

Selena Wyborski

POLS 3245 Race & Ethnicity in American Politics

Professor Raymond Smith

Issue Brief

## Socioeconomic Status and Social Welfare in the United States

### Key Words:

Welfare, socioeconomic status, Medicare, taxes, Social Security, food stamps

### Description:

This brief focuses on the influence of socioeconomic status on attitudes towards and direct effects of social welfare policy. With the growing gap in income inequality, reliance on social welfare is increasing despite an economic crisis that makes underfunding these programs more likely.

### Key Points:

- Social welfare policy includes programs that are designed so that all Americans can attain satisfactory services that ensure quality of life.
  - o Examples include Social Security, Medicare, food stamps, and Medicaid
- The current economic crisis is detrimental in at least two ways in regards to the intersection between class and social welfare: the growing need for social welfare programs and the inability of the government to fund said programs.
  - o This issue also leads to growing income inequality and the deliberation of “dissolving” middle class in America.
- Representation is problematic because poorer citizens display lower rates of turnout, which makes for less social welfare programs.
- Historically, most Americans have identified as middle class, but the number of Americans identifying as lower class has increased substantially.
  - o About a third of Americans now identify as lower class.

### Brief:

In the latter half of 2011, images of the Occupy Wall Street Movement were visible throughout various media outlets. Appealing to the sentiments of hopelessness and frustration that resulted from the recent recession, the movement aimed to challenge the wealthy 1% of the population that controlled a strikingly disproportionate amount of the country’s wealth. The

balance between majority-rule and minority-rights is particularly complex when considering the intersection between socioeconomic status and social welfare in this country. Although much of the United States' population considers itself to be middle-class, it is undeniable that a disproportionate concentration of power is in the hands of politicians who tend to be wealthier than the average American. These politicians are unlikely to either be forms of descriptive or substantive representation for citizens who need social welfare programs due to low turnout amongst Americans who make the most use of these programs. Especially in this time of economic distress and limited budget, the government struggles to prioritize social welfare programs, and this can often lead to an even greater divide between classes. Relevant to this topic are recent budget cuts in social welfare and the “dissolving” of the American middle class due to growing income inequality.

In 2012, the median household income according to the US Census was \$51,017. In the South, where the Republican Party is most often supported, the median income is lowest; however, conservatives tend to introduce and support policy that is against increased funding for

social welfare programs. Contrasting this, the West and Northeast display the highest median incomes and are traditionally Democratic regions, so it could be safe to assume that they would be more inclined to support social welfare programs. According to a Pew survey, about 52% of Republicans and 60% of Democrats



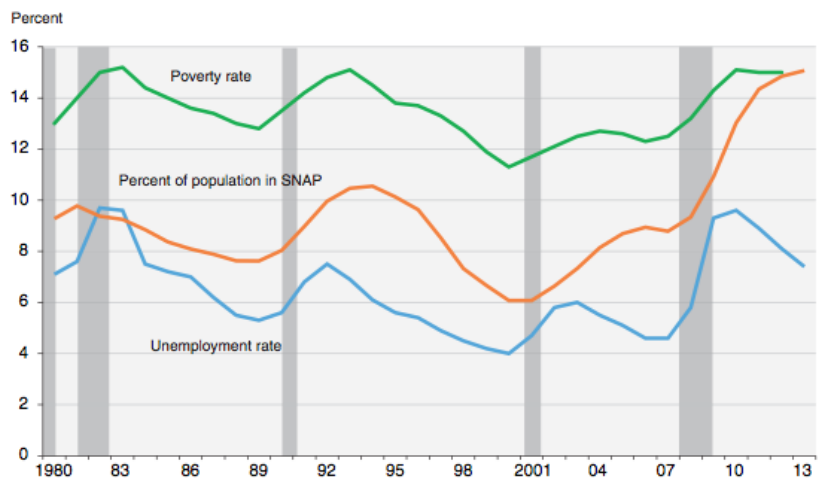
Source: <http://blsciblogs.baruch.cuny.edu/>

have reported benefiting from a social welfare program, while 57% of self-identified conservatives and 53% of liberals have benefitted (DeSilver et al. 2014). Explanations of this could be that Americans are unaware of the details of social welfare policy or choose to vote based on issues that they feel are more significant. Numbers of Americans who have ever received social welfare benefits vary greatly amongst sources and depending on opinions about what programs actually fall under social welfare. Pew Research Center released data that revealed that about 55% of Americans have received benefits or services from Social Security, Medicare, Medicaid, welfare, unemployment benefits or food stamps (Morin et al. 2014).

The current economic climate is not favorable towards increased funding for social welfare programs despite the fact that over half of Americans benefit from them. According to a 2011 *New York Times* article, cash welfare assistance has been cut in eighteen states even though the number of recipients of the food stamp program grew in every state, which calls into question the ability of the government to respond to changes in socioeconomic composition during recessions. In addition to this, Pew recently released data that showed that about a third of Americans now self-identify as lower class. Thirty-eight percent of these Americans grew up in the middle class and say that they

have experienced downward mobility (Morin et al. 2014). As the Pew study results reveal, growing economic inequality in the United States is a growing concern, and as the federal government's debt becomes a

Figure 9  
**Percentage of population in SNAP and selected economic indicators, 1980-2013**  
*Several economic indicators track the percentage of population in SNAP*



Source: USDA report 2013, "Food Assistance Landscape"

more salient political issue, social welfare programs could easily be neglected.

Recent budgetary pressures have placed social welfare policies and their effects on Americans from various classes in center stage. While wealthier Americans typically tend to resist increased taxation for the sake of social welfare growth, the majority of Americans take advantage of these programs. Even more, the power within the political and business community is undeniable, and those within these spheres are often much wealthier than the Americans for whom the policies would most benefit. Looking forward, Obama has tried to place some responsibility on the corporate sector by pushing to raise minimum wage from \$7.25 to \$10.00 (Dudley et al. 2014). This policy or others that pressure businesses to increase minimum wage, if approved, could change the dynamics of class and social welfare and transfer some of the pressure to relieve income inequality from the government to businesses.

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