

House Budget Committee

Members' Day

March 8, 2012

Statement – Rep. Jan Schakowsky

Thank you, Mr. Chairman.

Many people have said that budgets are moral documents. The choices that a family, a business, or a government make when crafting a budget say everything about where their priorities lie.

As a federal government, we face substantial short- and long-term deficit challenges that we have to address while simultaneously constructing a strong foundation for a bright economic future for our country.

But it pays to remember how we got here. These deficits were not an accident, or unexpected, like an earthquake or tornado. These deficits were man-made. Just a decade ago we had a budget surplus and the debt was rapidly decreasing.

But during the Bush years, those surpluses disappeared and huge debt accumulated due to two unfunded wars, two unfunded tax cuts that mainly benefited the wealthy, and a blind eye

to the recklessness of Wall Street, which cost 8 million Americans their jobs and caused a Great

Recession.

The choices we make as a Congress can either right these past wrongs – or double-down on the current path, with inequality at levels we haven't seen since 1928, the middle class shrinking, and people feeling that the American Dream is slipping away.

I am concerned that the majority, in the name of fiscal responsibility, will craft a budget resolution that will take a hatchet to the vital investments that support the American middle class and those who aspire to it, protect vulnerable populations, build our infrastructure, and make scientific and technological innovations possible.

There is another way.

The first challenge is to tackle our number one deficit and that is the jobs deficit; creating jobs equals deficit reduction. We've had 23 straight months of private sector job growth, we've seen the economy improve but we're not there yet.

To address the nearly 13 million Americans who are still out of work, I have introduced the Emergency Jobs to Restore the American Dream Act (H.R. 2914). My cost-effective plan would put 2.2 million people to work for two years in jobs that meet the critical needs of our communities across the country. President Obama's American Jobs Act, included in his budget proposal, includes similar components that would put people to work rebuilding schools and our communities and create jobs for teachers, firefighters, police officers, and for young people.

We should stop paying companies for leaving the United States of America with tax advantages and give those same tax breaks to companies that make in America. I have a bill called Patriots of America that does just that.

Second, we must ask more from those who can afford to pay more. Whether it is implementing "the Buffett rule" or creating higher tax brackets for millionaires and billionaires, as I have proposed with the Fairness in Taxation Act, asking the very wealthy to pay their fair share can generate substantial revenues.

Third, we cannot shift the burden to those who have already been sacrificing for years. Poverty and inequality are bad for individuals, our economy, and our democracy. Half of all seniors have less than \$19,000 a year in income. We must protect the earned benefits in Social Security and Medicare, and ensure programs like Medicaid stay strong – not cut them in order to maintain tax breaks for the richest Americans.

Finally, we need to invest in education, transportation and infrastructure, scientific advancement and medical research, new energy technologies, and other investments that will build the economy and our workforce.

The push for across-the-board cuts is misguided. Such cuts may be easy but they are not fair – not everyone is starting the race at the same line, and some investments are more important than others because they expand opportunity and strengthen the economy. Just because something is classified as “non-security” spending doesn’t make it any less vital. Cuts to USDA food safety inspections have everything to do with security, for example.

The biggest “bang for the buck” actually comes from support systems for families that are struggling – every dollar spent on unemployment insurance results in \$1.64 in growth to the economy; every dollar spent on food stamps results in \$1.72 in growth.

We have the means and opportunity to create jobs, rebuild the middle class, and invest in our economic future, all while bringing down the deficit. Our budget – our moral document – just needs to reflect those values.

Thank you.