

Press Release



AAF President Douglas Holtz-Eakin Testifies on the Social Safety Net and the Labor Market

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In testimony before the Senate Budget Committee this morning, AAF President Douglas Holtz-Eakin discusses the interaction between the social safety net and the labor market.

His central points:

- The most recent data suggest that up to 1 in 5 workers receive federal aid in the form of either Medicaid or Supplemental Nutrition Assistance Program (SNAP);
- It is a mistake to assume that these facts imply that firms are subsidized by the taxpayers, as the economics indicate the opposite – the presence of the social safety net forces firms to pay higher wages; and
- Raising the federal minimum wage significantly at this time would be a dramatic policy error.

[Watch the Hearing](#)
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