Cap Total Means-Tested Welfare Spending

SAVINGS IN MILLIONS OF DOLLARS

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<tbody>
<tr>
<td>Savings</td>
<td>$100,000</td>
<td>$150,000</td>
<td>$229,472</td>
<td>$250,042</td>
<td>$268,599</td>
<td>$289,101</td>
<td>$316,622</td>
<td>$342,330</td>
<td>$367,309</td>
<td>$397,216</td>
<td>$998,113</td>
<td>$2,710,691</td>
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Heritage Recommendation:
Gradually scale back aggregate means-tested welfare spending to pre-recession (FY 2007) levels plus 10 percent, and cap at the rate of inflation going forward. This proposal would save $100 billion in 2016, and $2.7 trillion over 10 years.

Rationale:
The U.S. welfare system consists of approximately 80 federally means-tested welfare programs that provide cash, food, housing, medical care, and social services to poor and lower-income Americans. Total spending on these programs in FY 2013 was $943 billion. Total annual welfare spending has increased sixteenfold since the 1960s, and has cost taxpayers a total of $22 trillion, or three times the amount the government has spent on all military wars combined since the beginning of the nation’s history. Furthermore, under President Obama's current plan, welfare spending will amount to $13 trillion over the next decade alone.

Welfare spending must be put on a more prudent course. Rolling back spending to pre-recession levels (plus 10 percent) as the economy recovers, and then capping it at the rate of inflation, would require policymakers to direct welfare spending to the areas of greatest priority, rather than allowing welfare spending to simply continue its upward climb without helping individuals achieve self-sufficiency.

Additional Reading:

Calculations: