
SAVE for All

Strengthening America's Values and Economy for All

Dear (Representative or Senator):

Last year, organizations from across the country came together to endorse [basic principles](#) to address America's short- and long-term economic and budgetary problems. These are the imperatives of Strengthening America's Values and Economy (SAVE) for All: to protect low-income and vulnerable people; promote job creation to strengthen the economy; increase revenues from fair sources; and seek responsible savings by targeting wasteful spending in the Pentagon and in other areas that do not serve the public interest.

We call on you to follow these principles as you face budgetary decisions of immediate and long-lasting national consequence. To achieve sustained growth, fiscal stability, and economic security for all our people we must invest in job creation, ensure that job seekers have the opportunity to work, and protect vulnerable people from hardship. We cannot promote the common good by cutting more and more services and jobs. But we can meet our nation's needs responsibly by ending tax reductions benefiting the wealthiest two percent and by seeking savings that do not compromise human or military security.

Putting the most vulnerable people at risk is the wrong response to our nation's fiscal situation. Automatic cuts to domestic programs that are scheduled to take effect in January 2013 under the sequestration provisions of the Budget Control Act will inflict devastating harm. Estimated conservatively, a year of sequestration cuts¹ will deny WIC nutrition aid to 750,000 mothers and young children, prevent more than 413,000 adults and youth from getting job training and deny education and training to more than 51,000 veterans, eliminate reading and math help to more than 1.8 million low-income public school children, deny child care to the low- to moderate-income families of 80,000 children, stop nearly 34,000 women from being screened for breast and cervical cancer, prevent nearly 27,000 infants and toddlers from benefiting from special education early intervention services, force 185,000 households to lose rental assistance vouchers, and stop 734,000 households from receiving home heating and cooling aid. These are only a few examples of the impact of the scheduled cuts. They threaten children's healthy development, deny security to seniors, throw roadblocks in the way of a competitive labor force, and allow preventable disabilities that can hold back our children.

These and other cuts have steep costs, among them hundreds of thousands of lost jobs, lagging productivity, and escalating medical expenditures in the years to come. Coming on top of cuts written into law through FY 2021 they will drop domestic and non-military international appropriations to their lowest levels in 50 years as a share of the economy. Allowing such a wholesale abandonment of investments in education, preventive health, housing, public infrastructure, and nutrition is an affront both to conscience and to common sense. ***We urge you to avert these sequestration cuts.***

The military also faces cuts under sequestration. To be sure, making automatic, across-the-board cuts is not the right way to target wasteful military spending. However, if sequestration were to take effect in 2013 and its cut levels continued annually, the Pentagon budget in 2021 would [still have more funds](#) in real terms than it had at the Cold War's height. [Military experts and bipartisan leaders](#), including members of the Bowles-Simpson deficit commission, have identified ways to achieve substantial and responsible savings in the Pentagon budget, while still keeping our service men and women safe, protecting our security, and maintaining our commitments to veterans. They have recommended

cuts over the next decade well beyond those enacted through spending caps. ***We urge you to reject calls to spare the Pentagon by cutting domestic priorities that threaten our people's security.***

In addition to rejecting further cuts to domestic discretionary programs below the caps established in the Budget Control Act, we urge you to protect mandatory programs essential to Americans' economic security, including SNAP/food stamps, Unemployment Insurance, Social Security, Medicaid, and Medicare benefits.

There is a better way. Letting tax cuts that benefit only the richest two percent expire on schedule would save over \$1 trillion in revenues and added interest. This would make it possible to prevent harm to low-income and vulnerable people and to continue investments in our economic future – and simply asks the wealthiest among us to start to pay their fair share of taxes. Our nation's wealthiest have benefited disproportionately from the tax reductions enacted since 2001. Since 2004, millionaires have [gained more than \\$1 million each](#) on average from these tax cuts. We cannot afford to continue giving tax cuts to those who need them least.

The tax cut bill passed by the Senate (S. 3412, the Middle Class Tax Cut Act) would continue the 2001 and 2003 income tax cuts on couples' incomes up to \$250,000 and individuals' incomes up to \$200,000, but would allow the tax cuts on income over that amount to expire. In marked contrast, the House-passed bill (H.R. 8, the misnamed Job Protection and Recession Prevention Act of 2012) continues costly and unneeded tax cuts at the top.

Although some have claimed that H.R. 8 extends tax cuts for all income levels, in contrast to the Senate bill, H.R. 8 would allow the expiration of the 2009 improvements in the Child Tax Credit, Earned Income Tax Credit (EITC), and the American Opportunity Tax Credit, which benefit about 25 million Americans with incomes below \$250,000. More than one in three families with children – and three out of four low-income families with children – would lose tax benefits under H.R. 8. A full-time minimum wage-earning parent with two children would see her family's Child Tax Credit reduced by about \$1,500 if H.R. 8 became law. Choosing to impose such big losses on poor working families while maintaining the tax cuts for the wealthiest 2 percent is grossly unfair and short-sighted. The 2009 improvements in the Child Tax Credit and EITC kept 1.6 million people out of poverty and reduced the severity of poverty for 12.7 million people in 2010, according to the Center on Budget and Policy Priorities. Pushing millions of parents and children back into deeper poverty endangers them and stunts our economy's potential. We strongly urge you to support the Senate's approach, which continues tax reductions on income up to \$250,000 and extends the 2009 improvements in tax credits for low- and middle-income families.

A balanced approach that raises revenues, promotes tax fairness, and seeks responsible Pentagon and other savings will allow us to achieve national goals of economic growth, economic security for our people, and fiscal stability. We cannot rebuild by further reducing local, state and federal government workforces, cutting education, Head Start, employment services, housing and community development, and other vital public services. Nor can we achieve these goals by slashing SNAP/food stamps, Social Security, Unemployment Insurance, Medicaid, Medicare, and the Affordable Care Act. Please stand with us to SAVE our vital services and to preserve and expand opportunities so all can share the benefits of restored prosperity.

¹Sources for these estimates include the U.S. Senate Appropriations Subcommittee on Labor-HHS-Education, [Under Threat: The Impact of Sequestration on Non-Defense Jobs and Services](#); the [National WIC Association](#); the Center on Budget and Policy Priorities; and the Coalition on Human Needs' report, [Self-Inflicted Wounds](#).