

Maintaining a Circle of Protection for Poor People in a Comprehensive Deficit Reduction Agreement

Any deficit reduction agreement should maintain a circle of protection around poor and vulnerable people, reducing federal deficits without increasing poverty. This principle has been honored in past deficit reduction agreements and articulated in recent bipartisan proposals, including the original Bowles-Simpson report. The work of the bipartisan Gang of Eight in the Senate is encouraging. We will actively support any proposal that tackles the U.S. deficit without hurting hungry and poor people.

In order to maintain a circle of protection around hungry and poor people, proposals need to:

1. **Exempt all non-health, low-income entitlement programs from cuts and any automatic enforcement** (like the child nutrition programs and Supplemental Social Security Income for blind and disabled people);
2. **Maintain the structural integrity of the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) and prevent any further cuts** beyond those already agreed to in the Senate Farm Bill;
3. **Ensure that savings secured in Medicaid protect the health needs of poor children and families and, along with Medicare, protect low-income seniors and disabled Americans.** Reforms should control costs without jeopardizing health outcomes or access. Just shifting costs to the states will lead states to cut Medicaid benefits to low-income people;
4. **Don't lower the current caps on discretionary spending** since more than a quarter of nondefense discretionary spending funds domestic and international anti-poverty programs. If the total of annually appropriated spending is reduced further, these programs are almost sure to suffer disproportionate cuts. In particular, it is important to:
 - a. Maintain or increase funding for international poverty reduction programs, which contribute to a more peaceful and stable world. Poverty focused assistance is one of the most cost-effective investments in a free and prosperous world.
 - b. Protect funding for low-income discretionary programs like WIC and low-income housing assistance.
5. **Explicitly protect the refundable Earned Income Tax Credit (EITC) and Child Tax Credit** from cuts, restructuring or changes that reduce benefits or work incentives to low-income working families and individuals;
6. **Protect the lowest 20% of households from any increased tax burden;** and
7. **Include a balance of new revenues and responsible budget cuts to significantly reduce federal deficits while protecting poor** people. Without sufficient new revenues, much deeper spending cuts will be required or the deficit will not be adequately reduced. Either scenario would put poor and vulnerable populations at great risk.