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## Poverty and Welfare in the American Founding

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### Abstract

*Both conservatives and liberals often misunderstand the American Founders' approach to poverty and welfare. Conservatives tend to assume that poor relief in early America was entirely private, while liberals generally think the poor were entirely neglected until the 20th century. But America has always had laws providing for the poor. The real difference between the Founders' welfare policies and today's is over how, not whether, government should help those who are in need. The question was and remains: What policies help the poor, and what policies harm them? The ultimate goal for the Founders was lifting the poor out of poverty as quickly as possible and preventing permanent dependence.*

Did Americans before the 20th century lack compassion for the poor? Did they treat the poor with indifference or even cruelty? That is the impression given by most high school and college textbooks. Few students ever learn that government-funded welfare, not to mention generous private charity, has existed throughout American history.

James MacGregor Burns's *Government by the People*, a college textbook, says that “[c]ontemporary American liberalism has its roots in Franklin Roosevelt’s New Deal programs, designed to aid the poor and to protect people against unemployment and bank failures.”<sup>1</sup> He implies that the poor received no government aid or protection before the 1930s.

Reinforcing this impression, Burns goes on to say that “American conservatism has its roots in the political thinking of John Adams, Alexander Hamilton, and many of their contemporaries.... Most conservatives opposed New Deal programs and the War on Poverty in the 1960s.... Human needs, they say, can and should be taken care of by charities.”<sup>2</sup>

Larry Berman and Bruce Murphy’s college textbook *Approaching Democracy* gives a similar slant: “While poverty has existed in the United States since the early colonial days, it first reached the public agenda in the early 1900s as a result of the writings of muckraking journalists.”<sup>3</sup> If poverty “first reached the public agenda” only then, readers are likely to conclude that government did nothing about it before that time. Nothing in Berman and Murphy contradicts that conclusion. Most history textbooks present accounts that are the same as or similar to the accounts given by these political scientists.

These claims about the American past are either untrue or misleading. America has always had laws providing for the poor. The real difference between

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the Founders' welfare policies and today's is over *how*, not *whether*, government should help those in need. Neither approach has a monopoly on compassion. The question is: What policies help the poor, and what policies harm them?

Conservatives today sometimes make the same mistake that liberals make about America's past. Reacting to what they regard as the excesses of the modern welfare state, conservatives tend to assume that poor relief in early America was entirely private. They continue to echo Barry Goldwater's statement in *The Conscience of a Conservative*, written before he ran for President in 1964: "Let welfare be a private concern. Let it be promoted by individuals and families, by churches, private hospitals, religious service organizations, community charities and other institutions that have been established for this purpose."<sup>4</sup> Goldwater apparently did not realize that the Founders would have rejected such a policy as heartless.

Scholarly historians of welfare in America present a more accurate picture, but they too tend to dismiss the approach of earlier Americans, including the Founding generation. These historians are generally dismayed by the earlier distinction between the deserving and undeserving poor. They tend to present the earlier welfare system as either a well-intentioned or a mean-spirited failure.

Michael Katz, for example, commenting on poorhouses, which were strongly endorsed by Thomas Jefferson, writes, "Miserable, poorly managed, underfunded institutions, trapped by their own contradictions, poorhouses failed to meet any of the goals so confidently predicted by their sponsors."<sup>5</sup>

In the standard history of welfare in America, Walter Trattner writes that:

[Early American observers] concluded that no one ought to be poor, and there was little tolerance for the able-bodied pauper. The only cause of such poverty, it was assumed, was individual weakness.... [B]y the late eighteenth and early

nineteenth century, Americans began to believe that poverty could, and should, be obliterated—in part, by allowing the poor to perish.... Stereotypes rather than individuals in need dominated the public mind.<sup>6</sup>

Trattner does not hide the ideology behind his judgments; at the end of the book, he enthusiastically endorses President Bill Clinton's national health care and welfare proposals.<sup>7</sup>

We will see that the Founders would have something to say in response to Katz's and Trattner's harsh and misleading words.

### Jefferson and Franklin on Welfare

From the earliest colonial days, local governments took responsibility for their poor. However, able-bodied men and women generally were not supported by the taxpayers unless they worked. They would sometimes be placed in group homes that provided them with food and shelter in exchange for labor. Only those who were too young, old, weak, or sick and who had no friends or family to help them were taken care of in idleness.

The Founders had little to say about the topic of poor relief. Like the family, welfare was not a controversial topic. Two of their rare statements on the subject occur in writings provoked by foreigners: Jefferson's *Notes on the State of Virginia*, written in answer to questions posed by a Frenchman, and an article criticizing the British welfare system written by Benjamin Franklin for the British press.

Jefferson explained the Virginia poor laws at the time of the Revolution:

The poor, unable to support themselves, are maintained by an assessment on the tithable persons in their parish. This assessment is levied and administered by twelve persons in each parish, called vestrymen, originally chosen by the housekeepers of the parish.... These are

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1. James MacGregor Burns et al., *Government by the People*, 15th ed. (Englewood Cliffs, NJ: Prentice Hall, 1993), p. 196.

2. *Ibid.*, pp. 199–200.

3. Larry Berman and Bruce A. Murphy, *Approaching Democracy* (Upper Saddle River, NJ: Prentice Hall, 1996), p. 568.

4. Barry Goldwater, *The Conscience of a Conservative* (1960; reprint, Washington: Regnery Gateway, 1990), p. 68.

5. Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America* (New York: Basic Books, 1986), p. 3.

6. Walter I. Trattner, *From Poor Law to Welfare State: A History of Social Welfare in America*, 5th ed. (New York: Free Press, 1994), pp. 55–56.

7. *Ibid.*, pp. 387–395.

usually the most discreet farmers, so distributed through their parish, that every part of it may be under the immediate eye of some one of them. They are well acquainted with the details and economy of private life, and they find sufficient inducements to execute their charge well, in their philanthropy, in the approbation of their neighbors, and the distinction which that gives them. The poor who have neither property, friends, nor strength to labor, are boarded in the houses of good farmers, to whom a stipulated sum is annually paid. To those who are able to help themselves a little, or have friends from whom they derive some succors, inadequate however to their full maintenance, supplementary aids are given, which enable them to live comfortably in their own houses, or in the houses of their friends. Vagabonds, without visible property or vocation, are placed in workhouses, where they are well clothed, fed, lodged, and made to labor. Nearly the same method of providing for the poor prevails through all our states; and from Savannah to Portsmouth you will seldom meet a beggar.<sup>8</sup>

In his proposed Virginia “Bill for Support of the Poor,” Jefferson explained that “vagabonds” are:

able-bodied persons not having wherewithal to maintain themselves, who shall waste their time in idle and dissolute courses, or shall loiter or wander abroad, refusing to work for reasonable wages, or to betake themselves to some honest and lawful calling, or who shall desert wives or children, without so providing for them as that they shall not become chargeable to a county.

In the poorhouse to which vagabonds are sent, there would be an overseer, a “discreet man ... for the government, employment, and correction of the persons subject to him.”<sup>9</sup>

In the *Notes on the State of Virginia* passage just quoted, Jefferson referred to “those without

strength to labor.” In his proposed bill, they were more precisely described as the “poor, lame, impotent [i.e., weak], blind and other inhabitants of the county as are not able to maintain themselves.”<sup>10</sup>

The terms “tithable,” “parish,” and “vestrymen” in the passage above refer to the pre-Revolutionary Southern practice of assigning care of the poor to the local Anglican church. In keeping with the spirit of the Revolution, which separated church from state, Virginia transferred this task from church to county government in 1785, as Jefferson had proposed.

Poor children whose families could not provide for them, including orphans, were put out to suitable persons as apprentices so that they would learn “some art, trade, or business” while being of use to those who were training them.<sup>11</sup> However, this was not to be done, in Jefferson’s plan, until they had attended public school for three years, if necessary at public expense.<sup>12</sup>

All the typical features of early American welfare policy can be seen in Jefferson’s descriptions and proposals:

- The government of the community, not just private charity, assumes responsibility for its poor. This is far from the “throw them in the snow” attitude that is so often attributed to pre-1900 America.
- Welfare is kept local so that the administrators of the program will know the actual situations of the persons who ask for help. This will prevent abuses and freeloading. The normal human ties of friendship and neighborliness will partly animate the relationship of givers and recipients.
- A distinction between the deserving and undeserving poor is carefully observed. Able-bodied vagabonds get help, but they are required to work in institutions where they will be disciplined. Children and the disabled, on the other hand, are provided for, not lavishly but without

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8. Thomas Jefferson, *Notes on the State of Virginia* (1787), Query 14, in *Writings*, ed. Merrill D. Peterson (New York: Library of America, 1984), p. 259.

9. Thomas Jefferson, “A Bill for Support of the Poor,” in *The Papers of Thomas Jefferson*, ed. Julian P. Boyd (Princeton, NJ: Princeton University Press, 1950), Vol. 2, pp. 422, 420.

10. *Ibid.*, p. 420.

11. Marcus W. Jernegan, *Laboring and Dependent Classes in Colonial America, 1607-1783* (1931; reprint, New York: Frederick Ungar, 1960), p. 188.

12. On Jefferson’s poor law, see Ralph Lerner, *The Thinking Revolutionary: Principle and Practice in the New Republic* (Ithaca: Cornell University Press, 1987), pp. 65-66.

public shame. The homeless and beggars will not be abandoned, but neither will they populate the streets. They will be treated with toughness or mercy according to their circumstances.

- Jefferson's idea of self-reliance was in fact family reliance, based on the traditional division of labor between husband and wife. Husbands were legally required to be their families' providers; wives were not. Nonsupporting husbands were shamed and punished by being sent to the poorhouse.
- Poor laws to support individual cases of urgent need were not intended to go beyond a minimal safety net. Benefit levels were low. The main remedy for poverty in a land of opportunity was marriage and work.

For Jefferson, the abolition of primogeniture and entail was a far more important anti-poverty measure than poor laws providing housing and food for people in need. As Jefferson boasted to John Adams, "These [anti-primogeniture] laws, drawn by myself, laid the axe to the root of the pseudo-aristocracy." Laws restricting the use and ownership of private property were remnants of feudalism, whereby the common people were kept in their place by discouraging property owners from making the most economical use of the property they had or by making it hard for the poor to acquire property of their own. In America, said Jefferson, "everyone may have land to labor for himself if he chooses; or, preferring the exercise of any other industry, may exact for it such compensation as not only to afford a comfortable subsistence, but wherewith to provide for a cessation of labor in old age."<sup>13</sup>

When Benjamin Franklin lived in England in the 1760s, he observed that the poverty problem was much worse in that country than in America. Britain did not limit its support of the poor to a safety net provided under conditions that prevented abuse. There, the poor were given enough that they could live in idleness. The result was to increase poverty by giving the poor a powerful incentive not to become self-supporting. Franklin wrote:

I am for doing good to the poor, but I differ in opinion of the means. I think the best way of doing good to the poor, is not making them easy in poverty, but leading or driving them out of it. In my youth I travelled much, and I observed in different countries, that the more public provisions were made for the poor, the less they provided for themselves, and of course became poorer. And, on the contrary, the less was done for them, the more they did for themselves, and became richer. There is no country in the world where so many provisions are established for them [as in England] ... with a solemn general law made by the rich to subject their estates to a heavy tax for the support of the poor.... [Yet] there is no country in the world in which the poor are more idle, dissolute, drunken, and insolent. The day you [Englishmen] passed that act, you took away from before their eyes the greatest of all inducements to industry, frugality, and sobriety, by giving them a dependence on somewhat else than a careful accumulation during youth and health, for support in age and sickness. In short, you offered a premium for the encouragement of idleness, and you should not now wonder that it has had its effect in the increase of poverty.<sup>14</sup>

We see in Franklin's diagnosis a striking anticipation of today's welfare state, in which, as we will see, poverty has remained stagnant as the welfare system has swelled since the 1960s. Franklin's understanding of the welfare paradox—that aid to the poor must be managed carefully lest it promote indolence and therefore poverty—was shared by most Americans who wrote about and administered poverty programs until the end of the 19th century.

### **The Declaration of Independence and the Obligation to Help the Poor**

These were the Founders' practical proposals and views on poor relief. Their policies were intended to help the poor in ways that did not violate the rights of taxpayers or promote irresponsible behavior.

From Jefferson's standpoint, poverty programs that help people who choose not to work are unjust. Far from being compassionate, compelling workers

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13. Thomas Jefferson, "Letter to John Adams," October 28, 1813, in *Writings*, pp. 1307-1309.

14. Benjamin Franklin, "On the Price of Corn, and Management of the Poor," *London Chronicle*, November 1766, in *Writings*, ed. J. A. Leo Lemay (New York: Library of America, 1987), pp. 587-588.

to support shirkers makes some men masters and other men slaves: Workers are enslaved to nonworkers. That violates a fundamental principle of the Declaration of Independence.

Jefferson's whole career was devoted to the establishment of a government that would secure the rights of ordinary people against "pseudo-aristocrats" who would oppress them. To say that all men are born with a right to liberty means that no man has the right to rob another of the fruits of his labor. That principle goes for any person or group in society, whether it be European aristocrats, slaveholders, or those today who despise "dead-end jobs" and "chump change."<sup>15</sup> (In a 2007 survey, only 5 percent of jobless poor adults blamed their unemployment on "inability to find a job."<sup>16</sup>)

Jefferson affirmed his principled opposition to government redistribution of income from the rich to the poor in this statement:

To take from one, because it is thought his own industry and that of his fathers has acquired too much, in order to spare to others, who, or whose fathers, have not exercised equal industry and skill, is to violate arbitrarily the first principle of association, the guarantee to everyone the free exercise of his industry and the fruits acquired by it.<sup>17</sup>

The "first principle of association" is the right to liberty, including the right to the free exercise of one's industry and its fruits.

According to the Declaration of Independence, we have an unalienable or natural right only to those things that we possess by nature. We are born alive and free, so life and liberty are natural rights, but no one has a natural right to a decent income or free medical care.

Jefferson's opposition to transfer payments from taxpayers to the poor might be taken to mean, as

libertarian law professor Richard Epstein argues, that "the basic rules of private property are inconsistent with any form of welfare benefits."<sup>18</sup> Why, then, would Jefferson favor a government-funded safety net for the poor as he did?

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## One might compare the Founders' conception of welfare to a social insurance policy. Even taxpayers benefit from the policy because there may come a time when they too need help.

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In John Locke's language, the law of nature teaches not only self-preservation, but also the preservation of others when one's "own preservation comes not in competition."<sup>19</sup> Political society, which is organized for the security of its members' lives as well as their liberty and property, is obliged to respond to those who are in need. Those who refuse to work may be compelled; those who cannot work deserve the community's support.

One might compare the Founders' conception of welfare to a social insurance policy. Even taxpayers benefit from the policy because there may come a time when they too need help. Epstein admits that welfare can be justified in such a view, but "benefits must be set low, perhaps uncomfortably low, in order to discourage perverse behavior undertaken solely to become eligible for benefits," and he despairs that government could do so.<sup>20</sup>

Epstein seems unaware of early American welfare policy, for that is exactly what Jefferson's plan and Virginia's practice achieved. Support of the poor was therefore part of the Founders' "liberalism," but only on Jefferson's terms: that is, on the terms of the working man's right to liberty.

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15. Myron Magnet, *The Dream and the Nightmare: The Sixties' Legacy to the Underclass* (New York: William Morrow, 1993), pp. 47-49.

16. Lawrence Mead, "Making Welfare Work," testimony before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, 113th Cong., 1st Sess., June 18, 2013, [http://waysandmeans.house.gov/uploadedfiles/larry\\_mead\\_testimony\\_hr061813.pdf](http://waysandmeans.house.gov/uploadedfiles/larry_mead_testimony_hr061813.pdf).

17. Thomas Jefferson, "Letter to Milligan," April 6, 1816, in *The Writings of Thomas Jefferson*, ed. Albert E. Bergh (Washington: Thomas Jefferson Memorial Association, 1904), Vol. 14, p. 466.

18. Richard A. Epstein, *Takings: Private Property and the Power of Eminent Domain* (Cambridge, MA: Harvard University Press, 1985), pp. 316-322.

19. John Locke, "Second Treatise," in *Two Treatises of Government*, ed. Peter Laslett, student edition (Cambridge: Cambridge University Press, 1988), sec. 6.

20. Epstein, *Takings: Private Property and the Power of Eminent Domain*, pp. 316-322.



## Welfare Policy During and After the Founding Era

Jefferson's and Franklin's views were shared by most Americans during and after the Founding era. Burns suggested in the quotation cited on the first page of this paper that "conservatives" like Adams and Hamilton opposed government support of the poor. He cites no evidence to support that insinuation because there is none.

As noted, Trattner's *From Poor Law to Welfare State: A History of Social Welfare in America* criticizes early American welfare policy, yet his book presents a mostly accurate picture of what was done. Trattner shows that the earlier policies have much to recommend them: "Most communities [in colonial America] attacked the problem of poverty with a high degree of civic responsibility."<sup>21</sup> The same is true, in his telling, of the Founding era and after. A historian of Founding-era welfare in New York State agrees: "Local communities attempted as best they could to assist their destitute neighbors, balancing compassion with economy, benevolence with discipline."<sup>22</sup>

In colonial times, some communities supported the poor in their own homes or in the homes of others. As the poor population grew, many concluded that "outdoor relief" was leading people to look on welfare as an entitlement and creating a class of permanent dependents. Consequently, the emphasis soon shifted to "indoor relief"—almshouses and workhouses. Now, writes Trattner:

Public assistance would be confined to institutional care, mainly for the "worthy" or hard-core poor, the permanently disabled, and others who clearly could not care for themselves. Also, the able-bodied or "unworthy" poor who sought public aid would be institutionalized in workhouses where their behavior not only could be controlled but where, removed from society and its tempting vices, they presumably would acquire habits of industry and labor.<sup>23</sup>

The 19th century, notes Trattner, was "the great era of institution building."

For most people such institutions were not places of permanent, or even long-term, residence.... They were ... temporary shelters for the jobless during times of depression and widespread unemployment; maternity homes for young, unmarried pregnant women; and places of last resort for orphans and sick, helpless, and childless elderly persons.... [A]lthough they generally were dreaded, poorhouses often served as key life supports amidst the harshness and uncertainty of existence in early industrial America.<sup>24</sup>

Because public aid was so limited, there was wide scope for individual acts of generosity and liberality. Today's conservatives are right to point to private charities as an important source of poor relief in the old days. Even before the Revolution, writes Trattner:

Private philanthropy complemented public aid; both were part of the American response to poverty. While, from the outset, the public was responsible for providing aid to the needy ... as soon as they could afford to, private citizens and a host of voluntary associations also gave generously to those in distress.<sup>25</sup>

After the Revolution and throughout the 19th century, hospitals for the poor, educational institutions, YMCAs, and Salvation Army branches were established in growing numbers all over America by public-spirited citizens. Like the public workhouses, these private charities distinguished between deserving and undeserving poor. Good character, it was thought, would enable most people to become self-sufficient. These agencies tried to build the character of their recipients through education, moral suasion, religious instruction, and work.<sup>26</sup>

21. Trattner, *From Poor Law to Welfare State*, p. 28.

22. Robert E. Cray, Jr., *Paupers and Poor Relief in New York City and Its Rural Environs, 1700-1830* (Philadelphia: Temple University Press, 1988), p. 199.

23. Trattner, *From Poor Law to Welfare State*, p. 59.

24. *Ibid.*, pp. 62-63.

25. *Ibid.*, p. 37.

26. Trattner's first 75 pages tell the story of welfare in early America; cf. Katz, *In the Shadow*, and Benjamin J. Klebaner, *Public Poor Relief in America, 1790-1860* (1952; reprint, New York: Arno, 1976).

Marvin Olasky shows in detail in *The Tragedy of American Compassion* how 18th and 19th century Americans combined Franklin's hardheaded realism about the ill effects of indiscriminate generosity with a warmhearted sympathy for those who fell into need through no fault of their own. Private welfare was often given by religious groups, and recipients were expected to pray, worship, and repent of the unindustrious habits and self-indulgence (such as excessive drinking) that often led them to seek assistance in the first place. Americans of that day believed that God himself set the proper example: His mercy is infinite—but only to the repentant who strive to mend their ways.<sup>27</sup>

### From the Founding to 1965

Let us step back for a moment and look at poverty from a wider perspective. If we rank poverty and welfare policies in terms of quantity of money and material goods given to people who are poor, then today's policies are far more effective than the Founders'. Benefit levels are much higher, and far more people are eligible for support. That is what leads historians like Michael Katz to condemn the earlier approach as a failure.

However, if poverty and welfare policies are judged by their effectiveness in providing for the minimal needs of the poor while dramatically reducing poverty in a society over time, then America before 1965 could be said to have had the most successful welfare policy in world history. By the same benchmark, post-1965 poverty programs have failed.

Two centuries ago, most Americans—at least 90 percent—were desperately poor by today's standards. Most houses were small, ill-constructed, and poorly heated and insulated. Based on federal family income estimates, 59 percent of Americans lived in poverty as late as 1929, before the Great

Depression.<sup>28</sup> In 1947, the government reported that 32 percent of Americans were poor.<sup>29</sup> By 1969, that figure had declined to 12 percent, where it remained for 10 years.<sup>30</sup> Since then, the percentage of poor Americans has fluctuated but has remained near the same level. As of 2013, the poverty rate was 14.5 percent.

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In other words, before the huge growth in government spending on poverty programs, poverty was declining rapidly in America. After the new programs were fully implemented, the poverty rate stopped declining.

The recipe for America's enormously successful pre-1960s antipoverty program was:

1. Establish free markets and protect property rights. Keep taxes and regulation at a minimum to encourage the poor to provide for themselves through their own work and entrepreneurship.
2. Provide strong government support for lifelong marriage and for a morality of self-controlled self-assertion (a morality combining industriousness,

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27. Marvin Olasky, "The Early American Model of Compassion," chapter 1 in *The Tragedy of American Compassion* (Washington: Regnery Gateway, 1992).

28. U.S. Department of Commerce, *Survey of Current Business*, Vol. 44, No. 4 (April 1964), p. 11 (percent of American families with less than \$3,000 annual income in 1954 dollars). This figure is comparable to the "below poverty level" numbers that the government began to report in 1947, because the below-\$3,000 percentage in 1947 was 35, which is close to the 32 percent officially reported poor in that year.

29. Table B-17, "Number and Money Income of Families and Unrelated Individuals, 1947-63," in *Economic Report of the President Transmitted to the Congress, January 1965, Together with the Annual Report of the Council of Economic Advisers* (Washington: U.S. Government Printing Office, 1965), Appendix B, p. 210.

30. Table No. 730, "Persons Below Poverty Level and Below 125 Percent of Poverty Level," in United States Census Bureau, *Statistical Abstract of the United States: 1996* (Washington: U.S. Government Printing Office, 1996), Section 14, "Income, Expenditures, and Wealth," p. 472.

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self-restraint, and basic decency with the vigilant spirit that says “Don’t tread on me”). The self-reliant family was to be the nation’s main poverty program.

3. As the poverty program of last resort, provide minimal, safety-net public and private support in local communities for the poor whose families were unable or unwilling to provide for them.

In the older America, most poor people were free to work or go into business without asking permission from government. Low taxes and minimal regulation allowed them to keep most of the fruits of their labor. The stability of marriage encouraged men to meet their family obligations. Government officials, teachers, and writers praised the dignity of responsible self-support and condemned irresponsible dependence on government handouts.

In the Middle Ages, a serf might have worked hard all his life, but much of what he produced went into the hands of a wealthy landowner. In most countries of the world, including America today, government regulation and licensing requirements often prevent the poor from entering and competing freely in the market. Besides, much of what the working poor earn through their own efforts is taxed away to support those who do not work.

In the 19th century, a few American intellectuals, typically influenced by European thinkers opposed to the Founders’ idea of property rights, questioned the idea of individual responsibility. By 1900, many intellectuals were turning away from the traditional American view that in a free country, frugal and industrious conduct usually leads to an adequate living.

- Amos Warner, author of the influential *American Charities* (1894), wrote that unemployment, not shiftlessness and drunkenness, was the most frequent cause of poverty.
- Robert Hunter’s *Poverty* (1904), another important book of the Progressive Era, blamed

unemployment almost entirely on “miserable and unjust social conditions.”

- Around the same time, Edward Devine, the editor of *Charities*, a leading periodical of the welfare reformers, said: “We may quite safely throw overboard, once and for all, the idea that there is any necessary connection between wealth and virtue, or between poverty and guilt.” The new solution: Increase benefit levels and eligibility and remove the moral stigma from poverty, whatever its cause.<sup>31</sup>

Of course, the Founders had never claimed that all poverty was caused by bad character. Jefferson’s poor law had made a clear distinction between those who were able to work but preferred not to and those whose age or disability prevented them from working. The new approach tended to blame indiscriminately what later came to be called “the system” for poverty of every kind.

In spite of this intellectual assault on traditional welfare policy, the Founders’ approach persisted—in modified form, to be sure—until the 1960s. Contrary to common opinion, for example, Franklin Roosevelt’s New Deal modified but did not greatly change the older model. Social Security was originally sold as an insurance scheme in which workers funded their own retirement.

Christopher Jencks explains how different was the original congressional conception of ADC (later renamed AFDC, Aid to Families with Dependent Children) from today’s welfare:

When Congress established ADC in 1935, it thought it was subsidizing a set of state programs known as “mothers’ pensions.” These programs had been established to ensure that indigent widows of good character did not have to place their children in orphanages. Not all states explicitly restricted benefits to widows, but most states did limit benefits to mothers who could provide their children with a “suitable” home. Local officials usually interpreted this requirement as

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31. Quoted in Trattner, *From Poor Law to Welfare State*, pp. 102-104. See also Robert H. Bremner, *The Discovery of Poverty in the United States* (1956; reprint, New Brunswick, NJ: Transaction Publishers, 1992), chapter 2; Olasky, *The Tragedy of American Compassion*, pp. 116-150.



excluding unwed, separated, and divorced mothers, on the grounds that such women set a poor moral example for their children.<sup>32</sup>

However, the 1935 law had been based on a report written by bureaucrats in the Children's Bureau who made sure that the language of the law would permit (although not require) states to give aid to divorced women and single mothers. Looking back on the episode, Frances Perkins, FDR's liberal Secretary of Labor, said that:

[She] felt that the Children's Bureau had let her down.... She said it never occurred to her, in view of the fact that she'd been active in drives for homes that took care of mothers with illegitimate children, that these mothers would be [eligible for aid]. She blamed the huge illegitimacy rates among blacks on aid to mothers with dependent children.<sup>33</sup>

Perkins, like most other Americans at that time, accepted the older distinction between the deserving and undeserving poor, a distinction based on moral conduct.

State governments gradually loosened welfare eligibility standards and increased benefit levels during the 1940s and 1950s, but it was not until the mid-1960s that welfare was officially conceived as a right that could be demanded by anyone in need, regardless of conduct or circumstances.

### Poverty and Welfare Policy After 1965

Before 1965, most Americans believed that property rights and the marriage-based family were the most effective means to get people out of poverty. After 1965, government policy and elite opinion turned against the older view.

In order to help the poor, government raised taxes on the working poor. In the name of safety and environmentalism, it set up licensing requirements and regulations that make it harder for the poor to go into business building houses, repairing air conditioners,

exterminating insects, fixing cars, or running a store or restaurant. Local governments set up building codes that were meant to guarantee safe dwellings and businesses but which deprive the poor of inexpensive housing. Code requirements drive up the costs of new houses by tens of thousands of dollars.

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**The most destructive feature of the post-1965 approach to welfare has been its unintentional promotion of family breakdown, which is a recipe for the neglect and abuse of children, the widespread crime that such abuse fosters, the impoverishment of women and children, and the loneliness and anguish of everyone involved.**

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Moreover, government routinely tears down poor people's houses that are not "up to code" for defects as minor as peeling paint. The city of Dallas, Texas, demolished over a thousand private homes between 1992 and 1995, most of them in low-income and minority areas, sending previous residents onto the welfare rolls or into the streets as homeless.<sup>34</sup>

The most destructive feature of the post-1965 approach has been its unintentional promotion of family breakdown, which is a recipe for the neglect and abuse of children, the widespread crime that such abuse fosters, the impoverishment of women and children, and the loneliness and anguish of everyone involved.

Among the reasons that people get married and stay married (or used to) are happiness, mutual usefulness, a sense of moral obligation, and the penalty of shame and the law for those who misbehave. Post-1965 policies and ideas have ravaged all four of these supports of marriage.

Recent welfare policies have particularly undermined the usefulness of marriage for many women,

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32. Christopher Jencks, *Rethinking Social Policy: Race, Poverty, and the Underclass* (Cambridge, MA: Harvard University Press, 1992), p. 2; cf. Robert B. Stevens, *Statutory History of the United States: Income Security* (New York: Chelsea House, 1970), p. 152.

33. Quoted in *The Making of the New Deal: The Insiders Speak*, ed. Katie Louchheim (Cambridge, MA: Harvard University Press, 1983), p. 175. George W. Liebmann discusses AFDC, unwed motherhood, and the case for maternity homes in "The AFDC Conundrum: A New Look at an Old Institution," *Social Work*, Vol. 38, No. 1 (January 1993), pp. 36-43.

34. Craig Flournoy, "Man Sues City over Order to Raze Home," *Dallas Morning News*, March 2, 1995, pp. A25, A27.

at least in the short-term horizon in which people sometimes make such decisions. Marriage makes possible an efficient division of labor for raising children and providing for the care and livelihood of people of all ages. In the usual arrangement, the husband is the principal provider and protector, and the wife bears and tends the children when they are young.

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### The incentive structure of the modern welfare state is similar to the one that Benjamin Franklin condemned in old England, except that ours is more generous and more tolerant of single motherhood.

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George Gilder has explained better than anyone else the role of welfare in family breakdown. Most women have a natural superiority to men in affairs of love and the heart, including especially the bearing and nurturing of children. What, then, can a man offer a woman? To put it bluntly, money and honor. Women rarely marry men who make less money than they do or whose social rank is below their own (unless the men have a good career in prospect), and women frequently divorce men who make less. Men and women often lose romantic interest in each other when one of the partners cannot offer an equalizing contribution.

When increasingly generous government support became widely available to women in the 1960s, illegitimacy and divorce grew dramatically. As Gilder writes, “Female jobs and welfare payments usurped the man’s role as provider, leaving fatherless families.” Welfare destroys the incipient families of the poor by making the struggling male breadwinner superfluous and thereby emasculating him

emotionally. His response is predictable. He turns to the supermasculine world of the street: drinking, drugs, male companionship, and crime.<sup>35</sup>

The incentive structure of the modern welfare state is similar to the one that Franklin condemned in old England, except that ours is more generous and more tolerant of single motherhood. Since 1965, when President Lyndon Johnson inaugurated the modern War on Poverty, total annual government welfare spending has grown from less than \$9 billion (1.3 percent of gross domestic product) to \$324 billion (5 percent of GDP) in 1993 to \$927 billion (6 percent of GDP) in 2011.<sup>36</sup> Between 1965 and 2013, the government spent \$22 trillion (adjusted for inflation) on means-tested welfare programs—more than three times the costs of all military wars in the history of the United States.<sup>37</sup>

In 2013, there were roughly 80 different federal means-tested welfare programs.<sup>38</sup> Just counting seven large federal programs (Temporary Assistance for Needy Families; Supplemental Nutrition Assistance; public housing; Medicaid; utilities; Women, Infants, and Children assistance; and emergency food assistance), a single mother of two was eligible in 2013 for benefits that were the equivalent of a job paying \$16.96 per hour in California, \$18.27 in New York, and \$20.44 in Massachusetts (\$35,287, \$38,000, \$42,515, respectively, per year). In California, the value of this package of welfare benefits was only 8 percent below the median salary in the state; in New York and Massachusetts, the value was less than 5 percent below the respective median salaries. Minimum-wage jobs do not even come close to competing with welfare in most states.

These figures do not take into account state, county, and municipal benefits. Nor do they take into account the massive use of Social Security Disability as a de facto welfare program (as of 2005, 4.1 percent of Americans between the ages of 25 and 64 were enrolled).<sup>39</sup> In Hawaii, the equivalent in

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35. George Gilder, *Men and Marriage* (Gretna, LA: Pelican, 1992), p. 80.

36. Robert Rector, “Examining the Means-tested Welfare State: 79 Programs and \$927 Billion in Annual Spending,” testimony before the Committee on the Budget, U.S. House of Representatives, April 17, 2012, <http://www.heritage.org/research/testimony/2012/05/examining-the-means-tested-welfare-state>.

37. Robert Rector and Rachel Sheffield, “The War on Poverty After 50 Years,” Heritage Foundation *Backgrounder* No. 2955, September 15, 2014, <http://www.heritage.org/research/reports/2014/09/the-war-on-poverty-after-50-years>.

38. Rector, “Examining the Means-tested Welfare State.”

39. David Autor and Mark Duggan, “The Growth in Social Security Disability Insurance Rolls,” National Bureau of Economic Research *Working Paper* No. 12436, August 2006, <http://www.nber.org/bah/fall06/w12436.html>.

taxable income for the total value of these seven federal benefits was \$60,590.<sup>40</sup>

From the point of view of the usefulness of marriage, the choice of the poor to forgo work is, as Charles Murray writes, “the behavior of people responding to the reality of the world around them and making the decisions—the legal, approved, and even encouraged decisions—that maximize their quality of life.”<sup>41</sup> As Robert Rector and William Lauber have explained:

The current welfare system may be conceptualized best as a system which offers each single mother ... a “paycheck.”... She will continue to receive her “paycheck” as long as she fulfills two conditions: (1) she must not work; and (2) she must not marry an employed male.... [Welfare] has converted the low-income working husband from a necessary breadwinner into a net financial handicap. It has transformed marriage from a legal institution designed to protect and nurture children into an institution that financially penalizes nearly all low-income parents who enter into it.<sup>42</sup>

Despite the successes of the 1996 welfare reform, the welfare system as a whole has grown since then. In effect, the 1996 reform altered only one program; other programs expanded as costs and participation rates increased.

## Conclusion

Requiring able-bodied adults to work in exchange for welfare makes welfare more burdensome, but it does not remove its attractiveness altogether. The government-guaranteed jobs and day care that such schemes often require simply make the money less convenient. The basic problem—that government makes it affordable for women to bear and raise children without husbands while living independently in households of their own—is still there. If a society really believes that marriage is the best arrangement

for the well-being of men, women, and children, then its laws and customs must reflect that belief seriously, consistently, and effectively.

High benefit levels and irresponsible attitudes toward sex and marriage create a world in which many children have few or no ties to their fathers; in which mothers, increasingly unmarried, are more often abused and exploited; and in which many men join gangs and take up crime as a way of life. This is a world not only of financial poverty, but also of emotional chaos and physical danger. It is not Hobbes’s state of nature, but life is increasingly “nasty” and “brutish.”

One cannot help being reminded of Benjamin Franklin’s final verdict on the British welfare system—a system, he argued, that promoted poverty by supporting people who chose not to work:

Repeal that [welfare] law, and you will soon see a change in their manners. *St. Monday*, and *St. Tuesday*, will soon cease to be holidays. *Six days shalt thou labor*, though one of the old commandments long treated as out of date, will again be looked upon as a respectable precept; industry will increase, and with it plenty among the lower people; their circumstances will mend, and more will be done for their happiness by inuring them to provide for themselves, than could be done by dividing all your estates among them.<sup>43</sup>

The contemporary outlook on welfare has both propelled the family’s disintegration and promoted vast dependence. Amending its perverse incentives and deleterious effects on the family would require reforms not only in welfare law, but also in family law, property regulation, and more. An analysis of these reforms exceeds the scope of this paper.

Many today fail to note that antipoverty programs can easily have a corrupting effect if they are not set up in a way that promotes rather than breaks down the morality of self-restraint and self-assertion that is a necessary foundation of what Jefferson called “temperate liberty.”<sup>44</sup> Both Jefferson and

40. Michael D. Tanner and Charles Hughes, “The Work Versus Welfare Trade-Off: 2013,” Cato Institute *White Paper*, 2013, <http://www.cato.org/publications/white-paper/work-versus-welfare-trade>.

41. Charles Murray, *Losing Ground: American Social Policy from 1950 to 1980* (New York: Basic Books, 1984), p. 162.

42. Robert Rector and William F. Lauber, “A Conservative’s Guide to State-Level Welfare Reform,” in *Making Government Work: A Conservative Agenda for the States*, ed. Tex Lezar (Washington D.C.: Regnery Publishing, 1994), p. 143.

43. Franklin, “On the Price of Corn, and Management of the Poor,” in *Writings*, p. 588.

44. Jefferson, *Notes on the State of Virginia* (1787), Query 8, in *Writings*, p. 211.

Franklin supported laws that encourage responsibility toward family and community, self-sufficiency, and industriousness. They understood that political liberty rests on the moral character of a people.

—*Thomas G. West, PhD, is Paul Ermine Potter and Dawn Tibbetts Potter Professor of Politics at Hillsdale College. This essay is a revised and updated version of chapter 6 of Vindicating the Founders, by Thomas G. West. Copyright © Rowman & Littlefield. Used by arrangement with the publisher. All rights reserved. No part of this excerpt may be reproduced or printed without permission in writing from the publisher. The author wishes to thank Arthur Milikh and Tyler Thomas of The Heritage Foundation, who provided stylistic improvements and updates for post-1965 developments.*