

# Deficit Reduction on the Backs of the Most Vulnerable

Those Least Able to Sacrifice Are Asked to Give Up the Most

Melissa Boteach | March 2011

The House GOP is boasting that their spending bill to fund the government for the remainder of fiscal year 2011 makes the largest cuts to domestic annual spending in history. But you don't hear them boasting that these cuts will cut unemployed workers off of job training, force low-income veterans into homelessness, result in millions of low-income college students losing some or all of their education aid, or cause tens of thousands of vulnerable seniors to lose access to home-delivered food baskets.

And you certainly don't hear them touting that allowing just one year's worth of bonus tax breaks for the wealthiest Americans to lapse would reduce the deficit twice as much as the cuts to low-income programs outlined in the appendix.

Congress recently proposed a short-term bill to avoid a government shutdown. It contains smaller, more reasonable cuts to fund the government for two weeks while negotiations continue on a full-year funding bill. But the GOP position is reflected in the cuts below, which they proposed in their original continuing resolution for FY2011.

The timing for these cuts couldn't be worse:

At a time when approximately 14 million Americans are out of work...

Cuts in the GOP bill would:

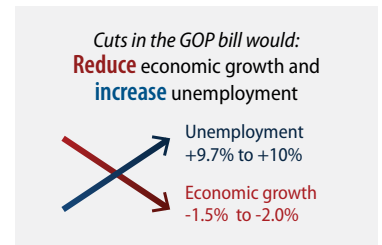
- Result in more than 8 million adults and youth losing access to job training and other employment services.
- Eliminate successful jobs programs such as YouthBuild, national service programs, and the Green Jobs Innovation Fund.



At a time when [unemployment is still at 9 percent](#)...

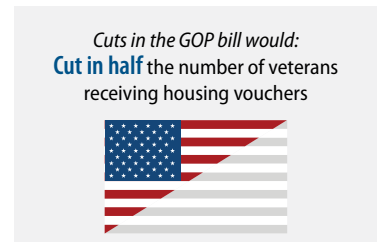
Cuts in the GOP bill would:

- Imperil economic growth and drive up the jobless rate. New analysis by economists at Goldman Sachs shows that GOP-passed cuts would reduce economic growth by 1.5 to 2 percentage points in the next two quarters. Based on historical economic relationships this could push the unemployment rate back up to 9.7 to 10 percent.



At a time when [135,000 veterans are homeless](#)...

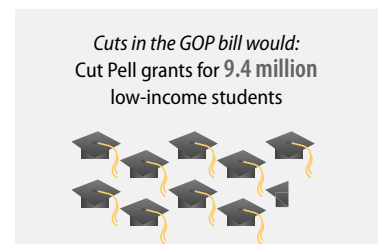
- Cuts in the GOP bill would cut in half the number of veterans who would receive housing vouchers this year, preventing 10,000 low-income veterans from receiving assistance to avoid homelessness.



At a time when the United States [is now 12th worldwide in the percentage of 25- to 34-year-olds with a college degree](#)...

Cuts in the GOP bill would:

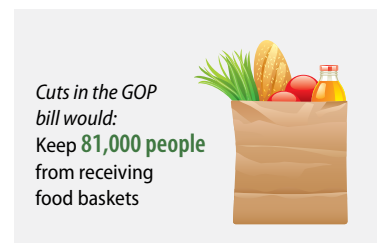
- Result in 9.4 million low-income college students losing all or some of their Pell grant.
- Reduce the maximum Pell grant by 17.4 percent.



At a time when [nearly one in six Americans live in households struggling against hunger](#)...

Cuts in the GOP bill would:

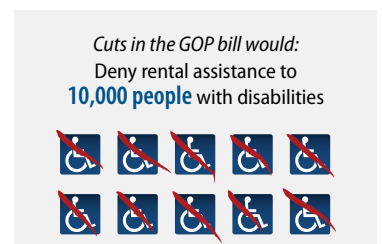
- Result in 81,000 people—mostly vulnerable seniors—losing access to the nutritious food baskets they receive through the Commodity Supplemental Food Program.



At a time when there is a [shortage of 3.1 million affordable housing units](#) for extremely low-income families....

Cuts in the GOP bill would:

- Result in 10,000 people with serious long-term disabilities losing rental assistance through the Section 811 voucher program. Most of these would lose their homes.
- Allow the housing units of the 1.2 million low-income families in public housing to deteriorate as the Public Housing Capital Fund—which makes maintenance and repairs on the U.S. stock of public housing—is cut by over 40 percent.



At a time when the number of households requesting help for heating and cooling assistance is [expected to reach record levels](#)...

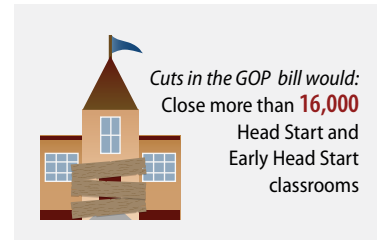
- Cuts in the GOP bill would essentially wipe out the Low-Income Home Energy Assistance Program Contingency Fund for the rest of 2011. The fund helps families cope with harsh weather conditions and spiking fuel costs.<sup>1</sup>



At a time when [one in seven Americans](#) and [one in five children](#) live in poverty...

Cuts in the GOP bill would:

- Cut off **218,000 low-income children** from early learning opportunities provided by Head Start and close more than 16,000 Head Start and Early Head Start classrooms.<sup>2</sup>
- Affect the access of **over 20 million low-income people** who depend on community action agencies for a range of antipoverty services.



Sadly, not everyone is being asked to share in this sacrifice. The latest census data show that from 2008 to 2009 almost everyone's income continued to fall in the Great Recession [except for the top 5 percent of Americans](#).

At a time when the [richest 5 percent of Americans claimed almost 22 percent of all income in 2009](#) and the top fifth took home fully half of the nation's income...

We should be looking at both spending and revenue to address the deficit. Just one year of the tax cuts for those earning over \$250,000 per year is worth more than twice as much as much in deficit reduction as the cuts inflicted on programs assisting low-income families combined (see appendix for sampling of programs).

We all agree that we need to tackle our long-term deficits. But the House GOP proposal apportions most of the sacrifice to low-income families, homeless vets, and disabled and elderly Americans, instead of taking a balanced approach and examining the entire budget for wasteful tax expenditures, unnecessary military spending, targeted spending cuts, or fair and efficient ways to raise revenue.

For more information on the impact of the cuts see the report by Half in Ten partner The Coalition on Human Needs, ["A Better Budget for All: Saving Our Economy and Helping Those in Need."](#)

*Melissa Boteach is the Half in Ten Manager at the Center for American Progress Action Fund.*

---

## Endnotes

- 1 The House slashed nearly \$400 million from a \$590 million fund. But because \$150 million had already been spent only about \$65 million would remain for the rest of the year to deal with heating or cooling needs.
- 2 This number includes 61,000 Head Start and Early Head Start slots slated to expire under the Recovery Act.

## Appendix: Sampling of proposed budget cuts that impact low-income families

Program	Cut from current levels	Program	Cut from current levels
<b>Department of Agriculture</b>		<b>State Health Access Grant Program</b>	
WIC <i>Provides low-income pregnant women, new mothers, and children with nutritious foods, nutrition education, and health services.</i>	\$747,200,000	<i>Provides grants to States to help expand access to affordable health care coverage for uninsured people.</i>	\$75,000,000
Commodity assistance programs <i>Provides surplus commodities to low-income households through local emergency feeding organizations.</i>	\$26,000,000	LIHEAP <i>Provides heating and cooling assistance to low-income families.</i>	\$390,300,000
<b>Department of Homeland Security</b>		CSBG (grants to states) <i>Provides a range of services and activities to assist the needs of low-income individuals including the homeless and the elderly.</i>	\$305,000,000
FEMA—Emergency food and shelter <i>Provides funds for the provision of food and shelter to help meet the needs of hungry and homeless people.</i>	\$100,000,000	CSBG (Economic development) <i>Provides funds for projects that address economic self-sufficiency for low-income persons and distressed communities.</i>	\$36,000,000
<b>Department of Labor</b>		Head Start <i>Provides grants to local agencies to operate comprehensive child development services for low-income children and families, with a special focus on early reading and math.</i>	\$1,083,000,000
Training and employment services <i>Provides employment and training services to dislocated workers, adults seeking new employment, and low-income youth.</i>	\$1,397,400,000	Mentoring children of prisoners <i>Provides grants to community organizations that offer mentors to children and youth with incarcerated parents.</i>	\$49,300,000
Career Pathways Innovation Fund <i>Provides grants that focus on existing career pathway programs at community colleges.</i>	\$125,000,000	CCDBG general reduction <i>Provides funds to states to develop safe and affordable child care options for low-income working mothers.</i>	\$39,000,000
Youthbuild <i>Provides funds for community development programs that address core issues facing low-income communities such as housing, education, employment, and crime prevention.</i>	\$102,500,000	Teen pregnancy prevention community grants <i>Provides funding to develop programs to reduce teen pregnancy.</i>	\$110,000,000
Green Jobs Innovation Fund <i>Provides competitive grants for green career pathways that include a focus on developing education opportunities in green industries.</i>	\$40,000,000	Substance Abuse and Mental Health Services Administration <i>Provides substance abuse prevention and treatment programs for vulnerable individuals and families.</i>	\$200,000,000
Re-integration of ex-offenders <i>Provides services to adult ex-offenders, juvenile offenders, and youth at risk of becoming offenders.</i>	\$108,500,000	<b>Department of Education</b>	
Dislocated worker assistance state grants <i>Provides employment and training services to eligible individuals who have lost their jobs, including those dislocated as a result of plant closings.</i>	\$65,000,000	Title I <i>Provides funds for teachers, tutors and after school programs to ensure that all disadvantaged children meet state academic standards.</i>	\$693,500,000
Dislocated worker assistance national reserve <i>Provides competitive grants to develop and replicate innovative workforce programs in local communities.</i>	\$100,000,000	Even Start <i>Provides grants for projects that integrate early childhood education, adult literacy, parenting education, and interactive parent and child literacy activities for low-income families.</i>	\$66,500,000
Community service employment for older Americans <i>Provides part-time, community service employment opportunities at nonprofits or government agencies to help seniors re-enter the workforce.</i>	\$525,000,000	Striving Readers <i>Provides funds for a comprehensive birth through grade 12 literacy program.</i>	\$250,000,000
<b>Department of Health and Human Services</b>		High school graduation initiative <i>Provides grants to state and local educational agencies to support drop-out prevention and re-entry programs in high schools.</i>	\$50,000,000
Community health centers <i>Provides primary care services to individuals with limited financial resources.</i>	\$1,000,000,000	Federal Supplemental Educational Opportunity Grants <i>Provides need-based grants to low-income undergraduate students to promote access to postsecondary education.</i>	\$757,500,000
Maternal and child health block grant <i>Provides comprehensive prenatal and postnatal care for low-income and at-risk women.</i>	\$50,000,000	Part B grants to states—Special education funding <i>Provides formula grants to states for special education and related services to children with disabilities.</i>	\$557,700,000
Family planning <i>Provides comprehensive family planning and related preventive health services to the public, with a focus on low-income families.</i>	\$317,500,000	Leveraging Educational Assistance Partnerships <i>Provides need-based grants and community service work-study assistance to eligible postsecondary students.</i>	\$63,900,000
National health service corps <i>Helps recruit, train, and place qualified health care clinicians in underserved communities with limited health care services.</i>	\$141,900,000		

Program	Cut from current levels
<b>Department of Housing and Urban Development</b>	
Project-based rental assistance <i>Provides funding to landlords who rent a specified number of affordable apartments to low-income families or individuals.</i>	\$715,500,000
Tenant-based rental assistance <i>Provides subsidies to help individuals pay for housing costs such as rent, utility costs, security deposits, and/or utility deposits.</i>	\$104,100,000
Public housing operating <i>Provides operating subsidies to fund the operating and maintenance expenses of housing.</i>	\$149,000,000
Public housing capital <i>Provides funds to housing authorities to modernize public housing developments.</i>	\$1,072,000,000

Program	Cut from current levels
Community development fund <i>Provides communities annual grants to address a wide range of unique community development needs, including housing, environment, and economic opportunities.</i>	\$2,950,000,000
Housing counseling assistance <i>Provides counseling to consumers on seeking, financing, maintaining, renting, or owning a home.</i>	\$87,500,000
Section 202—Housing for Elderly <i>Provides capital and operating funds to nonprofit organizations that develop and operate housing for seniors with very low incomes.</i>	\$551,000,000
Section 811—Housing for Disabilities <i>Provides communities with funding for housing and rental assistance for people with disabilities.</i>	\$210,000,000
<b>Total</b>	<b>\$15,411,800,000</b>

