

Out of Balance

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

Massachusetts Edition
February 2010

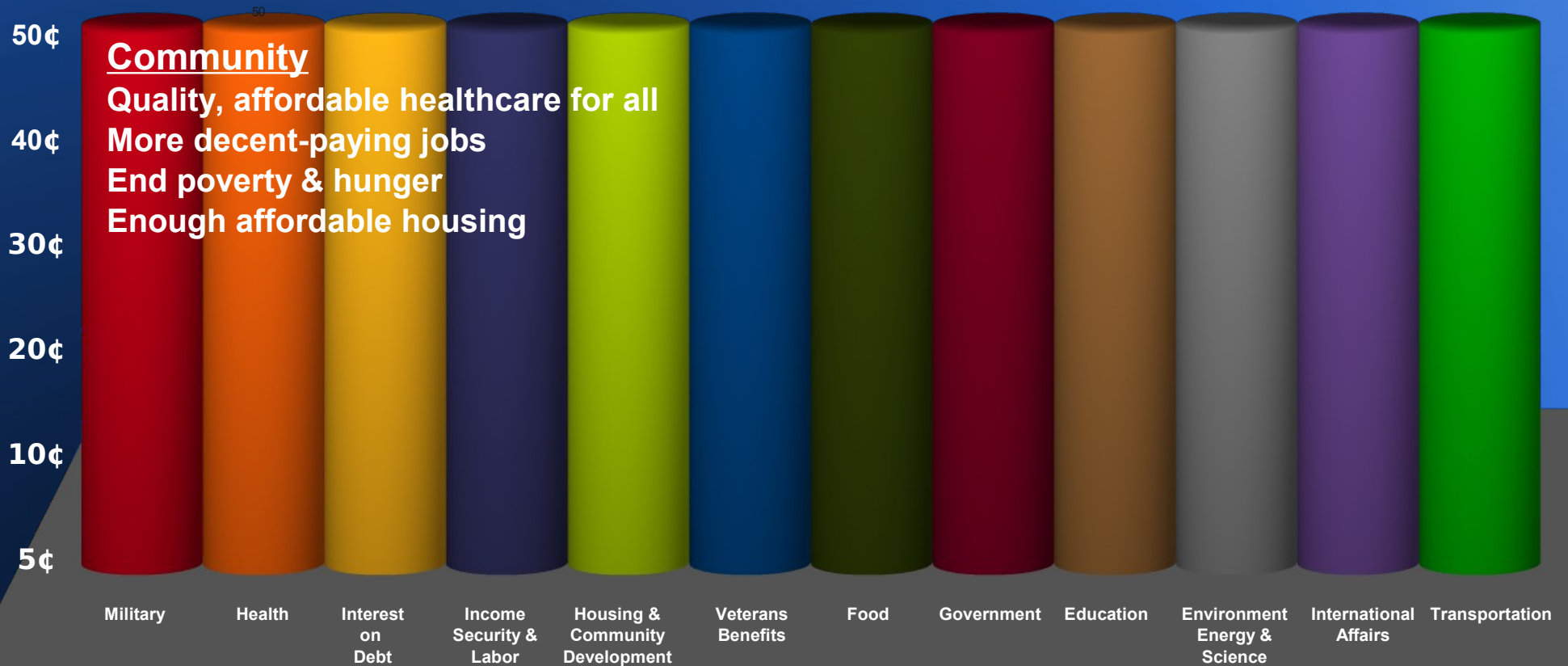


Historic opportunity to shape the future

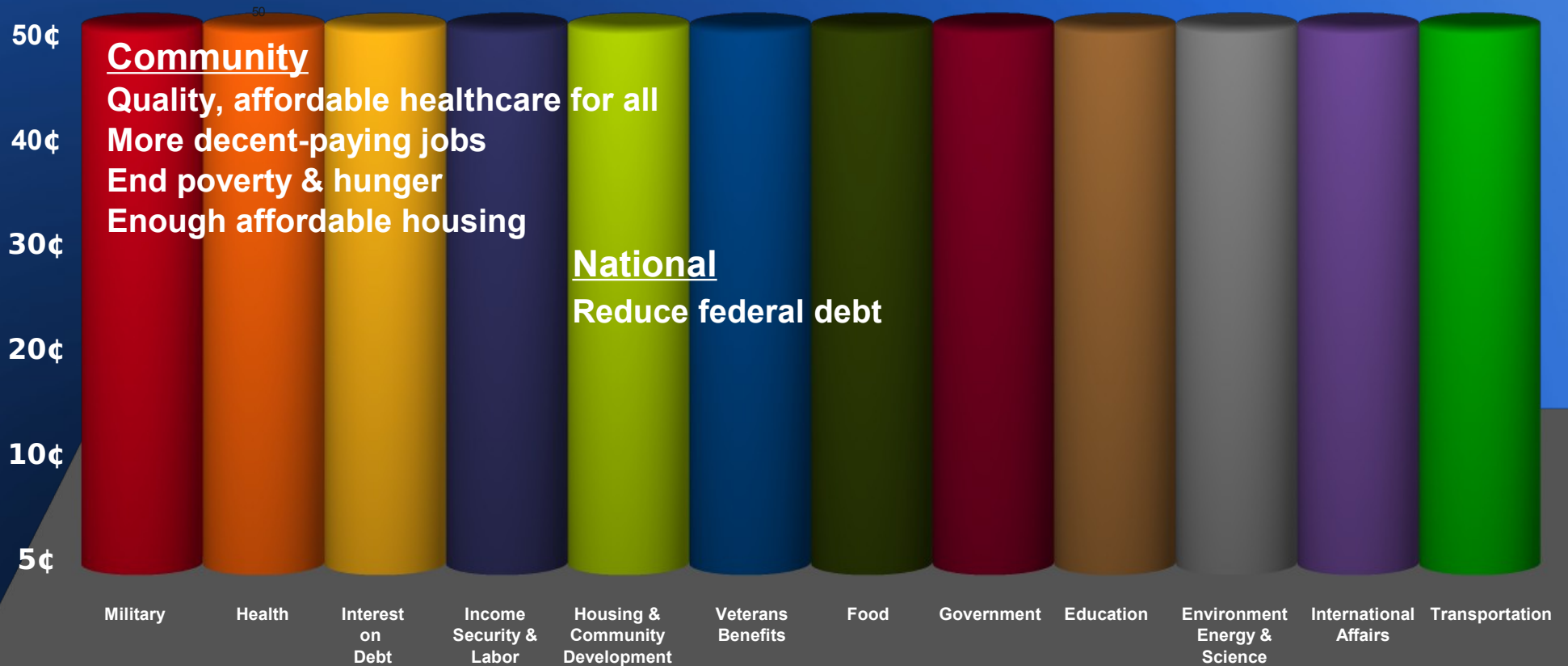
- ◆ Growing public awareness
- ◆ Congress and Obama Administration more involved
- ◆ Data can drive change
- ◆ Every voice is needed
- ◆ "The stakes are too high for government to be a spectator sport."

– *former Congresswoman Barbara Jordan*

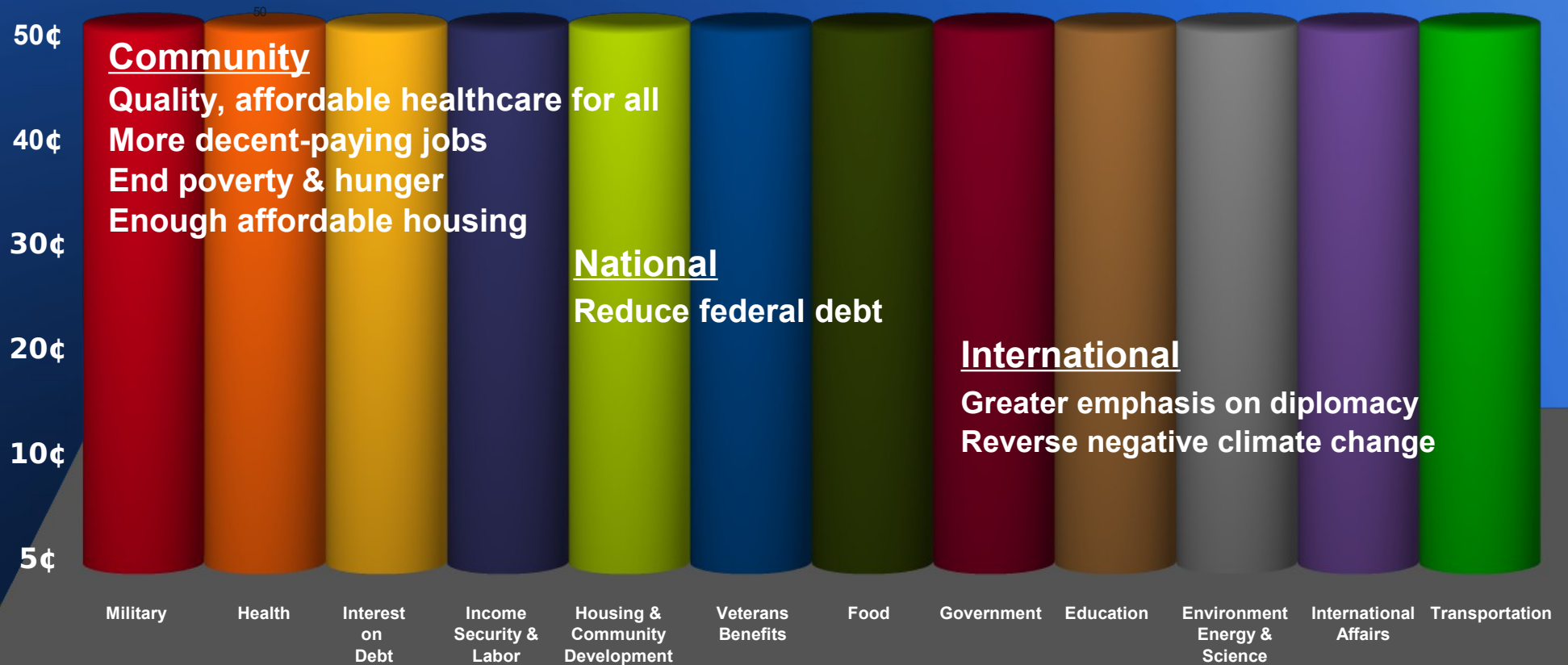
What are *my* federal priorities?



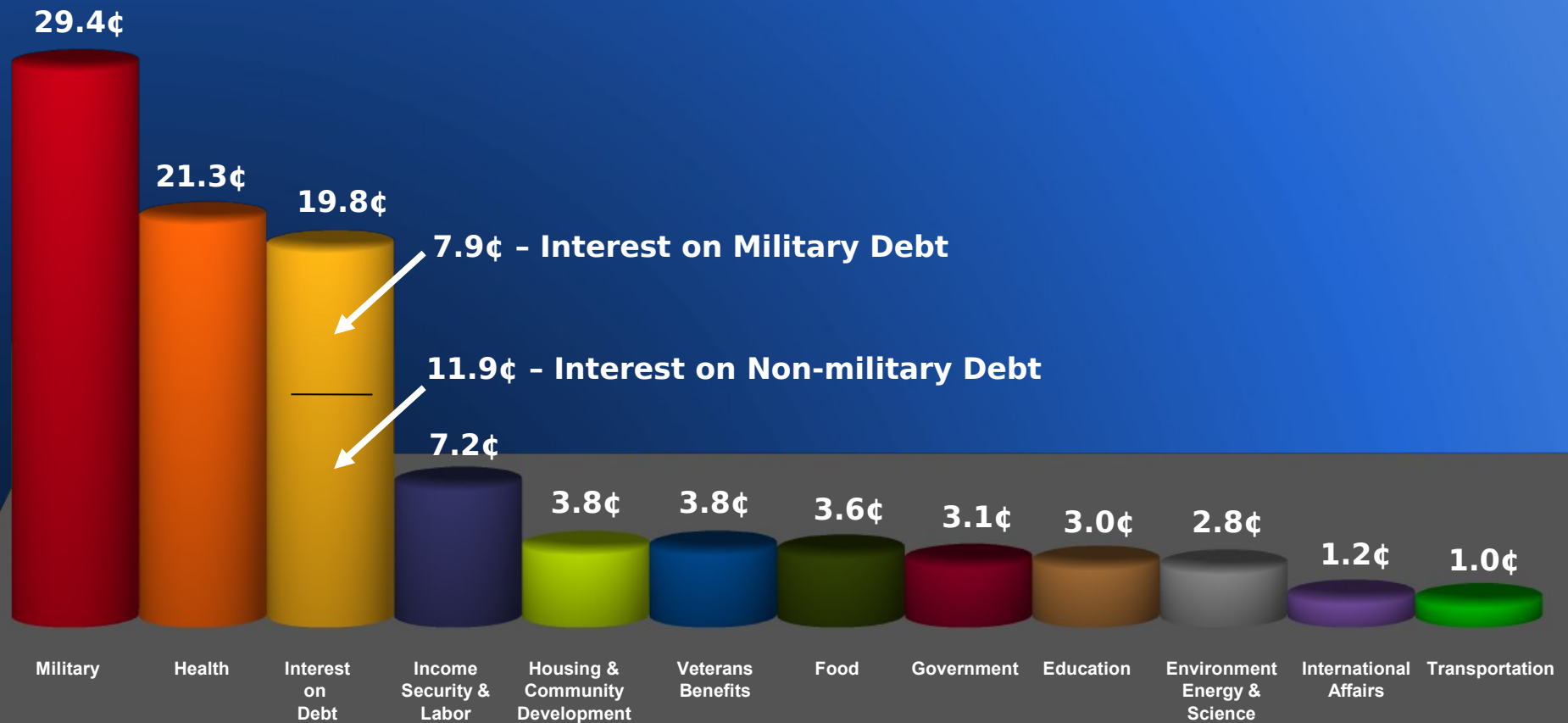
What are *my* federal priorities?



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Our nation's priorities *and the allocation of your federal tax dollars*



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:

Military	\$1,058
Health	\$767
Non-military Interest on Debt	\$428
Military Interest on Debt	\$284
Income Security & Labor	\$259
Housing & Community Development	\$137
Veterans Benefits	\$137
Food	\$130
Government	\$112
Education	\$108
Environment, Energy & Science	\$101
International Affairs	\$43
Transportation	\$36

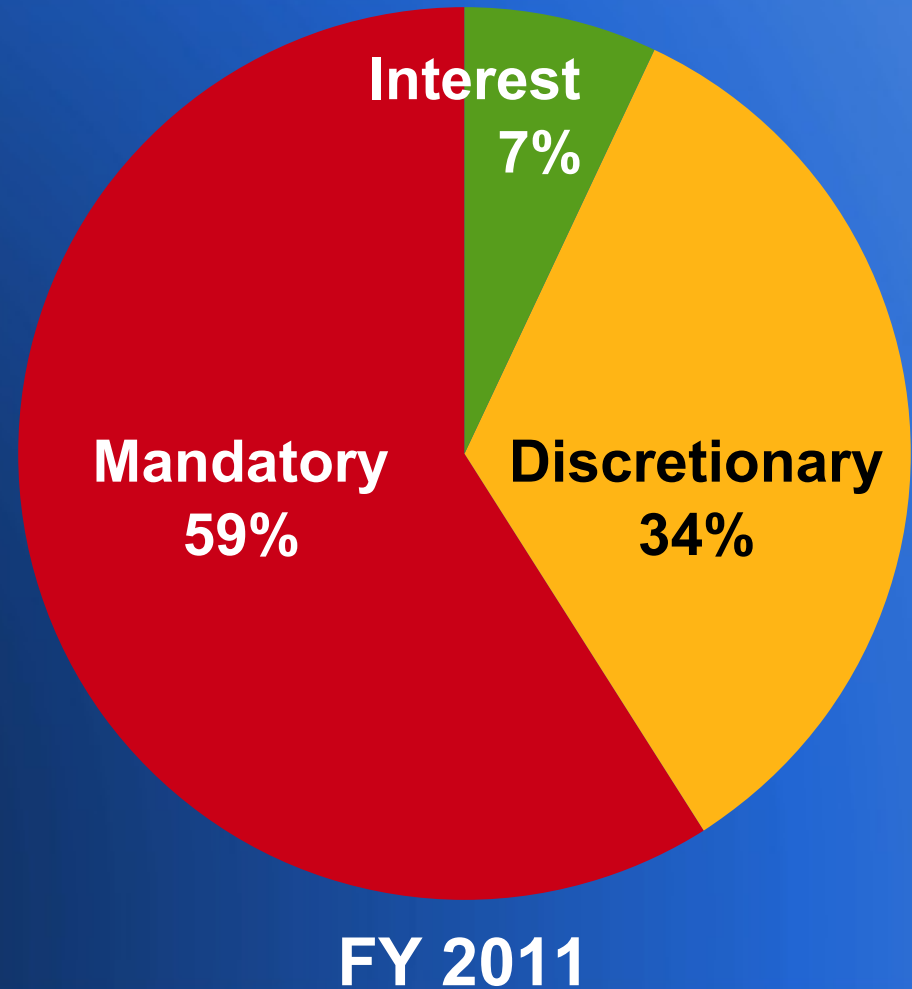
What is the role of the federal government?

- ◆ 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

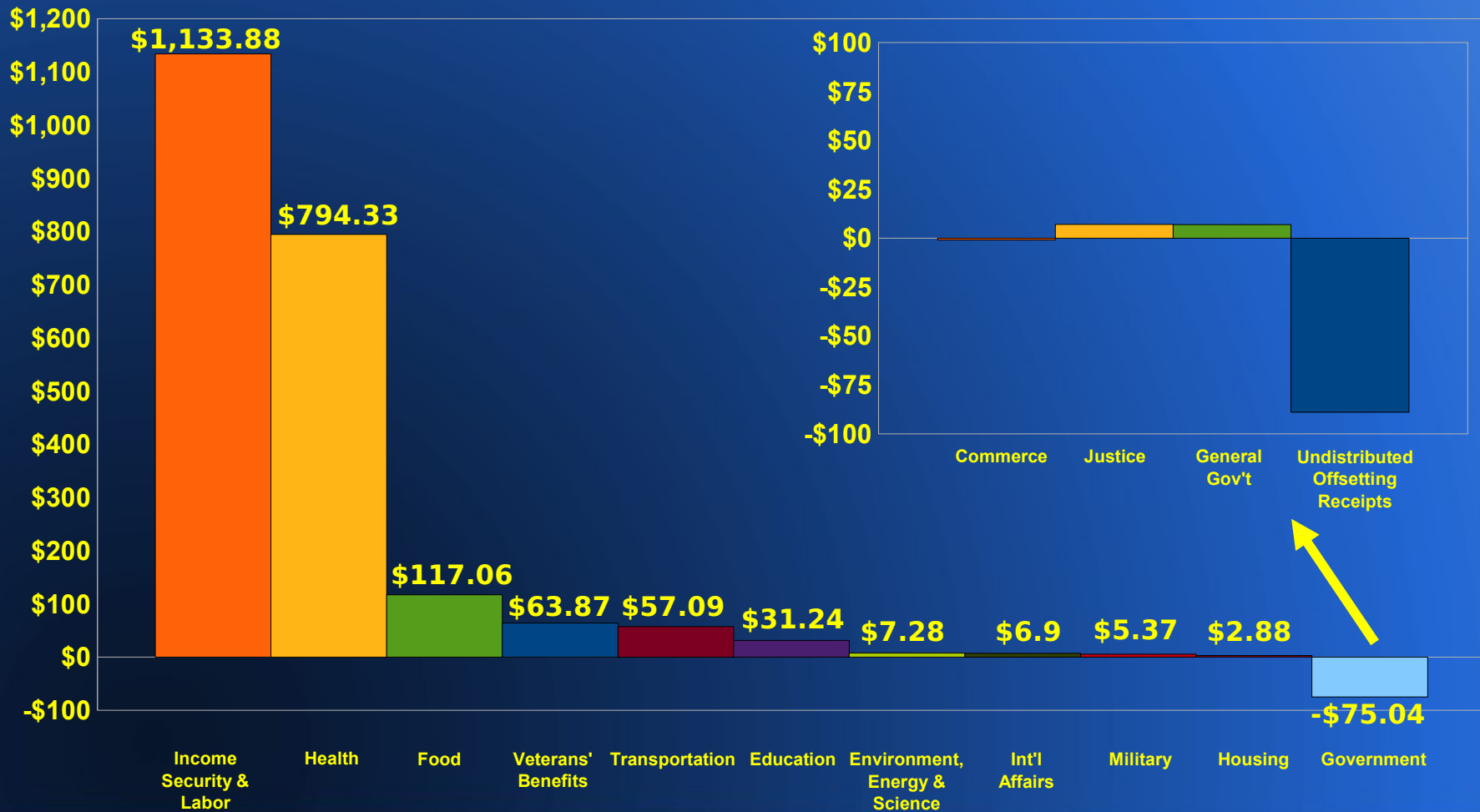
Mandatory Spending is dictated by law.

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

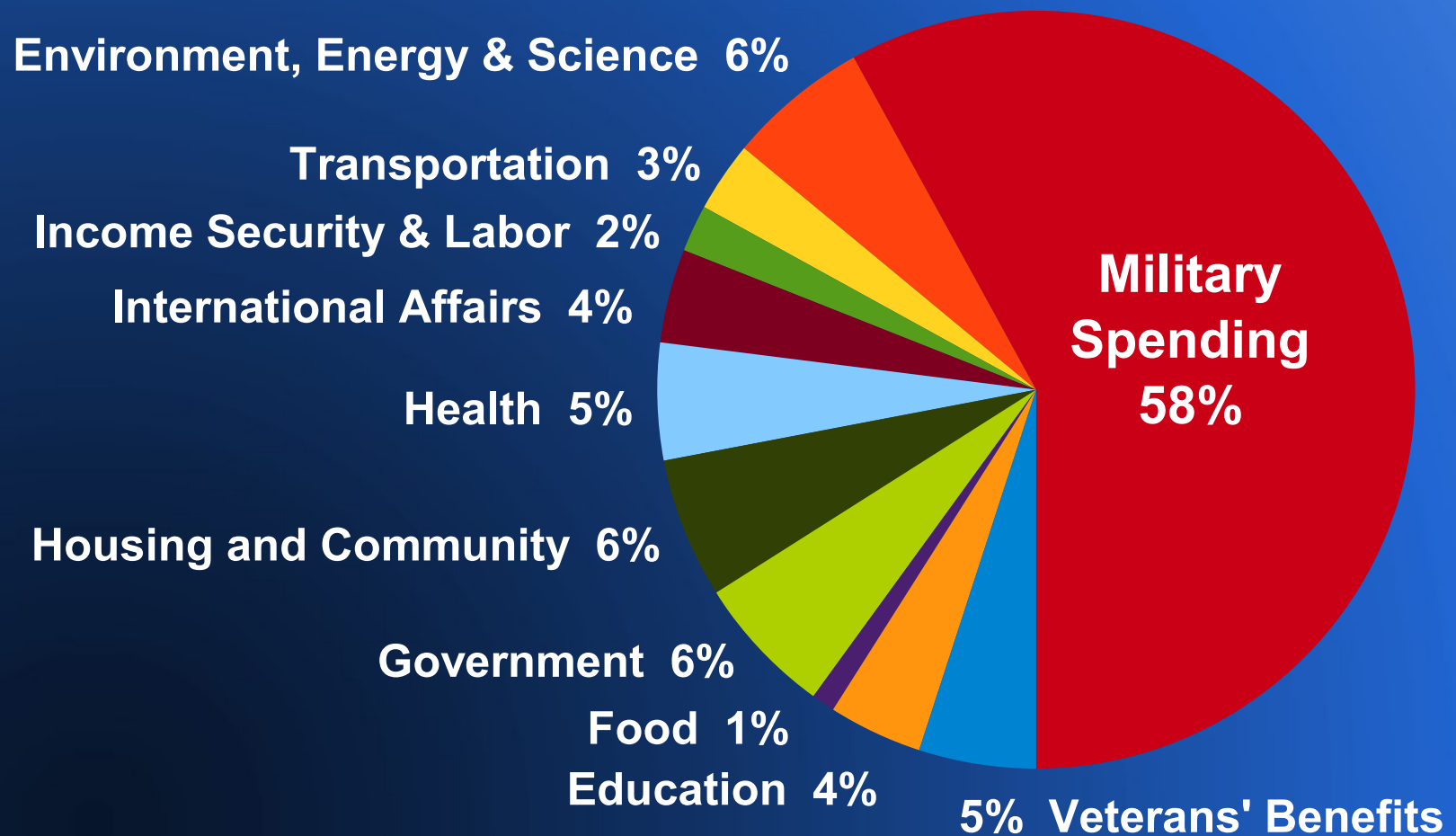


FY2011 Mandatory Spending

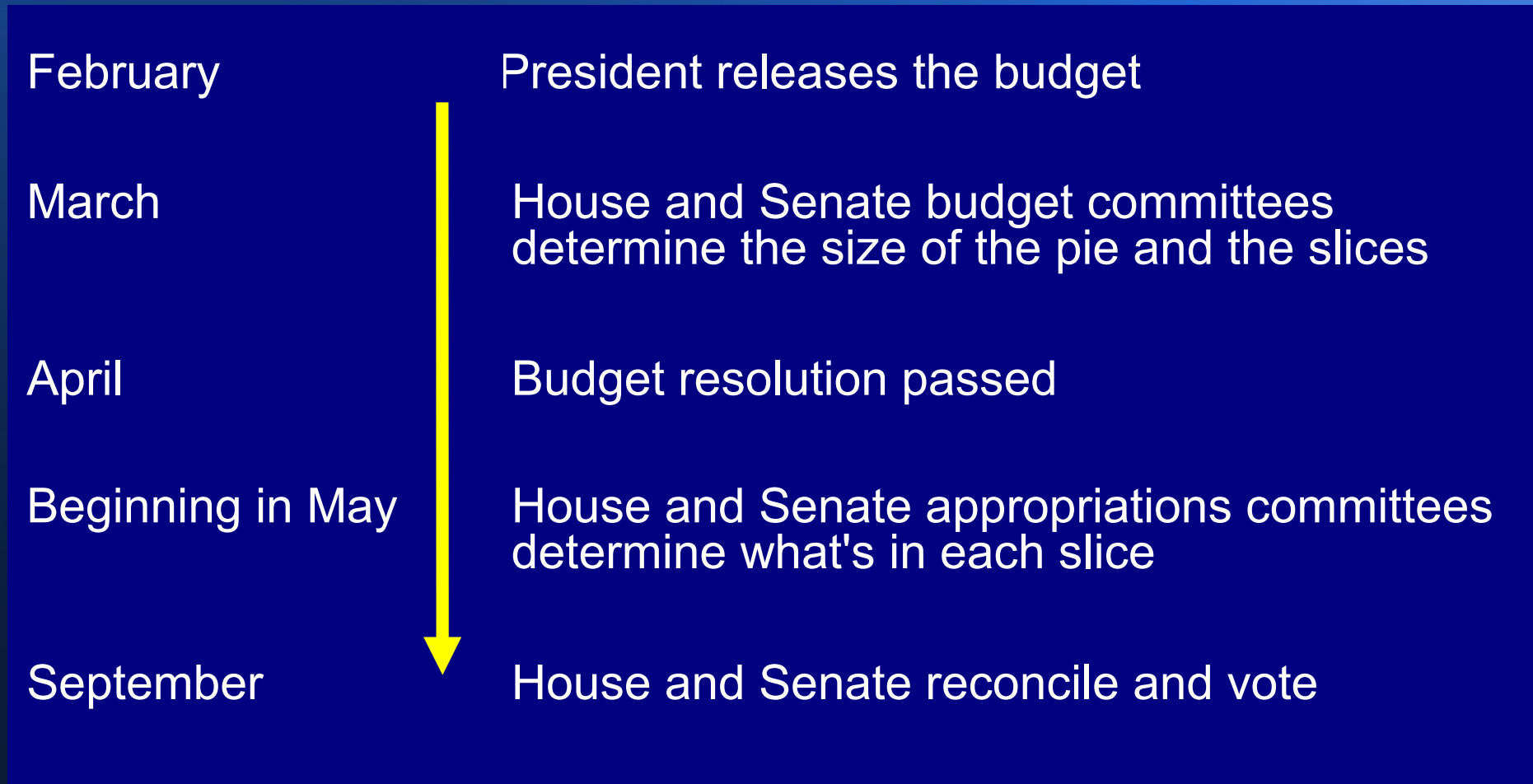
Billions of \$2010



FY2011 Discretionary Spending



Influencing the budget process: *keep your eyes on the discretionary pies*



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

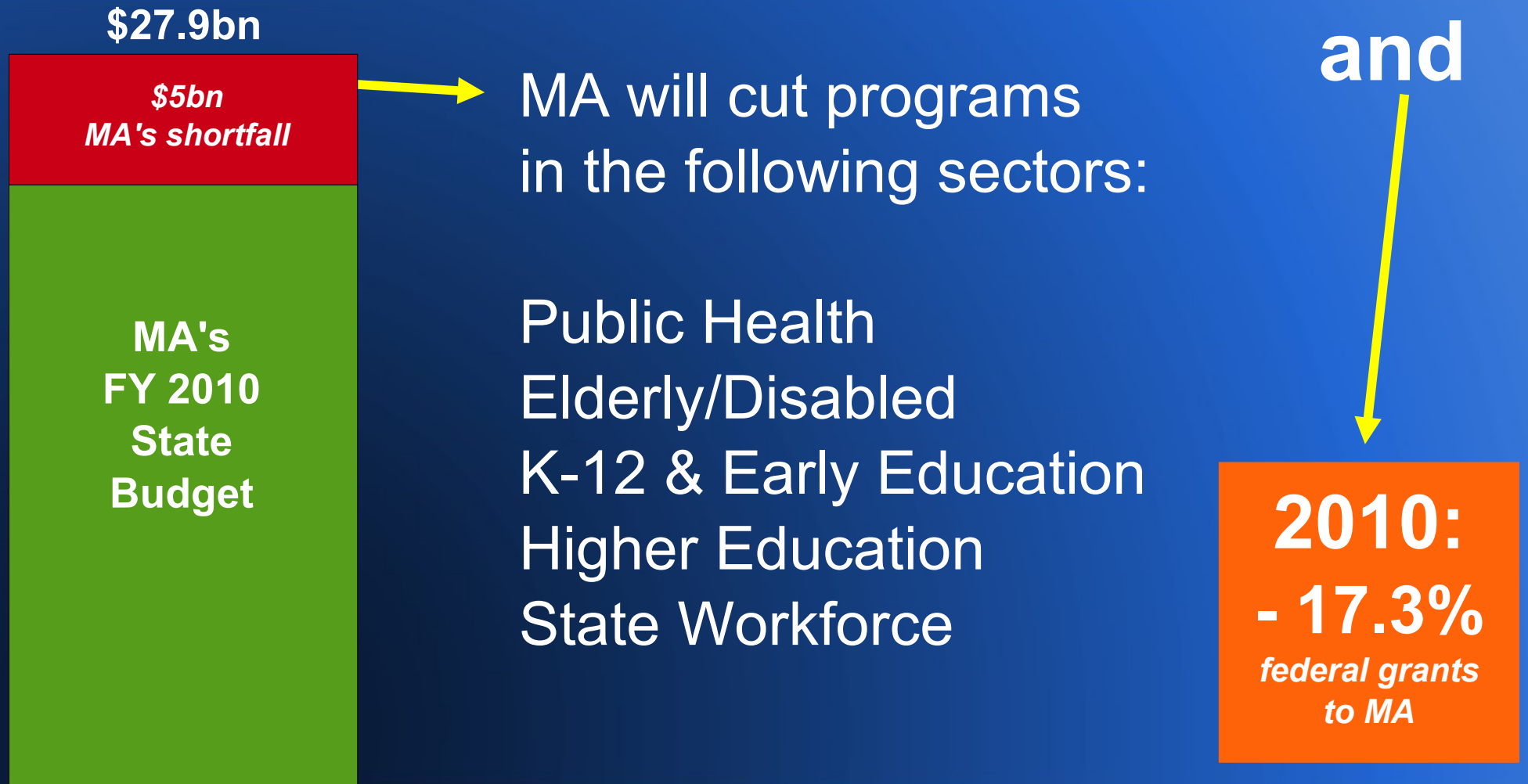
American crises

- ◆ 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

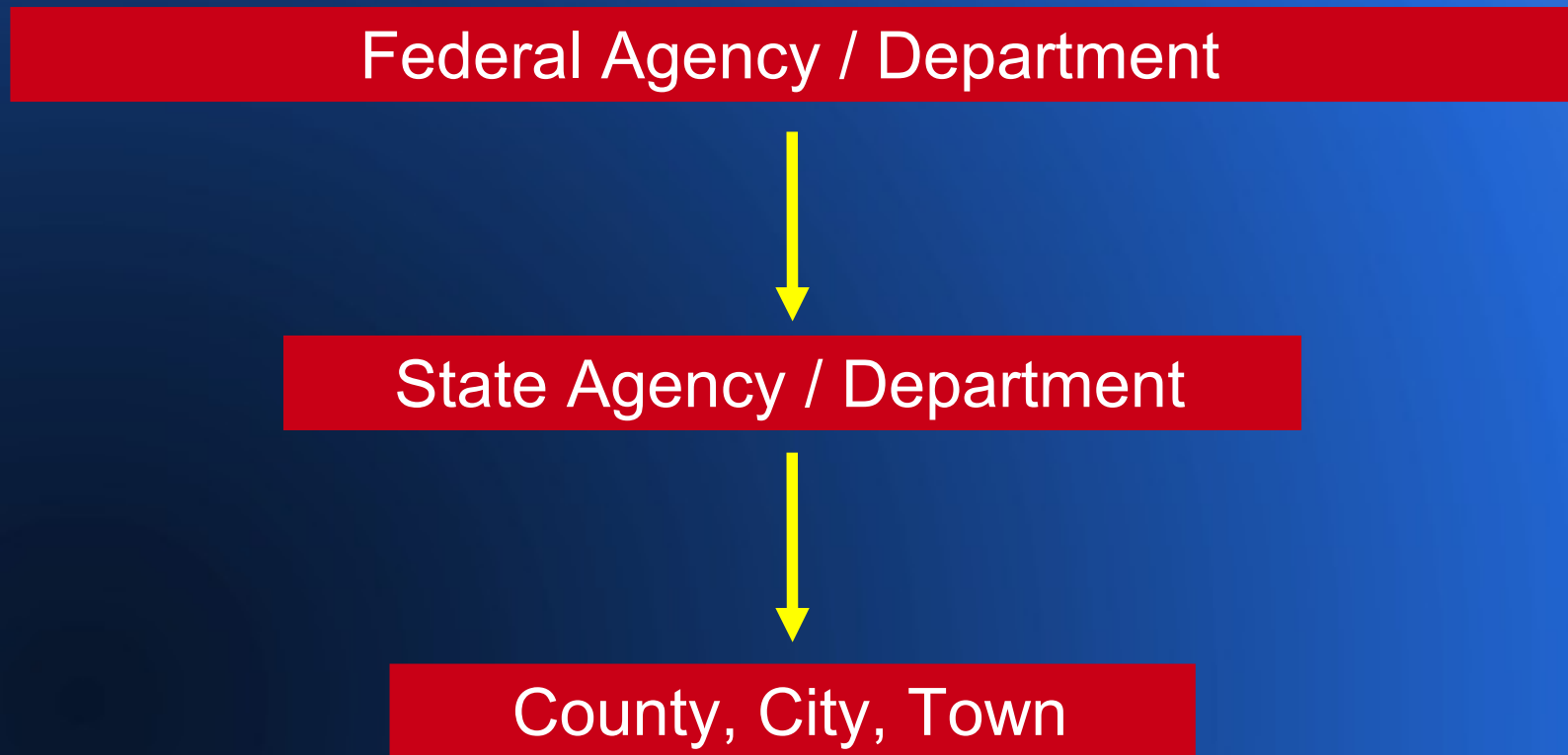
- ◆ 248,000 children in poverty (10%)
- ◆ 352,000 without health insurance (5.5%)
- ◆ 105,700 jobs lost from August '08 to August '09 (3.7% decrease)

Federal cuts add to state budget deficit in FY2010



Federal spending priorities affect my community

Flow of most federal funds and cuts



Where federal funds land in my community

Where

Schools

Federal programs

→ Head Start, Title I

Where federal funds land in my community

Where

Schools
City Hall

Federal programs

- Head Start, Title I
- ➔ Infrastructure (water, transit, roads, bridges)

Where federal funds land in my community

Where

Schools

City Hall

Housing Authority

Federal programs

→ Head Start, Title I

→ Infrastructure (water, transit, roads, bridges)

→ Housing assistance

Where federal funds land in my community

Where

Schools

City Hall

Housing Authority

Community/Antipoverty

Federal programs

→ Head Start, Title I

→ Infrastructure (water, transit, roads, bridges)

→ Housing assistance

→ Early childhood, economic development, social services block grant, weatherization, fuel assistance, youth programs, food and hunger programs

Where federal funds land in my community

Where

Schools

City Hall

Housing Authority

Community/Antipoverty

State Agencies

Federal programs

➔ Head Start, Title I

➔ Infrastructure (water, transit, roads, bridges)

➔ Housing assistance

➔ Early childhood, economic development, social services block grant, weatherization, fuel assistance, youth programs, food and hunger programs

➔ Medicare, Medicaid, TANF, SNAP, Jobs programs

Where federal funds land in my community

Where

Schools

City Hall

Housing Authority

Community/Antipoverty

State Agencies

Employment agencies

Federal programs

➔ Head Start, Title I

➔ Infrastructure (water, transit, roads, bridges)

➔ Housing assistance

➔ Early childhood, economic development, social services block grant, weatherization, fuel assistance, youth programs, food and hunger programs

➔ Medicare, Medicaid, TANF, SNAP, Jobs programs

➔ Unemployment benefits, job training, jobs

Where federal funds land in my community

Where

Schools

City Hall

Housing Authority

Community/Antipoverty

State Agencies

Employment agencies

Colleges

Federal programs

➔ Head Start, Title I

➔ Infrastructure (water, transit, roads, bridges)

➔ Housing assistance

➔ Early childhood, economic development, social services block grant, weatherization, fuel assistance, youth programs, food and hunger programs

➔ Medicare, Medicaid, TANF, SNAP, Jobs programs

➔ Unemployment benefits, job training, jobs

➔ Pell grants, student loans, grants to schools

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

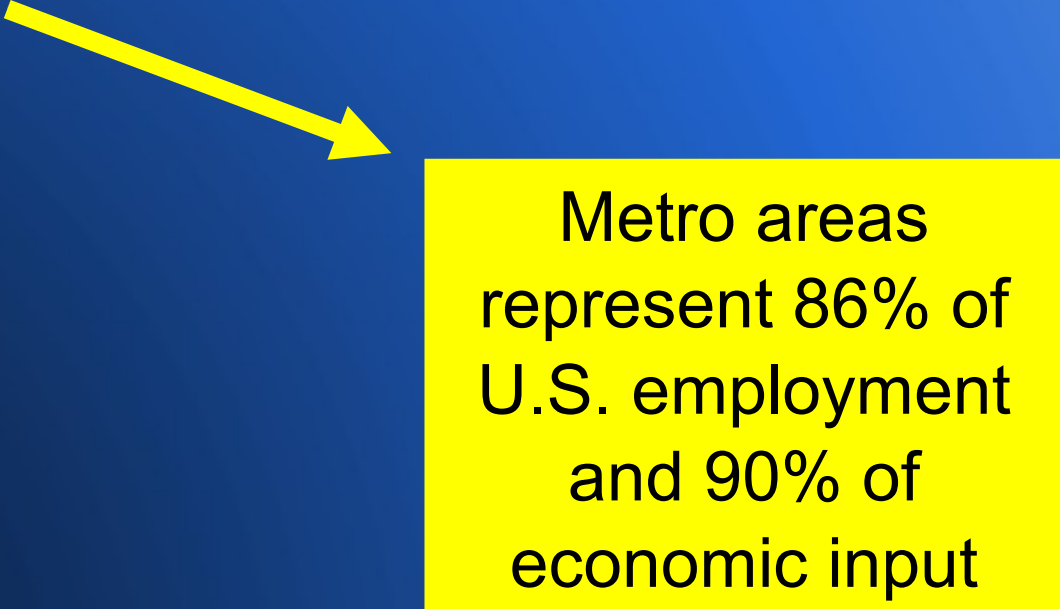
Los Angeles, CA: 2013

Springfield, MA: 2014

Hartford, CT: 2018

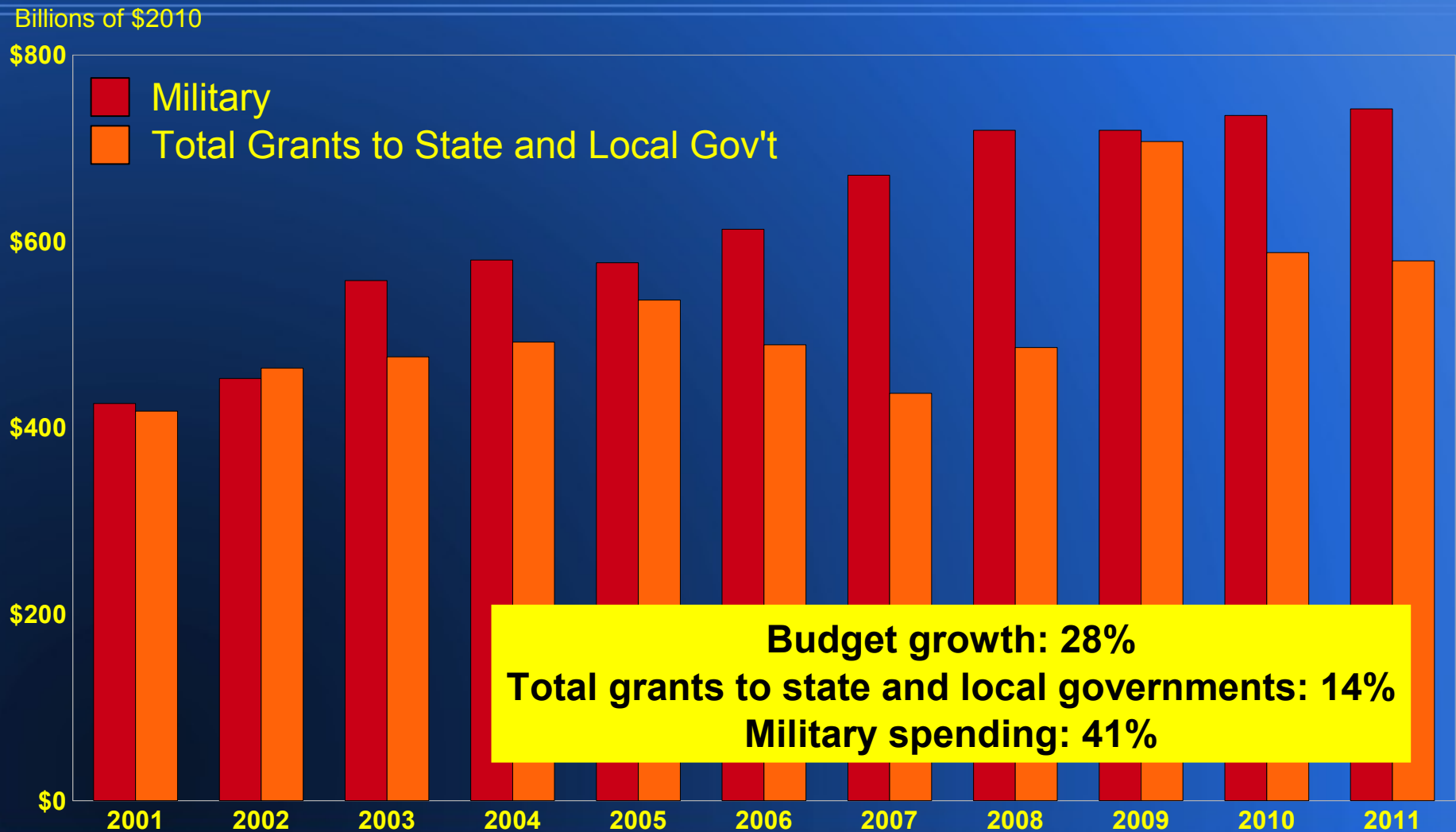
Milwaukee, WI: 2019

Detroit, MI: after 2039

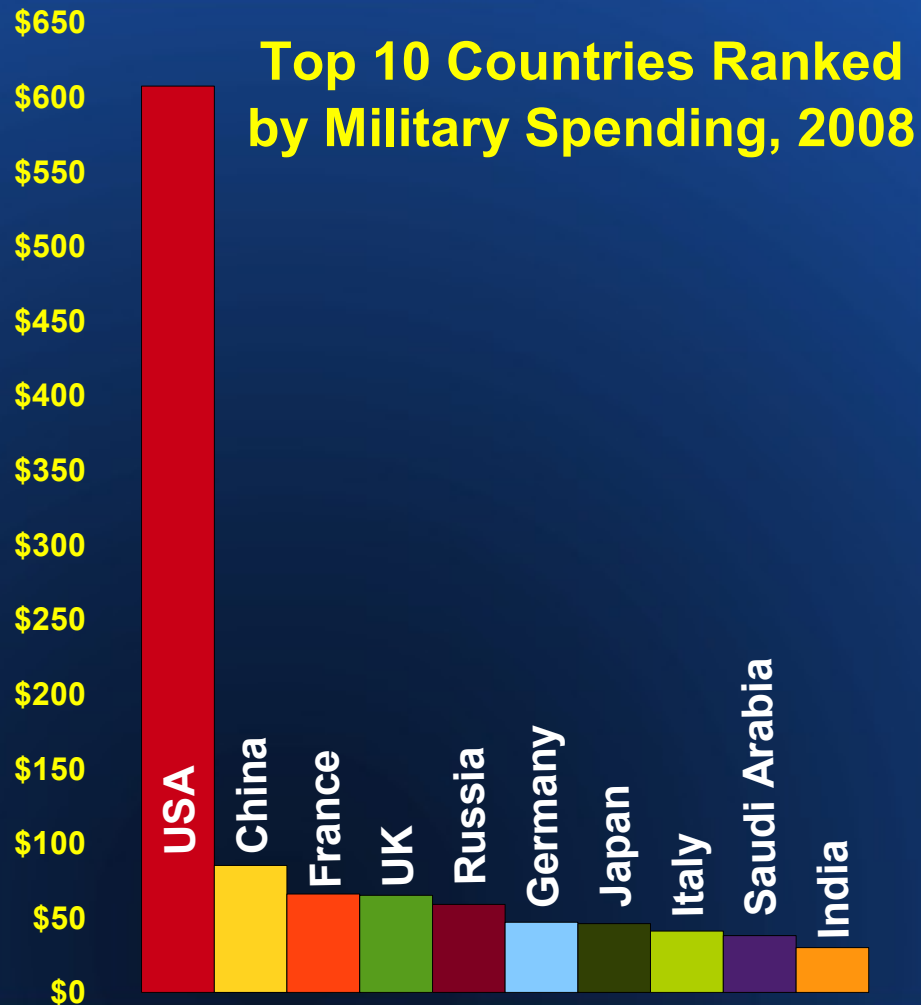


Metro areas
represent 86% of
U.S. employment
and 90% of
economic input

Trend of competing priorities

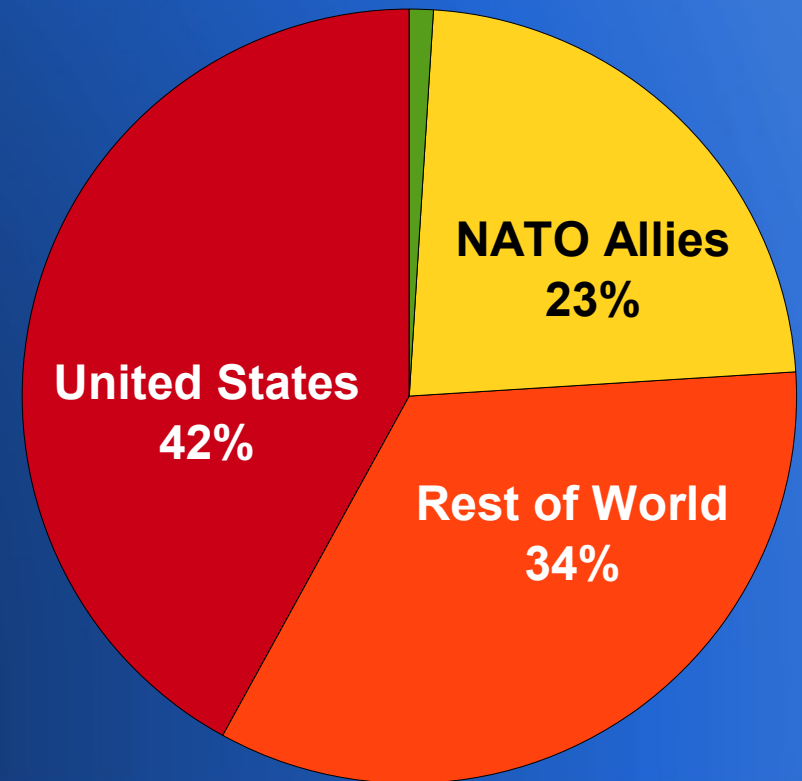


U.S. military spending: Global context today



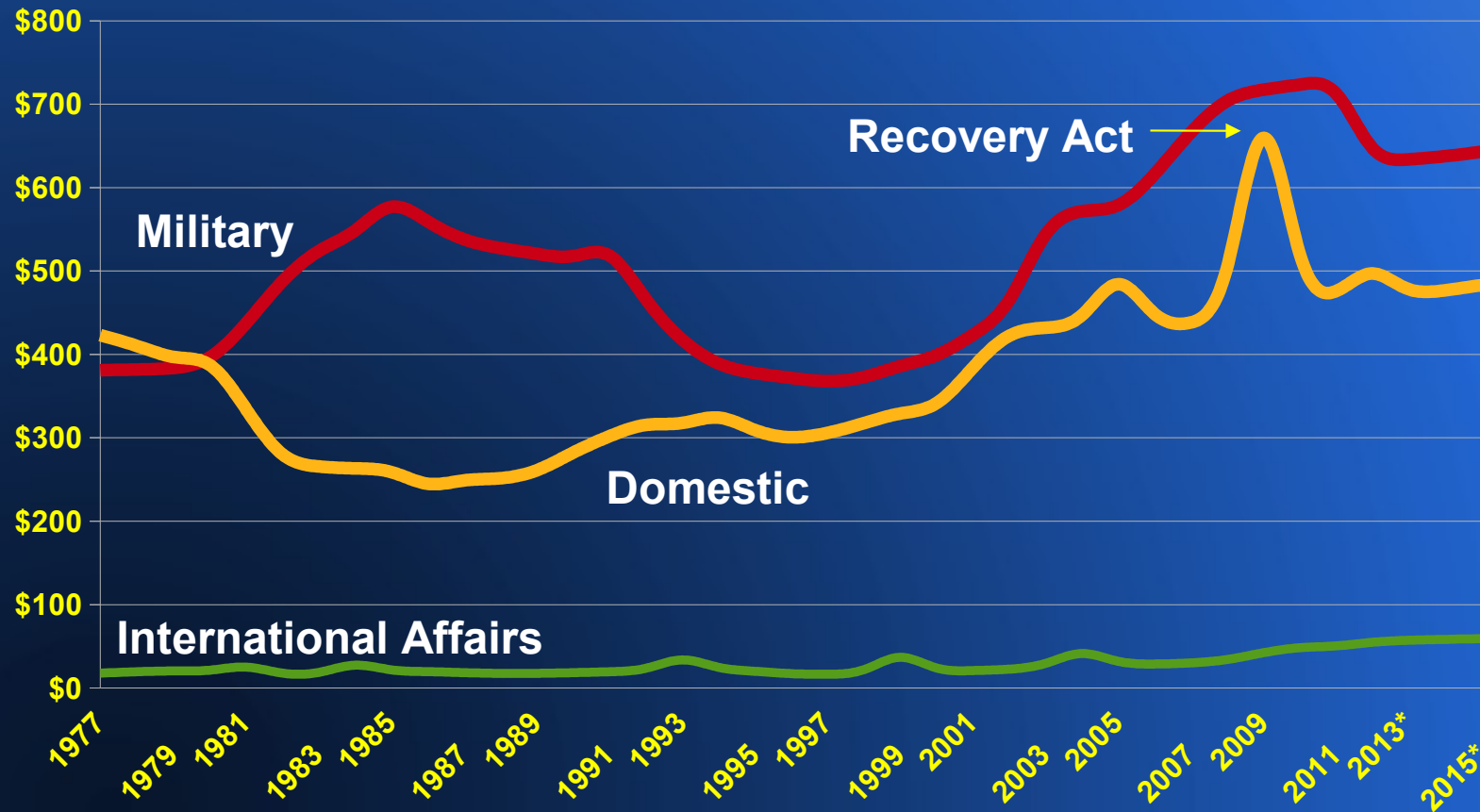
World Military Spending, 2008

Cuba, Iran, Libya, N. Korea, Sudan, Somalia and Syria 1%



Federal discretionary spending: continued crises for communities?

Billions of \$2010



* Obama administration estimate

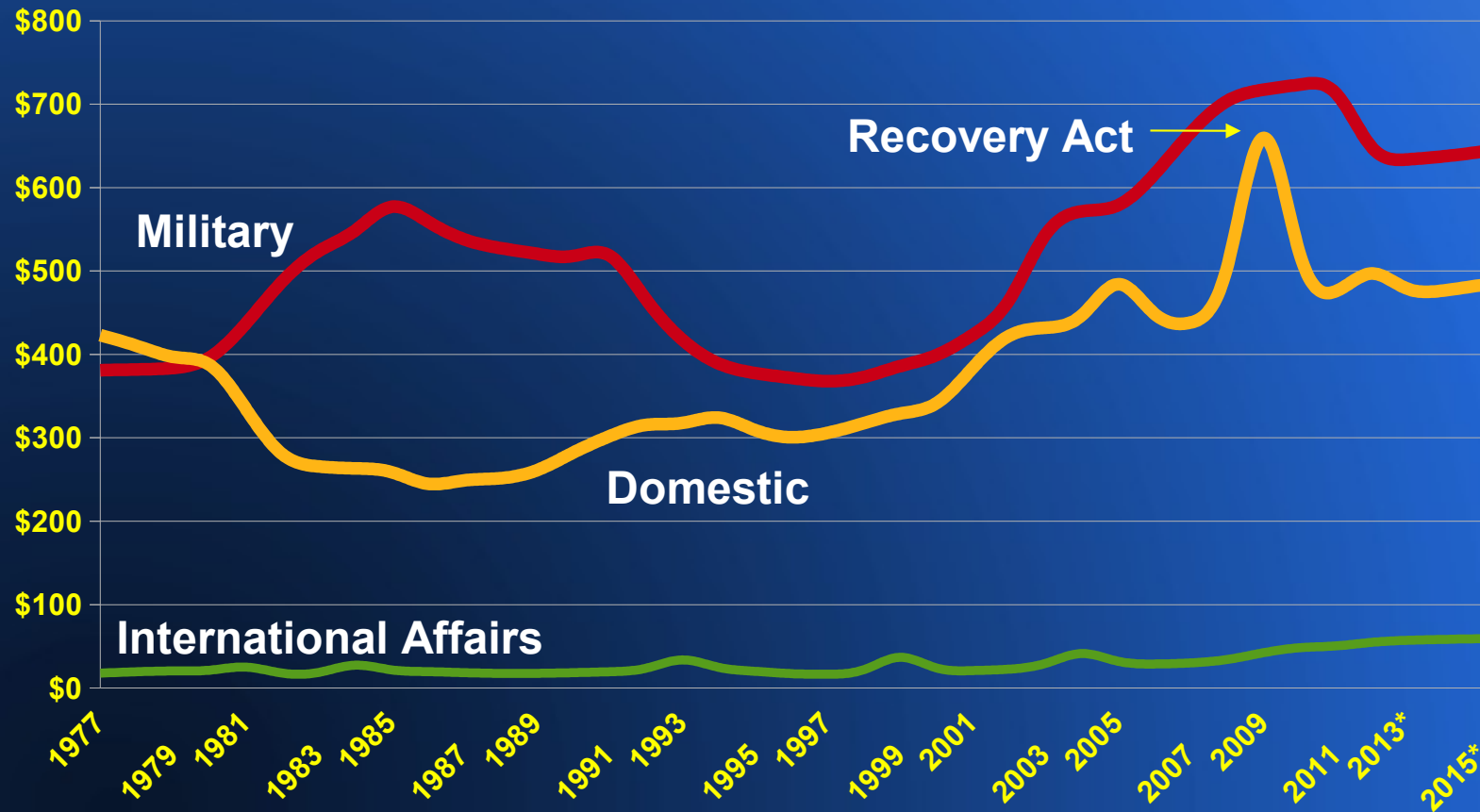
Obama's 2010, 2011 stimulus: Short-term gains for Massachusetts

Select programs: federal aid (\$ in millions)

	FY2009	FY2010	FY2011
Healthcare			
Children's health	\$316.2	\$403.1	\$397.5
Medicaid	\$7,961.4	\$7,708.4	\$6,750.5
Energy			
Weatherization	\$136.3	\$5.1	\$7.4
Home Energy Assist.	\$165.9	\$175.5	\$91.8
Education			
Title 1 Grants	\$415.3	\$224.3	\$214.9
Community Development Block Grants	\$140.3	\$119.4	\$119.9

Federal discretionary spending: continued crises for communities?

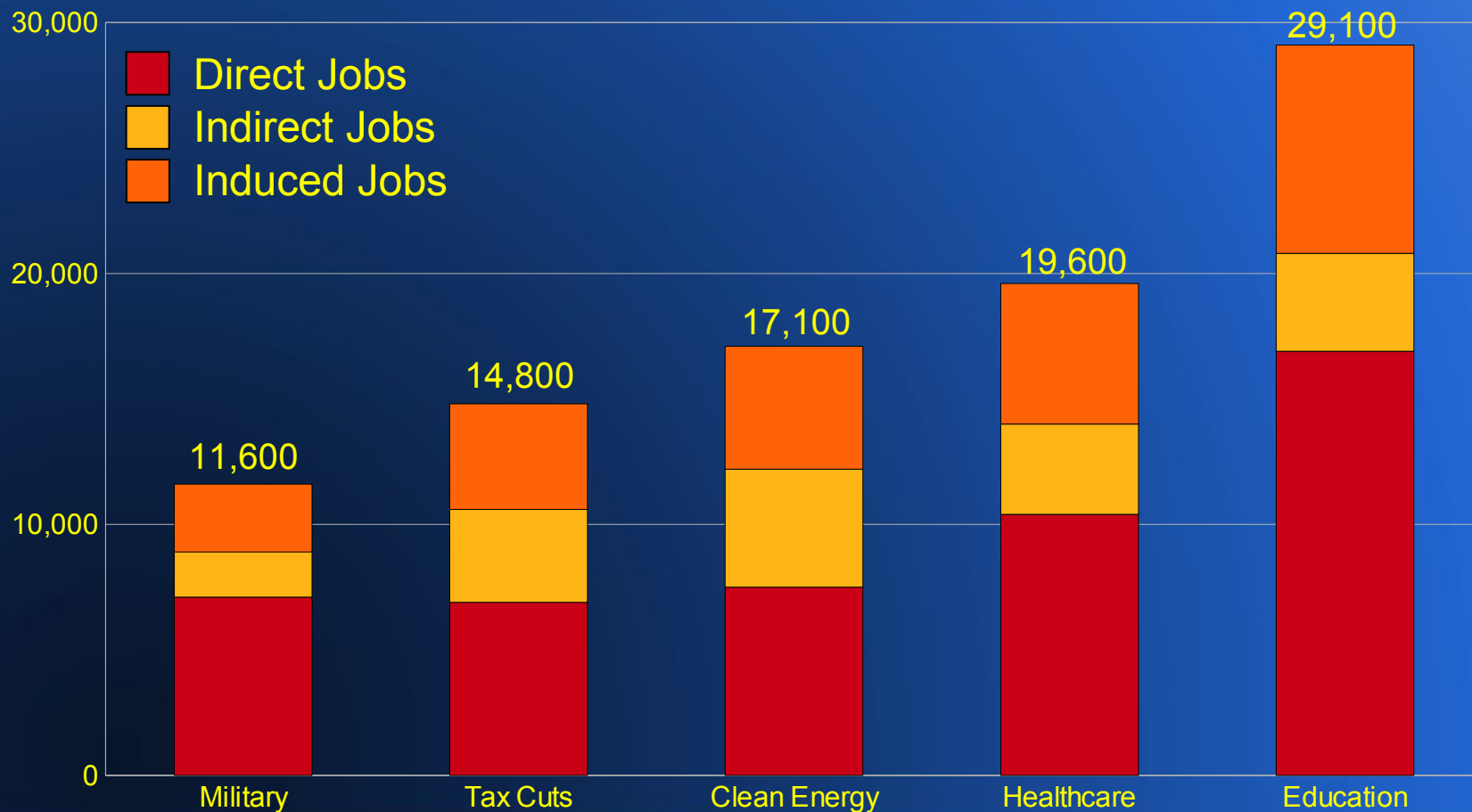
Billions of \$2010



* Obama administration estimate

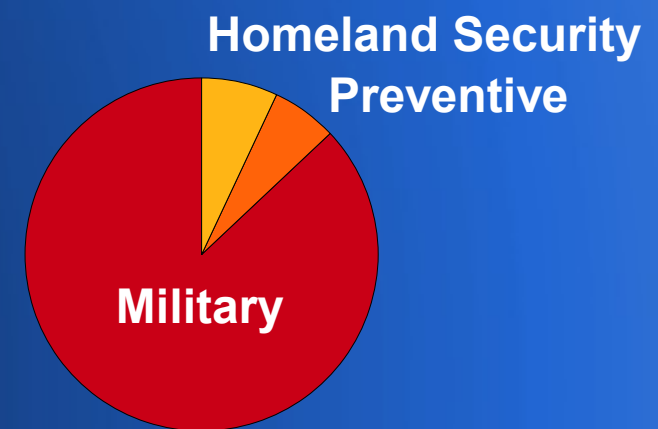
Future federal spending: millions of jobs at stake

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



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!

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