



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

B-71 Cannon House Office Building, Washington, DC 20515 (202) 226-7200 ★ [democrats.budget.house.gov](http://democrats.budget.house.gov)

Chris Van Hollen,  
*Ranking Democrat*

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## Top Reasons to Support Democratic Budget Alternative

**Promotes Job Creation and Economic Growth.** House Democrats are focused first and foremost on the jobs deficit – and the fastest and most effective way to reduce the budget deficit is to put Americans back to work. In fact, the Congressional Budget Office (CBO) estimates that half of the deficit this year is a result of the millions of people who are still out of work.

- **Helps Create More Jobs Now** – Our budget will generate 1.2 million jobs this year compared to the Republicans' European-style austerity plan. Our budget invests \$200 billion in creating jobs up-front, strengthening the middle class, creating greater upward mobility, and ensuring our kids and future generations are able to pursue the American Dream. This includes \$50 billion to fund jobs that address immediate surface transportation priorities and \$10 billion to establish an infrastructure bank, as well as tax incentives to support small businesses and manufacturing.
- **Replaces the Sequester** – The Democratic budget immediately ends the sequester, which would otherwise cost us 750,000 jobs by the end of the year, according to CBO. Our budget replaces the sequester with deficit reduction from a balanced approach that would increase revenues by cutting tax breaks for special interests and wealthy individuals without increasing the tax burden on middle-income Americans. We also make targeted cuts to spending while maintaining the Medicare guarantee, protecting Social Security and a strong social safety net, and making strategic investments in education, science, research, and critical infrastructure necessary to compete in the global economy.

**Builds a Stronger America through Long-term Growth.** Our budget is committed to keeping the US the world's economic powerhouse by investing in our future.

- **Makes Key Education Investments** – Our budget maintains investments in education that are critical to growing the economy. In addition to an \$80 billion education jobs initiative, we provide important investments in early childhood education and to improve student achievement in elementary and secondary grades. We prevent the interest rates on subsidized student loans from doubling this July – from 3.4 percent to 6.8 percent – and accommodate other student aid reforms that increase college affordability and completion.
- **Invests in R&D and Clean Energy** – The Democratic budget invests in scientific research and development, energy efficiency, clean energy and advanced manufacturing technologies – keys to competing in the global economy and increasing our nation's energy security. These investments create jobs for future generations of scientists and engineers and support efforts at the state level to implement energy efficiency policies to reduce costs for consumers and businesses.

- **Invests in Long-Term Infrastructure** – In addition to short-term jobs initiatives for transportation infrastructure, our budget includes a long-term increase in transportation spending. A sustained program of transportation investment will pay significant dividends for long-term economic growth.

## **Keeps our Commitments to Seniors and Preserves the Social Safety Net**

- **Preserves the Medicare Guarantee** – The Democratic budget rejects the Republican budget’s proposal to end the Medicare guarantee. We should not address rising health care costs by giving seniors a voucher with an artificial price cap to purchase insurance. We can strengthen and modernize Medicare without dismantling it.
- **Protects Health Reform’s Benefits for Seniors** – Our budget supports the many reforms in the Affordable Care Act that not only expand Medicare benefits for seniors and disabled workers, but also reduce premiums and cost-sharing by squeezing waste from the program.
- **Protects Medicaid for Seniors in Nursing Homes** – This plan protects Medicaid to ensure that vulnerable seniors, children, and people with disabilities continue to get needed services.
- **Preserves Supplemental Nutrition Assistance (SNAP)** – Our budget fully funds SNAP. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled.

## **Reduces the Deficit through a Smart, Targeted, and Steady Approach**

- **Provides Tax Relief for Working Families and Ends Tax Breaks for the Wealthy** – Our budget reduces tax breaks for the wealthy to help reduce the deficit while accommodating expansion of incentives for low- and middle-income families to earn income, save for retirement, and attend college.
- **Taking a Balanced Approach to Reducing the Long-Term Deficits and Debt** – Our primary focus is on putting Americans back to work. By addressing our jobs deficit, we can make major strides in addressing our overall deficit. The Democratic budget takes a balanced approach to getting our fiscal house in order. When you add the deficit reduction included in the Democratic budget to the \$2.7 trillion in deficit reduction achieved since August 2010, we have reduced the deficit by over \$4 trillion, with spending cuts representing roughly 60 percent. This ratio of cuts to revenue actually exceeds the comparable ratio in the bipartisan Simpson-Bowles Commission.
- **Put the Budget on a Sustainable Path** – Under the Democratic budget, the deficit falls from 7 percent of GDP in 2012 to under 3 percent of GDP by 2015, and to 2.4 percent of GDP in 2023. Deficits under our plan grow at a slower pace than our economy, allowing debt to gradually decline to 70 percent of GDP by the end of the 10-year window. The Democrats’ balanced approach will bring the budget into primary balance in 2017 and complete balance by around 2040 – about the same time as the House Republican budget last year.