

Social Welfare Spending Good or Bad? An examination of OECD countries.

This project examines the theory that social welfare spending creates benefits to citizens. I specifically test three hypotheses. (1) Welfare spending increases budget deficits. (2) Greater spending on welfare programs decreases inequality between social classes. (3) The type of welfare state has an effect on the quality of life. The first relationship examined is between social welfare spending and central government debt in 2010. The second relationship examined is between social welfare spending and inequality as measured by the Gini coefficient in 2010. The third hypothesis focuses on types of welfare state and life quality variables: life expectancy, long term unemployment rate, long term employment rate, and overall life satisfaction. The findings show that social welfare spending does not have statistically significant relationships with central government debt or inequality. The findings do show that the life quality variables do vary between the type of welfare state, however not at a statistically significant level.