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100 MILLION AMERICANS: A MILESTONE IN PUBLIC ASSISTANCE DEPENDENCY

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Buried deep inside the bowels of the Census Bureau report on income, poverty, and health insurance coverage in 2012 is a remarkable milestone number: 100 million Americans live in households where one or more persons are receiving public assistance. Put differently, nearly one of every three Americans live in a household where someone is getting public assistance.

Ten years ago the number of Americans in households dependent on public assistance was 71.6 million. Public assistance here refers to means-tested cash or noncash assistance including school lunches. It does not include social insurance programs such as Social Security retirement, Medicare, and unemployment insurance that are not directly means-tested.

No number demonstrates more clearly the increase in American dependency than the rise in the number of persons in households getting Medicaid -- from 53 million in 2002 to 79.5 million last year. Today, there are more persons living in households getting Medicaid than were getting all kinds of public assistance including cash, school lunches, Medicaid, food stamps, and public or subsidized housing 10 years ago. Little wonder that state government budgets today are being crushed by the cost of providing their share of Medicaid support. And little wonder that they are cutting Medicaid reimbursement to health care providers.

Of the 100 million Americans in households getting some type of public assistance, 63.4 percent are NOT classified as poor. For a family of four, with two children under age 18, the official poverty threshold in 2012 was \$23,283. Even more shocking, 32.9 million persons in households getting public assistance have incomes ABOVE 200 percent of poverty.

Among men in households getting public assistance, there are more living above 200 percent of poverty than below the official poverty threshold: 16.5 million compared to 15.2 million. There were the same number of women as men receiving some kind of public

assistance in households above 200 percent of poverty, but more women -- 19.5 million -- who live in households classified as poor.

These data do not tell us if there is a growing *permanent underclass* living in households that depend on public assistance year in and year out or if Americans are successful in escaping dependency only to be replaced by others who become dependent for reasons largely outside their control such as changing economic conditions or unforeseen health-care needs.

If in fact there is a large and growing underclass of dependent Americans what does that say about America as the land of opportunity? Is America becoming a land where the very concept of poverty has become unhinged from need, where entitlement replaces effort, where gambling supplants entrepreneurship? Where millions of hard-working Americans still depend on labor markets to support themselves and their families, where a select few depend on the largely unpredictable ups and downs of financial markets, sometimes amassing immense fortunes, and where growing numbers of others depend on the working class and the investor class to provision their needs?

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