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# Jason Smith's Capitol Report - Friday, July 17, 2015

JULY 20TH 2015 BY DEE LOFLIN

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**8th Congressional District** - In 1970, Ronald Reagan said, “Welfare’s purpose should be to eliminate, as far as possible, the need for its own existence.” Now, more than four decades later, we have over 80 federal programs designed to help lower-income Americans, at a cost of \$800 billion. These programs do not always incentivize people to become independent through work. Instead, in many cases, they encourage people to stay on assistance. That’s why I introduced the Reducing Poverty through Employment Act to make fighting poverty through work a priority of the Temporary Assistance for Needy Families program. A federal program does not make people’s lives better, a job does.

The poverty trap happens when people on government assistance don’t have an incentive to work or earn more money. For single parents earning minimum wage and utilizing a few government programs to make ends meet, a raise at their job could bump them off assistance. Because of the way the government taxes that additional income, they wouldn’t take home enough to overcome what they lost in government benefits. In certain cases, the person paying the highest marginal tax rate in the U.S. is not the extremely wealthy like Warren Buffett or Bill Gates, it is the single parent making \$30,000 with two kids who loses around 80 cents on the dollar in benefits by taking a job and working more. Even after a raise, they could be worse off than before.

Fighting poverty is especially important for our district and across the country. The gap between rich and poor is growing and hardworking families are doing all they can just to pay the bills and put food on the table. My legislation will help reform the welfare system to reduce poverty and promote work. When it is signed into law, it will help propel folks

from government dependency to financial independence.

We need to be promoting work not discouraging it. Government programs should be judged a success by how many people are transitioned off of assistance, not by the number of new sign-ups. My bill is one step toward making sure we focus on addressing the root causes of poverty by promoting work, not trapping people in the system.

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