);
7. landscape and recreation (e.g., public camp- and picnic-ground development);
8. range (e.g., elimination of predatory animals);
9. wildlife (e.g., stocking fish, food and cover planting);
10. miscellaneous (e.g., surveys, mosquito control).<sup>38</sup>

The Agriculture Department supervised the work projects of about three-fourths of the camps. More than half of these operated in national, state, or private forests and were under the direction of the Department's Forest Service. Of the minority of camps supervised by the Department of the Interior, most were under the direction of the National Parks Service; they performed functions similar to those of the forestry camps.<sup>39</sup>

“The vast range of CCC work was not performed without considerable cost. . . . The annual cost per enrollee was \$1,004, which compared unfavorably with that of the Works Progress Administration of \$770 to \$800, and the National Youth Administration of \$400 to \$700.” It was asserted that the higher figure for the CCC should not be viewed in isolation from the individual and societal benefits that accrued from the corps' activities (e.g., improved health and morale of enrollees; money saved as a result of fire prevention work projects).<sup>40</sup> However, this can be said too with regard to the benefits of the WPA and the National Youth Administration. Although the emergency public employment agencies regularly compiled lists of their projects, calculations of the projects' economic value were rarely if ever published.<sup>41</sup>

The CCC appears to have been the most popular work relief program at that time among Members of Congress and the public. Facets of the CCC can be seen today in such youth employment and training programs as Job Corps and the Youth Conservation Corps.<sup>42</sup>

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<sup>38</sup> Ibid., pp. 261-262.

<sup>39</sup> Salmond, *The Civilian Conservation Corps*, pp. 121-126.

<sup>40</sup> Ibid., pp. 128-132.

<sup>41</sup> Economic value might be measured as the cost of outcomes (e.g., road construction) had they been undertaken by the private sector.

<sup>42</sup> CRS Report RL33975, *Vulnerable Youth: Background and Policies*, by Adrienne L. Fernandes.