

Background

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Does Advocating Limited Government Mean Abandoning the Poor?

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Abstract: *Government anti-poverty programs share the flawed assumption that poverty in America is primarily a material problem that can be solved by increased welfare and entitlement spending. Poverty in America is often the result of a relational problem, such as fatherlessness or community breakdown, which government programs cannot adequately address. However, the institutions of civil society—family, churches, and other associations—are well suited to providing the personalized assistance needed to repair these relational problems, enabling people to overcome poverty and lead healthy lives. Instead of crowding out private efforts with welfare programs, government can best serve the poor by establishing and maintaining social conditions that allow families, churches, and other institutions of civil society the freedom to serve those who are in need.*

Is the promotion of limited government compatible with a concern for those in poverty?

Calls for limited government are often mistakenly equated with a disregard for people in need. This flawed line of reasoning assumes that poverty is primarily a material problem and that government bears the primary responsibility for solving it by increasing welfare and entitlement spending.

Yet at its root, poverty is usually more complex than a simple lack of material resources. In America, poverty is often the result of a relational problem, such as fatherlessness or community breakdown. Such relational breakdowns are addressed most effectively through various civil society institutions.

Talking Points

- Calls for limited government are often mistakenly equated with a disregard for the poor. In reality, limited government, rightly understood, is an essential component of a larger framework that benefits people in need.
- Government poverty programs now spend nearly \$1 trillion annually, yet they fail to reduce poverty. They wrongly assume that poverty in America is primarily a material problem.
- Poverty is often the result of multiple broken relationships in people's lives, such as fatherlessness and community breakdown.
- Civil society institutions—families, churches, and businesses—are uniquely positioned and capable of cultivating and restoring the relationships that people need to flourish.
- Government serves best when it establishes and maintains the social conditions that allow civil society to thrive. Far from being incompatible with a concern for poverty, an appropriately limited government is crucial to maintaining a social order that enables people to escape poverty.

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People have many needs that extend beyond simple material possessions—needs that cannot be met by any single institution. Families, churches, businesses, and other forms of association play crucial roles in sustaining liberty and meeting people's needs. Public policy in general and welfare policy in particular should respect and protect these institutions of civil society.

Thus, limited government is an important piece of a framework that benefits people in need. When government is limited to the tasks it is best-equipped and authorized to perform, it allows more effective poverty-fighting institutions to thrive. Far from being incompatible with a concern for poverty, an appropriately limited government is crucial to maintaining a social order that enables people to escape poverty.

Poverty in America Is Not Primarily Material

In political debate, poverty in America is often discussed as a purely material problem. This is problematic for several reasons.

First, viewing poverty as just a physical and material problem ignores emotional, spiritual, and interpersonal needs. Failure to meet any of these needs can result in a kind of poverty or suffering. Given this wide range of human needs, approaches that focus solely on material provision, such as government welfare and entitlement programs, are inadequate. Properly structured government welfare programs may address some kinds of needs. However, to address poverty effectively, government programs must leave room for—and not undermine or usurp—other institutions that are better equipped to meet the full range of human needs.

Second, defining poverty as solely material in nature suggests that the solution lies in providing more money or goods.¹ Regrettably, the solution is

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not that straightforward. If it were, President Lyndon Johnson's War on Poverty would have generated better results.

Since the beginning of the War on Poverty in 1965, the federal government has spent \$16 trillion on welfare. Sadly, this massive spending has failed either to break the cycle of government dependence or to help low-income families to climb the ladder of social mobility. Instead, welfare dependence has grown dramatically. From 1960 until shortly before the welfare reforms of 1996, the total number of welfare recipients more than tripled.² The overall poverty rate has not changed much over the past four decades, and today, one in seven Americans lives at or below the official federal poverty line.³

Moreover, since the War on Poverty was launched, the rate of births out of wedlock has increased from 7 percent to 41 percent nationally, exceeding 70 percent among the black population.⁴ This has devastated the well-being of these single mothers and their children and has sharply limited their prospects of escaping poverty.

Policymakers should reassess why spending nearly \$1 trillion annually is failing to reduce poverty. A large part of the problem lies with an underlying assumption about the nature of poverty in America: that it is primarily a material problem. If this assumption is wrong, then the government can never spend enough to overcome it.

The Relational Roots of Poverty

For the most part, poverty in America is not a simple lack of income or assets. Therefore, it cannot

1. When addressing long-term poverty, both government and nongovernment institutions have too often adopted this approach.
2. The Heritage Foundation, "Welfare Caseloads Have Declined Since the 1996 Welfare Reform," at <http://www.familyfacts.org/charts/305/welfare-caseloads-have-declined-since-the-1996-welfare-reform> (April 25, 2011).
3. The Heritage Foundation, "The Official Poverty Rate Has Declined Minimally Since the Late 1960s," at <http://www.familyfacts.org/charts/320/the-official-poverty-rate-has-declined-minimally-since-the-late-1960s> (April 25, 2011).
4. The Heritage Foundation, "More Than Four in 10 Children Are Born to Unwed Mothers," at <http://www.familyfacts.org/charts/205/more-than-four-in-10-children-are-born-to-unwed-mothers> (April 25, 2011).

be reduced to financial calculations. The causes of poverty tend to be relational in nature, often stemming from “brokenness” in the foundational relationships of life.

The goal of overcoming poverty is not simply to eliminate need, but to enable people to thrive—that is, to empower them to live meaningful lives and contribute to society. Thriving is much more than a full stomach and a place to sleep. People tend to flourish in the context of healthy relationships with their families and communities. Suffering and breakdown often result when those relationships are absent or unhealthy.

Poverty in America is often more the result of multiple broken relationships in peoples’ lives than the result of a lack of material resources.

Efforts to fight poverty are more effective if they tend to the full range of relationships necessary for thriving. Successful approaches not only heal brokenness where it exists, but also strengthen healthy relationships, which make poverty unlikely in the first place. Preventing a problem is often more effective in the long run than continually treating the symptoms.

Calls for increased welfare spending frequently miss the deeper problem: Poverty in America is often more the result of multiple broken relationships in peoples’ lives than the result of a lack of material resources. Financial trouble is often a symptom of a deeper breakdown. Whether a father abandoning his children, a broken marriage turning a spouse to drugs, or a teenage boy looking for acceptance in a gang, poverty and social breakdown often stem from people relating wrongly to someone or something. These broken lives resulting from broken relationships often lead to material hardship.

Effective responses to poverty address the relational dynamics that lead people to drug addiction, depression, fear, violence, and the inability to keep a job. Yet a large bureaucratic government is ill equipped to address precisely these dynamics and relationships.

Hope, trust, friendship, accountability, discipline, encouragement, and healthy personal relationships are key ingredients of human well-being. When they are missing or ruptured, the result may be poverty, delinquency, or social breakdown. Civil society institutions that foster face-to-face interaction best cultivate these ingredients of human flourishing. Poverty-reduction efforts should therefore strengthen those spheres of society in which healthy relationships grow.

When considering the role of government in alleviating poverty, public policy should acknowledge the relational nature of poverty as well as the vital contributions from local, personal institutions. Government is an important piece of a larger framework that benefits people in need, but government serves best when it protects and safeguards—rather than crowds out—the poverty-fighting institutions of civil society.

Family and Friends

Effective poverty-fighting initiatives begin at ground level in families, close friendships, and mentoring relationships. People often receive the most effective care from those who know and interact with them regularly. Relationships among friends and family members allow people to know each other’s circumstances. This kind of personal knowledge is necessary for tailoring solutions to particular needs. These face-to-face relationships form the foundation of a healthy and prosperous society.

Healthy marriage and family relationships are especially important for people and communities to thrive. Families are able to meet and responsible for meeting a vast array of needs. They provide their members with basic health care, education, food, shelter, economic provision, and spiritual and moral guidance. Families teach basic principles of sharing, patience, forgiveness, honesty, hard work, respect for authorities, unconditional love, and the importance of saving money and avoiding instant gratification. These lessons contribute to success in sustaining good marriages and holding down jobs, which are two of the most significant avenues for economic mobility in America. These are also the values and habits that make freedom and self-government possible.

When families fall apart, individual and social problems tend to escalate. The breakdown of marriage and family is a major predictor of poverty in America. About 80 percent of long-term poverty in America occurs in single-parent homes.⁵ A child born to an unwed mother is six times more likely to experience poverty than a child born and raised in a home with married parents.⁶ Studies also show that children raised by married parents are less likely to experience crime, unwed pregnancy, domestic violence, and drug and alcohol use and more likely to achieve better educational performance and sustain physical and mental health.

Given the importance of stable, intact families to preventing and alleviating poverty, government assistance programs that create disincentives to marriage can have unintended, harmful consequences. Regrettably, by threatening to revoke government benefits, many welfare programs discourage single mothers from marrying the employed fathers of their children. Discouraging men and women from enjoying the financial and emotional supports of marriage in order to keep a monthly government check not only hurts these impoverished adults, but adversely affects their children, who are more likely to continue the cycle of poverty for another generation.

About 80 percent of long-term poverty in America occurs in single-parent homes.

Poverty and social breakdown in America are strongly linked to family breakdown. A good and properly limited government protects the foundational institution of marriage and respects the family's primary responsibility for meeting people's needs. Public policy should remove tax and benefit structures that penalize marriage. Government leaders and policies can also promote positive messaging about the benefits of marriage, especially

about the benefits to children of a married mother and father.

Churches and Ministries

Many people either have no family to support them or have needs that are so severe that they overwhelm a single family unit. In these cases, people require the help of larger institutions that can bring more resources to bear without losing the personal approach that makes families so effective. In this way, churches and ministries can play important roles in combating poverty.

Like families, local congregations are well equipped to cultivate and restore the foundational relationships of life. Churches and ministries provide personalized help. They can connect those in need with others who understand the problem, can offer innovative solutions, and can observe the direct effects of their efforts. If they find that their approaches are not effective, local ministries can quickly change course and use different approaches as necessary.

Local congregations can address a wide range of emotional, spiritual, social, material, and financial needs. Beyond providing just money or food, they can offer accountability, discipline, modeling, and a sense of belonging in a supportive community. Similar to families, religious communities and ministries can also address problems at the level of the human heart, the level at which change is often needed to overcome the broken relationships and patterns of behavior that trap individuals in poverty. By pointing people to a source of meaning and purpose in life, these faith-based institutions can foster hope, strength, and perseverance in the face of difficulties.

Churches and ministries can extend a helping hand because of the full range of resources they can provide. Local congregations often include a variety of people with a broad array of skills and experiences. Churches can draw from this deep pool of

5. Patrick Fagan, Robert Rector, Kirk Johnson, and America Peterson, "The Positive Effects of Marriage: A Book of Charts," The Heritage Foundation, April 2002, p. 8, at http://www.heritage.org/Research/Features/Marriage/upload/48119_1.pdf (April 25, 2011).

6. Robert Rector, "Understanding and Reducing Poverty in America," testimony before Joint Economic Committee, U.S. Congress, September 25, 2008, at <http://www.heritage.org/Research/Welfare/tst040209b.cfm> (April 25, 2011).

gifts and skills to tailor solutions that meet individual and family needs with great efficiency and effectiveness without losing the personal approach. Furthermore, church members are often inspired by a sense of calling to serve others in need, including their surrounding communities.

The call for limited government recognizes that churches and other faith-based institutions remain better equipped than the state to restore relationships that are necessary for overcoming poverty in America.

America's history testifies to the power and potential of religious organizations to care for the needs of hurting people. As Marvin Olasky shows in *The Tragedy of American Compassion*, congregations historically have been the first place of resort in times of difficulty. In addition to caring for people's day-to-day needs, churches led the way in developing schools, hospitals, disaster relief agencies, and savings and loan programs. These institutions effectively met a vast range of physical and material needs, but they did not separate the tangible needs from the intangible. They served the whole person, seeking to strengthen and restore all of the foundational relationships in which people thrive.⁷

The call for limited government recognizes that churches and other faith-based institutions remain better equipped than the state to restore relationships that are necessary for overcoming poverty in America. Policies that erode the role or resources of local congregations and communities are at odds with sound strategies to fight poverty. Government is an impersonal institution that can meet only a narrower range of material needs. A limited government that protects and respects the social role and responsibility of religious groups offers a better hope for those in need.

Businesses and Jobs

Work is crucial to overcoming poverty. It bestows a sense of purpose and accomplishment and enables people to provide for themselves and their families.

Businesses offer opportunities to work, and business activity is the primary cause of economic growth. Anti-poverty strategies should therefore promote policies and conditions that foster rather than stunt growing businesses.

Addressing material need is an important step toward overcoming poverty, but if undertaken without attention to the larger goal of human flourishing, providing physical necessities can be harmful and dehumanizing. For instance, food stamps or other handouts may eliminate immediate hunger, but if no effort or payment is required in return, handouts can sap the recipient's motivation to work. This approach can therefore undermine the larger goal of helping people reassume their roles as active community members who contribute to the common good.

By contrast, work offers people an opportunity to use their talents and skills to contribute to society and provide daily sustenance for themselves and their families. Work also provides a sense of dignity and accomplishment. For all these reasons, anti-poverty strategies should encourage both work and the economic conditions that foster job creation.

Handouts can sap the recipient's motivation to work and undermine the larger goal of helping people reassume their roles as active community members who contribute to the common good.

Businesses provide jobs, and growing businesses create new opportunities for work. A properly limited government enables businesses to compete, take risks, innovate, invest, and expand and in turn to create more jobs. Government has an important role in protecting the conditions in which businesses can succeed, including enforcing contracts and guarding against criminal activity, such as fraud and corruption. However, government can also stunt economic growth and discourage job creation by attempting to control the economy by setting artificial prices and wages, funding economic "stimulus" packages, and funding public works boondoggles.

7. Marvin Olasky, *The Tragedy of American Compassion* (Wheaton, Ill: Crossway Books, 1992), pp. 6–23.

These government interventions in the economy do not increase productivity or net jobs, although they may increase the number of government jobs while stunting job growth in the private sector. In essence, such policies just move the same amount of money around, taking from some individuals and families and giving to others without creating anything additional.⁸ A limited government that enables businesses to compete freely and grow encourages job creation, which helps those in need. Government policy can also promote work as a way out of dependence by requiring able-bodied recipients of government welfare support to find work or train for work.

The Proper Role of Government

As noted, the roots of poverty in America are usually relational in nature. Poverty can often be traced back to absent or broken foundational relationships that are necessary for people to thrive. Effective poverty-fighting approaches restore these key relationships. While government is ill equipped to address the relational roots of poverty, it plays an important role in maintaining the social conditions in which relationships develop. Government best serves those who are in need when it limits itself to those tasks that it is best suited to perform and allows civil society institutions to care for people in person.

Government's role is to create and maintain an overall environment of safety, order, freedom, and peace, which includes upholding justice through laws and responding to threats to social harmony.

People trapped in poverty need relationships that provide personal knowledge and meaningful connections, restoration of stable families, access

to churches and ministries that offer extensive care and accountability, and the opportunity to work and provide for their loved ones. To flourish, these relationships and opportunities presuppose an additional need: secure social conditions. People and organizations need the freedom to serve one another. Community members need the assurance that their personal safety or possessions are not in jeopardy. Churches need the ability to cultivate relationships, and businesses need the freedom to grow and to create jobs without other entities interfering with their proper roles and responsibilities. Government serves those who are in need when it protects these institutions' roles in society.

Government's role is to create and maintain an overall environment of safety, order, freedom, and peace, which includes upholding justice through laws and responding to threats to social harmony. As it articulates and upholds the rule of law on behalf of an entire society, government benefits all citizens, especially the weakest and most vulnerable. By maintaining public safety, law, and justice, government ensures that healthy relationships can grow and thrive in the context of family, church, and community.

In dire situations, when civil society organizations cannot meet people's basic tangible needs, the government can provide a safety net of material support. However, this safety net should not foster long-term dependence on government, but rather help people get back on their feet. When government intervenes to meet people's dire material needs, it should act in ways that neither discourage healthy behaviors, such as work and marriage, nor crowd out smaller, voluntary organizations.

This limited government is in accordance with the U.S. Constitution, through which America's Founders limited the federal government's role in part to allow civil society to thrive.⁹

8. For more on the basics of economic growth, see Leslie Carbone and Jay Richards, "The Economy Hits Home: What Makes the Economy Grow?" The Heritage Foundation, at <http://www.heritage.org/Research/Reports/2009/07/The-Economy-Hits-Home-What-Makes-the-Economy-Grow>.

9. For more on the American Founders' views of government in relation to civil society, see Ryan Messmore, "A Moral Case Against Big Government," Heritage Foundation *First Principles* No. 9, February 27, 2007, at <http://www.heritage.org/Research/Reports/2007/02/A-Moral-Case-Against-Big-Government-How-Government-Shapes-the-Character-Vision-and-Virtue-of-Citizens>.

The Dangers of Government Overreach

When government assumes increasing responsibility for needs that civil society can provide, it crowds out the responsibilities and resources of private institutions. Government is well suited to meeting needs that require the exercise of coercive power but poorly equipped to address other needs, including the “problems of the heart” that often contribute to poverty and social breakdown.

Government programs can shape people’s sense of responsibility and obligation for each other. For instance, Social Security and similar government programs that provide for the elderly can influence people’s sense of responsibility to take care of their parents and grandparents. Government-funded unemployment benefits can diminish a community’s sense of obligation to its neighbors who lose their jobs. Furthermore, government welfare lowers private giving to the poor. Using state-level data from 1997 to 2002, Arthur Brooks of the American Enterprise Institute found that a 10 percent increase in a state’s welfare spending correlates with a 3 percent decrease in charitable giving by its citizens.¹⁰

Government social welfare spending can also crowd out private efforts to help those in need. For example, before Medicare Part D was enacted in 2003, two-thirds of Medicare enrollees received prescription drug coverage from nongovernmental providers.¹¹ Analysts have since found that the new drug benefit resulted in a crowd-out rate of 72 percent. For every seven prescriptions now paid for by the government, five would previously have been privately financed.¹²

The State Children’s Health Insurance Program (SCHIP) has had a similar crowd-out effect. In 2007,

according to the Congressional Budget Office, 25 percent to 50 percent of those covered by previous SCHIP expansions were likely crowded out of private coverage.¹³

In whatever field it occurs, this crowding out yields the same result: Government programs and funding push the organizations best equipped to care for those in need to the periphery, while the government assumes more responsibility and control over more resources.

Government social welfare spending can also crowd out private efforts to help those in need.

A government that oversteps its legitimate limits and undermines the proper responsibility of other institutions is acting not only unconstitutionally, but also unjustly. Such an expansive government also works against the best interests of those in poverty. Government serves best when it establishes and maintains the social conditions that allow families, churches, and ministries to nurture healthy relationships and allow businesses to provide opportunities for work.

Conclusion

Calling for limited government does not mean ignoring the plight of those in poverty. On the contrary, limited government, rightly understood, is an essential component of a larger framework that benefits people in need. That framework recognizes not only material needs, but also familial, spiritual, moral, emotional, and social needs.

This framework leaves room for each institution to play its proper role and do what it does best. It

10. Arthur C. Brooks, *Who Really Cares: The Surprising Truth About Compassionate Conservatism* (Cambridge, Mass.: Basic Books, 2006), p. 59.

11. Joint Economic Committee, U.S. Congress, “Medicare Beneficiaries’ Links to Drug Coverage,” April 10, 2003, at http://jec.senate.gov/republicans/public/?a=Files.Serve&File_id=b22c5946-797c-4904-bd32-699fcd9415ad (April 25, 2011). For more on the crowding out caused by Medicare Part D, see William W. Beach, “The 2009 Index of Dependence on Government,” Heritage Foundation Center for Data Analysis Report No. CDA10-01, at <http://www.heritage.org/research/reports/2010/03/the-2009-index-of-dependence-on-government?query=index+of+dependency>.

12. Frank R. Lichtenberg and Shawn X. Sun, “The Impact of Medicare Part D on Prescription Drug Use by the Elderly,” *Health Affairs*, Vol. 26, No. 6 (November 2007), pp. 1735–1744.

13. Congressional Budget Office, “The State Children’s Health Insurance Program,” May 2007, p. 12, at <http://www.cbo.gov/ftpdocs/80xx/doc8092/05-10-SCHIP.pdf> (May 2, 2011).

allows families, churches, and nonprofits to meet basic needs, nurture healthy relationships, and develop virtuous citizens. Within this framework, businesses provide opportunities for work and expand wealth, and government safeguards lives, property, and institutions. Together, limited government, free enterprise, and a strong civil society fos-

ter the kind of communities that enable people to escape poverty.

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