Purpose

State welfare policies and programs aim to provide a minimum level of economic protection to people whose incomes cannot provide an adequate standard of living.

Programs

Most state welfare efforts are part of the federal-state partnership programs instituted in 1935. State governments have great flexibility in setting eligibility requirements for receiving federal aid.

Most states have so-called “general assistance” programs for individuals who fail to meet federally mandated standards. These programs vary greatly from state to state.

The major programs are

- Aid to Families with Dependent Children: medical care and financial assistance to children
- Medicaid: medical care for people with low incomes
- State Unemployment Compensation: temporary economic security after loss of a job

Benefits and Costs

1. Requirements and payments vary from state to state depending on the cost of living, number of recipients, and the state’s ability to fund the programs.

2. Most states pay approximately 45% of Medicaid costs.

3. Welfare costs have risen enormously, like all state expenditures.

Highlights in the Development of State Welfare Programs

- **ca 1900** - Government welfare programs, referred to as “relief,” are few; most relief is provided by private charitable groups or local communities.

- **1934** - One-half of the states established welfare programs; however, they are insufficient to deal with the problems created by the Great Depression.

- **1935** - The passage of the Social Security Act begins federal-state partnership in welfare programs; it institutes Aid for Families with Dependent Children (AFDC), among other programs.

- **1950** - U.S. Congress adds Aid to the Permanently and Totally Disabled to federal-state welfare programs.

- **1965** - U.S. Congress adds Medicaid to federal-state welfare programs.