



Written by [Alex Newman](#) on January 10, 2014

Welfare Hits Record Levels After 50 Years of War on Poverty

Fifty years ago this week, President Lyndon Johnson announced the “War on Poverty” during his first State of the Union speech. Under the Obama administration, however — five decades, countless unconstitutional federal welfare programs, and more than \$20 trillion later — poverty levels remain largely unchanged even based on official numbers, and dependence on government has reached unprecedented new heights.



In reality, Americans’ economic fate is far worse than even bogus government statistics would suggest. Even more troubling is that analysts say the trends look set to accelerate as Washington, D.C., intensifies its failed efforts to supposedly achieve “victory” in the “war” while the Federal Reserve conjures ever greater quantities of currency into existence.

Since Obama took office, 13 million more Americans have become dependent on food stamps, with the numbers now hitting a record 47 million — about a third more than when he was sworn in. In 2007, there were 26 million recipients. Spending on the scheme has more than doubled just since 2008. The explosion of the program, along with other welfare schemes, has resulted in countless commentators and critics labeling Obama “the Food Stamp President.”

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By 2011, Census Bureau data released last year [showed](#) that the number of Americans receiving means-tested federal welfare benefits outnumbered those with year-round full-time jobs. Almost \$1 trillion annually goes to the programs, with over 100 million Americans receiving some sort of benefits — not including Social Security, Medicare, or unemployment. Under ObamaCare, with its massive subsidies even for those earning many times more income than the poverty level, dependence is expected to surge even further.

As the number of Americans dependent on government was growing, so were the ranks of the unemployed. As a Fox News report [pointed out](#), in 1964, when Johnson declared “war,” almost nine in ten men between 18 and 64 years old were employed. By 2012, less than three-fourths of adult males in their prime working years had jobs. Obama and some members of Congress are now working to drive those numbers even higher with a proposal to prohibit employment at any wage under \$10 per hour, [all but ensuring more dependence on government](#) if the scheme is approved.

Meanwhile, between 2009 and 2011, a shocking one third of Americans [slipped below the federal poverty](#) line for at least two months, data show. Under the Obama administration, the *Washington Post*, citing the recession, noted that persistent, chronic poverty rose from three percent to 3.5 percent even as many more Americans experienced brief periods under the official line — currently \$23,492 per year for a family of four. Also, the median amount of time spent below the poverty level surged from 5.7 months to 6.6 under the current administration.

Federal measures of how many Americans are below the official “poverty line” are largely meaningless,



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according to critics — especially because politicians can simply move the goal posts if they think it will advance their agenda. Making the data even more troubling is the fact that the line is [raised annually](#) based on the government's [deeply flawed and widely criticized](#) measure of “consumer price index,” or CPI, which critics say drastically underestimates the real erosion in the dollar's purchasing power caused by central bank machinations.

The official measure of “inflation,” which very poorly purports to measure price increases rather than expansion of the currency supply, also does not take into account the fact that production costs are going down in real terms. As labor productivity and technology advance, of course, it takes less effort and less work to produce goods and services. In other words, the economic misery being foisted on Americans by government and central bankers is far worse than official numbers aimed at camouflaging the problem would suggest.

In fact, in real terms, an analysis by Gold Standard Institute President Keith Weiner [published by Forbes](#) shows that Americans are losing ground at a rate wildly beyond what official statistics reveal. “The bottom line is that, in terms of gold, wages have fallen by about 87 percent,” he noted. “To get a stronger sense of what that means, consider that back in 1965, the minimum wage was 71 ounces of gold per year. In 2011, the senior engineer earned the equivalent of 63 ounces in gold. So, measured in gold, we see that senior engineers now earn less than what unskilled laborers earned back in 1965.”

Even using the extraordinarily flawed criteria established by Washington, D.C., however, reveals that there were some 36 million Americans under the poverty line when the “war” was launched. Today, with the population having grown significantly, the ranks of poor, as defined by federal bureaucrats, have grown to almost 50 million. Using [another methodology](#), data shows that, even relying on deceptive official measurements, the number of Americans with non-welfare income below the poverty line has grown from 26 percent in 1967 to around 30 percent in 2012. Analysts said the data suggests it is becoming harder to break free from poverty, too.

Unsurprisingly, Obama and much of the Democrat Party are calling for more of the same failed policies — raising the minimum wage to over \$10 per hour, for example, along with more borrowing and more spending on welfare programs. One Democrat in Congress even [proposed](#) re-naming welfare to “transitional living fund.” On the 50-year anniversary of one of American history's most radical shifts in the role of government, Obama was busy pleading with Congress to put the public even deeper into debt to extend unemployment benefits further — again.

Despite five decades of the War on Poverty and \$20 trillion spent, with no sign of victory in sight, Obama said the “war” must be stepped up. “In fact, if we hadn't declared ‘unconditional war on poverty in America,’ millions more Americans would be living in poverty today,” Obama claimed in a factually challenged speech marking the 50th anniversary of the so-called war. “Instead, it means we must redouble our efforts to make sure our economy works for every working American.” Among other schemes, he proposed “expanding access to education and healthcare.”

Another expansion of unemployment benefits, costing taxpayers more than \$6 billion, is at the top Obama's agenda. Conservatives, though, promptly lashed out. “The mere fact that we're talking about extending unemployment benefits again is a proclamation that the economic policies of this administration are failing,” observed Rep. Steve Southerland II (R-Fla.), who is working with other House Republicans to rein in some of the vast federal welfare juggernaut and encourage looking for work in exchange for taxpayer funds.



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“As we mark the 50th anniversary of America’s War on Poverty, it’s clear we are instead locked in a battle of attrition that’s left more people in poverty than ever before,” [noted](#) Southerland, who chairs the Republican Study Committee’s Anti-Poverty Initiative. “The Big Government ideas of the past aren’t working. History has taught us that bigger budgets aren’t going to solve America’s poverty challenges.”

Other GOP lawmakers jumped on board the government “anti-poverty” bandwagon, although mostly without offering serious solutions. Instead of real reforms, prominent Republicans called for tinkering with existing Big Government strategies — supposedly to deal with poverty and perpetually growing dependence on a ballooning government that is foisting ever greater amounts of debt on already-struggling taxpayers. Sen. Marco Rubio (R-Fla.), for example, called for “fundamental change” in the war. Most of his actual policy proposals, though, fell far short of that ambitious statement.

“Our current government programs offer, at best, only a partial solution,” Rubio claimed. “They help people deal with poverty, but they do not help them escape it.” While he proposed shifting some of the federal welfare schemes to state governments, the Florida Republican also advocated “streamlining most of our existing federal anti-poverty funding into one single agency.” Indeed, under Rubio’s proposal, state governments would merely administer the federal welfare regime. Despite some better ideas — reducing the national debt, simplifying the tax code, cutting regulations, and more — he also implicitly accepted the statist Democrat talking point about “income inequality” being a “problem” for politicians to address.

Liberty-minded Sen. Mike Lee (R-Utah), meanwhile, suggested that freedom was the real solution to poverty. “For more than 200 years, the United States — through trial and error, through good times and bad — has waged the most successful war on poverty in the history of the world,” he [said](#), blasting Obama’s vision of government as the supposed “solution” to all problems. “This discredited mindset — which insists collective action can only mean state action — is itself a kind of poverty. It rejects social solidarity in favor of political coercion, and voluntary communities for professional community organizers.”

Of course, Obama is hardly the only one responsible for the ongoing problems plaguing the U.S. economy. Congress, of course, must approve all funding. Plus, the current administration has merely followed the [decades-old bi-partisan pattern](#) of perpetually expanding the cost, size, power, lawlessness, and intrusiveness of the federal government.

In fact, even though Washington, D.C., has played a crucial role in the ongoing impoverishment of America — and Obama has certainly poured plenty of fuel on the fire — the single most important culprit has unquestionably been the privately owned Federal Reserve cartel established by Congress 100 years ago. However, by granting the banking cartel a [monopoly on debt-based currency and allowing it to conjure infinite amounts of it into existence to be repaid with impossible-to-pay interest attached](#), the federal government retains ultimate responsibility.

In the end, like virtually all of the unconstitutional “wars” lawlessly declared by presidents — on drugs, terror, cancer, foreign countries, and more — the unconstitutional “war” on poverty has been a miserable failure. True solutions, though, are hardly complex: Restore honest money and free markets while allowing private charity to aid those in need. Ending government incentives that encourage out-of-wedlock births would help, too.

Most Americans already want to slash federal government spending, [polls show](#). If voters insist on welfare, though, state and local governments would certainly be a better alternative — not to mention



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the only constitutional option absent a properly ratified amendment to the U.S Constitution. Still, with honest money and free markets, abundant prosperity would drastically reduce the need for charity and welfare in the first place.

Fifty years after Johnson declared that “we shall not rest until that war is won,” Americans have suffered more than enough under successive war-mongering administrations and currency-destroying central bankers waging war on the value of the U.S. dollar — and in turn, [fleecing the public](#). Perhaps it is finally time for a new type of war: A war on counter-productive and unconstitutional government wars. Then, the tide of poverty could be truly reversed.

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