

EXAMINING THE GROWTH OF THE WELFARE STATE, PART I

HEARING

BEFORE THE

SUBCOMMITTEE ON HEALTH CARE
AND FINANCIAL SERVICES

OF THE

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM

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C O N T E N T S

	Page
Hearing held on February 11, 2025	1

WITNESSES

Mr. Robert Rector, Senior Research Fellow, Center for Health and Welfare Policy, The Heritage Foundation	
Oral Statement	5
Ms. Patrice Onwuka, Director, Center for Economic Opportunity, Independent Women's Forum	
Oral Statement	6
Mr. Michael Linden (Minority Witness), Senior Policy Fellow, Washington Center for Equitable Growth	
Oral Statement	8
<i>Written opening statements and bios are available on the U.S. House of Representatives Document Repository at: docs.house.gov.</i>	

INDEX OF DOCUMENTS

- * Statement for the Record, National Council on Disability; submitted by Rep. Grothman.
- * Statement for the Record, Olympic Medical Center, re: SNAP; submitted by Rep. Randall.
- * Report, Foundation of Government Accountability, "Examining Growth of the Welfare State"; submitted by Rep. Grothman.
- * Article, the World Economic Forum, "New Research Busts Welfare Dependency Myth"; submitted by Rep. Krishnamoorthi.
- * Report, the Center on Budget and Policy Priorities, "Medicaid Work Requirements Could Put 36M People at Risk"; submitted by Rep. Krishnamoorthi.

Documents are available at: docs.house.gov.

EXAMINING THE GROWTH OF THE WELFARE STATE, PART I

Tuesday, February 11, 2025

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON HEALTH CARE AND FINANCIAL SERVICES
Washington, D.C.

The Subcommittee met, pursuant to notice, at 1:30 p.m., Room 2247, Rayburn House Office Building, Hon. Glenn Grothman [Chairman of the Subcommittee] presiding.

Present: Representatives Grothman, Gosar, Sessions, McGuire, Gill, Krishnamoorthi, Randall, Bell, and Simon.

Mr. GROTHMAN. The Committee will come to order. This is the Committee on Oversight and Government Reform. It is the Subcommittee on Health Care and Financial Services. I am the Subcommittee Chairman of this Committee.

Welcome to the Subcommittee on Health Care and Financial Services' first hearing of the 119th Congress. Today, we will hear from expert witnesses about the enormous growth of the welfare state. In particular, we are going to be focusing on the effect on marriage that the current welfare state has.

Over the past 50 years, millions of Americans have received benefits from various welfare programs. These programs allow low-income Americans to gain access to food, health care, and childcare.

While many welfare programs are vital to the day-to-day of many, their design too often creates dependence on the system. The current status also leads people away from getting married. And the exponential growth in dependency on welfare programs has not corresponded with a proportional reduction in poverty at all.

Today, more than one-in-five able-bodied working-age adults receive some form of welfare. In 2022 alone, the Federal Government spent nearly \$1.2 trillion on more than 80 welfare programs.

And these numbers have only grown since.

Many of these programs incentivize recipients to remain in the program rather than find employment which would enable them to get out of the programs.

Furthermore, almost all these programs penalize married couples for simply choosing marriage. Penalties occur when a married couple no longer qualifies for the same benefits as they would as individuals. There are about 70 different benefit programs that you could lose if you are a single parent by getting married.

Due in part to these penalties, the percentage of children born to unmarried women has skyrocketed, and we all know many wonderful, wonderful single parents. In 1960, around 5 percent of children were born to unmarried women. Today, that number is around 40 percent. To anybody who cares about the next generation, these numbers should be deeply concerning.

Marriage is the backbone of a stable society and is a force that encourages individuals to be responsible for their families instead of having to rely on government assistance. Not only is marriage associated with better financial institutions, but it is also associated with better mental health for married couples and their children.

While I personally know many single parents who do an excellent job, studies have shown that children raised in single-parent households are at heightened risk for substance abuse, crime, bad educational outcomes, depression, and other disorders.

Given that Federal policy should reflect the fact that children—well, it is time that Federal policy be changed so we stop discouraging and penalizing people for simply getting married. To better understand why this is the case, we must go back to the creation of many of these programs.

While some welfare programs began under President Franklin Roosevelt, most were created or expanded under President Lyndon Johnson's so-called "War on Poverty." President Johnson's stated goal in expanding the welfare state was to provide Americans the chance to pull themselves up out of poverty and reduce dependency. It was intended to enable Americans who had stumbled on hard times to make a comeback. But that is too often not the case in today's welfare system.

Our current welfare system is designed to ensure dependence on the government and penalizes marriage.

Sadly, the problems do not stop there. Many of the benefits, paid for by taxpayer dollars, are improperly going to illegal immigrants. In 2023, the Federal Government spent \$23 billion on health care for illegal immigrants and another \$11.6 trillion on food stamps, child nutrition, and other welfare programs.

Not only are we spending billions on illegal immigrants, but often welfare programs are among the most common targets for scammers and fraudsters.

Last year more than \$100 billion in improper payments were made in programs like Medicaid, food stamps, and the Earned Income Tax Credit. This is bad for taxpayers, but bad for welfare recipients, as well.

If we continue on our current path, it will become increasingly difficult to fund welfare programs, making it hard to justify the safety net for Americans.

I look forward to hearing from our witnesses today, and they will help us better understand the enormous growth of the welfare state, so we want to see what we can do to prevent government dependency and empower Americans.

I should point out there have always been people who are hostile, outright hostile, to the idea of marriage. I know a lot of the radical feminists, Kate Millett and that crew, in the 1960s, did not want to have a man in the family. Of course, Karl Marx, for people who

follow him, also felt the family was a negative impact on society and wanted to destroy it. So, we do not have Kate Millett or Karl Marx get their way. Hence, we are having this hearing.

Now I yield to Ranking Member Krishnamoorthi for his opening statement.

Mr. KRISHNAMOORTHI. Thank you, Mr. Chairman. I am looking forward to working with you on the important issues confronting our Nation within the jurisdiction of this Subcommittee. Particularly, I am looking forward to addressing the continuing failures and costs of our broken healthcare system.

I will confess that I had hoped our first hearing together would have tackled one of those vital issues, such as PBM or health insurance reform. Chairman Grothman, you and I have been working with Chairman Comer and the Democrats for years to try to rein in the abuses of pharmacy benefit managers. We have further worked on concerns about health insurance companies stopping payments for critical medical services, such as, for instance, anesthesia—anesthesia rules limiting the use of anesthesia mid-operation, that were about to be implemented this past winter. But sadly, this Committee is focused today on antiquated debates about welfare.

I know what I am talking about when it comes to safety net programs because I have personal experience with SNAP's predecessor, the Food Stamp program. I came to our country with my family when I was 3 months old so my father could continue his education and our family could embrace all the opportunities that America afforded it. But despite my family's best efforts, it was not always easy. Specifically, in the recession of 1973, my father lost his income. But thanks to the generosity of the people in the United States, its government, and the existence of these safety net programs, we were allowed to survive and flourish.

Today, my father, who turned 86 today—it is his birthday—is an engineering professor emeritus, having retired after 40 years of teaching engineering at Bradley University in Peoria, Illinois. My brother is a doctor at the University of Chicago, and myself, I am honored to represent the people of Illinois' 8th Congressional District in my fifth term. That is the American dream: the promise of a middle-class life with the opportunity for your children to have an even better life than you did.

That dream was possible for my family because of my parents' hard work and the possibilities and the generosity of this country. However, it was also because the American people established programs like SNAP and public housing so my family could temporarily sustain itself in times of severe need.

For families like mine, access to public housing and SNAP served as a critical social safety net and allowed us to bounce back from financial adversity. It remains true today for tens of millions of struggling Americans.

House and Senate Republicans, according to recent reports, are discussing an upwards of \$2 trillion cut to Medicaid, almost one-third of funding. This does not sound to me like simply rooting out waste and fraud. Unfortunately, it sounds like forcing tens of millions of children, pregnant women, seniors, and people from programs they desperately need.

Helping our neighbors through safety net programs is good economic policy. In 2025, the USDA found that in an economic downturn, every dollar in additional SNAP benefits leads to a \$1.54 increase in gross domestic product. This does not surprise me. Social safety net programs do not encourage laziness; they empower Americans to succeed on their own.

The demonization of benefit recipients is appalling. We will unfortunately hear shortly the untrue characterizations of lower-income people that have been made by the Majority, which undermine the credibility of the reforms they offer. People on public benefits are not lazy, they are not dumb, and they are not bad people. Often, like my own family, they have fallen on hard times and they simply need a hand up. The help they seek, they hope, is temporary. The difference we make in their lives lasts a lifetime.

I am not going to silently acquiesce to this Congress turning its back on hungry, frightened, cold children or their families anywhere in our country who need help, in order for the Majority to pay for tax cuts for special interests. That is wrong. I hope that this hearing shines light on the good work our country does every day in feeding, housing, and caring for its people.

Thank you, and I yield back.

Mr. GROTHMAN. OK. I do not believe I demonized any people. I try to demonize the politicians who set up the program, not the people who wind up doing what they are, in essence, paid to do.

But, to our sad disappointment, to all our wonderful people who showed up here, we now have to vote on the Floor. So, I apologize. We are going to reconvene—what should we say? 10 minutes after they bang the gavel downstairs.

So, we will see you guys again. I wish we would have brought you pizza or something or other. Thank you for being here.

[Recess.]

Mr. GROTHMAN. Thank you all. Before we hear from the witnesses, I would like to enter a document called “Examining the Growth of the Welfare State,” put together by Hayden Dublois and Jonathan Ingram. And they work for, I assume a think tank thing, labeled FGA.

Thank you. OK. I would like to welcome our witnesses today, Dr. Robert Rector, Ms. Patrice Onwuka, and Dr. Michael Linden.

Mr. Rector is a Senior Research Fellow at The Heritage Foundation’s Center for Health and Welfare Policy. Ms. Onwuka is the Director of the Center for Health and Welfare [sic] at the Independent Women’s Forum. Dr. Linden is a Senior Policy Fellow at the Washington Center for Equitable Growth. We look forward to hearing what you all have to say on today’s important topic.

Pursuant to Committee Rule 9(g)—I hope they warned you of this in advance—the witnesses will please stand and raise your right hand.

Do you solemnly swear or affirm that the testimony which you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Chorus of ayes.]

Mr. GROTHMAN. Let the record show all the witnesses answered in the affirmative. Thank you. You may sit down again.

We appreciate you being here today and look forward to your testimony.

I would like to remind the witnesses that we have read your written statement already and it will appear in full in the hearing record. If you can, please limit your oral statement to 5 minutes.

As a reminder, please press the button on the microphone in front of you so that it is on, and the Members can hear you. When you begin to speak, the light in front of you will turn green. After 4 minutes, the light will turn yellow. When the red light comes on it means 5 minutes is up, and we would like to ask you to wrap up as quickly as you can.

I now recognize Mr. Rector for the opening statement.

**STATEMENT OF ROBERT RECTOR
SENIOR RESEARCH FELLOW
CENTER FOR HEALTH AND WELFARE POLICY
THE HERITAGE FOUNDATION**

Mr. RECTOR. Thank you for the opportunity to come here and speak today. I have worked on the welfare system for 40 years, going back to President Carter, so the issues are very dear to my heart. And today, I would like to talk about one of the core features of the welfare state, perhaps the core feature that is largely neglected, which is the marriage penalties within the welfare state.

Those of you that are Republicans, you know all about marginal tax rates on labor. Everyone that is in the Republican Party knows about marginal tax rates on labor. So, the marginal tax rate on labor, if you go out and you earn \$20, and the government takes away half of it, that would be a marginal tax rate of 50 percent. Everybody says, "That is kind of bad."

What we do not know is marginal tax rates on marriage, OK. When Republican hear about marriage penalties, they are thinking about marriage penalties in the income tax code, which means basically families that pay income tax, which are those in the top half of the population, above \$110,000 a year. But the marriage penalties are not in the income tax code. They are in the \$1.6 trillion welfare state. There are 90 means-tested welfare programs, including 40 that go predominantly to families with kids, meaning single-parent families, and every one of those programs has an outrageous marginal tax rate on marriage, a penalty on marriage.

So that we talk about marginal tax rates on labor, OK, it would be very hard if we earn a dollar and the government took away half of it. But the marginal tax rates on marriage are infant, OK. At least with the marginal tax rate on labor, if you work more you get to keep something of it. But if you are a low-income family, a potential mother and father, you face a net loss in income, a net negative in income, when you get married. It is as if you went to work and you earned \$20 an hour, and the government dinged you \$100 bucks. The more you work, the more you lose. It is a confiscation rate. It is not a marginal tax rate.

And the reality of that is, because all of the welfare for programs, all of these 90 programs, they, for the most part, give maximum benefits when there are no earnings in the household, and then as earnings go up the benefits go down, right. But earnings are all the earnings in the household, the mother's and the father's. So, if the

father is in the household and he is married and he holds a job, your earnings went up, your welfare benefits are confiscated, and they fall dramatically.

Such that if you look at the testimony I put in, let us take a family with a mother that makes \$20,000 a year, a father that makes \$30,000 a year. Let us say they have two kids. If they are not married and they cohabit, they could have a joint income of around \$80,000 from their earnings, plus about \$30,000 coming out of the welfare state. However, if they marry, they lose \$15,000 of that. It is a tax rate of about 30 percent on their original earnings beforehand.

If they are in housing, Section 8 or public housing, then their combined benefits, if they are not married, are over \$90,000, earnings plus cash, food, housing, medical care, and housing. But if they get married, out of that \$93,000, they are going to lose \$28,000 in penalties.

The answer is, they do not get married, because we have made marriage economically irrational for them through these horrendous penalties. And what we need to do is rebuild marriage, because if you look today, 1 out of 4 children in the United States are born to an unmarried woman who is cohabiting with the father of the child at the time of marriage. They often remain together for 10 years later, but they do not get married. Why do they not get married? Because this institution will penalize them, will take their money away when they do.

We need to stop doing that. We need to take all of the waste and fraud and abuse—there is a 30 percent waste and fraud rate in the EITC—take some of that money, save it, and apply it over to giving more generous benefits to these low-income couples when they do get married and they do do the right thing. And I think that you will have an enormous behavioral response to that.

We also need to tighten up the work requirements on all of these programs. I was a principal author of welfare reform in the 1990s, and we believed that the work requirements would not have so much of an effect on labor but an effect on family formation, and they did. For example, the non-marital teen pregnancy rate, when we put work requirements in, it dropped about 70 to 80 percent immediately, and it did that also by reducing abortions at the same time.

So, the public that we are talking about, no, they are not evil. They, in fact, want to do the right thing. And the right thing is to form a stable family and raise kids that way. But they cannot do that because you are going to penalize them for doing it. That is a terrible thing. We should do it anymore.

Mr. GROTHMAN. Thank you very much. Ms. Onwuka.

**STATEMENT OF PATRICE ONWUKA
DIRECTOR
CENTER FOR ECONOMIC OPPORTUNITY
INDEPENDENT WOMEN'S FORUM**

Ms. ONWUKA. Yes. Thank you, Chairman. Thank you, Ranking Member and Members, for inviting me to appear today. I am the Director of the Center for Economic Opportunity at Independent

Women. And we know this is an important topic because we represent, we speak to you about, women and their issues.

And we recognize that we have made significant strides in this Nation in attacking poverty, but there are still a lot of failures. And particularly as a Black woman, and the Black family, we have seen the impact of welfare policies on Black families.

As has been mentioned, over 80 welfare programs, spending \$1 trillion, yet we have so much duplication and opportunities for waste, fraud, and abuse.

So, how can we overcome some of these challenges? Well, I will just mention, today we want to close the loopholes that Federal agencies and states exploit to grow program enrollment, we want to target improper payments, and we want to promote work and family.

I will just say a word on our poverty rate. Right now, we have 36.8 million people living in poverty, according to the U.S. Census bureau. Although when you calculate people who receive non-cash payments—in-kind housing, other forms of subsidies—I think the actual poverty rate is much smaller, which is a good thing. But how do we ensure that these folks who are still unable to enjoy the benefits of prosperity are able to do that and be independent?

When it comes to the actual fiscal impact of welfare programs, we are seeing that they are growing exponentially. Thirty-four percent is expected to be the increase in welfare spending over the next 10 years. And they are talking about going from \$1.2 trillion to \$1.6 trillion.

We have many agencies tackling a lot of the same different problems, 15 agencies dedicated to providing food aid alone, 13 hitting housing, 12 hitting health care, and 5 hitting cash aid.

So, where can Congress focus its energy? Well, I think reforming eligibility and participation to, I say, quote, “right-size” these mandatory spending welfare programs.

So, talking about some of the loopholes. We say states, and, frankly, the Federal Government, have relaxed some eligibility requirements or expanded the definition of who is needy. In the latter case, states are providing benefits to individuals earning far above the poverty rates and the poverty line. We know very often, or I think we are familiar here, that SNAP grants categorical eligibility to TANF enrollees, and that means that these folks are being exempted from program income and asset limits. That is a loophole, at an expected cost of over \$111 billion over the next decade to you, taxpayers. So, this is one of the loopholes that we should be figuring out how to close.

We also want to make sure that when we look at the types of people who are participating in welfare programs, we want to make sure that these are folks who are taking advantage of the millions of open positions that are available in this economy. Right? So, a lot of these folks are able-bodied Americans, both those with children and without children. And I think that there is a case to be made that whether you are talking about Medicare, SNAP, or TANF, you have 60 percent rates or above of non-disabled adults who are able to work but receiving these benefits.

So, how can we get them to work? Well, part of it is that states have been waiving, or they have been able to waive, requirements

that individuals are working. Or sometimes states are using back-door ways to dedicate Federal funded money to other priorities that are not promoting work and family formation, frankly.

So, I think these are the ways that we need to attack the perverse incentives that encourage states and the Federal Government to reduce the dependency rates, whether you are talking about SNAP or some of the other programs.

Fraud, waste, and abuse. It is not surprising that there is a lot of fraud and waste and abuse, and this is created because there is not a good amount of tracking of how much there is. The GAO estimated that taxpayers have lost probably \$2.7 trillion over the past 10 years, between \$200 and maybe \$500 billion annually on fraudulent payments, while the GAO has already provided to Congress a roadmap for how to attack these things. Better reporting. We need to make sure that Federal agencies that are providing welfare are reporting, tracking, data collecting, providing oversight to ensure that people who are receiving benefits are the ones that should be receiving it.

And going forward, being prepared for the emergencies that happen, and I think during COVID we saw a tremendous expansion in our welfare programs, and we have not seen a recession back down to normal levels, despite an economy that is generating millions of jobs, as we know.

Finally, a quick point on marriage. There is a marriage penalty, and I think that marriage is an important part of this conversation. And we know that the success series—if you just graduate with a high school diploma, if you get a job and get married before having children, your likelihood of falling into poverty drops significantly. And even if you do not, even if you are single mom and you get married, the poverty rate falls, as well. So, we cannot leave marriage out of the discussion.

Thank you so much.

Mr. GROTHMAN. Thank you. Mr. Linden?

**STATEMENT OF MICHAEL LINDEN
SENIOR POLICY FELLOW
WASHINGTON CENTER FOR EQUITABLE GROWTH**

Mr. LINDEN. Thank you. Chairman Grothman, Ranking Member Krishnamoorthi, and Members of the Committee, I really want to thank you for my opportunity to be here today.

Today, I am going to make three main points.

First of all, Federal investments in health, nutrition, housing, and other work supports for low-and very low-income people are both a moral and an economic necessity. The major problem with our current approach is that we do not do enough to make sure that low-income children have a real path out of poverty, and that struggling families have a real chance at the middle class.

Second, if you are interested in efficiency and cost savings, you are looking in the wrong place. The Federal tax code is rife with loopholes, special subsidies, and giveaways that benefit the very wealthy and giant corporations with little or no discernable public benefit.

Third, it is indefensible to scapegoat hardworking Americans who are striving everyday just to make ends meet while the ultra-

wealthy and giant corporations have been given trillions, literally trillions, in tax breaks, and even as we speak, this Congress is proposing yet another round of tax handouts.

Investments in health care, nutrition, housing, and other work supports pay enormous dividends, not only for those families, but for the entire U.S. economy. Children who receive nutrition assistance have better health and lower health care costs their whole lives. Children whose mothers receive WIC do better in school than children whose mothers did not. Children of families who use rental assistance earn more as adults and are less likely to become single parents. Boosting the incomes of very poor families, including through, for example, the EITC or the Child Tax Credit, results in more schooling, more hours worked, and higher earnings in adulthood for the children of those families. Medicaid expansion has resulted in better financial security for millions, lower eviction rates, lower costs for hospitals, especially rural hospitals, fewer premature deaths, and positive statewide economic impacts.

These conclusions, and the many others like them, are drawn from literally hundreds of studies. The facts are not disputed.

But you do not have to pore over studies to find the benefit of these investments. You just have to talk to people who actually use them, and the Ranking Member spoke eloquently of his own experience with this.

Take the story of Zoe, a young woman from Colorado, who recently shared her story with The Arc of the United States. She completed a 4-year college degree, like so many other people of her age, and is now applying to grad schools. Zoe has spinal muscular atrophy, or SMA, which is a genetic neuromuscular developmental disability. She relies on the caregiver support she receives through Medicaid in order to live independently while she pursues her education. For Zoe and the millions of other Americans who rely on Medicaid, one in five, in fact, slashing these programs would have devastating effects on their lives and their livelihoods.

We invest too little, not too much, in reducing poverty and providing pathways into the middle class. The Federal Government spent just 1.3 percent of gross domestic product on “income supports” in 2024, which is down from 1.8 percent a decade ago, and lower than the average of 2 percent from the past 30 years.

Roughly one in five children is in poverty today, which is twice the rate of other developed countries.

These numbers are especially concerning given that there are more working-age Americans in the labor force and working today than at almost any time in modern history.

And that is why it is a grave mistake, both morally and economically, to slash benefits and services for low-income people. And do not be fooled. Adding bureaucratic red tape, narrowing eligibility requirements, setting arbitrary limits, all amount to the same thing: indefensible harm to poor families and our economy.

But there is another place in the Federal budget that truly is bloated with wasteful costs, and subsidies, and counterproductive incentives, and that is the tax code. Over the past quarter-century, Congress has repeatedly enacted trillions of dollars in tax cuts that disproportionately benefit the wealthy.

Consider the 40 percent reduction in the corporate tax rate that was passed in 2017 under President Trump. That single giveaway is estimated to have cost roughly \$1 trillion to date, and will cost trillions more over the next decade. These corporations did not raise wages or create more jobs. They enriched their shareholders and their executives. That is the very definition of wasteful spending.

Those who are quick to scrutinize the choices of a poor family receiving \$6 a day in nutrition benefits never get around to asking whether a giant corporation is doing what they promised to do with their tax cuts, or whether they needed them in the first place.

The truth is that far too many Americans are struggling to make ends meet while those at the top get richer and richer. And that is why most Americans support investing more, not less, in aid to poor families. And that is why I find it is surprising that Congress is considering spending another \$5 trillion, or more, not on lowering health care costs or improving public schools or expanding benefits to address marriage penalties, but to give tax cuts, mostly to people at the top. It is hard to take seriously claims that we spend too much on poor families as policy-makers write a budget that would take money out of their pockets to give it to billionaires. That is not effective government. That is highway robbery.

Anyone truly interested in improving efficiency and reducing waste in the Federal Government should be appalled by efforts to scapegoat those living in poverty, while padding the pockets of the super wealthy.

Mr. GROTHMAN. Well, thank you. I am going to lead off with Mr. Rector. I think the purpose of this hearing is see whether it is appropriate, and we are supposed to treat all Americans equally, but whether it is appropriate to design programs such that we are doing what we can to discourage formation of the traditional American family.

We will start out with Mr. Rector. How many welfare programs penalize married couples, about do you think?

Mr. RECTOR. Yes, there are 90 such programs. Every single one of them has a significant marriage penalty. It is the way to understand these programs is if you had the income tax code where you did not have a category "married, filing jointly," so that as soon as you got married you would be moved into a higher tax bracket and you would be penalized.

Every program is designed like that. That makes no sense, OK. It never has made any sense. I have been watching this for 40 years, and it will not make sense tomorrow. We need to stop doing that.

Mr. GROTHMAN. OK. Can you give me just a couple of maybe common programs that seem as if they were designed to punish traditional married couples?

Mr. RECTOR. Absolutely. Food stamps, Section 8 housing, Medicaid, the Earned Income Tax Credit, WIC. Every single one of these programs operates this way, that if you get married to an employed man, to the employed father, you lose roughly half of those benefits. I mean, it does not make any sense, and it is an irony that most poor people understand this. They understand that they are going to lose benefits if they get married, so they cohabit,

right, but they do not form stable bonds. They do not make public commitments, and so forth, because we basically said do not do that.

You can hide the father in the home, to cohabit with him. Just do not tell us about it, OK, and you will be doing fine. But if you were to go out and make a public commitment, and so forth and so on, we are going to take \$25,000 away from you. It is an absolutely nutty system, but it is the system that we have.

Mr. GROTHMAN. OK. Do you know about how much we spend today on what we refer to as welfare programs?

Mr. RECTOR. Yes. I would say it is about \$1.6 trillion. It is about six percent of GDP. I would say that we are probably spending about \$700 billion on low-income families with children, and about 80 percent of that goes to single moms. It is a subsidy system for single parenthood. It has been since the beginning of the war on poverty. And if you take that, and you just take the total amount of money that we spend on families with kids, which is again close, probably to, \$600 to \$700 billion, and you divide it by, say, the bottom income third of the population, you come up with something like \$60,000 per family.

So, we say we do not spend enough—we do not even know how much money you spend. There is Federal record of total spending on means-tested programs for children. You have to go through the budget, line by line, and bring it out. And when you find it, it is an enormous amount of money. And we do not know where that money goes. If you were to go to any state in the United States and take any given family and ask the question, “How much does this family get from welfare?” no one knows the answer to that, because they are getting benefits from six or seven programs at the same time. It is all disparate, the programs do not talk to each other, and there is no record on how much they get.

So, one of the clear things we ought to have is a clear record of what the family gets, integrated, so we know that, OK, and we also ought to put that into our poverty measurement system. We just were told, oh, we do not spend enough, and we have one in five children living in poverty today. Well, you have one in five children living in poverty because of that \$600 or \$700 billion that you spend. None of that is counted as income for purposes of poverty. It is all hidden. It is all off the books. And therefore, all the spending on any of these programs, by definition, has no effect on poverty, because it is not counted as income. Food stamps is not income. Housing is not income. The EITC is not income. It is all off the books. No matter how much you spend on it, it has no effect on poverty, except it makes it worse because you are going to reduce earnings. Earnings are counted. So, you are going to have more poverty, not less, as a result of these programs.

Mr. GROTHMAN. Thank you. Whenever I hear about this topic, I remember the stuff on Black Lives Matter, where one of their goals was to get rid of the traditional Western prescribed family. It did not prevent people from marching with them, despite their goal was to get rid of the family.

Mr. RECTOR. Primary goal of Marx and Engels, as well.

Mr. GROTHMAN. Right. Ms. Onwuka, is it true that many welfare programs do not require recipients to work?

Ms. ONWUKA. It is true. When we look at a number of different programs, we see that either states have exempted individuals in their jurisdiction from work requirements or that there are programs that just simply do not have them. So, those are loopholes that I think should be closed, and Congress can work with states to ensure that states are not waiving these requirements.

Mr. GROTHMAN. I will give you guys just one more question, either one of you. Since this big explosion of what we call the welfare programs in the mid 1960s, do you know what has happened to the birth rate in which the father stays around and does not stay around, what effect Lyndon Johnson's programs had on that?

Mr. RECTOR. Yes. When the war on poverty started, seven percent of children were born outside of wedlock. Today it is 42 percent. It is particularly striking in the Black family, where the non-marital birth rate, the percentage of children, were outside of marriage. The Black family survived slavery, it survived Jim Crow, it survived the Depression, it survived World War II. So, when you get to the beginning of the war on poverty, about 15, 16 percent of Black children were born out of wedlock. In comes the war on poverty. All these different programs, liberalization of these programs, and the Black family literally disintegrates within a decade. And now you have close to 70 percent of Black children being born outside of wedlock because that is what you pay for. You get what you pay for.

And that is not just within Blacks. It is also now beginning to affect moderate-income Whites, Hispanics. Every low-income family is suffering from that. You are very lucky that you have any marriage at all in the bottom half of the population, because they all pay penalties for the fact of being married.

Mr. GROTHMAN. Mr. Krishnamoorthi.

Mr. KRISHNAMOORTHI. Thank you, Mr. Chair. Good afternoon, Mr. Rector. You have written welfare payments, quote/unquote, "increase dependency." Isn't that right?

Mr. RECTOR. I have written that many times.

Mr. KRISHNAMOORTHI. And in your opinion, dependency on welfare benefits is a bad thing, obviously.

Mr. RECTOR. No, I would not say that. I would say that having welfare benefits is necessary. I am not against the welfare state. But I believe that the incentives of the welfare state should help people to go upward rather than to fall apart and go downward. And the system you have now—

Mr. KRISHNAMOORTHI. Let me just jump in here. I am talking about dependency. Over-dependency on welfare benefits is a bad thing?

Mr. RECTOR. Long-term dependency certainly is, yes.

Mr. KRISHNAMOORTHI. Let me bring your attention to something that happened at the Republican National Convention last summer. In this visual, Teamsters President Sean O'Brien said, quote, "The biggest recipients of welfare in this country are corporations," close quote. You do not dispute he said that, right?

Mr. RECTOR. I guess not.

Mr. KRISHNAMOORTHI. In 2023, the CATO Institute, by no means a liberal think tank, found that the Federal Government spends

more than \$100 billion a year on what they call, quote/unquote, “corporate welfare.” You do not dispute that they found that, right?

Mr. RECTOR. No, I guess not.

Mr. KRISHNAMOORTHY. Now, Mr. Linden, according to the Brookings Institute, oil and gas companies annually receive \$20 billion in direct Federal subsidies that no other business in this country gets. And you do not dispute that the Brookings Institute found that either, right?

Mr. LINDEN. Nope. That is absolutely right.

Mr. KRISHNAMOORTHY. Look, if we are going to talk about reforming the welfare state, Mr. Chair, let us also look at corporate welfare. In the words of Paul Ryan, the former Speaker, quote, “Republicans cannot make the case to the American people that Republicans are the reform party if Republicans will not reform the giant corporate welfare state in Washington.”

Chairman, this is a theme I will be returning to on this Committee as we proceed.

Let me turn to my next topic. Sir, Mr. Rector, according to *The Washington Post*, you said the following, quote, “Is poverty harmful for childhood?” Question. “I think not.” You do not dispute that you said this, right?

Mr. RECTOR. No.

Mr. KRISHNAMOORTHY. Let us explore if poverty is harmful. The NIH, under President Trump, found that poverty is consistently associated with academic achievement gaps, as early as kindergarten, and by age 14, lower-income students are, quote, “a full year behind their peers.” You do not dispute the NIH found that, right?

Mr. RECTOR. I could explain what I am saying in the quote if you want me to.

Mr. KRISHNAMOORTHY. I am asking you, you do not dispute that the NIH found that these academic——

Mr. RECTOR. I assume you do not want me to explain.

Mr. KRISHNAMOORTHY [continuing]. Gaps exist.

Mr. RECTOR. No, I do not.

Mr. KRISHNAMOORTHY. I would like to bring your attention to a Department of HHS study, which finds that childhood poverty is associated with, quote, “development delays, chronic illness, and nutritional deficits.” Mr. Linden, you do not dispute that the HHS found that, and I presume that you agree with them.

Mr. LINDEN. Yes. I mean, there are a lot of studies that show childhood poverty has long-term negative effects for the children and the economy as a whole.

Mr. KRISHNAMOORTHY. So academic gaps, development delays, along with chronic illness.

Now, in addition, Mr. Rector, you said, to The Heritage Foundation in 2007, quote, “Most poor children are super-nourished.” You do not dispute you said that, right?

Mr. RECTOR. That is exactly what the USDA data shows. Yes, I have read the reports. Very few people have.

Mr. KRISHNAMOORTHY. You are not a doctor, right? You are not a medical doctor.

Mr. RECTOR. No. I am an expert in these programs.

Mr. KRISHNAMOORTHY. You are not a medical doctor, are you?

Mr. RECTOR. I do know more about nutrition——

Mr. KRISHNAMOORTHY. You know more about nutrition than a medical doctor?

Mr. RECTOR. I know more about nutrition in welfare programs than any doctor.

Mr. KRISHNAMOORTHY. You are not a nutritionist, are you?

Mr. RECTOR. I said exactly what I am saying. If you want to look at the——

Mr. KRISHNAMOORTHY. It is a simple yes-or-no question. You are not a nutritionist, are you?

Mr. RECTOR. No. I——

Mr. KRISHNAMOORTHY. And you are not a——

Mr. RECTOR. I am an expert in the food stamp program——

Mr. KRISHNAMOORTHY. Sir, anybody who——

Mr. RECTOR [continuing]. And nutritional effects.

Mr. KRISHNAMOORTHY [continuing]. Anybody who——

Mr. RECTOR. Do you want to talk about the food stamp program and its nutritional effects, or do you want to grandstand?

Mr. KRISHNAMOORTHY. Anybody who thinks that childhood poverty is not harmful to children unfortunately should not be talking about whether these welfare programs benefit families or not.

Let me turn your attention——

Mr. RECTOR. Would you like me to explain what I meant by that?

Mr. KRISHNAMOORTHY [continuing]. To my final topic, in my limited time. On January 31, *Politico* quoted Donald Trump as promising to, quote, “love and cherish Medicaid.” Mr. Linden, you do not dispute that *Politico* reported that, right?

Mr. LINDEN. They definitely reported that.

Mr. KRISHNAMOORTHY. Donald Trump also promised that, quote, “The people will not be affected. Medicaid will only be more effective and better.” That is what he said, right?

Mr. LINDEN. That is what he is promising.

Mr. KRISHNAMOORTHY. *Punchbowl News* reported, quote, “The Energy and Commerce Committee currently is eyeing up to \$2 trillion in cuts to Medicaid.” You do not dispute they reported this, do you, Mr. Rector? This is what *Punchbowl News* said.

Mr. RECTOR. I am not aware of that.

Mr. KRISHNAMOORTHY. Michael, can you tell us briefly what would happen if \$2 trillion in cuts to Medicaid actually occurred, in terms of the number of people who would be dropped from Medicaid?

Mr. LINDEN. Yes, tens of millions would lose coverage or benefits, or both. There is just no way around it. Those level of cuts, there is not tweaks or efficiencies to be found that is one-third of total Medicaid spending at the Federal level. It is not there. Just one of the proposals that I have heard being batted around would mean 36 million potential people would lose coverage. So, there is a lot of harm here.

Mr. KRISHNAMOORTHY. We are at a proverbial fork in the road. Either we keep President Trump’s promise that “the people will not be affected,” close quote, or we accept trillions in cuts to our safety net programs that drop tens of millions of people, Americans, from the Medicaid rolls. This will not only affect them, this will devastate them.

Thank you, and I yield back.

Mr. GROTHMAN. Thank you. Paul Gosar.

Mr. GOSAR. Yes, thank you, Mr. Chairman. I agree with all your comments, Mr. Rector. I think you have come up with really good ways.

Let me ask you something first. I want to ask you, did AHCCCS in Arizona cut people off of the rolls?

Mr. RECTOR. I am not entirely familiar with the specific program.

Mr. GOSAR. OK, so we got an exemption on Medicaid, and we did it ourselves. It did not cut.

Mr. RECTOR. Was this the work requirements.

Mr. GOSAR. No, no, no. It was AHCCCS. It is called AHCCCS. It is a Medicaid—we got a waiver and we tried to hit different populations. So, just looking at the incentivization or the growth of a product does not mean you are cutting people off, does it?

Mr. RECTOR. It depends on what you are doing.

Mr. GOSAR. Oh, that is all I wanted to hear, because it came across by saying it does.

Mr. RECTOR. Well, Congressman——

Mr. GOSAR. No, it is my time. It is my time.

Mr. RECTOR. If you are cutting——

Mr. GOSAR. It is my time. Hold on. Hold on. It is my time.

Mr. RECTOR. Fair enough.

Mr. GOSAR. OK. So, if we were to look at using that FMAP, and you saying we are going to use inflation to carry it on, and block that back to the states, tell me how that disincentivizes opportunities. Tell me how that does.

Mr. RECTOR. I can do that.

Mr. GOSAR. Go ahead, quickly.

Mr. RECTOR. So, if you are block-granting Medicaid and you are capping the growth of Medicaid below health care costs, by definition——

Mr. GOSAR. No, I did not say that. I did not say that. I said capping it according to inflation.

Mr. RECTOR. But health care costs grow faster than inflation——

Mr. GOSAR. That is——

Mr. RECTOR [continuing]. In the private sector. And, in fact, the private sector grows faster than the public sector. So, if you are capping Medicaid costs below the growth of healthcare spending, then, by definition, you are going to be cutting Medicaid funding for the states, and states will have to either reduce benefits or cut people off the rolls. And the important thing here is the savings being considered here will be funneled into tax cuts for rich people and corporations. You are not putting those savings back into Medicaid. You are not saying let us make this work better. What you are saying——

Mr. GOSAR. OK, so, that is gratuitous.

Mr. RECTOR. Let us cut taxes for rich people?

Mr. GOSAR. Ms. Onwuka, I am glad you brought up COVID, you know, because we went on this spending spree, of \$4.8 to \$7 trillion. Not a single receipt exists out there. And NIH, we talk about the NIH doing this and that, this is the same NIH that gave us COVID and an improper appropriation to how we took care of it. You know, it is sick.

So, can you tell me a little bit more about your opinion? Did this continuous enrollment opportunities for Medicaid, how does it buildup waste, fraud, and abuse?

Ms. ONWUKA. Sure. During COVID, obviously, and frankly during recessions, we tend to see the enrollments in Medicare and some of the other welfare programs increase. Now, that said, the economies bounce back, and so as people gain employment, they should fall off things like SNAP. They should fall off certain programs. But we have not seen that, and COVID supercharged that. Even with the Child Tax Credit, for example, that was expanded, a Republican idea, the Child Tax Credit, but it was expanded and morphed into universal basic income by paying it out in monthly increments to every household and removing work requirements.

So, when you remove work requirements you provide waivers for states, and you create these loopholes where states can certainly roll people into these different programs, regardless of what their resources are or their income, then that is how you see these enrollments increase. And it is a shame that we are spending as much money that we are and our enrollment numbers are not falling. That is telling us something.

Mr. GOSAR. Well, I tell you what. I am so excited for this event, looking at this idea coming about, of wellness. I cannot tell you. I am a dentist, previously, so I love the fact that we are going to hopefully look at wellness, OK.

But I want to know more about this. This Families First Coronavirus Response Act provided advanced Federal funding or the FMAP to states to continuously enroll Medicaid beneficiaries. I want to get to this point. So, what did the states do? They just kept enrolling. In fact, they never ever followed through. There was no accountability to it, everybody that was under this FMAP, OK. For 3 years we did this.

So, tell me how you would feel about that aspect.

Ms. ONWUKA. Well, I mean, it is concerning when you have so many able-bodied people. We are not talking about people who have disabilities or are not able to work, but able-bodied people who are participating in programs like Medicaid because it has been expanded so much, we are talking about 60 percent of able-bodied adults on Medicaid, 25 million Americans who are reporting no earned income.

So, that is telling us that there are people who can work, we know that there are millions of open positions, and they are participating in the Medicaid program, but they are not working. That is a problem that needs to be fixed, and there is something there that is broken that needs to be rectified.

Mr. GOSAR. And we are also seeing the fact that there is no accountability. The Federal Government is not going back, the states are not going back and saying, "Hey, listen. You had private insurance. Why did you take this?" So, there is no accountability whatsoever, so we just blanket across the board.

I do want to thank you, Mr. Linden, because I think you were one of the people that supported my thing about McCarran-Ferguson and developing in regard to health care. That is why I want to see new ideas, new advantages, all that across the board. So, from that I will say thank you. I will yield back.

Mr. LINDEN. Thank you, Congressman.

Mr. GROTHMAN. Thank you. Next, we have Ms. Randall.

Ms. RANDALL. Thank you so much, Mr. Chair. It is delightful to get the chance to talk about health care access in this first Subcommittee hearing, and I want to start out, being a new Member, and I do not know if this makes me a radical feminist or not, I am a married woman but I do not have a man in my family.

But I do believe that we need to make sure that access to the services that folks need is not—that we do not create additional barriers. And I believe that because of really personal experience. When I was 7 years old, my sister, Olivia, was born with microcephaly, which is a complex disability. The doctors did not know how long she would live or if she would live. My dad had a good government civilian job, had good Federal employee insurance, but it would not have covered all of the equipment and specialists that Olivia needed to survive in our family. But because the Washington State legislature, in 1993, was one of the first states in the country to expand Medicaid, Olivia was able to survive and thrive in our family. And because of special education funding, she was able to go to school, be integrated in her classroom.

And that is when I learned that government can play a role in making people's lives better, and ensuring that families have the tools to build strong futures, ensuring that children, like my sister and my brother and I, can be civically involved community members and can build better for our kids and our kids' kids.

I am also the first of my family to go to college. I benefited from financial aid. When my parents got divorced, my mom, after being a primary caregiver for my sister, struggled to re-enter the workforce, and SNAP benefits made a difference for us.

You know, I went on to break a lot of barriers in my family, and was elected to the State Senate, where I had the chance to chair the Higher Education and Workforce Development Committee for 5 years, where I heard story after story after story that was like mine and my family's, working parents who were trying to go to school so that they could build a better future for their kids, who were penalized, and who were not able to dedicate the time to their schoolwork because they were trying to hit the work requirements. Students were penalized because they got a little bit of a raise, a tiny, tiny, tiny bit of a raise, which meant that they lost their childcare benefits or their housing benefits or their food assistance benefits. Those cliffs are what keep so many families in poverty.

And I also believe that we should tackle the marriage penalty. I have talked to a number of particularly disabled parents who want to get married, who want to build a strong family unit, but who do not have the opportunity because they know that they will be made homeless by getting married and losing the benefits that are allowing their children to have health care and thrive.

Mr. Linden, I do not know if you have tracked any of Washington State's response to the Great Recession. I assume that it is like many states, we were forced to make some cuts to our safety net programs. Can you speak at all about any other states that made cuts to programs, safety net programs, under the Great Recession, and what impact that had on families?

Mr. LINDEN. Yes, absolutely. I think stepping back broadly, we know that when states and localities are forced to pull back on aid to struggling families because of economic resources, because the Federal Government has cut back, that the effects are very long-term. Certainly, people get hurt right away, but there is something in the economic literature that we call "scarring," kind of a gross term, but it does capture the real long-term effects of people getting thrown off of these programs before they are able to pick themselves up. You see it years and years afterwards. They have lower educational attainment, lower earnings, less attachment to the workforce. All the things that we want to see, you get the opposite of that.

I am sure that happened in Washington State. It happened all over the country. It happened in other countries.

Ms. RANDALL. We definitely saw that impact in Washington State, and in fact, what we saw was a greater strain on the budget long-term, because since we kicked folks off of programs that were allowing them to build themselves up, then we had to pay for housing and other safety net programs, longer term, not only for the parents but for the children as they grew up.

Washington State, like many states in the country, also has extensive workforce shortage, and one of the ways that we meet that is by ensuring that folks get credential attainment after high school. We have a goal of 75 percent credential attainment. None of that is possible if we are ensuring that families are not able to access education, to keep a roof over their head, to send their kids to childcare, and to thrive. So, I hope as we think about what is good for families and what is good for our economy, we remember that these programs provide support.

Thank you, Mr. Chairman. I yield back.

Mr. GROTHMAN. Thank you. We will now go to the gentleman from Texas, Mr. Sessions.

Mr. SESSIONS. Mr. Chairman, thank you very much. Mr. Rector, I would like to play a game with you. What is the amount of money, total, that you believe a family of four, that is married, two children, what is the amount of money that you believe that they should have total benefits for?

By the way, I think I am looking for you to help me in this endeavor.

Mr. RECTOR. Maybe you are trying to figure out how much they currently get.

Mr. SESSIONS. Well, no. I think what I am trying to say is if you go to the poverty level, line, and then you add in whatever amount of money you would choose to add in, what is that correct level that you believe would be something that would be a good number to say if a person makes this much, what is that number?

Mr. RECTOR. I think that you can very easily, within the current system, ensure that any family that has work could have enough benefits to get to, say \$100—

Mr. SESSIONS. I am not saying that. Maybe I cut you off. I am sorry. Go ahead.

Mr. RECTOR. The welfare system is designed to reinforce work and to supplement work.

Mr. SESSIONS. And that is what I said. I said married—

Mr. RECTOR. Right.

Mr. SESSIONS [continuing]. And then what is that amount of money? I am trying to look at work and then amount of benefits, because I think there ought to be a sliding scale——

Mr. RECTOR. Right.

Mr. SESSIONS [continuing]. Up and down, instead of you do not qualify, or we do this, or we penalize. It ought to be, OK, if we decided—I am just going to say it—\$100,000. I am playing the game I wanted you to play. If you just said, “\$100,000, Congressman Sessions, would be an amount of money that I believe a family of four, husband that worked, husband and wife that are married, they need \$100,000, however you cobble it together, to live.” And then we looked at the amount of money that they make, and then we looked at the amount of money that they received benefits for. And we just said, \$100,000. That way we are not penalizing marriage.

Now I can have this wrong, but that is one way to look at it. And then you would go and sit down with a person, whoever it might be, maybe it is a computer, and say, I work and my salary is this, and my wife’s salary is this, and our tax level is this. Maybe they do not pay any taxes. To get to \$100,000, I am allowed to add in benefits that look like the following matters, and that we encouraged marriage instead of then telling them, “No, you do not qualify,” or what you do, let them package together the things that they believe they needed the most.

What kind of game is that? Is that too much of an articulation of maybe a philosophy?

Mr. RECTOR. No. I think if you look at what we currently spend, if we are spending through the means-tested welfare system close to \$60,000 for every family that has an income in the bottom third of the population, it is a huge amount of money which no one knows where it is going, for the most part. But you can very easily, within that system, ensure that any family that has at least one working parent, has an income, oh, say 150 percent of the poverty rate. You can easily do that.

But the current system, first of all, all the spending is hidden. It is not on the books, OK.

Mr. SESSIONS. I agree with that, and we put it on the books.

Mr. RECTOR. No, you do not. If you look at, like, the measurement of poverty, 95 percent of the \$1.6 trillion you spend every year is off the books. It is not counted. It has effect on poverty.

Mr. SESSIONS. I did not say you would not count it. I am saying we would count it.

Mr. RECTOR. Oh, you definitely count it, and then you have a system that has incentives that promotes people to work——

Mr. SESSIONS. I agree.

Mr. RECTOR [continuing]. And to get married. And you get rid of all the fraud, which is in there, which is huge, and you can definitely do that for considerably less than you are spending today. But you have to be honest about what the benefits are, who is getting them. You have to count that in terms of measuring poverty. I mean, you have a \$1.6 trillion welfare system.

Mr. SESSIONS. Well, I have read Phil Gramm’s book. I get that.

Mr. RECTOR. OK.

Mr. SESSIONS. I am trying to reverse engineer it. I am not trying to take the time of this important panel. I am trying to say, is that something that might be a better—

Mr. RECTOR. Yes.

Mr. SESSIONS [continuing]. Way to look at, because I think it is. For instance, the gentlewoman just before me talked about her mother had to probably quit work because of her sister. Not unusual. I have a Down syndrome son. There are people in family emergencies, and they cut down one person working, and all of a sudden much of their income is cut in half.

So, I have dealt with these circumstances. I am trying to say it seems like we could have a workbook, a paper, that would say, OK, here is where you have got to be. You are at this. And our job is to try and get you there. And then make it easier for someone that is married to stay married. That way there is less back-and-forth.

OK. I am interested in getting in touch with you. I am interested in seeing if we could design a sheet of paper that could be a potential model of saying if we get to this, how do we get to this, how do we encourage that, and then seeing if we can float that with any ideas around it.

You are very kind. Thank you for playing my game. Mr. Chairman, I yield back.

Mr. GROTHMAN. Thank you. Ms. Simon.

Ms. SIMON. Thank you so much, Mr. Chair, and thank you to our witnesses who have come here today to talk about the issues surrounding family, and the health of our families, the health of our children. It is the reason that I came to the U.S. Congress.

For the folks who are listening in, there are women and mothers who are escaping domestic violence, and families who have small children who are trying to finish school. You know, the farmer that called my office, out of district, so nervous, so nervous that there is the potentiality of his family losing benefits because our system will count his small amount of land and his farm equipment as assets, and he has a severely disabled child. I care so much, as you all do. I believe we uniquely all have a deep place in our professional and personal spaces for the American family.

I do not believe that there—I am making an assumption, so I will ask—are there any members of the witnesses who came here today that were a single parent?

[No response.]

Ms. SIMON. Any witnesses who have ever collected SNAP or WIC?

[No response.]

Ms. SIMON. I appreciate it, because we need people on both sides, our advocates, our organizers, our academics.

I was a teen mom, a single teen mom, and I had my daughter while I was in college, community college. And I worked three jobs, and I got \$28 of food stamps. And because I am legally blind and I was not able to drive, I would have to catch a bus an hour in Martinez, Contra Costa County, in the Bay Area, to get that \$28. At one point, it just felt like it was just too much. But I kept my WIC.

And I would go to the grocery store—every month, you only get WIC once a month—and I would go and I was humiliated every

single time purchasing beans and rice and milk, and being asked to put back because the milk maybe was two ounces more than the WIC stamps cost. Being poor is hard, trying to live up to the values in this country of working hard and raising children.

In fact, I got married later on. My husband died of leukemia. I will tell this story every single day. My 13-year-old is at school right now, in Washington, DC. It is a snow day. I am a single mom and a widow. No one is there to pick her up. I am asking her to wait on the stairs.

So, when we are going to talk about families, let us really talk about families. We talked about so many of the stats that are put before us.

I only have one question, but I want to give a little bit more background. During our last work week, members, I took members of my leadership of our party on a tour of University of California's Benioff Children's Hospital. It is an amazing facility, one of the state-of-the-art burn centers. It is a sickle cell center. They provide stem cell transplants to children. There are fears that much of this federally funded immediate care may be denied to low-income families who are just trying to survive.

They are also really thinking about, the leaders of this hospital, they are thinking about what they are going to do should our Administration attack the 340B Drug Pricing Program. Again, as someone who spent a lot of time with my husband when he was living and dying, trying to move through cancer, the program is essential, not only for our adults fighting life-critical diseases but for our children.

And I also met with our federally qualified health centers, diabetes care, prenatal care. When I was pregnant as a teenager, I got all of my prenatal care from Planned Parenthood.

I have one question. Actually, the question—I have a statement, actually, before the question, and let me get it clear. What I heard earlier was this estimation of poor women should immediately work when they give birth to their children, or it is really important to have work requirements. You know, I agree that folks should work. I have run organizations that put young women to work. But we do not have the same expectation for middle class and wealthy women. We are asking them to stay at home, take care of your babies.

So, I am curious, you know, Mr. Linden, with all the hypocrisy in this conversation we know that poor folks struggle to just make it, and they are pathologized every step of the way. When we are talking about the plan to cut Medi-Cal at \$2 trillion, give me 7 seconds of what the effects could be on our low-income families in this country.

Mr. LINDEN. Sure. Seven seconds. We would cut millions of people from their lifesaving health care, and for what? To fund tax cuts for billionaires. That is what the discussion is right now in Congress. Should we or should we not take health care away from low-and moderate-income families so that we can have more room to give tax cuts to billionaires and corporations. I think the American people would be pretty unhappy to find that is what is under discussion here.

Ms. SIMON. I appreciate it and I yield back. Thank you so much.

Mr. GROTHMAN. Thank you. The gentleman from Texas, Mr. Gill.

Mr. GILL. Thank you, Mr. Chairman. I appreciate it. The great economist, Milton Friedman, once quipped that you can either have a welfare state or you can have open borders, but you should not have both, and I do not think you should have either, for one.

You know, we have talked, and we have heard a lot over the past 4 years about root causes of mass illegal immigration into our country, and I would like to perhaps suggest a few of them, and they are coming from the other side of the aisle, in that we are creating a welfare state that incentivizes mass migration into our country from every country on the globe that is poorer than we are.

My colleagues on the other side of the aisle like to say that illegal aliens cannot get welfare. I think that that is verifiably not true. In fact, illegal aliens and their families can receive welfare from about over a dozen different programs. I will list out a few of them: food stamps, child nutritional programs, Temporary Assistance for Needy Families, Supplemental Security Income, childcare and development block grants, the Earned Income Tax Credit, the Child Tax Credit, Obamacare premium tax credit, Obamacare cost sharing subsidies, Medicare, Medicaid, the Children's Health Insurance Program, Pell Grants, student loans, Head Start, public housing, and the Coronavirus State and Local Fiscal Recovery Fund.

Whenever we think about how much money we are giving to illegal aliens, the numbers really are absolutely staggering, and I can give you just a few of them. Let me pull them up here. We spend, on illegal aliens and their families, over \$3 billion in primary and secondary education, \$580 million on limited English proficiency programs, \$239 million for migrant schooling, \$2.8 billion for Head Start programs, over \$8 billion in uncompensated hospital expenditures, nearly \$1.6 billion for Medicaid births, almost \$8 billion a year on Medicaid fraud, \$5.4 billion for Medicaid for U.S.-born children of illegal aliens.

In terms of law enforcement costs, we spend almost \$1.7 billion on Federal incarceration of illegal aliens, \$4.1 billion for enforcement and removal operations, \$8.6 billion for Customs and Border Protection, \$1.7 billion for other ICE operations, \$237 million for State Criminal Alien Assistance Programs, over \$8 billion for alien minors, and I am going to keep going, \$191 million for DoD National Guard deployment.

If we look just at welfare, we spend over \$1.5 billion for meals in schools for illegal aliens and their children, \$5.8 billion for SNAP, just under \$1 billion for WIC, \$1.4 billion for TANF programs, \$991 million for Child Care and Development Fund, \$334 million for public housing, \$600 million for Supplemental Security Income—I think in the context of a Federal debt that is at \$36 trillion. I think that is utterly absurd.

As it all comes out, according to various estimates, we are spending right around \$50 billion, on the Federal level, on illegal aliens and their families, and about \$100 billion a year on the state level, as well.

Mr. Linden, I would like to start with you, and I know we only have a little bit of time. But do you think it makes sense that we provide welfare benefits for illegal aliens and their children?

Mr. LINDEN. I think it does not make sense to spend multiple times that on subsidies to corporations and rich people.

Mr. GILL. But do you think we should be taxing working class American families to pay for welfare for illegal aliens?

Mr. LINDEN. I genuinely believe we should make sure that the welfare and health care and nutrition programs that we have in this country are going to the people who are entitled to them, who are in the law, what the law says who should get them. And I also think that if we are worried about the Federal deficit and debt, we are spending multiples times what you just described there on tax cuts for rich people and corporations. And I do not understand the focus—

Mr. GILL. There is a difference between providing tax cuts for American citizens and providing handouts for illegal aliens.

Mr. LINDEN. Huge beneficiaries of these tax cuts are foreign investors. One of my—

Mr. GILL. I hope you guys continue—

Mr. LINDEN. One of the biggest—

Mr. GILL. I hope your side of the aisle continues defending welfare for illegal aliens, because Republicans will win every single election in perpetuity of that is your view.

And Mr. Chairman, I yield my time. Thank you.

Mr. GROTHMAN. Well, thank you. Have another new person we are getting used to here.

Mr. Bell from Missouri?

Mr. BELL. Thank you, Mr. Chair. So, let us level set here. It is no secret that Republicans want to cut Federal programs that hardworking families rely on in order to fund tax cuts for the wealthiest among us. And Democrats will continue to fight for programs like Medicare, Medicaid, and Social Security because we cannot turn our backs on the people that need us most.

A month ago, I was an elected DA back home, and I am going to give you all a piece of advice that I got a long time ago. You want to fix public safety? Fix your health systems. So, there is a public safety component to ensuring that everyone has access to quality healthcare

So, like my colleague on the other side, I would also like to play a game. And we should be able to find bipartisan consensus that waste, fraud, and abuse within Federal programs is intolerable. We should also support Inspectors General and law enforcement personnel that have dedicated their careers to rooting out this fraud and recovering lost funds from bad actors.

Instead, I have been very disappointed, and dismayed, for that fact, that President Trump spent his first week in office firing Inspectors General and career prosecutors, including people who were tasked with investigating and preventing fraud within the very programs our Republican colleagues claim are ripe for abuse. I want to stress the importance of our independent and nonpartisan Inspectors General. The work they do should be commended.

So, let us also play a money or investment game. For the relatively small investment made in Offices of Inspector Generals, the taxpayer receives a massive return on that investment. In Fiscal Year 2023, Inspectors General detected and clawed back as much \$93 billion in taxpayer funds. By one measure, for every \$1 in-

vested in an Office of Inspector General, \$26 is saved by their oversight work.

So, Mr. Linden, President Trump fired the HHS Inspector General in January. What impact will this have on the ability for people to defraud Medicare and Medicaid.

Mr. LINDEN. It will make it a lot easier, and exactly as you said, Congressman, if we are really interested in rooting out waste, fraud, and abuse, I am all for that. We should be spending every single dollar of American taxpayers with responsibility and oversight. And when we find those savings, let us reinvest them into the people who actually need those benefits and who actually deserve those benefits, who will grow our economy. Let us not give that money to the wealthy and corporations.

Mr. BELL. And staying on that, what signal does removing a watchdog send to bad actors intentionally seeking to defraud the government?

Mr. LINDEN. It says that it is open season for fraudsters. If these Inspectors General are not on the job, looking out for the American taxpayer, who is doing it? Is it Elon Musk? I do not trust him.

Mr. BELL. Our colleagues on the other side push this common misperception that increasing access to Federal programs will lead to rampant fraud and abuse. Why is that untrue?

Mr. LINDEN. It is simply not true. We can absolutely increase access and the generosity of benefits, the availability of benefits, at the same time making sure that those benefits are going to the people who we intend them to go to and stopping scammers and fraudsters from taking advantage of the low-and moderate-income people who need those benefits.

Mr. BELL. Without independent Inspectors General at the wheel, effective oversight diminishes, and programs that Congress established become far more vulnerable to waste, fraud, and abuse. If my colleagues across the aisle were truly serious about examining how to cut down on waste or fraud, then President Trump's purge of independent watchdogs would be a flashing red light telling us something is wrong. We should come together, make sure that independent Inspectors General are nominated, confirmed, and committed to a career that is free from political influence and games.

Thank you, and I yield my time to the Ranking Member.

Mr. KRISHNAMOORTHY. Thank you, Mr. Bell. Inspectors General, you know, Mr. Rector, let me ask you this question. What is your opinion about the utility of having Inspectors General at the agencies where they are supposed to be rooting out waste, fraud, and abuse?

Mr. RECTOR. Well, that is fine, but you actually have to work and do something about the reports they give you. For example, the Inspector General at the IRS has told us for decades that there is about a 37 percent fraud rate in the EITC. Now, I have read all those reports. I have done all that analysis.

So, I could sit down here this afternoon and tell you exactly how to prevent all that fraud, prevent the money from going out the door in the first place, because it does not do any good to have an audit of 10,000 people when you have a caseload of 22 million. You say over and over again there is fraud, fraud, fraud. Nothing is

done. I can tell you right now I could stop every single bit of that fraud in the EITC. I have already written out how to do it, OK.

So, the question is whether you want to act on that fraud and act on those reports or whether you want to continue the fraud to flow out that door. The EITC is noted for having a high fraud rate. The reason for that is it is the only program that the government, correctly, audits. There are no meaningful audits in food stamps. There are none in Section 8. And if you had a good audit on them, you would find equal fraud rates there, as well, OK. But then when you know what the fraud is, you know how it is done, you have to stop it. We have known how the fraud is done in the EITC and the ACTC for decades, but there is nothing that is done to stop it. I could stop it tomorrow afternoon.

Mr. GROTHMAN. We will give my good buddy here, Mr. Krishnamoorthi, a follow-up.

Mr. KRISHNAMOORTHI. So, I am with you on this, which is what I hear you saying is, do the audit, but then act on it.

Mr. RECTOR. Yes.

Mr. KRISHNAMOORTHI. So, the utility of Inspectors General is high, but you have to act on their advice.

Mr. RECTOR. Absolutely.

Mr. KRISHNAMOORTHI. OK. Thank you.

Mr. GROTHMAN. OK. The new gentleman from Virginia, Mr. McGuire.

Mr. MCGUIRE. Thank you, Mr. Chairman. You know, it is immoral and indefensible to use taxpayer dollars to support a border invasion. Illegal aliens, the criminals, are robbing, raping, and killing the American people. It is also indefensible and immoral to put boys in girls' sports and boys in girls' bathrooms, and to allow this fentanyl being produced in China to come across the southern border and poison the American people. More people die every year from fentanyl overdose than died in the Vietnam War. They say age 18 to 45, it is the No. 1 cause of death in the country.

I think it is also immoral and indefensible to spend \$1.6 trillion on these programs with no record of where that went. I think I heard testimony—is that correct, Mr. Rector, \$1.6 trillion, and we have no idea where it is going and how it is measured.

Mr. RECTOR. That is correct. And to the extent that you have any measures, they hide it.

Mr. MCGUIRE. That is why President Trump got a mandate. There are two things missing in our country right now—trust, President Trump is bringing back trust because he is doing what he campaigned on. He got the popular vote, and he got the electoral college.

But he is also bringing back fairness. Eighty percent of Americans, regardless of race, religion, creed, or party, believe that it is wrong to have boys in girls' sports. Yet for some reason our colleagues on the other side think that is OK. I think it is immoral and indefensible.

I also think it is indefensible that there is no clear record of how much money each family gets. Is it \$100,000? Is it \$50,000? We have no idea.

Ms.—I hope I do not pronounce it wrong—Onwuka?

Ms. ONWUKA. Onwuka.

Mr. MCGUIRE. Onwuka?

Ms. ONWUKA. Yes.

Mr. MCGUIRE. I really, really appreciate your comments on the family, the breakdown of the nuclear family. You know, I heard Mr. Rector say it does not make any sense why every single safety net program is against the family. Is that how you said that, Mr. Rector?

Mr. RECTOR. That is correct.

Mr. MCGUIRE. That is just indefensible, and it makes no sense. And, I heard you say it makes no sense, but it makes sense to me why they are doing this, because the strength of our country is that our religious values, our Judeo-Christian values, this country was founded in the church, but it is also the strength of the nuclear family. And you remember, on the Black Lives Matter website, it used to say their purpose was to break down the nuclear family.

So, when you say you do not know why they are doing it, I think they are telling us. And when someone is telling you why they are doing something, you should believe that.

I would say that our social safety net should focus on supporting the truly poor and vulnerable, for able-bodied individuals that need assistance. And I would say work requirements for welfare programs are essential because they encourage self-sufficiency, reduce long-term dependency, and help individuals gain the skills and experience needed to achieve financial independence.

Ms. Onwuka, in your testimony you stated that an estimated 24.6 million able-bodied adults on Medicaid reported no earned income, and no one ever drops off the program. So, are they always poor forever? And during the pandemic that picked up.

What factors contribute to this large number of non-working recipients?

Ms. ONWUKA. Well, in part it has to do with how people are enrolled and whether they qualify. And whether you are talking about Medicaid, SNAP, TANF, some of these other programs, there are lots of loopholes that can easily either roll people into some of these programs or waive the eligibility requirements. So, I think that is where the concern is.

And if I may just make a quick point. I appreciated hearing some of the personal stories. I am an immigrant. I am a naturalized citizen. So, I came to this country, and I grew up in a very poor neighborhood. And a lot of people on programs that we are talking about today are my classmates. And I recognize that the ones who did well were the ones who had parents who were working and managed to move from dependency programs into independence. They saved and bought a house, like my family did, and moved out of the poor neighborhoods and away from the negative influences there.

So, I think that my colleagues who want to see welfare reform are not doing it from an uncompassionate place but actually from a compassionate place, to say, you know what, we want you to be able to be a master of your own destiny, and that is by making sure you are moving from dependency into independence and fruitfulness.

Mr. MCGUIRE. I agree with that.

Ms. ONWUKA. And that comes with some of these tougher things that need to be done.

Mr. MCGUIRE. So, I was abandoned as a child, at 5 years old. I had been in the foster care system, nine different elementary schools. And we had some of those programs, as well. But we, by the strength of a family and working hard, we got our way out of that.

Mr. Linden, do you believe there is dignity in work?

Mr. LINDEN. Absolutely.

Mr. MCGUIRE. You know, one of the things I hear all around my district is we cannot find workers at our restaurant and at our other business. So, it is irresponsible to not know how much money is being spent and where it is being spent. And that is why I am so glad that President Trump got a mandate, and I trust Elon Musk. In just 2 weeks he has identified millions and millions of dollars in waste, fraud, and abuse that American people suspected, but we could not get a clear answer. And he is just getting started.

And with that I yield back.

Mr. GROTHMAN. Thank you very much. We will—Mr. Krishnamoorthi has a couple of things he wants to take care of.

Mr. KRISHNAMOORTHI. Yes. I just wanted to do a little bit of housekeeping here. First, I want unanimous consent to enter this article by the World Economic Forum titled, quote, “New research busts the myth of welfare dependency,” which summarizes economic research showing the belief that social safety net programs cause dependency is not based on reality and nothing more than a misleading myth. I would like to enter that into the record.

Mr. GROTHMAN. OK. We will do that.

Mr. KRISHNAMOORTHI. And then I would like unanimous consent to enter into the record a report by the Center on Budget and Policy Priorities titled, “Medicaid work requirements could put 36 million people at risk of losing health coverage.” This report estimates 36 million people could lose Medicaid coverage if Republicans conditioned health coverage on a variety of requirements that are currently under consideration by the Energy and Commerce Committee.

Mr. GROTHMAN. Thank you. We will enter that into the record.

Mr. GROTHMAN. Now I will ask you if you want to do a closing statement.

Mr. KRISHNAMOORTHI. Yes. Thank you very much. Thank you, Mr. Chair, and thank you to our witnesses for devoting your time, and thank you to the audience for your attention, as well.

First of all, I was moved by the different stories, personal stories, your own, Ms. Onwuka, as well as Mr. McGuire and Mr. Bell and Ms. Simon.

I think that where social safety net programs work, they are transformative, and they enable people who are in real need to overcome that need and do great things, and to live the American dream.

However, I will be the first to concede that there could be improvements. But can we do these improvements, can we work on these improvements in a thoughtful, bipartisan manner? I think the answer is yes.

And so, for instance, with regard to work requirements, which Ms. Onwuka talks about, I think that more Democrats would be interested in working on this issue if they also heard about potential supports with regard to career technical vocational education that enables people to get the skills to acquire and keep the jobs that are out there in the workforce, that we need them to fill.

I think more Democrats would also be very interested in working on this issue if we could talk about the issue of childcare, which is dramatically scarce, not only for poor people but for all people. I think everyone in this room who had ever had to pay for childcare knows how prohibitively expensive it is and how, we talk about a marriage penalty, there is a child penalty in this country right now that is operating to, in my opinion, really discourage family formation, and discourage all the things that we want good to happen in this country.

So, I would just respectfully submit, Mr. Chairman, that if we could also talk about these issues in the context of the ones that you are talking about, I think we could really have a thoughtful discussion.

Finally, I respectfully submit cuts of the magnitude being contemplated in the Energy and Commerce Committee or the Ways and Means Committee, cuts to the tune of \$2 trillion to Medicaid, would absolutely be devastating to the tens of millions of families, especially on Medicaid expansion, who are benefiting from those supports today. In my home state of Illinois, about 700,000 to 800,000 Illinois residents are on Medicaid expansion. Are many of them able-bodied adults? Absolutely? Are many of them working? Yes. Are many of them incapable of affording private health insurance without these supports? The answer is absolutely, positively yes. That is why they crucially depend on Obamacare. They crucially depend on it.

So, if we are going to take those supports away from them, they will not have access to healthcare, plain and simple, even as they continue to work, even as they struggle, even as they raise their children.

So, that is the question on the table for my good friends on the other side, which is I understand you are looking for places to find money. I respectfully submit, do not find money on the backs of people—poor, working people who cannot get access to health care in any other way than through Medicaid and these crucial safety net programs.

With that I want to say thank you, Mr. Chair, for your indulgence, and I yield back.

Mr. GROTHMAN. Thank you very much. I would like to make my closing statement and kind of go over where I, by the way, Ms. Onwuka, I wish we heard more from you. You are just tremendous, and I wish we did not have just 5 minutes per person here. We will have to bring you back for another panel on some other topic.

OK. First of all, when I put together this hearing it was not my intent that we wind up talking about tax policy at all or even money that can be saved through these programs. We can save money, but the problem with these programs—but the biggest problem to me is not that they cost too much. It is that our current programs, as Mr.—oh, and by the way, the only example that I

heard today in which somebody threw out we can do something with the money we save is Mr. Rector, who suggested taking some of the money we save on the abuse and putting it into changing the Earned Income Tax Credit, so it was not so hating of married couples like it is today.

OK. The purpose of this Committee is saying that, well, while we expanded the welfare state overwhelmingly, what we did is we created a huge disincentive to raise children with a mother and father at home. That is incontrovertible. And there are all sorts of hypotheticals you can come up with, but Mr. Rector mentioned today a hypothetical in which you would penalize somebody \$28,000 for marrying the father of her children. I would hope we would think that that was bad public policy.

We did not get into, though it would be interesting to look at, the fact that there are some very scary progressive-type people who dislike marriage and dislike men in the home. I am thinking, of course, Marx himself; the radical feminist, Kate Millett; and that crowd, who were hanging around in the 1960s, and really just wanted to get the man out of the home. And while I can say they were extremists that did not appeal to a lot of people, my good friends in the Democratic Party sometime have a hard time saying no to their extremist friends.

OK. I realize there are many great single parents. I know them. We all know them. Nevertheless, it is an uphill climb. And in my opinion, we pass bills in here dealing with crime problem, drug problem, even the education problem. I talk to school superintendents about this. All these things are made worse by the obvious incentive the Federal Government has right now in discouraging the old-fashioned nuclear family. And this is not something that just happened in a vacuum. Depending on the year you pick out, in the 1960s, in the 1950s, 4 to 7 percent of the American families, when there was a new birth, it was out of wedlock. We are, right now, at 40 percent. That is a huge difference, and, in my opinion, it happened largely because of this huge welfare system, with 90 programs, or whatever Mr. Rector said, all with a marriage penalty in them. And I think as a result, people have understandably changed their behavior. That might not be the only way they have changed their behavior, but when you are going from 4 to 40 percent, I think it is pretty obvious.

I was disappointed that, upon looking at the \$28,000 penalty that Mr. Rector laid out, that Mr. Linden came back and said our problem we have got to put more money in these programs. Twenty-eight thousand is enough. We do not need a \$38,000 or \$48,000 penalty for getting married.

So, in any event, otherwise I thought it was a good program. I think you all added something to the mix. And like I said, I hope people in Congress, both in the bill coming up in the near future and for a period longer than that, spend some time when they pass legislation and wonder, or spend some time analyzing whether their new program or old programs or the 90 programs Mr. Rector brought up, whether those programs are overly favoring the option of not being married or otherwise.

And I will say one other thing. When I get around my district there are two things I hear frequently, people who have relatives

who are not getting married to get the benefits—it is so common—or friends not getting married to get the benefits, and, in something that was brought up by, I think, was it?

Mr. KRISHNAMOORTHY. Ms. Randall?

Mr. GROTHMAN. Could have been. One of them brought up the idea that they, in their life, had to stop working because of, you could say, the generosity of these programs. But if you talk to your employers, particularly employers who hire people, say, in that \$14 to \$20 dollar range, you would again and again find examples of employees who will not work extra hours because it penalizes them, and they would begin to lose their benefits.

So, I was glad that she pointed that out, that that is a problem with these systems. I think the biggest problem is it discourages marriage, but the secondary problem is no question it discourages work and improving yourself along those lines.

So, in any event, I have to say something here. I have got to take care of my business too. With that, and without objection, all Members have 5 legislative days within which to submit materials and additional written questions for the witnesses, which will be forwarded to the witnesses.

If there is no further business, without objection, this Subcommittee stands adjourned. Thank you.

[Whereupon, at 3:37 p.m., the Subcommittee was adjourned.]

