

Welfare Reform Re-Visited

Warning: The following assertion / recommendation is probably going to cause severe distress to anyone who is of a liberal/progressive persuasion or who might have “Democratic Socialism” tendencies.... No governmental unit (at the federal, state or local level) should ever provide a cash payment (or a cash-like benefit, such as food stamps) to any citizen. Ever. We don’t believe that governments, charities, or social services agencies should ever give cash to a citizen - - goods and services are OK. Only families or a local community group should give cash to a person in need.

The reasoning here is fairly straightforward. Cash given to a citizen by the government (unless it is a substantial and permanently re-occurring amount, and only a Socialist would ever consider such an approach) can only serve to marginally and temporarily make that person somewhat less poor. Cash payments from the government do not provide a solution to poverty. What’s worse is that the detrimental effects of this approach are even more insidious - - Cash received from the government only serves to increase the sense of entitlement among our country’s citizens, and increases the recipient’s dependency on government. This is a simple fact, and cannot be refuted by the Socialists of the Left. Unfortunately, “entitlement” and dependency (along with a bigger, more intrusive federal government) appear to be the ultimate goals of the progressive movement. Unfortunately, the Left likes to advertise the dollar amount of “entitlements” and welfare benefits that the government doles out each year. This is a perverse measurement of “success”.

And here is a recommendation that is probably even more distressing to those on the Left - - No governmental unit (at the federal, state or local level) should ever attempt to administer a welfare program. Ever.

Thomas Paine, in his pamphlet entitled *Common Sense*, made the following observation – *Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our want, and government by our wickedness; the former promotes our happiness POSITIVELY by uniting our affections, the latter NEGATIVELY by restraining our vices.... Society in every state is a blessing, but Government, even in its best state, is but a necessary evil; in its worst state an intolerable one.*

Thomas Jefferson put it this way – *If we can but prevent the government from wasting the labours of the people, under the pretence of taking care of them, they must become happy.*

So, the real question is... When did the progressives begin to lose their Common Sense? Or maybe the better question would be... Did they ever have any Common Sense? Why would anyone ever think that the government could be a benevolent entity? We believe that it’s safe to say that this collective loss of Common Sense began to happen well before 1935, however, it became institutionalized with the start of the Social Security program.

As we noted above, this Conversation Piece is not going to be received very well by supporters of the current welfare state’s status quo. In fact, this Piece is our Foundation’s attempt to “terminate” both “Sugar Daddy” and the “Fairy Godmother”, and cause some serious damage to the concept of a benevolent “Big Brother”.

In **The 2020 Initiative**, we simply advocate the resurrection of civil society. Over the past 100 years or so, the federal government has gradually usurped the role of civil society and has stolen (via coercive taxation) the funds that would otherwise have gone to charities and other local community groups and social service agencies – the very groups that have been established by civil society to

provide support to people in need. There is no doubt that people living in poverty need goods and (more importantly) services to help escape poverty. In **The 2020 Initiative**, we recommend the creation of four “pass through” national charities, which would be funded by We-the-People, who would be allowed to divert a portion of their federal income taxes to one or more of these charities, instead of continuing to send all of their tax dollars into the federal government swamp.

Let’s start with Education. The country’s public education system is in decline / failing. It is time to get the government out of education and return it to the local community - - to the parents, the local school’s teachers, and the local Parent Teacher Association. We need to fix the K-12 education system, and shrink the local school’s administrative costs, by eliminating the wasted time and effort that are spent on complying with the requirements of the Administrative State.

And unfortunately, because of the current sorry state of K-12 public education, there is a critical need for all kinds of remedial education services, including job training programs for people who are already out of high school. This will require a large amount of funding to local community groups to provide these remedial education and job training services. Our recommendation is to direct those funds toward local community “junior college” job training programs. This approach does not give a cash welfare payment to people in need; instead this solution is based on providing a vital service to those people who will take their own initiative to lift themselves out of poverty.

Let’s move on to Food, which is a basic fundamental need. We recommend local food banks (probably at least one food bank in each county in every state) that would provide these goods to local citizens in need. This welfare program would discontinue the approach of providing cash and/or food stamps, but instead would rely upon charitable contributions from civil society to fund the operation of these local food banks. And this solution would harness the best logistics / distribution technologies, along with the buying power of bulk purchases of generic, healthful items, to provide life’s most basic necessities at the most efficient, cost-effective price. Compassionate citizens of all political persuasions would support the idea that these goods (not cash) be provided to someone in need as long as necessary, until the recipient has been able to lift his-/herself out of poverty. But there should be a counter-requirement for this welfare benefit - - the recipient would need to be simultaneously executing their own education / employment game plan to accomplish the goal of lifting his-/herself out of a poverty level existence.

Housing? Again, another fundamental need. Every person needs a safe and secure residence - a place that gives shelter from the weather / the elements, and provides a safe environment for that individual / family. We see two types of assistance that the local community needs to be able to provide. We recommend that this good (a shelter) and service (publicly provided shelter, utilities and a connection to the internet) be provided by a local Habitat for Humanity social services agency in each county in every state. In the first type of instance, the immediate, short term solution would be a “tiny house.” These shelters would be owned by the agency, would be “mobile” as needed, would be re-usable, and would be used to meet an immediate need for a safe place for someone who has been displaced by domestic violence, or a traumatic circumstance (such as fire or flooding), or eviction. We see the local Habitat for Humanity agency partnering with the American Red Cross (or a similar charitable organization) in those circumstances that require a larger relief effort. But this type of temporary, short term solution would need to be bolstered by a longer-term strategy for the recipient(s) of this service.

A recipient's longer-term situation will require a longer-term, more permanent solution. The cost of housing is a challenge for low income citizens. For people in the lowest quintile of income (the lowest 20%) the cost of housing consumes nearly 60% of their income. (For the other 80% of the country's population, the cost of housing consumes between 22-27% of their income). We reject the idea of giving a welfare recipient a cash payment that can be used towards housing. We also reject the concept of large-scale public housing - - that approach has already been tried by the government in the past and has failed miserably. What our Editorial Board recommends is a "rent to own" solution. Habitat for Humanity groups have proven to be very effective in building / rehabilitating single family homes. But before a welfare recipient could participate in this longer-term solution, they would need to have developed and begun to execute a viable game plan geared towards emerging from a poverty level existence. The successful execution of the first steps in this game-plan would make them eligible to move out of the "tiny house" solution and into the "rent to own" solution.

Healthcare. See our Conversation Piece on **Healthcare Re-Visited**. The federal government needs to get out of the business of trying to manage the country's healthcare system. The free market is always a better solution, and will provide the best, most cost-effective solution (to the 85% of the country's population who are not in poverty). For those people who do require assistance, there should be a state/local-level "public" option available to people in need. These "free" (or discounted) health clinics would be funded by civil society, and would deliver "below market cost" services to welfare-eligible recipients. As we noted in **The 2020 Initiative**, one of the key cost saving features that would need to be implemented in connection with this "public" healthcare option is that recipients of these free/discounted services would be precluded from filing litigation claims against the agencies and providers of these public healthcare services. We anticipate that a lot of these free/discounted services would be provided by local civic-minded volunteers.

As we have noted above, the over-riding goal of **The 2020 Initiative** is to remove the federal government's involvement from those day to day activities that represent an individual's Personal Responsibility. Career politicians would no longer be able to bribe our country's citizens with our own money (or in the case of annual deficits and debt, our children's and grandkids' money). The federal government has enough on its plate, and it has a big enough role to play, with just discharging (effectively) its responsibilities that are listed in the Constitution.

OK, now this is going to sound "unfeeling" and overly harsh.... But one additional problem that the federal government has caused over the past 100 years or so, is that it has attempted to "de-stigmatize" dependency. A century ago, our country's citizens had a well-grounded aversion to being on the dole. Unfortunately, one of the Left's primary goals has been to eliminate this stigma. And with all of the government "entitlements" that are available, many of our citizens have begun to feel that they are entitled to receive a wide variety of "free stuff" from the government. Fortunately, most people understand economics and the fact that there is no such thing as a free lunch.

Another problem is in regards to the way the US tax code is administered - - If your income is too low, you don't need to file an annual income tax return. This doesn't mean that the federal government doesn't already get a portion of your wages (which is OK). Our Editorial Board believes that until the "entitlement" mess that was created by Social Security and Medicare has been fixed, every citizen should contribute 10% of their annual W-2 taxable wages via payroll tax withholdings. This is simply every citizen's obligation and contribution towards digging ourselves out of the collective hole that has been dug. But having said that... Our Editorial Board feels that these wages

should only be taxed once, and no individual / family should ever have to pay “federal income taxes” until they have earned enough taxable income to surpass the applicable federal poverty guideline amount.

Another key feature of **The 2020 Initiative** is that before any citizen could expect to receive goods and/or services from a local Not for Profit social services agency, they would need to “request” such assistance each year on their federal income tax return. This annual tax return process would also serve as an annual “financial check-up” to see if that individual / family is making progress on their journey out of poverty. Unfortunately, under the current rules where an annual tax return is not required, this has probably served to foster a feeling of “What’s the point? I am a victim. I am not a participant in our country’s economy. I am just along for the ride.”

Lastly, our Editorial Board would like to see the Social Security Administration transformed into a useful, productive government agency - - an “information clearing house” that would be available to individuals / families in need. If we could transform the Social Security program into being a means-tested welfare benefit, these civil servants in the Social Security Administration could be re-trained to become counselors to welfare recipients, and provide information on where those individuals can go to receive the appropriate goods and services they need, in order to help them address their own specific situation. Social Security agents could become consultants who could work with these individuals / families on developing a life plan that will enable them to become “unpoor”.

Now, that would be a better solution to the issue of poverty, rather than simply dispensing cash “entitlements” to people.

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