

Protecting the Midwest's Communities: Reinvesting in Midwestern Families for a Brighter Future

Budgets are moral documents. What our government spends our money on, and how it raises that money, demonstrates our values.

The federal budget has a big impact on the lives of Midwesterners in six states: Illinois, Michigan, Minnesota, Missouri, Ohio and Wisconsin. On the one hand, the federal government provides employment, education services, and access to health care. On the other hand, the federal government invests heavily in policing, incarceration, and other control tactics that threaten Midwest families and communities, as well as policies that result in concentrated wealth rather than shared prosperity.

On balance, it is clear that the federal budget's overall impact in these six states is not consistent with our broadly shared values of fairness and opportunity. It is time for a blueprint for reinvestment: away from militarized tactics that weaken communities, specifically targeting Black and Brown communities, and toward human development that unlocks opportunities where they are most needed.

Below we describe some basics of the federal budget, and then turn our attention to how decisions made at the federal level directly impact our state and residents.

Nationally, in 2015 the government spent 22 percent more on tax breaks (\$1.41 trillion) that disproportionately benefit the wealthy than it did on the entire discretionary budget (\$1.15 trillion).¹ Meanwhile, militarized federal spending finds its way into our states, cities and towns in the form of overreliance on policing, prisons, deportations and raids, and an economy that favors corporations who benefit from the military and militarized windfall.

- **We must divest from force and control.** Our government has made a series of choices that emphasize policing and control over human development. From 1976 to 2016, federal discretionary spending on prisons increased tenfold. Meanwhile, federal discretionary spending on job training plummeted to a quarter of its previous level, and was only partially offset by more mandatory spending on job training. The result is a deep disinvestment in communities and families, especially among Black and Brown communities.²
- **And we must invest in communities.** At the same time, the federal government provides opportunity and security in the form of investments that lead to stable, well-paying jobs, support for education, and a variety of other programs that support family economic stability. For every militarized approach to our problems, there is a corresponding non-militarized approach: crime prevention and reduction can be achieved effectively and humanely through education, job creation and community mental health and substance abuse services; immigration enforcement can be largely replaced by a more humane immigration policy with more pathways to citizenship; and foreign conflicts can be effectively prevented and addressed through targeted diplomacy and foreign aid.

¹ Government Printing Office, Budget of the United States, Analytical Perspectives from FY 2017.

² National Priorities Project, Office of Management and Budget.

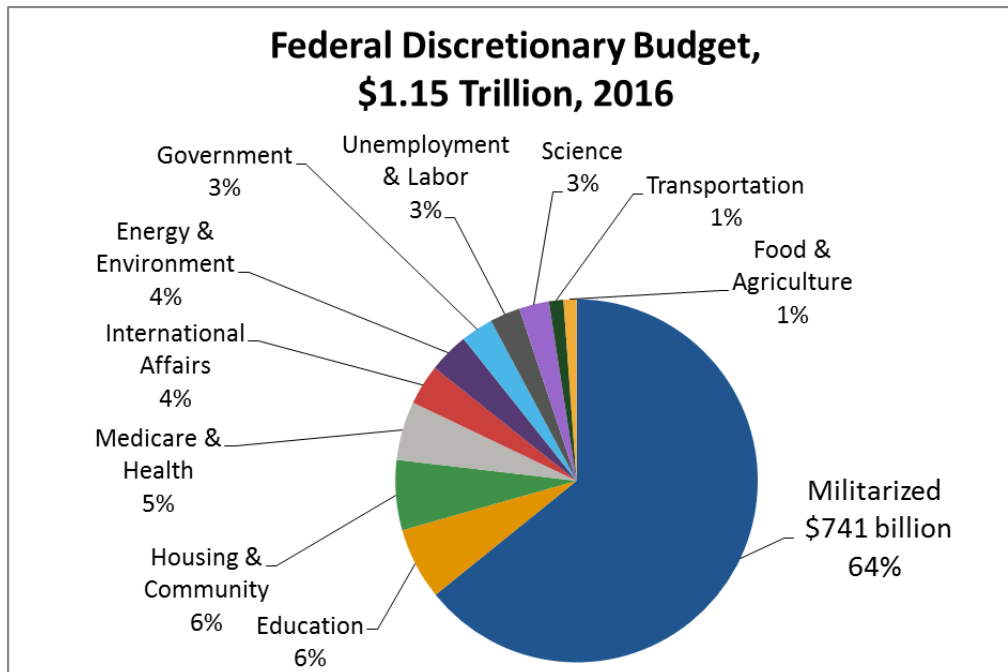
Our Militarized Federal Budget

The United States is the single biggest military spender in the world. However, U.S. military spending, with its major focus on exerting U.S. influence and dominance overseas, has an analog here at home: spending on policing, incarceration, and immigration enforcement.

Each year, the federal government determines that year’s federal discretionary budget. At roughly one third of the federal budget, or about \$1 trillion, the discretionary budget funds everything from the military to education, energy, housing and science. (In contrast, the mandatory portion of the federal budget represents two thirds of federal spending and is governed by spending rules that remain in place for years at a time. Mandatory spending is dominated by three programs: Social Security, Medicare and Medicaid.)

In 2016, the federal militarized budget amounted to \$741 billion, or 64 percent of discretionary spending – leaving only 36 percent, or about \$414 billion, for investment in jobs and the economy, education, health care, protecting the environment, and other priorities that strengthen families and communities.

The federal militarized budget extends into every state, and into our cities and towns, in the form of intensified policing, incarceration, deportations and immigration raids.



Source: National Priorities Project, Government Printing Office, FY 2017 Budget Request

Even as these choices provide a source of employment for some in military and militarized industries, the trade-off is in targeting Black and Brown communities, and separating families. Meanwhile, community-enhancing investments in health care, education and clean energy have been shown to create more jobs for the same money compared to military investments, while programs like the Office of Economic Adjustment offer transition aid for workers leaving militarized employment.³ Our spending choices should invest in the future of workers currently employed in militarized industries, while also investing in vital community-enhancing services.

³ https://www.peri.umass.edu/media/k2/attachments/PERI_military_spending_2011.pdf

The Militarized Midwest

From the federal militarized budget, **\$30.4 billion** comes into the Midwest in the forms of direct federal government grants and contracts.

The militarized budget sends to these six states:

- \$299 million in federal prison grants and contracts;
- More than \$72.3 million in federal grants and contracts for border control and immigration;
- More than \$28.6 billion to military contractors.⁴

Rather than strengthening Midwest families and communities, these investments enrich for-profit prison operators and military contractors while tearing families apart and reinforcing a policy of force both abroad and at home. Our government should reinvest these dollars in ways that build up communities, while investing in retraining and opportunity for workers who are displaced by these changes.

Using Our Tax Dollars to Put Midwest Families First

Militarized investment sees only problems, and it assumes that force and control are the only solutions. The cost of militarized investments for Midwestern residents is high and leads to lost opportunities for job creation, education, and secure living for already struggling families.

Our federal budget shows our values: whether it builds wealth for prison operators or for struggling families, the choices have life altering consequences for Midwesterners. Even while the militarized budget imposes a vision of centralized wealth and oppression, a different federal budget vision is also at work: one that provides stability and opportunity to Midwest families.

Federal programs that strengthen communities are under threat in recent budget proposals by the Trump administration and Republican majorities in Congress. Federal spending provides Midwest residents with vital sources for basic living standards including education assistance, income security, health insurance, housing assistance, food assistance and more, providing a strong precedent for additional investment. For example:

- these six states' public schools received as much as 26 percent of their funding from the federal government⁵;
- More than 1.2 million Midwestern college students received Pell grants in the 2014-2015 school year⁶;
- In 2015, more than 9.2 million Midwesterners were covered by Medicare⁷, and 11.4 million were covered under Medicaid and the Children's Health Insurance Program;⁸
- More than 1.5 million people lived in federally subsidized housing (including public

⁴ While military investment creates jobs, the link between more investment and more jobs is not simple: for example, Lockheed Martin saw an increase in government funds at the same time that they downsized their workforce.

⁵ https://nces.ed.gov/programs/digest/d15/tables/dt15_215.20.asp

⁶ <https://www2.ed.gov/finaid/prof/resources/data/pell-institution.html>

⁷ <http://kff.org/medicare/state-indicator/total-medicare-beneficiaries/>

⁸ <http://kff.org/health-reform/state-indicator/total-monthly-medicare-and-chip-enrollment/>

- housing, housing vouchers and others)⁹;
- More than 321,000 federal jobs with an average annual salary of \$72,016 compared to average wages of \$50,212 for employees in private industry;¹⁰
 - Support for 637,000 state government employees, since as much as 38 percent of state government revenues in these six states come from the federal government;¹¹
 - More than 307,000 residents in these six states relied on unemployment insurance in the final months of 2016.¹²

Under the current administration and Congress, many of these programs are under threat. Furthermore, threatened cuts to civil rights programs through the Department of Justice, Department of Education and others raise the possibility that our country may go back, rather than forward, in how the federal government defends against racism, sexism and other forms of discrimination. The Trump budget proposal's cuts to civil rights include calls for eliminating 249 full-time positions at the Equal Opportunity Employment Commission¹³, and 600 positions from the Department of Labor's Office of Federal Contract Compliance.¹⁴

Our nation's morals are at stake. We must move toward a budget that prioritizes opportunity and equality over increased investment in prisons, raids and deportations, and the military.

⁹ <https://www.huduser.gov/portal/datasets/assthsg.html>

¹⁰ Bureau of Labor Statistics, Quarterly Census of Employment & Wages, 2015.

¹¹ Bureau of Labor Statistics, Quarterly Census of Employment & Wages, 2015.

¹² https://workforsecurity.doleta.gov/unemploy/content/data_stats/datasum16/DataSum_2016_4.pdf

¹³ <https://www.gpo.gov/fdsys/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP-1-31.pdf>



¹⁴ <http://www.newsweek.com/robert-reich-trumps-budget-assault-civil-rights-618153>

Reinvesting to Unlock Opportunities for Midwestern Families

There is another way: a vision for a budget that strengthens families and communities instead of enriching corporations and the wealthiest among us. Instead of \$30.4 billion in militarized investment, the Midwest must seek investment in our people, families and communities in ways that recognize human dignity and potential, and in ways that make all our families and our state stronger.

Here's what our region could have had instead of its \$30.4 billion militarized budget^{15,16,17,18,19}:

In 2016, the federal militarized budget - for prisons, deportations and the military - was

 **\$30.4 billion** 
in the Midwest.

Instead, the Midwest* could do any one of these:



put 1 in 3 unemployed
Midwesterners to work in
infrastructure



provide Head Start for every
child ages zero to 5



provide heating assistance for
every Midwest household



provide housing vouchers for 1
out of 5 Midwest households



provide WIC (Women, Infants
and Children) nutrition for every
child under age 5

*Illinois, Michigan, Minnesota, Missouri, Ohio and Wisconsin

¹⁵ <http://www.goodjobsforall.org/wp-content/uploads/2015/06/PFA-GJFA-Launch-Report.pdf>

¹⁶ <https://eclkc.ohs.acf.hhs.gov/data-ongoing-monitoring/article/head-start-fact-sheets>

¹⁷ <https://www.fns.usda.gov/pd/wic-program>

¹⁸ https://www.acf.hhs.gov/sites/default/files/ocs/fy14_liheap_rtc_final.pdf

¹⁹ <https://www.huduser.gov/portal/datasets/assthsg.html>