



## **Impacts of Government Shutdowns**

Government shutdowns harm our nation’s overall economy, the financial security of individuals and families, government efficiency, and the public’s access to needed services. A shutdown would put the nation’s economy at risk, delay or interrupt services to millions, and disrupt the jobs of over a million workers, making it harder for people to put food on the table, a roof over their heads, and stay safe and healthy. A shutdown would make vulnerable communities including people of color more at risk and result in their disproportionate harm. Shutdowns also harm government itself, leading people to question its effectiveness and make them feel like they cannot rely on service delivery or employment.

Congress should prevent gaps in federal funding and prioritize finalizing annual appropriations in a timely manner, ensuring that essential government services continue uninterrupted. To prevent interruptions, Congress should not engage in gamesmanship and threaten shutdowns. Instead, Congress must pass timely, stopgap measures known as “continuing resolutions” to ensure continued services when appropriations bills are not finalized prior to the end of the fiscal year. Taxpayer-funded services and jobs individuals and families rely on should not be threatened by political whims or used as pawns for extremist demands that have become too commonplace.

**Shutdowns harm our nation’s economy and government efficiency.** The 2018-2019 shutdown cost the U.S. economy [\\$11 billion](#). The longer shutdown in 2013 cost the economy \$24 billion. Shutdowns require that federal agencies divert attention from addressing public needs to create and coordinate shutdown plans to ensure government functions essential to public safety and national security continue and to inform federal workers of their status. This requires extra staff time and results in the loss of revenues, such as visitor fees, concessions and gift store purchases unavailable during national park shutdowns.

**Shutdowns harm individuals and families, especially government employees, including state and local employees who live paycheck to paycheck, and those who are required to work without pay.** Many workers are furloughed, meaning they do not report to work and the services they support may stop. Other federal employees, so-called “excepted” workers whose job duties are considered essential, are required to continue working to ensure that some services remain open. Such services are related to national security, public safety, mandatory entitlement programs (like Social Security, Medicaid, Medicare, and SNAP), emergency and disaster assistance, direct provision of health care, mail, federal air traffic control and school lunches, among others. **Both furloughed and excepted workers are not paid until the government re-opens.** After the 2018-2019 shutdown, a law was passed to guarantee backpay for

federal workers. Federal contractors, despite past efforts, have not received backpay from furloughs. Shutdowns create uncertainty for federal workers because no one knows how long they will last.

Approximately 800,000 federal employees were affected by the partial government shutdown in 2018-2019 – 380,00 were indefinitely furloughed and another 420,000 were required to keep working without pay. Without a budget to maintain funding for the federal government, federal agencies by law were required to halt all “non-essential” functions and they are not allowed to use leftover funds from the previous fiscal year, unless otherwise authorized. [An example](#) are the furloughed federal employee members of AFSCME Council 26, Local 1653 who represent about 2,400 Federal Aviation Administration Inspectors in the D.C. metropolitan area.

With none of the annual funding bills finalized, this shutdown will impact all federal agencies, impacting all 1.8 million federal employees not knowing when they will receive their next paycheck. Federal employees are in all 50 states and U.S. Territories and many [congressional districts](#) . Eighty-five percent of federal workers live and work outside of the metropolitan Washington, D.C. area. Texas and California both have more than 100,000 federal employees each, and Florida, Georgia and Washington state each have over 50,000 federal employees. The federal agency with the largest number of employees is the Defense Department, which accounts for 36 percent of federal workers.

Not everyone furloughed in previous shutdowns was a federal employee. State employees whose positions or agencies are heavily or fully funded with federal dollars were also furloughed. State workers who are not paid during federal shutdown received back pay in 2019, but it is not mandated in federal law. State agencies most seriously affected include occupational safety and health programs, Social Security Disability Determination offices, state public defense/military affairs, and state health and human services departments. AFSCME estimates that tens of thousands of state employees were furloughed in 2019. Examples of furloughs of state employees include:

- State Employment Security Department employees (and others) saw their hours reduced in Washington state.
- Some employees of the Department of Public Defense, Workforce Development, and Occupational Safety and Health Administration employees in Iowa.
- Employees of the Department of Health and Human Services and Department of Transportation employees in North Carolina.
- Civilian employees in the adjutant general’s office in Kansas.
- Some National Guard employees in Nebraska.
- Employees at the Department of Health and Human Services and Department of Defense, Veterans and Emergency Management employees, including the entire workforce of the Maine Disability Determination Office.

**A shutdown would delay or interrupt services to millions and make vulnerable communities including people of color more at risk and result in their disproportionate harm.** Consider these consequences of a government shutdown:

Military – All military personnel would receive no pay during a shutdown. The two million U.S. military personnel would remain at their posts, but roughly half of the Pentagon’s 800,000 civilian employees would be furloughed. Contracts awarded prior to the shutdown would continue, and the Pentagon could place new orders for supplies or services needed to protect national security. Other new contracts, including renewals or extensions, would not be halted.

Public Health – The FDA would be unable to support the majority of its food safety activities, impacting both food workers’ and all Americans’ access to safe food for consumption. The National Institutes of Health (NIH) would stop most medical research taking place on its campus in Maryland, stop the enrollment of patients in its Clinical Center studies, and stop reviewing medical research grant applications and making or renewing research grants. The Centers for Disease Control and Prevention (CDC) would severely limit activities to conduct flu season surveillance and monitoring, promote immunization, support state and local health departments, and update disease treatment and prevention recommendations.

Seniors – No new Social Security cards would be processed during a shutdown. On average, approximately [60,000](#) Americans apply for Social Security cards each day, which they may need to be able to start a job, take out a loan, open a bank account, or conduct other financial transactions. Also, depending on how long a shutdown might last, customer service for Social Security claimants and beneficiaries could be significantly disrupted, according to the National Committee to Preserve Social Security and Medicare.

Housing – During the 2013 shutdown, the Federal Housing Administration (FHA) delayed processing over 500 applications for loans to develop, rehabilitate or refinance around 80,000 units of multifamily rental housing.

Worker Safety and Protections – Occupational Safety and Health Administration (OSHA) inspections would stop. These inspections protect 30 million workers employed at more than 8 million worksites around the nation to prevent workplace fatalities and injuries. In 2013, 1,400 worksite inspections were cancelled. Investigations into unfair pay practices would also be suspended.

Labor Relations – The National Labor Relations Board’s ability to mediate labor disputes would stop and nearly all of its 1,200 employees would be furloughed.

Environmental Safety – EPA inspections of sites, including hazardous waste facilities, chemical plants and drinking water systems, will stop. In 2013, there were 1,200 worksite inspections cancelled.

Air Safety and Travel – Our nation’s air traffic controllers, airway transportation systems specialists, aviation safety inspectors and other critical aviation safety professionals run the safest, most efficient air traffic system in the world. They will continue to ensure our skies and air travel remain safe if the government shuts down, including requiring 45,000 Transportation

Security Officers to report for work without pay. But a shutdown—even a “brief” one that occurs over a weekend—will result in furloughs for FAA employees, many of whom work long hours to support the 24/7 operation of the National Airspace System. It will also cause disruptions to modernization projects, delays for critical equipment repairs, and further slow the hiring and training of the next generation of air traffic controllers and other critical aviation safety professionals. Transportation Secretary Pete Buttigieg has warned that this could worsen a shortage of qualified workers. All deployment would have to stop on modernization projections until the government restarts and possibly longer. As a result of the 16-day shutdown in 2013, project operations stopped for six months and cost tax payers over \$60 million.

National Parks – Parks close during shutdowns, including Smithsonian museums and the National Zoo, disrupting travel plans and costing the government revenue it would collect from fees and souvenir and concession sales. Trash collection and road repairs stop, which could allow unsanitary conditions to fester and dangerous roads to remain in use, thus risking public safety. The 2013 shutdown resulted in \$500 million of lost revenue.

Small Business – The Small Business Administration (SBA) workers would be furloughed, preventing their approval of applications for small businesses to obtain loans and loan guarantees, typically \$1 billion per month. In 2013, the SBA was unable to process about 700 applications for \$140 million in small business loans during the 16-day shutdown.

Disaster Relief – The Federal Emergency Management Agency’s (FEMA) Disaster Relief Fund is at risk of being depleted. Responses to disasters would be complicated and likely delayed. Funding for long-term recovery projects would also be delayed.

Veterans’ Services – All VA medical facilities and clinics will remain fully open. VA call centers and hotlines, however, will not function and Veterans Benefits Administration public contact services will not be available. A shutdown would also cause further delays in the current disability and pension claims backlog which numbers [292,499](#).

Public Safety – Funding could be restricted for the Federal Bureau of Investigation to continue investigations, including operations on child sexual assault, drug and gang crime and counterterrorism. Aid to local police departments and other grants could be delayed.

Immigration Hearings – Immigration court hearings would be cancelled, delaying immigration proceedings for people who may have been waiting for their day in court for years and adding to the growing case backlog. By the end of the shutdown in 2019, more than 86,000 immigration court hearings were delayed, worsening an already substantial case backlog which is now 1.3 million cases.

Head Start – Across the country, there would be [10,000](#) children turned away from Head Start programs in October with additional thousands of students at risk for losing access to care if the shutdown extends past October. In 2013, there were [6,300](#) children who could not attend Head Start because the shutdown closed their program. For nine school days, working parents lost their access to Head Start as reliable child care and may have lost pay because they had no other options.

Visa and Passports – Processing requests for new visas and passports would stop until the shutdown is over.

### The Potential Impacts of a Longer Shutdown

The longest recent shutdown was 16 days, but there are concerns that a shutdown this fall could extend longer. At that point additional programs, including school meals, WIC, SNAP and TANF, could be interrupted. The [National Governors Association warned Congress](#) in 2018 nearly one month into the shutdown that although states had covered TANF costs up until that point, “states’ abilities to continue covering these costs may change based on caseload and enrollment. Payments to both individuals and families, in addition to support services funded by TANF, are at risk unless funding is restored.” Had the shutdown been longer, low-income families and children could have lost their cash assistance, pushing families further into poverty and taking away assistance that helps children’s short and long-term development.

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