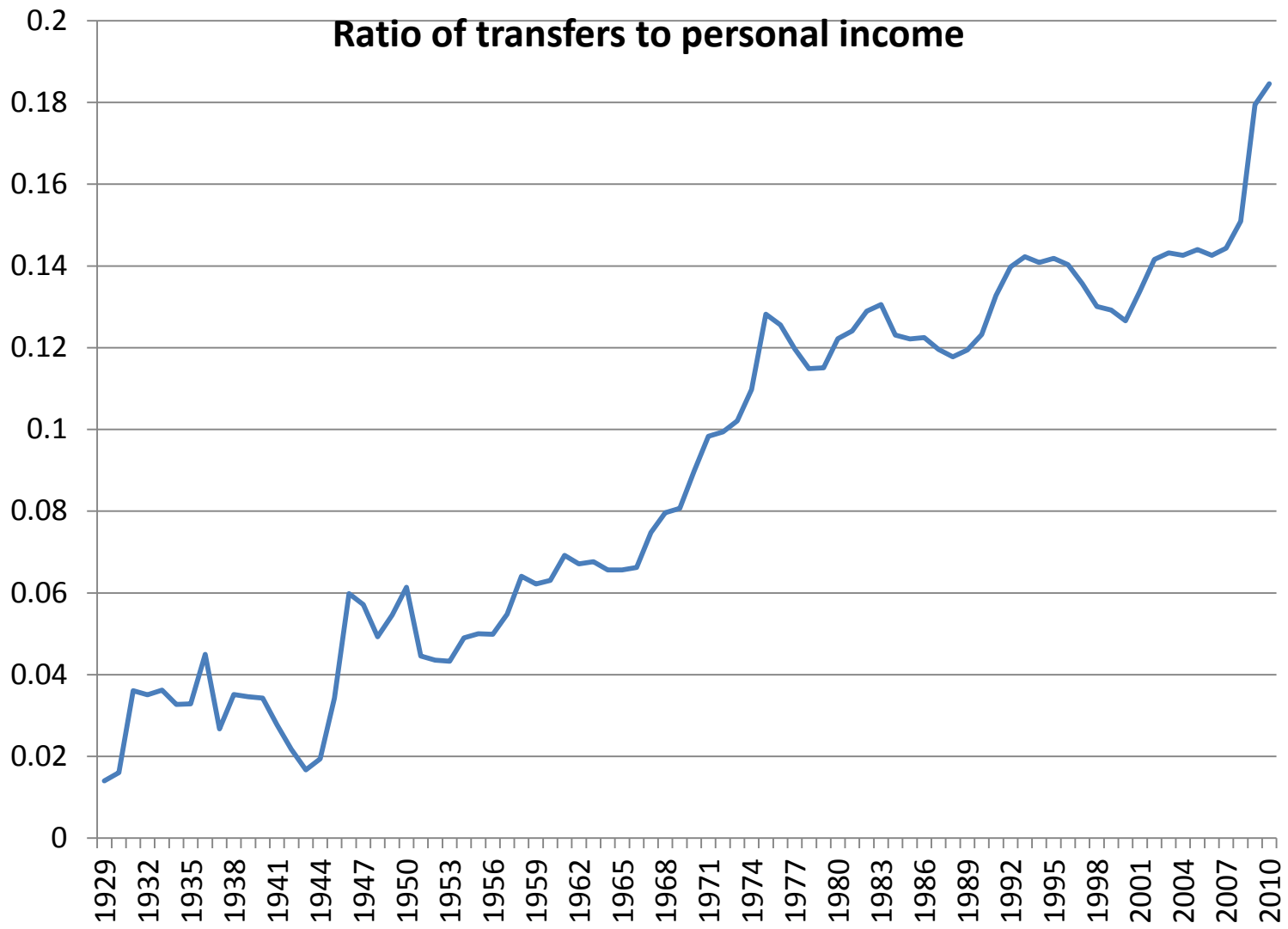


WWS 594, Feb. 15

PK

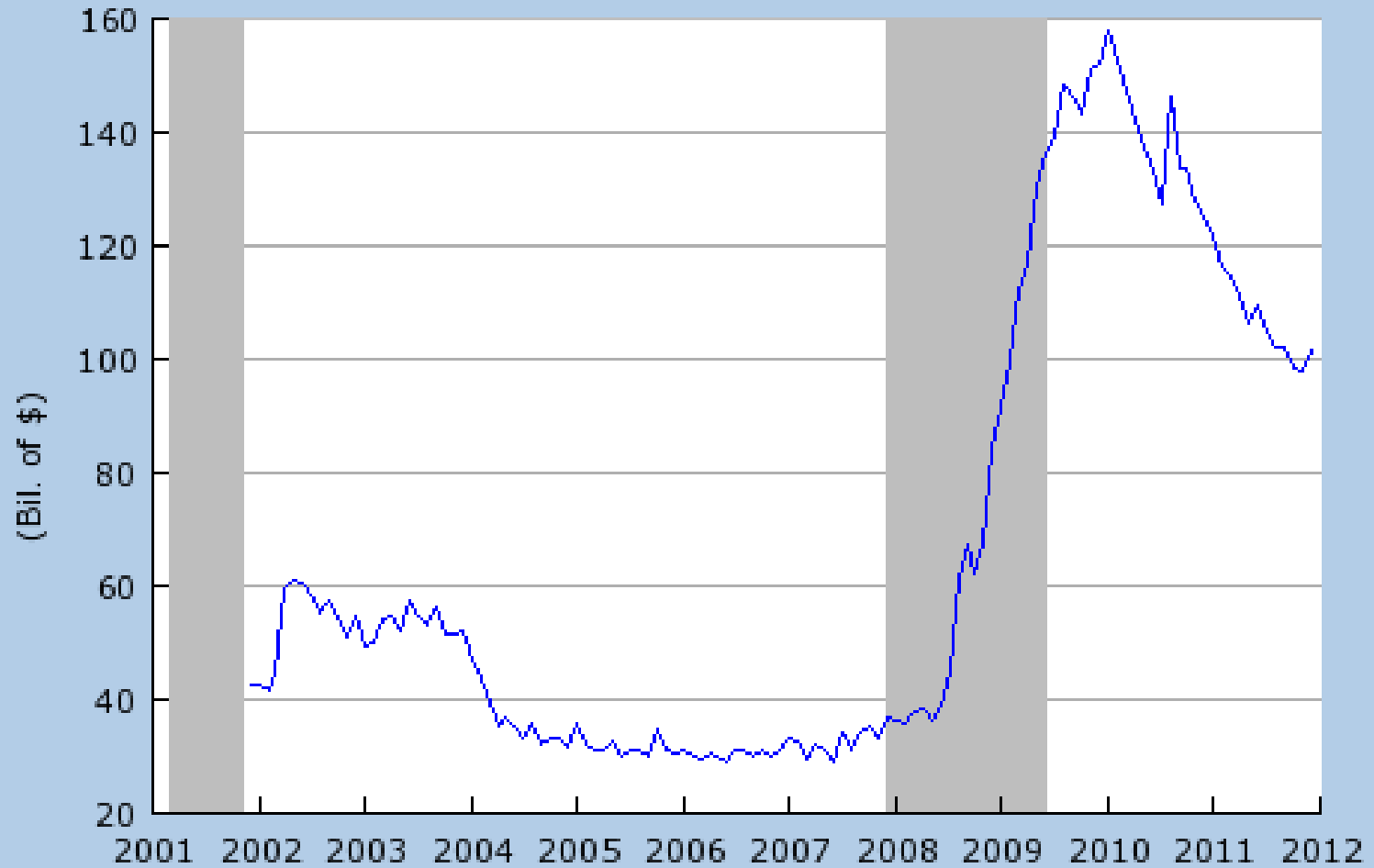
Ratio of transfers to personal income



In a December 2011 op-ed, former Massachusetts Governor Mitt Romney warned ominously of the dangers that the nation faces from the encroachment of the “Entitlement Society,” predicting that in a few years, “we will have created a society that contains a sizable contingent of long-term jobless, dependent on government benefits for survival.” “Government dependency,” he wrote, “can only foster passivity and sloth.”

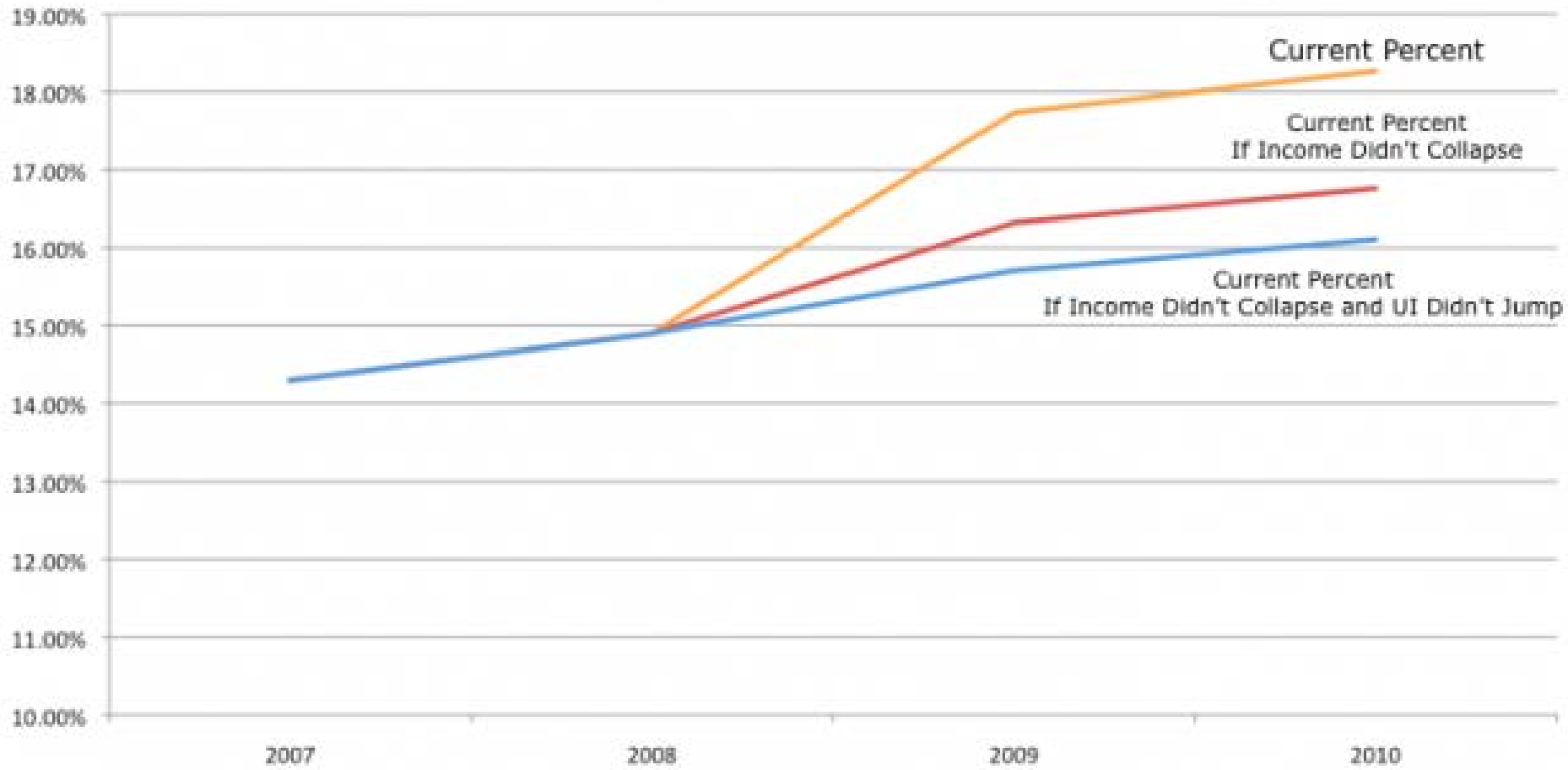
Similarly, former senator Rick Santorum said that recent expansions in the “reach of government” and the spending behind them are “systematically destroying the work ethic.”

Government social benefits to persons - Unemployment insurance (W825RC1)



Shaded areas indicate US recessions.
2012 research.stlouisfed.org

Percent of Income Coming From Government Benefits Programs



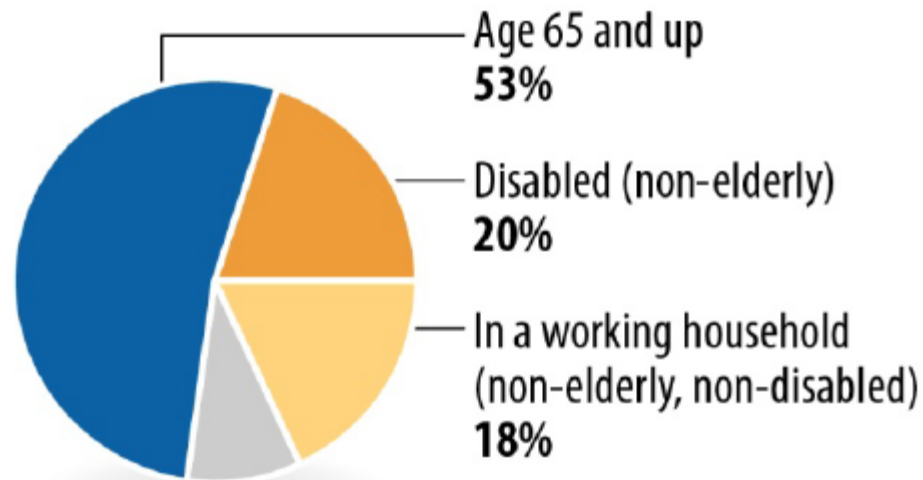
Spending in Fiscal Year 2010 for Programs Included in This Analysis (in billions of dollars)

	Federal	State	Total
Mandatory spending (core analysis)			
Social Security ^a	689		689
Unemployment compensation ^b	156		156
Supplemental Security Income	44		44
Temporary Assistance for Needy Families (basic assistance only) ^c	7	4	11
Supplemental Nutrition Assistance Program ^d	65		65
School Lunches ^e	10		10
Earned Income Tax Credit (refundable share) ^f	55		55
Child Tax Credit (refundable share)	23		23
Medicare ^g	519		519
Medicaid ^h	259	123	382
Children's Health Insurance Program ⁱ	8	3	11
Total, mandatory spending included in core analysis ^j	1,834	130	1,964
Memorandum: All mandatory spending ^k	2,096	#N/A	#N/A
Selected discretionary programs			
Rental assistance ^l	34		
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) ^m	6		
Low Income Home Energy Assistance ⁿ	5		

Figure 1

Nine-Tenths of Entitlement Benefit Spending Goes to the Elderly, Disabled, or Working Households

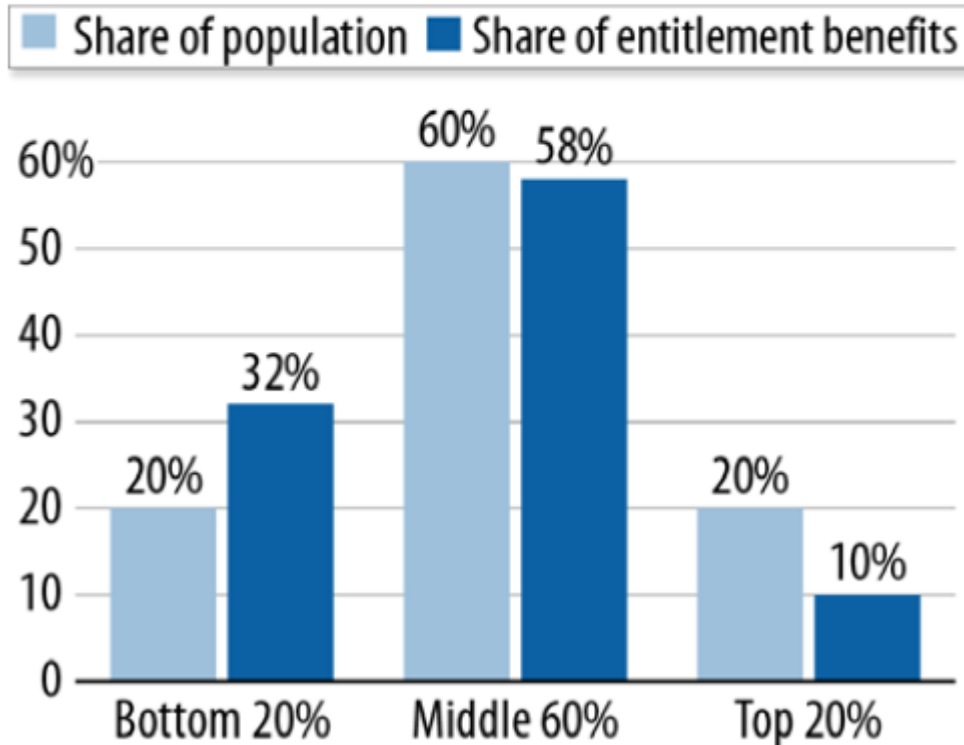
Share of entitlement benefits, 2010



Source: CBPP analysis of data from Office of Management and Budget, U.S. Departments of Agriculture, Health and Human Services, and Labor, and the U.S. Census Bureau.

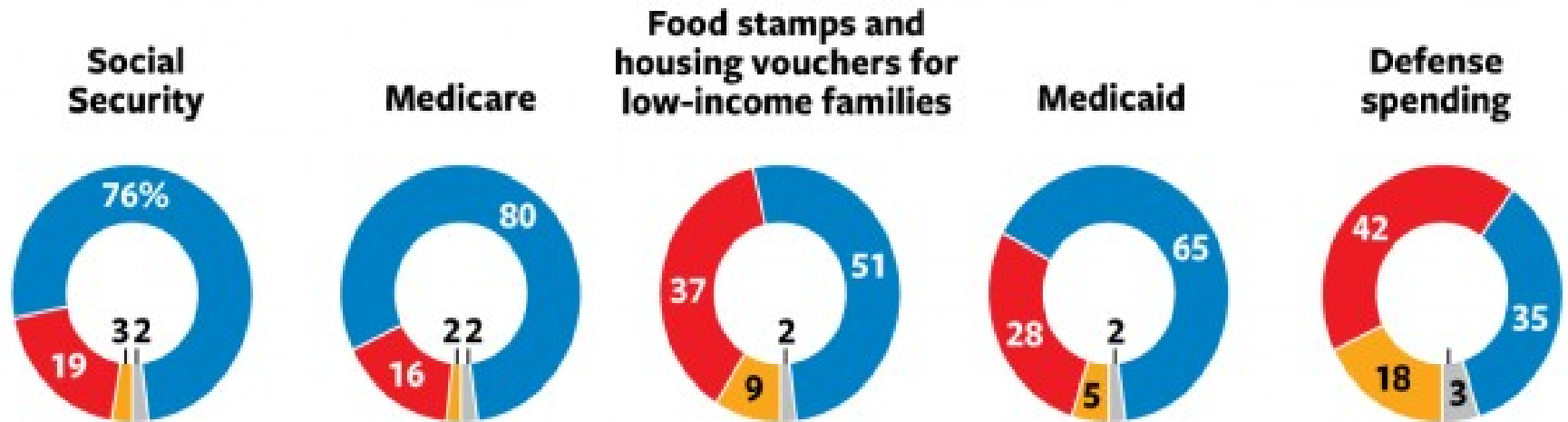
Middle-Income Households Receive a Proportionate Share of Entitlement Benefits

Share of population and entitlement benefits by income group, 2010



How much should these government programs be cut to help reduce the federal budget?

● A lot ● Some ● Not at all ● Don't know/refused



Which of the following concerns you more?

Federal programs like food stamps and Medicare don't provide enough of a safety net for people who need help to get by

38%

The government taxes workers too much to fund programs for people who could get by without help

53%

Don't know/refused

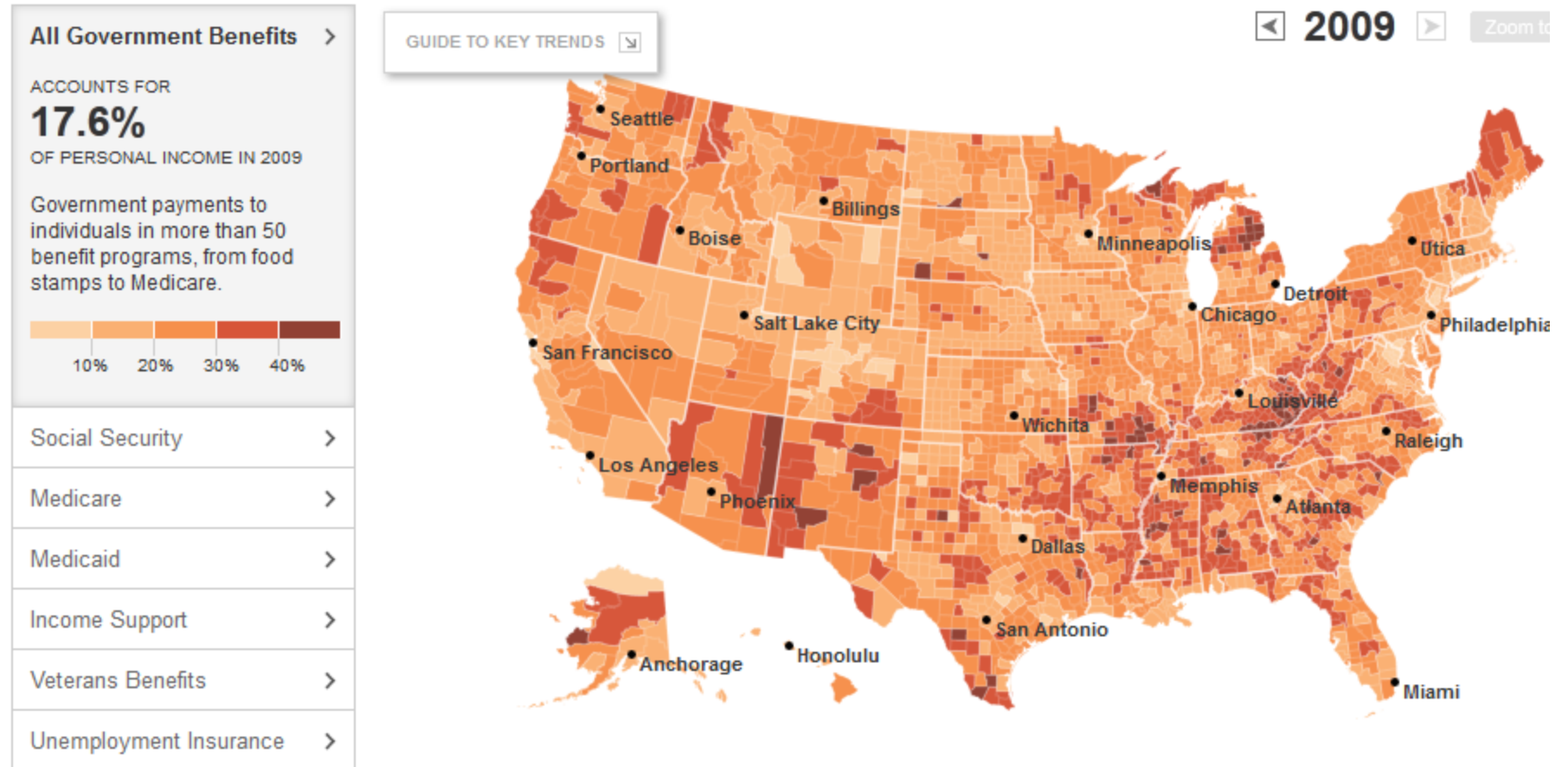
10%

Source: United Technologies/National Journal Congressional Connection Poll (Feb 9-12)

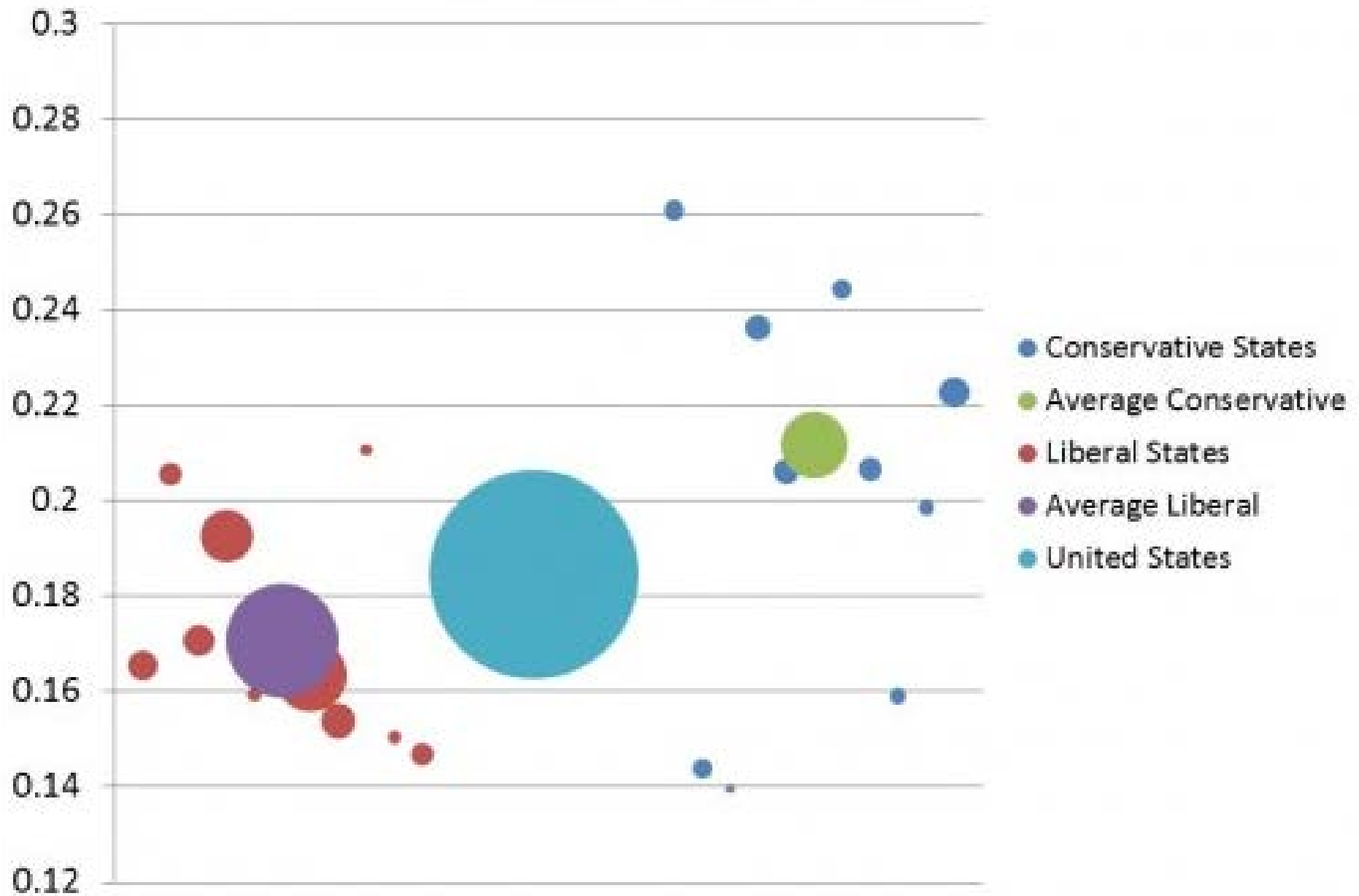
This article appeared in the Tuesday, February 14, 2012 edition of National Journal Daily.

The Geography of Government Benefits

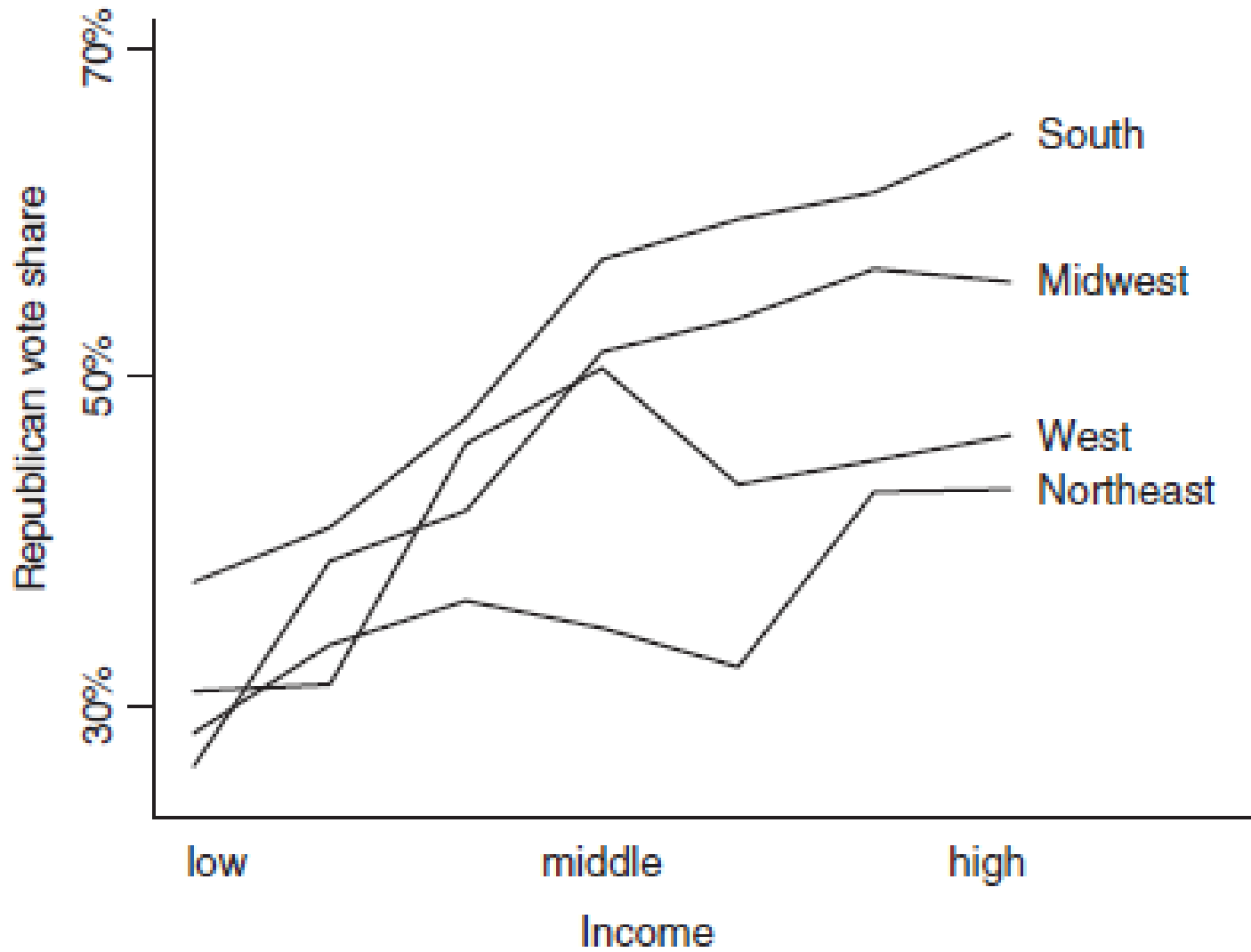
The share of Americans' income that comes from government benefit programs, like Medicare, Medicaid and Social Security, more than doubled the last four decades, rising from 8 percent in 1969 to 18 percent in 2009. [Related Article »](#)



2010 personal current transfer receipts / personal income for 10 most liberal and conservative states



2006 House exit polls



PERSONS CLAIMING UI BENEFITS IN ALL PROGRAMS (UNADJUSTED)

WEEK ENDING	January 21	January 14	Change	Prior Year¹
Regular State	4,049,316	4,060,581	-11,265	4,619,641
Federal Employees (UCFE)	29,814	30,962	-1,148	48,604
Newly Discharged Veterans (UCX)	42,562	42,496	+66	41,904
EUC 2008³	2,985,907	3,007,696	-21,789	3,756,990
Extended Benefits⁴	514,691	474,252	+40,439	834,569
State Additional Benefits⁵	4,234	3,850	+384	7,282
STC / Workshare⁶	36,681	35,386	+1,295	53,366
TOTAL	7,663,205	7,655,223	+7,982	9,362,356

Chart 4. Net Income Replacement in the Initial Period after Job Loss in 21 OECD Countries, 2005*

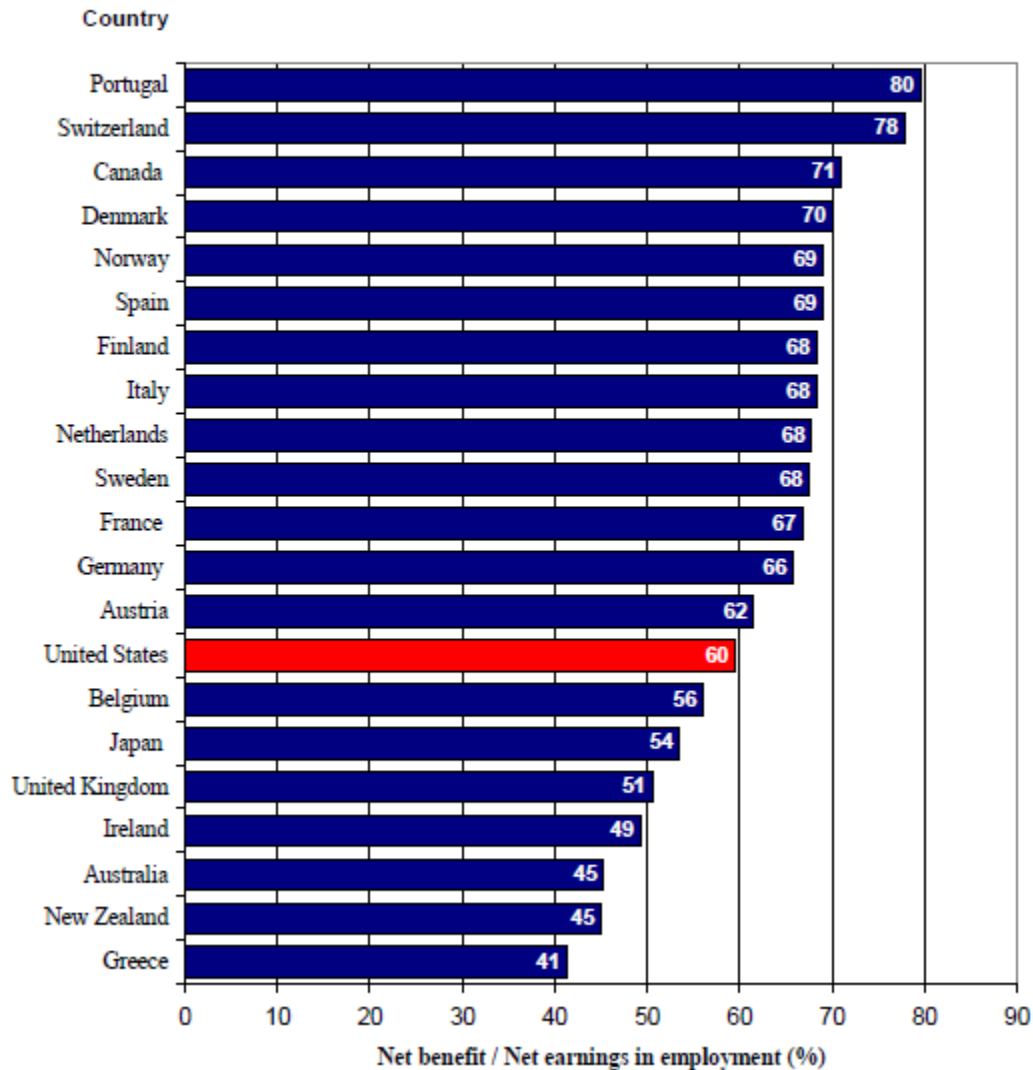


Chart 5. Maximum Duration of Unemployment Insurance Benefits in 21 OECD Countries, 2005

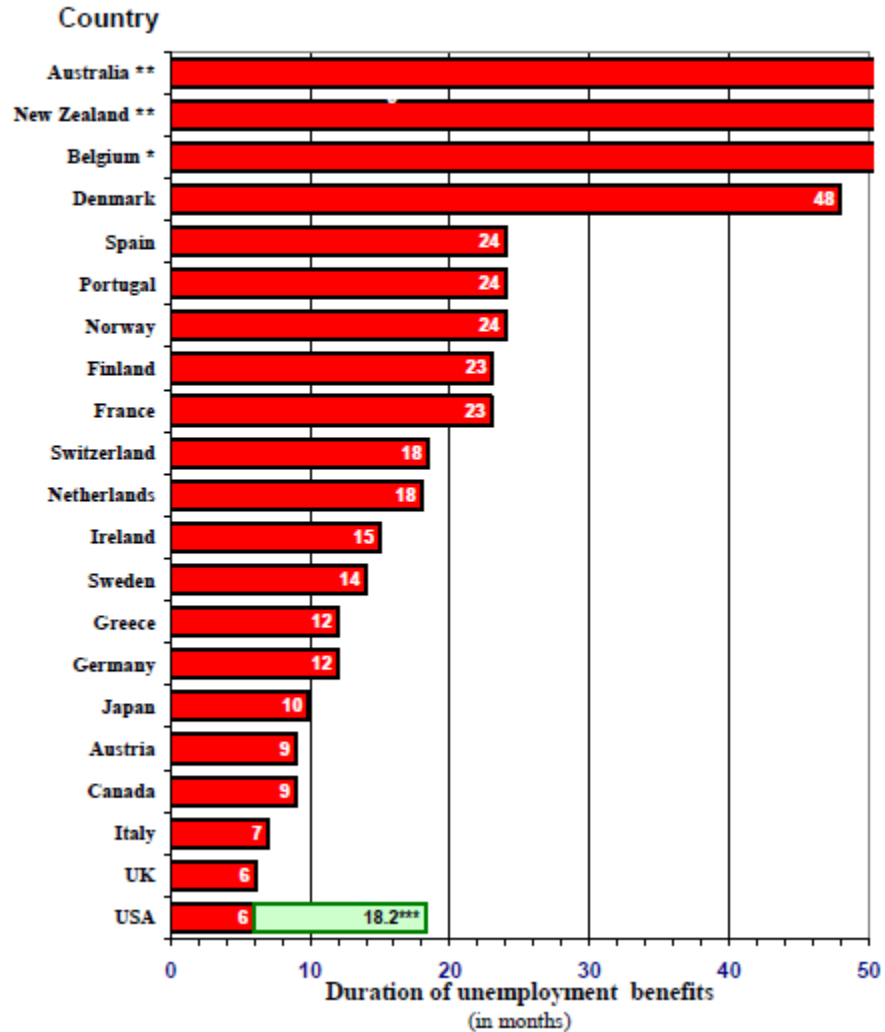
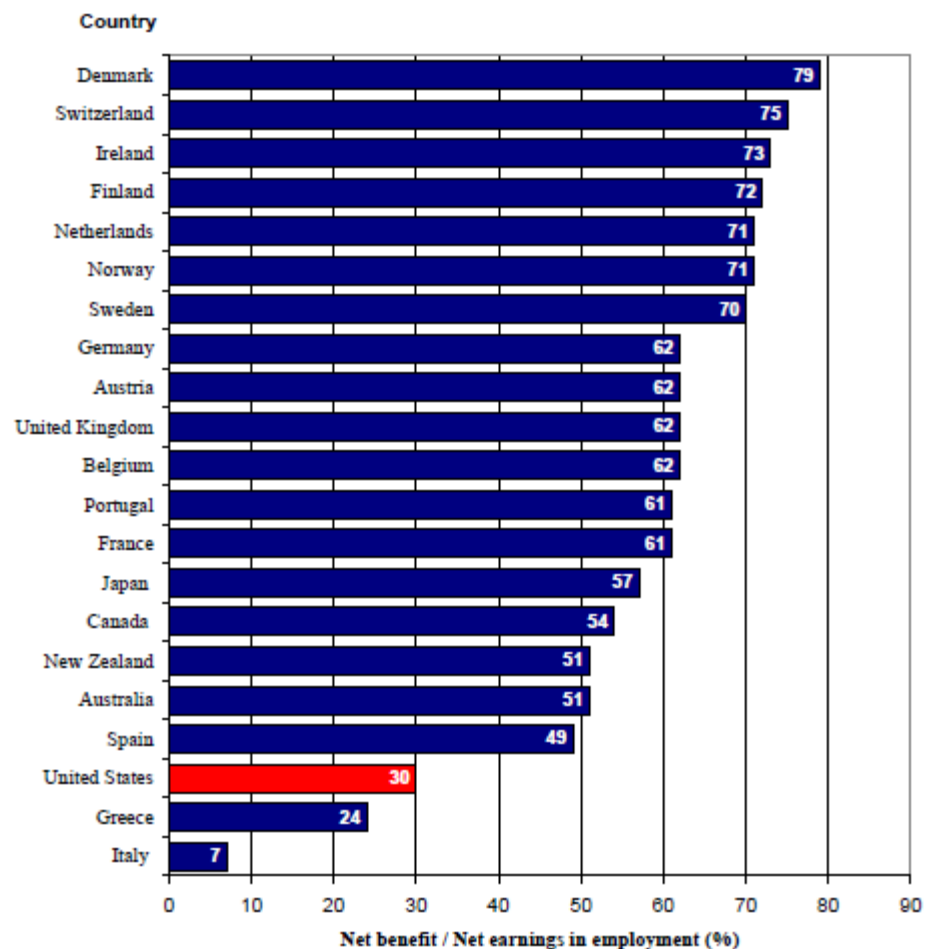
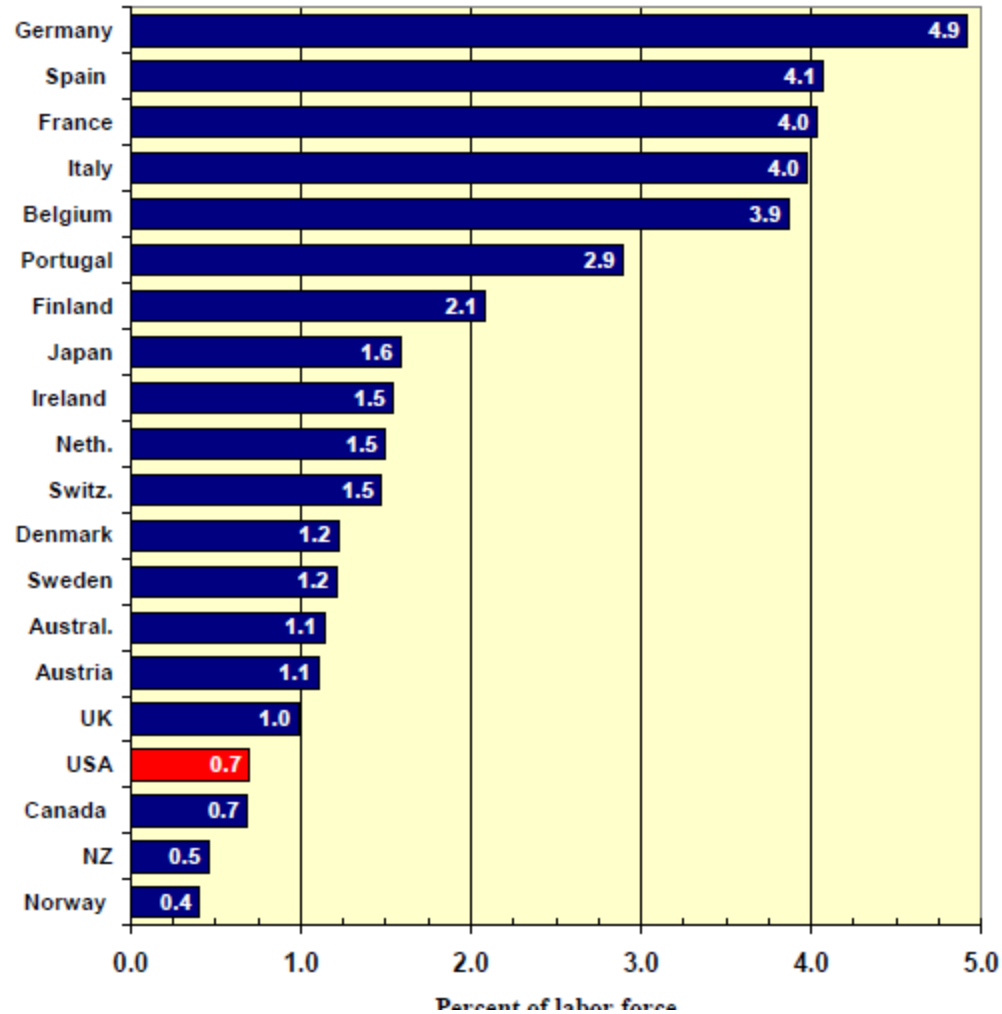


Chart 6. Net Income Replacement in the First Five Years after Job Loss in 21 OECD Countries, 2005*



Unemployed Who Have Been Jobless for One Year or More as a Percent of the Labor Force, 2004



Rising vacancies (blue, inverted on right scale) didn't immediately translate into Lower unemployment

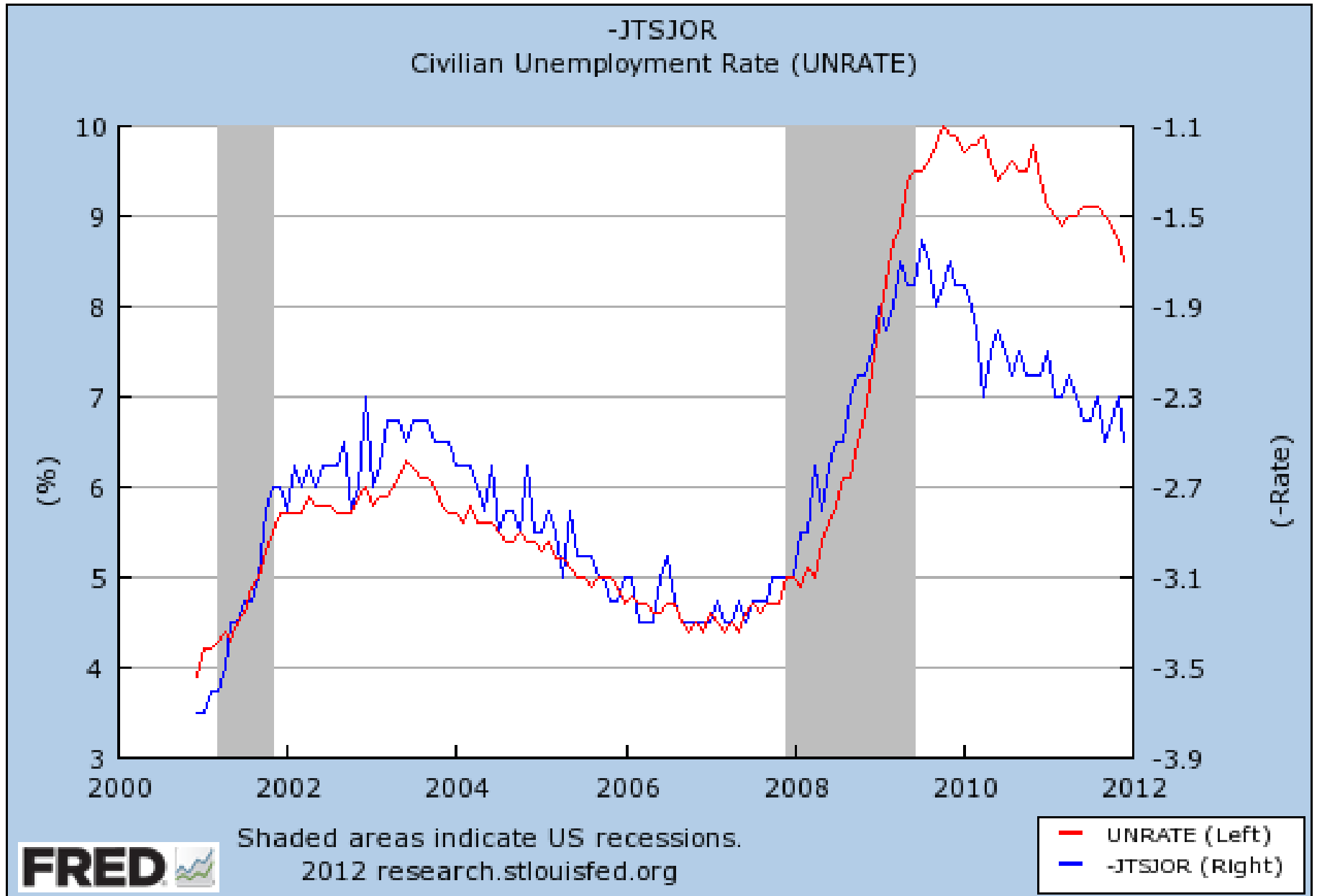


Figure 3. Historical shifts in the Beveridge curve.

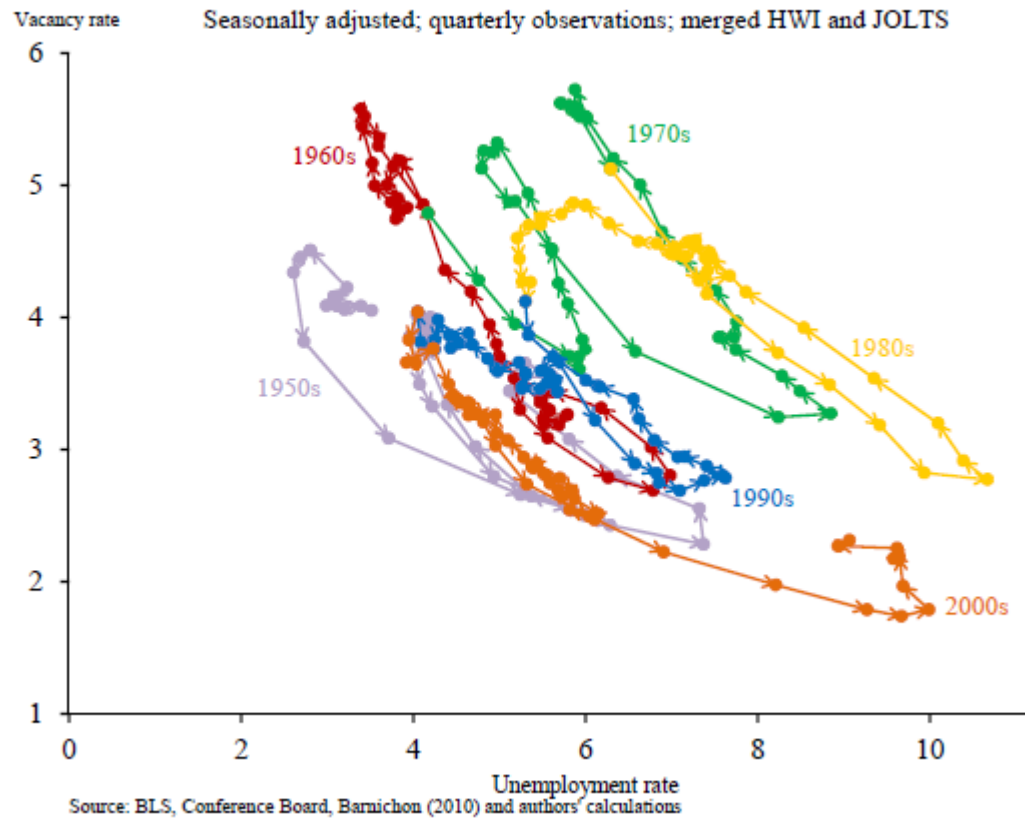
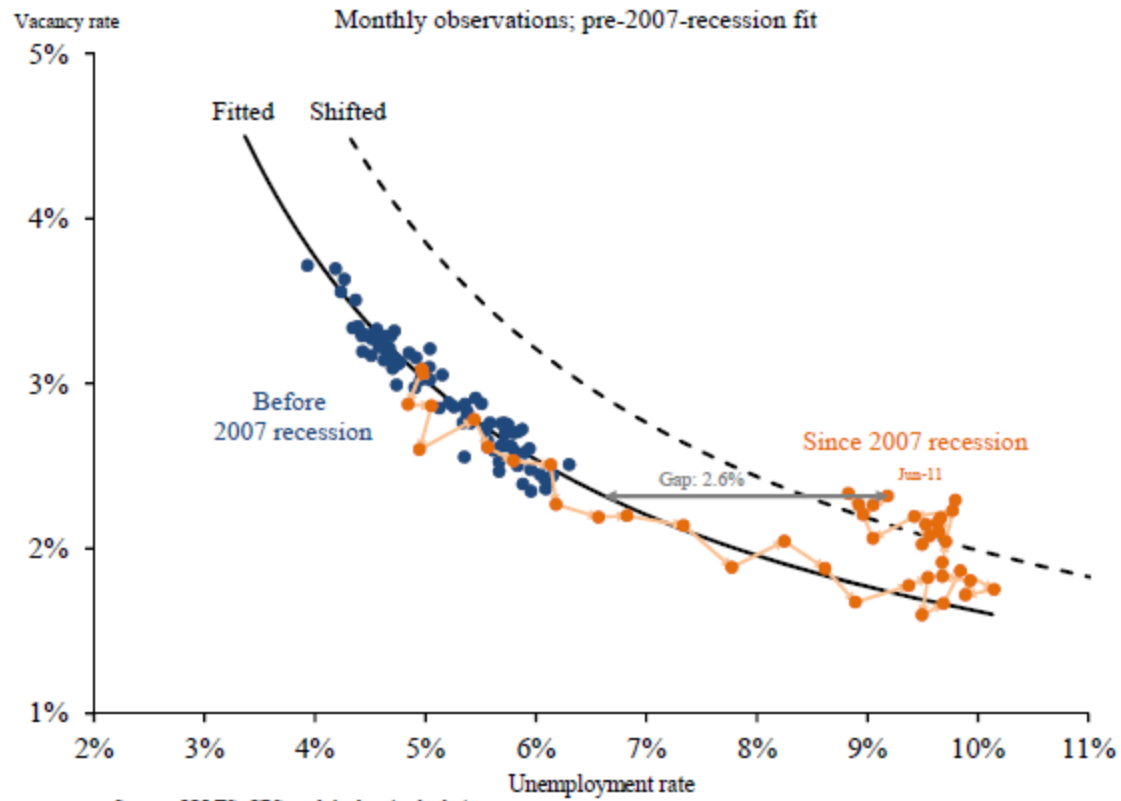


Figure 2. The U.S. Beveridge curve, December 2000-May 2011.



The policy context: crude analysis

