



Testimony to the National Commission on Fiscal Responsibility and Reform

Submitted by Deborah Weinstein,
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Thank you for the opportunity to share the views of member organizations of the Coalition on Human Needs, as expressed in a letter to you signed by 119 national organizations which I am submitting as part of this testimony (available at [www.usaction.org/docs/Deficit Commission Letter.pdf](http://www.usaction.org/docs/Deficit_Commission_Letter.pdf)).

The letter asks you to make the commitment that your recommendations to reduce the deficit will not make low- and moderate-income people worse off. We ask this out of an urgent concern about our nation's future. The signers include service provider organizations representing agencies serving the poor and vulnerable nationwide; faith organizations representing congregations across the country; labor, civil rights, policy and other advocacy organizations. All report the painful impact of the recession. Economists tell us that if we had the official poverty statistics for this year, they would show **more than one in four** of our children living in poverty, with even higher proportions poor among communities of color and disproportionately afflicted regions of the country. Service providers see the surge in need showing up in emergency food sites, homeless shelters, emergency rooms, and unemployment lines. There is ample research to show that children growing up in poverty are more likely to have poor nutrition, become sick, be hospitalized, move frequently, fall behind in school and drop out of school than children who are not poor.¹ In multiple ways, poverty places roadblocks to opportunity. Many poor children triumph over those constraints, but many do not. These barriers to opportunity place our nation at risk. We cannot afford to close doors to millions of our children and youth and expect our future security and prosperity to be assured.

You are participating in this Commission out of a concern for our future. We urge you to see that our future is threatened if we do not make the investments necessary to prevent high levels of poverty from becoming a permanent condition. Our economic growth depends on the

¹ See, for example, research by Children's HealthWatch, including *Reading, Writing and Hungry*, November 2008, at <http://www.childrenshealthwatch.org/upload/resource/PEWFIBrief.pdf>

ability of families to enter the middle class through productive work. Over the course of our nation's history, we have invested federal resources in opening up opportunities for people to be as productive as possible. When it was clear that our young people were so undernourished they were unable to qualify for military service, we invested in school lunches; we greatly reduced hunger through food stamps. We expanded opportunities for college education and added funds for elementary and secondary education in low-income communities. Now investments of this kind are threatened. Congress is at this point unable to secure a majority to continue expenditures which respected economists tell us are needed to prevent further increases in joblessness; that failure may plunge us deeper into recession. Your Commission is not concerned with today's crisis, but it must determine whether its recommendations will set in stone policies that deny opportunities to those currently left out of whatever glimmerings of recovery we are now experiencing. The signers of the letter delivered to you today believe your role should be to find a path to a sustainable future that does not enshrine or worsen current inequalities.

We understand why the participants in the recent America Speaks town hall meetings considered it a core value to achieve a balance between the needs of current and future generations. For us, though, it is not possible to make future generations more secure by sacrificing the prospects of people today, or five years from now. If your recommendations prevent adequate investments in nutrition, public health, education, youth employment, and rebuilding low-income communities, today's children and young workers will be more likely to drop out of school, with reduced job prospects and productivity. Today, 25 percent of our youth drop out of school.² We should be investing to reduce that number and to increase the number of students who complete post-secondary programs.

Investing in children and youth and preventing harm to them must be seen as essential components of a strategy to secure our economic future. But they are not the only low-income and vulnerable people who should be protected as you consider proposals to reduce the deficit. Reducing income assistance and other programs to help the long-term unemployed, people with disabilities, and retirees will reduce consumption, shrinking economic activity while hurting the individuals affected.

² James J. Heckman and Paul A. LaFontaine, *The High School Graduation Rate: Trends and Levels*, Institute for the Study of Labor, December 2007, available at <http://buildingbrightfutures.net/Post/sections/42/Files/The%20American%20High%20School%20Graduation%20Rate.pdf>

We do not dispute that there are serious choices ahead of us. But we do dispute that the choices inevitably must hurt the poor and vulnerable. In an analysis by the Center on Budget and Policy Priorities, the Bush-era tax cuts and spending on the wars in Iraq and Afghanistan alone will add \$7 trillion in deficit spending from 2009 through 2019.³ The Commission should direct much of its attention to wasteful military spending and to fair and adequate revenues. The America Speaks town hall meeting participants on June 26 also agreed that “placing a greater burden for reducing the deficit on those more financially able” is a core value.⁴ Since 2001, tax cuts account for almost half of deficit growth; military spending is responsible for another 35 percent.

The letter we submit today calls upon you to “obtain and make public in a timely way a distributional analysis” to show the impact of the proposals you consider on different income groups. When faced as we are with a prolonged period of unemployment and rising poverty, it is vital that we know whether proposals will make conditions worse. It will be tempting for you to simply call for percentage cuts in certain types of spending, such as non-defense discretionary programs. But if you recommend spending cuts without coming to grips with what those cuts will mean, it will almost certainly result in a further reduction in support for education, for job training and work supports like child care and public transit. These cuts will assuredly make low- and moderate-income people worse off. If instead you recommend cuts in nutrition programs like SNAP (food stamps) or child nutrition programs, the consequences for children will be harsh.

We now face the distressing epidemic of obesity and type II diabetes, disproportionately prevalent among low-income children and youth. In some high poverty communities, low birthweight and incidence of prenatal care are getting worse, not better. These are the consequences of poverty, with costs spanning decades and lifetimes.

When people look back at this time, how will they judge us? Will they see us as failing to invest in our own future; unaccountably allowing growing numbers of our children to grow up poor, poorly nourished and inadequately educated? Will they find we failed to recognize that more revenues were needed from those most financially able, who have benefited so much from tax cuts and unshared prosperity over the past decade and more, and instead presided over a weakening of the middle class and greater barriers for those attempting to enter the middle class? Will they judge that we turned over a burden of debt to our grandchildren greater

³Kathy A. Ruffing and James R. Horney, *Critics Still Wrong on What's Driving Deficits in Coming Years*, Center on Budget and Policy Priorities, Updated, June 28, 2010

⁴ Preliminary National Town Meeting Results, by Carolyn Lukensmeyer, at <http://usabudgetdiscussion.org/preliminary-national-town-meeting-results-are-in/>

because of the failure to invest and the failure to collect fair and adequate revenues – and therefore made our nation poorer?

The Commission ought to play a leadership role in turning away from these grave missteps. As the letter states, “an explicit goal to protect the most vulnerable in our nation, together with impact analyses to ensure the goal is being met, will assist the Commission in producing recommendations that can put the nation on a sustainable fiscal course without harm to those who have no margin to sacrifice more.”

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