

Report: Low-income households are low priority in US budget

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According to a January 27 report by the Center on Budget Policy Priorities (CBPP), the 2016 appropriations legislation enacted by Congress in December includes funding increases for non-defense programs, but the increases for social programs that benefit low or moderate income households are substantially smaller than in other areas.

Eleven subcommittees are in charge of allocating funding to non-defense programs. Two subcommittees handle the appropriations: (1) the Departments of Labor, Health and Human Services (HHS), and Education; and (2) the Departments of Transportation and Housing and Urban Development (HUD).

These two subcommittees handle more than 80 percent of the appropriations for programs that benefit low-income groups, but saw a mere 3.6 percent growth in funding, less than seven of the other subcommittees.

By contrast, the nine other subcommittees saw increases averaging 6.9 percent.

As a result, social programs benefiting low-income households continue to lack adequate funding in the midst of growing economic inequality, high rates of unemployment and stagnant or declining wages.

For example, due to cuts to HUD funding, only about 25 percent of eligible families receive low-income rental assistance. As a result of the sequestration budgetary measures implemented in 2011, state and local housing agencies cut the number of families receiving housing vouchers by about 100,000. While roughly a third of these were restored between 2014 and 2015, the final appropriations package only managed to restore a further 8,000 vouchers (earmarked for homeless veterans).

And while the president requested \$295 million to fund 25,000 new housing units for people with disabilities, the final bill only included \$38 million

aimed at reducing youth homelessness.

The low levels of funding appropriated to the Departments of Labor, Education and HHS means that funding for education for disadvantaged students was increased by only 3.1 percent (leaving the program at 10 percent below its funding level in 2010), while grants for job training grew by a mere 3.3 percent (18 percent below the 2010 figure).

Dramatic budget cuts were imposed by the Budget Control Act (BCA) of 2011, which has governed appropriations for the past five years and placed caps on funding through 2021. It also imposed a “sequestration” mechanism that substantially lowered caps in the event that legislators failed to agree on deficit-reduction measures.

The Bipartisan Budget Act of 2015, enacted by Congress in December, raised the appropriation caps set by the BCA for 2016 and 2017. The 2015 Act also increased appropriations for Overseas Contingency Operations (OCO), which is used to pay for the wars and occupations in Iraq and Afghanistan and is funded outside of the BCA caps.

The structure and priorities of the latest budget reflect the irrationality of the capitalist system. While social infrastructure crumbles in the US—seen most vividly in the widespread lead toxicity in the drinking water of Flint and other American cities—and vast sections of the population face poverty, homelessness and unemployment, the ruling class spends astounding sums on weapons and other means of destruction to support its endless wars abroad, maintain the unchallenged superiority of its armed forces, and conduct military provocations that threaten the outbreak of nuclear war.



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