

Community Health Councils, Inc.



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October 24, 2011

The Honorable Patty Murray
Co-chair
Joint Select Committee on Deficit Reduction
United States Senate
Washington, DC 20510

The Honorable Jeb Hensarling
Co-chair
Joint Select Committee on Deficit Reduction
US House of Representatives
Washington, DC 20515

Dear Congressmembers Murray and Hensarling,

We recognize that our nation is in crisis and that you are tasked with providing leadership to navigate the often conflicting financial interests of different segments of our society and respond to the growing national debt and failing global economy. The Joint Select Committee's Deficit Reduction Plan and public policy recommendations must be grounded in a set of clear, sound, just and evidence-based economic and social principles. Community Health Councils and the 28 undersigned organizations would like to take this opportunity to offer four recommendations to guide the deficit reduction discussions and put the nation and all Americans on the path to financial security.

Community Health Councils (CHC) is a non-profit community-based health promotion, advocacy, and policy organization in South Los Angeles, a region with approximately one million residents with the highest morbidity and mortality rates in the nation. CHC is dedicated to improving health and increasing access to quality healthcare for uninsured, under-resourced, and underserved populations in California and across the nation. We understand the daunting task Joint Committee members face in crafting a proposal that identifies \$1.5 trillion in savings. However, a "cuts only" approach has far-reaching economic impact for local and state economies, the private sector, small businesses, the financial stability of working families, and our senior citizens, and will prevent Americans from going back to work. Continued investment in our "social infrastructure" is critical in combating a poverty rate of 15.1 percent and unemployment rates expected to exceed 8 percent through the end of 2014.¹

The nation's top economic analysts have concluded that two main factors account for almost half of the nation's \$14 trillion deficit: 1) the series of tax cuts for corporations and the wealthiest Americans that were enacted in 2001 and 2003; and 2) the wars in Iraq and Afghanistan.² Recognizing the difficult decisions the committee must make in a very short time, we ask that you not repeat the mistakes of the past. We urge you to address our nation's deficit by:

1. ***Taking a Balanced Approach that Includes Revenue Increases and Eliminates Costly Tax Entitlements:*** In 2011, nearly \$1 trillion in cuts were made to public programs. In contrast, every year the US forgoes \$20 billion in revenues as a result

¹ Center on Budget and Policy Priorities. Poverty Rate Second-Highest in 45 Years: Record numbers lacked health insurance lived in deep poverty. September 2011.

² Center on Budget and Policy Priorities. Economic Downturn and Bush Policies Continue to Drive Large Projected Deficits. May 2011.

of tax and accounting loopholes and tax inequalities.³ These costly entitlements undermine our nation's economic viability, fail to generate job creation or the increased spending needed at this critical time. A recent Gallup poll showed that 70% favored eliminating certain tax deductions and 66% favored increasing income taxes on the wealthiest 2%.⁴ Your recommendations must eliminate unnecessary tax exemptions for corporations and the wealthiest individuals.

2. ***Investing in Strategies that Lift Children and Families Out of Poverty:*** With more than 22 percent (16 million) children in the US living in poverty,⁵ federally-supported programs like Medicaid, Medicare, the Supplemental Nutritional Assistance Program, the Low Income Rental Assistance program, Head Start and the Women, Infants and Children Program help families meet their basic human needs and fuel local economies. In 2010 alone, millions of Americans were able to stay above the poverty line because they received unemployment benefits (3.2 million), Social Security (20.3 million), Supplemental Nutrition Assistance Program (3.9 million), or Earned Income Tax Credits (5.4 million). In addition a stronger investment in our nation's public education system prevents poverty and prepares the workforce to compete in a global economy. This investment in our nation's "social infrastructure" helps put children and families back on the path to economic recovery, generates jobs, small business development and ultimately results in a return on the investment through payroll and tax revenue. Any cuts to social programs should be limited to reducing costs and improving the quality of programs without reducing or capping benefits and services.
3. ***Creating Job Growth and Preventing Further Job Loss:*** While our national unemployment rate is 9%, the Economic Policy Institute found that roughly 31% of all US workers experienced unemployment or underemployment at some point in 2009. African-American and Hispanic workers experienced higher rates at 36% and 41%, respectively.⁶ This represents a loss of human capital, spending power and significant tax base. Congress should "reinvest in America" and stimulate job creation through strategies such as funding public infrastructure projects and providing tax credits for small businesses that hire new employees, particularly unemployed workers.
4. ***Protecting the Health of Communities:*** Chronic disease and preventable illnesses account for 75 cents of each healthcare dollar spent in the US, and persistently reign as the leading causes of death. The obesity epidemic alone is expected to shorten the life expectancy of the next generation and increase medical costs by an additional \$66 billion per year by 2030 — over half of which would be borne by the Medicare program. The rise in preventable illnesses is largely associated with the social and environmental conditions in which millions of Americans live and work. Many of these risk factors can be traced back to the deregulation and unregulated industry and sectors of our society and the lack of investment in our infrastructure including safe schools, parks and streets. There are no clearer examples of the preventable massive devastation and loss of life that results from the lack of investment in infrastructure than Hurricane Katrina. This is also evidenced by the impact of climate change on the agricultural industry and cost of food on grocery shelves. Building healthier communities is key to the nation's health and economic recovery. Any critique of federal regulations on areas such as the environment, manufacturing, food and transportation safety must be

³ Institute for Policy Studies. Executive Excess 2011: The Massive CEO Rewards for Tax Dodging. August 2011.

⁴ Gallup Poll. American Favor Jobs Plan Proposal, Including Taxing Rich. September 20, 2011.

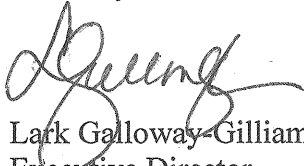
⁵ US Census Bureau. Income, Poverty, and Health Insurance Coverage in the United States: 2010. September 2011.

⁶ Economic Policy Institute. Sustained, high jobloss causes lasting damages to wages, benefits, income and wealth. August 2011.

based on a cost-benefit analysis at the societal level and not simply industry profit margins. Deficit reduction must include an unwavering commitment to and investment in disease prevention, responsible economic development and the creation of sustainable communities.

We commend you for taking on this task of providing solutions to our nation's deficit and moving America back on the path of prosperity. We hope you will look to CHC and our coalitions as a resource during your continued deficit reduction negotiations. Should you require additional information or have any questions, please feel free to contact Sonya Vasquez, Policy Director, at 323.295.9372 ext. 235.

Sincerely,



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Community Health Councils

On Behalf of:

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cc: President Barack Obama
Representative Xavier Becerra
Representative Dave Camp
Representative James Clyburn
Representative Chris Van Hollen
Representative Fred Upton
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Senator John Kerry
Senator Rob Portman
Senator Pat Toomey