



November 14, 2011

**Re: National Women's Law Center Opposes Balanced Budget Amendment, H.J. Res. 2**

Dear Representative:

The National Women's Law Center writes in strong opposition to the balanced budget constitutional amendment, H.J. Res. 2. While the nation needs to address our long-term fiscal challenges in a fair and responsible way, a constitutional balanced budget amendment would do serious harm to programs that women and their families depend on, including Social Security, and to the economy.

Compliance with a balanced budget requirement would likely require major cuts to vital programs. Indeed, the budget introduced by Budget Committee Chair Paul Ryan and passed by the House would not come into balance until after 2030, despite deep cuts to many critical public services.

**Social Security benefits would be at particular risk under H.J. Res. 2** – a serious concern for women, who are more reliant than men on income from Social Security. Currently, with its dedicated revenues and reserves (a Trust Fund of over \$2.6 trillion in 2010), Social Security can pay 100 percent of promised benefits until 2036 and 77 percent of promised benefits after that. But under H.J. Res. 2, total outlays must be offset by receipts collected *in the same year*. The terms “total outlays” and “total receipts” include Social Security benefits and payroll taxes. Thus, if total spending exceeds total revenue in any year, Social Security benefits could be cut to balance the budget. The amendment would bar Social Security from drawing on its Trust Fund to pay promised benefits unless the rest of the federal budget ran an offsetting surplus, even if the Trust Fund held trillions of dollars contributed by workers precisely to ensure those payments.

The requirement that the federal budget be balanced every year also would dangerously weaken the federal government's ability to respond to recessions, emergencies, and new challenges. During economic downturns, the expansion of federal programs such as extended unemployment benefits, Medicaid, and SNAP (Food Stamps) helps struggling families, relieves pressure on state budgets, and helps stabilize the economy. The federal government's ability to respond quickly to natural disasters and national emergencies can alleviate suffering and prevent further harm. And, although states typically balance their *operating* budgets, they can borrow money to fund investments like schools and roads, and can build up reserves (“rainy day funds”) that they can draw down when necessary. Under H.J. Res. 2, the federal government would be unable to do either – and the states and families who rely on the federal government's ability to respond quickly in tough times would suffer.

We urge you to vote no on H.J. Res. 2.

Sincerely,

A handwritten signature in blue ink that reads 'Nancy Duff Campbell'.

Nancy Duff Campbell  
Co-President

A handwritten signature in blue ink that reads 'Joan Entmacher'.

Joan Entmacher  
Vice President, Family Economic Security