America’s Entitlement Epidemic: Dimensions and Implications

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The Rise And Rise Of Entitlements
Total Government Transfers to Individuals, 1960-2012
(in trillions of current $ US )

1Q1960: $23 Billion
4Q2013: $2.4 Trillion

Source: US Bureau of Economic Analysis, Regional Data, SA35 Personal current transfer receipts,
Almost Twice As Fast As The Rest of Per Capita Income:
For 50 Years

Real Per Capita Government Transfers to Individuals, 1960-2010
(Constant 2012 $ US)

Total Entitlement Transfers, 2013: $7600 per capita

\[ y = 1345.7e^{0.0342x} \]
\[ R^2 = 0.9224 \]

Note: Derived by author on the basis of data on official transfers, price changes, and population change.
The U.S. Federal Government Becomes An Entitlement Machine

Federal government entitlement transfers as a percent of Federal budget outlays, 1940-2012

The Entitled States of America

U.S. Federal Government Entitlement Transfers as a Percentage of Total Federal Outlays: 1940-2012

Transfers Displaced Everything Else The Federal Government Does In Just Two Generations

Federal Government Consumption vs. Total Government Entitlement Transfers, 1940-2012 (current US $ billions)

Non-Entitlement Federal Gov’t Spending As Percent of GDP:

1960: 13.4 %  
2012: 7.9%

Prepare For Crossover…

Government Consumption At All Levels vs. Federal Government Entitlement Transfers: As a Percentage of Government Outlays at All Levels, 1940-2010


The Rising Tide of Entitlements:
Part I

1969

The Rising Tide of Entitlements: Part II

Expanding Net
Percentage of U.S. population living in a household receiving some government benefits

The Explosion in Entitlement Dependency
USA: 1983 vs. 2011

Percentage of Americans living in homes accepting benefits from:

- One or more programs
- Social Security
- Medicare
- One or more programs
- AFDC (TANF)
- Federal Supplemental Security Income (SSI)
- Women, Infants, and Children (WIC)
- Food stamps (SNAP)
- Medicaid

(Percent)

Note: Details may not sum to totals because of rounding, because not all categories are shown, and because people may receive benefits from more than one program.

Means-Tested America: An Emerging Majority?

Are We Really Getting More Needy?

Percentage of Americans Receiving Means-Tested Public Benefits, 1979-2011

Disconnect, Part I:

Percentage of Americans Receiving Means Tested Public Benefits vs. Unemployment Rate, 1979-2011

Disconnect, Part II:

Percentage of Americans Receiving Means Tested Public Benefits vs. Poverty Rate, 1979-2011

US Labor Force Participation Rate 1948-2013, by Gender (Men and Women 20 Years of Age and Older)

Where Did All The Men Go?

- Labor Force Participation Rate
- Employment to Population Ratio

1948-2008: 12.9 percentage point drop
Gap in 2010: 7.3 percentage points

Unemployment

Prime of Life?

LF Participation Rate vs. Employment-to-Population Ratio:
USA, Males 25-54, 1950-2010 (BLS)
Those Hard-Working Greeks…

What Is Wrong With This Picture?
Odds of Dying Between Ages 18 and 65 vs.
Percentage of Labor Force Ages 18-64 On Federal Disability Benefits:
USA, 1960-2010

Odds of dying in working ages
Disability to total people 18-64 in labor force (percent)

Crowding Out Defense

Entitlement spending compared to war and non-war defense spending
(Trillions of current $ US)


Defense and Entitlements

Defense and Entitlement Spending As a percent of GDP, 1962-2010

Average Benefits Received and Taxes Paid per Person

2004

Note: Chart reflects 2004 numbers.