



# Presentation to GIST

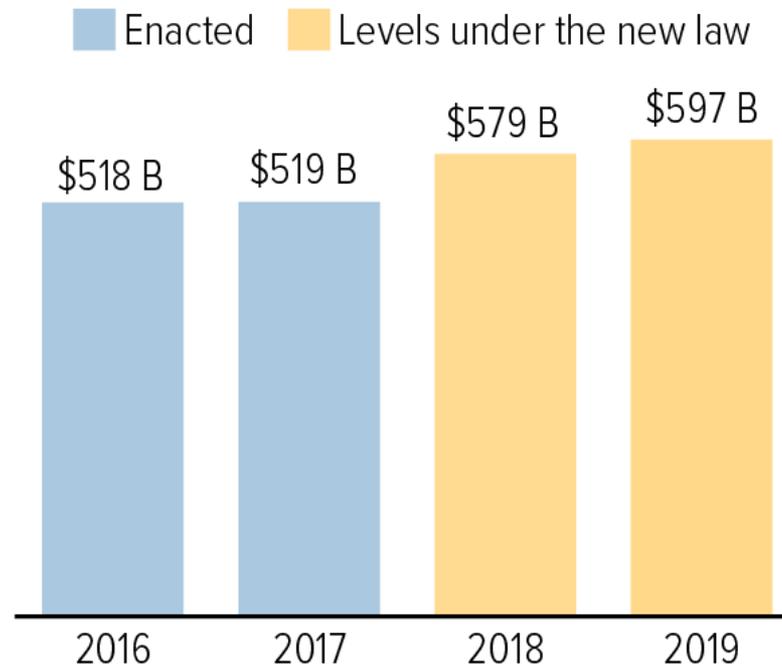
Robert Greenstein

March 22, 2018



# Non-Defense Discretionary Funding Will Increase Substantially Under New Budget Deal

In billions of dollars



Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

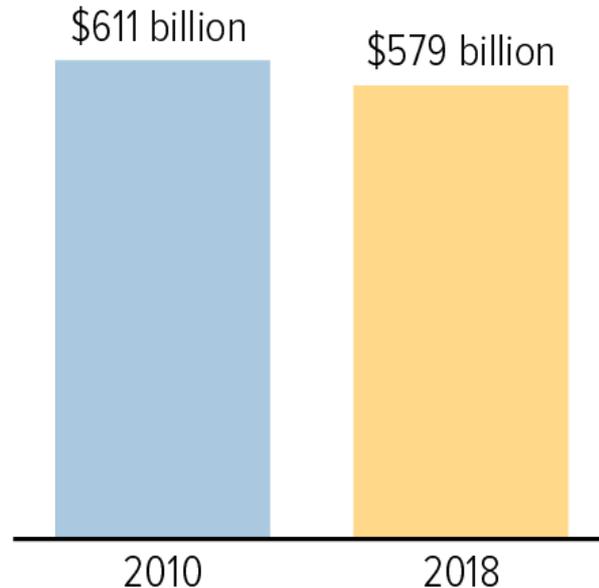
Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget.



# Despite Increase, Funding for Non-Defense Discretionary in 2018 Still Below 2010 Level

In billions of 2018 dollars

■ Enacted   ■ Levels under the new law



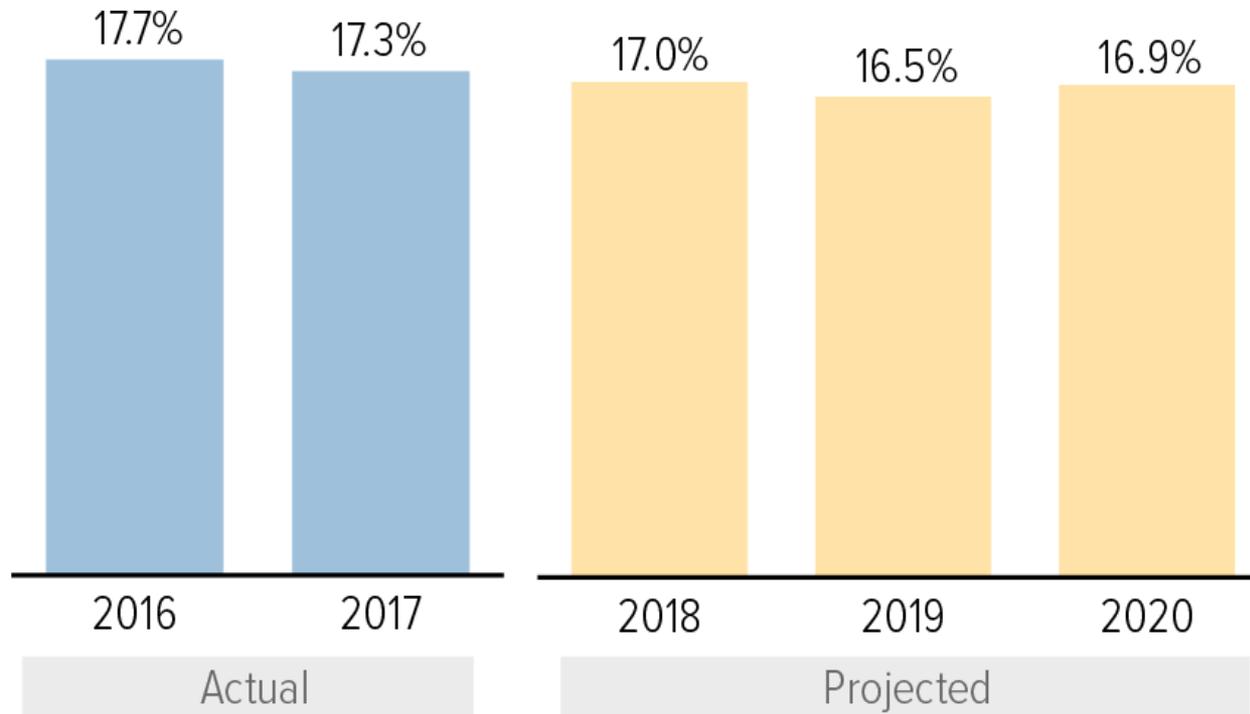
Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget.



# Revenues Decline in Coming Years Because of the Tax Cut

## Revenues as a percent of GDP

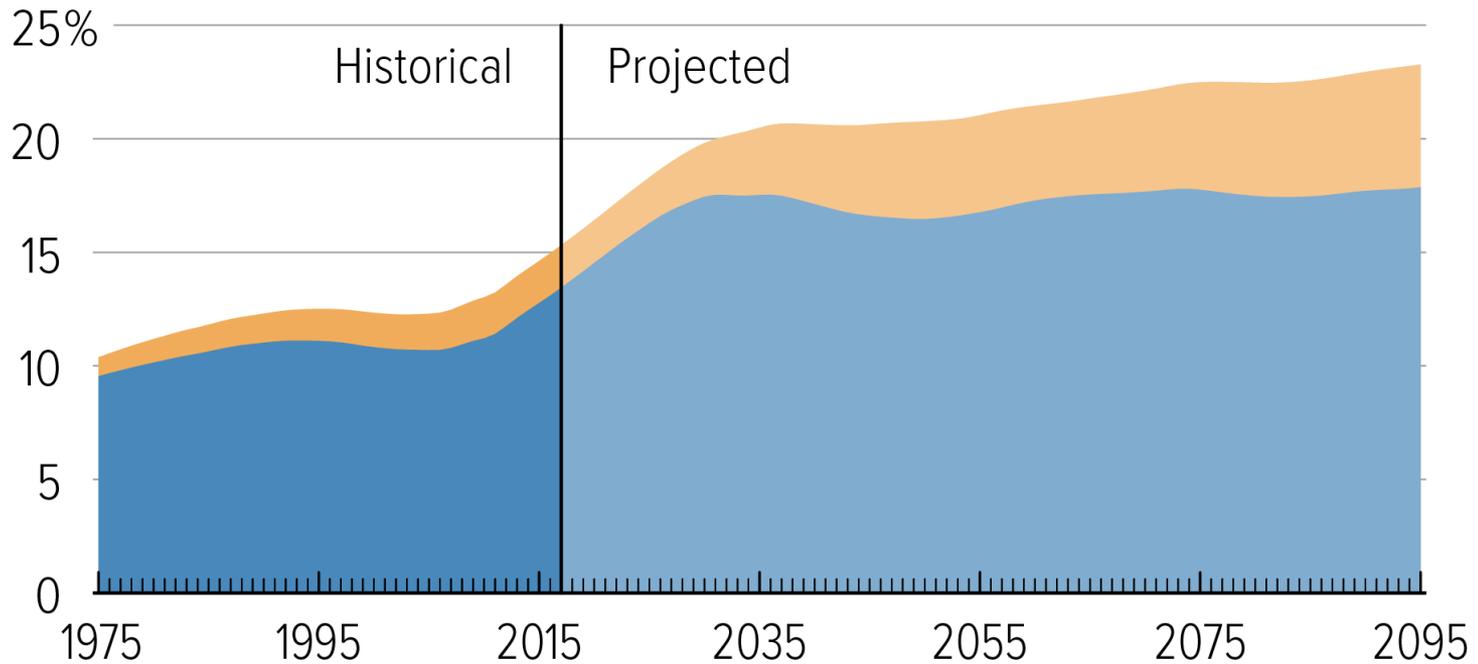


Source: CBPP based on Congressional Budget Office, Joint Committee on Taxation, and Tax Policy Center



# More Federal Revenue Required to Address Aging of the Population

- Percent of population above 85 years old
- Percent of population aged 65-84 years old



Source: Social Security Administration



# Effect of Tax Cut Law on Different Income Groups

## Effect of new tax law, 2025

Income group	Average tax change
Lowest fifth	-\$70
Second fifth	-\$390
Middle fifth	-\$910
Fourth fifth	-\$1,680
Top fifth	-\$7,460
Top 1 percent	<b>-\$61,090</b>
Top 0.1 percent	<b>-\$252,300</b>

Note: Excludes effect of repeal of health reform's individual mandate.  
Source: Tax Policy Center



# Increase in the Child Tax Credit Under New Tax Law

Compared to previous law, 2018

Single mother with two children earning \$14,500 (full-time, minimum wage)



Married couple with two children earning \$30,000



Married couple with two children earning \$100,000



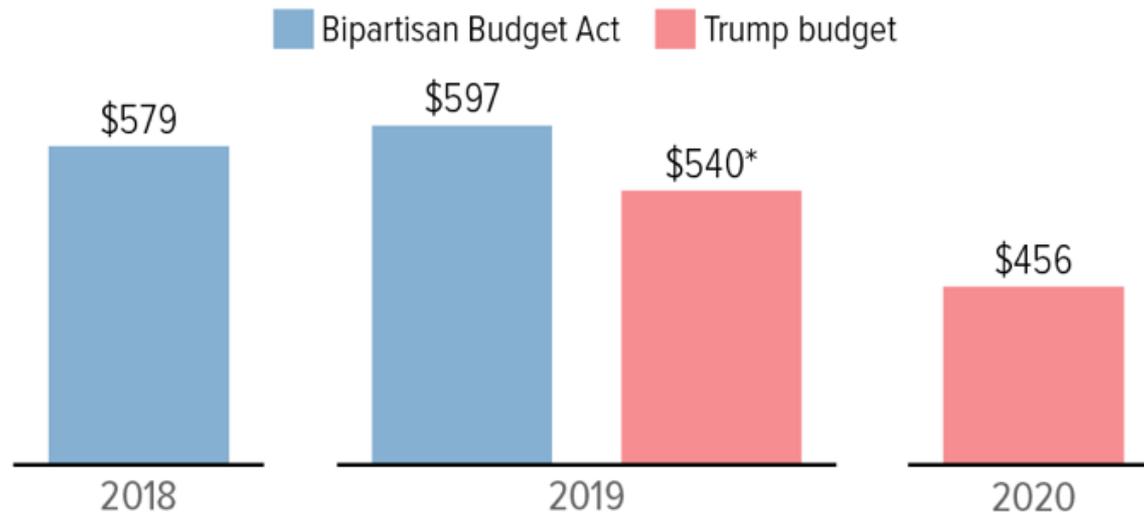
Married couple with two children earning \$400,000





# Trump Budget Would Fund Non-Defense Discretionary Appropriations Well Below the Level Set in the Budget Deal for 2019 and Beyond

In billions of dollars



\*Reflects the levels in the addendum to the Trump budget. However, the addendum also proposes other changes that would have the effect of reducing the funds available within the \$540 billion total for the non-defense programs traditionally funded under the Budget Control Act cap.

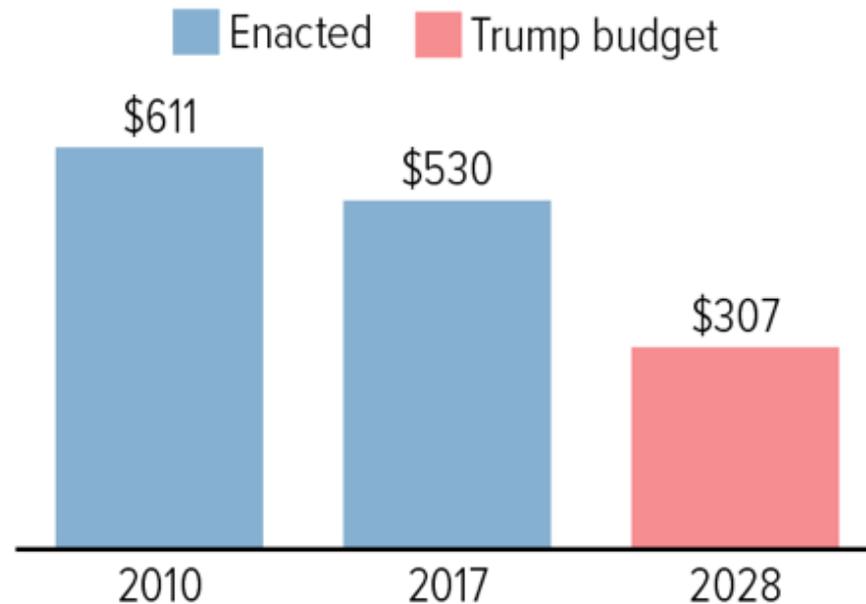
Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget



# Trump Budget Would Cut Non-Defense Discretionary Funding Severely Over Decade

In billions of 2018 dollars

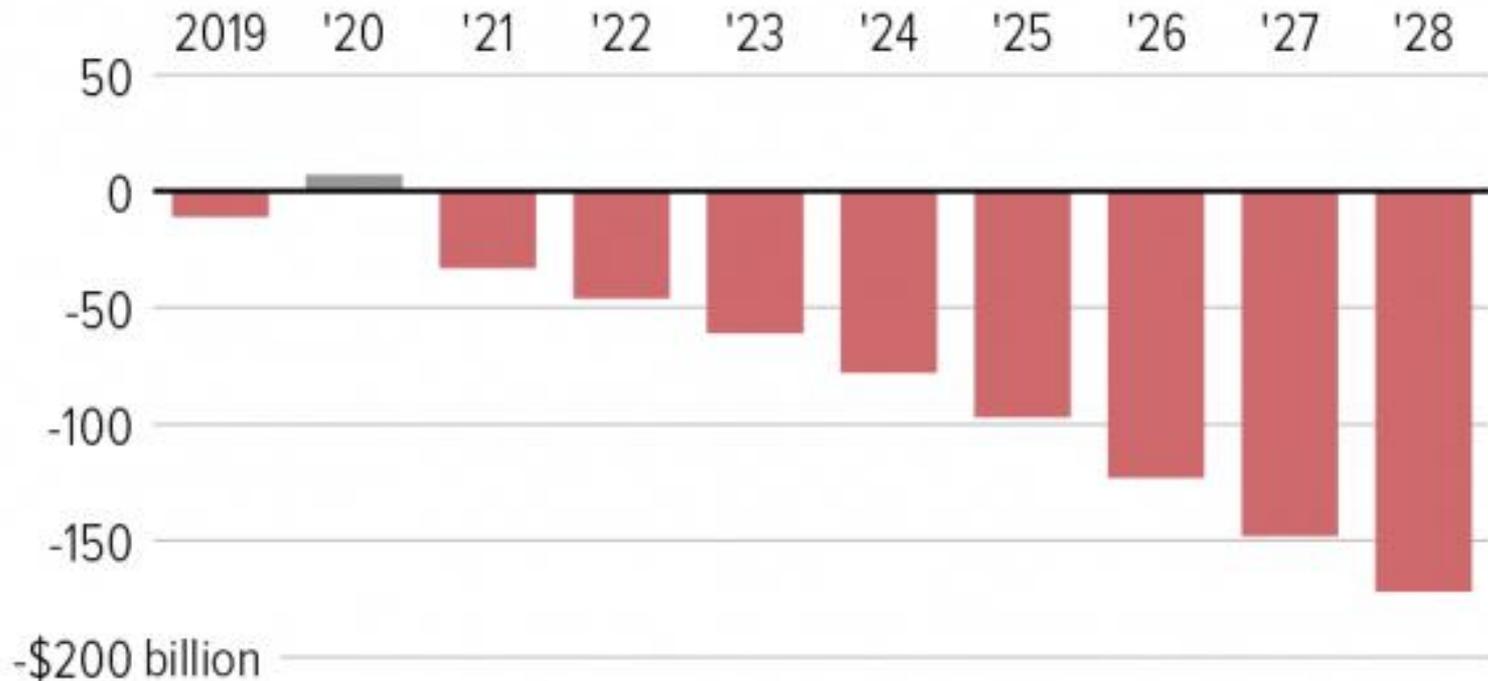


Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget



# Trump Budget Proposes Deep and Growing Cuts to Medicaid and Subsidies to Make Insurance Affordable



Note: ACA = Affordable Care Act

Source: CBPP calculations based on President Trump's 2019 budget documents



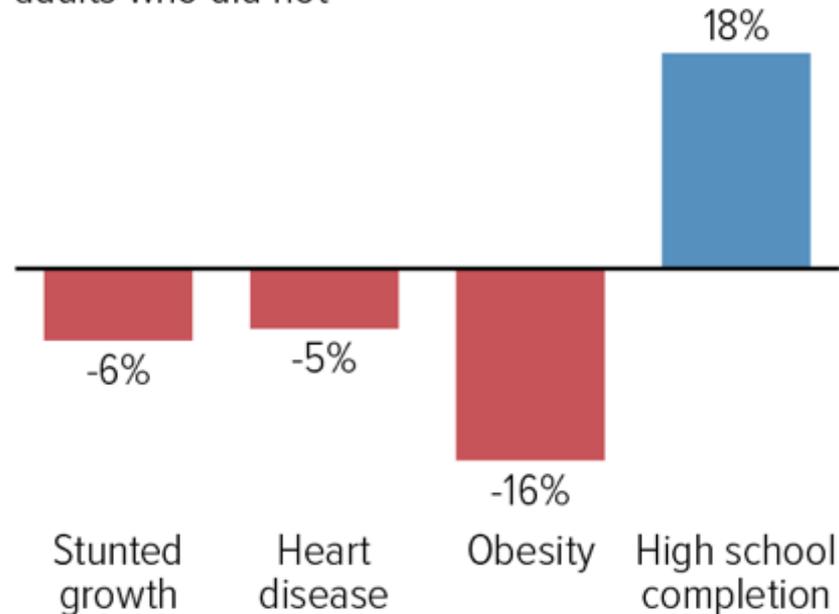
# Trump Budget Proposes \$213 Billion in SNAP Cuts

- Would end eligibility for at least 4 million people and reduce benefits for millions of others, including the elderly, people with disabilities, and low-income working families
- Would provide households with a government-purchased non-perishable food box in lieu of food purchased at the grocery store



# Children With Access to SNAP Fare Better Years Later

Percentage-point change in outcomes for adults who received SNAP as children, compared to adults who did not



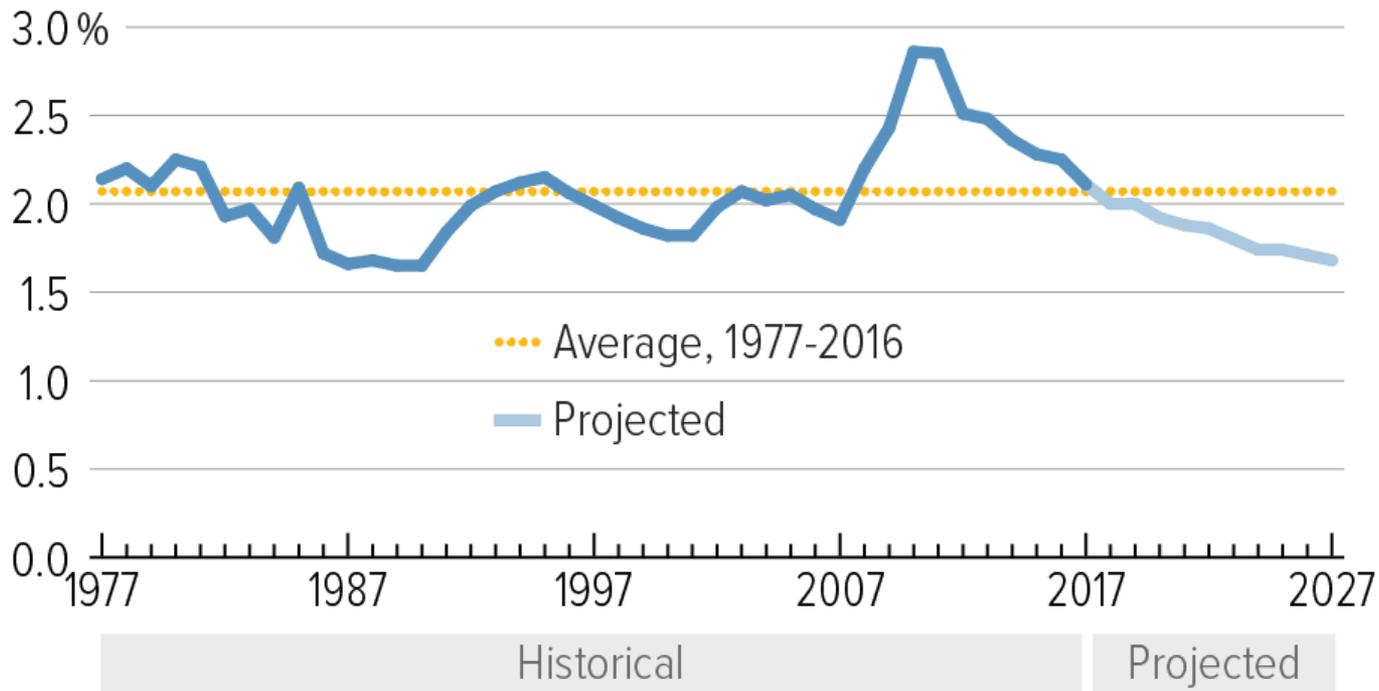
Note: The study compared individuals who had access to SNAP (then food stamps) in early childhood after its introduction in the 1960s and early 1970s to similar children who did not (because they were born before its introduction) in each county.

Source: Hoynes, Schanzenbach, and Almond, "Long-Run Impacts of Childhood Access to the Safety Net," American Economic Review, April 2016.



# Expenditures for Low-Income Programs Outside Health Care Set to Fall Below Average of Last 40 Years

Spending as a percent of gross domestic product

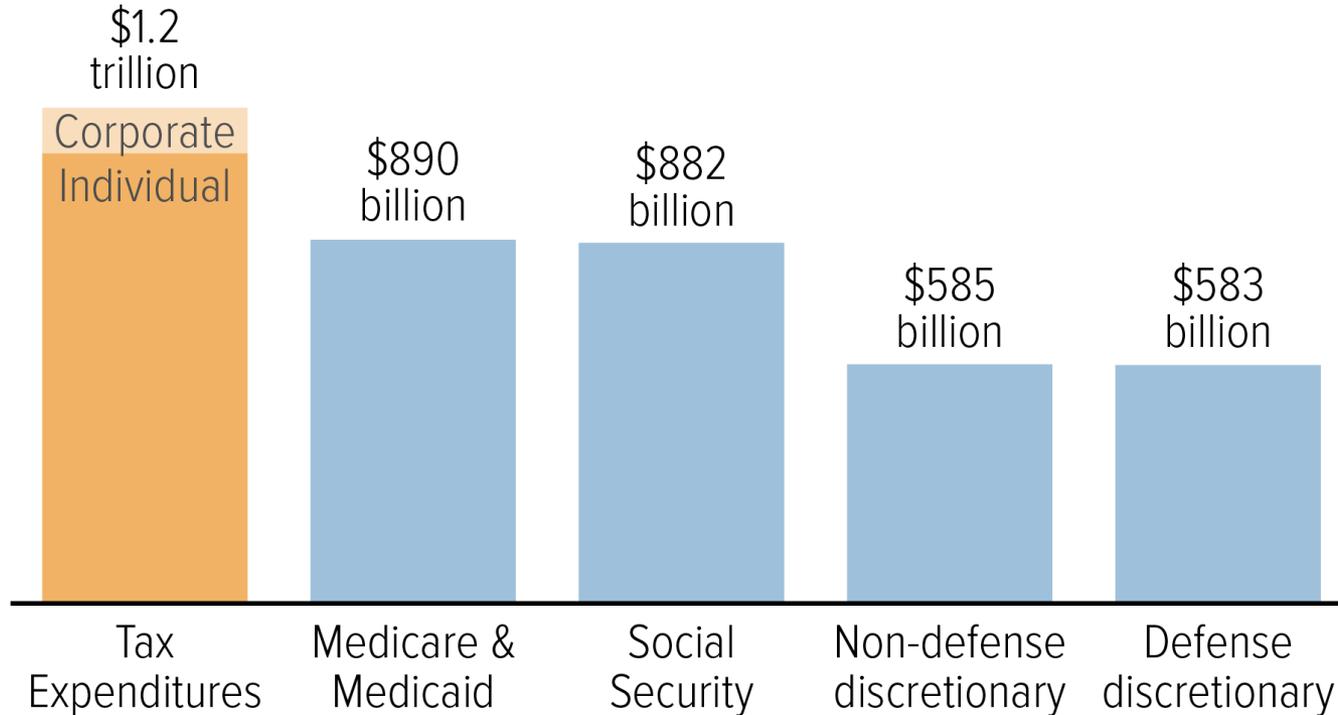


Source: Office of Management and Budget data through 2015 and Congressional Budget Office data thereafter



# Tax Expenditures Are Very Costly

Tax expenditures vs. selected major program expenditures, 2015



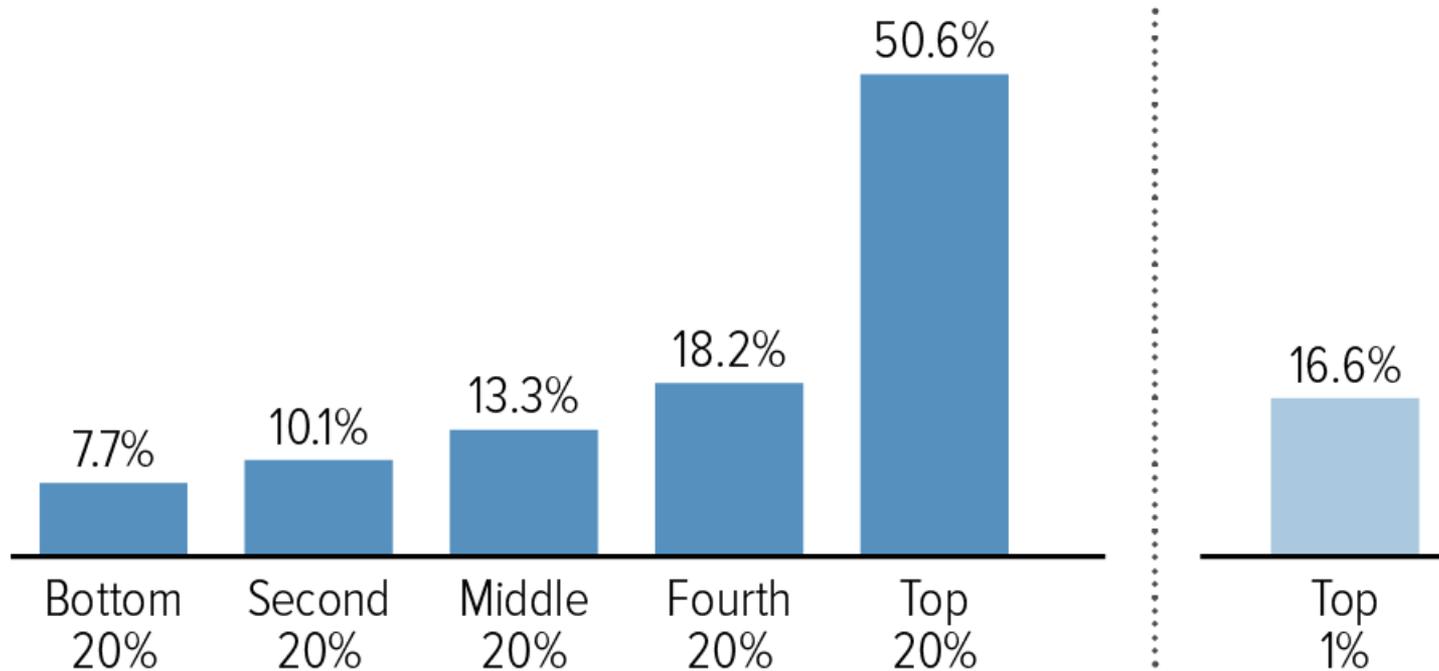
Notes: Tax expenditure estimates do not account for interaction effects and do not include associated spending (\$161 billion), effects on excise and payroll receipts (\$128 billion), or “tax extenders” made permanent or extended retroactively at the end of 2015.

Source: Office of Management and Budget, Historical Tables 8.5 and 8.7, and Analytical Perspectives Table 14.2



# Tax Expenditures Tilted Toward the Top

Share of ten largest federal income tax expenditures by income group, 2013



Source: Congressional Budget Office