

The Washington Post

No. 153

WEDNESDAY, MAY 6, 1992

SOCIAL WELFARE PROGRAMS

FEDERAL OUTLAYS IN BILLIONS OF CONSTANT 1991 DOLLARS

The programs created in the broadly defined Great Society era, spanning the presidency of Lyndon B. Johnson and the early White House years of Richard M. Nixon, represented the greatest expansion of welfare and social services since the 1935 Social Security Act.

One of the first major Great Society bills was the Economic Opportunity Act of 1964, the cornerstone of Johnson's so-called War on Poverty. The act had 10 major components. Among them, it authorized creation of the Job Corps to help train young people for work in both rural and urban training centers; work-study programs for students from low-income families; VISTA (Volunteers in Service to America, a sort of domestic Peace Corps); additional work training programs; and the community action program, which funded community organizations and nonprofit groups' local development programs.

Total spending on these initial War on Poverty programs was not very great—about \$1 billion was authorized the first year. Funding for these programs was then dwarfed by funding for housing, medical and Social Security programs that usually are considered part of the Great Society legacy.

Ironically, the program often most sharply criticized as harming the poor by discouraging them from working—welfare for low-income families with children (Aid to Families with Dependent Children)—was created in the 1935 Social Security

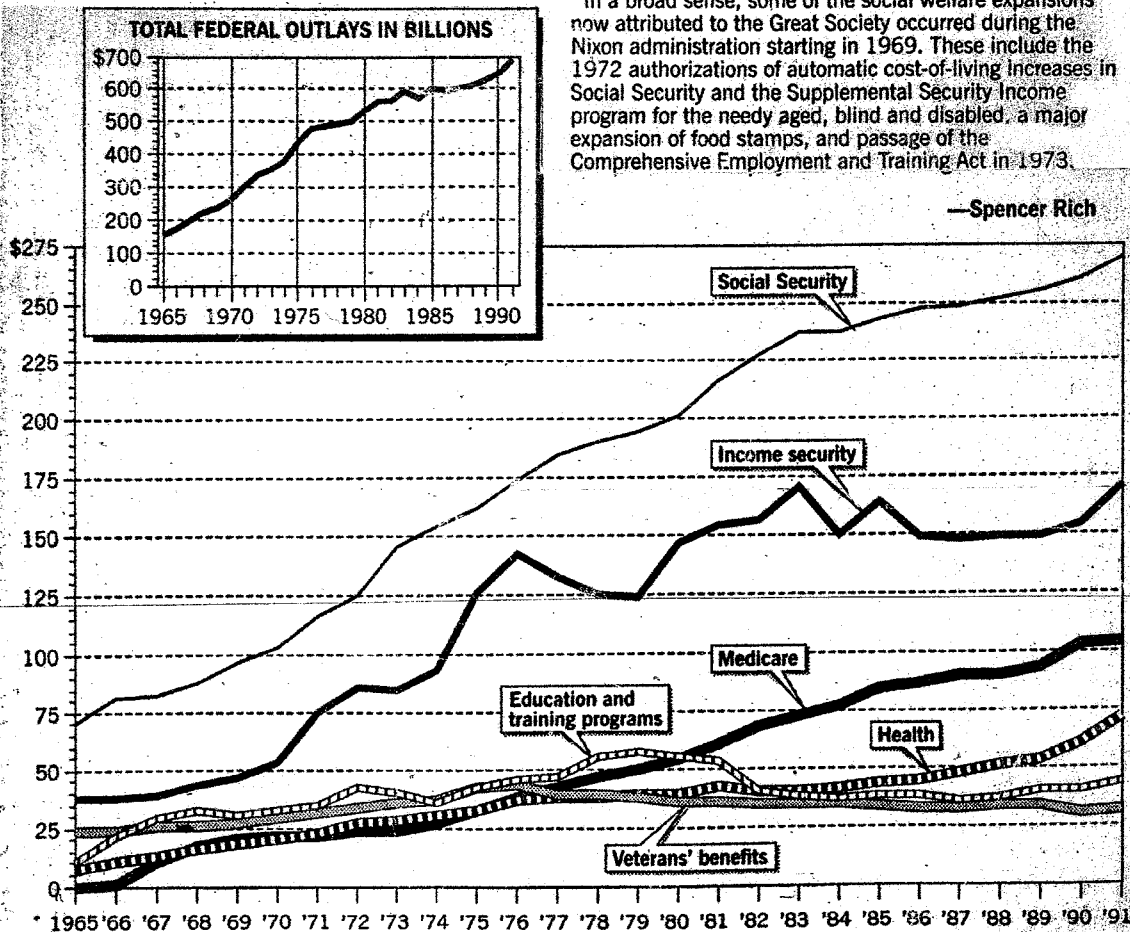
Act. Its expansion was not radically broadened by federal legislation.

The Johnson era also saw the expansion of the pilot food stamp program (1964) into a general benefit program. It was enlarged substantially during the Nixon presidency. Other Johnson initiatives included a 1965 housing program that provided rent supplements for the poor and two 1965 education programs: aid to elementary and secondary schools targeted at improving instruction for disadvantaged children, now called Chapter 1; and the Higher Education Act, which provided federal scholarships for needy children and authorized low-interest guaranteed loans for middle-income college students.

Fiscally, the most significant social welfare expansion involved Social Security and the creation of Medicare and Medicaid in 1965. There were seven Social Security raises between 1965 and 1975, plus the addition of an automatic cost-of-living feature in 1972. Of the \$689 billion in total social welfare spending shown below for 1991, Medicare for the elderly accounts for \$104.4 billion, federal Medicaid outlays for the poor most of which are matched by the states) total \$52.5 billion and Social Security as a whole is \$269 billion.

In a broad sense, some of the social welfare expansions now attributed to the Great Society occurred during the Nixon administration starting in 1969. These include the 1972 authorizations of automatic cost-of-living increases in Social Security and the Supplemental Security Income program for the needy aged, blind and disabled, a major expansion of food stamps, and passage of the Comprehensive Employment and Training Act in 1973.

—Spencer Rich



SOURCE: Congressional Research Service

THE WASHINGTON POST