

Welfare and Education Policy: Providing for Personal Security and Need

Chapter 16

Poverty in America: The Nature of the Problem

- Social welfare policy – government programs that help individuals meet basic human needs
- Poverty line – annual cost of a food budget for an urban family of four, multiplied by three to include the cost of housing, clothes, and other necessities - \$20,000
 - 1 in 8 Americans (35 millions)
 - Children are one of the largest groups – single parent
 - The feminization of poverty
 - More African Americans and Hispanics than whites
 - Urban more than rural
 - The US is the highest among the advanced industrialized nations

Poverty in America: The Nature of the Problem

- Living in Poverty – by choice or chance?

Politics and Policies of Social Welfare

- Poverty and welfare fell within the reserved powers of the 10th amendment
 - Negative government: staying out of people's lives, giving people maximum freedom
 - Positive government: intervention necessary to buffer economic and social forces beyond a persons' control
- Great Depression, Great Society – positive
- 1996 Welfare Reform Act – negative
- Transfer payments – given directly to individuals
 - Entitlement programs
 - Social insurance programs and public assistance programs

Politics and Policies of Social Welfare

- Social insurance programs – eligibility is restricted to individuals who paid into the system (\$800 billion a year)
 - Social Security – 6.2% tax (40 million recipients who receive on average about \$1,000)
 - People living longer, baby boomers
 - privatization
 - Unemployment insurance - \$350 a week for 30 weeks
 - Medicare – medical assistance to retirees

Politics and Policies of Social Welfare

- Public assistance programs – tax money given to the financially needy
 - Means test – prove they are poor enough (welfare)
 - Earned vs. handouts
 - Supplemental Security Income (SSI) – blind, disabled, and elderly poor
 - Temporary Assistance for Needy Families (TANF) – originally was the Aid for Families with Dependent Children which assisted children whose fathers had died
 - Single parent could claim the benefit as long as the child was in the household
 - Vicious cycle of poverty
 - TANF limits time recipients can receive money
 - States get incentives to place recipients into jobs

- Food Stamps – in kind benefit to be used in a specific way
- Subsidized housing- rent vouchers
- Medicaid – health care for poor people
 - Huge expenditure for federal and state governments

Politics and Policies of Social Welfare

- Culture, welfare, and income
 - Inefficiency and inequity – bureaucratic and costly
 - Income and tax measures – income inequality (greatest in all industrialized democracies)
 - 35% income tax to rich compared to 50% in Europe
 - Tax breaks for upper income individuals
 - Social security tax is a flat tax
 - Effective tax rate – not a huge disparity between high and middle income
 - Earned Income Tax Credit – lifts people above the poverty line

Education as Equality of Opportunity

- Public education: leveling through the schools
 - America's heavy investment in public education – more than any other country
 - States are obliged to give all children adequate education, not equal
 - Head Start (federal program)
 - US has the most adults receiving a college education

- Public school issues
 - Low scores internationally
 - School choice and vouchers
- The federal role in education: political differences – 90% of education funds come from state and local tax revenues
 - GI Bill
 - Higher Education Act
 - Elementary and Secondary Education Act
 - No Child Left Behind – partial funding
 - Republicans look to the free market and choice to improve education while Democrats look to increased government spending

The American Way of Promoting the General Welfare

- Differences between the European and American approach