

Providing a Safety Net

Chapter 3, Section 4

How does the government help the poor?

To help the poor, government programs take money from taxes and redistribute it through programs to those who need it.

- Such programs include:
 - the welfare system
 - cash transfers
 - in-kind benefits
 - medical and educational benefits
 - grant money

The Poverty Problem

In a free market, the wealth is spread unevenly throughout society, which leaves some people below the poverty threshold.

- ***poverty threshold:***

The Poverty Problem

How is the poverty threshold determined?

2017 Federal Poverty Levels

- single person: \$12,060
- four-person household: \$24,600

The Poverty Problem

Who sets the poverty threshold?

How is the poverty threshold adjusted?

The Poverty Problem

welfare:

The Welfare System & FDR

- Since the 1930s, the main government effort to ease poverty has been to collect taxes from individuals and redistribute some of those funds in the form of welfare.

The Poverty Problem

Critics of Welfare

In 1996, reforms limited the amount of time people could receive welfare payments.

In 2014, 15 states began passing legislature to require recipients of welfare and other government assistance programs to pass drug tests.

Redistribution Programs

cash transfers:



Redistribution Programs

Temporary Assistance for Needy Families

- Federal money goes to the state...
- Aims to move people from depending on welfare to ...

Michigan TANF programs include food stamps, child safe, transportation, job search, and education/job training.

Redistribution Programs

Social Security:

Those who receive social security include:

Redistribution Programs

unemployment insurance:

temporary help – in Michigan, 20 weeks

- Recipients must prove that they are making attempts to find new work.

Redistribution Programs



workers' compensation:

Redistribution Programs

in-kind benefits:

Examples:

- – qualified people receive assistance with their monthly food purchases
- – qualified people are allowed to rent housing for less than the regular rent
- – qualified people receive legal advice at no charge

Medical and Educational Benefits

The government also funds educational programs from preschool to college.

Examples:

- Head Start
- subsidized student loans
- *grants:*

Encouraging Private Action

Federal tax law allows both individuals and corporations to take tax deductions for charitable donations.

- Provides an incentive to give money and property to ...