

# POOR PEOPLE'S MORAL BUDGET

EVERYBODY HAS THE RIGHT TO LIVE

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JUNE 2019



# **POOR PEOPLE’S MORAL BUDGET: EVERYBODY HAS THE RIGHT TO LIVE**

Poor People’s Campaign: A National Call for Moral Revival  
Institute for Policy Studies  
Kairos Center / Repairers of the Breach  
June 2019

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## ACKNOWLEDGEMENTS

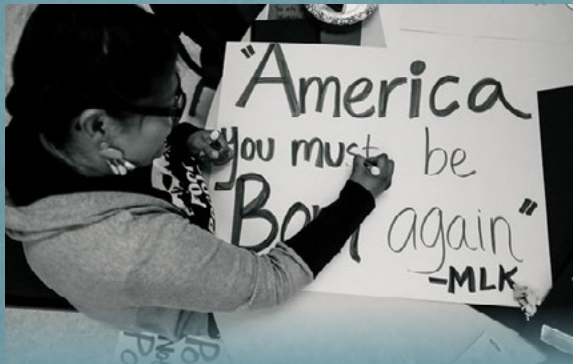
This report reflects the work of many organizations and people, including advocacy organizations, think tanks, and academics. It was co-edited by Shailly Gupta Barnes of the Kairos Center for Religions, Rights, and Social Justice at Union Theological Seminary, along with Lindsay Koshgarian and Ashik Siddique of the National Priorities Project at the Institute for Policy Studies. We would like to thank: Robert P. Alvarez, Sarah Anderson, Phyllis Bennis, Jessica Butehorn, John Cavanagh, Peter Certo, Karen Dolan, Sarah Gertler, Domenica Ghanem, Nardos Iyob, Karla Molinar-Arviso, Miriam Pemberton, Khury Petersen-Smith, Lee Price, Steve Quick, Basav Sen, and the rest of the Institute for Policy Studies team; Josh Bivens, Hunter Blair, and Thea Lee of the Economic Policy Institute; Kilolo Kijakazi and the Urban Institute; Trina Shanks of the University of Michigan; Solita Riley, Noam Sandweiss-Back, Charon Hribar and the Kairos Center for Religions, Rights and Social Justice at Union Theological Seminary; Rob Stephens and Repairers of the Breach; Julianne Malveaux; Marian Wright Edelman, Austin Sowe and the Children's Defense Fund; Tazra Mitchell from the Center on Budget and Policy Priorities; Dean Baker of the Center for Economic and Policy Research; Heidi Peltier of the University of Massachusetts' Political Economy and Research Institute; Saurav Sarkar of Labor Notes; Penda Hair, Leah Kang, Caitlin Swain, and Forward Justice; William Hartung of the Center for International Policy; Gordon Adams of American University; David Vine of American University; Darrick Hamilton and the Kirwan Institute; Kerry Taylor of The Citadel; William Darity of Duke University and the Roosevelt Institute; Mary Grant of Food and Water Watch; Daniel Jones and the Popular Education Project; and Wendsler Nosie of the Apache Stronghold in Arizona for their critical contributions, insights, feedback, and support of this work.

We also thank the state coordinating committees of the Poor People's Campaign that organized demand deliveries, hearings, and mass meetings, bringing hundreds of people together across their states to tell their stories, and to bring their insights into this analysis. We thank Nic Smith, Rev. Claudia de la Cruz, Rosanell Eaton, Rev. Shawna Foster, Braxton Brewington, Alejandro Rangel-Lopez, Mignon Luckey, Ruby Welch, Tim Lanier, Claire McClinton, Imam Zaid Shakir, Viviana Rodriguez, Jennina Gorman, Idalin Bobé, Diego Ortiz, Joyce Barnes, Bridget Hughes, Solo Little John, Amaya Lynn Rankin, Elizabeth Straeder, Bo Williams, Adriana Foster, Richard Muenzer, Lois Swimmer, Suzanne Krull, Nicole Hill, Mashyla Buckmaster, Mary Grant, Quiahnya Walker Dillon, Mary Ellen Smith, Tammy Rojas, Darwin Bentlage, Christian Espinoza, Michael Martin, Aaron Scott, Garrett Rapenhagen, Sequoia Phillips, Wanda Bryant, Michael Martin, Maria Meneses, Marquita Bradshaw, Vice President Al Gore, Kailani Jones, Mary Jane Shanklin, Bill Wylie-Kellerman, Maureen Taylor, Caroline Armijo, Becca Forsyth, Catherine Flowers, Jose Vasquez, Roberta Hickman, Chris Overfelt, Maggie Martin, Maria Morales, Rev. Susan Frederick Gray, Cherri Foytlin, Justin Smith and Ameena Matthews for their generous testimonies and statements. We also thank all those whose photographs and artwork have complemented this report, including: Steve Pavey (cover photo, v, 6, 14, 31, 51, 55, 62, 72, 73, 85, 86, 97, 98, 114, back cover); Nishant Carr, (6, 31, 62, 63, 73); Patrick Mulcahy (51, 73); Marcello Rollando (85); Nancy Shia (62, 96); Nicholas Norfolk (51); André Daughtry (114), Siri Margerin (107), Sarah Farahat (52), Pete Railand (86), and many others whose pictures we have used.



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# KEY FINDINGS



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In April 2018, the Poor People's Campaign: A National Call for Moral Revival released a Moral Agenda and Declaration of Fundamental Rights. The demands contained within that document present a comprehensive response to the systemic racism, poverty, ecological devastation, militarism, and war economy plaguing our country today. For the 140 million people who are poor, or one emergency away from being poor, we know these demands are necessary. This Poor People's Moral Budget asks, given the resources of our society, whether these demands are also possible. Our answer is a resounding yes.

In the seven sections of the Moral Budget, we look at policies and investments for seven critical areas of the Poor People's Moral Agenda: 1) democracy and equal protection under the law; 2) domestic tranquility; 3) peace and the common defense; 4) life and health; 5) the planet; 6) our future; and 7) an equitable economy. In each case, we've found that our nation has abundant resources to meet the demands of the poor, and to address the widespread and systemic injustices we face. In contrast, the current realities of voter suppression, low and inconsistent wages, insecure access to health care and other basic needs, wealth inequality, war, and climate change are far costlier than we have been led to believe.

This Budget shows that it is possible to invest our resources in the ways demanded by this Campaign and our moral and Constitutional values: to establish justice, domestic tranquility, security, and the general welfare for all. It shows, too, just how wasteful systemic injustice is. The abundance of our society will grow even greater when we stop investing in maintaining injustice to benefit the few, and turn instead to policies based on the needs of the many.

## OVERALL FINDINGS

The United States has abundant resources for an economic revival that will move towards establishing a moral economy. This report identifies:

- \$350 billion in annual military spending cuts that would make the nation and the world more secure;
- \$886 billion in estimated annual revenue from fair taxes on the wealthy, corporations, and Wall Street; and
- Billions more in savings from ending mass incarceration, addressing climate change, and meeting other key campaign demands.

The below comparisons demonstrate that policymakers have always found resources for their true priorities. It is critical that policymakers redirect these resources to establish justice and to prioritize the general welfare instead. The abundant wealth of this nation is produced by millions of people, workers, and families in this country and around the world. The fruits of their labor should be devoted to securing their basic needs and creating the conditions for them to thrive.

At the same time, policymakers should not tie their hands with "pay-as-you-go" restrictions that require every dime of new spending to be offset with expenditure cuts or new revenue, especially given the enormous long-term benefits of most of our proposals. The cost of inaction is simply too great.

**1. Investments in Democracy and Equal Protection under the Law.** Enfranchising voters, protecting our elections, and reforming our immigration system are moral necessities, and would yield huge economic benefits.

- Transitioning to automatic, online voter registration would cost just \$150 million per year for five years. That's less than the \$173 million the top two individual political donors contributed in the 2016 election.<sup>1</sup>
- There is a solid economic case for the moral imperative to expand democratic rights. For example, restricting the voting and civil rights of the formerly incarcerated has cost the state of Florida an estimated \$385 million per year due to administrative and court costs and increased recidivism.
- Comprehensive immigration reform would allow millions of families to live in security — and result in a net gain for the federal budget. One immigration proposal in Congress would cost the federal government around \$26 billion per year, but those costs would be more than balanced by the \$46 billion per year in increased revenues from income and payroll taxes.

**2. Investments in Domestic Tranquility.** True domestic tranquility is only possible when our nation meets the needs of its people and ensures access to good jobs and adequate incomes for people who aren't working. Lifting poverty wages, restoring the safety net, and guaranteed employment rebuilding our infrastructure would put trillions of dollars every year into the pockets of those who need and deserve it most.

- A \$15 federal minimum wage enacted immediately would raise pay for 49 million workers by a combined \$328 billion per year. At \$22 per hour, 83 million workers would get \$1 trillion more in pay. These pay raises dwarf the \$7.1 billion in “tax cut bonuses” employers gave U.S. workers in 2018.<sup>2</sup>
- As an immediate measure, restoring Temporary Assistance for Needy Families (TANF) to previous funding levels would provide a modicum of relief to poor families who deserve a fully functional safety net. TANF has not been adjusted for inflation since the Clinton administration, which in 2019 puts the program \$8.9 billion under its 1996 level. Restoring that \$8.9 billion would cost less than the roughly \$14 billion the United States spends each year on increased border patrols, deportations, and incarceration.
- An annual wealth tax on just the 75,000 richest U.S. households would generate \$275 billion per year — more than enough to put 2.5 million people to work fixing our public infrastructure.

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<sup>1</sup> “Top Individual Contributors: All Federal Contributions,” Center for Responsive Politics, accessed May 21, 2019, <https://www.opensecrets.org/overview/topindivs.php?cycle=2016&view=fc>.

<sup>2</sup> “Trump Tax Cuts,” Americans for Tax Fairness, accessed May 21, 2019, <https://americansfortaxfairness.org/issues/trumptaxcuttruths/>



**3. Investments in an Equitable Economy.** Fair taxes on the wealthy, corporations, and Wall Street could pay for a substantial share of the proposals in this report.

- Fair taxes on the wealthy, corporations, and Wall Street could generate as much as \$886 billion per year in revenue to meet urgent social and environmental needs.<sup>3</sup>
- Capital gains taxes on fortunes passed on to heirs would raise an estimated \$78 billion per year — approximately the estimated cost of giving every American child a modest savings account at birth that would earn interest and grow, providing a nest egg for education or to buy a home.

**4. Investments in Life and Health.** In a country with as much wealth as ours, no person should suffer or die for lack of adequate health care. And a system that covers everyone would actually save money.

- Expanding Medicaid in the 14 states that have not yet taken advantage of Affordable Care Act subsidies for Medicaid would cost the federal government \$25 billion in the first year — roughly the amount the Pentagon awards one company, Boeing, in military contracts each year.<sup>4</sup>
- Even better, by eliminating bloat and negotiating better prices, a publicly funded single-payer system would save money overall. One analysis estimates the savings at 9% over current costs, saving businesses and individuals as much as \$310 billion per year, even as coverage is expanded to all.<sup>5</sup>
- An investment of an additional \$31 billion in the Indian Health Service would begin to redress the five and a half year difference in life expectancy between Native Americans and the United States average, and would cost less than half of our current spending on wars in Iraq, Afghanistan, Syria, and Yemen.<sup>6</sup>

**5. Investments in Our Future.** Simply restoring pre-2018 corporate tax rates, along with a tiny tax on Wall Street trades, would easily cover childcare support, free college, and other investments we've failed to make in our children.

- An investment of \$24.4 billion per year in K-12 schools and teachers could start to boost academic performance among poor and struggling children for about the same cost as a wall at the southern border.<sup>7</sup>

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3 If policymakers adopted all of the proposals identified in this section, revenue estimates would need to be adjusted to account for interactions between the reforms.

4 "Spending by Transaction," USA Spending, accessed May 22, 2019, [https://www.usaspending.gov/#/keyword\\_search/Boeing](https://www.usaspending.gov/#/keyword_search/Boeing).

5 Robert Pollin et al., "Economic Analysis of Medicare for All," Political Economy Research Institute, University of Massachusetts-Amherst, November 30, 2018, <https://www.peri.umass.edu/publication/item/1127-economic-analysis-of-medicare-for-all>.

6 "Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request," Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, March 5, 2019, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf).

7 Andrew DePietro, "The Real Cost of the Border Wall As The Senate Votes to Kill Trump's National State of Emergency," Yahoo! Finance, March 14, 2019, <https://finance.yahoo.com/news/real-cost-trump-border-wall-195830968.html>.

- Universal early learning and childcare support would require \$100 billion per year. That's substantially less than the \$130 billion per year that could be generated if we merely restored the corporate tax rate to the pre-2018 level of 35%.
- For every \$1 invested in early childhood education, society would gain \$7.30 due to reduced poverty, lower incarceration rates, and better health outcomes.
- The federal and state shares of providing free public college would cost about \$70 billion per year. That's less than the revenue that could be generated through a tiny tax on transactions by wealthy, high-speed Wall Street traders.
- A study of public higher education in California found that for every \$1 invested in public colleges and universities, the state gained \$4.50 due to reduced poverty, arrests and incarcerations, and higher tax revenues.

**6. Investments in our Planet.** Investing in a clean energy transition — and in basic resource rights like clean water — would create jobs, save trillions, and address the needs of the poor and people of color who are already feeling the worst effects of climate change.

- Climate change is a cause of massive human suffering: forced migration, food insecurity, and higher rates of infection. In 2010, 400,000 deaths worldwide could already be attributed to climate change. By 2030, that number is projected to reach 700,000.
- Inaction on climate change could cost up to 15.7% of GDP per year.<sup>8</sup> That's the equivalent of wiping out \$3.3 trillion from the U.S. economy — the rough equivalent of five Great Recessions, the worst economic crisis since the Great Depression.<sup>9</sup>
- Addressing climate change with a \$200 billion per year investment in a clean energy transition would reduce the damage to GDP while creating 2.7 million net new jobs.
- Investing \$37.2 billion a year in water infrastructure would create up to 945,000 jobs while providing safe drinking water to thousands of communities that don't have it. That's less than what the Pentagon awarded to just one corporation — Lockheed Martin — for military contracts in 2018.<sup>10</sup>

**7. Investments in Peace and the Common Defense.** Shifting our foreign policy toward peace and diplomacy, and away from military-first responses, would make our world safer — and put hundreds of billions back on the table for security at home.

- We could save as much as \$350 billion per year by cutting current Pentagon spending for fighting endless wars, maintaining a worldwide network of 800 military bases, stoking dangerous arms races, and subsidizing for-profit corporate contractors, and our military budget would still be larger than that of China, Russia, and Iran combined.

8 Solomon Hsiang et al., "Estimating Economic Damage from Climate Change in the United States," *Science* 356, no. 6345, (2017): 1362-1369, <https://doi.org/10.1126/science.aal4369>.

9 Calculation by authors based on GDP figures from the Bureau of Economic Analysis.

10 "Top 100 Defense Contractors 2018: U.S. Department of Defense Fiscal Year 2018," Forecast International, <http://www.fi-aeroweb.com/Top-100-Defense-Contractors.html>.

- Ending mass incarceration could drastically reduce the \$179 billion per year that our nation spends on policing, courts, and private prison operators. A one-quarter reduction in spending on mass incarceration could fund \$44 billion per year in investments in a housing trust fund to build, maintain, and preserve affordable rental homes.

These comparisons illustrate that we don't lack for resources at all. The problem is that we invest our resources in priorities that fail to meet the needs of millions of people whose potential is being thwarted, whose lives are being minimized, and who are dying unnecessarily through violence and neglect. These misplaced priorities are not only damaging our social fabric, they are moving us towards a fundamentally unstable economy.

The policies presented in the Moral Budget begin to move us towards a different reality, where we can realize the full potential of our most valuable resource — the strength, genius, and creativity of our fellow human beings. Investing in these demands will fundamentally reorient our economy to be on track with our deepest moral values, and build a new foundation for prosperity for all.

There is a far better way forward, and it is within our reach.

# INTRODUCING --- THE POOR PEOPLE'S MORAL BUDGET





# INTRODUCING THE POOR PEOPLE'S MORAL BUDGET: EVERYBODY'S GOT THE RIGHT TO LIVE

BY REV. DR. WILLIAM J. BARBER II AND REV. DR. LIZ THEOHARIS

*“We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the General Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution of the United States of America” – Preamble of the Constitution*

*“And let justice roll down like waters, and righteousness like an ever-flowing stream” – Amos 5:24*

*“The Spirit of the LORD is upon me, because he has anointed me to proclaim good news to the poor. He has sent me to proclaim liberty to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the year of the Lord's favor” – Luke 4:18*

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As we have traveled around these yet to be United States of America, from Appalachia to Alabama, California to the Carolinas, Mississippi to Maine, the delta of the south to the coal miner's home in Kentucky, we have seen the pain and heard the cry of every race, creed, color, and sexuality that our moral values and economic policies are out of sync. Indeed, as Rev. Dr. Martin Luther King Jr. has suggested, our state and national budgets prove that many of our elected leaders and their lobbyists treasure the military, corporate tax cuts, and welfare for the wealthy while they give rugged individualism, shame and blame, unfair wages, and a shredded social safety net to the poor.

This is a willful act of policy violence at a time when there are 140 million poor and low-income people – over 43.5% of the population – in the richest country in the history of the world. This includes 39 million children, 74.2 million women, 60.4% or 26 million Black people, 64.1% or 38 million Latinx people, 40.8% or 8 million Asian people, 58.9% or 2.14 million Native and Indigenous people, and 33.5% or 66 million White people. Increasing the harm on these 140 million, since 2010, there has been an onslaught of attacks on voting rights in state legislatures: racialized voter suppression and gerrymandering have helped to smuggle state leaders into office, who then turn around and pass policies that hurt the poor and marginalized. Life-giving social programs are being eviscerated to make way for increased spending on war, militarizing our border, and tax payouts to Wall Street.

As clergy who minister and work alongside poor people of every race, creed, age, gender, and sexuality across America, we know these realities pre-date the Trump administration. Income inequality and wealth disparity have increased under Republicans and Democrats over the past four decades, but now there is increased policy disdain for the poor. Because of this, poor people and moral leaders have been calling for a Poor People's Campaign for a long time.

From Mother's Day, May 2018, to the Summer Solstice, June 2018, thousands of people in forty states committed themselves to a season of direct action to launch the Poor People's Campaign: A National Call for Moral Revival. For six consecutive weeks, impacted people, moral leaders and activists gathered in state capitols across the country and in Washington D.C. for nonviolent moral fusion direct action, weekly mass meetings, teach ins, and cultural events. The result was over two hundred actions in forty days with over 5,000 people presenting themselves for nonviolent civil disobedience, tens of thousands witnessing and millions of people following online and through social media—the largest and most expansive wave of nonviolent civil disobedience in 21st-century America.

More than just a series of rallies and actions, a new model of organizing has been catalyzed in this country. From Alaska to Arkansas, the Bronx to the border, people are coming together to organize moral outrage around poverty, racism, ecological devastation and militarism into a transforming force, to turn the poor into agents of change rather than objects of history. In forty states, there are coordinating committees building bridges between communities who have often been pitted against one another. In every region of the country, there are poor people and people of faith and conscience uniting and organizing across lines of race, religion, age, geography, gender and sexuality, political party, and other lines of division.

Before the launch, we were told that our vision was larger than our reach. Friends and allies cautioned that we should focus on a single issue, as if people's lives could be compartmentalized. While we have heard this same argument for years, politicians and corporations have waged war on voting rights, health care, housing, education, water, land, climate, and communities. Then they've taken their bloated military budgets and used our bodies to wage war abroad.

But this is not the time for an incremental campaign; rather, we need one that is willing to confront the rotten structures that perpetuate these injustices and build new and unsettling alliances. In Missouri, hundreds of young Black, White, and Latinx low-wage workers and parents linked up with brigades of octogenarians to stage some of the largest actions in the country. Apache leaders set off from Oak Flats in Arizona and caravanned across the entire nation bringing diverse Indigenous and Native tribes into the Campaign. In California, undocumented folks in Los Angeles connected with homeless organizers in Salinas and policy experts in Sacramento. In Mississippi, families struggling with poverty and the suppression of voting rights rallied together, even when dogs and extremists attempted to intimidate them. In Wisconsin, public school teachers, low-wage workers, undocumented immigrants, and peace activists convened on the state capitol. In North Carolina, families impacted by the lack of Medicaid expansion, coal ash, and homelessness all linked arms to declare “fight poverty, not the poor” together. Nic Smith, a fast-food worker with the Fight for 15 in Virginia declared at a rally on Capitol Hill, “I'm poor, I'm White, and I'm here. This hillbilly is joining other poor people of all colors, all sexualities, all religions, to start the Poor People's Campaign: A National Call for Moral Revival. Our backs are against the wall, and we have no choice but to push.”

At a time when our attention is misdirected by media concerned with tweets and emails, we are finding new ways to break through the distorted moral narrative in this country. We know that the issues of the day are bigger than the dichotomy of Republican versus Democrat, or conservative versus liberal. The moral and spiritual health of this nation depends on our capacity to see deeper and more expansively. We are not aligned with a political party or a single election. There are no

politicians who speak on our behalf. Rather, our task is to build the power necessary to hold our political system to genuine account.

Indeed, we are carrying out a phase of deep organizing and power building amongst the poor. We continue to engage in mass voter registration and voter mobilization, not as an end in itself, but to register people for a movement – a movement that votes, sings, educates and takes action together. We are mobilizing in our streets, communities, and at the sites of political and economic power. We continue to build a non-violent army of the poor that can do more than react, but can dictate the terms of this country's future. A new and unsettling force is awakening to revive the heart of democracy in America.

And now we are launching the Poor People's Moral Budget: Everybody Has the Right to Live. This Budget flips the question of costs and raises the question of benefits of the Poor People's Campaign's Moral Agenda. What we learned in the *Souls of Poor Folk: Auditing America* report, commissioned before we launched the Campaign, is that it is already costing society not to provide health care, to suppress voting rights, and to keep wages low. We know from the Flint water poisoning and the diseases brought about because of the lack of sanitation services in Lowndes County that whole generations of people are having their lives cut short, with youth and children denied living to their full potential because of gross and vast injustice. Research shows that every dollar cut from public education costs society many fold in police, mass incarceration, and social programs in the future. As economist Joseph Stiglitz has pointed out, there is a price to inequality: wealth and income inequality actually hinder the economy.

Therefore, this Budget looks at how much better we could be, as a nation, if we fixed inequality. It declares the moral thing to do is also the economically responsible thing to do. We MUST enact this Budget because we need to invest in the needs of society. We cannot afford NOT TO. We have been investing in killing people; we now must invest in life. We have been investing in systemic racism and voter suppression; we must now invest in expanding democracy. We have been investing in punishing the poor; we must now invest in the welfare of all. We have been investing in the wealthy and corporations; we must now invest in the people who have built up this country. In the words of Rev. Claudia de la Cruz from the Steering Committee of the Poor People's Campaign: A National Call for Moral Revival, "the poor may not run this country, but we make this country run!"

The Poor People's Moral Budget: Everybody Has the Right to Live proclaims abundance over scarcity, comfort to the weeping, release to those crippled by debt and poverty, and equal protection under the law for absolutely all. The world's sacred texts are clear on this. In the Hebrew Scriptures, the Book of Deuteronomy establishes that a nation that forgives debts, pays people a living wage, prohibits slavery, and organizes society around the needs of the poor will be a prosperous nation. It professes that to honor and love God, nations must love and welcome their immigrant neighbor.

We know that there will continue to be nay-sayers who will say: How will we pay for all of this? Our national debt stands at \$20 trillion and is growing. These people say that our nation is on a sure path to fiscal ruin and sooner or later we are going to have to deal with the consequences. We are burdening our children through our irresponsible spending and the only remedy is to curtail spending now.

But this critique does not have the last word. Instead what we have learned from our organizing, as well as from economists and policy-makers, is that it makes sense to invest in areas that make our country stronger: universal health care, infrastructure investment, and tuition-free higher education. In fact, strategically borrowing money to invest in our future is a safe and responsible choice; government borrowing can even make the economy stronger. Also, we want to remind the nation that we have paid for everything from the Bush tax cuts, to the forever wars in Iraq and Afghanistan, to the Trump tax cuts, with deficits. It is about time we put our spending to use — making life better, easing suffering, and investing in our future.

These nay-sayers will declare that the U.S. economy is doing fantastic. The first quarter of 2019 had the fastest annualized growth rate (3.2%) since 2015. The unemployment rate is down to 3.6%, the lowest in nearly 50 years. Average earnings are finally outpacing inflation, with the fastest increases happening at the bottom end of the wage scale. The stock market is hitting record highs. They question us saying, with all these positive signs, the poverty data you report are likely far outdated and you are overstating the need for the generous welfare and job creation programs you're calling for.

But we must respond with the fact that average hourly pay rose just 6 cents in April 2019 and 4 cents the month before that, after taking 400 years since 1519 to go from zero dollars to \$7.25 today. That is not prosperity! In fact, after wages have stagnated for so long, they will need to increase a lot more for working people to get their fair share of economic gains, and so they can meet their needs. At a rate of six cents per month, it would take more than 10 years for today's minimum wage of \$7.25 to reach \$15 per hour. Such small pay increases will not chip away at the country's \$1.6 trillion in student debt, and overall consumer debt of nearly \$4 trillion — a burden leading one in 15 borrowers to consider suicide. And we must not forget wages have also lagged far behind the increase in corporate profits.

We must also question who benefits from economic growth. The GDP may be increasing, but those gains are not making their way into the hands and pockets of the majority of people in the United States. We do not measure a society by the wealth huge corporations are able to store away to enrich and engorge themselves, but by the life and livelihood of the poorest residents. And with nearly half of the U.S. population experiencing poverty, the economy is not benefiting the people. But it could.

Our critics assert that raising taxes on corporations and the wealthy will be a drag on investment and job creation. They tell us keeping taxes low is the best way to keep our economy humming.

But we are called to respond to this critique. The Trump tax cuts have failed to create jobs in meaningful numbers. Instead, corporations have used most of their windfalls to enrich wealthy shareholders and CEOs, blowing a record-setting \$1 trillion in stock buybacks that inflate the value of their shares. And we want to remind people of history: in the 1950s and 1960s, corporations contributed as much as three times the share of federal revenues as they do today, with no job-killing effects.

The nay-sayers state that wealthy Americans and corporations should not be forced to give up their hard-earned money to taxation. They claim that when necessary, alleviating poverty is best done through private charity.



But we counter that there is no such thing as a self-made person. Every wealthy person benefited from a system of public investment, including infrastructure, educational systems, and the rule of law, without which their wealth would not be possible. Indeed, it is only fair that they contribute back to the system that made their wealth possible. And we question the effectiveness of charity to address significant social problems. While it is a good thing to be generous, in many cases charities actually inscribe the very inequalities they often seek to address. Furthermore, poverty and inequality are created by policy, and must be remedied by policy, not pity.

We also must point out that the legacy of ongoing racism, from slavery through Jim Crow, and to today's mass incarceration and public disinvestment means that people of color have never had access to the same opportunities as White people, and it is the responsibility of society to be equitable. Basic living standards like adequate housing, health care, education, safe drinking water, and access to work and fair wages are rights, not privileges. A moral society will guarantee these to ALL people.

And there are many nay-sayers who worry about us shifting funds from the military to social programs. They claim that a strong military keeps us safe in a dangerous world. They tell us that the threat of China, Russia, Iran, North Korea, Venezuela, ISIS, and terrorism can only be defeated through maintaining the strongest military force the world has ever seen. That our military guarantees our freedom and fights for the freedom of peoples all over the world.

But we are compelled to reply that our forever wars in Iraq and Afghanistan have made the world more dangerous. Our military actions have led to the creation of new terrorist factions, built resentment and fear of the United States, and led to death and suffering for thousands of Americans and hundreds of thousands of people around the world.

Our spending on war and violence is arresting our ability to provide true security and well-being at home. Since 2001, we have spent \$4.9 trillion and counting<sup>11</sup> on war in the Middle East with nothing to show for it. That amount would be enough to provide comprehensive health insurance for every uninsured and underinsured American for more than 16 years.<sup>12</sup> Our current military spending of \$716 billion in 2019 is higher than at the peak of the Vietnam War, the Korean War, or the Reagan buildup of the 1980s.<sup>13</sup> Our foreign policy is the most militarized in the world. The United States has 90-95% of the world's foreign military bases; more than 40% of the world's nuclear weapons; and spends more on our military than the next seven countries combined. We could cut our military spending

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<sup>11</sup> Counting only spending through FY2019, and excluding future costs for veterans' health and interest on the debt.

<sup>12</sup> According to estimates by the University of Massachusetts PERI Institute for Medicare for All spending, insuring all uninsured and underinsured Americans would cost approximately \$300 billion per year, at current system costs (e.g. before any single payer cost efficiencies.)iPollin et al., "Economic Analysis of Medicare for All," 37. Insuring all uninsured and underinsured Americans would cost approximately \$300 billion per year, at current system costs (e.g. with no cost savings).

<sup>13</sup> "A Budget for a Better America," Budget of the United States Government Fiscal Year 2020, March 11, 2019, <https://www.govinfo.gov/content/pkg/BUDGET-2020-BUD/pdf/BUDGET-2020-BUD.pdf>.

to \$400 billion or less per year, and still spend more than China, Russia, Iran, and North Korea, combined.<sup>14</sup>

But the nay-sayers keep coming! They say: But the jobs – the military provides a proud career path for many Americans, and military contractors provide good jobs in communities across the country.

To this we must respond: for every job created by military investment, more jobs could be created by making that same investment in health care, infrastructure, clean energy, or education. Investment in wind energy could create 21% more jobs compared to military spending, and investment in elementary and secondary education could create 178% more jobs.

The Poor People's Moral Budget counters these and other narratives that the Poor People's Campaign: A National Call for Moral Revival confronts. We challenge the idea that poverty is the fault of the poor, rather than structures in society that impoverish and oppress millions. We question the notion that poverty and prosperity are a zero-sum game: we do not need to steal from Peter to pay Paul, or raise taxes on the middle strata in order to pay for programs for the poor; and we disagree outright that there aren't enough resources to pay for what we need.

Because poverty is caused by structures and immoral policies, it will take moral policies and larger social transformation to lift the load of poverty. In this Budget, we show that if we raise taxes on those who can most afford to pay them, forgive debts of those who can least afford to pay them, and cut funds from the military, we can lift the whole society up, and create community security and community prosperity. This Budget shows that our demands are possible, and that if they are implemented, all of society will prosper. When you lift from the bottom, everyone rises.

We are presenting this Budget now, because we are witnessing a movement swearing that America will be being born anew in this moment, right in the midst of the deferred dreams and hopes of the poor. It has become clear that people are ready to come together and demand truth, love, and justice, and debunk the lies of scarcity and inevitable, unchangeable poverty.

In times such as these, we must confront "states' rights" arguments that have been used to justify slavery, welfare reform, and other draconian policies. We do not need to lower wages in one region to raise wages in another; we do not need to deny health care to people in one state in order to have welfare programs for people in another state. Extremist politicians do not need to stand in a ditch in order to keep their foot on people's neck, keeping themselves and everyone in their state down in order to declare some sort of superiority or supremacy.

This Budget is not an endorsement of any specific policy and it is not a policy prescription. It is, instead, an effort to offer a broader, bigger way to imagine society than our current public discourse and framing. The Poor People's Campaign: A National Call for Moral Revival will continue to raise the issues, organize people, and build power in order to transform society and enact a moral agenda that

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<sup>14</sup> "Military Expenditure by Country," Stockholm International Peace Research Institute (SIPRI), accessed May 22, 2019, <https://www.sipri.org/databases/milex>. Military expenditures for China, Russia, and Iran: "World Military Expenditures and Arms Transfers 2018: Bureau of Arms Control, Verification and Compliance," United States Department of State, accessed May 23, 2019, <https://www.state.gov/world-military-expenditures-and-arms-transfers-2018/>. Military expenditures for North Korea in U.S. dollars from U.S. State Department for 2016.

puts people first and challenges the intersecting injustices of systemic racism, poverty, ecological devastation, militarism and the war economy, and the distorted moral narrative because the 140 million people living an American nightmare are not only the hope of the poor. The least of these, who are, in actuality, most of us, can lead the whole country out of this pain and suffering. The rejected are leading a moral and economic revival.

In the words of Langston Hughes, who wrote this back in 1935,

O, yes,  
I say it plain,  
America never was America to me,  
And yet I swear this oath—  
America will be!

Out of the rack and ruin of our gangster death,  
The rape and rot of graft, and stealth, and lies,  
We, the people, must redeem  
The land, the mines, the plants, the rivers.  
The mountains and the endless plain—  
All, all the stretch of these great green states—  
And make America again!

# INVESTMENTS IN DEMOCRACY & EQUAL PROTECTION UNDER THE LAW





INVESTMENTS IN DEMOCRACY &  
EQUAL PROTECTION UNDER THE LAW

## **POOR PEOPLE'S CAMPAIGN DEMANDS**

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1. We demand the immediate full restoration and expansion of the Voting Rights Act, an end to racist gerrymandering and redistricting, early registration for 17-year-olds, automatic registration at the age of 18, early voting in every state, same-day registration, the enactment of Election Day as a holiday, and a verifiable paper record. We demand the right to vote for the currently and formerly incarcerated.
2. We demand adequate funding for polling places to accommodate the full participation of the electorate.
3. We demand statehood, voting rights and representation for the residents of Washington D.C.
4. We demand the reversal of state laws preempting local governments from passing minimum wage increases, and the removal of Emergency Financial Management positions that are unaccountable to the democratic process.
5. We demand that First Nations, Native Americans and Alaskan Native people retain their tribal recognition as nations, not races, to make substantive claims to their sovereignty.
6. We demand a clear and just immigration system that strengthens our democracy through the broad participation of everyone in this country. This includes providing a timely citizenship process that guarantees the right to vote. It also requires protecting immigrants' abilities to organize for their rights in the workplace and in their communities without fear of retribution, detention, and deportation.
7. We demand equality and the safety of all persons, regardless of sexual orientation and gender identity.
8. We demand equal treatment and accessible housing, health care, public transportation, and adequate income and services for people with disabilities.

## KEY FINDINGS

- Transitioning to automatic, online voter registration would cost just \$150 million per year for five years. That's less than the \$173 million the top two individual political donors contributed in the 2016 election.<sup>15</sup>
- There is a solid economic case for the moral imperative to expand democratic rights. For example, restricting the voting and civil rights of the formerly incarcerated has cost the state of Florida an estimated \$385 million per year due to administrative and court costs, and increased recidivism.
- Comprehensive immigration reform would allow millions of families to live in security — and result in a net gain for the federal budget. One immigration proposal in Congress would cost the federal government around \$26 billion per year, but those costs would be more than balanced by the \$46 billion per year in increased revenues from income and payroll taxes.

The United States has a long history of denying basic rights to people of color, beginning with the genocide and dispossession of Indigenous and Native people, and more than 300 years of legalized slavery. Even as we claimed to be created equal, systemic racism made it very clear that we were not all treated equally economically, politically, or socially.

This was also true for many immigrants, women, LGBTQIA people, people with disabilities, and people at the intersections of these demographics. Systemic racism undermined the basic tenets of our social contract – to be governed by the will of the people, the good of the whole, and equal protection under the law. It allowed for the fundamental values of our moral and faith traditions that care for our neighbors, the widows, orphans, and the poor to be cast out in favor of an extreme White nationalism. This extremism often works against the same people whom it claims to protect.

Our democracy is plagued by disillusionment and distrust spurred by generations of disenfranchisement, indifference toward, or the outright vilification of excluded people by elected officials. In the 21st century, two presidential elections have been decided by the Electoral College, contradicting the popular vote. In 2018, in an election where voter turnout reached its highest level in a midterm election in 100 years, more than half of eligible voters did not turn out to vote.<sup>16</sup> Millions of Americans were excluded from voting due to past felony convictions. In a system that actively discourages participation, and where candidates neglect to address true problems of poverty and inequality, it is no wonder that many people feel so disconnected.

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<sup>15</sup> “Top Individual Contributors: All Federal Contributions,” Center for Responsive Politics, accessed May 21, 2019, <https://www.opensecrets.org/overview/topindivs.php?cycle=2016&view=fc>.

<sup>16</sup> Emily Stewart, “2018’s Record-Setting Voter Turnout, in One Chart,” Vox, accessed November 19, 2018, <https://www.vox.com/policy-and-politics/2018/11/19/18103110/2018-midterm-elections-turnout>.

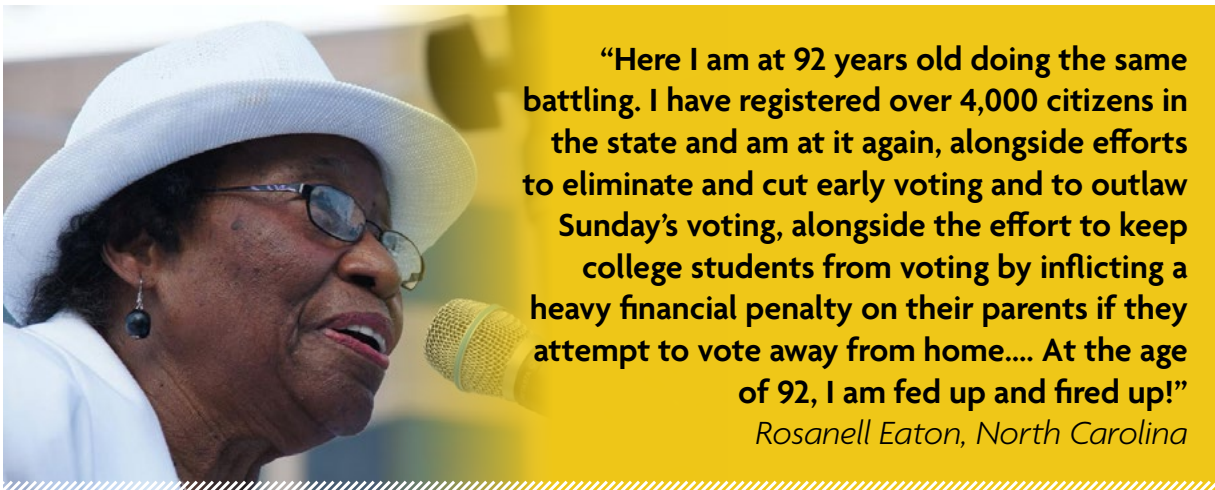
It is, therefore, no accident that of the over 140 million people who are poor and low-income in the U.S., more than 72 million are people of color, including 60.4% of Black people, 64.1% of Latinx people, and 58.9% of Indigenous and Native people.<sup>17</sup> It is no accident that more than 45% of communities living within three miles of highly contaminated “Superfund” sites are poor communities of color.<sup>18</sup> It should be no surprise that these are the same people who are being systemically prevented from expressing their political voice in our democracy: because they are excluded from our political system, their interests are not being represented, or even claimed to be represented.

## RESTORING DEMOCRACY

### *Voting Rights*

Any racial discrimination in voting is anathema to the guarantees of the U.S. Constitution and our moral obligations to one another. Yet, more than 50 years after the Voting Rights Act was passed, people of color still experience a broad range of attacks on their voting rights. Racialized voter suppression tactics have dramatically intensified in the past decade, curtailing the democratic freedoms of millions in the U.S. by creating barriers to voting along race and class lines.

In the 2013 *Shelby County v. Holder* case, the Supreme Court gutted key provisions of the Voting Rights Act (VRA), including the important “pre-clearance” requirement. Pre-clearance had mandated that state and localities with a history of voting discrimination seek pre-approval from the federal government to ensure that any changes to voting processes were not racially discriminatory before those changes could take effect.



**“Here I am at 92 years old doing the same battling. I have registered over 4,000 citizens in the state and am at it again, alongside efforts to eliminate and cut early voting and to outlaw Sunday’s voting, alongside the effort to keep college students from voting by inflicting a heavy financial penalty on their parents if they attempt to vote away from home.... At the age of 92, I am fed up and fired up!”**

*Rosanell Eaton, North Carolina*

<sup>17</sup> The supplemental poverty measure calculated by the U.S. Census Bureau adjusts traditional poverty statistics to account for important factors such as some forms of federal assistance, geographic differences in cost of living, and out of pocket costs for food, housing, clothing, and utilities. Under this alternative measure, a family of four with two adults and two children who rented their home was in poverty if they made less than \$27,005 in 2017.

However, the poverty threshold alone does not capture the economic vulnerability of those living just above the poverty line, who could easily fall into poverty if they face an unexpected cost, such as a medical problem. These vulnerable individuals and households, living at 100-200% of the poverty threshold, are technically categorized as low-income. About 140 million people, or 43% of the U.S. population, have annual income less than twice the SPM.

<sup>18</sup> “Population Surrounding 1,836 Superfund Remedial Sites,” U.S. EPA, Office of Land and Emergency Management Estimate, October 2017, <https://www.epa.gov/sites/production/files/2015-09/documents/webpopulationrsuperfundsites9.28.15.pdf>

By removing this provision, the floodgates were opened for state attacks on voting rights, including: cuts to early voting, passage of restrictive voter ID requirements, purged voting rolls and challenges to voters, closed polling locations, reduced language access, and additional requirements for documentary proof of citizenship.<sup>19</sup> Following Shelby, 14 states had new voting restrictions in place before the 2016 Presidential election and there were 868 fewer polling places across the country.<sup>20</sup>

Since 2010, at least 25 states have passed racist voter suppression laws including racist gerrymandering and redistricting laws that make it harder to register, reduced early voting days and hours, purging of voter rolls, and more restrictive voter ID laws.<sup>21</sup>

While these laws have disproportionately targeted Black people, voter suppression tactics also targeted Indigenous and Native voters in 2016.

Investing in full democracy will necessarily require the full restoration of the VRA, including the principle of “pre-clearance.” This will mean increasing funding for the Voting Rights Section of the Civil Rights Division of the U.S. Department of Justice to review, investigate and, where appropriate, object to proposed changes to voting processes from covered jurisdictions.<sup>22</sup> It will also mean some increased administrative costs for the U.S. District Court for the District of Columbia and the U.S. Supreme Court. These costs, however, will be offset by reductions in the litigation and administrative costs from civil rights cases brought in previously covered jurisdictions that lost the protection of pre-clearance. Litigating these highly complex cases is expensive, and poses an increased administrative burden on the federal courts at the trial, appellate, and Supreme Court levels.



This is similarly true with ensuring fair voting districts. Ending racist gerrymandering and redistricting will not impose additional costs on the federal (or state) governments.<sup>23</sup> It may, however, provide federal savings by reducing administrative costs for federal courts that oversee cases in which unconstitutional racial gerrymandering is alleged, as well as state savings by reducing the high costs that state governments incur when they choose to defend racially discriminatory maps.

19 See “An Assessment of Minority Voting Rights Access in the United States,” U.S. Commission on Civil Rights, September 12, 2018, [https://www.usccr.gov/pubs/2018/Minority\\_Voting\\_Access\\_2018.pdf](https://www.usccr.gov/pubs/2018/Minority_Voting_Access_2018.pdf).

20 “The Great Poll Closure,” The Leadership Conference Education Fund, November, 2016, <http://civilrightsdocs.info/pdf/reports/2016/poll-closure-report-web.pdf>.

21 “New Voting Restrictions in America,” Brennan Center for Justice, accessed May 22, 2019, <http://www.brennancenter.org/new-voting-restrictions-america>.

22 For the process by which the DOJ administers the preclearance process, see 28 C.F.R. Part 51, <https://www.law.cornell.edu/cfr/text/28/part-51>.

23 See “An Assessment of Minority Voting Rights Access in the United States,” U.S. Commission on Civil Rights, September 12, 2018, [https://www.usccr.gov/pubs/2018/Minority\\_Voting\\_Access\\_2018.pdf](https://www.usccr.gov/pubs/2018/Minority_Voting_Access_2018.pdf).

**“I first started voting in 2014, but the university was racially packed into North Carolina’s 12th district, a district that was shot down by the courts in 2016. So, they redrew the lines, but split our campus as a result of it. And while the courts have agreed that these maps are unfair, they’re requiring us to vote in them anyway. The first time I vote in fair, congressional districts won’t be until 2020. I refuse to sit by without a fight. I voted early last week and I’m encouraging anyone who hasn’t voted yet to do the same.”**

*Braxton Brewington, North Carolina*



The “For the People Act” introduced in 2019 (H.R. 1)<sup>24</sup> goes a long way toward restoring the Voting Rights Act; however, states will still need to take on the responsibility of implementing some of these key investments. For instance, determining adequate funding for polling places is likely to fall within the purview of state governments. Depending on the state and the type of election, there is variation among states as to how the cost of administering elections is allocated between local and state governments,<sup>25</sup> which makes calculating the cost of funding polling places difficult. According to 2016 data collected by the U.S. Election Assistance Commission through the biennial Election Administration and Voting Survey (EAVS), there is wide variation in how voters are allocated to polling places. Excluding the three states that send all voters a ballot by mail (Colorado, Oregon, and Washington), nearly half of reporting jurisdictions allocated fewer than 1,000 registered voters per polling place, and only one in four jurisdictions allocated an average of more than 2,000 registered voters per polling place.<sup>26</sup>

All people need access to nearby and adequately funded polling places, but people with disabilities face heightened challenges to meaningful participation in democratic processes. This is especially true when polling stations are closed, hours are restricted, and early registration and other limitations are placed on voter participation.<sup>27</sup> Democratic participation and equal protection for people with disabilities means full physical access and transportation to polling places, fully functional accessible voting machines, fully trained poll workers, full privacy in voting, full access to registration and election materials, and full enfranchisement of people with intellectual, developmental or psychological disabilities, including ID requirements that are appropriate for people with disabilities.<sup>28</sup>

24 Rep. John P. Sarbanes, “H.R.1 - For the People Act of 2019,” 116th Congress, accessed May 22, 2019, <https://www.congress.gov/bill/116th-congress/house-bill/1>.

25 “Election Costs: What States Pay,” National Conference of State Legislatures (NCSL), August 3, 2018, <http://www.ncsl.org/research/elections-and-campaigns/election-costs.aspx>.

26 “EAVS Deep Dive: Poll Workers and Polling Places,” Election Assistance Commission (EAC), November 15, 2017, <https://www.eac.gov/documents/2017/11/15/eavs-deep-dive-poll-workers-and-polling-places/>.

27 The 2018 Jobs and Justice Act would have made mid-term and presidential elections federal holidays.

28 Voters with disabilities are less likely to drive and carry a driver’s license.



## DODGE CITY LOSES ITS LAST POLLING PLACE

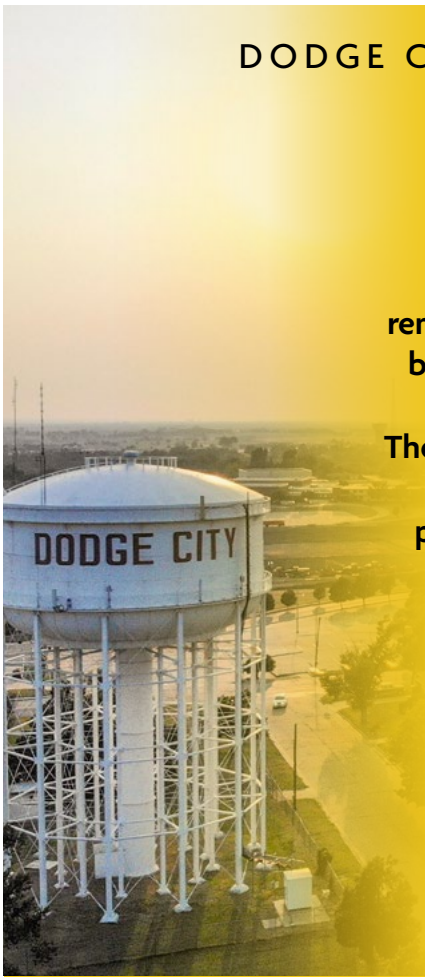
Dodge City captured national attention in 2018 when the ACLU sued the city for moving its only remaining polling site outside of the city limits. The majority-minority city of 29,000, with an electorate of 14,000, went from 12 polling places down to just one that remained open for the 2018 elections. Most of these had been closed because they were deemed to not be ADA compliant, a claim that local voting activists contest. The one remaining polling place was not easily accessible to its electorate, especially to Latinx voters, making participating in the vote more difficult: even in the low turnout election, where more than half of voters had voted early, on Election Day, there was still an average 45 minute wait at the single polling station.

Alejandro Rangel-Lopez, a high school student and named plaintiff, testified at a Poor People's Campaign field hearing in Topeka, Kansas, in 2018: "Our voters have just one polling place, and it is located in one of the few affluent and White areas of town, making it the most burdened polling location in Kansas."

The irony of these poll closures is that voters with disabilities still have significant barriers to vote. Mignon Luckey is a 63-year old resident of Dodge City, who is herself living with disabilities and works at the Prairie Independent Living Resources Center. "I was a rubella baby, born blind and without a spine. Doctors said they could have wrung me out like a dish towel.

The materials at the polls are in such small print – I can't read without visual aid equipment. I use a 5 times magnifying glass, I need a monocular and have a Pebble HD that makes it possible to read. And all this costs almost \$800. Poor people don't have the money for this equipment. Something has to be done for people with disabilities to live, to do what they want to do, to live where and how they want to live, and to vote."

Dodge City has since opened at least 2 more additional polling stations.



## ***Automatic Voter Registration and Same Day Registration***

Even with functioning and accessible polling stations, it will still be necessary to register voters. The Congressional Budget Office (CBO) estimates that implementing online and automatic voter registration would cost about \$750 million over five years.<sup>29</sup> This would primarily support the federal Election Assistance Commission (EAC) to provide grants to states to create, protect, and improve voting systems to allow people to update their voter information online or through automated telephone-based systems. With automatic registration in place, same-day voter registration would likely impose negligible additional costs.

A study of early voting in New York, the 4th most populous state in the U.S., calculated a cost of about \$12.5 million statewide in the first year for a 12-day period of early voting, and an additional \$3.4 million per additional election.<sup>30</sup> As a rough calculation, taking the New York cost of 64 cents per person the first year, and 17 cents per person for each additional election, early voting for the entire U.S. could cost around \$211 million the first year, and \$57 million for each additional election. Pre-registration of young voters is another measure to expand the right to vote, especially given that many 18 year olds, though legally eligible to vote, are not registered at the time of elections. Currently, only 26 states allow individuals to pre-register to vote if they will turn 18 by the next election, and 14 states plus D.C. permit pre-registration starting at 16 years old.<sup>31</sup> Analyses of pre-registration bills in Washington and Maryland found negligible fiscal impact for the states,<sup>32</sup> though implementation of pre-registration in Colorado (allowing pre-registration of 16- and 17-year-olds) was estimated at \$572,112 in 2013.<sup>33</sup> In fact, more than 15 states already allow 17-year-olds to vote in electoral primaries.<sup>34</sup>

A CBO analysis found that efforts to improve voting technology, reduce cybersecurity vulnerabilities, and update voting systems to produce individual and auditable paper ballots, would amount to about \$1.5 billion over five years.<sup>35</sup>

## ***Restoring Voting Rights to Disenfranchised Voters***

In 2018, the people of Florida voted to restore voting rights to people convicted of felonies who had served their time and exited the criminal justice system. Today, the newly granted rights of convicted felons in Florida are under threat again, as lawmakers attempt to restrict their eligibility to vote based on unpaid court fees.

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29 "Cost Estimate: H.R.1 For the People Act of 2019," Congressional Budget Office (CBO), March 1, 2019, <https://www.cbo.gov/system/files/2019-03/hr1.pdf>.

30 Caroline Iosso et al., "The Cost of Progress for New York's Voters," Citizens Union of the City of New York, May, 2018. <http://citizensunion.org/portfolio-item/the-cost-of-progress-for-new-york-voters/>.

31 "Preregistration for Young Voters," National Conference of State Legislatures (NCSL), February 12, 2019, <http://www.ncsl.org/research/elections-and-campaigns/preregistration-for-young-voters.aspx>.

32 "Voter Pre-Registration," FairVote, accessed May 22, 2019, [https://www.fairvote.org/voter\\_pre\\_registration](https://www.fairvote.org/voter_pre_registration).

33 "Preregistration for Young Voters," National Conference of State Legislatures (NCSL), February 12, 2019, <http://www.ncsl.org/research/elections-and-campaigns/preregistration-for-young-voters.aspx>.

34 "Why Should We Lower the Voting Age to 16?," FairVote, [https://www.fairvote.org/why\\_should\\_we\\_lower\\_the\\_voting\\_age\\_to\\_16](https://www.fairvote.org/why_should_we_lower_the_voting_age_to_16).

35 "Cost Estimate: H.R.1 For the People Act of 2019," Congressional Budget Office (CBO), March 1, 2019, <https://www.cbo.gov/system/files/2019-03/hr1.pdf>.

As of 2016, the Sentencing Project estimates that over 6.1 million Americans remained disenfranchised due to felony convictions; less than one-fourth of this population is currently incarcerated, meaning that about 4.7 million people are free, but cannot vote.<sup>36</sup>

**“Thousands like myself have been denied the right to vote because of a felony conviction, but this does not alleviate us from paying taxes to a state or country where we also have no elected representation. I should not be taxed until I have a voice, a political voice, within this government, or the government needs to immediately cease all taxes being imposed upon me and the thousands who cannot vote due to probation, parole, or being currently incarcerated.”**

*Ruby Welch, Arkansas*

Expanding the franchise to include those who are formerly incarcerated could actually save states money. Formerly incarcerated people now have a variety of uncertain paths to regaining their voting rights, ranging from onerous paperwork to clemency-like hearings. States will no longer have to pay these administrative costs if the rights of people with convictions are automatically restored. Rights restoration for returning community members is also linked to lower recidivism rates, which would result in economic benefits to both state and national economies.<sup>37</sup>

Two states – Maine and Vermont – currently allow people to vote while they are incarcerated.<sup>38</sup> Expanding the franchise to those who are currently incarcerated would be a powerful means of reversing the “civil death” that all too often comes with imprisonment in the United States.<sup>39</sup>

**“After 3 years in the Navy, I found a minimum wage job, lived at home, and we still struggled very much. Many of my friends were in the streets living better than us. So, I decided to join my friends, making money any way I can. I ended up catching a case and going to prison for 18 years. I got out of prison in 2014 determined to become a better person, a better citizen. Went to work at a steel plant. Paid my fines, got my driver’s license, and I registered to vote. That’s when I found out that even being a veteran, having a felony meant I couldn’t vote in the state of Alabama.”**

*Tim Lanier, Alabama*

36 Christopher Uggen, Ryan Larson, and Sarah Shannon, “Six Million Lost Voters: State-Level Estimates of Felony Disenfranchisement, 2016,” Sentencing Project, October 6, 2016, <https://www.sentencingproject.org/publications/6-million-lost-voters-state-level-estimates-felony-disenfranchisement-2016/#IV.%20Disenfranchisement%20and%20Restoration%20of%20Civil%20Rights>.

37 Mary E. Klas, “Price Tag for Restricting Felons’ Rights After Prison Put a \$385 Million a Year,” Miami Herald, last modified May 21, 2018, <https://www.miamiherald.com/news/politics-government/election/article211408754.html>.

38 See Jacey Fortin, “Can Felons Vote? It Depends on the State,” *New York Times*, April 21, 2018, <https://www.nytimes.com/2018/04/21/us/felony-voting-rights-law.html>.

39 Vann R. Newkirk II, “Polls for Prisons,” *The Atlantic*, March 9, 2016. <https://www.theatlantic.com/politics/archive/2016/03/inmates-voting-primary/473016/>.

## ***No Taxation without Representation***

To this day, residents of Washington, D.C. and each of the five major occupied territories are represented in Congress only by non-voting members. The push for statehood has been a longstanding demand in Washington, D.C., where over 700,000 residents endure “taxation without representation” in the legislative branch of the federal government. This is despite having a larger population than two states (Wyoming and Vermont), which nevertheless enjoy representation by two Senators in the Senate and a representative each in the House.

The National Taxpayers Union has estimated the cost of statehood at just \$9 million, based on the cost of resources provided to two new Senators and converting the existing delegate position to Representative. Because Congress has long prohibited the District from imposing a nonresident income tax, the removal of this constraint as a result of D.C. gaining statehood could bring in as much as \$2.26 billion in additional annual revenues.

Despite automatic U.S. citizenship for people born in four of the five U.S. territories (with the exception of American Samoa,<sup>40</sup> citizens in those four territories can vote only in presidential primaries, and have no vote in presidential general elections. These millions of U.S. citizens are denied the right to vote for the U.S. president, congressional representation that could fight for their interests, and the basic right of self-determination. This includes the 3.4 million people living in Puerto Rico, which constitutes a larger population than 21 fully recognized states.

One of the gravest human rights crisis of 2017 was the impact of Hurricane Maria on Puerto Rico and the U.S. Virgin Islands. Almost the entire island of Puerto Rico lost access to electricity after the hurricane, and only 43% of the island's residents had access to electricity two months after the hurricane.<sup>41</sup> By way of comparison, about 85% of the world's population has access to electricity.<sup>42</sup>

The loss of electricity shut down hospitals and clinics, the island's emergency phone number, and left nearly half of island residents without access to safe drinking water a week after the hurricane.<sup>43</sup>

A recent study by researchers at the University of Michigan found that the federal response to Hurricanes Maria and Irma on Puerto Rico was slower and less generous in providing funds and staffing compared to hurricane responses in Texas and Florida.<sup>44</sup>

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40 People born in American Samoa are only considered U.S. nationals, and must go through the regular application process if they want to become citizens

41 Josh Michaud and Jennifer Kates, “Public Health in Puerto Rico after Hurricane Maria,” Kaiser Family Foundation, November 17, 2017, <https://www.kff.org/other/issue-brief/public-health-in-puerto-rico-after-hurricane-maria/>.

42 “Access to Electricity,” World Bank, accessed May 22, 2019, <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS>.

43 Amanda Holpuch, “Hurricane Maria Pushes Puerto Rico's Struggling Hospitals to Crisis Point,” *The Guardian*, September 27, 2017, <https://www.theguardian.com/world/2017/sep/27/puerto-rico-faces-a-health-crisis-made-worse-as-majority-of-hospitals-are-inadequate>.

44 Charley E. Willison et al., “Quantifying Inequities in US Federal Response to hurricane Disaster in Texas and Florida Compare with Puerto Rico,” *BMJ Global Health* 4, no. 1 (2019), <https://doi.org/10.1136/bmjgh-2018-001191>.

This disaster occurred against a pre-existing backdrop of disenfranchisement and inequality. In 2016, Congress passed a bill called PROMESA that set up an unelected financial control board to restructure Puerto Rico's economy to pay debts to Wall Street. At the same time that the island struggled to recover and rebuild from the 2017 hurricanes, the control board instituted severe austerity measures, including school closures, cuts to University of Puerto Rico funding and a tuition hike, work requirements for the island's public food program, and cuts to currently mandated employee benefits like sick and vacation pay.<sup>45</sup>

Puerto Rico's economic crisis has been spurred by U.S. policy, including enforcement of the Jones Act, which requires naval shipments of goods between two points in the United States to be made with U.S.-owned and built ships, with U.S. personnel. For most states in the contiguous United States, this causes no serious problems. But for Puerto Rico, which imports upwards of 85% of its food and many other supplies, it affects everything.<sup>46</sup>

Representation would not have secured Puerto Rico from Hurricane Maria, but democratic rule and the right to self-determination may have prevented its resources going to Wall Street instead of towards critical infrastructure development, and it may have encouraged a faster and more robust response to the hurricane's aftermath.

### ***Ending Emergency Management***

Emergency manager laws present the situation where existing voting rights may effectively be nullified through state appointed emergency managers. In a political system built on checks and balances, emergency managers have unchecked power and no accountability to the communities they are supposed to serve. While states ostensibly only institute emergency management in cases where cities are on the brink of financial collapse, those managers in fact wreak all kinds of havoc that further degrades city finances: emergency managers have turned local school systems over to for-profit charter school companies and sold off school playground equipment,<sup>47</sup> broken union contracts and cut retiree benefits, and single-handedly instituted privatization of city services.<sup>48</sup>

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45 Vann R. Newkirk II, "Puerto Rico Enters a New Age of Austerity," *The Atlantic*, May 5, 2018, <https://www.theatlantic.com/politics/archive/2018/05/puerto-rico-enters-a-new-age-of-austerity/559565/>.

46 "Report by the Task Force on Puerto Rico, in Support of Permanently Exempting Puerto Rico From the Jones Act," The Association of the Bar of the City of New York, May 11, 2018, <https://www.nycbar.org/member-and-career-services/committees/reports-listing/reports/detail/support-for-permanently-exempting-puerto-rico-from-the-jones-act>.

47 Chris Savage, "Poor Communities in Michigan Still Paying the Costs of Emergency Managers. One of Them Sold Off the School Playground Equipment," *Eclectablog*, April 2, 2018, <https://www.eclectablog.com/2018/04/poor-communities-in-michigan-still-paying-the-costs-of-emergency-managers-one-sold-off-the-school-playground-equipment.html>.

48 Chris Savage, "The Scandal of Michigan's Emergency Managers," *The Nation*, February 15, 2012, <https://www.thenation.com/article/scandal-michigans-emergency-managers/>.



Decisions by an emergency manager led to the water safety crisis in Flint, Michigan. Michigan has one of the most far-reaching emergency manager laws in the country. It authorizes, in some cases, the removal of all locally elected officials. Over a 10-year period, more than half of the state's Black residents have fallen under the authority of a non-elected official.<sup>49</sup>

The catastrophic Flint water crisis brought this law under severe public scrutiny. In 2011, the state of Michigan appointed an emergency manager over the city of Flint, stripping power from local government over claims of financial mismanagement.<sup>50</sup> The salary for the emergency manager was set by the state at \$170,000, but paid for by Flint and nearly double its mayor's salary.<sup>51</sup>

In 2012, Flint's city managers decided to borrow tens of millions of dollars in the city's name to help finance the construction of the Karegnondi Water Authority, a new water pipeline in the region.<sup>52</sup> In order to facilitate the pipeline's development, Flint's emergency manager decided to shift its source of water from the Detroit River to the Flint River.<sup>53</sup> This decision was in part made to save an estimated \$5 million.<sup>54</sup> As a result of that switch, Flint's 99,000 residents experienced high levels of lead in their drinking water and continue to suffer the consequences.<sup>55</sup> They found spiked lead levels among children and other lasting health issues associated with lead exposure.<sup>56</sup> In 2016, two of Flint's former emergency managers were charged with felonies of false pretense and conspiracy for their role in the crisis.<sup>57</sup>

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49 Jessica Welburn and Louise Seamster, "How a Racist System Has Poisoned the Water in Flint, Mich.," *The Root*, January 1, 2016, <https://www.theroot.com/how-a-racist-system-has-poisoned-the-water-in-flint-mi-1790853824>; see also, "A Review of Michigan's Local Financial Emergency Law," Michigan State University Extension: Center for Local Government Finance and Policy, April 21, 2017, [https://www.canr.msu.edu/uploads/resources/pdfs/michigan\\_em\\_law\\_review.pdf](https://www.canr.msu.edu/uploads/resources/pdfs/michigan_em_law_review.pdf).

50 Dominic Adams, "Flint Still Faces Financial Questions After Years of Emergency Management," *MLive*, April 17, 2018, [https://expo.mlive.com/err2018/04/e506e2e1bc5060/did\\_emergency\\_management\\_in\\_wo.html](https://expo.mlive.com/err2018/04/e506e2e1bc5060/did_emergency_management_in_wo.html). Researchers at Michigan State University have since offered evidence that the Michigan state government, and most every state, generally shares a significant portion of responsibility for local economies, constrains a city's ability to raise revenue and offers little financial support during state-appointed emergency management. See, Joshua Sapotichne et al., "Beyond State Takeovers: Reconsidering the Role of State Government in Local Financial Distress, with Important Lessons for Michigan and its Embattled Cities," Michigan State University Extension, August 31, 2015, [https://www.canr.msu.edu/uploads/resources/pdfs/beyond\\_state\\_takeovers.pdf](https://www.canr.msu.edu/uploads/resources/pdfs/beyond_state_takeovers.pdf).

51 Kristin Longley, "State-Appointed Emergency Managers Make Six Figures at Local Community's Expense," *MLive*, last modified December 27, 2011, [https://www.mlive.com/news/flint/2011/12/state-appointed\\_emergency\\_mana.html](https://www.mlive.com/news/flint/2011/12/state-appointed_emergency_mana.html).

52 Sara Ganim and Sarah Jorgensen, "Four More Charged in Flint Water Crisis," *CNN*, last modified December 20, 2016, <https://www.cnn.com/2016/12/20/health/flint-water-crisis-four-more-charged/index.html>.

53 "Flint Water Crisis Fast Facts," *CNN*, last modified April 23, 2019, <https://www.cnn.com/2016/03/04/us/flint-water-crisis-fast-facts/index.html>.

54 Josh Sandburn, "Flint Water Crisis May Cost the City \$400 Million in Long-Term Social Costs," *Time*, August 8, 2016, <http://time.com/4441471/flint-water-lead-poisoning-costs/>.

55 "Flint Water Crisis Fast Facts," *CNN*, last modified April 23, 2019, <https://www.cnn.com/2016/03/04/us/flint-water-crisis-fast-facts/index.html>.

56 Michelle Chen, "Flint Is Finally Moving to Help Kids Recover from Lead Poisoning's Toxic Legacy," *The Nation*, April 27, 2018, <https://www.thenation.com/article/flint-is-finally-moving-to-help-kids-recover-from-lead-poisonings-toxic-legacy/>.

57 Sara Ganim and Sarah Jorgensen, "Four More Charged in Flint Water Crisis," *CNN*, last modified December 20, 2016, <https://www.cnn.com/2016/12/20/health/flint-water-crisis-four-more-charged/index.html>.

The estimated costs of this poisoning include: the private costs of hospitalization and treatment for residents of Flint; the estimated \$400 million in costs to the city because of the long-term social consequences of lead poisoning<sup>58</sup>; the many millions of dollars in legal fees, lawsuits and settlements, including \$97 million paid by the state<sup>59</sup> to replace water lines and \$4.1 million to create a registry of impacted children<sup>60</sup>; and the costs for federal intervention, including \$100 million in an EPA grant for infrastructure updates.<sup>61</sup> And this is only a partial account of the true costs of the crisis.

**“They could not take  
our water away without  
taking our democracy first.”**  
*Claire McClinton, Michigan*



The experience in Flint shows that when communities lose political power and the ability to engage in democracy, their most basic needs are compromised in favor of undemocratic, and often disastrously unaccountable and costly, leadership. Indeed, five years later, Flint still does not have clean water.

## EQUAL TREATMENT UNDER THE LAW

A democracy that takes seriously the assertion that we are all created equal must address inequalities due to citizenship status, gender and sexual orientation, as well as the injustices waged against Indigenous and Native people in the U.S.

### *Immigration Reform*

As a nation, we have allowed the creation of an immigration system that hurts people, separates families, and continues to deny dignity and security to people seeking a better future.

The human toll of our current system of immigration is immense. Undocumented workers are exploited in the labor force without the ability to demand their rights, receive fair pay, or have access to healthcare. People are locked up in for-profit detention centers as they await deportation

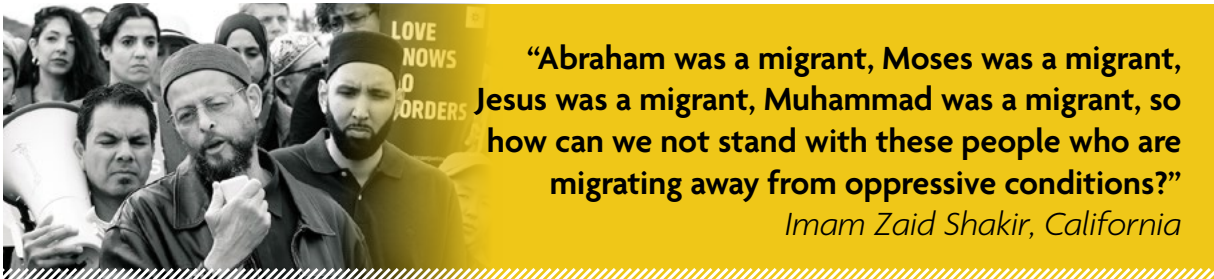
58 Josh Sandburn, “Flint Water Crisis May Cost the City \$400 Million in Long-Term Social Costs,” *Time*, August 8, 2016, <http://time.com/4441471/flint-water-lead-poisoning-costs/>.

59 Chris Boyette, “Michigan and Flint Agree to Replace 18,000 Home Water Lines by 2020,” *CNN*, last modified March 27, 2017, <https://www.cnn.com/2017/03/27/us/flint-settlement/>.

60 Robert Acosta, “State to Provide \$4.1M to Screen, Test Flint Children Affected by Lead,” *MLive*, April 9, 2018, [https://www.mlive.com/news/flint/2018/04/state\\_providing\\_4\\_million\\_to\\_s.html](https://www.mlive.com/news/flint/2018/04/state_providing_4_million_to_s.html)

61 “EPA Awards \$100 Million to Michigan for Flint Water Infrastructure Upgrades,” Environmental Protection Agency, March 17, 2017, <https://www.epa.gov/newsreleases/epa-awards-100-million-michigan-flint-water-infrastructure-upgrades>.

in inhumane conditions. In 2018, one company received \$234 million for new detention beds for immigrant children.<sup>62</sup> And undocumented people all over the country fear losing their loved ones, friends, and neighbors to deportation.



Comprehensive immigration reform would provide protection for families and people looking for better lives. According to a 2013 CBO analysis, immigration reform that would increase the number of new immigrants who are allowed to enter the country and provide a path for many currently undocumented people to gain legal documentation would have resulted in new federal costs of \$262 billion over the 10 years from 2014-2023, but those costs would have been more than balanced by \$459 billion in increased revenues, largely from increased income and payroll taxes.<sup>63</sup> Additionally, a 2016 study from the National Bureau of Economic Research found that providing legal documentation and status to currently undocumented workers would increase their contribution to GDP from 3% (about \$615 billion per year using today's GDP) to 3.6%, a \$123 billion increase.<sup>64</sup>

Immigration reform is only the first step towards just immigration and it must be accompanied by a broader assessment of U.S. foreign policy and military actions, especially in Latin America. This would demand that our government stop allowing corporations to profit from detention of immigrants, deportation, and family separation.

62 Deniz Cam, "One In Six Migrant Children In The U.S. Are Staying At A Shelter Operated By A Private Equity Tycoon," *Forbes*, April 10, 2019, <https://www.forbes.com/sites/denizcam/2019/04/10/one-in-six-migrant-children-in-the-us-are-staying-at-a-shelter-operated-by-a-private-equity-tycoon/#722d081e687e>.

63 "S. 744: Border Security, Economic Opportunity, and Immigration Modernization Act," Congressional Budget Office (CBO), June 18, 2013, <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/costestimate/s7444.pdf>.

64 Ryan Edwards, Francesc Ortega, "The Economic Contribution of Unauthorized Workers: An Industry Analysis," *Regional Science and Urban Economics* 67 (2017): 119-134, <https://doi.org/10.1016/j.regsciurbeco.2017.09.004>.



**“...My mother was a single parent, raising 4 children...An officer stated that he did not need a warrant to arrest my mother. ... [At the station] she went into an ICE hold. As the oldest of four, my whole world was destroyed. The questions that were running through my head were, ‘will I have to give up college? Get a full-time job in order to maintain the well-being of my siblings? Would I ever see my mother again?’**

**My mother was detained for about four weeks; those were the hardest four weeks of my entire life... I was destined to become an immigration attorney. There are currently more than 11,000 unaccompanied children in the care of U.S. Health & Human Services. This policy is inhumane, it is immoral, this policy must stop!”**

*Viviana Rodriguez, Alabama*

### ***Legal Protection for LGBTQIA People***

While many groups are now protected from discrimination by federal and state laws, legal protections for LGBTQIA people lag behind. A majority of states in the U.S. allow discrimination against LGBTQIA people in employment, housing, health care, schools, and public accommodations. Many of these problems are particularly acute for LGBTQIA youth and LGBTQIA youth of color. Though their numbers aren't known with any degree of certainty, estimates are that lesbian, gay and bisexual youth represent roughly 8% of the nation's high school students,<sup>65</sup> and that they represent as much as 40% of the homeless youth population.<sup>66</sup>

The Equality Act is a fairly comprehensive bill that provides for equal rights and protections for LGBTQIA individuals by prohibiting discrimination in areas such as health, housing, employment, education, credit and public accommodations.<sup>67</sup> It passed in the U.S. House of Representatives in

65 Zoë Schlanger, “A Teen Health Survey Crucial to US Public Policy Is Finally Asking Kids About Their Sexual Orientation,” *Quartz*, June 25, 2017, <https://qz.com/1014142/a-teen-health-survey-crucial-to-us-public-policy-is-finally-asking-kids-about-their-sexual-orientation/>.

66 “Homelessness and Runaway LGBT Youth,” Youth.Gov, accessed May 22, 2019, <https://youth.gov/youth-topics/runaway-and-homeless-youth/lgbt>.

67 Rep. David N. Cicilline, “H.R.5 - Equality Act,” 116th Congress, accessed May 22, 2019, <https://www.congress.gov/bill/116th-congress/house-bill/5>.

May of 2019, but is unlikely to pass in the U.S. Senate, despite widespread support from the public and business. Lacking comprehensive federal anti-discrimination and anti-hate crimes laws, most LGBTQIA children and adults have to navigate a patchwork of local and state laws, so that they may be protected in one state and endure hostile policies in another.<sup>68</sup> Some state and federal laws function to protect LGBTQIA people from hate crimes and violence based on their sexual and gender identities, such as the Matthew Shepard and James Byrd Jr Hate Crimes Prevention Act of 2009, but protections must be broader. LGBTQIA people are still unprotected in many states from all but the most violent hate crimes involving deadly weapons. Relevant protections should also be included in the Violence Against Women Act, and special attention given to LGBTQIA undocumented migrants and refugees.

These bills are vital as the Trump administration takes aggressive moves to curtail the civil and human rights of transgender people. In May 2019, the administration announced a rule that would allow medical service providers and employers to deny health care and health coverage to transgender people if they have a “religious objection” to equal rights for all. This comes on top of rescinding guidance for protections of transgender students in public schools, banning transgender people from military service and even erasing the very word “transgender” from all Centers for Disease Control documents.

### ***First Nations Sovereignty***

For centuries, the “Doctrine of Discovery” was used to justify the dispossession of Indigenous and Native people of land, resources, and political legitimacy. Originated in 1496 under King Henry VII, the Doctrine of Discovery held that Christian sovereigns and their representative explorers could assert dominion and title over non-Christian lands with the full blessing and sanction of the Church. In 1823, the Supreme Court case *Johnson vs. McIntosh* relied on the Doctrine of Discovery to interpret U.S. law, declaring U.S. federal ownership of Indigenous and Native lands.<sup>69</sup>

The legacy of this doctrine continues today through fights against destructive fossil fuel projects that use land and water relied upon by Indigenous and Native people, and the ongoing disenfranchisement and austerity imposed on these communities. In the 2005 Supreme Court Case of *City of Sherrill, New York v. Oneida Indian Nation*, the Oneida Indian Nation tried to assert tribal sovereignty over lands purchased on the open market. In her ruling, Justice Ruth Bader Ginsberg wrote that “...fee title to the lands occupied by Indians when the colonists arrived became vested in the sovereign – first the discovering European nation and later the original states and the United States.” In other words, the United States government, and not the Oneida Indian Nation, were sovereign over the purchased land.<sup>70</sup>

Sovereignty has ironically been used to exclude Indigenous and Native people from equal protection, especially when equal protection is more narrowly defined around racial categories.<sup>71</sup>

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68 Mapping LGBT Equality in America, Movement Advancement Project, May 28, 2015, <http://www.lgbtmap.org/file/Mapping%20Equality%20for%20LGBT%20Americans%20Post%20SCOTUS.pdf>.

69 “Doctrine of Discovery,” Upstander Project, accessed May 22, 2019, <https://doctrineofdiscovery.org/>.

70 “Sherrill v. Oneida Opinion of the Court,” Doctrine of Discovery, August 1, 2018, <https://doctrineofdiscovery.org/sherrill-v-oneida-opinion-of-the-court/>.

71 Stuart Minor Benjamin, “Equal Protection and the Special Relationship: The Case of Native Hawaiians,” *The Yale Law Journal* 106 (1996): 537-612, [https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1008&context=faculty\\_scholarship](https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1008&context=faculty_scholarship).



In fact, Indigenous and Native people were not guaranteed citizenship under the 14th Amendment that granted legal citizenship status to former slaves, and had to fight for their right to vote in every state. The Voting Rights Act of 1965 strengthened that right, but when *Shelby County v. Holder* struck down key parts of that legislation in 2013, Indigenous and Native people were faced with new attacks on their right to vote. This was evident in North Dakota in 2018, when a law requiring voters to present an ID with their residential address was in effect. Tens of thousands of rural voters, many of them Indigenous and Native Americans who live on reservations and do not have a street address, were disenfranchised by this law. To secure their right to vote, they organized delegations to help register community members leading up to the election.

A moral reorientation of our political and economic system must include affirmations of the self-determination of Indigenous and Native peoples and recognition of their interests in decisions that affect their land and communities. This means giving tribes the legal authority to protect the lands and waters in their territories, jurisdiction over crimes committed in their territories, and, where appropriate, all the rights of any sovereign nation.<sup>72</sup>

**“...the Court has refused to acknowledge my children’s Native heritage and the protections granted to us by The Indian Child Welfare Act of 1978 (ICWA). This federal law acknowledged a deliberate government campaign to wrongfully remove Native children from their parents to place them in White homes and institutions going back to the 19th century. To date between one quarter to one third of all Native families have been forcibly separated. ... Our plea is simple:**

- 1) Keep families together, including at the border.**
- 2) Do not confuse poverty with abuse and neglect.**
- 3) Honor the treaty and sovereign Nation rights of the original people of this land, and bring our children home... My children have a right to live with their family. My children have sovereign nation status rights to be recognized. I will always fight for my children’s rights. I will always fight for my family.”**

*Jennina Gorman, Pennsylvania*



<sup>72</sup> The different status of tribes and their federal recognition of sovereignty is complex territory that requires the meaningful engagement and broad representation of Indigenous and Native communities. For this reason, this section offers an overview of the Doctrine of Discovery and its long-term implications, reflecting ongoing conversations with various Indigenous, Native and Tribal leaders involved in the Poor People’s Campaign.

# INVESTMENTS IN DOMESTIC TRANQUILITY





## INVESTMENTS IN DOMESTIC TRANQUILITY

### **POOR PEOPLE'S CAMPAIGN DEMANDS**

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1. We demand the immediate implementation of federal and state living wage laws that are commensurate for the 21st century economy, guaranteed annual incomes, full employment, and the right for all workers to form and join unions.

2. We demand equal pay for equal work.

3. We demand public infrastructure projects and sustainable, community-based and controlled economic initiatives that target poor urban and rural communities.

4. We demand fully-funded welfare programs that provide cash and in-kind assistance directly to the poor, including poor families. We demand an end to the attacks on SNAP, HEAP and other vital programs for the poor.

5. We demand reinvestment in and the expansion of public housing, ensuring that all have a decent house to live in.

6. We demand a change in the current poverty standards. We demand an accurate assessment of who is poor — based on access to decent and adequate housing, education, health care, water, sanitation and public utilities, childcare, as well as income, savings, debt, and welfare — and that is made widely available to all.

## KEY FINDINGS

- A \$15 federal minimum wage enacted immediately would raise pay for 49 million workers by a combined \$328 billion per year. At \$22 per hour, 83 million workers would get \$1 trillion more in pay. These pay raises dwarf the \$7.1 billion in “tax cut bonuses” employers gave U.S. workers in 2018.<sup>73</sup>
- As an immediate measure, restoring Temporary Assistance for Needy Families (TANF) to previous funding levels would provide a modicum of relief to poor families who deserve a fully functional safety net. TANF has not been adjusted for inflation since the Clinton administration, which in 2019 puts the program \$8.9 billion under its 1996 level. Restoring that \$8.9 billion would cost less than the roughly \$14 billion the United States spends each year on increased border patrols, deportations, and incarceration.
- An annual wealth tax on just the 75,000 richest U.S. households would generate \$275 billion per year — more than enough to put 2.5 million people to work fixing our public infrastructure.

Poverty has many causes, and they are all rooted in this country’s current and past policy decisions. Slavery, sharecropping, racial quota systems for immigration, deportations, Jim Crow, redlining, and a host of other deliberate decisions created an economic system that in fact demanded some segment of the population remain poor.

While racism drove many of these policies and opportunity has been systematically denied to people of color, all races have suffered from policies that seek to consolidate, rather than share, this country’s wealth. Sharecropping was a legal extension of slavery that allowed unscrupulous landlords to charge high interest rates and dictate how and for how much sharecroppers could sell their crops. Although sharecropping exploded as an extension of slavery after the Civil War, two-thirds of sharecroppers were poor and White. In the 1930s, Black and White sharecroppers united to form the Southern Tenant Farmers Union to organize for fair pay and lending practices.<sup>74</sup>

In 2016, White people made up the largest share of poor and low-income people in the U.S., at 66 million. But the share of White people in this category is 33% — far below the share of Blacks (60%), Latinx (64%), and Indigenous and Native people (59%) who are either poor or low-income.<sup>75</sup> Systemic racism has contributed to racial wealth gaps and disparities in asset ownership and labor participation rates, especially between Black and White populations. This has, in turn, been used to sow deep mistrust and division among poor White and poor Black, Brown, and Indigenous and Native people in this country. And yet, all are poor and facing similar struggles. Just as in the past, this common ground is bringing them together against these injustices.

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73 “Trump Tax Cuts,” Americans for Tax Fairness, accessed May 21, 2019, <https://americansfortaxfairness.org/issues/trumptaxcuttruths/>

74 “Slavery By Another Name,” PBS, accessed May 22, 2019, <https://www.pbs.org/tpt/slavery-by-another-name/themes/sharecropping/>.

75 Based on the number of people who fell below a “low-income” threshold defined as twice the supplemental poverty measure calculated by the U.S. Census Bureau. Under this alternative measure, a family of four with two adults and two children who rented their home was in poverty if they made less than \$27,005 in 2017.



**“I didn’t know that I had White brothers and sisters who knew what it was like to be poor.”**

*Idalin Bobé, New York*

Where policy has introduced inequality, policy must undo it. We need a full range of policies to right these wrongs: a living wage for all; the right to unionize and to receive equal pay; job creation through infrastructure and other badly needed investments; a federal jobs guarantee for each person willing and able to work who is excluded from the private job market; and a robust, accessible, and fully funded safety net for those for whom work is not the right option are all required to ensure that no person in the United States lives in poverty.

To make sure these policies reach all of those who are suffering, we must come to terms with the true extent and impact of poverty in this country. Our current poverty statistics reveal only part of the problem. A true accounting of who is poor would take into consideration the cost of housing, food and medicine, and all government policies that both alleviate and exacerbate poverty in all its forms.

## **THE RIGHT TO A LIVING WAGE JOB**

Low pay, job scarcity or inaccessibility, and attacks on unionization all conspire to keep people in poverty. Anyone working in the U.S. must be able to live with dignity and security. Enacted together, job creation, job guarantees, and living wages would reinforce one another, ensuring both higher employment rates and higher incomes. Along with these economic policies must come laws protecting the right to unionize, which has been whittled down by years of attacks on workers and organized labor. Newly created jobs can be oriented towards rebuilding this country from the inside out, both addressing our infrastructure weaknesses and implementing innovations in energy efficiency, engineering, and other fields. The result would redefine how local economies are integrated into the national economy to work for the people and the planet.

### ***Full Employment and a Federal Job Guarantee***

Since the Great Recession, unemployment levels have steadily fallen. But even with the currently low U.S. unemployment rate, there are millions of Americans who are effectively left out of the economy. Much of the falling unemployment rate since the Great Recession can be attributed not to job growth, but to people dropping out of the labor force altogether in an increasingly harsh labor market.<sup>76</sup>

<sup>76</sup> Elise Gould, “Unemployment Rate hits New Low for the Recovery, But for the Wrong Reasons,” Economic Policy Institute (EPI), May 4, 2019, <https://www.epi.org/press/unemployment-rate-hits-new-low-for-the-recovery-but-for-the-wrong-reasons/>.



Indeed, the presently low unemployment reflected by the standard unemployment rate (called the U-3 rate) does not include all working age people who are unemployed. It only counts people without jobs who have been actively looking for work in the last four weeks. The more comprehensive U-6, or real employment rate, includes the underemployed (people who are part-time or temporary employees through no choice of their own), marginally attached workers (people who have been looking for work during the past year), and discouraged workers (people who have given up looking for work altogether). Unemployment rates as measured by the U-6 rates are often double the standard U-3 measure, and offer a better picture of the structural unemployment that has surfaced since the Great Recession.

Unemployment rates also vary drastically by location, race, and other factors. Rural workers,<sup>77</sup> Black workers, Latinx workers, and young people<sup>78</sup> all have higher than average rates of unemployment.

**“The poverty in this area is not accidental. This was Native land, and then it became farming land. And there were industries like [General Motors] and others. It was a prosperous area and it worked for people. The San Fernando Valley was a place you wanted to be. It was plentiful. When NAFTA was signed, the factories left and jobs declined. Within a period of 5-10 years, everything changed.”**

*Diego Ortiz, California*



It is important to note that, following the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as welfare reform, work requirements have become a staple of reform proposals for our public safety net. Today, Medicaid, the Supplemental Nutrition Assistance Program (SNAP, or food stamps), Section 8 tenant-based rental assistance (vouchers), and public housing are all targets for new work requirements. Yet none of these proposals do anything to solve the problem of a lack of suitable jobs.

U.S. economic policy defines “full employment” as an unemployment rate of around 4%, meaning that under our current economic rules, someone is always left out.<sup>79</sup> True full employment, where everyone who wants and is able to work has suitable work to do, would go great lengths toward ending poverty. However, quality jobs are lacking in the private sector. Bureau of Labor Statistics reports from March 2019 reveal that 6.2 million workers remain unemployed; an additional

<sup>77</sup> “Rural Employment and Unemployment,” United States Department of Agriculture, last modified July 6, 2017, <https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-employment-and-unemployment/>.

<sup>78</sup> “Labor Force Statistics from the Current Population Survey,” Bureau of Labor Statistics (BLS), last modified April 5, 2019, [https://www.bls.gov/web/empsit/cpsee\\_e16.htm](https://www.bls.gov/web/empsit/cpsee_e16.htm).

<sup>79</sup> “What Is the Lowest Level of Unemployment that the US Economy Can Sustain?,” Board of Governors of the Federal Reserve System, accessed May 22, 2019, [https://www.federalreserve.gov/faqs/economy\\_14424.htm](https://www.federalreserve.gov/faqs/economy_14424.htm).

4.5 million are working part-time though they would prefer full-time work; and 1.4 million people have given up actively seeking work (and therefore are not counted as officially unemployed).<sup>80</sup> All told, unemployed and underemployed people still substantially outnumber job openings.<sup>81</sup> As much as 40% of the U.S. workforce is employed in insecure positions, such as temporary, part-time, and “on-call” workers, contractors, and the self-employed.<sup>82</sup>

**“Home care workers like me, we don’t have any sick days. We don’t have any vacation days. Not a single one. We don’t get health insurance. When I finally got health care, I couldn’t afford the deductibles.... This isn’t just about me. There are millions of people who work just as hard as me, and who are struggling. I feel like we are the forgotten ones.... We need raises. We need paid time off. We need sick days and vacation time. We need you to recognize our value.”**

*Joyce Barnes, Virginia*

A federal jobs guarantee would offer a public option for employment for all workers. It would provide access to an annual minimum income, training, and benefits. One proposal for a jobs guarantee by economists William Darity and Darrick Hamilton calculates the government cost at \$543 billion per year to employ 10.7 million workers. Under this plan, the government would cover compensation and benefits, the employer’s share of payroll taxes and supplies, and capital goods related to employment, thereby minimizing private costs.<sup>83</sup> This specific proposal, however, assumes a lower minimum wage (\$11.83/hour) than this report’s suggested minimum wage increase (see below). A federal jobs guarantee with a higher wage would cost more; however, the benefits could be greater as well.

Indeed, a federal jobs guarantee would have cascading positive effects. It would drastically reduce unemployment and underemployment and indirectly raise the floor of wage standards in the private sector. It would deliver ready labor for national and community projects, such as infrastructure or clean energy projects, among others. Alongside a higher minimum wage or living wage, it would send more dollars flowing into local economies and result in some measure of costs savings for the federal government, since people earning more income would need fewer services from programs like food stamps.

One solution that is often proposed for poverty and a lack of work is a basic income guarantee. These proposals have some appeal. However, current models for a basic income guarantee propose

80 “Employment Situation Summary,” Bureau of Labor Statistics (BLS), last modified May 3, 2019, <https://www.bls.gov/news.release/emp/sit.nr0.htm>.

81 “Job Openings and Labor Turnover — March 2019,” Bureau of Labor Statistics (BLS), May 7, 2019, <https://www.bls.gov/news.release/jolts.nr0.htm>.

82 William Darity and Darrick Hamilton, “The Federal Job Guarantee,” *Intereconomics* 53 (May/June 2018): 179-180, <https://archive.intereconomics.eu/year/2018/3/the-federal-job-guarantee/>.

83 Mark Paul, William Darity, and Darrick Hamilton, “The Federal Job Guarantee — A Policy to Achieve Permanent Full Employment,” Center on Budget and Policy Priorities (CBPP), March 9, 2018, <https://www.cbpp.org/research/full-employment/the-federal-job-guarantee-a-policy-to-achieve-permanent-full-employment>.

to give every adult the same amount of money, failing to address income inequality or to discourage the proliferation of low benefit, low pay, or low security jobs. Instead, a federal jobs guarantee, predicated upon the federal government serving as employer, could present a public employment option that would offer an annual minimum wage (based on the poverty line, indexed for inflation and regional disparities), benefits (health insurance, retirement, paid sick leaves), as well as on-the-job-training and apprenticeships.

### ***Living Wages, Unions and Equal Pay for Equal Work***

The current minimum wage is criminally inadequate. Forty-four percent of people experiencing homelessness have a job, but are unable to afford shelter.<sup>84</sup> However, even a \$15 wage is not enough to live in most places in the United States. A single adult living in Tulsa, Oklahoma would need to work year-round, full-time at a wage of \$16.82 per hour to meet all of their expenses. In San Francisco, that same adult would need to earn \$33.63 per hour to make ends meet.<sup>85</sup> For families with children, the wage must be even higher. According to the National Low-Income Housing Coalition, an hourly wage of \$22.10 is the national average wage needed to afford a two-bedroom apartment.<sup>86</sup>



One factor that has contributed to the decline in wages is the decline in unions. Union membership has fallen rapidly over the past few decades, and more recently, the right and ability to organize unions has come under increasing attack. Between 1968 and 2017, the share of U.S. workers in unions

84 William Darity and Darrick Hamilton, "The Federal Job Guarantee," *Intereconomics* 53 (May/June 2018): 179-180, <https://archive.intereconomics.eu/year/2018/3/the-federal-job-guarantee/>.

85 "Family Budget Calculator," Economic Policy Institute (EPI), <https://www.epi.org/resources/budget/>.

86 Dr. Andrew Aurand et al., "Out of Reach: The High Cost of Housing," National Low Income Housing Coalition (NLIHC), June 13, 2018, [https://reports.nlihc.org/sites/default/files/oor/OOR\\_2018.pdf](https://reports.nlihc.org/sites/default/files/oor/OOR_2018.pdf).

fell from 24.9% to 10.7%.<sup>87</sup> This trend has been precipitated by so-called “right-to-work” (RTW) laws that allow workers to opt out of paying union dues while still enjoying the benefits of a union contract. These laws have been passed in some 27 states, and they continue to chip away at unions’ bargaining power. Wages in “right-to-work” states are between 3% and 13% lower than in other states.<sup>88</sup>

Between 1973 and 2017, non-union men have lost roughly \$2,700 per year, and non-union women about half as much.<sup>89</sup> This represents roughly \$150 billion each year no longer showing up in the paychecks of non-union workers, simply because organized labor has declined.

**“The only way we can lift ourselves up and out of poverty is by demanding what we need... and that’s the right to live a good quality of life. My family deserves to live above the poverty line. I demand a union so that I can have all of the rights I deserve as a worker.”**

*Solo Little John, Wisconsin*



If restoring the right to unionize also restored unionization rates and wages seen in the past, we could see as much as a \$150 billion increase in wages by securing this right.

In the absence of widespread unionization, poor people-led campaigns like the Fight for \$15 have led the way toward increasing the minimum wage in cities and states across the country. A higher minimum wage would benefit everyone. A higher minimum wage would boost consumer spending and generate new economic activity, because lower-income households spend more of their income than higher-income households, who tend to save more.<sup>90</sup> If real living wages were implemented, public assistance programs could save substantial resources. According to a University of California, Berkeley study, public assistance programs spend \$153 billion a year as a direct result of low wages, most of which could be saved by legislating a living wage.<sup>91</sup>

87 Saurav Sarkar and Shailly Gupta Barnes, eds., “The Souls of Poor Folk: Auditing America 50 Years After the Poor People’s Campaign Challenged Racism, Poverty, the War Economy/Militarism and Our National Morality,” Institute for Policy Studies (IPS), Poor People’s Campaign, Kairos Center for Religions, Rights and Social Justice, and Repairers of the Breach, April 12, 2018, <https://ips-dc.org/wp-content/uploads/2018/04/PPC-Audit-Full-410835a.pdf>.

88 Elise Gould and Will Kimball, “Right-to-Work States Still Have Lower Wages,” Economic Policy Institute (EPI), April 22, 2015, <https://www.epi.org/publication/right-to-work-states-have-lower-wages/>.

89 Jake Rosenfeld, Patrick Denice, and Jennifer Laird, “Union Decline Lowers Wages of Nonunion Workers,” Economic Policy Institute (EPI), August 30, 2016, <https://www.epi.org/publication/union-decline-lowers-wages-of-nonunion-workers-the-overlooked-reason-why-wages-are-stuck-and-inequality-is-growing/>.

90 “The Impact of Raising the Federal Minimum Wage to \$12 by 2020 on Workers, businesses and the Economy,” Economic Policy Institute (EPI), April 27, 2016, <https://www.epi.org/publication/the-impact-of-raising-the-federal-minimum-wage-to-12-by-2020-on-workers-businesses-and-the-economy-testimony-before-the-u-s-house-committee-on-education-and-the-workforce-member-forum/>.

91 Ken Jacobs, Ian E. Perry, and Jenifer MacGilvary, “The High Public Cost of Low Wages,” UC Berkeley Labor Center, April 13, 2015, <http://laborcenter.berkeley.edu/the-high-public-cost-of-low-wages/>.

In fact, if the federal minimum wage was increased to \$15, 49 million workers would see raises that would total \$328 billion. If the minimum wage was increased to the \$22 housing wage estimated by the National Low-Income Housing Coalition, 83 million workers would get a cumulative raise of more than \$1 trillion.<sup>92</sup>

Closing pay gaps based on race, gender, LGBTQIA, and disability<sup>93</sup> would do even more to raise up poor people and the economy over all. Black men make 22 percent less and Black women make 34.2 percent less than White men in the same circumstances.<sup>94</sup> Women of all races earn 18.9 percent less than men.<sup>95</sup> Median wages for certain Asian and other groups like Bangladeshis, Native Hawaiians and Pacific Islanders, and Hmong also lag behind those for White people.<sup>96</sup> Gay and bisexual men earn on average 10 to 32% less than similarly qualified straight men, and according to another study, transgender women workers' earnings fell by one-third following their gender transitions.<sup>97</sup>

Closing the gender pay gap could add \$513 billion per year to the national economy.<sup>98</sup> This alone would cut poverty rates among working women in half and cut the number of children of working mothers living in poverty nearly in half. Closing the racial pay gap<sup>99</sup> would add \$2.1 trillion to the economy in a single year.<sup>100</sup>

People of color, women, people with disabilities, and LGBTQIA people also face rampant discrimination in the workplace, beyond the problem of unequal pay. One 2016 study found that Black and Asian people were twice as likely to be called in response to a job application if all indications of race were removed from their resumes.<sup>101</sup> A woman's pay decreases by 4% for each child she has, while a man's

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92 David Cooper, "Raising the Federal Minimum Wage to \$15 by 2024 Would Lift Pay for Nearly 40 Million Workers," Economic Policy Institute (EPI), February 5, 2019, <https://www.epi.org/files/pdf/160909.pdf> (for \$15 wage figure). Calculation for \$22 wage by Economic Policy Institute for the Poor People's Campaign.

93 Analysis of gender pay gaps are based on a binary gender model and cannot capture wage gaps based on gender identity or expression.

94 Valerie Wilson and William M. Rodgers III, "Black-white wage gaps expand with rising wage inequality," September 20, 2016, <https://www.epi.org/publication/black-white-wage-gaps-expand-with-rising-wage-inequality/>.

95 Ariane Hegewisch, M. Phil and Heidi Hartmann, "The Gender Wage Gap: 2018 Earnings Differences by Race and Ethnicity," March 7, 2019, <https://iwpr.org/publications/gender-wage-gap-2018/>.

96 "Making America Work: Asian Americans, Native Hawaiians and Pacific Islanders in the Workforce and Business," 2014, Asian American Federation and Asian Americans Advancing Justice, <https://advancingjustice-la.org/sites/default/files/MakingAmericaWork2015.pdf>.

97 Crosby Burns, "The Gay and Transgender Wage Gap," Center for American Progress, April 16, 2012, <https://www.americanprogress.org/issues/lgbt/news/2012/04/16/11494/the-gay-and-transgender-wage-gap/>.

98 "Pay Equity and Discrimination," Institute for Women's Policy Research, accessed February 9, 2019, <https://iwpr.org/issue/employment-education-economic-change/pay-equity-discrimination/>.

99 See, Gould, Elise, Janelle Jones, and Zane Mokhiber, "Black Workers Have Made No Progress in Closing Earnings Gaps with White Men Since 2000," Economic Policy Institute (EPI), Working Economics Blog, September 12, 2018, <https://www.epi.org/blog/black-workers-have-made-no-progress-in-closing-earnings-gaps-with-white-men-since-2000/>. Black Men Earn 70 Percent of What White Men Earn.

100 Sarah Treuhaft, Justin Scoggins, and Jennifer Tran, "The Equity Solution: Racial Inclusion Is Key to Growing a Strong New Economy," PolicyLink, October 22, 2014, <https://policylink.app.box.com/v/equity-brief>.

101 Dina Gerdeman, "Minorities Who 'Whiten' Job Resumes Get More Interviews," Harvard Business School, Working Knowledge, May 17, 2017, <https://hbswk.hbs.edu/item/minorities-who-whiten-job-resumes-get-more-interviews>.



pay increases by 6%, and women are more likely to lose promotions, pay, or even their jobs when they become pregnant.<sup>102</sup> Another study found that revealing a disability that would have no bearing on job duties resulted in 26% fewer callbacks from a job application.<sup>103</sup> Discrimination on the basis of LGBTQIA identification is not illegal in many states, and studies have found that an indication of LGBT affiliation on a resumé resulted in fewer job call-backs,<sup>104</sup> while the transgender unemployment rate is three times the national average.<sup>105</sup> Despite laws against employment discrimination on the basis of race, gender, or disability, enforcement was uncommon: out of one million complaints submitted to the Equal Employment Opportunity Commission since 2010, more than 80% of workers received no relief.<sup>106</sup>

### ***Infrastructure Development***

Infrastructure improvements would create thousands or even millions of good jobs, and would radically improve quality of life across the nation. In their 2017 report card for the nation, the American Society of Civil Engineers gave the state of United States infrastructure a D+. Drinking water received a grade of D; hazardous waste management received a D+; and transit received a D-.<sup>107</sup> Alongside the crises in Flint, Lowndes County, and other cities and towns that are experiencing failing water infrastructure, it is all too clear how a comprehensive infrastructure plan that would modernize water and sanitation systems, build roads, repair falling bridges, expand access to public transit and broadband internet, and re-open or keep open critical public institutions like libraries, recreation centers, hospitals, and fire stations could break through the isolation of small towns and revive local economies, reversing a longstanding trend of funding cuts and neglected maintenance.

The benefits of better infrastructure are far-reaching. School facility investments have been shown to directly raise the housing wealth of surrounding communities<sup>108</sup> and lead to better student performance. Investments in healthier drinking water can help society avoid the staggering costs of childhood lead exposure.<sup>109</sup>

102 Natalie Kitroeff and Jessica Silver-Greenberg, “Pregnancy Discrimination Is Rampant Inside America’s Biggest Companies,” *New York Times*, February 8, 2019, <https://www.nytimes.com/interactive/2018/06/15/business/pregnancy-discrimination.html>.

103 Mason Ameri et al., “The Disability Employment Puzzle: A Field Experiment on Employer Hiring Behavior,” *ILR Review* 72, no. 2 (2018): 329-364, <https://doi.org/10.3386/w21560>.

104 Emma Mishel, “Discrimination Against Queer Women in the US Workforce: A Resume Audit Study,” *Socius* (2016), <https://doi.org/10.1177%2F2378023115621316>.

105 “2017 Workplace Equality Fact Sheet,” Out & Equal, “accessed May 22, 2019, <https://outandequal.org/2017-workplace-equality-fact-sheet/>.

106 Maryam Jameel, Leslie Shapiro, and Joe Yerardi, “More Than 1 Million Employment Discrimination Complaints Have Been Filed with the Government Since 2010,” *Washington Post*, February 28, 2019, [https://www.washingtonpost.com/graphics/2019/business/discrimination-complaint-outcomes/?utm\\_term=.f7559699e378](https://www.washingtonpost.com/graphics/2019/business/discrimination-complaint-outcomes/?utm_term=.f7559699e378).

107 “America’s Infrastructure Scores a D+,” Infrastructure Report Card, accessed May 22, 2019, <https://www.infrastructurereportcard.org/>.

108 Stephanie R. Cellini, Fernando Ferreira, Jesse Rothstein, “The Value of School Facilities: Evidence from a Dynamic Regression Discontinuity Design,” September 28, 2008, <https://economics.yale.edu/sites/default/files/files/Workshops-Seminars/Labor-Public/ferreira-081010.pdf>.

109 Leonardo Trasande and Yinghua Liu, “Reducing the Staggering Costs of Environmental Disease in Children, Estimated at \$76.6 Billion in 2008,” *Health Affairs* 30, no. 5 (2011): 863-870, <https://doi.org/10.1377/hlthaff.2010.1239>.

**“I dream of barbeques, birthday parties, and so much more. How cool would it be to have an option to swim at a pool that’s not as far away as the YMCA, and not cost as much money?”**

*Amaya Lynn Rankin, Kansas*

Rural poverty is persistently worse than urban poverty in the U.S. In 2015, the rate of poverty in rural areas was 16.7%, compared to 13% in cities and 10.8% in suburbs. In the 1980s, unemployment was worse in cities than rural areas. Unemployment has become a greater problem today in rural communities. Rural workers are poorer than urban workers, and nearly one-third of them live in deep poverty. Nearly 20% of rural workers live in households earning below 150% of the poverty level, compared to 13.5% of urban workers with the same income levels.<sup>110</sup>

Poor towns like Tchula, Mississippi, that lack not only technology infrastructure but also infrastructure and resources for disaster relief, suffer greatly because of these gaps. Recent storms have left trailers steeped in mold after flooding from the Tchula lake submerged homes. Putrid water runs through household pipes; and citizens remain trapped between their state government’s inaction and local government’s lack of resources.

Rural communities also often struggle with a lack of access to technology infrastructure. Among rural residents, 27.4% do not have access to 25 Mbps broadband, compared to 0.6% of city residents.<sup>111</sup> This disparity is primarily produced by market dynamics, as companies cannot justify building telecommunications infrastructure in low-density areas due to lower profits. Access to digital broadband is also shaped by income, as broadband service in America is relatively more expensive compared to other countries. As a result of these factors, 31.4% of households whose annual incomes fall below \$50,000 with children ages 6 to 17 do not have a high-speed internet connection at home.<sup>112</sup> This digital divide puts children at an educational disadvantage, while significantly restricting adults’ ability to access essential information, such as job opportunities or social services.

Much like the construction of roads and highways during and after the New Deal allowed greater participation in the national economy by rural areas, Indigenous and Native reservations, and disadvantaged communities, investing in the expansion of broadband internet infrastructure can help “future-proof” underserved communities that are otherwise excluded from the economic benefits of a largely privatized national broadband network. The Federal Communications Commission’s “E-Rate” program, which supports broadband internet in rural, small town, and underserved urban schools and libraries, is currently funded with an annual cap of \$3.9 billion.<sup>113</sup> Expanding high-capacity

<sup>110</sup> Brian Thiede et al., “6 Charts That Illustrate the Divide Between Rural and Urban America,” PBS, March 17, 2017, <https://www.pbs.org/newshour/nation/six-charts-illustrate-divide-rural-urban-america>.

<sup>111</sup> Adie Tomer, Elizabeth Kneebone, and Ranjitha Shivaram, Signs of Digital Distress, Brookings Institution, September 12, 2017, <https://www.brookings.edu/research/signs-of-digital-distress-mapping-broadband-availability/>.

<sup>112</sup> John B. Horrigan, “The Numbers Behind the Broadband Homework Gap,” Pew Research Center, April 20, 2015, <https://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/>.

<sup>113</sup> “E-Rate — Schools & Libraries USF Program,” Federal Communications Commission (FCC), accessed May 22, 2019, <https://www.fcc.gov/general/e-rate-schools-libraries-usf-program>.

broadband to every unserved community in the country could cost anywhere from \$20 billion<sup>114</sup> to \$80 billion<sup>115</sup>, but the social and economic returns of such an investment would be manifold. According to an analysis by the United States Department of Agriculture (USDA), the agricultural benefits alone of expanding rural broadband e-connectivity would equal \$18 billion in annual economic returns for the U.S.<sup>116</sup>

According to one proposal, an investment of \$2 trillion over 10 years would provide in its first year:

- \$35 billion to replace aging drinking water pipes and wastewater systems;
- \$10 billion for investment in broadband technology;
- \$10 billion to repair and modernize schools;
- \$35 billion for transit networks;
- \$39 billion for roads and bridges;
- \$50 billion for energy investments;
- \$6 billion for affordable housing;
- \$6 billion for airports, ports and waterways;
- \$3.5 billion for Indian Country and public lands; and
- \$3 billion for veterans' affairs.

In its first year, this proposal could be expected to create 2.5 million jobs building our nation's infrastructure.<sup>117</sup>

According to the Economic Policy Institute, an infrastructure investment of \$100 billion would lead to a GDP increase of \$150 billion.<sup>118</sup> Using this rule of thumb, an annual \$200 billion investment could result in an annual GDP boost of \$314 billion.

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<sup>114</sup> Dian Schaffhouser, "Cost to Connect Rural America: \$19 Billion or Less," The Journal, February 20, 2018, <https://thejournal.com/articles/2018/02/20/cost-to-connect-rural-america-19-billion-or-less.aspx>.

<sup>115</sup> Marguerite Reardon, "Why Rural Areas Can't Catch a Break on Speedy Broadband," CNET, October 23, 2018, <https://www.cnet.com/news/why-rural-areas-cant-catch-a-break-on-speedy-broadband/>.

<sup>116</sup> "A Case for Rural Broadband: Insights on Rural Broadband Infrastructure and Next Generation Precision Agriculture Technologies," United States Department of Agriculture, April 2019, <https://www.usda.gov/sites/default/files/documents/case-for-rural-broadband.pdf>.

<sup>117</sup> "21st Century New Deal for Jobs," Congressional Progressive Caucus (CPC), May 25, 2017, <https://cpc-grijalva.house.gov/21st-century-new-deal-for-jobs>.

<sup>118</sup> Josh Bivens, "The Potential Macroeconomic Benefits From Increasing Infrastructure Investment," Economic Policy Institute (EPI), July 18, 2017, <https://www.epi.org/publication/the-potential-macroeconomic-benefits-from-increasing-infrastructure-investment/>.

## THE RIGHT TO SOCIAL WELFARE

While these policies would address the work and income deficits in our current economy, work solutions alone are not enough. Not everyone can or should work at every point in their lives, and the social and economic contributions of unpaid work, such as caregiving and housework, must be acknowledged and supported.

There is no excuse for a country with our resources to tolerate homelessness, hunger, and conditions like the loss of heat or electricity that poor people currently endure. Our nation must guarantee basic living standards for all people. We are far from meeting that standard, even for our nation's children. About 3 million U.S. children live in families subsisting on \$2 per day, mirroring the extreme poverty of some of the poorest countries in the world.<sup>119</sup>

Our children are suffering because we know what works, but the government is choosing not to do it. Marian Wright Edelman's Children's Defense Fund (CDF) reports, since 1967, safety net programs have cut official child poverty nearly in half.<sup>120</sup> Yet millions of children are left behind because we don't invest in expanding the programs that work. Many in government are instead seeking to cut the very programs that help our struggling children and their families.

### ***A Secure Safety Net***

All Americans deserve a basic standard of living and the dignity that comes with it. The nation's safety net is made up of a web of programs that give access to food, housing, and income to those in need, and to those whose primary responsibilities involve unpaid labor, such as child care, elder care, and house work. Core safety net programs in the United States include Temporary Assistance for Needy Families (TANF), which provides income assistance and other services, Supplemental Nutrition Assistance Programs (SNAP or food stamps), child nutrition programs, housing programs, and unemployment insurance.

CDF has estimated that the cost of lost productivity, worsened health, and increased crime rates that stem from child poverty total roughly \$700 million per year or 3.5% of GDP.<sup>121</sup> Another study found that eliminating child poverty between the prenatal years and age 5 would increase lifetime earnings between \$53,000 and \$100,000 per child — a total lifetime benefit of \$20 to \$36 billion for all babies born in a given year.<sup>122</sup> When it comes to child poverty, the costs of inaction are staggering.

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119 "Overview of the State of America's Children 2017," Children's Defense Fund, December, 2017, <https://www.childrensdefense.org/wp-content/uploads/2017/12/state-of-americas-children-overview.pdf>.

120 "How to Reduce Child Poverty Now," in *Ending Child Poverty Now*, Children's Defense Fund, May 3, 2019, <https://www.childrensdefense.org/policy/resources/chapter-2/>.

121 Michael McLaughlin and Mark R. Rank, "Estimating the Economic Cost of Childhood Poverty in the United States," *Social Work Research* 42, no. 2 (June 2018): 73, <https://doi.org/10.1093/swr/svy007>.

122 Greg Duncan, Ariel Kalil, and Kathleen Z. Guest, "Economic Costs of Early Childhood Poverty: Raising Young Children Out of Poverty Can Substantially Improve Their Odds of Economic and Life Success, Issue #4," 2-3 (2008), Partnership for America's Economic Success, quoted in "Ending Child Poverty Now," Children's Defense Fund, 14, <https://www.childrensdefense.org/wp-content/uploads/2019/04/Ending-Child-Poverty-2019.pdf>.

In fact, CDF has also found that relatively modest policy changes can be combined to lift millions of children out of poverty. According to a CDF-commissioned study from the Urban Institute, by investing \$52 billion per year, we could reduce child poverty by 57%, Black child poverty by 65%, and improve economic conditions for 95% of all poor children. These combined policy improvements would have increased government expenditures \$52.3 billion if enacted in 2015 — only 1.4% of the \$3.7 trillion spent by the federal government in 2015 and 0.3% of the country's gross domestic product (GDP) that year.<sup>123</sup>

**“If we love America and love our children, you and I must build a powerful movement to end child poverty and transform the political and economic priorities in a nation that has ignored the cries of millions of poor children to stack the decks in favor of a few exceedingly rich and powerful billionaires and millionaires.”**

*Marian Wright Edelman, Washington D.C.*

Despite evidence that anti-poverty programs have significantly decreased poverty in the United States, these programs have been threatened by budget cuts, stricter eligibility rules, and work requirements, among other changes. For instance, TANF has not been adjusted for inflation or child population growth since its passing in 1996, when it was set at an annual amount of \$16.5 billion. This means that the real value of the block grant to this program has declined 40% over the past 2 decades, by about \$8.9 billion in today's dollars. The 1996 welfare reform withheld assistance from poor families under false pretenses of “welfare to work.” In reality, the 1996 reform took the welfare away without providing the work. The 1996 law's restrictive rules now mean that many poor families do not receive any cash aid at all.

Meanwhile, the number of SNAP recipients grew from 26.3 million people in 2007 to 44.7 million people in 2011, when the nation was still recovering from the financial crisis.<sup>124</sup> Average SNAP benefits were reduced in 2017 by \$125 per person.<sup>125</sup>

Importantly, formerly incarcerated people, undocumented people, and many legal immigrants are generally ineligible or have restricted eligibility for these essential programs. Undocumented people cannot access benefits through SNAP, Medicaid (except in some emergencies), Supplemental Security Income, or TANF or Affordable Care Act subsidies. Even legal immigrants are barred from these programs unless they have held permanent resident status for at least five years.<sup>126</sup> To truly meet the needs of people in this country, programs must be accessible, when necessary, to all residents.

<sup>123</sup> Children's Defense Fund, “Ending Child Poverty Now.”

<sup>124</sup> Ben Senauer, “The Role of Food Stamps in the Recession,” Federal Reserve Bank of Boston, Communities & Banking Blog, August 6, 2012, <https://www.bostonfed.org/publications/communities-and-banking/2012/fall/the-role-of-food-stamps-in-the-recession.aspx>.

<sup>125</sup> “A Progressive Path Forward: The People's Budget,” Congressional Progressive Caucus (CPC), July 24, 2018, <https://cpc-grijalva.house.gov/uploads/Binder21.pdf>.

<sup>126</sup> “Fact Sheet: Immigrants and Public Benefits,” National Immigration Forum, August 21, 2018, <https://immigrationforum.org/article/fact-sheet-immigrants-and-public-benefits/>.



Various proposals for a restored safety net include new funding for:

- \$6.5 billion for SNAP;
- \$4.6 billion to improve Unemployment Insurance extended benefits, among other measures;<sup>127</sup>
- \$24.75 billion to restore TANF to its inflation-adjusted 1996 value;<sup>128</sup>
- \$1.2 billion to fund the end family homelessness initiative; and
- \$1.1 billion for child nutrition.<sup>129</sup>

Spending more money alone will not fix our safety net. Welfare rights groups have long insisted that the state block grant funding mechanism both restricts the agency of the poor and the responsibility of the federal government towards welfare recipients. Rather than being held directly accountable to recipients, the federal government grants allocations to states. States then have the authority to disburse those funds; however, they also have the ability to use those resources outside of core welfare purposes, including, for instance, child removal, foster care, and adoption services. Instead of

**“I am college-educated and have been in the workforce since I was 15 years old. I was raised in a small town of hard-working middle and upper middle-class people. I attended wonderful public schools...I am also an underemployed single mother of two living below the federal poverty level and a recipient of SNAP.... I’ve been at my current job for more than six years and in my current profession for 13 years. Right now, I only work about 15 hours a week. This is certainly not by choice...Until recently I was able to feed my family on my benefits alone. This has been absolutely necessary because all of my liquid income has to go toward massive debts I’ve accrued....but I recently learned that my SNAP benefits have been reduced by more than half... I now somehow have to survive on \$138 per month for my family of three. ...**

**We do not live in a “mom-friendly” or “child-friendly” country. We face inadequate paid maternity leave, abysmal postpartum health care, and equally appalling access to quality child care and public education. If these problems didn’t exist, I would never have needed to apply for SNAP in the first place.”**

*Elizabeth Strader, Indiana*



127 Hunter Blair, “The People’s Budget,” Economic Policy Institute, July 24, 2018, <https://www.epi.org/publication/the-peoples-budget-analysis-of-the-congressional-progressive-caucus-budget-for-fiscal-year-2019/>.

128 CPC notes that TANF has fallen to about 40% of its 1996 level, adjusting for inflation. This calculation restores the current spending of \$16.5 billion to its 1996 level.

129 “Progressive Path Forward: The People’s Budget.” Congressional Progressive Caucus.

supporting poor families, these kinds of services break them apart. By contrast, Head Start provides an important counter example to the state block grant program with its policy of “maximum feasible participation” for the poor, which has contributed to its success. (See below, “Investments in Our Future.”)

**“I was separated from my mother as a child due to her drug usage caused by poverty. I spent most of my youth as a ward of the state, in and out of juvenile detention centers. At the age of 18, sent to prison for five years only to get out a disenfranchised citizen. After almost 15 years, I’m still a disenfranchised citizen who can legally be discriminated against by employers, welfare programs, attorneys and landlords.”**

*Bo Williams, Alabama*



Supporting the right to social welfare also means making the process of receiving benefits more humane and dignified. The current system of administering benefits is characterized by stigma, negligence, and outright hostility. In one widely reported 2018 incident, a young woman visited the DeKalb Job Center in New York. After hours of waiting, police summoned by staff violently dragged her from the waiting area and took her son from her.

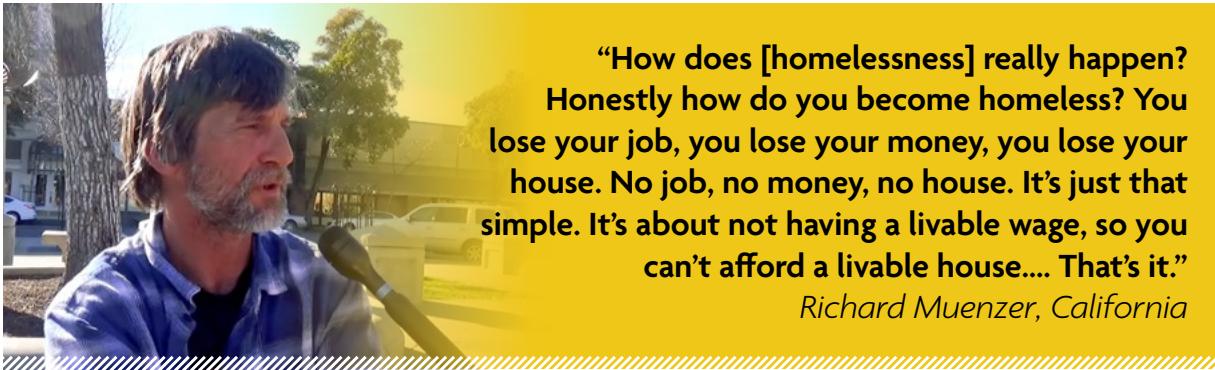
Unfortunately, inhumane treatment is not uncommon. A report by the Urban Justice Center found that 34% of surveyed public assistance and SNAP applicants said that interactions with assistance workers were “always” or “often” characterized by mean, hostile or nasty treatment, and another third of respondents said that they received this treatment from assistance workers “sometimes.” The same report found that the agency responsible for administering benefits failed to properly return or connect phone calls 64% of the time, and that more than half of public assistance applicants said a case worker had lost paperwork they submitted.<sup>130</sup>

The solution to these problems is simple. More aid should be provided directly to recipients. Indeed, the legacy of TANF, the successor to Aid to Dependent Families with Children (AFDC), and the result of the 1996 welfare reform, is one of indifference or worse to the needs of poor people. As a result, TANF lifts far fewer children out of poverty than its predecessor, AFDC, did.

As noted above, it is likely that enacting policies around living wages, job guarantees, and equitable and universal education would reduce somewhat the need for these safety net programs. But there will always be a need for a safety net, for those whose current circumstances make work unviable even if it is available.

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130 “The Bureaucracy of Benefits: Struggling to Access Public Assistance and SNAP in New York City,” Urban Justice Center, February 2019, <https://snp.urbanjustice.org/sites/default/files/Bureaucracy-of-Benefits-color.pdf>.



### ***A Right to Affordable Housing***

Shelter is an indisputable necessity for life and a basic human right. Yet, in the U.S. today, there is a widespread lack of affordable housing. This deficit is accompanied by safety problems common to many low-rent housing options and ongoing racism and discrimination in housing markets.

The precursors to today's federal affordable housing programs began in the 1930s with the creation of the Federal Housing Administration and the USDA's Resettlement Administration (now Rural Development), which improved housing for farmers. In 1965, one year after the establishment of war on poverty programs like Job Corps and food stamps, and the same year as the creation of Medicare and Medicaid, Congress created today's Department of Housing and Urban Development.

These housing programs help millions of Americans, but they have not kept pace with soaring housing prices and stagnating wages. Over the past 30 years, rents have gone up faster than income in nearly every urban area in the country. In 2016, there was no state or county in the nation where an individual earning the federal minimum wage of \$7.25 an hour could afford a two-bedroom apartment at market rent. In 2017, for every 100 extremely low-income renters, only 35 would find affordable housing.<sup>131</sup>

The "American Housing and Economic Mobility Act" is a proposal that calls for investing \$488.5 billion over 10 years to address the housing crisis.<sup>132</sup> It would allocate:

- \$445 billion over 10 years into a Housing Trust Fund;
- \$25 billion over 10 years to a Capital Magnet Fund to finance affordable housing, as well as day care centers, workforce development centers, and health clinic in low-income neighborhoods;
- \$10 billion over 10 years for infrastructure and development needs related to new housing;
- \$4 billion over 10 years to a Middle Class Housing Emergency Fund for use in high-cost housing areas;
- \$2 billion over 10 years to homeowners with negative equity in their homes;
- \$2 billion over 10 years for tribal housing needs; and
- \$523 million over 10 years for rural homeownership and rental homes.<sup>133</sup>

<sup>131</sup> Dr. Andrew Aurand et al., "The Gap: A Shortage of Affordable Homes," National Low Income Housing Coalition (NLIHC), March 2017, [https://nlihc.org/sites/default/files/Gap-Report\\_2017.pdf](https://nlihc.org/sites/default/files/Gap-Report_2017.pdf).

<sup>132</sup> "American Housing and Economic Mobility Act," National Low Income Housing Coalition (NLIHC), March 13, 2019, <https://nlihc.org/sites/default/files/Warren-HEOM-Bill.pdf>.

<sup>133</sup> Other provisions of the bill include expansion of the Fair Housing Act to provide more protection for LGBTQIA people, single people or parents, veterans and others. There is also a provision for down payment assistance to first-time homebuyers living in areas that have been subject to redlining and segregation.

While this legislation would begin to make significant investments in affordable housing, it must also be acknowledged that the crisis of affordability does not mean there is a lack of housing. In 2015, the report “Banking on Vacancy” revealed that New York City was spending \$856 million annually to house people in the city’s shelter systems, but not developing sustainable housing solutions for the poor.<sup>134</sup> Drawing on Freedom of Information Act requests to 18 agencies, the report showed that the vacant properties they logged could house five times as many people as were in the shelter system citywide.<sup>135</sup> This reflected a national trend: according to the 2010 Census, there were an estimated 18.6 million vacant homes and 3.5 million homeless people, or five vacant homes for every homeless person in the country. In New York City, only 10% of these properties were held by the government, meaning that the vast majority of them were being held by private interests seeking to turn a profit.

**“It shouldn’t be the case that I walk by vacant after vacant building on my way to work while people close to me face the violence of eviction and homelessness. It shouldn’t be the case that in a city with 40,000 vacant properties [in Baltimore], people feel like the options for a good life in the city get smaller and smaller each year.”**

*Adriana Foster, Maryland*



This speculative turn on housing has prompted community-based organizations to demand Community Land Trusts and other mechanisms to build transparent, democratic processes to resolve the housing crisis. In Baltimore, a Housing Round Table has consolidated community members, activists and elected officials around a 20/20 Campaign. This Campaign calls for the city to raise and designate \$20 million in public bonds towards an affordable housing trust, and another \$20 million in public bonds to employ community residents to deconstruct vacant homes and create public green space.<sup>136</sup> These bonds must be raised annually. The Campaign is part of a broader Fair Development

<sup>134</sup> “Banking on Vacancy,” Picture the Homeless, August 17, 2015, <http://picturethehomeless.org/project/banking-on-vacancy-homelessness-real-estate-speculation/>. Banking on Vacancy was a report produced by the homeless-led organization, Picture the Homeless, in collaboration with Hunter College, Center for Community Planning. It grew out of the “Housing not Warehousing” Campaign of Picture the Homeless and the need for a more systemic analysis of the housing market in New York City. It mobilized 295 volunteers and logged nearly 1500 hours of participatory research, many of which were spent counting and logging vacant property.

<sup>135</sup> *Ibid.*, 5-6.

<sup>136</sup> “20/20 Vision for Baltimore,” United Workers, accessed May 22, 2019, [http://www.unitedworkers.org/20\\_20](http://www.unitedworkers.org/20_20); see also Luke Broadwater, “Pugh Backs Calls for Multimillion Investment in Affordable Housing in Baltimore,” *Baltimore Sun*, May 13, 2017, <https://www.baltimoresun.com/news/bs-md-ci-baltimore-2020-20170513-story.html>

Recovery Plan and advocates the goal of holding land in Community Land Trusts,<sup>137</sup> where land would be controlled by communities rather than the private market.

The 20/20 Campaign and Fair Development Plan both connect the demand for affordable housing with living wage jobs and link public investment with public accountability, including transparency around tax breaks and other subsidies that go to economic developers for luxury housing. This is similar to Banking on Vacancy's recommendation that New York City mandate a city-wide vacant property count, turn over city-owned vacant property to be converted into housing for low-income residents, and impose a three-year time limit on residential units remaining without tenants to curb housing speculation.

Both of these start with the idea that land has inherent value that must be made useful to meet human needs.

## MEASURING POVERTY

The experience of poverty and hardship in the U.S. is more widespread than the most widely reported statistics would lead us to believe. For these policies to achieve their desired effect, our current poverty measures must be updated to accurately measure poverty today. We must know what it is we are dealing with.

The official poverty threshold for a family of two adults and two children was \$24,858 in 2017.<sup>138</sup> However, the traditional poverty measure fails to account for many factors that influence a person's true experience of poverty. Everything from government aid programs like tax credits, food stamps, and housing programs to expenses like taxes paid, work and medical expenses, and child support are treated as nonexistent by the traditional poverty measure.

Since 2011, the Census Bureau has also reported a Supplemental Poverty Measure (SPM). By that measure, a family of four with two adults and two children who rent their home lived in poverty if their income was below \$27,005 in 2017. A low-income family was defined as living under twice that threshold, or just above \$54,000 for the same family of four. In 2016, more than 140 million Americans were poor or low-income by this definition. This includes 39 million children (52.2% of all children), 21 million elders (41.9% of elders), 65.8 million men (42.6% of men), 74.2 million women (45% of women), 26 million Black people (60.4% of Black people), 38 million Latinx people (64.1% of Latinx people), 66 million White people (33.5% of White people), 8 million Asians (40.8% of Asians), and 2.14 million Indigenous and Native people (58.9% of Indigenous and Native people).

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137 Alana Semuels, "Could Baltimore's 16,000 Vacant Houses Shelter the City's Homeless?," *The Atlantic*, October 20, 2014, <https://www.theatlantic.com/business/archive/2014/10/can-homeless-people-move-into-baltimores-abandoned-houses/381647/>. A Community Land Trust is a nonprofit structure that holds title to the land within it and ensures it is permanently affordable. "Structures on the land can be bought and sold, but the trust owns the land forever. A community land trust essentially takes the 'market' part out of the housing market, allowing people to buy homes but restricting their resale value in order to make them affordable for the next buyer."

138 "Poverty Thresholds," United States Census Bureau, accessed May 22, 2019, <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>



The SPM is a more comprehensive measure of poverty, but it requires more information to be collected than the official poverty measure. Currently, the Annual Social and Economic Supplement (ASEC) is the only government survey designed to capture the information needed to construct SPM measures, but it only surveys about 40% of the country. Of the more than 3,100 counties in the U.S., ASEC samples only 1,300. In contrast, the more widely used American Community Survey is designed for small geographies, but does not include enough information for SPM measurements.

This means that data used to calculate SPM values for, especially, rural and small towns, Indigenous & Native communities, and other populations that are more difficult to identify or reach – for instance, people who are currently homeless, LGBTQIA, and people with disabilities – are underrepresented in even the most accurate poverty measures. According to the Official Poverty Measure, 26.2% of Indigenous & Native Americans were living below the federal poverty line (FPL) in 2016 (1.7 million people); 26.6% of people with disabilities were living below the FPL in 2016 (5.3 million people). According to the National Center for Transgender Equality, transgender people are likely to experience poverty at a rate double that of the general population, with transgender people of color experiencing even higher poverty rates.<sup>139</sup>

This is why an accurate assessment of poverty must begin with the broader SPM measure and allocate resources toward expanded capacity to identify and include all of these populations.

**I am a Lakota Native-born woman raised on the Cheyenne River Sioux Tribe reservation in South Dakota. I'm a mother and a grandmother. Currently, my income is only \$470 a month from disability. My partner works for the same property management company as me, and has for 15 years. He makes \$10.50 an hour. Our rent is \$600 each month, all utilities paid. That means close to 50% of our income goes to housing. I share my one-bedroom apartment with four other people — my partner, my daughter, her husband, and my grandson...**

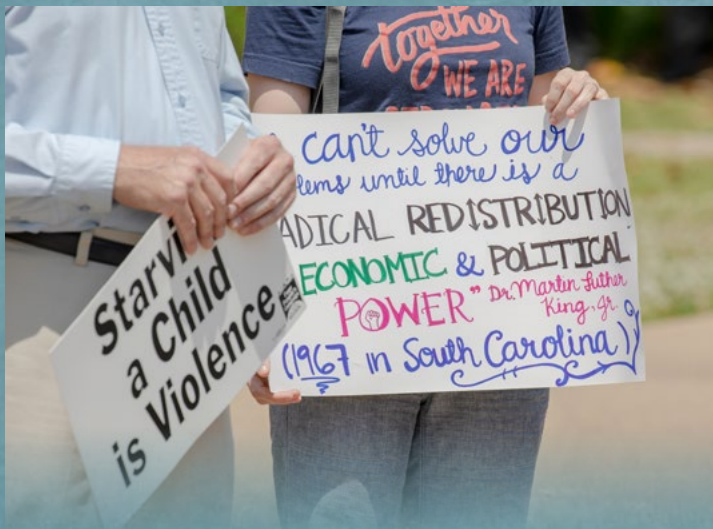
**In South Dakota, I own, on paper, hundreds of tract acres of land. The names of my ancestors are still on the titles for that land, much of which the federal government today leases for pennies on the dollar for grazing, roads and utility lines. It doesn't make much money, and the land itself needs water and electricity to be ready to live on. It saddens me to think that for all that has been taken from the Native people of this country, this is what we have been given in return — land worth too little in the reservations, generations of people trapped in a cycle of poverty."**

*Lois Swimmer, Missouri*



139 See Sandy E. James et al., "The Report from the 2015 U.S. Transgender Survey," National Center for Transgender Equality, December, 2016, <http://www.ustranssurvey.org>.

# INVESTMENTS IN AN EQUITABLE ECONOMY



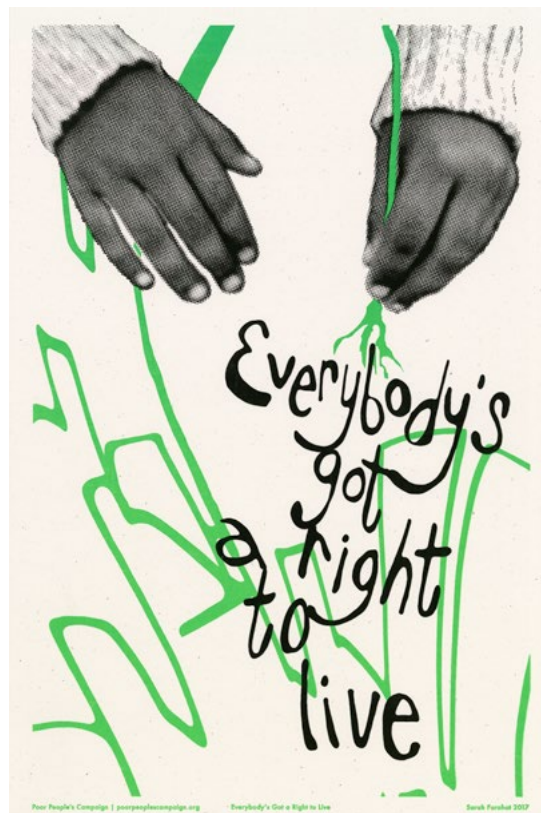


## INVESTMENTS IN AN EQUITABLE ECONOMY

### POOR PEOPLE'S CAMPAIGN DEMANDS

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1. We demand relief from wealth inequality.
2. We demand that the wealthy and corporations pay their fair share of our country's urgent needs around decent and affordable housing, free public education, a robust social safety net and social security, and sustainable job creation.
3. We demand the repeal of the 2017 federal tax law and the reinvestment of those funds into public programs for housing, health care, education, jobs, infrastructure, and welfare for the poor.



## KEY FINDINGS

- Fair taxes on the wealthy, corporations, and Wall Street could generate as much as \$886 billion per year in revenue to meet urgent social and environmental needs.<sup>140</sup>
- Capital gains taxes on fortunes passed on to heirs would raise an estimated \$78 billion per year — approximately the estimated cost of giving every American child a modest savings account at birth that would earn interest and grow, providing a nest egg for education or to buy a home.

Over the past few decades, U.S. economic inequality has skyrocketed to morally unacceptable levels. Since 1968, the top 1 percent's share of national income has nearly doubled while the official poverty rate for all U.S. families has merely inched up and down. Wealth inequality is even more extreme than income inequality. The richest 5% of Americans now hold about two-thirds of national wealth.<sup>141</sup>

The concentration of income and wealth at the top has siphoned resources away from those at the bottom end of the income ladder. It has also increased the political power of the ultra-rich, which they've used to shape tax, labor, health care, campaign finance, and other policies to serve their narrow interests.

**“The immoral narrative says that the poor just take and take, while the wealthy earn everything they get. That’s not true! Our government spends billions of dollars giving subsidies and tax breaks to the upper middle class and to the wealthy, and they treat corporations like rich individuals. And all the while, low income workers have to beg, march, and protest to demand a \$15 minimum wage and a union. That’s not right!”**

*Suzanne Krull, New York*



Public investments and other policy changes aimed at shifting from a highly unequal to a more equitable economy is a matter of both moral justice and good economics. Inequity is intolerable; a few cannot have the most resources, while the most have little. It is also morally reprehensible and economically unsustainable. This imbalance prevents full participation in, and therefore weakens, the nation's economy. If the United States is to have a strong economy, all must have maximum capacity to participate in that economy. We can increase the financial viability for all by making changes to our tax code such that large corporations, wealthy individuals, and big banks on Wall Street pay their share. In this way, revenues can be delivered to invest in an equitable social order, creating solutions for social needs in the near and long term.

<sup>140</sup> If policymakers adopted all of the proposals identified in this section, revenue estimates would need to be adjusted to account for interactions between the reforms.

<sup>141</sup> “Facts: Wealth inequality in the United States,” Inequality.org, accessed May 22, 2019, <https://inequality.org/facts/wealth-inequality/>.

## TOWARD A MORAL TAX CODE

Even before Congress passed a new tax law in 2017, our tax code was riddled with loopholes and giveaways to the rich, large corporations, and Wall Street. The new tax law is even more skewed in favor of the most powerful and privileged. As Rev. William Barber and Rev. Liz Theoharis have written, the 2017 tax law is an “act of gross violence against America’s poor to serve the country’s richest and most powerful.”<sup>142</sup>

More than half of the new tax cuts will flow to the richest 5% and more than a quarter will flow to the richest 1%, according to the Institute on Taxation and Economic Policy.<sup>143</sup> The reduction in the top corporate tax rate from 35% to 21%, a move that will mostly benefit the wealthy, will cost \$1.3 trillion over 10 years.<sup>144</sup>

A moral approach to tax policy would repeal the 2017 tax cuts for rich individuals, large corporations, and Wall Street while introducing new tax reforms that would put the country on a more equitable course. These new tax reforms for large corporations and wealthy individuals would generate trillions of dollars in revenue that could be reinvested towards urgent social needs.

Policymakers would also need to adopt a new approach to policy-making that does not lock themselves into “pay-as-you-go” restrictions. Every dime of new spending need not be offset immediately by new revenue or spending cuts. Instead, as the new tax reforms deliver revenues for some immediate spending, policymakers can look towards the long-term economic benefits and savings that result from public investments. This is particularly true for virtually all of the tax code reforms proposed below, together with all the policy suggestions contained in this Moral Budget.

Beyond generating significant revenue, the select tax proposals highlighted below would deliver additional benefits to our democracy, economy, and environment. By ensuring that the wealthy and large corporations pay their equitable share, we would reduce the extreme inequality that is corrupting our democracy. When so much of our nation’s wealth is in the hands of so few, those few can have excessive influence over our political system.



<sup>142</sup> Revs. Dr. William Barber and Dr. Liz Theoharis, “The Republican Tax Bill Is Not Just Immoral. It Is an Act of Violence,” *The Guardian*, December 1, 2017, <https://www.theguardian.com/commentisfree/2017/dec/01/republican-tax-bill-immoral-violence>.

<sup>143</sup> Steve Wamhoff and Matthew Gardner, “Federal Tax Cuts in the Bush, Obama, and Trump Years,” Institute on Taxation and Economic Policy (ITEP), July, 2018, <https://itep.org/federal-tax-cuts-in-the-bush-obama-and-trump-years/>.

<sup>144</sup> “Corporate Tax Cut Benefits Wealthiest, Loses Needed Revenue, and Encourages Tax Avoidance,” Center on Budget and Policy Priorities (CBPP), June 4, 2018, <https://www.cbpp.org/research/federal-tax/corporate-tax-cut-benefits-wealthiest-loses-needed-revenue-and-encourages-tax>.



Some of the reforms would also help tame our financial system, encouraging long-term, job-creating investments instead of short-term gambling that puts our entire economy at risk. Still others would accelerate the shift away from a fossil fuel-based economy to a more sustainable future.

### ***Revise Income, Investment, and Estate Taxes on the Wealthiest Americans***

There is no such thing as a “self-made” person. Every high-income individual in this country has benefited from others’ contributions to our education and health systems, infrastructure, and other public assets. The rich have a moral obligation to contribute their share to the common good.

And yet over the past several decades, the wealthiest Americans have used their political clout to shrink their social responsibilities. During the decades after World War II, the tax rate paid by the richest Americans on the highest part of their income rose above 90%. In 2017, the Republican tax law cut the top marginal tax rate from 39.6% to 37%. The law failed to close loopholes that have allowed the richest Americans to pay much less than the statutory top rate. In 2014, the richest 400 taxpayers paid an effective tax rate of just 23%.<sup>145</sup>

One way the wealthy lower their tax burden is by sheltering their income in overseas tax havens. They also benefit from the lower tax rate applied to income from investments than income from work. The top base rate on income from capital gains is just 20%, compared to the top rate on income from work of 37%. This is a huge giveaway to the richest 1%, who hold more than half of national wealth invested in stocks and mutual funds.<sup>146</sup> The 2017 tax cut on “pass-through” business income provided yet another way for the wealthy to avoid paying their fair share.

**“Poor and homeless people get stereotyped like we’re too stupid and lazy to solve our own problems. I wasn’t homeless because I was stupid and lazy. I was homeless because our country has no problem with pregnant mothers being homeless in the dead of winter while just two hours away, in Seattle, the founders of Microsoft and Amazon have made themselves the richest individuals on the planet. You tell me who’s messed up in this situation.”**

*Mashyla Buckmaster, Washington*



The wealthiest Americans have also fought for, and won, numerous tax loopholes that allow them to transfer their fortunes from one generation to another, creating dynasties of unearned privilege.

<sup>145</sup> “The 400 Individual Income Tax Returns Reporting the Largest Adjusted Gross Incomes Each Year, 1992-2014,” Sternal Revenue Service, Statistics of Income Division, December, 2016, <https://www.irs.gov/pub/irs-soi/14intop400.pdf>

<sup>146</sup> Edward N. Wolff, “Household Wealth Trends in the United States, 196 to 2016: Has Middle Class Wealth Recovered?,” National Bureau of Economic Research, 2017, <https://doi.org/10.3386/w24085>.

During the Gilded Age of extreme inequality at the beginning of the 20th Century, proposals to use the tax code to address this problem enjoyed bipartisan support, including from Republican President Teddy Roosevelt. In 1916, Congress passed an estate tax to curb wealth concentration and raise revenue for costs associated with World War I. Over the years, the rich have effectively lobbied for loopholes in this law. The 2017 Republican tax law watered down the estate tax further, and failed to close a loophole that allows the heirs of grand fortunes to avoid paying capital gains taxes on assets they inherit.

By closing loopholes that benefit the wealthy and raising tax rates at the top, we could generate substantial revenue for investments that would further reduce inequality. For example, by collecting capital gains taxes on fortunes that are passed on to heirs, we could raise an estimated \$780 billion over 10 years — about the projected cost of a baby bonds program that would give every American child the chance to realize their full potential.

**TABLE 1: FAIR TAXES ON THE RICHEST AMERICANS**

	<b>Revenue estimate</b> (\$billions over 10 years)
<b>Impose a surtax on all income of millionaires</b> A 5.5% surtax on total annual income, including investment income, above \$1 million (\$500,000 for singles) would raise at least this much.	500 <sup>147</sup>
<b>Raise the top individual tax rate to 70%</b> Republicans reduced the top marginal rate from 39.6% to 37% in 2017. A 70% rate on income above \$10 million would restore the top marginal tax to post-war economic boom levels.	353 <sup>148</sup>
<b>Tax income from investments at the same rate as income from work</b> The top rate on income from investments (long-term capital gains and dividends) is currently just 20%, significantly lower than the 37% top marginal tax rate on ordinary income. <sup>149</sup>	1,500 <sup>150</sup>
<b>Strengthen the estate tax</b> The 2017 Republican reform weakened this modest curb on dynastic wealth accumulation so that it applies only to estates worth \$11 million (\$22 million per couple). <sup>151</sup> This revenue estimate is based on closing loopholes and applying graduated rates to estates worth more than \$3.5 million (\$7 million per couple).	400 <sup>152</sup>
<b>Annual wealth tax on the very wealthiest</b> Based on an “Ultra-Millionaires Tax” of 2% on fortunes exceeding \$50 million and a 3% tax on fortunes exceeding \$1 billion.	2,750 <sup>153</sup>
<b>Tax capital gains from sales of inherited assets</b> The wealthy become even wealthier by inheriting assets that have increased in value but, under current law, are not subject to a capital gains tax.	780 <sup>154</sup>

For further detail on revenue estimates, see William Rice and Frank Clemente, “Fair Taxes Now: Revenue Options for a Fair Tax System,” Americans for Tax Fairness, April 2019, <https://americansfortaxfairness.org/wp-content/uploads/ATF-Fair-Taxes-Now-Report-FINAL-FINAL-4-12-19.pdf>.

## ***Fair Taxes on Large Corporations***

A moral tax code would also require large U.S. corporations to pay their fair share. Even before the 2017 tax law, the share of federal revenue from corporations was steadily declining as firms became ever more adept at exploiting loopholes to dodge their fiscal responsibilities. Then, despite the fact that corporate profits were at near record highs, Congress gave corporations a massive giveaway by slashing the corporate income tax rate from 35% to 21%.

The argument was that U.S. corporations needed a tax break to be globally competitive and to boost investments and job creation. Instead, corporations have spent tax windfalls on stock buybacks, a legal form of stock manipulation that mostly rewards rich CEOs and shareholders. In the first few months after passage of the new tax law, U.S. corporations announced \$936 billion in stock buybacks.<sup>155</sup>

**“Closing the tax loophole on overseas corporate profits can generate all the funding we need to fully fund our water system, and then some.”**

*Mary Grant, Washington D.C.*

147 “Budgetary Effects of S. 1660, The American Jobs Act of 2011,” Congressional Budget Office, October 7, 2011, <http://www.cbo.gov/sites/default/files/cbofiles/attachments/sl1660.pdf>. CBO estimated revenue of \$453 billion in 2011. Due to the sharp increase in income among the super-wealthy, such a surtax would generate at least \$500 billion today.

148 John Ricco and Rich Prisinzano, “The Hidden Revenue Cost of a 70% Top Marginal Rate,” Penn Wharton University of Pennsylvania, Budget Model, January 24, 2019, <http://budgetmodel.wharton.upenn.edu/issues/2019/1/24/the-hidden-revenue-cost-of-a-70-top-marginal-rate>.

149 “SOI Tax Stats — Individual Income Tax Returns,” Internal Revenue Service, Tax Statistics, accessed May 22, 2019, <https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns>. A capital gain is the profit made from selling an asset for more than its cost; dividends are corporate payments to shareholders. Both forms of income are heavily concentrated among the wealthiest Americans. In 2016, taxpayers with over \$250,000 a year in income received more than half of all dividends and more than three-quarters of all capital gains.

150 Steve Wamhoff and Matthew Gardner, “Progressive Revenue-Raising Options,” Institute for Taxation and Economic Policy, February, 2019, <https://itep.org/wp-content/uploads/020519-Progressive-Revenue-Raising-Options.pdf>.

151 “2017 Tax Law Weakens Estate Tax, Benefiting Wealthiest and Expanding Avoidance Opportunities,” Center on Budget and Policy Priorities (CBPP), June 1, 2018, <https://www.cbpp.org/research/federal-tax/2017-tax-law-weakens-estate-tax-benefiting-wealthiest-and-expanding-avoidance>

152 Mark Zandi, “Addressing the Affordable Housing Crisis,” Moody’s Analytics, September 2018, <https://www.warren.senate.gov/imo/media/doc/Moody's%20Report%20on%20American%20Housing%20and%20Economic%20Mobility%20Act.pdf>.

153 Emmanuel Saez and Gabriel Zucman, a letter regarding Sen. Warren’s “Proposal to Impose a Progressive Annual Wealth Tax on American Households with Net Worth (Sum of All Assets Net Debts) Above \$50 Million,” January 18, 2019, <https://www.warren.senate.gov/imo/media/doc/saez-zucman-wealthtax.pdf>.

154 Wamhoff and Gardner, “Progressive Revenue-Raising Options.”

155 “Stock Buybacks,” Americans for Tax Fairness (ATF), accessed February 18, 2019, <https://americansfortaxfairness.org/stock-buybacks/>.

As with rich individuals, corporations benefit from all the public investments that form the foundation of our economy and they have a moral obligation to pay their fair share of taxes. Restoring the corporate tax rate to 35% would generate \$1.3 trillion over 10 years. Rolling back a new tax break for hedge fund managers and many other individuals who receive “pass-through” business income would generate another \$387 billion over a decade. We should also ensure that our tax policies are consistent with the goal of transitioning away from a fossil fuel-based economy. A first step is to repeal tax breaks that support extractives industries.

**TABLE 2: FAIR TAXES ON CORPORATIONS**

	<b>Revenue estimate</b> (\$billions over 10 years)
<b>Restore corporate tax rate to 35%</b> The 2017 Republican tax reform slashed the corporate tax rate from 35% to 21%. This is already causing a dramatic drop in federal revenue. <sup>156</sup>	1,300 <sup>157</sup>
<b>Repeal tax breaks for fossil fuels</b> The 2017 Republican tax reform introduced new tax cuts and failed to close existing loopholes for the oil and gas sector. These are significant setbacks in the struggle to transition away from a fossil fuel-based economy.	10 <sup>158</sup>
<b>Repeal new tax break for pass-through income</b> The Republican tax reform provided a 20% deduction for “pass-through” business income, more than 80% of which will go to the richest 5% (e.g., hedge and private equity fund managers and corporate law firm partners).	387 <sup>159</sup>

For further detail on revenue estimates, see William Rice and Frank Clemente, “Fair Taxes Now: Revenue Options for a Fair Tax System,” Americans for Tax Fairness, April 2019, <https://americansfortaxfairness.org/wp-content/uploads/ATF-Fair-Taxes-Now-Report-FINAL-FINAL-4-12-19.pdf>.

156 “Corporate Tax Receipts Took An Unprecedented Drop This Year,” Peter G. Peterson Foundation, October 17, 2018, <https://www.pgpf.org/blog/2018/10/corporate-tax-receipts-were-down-by-nearly-one-third-in-fiscal-year-2018>.

157 “Options for Reducing the Deficit: 2019 to 2028,” Congressional Budget Office (CBO), December 2018, <https://www.cbo.gov/system/files?file=2018-12/54667-budgetoptions.pdf>. The CBO estimates revenue of \$96.3 billion over 10 years per percentage point increase. Estimate in table is based on 14-point increase.

158 “General Explanations of the Administration’s Fiscal Year 2017 Revenue Proposals,” Department of the Treasury, February, 2016, <https://www.treasury.gov/resource-center/tax-policy/Documents/General-Explanations-FY2017.pdf>. Based on subsidies identified in 2017 U.S. Treasury report, including: special depletion calculation for oil, gas, and other fuels, expensing of exploration and development costs, and corporate tax exemption for fossil fuel publicly traded partnerships.

159 “Estimated Budget Effects of the Conference Agreement for H.R.1, The Tax Cuts and Jobs Acts,” Joint Committee on Taxation (JCT), Item I.B.1 and 2, December 18, 2017, <https://www.jct.gov/publications.html?func=startdown&id=5053>. Estimate is revenue lost from tax break through 2025, when it is set to expire, not revenue gained by eliminating it.

## ***Fair Taxes on Wall Street***

After Wall Street greed and recklessness drove the U.S. economy off a cliff in 2008, the big banks got bailed out while millions of Americans lost their homes. More than a decade later, no financial executive has gone to jail for their role in this catastrophe and taxpayers are still on the hook for future bailouts.

**“God is concerned about justice, love, mercy and the least of these. Every nation, even America, will be judged by how she treated the least of these. We are not begging, we are demanding that this become one nation Under God, indivisible, with liberty and justice for all.**

**We are demanding that you cannot take care of Wall Street and leave back street un-taken care of. You cannot take our tax dollars and bail out corporations and not bail out communities that are struggling.”**

*Rev. Barber, North Carolina*



Effective tax policies could help rein in Wall Street and restore our financial system to its original purpose of financing job-creating investment. One proposal that is gaining support is a small tax on financial market trades. Currently, a poor family is likely to have to pay a sales tax when they buy new shoes for their children or put a gallon of gas in their car, but high-flying Wall Street traders pay no tax on purchases of stocks or derivatives worth millions of dollars. Even a tiny financial transaction tax of just a fraction of a percent on each trade would curb purely speculative financial trading that has no social value while generating significant revenue for public goods. For the ordinary investor in a pension or mutual fund, such taxes would be negligible — comparable to a small insurance fee against future crises.

Another Wall Street-focused tax proposal would address the excessive, high-risk borrowing by big banks that led to the 2008 crash. When the housing bubble burst, these “too big to fail” banks could



not repay their debts and the financial system collapsed. A small tax of 0.15% on the largest banks' uninsured liabilities (excluding FDIC-insured customer deposits) would raise \$103 billion.<sup>160</sup>

**TABLE 3: FAIR TAXES ON WALL STREET**

	<b>Revenue estimate</b> (\$billions over 10 years)
<b>Financial transaction tax</b> Taxing Wall Street trades would discourage risky, short-term speculation while encouraging longer-term, job-creating investment.	777 <sup>161</sup>
<b>Big bank levy</b> A small tax of 0.15% on the liabilities of banks with assets of \$50 billion or more would encourage less risky investments and help prevent future bail-outs that siphon resources away from social needs.	103 <sup>162</sup>

For further detail on revenue estimates, see William Rice and Frank Clemente, "Fair Taxes Now: Revenue Options for a Fair Tax System," Americans for Tax Fairness, April 2019, <https://americansfortaxfairness.org/wp-content/uploads/ATF-Fair-Taxes-Now-Report-FINAL-FINAL-4-12-19.pdf>.

## NARROWING THE RACIAL WEALTH DIVIDE

A key step in minimizing economic inequality is to address the racial wealth divide, which is greater today than it was nearly four decades ago.<sup>163</sup> This divide has been created and held in place by public policies that have evolved over time including slavery, sharecropping, Jim Crow, red lining, mass incarceration, and predatory subprime lending, among many others.

Families of color are much more likely to have zero or "negative" wealth, meaning their debts exceed their assets. For these households, an unexpected major expense, such as a medical or car repair bill, can lead to economic disaster. Thirty-seven percent of Black families and 33% of Latinx families have zero or negative wealth, compared to just 15.5% of White families.<sup>164</sup>

**"For a long time I felt guilt and shame as a mother, because I wasn't able to provide for my kids. I was desperate to give my kids everything they needed, and also make my guilt go away. I could never make ends meet...."**

*Quiahnya Walker Dillon, Missouri*

<sup>160</sup> Impose a Fee on Large Financial Institutions," Congressional Budget Office (CBO), December 13, 2018, <https://www.cbo.gov/budget-options/2018/54822>.

<sup>161</sup> "Options for Reducing the Deficit: 2019 to 2028," Congressional Budget Office (CBO), December 2018, <https://www.cbo.gov/system/files?file=2018-12/54667-budgetoptions.pdf>. The CBO estimates revenue of \$96.3 billion over 10 years per percentage point increase. Estimate in table is based on 14-point increase.

<sup>162</sup> Impose a Fee on Large Financial Institutions," Congressional Budget Office (CBO), December 13, 2018, <https://www.cbo.gov/budget-options/2018/54822>.

<sup>163</sup> "Ten Solutions to Bridge the Racial Wealth Divide," Inequality.org, April 15, 2019, <https://inequality.org/great-divide/ten-solutions-bridge-racial-wealth-divide/>.

<sup>164</sup> Chuck Collins et al., "Dreams Deferred: How Enriching the 1 Percent Widens the Racial Wealth Divide," Institute for Policy Studies (IPS), January 14, 2019, <https://ips-dc.org/racial-wealth-divide-2019/>.

One of the most promising proposals for narrowing the country's extreme racial wealth divide is the creation of a "baby bonds" program. Under a plan developed by economists William Darity and Darrick Hamilton, the federal government would provide bonds for each American child, regardless of race, valued at between \$500 and \$50,000, depending on the parents' wealth level. The bond would be held in an account similar to Social Security until the child turns 18. At that time, the recipient could spend the money on higher education, purchasing a home or business, or other wealth-enhancing activities.<sup>165</sup>

Such a program would cost an estimated \$800 billion over 10 years.<sup>166</sup> According to Darity and Hamilton, this investment would go a long way towards curbing the transmission of economic advantage across generations, which is a major factor in the racial wealth divide.<sup>167</sup>

A baby bonds program would allow young people to access their baby bond accounts when they reach their 18th birthday. But the U.S. has higher youth mortality rates than comparable countries, and especially high rates among Black and Indigenous & Native youth, and some young people would never gain access to their accounts. This proposal must therefore be considered alongside broader proposals to solve the underlying problems of poverty and racism through programs for jobs, health care, housing, social welfare, and building thriving peaceful communities that have clean water, air, food and all things necessary for a safe and healthful childhood.

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165 Lynn Parramore, "Baby Bonds: A Plan for Black/White Wealth Equality Conservatives Could Love?," Institute for New Economic Thinking, October 25, 2016, <https://www.ineteconomics.org/perspectives/blog/baby-bonds-a-plan-for-black-white-wealth-equality-conservatives-could-love-1>.

166 *Ibid.*

167 Darrick Hamilton, William Darity, "Can Baby Bonds Eliminate the Racial Wealth Gap in Putative Post-Racial America?," *The Review of Black Political Economy* 37, no. 3 (September 2010): 207-216,, [https://www.researchgate.net/publication/227301907\\_Can\\_'Baby\\_Bonds'\\_Eliminate\\_the\\_Racial\\_Wealth\\_Gap\\_in\\_Putative\\_Post-Racial\\_America](https://www.researchgate.net/publication/227301907_Can_'Baby_Bonds'_Eliminate_the_Racial_Wealth_Gap_in_Putative_Post-Racial_America).

# INVESTMENTS IN --- LIFE & HEALTH





## POOR PEOPLE'S CAMPAIGN DEMANDS

- 
- A large group of people, including healthcare workers, gathered in front of the HHS building. They are holding various signs and banners. A large wall of cardboard boxes, each with handwritten text, is the central focus. Signs include "Health Over Profit", "Everybody's Got a Right to Live", "Resisting tyrants since Pharaoh", "PEOPLES HHS All are Welcome!", and "DO JUSTICE LOVE MERCY MARCH PROUD". A man in a white lab coat is speaking into a megaphone.

## KEY FINDINGS

- Expanding Medicaid in the 14 states that have not yet taken advantage of Affordable Care Act subsidies for Medicaid would cost the federal government \$25 billion in the first year — roughly the amount the Pentagon awards one company, Boeing, in military contracts each year.<sup>168</sup>
- Even better, by eliminating bloat and negotiating better prices, a publicly funded single-payer system would save money overall. One analysis estimates the savings at 9% over current costs, saving businesses and individuals as much as \$310 billion per year, even as coverage is expanded to all.<sup>169</sup>
- An investment of an additional \$31 billion in the Indian Health Service would begin to redress the five and a half year difference in life expectancy between Native Americans and the United States average, and would cost less than half of our current spending on wars in Iraq, Afghanistan, Syria, and Yemen.<sup>170</sup>

The U.S. health care system is notorious for being the most expensive in the world on a per person basis, with little to show for it.<sup>171</sup> U.S. infant<sup>172</sup> and maternal<sup>173</sup> mortality rates are among the highest in the developed world. Infant mortality rates for Black infants were twice as high as for White infants,<sup>174</sup> and Black women are at least three times more likely to die from pregnancy-related causes as non-Hispanic White women.<sup>175</sup> Life expectancy overall in the U.S. has declined, driven in large part by the increasing frequency of fatal drug overdoses.<sup>176</sup>

<sup>168</sup> “Spending by Transaction,” USA Spending, accessed May 22, 2019, [https://www.usaspending.gov/#/keyword\\_search/Boeing](https://www.usaspending.gov/#/keyword_search/Boeing).

<sup>169</sup> Robert Pollin et al., “Economic Analysis of Medicare for All,” Political Economy Research Institute, University of Massachusetts-Amherst, November 30, 2018, <https://www.peri.umass.edu/publication/item/1127-economic-analysis-of-medicare-for-all>.

<sup>170</sup> “Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request,” Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, March 5, 2019, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf).

<sup>171</sup> Karen Feldscher, “What’s Behind High U.S. Health Care Costs,” The Harvard Gazette, March 13, 2018, <https://news.harvard.edu/gazette/story/2018/03/u-s-pays-more-for-health-care-with-worse-population-health-outcomes/>.

<sup>172</sup> Centers for Disease Control and Prevention, “International Comparisons of Infant Mortality and Related Factors: United States and Europe, 2010,” National Vital Statistics Reports 63, no. 5 (September 24, 2014), [https://www.cdc.gov/nchs/data/nvsr/nvsr63/nvsr63\\_05.pdf](https://www.cdc.gov/nchs/data/nvsr/nvsr63/nvsr63_05.pdf).

<sup>173</sup> American College of Obstetricians and Gynecologists, “Maternal Mortality,” <https://www.acog.org/About-ACOG/ACOG-Departments/Government-Relations-and-Outreach/Federal-Legislative-Activities/Maternal-Mortality?IsMobileSet=false>.

<sup>174</sup> Henry J. Kaiser Family Foundation, “Key Facts on Health and Health Care by Race and Ethnicity, Section 3: Health Status and Outcomes,” June 7, 2016, <https://www.kff.org/report-section/key-facts-on-health-and-health-care-by-race-and-ethnicity-section-3-health-status-and-outcomes/>.

<sup>175</sup> American College of Obstetricians and Gynecologists, “Maternal Mortality.”

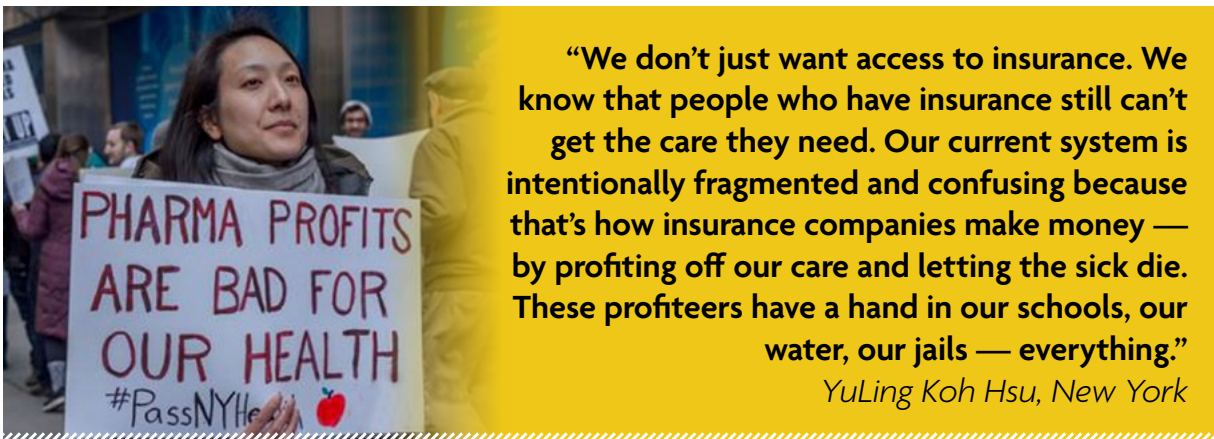
<sup>176</sup> Centers for Disease Control and Prevention, “Death Rates Up for 5 of the 12 Leading Causes of Death,” September 20, 2018, <https://www.cdc.gov/media/releases/2018/p0920-death-rates-up.html>.



According to the Kaiser Family Foundation, in 2016, 43% of adults with private health insurance struggled to afford making their deductible payments, and nearly 30% experienced difficulties affording medical bills. Of those with financial difficulties, 73% said they had cut back on basic household necessities and food.<sup>177</sup>

While the implementation of the Affordable Care Act (ACA) has significantly reduced the ranks of the uninsured, the system remains full of gaps, and is rigged against the poor and people of color. In 2017, more than 27 million Americans were uninsured, and people of color were at higher risk of being uninsured than White people.<sup>178</sup> States that failed to expand Medicaid left more of their people without health insurance and, in many cases, with fewer hospitals.<sup>179</sup>

Against this backdrop, public investments in health care extend life-saving care to millions of Americans. Despite the shortcomings and expenses of our health care system, public health care systems in the form of Medicare and Medicaid provide excellent care and are more cost-effective than private insurance.<sup>180</sup> These public programs provide health insurance to one in three Americans.<sup>181</sup> Since the Affordable Care Act went into effect, 19 million Americans have gained health coverage.<sup>182</sup>



177 Dijulio, Bianca et al., “Data Note: Americans’ Challenges with Health Care Costs.” Kaiser Family Foundation, March 2, 2017, [www.kff.org/health-costs/poll-finding/data-note-americans-challenges-with-health-care-costs/](https://www.kff.org/health-costs/poll-finding/data-note-americans-challenges-with-health-care-costs/).  
178 *Ibid.*

179 Adam Searing, “More Rural Hospitals Closing in States Refusing Medicaid Coverage Expansion,” Georgetown University Health Policy Institute, October 29, 2018, <https://ccf.georgetown.edu/2018/10/29/more-rural-hospitals-closing-in-states-refusing-medicaid-coverage-expansion/>.

180 Robin Rudowitz, Rachel Garfield, and Elizabeth Hinton, “10 Things to Know About Medicaid: Setting the Facts Straight,” Kaiser Family Foundation, March 6, 2019, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/>.

181 “Health Insurance Coverage of the Total Population, 2017,” Kaiser Family Foundation, accessed May 21, 2019, <https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

182 “Potential Impact of Texas v. U.S. Decision on Key Provisions of the Affordable Care Act,” Kaiser Family Foundation, March 26, 2019, <https://www.kff.org/health-reform/fact-sheet/potential-impact-of-texas-v-u-s-decision-on-key-provisions-of-the-affordable-care-act/>.

## HEALTH CARE FOR ALL

The United States must take swift action to further strengthen the health care system. The current system is costly both fiscally and in terms of the human lives lost in the struggle to access health care. The refusal to expand Medicaid in many states, cuts to adult dental benefits, proposals for work requirements, privatization of expanded Medicaid coverage, rural hospital closures, and the rising costs of medical care make it increasingly difficult for the poor to access health care.

As a nation, we must value and affirm all lives by ensuring health coverage and access to all health services for all. A universal health plan in which the federal government is the single-payer for health services is both morally responsible and, as it ultimately lowers health care costs, economically sound. A moral health care plan would also prohibit managed care organizations, accountable care organizations, pharmaceutical companies, hospital systems, and insurance companies from profiteering off the health care system.

### *Expand Medicaid*

The first step toward health coverage for all is to expand Medicaid in all states. Medicaid is a large single-payer plan that already exists in America and provides insurance for one in five poor and low-income Americans, especially children. In a typical state, 83% of poor children receive insurance through Medicaid.<sup>183</sup> Under provisions of the Affordable Care Act, states have the capacity to insure even more.



**“Nobody should have to  
bury their child because of  
a lack of health care.”**

*Callie Greer, Alabama*

The ACA provisions allow for Medicaid coverage for all state residents up to 138% of the federal poverty line. Currently, 37 states, including Washington, D.C., have expanded Medicaid to cover more people under the ACA provisions. Expanding Medicaid across all states can be seen as an incremental step towards providing a single-payer universal plan for all Americans. As of today, 14 states have yet to take up the expansion of Medicaid provided for in the ACA. These states are Alabama, Florida, Georgia, Kansas, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming.<sup>184</sup> The federal cost of these state-level expansions would be roughly \$25 billion in the first year of adoption.<sup>185</sup> These costs would be subsumed by the costs of a universal single-payer plan once implemented.

<sup>183</sup> Robin Rudowitz, Rachel Garfield, and Elizabeth Hinton, “10 Things to Know About Medicaid: Setting the Facts Straight,” Kaiser Family Foundation, March 6, 2019, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/>.

<sup>184</sup> “Status of State Action on the Medicaid Expansion Decision,” Kaiser Family Foundation, Nov. 26, 2018, <https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D#note-8>

<sup>185</sup> Stan Dorn, Megan McGrath, and John Holahan, “What Is the Result of States Not Expanding Medicaid? Timely Analysis of Immediate Health Policy Issues,” Urban Institute, August 2014, [www.urban.org/sites/default/files/publication/22816/413192-What-is-the-Result-of-States-Not-Expanding-Medicaid-.PDF](http://www.urban.org/sites/default/files/publication/22816/413192-What-is-the-Result-of-States-Not-Expanding-Medicaid-.PDF).

Adults who were covered by Medicaid as children have substantially better health throughout their adult lives. They also work and earn more, pay more taxes, and collect fewer safety net benefits.<sup>186</sup> Studies also show that Medicaid expansions result in reductions in uncompensated care costs for hospitals and clinics and have positive or neutral effects on employment and the labor market.<sup>187</sup>

In June 2018, Arkansas instituted a work requirement for Medicaid recipients. More than 18,000 of the 115,000 poor and working-class recipients in Arkansas lost their coverage for several months. In March 2019, the Federal District Court for the District of Columbia rolled back these work requirements.<sup>188</sup> Work requirements are immoral and have no place in Medicaid expansion.

For people with disabilities, Medicaid expansion must allow in-home health care, rather than using long-term facilities or nursing homes, both of which carry additional costs. Overall, expanding Medicaid means more people with insurance, which will result in better health outcomes, leading to increased productivity and, ultimately, economic growth.

**“I’m a full-time worker, living paycheck to paycheck, and I’m a Medicaid recipient. It is not only an absolute waste of time and resources to instill these useless requirements, but it is also dehumanizing... Between the hoops we have to jump through to get Medicaid and keep it along with the constant cuts to it, we, the poor and dispossessed, are suffering... This myth that people receiving benefits don’t work and only want a hand out is rhetoric that people in power use to keep us divided and to justify their war on the poor, and it needs to stop NOW!”**

*Tammy Rojas, Pennsylvania*



186 Karina Wagnerman, Alisa Chester, and Joan Alker, “Medicaid Is A Smart Investment in Children,” Georgetown University Health Policy Institute, March 2017, <http://ccf.georgetown.edu/wp-content/uploads/2017/03/MedicaidSmartInvestment.pdf>.

187 “Status of State Action on the Medicaid Expansion Decision,” Kaiser Family Foundation, November 26, 2018, <https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-march-2018/>.

188 Amy Goldstein, “Federal judge blocks Medicaid work requirements in Kentucky and Arkansas,” *Washington Post*, March 27, 2019, [https://www.washingtonpost.com/national/health-science/federal-judge-blocks-medicaid-work-requirements-in-kentucky-and-arkansas/2019/03/27/34dab2c8-50a8-11e9-a3f7-78b7525a8d5f\\_story.html](https://www.washingtonpost.com/national/health-science/federal-judge-blocks-medicaid-work-requirements-in-kentucky-and-arkansas/2019/03/27/34dab2c8-50a8-11e9-a3f7-78b7525a8d5f_story.html).

## ***Protect and Secure Medicare***

The next step in providing health coverage for all is to protect and secure Medicare. Medicare provides health insurance protection to virtually all elderly Americans and many workers who become disabled. The introduction of Medicare in 1965 was associated with a substantial reduction in the elderly's exposure to out-of-pocket medical expenditure risk, with a 40% decline in out-of-pocket spending for those with the highest out-of-pocket costs. The welfare gains from such reductions in risk exposure alone may be sufficient to cover between half and three-quarters of the costs of the Medicare program.<sup>189</sup> Yet, Medicare has come under threat by proposals to turn it into a semi-privatized voucher system, among other changes.

Eroding the health security guarantee that Medicare provides could substantially increase the ranks of the “vulnerable elderly,” older households at risk of falling into poverty.<sup>190</sup> Replacing Medicare's public insurance with vouchers would introduce new risks for elderly and disabled Americans. Over time, all beneficiaries would bear risk if voucher amounts failed to keep pace with rising health care costs.<sup>191</sup>

Cutting Medicare is not a cost-effective proposition. In an economic study from the Federal Reserve Bank of Minneapolis that modeled the effects of a hypothetical elimination of Medicare, the results found that the government would save only 46 cents for every dollar it cut on Medicare. The study found that the welfare loss of eliminating Medicare would be equivalent to a loss of at least \$9,900 per person immediately after the change.<sup>192</sup>

Cuts to Medicare are also partly responsible for the closure of rural hospitals across the country. According to the U.S. Government Accountability Office, 64 rural hospitals were closed between 2013-2017, which was more than twice as many as in previous years.<sup>193</sup> These were mainly in the South, and those that relied more on coverage for Medicare beneficiaries were disproportionately more likely to be closed.<sup>194</sup> A hospital closure cascades through a community and is a stark reminder that its best days may be over.

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189 Amy Finkelstein and Robin McKnight, “What Did Medicare Do (And Was It Worth It)?,” National Bureau of Economic Research, September 2005, <https://www.nber.org/papers/w1609>.

190 David Cooper and Elise Gould, “Financial Security of Elderly Americans at Risk: Proposed Changes to Social Security and Medicare Could Make a Majority of Seniors ‘Economically Vulnerable,’” Economic Policy Institute, June 6, 2013, [www.epi.org/publication/economic-security-elderly-americans-risk/](http://www.epi.org/publication/economic-security-elderly-americans-risk/).

191 Judy Feder, “Medicare, Medicaid protect us from healthcare risks,” *Modern Healthcare*, May 23, 2015, <https://www.modernhealthcare.com/article/20150523/MAGAZINE/305239939/commentary-medicare-medicaid-protect-us-from-healthcare-risks>.

192 Juan Carlos Conesa, et al., “Macroeconomic Effects of Medicare,” Federal Reserve Bank of Minneapolis, April 2017, <https://www.minneapolisfed.org/research/sr/sr548.pdf>.

193 “Rural Hospital Closures: Number and Characteristics of Affected Hospitals and Contributing Factors,” U.S. Government Accountability Office, August 29, 2018, <https://www.gao.gov/products/GAO-18-634>.

194 *Ibid.*

**“Like a lot of farmers, I used to be uninsured. My hope was to stay healthy until age 65 and then get on Medicare. But my body didn’t cooperate. I was hit with 2 serious health issues in one year. To pay for my health care, I had to take out debt on my farm in the tens of thousands of dollars. It’s not right that people in this country work hard and risk losing everything they have – even their lives – because of no health care. When the Affordable Care Act passed, I was one of the first to get in line.**

**But I’ve seen firsthand the heartache the Missouri Legislature created when it refused to pass Medicaid expansion – not only for the uninsured, but also in the fight to keep our rural hospitals and services open.... Family farmers know there is a better way to raise healthy, abundant food that preserves and protects the environment for our children’s children, and it begins with demanding respect for people’s lives, health, our land, and our environment.”**

*Darvin Bentlage, Missouri*



The benefits of Medicare, on the other hand, are significant. Average-income single adults retiring between 2015 and 2020 will receive about \$500,000 in benefits, and couples will receive roughly \$1 million.<sup>195</sup>

The United States cannot afford to minimize its health investments for older Americans. Medicare, like Medicaid, is another cost-effective example of universal health care. It is a foundation to be secured and built upon.

### ***Towards Universal Health Care***

The gold standard for cost-effective, full health coverage for every person is the single-payer, universal health care model. Recently, many have advocated for a “Medicare for All” model. Multiple estimates of costs and savings from various imaginings of universal health care plans have been made. All of these estimates conclude that single-payer programs will cost less per person than our current health care system.

According to the University of Massachusetts’ Political Economy Research Institute (PERI), as of 2017, the U.S. was spending about \$3.24 trillion on personal health care. This is 17% of total U.S. GDP, while 9% of U.S. residents have no insurance, and 26% are underinsured.<sup>196</sup>

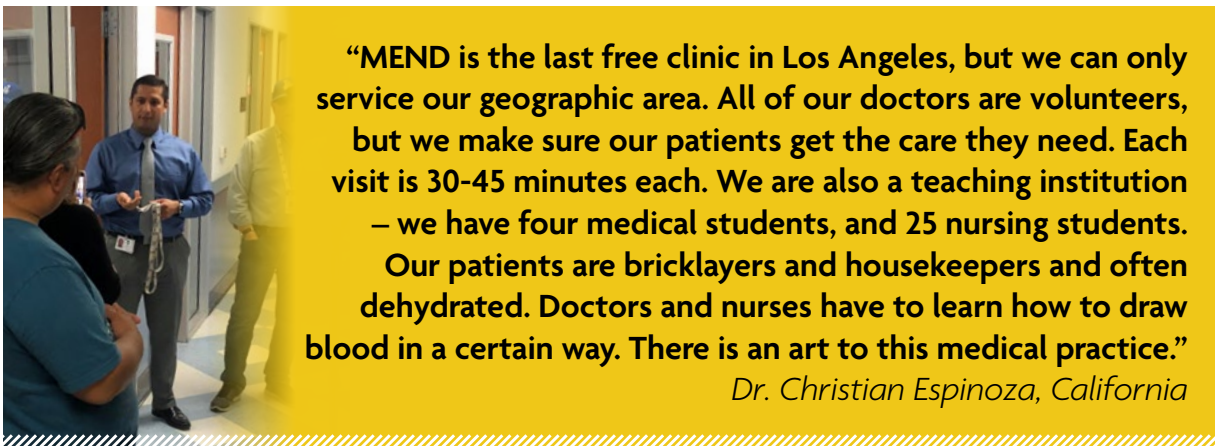
<sup>195</sup> C. Eugene Steuerle and Caleb Quakenbush, “Social Security and Medicare Lifetime Benefits and Taxes: 2018 Update,” Urban Institute, October 2018, <https://www.urban.org/research/publication/social-security-and-medicare-lifetime-benefits-and-taxes-2018-update>.

<sup>196</sup> Robert Pollin et al., “Economic Analysis of Medicare for All,” Political Economy Research Institute, November 30, 2018, <https://www.peri.umass.edu/publication/item/1127-economic-analysis-of-medicare-for-all>.



The PERI study breaks down the costs and savings of single-payer Medicare for All for a hypothetical 2017 program year with universal coverage. Based on these figures, Medicare for All could reduce total health care spending in the U.S. by about 9%, to \$2.93 trillion, while covering all Americans.<sup>197</sup>

In order to achieve these lower overall costs, a single payer system must shift costs from individuals and businesses to government. According to the PERI analysis, current payments for private insurance, out-of-pocket expenses, and some philanthropic and other sources totaling \$1.69 trillion would be redirected to Medicare for All, and new taxes totaling \$1.08 trillion would be introduced. The result is a net savings on health care amounting to \$278 billion in 2017.



In addition to lower overall costs, this Medicare for All proposal would create additional benefits, such as less income inequality, higher productivity, and reduced waste and fraud.

A universal health plan will be able to insure everyone at a lower total cost than we are currently paying to insure only about 90% of the population. According to PERI, the most significant sources of cost saving will be in the areas of: administration; pharmaceutical pricing; and establishing uniform Medicare rates for hospitals, physicians, and clinics.<sup>198</sup> For example, within a single payer system, the government could negotiate drug prices to stop pharmaceutical price gouging and set a maximum allowable profit margin for hospitals.<sup>199</sup>

Another analysis by Dean Baker<sup>200</sup> shows that Medicare for All would cost \$38.6 trillion over the next 10 years, annualized at \$3.86 trillion per year. Under this estimate, the government would use the \$20 trillion it is currently expected to spend on health care toward this total, leaving \$1.8 trillion in new government spending each year.

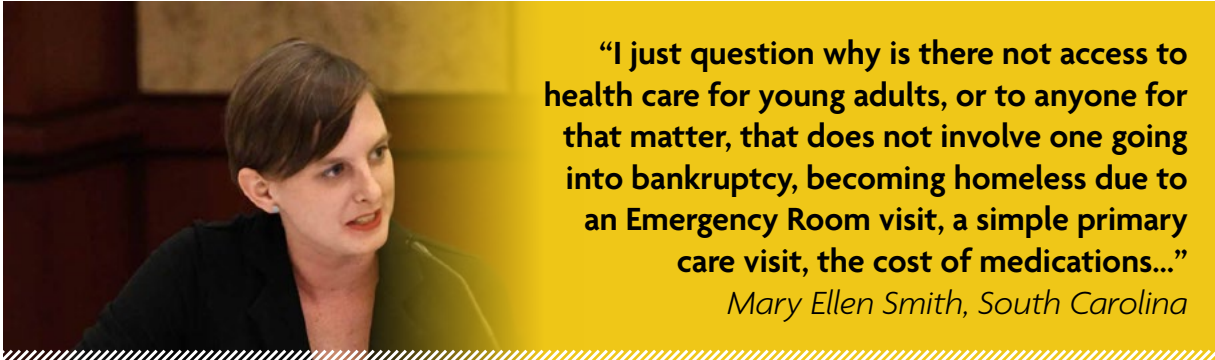
<sup>197</sup> *Ibid.*

<sup>198</sup> *Ibid.*

<sup>199</sup> Robert Pollin et al., “Economic Analysis of Medicare for All.”

<sup>200</sup> Dean Baker, “Can We Pay for Single Payer?,” *Democracy Journal*, September 14, 2017, <https://democracyjournal.org/arguments/can-we-pay-for-single-payer/>.

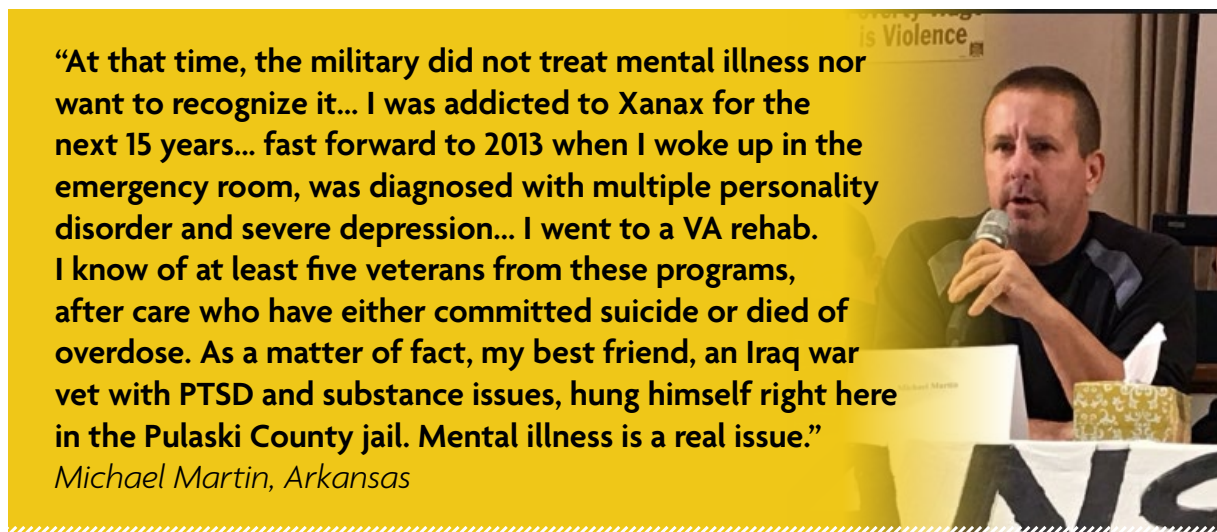
Under both estimates, national health spending by all payers is actually reduced with the implementation of the single-payer plan, giving American families more disposable income to spend on other goods and services.



### ***Equal Treatment for Mental Health and Substance Use***

All of these options – expanding Medicaid, protecting and securing Medicare, and moving towards universal health care – must account for needed improvements in mental health treatment, and substance use recovery, treatment, and support. One proposal makes increased allocations towards the Substance Abuse and Mental Health Services Administration (SAMHSA) as it continues to implement the 2016 Comprehensive Addiction and Recovery Act.<sup>201</sup> The same proposal expands Health and Human Services (HHS) and Department of Justice (DOJ) drug overdose prevention strategies, including affordable rehabilitation, and widening access to the overdose-reversal drug, Nalaxone.<sup>202</sup>

Federal funding for community behavioral health organizations and other, non-punitive approaches to substance use is critical to address this deepening mental health and substance use crisis.



201 "A Progressive Path Forward: The People's Budget," Congressional Progressive Caucus (CPC), July 24, 2018, <https://cpc-grijalva.house.gov/uploads/Binder21.pdf>.

202 *Ibid.*



**“We’ve buried 14 members of our base community in the last 12 months. Many of those deaths were caused by overdose or by health complications resulting from long-time drug use. At my church, we have started dispensing Narcan and training people on how to administer it. We consider this to be a “project of survival,” in the lineage of the Black Panthers’ free medical clinics and free breakfast programs for children...”**

*Aaron Scott, Washington*

## INDIGENOUS AND NATIVE HEALTH

Indigenous and Native Americans have a life expectancy that is five and a half years lower than the United States average. And yet, the United States spends just over one-third as much per capita on the Indian Health Service as other health care nationwide.<sup>203</sup> The inequality is not confined to funding: one quarter of Indigenous and Native Americans reported experiencing discrimination at a doctor’s office or health clinic.<sup>204</sup>

While Indigenous and Native people would be covered by a universal, single-payer health care system, a life-saving intermediate measure would be fully funding the Indian Health Service. The National Congress of American Indians has called for an increase from its current funding of \$5.6 billion in federal funds and \$1.2 billion in reimbursements through Medicaid and other programs, for a total \$36 billion budget.<sup>205</sup> There is an urgent need for these funds to be fairly distributed in close consultation with each and every tribe.

203 David Montgomery, “What Do Native Americans Want From a President?,” *Washington Post Magazine*, May 13, 2019, [https://www.washingtonpost.com/news/magazine/wp/2019/05/13/feature/what-do-native-americans-want-from-a-president/?utm\\_term=.1bbc8382a97f](https://www.washingtonpost.com/news/magazine/wp/2019/05/13/feature/what-do-native-americans-want-from-a-president/?utm_term=.1bbc8382a97f).

204 Eric Whitney, “Native Americans Feel Invisible In U.S. Health Care System,” *NPR: Morning Edition*, December 12, 2017, <https://www.npr.org/sections/health-shots/2017/12/12/569910574/native-americans-feel-invisible-in-u-s-health-care-system>.

205 David Montgomery, “What Do Native Americans Want From a President?,” *Washington Post Magazine*, May 13, 2019, [https://www.washingtonpost.com/news/magazine/wp/2019/05/13/feature/what-do-native-americans-want-from-a-president/?utm\\_term=.1bbc8382a97f](https://www.washingtonpost.com/news/magazine/wp/2019/05/13/feature/what-do-native-americans-want-from-a-president/?utm_term=.1bbc8382a97f).



# INVESTMENTS IN OUR FUTURE



## INVESTMENTS IN OUR FUTURE

### POOR PEOPLE'S CAMPAIGN DEMANDS

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1. We demand equity in education, ensuring every child receives a high-quality, well-funded, diverse public education. We demand an end to the re-segregation of schools. We demand free tuition, textbooks, room and board at public colleges and universities, and an end to profiteering on student debt. We demand equitable funding for historically black colleges and universities, and for Native, Tribal, and Indigenous educational institutions whose missions have not outlived their purpose.





## KEY FINDINGS

- An investment of \$24.4 billion per year in K-12 schools and teachers could boost academic performance among poor and struggling children for about the same cost as a wall at the southern border.<sup>206</sup>
- Universal early learning and childcare support would require \$100 billion per year. That's substantially less than the \$130 billion per year that could be generated if we merely restored the corporate tax rate to the pre-2018 level of 35%.
- For every \$1 invested in early childhood education, society would gain \$7.30 due to reduced poverty, lower incarceration rates, and better health outcomes.
- The federal and state shares of providing free public college would cost about \$70 billion per year. That's less than the revenue that could be generated through a tiny tax on transactions by wealthy, high-speed Wall Street traders.
- A study of public higher education in California found that for every \$1 invested in public colleges and universities, the state gained \$4.50 due to reduced poverty, arrests and incarcerations, and higher tax revenues.

Access to education and educational outcomes vary dramatically by geography, race, class, and other factors. The funding gap between the state with the highest per-pupil funding (New York) and the state with the lowest per-pupil funding (Idaho) was more than \$12,400 in 2018. Only 11 states had school funding formulas that awarded more funding to districts with high poverty rates.<sup>207</sup>

Investments in education – from early learning and K-12 through higher education and vocational training – are the hallmark of a society committed to future generations and have been shown to result in dramatic economic benefits. A nation that invests in military recruitment in poor communities, detention centers for immigrants, and prisons for poor people, while allowing schools to deteriorate and perpetuating severe inequalities in public school funding has its priorities all wrong.

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206 Andrew DePietro, "The Real Cost of the Border Wall As The Senate Votes to Kill Trump's National State of Emergency," Yahoo! Finance, March 14, 2019, <https://finance.yahoo.com/news/real-cost-trump-border-wall-195830968.html>.

207 Bruce D. Baker, Danielle Farrie, and David Sciarra, "Is School Funding Fair? A National Report Card," Education Law Center, February 2018, [https://edlawcenter.org/assets/files/pdfs/publications/Is\\_School\\_Funding\\_Fair\\_7th\\_Edit.pdf](https://edlawcenter.org/assets/files/pdfs/publications/Is_School_Funding_Fair_7th_Edit.pdf).

**“Most of the people I talked to were from poor rural areas or from the ghetto somewhere, places with very limited opportunity.... [Military recruiters are] in our high schools, sometime in our junior high schools, middle schools—recruiting kids all the time. You see them at fairs and other things where you see eight and 10-year-olds are allowed to pick up weapons at a table and hold them and cock them and feel proud to be holding them.”**

*Garett Rappenhagen, Colorado*



## HIGH QUALITY EDUCATION

### *Early Learning, Childcare and Head Start*

Early childhood experiences have long been understood to have lasting impacts on youth and adult development, and the benefits of early childhood education and childcare have been recognized at a federal level since the 1930s, when an Emergency Nursery School program was established as part of the New Deal.

Head Start was one of the 1965 War on Poverty Programs initiated by President Johnson to eliminate poverty. A comprehensive child development program that includes education, health, nutrition, social services, and parental involvement, Head Start was one of several programs established by the Economic Opportunity Act of 1964 and began as a Community Action Program (CAP) under the Office of Economic Opportunity. A core principle of each program under CAP, including Head Start, was the “maximum feasible participation” of the poor in federal anti-poverty programs,<sup>208</sup> a feature that sets Head Start apart from restrictive programs like Temporary Assistance for Needy Families (TANF).

Since 1965, Head Start has served more than 36 million children from zero to five years of age and their families, in all 50 states, Washington D.C., and 6 territories. In 2018, it received nearly \$9.5 billion to serve more than 1 million children and pregnant women. Of its recipients, 2% identified as American Indian/Alaskan Native, 30% as Black, 37% as Latinx, and 44% as White.

Head Start drew on earlier models of childhood education that were emerging from communities organizing to meet their children’s needs. The precursor to Head Start in Mississippi was the Child Development Group of Mississippi (CDGM). CDGM was largely controlled by poor Black people who wanted to pass down the values and principles of the civil rights movement to their children. It was made up of 84 representatives from communities across Mississippi and, as did all early Head Start programs, received its funding directly from the federal government.<sup>209</sup>

Guided by the principle of maximum feasible participation, Head Start programs work closely with

<sup>208</sup> Chris Caruso, “Turning the Tide of Neoliberalism: A Briefing Paper on the Defense of Head Start,” May 17, 2006.

<sup>209</sup> Caruso, p. 6.

families around health care, housing, jobs training and more. In 2018, 90% of its children were enrolled in Medicaid, Children's Health Insurance Program (CHIP), or another form of a state-funded child

health insurance program. Thirteen percent of its enrollment were children with disabilities. About 73,000 Head Start families received housing assistance in 2018 and 155,000 families received some kind of job training and adult education.<sup>210</sup> Children who graduate from Head Start are less likely to repeat a grade, need special education class, or be charged or convicted of a crime; and they are more likely to complete high school, go to college, and earn more than their peers who did not attend Head Start.<sup>211</sup>

Head Start works; however, it has sustained consistent attacks since its inception. In Mississippi, it was denounced as a "communist program," and White supremacist groups fired guns and burned crosses at several Head Start centers.<sup>212</sup> In 1994, the Bush administration attempted to "block grant" the program, giving its money to the states to administer rather than directly to the public agencies, non-profits, for-profit organizations, tribal governments, and schools that operated Head Start programs.<sup>213</sup> In spite of the maximum feasible participation principle, funding for Head Start does not even come close to meeting the need. According to the Children's Defense Fund, Early Head Start served just 5% of eligible infants and toddlers, and Head Start only reached 54% of eligible 3- and 4-year-olds in 2016.<sup>214</sup>

Early childhood education and quality childcare are long-term investments that pay off for both the families and children who directly benefit and for society as a whole.

Quality early learning programs can return \$7.30 to the economy for each dollar invested. Government and society benefit as a result of increased income for parents, increased income for children when they grow to adulthood, higher academic achievement, lower incarceration rates, lower use of public assistance, and more.<sup>215</sup> Education is an incredibly worthy long-term investment for society as a whole.

One proposal for increased investment in childcare and early learning calls for a \$1 trillion investment in early learning and childcare for all over 10 years.<sup>216</sup> While this includes funding for Head Start and early Head Start programs, it is critical that the principle of maximum feasible participation is ensured and that the program receives enough funding to meet the needs at hand, not merely to be fully funded but at inadequate levels.

## ***K-12 Education***

Investment in education is supposed to be an equalizing force, giving children from poor backgrounds a chance to escape poverty. In reality, education can instead reinforce inequality.

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210 "Head Start Program Facts: Fiscal Year 2018," U.S. Department of Health and Human Services.

211 Caruso, p. 4.

212 Caruso, p. 7.

213 Caruso, p. 9.

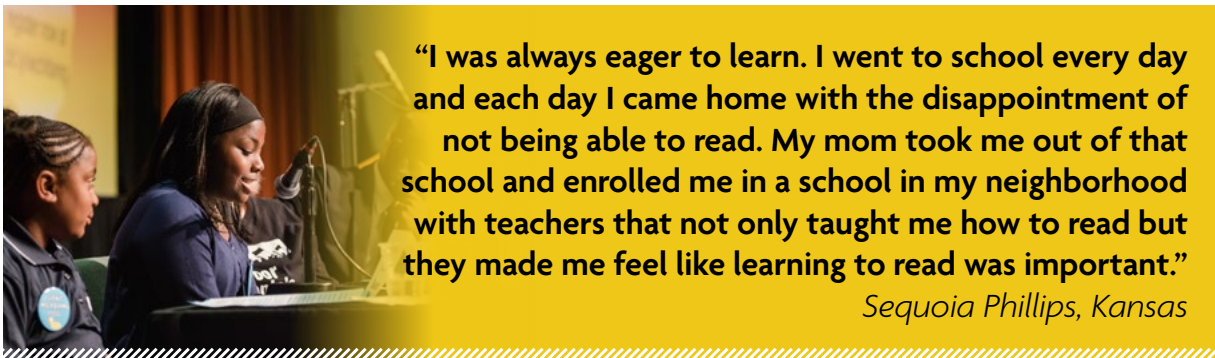
214 "Overview of the State of America's Children 2017," Children's Defense Fund, 2017, <https://www.childrensdefense.org/wp-content/uploads/2017/12/state-of-americas-children-overview.pdf>.

215 Jorge Luis Garcia et. Al., "Quantifying the Life-Cycle Benefits of a Prototypical Early Childhood Program," National Bureau of Economic Research, June 2017, <https://www.nber.org/papers/w23479.pdf?sy=479>.

216 "A Progressive Path Forward: The People's Budget," Congressional Progressive Caucus (CPC), July 24, 2018, <https://cpc-grijalva.house.gov/uploads/Binder21.pdf>.

In 2016, school districts that served predominantly White students received \$23 billion more in funding than districts that served predominantly students of color, despite serving the same number of students, amounting to \$2,200 less per student in districts that served mostly students of color.<sup>217</sup> Many attempts have been made to remedy this. In one, a 1994 court case in North Carolina, *Leandro v. State*, the court recognized these severe funding inequities and found that the state was responsible to ensure a “sound basic education” for all children.<sup>218</sup> In 2018, far from having reached compliance, the North Carolina State Board of Education sought to be released from the lawsuit. And so these funding inequities persist on a large scale.

Good schools rely on effective teachers, but compensation for teachers is suffering. In 2018, teachers earned 21% less than professionals in other fields with comparable levels of education and experience.<sup>219</sup> In 2018, work stoppages across the economy spiked higher than any year since 1986, driven by major teacher strikes in more than six states following the effects of years of state budget cuts and austerity.<sup>220</sup>



More funding is the solution. One proposal would allocate an additional \$1.1 trillion 10-year increase for educational programs such as Head Start and early education, Youth Summer Jobs, Pell Grants, Social Security Block Grants, the Individuals with Disabilities Education Act, Drop-out Prevention, the Early Learning Challenge Fund, and on-the-job training programs.<sup>221</sup> This includes a commitment to invest in teachers and schools (\$244 billion over ten years) and support preschool for all (\$82 billion over ten years).<sup>222</sup> Another proposal calls for \$100 billion for public schools for badly needed physical and digital improvements.<sup>223</sup>

217 Sarah Mervosh, “How Much Wealthier Are White School Districts Than Non-White Ones? \$23 Billion, Report Says,” *The New York Times*, February 27, 2019, <https://www.nytimes.com/2019/02/27/education/school-districts-funding-white-minorities.html>.

218 “*Leandro v. State*: 488 S.E.2d 249 (N.C. 1997),” *Duke Law*, accessed May 21, 2019, <https://law.duke.edu/childlaw/schooldiscipline/attorneys/casesummaries/leandrovstate/>.

219 Sylvia Allegretto and Lawrence Mishel, “The teacher weekly wage penalty hit 21.4% in 2018, a record high,” *Economic Policy Institute*, April 24, 2019, <https://www.epi.org/publication/the-teacher-weekly-wage-penalty-hit-21-4-percent-in-2018-a-record-high-trends-in-the-teacher-wage-and-compensation-penalties-through-2018/>.

220 Andrew Van Dam, “Teacher strikes made 2018 the biggest year for worker protest in a generation,” *The Washington Post*, February 14, 2019, <https://www.washingtonpost.com/us-policy/2019/02/14/with-teachers-lead-more-workers-went-strike-than-any-year-since/>.

221 “A Progressive Path Forward: The People’s Budget,” *Congressional Progressive Caucus (CPC)*, July 24, 2018, <https://cpc-grijalva.house.gov/uploads/Binder21.pdf>.

222 Hunter Blair, “The People’s Budget: Analysis of the Congressional Progressive Caucus budget for fiscal year 2019,” *Economic Policy Institute*, July 24, 2018, <https://cpc-grijalva.house.gov/uploads/CPC%20The%20People's%20Budget%202019%20final.pdf>.

223 Congressional Black Caucus, “CBC Announces Introduction of Comprehensive, 1,300-Page Legislation to Increase Upward Social Mobility of Black Families, Help Ensure Equal Protection Under the Law,” May 10, 2018, <https://cbc.house.gov/news/documentsingle.aspx?DocumentID=891>.

The potential benefits of an adequate level of investment in primary education are enormous. A National Bureau of Economic Advisors study on the effects of K-12 education found that the effects of bringing all students up to a basic level of achievement on standardized tests could grow the economy by \$32 trillion over a long-term, 80-year timeframe.<sup>224</sup>

And yet, while more school funding is an absolute necessity, it is not enough. School segregation, far from being a thing of the past, is alive and well. More than half of students are in highly segregated districts that are more than 75% White or non-White.<sup>225</sup> School racial segregation is inextricably linked with segregation by poverty and economic status, and each type of segregation is associated with achievement gaps for Black and Latinx students compared with their White peers.<sup>226</sup>

School segregation is inextricably linked with housing and neighborhood segregation driven by systemic racism and poverty. Neighborhood segregation, driven by housing policies ranging from redlining to racist predatory lending, results in school segregation, since in most places children go to school based on where they live. To address the root causes of this segregation would require changes to our housing policies, banking policies, and more.

### ***Higher Education and Free College***

Studies have shown that attaining a 4-year college degree raises wages for individual workers, but also provides large economic payoffs for federal, state, and local governments, as well as surrounding communities. A study of California's higher education system found that for every dollar the state invests in higher education, it will receive a net return on investment of \$4.50 over the course of students' lifetimes.<sup>227</sup>

Yet, a barrier to higher education for many people, especially poor people of color, is the rising cost. According to the National Center for Education Statistics, the price tag for attending a four-year college in 2015 (including tuition, room and board, and fees) was \$25,409 — two and a half times as much as in 1968, adjusted for inflation.<sup>228</sup> These costs have outpaced real median household income, requiring students and their families to allocate more of their limited resources towards the rising

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224 Eric A. Hanushek, Jens Ruhose, and Ludger Woessmann, "Economic Gains for U.S. States from Educational Reform," National Bureau of Economic Research, December 2015, <https://www.nber.org/papers/w21770.pdf>.

225 Sarah Mervosh, "How Much Wealthier Are White School Districts Than Non-White Ones? \$23 Billion, Report Says," *The New York Times*, February 27, 2019, <https://www.nytimes.com/2019/02/27/education/school-districts-funding-White-minorities.html>.

226 Sarah D. Sparks, "Achievement Gaps and Racial Segregation: Research Finds an Insidious Cycle," *Education Week*, April 29, 2016, [http://blogs.edweek.org/edweek/inside-school-research/2016/04/achievement\\_gaps\\_school\\_segregation\\_reardon.html](http://blogs.edweek.org/edweek/inside-school-research/2016/04/achievement_gaps_school_segregation_reardon.html).

227 Jon Stiles, Michael Hout, and Henry Brady, "California's Economic Payoff, Investing in College Access & Completion," Institute for the Study of Societal Issues, UC Berkeley, April 24, 2012, [https://alumni.berkeley.edu/sites/default/files/Californias\\_Economic\\_Payoff\\_Executive\\_Summary.pdf](https://alumni.berkeley.edu/sites/default/files/Californias_Economic_Payoff_Executive_Summary.pdf).

228 "Table 330.10. Average undergraduate tuition and fees and room and board rates charged for full-time students in degree-granting postsecondary institutions, by level and control of institution: 1963-64 through 2014-15," National Center for Education Statistics, accessed May 21, 2019, [https://nces.ed.gov/programs/digest/d15/tables/dt15\\_330.10.asp](https://nces.ed.gov/programs/digest/d15/tables/dt15_330.10.asp).



costs of education. According to a 2018 study from the Levy Institute, in 1990, average tuition and fees totaled 6.3% of median household income and 17.6% when including room and board. By 2014, average tuition and fees had more than doubled, totaling 15.9% of median household income; with room and board, costs rose to 34.7%.<sup>229</sup>

This is especially problematic for poor communities of color, who face a racial wealth gap, poorer public schools, and who also carry caregiving responsibilities for their families. Black people, women, and especially low-income women of color are disproportionately enrolled in for-profit institutions: among for-profit college students, 64% are women, 52% are people of color, 50% have dependent children, 51% work full-time while enrolled, and 59% are unlikely to receive tuition support from their family.<sup>230</sup>

Among undergraduates, 47% of Black women had children, compared with 41% of American Indian or Alaska Native women undergraduates, 39% of Native Hawaiian or Pacific Islanders, 32% of Hispanic or Latinx, and 29% of White women. The average debt of student mothers one year after graduation is \$3,800 higher than women without children and almost \$5,000 higher than men without children.<sup>231</sup>

Driven in part by the growth of high-cost, high-risk, for-profit colleges, student debt levels have exploded. As of the end of 2018, aggregate student loan debt was \$1.46 trillion.<sup>232</sup>

**“I’m a mother, grandmother, woman of faith, and a community activist. I am raising my four grandkids and supporting my oldest granddaughter who is a 2nd year college student. I receive no financial assistance for my grandkids because I’m their natural grandmother... Every month I worry, not knowing if I will be able to make my house payment. I struggle to pay my high utility bills and to keeping food on the table for my grandkids. There are millions of low-income families like mine, and it’s not our fault...The educational system, the health care system, the transportation system, the housing system, the inability to make a decent wage to support my family — all of these work against poor and low-income people.”**

*Wanda Bryant, Alabama*

229 Scott Fullwiler et al., “Macroeconomic Effects of Student Debt Cancellation,” Levy Economics Institute, February 2018, [http://www.levyinstitute.org/pubs/rpr\\_2\\_6.pdf](http://www.levyinstitute.org/pubs/rpr_2_6.pdf).

230 Saurav Sarkar and Shailly Gupta Barnes, eds., “The Souls of Poor Folk: Auditing America 50 Years After the Poor People’s Campaign Challenged Racism, Poverty, the War Economy/Militarism and Our National Morality,” Institute for Policy Studies (IPS), Poor People’s Campaign, Kairos Center for Religions, Rights and Social Justice, and Repairers of the Breach, April 12, 2018, <https://ips-dc.org/wp-content/uploads/2018/04/PPC-Audit-Full-410835a.pdf>.

231 “4.8 Million College Students are Raising Children,” Institute for Women’s Policy Research, November 2014, <https://www.luminafoundation.org/files/resources/college-students-raising-children.pdf>

232 “Quarterly Report on Household Debt and Credit,” Q4 2018, Federal Reserve Bank of New York, February 2019, [https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/hhdc\\_2018q4.pdf](https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/hhdc_2018q4.pdf).

The vast majority of these loans are made through and owed to the Department of Education; only 7.6% is through private lenders. A 2018 report from the Levy Economics Institute found that even student loan balances below the average cause hardship, especially for low-income borrowers who must decide between making payments on time and other financial demands.<sup>233</sup> The same report finds that the macroeconomic and social benefits to a one-time cancellation of all student debt would result in real GDP growth of between \$861 and \$1,083 billion over 10 years. This would require the government to forgive federal student debt, waive interest payments on federal loans, and purchase or repay private loans.<sup>234</sup>

One proposal for a targeted debt relief plan would forgive \$50,000 of debt for all borrowers earning less than \$100,000, with proportionally less debt relief for those earning up to \$250,000.<sup>235</sup>

One-time debt cancellation does not address the more fundamental problem of universal access to higher education. The College for All Act of 2017 would have the federal government pay 67% of the cost of eliminating undergraduate tuition and fees at public colleges and universities, with states responsible for the remaining 33%. Total tuition and fees for public colleges, excluding room and board, is about \$70 billion per year, making the federal share \$47 billion per year.<sup>236</sup>

**“I entered the Air Force at 22 years old after going to a local community college... the military was a last resort as a means to provide direction and a way to fund the rest of my education...”**

*Michael Martin, Arkansas*

Another proposal for a system with affordable college and the option for students to refinance loans would cost \$449 billion over 10 years given inflation (or about \$45 billion per year on average).<sup>237</sup>

233 Scott Fullwiler et al., “Macroeconomic Effects of Student Debt Cancellation,” Levy Economics Institute, February 2018, [http://www.levyinstitute.org/pubs/rpr\\_2\\_6.pdf](http://www.levyinstitute.org/pubs/rpr_2_6.pdf).

234 *Ibid.* The fiscal mechanics of student loan forgiveness described in the Levy report require the federal government to issue new securities to replace those made to fund public student loans. Student debt cancellation would create new federal liabilities relative only to the interest that was due on the original securities. For the small percentage of private student debt, the federal government would issue entirely new securities to fund their purchase from private lenders. This could moderately raise the national deficit-to-GDP ratio and increase federal interest rates. However, the macroeconomic gains over time from the rise in household income and wealth would outweigh the losses.

235 Elizabeth Warren, “I’m calling for something truly transformational: Universal free public college and cancellation of student loan debt,” *Medium*, April 22, 2019, <https://medium.com/@teamwarren/im-calling-for-something-truly-transformational-universal-free-public-college-and-cancellation-of-a246cd0f910f>.

236 “Summary of Sen. Sanders’ College for All Act,” Sen. Bernie Sanders: Newsroom, accessed May 21, 2019, <https://www.sanders.senate.gov/download/collegeforallsummary/?inline=file>.

237 “A Progressive Path Forward: The People’s Budget,” Congressional Progressive Caucus (CPC), July 24, 2018, <https://cpc-grijalva.house.gov/uploads/Binder21.pdf>.

This is not all new spending, since all current financial aid to students of public four-year colleges could stop. Using figures from the National Center for Education Statistics,<sup>238</sup> currently available sources of federal financial aid are about \$60 billion per year.

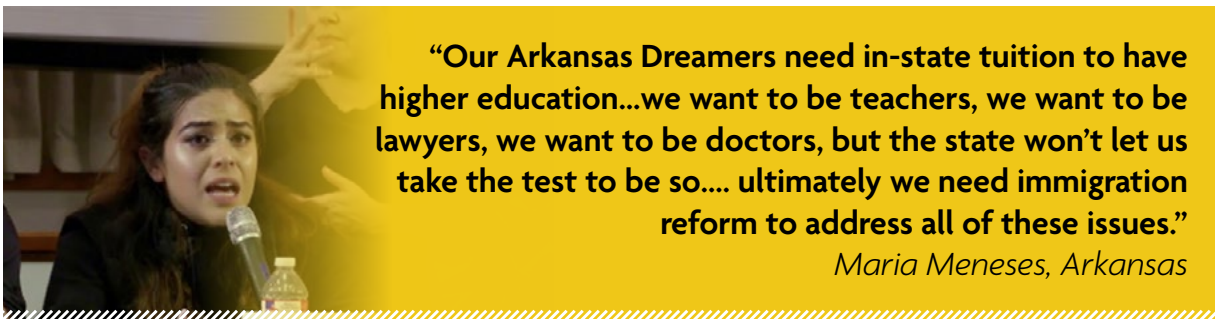
Improvements in four-year college funding must be accompanied by funding and greater accessibility for community college, vocational training, and apprenticeships. Community colleges are far more likely to serve students from poor and low-income backgrounds than four-year colleges, and yet they receive fewer resources. Private colleges spend five times as much per student each year as community colleges, and public research universities spend almost three times as much. However, additional investments in community college are arguably more effective, as they have been found to result in higher graduation rates than similar investments in four-year colleges.<sup>239</sup>

For low-income students, funds that can cover costs for textbooks and other living costs, and novel approaches like open, no-cost educational resources, can make a tremendous difference as well.

## INCLUSION FOR ALL: UNDOCUMENTED YOUTH, HBCUS AND TRIBAL SCHOOLS

The issues facing undocumented immigrant youth and the education deficits arising out of the legacy of systemic racism deserve targeted investments. The Supreme Court has found that undocumented children deserve the same education as documented citizens, but undocumented immigrant children face obstacles to a full education, including bullying and the fear of deportation for themselves or their family members.<sup>240</sup>

College students who are undocumented may face difficulty securing adequate housing, fewer internship or job opportunities, difficulty attaining a driver's license, and higher rates of anxiety and depression than the general population. Undocumented students who receive DACA (Deferred Action for Childhood Arrivals) find many of these stressors eased.<sup>241</sup>



238 “Digest of Education Statistics,” National Center for Education Statistics, 2017, Tables 331.50 and 331.70, [https://nces.ed.gov/programs/digest/d17/tables/dt17\\_331.50.asp](https://nces.ed.gov/programs/digest/d17/tables/dt17_331.50.asp). Total federal funding calculation by author based on average federal aid and percentage of students receiving aid.

239 Richard D. Kahlenberg et al., “Policy Strategies for Pursuing Adequate Funding of Community Colleges,” The Century Foundation, October 25, 2018, <https://tcf.org/content/report/policy-strategies-pursuing-adequate-funding-community-colleges/>.

240 “Undocumented Students,” National Association of Secondary School Principals, accessed May 21, 2019, <https://www.nassp.org/policy-advocacy-center/nassp-position-statements/undocumented-students/>.

241 Kaitlin Mulhere, “Undocumented and Stressed,” *Inside Higher Ed*, January 26, 2015, <https://www.insidehighered.com/news/2015/01/26/study-finds-undocumented-colleges-students-face-unique-challenges>.

Declining public investment has also left tribal schools and Historically Black Colleges and Universities particularly underfunded and in disrepair. Established to address longstanding inequities, they require adequate funding for construction, maintenance, connectivity, materials, and teacher and administrative support to fulfill that purpose.

In 2014, more than one third of schools supported by the Bureau of Indian Education were in serious disrepair. Sixty-eight of the highest risk tribal colleges required \$1.3 billion to address leaking roofs and walls, asbestos, mold, and transportation needs.<sup>242</sup> A 2017 report from the Center for Budget and Policy Priorities found that funding for Tribal Schools has fallen 67% from 2001, from over \$400 million to just \$133 million.<sup>243</sup> There is an urgent need for significantly more funding for tribal education at every level, and tribes need more authority to shape curriculum and other facets of education.

Historically Black Colleges and Universities also have large funding needs that must be met if they are to continue their demonstrated success in serving underrepresented and lower-income students. HBCUs constitute just 3% of the nation's institutions of higher learning, but graduate nearly 20% of Black students from college. More than 50% of Black professionals and public school teachers hail from HBCUs.<sup>244</sup> HBCUs graduate more than 50,000 students annually.<sup>245</sup> According to a University of Georgia analysis, HBCUs yield nearly \$15 billion in annual economic impact for our nation.<sup>246</sup>

While 35%<sup>247</sup> of all college students come from families that qualify for the federal Pell Grant, more than 80% of HBCU students are Pell Grant eligible.<sup>248</sup> As described by the Thurgood Marshall College Fund, HBCUs disproportionately enroll low-income, first-generation, and academically underprepared college students – precisely the students that the country most needs to obtain college degrees.<sup>249</sup> Yet the administration's fiscal year 2019 federal budget request proposed reductions to Pell, work-study programs, and bridge programs like TRIO and GEAR UP. It called for eliminating the Supplemental Educational Opportunity Grants, which would negatively impact more

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242 Susan Brenna, "Why are Native Students Being Left Behind," Teach for America, December 11, 2014, <https://www.teachforamerica.org/stories/why-are-native-students-being-left-behind>.

243 "Maintenance of Federally Funded Tribal Schools," Center on Budget and Policy Priorities, May 19, 2017, [https://www.cbpp.org/sites/default/files/atoms/files/5-19-17bud\\_tribalschools.pdf](https://www.cbpp.org/sites/default/files/atoms/files/5-19-17bud_tribalschools.pdf).

244 Mike Scutari, "Mega-Donors Rarely Support Historically Black Colleges. Will This Gift Change That?" *Inside Philanthropy*, December 18, 2018, <https://www.insidephilanthropy.com/home/2018/12/18/mega-donors-rarely-support-historically-black-colleges-will-this-gift-help-change-that>.

245 "Breaking Down White House Budget Proposal's HBCU Impact," Thurgood Marshall College Fund, accessed May 21, 2019, <https://www.tmcf.org/tmcf-in-the-news/breaking-down-white-house-budget-proposals-hbcu-impact/13649>.

246 "HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities," United Negro College Fund and University of Georgia Terry College of Business & Selig Center for Economic Growth, [https://www.uncf.org/wp-content/uploads/HBCU\\_Consumer\\_Brochure\\_FINAL\\_APPROVED.pdf](https://www.uncf.org/wp-content/uploads/HBCU_Consumer_Brochure_FINAL_APPROVED.pdf)

247 Undergraduate Enrollment and Percentage Receiving Pell Grants over Time," College Board, <https://trends.collegeboard.org/student-aid/figures-tables/undergraduate-enrollment-and-percentage-receiving-pell-grants-over-time>.

248 "White House Budget Proposal's HBCU Impact," Thurgood Marshall College Fund.

249 "Historically Black Colleges & Universities (HBCUs)," Thurgood Marshall College Fund, accessed May 21, 2019, <https://www.tmcf.org/about-us/our-schools/hbcus>.

than 55,000 HBCU students.<sup>250</sup> Given the profile of HBCU students and their successes during and after college, the only question to consider about federal funding should be one of increase.

While HBCUs have benefited from significant donations from high-wealth individuals, HBCUs have not had sustainable support from government educational resources. For example, these institutions receive a disproportionately small fraction of the total of research and development funding awarded to all U.S. colleges and universities. And that funding is concentrated among a few institutions: in 2005, the top 10 HBCUs received approximately 52.7% of federal research and development support for all HBCUs, and the top 20 HBCUs accounted for approximately 72% of total research and development support for all HBCUs.<sup>251</sup> Meanwhile, funding for public HCBUs rises and falls according to the state's fiscal health. Reduced funding from private corporations and public resources leaves HBCUs with smaller endowments, resulting in diminished capacity to meet student need, cover operating costs, and conduct additional fundraising.

Tribal schools and HBCUs alike have demonstrated success in supporting students from underprivileged backgrounds. If the nation wishes for all young people to thrive, then there must be sufficient funding for institutions that educate those who are least likely to complete secondary education degrees.

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250 Aria Bendix, "How Will Historically Black Colleges Fare Under Trump?" *The Atlantic*, March 24, 2017, <https://www.theatlantic.com/education/archive/2017/03/how-will-historically-black-colleges-fare-under-trump/520785/>.

251 Marybeth Gasman, "Comprehensive Funding Approaches for Historically Black Colleges and Universities," University of Pennsylvania, 2010, [https://repository.upenn.edu/cgi/viewcontent.cgi?article=1400&context=gse\\_pubs](https://repository.upenn.edu/cgi/viewcontent.cgi?article=1400&context=gse_pubs).



# INVESTMENTS IN THE PLANET

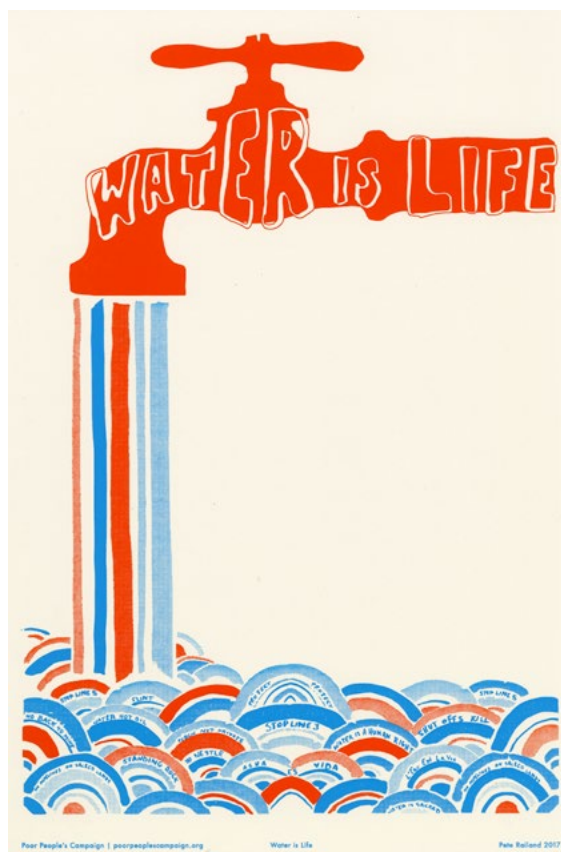


## INVESTMENTS IN THE PLANET

### POOR PEOPLE'S CAMPAIGN DEMANDS

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1. We demand a fully funded public water and sanitation infrastructure that keeps these utilities and services under public control and prioritizes poor, rural and Native communities that have been harmed by polluting and extractive industries. This infrastructure must provide consistent, safe, reliable, and affordable access to water and sanitation services such as refuse collection, containment, and sewage systems, so as to prevent any leaks or leaching of lead or other toxins. This includes ending water shut offs.
2. We demand 100% clean, renewable energy, and a public jobs program to transition to a green economy that will put millions of people in sustainable living wage jobs.





## KEY FINDINGS

- Climate change is a cause of massive human suffering: forced migration, food insecurity, and higher rates of infection. In 2010, 400,000 deaths worldwide could already be attributed to climate change. By 2030, that number is projected to reach 700,000.
- Inaction on climate change could cost up to 15.7% of GDP per year.<sup>252</sup> That's the equivalent of wiping out \$3.3 trillion from the U.S. economy — the rough equivalent of five Great Recessions, the worst economic crisis since the Great Depression.<sup>253</sup>
- Addressing climate change with a \$200 billion per year investment in a clean energy transition would reduce the damage to GDP while creating 2.7 million net new jobs.
- Investing \$37.2 billion a year in water infrastructure would create up to 945,000 jobs while providing safe drinking water to thousands of communities that don't have it. That's less than what the Pentagon awarded to just one corporation — Lockheed Martin — for military contracts in 2018.<sup>254</sup>

The original 1968 Poor People's Campaign's focus on racism, militarism, and poverty did not include any explicit links to environmental degradation and climate change, and yet those links have become clearer over time. The U.S. economy is built on profits for industries that poison our air and water and are rapidly making our planet uninhabitable. Access to a habitable planet, clean air and water, and sanitation are basic human rights that are now under constant threat, especially for poor people and people of color.

Climate change and ecological disaster are multipliers of underlying injustices due to poverty, systemic racism, and war. Worldwide, refugee flows are increasing due to ecological devastation and the early effects of climate change. Here in the United States, the tragic effects of Hurricanes Maria, Harvey, Irma, and of wildfires and floods reflect the new reality of a changing climate. Deregulation and political power struggles also result in a crisis of water affordability, pollution, and resource scarcity for poor people.

Fossil fuel, chemical industries, and others were responsible for 9 million premature deaths worldwide in 2015 caused by poisoned air, water, and land.<sup>255</sup> A 2012 analysis found that in 2010, 400,000 deaths worldwide could be attributed to climate change due to higher rates of infections, hunger, and environmental disasters. By 2030, that number would reach nearly 700,000.<sup>256</sup>

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252 Solomon Hsiang et al., "Estimating Economic Damage from Climate Change in the United States," *Science* 356, no. 6345, (2017): 1362-1369, <https://doi.org/10.1126/science.aal4369>.

253 Calculation by authors based on GDP figures from the Bureau of Economic Analysis.

254 "Top 100 Defense Contractors 2018: U.S. Department of Defense Fiscal Year 2018," Forecast International, <http://www.fi-aeroweb.com/Top-100-Defense-Contractors.html>.

255 "The Lancet Commission on Pollution and Health," *The Lancet*, October 9, 2017, <https://www.thelancet.com/commissions/pollution-and-health>.

256 DARA and the Climate Vulnerable Forum. *Climate Vulnerability Monitor: A Guide to the Cold Calculus of a Hot Planet*, 2<sup>nd</sup> Edition (Madrid: Fundación DARA Internacional, 2012), <https://daraint.org/wp-content/uploads/2012/10/CVM2-Low.pdf>.

**“I can walk down the street where I grew up and I can show you who’s died of cancer and tell you about the week that everybody on one street had strokes and heart attacks. I can tell you about the anger I felt when I heard my neighbor, 14 years old, Sheryl, had cancer of the reproductive organs. I still remember the anger I felt when an 18-year-old up the street had prostate cancer. I’ve had to comfort my friends through miscarriages and birth defects. The last person I dated confided in me that he had prostate cancer and he’ll never be able to have children.”**

*Marquita Bradshaw, Tennessee*

The problems of pollution and access to clean air and water reach across race and location, affecting everyone, but poor people and people of color are hit especially hard. In the U.S., urban populations struggle with high water bills and polluted water. Rural populations struggle with access to piped water and sewage systems. More than one million people lack access to complete plumbing facilities, and in some communities, water shut-off rates are 20% or higher. Of the 20 counties with the highest percentage of households lacking access to complete plumbing, all were rural, and 13 had a majority Native American or Alaskan Native population.<sup>257</sup>

Even while water and sanitation infrastructure is lacking for hundreds of thousands of households, there is a growing pipeline infrastructure for oil and fracking. These misplaced political priorities are contributing factors to the crisis of climate change and its disproportionate impact on poor communities and communities of color in this country and around the world. In Union Hill, North Carolina, this dynamic is pitting the profit motives of Virginia’s largest utility, which wants to site a natural gas pipeline pumping station in Union Hill, against the health and safety interests of a historically Black community that has objected to communities of color being targeted for similar projects time and time again.<sup>258</sup>

**“Here’s something that many people really don’t know. These big utilities don’t really make money by selling electricity or gas...but because their rates are heavily regulated and they learned how to game the system for so long, the way they make money is by building new capacity and adding the cost into their rate base and getting a big percentage of profit on top of that....this is basically a variety of cost-plus contracts. And if the pipeline is not needed, they have a powerful economic profit incentive to build it anyway, so they can rip off the ratepayers...”**

*Vice President Al Gore, Tennessee*

257 Stephen P. Gasteyer et al., “Basics Inequality: Race and Access to Complete Plumbing Facilities in the United States,” *Du Bois Review*, 13:2 (2016): 305– 325, [https://www.cambridge.org/core/services/aop-cambridge-core/content/view/1F3C7B5E413CBD73BE480E66FABDDDD7C/S1742058X16000242a.pdf/basics\\_inequality.pdf](https://www.cambridge.org/core/services/aop-cambridge-core/content/view/1F3C7B5E413CBD73BE480E66FABDDDD7C/S1742058X16000242a.pdf/basics_inequality.pdf).

258 Erik Ortiz, “How Money Stokes Divide of Historic Black Community in Virginia Pipeline Battle,” *NBCNews*, December 7, 2018, <https://www.nbcnews.com/news/us-news/how-money-stokes-divide-historic-black-community-virginia-pipeline-battle-n943236>.

## ACCESS TO CLEAN WATER AND SANITATION

In the wealthiest nation on earth, access to clean water and sanitation should be a given. And yet, for many Americans, water and sanitation remain unaffordable, inaccessible, unsafe, or all of these.

**“I have experienced things such as water shutoffs, poverty and living in fear of being taken away from my home...not being able to shower, brush their teeth, or cook, it’s wrong. No one wants to live in poverty. Being able to live with your basic needs, including water, is a human right.”**

*Kailani Jones, Michigan*



Safe and affordable water and sanitation would have societal benefits beyond the benefits directly to poor people, including job creation. Food and Water Watch estimates that governmental investment of \$37.2 billion a year in water infrastructure (which is slightly lower than the \$38 billion we recommend – see below) would create between 700,000 to 945,000 jobs across the economy.<sup>259</sup>

Other benefits are the boost to GDP from infrastructure spending, increased demand for goods and services in the supply chain for water infrastructure, and increased demand for consumer goods and services from those increased jobs. A 2016 study recommends using a multiplier of 2.95 to calculate economy-wide benefits from investing in water infrastructure.<sup>260</sup> Applying this multiplier to our proposed infrastructure investment of \$38 billion, we estimate a GDP boost of \$112 billion a year. Meanwhile, hospitalization costs for the most common waterborne diseases in the U.S. are of the order of \$539 million annually, a sum that could be reduced with improved water infrastructure.<sup>261</sup>

Additional benefits of investment in water infrastructure that are harder to quantify as a dollar amount include indirect benefits of the resulting reduction in utility bills, such as reduction in homelessness, better school attendance and educational outcomes, and improved worker productivity.<sup>262</sup>

According to the Environmental Protection Agency (EPA), the U.S. needs a drinking water safety investment of \$472.6 billion over 20 years for water supply infrastructure, including pipes, drinking

259 “Water. Jobs. Justice. The Case for the Water Affordability, Transparency, Equity, and Reliability Act,” Food & Water Watch, February 2019, [https://www.foodandwaterwatch.org/sites/default/files/fs\\_1902\\_waterjobsjustice-wateractupd2-web.pdf](https://www.foodandwaterwatch.org/sites/default/files/fs_1902_waterjobsjustice-wateractupd2-web.pdf).

260 “The Economic, Job Creation, and Federal Tax Revenue Benefits of Increased Funding for the State Revolving Fund Programs,” Water Environment Federation and WateReuse, April 2016, <https://www.wef.org/globalassets/assets-wef/5---advocacy/wef-wra-srf-economic-impact-study-report-april-29-2016.pdf>.

261 “Waterborne Diseases Could Cost over \$500 Million Annually in U.S.,” Centers for Disease Control and Prevention (CDC), July 14, 2010, <https://www.cdc.gov/media/pressrel/2010/r100714.htm>.

262 Roger Colton, “Water Bill Affordability for the City of Philadelphia: Presented to Philadelphia City Council,” April 9, 2015, <http://povertylaw.org/files/docs/Colton%20City%20Council%20comments--April%208%202015--Final.pdf>.



water storage tanks, purification facilities, and other infrastructure. The total includes \$3.8 billion for Indigenous and Native water systems.<sup>263</sup>

**“We are depleting our Ogallala aquifer here in Kansas. In western Kansas...some towns are already trucking in water and farmers are reducing their acres. They know that their farming days are numbered. Their communities will dry up and wither as goes the water supply. The land they farm will not be farmed by their grandchildren’s children. They know this is coming. And yet we still continue to pollute our fresh water and turn our wetlands into cities... We continue to drill, pump and inject poisons into our ground until we cause earthquakes!**

**And this has been going on for decades. In 1917, Treece, Kansas, in Cherokee County was a busy thriving mining town in Southeast Kansas where lead, zinc and iron ore were extracted and big mountains of tailings were left everywhere. By the 70’s the mining was done, the groundwater polluted and hazardous. In 2009 the U.S. government decided to relocate the residents of Treece that were left rather than to rehabilitate the land. It remains a ghost town today, because of the water.”**

*Mary Jane Shanklin, Kansas*



For sanitation, a 2016 EPA study estimated a need for \$271 billion over 20 years<sup>264</sup> for wastewater and storm water infrastructure, which includes installing, maintaining, upgrading, or replacing sewage pipes, sewage treatment facilities and storm water infrastructure, as well as sewer overflow control measures.<sup>265</sup>

In today’s dollars, this amounts to a current cost of \$284.9 billion.<sup>266</sup> This survey excludes wastewater

263 In 2015 dollars. “Drinking Water Infrastructure Needs Survey and Assessment: Sixth Report to Congress,” U.S. Environmental Protection Agency (EPA), Office of Water, Report EPA 816-K-17-002, March 2018, [https://www.epa.gov/sites/production/files/2018-10/documents/corrected\\_sixth\\_drinking\\_water\\_infrastructure\\_needs\\_survey\\_and\\_assessment.pdf](https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf)

264 “Clean Watersheds Needs Survey 2012: Report to Congress,” U.S. Environmental Protection Agency (EPA), Office of Water, Report EPA-830-R-15005, January 2016, [https://www.epa.gov/sites/production/files/2015-12/documents/cwns\\_2012\\_report\\_to\\_congress-508-opt.pdf](https://www.epa.gov/sites/production/files/2015-12/documents/cwns_2012_report_to_congress-508-opt.pdf).

265 Almost 860 legacy wastewater and storm water systems combine discharges from domestic sewage, industrial effluent, and runoff from precipitation into a single stream. When excess precipitation occurs, the volume of combined wastewater and storm water can overwhelm a system, causing untreated or partially treated sewage to be discharged into rivers and lakes. These incidents are called combined sewer overflows (CSOs). “Combined Sewer Overflows (CSOs),” U.S. Environmental Protection Agency (EPA), accessed May 21, 2019, <https://www.epa.gov/npdes/combined-sewer-overflows-csos>.

266 Using price index obtained from: “Producer Price Index by Commodity for Final Demand: Total Government Purchased Capital Investment (Goods, Services, and Construction) [WPSFD49404],” FRED, Federal Reserve Bank of St. Louis, December 10, 2018, <https://fred.stlouisfed.org/series/WPSFD49404>.

and storm water infrastructure needs on Indigenous and Native lands, so the true cost would be higher.<sup>267</sup>

Combining these numbers – the drinking water investment of \$472.6 billion over 20 years, and the inflation-adjusted wastewater and storm water investment of \$284.9 billion over 20 years – the total needed capital investment is \$757.5 billion over 20 years, which comes to about \$38 billion a year.

These infrastructure improvements, while badly needed, will not solve the problem of affordability. In part because federal assistance to local water systems is down 74% from its peak in 1977, local water systems are being privatized across the country.<sup>268</sup> These schemes often impose regressive water billing practices on communities, leaving low-income households to shoulder higher payments as a percentage of their income.

According to the EPA, affordable water and sanitation should not take up more than 4.5% of a household's income. For a family of four with a low income of \$27,000, that would mean a monthly water and sewer bill of \$101.25 at most. And yet a 2014 study assumed an average monthly water bill of \$120 for American households with typical water consumption.<sup>269</sup> According to one study, the share of U.S. households with unaffordable water bills could triple by 2022, from 11.9% to 35.6%.<sup>270</sup>

**“It’s scandalous to support the notion that if you can’t pay for water, you can’t have it.”**

*Maureen Taylor, Michigan*



This has prompted several cities to consider water affordability plans that account for users' ability to pay. In 2005, the Michigan Poverty Law Program, working with the Michigan Welfare Rights Organization and the People's Water Board Coalition, developed a Water Affordability Plan for the Detroit Water and Sewerage Department (DWSD). It established a formula for monthly rates as a percentage of gross annual income and contributions from unbilled residential water customers to address the crisis of rising water and sewer bills. The plan eliminated mass water shut offs, made provisions for arrears or past due payments, and integrated water conservation techniques.<sup>271</sup>

<sup>267</sup> Institute for Policy Studies. The numbers cited are solely for capital costs such as engineering and design, procurement of construction materials and equipment, construction labor, and inspection. They exclude operation and maintenance costs.

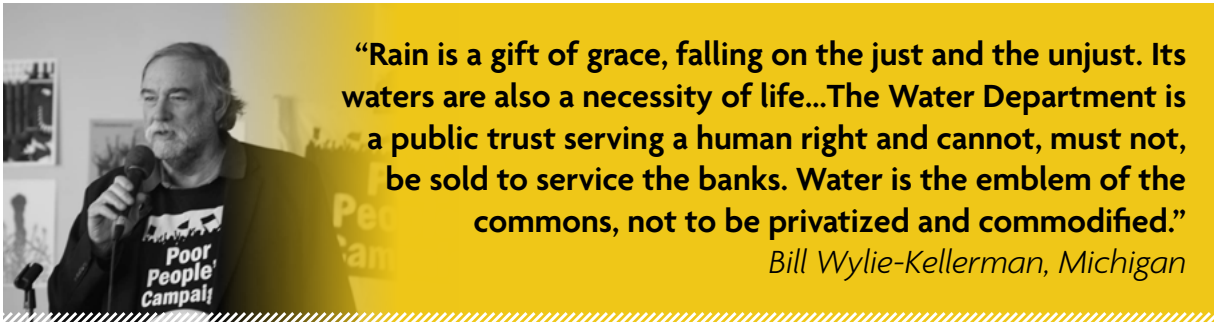
<sup>268</sup> Saurav Sarkar and Shailly Gupta Barnes, eds., “The Souls of Poor Folk: Auditing America 50 Years After the Poor People’s Campaign Challenged Racism, Poverty, the War Economy/Militarism and Our National Morality,” Institute for Policy Studies (IPS), Poor People’s Campaign, Kairos Center for Religions, Rights and Social Justice, and Repairers of the Breach, April 12, 2018, <https://ips-dc.org/wp-content/uploads/2018/04/PPC-Audit-Full-410835a.pdf>.

<sup>269</sup> Elizabeth A. Mack and Sarah Wrase, “A Burgeoning Crisis? A Nationwide Assessment of the Geography of Water Affordability in the United States,” *PLOS One*, 12(4): e0176645, January 2017, <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0169488>.

<sup>270</sup> Elizabeth A. Mack and Sarah Wrase, “A Burgeoning Crisis? A Nationwide Assessment of the Geography of Water Affordability in the United States,” *PLOS One*, 12(4): e0176645, January 2017, <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0169488>.

<sup>271</sup> Roger Colton, “A Water Affordability Program for the Detroit Water and Sewerage Department,” January 2005, <https://drive.google.com/file/d/0BxDX326T9LRxSGRHQUdTamlUekk/view>.

While versions of this plan have been adopted in Baltimore and Philadelphia, the plan was not implemented in Detroit; since 2014, at least 100,000 households in Detroit have had their water shut off. The EPA has, in fact, documented 228 water affordability programs across the country; however, none of those programs fully meet community needs.<sup>272</sup>



A 2019 report from the Haas Institute offered updates to the 2005 Detroit Water Affordability Plan, calling for a moratorium on water shut offs, a comprehensive affordability plan, basic consumer protections, legislative reforms, and green infrastructure initiatives.<sup>273</sup>

A proposed WATER Act draws on the 2005 plan for the DWSD and would institute comprehensive federal water safety measures to rebuild infrastructure, address water contamination and implement affordability measures. Investments would total \$35 billion a year and would create 1 million jobs.<sup>274</sup>

## ADDRESSING CLIMATE CHANGE THROUGH CLEAN ENERGY

Reasons to address climate change are not limited to mitigating its terrible consequences. The solutions to climate change require vast international mobilization and investment, and that translates to jobs, reduced poverty, better infrastructure, increased international cooperation, and reduced violence and international conflict.

A study of feasible pathways to reduce U.S. greenhouse gas emissions 80% below 1990 levels by 2050<sup>275</sup> finds that overall energy use in the U.S. must decrease by between 18 to 22% below 2014 levels by 2050. A recent IPCC report shows that the previously suggested 2°C target for maximum warming is insufficient, and we should set a 1.5°C target instead.<sup>276</sup>

272 “Water Equity and Security in Detroit’s Water and Sewer District,” Haas Institute, January 2019, 22, [https://haasinstitute.berkeley.edu/sites/default/files/detroit\\_water\\_equity\\_full\\_report\\_jan\\_11\\_2019.pdf](https://haasinstitute.berkeley.edu/sites/default/files/detroit_water_equity_full_report_jan_11_2019.pdf). This report also documents the health costs and social impact of water shut offs.

273 *Ibid.*

274 “Water. Jobs. Justice. The Case for the Water Affordability, Transparency, Equity, and Reliability Act,” Food & Water Watch, February 2019, [https://www.foodandwaterwatch.org/sites/default/files/fs\\_1902\\_waterjobsjustice-wateractupd2-web.pdf](https://www.foodandwaterwatch.org/sites/default/files/fs_1902_waterjobsjustice-wateractupd2-web.pdf).

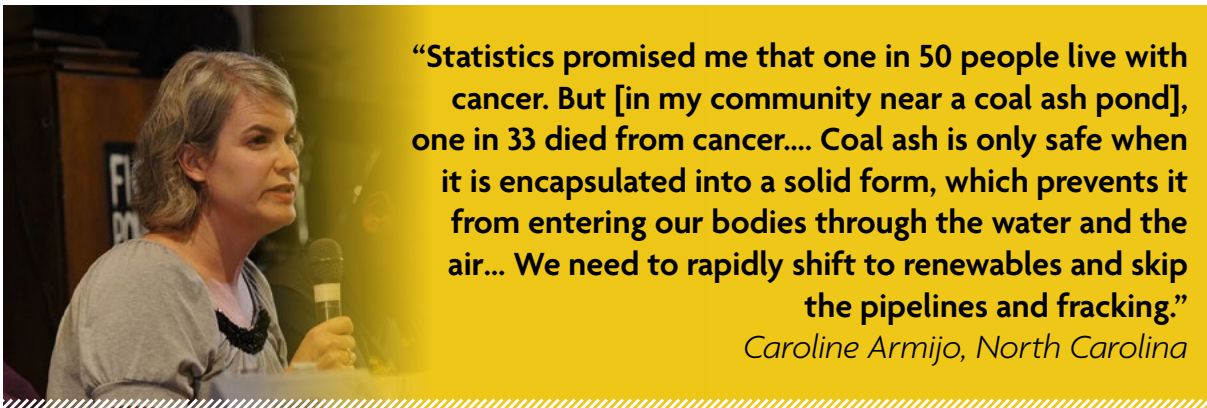
275 These are the reductions that this study recommends the U.S. must make to keep global average temperature increases to within 2 degrees Celsius (2°C) above pre-industrial levels. James H. Williams et al., “Pathways to Deep Decarbonization in the United States,” Deep Decarbonization Pathways Project (DDPP), U.S. 2050 Vol. 1, November 2015, [http://deepdecarbonization.org/wp-content/uploads/2015/11/US\\_Deep\\_Decarbonization\\_Technical\\_Report.pdf](http://deepdecarbonization.org/wp-content/uploads/2015/11/US_Deep_Decarbonization_Technical_Report.pdf).

276 “Global Warming of 1.5°C: Summary for Policymakers,” Intergovernmental Panel on Climate Change (IPCC), October 2018, [http://report.ipcc.ch/sr15/pdf/sr15\\_spm\\_final.pdf](http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf).

## ***A Model for Federal Action on Renewable Energy***

The Intergovernmental Panel on Climate Change (IPCC) has determined that meeting a 1.5°C temperature increase threshold requires reducing emissions from human activities to 45% below 2010 levels by 2030, and zero emissions by 2050.<sup>277</sup>

Reducing our greenhouse gas emissions to meet this target will require fundamental changes in electricity generation, transportation, industry, agriculture, and more. This section particularly addresses the electricity generation sector.



According to a 2014 report, an annual average of \$50 billion in gross public investment in clean energy and energy efficiency, supplemented with \$150 billion in private investment for an annual total of \$200 billion, will reduce U.S. emissions of carbon dioxide to 3,051 million metric tons by 2030.<sup>278</sup> This represents a 46.5% reduction from 2010 emissions of 5,701 metric tons,<sup>279</sup> clearly meeting the IPCC requirement of at least a 45% reduction.

Meeting the ultimate goal for mitigating climate change will require long term public investment to get to 100% renewables (and zero emissions) from the electricity sector by 2050. However, there are good reasons to be optimistic that meeting the intermediate target of 45% emissions reduction by 2030 would facilitate meeting the final target of 100% renewables (and zero emissions from the electricity sector) by 2050.

Major obstacles to the transition from fossil fuels have been successfully addressed in recent years. Renewables have essentially achieved cost parity with fossil fuels.<sup>280</sup> Further research and development

277 *Ibid.* Carbon dioxide is only one of several greenhouse gases, and the IPCC has identified pathways to reduce emissions of other greenhouse gases as well.

278 Robert Pollin et al., “Green Growth: A U.S. Program for Controlling Climate Change and Expanding Job Opportunities,” Political Economy Research Institute (PERI), University of Massachusetts Amherst, and Center for American Progress, September 2014, <https://www.americanprogress.org/issues/green/reports/2014/09/18/96404/green-growth/>.

279 “Greenhouse Gas Inventory Data Explorer,” U.S. Environmental Protection Agency (EPA), <https://www3.epa.gov/climatechange/ghgemissions/inventoryexplorer/#allsectors/allgas/gas/all>.

280 “Levelized Cost and Levelized Avoided Cost of New Generation Resources in the Annual Energy Outlook 2018,” U.S. Energy Information Administration (EIA), Table 1b, p. 6, March 2018, [https://www.eia.gov/outlooks/aeo/pdf/electricity\\_generation.pdf](https://www.eia.gov/outlooks/aeo/pdf/electricity_generation.pdf).

in renewable energy will drive the costs of renewables down further. Meanwhile, costs of energy storage, one of the biggest remaining technical challenges to more widespread renewable energy implementation, are projected to decrease rapidly.<sup>281</sup>

The four classes of policy interventions considered are:<sup>282</sup>

- Market-shaping rules, such as vehicle fuel efficiency standards, which require private investment for compliance, but do not entail public spending;
- Direct public spending, for example, in energy efficiency projects for public buildings or research and development;
- Tax credits to incentivize private investment in renewables and energy efficiency; and
- Transitional support for fossil fuel-dependent communities and workers.



We know that any major new investments in a pathway to 100% clean energy will lead to economic benefits for society as a whole and resulting benefits to public finances. These include reduction in deaths, illnesses, and injuries attributable to extreme heat, wildfires, and violent storms; reduction in associated health care costs, disaster relief spending, and days of work lost; reduction in infrastructure damage from sea level rise, wildfires, and storms; and reduction in agricultural losses from droughts, among others.

281 “Electricity Storage and Renewables: Costs and Markets to 2030,” International Renewable Energy Agency (IRENA), October 2017, [http://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Oct/IRENA\\_Electricity\\_Storage\\_Costs\\_2017.pdf](http://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Oct/IRENA_Electricity_Storage_Costs_2017.pdf).

282 *Ibid.*



A 2017 study estimates the impact of temperature increase on the U.S. economy in terms of share of GDP lost, and finds that the likely range of losses varies with the level of global average temperature increase as shown in Table 1 below.<sup>283</sup>

**TABLE 4: ESTIMATED RANGES OF AGGREGATE ANNUAL NATIONWIDE ECONOMIC LOSSES FOR U.S. AS SHARE OF GDP FOR DIFFERENT WARMING SCENARIOS.**<sup>284</sup>

(Economic Losses Reported as % of GDP per Year)

Temperature Increase (°C)	Low-End Estimate of Economic Loss	High-End Estimate of Economic Loss
1.5°C	+0.1%	-1.7%
4°C	-1.5%	-5.6%
8°C	-6.4%	-15.7%

To underscore the potential damage from doing nothing, losses in economic activity could rise to as much as 15.7% of GDP per year if the planet warms by 8°C. In comparison, the recession of 2008 and 2009, the worst economic crisis since the Great Depression, led to only a 2.3% decline in GDP.<sup>285</sup> With reference to the current U.S. GDP of \$20.87 trillion,<sup>286</sup> it is equivalent to wiping out \$3.3 trillion from the U.S. economy.

If warming could be limited to 1.5°C, using the low end of economic damage from any given temperature increase scenario, and assuming a worst-case temperature increase of 4°C (as against a catastrophic 8°C), the savings from implementing effective climate change policies could be 1.6% of GDP. (This is the difference between a +0.1% gain at 1.5 °C warming and a -1.5% loss at 4°C warming.) By comparison, the level of expenditure suggested by the UMass proposal discussed previously – \$200 billion, with a 25 to 75% split between the public and the private sector – represents only 1.2% of GDP, and the public expenditure component is only 0.3% of GDP.<sup>287</sup> This suggests that successfully addressing climate change would save money, overall, in the long run.<sup>288</sup>

283 Solomon Hsiang et al., “Estimating economic damage from climate change in the United States,” *Science*, Vol. 356, Issue 6345, pp. 1362-1369, June 30, 2017, <http://science.sciencemag.org/content/356/6345/1362>.

284 *Ibid.*

285 John Carney, “America Lost \$10.2 Trillion In 2008,” *Business Insider*, February 3, 2009, <https://www.businessinsider.com/2009/2/america-lost-102-trillion-of-wealth-in-2008>.

286 “Gross Domestic Product, Fourth Quarter and Annual 2018 (Third Estimate); Corporate Profits, Fourth Quarter and Annual 2018,” U.S. Bureau of Economic Analysis, March 28, 2019, <https://www.bea.gov/news/2019/gross-domestic-product-4th-quarter-and-annual-2018-third-estimate-corporate-profits-4th>.

287 Pollin et. al., “Green Growth,” 2014.

288 Note that the UMass proposal covers only the energy sector, and investments in other areas such as transportation and agriculture would also be needed to avoid the harmful economic impacts discussed above.



**“We’re seeing more extreme weather patterns, more rain, deluges of rain... we are going to see more diseases. And when it shifts from hot to cold our ground moves, the soil expands and contracts. Foundations of homes are impacted by that. I can look at the joints in my house and see where they either pull apart or come back together so we are going to have to build differently from the way we built before. People can’t live in mobile homes. The water tables are high and we can’t build basements so we have to come up with a way in which we have to change construction become more resilient. We have to build up resilience in our rural communities, we can’t just keep rebuilding every time something happens.”**

*Catherine Flowers, Alabama*

A \$200 billion per year investment in a clean energy transition will create 4.2 million overall jobs, and 2.7 million net jobs (accounting for an expected decrease of 1.5 million fossil fuel-related jobs.)<sup>289</sup> Net job creation on this scale will benefit the economy overall, lead to increased tax revenues for governments, and reduce required safety net expenditures.

These interventions represent achievable first steps toward addressing climate change, but they do not accomplish the necessary end that all fossil fuels stay in the ground. Full transition away from fossil fuels will require bigger changes and bolder action, including the end of fossil fuel tax breaks. Whatever policies are ultimately adopted to stop climate change must be designed and implemented to dismantle poverty, racism, and militarism. Unless we insist on a just transition away from fossil fuels, even these efforts will replicate the political and economic structures that have brought us this far.

Indeed, the relationship between fossil fuel extraction, pipeline construction and Indigenous and Native communities has become explicit in recent years, especially following the activity of the Standing Rock Sioux around the Dakota Access Pipeline. “Standing Rock” brought hundreds of tribes, nations, and allies together around a common threat to human life and ecological systems. These frontline struggles reveal the deep relationships between systemic racism, poverty, ecological devastation, and militarism, and why they must be addressed together. The way out of our dependency on fossil fuels will come from these impacted communities. It is critical that they are at the center of any meaningful solution, not just as passive victims, but active agents of change.

<sup>289</sup> Pollin et. al., “Green Growth,” 2014.



# INVESTMENTS IN PEACE AND THE COMMON DEFENSE



## INVESTMENTS IN PEACE AND THE COMMON DEFENSE

### **POOR PEOPLE'S CAMPAIGN DEMANDS**

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1. We demand an end to military aggression, war profiteering, and war-mongering.
2. We demand a stop to the privatization of the military budget and any increase in military spending. We demand a reallocation of resources from the military budget to education, health care, jobs and green infrastructure needs, and strengthening a Veterans Administration system that must remain public.
3. We demand the demilitarization of our communities on the border and the interior. This includes ending federal programs that send military equipment into local and state communities, and ceasing the call to build a wall at the U.S.-Mexico border.
4. We demand an end to mass incarceration and the continuing inequalities for Black, Brown and poor White people within the criminal justice system.
5. We demand a ban on assault rifles and a ban on the easy access to firearms that has led to the increased militarization and weaponization of our communities.



## KEY FINDINGS

- We could save as much as \$350 billion per year by cutting current Pentagon spending for fighting endless wars, maintaining a worldwide network of 800 military bases, stoking dangerous arms races, and subsidizing for-profit corporate contractors, and our military budget would still be larger than that of China, Russia, and Iran combined.
- Ending mass incarceration could drastically reduce the \$179 billion per year that our nation spends on policing, courts, and private prison operators. A 25% reduction in spending on mass incarceration could fund \$44 billion per year in investments in a housing trust fund to build, maintain, and preserve affordable rental homes.

The current actions, structure, and goals of U.S. military policy make our world more dangerous and are destroying our national resources, along with the planet itself. Violence, instability, and human rights violations cannot have solely or primarily military solutions. And using military means to secure natural resources for private exploitation or geopolitical advantage is both wrong and anachronistic. Current U.S. military policy too often assumes that military might is the most effective tool for international engagement. Diplomacy and humanitarian efforts, which should be central in the response to any conflict, are too often subjugated to military approaches or driven by the military itself in the service of military goals.

Proponents of higher military spending in recent years have cited terrorism or growing threats from rival states like Russia and China as justification. But more military spending does not make us safer. The enormous rise in military spending after the 9/11 attacks has not made people in the U.S. or in Afghanistan, Iraq, Syria, Yemen, Libya, Somalia, or anywhere else safer. An ongoing attempt to use military means to end terrorism would entail unfathomable human costs and will never be able to address the root causes of terrorism: dislocation, dispossession, oppression, poverty, hopelessness, and other social ills. Likewise, current preparations for major ground wars involving other nuclear-armed superpowers fail to recognize the utter devastation that such wars would represent. Any scenario involving all-out war with China or Russia is one of untold loss of life and devastation of the world's environment and economy. We must find non-military solutions to real threats.

Our nation's current allocation of resources prioritizes winning wars above all other sources of security, but true security does not mean winning wars. True security means living with dignity, earning a living wage, educating our children, living free from the effects of racism, and knowing that if we get sick or lose a job, there will be a system in place to help.



## ENDING THE CULTURE OF WAR

The U.S. military budget is both the largest in the world and at a near record high in U.S. history since World War II (the only exception being the height of the war on terror).<sup>290</sup> The U.S. has now been at war in multiple countries for 18 years, spending \$5.9 trillion and costing more than 480,000 lives due to direct conflict alone.<sup>291</sup> This level of U.S. military investment and intervention spurs greater military investment by countries considered rivals, making the world more dangerous, and war more likely. Rationalizations for America's current force size rest on standards of being always ready for two "all-out" ground wars, or one "all-out" war at the same time as two "midsize and longer term" operations.<sup>292</sup> This dangerous thinking fails to acknowledge that preventing war is most likely to happen through non-military means.

Today, the U.S. military budget, not counting spending on veterans' care, homeland security, or war-related interest on the debt, is \$716 billion — and climbing. U.S. military budgets were not always so high. In the immediate aftermath of World War II, the military budget shrank to just \$77 billion in today's dollars.<sup>293</sup> Most recently, in 1997, after the end of the Cold War and before 9/11, military spending dipped to \$395 billion in today's dollars.<sup>294</sup> Military spending levels below \$400 billion were also seen throughout the 1970s.

Our military interventions are not only unnecessary, but deeply immoral. The wars in Iraq and Afghanistan have devastated a region, resulting in the violent deaths of 480,000 people and the displacement of 21 million people.<sup>295</sup> U.S. military bases have displaced at least 20 local or indigenous peoples around the world since 1898. Today, the U.S. has bases in 40 countries with authoritarian regimes, lending them legitimacy. And since the military claims that U.S. environmental laws do not apply overseas, it often endangers local people around foreign bases by the use and dumping of hazardous and toxic materials with impunity.<sup>296</sup> Our own troops are also at risk from this environmental damage, and by our militarism more broadly. Veterans are more vulnerable to joblessness, homelessness, and suicide than non-veterans.

It is both possible and necessary to secure the nation's safety with a reduced military budget. The savings can be applied to other critical areas of the U.S. economy to spur job growth and address

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290 Lindsay Koshgarian, "Trump Wants a Crazy \$750 Billion for Military," National Priorities Project at the Institute for Policy Studies, December 10, 2018, <https://www.nationalpriorities.org/blog/2018/12/10/trump-wants-750-billion-military-nearing-record-spending/>.

291 Costs of War, Watson Institute for International and Public Affairs, November 2018, <https://watson.brown.edu/costsofwar/costs>. Deaths are those directly due to violence, and do not include deaths due to war-related disease, lost infrastructure or related causes.

292 Michael E. O'Hanlon, "How Big an Army Does the United States Need?" Brookings, November 15, 2013, <https://www.brookings.edu/opinions/how-big-an-army-does-the-united-states-need/>.

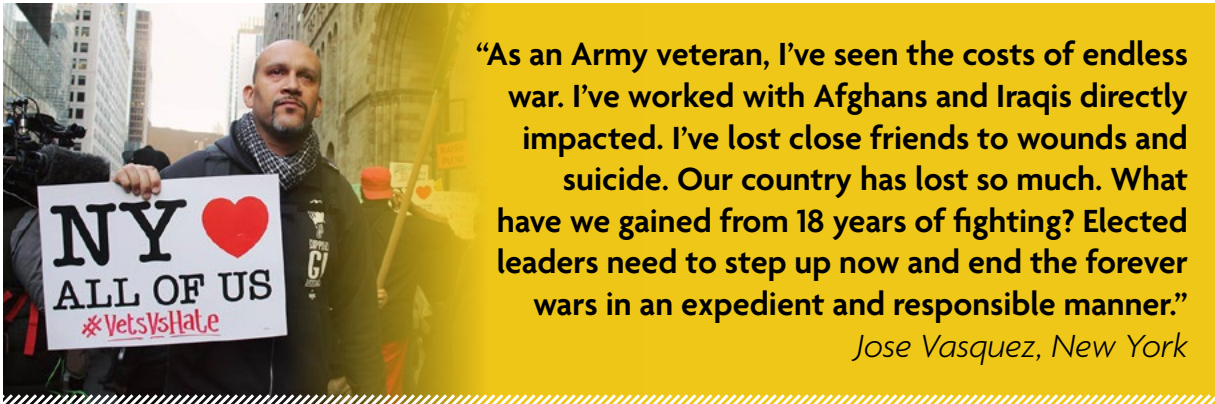
293 "Table 3.1, Outlays by Superfunction and Function, 1940-2024," Office of Management and Budget, March 18, 2019, <https://www.govinfo.gov/app/collection/budget/2020/BUDGET-2020-TAB>. Inflation calculation by authors.

294 "Public Budget Authority," Office of Management and Budget: Supplemental Materials, accessed Dec. 10, 2018, <https://www.Whitehouse.gov/omb/supplemental-materials/>. Inflation calculations by authors.

295 Neta C. Crawford, "Human Cost of the Post-9/11 Wars: Lethality and the Need for Transparency," Watson Institute for International & Public Affairs, November 2018, <https://watson.brown.edu/costsofwar/files/cow/imce/papers/2018/Human%20Costs%2C%20Nov%208%202018%20CoW.pdf>.

296 "U.S. Military Bases Overseas: The Facts," Overseas Base Realignment and Closure Coalition, accessed December 10, 2018, <https://www.overseasbases.net/fact-sheet.html>.

social needs in education, health, housing, water infrastructure, and other areas. This will also move our nation toward conflict prevention centered around diplomacy and away from today's militarized approach to foreign policy. This militarized approach extends to our domestic affairs, evident especially in policing and immigration policy, but also in the ways that we secure our schools and streets. This has contributed to needless antagonism and loss of life in our communities.



## REDUCING MILITARY SPENDING

Today’s U.S. military budget stands at \$716 billion, outpacing the next seven countries combined.<sup>297</sup> That spending accounts for 54% of the discretionary budget, while anti-poverty spending in the discretionary budget is at only \$190 billion. This budget reflects the reality of a dangerous and self-destructive attempt at U.S. military domination in the world, rather than the actual defense and security of our nation and people. The United States can deter war and ensure our national security better with a vastly reduced military budget and a parallel investment in non-military means.

Previous studies have proposed military spending cuts of:

- \$440 billion over 10 years from a study by the Institute for Policy Studies and the Center for American Progress;<sup>298</sup>
- \$1.2 trillion over 10 years from a study by the Cato Institute;<sup>299</sup> and
- \$213 billion in one year (or a corresponding \$2 trillion over 10 years) from a study by the Institute for Policy Studies.<sup>300</sup>
- \$2 trillion over the next decade proposed by the Project on Government Oversight in conjunction with Public Citizen.<sup>301</sup>

297 “U.S. Military Spending vs. the World,” National Priorities Project at the Institute for Policy Studies, accessed December 10, 2018, <https://www.nationalpriorities.org/campaigns/us-military-spending-vs-world/>.

298 Miriam Pemberton and Lawrence Korb, “Rebalancing Our National Security The Benefits of Implementing a Unified Security Budget,” The Task Force on a Unified Security Budget, October 2012, <https://ips-dc.org/wp-content/uploads/2012/10/UnifiedSecurityBudget-fy2013.pdf>.

299 Benjamin H. Friedman and Christopher Preble, “Budget Savings from Military Restraint,” Policy Analysis No. 667, September 23, 2010, <https://object.cato.org/sites/cato.org/files/pubs/pdf/PA667.pdf>.

300 John Feffer et al, “Just Security: An Alternative Foreign Policy Framework,” Institute for Policy Studies. June 2007, <https://ips-dc.org/wp-content/uploads/2007/06/070608-justsecurity.pdf>.

301 “Spending Smarter, Spending Less: Opportunities to Reduce Excessive Pentagon Spending,” Project on Government Oversight, May 2019, <https://peopleoverpentagon.org/guidetocuts/>.

Each of these previous proposals include well-considered and necessary Pentagon spending cuts, and each would represent progress. Still, a full reimagining of the American military, and a full transition from domination to defense, could go further.

If the U.S. were to refocus military priorities on true defense, the savings would be enormous. The biggest single dollar cut comes from closing overseas bases. As of September 2018, the Pentagon had 170,000 troops stationed in more than 90 countries. Most are stationed in Europe, Japan, and South Korea, notably the sites of major 20th century ground wars where the military went in and never left, much like Afghanistan today.<sup>302</sup> The United States maintains at least 10 times as many foreign bases as the rest of the world combined at a cost of \$150 billion per year including troops.<sup>303</sup> We do not need to maintain unending troop presence everywhere we have ever fought a war, especially when movements opposing our bases have arisen in many of those places.

**“When I joined the military, I had no idea that the United States military has over 800 bases worldwide. Why do we keep such a strong presence throughout the world? The short answer is to provide western capital interests with continuous access to foreign resources and markets. Most of the military budget is not used to fight wars.... We take their resources and bring their wealth into our country, and then we build walls to ensure they cannot come here and participate in the wealth we have taken from them.”**

*Chris Overfelt, Kansas*



The U.S. should begin discussions with host countries to bring U.S. troops home and decommission foreign bases. If we closed overseas bases and cut overseas troop levels by 60%, the Pentagon would still have roughly 70,000 permanently stationed overseas troops at more than 300 bases. Closing even more bases may be advisable, but closing the majority of bases would take years and would be a big step in the right direction.

Meanwhile, a vast array of private contractors thrives on our culture of war. Corporate military contractors now account for more than half of the Pentagon's budget. One contractor alone, Lockheed Martin, took in more than \$35 billion in Pentagon contracts in 2018<sup>304</sup> – nearly as much as the entire \$40 billion budget for the State Department and USAID combined.<sup>305</sup>

302 “Military and Civilian Personnel by Service/Agency by State/Country (Updated Quarterly),” Defense Manpower Data Center (DMDC), September 2018, [https://www.dmdc.osd.mil/appj/dwp/dwp\\_reports.jsp](https://www.dmdc.osd.mil/appj/dwp/dwp_reports.jsp).

303 Overseas Base Realignment and Closure Coalition, “U.S. Military Bases Overseas: The Facts,” <https://www.overseasbases.net/fact-sheet.html>.

304 “Spending by Prime Award,” USA Spending, accessed May 22, 2019, <https://www.usaspending.gov/#/search/d1532cb6f9b77d73d9e622972bca05d7>.

305 “Congressional Budget Justification Department of State, Foreign Operations, and Related Programs: Fiscal Year 2020,” Department of State, accessed May 22, 2019, <https://www.state.gov/wp-content/uploads/2019/05/FY-2020-CBJ-FINAL.pdf>.

Pentagon contracts and profits contribute to unnecessary military purchases as well as income inequality. The CEOs of the top five Pentagon contractors received a combined total of \$96 million in compensation in 2017.<sup>306</sup> Investment advisors promote defense stocks as particularly lucrative for investors, advising them to buy more as the Pentagon budget increases.<sup>307</sup> Since the richest 1% holds more than half of national wealth invested in stocks and mutual funds,<sup>308</sup> the profits on these investments are largely accruing to the wealthiest Americans. And the average Pentagon contractor salary is almost \$200,000,<sup>309</sup> compared to top pay for a four-star general or admiral at \$189,600 and just \$20,172 for the lowest-ranking enlisted soldiers.<sup>310</sup>

Steps to transform our national defense from domination to true defense include:

- Close unnecessary overseas bases and discharge troops permanently stationed there over time, through a combination of attrition and retirement;
- End all current U.S. wars;
- Close unnecessary bases on U.S. territory;
- Reduce or cancel weapons systems, including ships and planes, tied to the outdated mandate of running multiple major wars at once;
- Work toward total nuclear disarmament, as required by the Nuclear Non-Proliferation Treaty, with a \$4 billion reserve of nuclear weapons funds for implementation. While disarmament would require new international treaties that would take years of effort, this should be the long-term goal for the U.S.;
- Transfer spending on military medical care and military primary and secondary schools within U.S. borders to expanded public health care programs and public-school systems;
- End financial aid to foreign militaries (as well as foreign military sales);
- Implement cost-saving efficiency measures like replacing troops with federal civilian employees in administrative positions, reducing the use of contractors,<sup>311</sup> reducing spending for research and development on weapons systems, and reducing funds for military construction, among others.

306 Amanda Macias, "Sen. Bernie Sanders challenges Pentagon official over defense contractor CEO pay," CNBC, March 7, 2018, <https://www.cnbc.com/2018/03/07/bernie-sanders-slams-defense-contractor-ceo-pay.html>.

307 Al Root, "Buy Defense Stocks Because Military Spending Is on the Rise, Analysts Say," Barron's, March 4, 2019, <https://www.barrons.com/articles/buy-defense-stocks-because-military-spending-is-on-the-rise-analysts-say-51552495159>.

308 Edward N. Wolff, "Household Wealth Trends in the United States, 1962 to 2016: Has Middle Class Wealth Recovered?" National Bureau of Economic Research, Working Paper No. 24085, November 2017, <https://www.nber.org/papers/w24085>.

309 Silvia Ascarelli, "The average Defense Department contractor is paid nearly \$200,000," MarketWatch, December 6, 2016, <https://www.marketwatch.com/story/the-average-defense-department-contractor-is-paid-nearly-200000-2016-12-06>.

310 Caitlin Foster, "Military pay: This is how much US troops are paid according to their rank," Business Insider, February 15, 2019, <https://www.businessinsider.com/how-much-military-service-members-make-2019-2#o-10-189600-19>.

311 "DoD Contractors Cost Nearly 3 Times More than DoD Civilians," Project on Government Oversight, November 30, 2012, <https://pogoblog.typepad.com/pogo/2012/11/dod-contractors-cost-nearly-3-times-more-than-dod-civilians.html>.

**TABLE 5: ANNUAL REDUCTIONS IN SPENDING  
FROM A SMALLER MILITARY**

Total Possible Military Savings (Billions of Dollars)	<b>\$349.6</b>
Close 60% of foreign bases - The U.S. operates 800 bases in 90 countries, ten times more than the rest of the world combined. Close 60% of those (roughly 480 bases) and allow corresponding troop reductions primarily through attrition and retirement. (This excludes combat troops).	<b>\$90.0</b>
End wars and war funding - End wars in Iraq, Afghanistan, Syria, Yemen, and elsewhere, and bring our troops home.	<b>\$66.0</b>
Cut unnecessary weapons - Cancel new procurement and reduce use of weapons systems that are obsolete, ineffective, or in excess of reasonable security needs.	<b>\$57.9</b>
Dismantle nuclear weapons - Seventy countries have signed on to a U.N. ban on nuclear weapons to eliminate the threat of nuclear war. Develop new treaties for complete nuclear disarmament, destroy U.S. nuclear stockpiles (includes a \$4 billion annual budget for implementation), cancel nuclear delivery systems (bombers, submarines), and cancel planned nuclear upgrades.	<b>\$42.8</b>
Convert Military Health System into a universal health system - A system of universal health care in the United States would provide medical care to troops and their families and allow separate funding for military health care to be funneled into that system.	<b>\$33.3</b>
Cut overhead by 10% - Military overhead increased from \$57,400 per active duty service member in 1980 to \$152,300 in 2015 (in 2015 dollars). A 10% reduction could be achieved primarily through a reduced reliance on for-profit contractors and reduced use of fossil fuels.	<b>\$27.0</b>
End Foreign Military Financing Program - End military foreign aid that enables authoritarian governments and human rights abuses, and increases killing and violence, and instead invest in diplomacy and economic and humanitarian aid.	<b>\$14.0</b>
Reduce research and development (R&D) by 10% - The 2018 military research and development budget increased by 11% since 2015 (adjusting for inflation). This reduction brings R&D back to roughly the 2015 level and reflects the fact that a smaller military would also need less R&D.	<b>\$10.4</b>
Replace military personnel in support positions with civilians - Transition up to 80,000 military positions providing support and administrative functions to civilian employment.	<b>\$3.0</b>
Close unneeded domestic bases: The Pentagon has requested a process to close domestic bases it says it doesn't need. Closing unneeded domestic bases could save \$2 billion per year.	<b>\$2.0</b>
Other: Cancel the Space Force; cut military construction by 10% to meet needs of smaller military; convert U.S.-based military elementary and secondary schools to public schools	<b>\$3.1</b>

See Lindsay Koshgarian, "Guide to 350 Billion in Pentagon Cuts," June 2019, <https://www.nationalpriorities.org/analysis/2019/cutting-350-billion-from-military-budget/>



Supporters of military spending often cite the jobs that are dependent on the Pentagon's massive budget. But maintaining our military as a jobs program is a wasteful and dangerous diversion from true national security needs, and cutting troops could be done through a combination of attrition, lower recruiting goals, and retirements. The Department of Defense has estimated that between 230,000 and 245,000 enlisted personnel would leave the military each year through 2019.<sup>312</sup> The Army in particular has ramped up recruitment efforts, including launching social media campaigns, increasing signing bonuses, and actively recruiting through online communities like the e-Sports video gaming community.<sup>313</sup> Despite these efforts and a scandal over tens of millions of dollars spent on marketing, the Army still failed to meet its recruitment goals.<sup>314</sup> Reducing the size of our Armed Forces could be achieved mostly, if not entirely, by attrition and reduced recruiting.

While attrition, retirement, and reductions in recruiting would achieve the vast majority of troop reductions, some job losses would occur as a result of restructuring the U.S. military, cutting Pentagon contracts, and the like. But reinvesting military spending in other areas would actually create more jobs. According to a study from the University of Massachusetts Political Economy Research Institute, investing \$1 million in the military created fewer jobs than investing in any other industry studied, including clean energy, education, health care, and infrastructure.<sup>315</sup> Some additional costs would be necessary to help transition Pentagon civilian, military, and contract employees as military spending is reduced, and the Pentagon already has an Office of Economic Adjustment to do just that. However, many of those costs would be offset by gains resulting from other policies outlined in this Moral Budget. And, though some jobs would be forfeited with reduced military activity around the world, others would be created in expanding diplomacy and conflict prevention approaches.

### ***Diplomatically-Centered Foreign Policy***

The U.S. diplomatic corps has been hollowed out by an administration hostile to its goals, and by decades in which the military itself has come to dominate foreign policy.<sup>316</sup> And yet, diplomats will play a bigger role in ensuring peace and security as spending on weapons and our worldwide military presence is reduced. For example, complete nuclear disarmament should be the ultimate goal, in keeping with the UN resolution establishing a Treaty for the Prohibition of Nuclear Weapons. Nuclear disarmament is not possible without the negotiation of new treaties, which will require skilled diplomats.

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312 Anna Zogas, "US Military Veterans' Difficult Transitions Back to Civilian Life and the VA's Response," Costs of War, Watson Institute for International and Public Affairs, February 2017, [https://watson.brown.edu/costsofwar/files/cow/imce/papers/2017/Zogas\\_Veterans%27%20Transitions\\_CoW\\_2.1.17.pdf](https://watson.brown.edu/costsofwar/files/cow/imce/papers/2017/Zogas_Veterans%27%20Transitions_CoW_2.1.17.pdf).

313 Leila Fadel and Amanda Morris, "After Falling Short, U.S. Army Gets Creative With New Recruiting Strategy," NPR, January 6, 2019, <https://www.npr.org/2019/01/06/682608011/after-falling-short-u-s-army-gets-creative-with-new-recruiting-strategy>.

314 Meghann Myers, "After 2018's recruiting shortfall, it will take a lot longer to build the Army to 500K," Army Times, March 14, 2019, <https://www.armytimes.com/news/your-army/2019/03/14/after-2018s-recruiting-shortfall-it-will-take-a-lot-longer-to-build-the-army-to-500k/>.

315 Heidi Garrett-Peltier, "Job Opportunity Cost of War," Political Economy Research Institute, University of Massachusetts Amherst, and Costs of War, Watson Institute for International and Public Affairs, May 24 2017, <https://watson.brown.edu/costsofwar/files/cow/imce/papers/2017/Job%20Opportunity%20Cost%20of%20War%20-%20HGP%20-%20FINAL.pdf>.

316 Gardiner Harris, "Diplomats Sound the Alarm as They Are Pushed Out in Drove," The New York Times, November 24, 2017, <https://www.nytimes.com/2017/11/24/us/politics/state-department-tillerson.html>.

The Institute for Policy Studies previously identified \$35 billion (in 2008 dollars) as the amount necessary for preventive measures such as development aid, clean energy, weapons non-proliferation, and diplomacy. Adjusting for inflation, this would be about a \$42 billion increase in 2020.

A report from a coalition of veterans' support groups estimated that in 2020, veterans' medical costs would require about \$6.3 billion more than the administration had budgeted.<sup>317</sup> Over the very long term, the reduction in war and conflict would result in far fewer U.S. veterans returning from war with life-shattering physical and emotional injuries, and thus reduced costs for veteran's care and better lives for hundreds of thousands of people.

**“The costs of the war economy are too high. Too many lives are ruined. Too many dollars are spent on death and destruction that could be used to lift people up by providing safe housing, nutritious food, quality education and medical care.”**

*Roberta Hickman, Kansas*



## ENDING MILITARISM AT HOME

The public and political acceptance of endless expansion of the military is mirrored by the acceptance of militarism in everyday life. Militarism is the idea that violence is an acceptable answer to any problem and a justified response to issues arising out of economic and social insecurity.

We see increasing militarism in policing, immigration, mass incarceration, gun culture, and in our schools and other social institutions. The domination mindset of the military is now present across our communities.

The costs incurred by militarism are far greater than their mere economic impact. Militarism fractures community, creating an environment of distrust and fear among neighbors, and has a particularly devastating impact on poor people and people of color.

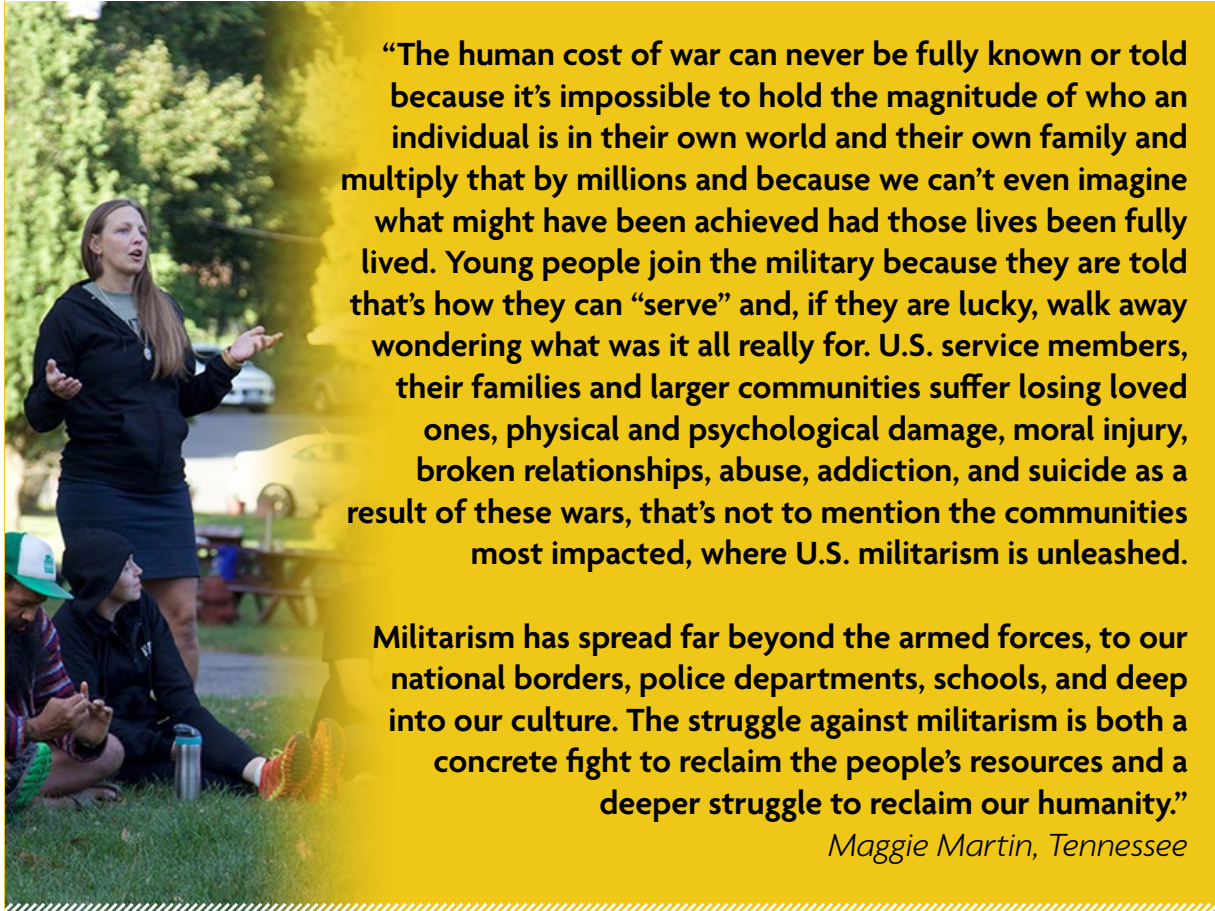
### ***Eliminating Militarism in Immigration***

The United States has long resisted the arrival of people from other parts of the world, driven by racism, religious and ethnic discrimination, and sometimes stoked by economic anxiety. The racial immigration quotas of the earlier 20<sup>th</sup> century have given way to today's country bans, racial profiling of Latinx people, mass deportations, and border walls. New immigration agencies have

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317 “The Independent Budget for the Department of Veterans Affairs: Fiscal Years 2019 and 2020,” Paralyzed Veterans for America, Disabled American Veterans, Veterans of Foreign Wars of the United States, accessed May 22, 2019, [http://www.independentbudget.org/2019/z\\_edits\\_022218/IB\\_FY19-20\\_D9s.pdf](http://www.independentbudget.org/2019/z_edits_022218/IB_FY19-20_D9s.pdf).

been developed, and others expanded, with the result of excluding from our country people who are poor, people of color, and people who are Muslim. All of this has taken place in a country that has been defined by the movement of people seeking freedom and liberty from poverty and oppression.



**“The human cost of war can never be fully known or told because it’s impossible to hold the magnitude of who an individual is in their own world and their own family and multiply that by millions and because we can’t even imagine what might have been achieved had those lives been fully lived. Young people join the military because they are told that’s how they can “serve” and, if they are lucky, walk away wondering what was it all really for. U.S. service members, their families and larger communities suffer losing loved ones, physical and psychological damage, moral injury, broken relationships, abuse, addiction, and suicide as a result of these wars, that’s not to mention the communities most impacted, where U.S. militarism is unleashed.**

**Militarism has spread far beyond the armed forces, to our national borders, police departments, schools, and deep into our culture. The struggle against militarism is both a concrete fight to reclaim the people’s resources and a deeper struggle to reclaim our humanity.”**

*Maggie Martin, Tennessee*

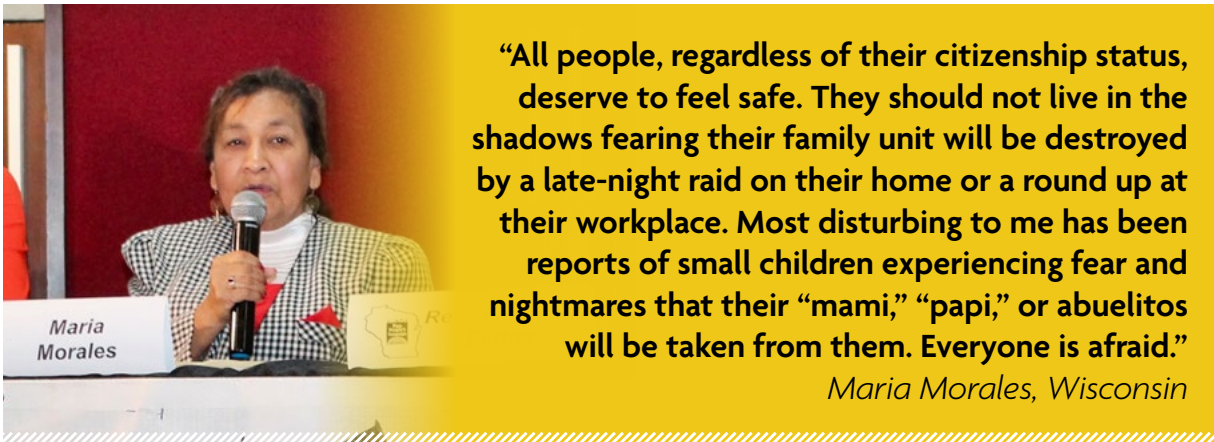
Following the formation of the Department of Homeland Security in 2002, federal immigration enforcement has been carried out by two agencies: Customs and Border Protection (CBP), primarily responsible for immigration and the flow of goods at U.S. borders and ports, and Immigration and Customs Enforcement (ICE), which focuses on internal enforcement. Both perpetuate inhumane and militaristic immigration practices. In the aftermath of Hurricane Harvey, for example, CBP continued to operate immigration checkpoints along evacuation routes, so that undocumented immigrants fleeing rising waters would have to choose between risking their lives or risking deportation.<sup>318</sup> News reports are rife with stories of ICE deportations as parents dropped their kids off at school<sup>319</sup> and are swept off to detention and deportation and mass deportation raids in factories and workplaces continue to result in ghost towns where immigrant communities once thrived.<sup>320</sup>

318 Alex Emmons, “Border Patrol Checkpoints in Texas Will Stay Open as Hurricane Evacuation is Underway,” The Intercept, August 25, 2017, <https://theintercept.com/2017/08/25/border-patrol-checkpoints-in-texas-will-stay-open-as-hurricane-evacuation-is-underway/>.

319 Ted Sherman, “AG criticizes ICE arrests of immigrants as kids were going to school,” NJ.com, January 26, 2018, [https://www.nj.com/news/2018/01/ag\\_criticizes\\_ice\\_arrests\\_of\\_immigrants\\_as\\_kids\\_we.html](https://www.nj.com/news/2018/01/ag_criticizes_ice_arrests_of_immigrants_as_kids_we.html).

320 Tanvi Misra, “The Stark Geography of U.S. Immigration Raids,” Citylab, October 25, 2018, <https://www.citylab.com/equity/2018/10/where-ice-immigration-raids-are-concentrated/573883/>.

Since 1976, federal spending on immigration, deportation, and border policies increased from \$2 billion to \$17 billion, and deportations increased tenfold between 1976 and 2015. In 2017, the U.S. Border Patrol had more than 19,500 border patrol agents,<sup>321</sup> up from just over 1,700 in 1976.<sup>322</sup> Since the Department of Homeland Security was founded in 2003, more than 5 million people have been deported.<sup>323</sup>



Within the ICE budget, the most detrimental activities to human life and potential are conducted by the ICE division known as Enforcement and Removal Operations (ERO), with a 2017 budget of \$3.7 billion, and the Border Patrol, with a budget of more than \$4.2 billion.<sup>324</sup>

Eliminating the ERO budget and reducing the CBP budget to 1976 levels (based on per-agent costs) could result in estimated savings of \$14 billion annually, including \$3.9 billion from decreasing border patrols, and, up to \$3.7 billion from ending deportations. A study of mass incarceration of migrants estimated that jail and prison costs (excluding court costs) for criminal prosecutions for entering or reentering the United States totaled \$7 billion.<sup>325</sup> The U.S. could also realize a one-time savings of up to \$25 billion from not building or fortifying physical barriers such as walls or fences at the U.S.-Mexico border.<sup>326</sup>

321 Department of Homeland Security, “U.S. Border Patrol Fiscal Year Staffing Statistics (FY 1992- FY 2018),” <https://www.cbp.gov/document/stats/us-border-patrol-fiscal-year-staffing-statistics-fy-1992-fy-2018>, accessed May 29, 2019.

322 “Border Patrol Expands But Growth Rate After 9/11 Much Less Than Before Division Between North/South Border Little Changed,” TRAC Immigration, Syracuse University, April 4, 2006, <http://trac.syr.edu/immigration/reports/143/>.

323 “Table 39. Aliens Removed or Returned: Fiscal Years 1892 to 2017,” April 9, 2019, U.S. Department of Homeland Security Yearbook of Immigration Statistics. <https://www.dhs.gov/immigration-statistics/yearbook/2017/table39>.

324 “FY 2019: Budget in Brief,” Department of Homeland Security, accessed May 22, 2019, <https://www.dhs.gov/sites/default/files/publications/DHS%20BIB%202019.pdf>.

325 Judith A. Greene, Bethany Carson, and Andrea Black. *Indefensible: A decade of mass incarceration of migrants prosecuted for crossing the border* (Austin: Grassroots Leadership & Justice Strategies, July 2016), [https://www.prisonpolicy.org/scans/indefensible\\_book\\_web.pdf](https://www.prisonpolicy.org/scans/indefensible_book_web.pdf).

326 Jordain Carney, “GOP senators introduce bill to give Trump \$25 billion for border wall,” The Hill, December 6, 2018, <https://thehill.com/homenews/senate/420021-gop-senators-introduce-bill-to-give-trump-25-billion-for-border-wall>.

The results could allow for the reallocation of savings to education, health care, jobs and green infrastructure; contribute to the end of violence, fear and family separation caused by border patrol and deportations; help build healthier communities where immigrants flourish; and provide principled aid to impoverished countries from which refugees and other migrants come.

**“What we are witnessing at the U.S. border, this is a human rights crisis, a moral failure on the part of the U.S. government, and the visible devastation wrought by a lie that is being told again and again throughout this nation – the lie of scarcity. Scarcity is a lie that instills fear. It makes enemies of people struggling to survive while the wealthy amass untold fortunes from an abundance that could otherwise unlock possibility and opportunity for all. When we are fearful, we shut down, we close our doors, close our borders. And the cost of this is human lives. When we are fearful, we buy into a logic of violence that justifies tear gassing children and deporting people back to near certain death.”**

*Rev. Susan Frederick Gray, Massachusetts*

### ***Eliminating Militarism in Policing and Mass Incarceration***

Less than three months after Martin Luther King, Jr. was assassinated, Congress passed the Omnibus Crime and Safe Streets Act, vastly increasing federal funds for arming and training local police forces. Today, police have increasingly adopted militaristic practices and equipment, including Pentagon-provided military equipment and weapons.

They receive this equipment thanks to the Department of Defense’s 1033 program, which sends surplus military gear to police departments all over the country at virtually no cost to local police forces. Between 2006 and 2014 alone, the value of just the top 10 categories of military equipment sent to law enforcement agencies totaled more than \$1.5 billion and included ammunition, guns, armored vehicles known as Mine-Resistant Ambush Protected vehicles (MRAPs), and grenade launchers.<sup>327</sup>

Military equipment has no place in our city streets. Ending the 1033 program could be done at no additional cost, and was briefly done during the Obama administration.

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327 “LESO Ammunition Transfers,” Defense Logistics Agency, accessed May 22, 2019, <https://www.dla.mil/DispositionServices/Offers/Reutilization/LawEnforcement/PublicInformation/>.



**“These police departments get so much money, and they’re using it to arm themselves to fight against citizens with a complete lack of accountability.”**

*Cherri Foytlin, Louisiana*



Removing this equipment from police departments is just the first step to addressing the violence of the criminal justice system in the U.S., including mass incarceration. The criminal justice system disproportionately targets, arrests, and incarcerates people of color and the poor<sup>328</sup> and touches a vast number of Americans. A report from the Equal Justice Initiative (EJI) found that one in four adults has had a sibling incarcerated, one in five adults has had a parent incarcerated, and one in seven has had a child incarcerated.<sup>329</sup> A thriving industry of corporations profit from imprisonment on a mass scale.<sup>330</sup>

**“We were trained in the military that you don’t point a gun at somebody, unless you are shooting them. Now I see the police force is militarized, schools are militarized, buildings are militarized, putting spikes down so homeless people can’t sleep nearby.... we used to not spend so much money on violent answers to things. At one time, we were spending more on counselors, on schools, on homeless shelters, instead of jails.”**

*Rev. Shawna Foster, Colorado*

The costs of mass incarceration are staggering and are not limited to the direct costs of imprisoning millions of Americans. According to the Prison Policy Initiative (PPI), the U.S. system of mass incarceration costs governments \$179 billion every year (including policing, courts and prisons, and payments to private prison operators).<sup>331</sup> These costs are borne across all levels of government, but hit states and localities the hardest. According to a study by the Center for Economic and Policy Research, loss of employment following incarceration leads to a reduction of \$78 billion to \$87 billion in lost GDP.<sup>332</sup>

328 “Criminal Justice Fact Sheet,” NAACP, accessed May 22, 2019, <https://www.naacp.org/criminal-justice-fact-sheet/>.

329 Brian Elderbroom, et al. Every Second: The Impact of the Incarceration Crisis on America’s Families. FWD.us, December 2018, <https://everysecond.fwd.us/downloads/EverySecond.fwd.us.pdf>.

330 Peter Wagner and Bernadette Rabuy. “Following the Money of Mass Incarceration,” Prison Policy Initiative, January 25, 2017, <https://www.prisonpolicy.org/reports/money.html>.

331 *Ibid.*

332 Cherrie Bucknor and Alan Barber, “The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies,” Center for Economic and Policy Research, June 2016, <http://cepr.net/images/stories/reports/employment-prisoners-felonies-2016-06.pdf>.

In addition, the privatization of the prison system results in perverse incentives for private prison corporations to seek profits for their investors by keeping people incarcerated in poor conditions. Fully private prisons hold less than a tenth of the nearly 2.2 million people incarcerated in America, and bring in annual revenues of \$4 billion, but the market for privatized services dwarfs that of privatized facilities themselves and affects almost everyone in the system. The correctional food service industry alone provides about \$4 billion worth of services each year, and about half of the \$12.3 billion that corrections departments spend on health care is provided by private companies.<sup>333</sup>

Families of incarcerated people pay \$2.9 billion each year for fees, phone calls to their incarcerated loved one, and other charges implemented by the prisons' private communications contractors.<sup>334</sup>

Truly ending the system of mass incarceration would require systemic changes to how we invest in communities, how communities are policed, how cases are prosecuted, how courts try cases, and how we reintegrate those who have already been incarcerated. It will require a fundamental shift away from a militarized approach to criminal justice.

**“In the 1970s, in Inglewood, there were two police officers posted during the day, and two police officers posted at night. We knew the police officers’ names, and they knew who we were. I remember one afternoon Officer Green, a White man, told one of our Black neighbors, Joe Brown, a man with mental health problems, wearing pajamas, a trench coat, and holding a BB gun as he walked towards a bus stop to hold up someone there, ‘you walk your butt back home right now, and go back to your Mama.’ Officer Green didn’t threaten him, he didn’t arrest him, and Joe didn’t threaten him back.”**

*Ameena Matthews, Illinois*



### ***Ending Easy Access to Firearms***

A powerful and unaccountable weapons industry has helped create a domestic gun culture in which military-grade assault rifles are available for sale to civilians, and easy access to firearms has led to the increased militarization and weaponization of our communities. Along with the militarization of our borders and policing and mass incarceration, gun policy completes the trifecta of the militarization of life in America.

<sup>333</sup> Tim Requarth, “How private equity is turning public prisons into big profits,” *The Nation*, April 30, 2019, <https://www.thenation.com/article/prison-privatization-private-equity-hig/>.

<sup>334</sup> Peter Wagner and Bernadette Rabuy

In this country, guns kill 33,000 people and injure 80,000 more each year. More than half of gun murder victims are Black. Guns are used in 70% of homicides and more than 50% of suicides in the United States.<sup>335</sup> The total annual cost of gun violence in the United States exceeds \$229 billion, with \$8.6 billion in direct costs like emergency and medical care, as well as long-term prison costs for people convicted of gun-related violence, and \$169 billion in indirect costs to quality of life of victims of gun crimes.<sup>336</sup>

**“One of my friends, whom I considered a big sister, was innocently killed while sitting in a car. As the thoughts and prayers rang in from politicians near and far, I sat back constantly saying to myself, ‘Thoughts and prayers won’t stop a speeding bullet.’ The night of Arrielle’s death, I realized that gun violence was not just an inner-city problem, I realized that gun violence isn’t a Black or White issue, it’s an issue that affects us all.”**

*Justin Smith, Alabama*

Policies to curb easy firearm access have been shown to save lives, and policies that make firearm access easier cost lives. States with stricter gun control laws have fewer gun deaths over all,<sup>337</sup> while states with easier access and more firearms have higher rates of teen suicide.<sup>338</sup> Universal background checks are associated with a 15% drop in the homicide rate, while states that require automatic issuance of concealed-carry permits to anyone who meets certain criteria can expect a 10% increase in homicide rates. States with the strongest combination of policies to restrict firearm access had homicide rates that were 36% lower than states that had none.<sup>339</sup>

Undoing easy access to firearms would save thousands of lives, and would also happen to be good for the economy. Policies that make firearms harder to get are also popular. Two-thirds of Americans, and half of people in gun-owning households, support assault weapons bans.<sup>340</sup> And yet, the record of action in Congress is nearly nonexistent. The day after a high-profile mass shooting in San Bernardino, California on December 3, 2015, the Senate rejected a bill to tighten background checks on gun buyers.

335 Jaeah Lee and Julia Lurie, “16 Charts That Show the Shocking Cost of Gun Violence in America,” Mother Jones, April 15, 2015, <https://www.motherjones.com/politics/2015/04/charts-show-cost-price-gun-violence-america/>.

336 Mark Follman et al., “The True Cost of Gun Violence in America,” Mother Jones, April 15, 2015, <https://www.motherjones.com/politics/2015/04/true-cost-of-gun-violence-in-america/>.

337 Richard Florida, “The Geography of Gun Deaths,” *The Atlantic*, January 13, 2011, <https://www.theatlantic.com/national/archive/2011/01/the-geography-of-gun-deaths/69354/>.

338 Richard Florida and Nicole Javorsky, “Teen Suicide Rates Are Higher In States Where More People Own Guns,” Citylab, January 29, 2019, <https://www.citylab.com/life/2019/01/teen-suicide-guns-in-america-mass-shootings-data/581335/>.

339 Richard Florida and Nicole Javorsky, “The 3 Gun-Control Laws That Work Best in the U.S.,” Citylab, April 5, 2019, <https://www.citylab.com/life/2019/04/gun-control-firearms-law-deaths-shooting-state-data-research/586363/>.

340 *Ibid.*

The reason why is no secret. In 2018, gun control groups spent \$2 million lobbying Congress, compared with nearly \$12 million for pro-gun-access groups and another \$1.4 million for gun manufacturers. In all, pro-firearm groups spent more than six times as much as gun control groups.<sup>341</sup>

And yet, progress at the state level has been more rapid. In 2018, 69 new gun control measures passed state legislatures, and more than half of states passed at least one new gun control measure.

In some states, ballot measures have led to progress: in Washington State, voters approved expanded background checks, restricted access to semi-automatic rifles, a waiting period, and mandated safe storage for firearms.<sup>342</sup>

Access to guns is not a more sacred right than the right to live in peace and security. Policies like banning assault rifles and making firearm access more difficult through measures like thorough background checks would save thousands of lives and return billions of dollars to our economy.

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341 Raymond Arke and Geoff West, “Gun Rights vs Gun Control,” Open Secrets, May 2019, <https://www.opensecrets.org/news/issues/guns>.

342 Maggie Astor and Karl Russell, “After Parkland, a New Surge in State Gun Control Laws,” The New York Times, December 14, 2018, <https://www.nytimes.com/interactive/2018/12/14/us/politics/gun-control-laws.html>.



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# CONCLUSION





## CONCLUSION



**“The people who maintain this system want to blame this mess on us – like it’s our individual choices that got us into this. We have to correct that – We have to remind people that homelessness is not an individual moral failure, it is society’s collective moral failure...We are poor, but we aren’t stupid. We know that we aren’t the problem. We are the solution.”**

*Zalonda Woods, North Carolina*


For too long, we have turned to those with wealth and power to solve our most pressing social problems. We have been led to believe that those in positions of influence and authority will use the resources at hand in the best possible way for the betterment of our society. This orientation has justified tax cuts for the wealthy and corporations and work requirements for the poor; it has secured environmental shortcuts for industry and military expansion around the world; and it has yielded very little for the 140 million people in this country who are still poor and struggling to meet their needs.

As we have shown in this Budget, this is not because there is a lack of resources to address systemic racism, poverty, ecological devastation, and militarism. We are a wealthy country. We can provide robust voting rights, decent jobs, and secure incomes, housing, health care, education, peace, and a clean environment for everyone.

This Budget shows that if we prioritize the needs and demands of the poor, we will create more jobs, build up our infrastructure, and yield short- and long-term benefits that will grow our economy and protect our resources for future generations.

This is not an argument for charity or goodwill to the poor. It is, rather, a simple recognition that the poor are not only victims of injustice, but agents of profound social change. Rather than following the direction and leadership of the wealthy and powerful, it is time to follow the direction and leadership of the poor. Indeed, if we organize our resources around the needs of the 140 million, this Budget shows that we will strengthen our society as a whole.

This is why the Poor People’s Campaign: A National Call for Moral Revival continues to organize and build power among the poor today. It understands that those who have been cast out of the economy and who are living on the few remaining crumbs of its meager offerings are also articulating a way out of this wretched existence – not just for themselves, but for us all.

A large crowd of people is gathered for a rally. In the background, a large banner reads "Poor People's Campaign" and "A NATIONAL CALL for MORAL REVIVAL". The scene is set against a backdrop of mountains under a blue sky. The crowd is diverse, with many people raising their hands in the air. In the foreground, the back of a person's head and shoulders are visible, looking towards the crowd. The overall atmosphere is one of a significant public gathering.

# Poor People's Campaign

## A NATIONAL CALL for MORAL REVIVAL

