CHAPTER 18

Social Welfare Policymaking

CHAPTER OUTLINE

I. Politics in Action: The Family and Social Policy (pp. 569–570)
   A. Social welfare policies involve the vast range of public policies that support individuals and families.
   B. Debates about social policy are debates about social responsibility.

II. What is Social Policy and Why is it so Controversial? (pp. 570–572)
   A. Social welfare policies are the programs through which government provides support and assistance to specific groups of people.
   B. Entitlement programs consist of government benefits that certain qualified individuals are entitled to by law, regardless of need.
   C. Means-tested programs are benefits provided only to people with specific needs.

III. Income, Poverty, and Public Policy (pp. 572–577)
   A. Who's Getting What?
      1. Income distribution describes the share of national income earned by various groups in the United States.
      2. Income is the amount of money collected between any two points in time.
      3. Wealth is the value of one’s assets.
   B. Who's Poor in America?
      1. The poverty line takes into account what a family would need to spend to maintain an "austere" standard of living.
      2. Poverty may be more extensive than the poverty line suggests.
      3. Because of the high incidence of poverty among unmarried mothers and their children, experts on poverty often describe the problem today as the feminization of poverty.
   C. What Part Does Government Play?
      1. Taxation
         a. A progressive tax takes a bigger bite from the incomes of the rich than the poor.
         b. A proportional tax takes the same percentage from everyone.
         c. A regressive tax takes a higher percentage from the lower income levels than from the rich.
         d. Through the Earned Income Tax Credit (EITC), the poorest of the poor receive a check from Washington instead of sending one.
      2. Government Expenditures
         a. Transfer payments transfer money from the general treasury to those in specific need.
         b. Social Security and Medicare are the most costly social welfare programs.
IV. Helping the Poor? Social Policy and Poverty (pp. 577–579)
A. "Welfare" as We Knew It
   1. The Social Security Act of 1935 brought together scattered, uneven state programs under a single federal umbrella.
   2. President Johnson's Great Society expanded welfare programs.
   3. President Reagan limited social welfare spending.
B. Ending Welfare as We Knew It: The Welfare Reforms of 1996
   1. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) gave each state a fixed amount of money, required welfare recipients to work, and placed a time limit on welfare.
   2. Temporary Assistance to Needy Families (TANF) replaced AFDC as the means-tested aid to the poor.

V. Immigration and Social Policy (pp. 579–583)
A. Immigration is the movement of people to another country with the intention of remaining there.
B. Immigration Policy and Politics: Old and New
C. Immigration and Policy: Washington and the States
   1. The Simpson-Mazzoli Act provided amnesty to many immigrants and toughened border controls.
   2. Different state policies reflect the fact that states are hit harder than the federal government by the costs of illegal immigrants.

VI. Living on Borrowed Time: Social Security (pp. 584–587)
A. The New Deal, the Elderly, and the Growth of Social Security
   1. Social Security is the most expensive public policy in the United States.
   2. Both employee and employer contributions are paid into the Social Security Trust Fund.
   3. Currently, the Trust Fund receives more money than it pays out, but this will soon change.
B. How George W. Bush Tried and Failed to Reform Social Security
   1. Bush proposed diverting a small portion of Social Security contributions to private retirement funds.
   2. Democrats argued privatization would hasten the bankruptcy of Social Security.

VII. Social Welfare Policy Elsewhere (pp. 587–588)
A. Most industrial nations are more generous with social policy benefits than the United States.
B. European nations tend to support greater governmental responsibility for poverty.
C. Europeans pay high taxes for social welfare policies.

VII. Understanding Social Welfare Policy (pp. 588–589)
A. Social Welfare Policy and the Scope of Government
B. Democracy and Social Welfare

VIII. Summary (p. 589)
LEARNING OBJECTIVES

After studying Chapter 18, you should be able to:

1. Understand the debate over social welfare policy in the United States and why it is so controversial.

2. Discuss the nature of wealth and poverty and how public policy affects income in the United States.

3. Explain the evolution of social welfare programs in the United States.

4. Discuss the issues surrounding the immigration debate including how it relates to social policy and how the federal government and state governments have responded.

5. Understand the debate concerning the future of social welfare policy and Social Security.

6. Explain how social welfare policy in other countries differs from that in the United States.

7. Understand the place for social welfare policies in a democracy and how they contribute to the scope of government.

The following exercises will help you meet these objectives:

Objective 1: Understand the debate over social welfare policy in the United States.

1. Define "social welfare policies."

2. What is the difference between entitlement programs and means-tested programs?

   Entitlement Programs:

   Means-Tested Programs:
Objective 2: Discuss the nature of wealth and poverty and how public policy affects income in the United States.

1. What is the difference between income and wealth?

   Income:

   Wealth:

2. How does the U.S. Bureau of the Census define poverty?

3. What are the three types of taxes? How can each affect citizens' incomes?

   1.

   2.

   3.

4. What is meant by a transfer payment? Give an example.

5. Make a list of three entitlement programs and three means-tested programs.

<table>
<thead>
<tr>
<th>Entitlement Programs</th>
<th>Means-Tested Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Objective 3: Explain the evolution of social welfare programs in the United States.

1. Complete the following table by briefly summarizing the major emphasis of social welfare and listing a major social welfare act during the New Deal (Roosevelt), Great Society (Johnson), Reagan, and Clinton eras.

<table>
<thead>
<tr>
<th>Era</th>
<th>Social Welfare Emphasis</th>
<th>Social Welfare Act/Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Deal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Society</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reagan Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinton Years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. List the three major provisions of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

1. 

2. 

3. 

Objective 4: Discuss the issues surrounding the immigration debate including how it relates to social policy and how the federal government and state governments have responded.

1. List three myths about immigrants and immigration.

1. 

2. 

3.
2. List the three main provisions of the Simpson-Mazzoli Act.
   1.
   2.
   3.

3. Briefly explain how each of the following states have dealt with their immigration policy.
   California:
   Oklahoma:
   Texas:
   Arizona:

Objective 5: Understand the debate concerning the future of social welfare policy and Social Security.

1. Briefly explain the major problem facing the Social Security program today.

2. Explain how the Social Security Trust Fund works.

3. What are the major arguments for and against the privatization of Social Security?
Objective 6: Explain how social welfare policy in other countries differs from that in the United States.

1. List three ways in which social welfare in the United States differs from programs most western European countries.

1.

2.

3.

Objective 7: Understand the place for social welfare policies in a democracy and how they contribute to the scope of government.

1. In what ways has social welfare policy increased the scope of government?

2. What are the differences between the poor and the elderly in terms of their ability to influence social welfare policy?

Poor:

Elderly:

KEY TERMS

Identify and describe:

social welfare policies

entitlement programs
means-tested programs

income distribution

income

wealth

poverty line

feminization of poverty

progressive tax

proportional tax

regressive tax

Earned Income Tax Credit

transfer payments

Social Security Act of 1935
Personal Responsibility and Work Opportunity Reconciliation Act

Temporary Assistance for Needy Families

immigration

Simpson-Mazzoli Act

Social Security Trust Fund

Compare and contrast:

social welfare policies and transfer payments

entitlement programs and means-tested programs

income and wealth

progressive tax, proportional tax, and regressive tax

Personal Responsibility and Work Opportunity Reconciliation Act and Temporary Assistance for Needy Families

immigration and Simpson-Mazzoli Act
Name that term:

1. This is the share of national income earned by various groups in the United States.

____________________

2. This is a measure that takes into account what a family would need to spend to maintain an "austere" standard of living.

____________________

3. This is the increasing concentration of poverty among women.

____________________

4. When the rich pay five percent of their income in taxes while the poor pay 50 percent of theirs, it is an example of this.

____________________

5. This is a negative income tax.

____________________

6. These benefits are paid either in cash or in kind.

____________________

7. This act created an entitlement program for the aged and a national program to assist the poor.

____________________

8. This is the new name for public assistance to needy families.

____________________

9. Both employee and employer contributions are paid into this.

____________________
USING YOUR UNDERSTANDING

1. Look for various ways in which income is distributed in the United States. For example, you may want to find out how income differs among various regions, states, cities, age groups, races, and genders. Illustrate differences between groups using bar or pie charts. You may also want to examine how income has changed over time in the categories you use. Try to explain why incomes are higher for one group and not another. Identify public policies, such as taxes, that affect the incomes of the different groups.

2. Develop a comparison between a social welfare policy in the United States and that of another western democracy. For example, Medicare and Medicaid could be compared with the National Health Service in the United Kingdom. Briefly describe the history of each policy. Examine the issues or controversies associated with the policy today. Find out how much the policy costs and what benefits are bestowed, both in their entirety and on a per capita basis. Find out how the policy is paid for through taxes. Who are the primary recipients of the benefits? Consider whether one system has any advantages over the other.

MULTIPLE CHOICE QUESTIONS

Circle the correct answer:

1. Approximately ____ percent of all mothers have never been married.
   a. 5
   b. 10
   c. 15
   d. 30
   e. 40

2. About ____ of all money for social programs goes to universally available benefit programs, including Social Security and Medicare?
   a. one-tenth
   b. one-quarter
   c. one-third
   d. one-half
   e. five-sixths

3. ____ refer(s) to the “shares” of the national income earned by various groups.
   a. Entitlements
   b. Income distribution
   c. Wealth
   d. Taxable income
   e. Profits
4. The top one percent of wealth-holders currently possess about ________ of all American wealth.
   a. 1 percent
   b. One-tenth
   c. one-quarter
   d. one-third
   e. one-half

5. Compared to the general population, poverty is more common among all of the following EXCEPT
   a. African Americans and Hispanics.
   b. the elderly.
   c. children.
   d. inner city residents.
   e. Asian Americans.

6. To count the poor, the United States Bureau of the Census has established the ________, which takes into account what a family would need to spend to maintain an "austere" standard of living.
   a. culture of poverty
   b. urban underclass
   c. poverty line
   d. relative deprivation index
   e. poverty index

7. Which of the following statements about poverty is FALSE?
   a. Poverty is equally distributed among all ethnic groups.
   b. There is a higher concentration of poverty among unmarried women.
   c. Around half of all Americans have experienced living in poverty in the past year.
   d. The official poverty count underestimates the seriousness of poverty.
   e. The poverty line counts the number of poor people.

8. A tax in which government takes 20 percent of the income of both rich and poor families in taxes is a(n)______ tax.
   a. progressive
   b. flat
   c. proportional
   d. regressive
   e. binary

9. Federal taxes are
   a. progressive
   b. regressive
   c. proportional
   d. uniform
   e. binary
10. Benefits given by the government directly to individuals are known as
   a. tax cuts
   b. transfer payments
   c. tax rebates
   d. federal refunds
   e. federal exchanges

11. Medicaid provides
   a. hospital care for the retired and disabled people covered by Social Security.
   b. medical insurance to those over 65 and disabled.
   c. medical and hospital aid to the poor on the basis of need through federally
      assisted state health programs.
   d. cash payments to aged, blind, or disabled people whose income is below a certain
      amount.
   e. hospital care for people covered by Social Security.

12. The Social Security Act of 1935
   a. brought government into the equation of the obligations of one generation to
      another.
   b. substantially freed adults from the obligation of caring for both their children and
      parents.
   c. provided free medical care for all citizens over the age of 65 until it was repealed
      by the Republican congress of 1953.
   d. freed American citizens from the obligation of supporting the poor.
   e. substantially freed children and adults from paying their parents' medical
      expenses.

13. Food stamps and low-interest college loans are examples of
   a. In-kind benefits
   b. Transfer payments
   c. Federal refunds
   d. All of the above.
   e. Both a and b.

14. Prior to the twentieth century, family welfare was considered
   a. a private concern.
   b. a government burden.
   c. too expensive.
   d. impossible for small governments to manage.
   e. the responsibility of the church.
15. Charles Murray's study of the programs of the Great Society argued all of the following EXCEPT
   a. a key problem all along was inadequate funding to see the antipoverty programs through.
   b. public policies discouraged the poor from solving their own problems.
   c. the programs actually made it profitable to be poor and victimized.
   d. many of the programs not only failed to halt the spread of poverty, they actually made matters worse.
   e. many of the programs actually increased poverty in the U.S.

16. Supplementary Security Income (SSI) is a means-tested program for
   a. the unemployed.
   b. elderly Americans who have not yet reached retirement age.
   c. elderly, blind, or disabled people whose income is below a certain amount.
   d. women, infants, and children.
   e. workers who have been laid off and cannot work.

17. Today's Social Security payment is approximately ___ percent of the average worker’s wages.
   a. 10
   b. 15
   c. 36
   d. 46
   e. 56

18. Which of the following statements regarding immigration is FALSE?
   a. For the first 100 years of U.S. history, there was no immigration policy.
   b. The Fourteenth Amendment clearly recognized that immigrants could become citizens.
   c. The U.S. did not require passports until 1918.
   d. Restrictive immigration laws were first implemented in 1924.
   e. Few immigrants took advantage of the provisions of the Simpson-Mazzoli Act.

19. The average monthly Social Security check is
   a. $500
   b. $900
   c. $1500
   d. $2500
   e. $3500

20. Compared to the U.S., European countries provide their citizens with more generous ____ benefits.
   a. health care
   b. child care
   c. parental leave
   d. benefits to the elderly