How misguided federal spending priorities make us less secure – and what we can do about it!

Massachusetts Edition
February 2010
Historic opportunity to shape the future

- Growing public awareness
- Congress and Obama Administration more involved
- Data can drive change
- Every voice is needed
- “The stakes are too high for government to be a spectator sport.”
  
  — former Congresswoman Barbara Jordan
What are my federal priorities?

Community
- Quality, affordable healthcare for all
- More decent-paying jobs
- End poverty & hunger
- Enough affordable housing

www.NationalPriorities.org
What are *my* federal priorities?

- **Community**: Quality, affordable healthcare for all
- **Community**: More decent-paying jobs
- **Community**: End poverty & hunger
- **Community**: Enough affordable housing
- **National**: Reduce federal debt

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Interests on Debt
Income Security & Labor
Housing & Community Development
Veterans Benefits
Food
Government
Education
Environment Energy & Science
International Affairs
Transportation
```
What are *my* federal priorities?

**Community**
- Quality, affordable healthcare for all
- More decent-paying jobs
- End poverty & hunger
- Enough affordable housing

**National**
- Reduce federal debt

**International**
- Greater emphasis on diplomacy
- Reverse negative climate change

www.NationalPriorities.org
Our nation's priorities and the allocation of your federal tax dollars

- Military: 29.4¢
- Health: 21.3¢
- Interest on Debt: 19.8¢
- 7.9¢ - Interest on Military Debt
- 11.9¢ - Interest on Non-military Debt
- Income Security & Labor: 3.8¢
- Housing & Community Development: 3.8¢
- Veterans Benefits: 3.6¢
- Food: 3.1¢
- Government: 3.0¢
- Education: 2.8¢
- Environment Energy & Science: 1.2¢
- International Affairs: 1.0¢
- Transportation: 7.2¢

www.NationalPriorities.org

NPP, 2009
Our nation's priorities

spotlight on Boston, Massachusetts

The median income family in Boston, Massachusetts paid $3,599 in federal income taxes for 2008. Here is how that money was spent:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military</td>
<td>$1,058</td>
</tr>
<tr>
<td>Health</td>
<td>$767</td>
</tr>
<tr>
<td>Non-military Interest on Debt</td>
<td>$428</td>
</tr>
<tr>
<td>Military Interest on Debt</td>
<td>$284</td>
</tr>
<tr>
<td>Income Security &amp; Labor</td>
<td>$259</td>
</tr>
<tr>
<td>Housing &amp; Community Development</td>
<td>$137</td>
</tr>
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<td>Veterans Benefits</td>
<td>$137</td>
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<td>Food</td>
<td>$130</td>
</tr>
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<td>Government</td>
<td>$112</td>
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<td>Education</td>
<td>$108</td>
</tr>
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<td>Environment, Energy &amp; Science</td>
<td>$101</td>
</tr>
<tr>
<td>International Affairs</td>
<td>$43</td>
</tr>
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<td>Transportation</td>
<td>$36</td>
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www.NationalPriorities.org
What is the role of the federal government?

- FDA: food and drug safety
- Housing tax deductions and certificates
- Medicare, Medicaid, Social Security, Unemployment Compensation
- National security
- Clean air and water
The federal budget: mandatory and discretionary spending

**Mandatory Spending** is dictated by law.

**Discretionary Spending** is negotiated between the President and Congress each year.

FY 2011

- **Mandatory Spending**: 59%
- **Discretionary Spending**: 34%
- **Interest**: 7%

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Budget of the U.S. Gov't, FY 2011
FY2011 Discretionary Spending

Military Spending: 58%

- Environment, Energy & Science: 6%
- Transportation: 3%
- Income Security & Labor: 2%
- International Affairs: 4%
- Health: 5%
- Housing and Community: 6%
- Government: 6%
- Food: 1%
- Education: 4%
- Veterans' Benefits: 5%
Influencing the budget process: keep your eyes on the discretionary pies

February
- President releases the budget

March
- House and Senate budget committees determine the size of the pie and the slices

April
- Budget resolution passed

Beginning in May
- House and Senate appropriations committees determine what's in each slice

September
- House and Senate reconcile and vote
American crises

- 14 million children in poverty (19%)
- 46.3 million without health insurance (15.4%)
- Racial and economic disparities in access to quality education
- 7.6 million jobs lost since December 2007

American crises

- Engineers: “Infrastructure = D”
  25% of our bridges
  33% of roads
  10% drinking water
  Stimulus solves 8% of problem

- American Federation of Teachers: $254.6 billion to repair schools
Out of balance: Massachusetts realities

- 248,000 children in poverty (10%)
- 352,000 without health insurance (5.5%)
- 105,700 jobs lost from August '08 to August '09 (3.7% decrease)

Federal cuts add to state budget deficit in FY2010

$27.9bn
$5bn MA's shortfall
MA's FY 2010 State Budget

MA will cut programs in the following sectors:

Public Health
Elderly/Disabled
K-12 & Early Education
Higher Education
State Workforce

2010: -17.3%
federal grants to MA

CBPP 2009; OMB FY 2010; NPP 2009
Federal spending priorities affect my community.

Flow of most federal funds and cuts:

- Federal Agency / Department
- State Agency / Department
- County, City, Town
Where federal funds land in my community

**Where**
- Schools

**Federal programs**
- Head Start, Title I

*Note: selected programs*
Where federal funds land in my community

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<td>Unemployment benefits, job training, jobs</td>
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<tr>
<td>Colleges</td>
<td>Pell grants, student loans, grants to schools</td>
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Recovery for cities: a long road

Half the nation’s metro areas will not return to pre-recession employment levels until the end of 2012.

Some in crisis for many years:

- New York, NY: 2012
- Los Angeles, CA: 2013
- Springfield, MA: 2014
- Hartford, CT: 2018
- Milwaukee, WI: 2019
- Detroit, MI: after 2039

Metro areas represent 86% of U.S. employment and 90% of economic input

Trend of competing priorities

Budget growth: 28%
Total grants to state and local governments: 14%
Military spending: 41%
U.S. military spending: Global context today

Top 10 Countries Ranked by Military Spending, 2008

World Military Spending, 2008

- United States: 42%
- NATO Allies: 23%
- Rest of World: 34%
- Cuba, Iran, Libya, N. Korea, Sudan, Somalia and Syria: 1%

www.NationalPriorities.org
Federal discretionary spending: continued crises for communities?

Billions of $2010

Military

Domestic

International Affairs

* Obama administration estimate

Budget of the U.S. Gov't, FY 2011

www.NationalPriorities.org
Obama's 2010, 2011 stimulus: Short-term gains for Massachusetts

Select programs: federal aid ($ in millions)

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<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children's health</td>
<td>$316.2</td>
<td>$403.1</td>
<td>$397.5</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$7,961.4</td>
<td>$7,708.4</td>
<td>$6,750.5</td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weatherization</td>
<td>$136.3</td>
<td>$5.1</td>
<td>$7.4</td>
</tr>
<tr>
<td>Home Energy Assist.</td>
<td>$165.9</td>
<td>$175.5</td>
<td>$91.8</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title 1 Grants</td>
<td>$415.3</td>
<td>$224.3</td>
<td>$214.9</td>
</tr>
<tr>
<td>Community Development Block Grants</td>
<td>$140.3</td>
<td>$119.4</td>
<td>$119.9</td>
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Federal discretionary spending: continued crises for communities?

Budget of the U.S. Gov't, FY 2011

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Recovery Act

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Federal discretionary spending: continued crises for communities?
Future federal spending: millions of jobs at stake

Impact of $1 billion on potential job creation in select sectors

- **Military:**
  - Direct Jobs: 11,600
  - Indirect Jobs: 14,800
  - Induced Jobs: 17,100
  - Total: 29,100

- **Tax Cuts:**
  - Direct Jobs: 11,600
  - Indirect Jobs: 14,800
  - Induced Jobs: 17,100
  - Total: 29,100

- **Clean Energy:**
  - Direct Jobs: 11,600
  - Indirect Jobs: 14,800
  - Induced Jobs: 17,100
  - Total: 29,100

- **Healthcare:**
  - Direct Jobs: 11,600
  - Indirect Jobs: 14,800
  - Induced Jobs: 17,100
  - Total: 29,100

- **Education:**
  - Direct Jobs: 11,600
  - Indirect Jobs: 14,800
  - Induced Jobs: 17,100
  - Total: 29,100

Political Economy Research Institute, 2009
Balancing security needs with expenditures: 5 smart steps

- Cut unneeded Cold War weapons, reform business practices
- Create clean energy alternatives: stop defending foreign fossil fuels
- Consider the cost of war
  and...
- Balance conflict resolution tools
- Break worker dependency on weapons-makers
Moving forward: Break the grip of politics as usual

- Learn: research the local impact
- Write: letters to the editor, op-eds
- Hold accountable: visit your Senator and Member of Congress
- Organize: support an existing local or national campaign
Balancing our priorities

**Our state and communities are in crisis**
State unemployed, child poverty, uninsured, school needs (fact sheet)
Local needs (NPP database, personal experience)
State and city budgets in crisis for years (fact sheet)

**Stimulus headed in the right direction**
Jobs created in state (fact sheet)
Increases in # insured, weatherization, etc. (website)

**Social spending to lag behind record military spending increases**
58% of discretionary spending to military (chart 11)
42% of world expenditures (chart 27)
Military spending will increase by $500 in 10 years (chart 30)
Military spending results in fewer jobs relative to other kinds of spending (chart 31)
Thank you!

For more information:

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