

Macro Roundup Article

Headline: [Unemployment Is Low, Welfare High. What Gives?](#)

Article Link: <https://www.wsj.com/articles/why-the-welfare-rolls-are-swollen-while-unemployment-is-low-pandemic-means-testing-medicaid-food-stamps-68a3af16>

Author(s)	Matt Weidinger
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Tweet: [Matt Weidinger @AEIecon](#) highlights how continued extension of Covid-era emergency declarations, and not counting pandemic payments against means tests, allowed the Biden administration to expand welfare rolls despite very tight labor markets.

Summary: Welfare rolls are supposed to grow in bad times and shrink when jobs and incomes recover. Instead, they've recently continued growing even as unemployment plunged to historic lows. One major reason is that welfare programs didn't count as "income" more than \$1 trillion in stimulus checks and other pandemic benefits. That allowed people who weren't poor and wouldn't normally qualify to end up on welfare. That includes three rounds of stimulus checks (\$869 billion), expanded child-tax-credit checks (\$110 billion), and unprecedented expansions in unemployment checks (\$449 billion). The federal government turned a blind eye to all \$1.4 trillion in determining eligibility for Medicaid and to more than \$1 trillion of it in calculating eligibility for food stamps. The nationwide unemployment rate peaked at 14.7% in April 2020 and had fallen to 3.7% by October 2022 (the most recent month for which benefit data are available). During the same period, the number of food-stamp recipients rose by 1.4 million and the number of Medicaid recipients by 18.5 million.

Primary Topic: Unemployment/Participation

Topics: Government Spending, Op-Ed/Blog Post, Unemployment/Participation

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