

Americans More Generous Than Welfare-State Europeans

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A European either living off or managing a nanny state would say that Americans' contempt for welfare regimes is based on greed. But if Americans are so selfish, how can they be so charitable?

In no European economy are the people more generous with their own money than the people of the U.S. According to Organization for Economic Cooperation and Development data, which have been thoughtfully assembled by Cato scholar Dan Mitchell, the total of Americans' voluntary social spending reached 10.2% of GDP in 2009, the latest year for which numbers are available.

The only country that is remotely close in its generosity is the Netherlands, where the total was 6% of the nation's economy. Only two other nations, Canada and the United Kingdom, exceeded 5%. The U.K. totaled 5.3% of GDP, Canada 5.1%.

The rest hardly even register on the chart. The French totaled a mere 2.8%, the Germans 2%. Greece, Italy, Norway and Spain all failed to break the 2% mark.

So who's selfish and who's generous? Americans or the residents of what have become known as welfare states that promote dependency on government?

Naturally some will immediately say the Europeans don't give as much because they, in essence, "give at the office" through their taxes.

Sounds plausible. But it doesn't stand up to even light scrutiny. Again, we go to Mitchell.

"According to the OECD data," he writes, "government redistributes 20% of GDP in America compared to an average of 21.9% of GDP for all OECD nations."

So we do have a welfare state comparable in size to those in other nations known for their cradle-to-grave reliance on government, yet we still give more out of our pockets than the presumably left-of-center, we-take-care-of-the-poor Europeans.

Which makes us think: How much more would Americans give — and how much more effective would that benevolence be — if we had to hand over less to the government for redistribution?

It's a question worth asking.

The data — and the large gap between Americans and the European nations — don't surprise us. Last year we noted the big difference in charitable giving between the Romneys (extremely generous) and the Obamas and Bidens (tightfisted). So we know the political left is generous with other people's money but stingy with its own. It's a fine example of old-fashioned greed.