

THE IMPACT OF THE SEQUESTER IF CURRENT CUTS ARE KEPT IN PLACE

On March 1st, a series of automatic budget cuts—called the sequester—took effect. The sequester begins with \$85 billion in across-the-board cuts this year and totals \$1.2 trillion in the next 10 years. Those cuts would be evenly divided between defense and non-defense discretionary spending. Some spending is exempt, such as Medicare, Veterans and Social Security benefits, although the cost of administering those programs is affected.

The non-partisan Congressional Budget Office has estimated that the sequester could cost up to 750,000 jobs. The CBO estimates that the [U.S. economic growth would be cut in half by 2013 if allowed](#) to go into effect and the CBO estimates that the jobless rate will rise to 8% in this year.

The report, “Protecting Our Nation from Bad Federal Budget Choices,” from the [Coalition on Human Needs](#), includes some key facts about the sequester’s impact:

- 600,000 children and mothers will lose nutritional aid under WIC (the Women, Infants, and Children program)
- 125,000 low-income families will lose rental housing vouchers
- 70,000 children will be denied Head Start
- 4 million fewer Meals on Wheels meals served to seniors
- 373,000 adults and children with serious mental illness will lose treatment

Let’s look at some other examples – cuts to scientific research, education and nutrition programs – and look at the impact of the cuts that we’d see under the sequester.

Scientific Research

- “[Under sequestration, t]he National Institutes of Health (NIH) would be forced to delay or halt vital scientific projects and make hundreds of fewer research awards. Since each research award supports up to seven research positions, several thousand personnel could lose their jobs.... These cuts would delay progress on the prevention of debilitating chronic conditions that are costly to society and delay development of more effective treatments for common and rare diseases affecting millions of Americans.” [whitehouse.gov]
- “The National Science Foundation (NSF) would issue nearly 1,000 fewer research grants and awards, impacting an estimated 12,000 scientists and students and curtailing critical scientific research.” [whitehouse.gov]

Education

- “Under sequestration, 70,000 young children would be kicked off Head Start, 10,000 teacher jobs would be put at risk, and funding for up to 7,200 special education teachers, aides, and staff could be cut.” [whitehouse.gov]

Nutrition Programs

- Under sequestration, “[f]ederally-assisted programs like Meals on Wheels would be able to serve 4 million fewer meals to seniors. These meals contribute to the overall health and well-being of participating seniors, including those with chronic illnesses that are affected by diet, such as diabetes and heart disease, and frail seniors who are homebound. The meals can account for 50 percent or more of daily food for the majority of home delivered participants.” [whitehouse.gov]
- “Approximately 600,000 women and children would be dropped from the Department of Agriculture’s Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) from March through September.” [whitehouse.gov]

Small Business

- The Small Business Administration (SBA) loan guarantees will be cut by about \$900 million, which would constrain financing needed by small businesses to expand their operations and create jobs. [whitehouse.gov]

For more information:

[Fact Sheet: Examples of How the Sequester Would Impact Middle Class Families, Jobs and Economic Security.](#) [The White House]

[What You Need to Know About: The Sequester.](#) [The White House]

[Sequestration: An Update for 2013.](#) [House Democratic Budget Committee]

[Frequently Asked Questions about Sequestration under the Budget Control Act of 2011.](#) [House Budget Committee]

[The Sequester: Absolutely everything you could possibly need to know, in one FAQ.](#) [Washington Post, 3/1/13]