

Real World Graduation: Question 94: Benefits of Welfare

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Question 94

In the 1960's the federal government instituted a program of assisting young women who had illegitimate children. This aid came in the form of cash payments, housing at low rents, and assistance for food and medicine via government-issued stamps that could be used as cash for most grocery and medical items. In what ways were these programs beneficial to the recipient?

- a) It allowed the young women to provide for their children in a safe and secure environment, without the violations of privacy and crowding that would prevail if she had continued to live with her parents.
- b) It allowed them sufficient spare time to pursue education or other career training.
- c) It allowed them to live independently, and although they were initially poor, they would eventually be able to rise to the middle class.
- d) It provided them with an additional income if she chose to get married, even if her husband was working.
- e) All of the above.

Answer to Question 94

This is a trick question. All the answers are false.

The welfare programs accomplished none of these because the result of these policies, whether intended or not, was to subsidize irresponsibility, laziness, and dependence. When something is subsidized, more of it occurs.

Answer a) is wrong because these "welfare" programs kept the recipients in poverty, usually in dangerous public housing projects, or locked into poor neighborhoods, and nearly always in areas with poor public schools.

Answer b) is wrong because the people who accepted the payments found it easier to stay on welfare rather than pursue education or a career. They made a logical economic decision: why work when one can be paid simply for existing?

Answer c) is wrong because the welfare payments were gradually increased just enough to keep the recipients slightly above the poverty line. But, being locked into poor neighborhoods with deficient school systems, they and their children found it more difficult to rise to the middle class. The net result was that a fairly large segment of the population in some cities became completely dependent on the government, which is to say, the taxpayers.

Answer d) is wrong because these people lose their benefits if they marry someone who is working (unless they scam the system which happens sometimes). That keeps them unmarried and dependent, exactly where the government wants them. Women made another logical choice: who needs husbands if marrying leads to a loss of benefits? Thus there was built into the system a great disincentive to maintain the traditional family unit.

The money paid by the government to these women came out of taxes paid by those who worked. The welfare recipients were in fact sending their bills to other people; they themselves became part of a permanent "underclass" locked into poverty, distress, dependence, and low self-esteem. Guess who they vote for? They vote for anyone who will give them more out of your pocket (if you are working). Don't expect to receive any thanks. After all, these payments are now "entitlements".