

Top 10 Reasons Why People of Color Should Care About Sequestration

Written by Sophia Kerby

Wednesday, 27 February 2013 00:00



Thanks to congressional Republicans putting the economy in jeopardy during the debt ceiling debacle in the summer of 2011 and again in 2012, a package of automatic across-the-board spending cuts known as sequestration is set to go into effect on March 1, 2013.

Senate Democrats have proposed a balanced approach to resolve this crisis, urging congressional Republicans to avoid the damaging sequester cuts by accepting a package of more tax revenue with targeted spending cuts. But once again Republicans are threatening the economy by risking massive and harmful spending cuts that will hurt the middle class, damage the economy, kill hundreds of thousands of jobs, and harm the most economically vulnerable among us.

Sequestration will impact all Americans but will have a particularly harmful effect on communities of color, who were hit first and worst by the Great Recession and have yet to significantly feel the effects of the recovery. America's demographics are changing, and communities of color are the fastest-growing group of Americans. It is important that we invest now in these communities, as we prepare for the nation's economic future and upcoming workforce needs.

The driving focus should be on averting crises that slow the nation's economy and instead, promoting policies that help all Americans.

Below are the top 10 reasons why communities of color should pay attention to sequestration and the impact it will have in these communities:

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1. Deep cuts to long-term unemployment benefits will disproportionately affect people of color. Extended federal unemployment benefits remain vulnerable under sequestration, and the long-term unemployed—those out of work and searching for a new job for at least six months—could lose almost 10 percent of their weekly jobless benefits if the sequester cuts go into effect next week. These cuts will have a greater impact on people of color, as 10.5 percent of Latinos and a staggering 13.8 percent of blacks are unemployed, compared to only 7 percent of whites. What's more, in 2011, 40 percent of unemployed Asians, 38 percent of unemployed blacks, and 28 percent of unemployed Latinos were unemployed for more than 52 weeks.

2. Workforce development programs that are vital to communities of color such as YouthBuild and Job Corps face significant cuts. YouthBuild, a program connecting low-income youth to education and training, could be cut by about 8 percent under sequestration. Coupled with previous federal appropriation cuts in fiscal year 2011 by 37 percent, the program could see about one-third of its federal funding cut between fiscal year 2010 and fiscal year 2013. In 2010, 54 percent of YouthBuild participants were African American and 20 percent were Latino. Job Corps, an education and training program geared toward young adults, faces about \$83 million in cuts in FY 2013 under sequestration. In 2011, 72 percent of Job Corps participants were people of color.

3. Cuts to critical job-creating programs such as the Build America Bonds program are also on the chopping block. Build America Bonds, which were created in the 2009 stimulus bill, provides incentives for infrastructure investments through the tax code. Since its inception, the program has helped states and cities fund thousands of job-creating infrastructure projects at lower costs than traditional tax-exempt municipal bonds. Build America Bonds could see budget cuts of up to 7.6 percent, however, if sequestration goes through. Build America Bonds benefit all Americans, as more than \$6 billion of Build America Bonds have been issued by state and local governments in 49 states and the District of Columbia since the program started. Infrastructure investments stimulate employment in sectors that employ disproportionately high rates of workers of color, such as construction and public transit.

4. Federal budget cuts under sequestration would quickly mean cuts to federal, state, and local public-sector jobs, which disproportionately employ women and African Americans. In 2011 employed African Americans comprised 20 percent of the federal, state, and local public-sector workforce, and women were nearly 50 percent more likely than men to work in the public sector. According to the Congressional Budget Office, scheduled cuts in federal spending were the primary driving force behind slow economic growth projected for this year, meaning thousands of lost jobs and cuts to federal contractors.

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5. Early child care funding could be cut by more than \$900 million, impacting the thousands of children of color who benefit from these programs. Such cuts will mean 70,000 children will be kicked out of Head Start, a federal program that promotes the school readiness of children from low-income families from birth through age 5. Sixty percent of program participants are children of color.

6. Programs that directly help the most vulnerable families and children—such as the Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC—are threatened by sequestration. WIC serves as a supplemental food and nutrition program for low-income pregnant, breastfeeding, and postpartum women and for children under age 5. The program could be cut by \$543 million — a devastating loss to the more than 450,000 people of color who benefit from its services.

7. Federal education funding cuts will disproportionately hurt students of color. If the sequester goes into effect, nearly \$3 billion would be cut in education alone, including cuts to financial aid for college students and to programs for the most vulnerable youth—English language learners and those attending high-poverty, struggling schools—impacting 9.3 million students. Such cuts will affect key programs that receive federally funded grants such as Education for Homeless Children and Youth and federal work study. The lack of access to financial aid for people of color will further exacerbate the student debt rates in these communities. In the 2007-08 academic year, 81 percent of African-Americans and 67 percent of Latinos with a bachelor's degree graduated with student debt, compared to 64 percent of their white peers. Cutting access to these vital financial aid programs will curtail the higher education aspirations of tens of thousands of students of color.

8. Cuts to critical medical research put patients at risk. The National Institutes of Health would lose \$5 billion in medical research funding, meaning fewer research projects would be aimed at finding treatments and cures for diseases such as cancer and diabetes—both of which are among the leading causes of death for African Americans.

9. Since 2010 funding for housing has been cut by \$2.5 billion, meaning any additional cuts would significantly hurt low-income families and communities. Many housing programs such as Section 8 Housing Assistance provide vouchers to low-income families for affordable housing in the private market. In 2011 Section 8 aided more than 2 million low-income families across the country. Data from 2008 indicate that 44 percent and 23 percent of public housing recipients are African American and Latino, respectively.

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10. As the nation continues to endure a cold winter, programs such as the Low-Income Home Energy Assistance Program, or LIHEAP, which helps bring down the cost of heating for low-income households, are crucial. The Low-Income Home Energy Assistance Program, which helped about 23 million low-income people pay their winter heat bills, is in jeopardy of being cut in FY 2013. Low-income communities, which tend to disproportionately comprise of people of color, depend on such programs to make ends meet during these tough economic times.

In order to avoid significant damage to the U.S. economy and particularly to communities of color across the country congressional Republicans should agree to a balanced package to replace the sequester and its damaging cuts.

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