



March 28, 2012

Top Reasons to Support Democratic Budget Alternative

Preserves the Medicare guarantee and the Social Safety Net.

Our budget rejects any policy to end Medicare's guarantee of health care coverage for seniors and disabled workers, and ensures the social safety net remains intact.

- **Protects Medicare Beneficiaries** – Rejects the Republican budget's proposal to end the Medicare guarantee. It supports reforms in the Affordable Care Act (ACA) to close the prescription drug "donut hole" for seniors with high prescription drug costs and ensure free preventive care. As a result of these measures, as well as provisions in the ACA to make Medicare spending more efficient, a person in Medicare will save an average of about \$4,200 on premiums and coinsurance from 2011 through 2021. Medicare beneficiaries with high prescription drug costs will save even more – an average of nearly \$16,000 over the same period.
- **Preserves Medicaid for Low-Income Families and Seniors** – Maintains Medicaid to ensure that 57 million low-income people continue to get health care. Seniors and people with disabilities account for two-thirds of Medicaid spending, and children account for another 20 percent.
- **Preserves Supplemental Nutrition Assistance (SNAP)** – Fully funds SNAP and supports the President's proposal to continue certain benefits added because of the economic downturn. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled.
- **Protects Social Security from Privatization** – Social Security is not responsible for our current deficits and should not be cut to reduce the deficit. However, many Republicans continue to advocate privatization, which would put retirees' financial security at risk and worsen the deficit for decades. Our budget affirmatively rules out privatization.

Making it in America.

Helps Create More Jobs Now. Unlike the Republican resolution, our budget includes the President's jobs initiatives, including the following:

- **Transportation Jobs** – \$50 billion to fund jobs that address immediate surface transportation priorities and \$10 billion to establish an infrastructure bank.
- **Tax Credits for Job Creation** – a temporary 10 percent tax credit for new jobs and wage increases.
- **Tax Incentives for Manufacturing** – includes a number of incentives for domestic manufacturing, such as providing a tax credit for companies that return operations and jobs to the U.S. while eliminating tax breaks for companies that move operations and jobs overseas.

- **Education Jobs** – \$80 billion to promote jobs creating the infrastructure to help students learn and create a better future workforce, including \$30 billion to put hundreds of thousands of Americans back to work upgrading at least 35,000 crumbling public schools, and \$25 billion to help prevent hundreds of thousands of educator layoffs.
- **First Responder Jobs** – \$5 billion to help states and localities hire police officers and firefighters and reverse previous layoffs.
- **Jobs for Veterans** – \$1 billion for the President’s proposal to establish a Veterans Job Corps and employ at least 20,000 veterans.

Builds a Stronger America through Long-Term Growth. Our budget invests in research, education, and innovation that will create a globally competitive workforce for the future.

- **Education Investments** – Follows the President’s request for increased investment in education and includes his request for \$6 billion to prevent the interest rate on subsidized student loans from doubling this July.
- **Innovation and Research Investments** – Funds science and engineering workforce development and supports innovative manufacturing processes that will reduce costs by using less energy, improving product quality, and accelerating product development.
- **Small Business Investments** – Provides additional resources for the Small Business Administration (SBA) to ensure that the lending volume for loan programs remains the same, rather than shrinking and denying many small businesses’ access to capital.
- **Infrastructure Investments** – In addition to short-term jobs initiatives for transportation, our budget includes the President’s six-year surface transportation proposal to create construction jobs and fuel long-term economic growth. It also includes additional funding to maintain America’s harbors, seaports, and waterways.

Reduces the Deficit through Shared Responsibility.

Congress has already reduced projected deficits by more than \$1 trillion through discretionary cuts for 2011 and 2012 and enacting tight spending limits for the next nine years. Our budget further reduces the deficit with policies that balance spending cuts with increased revenue.

- **Gets Deficits Under Control** – The deficit falls from 8.7 percent of GDP in 2011 to under 3 percent of GDP by 2015, and it remains there through the ten-year budget window.
- **Canceling Sequestration and Replaces it with Balanced Deficit Reduction** – Replaces the \$1.2 trillion in deficit reduction under the scheduled Budget Control Act sequestration with greater deficit reduction from targeted spending cuts and revenue increases.
- **Provides Tax Relief for Working Families and Ends Tax Breaks for the Wealthy** – Extends the 2001-03 tax cuts for the middle class and rejects tax increases on the middle class. Accommodates expansion of incentives for low- and middle-income families to earn income, save for retirement, and attend college. To increase fairness and reduce the deficit, this budget ends unwarranted and fiscally irresponsible Bush-era tax cuts for millionaires, closes a variety of corporate tax loopholes, and establishes a “Buffett Rule” to ensure that working families do not face a higher tax rate than the wealthiest Americans.