

To what extent should the United States government increase funding and aid impoverished areas?

(1905 words)

Poverty in The United States of America has been increasing since the year 2000, whereas in 2010, the poverty rate in America has been at an all time high since the year of 1993, and in 2014, the poverty rate has risen to 2.7% more than in 2007. In 2014 the poverty rate was nearly 15%, coming in at a shockingly high 14.8%. The topic is raised to what extent should the United States government focus its funding to aid the impoverished area and to help the people in poverty come out of poverty. The reason for poverty rates going up was the 2007 recession the United States suffered which plunged over 6 million Americans into the poverty line. There are two sides to the argument, one claiming that helping to fund impoverished areas would be beneficial to the United States and the other side claiming that by increasing funding, will not help, but hurt the economy. The question is should we increase funding and funds to aid impoverished areas? I was inspired by the AP stimulus material “The Life of a Peasant” and this article inspired me because of how the growing changes in poverty and how it has evolved since the dark ages when an area was ruled by a single person with absolute control.

By increasing the funding to subsidize impoverished areas, this would require more taxing to the hard working class in the United States, those hard working people would be against such a tax increase. Over one in three people in the United States were receiving welfare and government assistance checks in 2012, over 100 million Americans are on welfare. Then to add to that another 50 million americans are receiving a

non-veterans' benefits from the government, to put that in perspective, there are currently more Americans receiving some sort of government aid than there are people living in The Russian Federation, according to the CIA world factbook. The money that is being given to these people are from the taxpayers that are working and receiving income taxes. Some of the working class in America has harsh views as the working class think the people terminally living on welfare are leaching off of them, and being lazy. This creates a system of dependency culture, where it encourages people to stay on welfare rather than working. In America, it is observed that people living on welfare will continue to do so because of they were to get a job, they would risk losing those government paid benefits and have to pay higher taxes on income. Dependency culture furthermore decreases the overall productivity of a society as it is keeping people out of work and paying them for being out of work. The system of welfare is rewarding people for being unemployed, and not offering an incentive to get a job. This was observed in Britain, where the unemployment rates were above 7%, and the population that was receiving the welfare checks were getting them at a rate above the minimum wage jobs were paying, not incentivizing the purpose to get job when the checks they are receiving could be larger than the paychecks they would be receiving at the payment cycle, especially when the United Kingdom's income tax rate is over 20%.

The cases of welfare fraud, as pointed out by the Federal Safety Net, has accumulated to about 9.0% of total welfare payouts, resulting in nearly 1 in every 10 welfare government payments are falsely paid out. Estimated from almost the \$60 million dollars that were paid out in the fiscal year of 2014, a sum of an alarmingly high \$6

billion dollars were paid out on false benefits and welfare frauds (estimated based on reports from the Office of Management and Budget(OMB), The General Accounting Office (GAO) federal agencies). Seven of the welfare programs are listed on the Office of Management and Budget are in the top thirteen federal programs to be considered “high-error programs.” To add to the issues that the money awarded out by the welfare agencies have no control over what the money is spent on outside it leaving the welfare agency itself. This means that the money awarded out, for example child care and child support welfare check, could be used for funding adult activities like parties with alcoholic beverages, street drugs like crack cocaine, methamphetamine, and marijuana. The federal government estimates that nearly the same percentage of the population on welfare uses drugs is the same as the normal non welfare receiving population uses drugs. In Tennessee, when the testing began, only 1 in every 800 welfare applicants tested positive for illegal substances in their blood, and in Florida, 2.6% of the welfare recipients were found to be using illegal drugs. The state with the highest drug rate from welfare users is almost 1 in 10 welfare recipients are using the welfare checks to fund their drug abuse. The Welfare Queen as used by example as former president Ronald Reagan, whose name was Linda Taylor, used 80 different names, 30 different addresses, 15 different telephone numbers to collect food stamps, social security benefits, veterans’ benefits for four made up deceased veteran husbands, as well as her regular welfare checks. All these tax-free cash income had Ms. Taylor making about \$150,000 a year, all off of the backs of hardworking Americans.

The issue of welfare checks not paying enough for some families is correct, as it is just marginally letting them live to get food, and only other basic needs. A typical welfare check payment for a single person living in a house, is only about \$200 per month, and an amount of up to \$500 per month for food stamps according to the U.S. Welfare System. Some of the upper amounts of payments that come from the welfare services may only be around \$25 per day from the spending daily in the United States. These figures are just a basic estimate and are separate from child care benefit checks. If anyone in the household is pregnant. Household gross income for the month, if there is a migrant or seasonal worker or workers living in the home, how much a rent or mortgage pay for the house is, the expenditures of the utility bills, any other essential living costs, individual incomes, available cash in savings checking accounts, if a family member in the household has a disability. These are all ways to receive the small amount of money to help provide for the family. The small amount of money is small for the reason to keep recipients from living solely off of welfare payouts, and to provide an incentive to get a career. However, with the alarmingly high rate of poverty being 14.8%, without the helps and small benefits of welfare, the poverty rate would be around 17.2%, another 8 million Americans in poverty. Without the funding of welfare, the poverty rates in children and teenagers under 18 would be above 22%, over 1 in 5 American teenagers and children in the poverty zone.

The need of welfare for the uses of medical reasons are none the less vital, as today a medical operation and hospital stay can cost upwards of \$1,000, and being in an impoverished area, it would be very hard for a person not on welfare aid and medical aid

to pay the hospital bill. The Temporary Assistance for Needy Families, or TANF Medical Assistance Program provides well visits as well as prescription coverage through Medicare and Medicaid coverage. Medicaid is a joint federal and state program that helps with medical costs like nursing home care and personal care services, for some people with limited income and resources. It even helps with the prescription drug costs to help control allergies, pain pills, and other sorts of rugs in the Medicaid Part D program. The medical aid that welfare provides is unparalleled a necessity for today. The Medicaid program helps over 65 million Americans get the health coverage they need, according to the Obama administration at the end of April, 2014. Another six million more than there had been on the eve of the launch of the health law, The Affordable Care Act, the Obama administration stated. The Medicaid CHIP, Children's Health Insurance Program, insures the coverage of over 31 million U.S. children, this number including half of the children in low income families, with even more expanding outreach being done to help to insure more children in the low income and poverty lines. Medicaid helps to pay for an estimated 40% of the pregnant women childbirths, 2 in every 5 babies are born with the help of Medicaid coverage. Over eight million Americans with disabilities are helped to cover the costs with the help of Medicaid programs, this proving how effective the program is to help to insure those who need it. The program also goes as far out to outreach the families and children that are qualified to receive the benefits of the medical insurance and to try to insure them for their costs of injuries, or if the Medicaid part D form is filled out, prescription drug coverage. This plan saves Americans who otherwise couldn't afford the prescriptions an average of over 16 thousand dollars per

year, and the states save about 1.8 billion dollars per year, according to the Pew Research Institute.

Welfare and other funding to impoverished areas help fix and better the quality of life in the areas should remain in place. As a solution, in order for the impoverished areas life quality and funding to be improved, the welfare agencies that supply the money would need to undergo major reforms in how the money is able to be spent and handed out to the needed. The money that is given out in welfare checks need to be monitored for spending purchases, where it is spent and what the cash is spent on. In order for the welfare programs to be successful in how they work, they need to be accounting for the money to make sure welfare fraud cases are harder to commit. Welfare fraud should also be more strictly enforced than it currently is. It was observed in the past by the Reagan presidential campaign that there were multiple cases of welfare fraud happening in the United States. The funding to these impoverished areas needs to be increased to ensure that the impoverished areas can improve. The benefits the United States will gain from the impoverished areas being funded well are shown in the past as the medical sector has been able to help more people than before while people were using the government provided Medicare and Medicaid and Children's Health Insurance Program, CHIP. The individual states save money because of the federal government paying out the money benefits, and the Pew Research group states that the state governments save nearly two billion dollars per every year if the citizens were to receive the welfare checks. Welfare recipients rarely ever use drugs as what is thought, the states of Arizona, Kansas, Mississippi, Missouri, Oklahoma, Tennessee, and Utah that tested for drug usage among

the welfare recipients found about 1 in every 700 recipients were on illegal street drugs. In the end, the benefits of increasing the funding to impoverished areas and welfare will benefit the nation more than not funding the impoverished areas.

REFERENCES

- Research on the savings by increased funding into Medicaid, Ollove, M. retrieved March 14, 2016
<http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2015/4/29/states-find-savings-through-medicaid-expansion>
- Statement from President Obama's administration on how many people are on Medicaid, Radnofsky, L, retrieved March 14, 2016
<http://blogs.wsj.com/washwire/2014/06/04/how-many-people-got-medicaid-from-obamacare-its-complicated/>
- Research on welfare payments and reasons for welfare payouts, Retrieved March 12, 2016
<http://www.welfareinfo.org/payments/>
- Research on the welfare fraud and the "Welfare Queen" Levin, J. retrieved March 12, 2016
http://www.slate.com/articles/news_and_politics/history/2013/12/linda_taylor_welfare_queen_ronald_reagan_made_her_a_notorious_american_villain.html
- Research for the amount of drug users on welfare, Covert, B Israel, J Retrieved March 5th 2016
<http://thinkprogress.org/economy/2015/02/26/3624447/tanf-drug-testing-states/>
- Research on how many Americans are receiving welfare benefits Jeffrey, T. P. Retrieved March 7th 2016
<http://www.cnsnews.com/commentary/terence-p-jeffrey/354-percent-109631000-welfare>
- Research on how many people the recession drove into poverty Murphy, J
<http://citylimits.org/2010/09/16/recession-drove-6-million-into-poverty/>
- Research on Income and Poverty by the Census Bureau Retrieved March 8th 2016

<http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>

Research on national poverty level for the year of 2014 Retrieved March 4th 2016

<http://www.npc.umich.edu/poverty/>

AP stimulus material Article “The Life Of A Peasant” Retrieved March 2nd 2016