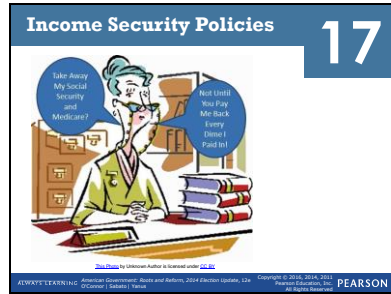


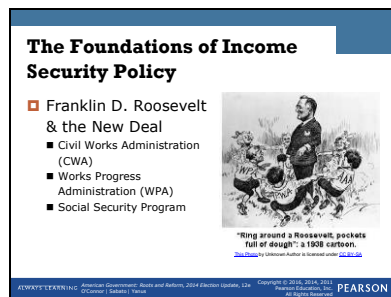


Slide 1



Social Security is often called an Entitlement. Theoretically it is supposed to be self-supporting with payroll taxes. With people living longer than in the past, retirees now get twice as much from Social Security than they put in to the system. With a larger percentage of people retired and getting benefits and a smaller percentage of people paying into the system, federal spending for the program is growing at an accelerated rate.

Slide 2



It probably comes as no surprise that our income security policy has its roots in Franklin D. Roosevelt's New Deal. Faced with massive unemployment during the Great Depression, Roosevelt created the Civil Works Administration, or CWA, which put people to work building public works projects. At its height, the CWA employed more than 4 million workers.

Roosevelt also created the Works Progress Administration, or WPA, in 1935 after the CWA was disbanded. The WPA paid workers a small salary to construct or improve more than 20,000 playgrounds, schools, hospitals, and airfields.

But perhaps the most well known of the income security programs—and the longest lasting—is the Social Security program, which was created in 1935 to provide assistance to the elderly and disabled.



Slide 3

Income Security Programs Today

- ▣ Old Age, Survivors, and Disability Insurance
- ▣ Unemployment Insurance
- ▣ SSI
- ▣ Family & Child Support
- ▣ SNAP

© Pearson Education, Inc. All Rights Reserved. PEARSON

There are two types of income security programs: entitlement and means-tested programs. Entitlement programs are government benefits that all citizens who meet eligibility requirements are entitled to receive. Spending on these programs is mandatory. Non-means-tested programs provide cash assistance to qualified beneficiaries, regardless of income. Social Security is an example of a non-means-tested program. Means-tested programs require people to have incomes below a certain level to receive benefits. Food stamps are an example of this type of program.

Old age, survivors, and disability insurance, or Social Security as we call it, is our major income security program. People pay into the system during their working lives, and then draw payments once they reach the minimum retirement age.

Unemployment insurance, which is funded through payroll taxes, pays benefits to people who have lost their jobs through no fault of their own. Supplemental Security Income provides support to qualified people with disabilities.

Family and child support, which at one point was commonly called welfare, has undergone significant changes since the 1990s and now has more restrictions. The supplemental nutrition program, also known as food stamps, was originally part of a program to expand demand for American agricultural products.

Slide 4

TABLE 17.1 How Many Americans Benefit from Income Security Programs?

TABLE 17.1 HOW MANY AMERICANS BENEFIT FROM INCOME SECURITY PROGRAMS?

| Program Population | Number of Recipients (millions) | Percentage of U.S. Population |
|--|---------------------------------|-------------------------------|
| Non-means-tested | | |
| Social Security (old-age, survivors, and disability insurance, or OASDI) | 56.0 | 18 |
| Unemployment insurance | 4.6 | 1.5 |
| Means-tested | | |
| Supplemental Security Income | 7.9 | 2.5 |
| Temporary Assistance for Needy Families | 4.4 | 1.4 |
| Supplemental Nutrition Assistance Program | 45.8 | 14.6 |

SOURCE: Social Security Administration, www.ssa.gov; Center on Budget and Policy Priorities, http://www.cbpp.org; Department of Health and Human Services, www.acl.hhs.gov; Food Research Action Center, www.frac.org; Veterans Affairs, Bureau of Labor Statistics, www.bls.gov/cps.

© Pearson Education, Inc. All Rights Reserved. PEARSON

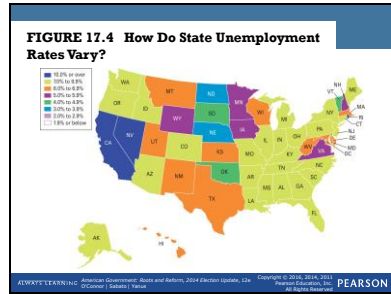
Table 17.1 shows us how many Americans receive the different forms of income security benefits we just discussed. No surprise, more Americans receive Social Security benefits than any other income security program.

Sources: *Social Security Administration*, www.ssa.gov; *Center on Budget and Policy Priorities*, <http://www.cbpp.org/>; *Department of Health and Human Services*, www.acl.hhs.gov; *Food Research Action Center*, www.frac.org; *Veterans' Affairs*, *Bureau of Labor Statistics*, www.bls.gov/cps.



AP[®] U. S. Government & Politics

Slide 5



In July, 2012, the national unemployment rate was 8.2 percent. However, this rate varied tremendously across the country, with the highest levels in the South and West, and the lowest levels in the Midwest.

Source: *United States Department of Labor*, www.dol.gov.

Slide 6

Exit Questions 17

What is the difference between means-tested and non-means tested benefits?

What do you think would happen if the income security programs in the U.S. were eliminated?

ALWAYS LEARNING | AP[®] U.S. Government, Rights and Politics, 2014 Edition Update, 12^e | Copyright © 2014, 2014, 2014 Pearson Education, Inc. All Rights Reserved. PEARSON