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California has grown welfare while Texas has grown jobs, and soft tyranny is to blame

Posted By Chuck DeVore On 3:52 PM 01/21/2014 In | No Comments

California and Texas are virtual twins. The two states that are home to one-in-five Americans are similar demographically and endowed with abundant natural resources. They differ most in their public policies.

California taxes about 42 percent more than does Texas while also having more generous welfare benefits.

But, according to a new, more comprehensive U.S. Census poverty measure which considers more factors than the old reckoning of poverty, California has proportionately 45 percent more people living in poverty than does Texas.

Last month, the U.S. Department of Health & Human Services released the 2013 caseload data for America's mainstay federal welfare program, Temporary Assistance for Needy Families, or TANF, along with enrollment numbers for separate state welfare programs. TANF's stated purpose is to "help needy families achieve self-sufficiency" by "Reduc(ing) the dependency of needy parents by promoting job preparation, work and marriage" The U.S. Department of Agriculture also released information on its Supplemental Nutrition Assistance Program, or SNAP — formerly known as food stamps — earlier this month.

Considering this updated information along with the strength of job growth presents an interesting picture.

First, to set the economic context, the "Great Recession" started in December 2007 and lasted until June 2009.

From September 2007, the end of the federal fiscal year, to September 2013, America saw a 1 percent decline in nonfarm employment for a net loss of 1.4 million jobs. In the same period, California lost 3 percent of its workforce for a total of 509,000 jobs. But, while the U.S. and California are still in the hole on job growth, Texas experienced a 7 percent increase in its nonfarm employment rolls for a total of 779,000 jobs, more than half the U.S. net jobs gain over six years.

Enrollment in the two the most common welfare programs during this same six year period tell an interesting story too. While the U.S. job base contracted 1 percent, its overall TANF rolls were virtually static, declining by 4,680 people. California and Texas diverged significantly, however, with California's TANF and state welfare program rolls swelling 18 percent for a total of 203,318 people. Texas' welfare rolls shrank by 36 percent or 50,996 people during the same period.

More revealing is the fact that, in 2007, before the onset of the recession, California's 1.2 million recipients of traditional welfare comprised about 28 percent of the nation's total welfare caseload in a state with 12 percent of the nation's population. In 2013, California had a full third of America's welfare cases, 33 percent.

SNAP use is an entirely different matter. In six years, the number of people in the U.S. enrolled in SNAP skyrocketed 80 percent or 21,167,521 people. By comparison SNAP use in California spiked 103 percent for a total of 2,110,846 people. In Texas, the number of SNAP enrollees was up 67 percent for a total of 1,619,693, considerably below this program's national rate of increase.

So, in the past six years, California has been growing welfare while Texas has been growing jobs.

Are California's higher taxes solely to blame for this disparity or might there be other factors?

Alexis de Tocqueville warned about government power in the form of bureaucracy,

foreseeing that it, and not tyranny, was the main threat to American democracy when he wrote in 1835's Democracy in America about "…a network of small complicated rules…" acting to reduce citizens to sheep with the government their "shepherd."

Federal power has grown at the expense of state power far beyond what was intended in the Constitution. But, states still retain significant latitude to tax, spend, and regulate — enough so that there remain major differences between them. These differences can be objectively quantified to compare the level of government power in each state to create a "Soft Tyranny Index."

Greater government power leads to less economic growth. The 10 states with the largest burden of regulators, taxes, and spending, led by New York and California averaged only 13.7 percent real GDP growth from 2002 to 2012 at a time when the U.S. economy grew 18 percent. But, the 10 states with the most liberty, led by Texas and South Dakota, averaged 22.5 percent growth, 64 percent stronger growth than was seen in the big government states.

The "Soft Tyranny Index" can be applied to the federal government as well. Factoring the pace of federal rules writing, the number of federal regulators as adjusted for productivity — the computer has done wonders for bureaucratic "efficiency" — federal taxes and federal spending as a share of the economy, federal soft tyranny reached record levels in the past few years.

But soft tyranny can be tamed with a concentrated effort, as was the case during President Reagan's eight years in office and during the time the Republicans held both houses of Congress from 1994 through 2006.

Soft tyranny has a corrosive effect on economic growth and liberty. Reducing it should be a top priority of our elected representatives at both the federal and state levels.

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