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Paradigm shift for welfare spending

By Richard Larsen

I recently saw a humorous picture of a black bear sitting at a picnic table waiting to be given his meal. The caption below the picture said, “Animals that were formerly self-sufficient are now showing signs of belonging to [a certain political party], as they have apparently learned to just sit on their *** and wait for the government to step in and provide for their care and sustenance.” While ostensibly humorous, it prompted reflection which led to substantial research on what dependency costs the nation, not just in fiscal terms, but in human terms.

In 1964, President Lyndon Johnson declared war on poverty. National programs were created to help the poor. What was intended as temporary short-term assistance programs became permanent appropriations that have grown exponentially over the years. The 1960s cost of 1.2% of national GDP is now more than 13 times that. In inflation-adjusted dollars, government has spent nearly \$10 trillion to “eliminate” poverty. The belief that we could effectively wage war on poverty through government bureaucracies redistributing massive amounts of taxpayer dollars to the poor is obviously based on a false assumption.

Government program efficacy needs to be assessed based on results, not on intention. The intention has been good, but the results have been disastrous. Poverty levels have gone from 1 in 10 in 1964, to 1 in 7 today. That represents a 40% increase in poverty since “war” was declared on it. The 1.8% increase in 2009 is the highest single year increase ever. It is not coincidental that such an increase in poverty would be concomitant with a 40% increase in unemployment, from 7% to nearly 10%. That one statistic alone should elucidate how critical job creation is, not just to economic recovery, but in forestalling poverty.

If all that spending failed to cure poverty, then surely more spending isn't the answer. It may actually be the problem. The Cato Institute reveals, “Welfare and other aid programs ensnare people, leading them to become dependent on their monthly check rather than finding jobs and starting businesses. In 1960, just before the Great Society's dramatic increases in welfare programs, the out-of-wedlock birth rate in the United States was 5 percent. After 30 years of rising welfare benefits, the rate is now 32 percent; young women in many circumstances have come to see the welfare office, not a husband, as the best provider. Welfare created a cycle of illegitimacy, fatherlessness, crime, more illegitimacy, and more welfare.” Data show that this cycle has mercilessly ravaged minorities, especially the black community.

The welfare state inexorably fosters dependency and encourages poverty by paying people not to work. Charles Murray's "Losing Ground" documented our socially destructive welfare policy by showing that two unwed parents could make more income by her remaining unwed and collecting WIC and him working part time and collecting workmen's comp the rest of the time than if they got married and held down typical jobs. Yet that is precisely what nearly one-third of our federal budget does, not including Obama's proposed 42% increase.

To illustrate this same principle on an international scale, the U.S. has spent over \$1 trillion on foreign aid. And yet, the Clinton administration perspicaciously declared 15 years ago, "despite decades of foreign assistance, most of Africa and parts of Latin America, Asia and the Middle East are economically worse off today than they were 20 years ago."

The Cato Institute further said, "The best way to reduce the poverty rate is to convince people to avoid poverty in the first place by finishing school, delaying parenthood, and getting a job (any job). High school dropouts are roughly three times more likely to end up in poverty than are those who complete at least a high school education. A common reason why teens drop out of high school is out-of-wedlock births. Teenage pregnancy initiates a single mother into a life of dependency that is difficult to overcome, especially if she goes on to have additional children. Over half of welfare money is spent on families that began with a teen birth."

"Getting a job as a solution to poverty may seem like common sense. Granted, not every job pays a wage that will catapult a family into the middle class. However, every job provides job experience, and that leads to a better job."

It's time for a societal paradigm shift, to start assessing the legitimacy of all government spending based on results rather than intention. The intention behind entitlement-welfare spending, as well as foreign aid, is noble, but the results are dismal. Government redistribution does not lift people out of poverty, and seems rather to contribute to the cultural decline of society. After all, what is more charitable and ennobling? To give a person dependency with no way out, or self-esteem and the tools for independence?

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