Trump freezes $10 billion in aid to working class families, as deportation raids expand

Jacob Crosse
6 January 2026

The Trump administration has announced plans to withhold more than $10 billion in federal aid for low income families in five states governed by Democrats: California, Minnesota, Illinois, Colorado and New York. The sweeping funding freeze, first reported by the *New York Pos*t on Monday and confirmed by multiple outlets Tuesday, targets core social assistance programs that support food, housing, childcare and basic income for working class families.

Roughly $7 billion of the funding freeze targets the Temporary Assistance for Needy Families (TANF) program, a primary source of assistance for food, housing, home energy and childcare for impoverished and working class families. In some states, TANF also provides job training and limited access to higher education.

An estimated 1 million families received TANF assistance in 2023. The Center on Budget and Policy Priorities (CBPP) reported in October 2025 that only 21 out of every 100 families with children living in poverty nationwide received TANF cash assistance that year, highlighting the already devastated condition of the program before Trump's latest cuts.

The hollowing out of TANF has been driven by bipartisan policy. When the program was created in 1996 following the Clinton administration's "welfare reform," 68 out of every 100 families in poverty received assistance. By 2021, that figure had fallen to 19 out of 100. Had coverage remained at its original level, an additional 2.4 million families would have received support in 2021 alone.

A 2022 National Bureau of Economic Research study found that every $1,000 in TANF support generated five times that amount in broader social benefit through increased adult earnings and improved child health, sharply reducing long-term public costs.

In addition to TANF, the five targeted states are being stripped of $2.4 billion from the Child Care and Development Fund, which provides assistance to working parents, who need help paying for childcare. Approximately 1.4 million children nationwide depend on federal childcare funding. Another $870 million is being blocked from social services grants that overwhelmingly benefit low income children.

None of the four states outside Minnesota have faced comparable fraud allegations. The political character of the cuts was made explicit when Trump declared on Truth Social Tuesday that California is "more corrupt than Minnesota" and announced a new federal fraud investigation of the state.

The retaliatory character of the funding freeze is underscored by Trump's targeting of Colorado, where there have been no allegations of large-scale fraud. Five years after the failed January 6 coup, Trump is moving directly against working class children in the state because Democratic Governor Jared Polis has refused to commute the sentence of Tina Peters, a former Mesa County clerk and recorder and a loyal participant in Trump's coup attempt.

Peters was convicted by a jury on multiple felony counts, including attempting to influence a public official, conspiracy to commit criminal impersonation, official misconduct, violation of duty and failure to comply with orders of the Secretary of State for her role in breaching Colorado's election systems in support of Trump's effort to overturn the 2020 election. She was sentenced to nine years in prison under state law.

Trump issued a federal pardon for Peters earlier this year, but it has no legal effect on her state convictions. Polis's refusal to intervene has now been met with direct collective punishment of working class families in Colorado through the termination of critical federal

© World Socialist Web Site

assistance programs.

The announcement of the austerity measures comes as approximately 2,000 federal immigration agents are en route to or already operating in the Minneapolis-St. Paul metropolitan area, carrying out mass detention operations. On Tuesday, Department of Homeland Security (DHS) Secretary Kristi Noem appeared alongside masked and heavily armed immigration agents, accompanied by a television camera crew, while federal officers carried out home raids as part of the expanding deportation campaign.

Trump and the Republican Party are justifying the funding freeze by invoking allegations of fraud, some real and many fabricated. In Minnesota, allegations that were largely investigated and prosecuted under the Biden administration have already been used as a pretext to suspend $185 million in federal funding. These cuts will impact at least 30,000 children, none of whom had any connection to the alleged misconduct.

These measures form part of a broader austerity program aimed at dismantling social assistance programs that benefit workers, their families and the poor, while freeing resources for tax breaks for the wealthy and increased interest payments to financial institutions.

The Democratic Party has played a central role in preparing these attacks. For years, Democratic administrations expanded deportation infrastructure, and following Trump's failed coup the party did everything in its power to resuscitate the Republican Party and key institutions of the capitalist state that supported the attack, including the military, police, intelligence agencies and the Supreme Court. Even as Trump promised to rule as a dictator on "day one" of a second term, President Joe Biden and the Democrats insisted on the need for a "strong Republican Party" and ensuring a "peaceful transfer of power" to the second Trump presidency.

Succumbing to Republican lies, on Monday, Democratic Minnesota Governor Tim Walz suspended his re-election campaign, citing the fraud investigations now being exploited by the Trump administration. His capitulation has provided political cover for a campaign of racial scapegoating that portrays Somali immigrants in Minnesota as participants in a vast criminal conspiracy orchestrated in collaboration with Democratic officials.

Appearing on Fox News with Jesse Watters, DHS Secretary Kristi Noem advanced this narrative without evidence. "He told them to just do their job and follow orders and overlooked all these criminals," Noem claimed, accusing Walz of deliberately ignoring internal complaints. The remarks formed part of a coordinated effort to legitimize the funding freeze and the simultaneous expansion of deportation raids.

Democratic officials have responded to the funding freeze by appealing to the courts. New York Governor Kathy Hochul declared the cuts "vindictive" and said her administration was preparing a litigation strategy. California Attorney General Rob Bonta said that the state was in an "assessment period" to determine whether legal action was warranted.

These maneuvers offer no defense of the working class. The courts are instruments of the same capitalist state apparatus now being mobilized to enforce austerity and repression. Regardless of judicial rulings, the Trump administration, acting on behalf of the financial oligarchy, will continue to impose social cuts while expanding deportation raids and police-state measures.

The Democratic Party, which has funded wars abroad, expanded deportation infrastructure and presided over decades of welfare cutbacks, will not mobilize mass opposition to these policies. It serves the same corporate and financial interests as the Republicans.

The only social force capable of halting the deportation raids and reversing the assault on living standards is the working class.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site