

House GOP Budget Takes Trillions from Women and Families, Gives Trillions to Millionaires and Corporations

April 2011

The House Republican budget resolution for fiscal year 2012 and beyond, released by Representative Paul Ryan (R-WI) and passed by the House of Representatives on April 15, increases tax breaks for millionaires and corporations while eviscerating Medicaid, Medicare, and other programs vital to women and girls at every stage of their lives. The House GOP budget would:

- **Eliminate the Affordable Care Act, including its protections for women and all consumers.** The budget proposes to repeal the [Affordable Care Act](#), allowing insurers to engage in abusive practices like charging women higher premiums than men; denying coverage to women, men and children due to pre-existing conditions; imposing lifetime limits on coverage; and refusing to cover maternity care.
- **Cut, then cap, Medicaid.** The budget would [cut Medicaid](#), the federal and state program that provides health coverage for low-income children, pregnant women, elderly, and people with disabilities, by more than 20 percent in fiscal year 2012. It would also convert the program to a block grant that would cap funds to the states, leading to an [even greater loss of federal funding](#) over time. As a result, states would be forced to increase costs for recipients, reduce covered services, cut already low reimbursement rates to providers, and/or cut people from the program. Ultimately, millions of vulnerable people could lose their health coverage with no alternative.
- **End Medicare as we know it.** Under the House budget, instead of Medicare's guaranteed insurance coverage, Americans who are 55 and younger today would get a voucher that would force them to pay higher costs for less coverage when they become eligible. Total out-of-pocket health care costs for a typical 65-year-old Medicare beneficiary would likely [more than double](#) in the first year that the voucher plan took effect.
- **Put cuts to Social Security on a fast track.** The House budget calls for putting cuts to Social Security benefits – which now average just [\\$12,000 per year for women 65 and older, yet provide most of their income](#) – on a fast track through Congress by changing budget rules. Though the plan does not identify specific benefit cuts, it approvingly cites the [deep cuts proposed by the Bowles-Simpson report](#), which would put millions of women and others who rely on Social Security benefits at risk.

- **Dismantle the Supplemental Nutrition Assistance Program (SNAP).** The House budget would cut SNAP (formerly Food Stamps) funding by nearly 20 percent and convert it to a block grant program, [forcing harsh cuts](#) in eligibility and/or benefits and severely undermining the effectiveness of a program that for many families has been the only [functioning part of the safety net](#) during the recession.
- **Slash funding for critical supports.** By deeply cutting funding for domestic programs such as child care, Head Start, K-12 education, Pell grants, job training, housing and energy assistance, family planning and other women’s health services, and services for the elderly, the budget would unravel the fragile safety net for millions of Americans.
- **Prevent the government from responding to recessions.** The budget proposal calls for capping total federal spending at a fixed share of the Gross Domestic Product (GDP), which would severely [hamper Congress’s ability to respond to new demands or to economic downturns](#), when the need for programs like unemployment insurance automatically grows at the same time that GDP shrinks.
- **Cut taxes for the wealthy and corporations.** The House budget would permanently extend the Bush-era tax cuts, lower the top personal income tax rate from 35 percent to 25 percent, extend the December 2010 reduction in the estate tax for multi-million dollar estates, and eliminate the modest tax on high earners and wealthy investors that helps finance the Affordable Care Act. Corporations would also see their tax rate drop from 35 percent to 25 percent.

Overall, [at least two-thirds](#) of the massive \$4.5 trillion in spending cuts in the House budget would likely come from programs that support lower-income Americans. Yet for all the harm such cuts would inflict upon women, families, and the economy, they would do very little to reduce the deficit, since the \$4.5 trillion in spending cuts would be offset by \$4.2 trillion in tax breaks – producing just over [\\$155 billion in deficit reduction](#) over ten years. By giving trillions in tax breaks to the rich, while targeting middle- and lower-income people for two-thirds of its program cuts, this budget represents a massive shift of financial resources from those struggling for economic security to the very wealthy and corporations.