

Congressional Black Caucus

The Impact of Sequestration

Some skeptics have downplayed the impact of impending across-the-board budget cuts known as sequestration. In fact, sequestration will have a real impact on Americans across the country. There is no way to cut \$85 billion in a single year, mainly from discretionary programs — which include most defense spending as well as medical research, education, help for low-income families, food and water safety, law enforcement, and so on — and not see real impacts.

The Unemployed and Underemployed:

- The Sequester will hit unemployed or under-employed Americans the hardest —a segment of the population of which African Americans and Hispanics disproportionately comprise
- These cuts will have a greater impact on people of color, as 9.7 percent of Latinos and a staggering 13.8 percent of African Americans are unemployed, compared to only 7 percent of whites.
- The long-term unemployed will be particularly impacted. The roughly 3.8 million long-term unemployed workers receiving federally funded unemployment benefits will face nearly 11 percent cut in their weekly benefits, according to the Administration. This will translate into a cut of roughly \$130 per month for jobless workers.
- In 2011, 40 percent of unemployed Asians, 38 percent of unemployed African Americans, and 28 percent of unemployed Latinos were unemployed for more than 52 weeks.
- The sequester is particularly brutal on government employers, and promises deep, slashing of job-training programs and state and local jobs, including the health and education sector.
- African Americans are more likely to work for the public sector according to the Department of Labor. In 2011, nearly 20-percent of employed African Americans worked for state, local, or federal government compared to 14.2-percent of whites.
- Women, who are usually the primary care-giver in single-family homes, are also 50-percent more likely to hold government jobs.

Education and Workforce Development:

- Workforce development programs that are vital to communities of color such as YouthBuild and Job Corps face significant cuts.
- In 2010, 54 percent of YouthBuild participants were African American and 20 percent were Latino. And in 2011, 72 percent of Job Corps participants were people of color.
- Nearly \$3 billion would be cut in education and approximately 9 million students impacted alone under the sequester. These cuts would impart financial aid for college students and to programs for our most vulnerable youth—English language learners and those attending high-poverty, struggling schools.
- \$42.8 million would be cut from the TRIO program which helps low-income students attend and finish college.
- \$725 million in Title I funds would be cut, potentially eliminating support to an estimated 2,700 schools serving 1.2 million disadvantaged students, while also putting at risk the jobs of approximately 10,000 teachers and aides serving these students.
- The lack of access to financial aid for people of color will further exacerbate the student debt rates in these communities. In the 2007-08 academic year, 81 percent of African Americans and 67 percent of Latinos with a bachelor's degree graduated with student debt, compared to 64 percent of their white peers.
- Early child care funding could be cut by more than \$900 million, impacting the thousands of children of color who benefit from these programs. Approximately 70,000 children would be kicked out of Head Start under those cuts. Sixty percent of program participants are children of color.

Housing:

- Sequestration puts nearly 125,000 individuals and families at risk of becoming homeless according to the Department of Housing and Urban Development.
- An additional 100,000 formerly homeless people may be removed from emergency shelters or other housing arrangements because of cuts.
- Many housing programs such as Section 8 Housing Assistance provide vouchers to low-income families for affordable housing in the private market.

Data from 2008 indicate that 44 percent and 23 percent of public housing recipients are African American and Latino, respectively.

- \$185 million would be cut from the Low-Income Home Energy Assistance Program, which helped about 23 million low-income people pay their winter heat bills will greatly impact low-income minority communities.
- 312,500 adults and children would be impacted by the loss of about 125,000 Section 8 vouchers.

Health and Human Services:

- Most of the public health funding at the federal level is discretionary so it will be impacted by sequestration. Cuts of 8 to 10 percent to programs funded at the Centers for Disease Control and Prevention would mean:
 - Approximately 30,000 children and 20,000 adults would not be able to get immunizations.
 - 540,000 fewer doses of vaccine against diseases like hepatitis, flu, measles, and whooping cough for children and adults.
 - \$120 million in federal support for community health centers would be lost. This translates into about 900,000 fewer mostly low-income patients served.
 - 25,000 fewer breast and cervical cancer screenings for low-income, high-risk women.
 - 7,400 fewer patients would have access to life saving HIV medications through the AIDS Drug Assistance Program (ADAP).
 - \$353 million in WIC funding would be cut, resulting in a loss of services for over 600,000 low-income, nutritionally at risk, pregnant, postpartum, and breastfeeding women, infants, and children.
 - Five million families would be denied prenatal care, well child services, infant mortality, injury and violence prevention, oral healthcare, and comprehensive care through clinics, home visits, and school-based health programs through the Maternal and Child Health Block Grant
 - These cuts would be in addition to those already made that have resulted in the loss of 55,000 high-skilled public health jobs and many more positions furloughed.

- Programs that directly help the most vulnerable families and children—such as the Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC—are threatened by sequestration. The program could be cut by \$543 million which would greatly impact the 450,000 people of color who benefit from its services.
- The Center on Budget Policy Priorities estimates nearly 775,000 low income women and their children might lose access or be denied WIC aid because of mandatory cuts.

The Impact on the South and Military Communities:

- According to the White House figures, the South would be disproportionately affected by cuts to the nation's military, which is a key employer and economic force in many Southern states. Among the military operations affected by the impending cuts:
 - **Civilian job furloughs:** Of the estimated 731,000 civilian military employees in the U.S. will be forced to take unpaid leave due to the cuts, 310,000 of them -- or more than 40 percent -- in 13 Southern states. This would lead to \$1.6 billion in reduced income among the region's civilian employees.
 - **Cuts to the Army:** States will lose \$2.1 billion due to cuts in the U.S. Army budget; half of Army spending cuts will fall on Southern states. The four states that will suffer the biggest cuts to Army operations -- Georgia and Texas (\$233 million each), Virginia (\$146 million) and North Carolina (\$136 million) -- will account for more than a third of the total Army budget reductions.
 - **Cuts to the Air Force:** Of the estimated \$295 million states will lose from cuts to the U.S. Air Force, more than a third -- \$109 million -- will come from Southern states.
 - **Cuts to the Navy:** Although the White House report doesn't include exact numbers for budget and job losses for naval operations in Southern states, it does note projects where funding may be in jeopardy in Florida, Louisiana, Mississippi, North Carolina, Texas and Virginia.
- Five Southern States are among the top 10 states with exposure to non-defense cuts, based on how much federal spending amounts in relation of the state's gross domestic product, according to Wells Fargo.
- Eight of the 12 states with the lowest per-capita incomes in the nation are also from the South. These states rely heavily on government-transfer payments for health and welfare programs.