



214 Massachusetts Avenue, NE • Washington DC 20002 • (202) 546-4400 • heritage.org

CONGRESSIONAL TESTIMONY

**Examining the Means-tested Welfare State:
79 Programs and
\$927 Billion in Annual Spending**

**Testimony before
Committee on the Budget
United States House of Representatives**

April 17, 2012

**Robert Rector
Senior Research Fellow, Family & Welfare Studies
The Heritage Foundation**

My name is Robert Rector. I am a Senior Research Fellow at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Summary

The governmental safety net has three basic components: 1) Social Security and Medicare for the elderly; 2) unemployment insurance and worker's compensation; and 3) anti-poverty or means-tested welfare programs. My testimony will deal with the means-tested welfare system, which could also be called comprehensive assistance to the poor.

The means-tested welfare system consists of 79 federal programs providing cash, food, housing, medical care, social services, training, and targeted education aid to poor and low-income Americans. Means-tested welfare programs differ from general government programs in two ways. First, they provide aid exclusively to persons (or communities) with low incomes; second, individuals do not need to earn eligibility for benefits through prior fiscal contributions. Means-tested welfare therefore does not include Social Security, Medicare, Unemployment Insurance, or worker's compensation.

Although the public is aware that Social Security and Medicare are large, expensive programs, few are aware that for every \$1.00 spent on these two program government spends 76 cents on assistance to the poor or means-tested welfare.

In FY 2011, federal spending on means-tested welfare came to \$717 billion. State contributions into federal programs added another \$201 billion, and independent state programs contributed around \$9 billion. Total spending from all sources reached \$927 billion.

About half of means-tested spending is for medical care. Roughly 40 percent goes to cash, food, and housing aid. The remaining 10 to 12 percent goes to what might be called "enabling" programs, programs that are intended to help poor individuals become more self-sufficient. These programs include child development, job training, targeted federal education aid, and a few other minor functions.

The total of \$927 billion per year in means-tested aid is an enormous sum of money. One way to think about this figure is that \$927 billion amounts to \$19,082 for each American defined as "poor" by the Census Bureau. However, since some means-tested assistance goes to individuals who are low-income but not poor, a more meaningful figure is that total means-tested aid equals \$9,040 for each lower-income American (i.e., persons in the lowest-income third of the population).

If converted to cash, means-tested welfare spending is more than sufficient to bring the income of every lower-income American to 200 percent of the federal poverty level, roughly \$44,000 per year for a family of four. (This calculation combines potential welfare aid with non-welfare income currently received by the poor.)

In the two decades before the current recession, means-tested welfare was the fastest growing component of government spending. It grew more rapidly than Social Security and Medicare, and its rate of increase dwarfed that of public education and national defense. While means-tested medical benefits have been the fastest growing part of the welfare system, most other forms of welfare aid have grown rapidly as well.

For example, spending on means-tested cash, food, and housing has grown more rapidly than Social Security over the last two decades. Adjusting for inflation and population growth, the U.S. now spends 50% more on means-tested cash, food, and housing than it did when Bill Clinton entered office on a promise to “end welfare as we know it.” It comes as a surprise to most to learn that the core welfare state has expanded dramatically since reform allegedly “ended welfare” in the mid 1990s.

Total means-tested spending on cash, food, and housing programs is now twice what would be needed to lift all Americans out of poverty. Why then does the government report that over 40 million persons live in poverty each year? The answer is that, in counting the number of poor Americans, the Census Bureau ignores almost the entire welfare state: Census counts only a minute fraction of means-tested cash, food, and housing aid as income for purposes of determining whether a family is poor.

Despite the fact that welfare spending was already at record levels when he took office, President Obama has increased federal means-tested welfare spending by more than a third. Some might say this is a reasonable, temporary response to the recession, but Obama seeks a permanent, not a temporary, increase in the size of the welfare state.

According to the President’s FY 2013 budget plans, means-tested welfare will not decline as the recession ends but will continue to grow rapidly for the next decade. Under Obama’s budget, total annual means-tested spending will be permanently increased from five percent of GDP to six percent of GDP. Combined annual federal and state spending will reach \$1.56 trillion in 2022. Overall, President Obama plans to spend \$12.7 trillion on means-tested welfare over the next decade.

Obama’s budget plans call for ruinous and unsustainable budget deficits. These deficits are, in part, the result of dramatic, permanent increases in means-tested welfare. An important step in reducing future unsustainable federal deficits would be to return welfare spending to pre-recession levels.

To accomplish this, Congress should establish a cap on future welfare spending. When the current recession ends, or by 2013 at the latest, total federal means-tested welfare spending should be returned to pre-recession levels, adjusted for inflation. In subsequent years, aggregate federal welfare spending should grow no faster than inflation. This type of spending cap would save the taxpayers \$2.7 trillion during its first decade. An aggregate welfare spending cap of this sort is contained in H.R. 1167, The Welfare Reform Act of 2011, introduced by Congressman Jim Jordan (R-OH).

The Hidden Welfare State

Most discussion of government spending and deficits assumes that the federal budget consists of four principal parts: entitlements (meaning Social Security and Medicare), defense, non-defense discretionary spending, and interest. This perspective is misleading because it ignores the hidden welfare state: a massive complex of 79 federal means-tested anti-poverty programs.

The public is almost totally unaware of the size and scope of government spending on the poor. This is because Congress and the mainstream media always discuss welfare in a fragmented, piecemeal basis. Each of the 79 programs is debated in isolation as if it were the only program affecting the poor. This piecemeal approach to welfare spending perpetuates the myth that spending on the poor is meager and grows little, if at all.

The piecemeal, fragmented character of the hidden welfare system makes rational policy-making and discussion impossible. Sound policies to aid the poor must be developed holistically, with decision makers and the public fully aware of the magnitude of overall spending.

Understanding Means-tested Welfare or Aid to the Poor

Means-tested welfare spending or aid to the poor consists of government programs that provide assistance deliberately and exclusively to poor and lower-income people.¹ By contrast, non-welfare programs provide benefits and services for the general population. For example, food stamps, public housing, Medicaid, and Temporary Assistance for Needy Families are means-tested aid programs that provide benefits only to poor and lower-income persons. On the other hand, Social Security, Medicare, police protection, and public education are not means-tested; they provide services and benefits to persons at all income levels.

Means-tested programs are anti-poverty programs: they are intended to increase the living standards or improve the capacity for self-support among the poor and near-poor. Unlike many other government programs, means-tested welfare programs do not require a prior fiscal contribution to establish eligibility.

The size of the federal means-tested aid system is particularly large because it is funded not only with federal revenue but also with state funds contributed to federal programs. Ignoring these matching state payments into the federal welfare system results in a serious underestimation of spending on behalf of the poor. Prior to the current recession, one dollar in seven in total federal, state, and local government spending went to means-tested welfare.

¹ The only exception to this rule is a small number of means-tested programs that provide aid to low income communities rather than individuals.

79 Assistance Programs

The 79 means-tested programs operated by the federal government provide a wide variety of benefits. The federal welfare state includes:

- 12 programs providing food aid;
- 12 programs funding social services;
- 12 educational assistance programs;
- 11 housing assistance programs;
- 10 programs providing cash assistance;
- 9 vocational training programs;
- 7 medical assistance programs;
- 3 energy and utility assistance programs; and,
- 3 child care and child development programs.

Several programs provide more than one type of benefit. In addition, there are a few independent state programs providing cash and medical aid. A full list of these programs is provided at the end of this testimony. (Note: Social Security, Medicare, veterans programs, unemployment insurance and workmen's compensation are not considered means-tested aid and are not included in this list, nor in the spending figures in this testimony.)

In FY 2011, federal spending on means-tested welfare, plus state contributions to federal programs, reached \$927 billion per year. The federal share came to \$717 billion or 77 percent; state spending was \$210 billion or 23 percent. (See chart 1.)

In recent years, 49 percent of total means-tested spending went to medical care for poor and lower-income persons, and 39 percent was spent on cash, food, and housing aid. The remaining 12 percent was spent on social services, training, child development, targeted federal education aid, and community development for lower-income persons and communities. (See chart 2.)

Means-tested Spending by Recipient Category

Roughly half of means-tested spending goes to families with children, most of which are headed by single parents. Some 28 percent of spending goes to disabled persons. Another 14 percent goes to elderly persons. A final eight percent of spending goes able-bodied, non-elderly adults without children. (See chart 3.)

Growth of the Welfare State

Welfare spending has grown enormously since President Lyndon B. Johnson launched the War on Poverty. After adjusting for inflation, welfare spending was 16 times greater in FY 2011 than it was when the War on Poverty started in 1964. (See charts 4 and 5.)

Means-tested welfare spending was 1.2 percent of the gross domestic product (GDP) when President Johnson began the War on Poverty. By the 1980s spending had risen to around 3.5 percent of GDP. During the first decade of the twenty-first century, spending averaged slightly less than 5 percent of GDP. By 2011, spending had reached 6.1 percent

of GDP. However, under Obama's budget plans spending will not decline as the current recession ends but will remain at 6 percent of GDP for the next decade. (See chart 6.)

Welfare Spending: The Fastest Growing Component of Government Spending

For the past two decades, means-tested welfare or aid to the poor has been the fastest growing component of government spending, outstripping the combined growth of Medicare and Social Security spending, as well as the growth in education and defense spending. Over the 20-year period between FY 1989 and FY 2008, total means-tested spending increased by 292 percent over the period. The increase in combined Social Security and Medicare spending was 213 percent over the same period.

Means-tested spending on cash, food, and housing increased more rapidly (196 percent) than Social Security (174 percent). The growth in means-tested medical spending (448 percent) exceeded the growth in Medicare (376 percent).² The growth in means-tested aid greatly exceeded the growth in government spending on education (143 percent) and defense (126 percent).

Total Cost of the War on Poverty

Since the beginning of the War on Poverty, government has spent \$19.8 trillion (in inflation-adjusted 2011 dollars) on means-tested welfare. In comparison, the cost of all military wars in U.S. history from the Revolutionary War through the current war in Afghanistan has been \$6.98 trillion (in inflation-adjusted 2011 dollars).³ The War on Poverty has cost three times as much as all other wars combined.

Means-Tested Welfare Spending on Lower-Income Persons

With 79 overlapping means-tested programs serving different low-income populations, it is difficult to determine the average level of benefits received by low-income persons. One way of estimating average welfare benefits per recipient would be to divide total means-tested spending by the total number of poor persons in the United States. According to the Census Bureau, there were 46.2 million poor persons in the U.S. in 2010. Total means-tested spending in 2010 was \$881.2 billion. If this sum is divided by the number of poor persons (including residents in nursing homes), the result is \$19,082 in means-tested spending for each poor American.

However, this simple calculation can be misleading because many persons with incomes above the official poverty levels also receive means-tested aid. Although programs vary, most means-tested aid is targeted to persons in the lowest-income third of the population. Thus, a more accurate sense of average total welfare spending per recipient can be obtained if total welfare aid is divided among all persons within this larger group.

²Some have attributed the rapid growth in means-tested medical spending to inflation in medical prices. Medical prices only doubled during the period. The rest of the increase was due to expansions in the number of recipients and services provided.

³ Stephen Daggett, "Costs of Major U.S. Wars," Congressional Research Service, June 29, 2010. The CRS report counts the cost of wars through FY 2010; the additional cost of the wars in Iraq and Afghanistan in FY 2011, at \$159 billion, was added to the CRS figures.

Dividing total means-tested aid by all persons in the bottom third of the income distribution results in average welfare spending of \$9,040 per person in 2011, or around \$36,000 for a family of four. (See chart 7)

This is not a precise estimate of benefits received. Rather, the calculation is intended to gauge spending relative to the potential population of beneficiaries. Benefits are not uniform: disabled and elderly persons receive substantially higher assistance than do other recipients.⁴ Despite these caveats, a simple fact remains: the ratio of welfare outlays relative to the population served is very high.

Means-tested Spending on Families with Children

Another way of examining spending levels is to look at welfare spending on families with children. In FY 2011, total means-tested spending was \$927 billion. About half of this spending (\$462 billion) will go to families with children. (Around one-third of this spending went to medical care.)

If the \$462 billion in welfare spending were divided equally among the lowest-income one-third of families with children (around 14 million families), the result would be around \$33,000 per low-income family with children.

In addition, most of these lower-income families have earned income. Average earnings within the whole group are typically about \$16,000 per year per family, though in the midst of a recession, earnings will be lower. If average welfare aid and average earnings are combined, the total resources is likely to come to between \$40,000 and \$46,000 for each lower-income family with children in the U.S. It is very difficult to reconcile this level of resources with conventional claims that millions of lower-income families are chronically hungry, malnourished, or ill-housed.

Welfare Spending and the Poverty Gap

The Census Bureau measures poverty in the U.S. by comparing a family's annual cash income with the federal poverty income threshold for a similar size family. The poverty income threshold for a family of four was roughly \$22,000 in 2010. If the family's cash income is less than the poverty income threshold then the family is deemed poor.

The poverty gap is a measure of the total amount of extra income needed to raise the incomes of all poor Americans up to the federal poverty income threshold. In other words, the poverty gap measures the extra economic resources needed to eliminate official poverty in the U.S. The pre-welfare poverty gap is the poverty gap if the current means-tested aid which Census reports as received by poor households is excluded from the initial count of income.

In 2010, the poverty gap for all households was \$152 billion. The pre-welfare poverty gap was \$173 billion. Total means-tested spending in that year was \$881 billion or five times the pre-welfare poverty gap. Means-tested cash, food and housing was \$339 billion or nearly twice what was needed to raise all families out of poverty.

⁴ The per capita cost of medical care for elderly persons in nursing homes is particularly high; however, as such spending is less than a tenth of overall means-tested spending, its exclusion would not greatly alter the figures in the text.

The double poverty gap is the total amount of extra income needed to raise incomes of all low-income households to twice the federal poverty income threshold. In 2010, twice the federal poverty income threshold for a family of four would be an income of around \$44,000 per year. The pre-welfare double poverty gap is the amount of income needed to raise all low-income families' incomes to twice the federal poverty threshold if current welfare benefits counted as received by the family are excluded from the initial count of family income.

The pre-welfare double poverty gap for all households in 2010 was \$720 billion. By comparison, total means-tested spending was \$881 billion in 2010 and \$927 billion in 2011. If converted into cash, total welfare spending would be more than sufficient to raise the incomes of all U.S. households to twice the poverty level. This does not mean that restructuring benefits in this manner and converting all aid to cash would be an optimal policy, but it does illustrate the high level of resources that are currently allocated to assisting lower-income persons.

Welfare Spending Increases under the Obama Administration

Table 1 shows the growth in means-tested spending over recent years. In FY 2007, total government spending on means-tested welfare or aid to the poor was a record high \$657 billion. By fiscal year 2011, total government spending on means-tested aid had risen to \$927 billion, a 40 percent increase.

Table 1. Growth in Means-Tested Spending

	Federal Spending (in billions)	State Spending (in billions)	Total Spending (in billions)
FY 2007	\$468.7	\$189.2	\$657.9
FY 2008	\$522.3	\$191.6	\$714.1
FY 2009	\$612.7	\$167.2	\$779.9
FY 2010	\$695.3	\$192.7	\$888.0
FY 2011	\$717.1	\$210.1	\$927.2

President Obama's increase in federal means-tested welfare spending during his first two years in office was two and a half times greater than any previous increase in federal welfare spending in U.S. history, after adjusting for inflation.

Obama Plans Permanent Increases in Welfare

Supporters of the President's spending might counter that these spending increases are merely temporary responses to the current recession. But that is not the case; most of Obama's spending increases are permanent expansions of the welfare state. According to the long-term spending plans set forth in Obama's FY 2013 budget, combined federal and

state spending will not drop significantly after the recession ends. In fact, according to the President's own spending plans, by 2014, welfare spending exceeds \$1 trillion per year. By 2022, total means-tested spending will reach \$1.57 trillion.⁵ (See chart 8.) Much of this increase in spending will be due to the increase in medical expenditures under Obamacare.

According to President Obama's budget projections, federal and state welfare spending will total \$12.8 trillion over 10 years (FY 2009 to FY 2018). This spending will cost over \$130,000 for each taxpaying household in the U.S.

Spending Priorities: Welfare and Defense

Throughout most of the post-war period, annual defense spending greatly exceeded means-tested welfare. In 1993 welfare spending exceeded defense spending for the first time since the great depression of the 1930s. In subsequent years the ratio of welfare to defense spending averaged about 1.33 to 1.00.

Obama's budget calls for jettisoning this pattern. Defense spending will decline in nominal dollars while means-tested welfare spending will increase 70 percent. By 2022, there will be \$2.33 in federal and state welfare spending for every one dollar spent on national defense. (See chart 9.)

Conclusion

Means-tested spending comprises a vast, hidden welfare state. The public is almost totally unaware of the size and scope of government spending on the poor. This is because Congress and the mainstream media always discuss welfare in a fragmented, piecemeal basis. Each of the 79 programs is debated in isolation as if it were the only program affecting the poor. This piecemeal approach to welfare spending perpetuates the myth that spending on the poor is meager and grows little, if at all.

The piecemeal, fragmented character of the hidden welfare system makes rational policy-making and discussion impossible. Sound policies to aid the poor must be developed holistically, with decision makers and the public fully aware of the magnitude of overall spending.

America faces a fiscal crisis. Obama's budget plans call for ruinous and unsustainable future budget deficits. These deficits are, in part, the result of dramatic, permanent increases in means-tested welfare. An important step in reducing future unsustainable federal deficits would be to return welfare spending to pre-recession levels. To accomplish this, Congress should establish a cap or limit on the future growth of total means-tested spending.

⁵ Most future state welfare spending will occur in the Medicaid program. Outyear state Medicaid spending figures were obtained from the Department of Health and Human Services, *2010 Actuarial Report on the Financial Outlook for Medicaid*, p. 19, [//www.cms.gov/ActuarialStudies/downloads/MedicaidReport2010.pdf](http://www.cms.gov/ActuarialStudies/downloads/MedicaidReport2010.pdf). State Medicaid spending after 2019 was estimated based on the prior ratios of federal to state Medicaid spending. State means-tested spending for programs other than Medicaid is modest; outyear spending figures were estimated based on the required state contributions into a program relative to federal outlays.

When the current recession ends, or by 2013 at the latest, total means-tested welfare spending should be returned to pre-recession levels, adjusted for inflation. In subsequent years, aggregate welfare spending should grow no faster than inflation. This type of spending cap would save the taxpayers over \$2.7 trillion during its first decade. An aggregate welfare spending cap of this sort is contained in HR 1167, The Welfare Reform Act of 2011, introduced by Congressman Jim Jordan (R-OH).

Chart 1
Federal and State Shares of Total Means-Tested Welfare Spending
FY2011

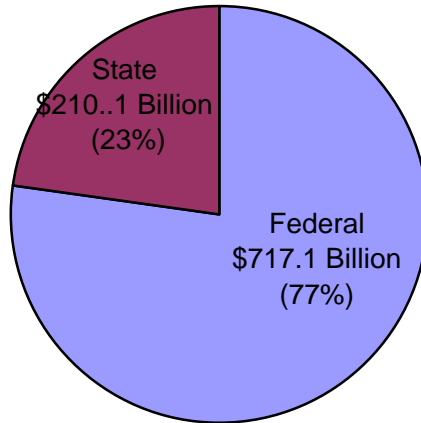


Chart 2
Federal and State Welfare Spending by Type of Aid
FY2011

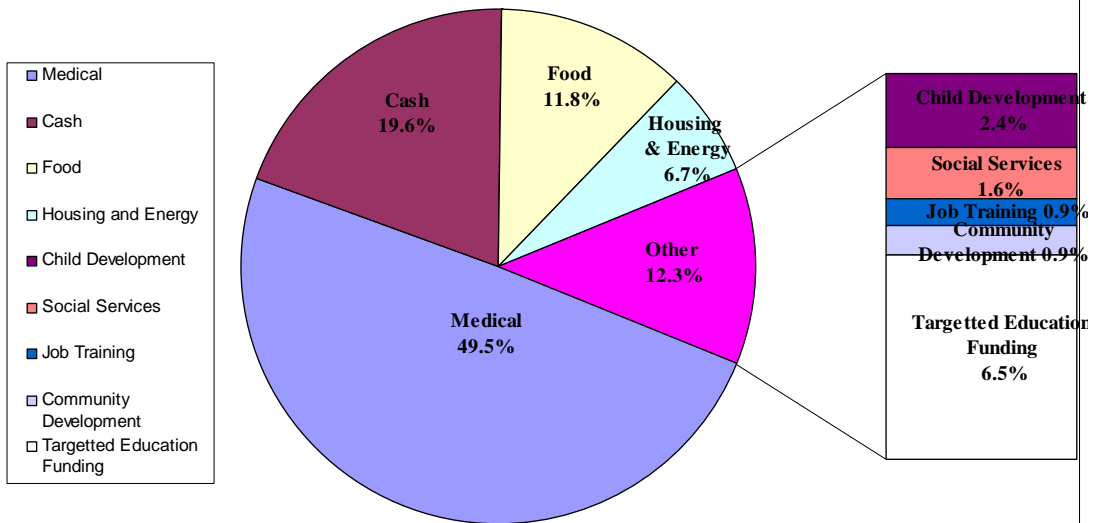
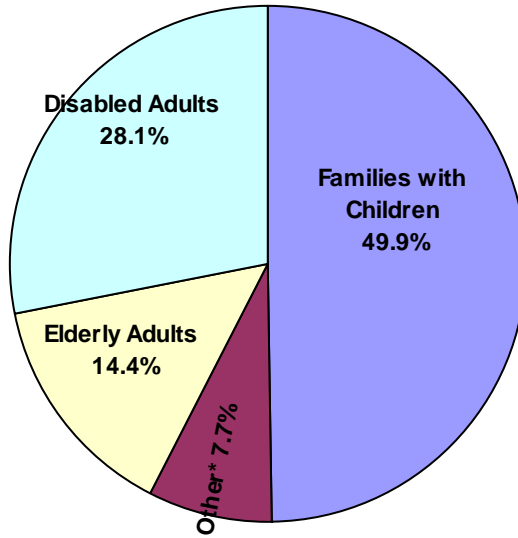


Chart 3
Welfare Spending by Recipient Categories FY2011



*Non-elderly, non-disabled adults without children.

Note: Percentages equal the share of total means-tested spending received by each group.

Chart 4
History of Total Welfare Spending (Constant 2011 Dollars)

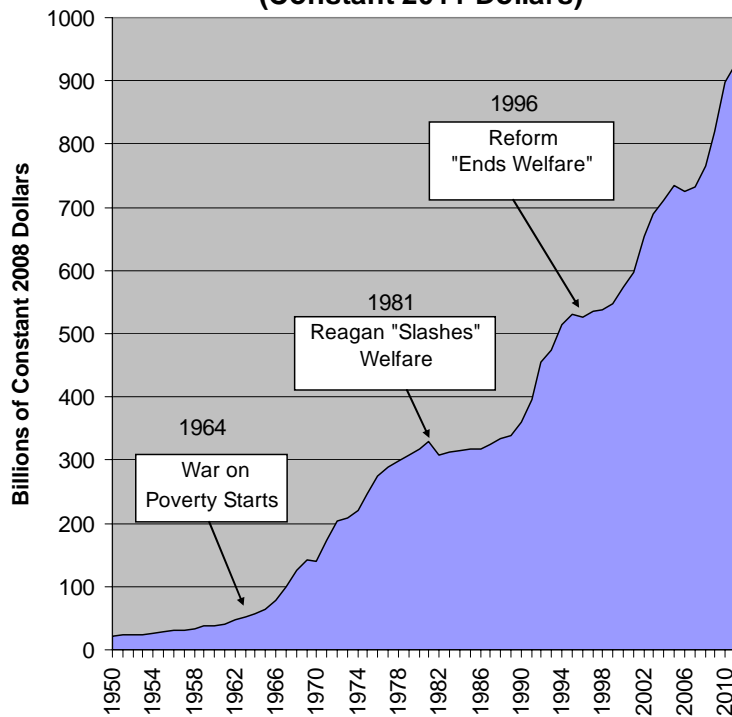


Chart 5
Welfare Spending by Program Type
(Constant 2011 Dollars)

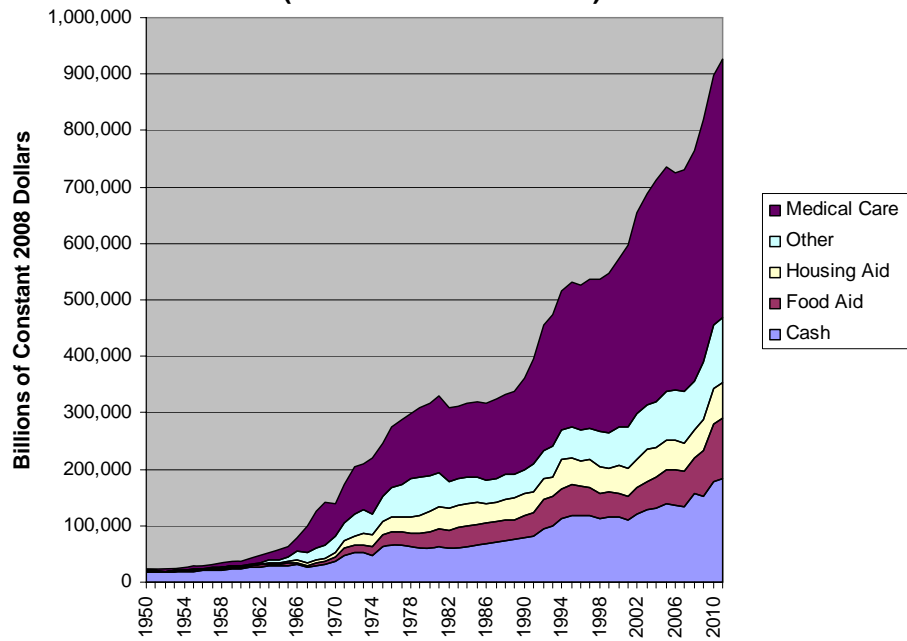


Chart 6
Means-Tested Welfare as a Percentage of
Gross Domestic Product

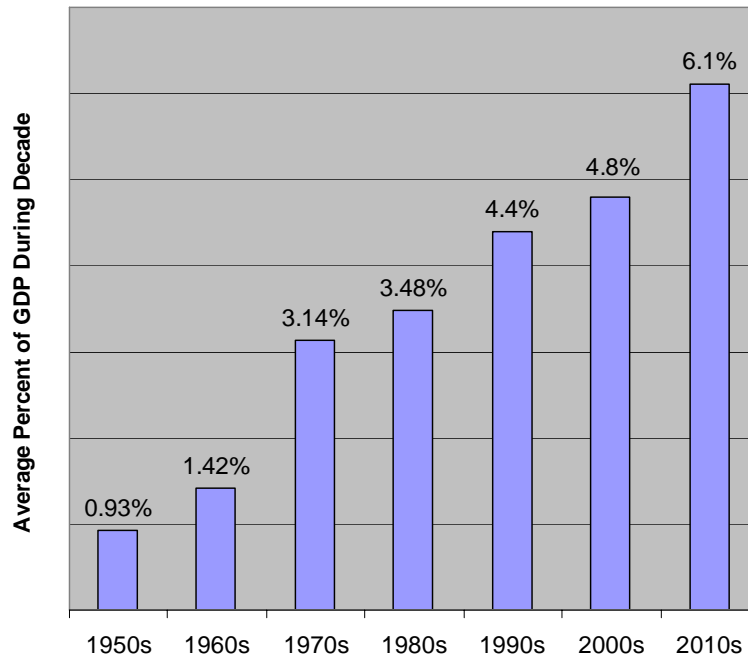


Chart 7

Federal and State Means-Tested Welfare Spending per Poor Person and per Lower Income Person

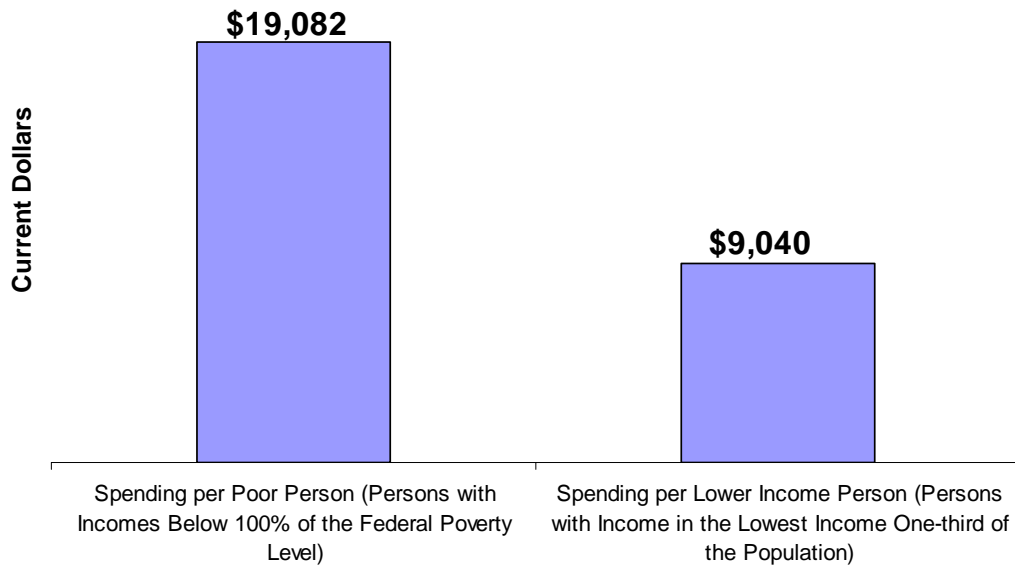


Chart 8

Projected Means-tested Welfare Spending in Obama's FY2013 Budget

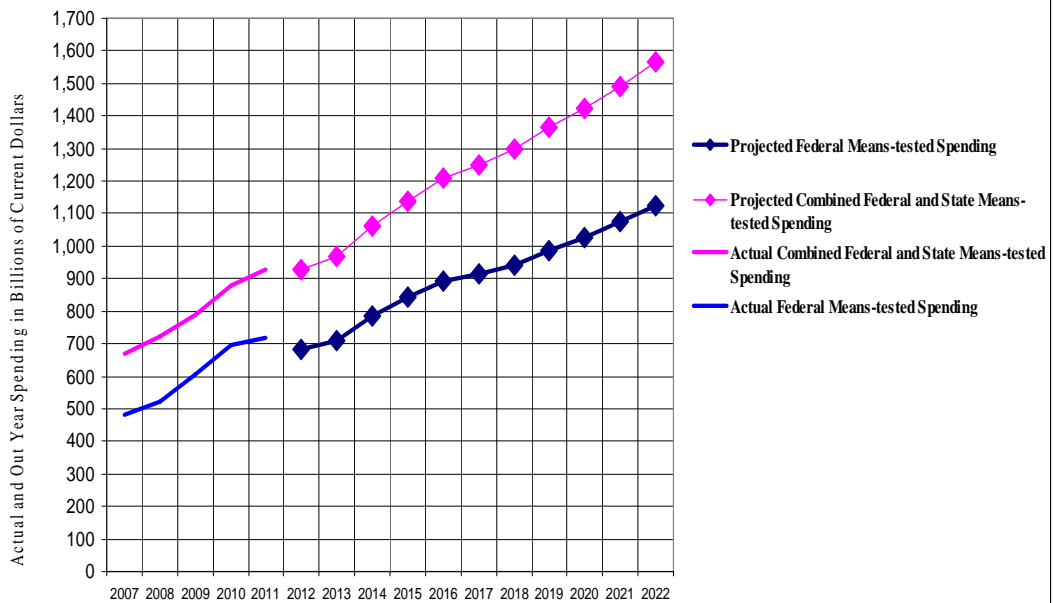
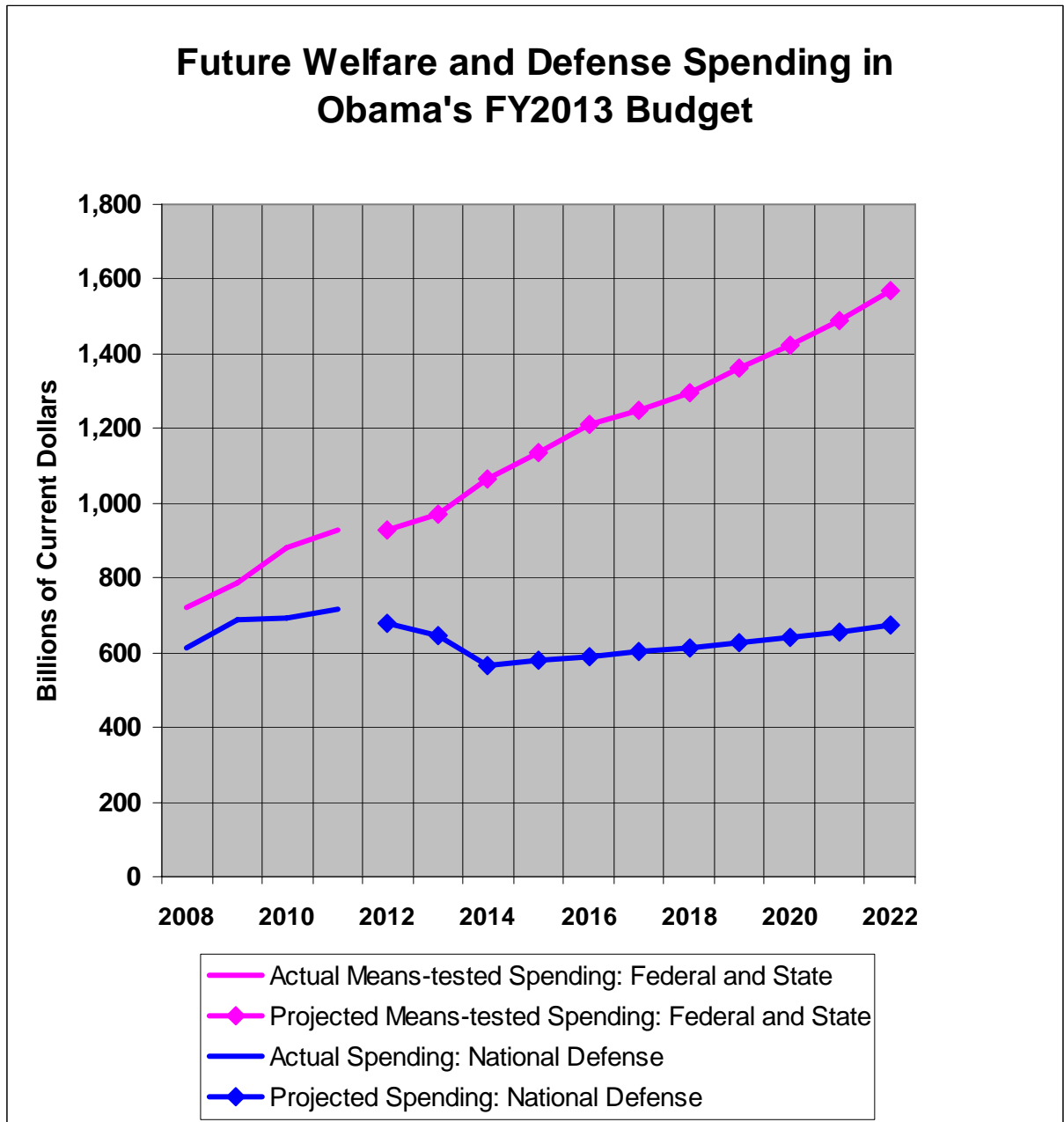


Chart 9



Appendix Table One					
Means-Tested Welfare Spending, FY2011					
Categories		Budget Code	Federal Spending	State Spending	Total Spending
CASH					
Cash 01	SSI/OAA	75-0406-0-1-609; 28-0406-0-1-609	56,462.00	4,673.00	61,135.00
Cash 02	Earned Income Tax Credit (refundable portion)	20-0906-0-1-609	55,652.00		55,652.00
Cash 03	Refundable Child Credit	20-0922-0-1-999; 20-0922-0-1-609	22,691.00		22,691.00
Cash 05	Make Work Pay Tax Credit (Refundable Portion)		13,905.00		13,905.00
Cash 04	AFDC/TANF	75-1501-0-1-609; 75-1552-0-1-609	6,882.89	6,876.86	13,759.74
Cash 05	Foster Care Title IVE	75-1545-0-1-506; 75-1545-0-1-609/.01	4,456.00	3,921.28	8,377.28
Cash 06	Adoption Assistance Title IVE	75-1545-0-1-506/.04	2,362.00	1,316.00	3,678.00
Cash 07	General Assistance Cash	None		2,625.00	2,625.00
Cash	Refugee Assistance	75-1503-0-1-609	167.86		167.86
Cash 10	General Assistance to Indians	14-2100-0-1-452, 14-2100-0-1-999	115.00		115.00
Cash 11	Assets for Independence	75-1536-0-1-506/3.06	24.00		24.00
CASH TOTAL			162,717.75	19,412.14	182,129.88
MEDICAL					
Medical 01	Medicaid	75-0512-0-1-551	274,964.00	157,600.00	432,564.00
Medical 02	SCHIP State Supplemental Health Insurance Program	75-0515-0-1-551	8,629.00	3,796.76	12,425.76
Medical 03	Medical General Assistance	None		6,965.90	6,965.90
Medical 04	Indian Health Services	75-0390-0-1-551	3,815.00		3,815.00
Medical 05	Consolidated Health Centers/Community Health Centers	75-0350-0-1-550/.10	1,481.00		1,481.00
Medical 06	Maternal and Child Health	75-0350-0-1-550.18	656.00	492.00	1,148.00
Medical 06	Medical Assistance to Refugees	75-1503-0-1-609	167.86		167.86
Medical 06	Healthy Start	75-0350-0-1-550/.19	104.00		104.00
MEDICAL TOTAL			289,816.86	168,854.66	458,671.52
FOOD					
Food 01	Food Stamps	12-3505-0-1-605	77,637.00	6,987.33	84,624.33
Food 02	School Lunch	12-3539-0-1-605/.91	10,321.00		10,321.00
Food 03	WIC -Women, Infant and Children Food Program	12-3510-0-1-605	6,787.00		6,787.00
Food 04	School Breakfast	12-3539-0-1-6050/1.91	3,076.00		3,076.00
Food 05	Child Care Food Program	12-3539-0-1-605/2.91	2,732.00		2,732.00
Food 06	Nutrition Program for the Elderly, Nutrition Service Incentives	12-3503-0-1-605; 75-0142-0-1-506/1.07	820.00	139.40	959.40
Food 07	Summer Program	12-3539-0-1-605/3.01	376.00		376.00
Food 08	Commodity Supplemental Food Program	12-3512-0-1-605; 12-3507-0-1-605/.91	196.00		196.00
Food 09	TEFAP Temporary Emergency Food Program	12-3635-0-1-351; 12-3507-0-1-605/2.01; 12-4336-0-3-999	247.00		247.00
Food 10	Needy Families	12-3505-0-1-605.06	60.00		60.00
Food 11	Farmers' Market Nutrition Program	12-3507-0-1-605/4.01	23.00		23.00
Food 11	Special Milk Program	12-3502-0-1-605/3.02	13.00		13.00
FOOD TOTAL			102,288.00	7,126.73	109,414.73
HOUSING					
Housing 01	Section 8 Housing (HUD)	86-0302-0-1-604	28,435.00		28,435.00
Housing 02	Public Housing (HUD)	86-0304-0-1-604	8,973.00		8,973.00

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Housing 03	Low Income Housing Tax Credit for Developers		6,150.00		6,150.00
Housing 04	Home Investment Partnership Program (HUD)	86-0205-0-1-999, 86-0205-0-1-604/.01	2,853.00		2,853.00
Housing 05	Homeless Assistance Grants (HUD)	86-0192-0-1-604/.01	2,280.00		2,280.00
Housing 06	State Housing Expenditures (from SWE)	None		2,085.00	2,085.00
Housing 07	Rural Housing Insurance Fund (Agriculture)	12-2081-0-1-371	1,689.00		1,689.00
Housing 08	Rural Housing Service (Agriculture)	12-0137-0-1-604	1,085.00		1,085.00
Housing 09	Housing for the Elderly (HUD)	86-0320-0-1-604	934.00		934.00
Housing 10	Native American Housing Block Grants (HUD)	86-0313-0-1-604	854.00		854.00
Housing 11	Other Assisted Housing Programs (HUD)	86-0206-0-1-999	496.00		496.00
Housing 12	Housing for Persons with Disabilities (HUD)	86-0237-0-1-604	309.00		309.00
	Choice Neighborhoods				
HOUSING TOTAL			54,058.00	2,085.00	56,143.00
ENERGY AND UTILITIES					
Energy 01	LIHEAP Low Income Home Energy Assistance	75-1502-0-1-609/.01	4,419.00		4,419.00
Energy 02	Universal Service Fund -- Susidized Phone Service for Low Income Persons	27-5183-0-2-376	1,750.00		1,750.00
Energy 02	Weatherization	89-0215-0-1-999, 89-0215-0-1-272, 89-0224-0-1-999, 89-0321-0-1-270/.12	234.00		234.00
ENERGY AND UTILITIES TOTAL			6,403.00		6,403.00

Categories		Budget Code	Federal Spending	State Spending	Total Spending
EDUCATION					
Education 01	Pell Grants	91-0200-0-1-502/1.01	41,458.00		41,458.00
Education 02	Title One Grants to Local Education Authorities	91-0900-0-1-501	14,472.00		14,472.00
Education 03	21st Century Learning Centers	91-1000-0-1-501/0004	1,157.00		1,157.00
Education 04	Special Programs for Disadvantaged (TRIO)	91-0201-0-1-502/2.01	883.00		883.00
Education 05	Supplemental Education Opportunity Grants	91-0200-0-1-502/2.01	740.00		740.00
Education 06	Adult Basic Education Grants	91-0400-0-1-501/0191	607.00		607.00
Education 07	Migrant Education	91-0900-0-1-501/.13	444.00		444.00
Education 08	Gear-Up	91-0201-0-1-502/2.02	303.00		303.00
Education 09	LEAP Formerly State Student Incentive Grant Program (SSIG)	91-0200-0-1-502	1.00	0.00	1.00
Education 10	Education for Homeless Children and Youth	91-1000-0-1-501/.09	65.00		65.00
Education 11	Even Start	91-0900-0-1-501/.08	4.00		4.00
Education 12	Aid for Graduate and Professional Study for Disadvantaged and Minorities	91-0900-0-1-502	41.00		41.00
EDUCATION TOTAL			60,175.00	0.00	60,175.00
TRAINING					
Training 01	TANF Work Activities and Training	75-1552-0-1-609	2,504.90	831.93	3,336.83
Training 02	Job Corps	16-0181-0-1-1504	1,659.00		1,659.00
Training 03	WIA Youth Opportunity Grants Formerly Summer Youth Employment	16-0174-0-1-504	946.00		946.00
Training 04	Senior Community Service Employment	16-0175-0-1-504	705.00	77.55	782.55

Categories		Budget Code	Federal Spending	State Spending	Total Spending
COMMUNITY DEVELOPMENT					
Development 01	Community Development Block Grant and Related Development Funds	86-0162-0-1-451	7,445.00		7,445.00
Development 02	Economic Development Administration (Dept of Commerce)	13-2050-0-1-452	423.00		423.00
Development 03	Appalachian Regional Development	46-0200-0-1-452	68.00		68.00
Development 04	Empowerment Zones, Enterprise Communities, Renewal Communities	86-0315-0-1-451	1.00		1.00
COMMUNITY DEVELOPMENT TOTAL			7,937.00		7,937.00
2011 TOTAL			717,093.48	210,140.07	927,233.55

The Heritage Foundation is a public policy, research, and educational organization recognized as exempt under section 501(c)(3) of the Internal Revenue Code. It is privately supported and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States. During 2010, it had 710,000 individual, foundation, and corporate supporters representing every state in the U.S. Its 2010 income came from the following sources:

Individuals	78%
Foundations	17%
Corporations	5%

The top five corporate givers provided The Heritage Foundation with 2% of its 2010 income. The Heritage Foundation's books are audited annually by the national accounting firm of McGladrey & Pullen. A list of major donors is available from The Heritage Foundation upon request.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own and do not reflect an institutional position for The Heritage Foundation or its board of trustees.