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All the Dependency Pieces Are Falling into Place

By [W.A. Beatty](#)

Does the phrase "Kicking the can down the road" sound familiar? It should. It means, "Borrowing (running a deficit) to avoid payment for present spending." The problem with that strategy is that the payment for all the borrowing will eventually come due. It is simply not possible to continually consume more than you produce. The advantage of this strategy is that the politicians who do the borrowing will be long gone when the payment comes due.

Economic problems arise, however, when people become very dependent upon goods and services provided by politicians (of both parties) who pay for the goods and services by kicking the can down the road.

Did you know that the U.S. deficit (more money spent than taken in, thus increasing the federal debt) is going to exceed \$1 trillion for the fifth straight fiscal year? The U.S. federal government never increased its debt by more than \$1 trillion in a single fiscal year prior to 2008. The U.S. federal government has increased its debt by more than \$1 trillion each year since fiscal 2008. All of this spending exists to support the country's dependency habit.

Yes, I agree that George Walker Bush, no bargain, had a hand in the debt increase. But he is a piker when compared to President Barack Hussein "kill list" Obama. Did you know that the U.S. federal government debt has increased more during Obama's presidency than it did during the entire eight years of the Bush presidency? And that the debt is now more than 100 percent of annual Gross Domestic Product (GDP)? In other words, it would take more than the entire U.S. produces in a year to pay off the debt.

What is most ironic is that:

- Obama, while a senator and 2008 presidential candidate, said that the debt Bush was running up was unpatriotic and irresponsible. Specifically, Obama said of Bush: "That's irresponsible. It's unpatriotic."

The problem is, is that the way Bush has done it over the last eight years is to take out a [credit card](#) from the Bank of China in the name of our children, driving up our national debt from \$5 trillion dollars for the first 42 presidents -- number 43 added \$4 trillion dollars by his lonesome, so that we now have over \$9 trillion dollars of debt that we are going to have to pay back -- \$30,000 for every man, woman and [child](#).

- Obama, in February 2009, promised that the \$1.3-trillion deficit he inherited would be reduced by half by the end of his first term as president. As the above paragraph about deficits indicates, he has not fulfilled, nor will he come close to fulfilling, that promise. Of course, he blames Republicans for his failure because they would not go along with his tax increase proposals. But his spending could never cause a deficit problem.
- Obama "claims" to have the slowest rate of spending growth of recent presidents, at 1.4 percent. But (and there's always a but) slowing the rate of spending growth is *not* the same as a decrease in spending. True, Obama's spending *rate* is less than any president since Eisenhower. But while Obama's spending rate is slow, he is still spending more than Reagan, Bush I, Clinton, or Bush II. He is trying to equate an absolute spending amount to a rate, trying to mix factors, trying to equate the absolute dollar amount he has spent with his low rate of spending increase. Problems arise when people see through his charade, but most of the voting population don't see through what he is claiming, a fact upon which he is counting.

In July 2012, the number of (previously working and/or unemployed) people who are now "disabled" is 8.75 million. For perspective, that figure is greater than the populations of 39 of the 50 (57 if Obama is counting) states. The ratio of people working (and paying taxes) to disabled people (taking taxes) has fallen from 19 to 1 when Obama took office to 16 to 1 today. Again, for perspective, in 1987, the ratio was 41 to 1.

Federal disability insurance is funded by a 1.8-percent payroll tax. Each disabled person receives \$1,111 per month. The per capita income in 2011 was \$41,663. The 1.8-percent disability insurance tax, an amount of \$749.93 annually, multiplied by the 16 people paying it, comes to \$11,998.94. So for right now, we are able, at the current tax rate and number of disabled, to "carry" the disabled. But for how much longer? With their [unemployment insurance](#) checks running out, many long-term unemployed are filing claims with Social Security for disabilities. Disability claims are paid from the Social Security Trust Fund, and it, already holding \$2.6 trillion of special treasury bonds, is forecast to be broke in 2016.

Many economists are now saying that the poverty level, which is constantly being redefined, will rise to as much as 15.7 percent of American households. But despite spending nearly \$15 trillion on welfare since Lyndon Johnson declared war on poverty in 1964, the poverty rate is now higher than when we began more than 40 years ago. The poverty rate in 1964 was 15.1 percent. It now appears that the \$15 trillion we spent was wasted. But we can't say that, since many anti-poverty bureaucrats got their cut.

There is currently a record number of Americans receiving food stamps, or the Supplemental Nutrition Assistance Program (SNAP), as food stamps are now called. In March 2012, 46.4 million people were at or below the poverty level, making them eligible for food stamps. Today, more than one in seven Americans is on food stamps, but the federal government wants even more people to sign up for them.

That number is up by a third since November 2008. The number of people receiving food stamps has increased from 32 million to over 46 million since Obama took office. The U.S. Department of Agriculture (USDA) spent \$75 billion in food stamps in fiscal year 2011, more than double the \$34.6 billion spent in 2008.

And the USDA has been running a food stamps ad campaign, aimed primarily at Hispanics, the elderly, the working poor, and the unemployed, for several months now. The USDA says it's a "Community Partner Outreach" program aimed at spreading the word about what is available. Did you know that there is even a disaster SNAP that differs from the regular SNAP? The USDA has spent between \$2.5 million and \$3 million on the campaign. The campaign even asks for "fresh ideas" to elicit more aid recipients for local food stamp offices. It even suggests throwing food stamp "parties," to include entertainment and food stamp info-themed bingo games. Just another example of our tax dollars being "wisely" spent.

And both Representative Nancy Pelosi (D-CA) and USDA Secretary Tom Vilsack say that food stamps actually stimulate the economy and create jobs. Pelosi said, "It is the biggest bang for the buck when you do food stamps and unemployment insurance." She actually said that -- I can't make this up.

To quote Michael Tanner, of the Cato Institute, in his April 2012 report:

Clearly we are doing something wrong. Throwing money at the problem has neither reduced poverty nor made the poor self-sufficient. It is time to reevaluate our approach to fighting poverty. We should focus less on making poverty more comfortable and more on creating the prosperity that will get people out of poverty.

The "problem" with Tanner's solution is that it will not create more dependence. In order for Obama to have a snowball's chance in hell of winning the November election, he will have to have all the people that he has made dependent upon government vote for him. I just hope that there are enough non-dependent voters to turn Obama and his dependency-creating programs out.

Dr. Beatty earned a Ph.D. in quantitative management and statistics from Florida State University. He was a (very conservative) professor of quantitative management specializing in using statistics to assist/support decision-making. He has been a consultant to many [small businesses](#) and is now retired. Dr. Beatty is a veteran who served in the U.S. Army for 22 years. He blogs at runo.limewebs.com.