



Move the Money — Move the Economy

FOCUS ON THE FISCAL CLIFF

What is Sequestration and Why Should We Care?

The post-election “lame duck” session of Congress gives us a crucial opportunity to focus pressure on changing our federal budget priorities!

BACKGROUND ON SEQUESTRATION

- Under the Budget Control Act (BCA) of 2011, automatic across-the-board discretionary spending cuts (also known as *sequestration*) will happen at the end of 2012 that will result in \$1.2 trillion in cuts over the next decade.
- These cuts are the result of the failure of the deficit reduction Super Committee’s inability to reach an agreement.
- Since total projected [discretionary spending for FY2013](#) is about \$1.15 trillion, these cuts would be severe. In fact, they were made that way on purpose, in order to convince Congress to come up with a better plan.
- These automatic cuts would have a much greater impact on funding for **non-defense programs** such as education and housing than they would on Pentagon spending.
- To start with, the [military accounts for more than half of all discretionary spending](#). Though the dollar amounts of the cuts are split evenly between the Pentagon and non-defense programs, the cuts to non-defense programs come from a smaller portion of the total discretionary pie.
- Secondly, Pentagon spending has been growing much faster over the last decade than non-defense funding. According to the Office of Management and Budget, spending, not including

war costs and funding for nuclear weapons, has grown 35 percent over the last decade, adjusted for inflation. Over that same period, non-defense funding has only grown by a third of that amount, or 12 percent.

WHAT CAN I DO?

Materials in this toolkit can help you:

- Visit — make an appointment at your local Congressional office and express your concerns. Use our talking points on the next page and our how to talk with Congress guide in this packet.
- Write a letter to the editor or Op-ed — use our talking points to craft your own or use our letter to the editor [template](#).
- Stage a media event or creative action to help raise awareness in your community. Use the Alert the Media and Creative Actions sections to help you stage your event.



Sequestration Talking Points

USE THESE POINTS TO TALK TO CONGRESS or WRITE TO THE MEDIA

- There would be no “fiscal cliff” if Congress had been willing to choose a sensible, reality-based budget that reflects the values of my community and many others across the country.

WE NEED DEEP CUTS TO THE PENTAGON BUDGET

- No sensible approach to the budget can leave out cuts to the Pentagon budget. According to a recent [PEW poll](#), a majority of Americans support these cuts.
- It makes no sense for Congress to spend over half of the dollars it has discretion to allocate on a military budget that has already doubled since 1998 – without even counting the \$1.38 trillion in additional funds allocated to wage wars in Iraq and Afghanistan – even as millions of families struggle to find work, and to feed and house their families.
- Our economic security is the foundation for our national security. These enormous Pentagon budgets actually hurt us by adding to the deficit, weakening the economy and diverting resources from communities.
- We understand that lobbyists and special interests claim that cuts in Pentagon spending would lead to a loss in jobs. This is because any government spending creates jobs. But [studies](#) have shown that government spending on non-military programs creates more jobs than the same amount of funds given to the Pentagon. Likewise, cuts in non-military programs will cause greater job loss than Pentagon cuts. That’s why an interest in jobs means we should cut the Pentagon budget and use those dollars for job creation in the energy, education or health care sector.
- We could easily make deeper cuts to the Pentagon budget than are currently in the sequester and not jeopardize our national security -- in fact the Simpson-Bowles deficit reduction committee recommended \$1 trillion

in cuts, which would only bring Pentagon spending back to 2006 levels.

WE NEED TO RAISE REVENUES THROUGH TAXES ON THE WEALTHY AND CORPORATIONS

- The Bush era tax cuts for the wealthy MUST NOT be extended. The Congressional Budget Office ranked making permanent the Bush tax cuts for all taxpayers (including the rich) as the least effective policy option for creating *jobs in the short term*.
- If all corporations just paid the 35 percent federal tax they are supposed to, we’d have an extra \$219 billion in the public treasury annually to cover the cost of fixing roads, hiring teachers, and helping families heat their homes.

WE NEED TO PROTECT IMPORTANT SOCIAL PROGRAMS/ INVEST IN JOB CREATION

- My community has identified job creation, education, housing, food assistance, the environment and other crucial social programs as important for our well-being and security ([NOTE: YOU CAN CUSTOMIZE YOUR LIST ACCORDING TO LOCAL NEEDS, STORIES, ETC.](#)) and cuts to these programs will be devastating to our community. WE NEED INVESTMENT IN THESE PROGRAMS, NOT CUTS.
- Non-security discretionary spending cuts will reduce public investments which could lead to slower long-run economic growth and lower living standards for future generations.
- This is not the time for austerity measures. Instead, the government should spend more to allow new job creation. A Congressional Budget Office (CBO) report estimates that the American Recovery and Reinvestment Act (ARRA) increased the number of people employed between 1.0 million and 2.9 million jobs as of June 2011. Without the help of the government spending, many more people would have been unemployed. In the long run, lower unemployment means smaller deficits.