



Republican officials say targeting welfare programs will help spur economic growth

Jeff Stein

December 6, 2017

Washington - Some House Republicans believe that Congress should cut Americans off government anti-poverty programs in part to help grow the national economy.

"For us to achieve 3 percent GDP growth over the next 10 years from tax reform, we have to have welfare reform. We need people who are mentally and physically able to work to get into the workforce," Rep. Rod Blum, R-Iowa, said. "In my district, a lot of employers can't find employees. . . . Sometimes we need to force people to go to work."

Other House Republicans similarly argued that there would be "no excuses" for poor Americans to need welfare once economic growth took hold. "Once we light this economy up, my brother, there's going to be jobs for everybody. So there will be no excuses for anyone who can work to sit at home and not work," Rep. Clay Higgins, R-La., said. "If we pass tax reform, we have to have welfare reform. When you have a vibrant economy, there's no reason for Americans to suffer on welfare."

The House members' comments reflect one aspect of the thinking that is driving congressional Republicans to say welfare reform may be the party's biggest legislative priority in 2018. President Donald Trump and top Republican officials have signaled prioritizing welfare cuts, including new restrictions on who can receive benefits like food stamps, housing assistance and direct cash welfare for the poor.

One key conviction underpinning their drive is that welfare programs make joining the American workforce less attractive for the poor, according to interviews with a half-dozen Republican members of Congress and conservative welfare analysts. But many economists note research that contradicts that conviction, and they say America's social safety net is too small to play a major role in constraining economic growth.

"The concern is that the workforce participation rate is down from the last big recession, even though the unemployment rate is also dramatically down - that welfare programs encourage people not to work," said Chris Edwards, director of tax policy studies at the Cato Institute, a libertarian think tank. At a recent speech in Missouri in which he vowed new welfare restrictions, Trump said that "the person who is not working at all and has no intention of working at all is making more money and doing better than the person that's working his [or] her ass off."

But those on the left, like Sen. Bernie Sanders, I-Vt., have attacked Republicans over reports that they plan on cutting anti-poverty programs, arguing that what they really amount to is an attempt to take money from the poor to pay for the GOP's \$1.5 trillion tax bill that nonpartisan analyses say gave its biggest gifts to the rich.

"Trump and the Republican Party are waging vicious class warfare against the working families of this country," Sanders said. "After providing a trillion dollars in tax breaks to the top 1 percent and large corporations, they will now attempt to cut Social Security, Medicare, Medicaid, nutrition programs and help for the poorest and most vulnerable Americans. This is an outrageous and immoral set of priorities."

One program congressional Republicans have already said they want to target is food stamps, which 41.3 million Americans currently receive. Sen. Mike Lee, R-Utah, and Rep. Jim Jordan, R-Ohio, have introduced legislation to add new work requirements to food stamps, and a poverty blueprint released last year by House Speaker Paul Ryan, R-Wis., calls for the same.

But close to 90 percent of working age parents with children on the federal food stamp program already find employment within one year of receiving the benefits, according to an analysis by the Center on Budget and Policy Priorities, a left-leaning think tank. Overall, about two-thirds of program beneficiaries are disabled, children or elderly.

"The idea you could do cuts and it would do anything other than take away food from people who need it is quite far-fetched," said Sharon Parrott, a senior counselor at CBPP.

Republicans have also said that they want to impose new work requirements on the direct welfare payment program known as Temporary Assistance for Needy Families. That idea is included in the Lee-Jordan proposal, which would add work requirements to get who they call the "completely idle" to work.

"Welfare programs are meant to be a temporary safety net, but they have become a permanent way of life for millions of Americans," Jordan said at the time of the bill's introduction. Others counter that it may be hard to see how much that welfare program has to do with economic growth. About 1 million American adults receive benefits through the temporary assistance program. There are 95 million Americans outside the labor force.

"Making this program less accessible is not going to change overall levels of output in the economy," Parrott said.

Congressional Republicans have also floated long-term reductions in spending on Social Security and Medicare, though that would violate Trump's campaign pledges. They have also discussed imposing work requirements on Medicaid, although doing so would elicit fierce partisan opposition and would also violate Trump's campaign not to touch the health insurance program that primarily benefits the poor.

If they don't touch entitlement programs, some conservative policymakers, like the Heritage Foundation's Robert Rector, have said Republicans should try reducing the "excessive" and "very, very generous" benefits for housing.

But defenders of those programs note that, according to the most recent data, the number of Americans on it has been going down. James Ziliak, director of the Center for Poverty Research at the University of Kentucky, argued that the GOP policy ideas would likely hurt low-income Americans.

"Housing is already crippling many low-income households and the scarcity of housing assistance is pretty remarkable," Ziliak said. "I can't see the logic of cutting stamps and housing being consistent with helping the working class in this country."