

HOW THE RYAN BUDGET SUPPORTED BY HOUSE REPUBLICANS WOULD DEVASTATE LOW-INCOME AMERICANS

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Republicans in the House of Representatives are pushing a radical overhaul of the federal budget designed by Representative Paul Ryan of Wisconsin – a plan to make huge cuts in vital U.S. safety net programs to pay for big new tax cuts for the very wealthy. Intense controversy already surrounds Ryan’s proposal to replace Medicare with a system of vouchers of steadily reduced value, forcing all senior citizens to pay more for their health care. But another part of the Ryan budget is equally extreme, because sixty percent of its cuts over the next decade would come from safety-net programs for highly vulnerable low-income Americans.

A whopping \$3.3 trillion would be slashed from programs aiding people with incomes below or just above the poverty line (set at \$22,113 a year for a family of four in 2010). Each year, more than \$300 billion would be slashed, leaving the safety net torn asunder.

The Ryan plan sets the total amount to be cut, but tries to hide the fine print – and no wonder, because the details are scary! Almost all House Republicans have voted for this extreme plan, but they might not have dared if their constituents understood it. The mandated reductions would wreck immediate and long-term harm on tens of millions of children, adults, and retirees in every urban, suburban, and rural community in the United States. They would spur unemployment and make it more difficult for less privileged Americans to find better jobs and care for their families for decades to come. I use the best nonpartisan data to spell out what would happen.

The Costs for Workers and Families Barely Getting By

Politicians sometimes talk as if all poor people are lazy, but the vast majority of 100 million low-income Americans live in families with working adults who just cannot earn enough to make ends meet. Maybe full time work is not available, or maybe jobs have rock-bottom wages and no benefits. For struggling families, the House Republican budget would make it more difficult to get adequate food and shelter, find affordable child care, obtain health insurance when their jobs do not provide it, and find opportunities to climb the next rung on the labor market ladder. The cuts would also remove food assistance and job search help for the unemployed.

- House Republicans want to cut the Earned Income Tax Credit, which supplements the wages of those who work for very little. Essentially paychecks would be thinner and leave working poor families unable to save for a rainy day, pay off rising utility bills, or fix a car needed for work.
- The Supplemental Nutrition Assistance Program, today’s version of food stamps, would be cut by at least \$134 billion. States would either have to drastically reduce their caseloads, throwing up to 10 million working poor families off the rolls over the next decade. Or they would have cut everyone’s benefits – taking about \$70 a month away from a typical low-income family of

three. For a family living on a “thrifty” food budget as defined by the U.S. Department of Agriculture that means losing about a week’s worth of groceries every month. To feed their children, people would have to turn to friends – or try to get help from already overburdened food pantries and meals programs run by churches and neighborhood nonprofits.

Sharp Cutbacks for the Poorest Women, Children, Elderly, and Disabled

Cuts to other safety net programs would have similar effects – and would especially target the most vulnerable in our communities.

- Projected cuts to other nutrition programs would leave 700,000 pregnant women, infants, and small children with less access to healthy foods essential to proper development.
- Cuts to Head Start for preschool and federal funding for schools would end early enrichment services for tens of thousands of low-income children, then place those children in elementary schools with fewer resources to help them learn at the same rate as other American children.
- Many home care programs for the elderly, support services for the disabled, and protective services for at-risk youth would be “zeroed out” – totally eliminated – in the House GOP plan. These cuts would affect about 23 million vulnerable children, disabled, and elderly.
- The House Republicans call for “block granting” many safety net programs they allow to continue to help low-income citizens. What that means in plain English is that states would be given less money, in fixed amounts that would not grow during hard economic times. Imagine what would have happened in the recent recession and continuing economic downturn: during a time of growing need and reduced tax collections, most states and local communities would be left unable to help millions of jobless workers, people without health care, and families that cannot put food on the table. If Congress had block-granted food stamps before this downturn, millions of people would be going hungry!

A Plan That Makes No Sense

The list of dire consequences could go on and on. How can such cuts be justified? Republican rhetoric implies that programs are riddled with fraud. Of course, anecdotal examples of abuse can be found in any federal benefit or tax expenditure, but fraud in safety-net programs is far less prevalent today than in previous decades. The error rate for food stamps is currently the lowest in the history of the program, 50% lower than it was as recently as 2002.

The Ryan budget cuts ignore the realities of today’s labor markets and go against all we know about helping less privileged adults and their children do better in the future. America’s working poor families have seen their earnings decline in recent years, and full-time jobs are hard to find. Even when low-skill adults find jobs, they often pay too little to lift their families solidly into the middle class. If we take away all support, how can low-income adults do better and children become healthier and better educated?

Hammering low-income Americans now would cost a lot for decades to come. That so much of the money foolishly saved by eliminating or hobbling safety net programs would instead go to the very richest only makes the folly of the Ryan budget course more apparent. When they learn the truth about what Paul Ryan and his fellow House Republicans have in store for our country, most voters will not approve.