

Deficit reduction and sequestration

Comments by Amy Hanauer, executive director

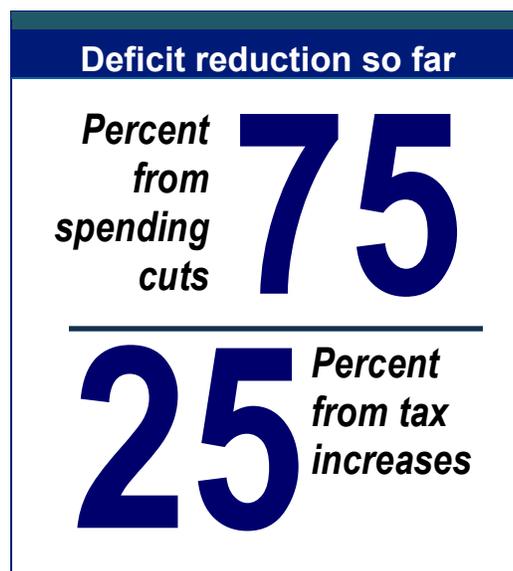
Policy makers and others who want to shrink government have landed upon deficit reduction as a way to accomplish their goal. The problem is that slashing government spending destroys jobs, shrinks the economy, and ends up making the deficit bigger.

In the last two years, Congress has passed laws that will reduce the deficit by \$2.3 trillion over 10 years. Most of that – nearly three-quarters – came from cutting spending, including essentials like education; scientific and medical research; roads, bridges and ports; veterans' programs; environmental protection; public safety and other critical services. By 2017, non-defense discretionary funding will be at its lowest levels relative to the economy in 50 years.

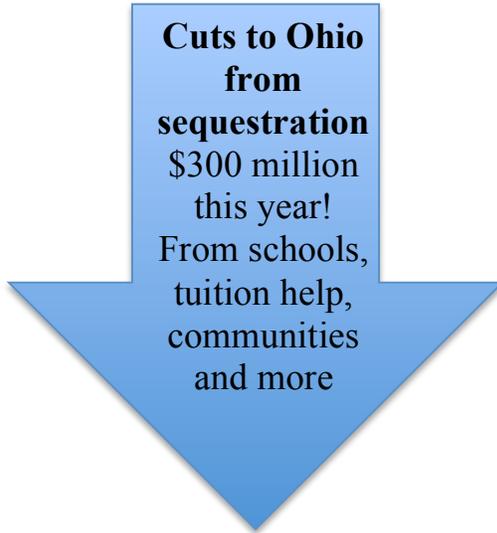
This is outrageous, and its hurting Cleveland, Ohio, and the nation, and it's entirely self-inflicted.

On top of the huge cuts we've already made, more cuts are scheduled because of sequestration (\$1.2 trillion in automatic spending cuts over nine years).

The first round of cuts is now scheduled, as you know, for March 1. The cuts are poorly planned, across the board, and will hit state and local budgets hard. Obama and others have delivered the news on the national level – slashing food safety workers, head start slots, teachers, FAA personnel. Longer waits at airports, poor working moms unable to have their kids cared for. It's just no way to run a country.



Last March, at Rep. Mike Foley's request, the Legislative Service Commission calculated that federal funds for Ohio would be reduced by more than \$300 million in the current federal fiscal year. It would slash K-12 education by \$133 million. Federal work-study funding that could support 2,000 college students would vanish.



We've cut enough.

This is definitely not what Americans thought they were voting for last November. Austerity like this hurts our communities, but it also actually, ironically, will make the deficit worse by sending our economy into a tailspin.

Ohioans want to educate our kids, train our workforce, protect our communities and provide a basic safety net.

We've done the cuts, and we're suffering because of it. It's time to restore some balance. New revenues have to be part of the next round.

Smart choices now will mean less poverty, a stronger middle class, and a healthier economy in Ohio and all over the nation. And those are things that will actually reduce the deficit in the long run. It's time to stop the austerity agenda and move back toward a prosperity agenda.

Policy Matters Ohio is a nonprofit, nonpartisan research institute with offices in Cleveland and Columbus.