



Welfare in the United States (Updated)

30 November 2025

514-2025-29

I first wrote about Welfare in the United States on 31 December 2014. There were many problems and issues back then but I'm sorry to say, "Things have gotten much worse in the past 11 years."

I'm going to start this article with a little story about wild pigs.

Wild Pigs - A Reminder For All

A thought to remember, Marx said, "Remove one freedom per generation and soon you will have no freedom, and no one will have noticed."

There was a chemistry professor in a large college that had some exchange students in the class. One day while the class was in the lab, the professor noticed one young man, an exchange student, who kept rubbing his back and stretching as if his back hurt. The professor asked the young man what was the matter?

The student told him he had a bullet lodged in his back. He had been shot while fighting communists in his native country who were trying to overthrow his country's government and install a new communist regime. In the midst of his

story, he looked at the professor and asked a strange question. He asked: "Do you know how to catch wild pigs?"

The professor thought it was a joke and asked for the punch line. The young man said that it was no joke. "You catch wild pigs by finding a suitable place in the woods and putting corn on the ground. The pigs find it and begin to come every day to eat the free food."



"When they are used to coming every day, you put a fence down one side of the place where they are used to coming. When they get used to the fence, they begin to eat the corn again and you put up another side of the fence."

"They get used to that and start to eat again. You continue until you have all four sides of the fence up with a gate in the last side."

"The pigs, which are used to the free corn, start to come through the gate to eat that free corn again. You then slam the gate on them and catch the whole herd. Suddenly the wild pigs have lost their freedom. They run around and around inside the fence, but they are caught. Soon they go back to eating the free corn. They are so used to it that they have forgotten how to forage in the woods for themselves, so they accept their captivity."

The young man then told the professor that is exactly what he sees happening in America. The government keeps pushing us toward Communism/Socialism and keeps spreading the free money out in the form of programs such as supplemental income, tax credit for unearned income, tax exemptions, tobacco subsidies, dairy subsidies, payments not to plant crops (CRP), welfare entitlements, medicine, drugs, etc., while we continually lose our freedoms, just a little at a time.

One should always remember two truths: "There is no such thing as a free lunch, and you can never hire someone to provide a service for you cheaper than you can do it yourself."

If you see that all of this wonderful government "help" is a problem confronting the future of democracy in America, you probably have a job and pay taxes.

If you think the free ride is essential to your way of life, then you probably don't care what happens as long as you get your free corn.

BUT, God help us all when the gate slams shut!

*Quote for today: "Many of the problems we face today are there because the people who work for a living will soon be outnumbered by welfare recipients."
JDP*

In 2024, there were 163 million employed people and 110 million people who didn't work and were on unemployment and/or some other kind of welfare government assistance program(s).

Welfare is a subject that raises my blood pressure every time I think about it. I'm going to present a bunch of facts, maps, charts, and statistics about welfare programs and who is getting all this free money the government is handing out. Then we will analyze what is happening here in America and try to come up with some recommendations and solutions.

Did you know that welfare spending is the largest federal budget item?

Our government tells the public that Social Security and Medicare are the largest federal budget items. In the 2023 U.S. federal budget, Social Security cost approximately \$1.5 trillion, and Medicare cost around \$1.1 trillion. **This is not true!** What they don't tell us is that the Social Security payroll taxes funded 88.9% of the benefits. The real cost of Social Security was only \$88.1 billion. Medicare payroll taxes and premiums funded 49.7% of Medicare expenditures, producing a net cost of \$509 billion.

Please read the September 11, 2024, Wall Street Journal article starting on next page. It explains what is really happening to all the money us working people pay in taxes.

IN THE NEWS

Welfare Is What's Eating the Budget

Means-tested programs, not Medicare and Social Security, are behind today's massive debt.

Washington, September 12, 2024

WSJ | OPINION

WELFARE IS WHAT'S EATING THE BUDGET

Means-tested programs, not Medicare and Social Security, are behind today's massive debt

OPINION COMMENTARY

By Phil Gramm and Jodey Arrington

Sept. 11, 2024

AS SEEN IN THE [WALL STREET JOURNAL](#)



Means-tested social welfare spending is government spending on programs where eligibility and benefit amounts are based on a person's or household's income and assets.

Ask any budget expert in Washington to explain the ballooning deficit and debt, and Social Security and Medicare will be high on the list of causes. That's wrong. The real driver, the elephant in the room, is means-tested social-welfare spending—Medicaid, food stamps, refundable tax credits, Supplemental Security Income, Temporary Assistance for Needy Families, federal housing subsidies and almost 100 other programs whose eligibility is limited to those below an income threshold.

True, Social Security and Medicare are a drain on general revenue and will become big fiscal problems if not reformed. But they aren't the major source of our current fiscal crisis, because both are financed in large part by dedicated payroll taxes. Since its inception, Social Security has produced cash surpluses 60% of the time. In 2023 Social Security payroll taxes funded 88.9% of benefits. The cost of Social Security's Old-Age, Survivors and Disability Insurance program, net of payroll tax collections, was only \$88.1 billion. Medicare payroll taxes and premiums funded 49.7% of Medicare expenditures, producing a net cost of \$509 billion.

Means-tested social-welfare spending totaled \$1.6 trillion in 2023. Welfare spending now absorbs an astonishing 72.6% of unobligated general revenue (total revenue net of Social Security and Medicare payroll taxes and premiums and mandatory interest on the public debt) and is larger than the claims against unobligated general revenue by Social Security (4.1%), Medicare (23.5%) and defense (37.2%) combined.

Since funding for the War on Poverty ramped up in 1967, welfare payments received by the average work-age household in the bottom quintile of income recipients has risen from \$7,352 in inflation-adjusted 2022 dollars to \$64,700 in 2022, the last year with available household income data. This 780% increase was 9.2 times the rise in income earned by the average American household.

Since 1967 defense spending has fallen from 68% of unobligated general revenue to 37.2% in 2023, almost a mirror image of the growth in means-tested welfare benefits. As defense spending plummeted, swords weren't beaten into plowshares, which would have increased economic growth and wages, but were instead used to fund welfare payments. As a result, the U.S. today redistributes a larger share of its gross domestic product, 29.4% through transfers and taxes than any developed country in the world except France with 30.1%.

After counting all transfer payments as income to the recipients and taxes as income lost by taxpayers, and adjusting for household size, the average households in the bottom, second and middle quintiles all have roughly the same incomes—despite dramatic differences in work effort. With the explosion of means-tested transfer payments, the portion of prime work-age persons in the bottom quintile who actually work has fallen to 36% from 68%. In the second quintile, households with a work-age adult who actually works have declined to 85% from 90%. While work effort fell in the bottom two quintiles, the percentage of middle-income households with a prime work-age person who works has risen to 92% from 86%.

The injustice of this government-created income equality is palpable. For about the same income, 2.4 times as many work-age persons in the second quintile actually work and on average work 85% more hours than those in the bottom quintile. And 2.5 times as many work-age

middle-income people actually work and work on average 108% more hours.

Americans overwhelmingly support an effective mandatory work requirement for able-bodied adults receiving welfare benefits. That's evident in public opinion polls and ballot measures; in purple Wisconsin almost 80% of voters supported this in 2023. The bipartisan effort to reform Aid to Families with Dependent Children during the Clinton administration was a success. Despite the subsequent granting of numerous waivers of work requirements, according to the Congressional Research Service, the 1996 Clinton welfare reforms reduced the rate of dependency of families on what is now called Temporary Assistance for Needy Families by 80%. Six years after the adoption of the reforms, the number of program beneficiaries had fallen dramatically, the labor-force participation rate of never-married mothers had increased, and child poverty had declined. State-imposed work requirements for food-stamp eligibility in Arkansas, Mississippi, Missouri and Florida have thus far also been successful.

Demand for reform would be even stronger if the public understood how generous social-welfare benefits are. In reporting household income, the Census Bureau doesn't count 88% of transfer payments made to households that are defined as being poor. The census doesn't count refundable tax credits (for which the beneficiary receives a check from the Treasury), food-stamp debit cards, free medical care through Medicaid, or benefits from about 100 other federal transfer payments as income to welfare recipients. When those benefits are counted as income, 80% of those who are today counted as being poor are no longer poor, and almost half have incomes equivalent to American middle-income earners.

A mandatory welfare work requirement for able-bodied adults receiving welfare benefits, a requirement that the Census Bureau count all transfer payments as income, and a mandate that all federal agencies use the same income measure when determining eligibility for welfare would be major steps toward righting the nation's finances.

Requiring all able-bodied Americans to work as a condition for receiving welfare would do more than reduce the deficit. It would bring people back into the economy, the source of prosperity and economic independence. A job is the best nutrition, housing, healthcare, education, child-care and general welfare program. That welfare reform isn't a major issue in the November elections is a missed opportunity to improve the well-being of low-income families and the overall economic health of the nation.

Mr. Gramm, a former chairman of the Senate Banking Committee, is a nonresident senior fellow at the American Enterprise Institute. Mr. Arrington, a Texas Republican, is chairman of the House Budget Committee.

Federal Welfare Programs

Welfare programs are government subsidies to the poor. These means-tested welfare system consists of 80+ low-income programs providing cash, food, housing, medical care, and social services to poor and lower income Americans.

For instance, [SNAP](#) enables recipients to purchase more food, [Medicaid](#) provides people with health care coverage, and [Pell grant](#) makes postsecondary education more affordable for students.

Federal Welfare Spending (2023)

In 2023, federal spending on 13 largest of these low-income programs — which account for the bulk of welfare spending totaled **\$1,241** billion with Medicaid accounted for almost half, followed in size by the refundable portion of the EITC, SNAP and housing assistance.

In total, these 4 programs — which account for the bulk of welfare spending — comprised more than 80% of total spending or about **\$1,033** billion.

13 WELFARE PROGRAMS	
Safety Net for Low-income Americans 2023 in \$ Billion	
Medicaid	582.3
Grants to States for Medicaid	
EITC and Child Tax Credit	235.6
SNAP	134.6
Housing Assistance	80.6
SSI	65.2
Supplemental Security Income Program	
Pell Grant	40
Student Financial Assistance	
TANF	16.5
Child Nutrition	29.2
Head Start	14.4
Children and Families Services Programs	
Training & Employment	11.6
WIC	6.8
Child Care	19.1
LIHEAP	5.2
Total Welfare Spending	\$1,241

Here is a list of 83 federal welfare programs

1. [Family Planning](#)
2. Consolidated Health Centers
3. Transitional Cash and Medical Services for Refugees
4. [State Children's Health Insurance Program](#) (CHIP)
5. Voluntary Medicare Prescription Drug Benefit — Low Income Subsidy
6. [Medicaid](#)
7. [Ryan White HIV/AIDS Program](#)
8. Breast/Cervical Cancer Early Detection
9. Maternal and Child Health Block Grant

10. Indian Health Service
11. [Temporary Assistance for Needy Families](#) (TANF)
12. [Supplemental Security Income](#) (SSI)
13. [Additional Child Tax Credit](#)
14. [Earned Income Tax Credit](#) (refundable component)
15. [Supplemental Nutrition Assistance Program](#) (SNAP)
16. School Breakfast Program (free/reduced price components)
17. [National School Lunch Program](#) (free/reduced price components)
18. [Special Supplemental Nutrition Program for Women, Infants and Children](#) (WIC)
19. [Early Reading First](#)
20. Rural Education Achievement Program
21. [Mathematics and Science Partnerships](#)
22. [Improving Teacher Quality State Grants](#)
23. Academic Competitiveness and Smart Grant Program
24. [Single-Family Rural Housing Loans](#)
25. Rural Rental Assistance Program
26. Water and Waste Disposal for Rural Communities
27. Public Works and Economic Development
28. [Supportive Housing for the Elderly](#)
29. [Supportive Housing for Persons with Disabilities](#)
30. [Section 8 Project-Based Rental Assistance](#)
31. Community Development Block Grants
32. [Homeless Assistance Grants](#)
33. Home Investment Partnerships Program (HOME)
34. [Housing Opportunities for Persons with AIDS](#) (HOPWA)
35. Public Housing
36. [Indian Housing Block Grants](#)
37. [Section 8 Housing Choice Vouchers](#)
38. Neighborhood Stabilization Program
39. [Weatherization Assistance Program](#)
40. [Low-Income Home Energy Assistance Program](#) (LIHEAP)
41. [Food Program Nutrition Assistance for Puerto Rico](#)
42. [The Emergency Food Assistance Program](#) (TEFAP)
43. [Nutrition Program for the Elderly](#)
44. Child and Adult Care Food Program
45. Summer Food Service Program
46. Indian Education
47. [Adult Basic Education Grants to States](#)
48. [Federal Supplemental Educational Opportunity Grant](#)
49. Education for the Disadvantaged
50. Grants to Local Educational Agencies (Title I-A)
51. [Title I Migrant Education Program](#)
52. Higher Education — Institutional Aid and Developing Institutions
53. [Federal Work-Study](#)
54. Federal TRIO Programs

55. [Federal Pell Grant](#)
56. Education for Homeless Children and Youth
57. [21st Century Community Learning Centers](#)
58. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)
59. Child Support Enforcement
60. Temporary Assistance for Needy Families (TANF) (social services)
61. Community Services Block Grant
62. [Child Care and Development Fund](#)
63. [Head Start HHS](#)
64. Developmental Disabilities Support and Advocacy Grants
65. Foster Care
66. Adoption Assistance
67. [Social Services Block Grant](#)
68. [Chafee Foster Care Independence Program](#)
69. Emergency Food and Shelter Program
70. Legal Services Corporation
71. Supplemental Nutrition Assistance Program (SNAP) (employment and training component)
72. [Senior Community Service Employment Program](#)
73. Workforce Investment Act (WIA) Adult Activities
74. Workforce Investment Act (WIA) Youth Activities
75. [Social Services and Targeted Assistance for Refugees](#)
76. Temporary Assistance for Needy Families (TANF) (employment and training)
77. [Foster Grandparents](#)
78. [Job Corps](#)
79. Grants to States for Low-Income Housing in Lieu of Low-Income Housing Credit Allocations
80. [Tax Credit Assistance Program](#)
81. Older Americans Act Grants for Supportive Services and Senior Centers
82. Older Americans Act Family Caregiver Program
83. Indian Human Services

Top Welfare Programs explained in more detail

Medicaid is a joint federal and state program that provides free or low-cost health coverage for low-income individuals, families, children, pregnant women, the elderly, and people with disabilities. Eligibility is determined by income, with specific rules varying by state, and states decide which services to cover beyond mandatory ones.

The **Earned Income Tax Credit (EITC)** is a federal income tax credit designed to help low- to moderate-income working individuals and families. It reduces the amount of tax owed and can result in a refund even if the taxpayer owes no tax (making it a refundable credit).

"Food stamps" is the common name for the Supplemental Nutrition Assistance Program (SNAP). This federal program provides monthly benefits to low-income households to help them afford nutritious food.

Housing Assistance Welfare includes federal programs like the Housing Choice Voucher (Section 8) and subsidized housing, which help low-income families, seniors, and people with disabilities pay rent. States and local agencies, such as the Hawaii Public Housing Authority, also have their own programs, including rent relief and emergency assistance, to help those at risk of homelessness or facing housing instability. These programs have specific income, family size, and other eligibility requirements.

SSI (Supplemental Security Income) is a federal welfare program that provides monthly payments to adults and children with limited income and resources who are disabled, blind, or age 65 or older. It is a needs-based program, meaning eligibility is based on your income and assets, not on your work history. SSI helps pay for basic needs, and recipients may also be eligible for other programs like Medicaid and SNAP.

Unemployment benefits are a type of social welfare but are distinct from other forms of welfare because they are based on past employment and not financial need. Unemployment insurance is an entitlement program funded by employer taxes for those who have lost their job through no fault of their own, while traditional welfare programs are "means-tested" and based on a family's income level.

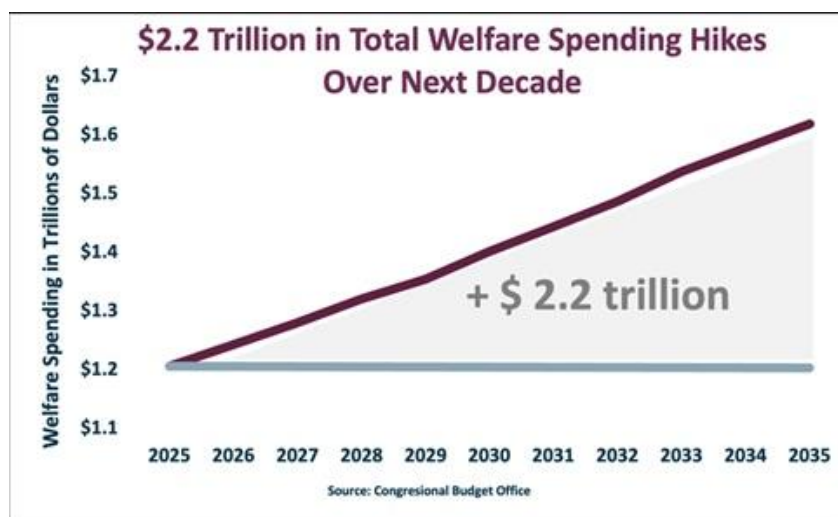
Welfare Spending Soars Almost 70% Above Pre-Pandemic Levels

American taxpayers ought to be asking why the federal government needs over \$2.2 trillion more of their hard-earned dollars to grow our nation's welfare system.

The Congressional Budget Office's (CBO's) recent report, The Budget and Economic Outlook, projects that over the next ten fiscal years (FY 2025 – FY 2035) the government will increase welfare spending by a drastic 34% if current law remains unchanged.

In FY 2025, the government will spend about \$1.2 trillion on welfare programs. By 2035, spending will hit a massive \$1.6 trillion.

The government is projected to expend a total of about \$2.2 trillion more than if it maintained the FY 2025 spending level over the next decade.



If our nation's welfare system exists solely to subsidize the basic needs of low-income individuals, then this 34% expansion of welfare spending should in theory coincide with an expected increase in poverty over the next decade.

Unsurprisingly, it does not.

There is nothing in the CBO's economic projections that signals a drastic increase in poverty in the next decade.

In accordance with the CBO precedent, it does not project unexpected events, like recessions or wars. Instead, the economic projections are based on factors such as demographic changes and the potential GDP given the assumptions that underlie the CBO's official policy baseline.

According to the CBO, real GDP levels will stay relatively consistent with an annual average growth rate of 1.8%. The unemployment rate is also projected to stay relatively low with the greatest year-to-year increase being just 0.2 percentage points.

Even if the argument was made that the expansion in welfare coincides with a rise in the average age of the population and number of people leaving the labor force, the labor force participation rate is projected to decline by only 1.3 percentage points.

All in all, nothing warrants a 34% projected expansion in welfare spending.

So, with the assumption that the poverty rate remains steady, the government could be spending over \$40,000 on welfare per impoverished person by FY 2035. This

figure was calculated using the U.S. Census Bureau's most recent poverty rate from 2023 and the CBO's demographic projections.

If politicians feel comfortable spending trillions in the absence of a national crisis, imagine what spending levels would be if we do face one – such as another pandemic, recession, or financial crisis.

So why pour billions of more dollars into a system that has failed to achieve sustainable positive outcomes for the people it is supposed to help? The federal government is simply maintaining its trillion-dollar “tangled web” of welfare bureaucracy.

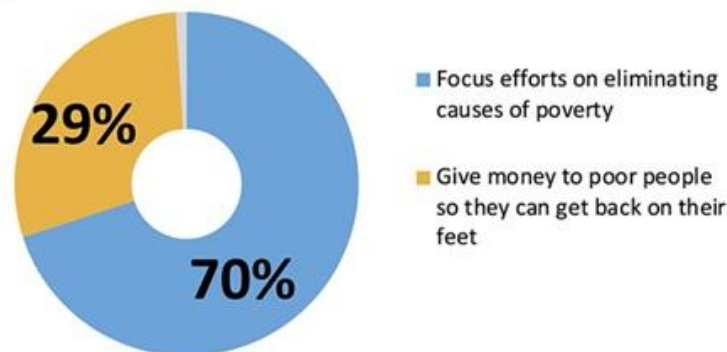
Undoubtedly, there are situations where welfare programs are crucial for the protection of Americans who genuinely cannot provide for themselves, such as the disabled. But with more than 100 welfare programs and an astounding lack of program accountability, our government sustains a gigantic system of waste.

The flood of government assistance during the COVID-19 pandemic ripened America for an all-out expansion of welfare. We are now witnessing the consequences of a culture too dependent on government handouts.

The federal government tethers millions of Americans – each with unique talents and abilities – to the chains of welfare dependency. Our welfare culture tells able-bodied Americans they will never have what it takes to build their own lives and disguises it as empathy.

Most say it's better for government to focus efforts on eliminating poverty's causes rather than welfare spending

Do you think it's better to spend what money we have trying to eliminate the causes of poverty or to give what money we have to poor people so they can get on their feet?



CATO 2019 WELFARE, WORK, & WEALTH NATIONAL SURVEY
Note: Don't know/refused 1%

In many states, welfare pays more than work

Most of us agree there is dignity in work. We see self-reliance and the ability to stand on one's own feet as being worthwhile. And we recognize there is and ought to be a profound difference between charity and subsidy.

Unfortunately, poll-obsessed policymakers and their advisers, their vision distorted by stories about the misfortune experienced by those living life in the lowest economic quintile, may have lost sight of these things.

As well-intentioned as they might be, the elite class advocates who want to spend more and more tax dollars on behalf of the needy are seeking outcomes that do more harm than good to everyone.

This may seem an outrageous proposition, but our government is “Paying People Not to Work,” - it's hard to conclude otherwise. Did you know that regulations as currently written make families earning half a million dollars a year eligible for ObamaCare subsidies. They also found that in nearly half the states, unemployment benefits and ObamaCare subsidies together for a family of four where no one worked can bring in the annualized equivalent of the national median household income.

In three states, Massachusetts, Washington, and New Jersey, unemployment and health insurance benefits can equal the earnings of a job paying \$100,000 annually. To most people, that probably seems grossly excessive. It should also turn what we think now about public assistance programs on its head. The social safety net should be a temporary source of support in times of personal or national economic crisis, not a source of semi-permanent sustaining income.

The problems associated with paying people not to work reached their extremes during the pandemic. Congress allocated trillions in new spending to support those forced out of work by lockdowns that closed the marketplace. Most of that aid has run its course, yet the study suggests it is still possible in roughly half the states for an unemployed couple receiving unemployment and health insurance subsidies to earn more than a firefighter, a construction worker, a retail clerk, or a machinist working a 40-hour week. That's not fair.

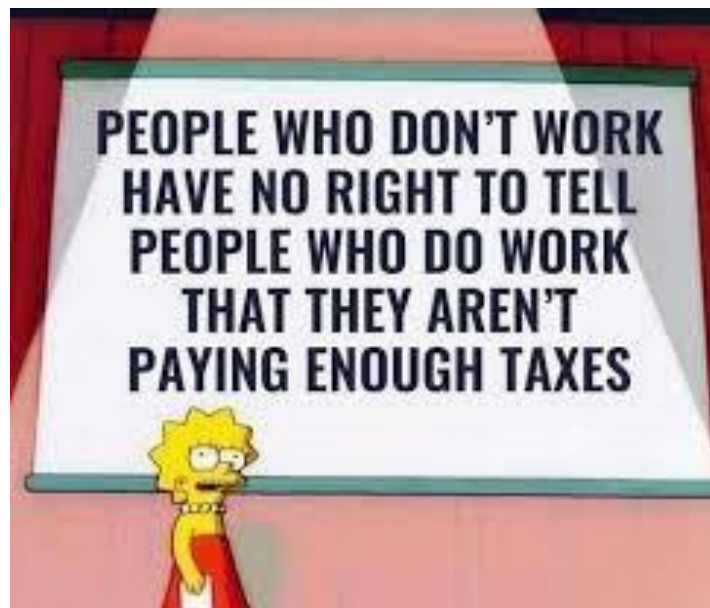
We all believe in a reliable safety net for when Americans lose a job or can't work, but it isn't fair to the hard-working Americans who put 40 hours a week on the job, that neighbors who aren't working a single hour can receive a higher income from not working and collecting benefits.

Payment of these significant benefits is a major reason the labor force participation rate remains close to its all-time low and there are at least three million fewer Americans working today than before COVID. The ability to obtain generous financial assistance without the type of work requirements that were part of the landmark 1996 welfare reform act makes it harder for employers to find people willing to take jobs.

There are nearly 10 million jobs today in America that go unfilled, the federal government says. The excessive generosity of unemployment benefits in many states has created perverse incentives for workers to remain at home, rather than immediately going back to work and helping take down some of the ubiquitous “help wanted” signs that are restraining economic recovery.

What then are we to do? Reforms are needed, for the economic and spiritual good of the country. Unemployment insurance and Obamacare health insurance subsidies need to be re-examined carefully. The links between work and reward must be re-established by ensuring that combined government benefits do not exceed wages. Other changes are also probably necessary, as a matter of fairness to those who are working.

It is not right to pay people who will not work as much or more than those who will.



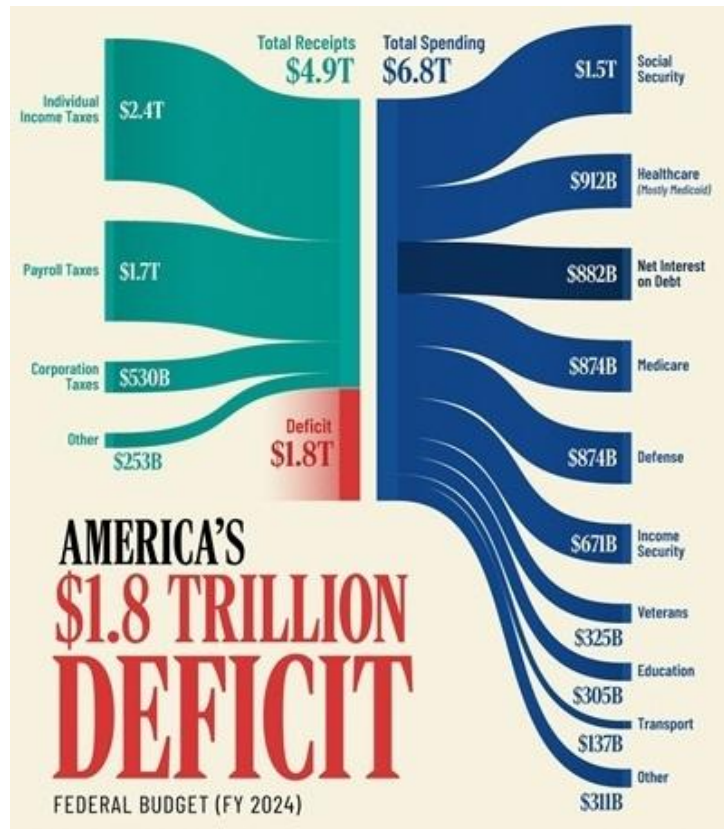


Around 110 million Americans received some form of government assistance in 2023 according to the Department of Health and Human Services (HHS).

The federal government has assistance programs in place to support Americans who can't afford food, housing, healthcare, and other needs. This is sometimes referred to as a social safety net, a system of programs designed to support people struggling economically. In 2023, around one in three Americans was enrolled in at least one of those programs, including nearly half of all American kids.

Americans on Welfare Programs	Percentage	Number of People
Medicaid	26.2%	90 million
EITC and Child Tax Credit	6.8%	23 million
SNAP (Food Stamps)	12.3%	42 million
Housing Assistance	3.0%	10 million
SSI (Supplemental Security Income)	2.9%	7.4 million

The FY2024 Federal Government Budget



In the FY2024 US Federal Budget charts above provided by our government, it's almost impossible to find the \$1.7 trillion dollars spent on social-welfare programs. If they showed this amount as a separate item, the American working public would be outraged. They should be!!! This money is hidden in discretionary spending and other labels. As we learned earlier, Social Security is not really \$1.5 trillion and Medicare is not really \$874 billion. Social Security payroll taxes funded about 90% of benefits and Medicare payroll taxes and premiums funded about 50% of Medicare expenditures.

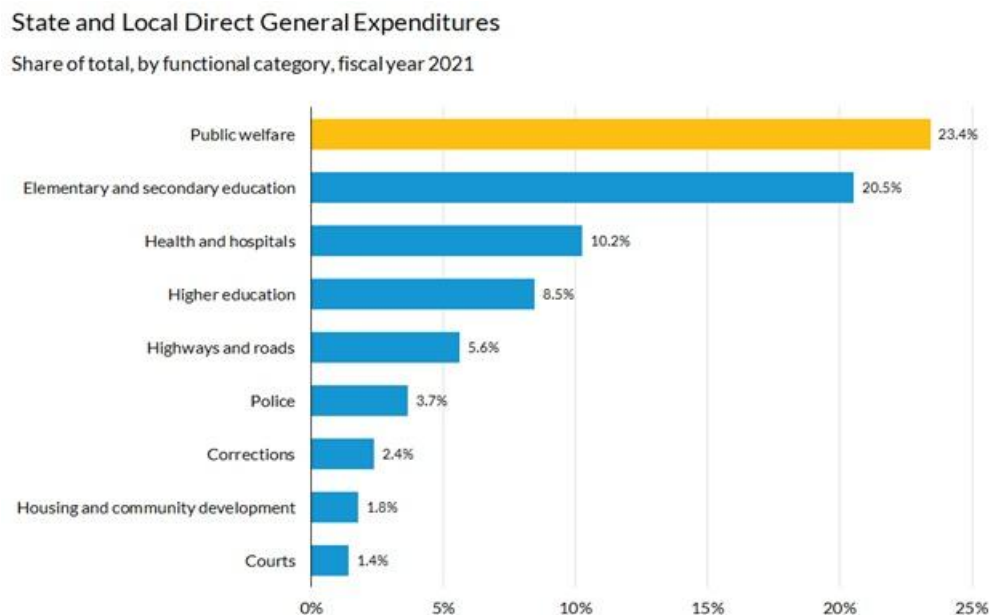
As we learned in my previous article on Foreign Aid, our government gave away about \$100 billion dollars to 172 other countries around the world. Foreign aid is discretionary spending, meaning it is allocated annually by Congress through appropriations bills. Where is this money in the above charts?

State and local welfare spending

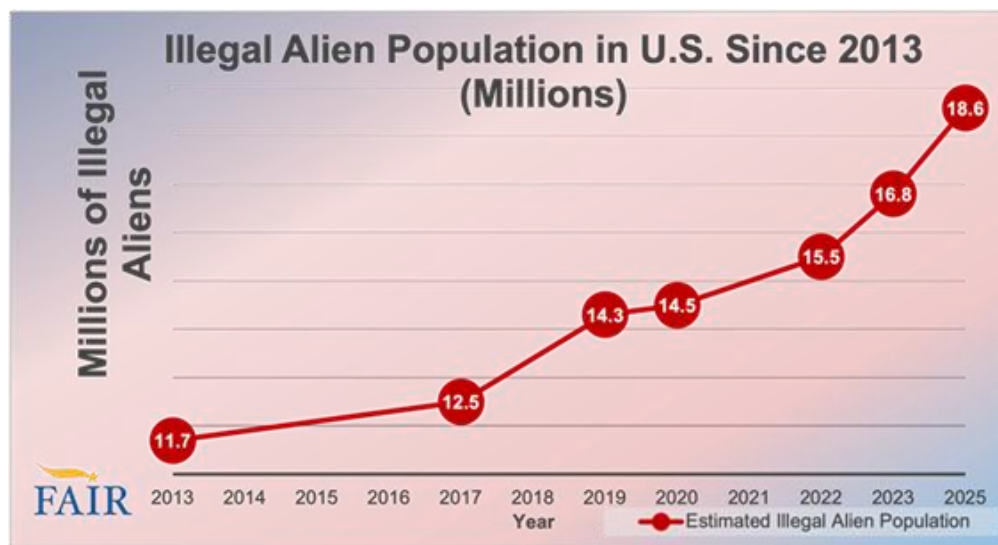
In 2023, state and local governments spent approximately \$215.1 billion on welfare and social services. Final 2024 data is not yet available.

Factors influencing spending: Spending varies by state due to factors like Medicaid expansion under the Affordable Care Act, which gives states the choice to expand coverage or not.

Per capita spending: Per capita welfare spending in 2021 (the most recent year with detailed data) ranged from \$1,062 in Connecticut to \$4,249 in New York, indicating large variations between states. **Factors influencing spending:** Spending varies by state due to factors like Medicaid expansion under the Affordable Care Act, which gives states the choice to expand coverage or not.



The Cost of Welfare for Illegal Aliens is Estimated to be Billions



The Cost of Welfare for Illegal Aliens is Estimated to be Billions

Nobody knows for sure, but it is estimated that the number of illegal immigrants in the United States is over 14 million. This estimate represents roughly one-third of the entire foreign-born population.

Many illegal aliens are on welfare and will be for life. And far from contributing to our society and economy, illegals depress wages, and the average illegal alien takes in about \$20,000 more in public benefits each year than they contribute to income taxes, sales taxes and social security contributions combined. **Illegal immigration is literally bankrupting this nation.**

Here is an example:



An illegal alien and mother of seven, Florida resident, Marita Nelson, receives \$240 in food stamps, monthly medications, \$700 in Social Security and a housing allowance. And she has been receiving government assistance for over 20 Years – ever since she illegally entered the U.S. by swimming the across the Rio Grande river.

Nelson is single (never married) and our “generous” government is paying child support for all seven children born out of wedlock. She has never had a job and never had to pay taxes. If all these things were not bad enough, Now, she’s on a crusade to help other illegals sign up for their free stuff.

Watch this video: <https://www.youtube.com/watch?v=clxaoq5A2jk>

How is your blood pressure doing?

Did you know that in 35 states you can get more pay from welfare than working a minimum wage job?

Well, that statement is true! In 35 states, welfare, housing assistance and other benefits pays more than a minimum wage job, according to a new study by the Cato Institute. The study also found that in 13 states, the payout is more than \$16 per hour.

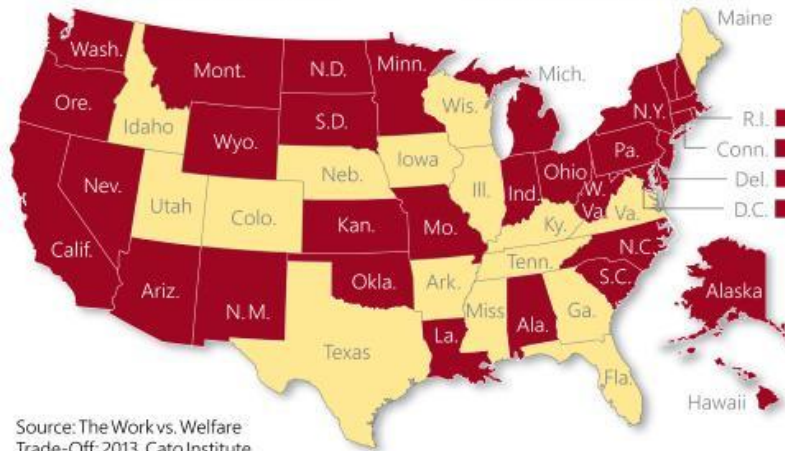
This study also showed that some people on public assistance receive significantly more money than a starting teacher’s salary or a computer programmer – Plus they don’t pay income taxes.

WONDERFUL!!

Welfare vs. minimum wage

■ Welfare pays more than minimum wage in 35 states

■ Welfare pays less than minimum wage in 17 states

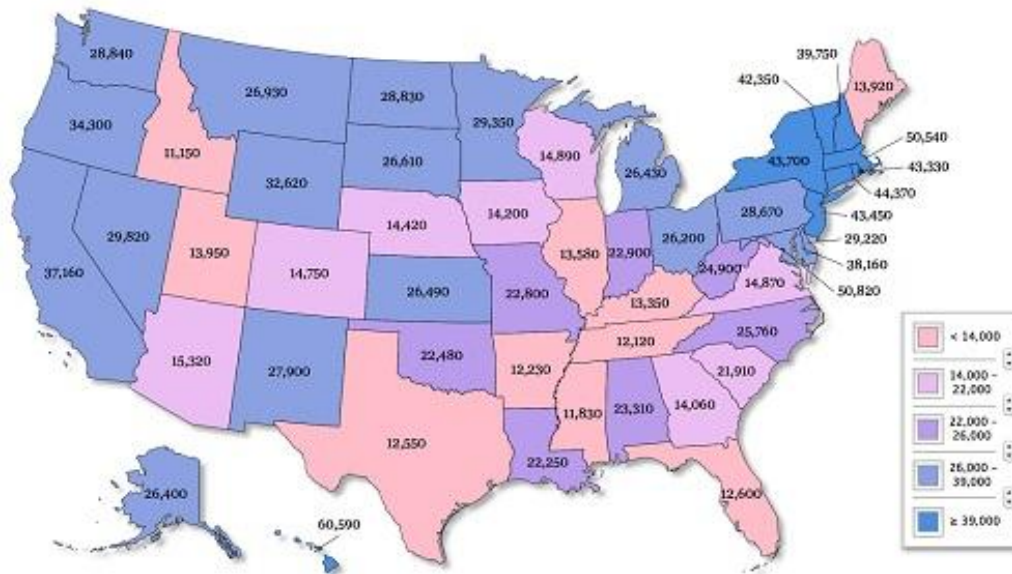


Source: The Work vs. Welfare Trade-Off: 2013, Cato Institute

Welfare pays more than \$15 an hour in 13 states:

1. Hawaii \$29.13
2. D.C. \$24.43
3. Mass. \$24.30
4. Conn. \$21.33
5. N.Y. \$21.01
6. N.J. \$20.89
7. R.I. \$20.83
8. Vt. \$20.36
9. N.H. \$19.11
10. Md. \$18.35
11. Calif. \$17.87
12. Ore. \$16.49
13. Wyo. \$15.68

Value of Major Welfare Programs in Pre-Tax Wage Equivalent Dollars, 2013



The Work vs Welfare Trade-off

Let me see now, the Hawaii minimum wage in 2025 is \$14.00 per hour. For tipped employees, the minimum cash wage is \$12.75 per hour. What would you rather do, slave away 40 hours a week for minimum wage or go on welfare and do no work and earn \$29.13 an hour? Let me do the math for you - \$29,120 a year working full-time at minimum wage versus \$60,590 doing whatever you want (except work) drawing a big fat welfare check. Most people getting welfare do not pay any taxes. No wonder there are so many people on welfare in the United States and especially in Hawaii.

How does your state rank?

Rank	Jurisdiction	Pre-tax Equivalent(\$)	Hourly Wage Equivalent(\$)*	Rank	Jurisdiction	Pre-tax Equivalent(\$)	Hourly Wage Equivalent(\$)*
1.	Hawaii	\$60,590	\$29.13	26.	Ohio	\$26,200	\$12.60
2.	District of Columbia	\$50,820	\$24.43	27.	North Carolina	\$25,760	\$12.38
3.	Massachusetts	\$50,540	\$24.30	28.	West Virginia	\$24,900	\$11.97
4.	Connecticut	\$44,370	\$21.33	29.	Alabama	\$23,310	\$11.21
5.	New York	\$43,700	\$21.01	30.	Indiana	\$22,900	\$11.01
6.	New Jersey	\$43,450	\$20.89	31.	Missouri	\$22,800	\$10.96
7.	Rhode Island	\$43,330	\$20.83	32.	Oklahoma	\$22,480	\$10.81
8.	Vermont	\$42,350	\$20.36	33.	Louisiana	\$22,250	\$10.70
9.	New Hampshire	\$39,750	\$19.11	34.	South Carolina	\$21,910	\$10.53
10.	Maryland	\$38,160	\$18.35	35.	Arizona	\$15,320	\$7.37
11.	California	\$37,160	\$17.87	36.	Wisconsin	\$14,890	\$7.16
12.	Oregon	\$34,300	\$16.49	37.	Virginia	\$14,870	\$7.15
13.	Wyoming	\$32,620	\$15.68	38.	Colorado	\$14,750	\$7.09
14.	Nevada	\$29,820	\$14.34	39.	Nebraska	\$14,420	\$6.93
15.	Minnesota	\$29,350	\$14.11	40.	Iowa	\$14,200	\$6.83
16.	Delaware	\$29,220	\$14.05	41.	Georgia	\$14,060	\$6.76
17.	Washington	\$28,840	\$13.87	42.	Utah	\$13,950	\$6.71
18.	North Dakota	\$28,830	\$13.86	43.	Maine	\$13,920	\$6.69
19.	Pennsylvania	\$28,670	\$13.78	44.	Illinois	\$13,580	\$6.53
20.	New Mexico	\$27,900	\$13.41	45.	Kentucky	\$13,350	\$6.42
21.	Montana	\$26,930	\$12.95	46.	Florida	\$12,600	\$6.06
22.	South Dakota	\$26,610	\$12.79	47.	Texas	\$12,550	\$6.03
23.	Kansas	\$26,490	\$12.74	48.	Arkansas	\$12,230	\$5.88
24.	Michigan	\$26,430	\$12.71	49.	Tennessee	\$12,120	\$5.83
25.	Alaska	\$26,400	\$12.69	50.	Mississippi	\$11,830	\$5.69
				51.	Idaho	\$11,150	\$5.36

Source: The Work vs. Welfare Trade-Off: 2013, Cato Institute

Did you know that there are 11 states where private sector workers are outnumbered by people who are dependent on the government?

A writer at Forbes Magazine has identified a phenomenon called the financial “death spiral”. Eleven states (California, Maine, New Mexico, Hawaii, Alabama, Mississippi, New York, Illinois, Ohio, Kentucky, and South Carolina) make the list of danger spots for investors where private sector workers are outnumbered by people who are dependent on the government. That number includes federal and state government workers and people who are receiving welfare or a pension. These states can look forward to a rising tax burden, deteriorating state finances and an exodus of employers. For example, in California the ratio of “takers versus makers” is 139 to 100. Here is an example: If you own a software company that employs 100 people, you’re supporting 139 other people in the state who are on the “takers” list. It is not quite that bad in Hawaii where 100 private sector workers (makers) support 102 people getting money from the government (takers).

2025 Federal Poverty Level for Hawaii

Here are the 2025 federal poverty guidelines for Hawaii based on household size:

Household of 1: \$17,990

Household of 2: \$24,320

Household of 3: \$30,650

Household of 4: \$36,980

Household of 5: \$43,310

Household of 6: \$49,640

Household of 7: \$55,970

Household of 8: \$62,300

Once again, inquiring minds are wondering who is getting all of this free money that hard-working taxpayers are providing.

Here is the breakdown:

- 39% Percent of the recipients (households) are Black or African American.
- 38% Percent of the recipients (households) are White.
- 16 % Percent of the recipients (households) are Hispanic or Latino.
- 2% Percent of the recipients (households) are Asian.
- 5% Percent of the recipients (households) are Native Americans or other races.

Is it true that only 60 percent of Americans pay income tax?

YES

In 2024, approximately 40% of U.S. households paid no federal individual income tax. For the upcoming 2025 tax year, estimates suggest a similar percentage of U.S. households will have a zero federal income tax liability.

Who are the non-payers? The vast majority of those who do not pay federal income tax are low-income individuals, the elderly, or working families with children. They often qualify for an exemption because their income falls below the standard deduction threshold or they benefit from tax credits like the Earned Income Tax Credit (EITC) and the Child Tax Credit, which can eliminate tax liability.

Do they pay other taxes? Most individuals in households that pay no federal income tax still pay other forms of taxes, including federal payroll taxes (Social Security and Medicare), as well as state and local sales, property, and, in some cases, state income taxes.

Fluctuation over time: The percentage of non-payers fluctuates due to economic conditions and changes in tax laws. It spiked to 57% in 2021 due to the effects of the pandemic and temporary relief measures like stimulus checks and expanded tax credits. The current percentage (around 40%) is a decline from that peak as those temporary programs have ended.

The progressive system: The U.S. federal income tax system is highly progressive, meaning that higher-income households pay a disproportionately larger share of the total federal income taxes collected. In 2024, the top 10% of income earners paid about 72% of all federal income taxes.

BOTTOMLINE: There are a lot of welfare programs that are being exploited by millions of people who prefer to draw multiple welfare checks (cheat) the federal and state governments over going to work at a real job.

Alright, alright – that’s enough. I think we all get the ugly picture of what is going on in America today and I don’t like it.

Should Welfare be the federals or the states’ responsibility?

Whether welfare is the state's responsibility is a complex and debated issue with differing perspectives on the balance of responsibility between state and federal governments. Some argue for a federal role to ensure consistent support across the nation, while others believe states can better tailor programs to local needs, though this can lead to variations in service quality and accessibility. Ultimately, public opinion is divided, and different models exist, with some proposals even suggesting a swap where the federal government handles healthcare and states manage welfare programs.

Arguments for state responsibility

Tailored solutions: States can create and adapt welfare programs to fit the specific needs and conditions of their populations.

Local control: States can experiment with different approaches to service delivery and benefits and have a greater ability to connect with local agencies to provide more comprehensive support.

Work incentives: States can more directly use economic incentives to encourage recipients to transition from welfare to self-sufficiency.

Arguments for federal responsibility

National standards: A federal role can ensure a baseline level of support for all citizens, regardless of where they live, and can guarantee fair treatment.

Equity: Federal oversight can prevent disparities in welfare programs between states and ensure that the most vulnerable populations receive consistent aid.

Resource pooling: A federal system can pool resources to address poverty on a national level, which may be more effective than individual states attempting to solve the problem alone.

Hybrid and alternative models

Shared responsibility: The current U.S. model often involves both federal and state governments sharing responsibilities, with the federal government providing significant funding and setting some guidelines, while states administer and design many programs.

Federal-state "swap": Some proposals suggest a "swap" where the federal government would be solely responsible for funding healthcare for the poor, and states would be in charge of welfare programs.

Key challenges

Variability: A state-led model can lead to significant differences in benefit levels, eligibility rules, and services offered between states.

Resource limitations: Even states that are committed to spending on services face challenges like waiting lists for benefits and difficulty connecting with other service systems.

MY RECOMMENDATIONS AND SOLUTIONS

#1 SCRAP THE AFFORDABLE CARE ACT (OBAMACARE)

This was a bad idea from the start. The Federal Government should not be in the medical insurance business. Socialized medicine will not work in America.

Keep Medicare and Medicaid but do something about all of the fraud going on.

- Medicare fraud is estimated to be between \$60 and \$90 billion dollars a year.
- Medicaid improper payments and fraud are estimated to be between \$35 and \$40 billion dollars a year.

#2 GET RID OF MOST OTHER FEDERAL WELFARE PROGRAMS

The primary responsibility for providing welfare assistance to qualifying American citizens should be the State Governments. No person should receive more money than a hard-working minimum wage worker. No able-bodied man or women

should get any money – help them find a job. Let’s look at some of the bigger welfare programs:

- Get rid of the **Earned Income Tax Credit (EITC)** – Not needed if we have a flat tax rate system.
- Get rid of the **Supplemental Nutrition Assistance Program (SNAP)** otherwise known as “Food Stamps”. Most of the people using Food Stamps are able-bodied people too lazy to work. A new state-run food program should be setup for only the disabled, elderly, blind, and sick people. It should not be based on how much money they make.
- Get rid of the **Child Tax Credit (CTC)**. Why we have this, I don’t know!
- Get rid of the **Federal Housing Assistance** Welfare Programs. Keep the state housing assistance programs.
- Keep the **SSI (Supplemental Security Income)** federal welfare program for only people who are disabled, blind, or age 70 or older with limited income and resources.
- **Unemployment benefits** should never exceed what that person can earn working and never go past 6 months.

#3 FIX SOCIAL SECURITY LOOPHOLES

Nobody that didn’t work and didn’t pay into Social Security should be getting benefits. How in the world does an illegal immigrant with seven children (who never worked a day in her life) get a \$700 Social Security check every month?

#4 GET RID OF MOST ALL FOREIGN AID

Why? Many of these 172 countries are better off than we are and a lot of them hate America. Stop spending all this money – it is crazy!

However, I think the U.S. should help other countries when some kind of disaster occurs. This would be on a case-by-case basis.

#5 INSTALL A FLAT TAX RATE SYSTEM

Total Income Amount	Flat Tax Rate Percentage
Less than \$50,000	No Tax
\$50,000 to \$99,999	10%
\$100,000 to \$499,999	15%
\$500,000 to \$999,999	25%
More than \$1 million	35%

Implement a flat tax on total income (See chart above) for all residents of the United States no matter their wage or legal status. This would provide a tax system that would be totally fair to all people. There should be no deductions whether you are a private citizen or a corporation.

Now, for those people who actually pay personal income taxes, they must comply with the terms of a tax code that now takes 73,954 pages to explain. I think we can reduce that down to less than one (1) page.

#6 THE GOVERNMENT CAN NOT SPEND MORE MONEY THAN THEY RECEIVE IN REVENUES

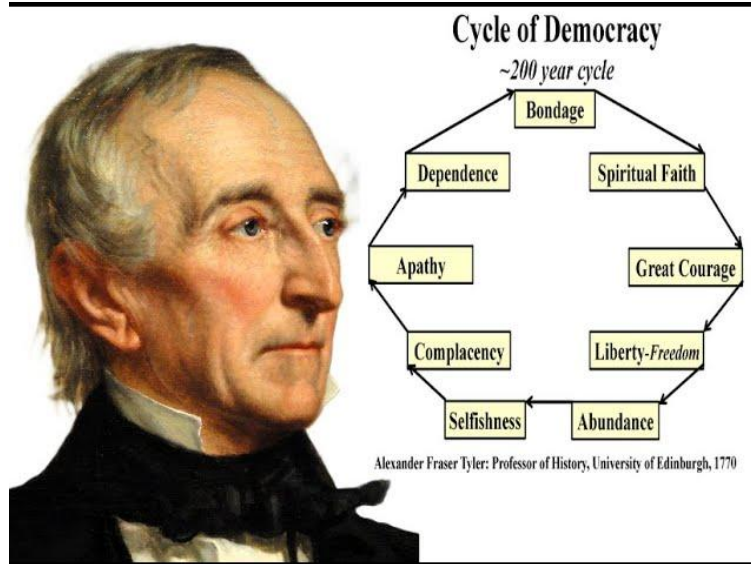
The average American family has to have a budget and live on the money they earn. If we spent money like the Federal and State Governments do, they would put us in jail.



Eight Stages of a Democracy

"A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote for themselves free money from the public treasury. From that moment on, the majority always votes for the candidates promising the most free benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship. The average age of the world's greatest civilizations has been 200 years."

Every major culture in history has essentially followed the same arc of human events, including the United States. Here are the 8 stages of progression:



Alexander Fraser Tytler's Eight Stages of a Democracy

There are 3 things that happen when a culture moves from prosperity to apathy (Lack of interest, enthusiasm, or concern). This is where America is now.

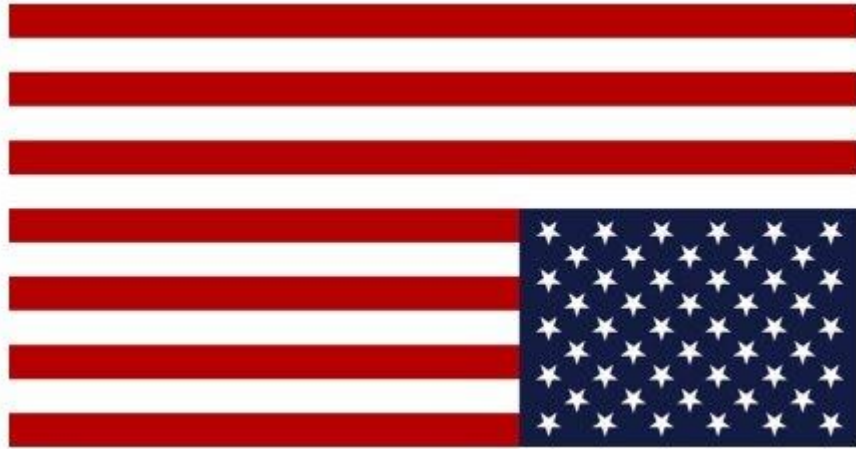
1. They move away from their religious moorings.
2. They move away from their founding legal system, original laws and founding documents.
3. They move away from fiscal responsibility by overspending and overtaxing.

“The problem with socialism is that you eventually run out of other people's money.”

• Margaret Thatcher



How to Create a Socialist State



How do you change a country's culture—change it from a capitalist system to a government controlled socialistic society. Here is the playbook, and so far, the socialists appear to be making a lot of progress.

1. Healthcare — Control healthcare and you control the people
2. Welfare — Take control of every aspect of their lives (Food, Housing, and Income).
3. Education — Take control of what people read and listen to — take control of what children learn in school.
4. Religion — Remove the belief in the God from the Government and schools
5. Class Warfare — Divide the people into the wealthy and the poor. This will cause more discontent, and it will be easier to take (Tax) the wealthy with the support of the poor.
6. Debt — Increase the debt to an unsustainable level.
7. Gun Control — Remove the ability for the people to defend themselves from the Government.
8. Poverty — Increase the poverty level as high as possible. Poor people are easier to control and will keep socialists in power if they are providing everything for them to live.

Does any of this stuff ring a bell?

The American people and our government better wakeup soon or else we are all in big trouble.