Social Policy: Crash Course Government and Politics #49

Crash Course: U.S. Government and Politics
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=====Introduction=====

Hello, I'm Craig and this is Crash Course: Government and Politics and today we're going to talk about social policy. I have a lot of social policies, which include not staying up past 3 AM on weeknights and avoiding social gatherings where Velveeta Sausage Cheese Dip is served. Both of these are pretty loosely enforced, though.

Actually, we're talking about government social policy, which deals with things like Social Security, education and healthcare...and hopefully Velveeta Sausage Cheese Dip, but probably not.

[intro music]

=====Social Policy Overview=====

In talking about policy, it's really hard to separate social policy or foreign policy from economic policy, primarily because they're all paid for with money. One way to distinguish between them is to focus on the policy's goals.

Social policy has a number of goals, none of which is the outright promotion of social--ism. Glad that's out of the way. And no one is going to comment on it at all in the comments. Peace on Earth.

In America, social policy consists of programs that seek to do at least three things. Some social programs protect against risk and insecurity, like from job loss, health problems or disability. Other social programs seek to promote equal opportunity. Finally, some social programs attempt to assist the poor.

Of these three goals, there's general agreement that promoting equal opportunity is a good thing, less agreement on whether the government should protect us from risk, and widespread skepticism about helping the poor.

Americans traditionally haven't cared much for social policy and part of the reason for this has to do with Americans strong faith in individualism that's suspicious of government action. It generally favors private charity and, "pull yourself up by your bootstraps," self-reliance. I don't think I've ever worn bootstraps, Stan. Does that make me a true American?

=====The New Deal=====

As you might have guessed, the history of the American government's social policy pretty much starts, as most government programs do, with the New Deal. Prior to the 1930s, there were some attempts at the state level to protect workers and limit exploitation, but often these were struck down by the courts and the federal government's role in protecting people from risk was minimal.

The government did provide pensions to veterans' widows, but except for a relatively brief period after the Civil War, the number of pension recipients were never very large.

The Great Depression changed the way that Americans came to view their government, and also modified how many of them felt about poverty. The suffering caused by the depression was so great and so widespread that many Americans came to feel that it was part of the government's job to do something about it.

Private charities, which had been the primary way that Americans had helped the poor before the depression, could not handle the numbers of needy people. In addition, not all of these people could be considered to have become poor due to their own personal failings. The Great Depression helped solidify the idea that people could sometimes be victims of economic forces beyond their control and that it was the government's duty to help them. Basically, the Great Depression changed people's question from if the government should help to how should the government help.

The answer to that question came in the form of the New Deal. You've probably heard about the New Deal; it's a big deal. But we've only got 12 minutes, so we're going to focus on two specific programs: Social Security and Aid to Families with Dependent Children, or AFDC. And if you judge by public opinion polls, and who doesn't, then Social Security is one of the most successful New Deal programs ever. Let's go to the Thought Bubble.

=====Thought Bubble=====

Started in 1935, the Social Security Act was a reaction to the fact that many elderly people in the U.S. were poor. Largely because they had no work, little savings and no pensions. Social Security provided monthly payments to people who were over 65.

And while no one was getting rich, it was enough money to keep people from falling into abject poverty.

A couple things about social security. First, it's not a savings program; You pay into it when you are working but that money doesn't go into an account for you to access when you retire.

So how does it work?

Well, when you're working in on a payroll, your taxes are deducted from your wages and the amount is matched by your employers. The total amount that gets taken out is 7.65%. With 6.2% going to Social Security and the other 1.45 percent going to Medicare, which provides health coverage for older people.

This money goes into a pot, and is then paid out to people over the age of 65. In other words, workers are paying today's older Americans. The benefits are indents, which means they go up with inflation. This program redistributes wealth from younger working people to older retired people. Because the more you make the more you pay at least up to a point because it leads up to a cap on the amount of salary left on your payroll tax.

Social Security also redistributes wealth from richer people to poorer ones. In general, Americans are suspicious of programs that redistribute wealth. But Social Security is very popular with both Liberals and Conservatives. Conservatives tend to like it because it's funded by a regressive payroll tax that phases out at higher incomes. Rather than a more progressive one that hits higher earners harder. Liberals like it because it provides automatic benefits for the elderly.

Thanks, Thought Bubble

=====Social Security Issues=====

Whether Social Security is in crisis depends on a lot of what numbers you look and whether you believe there are political solutions to potential problems. The number of people receiving benefits is rising, approximately 50 million Americans receive Social

Security and that number is increasing as Baby Boomers get older, and the number of people paying into it is falling.

Eventually, if these trends continue, there will come a time where there might not be enough money paid into Social Security to pay off benefits to those who qualify. This shouldn't be an issue since Social Security spending is controlled by congressional legislation. And they can always raise the payroll tax or raise the benefit age above 65.

Should be easy, but controversial.

Because older people tend to vote , there's a strong incentive for congress to fix any problems and keep the benefits coming. Also, it would be a national embarrassment for congress to let it go bankrupt. Medicare, which is also paid for by payroll taxes, is probably in more trouble. Partly because of the same demographics that are putting pressure on Social Security.

Mainly it's because of rising medical costs, which Medicare only has so much control over. Medicare is a third party payer for its medical benefits, it doesn't actually provide doctors or medicine or stuff that makes people healthy. Since it does cover more than 45 million American, Medicare has some leverage over costs, but at least until recently those costs have been rising rapidly.

==AFDC==

Social Security is generally popular but I'll tell you what was unpopular, Aid to Families with Dependent Children. In fact, it was so unpopular that we don't even have it anymore. Like, imagine this eagle as the AFDC... metaphor.

AFDC is what Americans tend to think of when we talk about welfare. It was a system that paid benefits to women with children and the amount of the payments went up or down depending on how many children you had. AFDC was what is called a non-contributory program, which means what is sounds like; you didn't need to have contributed through taxes to be eligible or to receive benefits. There are still some non-contributory social welfare programs, most notable free school lunches, federal housing assistance programs, and supplemental nutrition assistance program, also known as SNAP or Food Stamps.

Another is the successor to AFDC, Temporary Aid to Needy Families, or T A N F or TANF. In the 1980's, conservatives argued that these AFDC checks created dependency or at the very least, an incentive to not work and increasing welfare payments were pointed to as a criticism of liberalism in general. But conservatives weren't able to reform welfare in the 80's because even though a majority of Americans didn't like it, passing laws is difficult, especially when Congress is hostile to you.

It took a Democratic president, Bill Clinton, to push welfare reform through Congress, which in 1996 passed the Personal Responsibility and Opportunity Reconciliation Act, better known as the 1996 Welfare Reform Act. This law got rid of Aid to Families with Dependent Children and replaced it with Temporary Aid to Needy Families, which emphasized that any aid to needy families was going to be *temporary* by putting that as the first word in its title.

There are now work restrictions that recipients must meet in order to get benefits and there are time restrictions. You can only receive benefits for two years in a row and five years total. All this was supposed to encourage people to get off welfare, and as the name of the law tells us, exercise greater personal responsibility.

So did it work? It kind of worked. the number of people receiving welfare did decrease and more people did look for and find work. On the other hand, the law didn't reduce poverty, although to be fair that wasn't what is was supposed to do, it was supposed to reduce welfare. Also, during economic downturns as in 2001 and 2009, welfare caseloads rose again, suggesting that the work that people did find might not be such a stable solution to relieving poverty.

==Conclusion==
So this episode has focused mainly on the more controversial aspects of social policy, those that involve redistribution of wealth from richer to poorer Americans, and I'm sure all of you commenters are fine with that.

Actually, probably not. For a lot of reasons, some economic, but many cultural, Americans have generally been suspicious of these redistributive programs. Remember that I said one goal of social policy, one that's not very controversial, is increasing opportunity. And for most of us, the key to increasing opportunity is education. Which is what we're doing right here!

Education is one social policy that almost everyone agrees on, under the theory that if everyone is educated they will be able to find good, high paying jobs that will enable them to achieve greater economic stability and mitigate the risks in their own lives without the government having to do it for them.

Whether it works or not, and just how much the government should be involved, are questions that you will have to think about and argue over with your friends and families and teachers and teacher's teachers and teacher's grandmas and the guy at McDonald's... Maybe the guy standing next to you at the Velveeta sausage cheese dip platter.

But it's important to remember that social policy isn't just redistribution of wealth or income, it's also education and programs that help people who really can't help themselves.

Thanks for watching. See you next time.

==Credits==
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Crash Course was made with the help of all these Velveeta sausage cheese dips. Thanks for watching.