



## **FACT SHEET: Stop Sequestration to Save 750,000 American Jobs and Maintain Our National Security**

In order to strengthen the economy, we need to reduce the deficit in a balanced way by cutting wasteful spending and investing in what our economy needs to grow. Working together, Democrats and Republicans in Congress have reduced the deficit by more than \$2.5 trillion, but there is more work to do. As we work towards meeting the overall goal of \$4 trillion in balanced deficit reduction, we face an urgent deadline on March 1<sup>st</sup>, when automatic, across-the-board spending cuts that will result in 750,000 job losses are scheduled to kick in.

It is imperative that we replace these automatic spending cuts with a balanced package that closes tax loopholes for the very wealthy and reduces wasteful spending. Yet Republicans have shown no interest in avoiding these job-killing cuts, choosing instead to hold the economy hostage to protect tax giveaways to special interests that we can no longer afford. We urge our Republican colleagues to avoid these self-inflicted wounds, do what is best for our economy and our national security, and work across the aisle to achieve balanced deficit reduction that does not hurt the middle class.

### **If Republicans Continue To Oppose A Sequester Fix, The Economy Will Take a Hit:**

- **750,000 people will lose their jobs.** According to the director of the nonpartisan Congressional Budget Office (CBO), sequestration would cause 750,000 job losses by the end of the year. Other independent experts project that the impact could be even worse. The Bipartisan Policy Center has estimated that the sequester will cost over 1 million jobs due to the combination of direct job losses and the ripple effects of the cuts throughout the economy. [Huffington Post, [2/13/13](#); Bipartisan Policy Center, [1/29/13](#)]
- **Economic growth would be slashed.** CBO projects that sequestration would shrink the economy by 0.6% by the end of 2013. Independent experts have projected that sequestration would shrink the economy by nearly 1% in each of the next two quarters. According to recent estimates by Moody's Analytics, sequestration would cut GDP by 0.5% over FY13, with cuts of 0.7% and 0.8% in the second and third quarter. With growth projected at about 2% for the year, these cuts would result in a 25% recovery-weakening reduction. [Moody's Analytics, [2/6/13](#); The Hill, [2/14/13](#)]
- **Small businesses would lose access to capital.** SBA loan guarantees could be cut by up to \$902 million. [White House, [2/8/13](#)]

## **If Republicans Continue To Oppose A Sequester Fix, The Middle Class Will Be Harmed:**

- **10,000 teacher jobs and 1.2 million students will be at risk.** The sequester would slash funding for Title I grants under the Elementary and Secondary Education Act, which provide financial assistance to schools with high numbers of children from low-income families to help them meet educational performance standards. [White House, [2/8/13](#)]
- **70,000 children would be kicked off Head Start.** Head Start promotes the school readiness of low-income children from birth to the age of five years-old by enhancing their cognitive, social, and emotional development. These types of early education services improve students' chances of success in school and would be jeopardized under sequestration. [White House, [2/8/13](#)]
- **More than 140,000 fewer children would receive life-saving vaccinations.** The sequester would cut funding intended to purchase and distribute vaccines for poor and uninsured children. [DPCC calculation, based on Senate Appropriations Subcommittee on Labor, Health, and Human Services, and Education, and Related Agencies, [7/25/12](#)]
- **More than 33,000 fewer women will be screened for cancer.** The sequester would cut funding for the National Breast and Cervical Cancer Early Detection Program, which helps low-income, uninsured, or underinsured women gain access to diagnostic services like clinical breast examinations, mammograms, pap tests, and pelvic examinations. [CDC, accessed [12/17/12](#); DPCC Calculations Based on Senate Appropriations Subcommittee on Labor, Health, and Human Services, and Education, and Related Agencies, [7/25/12](#)]
- **Up to 373,000 fewer Americans would receive mental health services.** The sequester would cut the Community Mental Health Services Block Grant program, which ensures that adults and children with serious mental illness have access to the treatment and counseling services they need. [White House, [2/8/13](#)]
- **2,100 fewer food inspections would take place.**
  - The across-the-board cuts under the sequester could force the FDA to conduct 2,100 fewer inspections of food facilities nationwide, which could raise the risk of safety incidents and lead to more outbreaks of foodborne illnesses like salmonella or E. coli. [White House, [2/8/13](#)]
  - The USDA's Food Safety and Inspection Service (FSIS) may have to furlough employees, which would cause a nationwide shutdown of meat and poultry plants. Furloughs and resulting shutdowns of up to 15 days could cost industry over \$10 billion in production losses, workers \$400 million in lost wages, and result in less supply and higher prices on grocery store shelves. FSIS inspectors are responsible for ensuring safe conditions at over 6,000 facilities nationwide. [White House, [2/8/13](#); FSIS, [2/4/13](#); USDA response to Senate Appropriations Committee, [2/11/13](#)]

- **Fewer federal law enforcement agents and prosecutions.** Federal law enforcement would experience a reduction in capacity equivalent to more than 1,000 agents, and the Department of Justice would prosecute 1,000 fewer cases. [White House, [2/8/13](#)]
- **Tax returns would be delayed.** Across-the-board cuts would result in furloughs at the IRS that would result in millions of taxpayers being denied assistance and slowdowns in the processing of tax returns. [White House, [2/8/13](#)]

### **If Republicans Continue To Oppose A Sequester Fix, Our National Security Will Be Impaired:**

- **Sequestration would affect Defense Department employment.**
  - In preparation for possible cuts, DoD components have started laying off civilian temporary employees, implementing a civilian hiring freeze, reducing base operating funds, and curtailing certain travel to plan for budget uncertainties. [DoD, [1/10/13](#)]
  - The Defense Department employs approximately 800,000 civilian employees. Should sequestration take effect, the majority of these employees could be subject to furlough for up to 22 days, facing pay cuts of up to 20% for almost six months. [CQ, [1/23/13](#); Secretary of Defense, [12/20/12](#); CSBA, [8/24/12](#); DoD response to Senate Appropriations Committee, [2/11/13](#)]
  - As many as 46,000 jobs could be affected by lay-offs of temporary and term employees. [DoD response to Senate Appropriations Committee, [2/11/13](#)]
- **Sequestration would harm military readiness.**
  - The seven members of the Joint Chiefs of Staff wrote a letter to SASC Chairman Levin arguing that sequestration could compromise readiness by reducing training, hampering logistics, and limiting global activities such as maritime patrols and port calls. [JCS letter, [1/14/13](#)]
  - Further actions to cope with sequestration could include reducing training and maintenance for later deploying Army units, cutting back on Navy operations in critical theaters like the Pacific, cutting Air Force flying hours below acceptable readiness standards, and making cuts to more than 2,500 investment line items, creating delays in weapons programs and increasing costs. [DoD response to Senate Appropriations Committee, [2/11/13](#)]
  - TRICARE could be short up to \$3 billion in critical funding, which would dramatically impact military families by causing denials of active-duty dependents' and retirees' elective health care services. [DoD response to Senate Appropriations Committee, [2/11/13](#)]

- **Sequestration threatens efforts to confront international threats.**

International peacekeeping operations would be cut by \$20 million, hindering efforts to stabilize the conflict in Mali and prevent the threat of extremism in the region. Funding for counterterrorism programs would be cut by \$35 million, impairing efforts to prevent loose and dangerous weapons from falling into the wrong hands. [State Department response to Senate Appropriations Committee, [2/11/13](#)]