Welfare and Education Policy: Providing for Personal Security and Need

I. Poverty in America: The Nature of the Problem
   - Social welfare policies refer to the government programs that help individuals meet human needs, including food, clothing, and shelter.

   A. The Poor: Who and How Many?
      1. Social welfare needs are substantial
      2. **Poverty line** (poverty threshold) is defined as the annual cost of a thrifty food budget for an urban family of four, multiplied by three to include the cost of housing, clothes, and other necessities.
         a. 2013: Family of Four - $23,550
         b. Those who fall below these lines are considered poor
      3. American poor includes individuals of all ages, races, religions, and regions
         a. Children are one of the largest groups
            i. Most children live with single parents, usually the mother
            ii. "The feminization of poverty": single-parent, female-headed families are roughly five times as likely as two-income families to fall below the poverty line
         b. Poverty is widespread among minority groups and is also geographically concentrated
            i. Compared to whites, twice as many Hispanics and African Americans live below the poverty line
            ii. Poverty is very high in some inner-city areas and rural areas
            iii. Suburbs are considered the safe haven from poverty. Many suburbanites have no sense of the impoverished conditions of what Michael Harrington called “the other America.”
         c. The U.S. has the highest level of poverty among the advanced industrialized nations, and its rate of child poverty is more than twice the average rate of the other countries

   B. Living in Poverty: By Choice or Chance?
      1. Poverty as a matter of choice
         a. Most low-income Americans are unwilling to make the effort to hold a responsible job and get ahead in life
         b. Charles Murray’s *Losing Ground*, argues that America has a permanent underclass of unproductive citizens who prefer to live on welfare and whose children receive little educational encouragement at home and grow up to be copies of their parents
      2. Poverty as a matter of circumstance
         a. Economist Signe-Mary McKernan and Caroline Ratcliffe concluded that most of the poor are poor only for a while, and then for reasons largely beyond individual control – such as a job layoff or desertion by the father – rather than because they prefer not to work
         b. When the U.S. economy goes into a tailspin, the impact devastates many families

II. The Politics and Policies of Social Welfare
   - At one time in the nation’s history the federal government was not involved in social welfare policy. They were deemed to fall within the powers reserved to the states by the 10th Amendment
     - **Negative government** holds that government governs best by staying out of people’s lives, giving them as much freedom as possible encouraging them to become self-reliant
   - The Great Depression brought Franklin D. Roosevelt’s New Deal economic relief in the form of public jobs and assistance programs and changed opinions about the federal government’s role
     - **Positive government** holds the idea that government intervention is necessary in order to enhance personal liberty and security when individuals are buffeted by economic and social forces beyond their control
   - Benefit programs fall into two general categories
     - **Social insurance**: enjoys broader public support, are more heavily funded, and provide benefits to individuals of all income levels

Public assistance: have less public support, receive less funding, and are restricted to people of low income

- Both categories involve transfer payments, government benefits given directly to individual recipients
- Most programs that support individual directly are entitlement programs
  - Any number of individual-benefit programs, such as social security, that require government to provide a designated benefit to any person who meets the legally defined criteria for eligibility

A. Social Insurance Programs

1. **Social Insurance**: social welfare programs based on the “insurance” concept, requiring that individuals pay into the program in order to be eligible to receive funds from it

   a. **Social Security**
      - Social security for retirees is the leading social insurance program
      - **Social Security Act**: began in 1935 and is funded through payroll taxes on employees and employers
      - Washington collects the payroll taxes that fund the program and sends monthly checks directly to the nearly forty million social security recipients

   b. **Unemployment Insurance**
      - Provides for unemployment benefits for workers who lose their jobs involuntarily
      - Federal government collects the payroll taxes that fund unemployment benefits, but states have the option of deciding whether the taxes will be paid by both employees and employers only
      - Does not have the broad support that social security enjoys

   c. **Medicare**
      - Enacted in 1965, the program provides medical assistance to retirees and is funded primarily through payroll taxes
      - Based on the insurance principle and because of this has gained as much public support as social security has
      - Does not cover all hospital, nursing home, or physicians’ fees, but enrollees in the program have the option of paying an insurance premium for fuller coverage of these fees or apply for the government to pay it (if they cannot afford the premium)
      - Rising cost of medical care and the growing number of elderly have combined to threaten the solvency of the program

B. Public Assistance Programs

1. **Public assistance programs**: funded through general tax revenues and are available only to the financially needy

2. **Means test**: establishes eligibility for these programs; applicants must prove that they are poor enough to qualify for the benefit

3. Americans tend to look upon social insurance benefits as having been “earned” by the recipient, while they see public assistance benefits as “handouts” and are less inclined to support public assistance

   a. **Supplemental Security Income**
      - Originated as federal assistance to the blind and elderly poor as part of the Social Security Act of 1935. (not as widely criticized)

   b. **Temporary Assistance for Needy Families (TANF)**
      - **1996 Welfare Reform Act** abolished Aid for Families with Dependent Children (AFDC) and created TANF
      - Goal of TANF is to reduce long-term welfare dependency by limiting the length of time recipients can receive assistance and by giving the states an incentive to get welfare recipients into jobs
      - Each state is given an annual block grant that it uses to help poor families meet their subsistence needs and to develop programs that will help the parents find employment
      - State operates programs within strict federal guidelines in which exceptions are limited
        - Assistance limited to no more than 5 years in their lifetime
b) Within 2 years, the head of the household will have to find work
c) Unmarried teenage mothers are qualify for benefits only if they remain in school and live with a parent or legal guardian
d) Single mothers will lose a portion of their benefits if they refuse to cooperate in identifying for child-support purposes the father of their children

v. The biggest challenge facing the states is developing welfare-to-work programs that will qualify people for jobs secure enough to free them from welfare dependency

c. Food Stamps
   i. Fully funded by the federal government
   ii. Provides an in-kind benefit: not cash, but food stamps that can be spent only on grocery items which ensures that recipients will use public assistance in a specified way
   iii. Available to people who qualify on the basis of low income

d. Subsidized Housing
   i. Federal spending in this area is on rent vouchers, an in-kind benefit
   ii. Government gives the individual a monthly rent-payment voucher, which the individual then gives in lieu of cash to the landlord, who then hands the voucher over to the government in exchange for cash

e. Medicaid
   i. Provides healthcare for poor people who are already on welfare
   ii. Considered a public assistance program because it is based on need and funded by general tax revenues
   iii. Controversial because of its cost absorbing roughly half of all public assistance dollars spent by the U.S. government and has forced state and local governments to cut other services to meet their share of the cost

C. Culture, Welfare, and Income
   1. Inefficiency and Inequity
      a. Inefficient, in that much of the money spent on welfare never reaches the intended recipients
      b. Inequitable, in that less than half of social welfare spending goes to the people who need it the most
      c. U.S. welfare system is heavily bureaucratic with high bureaucratic costs
   2. Income and Tax Measures
      a. Economic Redistribution – the shifting of money from the more affluent to the less affluent.
      b. Income inequality is substantial in the United States since income taxes are not used for economic redistribution to the extent that they are in other democracies
      c. Earned Income Tax Credit (EITC) given to America’s poorest working families has lifted about one-third of low-income Americans above the poverty line

III. Education as Equality of Opportunity
    • Most Americans endorse the principle of equality of opportunity, the idea that people should have a reasonable chance to succeed if they make the effort
    
A. Public Education: Leveling through the Schools
   1. Today the U.S. invests more heavily in public education at all levels than does any other country
   2. The Supreme Court has upheld that the states are obliged to give all children an “adequate” education as opposed to an “equal” one across all communities
   3. Head Start, a federal education program, is designed to give preschool education to low-income children
   4. The gap in income between those with and those without college education is greater now than at any time in the country’s history

B. Public School Issues
   1. Because public schools play such a key role in creating an equal-opportunity society, they are closely scrutinized
   2. Disorder in the schools and student performance on standardized tests are major issues
   3. The most controversial policy issues involve proposals to reallocate money among schools
a. Schools that attract the most students are rewarded with the largest budgets; therefore, it forces school administrators and schools to work harder and do a better job

b. School vouchers are a related issue
   i. Parents receive vouchers from the government that they can give to a private or parochial school to cover part of the cost of their child’s tuition

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<tr>
<th>Opponents of School Vouchers</th>
<th>Proponents of School Vouchers</th>
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<td>• Vouchers weaken the public schools by siphoning off revenue</td>
<td>• Vouchers force failing public schools to improve their</td>
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<td>• Vouchers subsidize many families that would have sent their children to private or</td>
<td>instructional programs or face permanent loss of revenue</td>
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<td>parochial schools anyway</td>
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<td>• Vouchers are of little use to students from poor families because they lack the</td>
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<td>additional money required to pay the full tuition costs at a nonpublic school</td>
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C. The Federal Role in Education: Political Differences
   1. Education has traditionally been a state and local responsibility
      a. 90% of the funds spent on schools are provided through state and local tax revenues
      b. Few members of Congress are willing to support large appropriations for education that do not benefit their constituents, a situation that has reduced Washington’s contribution to the goal of quality education for every American child
   c. No Child Left Behind
      i. Proposed by President George W. Bush and passed by Congress in 2001
      ii. Requires national testing in reading, math, and science and ties federal funding to the test results.
      iii. School that show no improvement in students’ test scores after years receive an increased amount of federal aid. If these schools show no improvement by the end of the third year, however, their students become eligible to transfer elsewhere and their federal assistance is reduced

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<td>• The NEA claims that the law has forced teachers to teach to the national tests and thus has interfered with real learning in the classroom</td>
<td>• Congressional Republicans say that the law holds teachers and schools accountable for their students’ performance</td>
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<td>• Congressional Democrats say that the program has failed to provide struggling schools with enough funds to improve the quality of classroom education and has encouraged the flight of students from public to private schools</td>
<td>• State who favor it say that it is an answer to underperforming schools</td>
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<td>• States who oppose the act say that the federal government has not provided the funds necessary to fully implement the testing program and that penalizing schools for this failure is unfair</td>
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