Rewarding Work and Supporting Families

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INTRODUCTION

America has a long history of providing social support for vulnerable families. The U.S. spends over $1 trillion annually on more than 80 anti-poverty programs designed to support low-income families in caring for their children, such as the Supplemental Nutrition Assistance Program (SNAP), WIC, Temporary Assistance for Needy Families (TANF), and the Child Health Insurance Program (CHIP).[1]

The U.S. tax code also provides tax relief to households and employers to help families through various phases of life. The Earned Income Tax Credit is aimed at reducing poverty for families and incentivizing work; the Child Tax Credit and employer tax credits offset the costs of raising children, including child care. 529 plans help parents cover educational expenses, and other tax-advantaged investment vehicles such as IRAs and Trump Accounts help them save for the future. Tax policy and social support should work together to support families, especially those raising children, and encourage lasting independence.

BACKGROUND: *How We Got Here*

Welfare programs are meant to provide temporary support for Americans facing financial hardships and long-term aid to truly vulnerable populations such as the disabled and elderly. Divorced from work requirements, social safety net programs have made some recipients government-dependent. Welfare reform in the 1990s successfully reduced the poverty rates for adults and children,[2] while boosting workforce participation among mothers.[3] Unfortunately, economic downturns and sweeping policies, such as the Affordable Care Act, expanded welfare rolls, and they have not receded.[4] Government welfare programs have become increasingly expensive and, with poor verification processes, rife with waste, fraud, and abuse. These systems are unfair to taxpayers and too often fail those who actually need support.

SOLUTIONS: *Paths Forward*

The most important way for policymakers to help families, at all stages of life, thrive is to reduce unnecessary government burdens and to create an affordable, opportunity-rich economy. That means reducing tax burdens across the board, while encouraging savings and additional support for families facing the biggest challenges, such as when children are young. Safety net programs are an important and needed backstop for struggling families, but they should be reformed to prioritize work among the able, to verify eligibility before benefits are bestowed, and to combat fraud and abuse in order to preserve funding for the most vulnerable.

MISPERCEPTIONS VS. FACTS

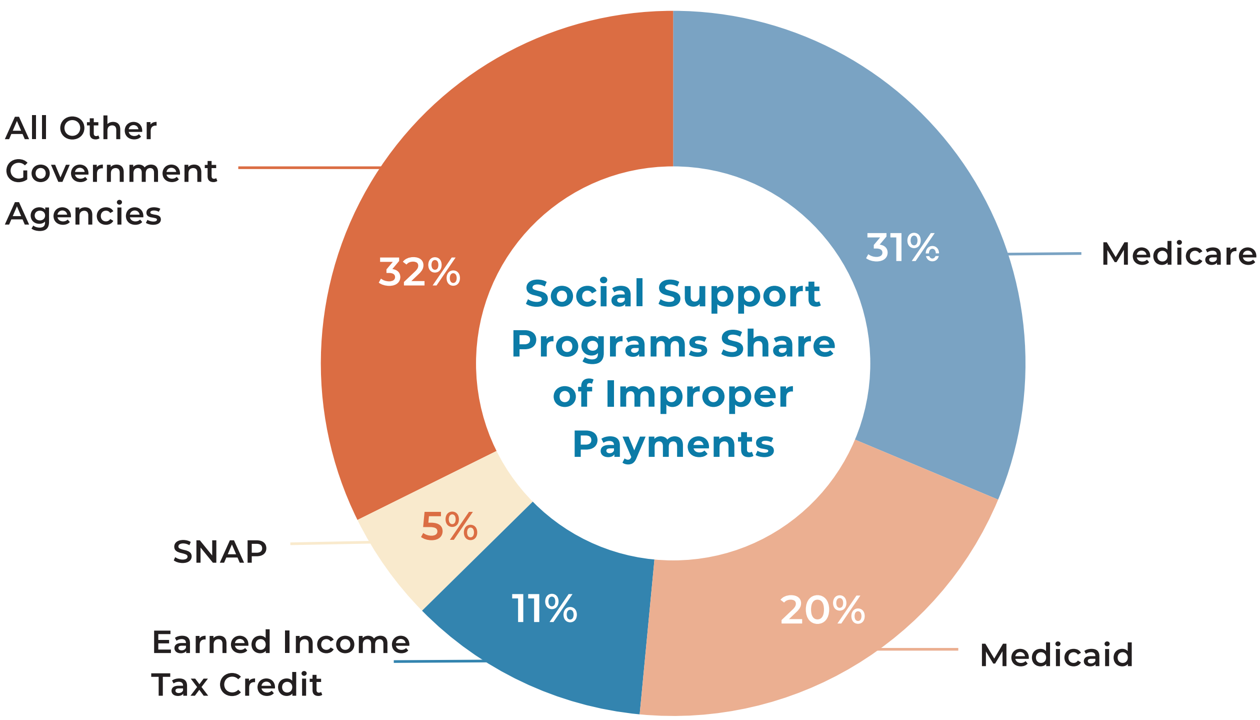
MISPERCEPTION: Social support programs still require people to work.
FACT: While Medicaid, SNAP, TANF, and other programs do have work requirements, they struggle to enforce them. Nearly 60% of able-bodied Medicaid recipients report no earned income.[5]

MISPERCEPTION: These programs help so many people that we just have to accept the fraud and waste that happens in them.
FACT: The GAO recently identified $186 billion in improper payments government-wide. Medicaid, Medicare, the Earned Income Tax Credit, and SNAP made up 67% of improper payments.[6] Reducing waste and fraud will ensure better services and support for those who are truly needy and eligible.

MISPERCEPTION: Cutting taxes only helps the rich and won't work as a social support.
FACT: Lower taxes, as we have seen with the Working Families Tax Cuts, accrue benefits to working-class families. Keeping more of their earned income and encouraging businesses to reinvest their tax savings will create a strong economy with more opportunities where fewer people struggle financially.

LIST OF SPECIFIC BILLS

- **Child Care Payment Integrity and Fraud Accountability Act (H.R.7720):** Requires states to take accountability for the improper and fraudulent payments made under the Child Care and Development Block Grant.[7]
- **Safeguarding Taxpayer Dollars in Child Care Act (H.R.7723):** Permanently prohibits childcare providers determined to be fraudulent from receiving federal funds and strengthens oversight through regular audits.[8]
- **No Welfare for the Wealthy Act of 2025 (H.R.416):** Eliminates categorical eligibility for the Supplemental Nutrition Assistance Program.[9]
- **Preventing Waste, Fraud, and Abuse in TANF Act (H.R.8872):** Limits how and when states may use TANF, establishes an eligibility threshold for TANF services, and requires tracking and reporting on improper payments under TANF.[10]



Source: "Payment Integrity: Agencies' Estimated Improper Payments Increased to $186 Billion in Fiscal Year 2025." ***U.S. Government Accountability Office***, Apr. 27, 2026. https://www.gao.gov/products/gao-26-108694.

BOTTOM LINE

Families flourish when government gets out of the way and empowers families to keep more of what they earn while preserving a safety net for those who truly need it.

ENDNOTES

1 Conor F. Boyle, Gene Galk, Patrick A. Landers, Karen E. Lynch, and Jessica Tollestrup. "Federal Spending on Benefits and Services for People with Low-Income: FY2008–FY2020." ***Congressional Research Service***, Dec. 8, 2021. https://www.congress.gov/crs-product/R46986.

2 Bernadette D. Proctor and Joseph Dalaker. "Poverty in the United States: 2001." ***U.S. Census Bureau***, Sept. 2002. https://www.census.gov/library/publications/2002/demo/p60-219.html.

3 June E. O'Neill and M. Anne Hill. "Gaining Ground? Measuring the Impact of Welfare Reform on Welfare and Work." ***Manhattan Institute***, Jul. 2001. https://media4.manhattan-institute.org/pdf/cr_17.pdf.

4 Patrice Onwuka and Kamryn Crane. "Policy Focus: Reforming Welfare to Fight Fraud and Promote Independence." ***Independent Women***, Jul. 2026. https://www.independentwomen.com/wp-content/uploads/2026/07/0726PF_Welfare-Reform.pdf.

5 Jonathan Bain. "The X-Factor: How the Labor Force Continues to Be Decimated by Skyrocketing Medicaid Enrollment." ***Foundation for Government Accountability***, Jul. 19, 2024. https://thefga.org/research/the-x-factor-labor-force-decimated-skyrocketing-medicaid-enrollment/.

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7 Mark Messmer. "H.R.7720 - Child Care Payment Integrity and Fraud Accountability Act of 2026." ***119th Congress***, 2026. https://www.congress.gov/bill/119th-congress/house-bill/7720.

8 Virginia Foxx. "H.R.7723 - Safeguarding Taxpayer Dollars in Child Care Act of 2026." ***119th Congress***, 2026. https://www.congress.gov/bill/119th-congress/house-bill/7723.

9 Ben Cline. "H.R.416 - No Welfare for the Wealthy Act of 2025." ***119th Congress***, 2025. https://www.congress.gov/bill/119th-congress/house-bill/416.

10 Mike Carey. "H.R.8872 - Preventing Waste, Fraud, and Abuse in TANF Act." ***119th Congress***, 2026. https://www.congress.gov/bill/119th-congress/house-bill/8872.