

Kids' Share 2012: Federal Expenditures on Children in 2011



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Outline of Talk

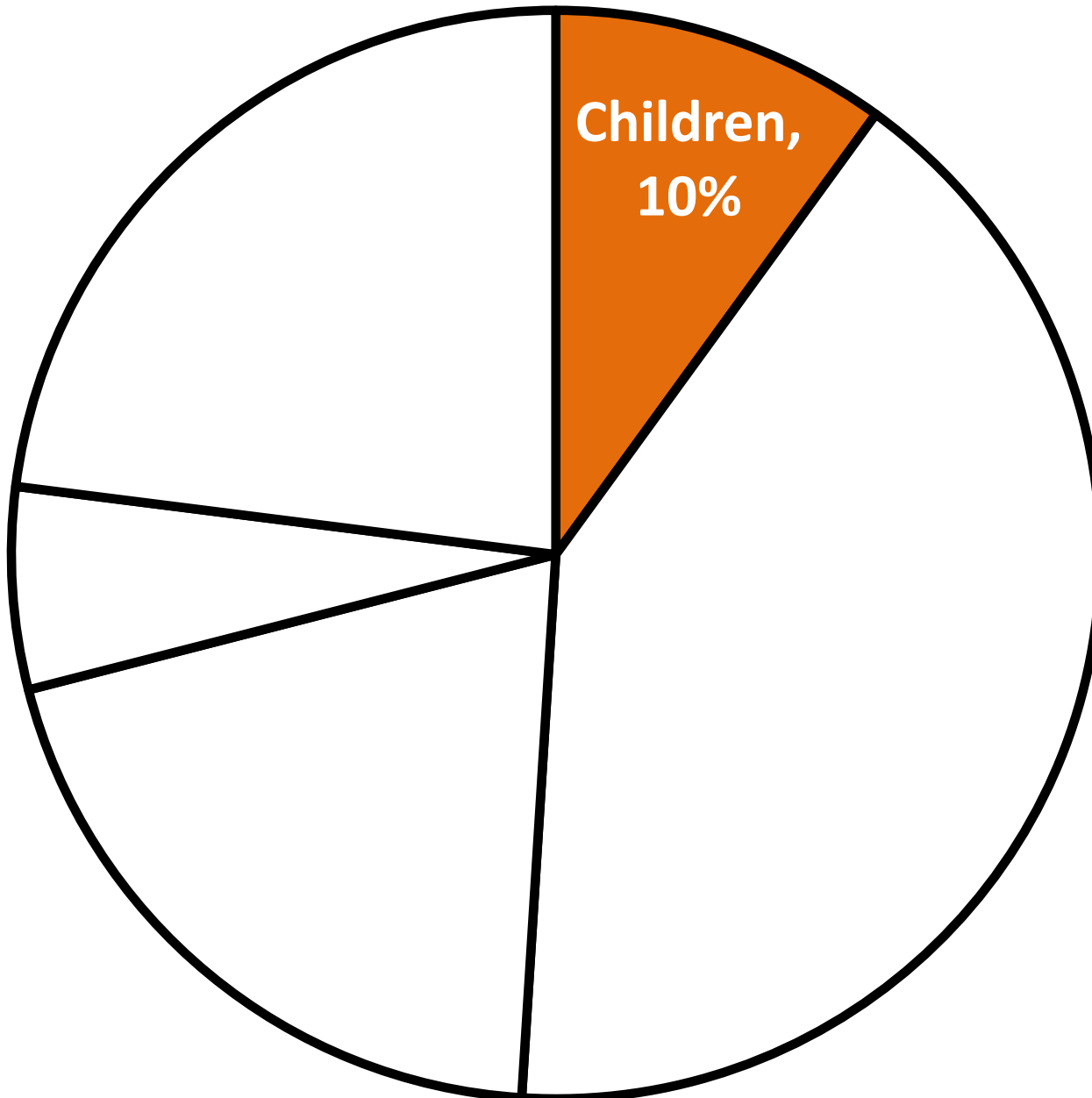


- *Kids Share* overview:
 - What counts as federal spending on children & what are major components?
 - What is the Kids Share of the federal budget?
- What is new in 2011?
 - Federal declines in spending
 - State/local context
- Future trends
 - Effects of budget reform packages

We examine dozens of programs and tax provisions, but TEN account for 75% of federal expenditures on children

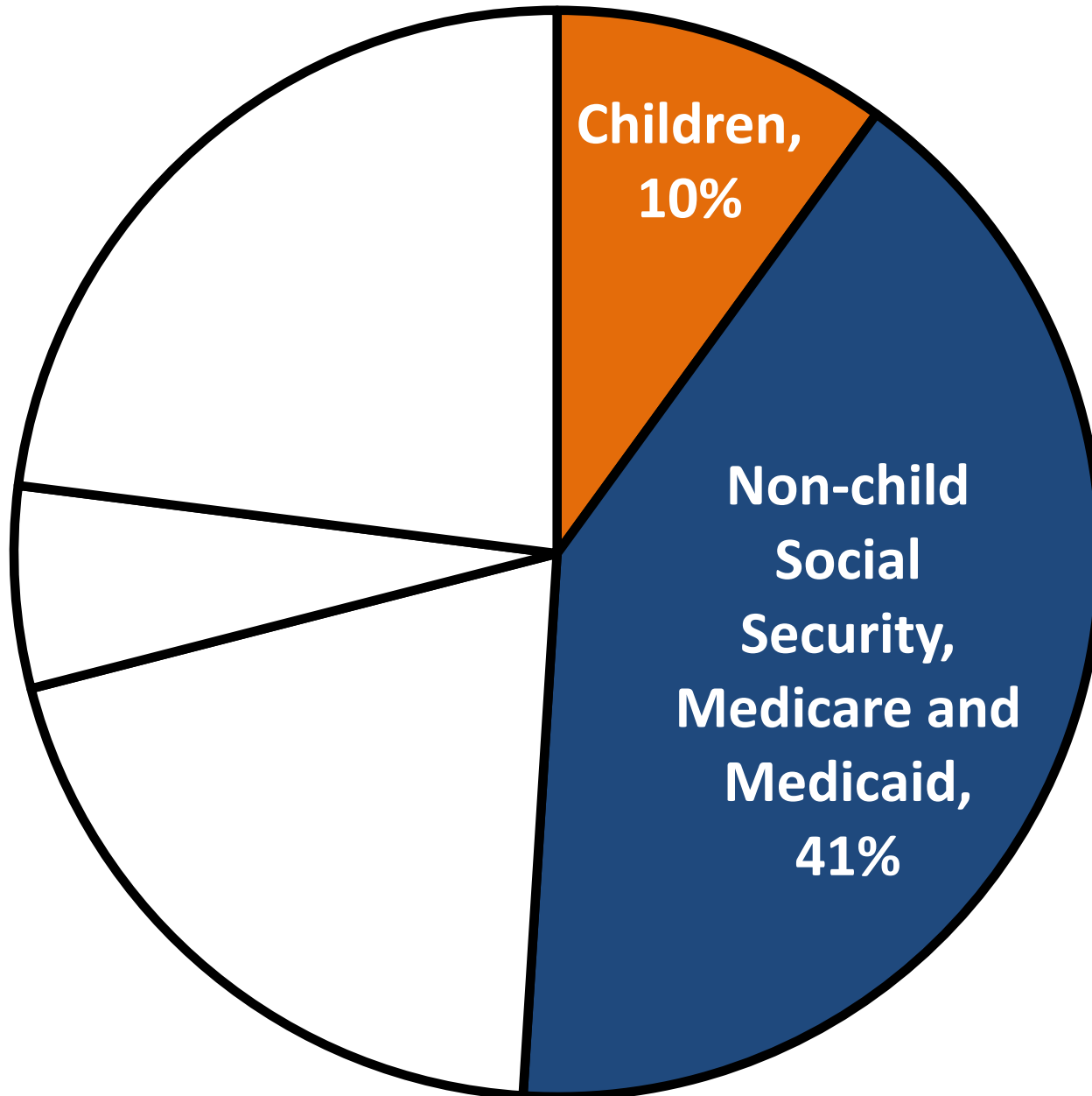
1. Medicaid (the largest, estimated \$74 billion, ¼ program)
2. Earned income tax credit
3. Child tax credit
4. Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)
5. Dependent exemption
6. Social Security
7. Title I/Education for Disadvantaged
8. Child Nutrition
9. Special Education
10. TANF (Not in top 10 last year)

Kids' Share of Federal Budget: 10%



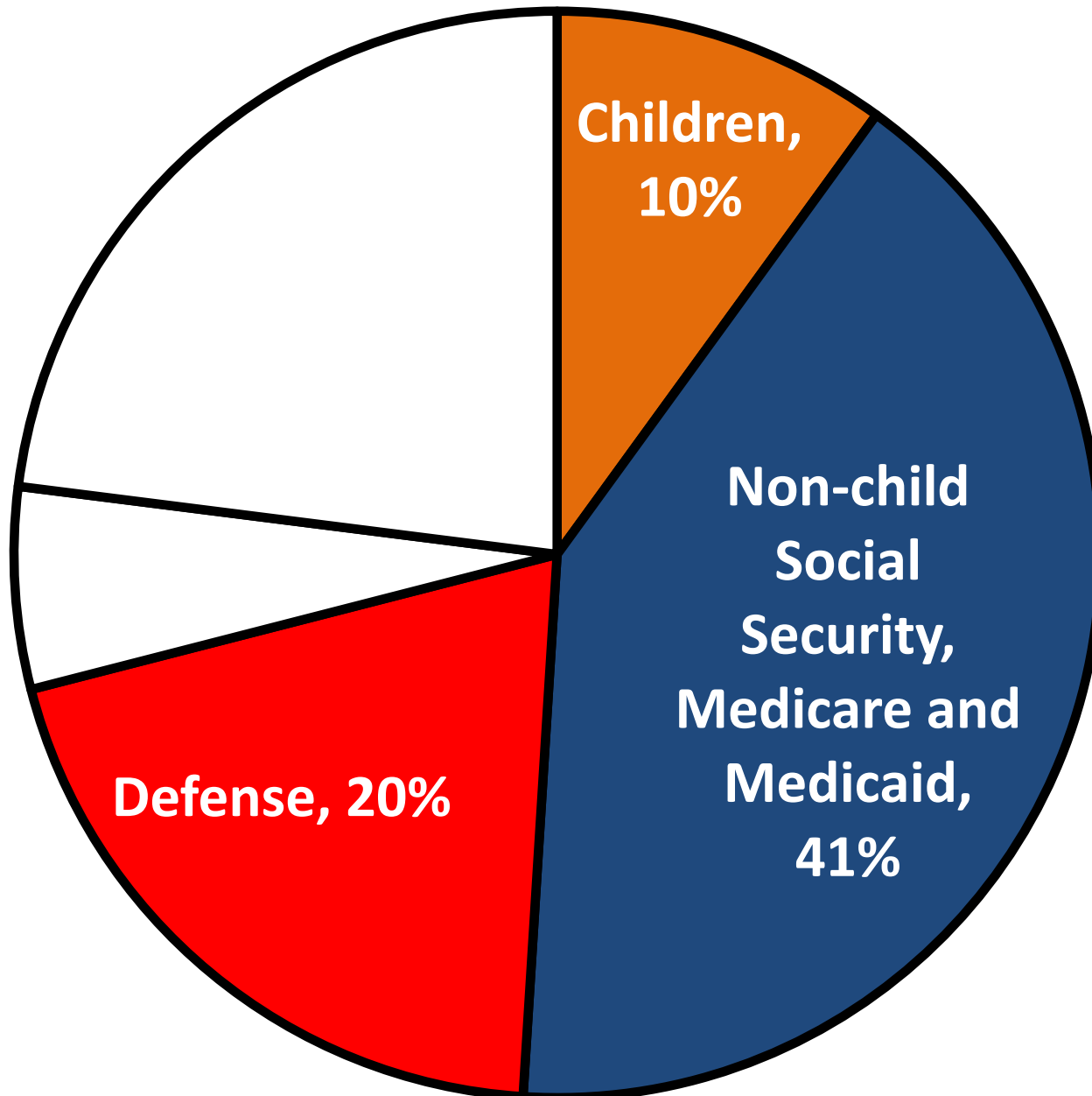
Source: Urban Institute, 2012

Kids' Share of Federal Budget: 10%



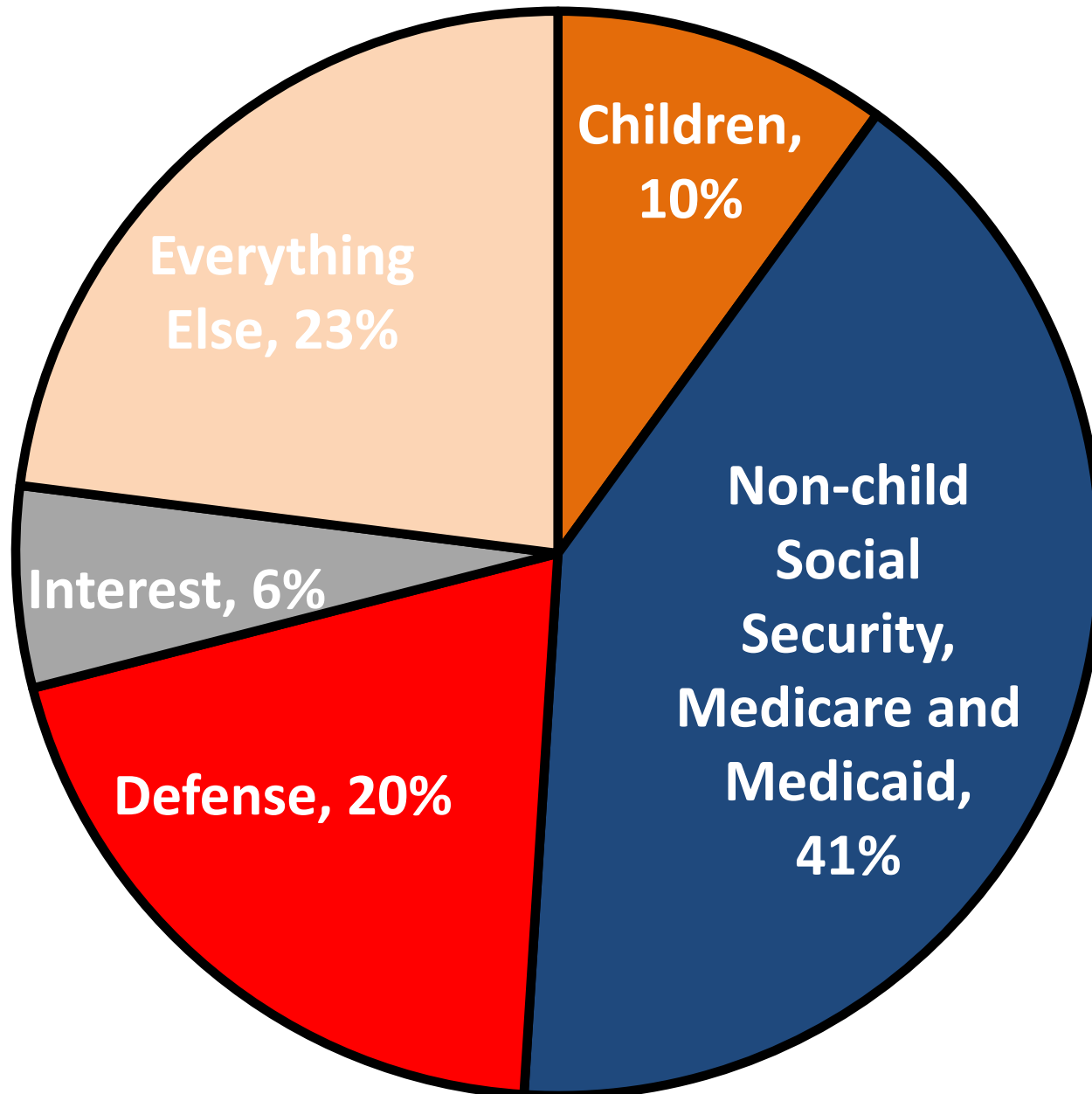
Source: Urban Institute, 2012

Kids' Share of Federal Budget: 10%



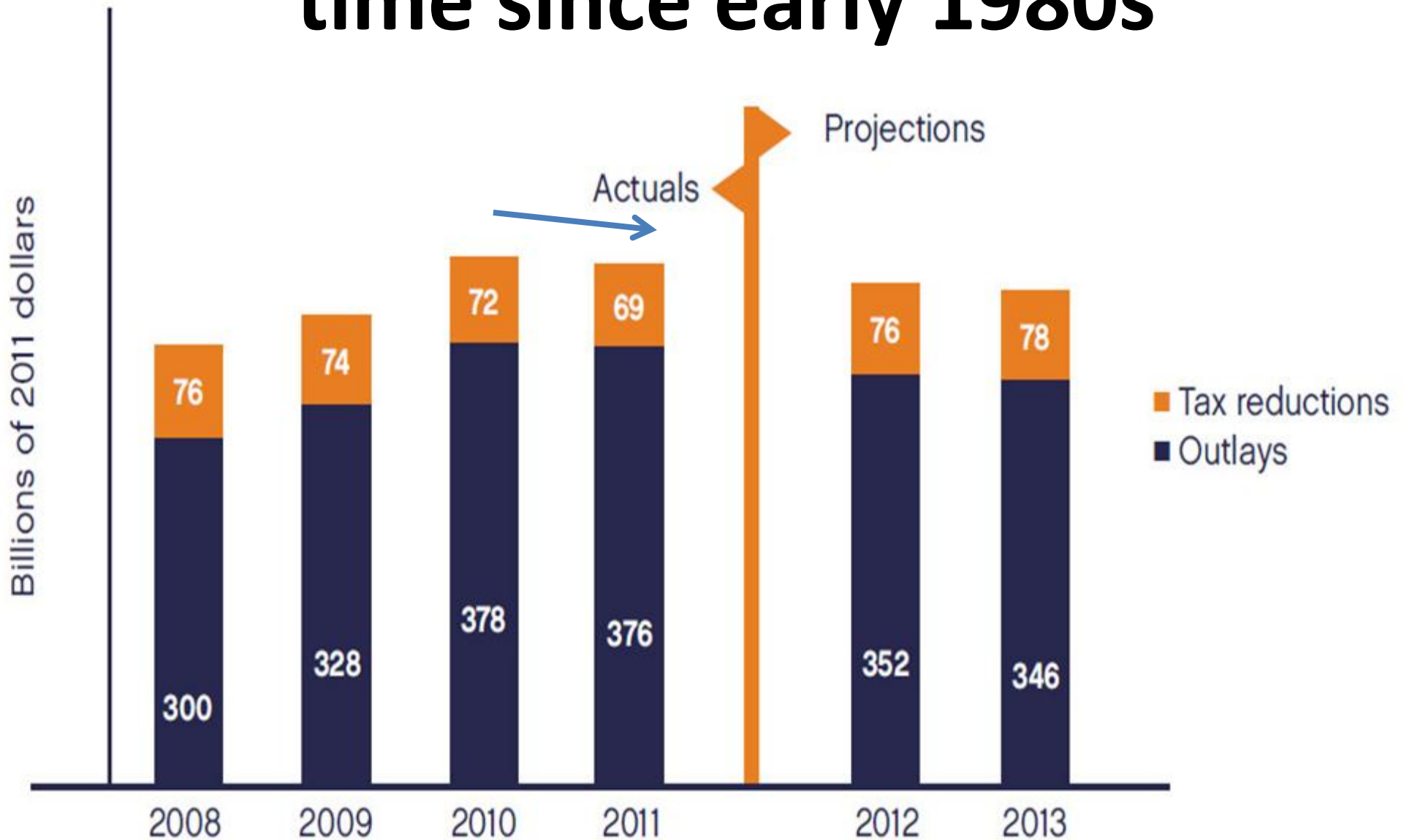
Source: Urban Institute, 2012

Kids' Share of Federal Budget: 10%



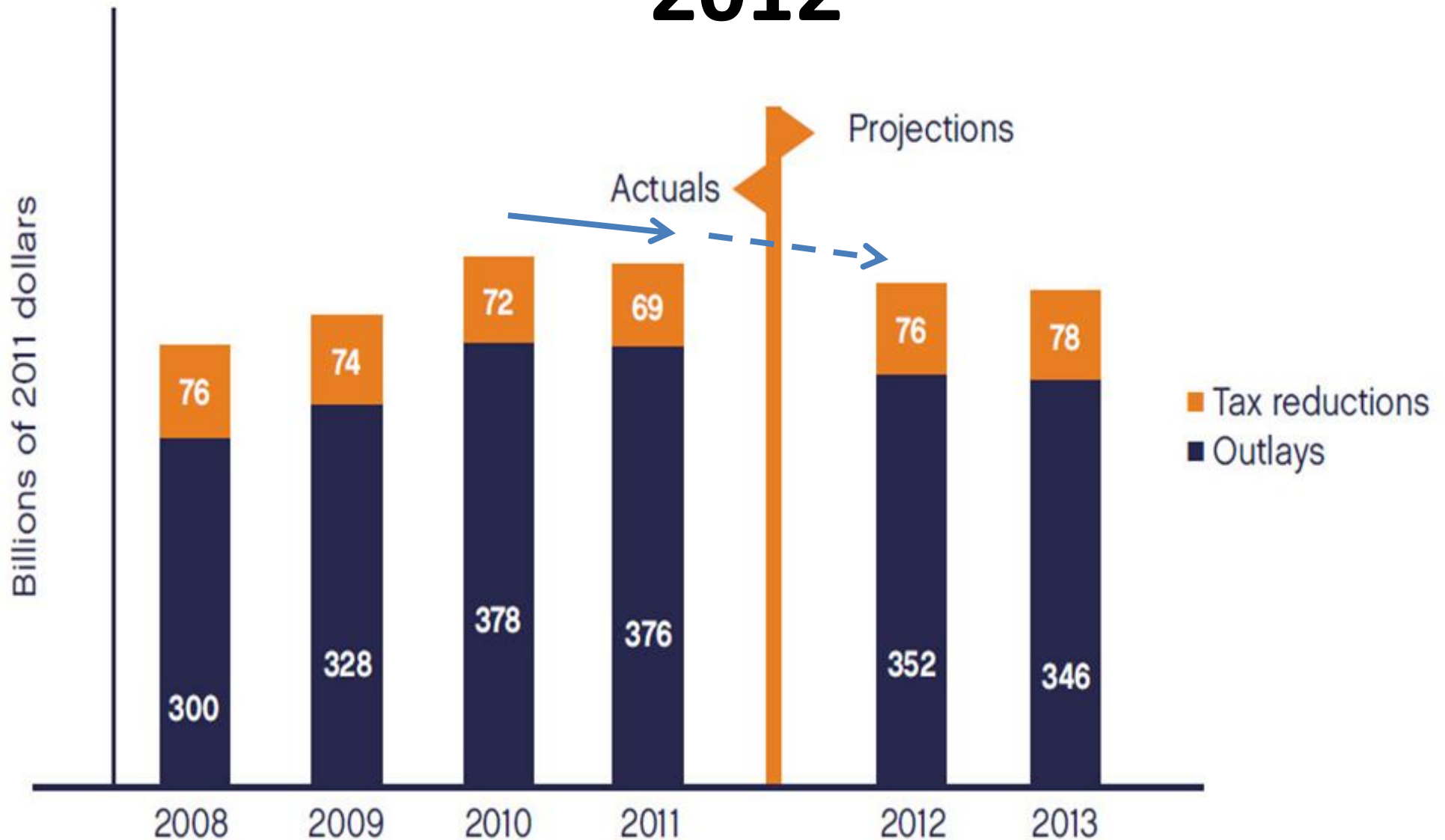
Source: Urban Institute, 2012

Spending falls in 2011, for the first time since early 1980s



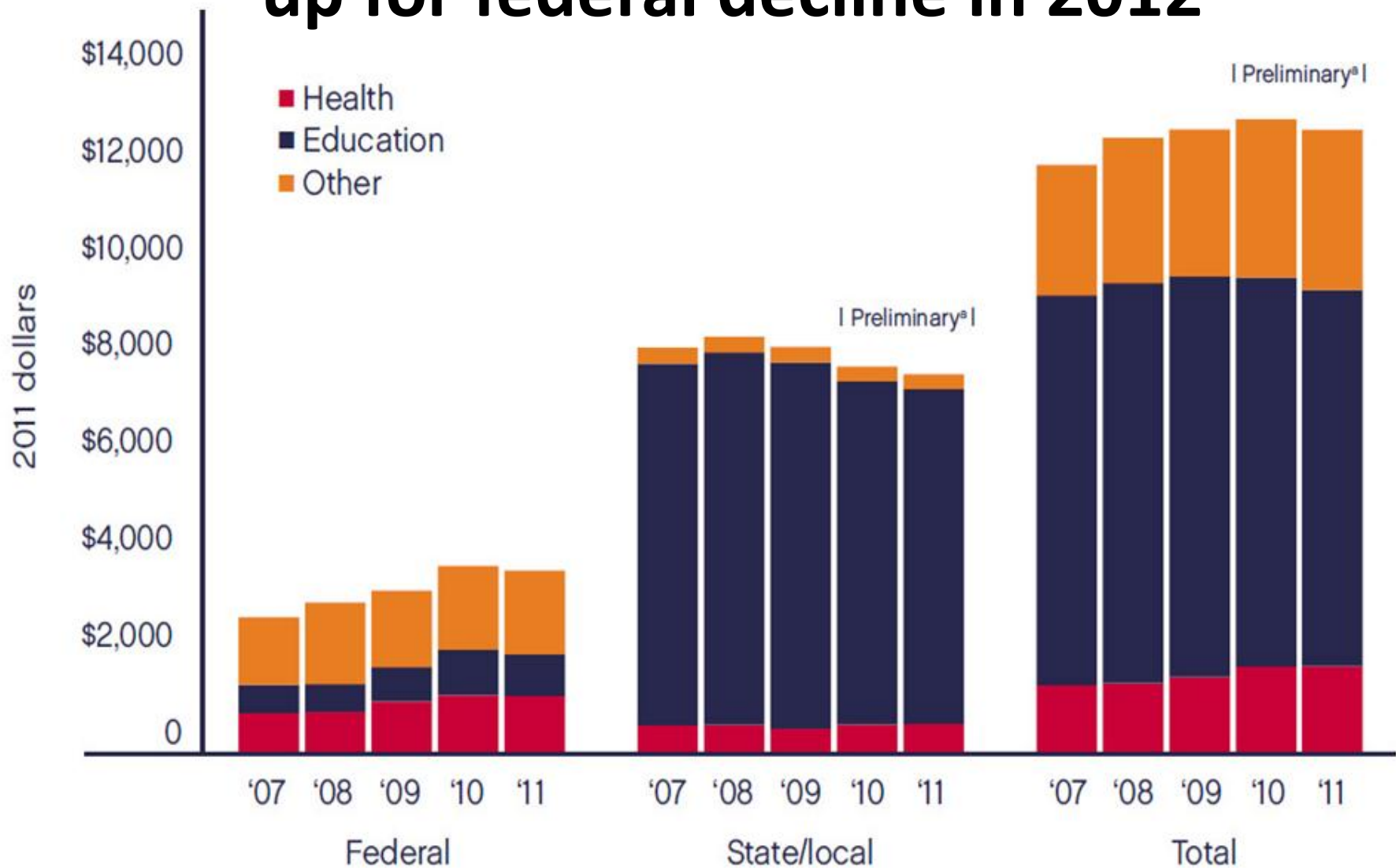
Source: The Urban Institute, 2012. Authors' estimates based on the Budget of the U.S. Government Fiscal Year 2013 and previous years and CBO projections.

Spending projected to fall further in 2012



Source: The Urban Institute, 2012. Authors' estimates based on the *Budget of the U.S. Government Fiscal Year 2013* and previous years and CBO projections.

State and local spending fell 2008-2011 (preliminary); State still recovering from recession; hard to make up for federal decline in 2012



Source: The Urban Institute, 2012.

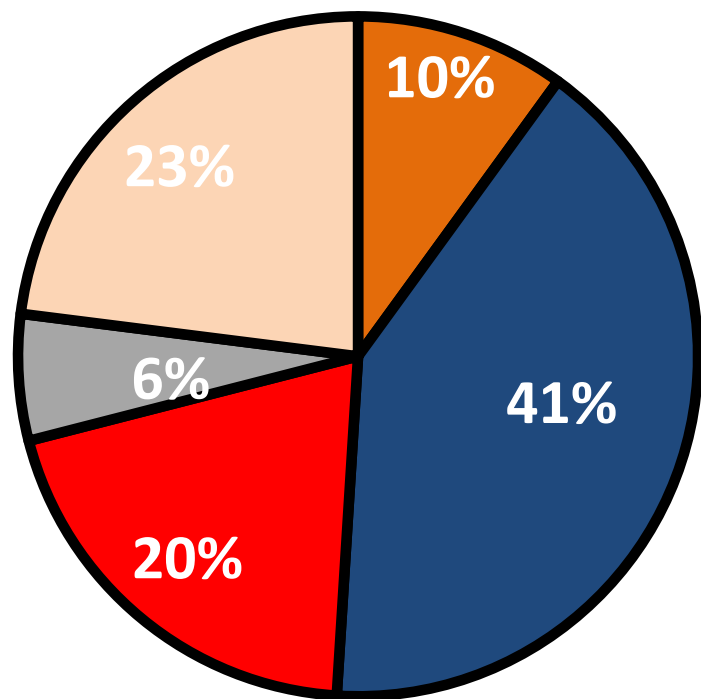
Note: Tax expenditures are not included in either the federal or state/local numbers.

a. State/local numbers for 2010 and 2011 are preliminary estimates and subject to revision. The small "other" state/local number for 2009 is also a preliminary estimate, subject to revision.

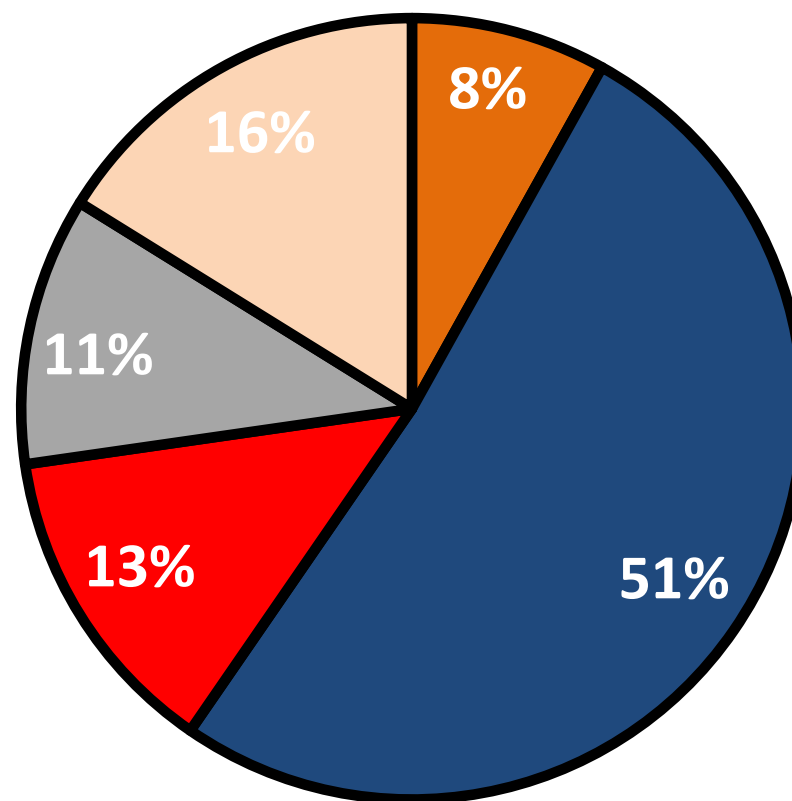
Future Trends

- Federal budget projected to grow by nearly 1 trillion (\$965 billion) between now and 2022
 - Less than 1% of that growth going to children
 - Social Security, Medicare and Medicaid (non-child portions) up by \$865 billion
 - Interest payments up by \$270 billion
 - Defense and “everything else,” CUT
- Interest payments higher than spending on children as of 2017
- Assume caps & sequestration of BCA

Kids Get Declining Share of Budget

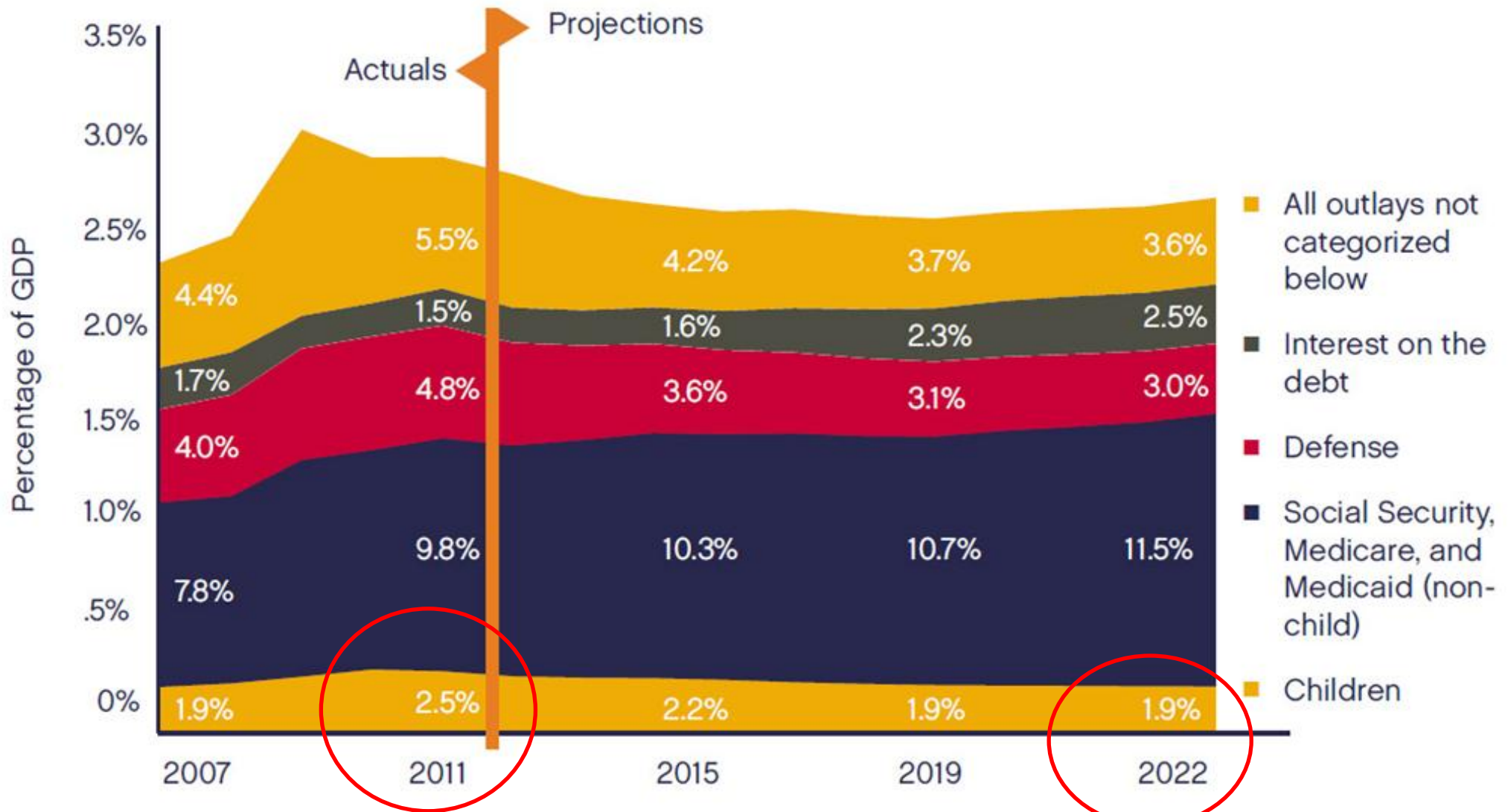


2011



2022

...and declining share of GDP (less than before the recession)



Source: The Urban Institute, 2012. Authors' estimates based on data from the *Budget of the U.S. Government Fiscal Year 2013* and previous years and CBO projections.

Note: Social Security, Medicare, and Medicaid category excludes spending already captured as children's spending.

What if BCA were not implemented?

- Children would get more dollars (especially in education) without BCA *assuming no other budget cuts; AND even without BCA, children's spending would decline relative to GDP*
- BCA cuts children's spending 2% overall, less than the cut in total spending
 - BCA includes cuts in defense
 - BCA exempts tax credits & low-income programs

Eight of ten largest programs and provisions exempt under BCA

1. Medicaid
2. Earned income tax credit
3. Child tax credit
4. Supplemental Nutrition Assistance Program (SNAP, formerly food stamps)
5. Dependent exemption
6. Social Security
7. Title I/Education for Disadvantaged
8. Child Nutrition
9. Special Education
10. TANF

What if BCA were not implemented?

- **Depends what would be adopted in its place**
- BCA cuts children's spending 2% overall, less than the cut in total spending
 - BCA exempts tax credits & low-income programs
 - BCA includes cuts in defense
- **Other budget packages might cut children more, depending on details**

Concluding Points

- 10% of federal budget on children
- Federal dollars (and %) down in 2011 ...and 2012
 - Hard for states to make up for decline
- Long-term projections show growing squeeze on spending for kids (and defense and “all other spending”)
- Details of budget plans matter for kids

