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Doing the write thing: Welfare for the wealthy?

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When we discuss issues of hunger and poverty in my Ethics course, it never takes too long before someone wants to offer an example of "welfare abuse," which usually goes something like this, "I was in line behind someone buying *steak* with their benefit card. *Steak!* And all I was getting was a can of Spam. Man, the system is broken." Because our society doesn't really appreciate context or understand outliers, examples such as these cause some people to get angry that their tax dollars go to programs for the poor. I guess we'd be okay if recipients only bought food that *we* would never eat? Somehow seeing someone of limited means having *choices* strikes some people as patently unfair.

The contempt for welfare has always confused me because if you actually look at the facts and figures (what a crazy idea, I know!), there isn't really much to be upset about. According to the very conservative Cato Institute, social welfare programs cost the average taxpayer $800/year.

That's right, for roughly $67/month, Grandma gets to go to the doctor (Medicare), little Laura down the street gets her immunizations on schedule (Child Health Plus), your neighbor who just lost her job can keep the heat on (Home Energy Assistance Program), and a single parent working two jobs can still get groceries for his family (food stamps). I'd rather have my money going to those things than to my local cable provider (whose terrible service keeps causing me to miss "Jeopardy").

But if you get angry about welfare for the poor, what about welfare for the *wealthy*? The Cato Institute also has something to say about that. Every year, state and local governments (including school districts) must issue Comprehensive Annual Financial Reports (CAFRs) indicating how the previous year's money was spent. These CAFRs are monitored by the Governmental Accounting Standards Board (GASB), to ensure uniform reporting and accuracy.

In 2016, the GASB issued a new accounting rule (lucky number 77). Rule 77 applies to tax abatements and other "incentive" programs and each government "must report [the] dollar-cost figure per economic development program per year ... [and] must also disclose major associated obligations it may have incurred as part of an abatement deal, such as a large infrastructure spending commitment." In other words, governments have to reveal how much tax money is spent for (and lost by) deals with businesses.

Examining the first round of reporting under GASB 77, Cato found the amount spent on these programs *exceeds* what is spent on social welfare programs.

Here are three local examples of “welfare for the wealthy” that your anger is better spent on:

1. Del Lago Resort & Casino just asked New York state for $14 million to help boost its bottom line. Revenue was less than projected so del Lago officials think the state should help them out. The state declined, but the developers aren’t really the kind of people that take “no” for an answer, so I expect we’ll hear more about this.

2. In Victor, town officials have designed a $14 million project to build a new road, parallel to Route 96 to accommodate all the traffic to and from Rochester during peak commuting hours. You might say to yourself “Isn’t the Thruway a parallel route to get to and from Rochester?” Yes! But some suburbanites don’t want to pay the *twenty cent* toll. So, $14 million of your tax dollars might go to build them another “free” roadway.

3. In Geneva, a Realtor purchased a building on Linden Street with grand plans to redevelop it — plans that many people believed were unrealistic and too costly to be completed. Sure enough, the plans fell through and now he’s seeking permission to demolish it, and perhaps to get DRI funds to reconstruct the facade. The city risks a loss of tax revenue and diversion of public funds to help him out.

What do all of these have in common? Wealthy developers/residents/investors find something they want but can’t afford, so they expect the rest of us to chip in and pay for it. Our tax dollars are used to boost their bottom line. Does that make you as upset as the person in the grocery line buying something you felt was “too good”? If not, why not? Welfare for the wealthy is a bad thing. It’s not about helping people live, it’s not about well-being — it’s about increasing *profit*, and it is truly unfair.