

\$15 Trillion for... What, Exactly?

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In a [new study](#), Cato's Michael Tanner finds that "Despite nearly \$15 trillion in total welfare spending since Lyndon Johnson declared war on poverty in 1964, the poverty rate is perilously close to where we began more than 40 years ago."

Poverty relief is one of the noblest and most important projects in any society. The only question is how to go about it. Right now, the federal government has 126 different welfare programs; Tanner is kind enough to list them all in a 5-page appendix. Their combined annual cost is \$668 billion. That's a lot of money – about \$14,848 for every person in poverty.

The trouble is that the results have been disappointing. The poverty rate is currently 15.1 percent, the highest it's been in a decade. If the chosen means aren't achieving the end, then it's time to choose some different means.

One solution is to make it easier to find a job. About one third of all occupations require a license. The people in charge of handing out licenses are typically members of the occupation, and have a vested interest in keeping potential competitors out. By removing licensing requirements from most occupations, more people can find jobs in fields ranging from interior decorating to hair-braiding to driving a taxi. More competition also means lower prices for consumers, so their dollars go further. That's important for people who don't have a lot of dollars.

The regulatory thicket also discourages people from starting their own businesses. Lightening paperwork burdens and compliance costs would make it easier for people to open stores, provide services, create jobs, and lift people out of poverty.

Education is important for getting a good-paying job. But good schools, especially good public schools, are mainly the province of the rich. Introducing some competition into the failed monopoly school system through tax credits or vouchers would do wonders for delivering a better education to the kids who need it most.

There is no single magic bullet to poverty relief. The ideas above are just a start, and a modest one at that. But \$15 trillion later, it is clear that the War on Poverty has failed the poor. It's time to look elsewhere for solutions that actually work.