January 8, 2016

Commentary: Elephant in the Room at GOP Poverty Forum — Tax Cuts and Budget Plans That Would Lead to Sharp Cuts in Anti-Poverty Programs

By Robert Greenstein and Isaac Shapiro

Saturday's poverty and opportunity forum for Republican presidential candidates may produce some interesting ideas for helping people of modest means. But its value will be limited — and the credibility of the presentations compromised — if the candidates and other presenters don't address how their tax and budget plans would avoid cutting basic assistance deeply for poor families, thereby *worsening* poverty and hardship. Two factors bring this issue squarely to the fore: recent congressional Republican budget plans and the steep tax cuts that many Republican presidential candidates are promoting.

- Under the budget plan congressional Republicans adopted last year (which largely reflects previous House Republican budgets that Speaker Paul Ryan designed), the Center found that 63 percent of its nearly $5 trillion in cuts in non-defense programs — or more than $3 trillion in cuts over ten years — would come from programs for people with low or modest incomes, even though these programs constitute just over one-fourth of non-defense spending.[1]

  The congressional Republican budget would shrink low-income programs by 39 percent, on average, by 2025. It would repeal health reform and cut Medicaid deeply on top of that (thereby adding tens of millions of people to the ranks of the uninsured or underinsured), sharply cut basic food assistance for low-income families, and heavily cut aid to help low-income students afford college.

- Unlike the congressional Republican budget plan, which contained no net tax cuts, many Republican presidential candidates have called for trillions of dollars in tax reductions — which would necessitate even steeper budget cuts.

The Urban-Brookings Tax Policy Center (TPC) has analyzed two of the GOP candidates' tax proposals. It found that Donald Trump's proposal would reduce revenues by $9.5 trillion over its

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[1] Joel Friedman, Richard Kogan, and Isaac Shapiro, "The Congressional 2016 Budget Plan: An Alarming Vision," Center on Budget and Policy Priorities, June 8, 2015, http://www.cbpp.org/research/federal-budget/the-congressional-2016-budget-plan-an-alarming-vision.

first decade.[2] This would shrink revenues to about 14 percent of gross domestic product (GDP), the lowest level since *1950,* when Medicare and Medicaid didn't exist and Social Security was tiny, amounting to just 0.3 percent of GDP.

TPC found that Jeb Bush's tax plan would cost $6.8 trillion over the first decade.[3] Here, too, revenues as a share of the economy would fall far below their average of recent decades — at the very time the aging of the baby boomers will push up expenditures for Social Security, Medicare, and Medicaid.

Also, both the Trump and Bush tax plans would heavily favor upper-income households, TPC found.

The basic math is clear: if Republican candidates are committed to reducing poverty and hardship rather than exacerbating them, then (at a minimum) they will need either to scale back their tax cuts or to propose ways to pay for them without shrinking resources for poor families.

They also need to explain how their budgets would differ from last year's congressional Republican budget, which sharply and disproportionately cut programs for the poor. Even *without* net tax cuts, congressional Republicans found it necessary to propose cuts of unprecedented depth in low-income programs, given their balanced budget goal and their protection of various parts of the budget (such as defense). How would Republican presidential candidates professing concern for the poor avoid even more draconian cuts in low-income programs, given their massive tax cuts? It will be interesting to see if any presenters at Saturday's forum step up to the plate and address this issue.

In short, observers of the forum should consider not only any new poverty ideas that the candidates offer but also whether the candidates explain how their tax and budget priorities will avoid withdrawing substantial resources from poor families and consequently making poverty more acute. This question — how their big tax cuts and other budget priorities square with their stated concern for reducing poverty — may be the real elephant in the room Saturday.

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[2] Leonard E. Burman *et al.,* "An Analysis of Donald Trump's Tax Plan," Tax Policy Center, December 22, 2015, http://taxpolicycenter.org/publications/url.cfm?ID=2000560.

[3] Leonard E. Burman *et al.,* "An Analysis of Governor Bush's Tax Plan," Tax Policy Center, December 8, 2015, http://www.taxpolicycenter.org/publications/url.cfm?ID=2000547.