

TAX & BUDGET

FACT SHEET

Ryan Budget FY 13: Gutting Vital Programs for Women and Families, Giving Trillions in Tax Cuts to Millionaires and Corporations

Updated April 2012

The budget for Fiscal Year 2013 introduced by Rep. Paul Ryan (R-WI) proposes devastating cuts to programs especially important to women and their families: Medicare, Medicaid, child care, education, SNAP—and much more. At the same time, it proposes trillions in new tax cuts for the wealthiest Americans and large corporations on top of the disproportionate benefits the very wealthy would receive from extending all of the Bush-era tax cuts.

The Ryan budget would slash critical services for women and their families by:

- Repealing the **Affordable Care Act (ACA)**, which would allow insurance companies to continue to charge women higher premiums than men,¹ deny coverage to women due to preexisting conditions, and refuse to cover maternity care; deprive about 17 million women access to affordable health insurance and Medicaid;² and increase the cost of prescription drugs for Medicare beneficiaries and preventive care services, including contraceptive services.
- Slashing **Medicaid** by more than 20 percent over the next ten years and converting it to a block grant, causing over 14 million low-income Americans to lose coverage by 2021.³ Medicaid cuts would especially hurt women, who make up 70 percent of adult Medicaid beneficiaries.⁴
- Raising the **Medicare** eligibility age to 67 and replacing the Medicare guarantee with a premium support voucher for people currently under 55. The voucher would likely be inadequate to purchase traditional Medicare coverage,⁵ so costs would be pushed onto beneficiaries – a majority of whom are women.
- Cutting funding for non-defense discretionary programs, many of which women disproportionately rely on⁶ — such as **child care, Head Start, job training, Pell Grants, housing and energy assistance**, and more — by \$1.2 trillion over ten years on top of the cuts needed to comply with the reduced funding caps in the Budget Control Act.⁷ The Ryan budget would not only exempt defense programs from cuts but would increase defense spending by about \$200 billion over ten years.⁸
- Cutting the **Supplemental Nutrition Assistance Program (SNAP/Food Stamps)** by more than 17 percent over ten years, the equivalent of cutting more than eight million people.⁹ It also would convert this highly effective safety net program, whose recipients are mostly women,¹⁰ to a block grant that would not respond to increased need during recessions.
- Cutting other mandatory income security programs such as **Supplemental Security Income (SSI)** and **Temporary Assistance to Needy Families (TANF)** by about \$463 billion.¹¹ Women represent two-thirds of elderly SSI beneficiaries and 86 percent of adult TANF beneficiaries.¹²

- Putting cuts to **Social Security** benefits on a fast track and rejecting proposals that would strengthen Social Security by raising revenues from the highest earners.¹³ Women are a large majority of adult Social Security recipients and rely on income from Social Security to a greater extent than men do.¹⁴

The Ryan budget would increase tax breaks for the wealthy and corporations by:

- Extending all of the expiring tax cuts, including for the very wealthiest Americans, at a cost of more than \$5 trillion over ten years.¹⁵
- Cutting the top personal and corporate income tax rates to 25 percent, eliminating the alternative minimum tax, exempting all corporate profits earned overseas from tax, and other tax changes at a cost of about \$4.6 trillion over ten years.¹⁶ The top one percent of households would receive 45 percent of the benefits of these new tax cuts; 65 percent of the benefits would go to the top five percent.¹⁷ The bottom 80 percent of households would get only about 20 percent of the tax benefits.
- Not specifying how these new tax cuts would be paid for, yet proposing to maintain the current preferential 15 percent tax rate for income from capital gains and dividends (a clear advantage for the very wealthy who receive the largest portion of investment income). Depending on how and whether the new low tax rates for the very wealthy and corporations are paid for, they could result in a massive shift of the responsibility for paying taxes to the poor and the middle class, even deeper cuts in services for middle- and low-income people than those already in the Ryan budget, or trillions of dollars in additional debt.¹⁸

1 NWLC, Turning to Fairness: Insurance Discrimination Against Women Today and the Affordable Care Act (March 2012), available at http://www.nwlc.org/sites/default/files/pdfs/nwlc_2012_turningtofairness_report.pdf.

2 NWLC, Women and the Health Care Law (March 2012), available at http://www.nwlc.org/sites/default/files/pdfs/women_and_the_aca_updated_fact_sheet_2012.pdf.

3 Edwin Park, Ctr. on Budget & Policy Priorities, Ryan's Rx for Medicaid Would Add Millions to the Uninsured and Underinsured (March 20, 2012), available at <http://www.offthechartsblog.org/ryans-rx-for-medicaid-would-add-millions-to-the-uninsured-and-underinsured/>.

4 Kaiser Family Found., Medicaid's Role for Women (May 2006), available at <http://www.kff.org/womenshealth/upload/medicaid-s-role-for-women-may-2006.pdf>.

5 Robert Greenstein, Ctr. on Budget & Policy Priorities, CBO Shows Ryan Budget Would Set Nation on Path to End Most of Government Other than Social Security, Health Care and Defense by 2050 (March 2012), available at <http://www.cbpp.org/files/3-20-12health.pdf>.

6 NWLC, President Obama's FY 2013 Budget: Supporting Key Investments for Women and Fairer Taxes (Feb. 2012), available at <http://www.nwlc.org/resource/president-obama%E2%80%99s-fy-2013-budget-supporting-key-investments-women-and-fairer-taxes#safetynet> [hereinafter NWLC, President Obama's FY 2013 Budget].

7 Kelsey Merrick & James Horney, Ctr. on Budget & Policy Priorities, Chairman Ryan Gets 62 Percent of His Huge Budget Cuts from Programs for Lower-Income Americans (March 2012), available at <http://www.cbpp.org/files/3-23-12bud.pdf>.

8 Greenstein, *supra* note 5.

9 Dorothy Rosenbaum, Ctr. on Budget & Policy Priorities, Ryan Budget Would Slash SNAP Funding by \$134 Billion Over Ten Years (April 2012), available at <http://www.cbpp.org/files/3-22-12fs.pdf>.

10 NWLC, President Obama's FY 2013 Budget, *supra* note 6.

11 Merrick & Horney, *supra* note 7.

12 NWLC, President Obama's FY 2013 Budget, *supra* note 6.

13 Strengthen Social Security, Ryan Budget Creates a Fast Track to Cut Social Security and Ends Medicare as We Know It (March 2012), available at <http://strengthen-socialsecurity.org/sites/default/files/Ryan%20Budget%20Fact%20Sheet%20%28Shortened%29.pdf>.

14 NWLC, Women and Social Security (Apr. 2012), available at <http://www.nwlc.org/sites/default/files/pdfs/socialsecuritykeyfacts.pdf>.

15 Tax Policy Ctr., Table T12-0075: 2013 House Republican Budget Proposal (Excluding Unspecified Base Broadeners) Impact on Tax Revenue, 2012-2022 (March 20, 2012), available at <http://www.taxpolicycenter.org/numbers/displayatab.cfm?Docid=3301&DocTypeID=5>.

16 *Ibid*.

17 Tax Policy Ctr., Table T12-0079: House Republican Budget Plan without Unspecified Base Broadeners (Baseline: Current Policy), Distribution of Federal Tax Change by Cash Income Percentile, 2015 (March 23, 2012), available at <http://www.taxpolicycenter.org/numbers/displayatab.cfm?Docid=3337&DocTypeID=2>.

18 Seth Hanlon, Ctr. for Am. Progress, Ryan's Secret Plan to Shift the Tax Burden Onto the Middle Class (March 20, 2012), available at http://www.americanprogress.org/issues/2012/03/hanlon_ryan_column.html.