

THE TRUMP BUDGET FOR 2021 A BUDGET OF, BY, AND FOR THE 1%

The Trump Budget for 2021 is a budget of, by, and for the one percent. It is a deeply immoral document. And, befitting a President who lies constantly, it is also a “say one thing and do the opposite” budget.

Six days ago, President Trump [told the American people](#) that he would “always protect your Medicare” and “always protect your Social Security. Always.”

Four days ago, President Trump’s Medicare and Medicaid chief [wrote an op-ed](#) entitled, “No, the Trump Administration is not cutting Medicaid.”

Three days ago, Vice President Pence said that the ramp-up in deficits [has been necessary](#) to restore economic growth – growth that has not materialized as promised.

Two days ago, President Trump [tweeted](#), “We will not be touching your Social Security or Medicare in Fiscal 2021 Budget.”

Yesterday, President Trump released a budget that proves all of these statements were lies. The Trump Budget cuts the Social Security disability program by tens of billions of dollars. It cuts Medicare by about half a trillion dollars. It cuts Medicaid by nearly \$1 trillion. And it uses the deficit – which Trump has increased through tax cuts for the wealthy and an unnecessary increase to the bloated Pentagon budget – as an excuse to slash programs for the most vulnerable people in America.

At a time when [nearly one in seven](#) households with children are food insecure, the Trump Budget cuts \$182 billion from SNAP, the food stamp program, and \$2.5 billion from the nutrition program that provides nutrition assistance for pregnant women, new moms, and their babies.

At a time when [45 million Americans](#) hold a collective [\\$1.6 trillion](#) in student debt, the Trump Budget cuts \$170 from college affordability programs.

And at a time when the very planet is at risk due to climate change, the Trump Budget does nothing to prevent the oncoming disaster, cutting the EPA by 26 percent next year alone.

The Trump Budget does not see a problem in this country it cannot somehow make worse. Unless, of course, the problem is that the wealthiest families and largest corporations in this country haven’t gotten enough tax cuts, or that the military-industrial complex isn’t spinning out of control fast enough.

The Trump Budget is not a moral budget. It is a budget that takes our collective resources and hands them to those who already have more than they could possibly use and ignores the needs of the most vulnerable Americans. The Trump Budget only further exposes the truth that instead of fighting for “forgotten men and women,” the president is only out for himself and his billionaire friends.

What follows are just some of the most egregious ideas and proposals in the Trump Budget.

THE TRUMP BUDGET KICKS MILLIONS OF AMERICANS OFF OF THEIR HEALTH CARE

At a time when [87 million Americans](#) are uninsured or underinsured, when our families pay far and away [the most for medical care](#) in the developed world, and when medical debt is the [leading cause of bankruptcy](#) in the country, the Trump Budget makes all of these problems worse by cutting \$1.6 trillion from the federal programs that insure more than [130 million](#) people.

The Trump Budget cuts Medicaid by \$900 billion, and Medicare by more than \$500 billion.

Program	Trump Budget 10-Year Cut	Impact
Medicaid	\$900 billion	Eliminates the Affordable Care Act’s enhanced federal matching funding for the Medicaid expansion, which covers low-income adults. This would likely lead to states [whose federal Medicaid funding is cut] being forced to end or reduce Medicaid coverage, which have saved at least 19,000 lives from 2014 to 2017.
Medicare	\$500 billion	Cuts Medicare support for hospitals and other providers under the guise of eliminating wasteful spending, which could ultimately hurt beneficiaries’ access to needed care.

Medicaid is an essential program, no matter who you are. It covers [one in four Americans](#) at some point in a given year. Medicaid covers nearly [half of all births](#) in a given state, 38 percent of children, 48 percent of children with special health care needs, and 83 percent of poor children. Medicaid covers 62 percent of nursing home residents and 61 percent of all non-elderly Americans who are living below the federal poverty line. About [875,000 nonelderly veterans](#) – nearly 1 in 10 veterans ages 19 to 64 – rely on Medicaid.

Medicaid is also essential for several of the priorities Trump claims to champion in his budget, such as fighting the opioid epidemic and eradicating HIV. Medicaid covers [38 percent](#) of non-elderly adults with opioid addiction, and an estimated [42 percent](#) of people with HIV.

What’s more, the Trump Budget would make it more difficult for individuals to stay enrolled in Medicaid or use their coverage, such as by imposing **Medicaid work requirements** and allowing States to increase emergency department copayments for enrollees. Further, the budget proposes stopping Medicaid payments for individuals who have not verified their immigration status. Let’s be clear: The Administration is aiming to “save” money in Medicaid by increasing red tape, reducing coverage, and scaring people from enrolling in the program. The budget assumes more than \$152 billion of the total \$900 billion in Medicaid cuts would come from the new work requirements alone.

Although President Trump also claims his budget does not cut directly Medicare benefits, several of his proposals could endanger seniors – not shore up the program as he claims. For example, the roughly [12 million](#) low-income seniors and individuals with disabilities who are Medicare beneficiaries and use Medicaid to supplement their coverage would undoubtedly be harmed by Trump’s \$900 billion in Medicaid cuts.

The Trump Budget also cuts the **Medicare** program by **\$500 billion** over 10 years.

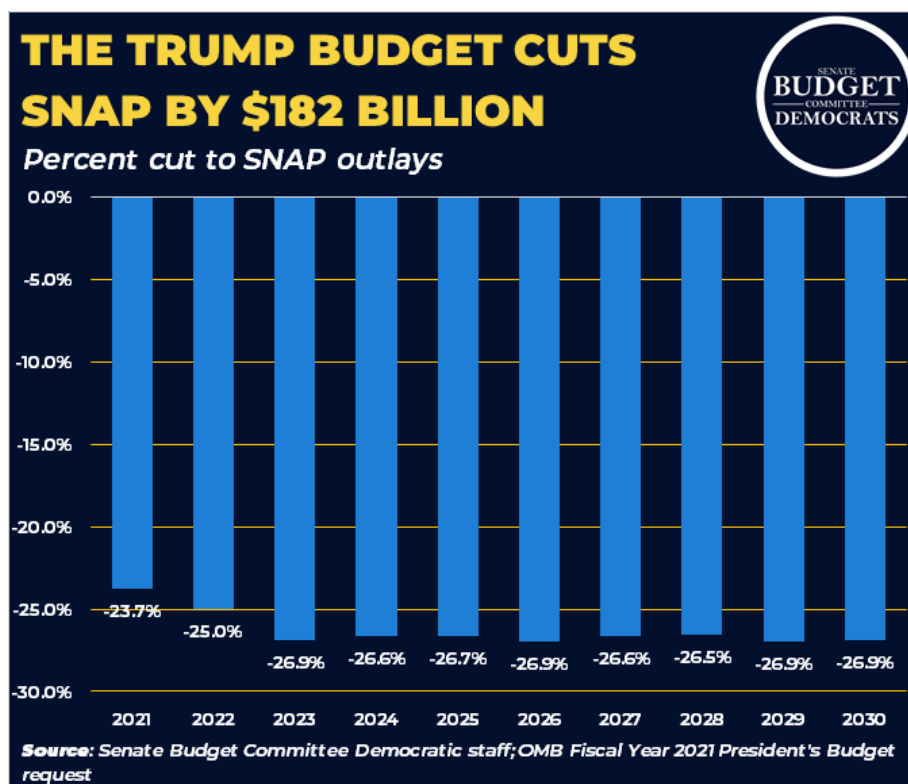
The Budget also puts seniors’ access to care at risk by cutting Medicare funding for hospitals. Specifically, the budget would reduce federal hospital funding that reimburses hospitals for graduate medical education, providing uncompensated care to low-income patients, and covering the bad debt of Medicare beneficiaries who cannot afford their deductibles or copayments.

THE TRUMP BUDGET TAKES FOOD FROM THE POOR AND LOW-INCOME FAMILIES

In the richest country in the history of the world, [12 percent of Americans](#) live under the poverty line – including an appalling 16 percent of children. And yet, instead of helping ensure they rise above the poverty line, the Trump Budget takes food out of the mouths of low-income families.

Program	Trump Budget 10-Year Cut	Impact
SNAP	\$182 billion	Cuts nutrition assistance by more than 25 percent almost every year this decade. By 2030, that is enough of a funding cut to eliminate SNAP from 16 million people.

SNAP – the **Supplemental Nutrition Assistance Program** – is the food stamp program for working families and the vulnerable. In fiscal year 2018, [more than 80 percent](#) of all SNAP households included a child, a senior citizen, or a person with a disability. These households received 85 percent of all SNAP benefits.



The Trump Administration is replicating its “Harvest Box” proposal from previous years, in which many SNAP recipients, instead of shopping for their own food with this federal benefit, receive a box of non-perishable items pre-selected for them without concern for each family’s individual needs.

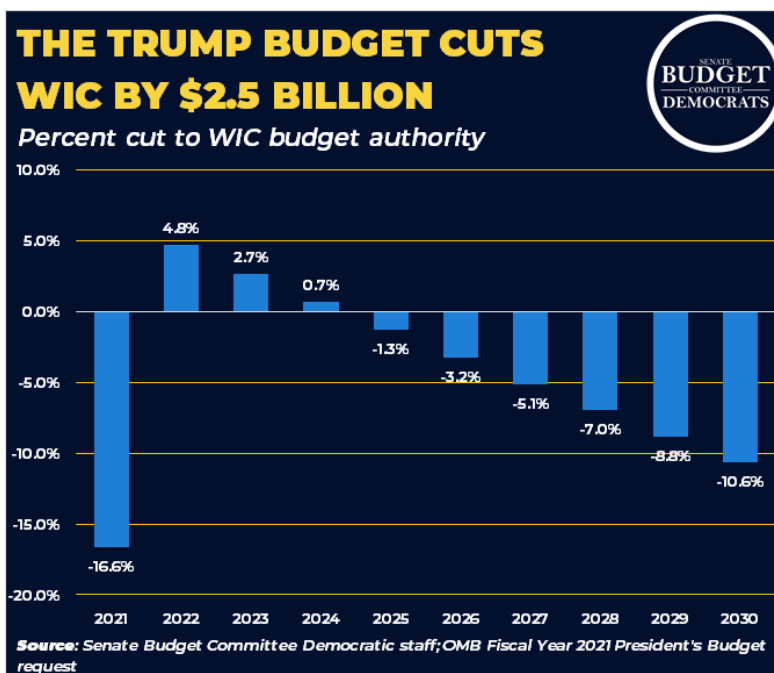


Program	Trump Budget 10-Year Cut	Impact
TANF	\$21 billion	Tightens work requirements and severely limits the amount of money states can use for cash assistance
WIC	\$2.5 billion	Cuts hundreds of thousands women, infants, and children off from needed assistance by the final year of the budget

The budget also cuts the **Temporary Assistance for Needy Families (TANF)** program by \$21 billion over 10 years. The maximum benefit for a family of three with no household income is [just \\$428](#) in a typical state – a benefit that has fallen in value by one-fourth since 1996. TANF benefits are [no more than 60 percent](#) of the poverty line and benefits are far less in many states.

Over 10 years, the Trump Budget **cuts \$2.5 billion from nutrition assistance for low-income pregnant women, infants, and children (WIC) under the age of five.** By flat-funding the WIC program, it will lose enough value to cut hundreds of thousands of women, infants, and children off needed assistance by the final year of the budget.

While these benefits averaged only [\\$41 per person per month](#), they are vitally important. [Studies have shown](#) that this nutrition assistance leads to better birth outcomes, health care savings, improved diet, and better cognitive development.



THE TRUMP BUDGET CUTS PROGRAMS FOR PEOPLE WITH DISABILITIES

One in four American adults – [61 million people](#) – have a disability “that impacts major life activities,” according to the Centers for Disease Control and Prevention. The Trump Budget adds to regulatory changes already made by this Administration that make life harder for this population.

The Trump Budget is a document that proposes only counterproductive solutions to our nation’s problems.

Program	Trump Budget 10-Year Cut	Impact
SSDI	Tens of billions	Cuts retroactive benefits awarded to applicants who went without support during the lengthy approval process; also cuts benefits for beneficiaries who receive unemployment insurance.
SSI	Tens of billions	Cuts benefits by “Test[ing] new approaches to labor force participation” – a euphemism for saddling a vulnerable population with work requirements.

The Trump Budget cuts **programs that benefit people with disabilities** by \$76 billion over 10 years, including tens of billions of dollars in cuts to **Social Security Disability Insurance** – this coming from a President who campaigned on a repeated pledge not to cut Social Security.

These cuts only add to **cruel regulatory changes** that seek to cut benefits for those with disabilities. [One such regulation](#) would spend \$1.8 billion in order to save \$2.6 billion and remove benefits to 2.6 million people by increasing the burden on benefit recipients to prove that they still deserve them. [Another proposal](#) would revise eligibility for disability benefits based on age, education and work experience, factors that determine the eligibility of a half a million people.

Over 10 years, the Trump Budget also cuts **Supplemental Security Income (SSI)** by tens of billions of dollars by adding work requirements and making it more difficult for individuals to qualify for benefits. [One out of seven of SSI recipients](#) is a [child with a disability](#).

THE TRUMP BUDGET THREATENS AMERICA’S PUBLIC HEALTH & ACCESS TO CARE

Not satisfied with slashing coverage for potentially tens of millions of Americans through Medicare and Medicaid “reforms,” the Trump Budget also cuts critical funding for global health, health research and promotion, workforce training, and other important public health activities.

Access to Care

When the nation is projected to face a shortage of more than [55,000 primary care physicians](#) by 2032, the Trump Budget proposes [eliminating \\$484 million in funding](#) relative to FY 2020 enacted levels for **14 health profession training programs** within the HHS Health Resources and Services Administration (HRSA). Health workforce programs whose funding is [eliminated or reduced](#) include: training for diversity, training in primary care medicine oral health training, public health and preventive medicine programs, nursing workforce development, and more.

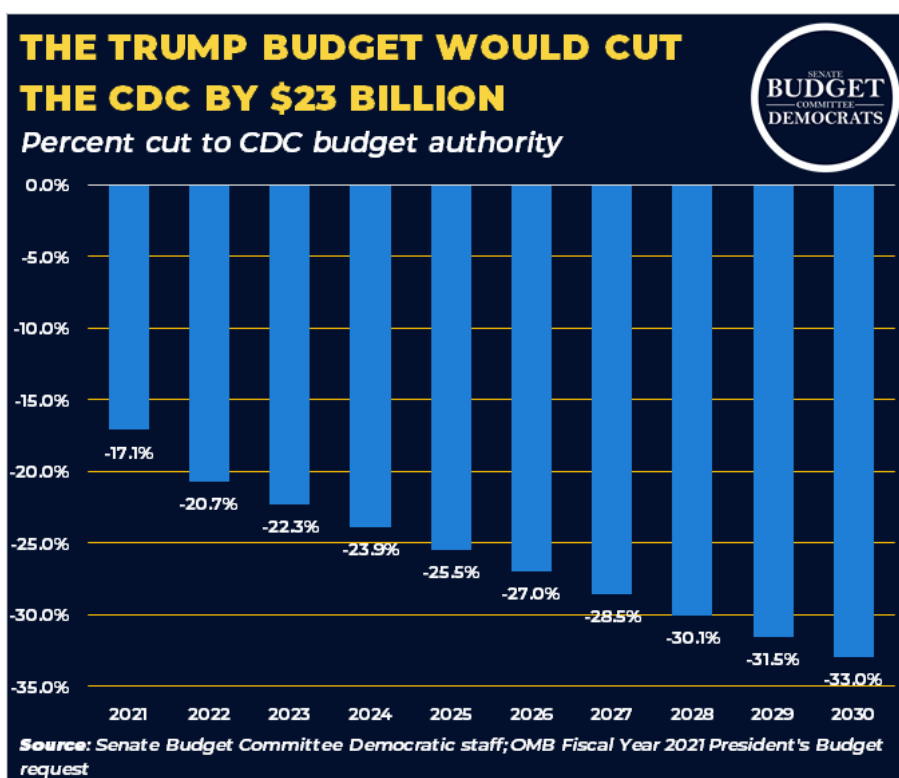
Although [the Trump Budget claims](#) HHS aims to increase rural access to health care, it [cuts \\$71 million from HRSA’s rural health programs](#), including \$54 million in rural hospital flexibility grants and \$13 million from state offices of rural health in 2021.



The Budget would also endanger more than [four million individuals' access](#) to affordable primary and preventive care by prohibiting federal Title X Family Planning and Medicaid funding for certain entities that provide abortion services – namely, Planned Parenthood.

Public Health and Research Agencies

Despite the fact that the United States spends more on health care than other developed nations yet fares far worse in terms of health outcomes such a life expectancy, maternal mortality, and infant mortality, the Trump Budget cuts **\$427 million** in chronic disease-specific funding for the **Centers for Disease Control and Prevention (CDC)** in FY 2021. Under this proposal, all of CDC’s work on chronic disease prevention activities for tobacco, diabetes, heart disease and stroke, nutrition, arthritis, and physical activity would be cut and combined into a single block grant to States, while activities dedicated to specific cancers would also be consolidated and potentially cut. Over ten years, the Trump Budget cuts CDC funding by \$23 billion, including a cut of nearly a third in the final year.



At a time when we need to find cures for cancer and other life-threatening diseases, Trump would slash funding for the **National Institutes of Health (NIH)** by \$77 billion, or 25 percent in the final year of the Trump Budget.

The Trump Budget cuts \$109 million in **Substance Abuse and Mental Health Services Administration (SAMHSA)** funding for substance abuse prevention in FY 2021 and \$30 million for substance abuse treatment. Over ten years, the Trump Budget cuts SAMHSA funding by \$8 billion, a 20 percent cut in the final year alone.

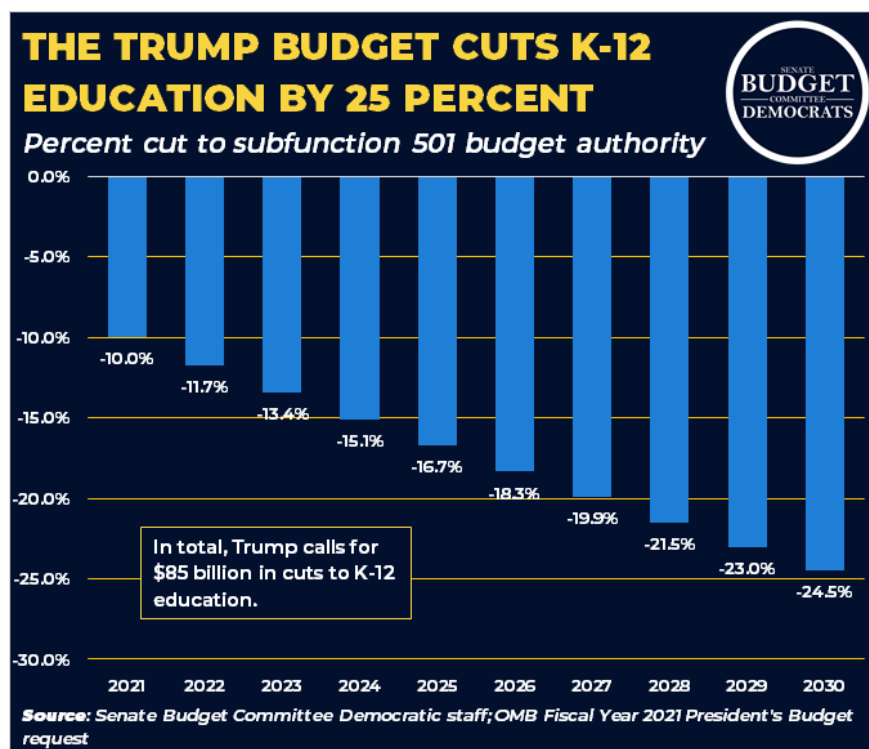


THE TRUMP BUDGET SLASHES EDUCATION SPENDING

Even as school districts face budgets that are stretched thinner – with some [resorting to 4-day school-weeks](#) and teachers [spending their own money](#) on school supplies for their classrooms – the Trump Budget exacerbates the problem of under-resourced schools and students

Program	Trump Budget 10-Year Cut	Impact
21st Century Community Learning Centers Program	\$1.25 billion (Eliminates Program)	Throws nearly 2 million children into the streets or leave them home alone instead of in a safe environment for care and learning when the school day ends.
Head Start	\$13 billion	Cuts Head Start by 18 percent in 2030 alone, leaving more than 150,000 fewer children without access to quality childcare and early childhood education that are crucial to long-term success.
Preschool Development Grants	\$3 billion (Eliminates Program)	Eliminates Preschool Development Grants that increase the number of children from low- and moderate-income families that attend high-quality preschool programs.

In all, the Trump Budget cuts K-12 education – programs like Special Education, Education for the Disadvantaged, and School Improvement Programs – by \$85 billion over the next 10 years, including a 25 percent cut in the final year of the budget.



THE TRUMP BUDGET MAKES COLLEGE MORE EXPENSIVE

At a time when [at least 4 million](#) Americans are more than 90 days delinquent on their student loans, and the federal government's student-loan portfolio has reached [\\$1.6 trillion](#) spread among [45 million borrowers](#), the Trump Budget makes college even less affordable for students from working families by cutting \$170 billion in student financial assistance programs.

At a time when 43 percent of Americans who have attended college – a group that comprises [30 percent of all adults](#) – took on debt to finance their education. It is cruel and economically nonsensical to make it harder for young – or even middle-aged – Americans to build wealth.

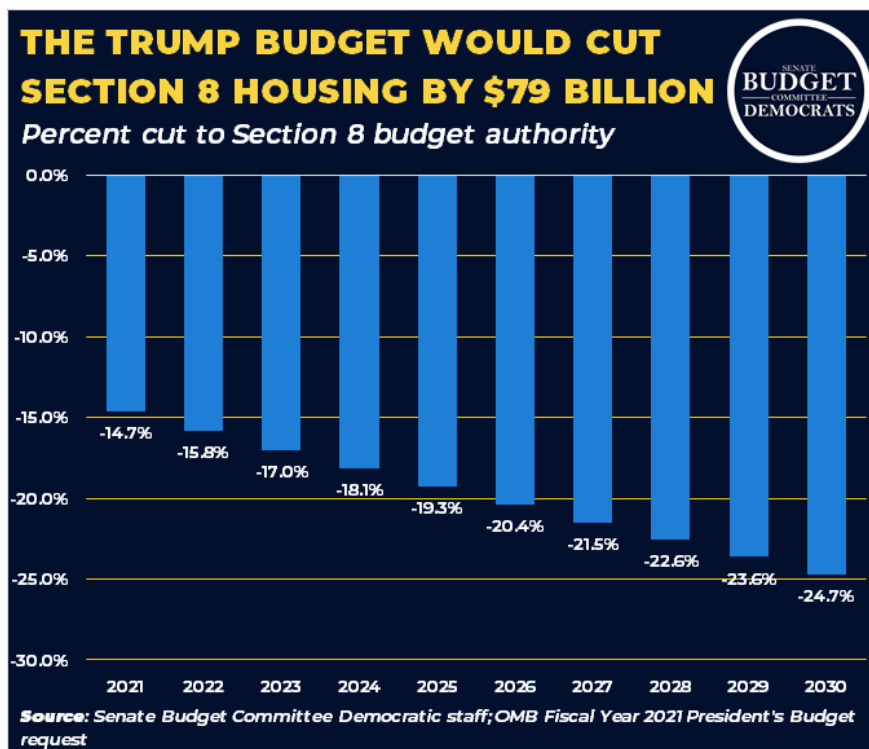
Program	Trump Budget One-Year Cut	Impact
Supplemental Educational Opportunity Grant program	\$9.7 billion (Eliminates Program)	Eliminates financial assistance for nearly 1.5 million undergraduate students with exceptional financial need, meaning fewer students able to afford college
Direct Subsidized Loan program	\$18 billion (Eliminates Program)	Eliminates subsidized loans which more than 3.1 million borrowers currently rely on, making higher education more expensive by allowing interest to accrue while the borrower is in school or in a deferment period.
Public Service Loan Forgiveness	\$52 billion (Eliminates Program)	Eliminates student loan relief for an estimated 4 million Americans who are employed in public service fields and could be eligible for PSLF with additional financial burden.

THE TRUMP BUDGET SLASHES INCOME SECURITY PROGRAMS

Program	Trump Budget 10-Year Cut	Impact
Housing Trust Fund	\$2.6 billion (Eliminates Program)	Eliminates the Housing Trust Fund which in 2008 became the first new federal housing production program in almost three decades, and the first ever designed to build rental housing for extremely low-income households.
Low Income Heating Assistance Program (LIHEAP)	\$42 billion (Eliminates Program)	Eliminates home heating and cooling assistance to approximately 6 million low-income households next year alone.
Section 8 Rental Assistance	\$79 billion	By the final year of the Trump Budget, 25 percent of Section 8 recipients would either lose their needed assistance or see their benefit slashed.

The Trump Budget cuts \$333 billion from the Income Security category. President Trump is constantly reminding us that the economy is doing well for those who make money off of their financial instruments. However, for those who are struggling, their needs are ignored by the Trump Budget.





THE TRUMP BUDGET CUTS DOMESTIC SPENDING BY \$1.9 TRILLION BUT PROPOSES A TAX CUT FOR THE WEALTHY AND A HUGE INCREASE FOR THE PENTAGON

In December of 2017, Trump signed into law a tax cut bill that will increase the deficit by [nearly \\$2 trillion](#), when accounting for interest. In his budget, President Trump also proposes a massive increase in military spending, while slashing domestic spending.

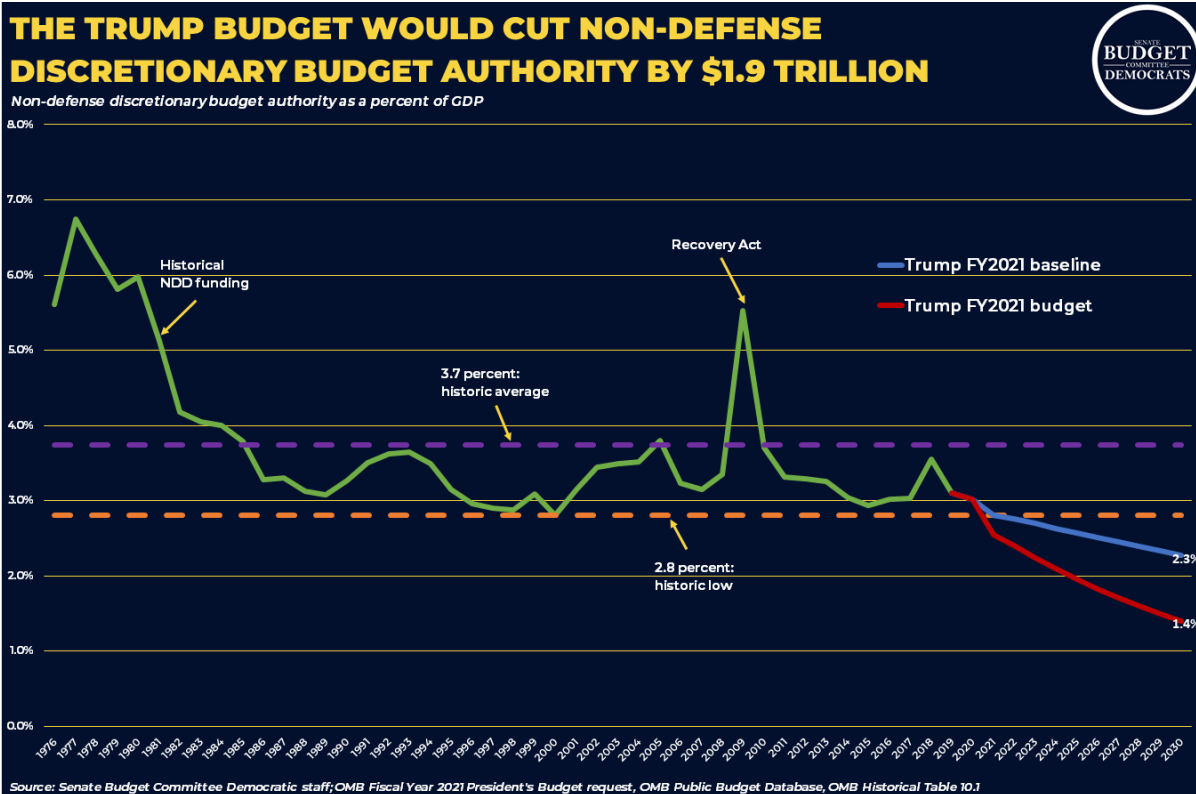
The United States spends more on defense than the [next 10 countries](#) combined. But the DOD cannot tell Americans where the money went as the agency [failed a financial audit two years in a row](#). Meanwhile, the Trump Budget **increases base defense funding by \$228 billion over 10 years**.

The Trump Budget would also force U.S. taxpayers to pay \$2 billion to fund a border wall along the southern border that the President promised Mexico would pay for during the campaign. This is in addition to the [\\$6.7 billion](#) in FY 2019 funding that was already diverted from other accounts to fund the misguided border wall and the [\\$7.2 billion](#) that the Administration intends to raid this year.

The Trump Budget sees international crises as an opportunity for warmongering, not diplomacy: Despite rising global insecurity and growing refugee and migration flows, this budget slashes funding for the State Department by [an alarming 22 percent](#) next year alone – including cutting overall Global Health Programs by 34 percent as the world continues to grapple with the coronavirus outbreak.

The Trump Budget cuts non-defense discretionary funding by more than \$1.9 trillion.





By the tenth year of the Trump Budget, non-defense discretionary spending would represent just 1.4 percent of GDP. The 50-year historical average has been [3.8 percent of GDP](#), and 2019 already ties for the lowest level on record, at 3.1 percent.

Meanwhile, the Republican tax plan is turning out to be much more expensive than the Administration claimed. Two years ago, the Trump Administration claimed that its tax breaks for the wealthy would pay for themselves and actually raise more revenue. But now that the tax cuts have taken effect, there have already been hundreds of billions in revenue losses.

Moreover, the Trump Budget would extend these tax cuts through 2030 at a cost of additional \$1.4 trillion, which would bring the total cost of Trump Tax Cuts to over \$3 trillion by 2030. This proposal would provide huge tax breaks to the wealthiest families and largest corporations in America, but do nothing for our most vulnerable. In fact, [63 percent of the benefits](#) of extending the cuts would go to the top 20 percent of taxpayers.

Trump Tax Cut provision	Cost of extending through 2030	What Trump Could Pay for Instead Of Cutting Taxes for the 1%
Estate and gift tax cut	\$51 billion	1.5 million people could receive health care at Medicaid rates for each year of the extension of the estate and gift tax cut.
Corporate income tax cut	\$31 billion	500,000 people could receive Section 8 rental assistance for each year of the extension of the corporate tax cut.



THE TRUMP ADMINISTRATION USED DEFICIT SPENDING FOR TAX CUTS AND TO INFLATE THE BLOATED PENTAGON BUDGET. THE TRUMP BUDGET USES DEFICITS AS AN EXCUSE TO CUT VITAL PROGRAMS.

In 2016, [then-Candidate Trump said](#) he would “balance the budget very quickly,” maybe “over a five-year period.” Years earlier, [then-Rep. Mike Pence said](#) “If we are going to put our fiscal house in order, everything has to be on the table.”

These were empty words. In 2016, President Obama’s last year in office, the deficit was \$585 billion. This year, it is projected to be [\\$1.05 trillion](#), an increase of \$465 billion in less than three years.

Just three days ago, Vice President Pence said that the ramp-up in deficits [has been necessary](#) to restore economic growth. Not only was that opinion absent when it was needed – Republicans’ misplaced deficit obsession led to austerity policies [which slowed](#) the post-Great Recession recovery – today’s deficit has been largely ineffective at boosting the economy. In fact, economic growth in 2019 was [among the slowest](#) of the 2010s.

Indeed, the deficit increase has been wasted on tax cuts and military spending, rather than what must be our nation’s priorities – health care, education, infrastructure, and addressing climate change, which, in thousands of pages of budget documents is referenced only when the Trump Budget [proposes a repeal](#) of voluntary climate programs.

The Congressional Budget Office’s [final baseline projection](#) before Trump’s policies took effect overestimated 2020’s level of mandatory spending – including how much we would be spending this year on Social Security, Medicare, Medicaid, and income security programs. The only increase in spending since Trump came into office results from two successive budget deals. However, half of that spending increase was for the Pentagon and not critical domestic priorities.

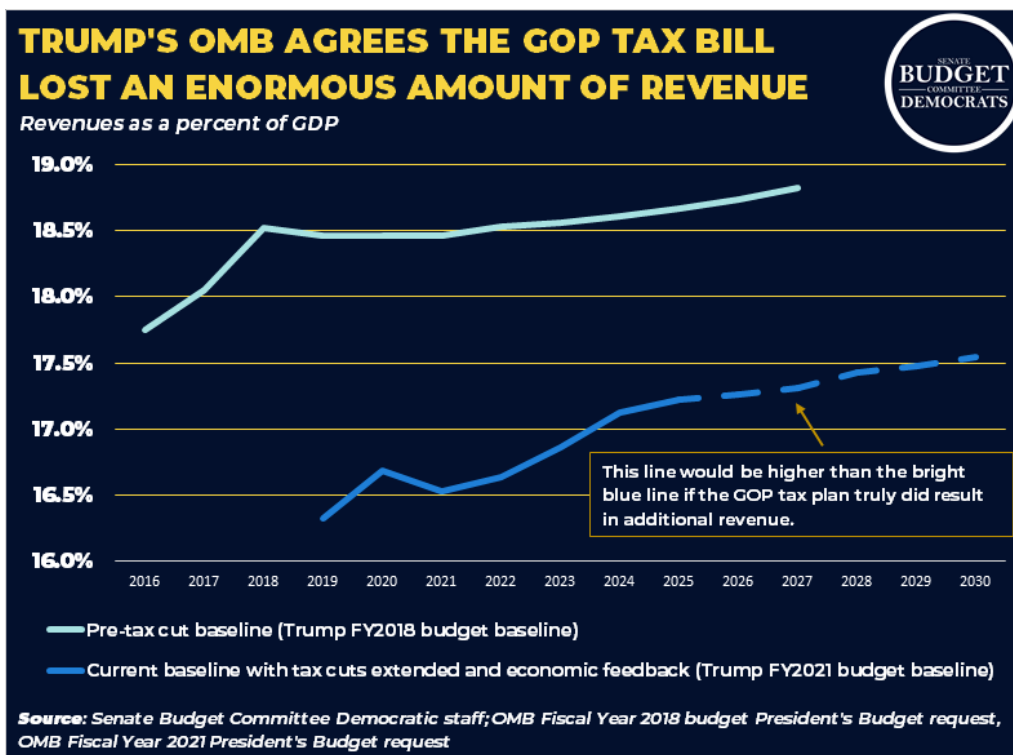
Projections of FY2020 made in Jan. 2017 vs. Jan. 2020 (Percent of GDP)		
	2017 projections	2020 projections
Revenues	18.1	16.4
Individual Income Taxes	9.2	8.1
Payroll Taxes	5.9	5.9
Corporate Income Taxes	1.7	1.1
Outlays	21.3	21.0
Mandatory	13.7	12.9
Social Security	4.5	4.3
Medicare	4.0	3.8
Medicaid	2.1	1.9
Income Security	1.5	1.4
Discretionary	5.9	6.4
Defense	2.9	3.2
Nondefense	2.9	3.2
Net Interest	1.8	1.7
Deficit	3.2	4.6
Deficit (billions of \$)	684	1,015
Debt	78.8	80.8

Conversely, CBO's pre-Trump baseline obviously did not factor in Trump's tax cuts that largely benefited the wealthy and large, profitable corporations. Those tax cuts have reduced revenues to one of the lowest levels since the end of World War II and well below the level where they were the last time the federal budget was balanced.

Medicare, Medicaid, and Social Security spending have been less than expected. The Trump Budget still cuts them by more than \$1.5 trillion in all.

Military spending keeps increasing. The Trump Budget increases it by \$228 billion.

The Trump Tax Cuts for the wealthy were not enough. The Trump Budget extends them, cutting taxes by \$1.4 trillion.



The Trump Administration has run up the deficit through tax cuts and military spending and is now using the inflated deficit to justify slashing spending on our most vital programs.



THE TRUMP BUDGET USES FANTASY PROJECTIONS OF ECONOMIC GROWTH SO IT CAN PRETEND TO “BALANCE” AFTER 15 YEARS

As in past years, the Trump Budget uses overly-optimistic economic projections. Compared with CBO’s projections from last month, the President’s budget includes economic growth assumptions that have little basis in reality.

Projected Real Year-Over-Year (CY Q4/Q4) GDP Growth											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
OMB	3.1	3.0	3.0	3.0	3.0	2.9	2.8	2.8	2.8	2.8	2.8
CBO	2.2	1.8	1.6	1.6	1.5	1.5	1.6	1.8	1.7	1.7	1.7

These inflated projections are in pursuit of the GOP’s long-standing, but economically unnecessary goal of achieving a balanced budget. Achieving this goal would be impossible without these unrealistic assumptions. Furthermore, Republicans will trumpet these specious assumptions as “proof” that the policy of cutting taxes for the wealthiest one percent and large profitable corporations combined with deep cuts to programs that support a strong middle class will somehow accelerate economic growth. However, this policy of trickle-down economics neither yields sustained economic growth nor shrinks the deficit quickly. When the Congressional Budget Office analyzes this budget, as in past years, it will find that the deficit reduction claims made by the Administration will not materialize.

