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Fact Sheet

The Consequences of Sequestration

March 2013

The **2013 Sequestration** refers to far-reaching, across-the-board budget cuts triggered by the Budget Control Act of 2011. Because of Congress's inability to replace the legislation prior to the March 1, 2013, deadline, defense and domestic programs face \$85 billion in cuts this year.

Congress is considering a number of proposals to eliminate sequestration for the remainder of this fiscal year. However, some members of Congress are proposing to eliminate cuts only to defense programs. This places the burden of closing the fiscal gap on programs such as Women, Infants, and Children (WIC); poverty-focused development assistance (PFDA); and other initiatives that provide nutrition and help lift people out of poverty.

Sequestration Basics

- ❖ Sequestration will implement across-the-board cuts, totaling \$1.2 trillion through fiscal year 2021, including a 5.3 percent cut (\$85 billion) for the remainder of 2013.
- ❖ By design, sequestration cuts will be split evenly between defense and nondefense programs. Both mandatory and discretionary spending are subject to sequestration.¹
- ❖ Some programs are exempt, notably the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) and Medicaid.

Sequestration: International Consequences

- A 5.3 percent cut will reduce poverty-focused development assistance (PFDA) by \$1 billion. Some consequences include the following:
 - **2.1 million people** will experience reductions of or be denied access to lifesaving food aid.
 - **234,000 children** will experience reductions from or be denied access to school feeding programs administered through the McGovern-Dole program.
 - **605,625 fewer children** will receive nutritional interventions that save lives and prevent irreversible damage caused by malnutrition.

YOUR VOICE IS VITAL

Unless Congress acts, the across-the-board cuts triggered by sequestration will harm hungry and poor people in the United States and abroad. **But it's not too late to avoid the worst effects!**

Call your representative and senators (800-826-3688) and urge them to support programs for hungry and poor people.

Ask them to take the following actions:

1. Develop a bipartisan, balanced approach to deficit reduction.
2. Oppose shifting cuts from defense programs to programs that provide nutrition and help lift people out of poverty.
3. Bridge the budget gap with **smart** spending cuts and new revenues—putting the nation on a sustainable path while maintaining our commitment to reducing hunger and poverty.

Congress needs to hear from you.



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- **1.17 million fewer farmers and small businesses** in poor countries will receive support from Feed the Future, which now helps them improve their sources of income and lift themselves and their communities out of poverty.
- PFDA also supports U.S. trade and U.S. jobs by strengthening emerging markets and consumers:
 - By helping developing countries improve their economic performance, PFDA programs are establishing future trade partners and markets for U.S. exports.
 - For every 10 percent increase in U.S. exports, the number of U.S. jobs increases by 7 percent.

Sequestration: Domestic Consequences

- A 5.3 percent cut will hurt low-income individuals and families by cutting funds from nutrition, childcare, education, and housing programs. Some consequences include the following:
 - **600,000 women and children** will lose nutrition aid from the Women, Infants, and Children (WIC).
 - **70,000 children** will be denied Head Start.
 - **30,000 children** will be denied affordable childcare.
 - **125,000 individuals and families** will experience reductions or losses in rental vouchers from the House Choice Voucher program.
 - **4 million fewer meals** will be served to seniors by programs such as Meals on Wheels.
- Sequestration cuts will reduce growth of the U.S. Gross Domestic Product, and they will jeopardize the nation's fragile economic recovery:
 - **700,000 U.S. workers will lose their jobs.**
 - U.S. economic growth will be **reduced by nearly one-third** in 2013.

For more information about the federal budget and hunger, visit www.bread.org/budget.

Endnotes

¹ Mandatory spending is spending required by law for programs including but not limited to Social Security, Medicare, Medicaid, and veterans' benefits. Discretionary spending is determined on an annual basis at the discretion of Congress; spending includes, but is not limited to, funding for defense, education, infrastructure, scientific research, and many programs aiding low-income individuals and families.



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