

Department of Justice, Peace, and Human Development

Office of Domestic Social Development

FEDERAL DOMESTIC ANTIPOVERTY PROGRAMS February 2015

BACKGROUND

Despite a modestly improving economy, too many Americans continue to struggle to make ends meet. Recent gains have not been justly shared, so safety net programs continue to play a vital role in ensuring basic needs are met for millions of poor and vulnerable people across the country.

There is continued pressure to reduce the budget deficit, building on the substantial deficit reduction that has taken place over the past five years. An environment of continued partisanship and polarization will make it difficult to pass a federal budget that addresses the damaging policy of sequestration, deep across-the-board spending cuts in effect since 2013. Programs that benefit the most vulnerable among us will be tempting targets for reduction through direct cuts, or changes to eligibility or benefit amounts.

Additionally, a rare procedure called budget "reconciliation", if used, will almost certainly pose new threats to critical safety net programs. Medicare, Medicaid, Social Security, the Supplementary Nutritional Assistance Program (SNAP), and others could see severe restrictions placed on benefits, eligibility, or both.

The federal budget includes two types of spending: discretionary and mandatory (or entitlement). *Discretionary* spending is subject to the annual appropriations process, meaning Congress directly controls spending levels. This includes education, many social service programs, housing, environmental stewardship, international assistance, and defense. It makes up about one-third of federal spending. The other two-thirds is *Mandatory* spending, which includes entitlement programs such as the Supplemental Nutrition Assistance Program (SNAP, or food stamps), Social Security, Medicare, Medicaid, Temporary Assistance for Needy Families (TANF), and low-income tax credits. Mandatory spending is not part of the appropriations process because, generally speaking, if someone meets a set of criteria, they receive the program benefit. Congress, however, can limit spending on these benefits by controlling eligibility or the value of the benefit received.

USCCB POSITION

The Catholic Bishops of the United States have consistently advocated careful and responsible deficit reduction that balances needs and resources while allocating burdens and sacrifices fairly. Budget choices have consequences on people's lives. USCCB has urged Congress and the President to use a set of moral criteria in making important budget decisions:

- 1. Every budget decision should be assessed by whether it protects or threatens human life and dignity.
- 2. A central moral measure of any budget proposal is how it affects the lives and dignity of "the least of these" (Matthew 25). The needs of those who are hungry and homeless, without work or in poverty should come first.
- 3. Government and other institutions have a shared responsibility to promote the common good of all, especially ordinary workers and families who struggle to live in dignity in difficult economic times.

Additionally, "a just framework cannot rely on disproportionate cuts in essential services to poor persons; it requires shared sacrifice by all, including raising adequate revenues, eliminating unnecessary military and other spending, and addressing the long-term costs of health insurance and retirement programs fairly" (<u>USCCB</u> <u>letter to Congress on FY 2013 budget</u>).

FEDERAL ANTIPOVERTY PROGRAMS WORK

Contrary to some claims, many government programs are very effective at fighting poverty and helping vulnerable people and families meet basic human needs, as the Census Bureau's <u>Supplemental Poverty Measure</u> demonstrates. Programs can be made more efficient and integrity can be improved, yet changes should be made carefully so as not to harm beneficiaries.

	Reduces Poverty By	Total	Children	Adults	<u>65+</u>
Social Security		9%	2%	4%	38%
Low-income Working Tax Credits ¹		3%	6%	2%	-
$SNAP^{2}$		2%	3%	1%	1%
Housing subsidies		1%	1%	1%	1%
¹ The Earned Income Tax Credit (EITC) and refundable portion of the Child Tax Credit (CTC) ² Supplemental Nutrition Assistance Program (formerly food stamps)					

CATHOLIC TEACHING

In a society marred by deepening divisions between rich and poor, Scripture directs us to the story of the Last Judgment (Mt: 25) and instructs us to put the needs of poor and vulnerable people first. Pope Francis, in *Evangelii Gaudium*, teaches, "It is the responsibility of the State to safeguard and promote the common good of society. Based on the principles of subsidiarity and solidarity, and fully committed to political dialogue and consensus building, it plays a fundamental role, one which cannot be delegated, in working for the integral development of all. This role, at present, calls for profound social humility" (no. 240).

The <u>Catechism of the Catholic Church</u> clearly states it is the proper role of government to ensure basic human needs are met:

...the common good requires the social well-being and development of the group itself. Development is the epitome of all social duties. Certainly, it is the proper function of authority to arbitrate, in the name of the common good, between various particular interests; but it should make accessible to each what is needed to lead a truly human life: food, clothing, health, work, education and culture, suitable information, the right to establish a family, and so on. (no. 1908)

And the <u>Compendium of the Social Doctrine of the Church</u> teaches that tax revenues and government funding are important components in the shared responsibility to help create conditions for human flourishing:

Tax revenues and public spending take on crucial economic importance for every civil and political community. The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity. Just, efficient and effective public financing will have very positive effects on the economy, because it will encourage employment growth and sustain business and non-profit activities and help to increase the credibility of the State as the guarantor of systems of social insurance and protection that are designed above all to protect the weakest members of society. (no. 355)

ADDITIONAL RESOURCES

USCCB Federal Budget Page: <u>usccb.org/issues-and-action/human-life-and-dignity/federal-budget/</u> <u>Primer on Poverty, an Option for the Poor, and the Common Good</u>

FOR MORE INFORMATION

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