



Republican Budget Would Harm Alabama's Economy

The Republican budget is anything but balanced. It would grant millionaires an extra \$245,000 tax cut, while raising taxes on middle class families by \$3,000 on average. It would cause two million job losses next year alone, and gut investments that the middle class relies on to get ahead. Senate Democrats have a budget that takes a balanced approach. It cuts what we need to cut, without hurting our economy and our middle class.

27,887 jobs in Alabama could be lost. The Republican budget would pull hundreds of billions of dollars out of the economy by slashing job-creating investments in things like infrastructure and scientific research, killing demand, depressing economic activity, and hurting job creation. The drag caused by these extreme cuts could cost 27,887 jobs in Alabama in 2014. [DPCC Calculations Based on EPI, [3/12/13](#)]

The Republican budget's tax plan would hit Alabama with a \$1.1 billion middle-class tax hike. The Republican budget would dramatically lower the top income tax rate from 39.6% to 25% - giving millionaires an average \$245,000 tax break. The independent Tax Policy Center found that it is mathematically impossible to provide such large tax breaks to the wealthy without increasing the burden on the middle class. By raising taxes on filers making less than \$200,000 to pay for millionaire tax breaks, the Republican budget would raise middle-class taxes in Alabama by \$1.1 billion. [TPC, [8/1/12](#); CBPP, [3/17/13](#); IRS, accessed on [3/18/13](#)]

740 Alabama educators could lose their jobs. Title I grants under the Elementary and Secondary Education Act provide financial assistance to schools with high numbers of children from low-income families to help them meet educational performance standards. The Republican budget could slash \$45.5 million in Alabama Title I funding, supporting 740 fewer jobs and 86,760 fewer students. [NEA, [3/15/13](#)]

\$8.58 million less for job-creating research in Alabama. Under the Republican budget, Alabama would lose roughly \$8.58 million in funding from the National Science Foundation (NSF), resulting in fewer awards to support job-creating research. The NSF is the funding source for approximately 20% of all federally supported basic research conducted by America's colleges and universities, and supports the basic research that leads to scientific advancement in fields like nanotechnology, mathematics, and computer science. [NSF, accessed [2/12/13](#); DPCC calculations based on NSF, accessed [2/12/13](#)]

Parents of Alabama children will lose access to child care services, making it more difficult to work. The Child Care and Development Block Grant is the primary federal program devoted to child care services for nearly 1.7 million children. These critical services support children's health development and learning, while allowing parents to work, seek employment, or receive job training or education. The Republican budget slashes \$7,758,705 from CCDBG funding for Alabama, limiting access to services and providing support for 1,800 fewer Alabama children. [DPCC Calculations Based on Senate Appropriations Subcommittee on Labor, Health, and Human Services, and Education, and Related Agencies, [7/25/12](#)]