



COALITION ON HUMAN NEEDS

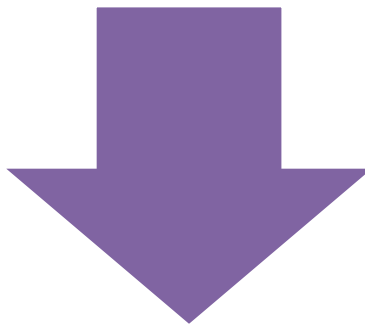
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The Ryan FY 2015 Budget: *Who Wins, Who Loses?*

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Millionaires gain at least \$200,000 each in tax reductions in 2015 alone. Profitable corporations will see tax rate reductions too.



40 million low/moderate-income people uninsured by 2024; millions lose SNAP or see big reductions in their monthly food aid; Medicare voucherized; college Pell Grants frozen for 10 years; 150,000 poor children with disabilities get less aid; cuts to education, housing, etc. worse than sequestration over 10 years. Millions of jobs lost because the deep cuts stall the economy.

The House Budget Committee has approved Chairman Paul Ryan's FY 2015 budget blueprint, and it may go to the House floor during the week of April 7. It would dramatically lower the top income and corporate tax rates to 25 percent. These and other tax changes proposed would reduce revenues by trillions of dollars over the next decade. The budget pledges to replace all of the lost revenue by closing tax loopholes, but does not specify any of the loopholes to be closed. [Citizens for Tax Justice](#) estimates that even if millionaires lost *all* of the tax breaks they now enjoy, they would still be at least \$200,000 ahead because of the rate reduction.

The Ryan budget seeks to end the deficit in FY 2024. If Congress really does agree to replace all the revenue lost by lowering tax rates, revenues will not rise to help eliminate the deficit. That means all of the deficit reduction is achieved by cutting federal programs. The budget calls for reducing spending by \$5.1 trillion over 10 years. But not all spending declines. The budget cuts domestic appropriations more in order to build up Pentagon spending. While total appropriations are even lower than the cuts required if sequestration were to resume starting in FY 2016, the Pentagon budget is \$483 billion higher than sequester levels; domestic and international spending are cut \$791 billion more deeply. [*Sequestration refresher: the Budget Control Act, passed by Congress in 2011, established additional cuts totaling about \$100 billion a year, to be triggered if Congress found no other way of reducing the deficit. Congress replaced much of these sequestration cuts for FYs 2014 and 2015, but they will resume in 2016 if Congress takes no action.*]

Whose Services are Cut in the Ryan Budget: Last year, because of sequestration, 57,000 children did not get to enroll in Head Start; about 50,000 fewer households could benefit from rental housing vouchers, and thousands more low-income tenants saw their rents go up. The budget does not specify where the cuts will be made, but since they will be deeper than sequestration, it is inescapable that cuts starting in FY 2016 will be deeper and will hit more people. Sequestration also cut meals for home-bound seniors, K-12 education, and legal services for the poor. If the Ryan budget were implemented, expect more cuts to housing and homelessness programs, home energy, environmental protection, public health, and nutrition assistance, job training programs, and a lot more.

But the Ryan cuts affect millions more people, because the budget repeals the Affordable Care Act, taking health insurance away from the millions now enrolled through the exchanges or who will enroll in the future, and stopping the expansion of Medicaid helping millions more low-income people. Unrelated to the Affordable Care Act cuts, he proposes to slash Medicaid and the Children’s Health Insurance Program by \$732 billion, or by [more than one-quarter](#) in 2024. All told, that’s [40 million people](#) denied health insurance through 2024. Medicare would be cut by \$129 billion and changed to a “premium support”/voucher plan that will shrink federal support while asking seniors to pay more. The budget also makes drastic cuts to SNAP/food stamps that would drop millions from assistance altogether and/or significantly reduce monthly benefits for needy households. About 150,000 children with disabilities eligible for Supplemental Security Income (SSI) would see their benefits decline. The long-term jobless continue to be left out. The \$1.7 billion Social Services Block Grant is eliminated: it funds low-income services like child care, certain child welfare services, and programs for seniors.

But the list of losers under this budget is a lot longer even than these millions of children, seniors, and people with disabilities. The [Economic Policy Institute](#) estimates that such large spending cuts would slam the brakes on the economy, reducing the number of jobs available by 1.1 million in FY 2015 and costing 3.0 million jobs in FY 2016, with more jobs lost in succeeding years. We’re all hurt by this, as fewer people have enough income to spur economic growth with their purchases.

The [Center on Budget and Policy Priorities](#) estimates that 69 percent of the cuts made in the Ryan budget fall on low-income programs. The budget’s underlying assumption is that massive tax cuts for the rich and corporations and a budget balanced by denying services to millions of low- and moderate-income people will spur economic growth. But the evidence since the Great Recession and the period of Bush tax cuts before that is pretty clear. Large tax cuts for the rich do not create strong economic growth, but they do help the wealthy to increase their share of the economy. (Since the Great Recession ended through 2012, [95 percent of economic growth](#) was captured by the top one percent.) Large budget cuts reduce the number of jobs, and forcing millions to go without health care, adequate nutrition, affordable housing, or the education they need to succeed will consign growing numbers to poverty.

It doesn’t have to be this way. The [Obama budget](#), [Congressional Progressive Caucus budget](#), [House Budget Committee Democrats’ budget](#), and [Congressional Black Caucus budget](#) all protect low-income programs and make either modest or visionary investments in shared prosperity. The Ryan budget provides unprecedented largesse to the rich at the expense of those with the least. We’ve tried that, and the outcome has been [stagnating or shrinking incomes](#) for most. The Ryan budget would make things a lot worse.

Ryan Budget Cuts (in billions of dollars)	FY 15-24
Medicare (Net)	-129
Medicaid and Other Health	-732
Repealing Health Care Law	-2,066
Other Mandatory (includes \$137b SNAP cut)	-966
Domestic discretionary*	-791
Defense discretionary*	+483
Net discretionary*	-308
Net Interest:	-783

**Discretionary figures are budget authority compared to funding levels if sequestration cuts were imposed starting in FY 2016. Mandatory programs are outlays. All from Ryan budget.*

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