

Welfare Nation

by HANS BADER on OCTOBER 19, 2012 · 0 COMMENTS
in ECONOMY, POLITICS AS USUAL, ZEITGEIST

Welfare spending has exploded in America. Citing a new report from the Congressional Research Service, the Heritage Foundation notes:

Roughly 100 million people—one-third of the U.S. population—receive aid from at least one means-tested welfare program each month. Average benefits come to around \$9,000 per recipient. If converted to cash, means-tested welfare spending is more than five times the amount needed to eliminate all poverty in the United States.

Despite the fact that welfare spending was already at record levels when he took office, President Obama has increased federal means-tested welfare spending by more than a third. . .

At the beginning of this year, only four of the 80-plus federal welfare programs had work requirements; the Obama Administration has now suspended the work requirements in two of these. After the Obama Administration suspended the work requirement from the food stamp program in 2009, the number of people on food stamps doubled.

Welfare now surpasses the government's biggest traditional money pit, the Pentagon. "By 2022, there will be \$2.33 in federal and state welfare spending for every \$1 spent on national defense."

But the Pentagon, too, needs to be cut, even though that would make the Heritage Foundation unhappy. As Fareed Zakaria once noted, "the U.S. defense establishment is the world's largest socialist economy." The Cato Institute has identified billions in readily-achievable savings at the Pentagon.

To prevent America from going broke, we will have to cut almost everywhere in the federal budget. For four consecutive years, the budget deficit has exceeded \$1 trillion, as President Obama has flouted his campaign pledge of a "net spending cut" by pushing through massive spending increases.

More welfare spending will result in the future due to Obamacare reducing levels of employment. Employers are now cutting full-time workers and replacing them with part-time workers (which artificially makes the unemployment rate look lower than it really is) to avoid Obamacare mandates that apply to employers of full-time employees. For example, an article at Huffington Post notes that "The owner of Olive Garden and Red Lobster restaurants is putting more workers on part-time status in a test aimed at limiting

costs from President Barack Obama's health care law." In a Fox News video, "Apple-Metro Chairman Zane Tankel discusses why he is looking to move employees from full to part-time because of ObamaCare." Obamacare will reduce employment by an additional 800,000 due to work disincentives, and bizarre income-cliffs in its subsidies that reward certain people for working less. It also will wipe out thousands of jobs in the medical device industry and other sectors of the economy, resulting in more people on unemployment benefits.

More part-time rather than full-time workers means more workers with earnings low enough to qualify for food stamps, at taxpayer expense.

As we previously noted, record numbers of Americans are now on food stamps, food stamp fraud has risen into the billions, and even prosperous people have become eligible for food stamps in some states as the government rewards states for expanding eligibility to people who don't need them. (Meanwhile, as James Bovard noted in *The Wall Street Journal*, "The Obama Administration is . . . cracking down on state governments' antifraud measures.") The Obama administration also claimed the authority to waive the legally-unwaivable work requirements in the 1996 welfare reform law, drawing criticism from welfare experts like Robert Rector, an architect of the 1996 welfare reform law, and the editorial boards of the *The Wall Street Journal* (see [here](#)) and *Richmond Times-Dispatch* (see [here](#), [here](#), [here](#), and [here](#)).