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FRIENDS COMMITTEE ON NATIONAL LEGISLATION

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Building a Just Economy

By most measures, the United States is a country of wealth and abundance. Yet, for many people, the U.S. economy isn't working.

Every day, people in our communities experience the frustration and indignity of struggling to pay the rent and put food on their table. They are one major expense away from insolvency, even if they are working. They may technically be part of the "middle class"—and yet still are just getting by.

Others are trying to get by on even less. One of every eight people in our country lives in poverty. One and a half million households earn less than \$2 per person per day—more than double the number from just two decades ago.

In the richest country in the world, everyone should be able to eat three meals a day, have a roof over his or her head, and access health care. In addition, everyone should have opportunities to learn, work, and grow. A just economy is built on this foundation of economic stability and opportunity.

We all contribute to this economy. Individuals seek out work or education. Entrepreneurs start businesses and run them responsibly. Charities help people who are in need. And, underpinning it all, the federal government sets sound economic policies, supports job creation, and creates programs to catch people in danger of falling through the economic cracks.

Today, these federal programs ensure basic living standards for many individuals and families facing hard times.

Before the creation of Social Security in 1935, more than half of elderly women lived in poverty. Today, fewer than 10 percent do. Programs to provide access to affordable health care (Medicaid and the State Children's Health Insurance Program for low-income families; Medicare for elderly people; the Affordable Care Act) ensure quality health coverage for millions of people. The food stamp program (now known as SNAP) helps low-income families buy groceries.

Congress needs to hear your support for programs that ensure everyone can meet their essential needs.

We still have a long ways to go toward a just economy—but Congress could make the problems worse. Congressional leaders want to change programs and policies that ensure basic living standards for tens of millions of people, keeping them from falling into, or deeper into, poverty and economic turmoil each year.

Congress is already moving to repeal the Affordable Care Act (Obamacare), which would leave as many as 30 million people without health insurance. Approximately 11 million of those people benefited from the ACA's expansion of the Medicaid program to provide health coverage for people teetering on the edge of poverty. Without the Affordable Care Act or a comparable replacement, people will delay care and people with a pre-existing condition or who are sick or disabled will be unable to find coverage. (See pg. 8)

Congress is also considering major changes to Medicaid and SNAP. This spring, we expect proposals that would fundamentally alter these programs, leading to benefit cuts and reduced effectiveness. (See pg. 4)

(continued on p. 3)

Keeping Food on the Table

People in the United States used to face the extreme hunger and severe malnutrition that we associate with the developing world. Since the late 1960s, these problems have largely disappeared. Why?

Federal nutrition assistance programs are part of the answer, especially the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps). Today, SNAP offers a lifeline to struggling families, helping 45 million people stave off hunger each year. The Census Bureau estimates that SNAP kept 4.6 million people out of poverty in 2015.

Tara Marks knows first-hand how this kind of help makes a difference.

Tara used to skip meals so that her young son would have enough to eat. Then she began getting help from federal programs, including SNAP. This assistance helped her gain some stability in her life.

As she told the Senate Budget Committee, “I was able to lift [my son] Nathan and myself out of poverty by finishing school. SNAP was a critical factor in my success. Having SNAP benefits allowed me to focus energy on school so that I could support us. I am no longer stressed over purchasing food.” Today, Tara is studying to be a lawyer.



*Tara Marks shares how SNAP helped lift her out of poverty.
Photo: Laura Elizabeth Pohl/Bread for the World*

Despite what the program's critics would have us believe, SNAP benefits are modest, averaging \$4.25 per person per day. Most recipients are either working or unable to work due to age or disability. On average, families stay on the program for nine months, just enough time to get back on their feet.

We should be talking about how to learn from and strengthen programs like SNAP, not how to cut them.

The program helps people eat today, but it also has a lasting impact, especially for children. Hunger can prevent children from concentrating and can lead to misbehavior and poor health. Children who receive SNAP do better in school, have higher graduation and college attendance rates, earn more, and have better health as adults, when compared with low-income children who don't receive that benefit.

SNAP's structure make it effective. As a federal entitlement program, SNAP expands or contracts depending on who needs the benefit. In an economic downturn, the program is there to support people who are newly struggling—with no congressional action needed. SNAP benefits help the economy, since people spend the money quickly and in their local communities. The program is also efficient: approximately 93 percent of its funding goes toward food.

Private charities and state programs also help address hunger. But they can't take the place of a federal safety net. The private assistance from every church and private charity adds up to just five percent of the federal government's food assistance.

Effective programs like SNAP are successfully addressing a persistent social challenge. They are helping millions of people like Tara Marks and her son every day. As a nation, we should be talking about to learn from and strengthen these programs, not how to cut them. [f](#)

Tara Marks' story first appeared on the Circle of Protection website at circleofprotection.us

IN MEMORIAM: David Culp

FCNL's nuclear disarmament lobbyist David Culp passed away in early February. Our community is mourning the loss of a colleague and friend whose passion and leadership was second to none.

We invite you to share your memories and read others' stories of David's life and work: fcnl.org/davidculp



Safety Net (from p. 1)


At one level, these debates are about the particulars of these programs, how much they cost, and how well they work. At another, they are about the role of government itself.

The U.S. government should pursue just policies that allow everyone in our country to reach his or her full potential and contribute to our society. When people are hungry and can't get food, when they are sick and can't see a doctor, when they need shelter but can't afford a place to live, justice remains undone.

The federal government has a responsibility to help. Private charities and churches can't create a national safety net alone. State and local governments don't have the resources to ensure that everyone in the country is taken care of. The federal government's role is critical—and if it erodes now, it will be very difficult for this country to recover.

The good news is that Congress can protect and even strengthen the federal government's commitment to providing people in economic distress a basic standard of living and a secure economic foundation for us all.

FCNL lobbyists are making the case with members of Congress, but our elected leaders need to hear your voice too. They need to hear strong public support for federal programs that help people with low incomes meet their most basic needs. They need to hear your stories: have you or someone you know been helped by federal programs? How do these services benefit your community?

Our country's wealth and abundance can go to support our communities, prevent people from falling deeper into poverty, and give everyone a foundation for opportunity. How our government helps people who are in need is a measure of our nation's character, our moral grounding, and our commitment to justice for all. 

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Race and Economic Justice

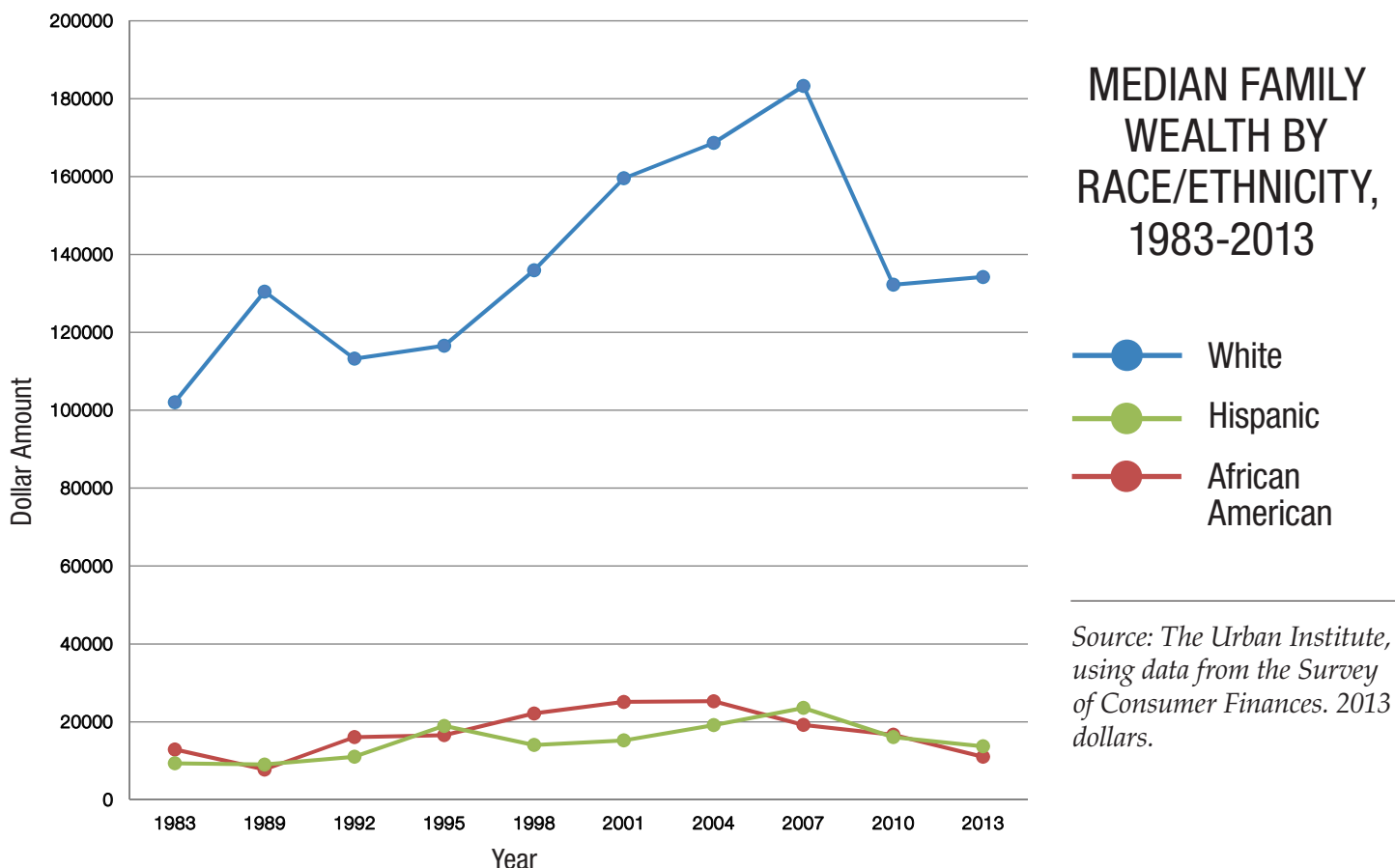
Police violence against people of color in the U.S. has become a visible and widely understood problem. Social media and cell phone cameras have made it hard to ignore the institutional racism long present in U.S. policing.

Yet people of color also face more insidious discrimination and harm, less easy to capture on video. The graphs, charts, and Census data that illustrate our country's racial economic gap don't always elicit strong emotions. Yet each data point is the story of a life lived under the shadow of inequality.

People of color have often been excluded—explicitly or implicitly—from the paths to economic prosperity in our country. These systemic disparities are also a factor in why people of color disproportionately live in poverty, when compared to white Americans. The lack of economic opportunity and stability for families of color is its own form of violence, denying people the opportunity to fulfill their potential.

Here are three of the many factors that contribute to these disparities.

- » **Inequalities in home ownership.** Buying a home is a common way for families to build up assets for the future. Yet home ownership rates for African-American and Hispanic families lag behind those of white families, in part due to a discriminatory practice called “red-lining.” Under this system, put forward by the Federal Housing Authority in the 1930s, entire inner-city neighborhoods were deemed too risky for lenders. The residents, primarily people of color, were automatically rejected for loans. This practice led to segregated, underinvested city neighborhoods and low rates of home ownership among the people who lived there. Red-lining has been illegal since the 1970s, yet even today, lenders frequently offer less desirable or more risky loans to African-American and Hispanic families.
- » **Inequalities in education.** Education is a pathway to economic and social mobility. For people of color in the United States, this opportunity has often been deliberately limited. Following the Supreme Court's 1954 *Brown v. Board of Education* decision, some states shut down public





SPRING LOBBY WEEKEND 2017

CONSTRUCTING AN ECONOMIC SYSTEM THAT BENEFITS ALL

The U.S. is a wealthy nation. Yet our economic system is stacked against the majority of people in this country, particularly people living in poverty, communities of color, and recent immigrants.

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- » Lobby 3 members of Congress and/or their staff

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schools rather than integrate them, diverting money to pay private school tuition for white students. While segregated schools are illegal, in practice minority students living in poor neighborhoods often attend the most poorly resourced schools. In today's economy, as manufacturing jobs disappear and high-skilled jobs are in demand, quality education is more important than ever, yet for many students it remains out of reach.

- » **Inequalities in the criminal justice system.** African Americans are six times more likely than whites to be incarcerated

in their lifetime. Incarceration has enormous economic repercussions for individuals, families, and communities. A prison sentence takes away the earning power of the person incarcerated, preventing them from contributing to their family's income. Returning citizens leaving prison often have trouble finding a job, yet are denied access to assistance programs that could help them get back on their feet. [f](#)



Meet Amelia Kegan

Amelia heads FCNL's domestic lobbying program and advocates on issues including poverty, income inequality, and health care. Find out more about her work: fcnl.org/amelia

Block Grants Cut Holes in the Safety Net

Congress is considering detrimental and long-lasting changes to the ways our society helps people with low incomes pay for food, medical care, and other necessities.

Administration and congressional leaders want to give states more autonomy in how they run the SNAP (food stamp) and Medicaid programs. They propose giving states yearly lump sums, known as block grants, to address hunger and poverty, rather than providing federally guaranteed assistance to low-income individuals and families.

Turning entitlement programs into block grants is a bad idea. Replacing essential elements of the safety net with block grant programs steps our country back from a national commitment to care for and support those who are struggling in our communities.

Here are three reasons why this change makes it more difficult for people to get help:

1) When the economy sours, people who need help may not be able to get it. Funding for safety net programs is intentionally flexible so that it can respond to economic shifts. If a recession hits and more people qualify for assistance, funding automatically increases to compensate.

In contrast, block grants are based on past economic indicators, not current on-the-ground realities. If need suddenly increases, states may not have the budget to help everyone who qualifies. At the very time that more people need assistance, states have to cut back, leaving families without the support that could help them get back on their feet.

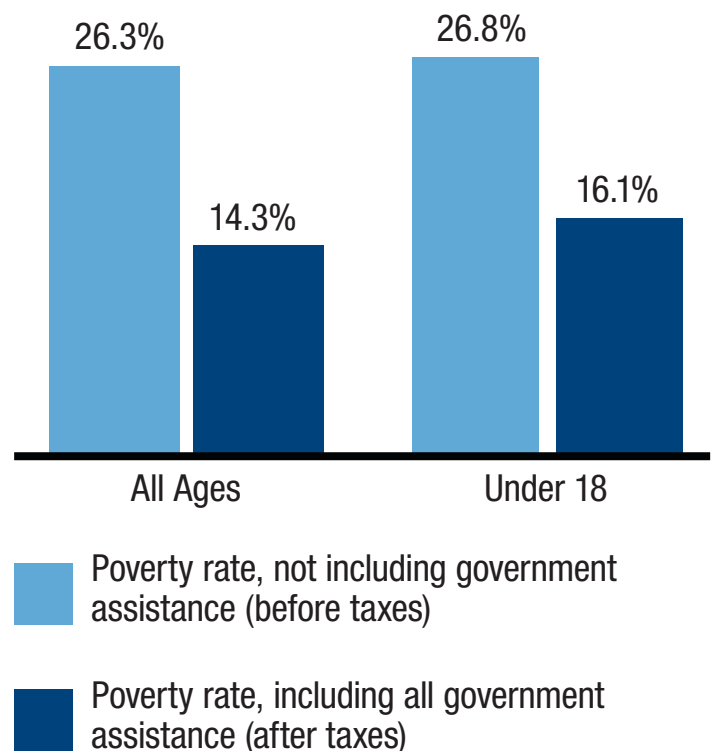
2) The help someone gets depends on where they live. Block grants shift decision-making power to states, often letting them determine who is eligible for assistance and how much those people receive. This shift leads to geographic disparities in who receives help. It shouldn't matter if someone is struggling to feed their children in Texas, Iowa, or Florida: they should be able to access reliable support.

3) Block grants create incentives for states to help fewer people. If states have money left over in their

block grant, they often can spend it on other priorities. This gives states incentives to restrict eligibility, freeing up money for programs that don't necessarily benefit people with low incomes.

Members of Congress are considering fundamental changes to programs that ensure that basic living standards are in reach for everyone. They need to hear from you. This is an opportunity to affirm the value of federal initiatives that enable low-income families and vulnerable populations to put food on the table, access health care, live with dignity, and have opportunities for economic mobility. Programs such as SNAP and Medicaid can be improved. They should not, however, be dismantled—and that is what replacing them with block grant programs would begin to do. [f](#)

SAFETY NET PROGRAMS REDUCE POVERTY BY HALF



Source: Center on Budget and Policy Priorities analysis of Census Bureau data from the Supplemental Poverty Measure. Data is for 2015. Includes SNAP, Social Security, SSI, tax credits for working families, rent subsidies.

Health Care (from p. 8)

care without affordable coverage. Younger and healthier people chose bare-bones coverage or opted out entirely, further driving up costs for everyone else.

Where We Are Now

The 2010 Affordable Care Act has helped address these issues. Today, more people are able to get coverage through Medicaid, it is less expensive for many to buy insurance, and insurance companies can't deny coverage based on pre-existing conditions.

Fewer people today are living without health insurance than at any time in our country's history. More than 16 million people who were previously uninsured now have coverage. The ACA's emphasis on comprehensive and preventive care has slowed the growth of health care costs to the lowest rate in 50 years.

While the U.S. health care system is far from perfect, federal programs are critical to help tens of millions of people receive necessary medical care. Proposals to repeal the ACA without an adequate replacement would unravel this progress.

Repeal of the ACA could cause as many as 30 million people to lose health insurance. It is dangerous and irresponsible to repeal this legislation without an alternative in place to ensure the benefits of the legislation aren't lost.

Yet many of the alternatives touted by congressional leaders would have the opposite effect, making coverage less accessible for vulnerable individuals and essentially creating a two-tiered health care system.

» **Expanding health savings accounts** would allow people to save and invest money, tax free, to pay for medical care. These accounts would not help low-income families who cannot afford to set money aside or who don't pay federal taxes in the first place.

» **Reinstituting and expanding high risk pools.** Before the ACA, states created "high risk pools" to offer insurance to people denied private coverage due to illness or pre-existing conditions. These plans were very expensive, both for states and individuals, and in practice led to long wait lists, meager benefits, and high premiums.


» **Allowing insurers to sell plans across state lines** could lead to a "race to the bottom" as insurers congregated in states with weaker regulations. Giving younger, healthier people more options for low-cost, bare-bones plans could price sicker individuals out of the market.

» **Changing Medicaid funding.** See page 6.

The stakes in the health care debate are high. Congress is considering changes that would affect millions of people. These changes would also weaken the fabric of our society as a whole.

Ensuring access to affordable, quality health care is the very definition of a public good—a service that can't be adequately provided by private interests but that is necessary to benefit everyone. Today, the U.S. government's role in providing these public goods is under question.

Members of Congress need to hear your support for health care access, but they also need to know that you believe the U.S. government should be providing services to ensure that everyone can meet their basic needs.

Already, constituent pressure has delayed action on repeal of the ACA. We need to keep up that advocacy in the months ahead, to protect access to affordable health care for all. 



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Washington Newsletter No. 778, February 2017

Protecting Health Care for All

Affordable health care should be available to everyone. Yet congressional leaders propose to dismantle the network of federal programs that defray health care costs for millions of families, including some of the most vulnerable people in our communities. Congress needs to hear strong and sustained constituent voices supporting U.S. efforts to ensure access to affordable, quality health care.

The U.S. Government's Role

Since 1965, when Congress created Medicaid and Medicare, government health care programs have made a huge difference in the health and incomes of people who qualify for them.

Yet programs crafted around narrow eligibility requirements aren't sufficient to ensure access to care for everyone. As one example, states have enormous flexibility over their Medicaid programs. In Texas, a family with two children can get Medicaid coverage only if they earn less than \$4,326 a year. In some states, most adults without children can't get help through Medicaid, no matter what their income. The federal government needs to play a role in

establishing a consistent baseline of coverage and access to care.

By the 2000s, many people in the U.S. faced barriers to health care coverage. Growing health care costs made coverage unaffordable to many. More employers chose not to offer health insurance to their workers. Many health insurance companies denied coverage to people with "pre-existing conditions"—leaving the very people who most needed

(continued on p. 7)

YOUR ADVOCACY IS WORKING

Members of Congress are backing away from immediate repeal of the Affordable Care Act because of phone calls, emails, and advocacy from people like you. **But we can't let up now.**

Get the latest on efforts to protect affordable health care and how you can take effective action fcn.org/healthcare