



Written by [Jack Kenny](#) on August 24, 2014

## More Than 1/3 of Americans in Households Receiving Federal Welfare

Nearly half a century after President Lyndon B. Johnson declared the “War on Poverty” to help the 25 percent of the nation he declared was living in poverty, more than a third of Americans were living in households that received benefits from one or more federally funded “means-tested” programs — commonly known as welfare — in the fourth quarter of 2012, according to data released this week by the U.S. Census Bureau. The Bureau has not yet reported the number of households that received means-tested federal assistance in 2013 or the first half of 2014, [reported Terence Jeffrey at CNSNews.com](#).



The 109,631,000 American living in households receiving means-tested federal assistance was equal to 35.4 percent of the 309,467,000 people living in the United States in the last quarter of 2012, according to the Census Bureau. Adding those who were receiving non-means-tested benefits, including Social Security, Medicare, unemployment and veterans benefits, the total of those receiving some kind of federal benefits was 153,323,000 or 49.5 percent of the total population. Even if the 3,297,000 receiving veterans are subtracted, that leaves 150,026,000 in households receiving benefits or 48.5 percent of the population.

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That suggests GOP presidential nominee Mitt Romney was pretty close to the mark when he told a gathering of wealthy donors at a private meeting in the spring of 2012 that 47 percent of the population was dependent on the government and, not being taxpayers, would find no appeal in the Republicans’ low-tax message. “And they will vote for this president no matter what,” Romney said, adding that his job as a candidate was “not to worry about those people.”

Alas for Romney, the remarks were captured on a video that was published online by *Mother Jones News* during his fall campaign against President Obama and became the subject of much reporting and commentary in the mainstream media. It also became something of a self-fulfilling prophecy, since it was then doubly certain that few of the people in that 47 percent (or more) were going to vote for a candidate who had said he wasn’t going to worry about “those people.” The remarks were damaging to the Romney campaign, since he appeared to be writing off nearly half the electorate and characterizing Obama voters, or indeed, anyone receiving benefits from the federal government, as irresponsible. “I’ll never convince them they should take personal responsibility and care for their lives,” he said.

In fairness, it should be noted that recipients of Social Security and Medicare benefits are not exactly on the dole, since they paid into those programs out of their wages all their working lives whether they wanted to participate in a government-created retirement program or not. And Romney could not have



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meant to include people receiving Social Security or veterans benefits among the people he described as taking no responsibility for their lives. Still, they are part of the 47 percent or more who are, in one way or another, dependent on the federal government for much of their livelihood. And that sizable block of the population is, as Romney suggested, unlikely to vote against an incumbent who sees to it that the checks, the food stamps, the housing subsidies, etc., keep coming.

All a Republican candidate needs to do is recommend any kind of change to any of these programs and his Democratic opponent is likely to run ads claiming the cold-hearted Republican would throw welfare and Social Security recipients out on the street to die of cold and hunger.

In fairness, too, it must be noted that Republicans have their friends on corporate welfare, who benefit from federal grants for research and development and subsidized loans through government inventions such as the Export-Import Bank. It's the kind of federal assistance routinely promoted by the GOP-friendly [U.S. Chamber of Commerce](#) and other "pro-business" organizations.

And America's spending on its military, nearly equaling the military spending of all other nations combined, adds further to the nation's tax and debt burdens. We will be paying for the trillion-dollar wars in Iraq and Afghanistan, supported by both parties in Congress, for decades to come, while future "wars of choice" in the Middle East and elsewhere will bring added costs, not only for the fighting itself, but also in the medical care needed for aging and wounded veterans long after.

The Census Bureau numbers showed 82.7 million people living in households where people were on Medicaid, while 51.5 million were in homes receiving food stamps. Another 22.5 million were in households receiving aid under the Women, Infants and Children program and 20.4 million were living in homes with one or more residents receiving Supplemental Security Income. Public housing or housing subsidies provided shelter for 13.3 million residents and 5.4 million received Temporary Assistance to Needy Families.

To illustrate the extent of America's growing dependency on Washington's taxpayer-supported largesse, Jeffrey noted that the 150 million Americans receiving some form of federal assistance, not counting veterans benefits, outnumbered the entire population of Russia (142.5 million). The combined population of the United Kingdom (63.7 million) and the Ukraine (44.3 million) is less than the 109.6 million Americans benefiting from means-tested federal welfare programs at the end of 2012. That 35.4 percent of the U.S. population also outnumbers the 103 million full-time year-round workers in the United States. There is some overlap, however, as some full-time workers at low-paying jobs are also eligible for food stamps, Medicaid, etc. But that raises the question of why we have so many underemployed and working poor in America.

Politicians on the Left and Right lament the growth of a permanent underclass and the decades-long decline in real wages, adjusted to reflect inflation, for middle class Americans. Yet government policies have for decades been driving away the jobs that once fueled the mighty engines of the U.S. economy and enabled working Americans to more than adequately support themselves and their families. The federal corporate tax rate is the world's highest at 35 percent, with states adding levies up to 12 percent. That provides an obvious incentive for companies to move jobs and production to nations with lower corporate tax rates, including Third World countries that offer cheap labor as well. "Free trade" agreements make it easier for multinational corporations to produce goods in countries where the cost of labor is low and sell them in the United States where demand and purchasing power is high.

Loans provided to foreign companies through the U.S. Export-Import Bank at below-market interest



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rates may boost U.S. exports, but in some cases they give overseas firms an advantage over U.S. competitors. With the 80-year-old program due to expire in September, President Obama Saturday urged business owners to urge their representatives and senators in Congress to renew it. While the president claims “thousands of businesses, large and small” benefit from the Ex-Im Bank, the main beneficiaries have been multinational giants such as Boeing Co., Caterpillar, Inc. and General Electric. Indeed, the Ex-Im might even be called the Bank of Boeing, since 82 percent of its loans in 2012 went to overseas customers of the leading aircraft and aerospace manufacturer.

At the same time, government immigration policies, which allow an additional one million foreign-born citizens to move here legally each year, while another half a million sneak in illegally, mean more workers competing for employment in a stagnant or shrinking job market, creating a depressing effect on wages. Meanwhile, the Federal Reserve continues to expand the money supply, decreasing the purchasing power of the workers’ dollars. And the greenbacks issued by the Fed go to the big banks and the Wall Street financiers before any of them trickle down to the American working class.

So while President Obama and others bemoan the plight of the middle class and the growing wage gap between rich and poor, government policies continue to be a drag on the domestic economy and increase the squeeze on poor and middle-income Americans. And the numbers of those dependent on government for their daily bread and shelter continues to increase, with the obvious danger of an economic collapse when those working and paying tax dollars can no longer support those receiving them, and the continued expansion of the money supply further erodes the purchasing power of the declining dollar.

“When America re-elected President Barack Obama in 2012,” Jeffrey noted, “we had not quite reached the point where more than half the country was taking benefits from the federal government. It is a reasonable bet, however, that with the implementation of Obamacare — with its provisions expanding Medicaid and providing health-insurance subsidies to people earning up to 400 percent of poverty — that if we have not already surpassed that point (not counting those getting veterans benefits) we soon will.”

Will that be the tipping point at which the U.S. economy collapses? Time, and government fiscal and welfare policies, will tell.



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