

White House aides defend Obama budget proposal

Written by Maya Rhodan NNPA Washington Correspondent
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WASHINGTON (NNPA) – President Obama's fiscal year 2014 budget focuses on job creation, strengthening the middle class, and cutting the deficit.

Those are the overall themes of the proposed budget, which seeks to reduce the deficit by \$4 billion, President Obama sticks with his State of the Union promises to raise the minimum wage to \$9 an hour and increase access to early childhood education. Yet, along with favoring higher taxes on the wealthiest Americans, the president's budget calls for reducing the cost-of-living adjustment for Social Security beneficiaries.

According to the White House, key points from the budget include:

- Reduction of the deficit by \$1.8 trillion over 10 years, bringing total deficit reduction achieved to \$4.3 trillion;
- Achieving \$2 in spending cuts for every \$1 of new revenue by closing tax loopholes and reducing tax benefits for the wealthiest;
- \$400 billion in health savings that crack down on waste and fraud to strengthen Medicare for years to come and
- Job creation through investment in education, manufacturing, clean energy, small business, and infrastructure.

The budget has been met with resistance from both sides of the aisle, with Republican leaders such as Sen. Paul Ryan (R-Wisc.) calling the budget a missed opportunity that "merely ratifies the status quo."

Democratic members of Congress have been angered by Obama's approach to Social Security, a change that he says could result in \$230 billion in deficit reduction.

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combat, and women will be extremely disappointed if President Obama caves into the long standing Republican effort to cut Social Security and benefits for disabled veterans and their survivors through a so-called chained CPI," Sen. Bernie Sanders (D-Ver.) said in a statement.

The Obama proposal would change the way federal benefits are indexed from the Consumer Price Index (CPI) to the "chained" CPI, a different way of indexing living costs that will result in reduced benefit payments to Social Security recipients.

In 2008, candidate Barack Obama told the American people that he would not cut Social Security. Having him go back on his word will only add to the rampant political cynicism that our country is experiencing today."

In a statement, Sen. Nancy Pelosi showed support for the president's move, saying, "The President has made it clear that this proposal is in furtherance of his efforts to achieve compromise with Republicans and demonstrates that he is willing to make tough decisions to reduce the deficit."

But, how do these decisions help or harm the African American community?

Faced with a staggering unemployment rate of 13.3 percent as of March 2013 and nearly 30 percent of Blacks living in poverty, the Black community that was hard hit by the Great Recession and has yet to make a substantial recovery.

What will the fiscal year 2014 budget do to help members of the Black community recover?

White House leadership sought to answer that question during a with select reporters last Thursday.

They argued that major investments in education, particularly early childhood, will have a major African Americans.

Innovations in K-12, a redesign of high school, an improvement on college affordability, and an improvement of higher education for minority students make up more than \$1 billion of the president's proposed budget.

"The budget makes sure we make balanced cuts without hurting the most vulnerable Americans," said Valerie Jarrett, senior adviser to the president, on the call. "Although we've seen the African American unemployment rate drop from its peak in 2011, we all know we still have more to do to help families and provide opportunities for Americans who have been fighting to receive a job."

Although many of the budget proposals that target the African American community are focused on education, there are a number that also help American workers including an \$8 billion investment in a Community College to Career fund, a \$12.5 billion Pathways to Work fund that helps worker gain skills for long-term employment, and a \$4 billion reemployment program that funds strategies to help the long-term unemployed get jobs.

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"The president is not going to be satisfied until every American who wants a job can get one," Jarrett said on the call. "That's his North Star. That's what he thinks about every morning and that's what he challenges his staff to do every day."

Jobs have been the focus of the Obama presidency since he first took office in 2009 when 2.5 million jobs were lost during his first four months in office. Four months into his second term, the economy is adding, on average, 169,000 jobs every month.

The budget also provides \$40 million to the Department of Justice prison re-entry programs, including substance abuse treatment programs and alternatives to prison.

Another \$90 million is set aside to provide employment services to youth ex-offenders, which are proposed to include job training, counseling, and drug treatment.

Another impact the budget could have on Black families is a significant investment in infrastructure and transportation—\$90 billion in total—that will spur job creation and improve downtrodden communities.

Cecilia Muñoz, Director of the Domestic Policy Council, said the president is creating "ladders of opportunity" for those in neighborhoods who are striving to reach the middle class, referring to a phrase Obama used during his State of the Union address.

"We're partnering with the hardest hit, highest poverty neighborhoods to be able to work with communities to help them grow," Muñoz added.

The president's budget has been met with criticism over his proposal change the way cost-of-living adjustment are calculated for Social Security recipients. The new approach to inflation would not be applied to Pell Grant recipients, low-income veterans, nor would it be used in poverty level programs.

"It's not something that was previously put in," explained Gene Sperling, the director of the National Economic Council, who was also on the call. "This is not an ideal budget proposal, but it's a part of the compromise to turn off sequester."