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Perpetuating Poverty

By INVESTOR'S BUSINESS DAILY | Posted Thursday, September 17, 2009 4:20 PM PT

Spending: President Clinton said reform legislation would "end welfare as we know it." That was in 1996. The current administration appears determined to take welfare to heights we've never known.

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America's tried. The country has spent \$15.9 trillion of other people's money on welfare since the mid-1960s. But it has failed. As noted in the Gospel of Matthew, we will always have the poor.

It would be vain to argue otherwise. The evidence is hard, the facts clear.

"Welfare spending was 13 times greater in fiscal 2008, after adjusting for inflation, than it was when the war on poverty started in 1964," says a new study from the Heritage Foundation.

"Means-tested welfare spending was 1.2% of the gross domestic product when President Johnson began the war on poverty. In 2008, it reached 5% of GDP."

Apparently, we just haven't spent enough. At least that seems to be the position of the White House. It has opened the spigot of the fastest-growing government expenditure. Over the first two years of this administration, annual federal welfare spending will jump by a third, from \$522 billion to \$697 billion, says the Heritage study titled "Obama To Spend \$10.3 Trillion On Welfare."

The cost to the families funding the programs is enormous. Heritage says each household is paying \$560 a month this year and will pay \$638 a month in 2010.

But this administration is just getting started. Over the next decade (which includes the current fiscal year), welfare spending will hit that \$10.3 trillion mark — \$7.5 trillion in taxpayers' money disbursed by Washington, \$2.8 trillion in taxpayers' money handed out by the states. None of this even includes what the federal government will spend if it successfully takes over health care.

The spending party began early with an assault on the Clinton-era welfare reform law. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act had ended the practice of Washington sending more welfare money to the states when the states increased their caseloads. But the policy was reversed through a provision in the February stimulus bill.

Self-identified neo-liberal Mickey Kaus, writing in Slate, called the "insufficiently publicized" and "deeply troubling" provision in the legislation a "liberal conspiracy to expand the welfare rolls."

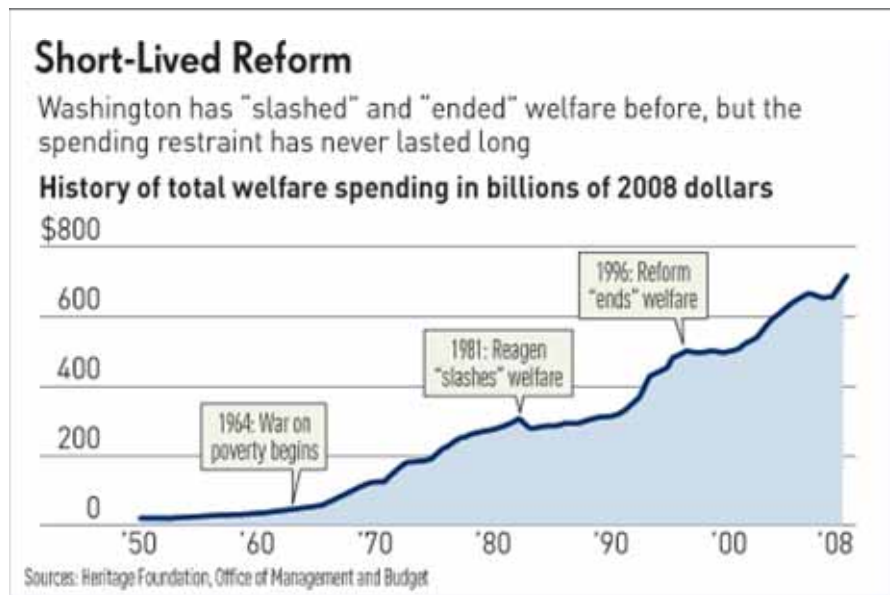
"If only for political purposes, I figured, Dems would have to wait a few months or years before sabotaging Bill Clinton's major domestic achievement," wrote Kaus. "It took them two weeks."

In the 1950s, welfare spending was less than 1% of GDP and 4% of government expenditures at all levels. It is now the third largest federal expenditure, following only Social Security and Medicare entitlements and education. Fourth is national defense. For all the criticism leveled at the previous administration for the taxpayer dollars spent on the battlefield, Obama, says the Heritage study, "will spend more on welfare in a single year than President George W. Bush spent on the war in Iraq during his entire presidency."

The gains from the Iraq War are evident. A brutal anti-American dictator was toppled, a terrorist-friendly regime was displaced and a representative government was installed in a region filled with oppressive states. So what of extravagant welfare spending? What have been its tangible benefits?

Government welfare programs have done nothing but institutionalize poverty. The country is spending more than it ever has on the poor, yet neither poverty nor want has been eradicated.

Accelerating welfare outlays will only make the problem worse.



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