

June 30, 2010

To Members of the National Commission on Fiscal Responsibility and Reform:

We are writing to urge the Commission to take special care not to cause harm to America's low- and moderate-income households in formulating its recommendations this year. In particular, we ask that:

1) The Commission adopt as a basic principle that its proposals should not make lower-income individuals and families worse off. The Commission's recommendations should not harm those who already have difficulty getting by. Its proposals should not push people into poverty or make those who are already poor still poorer.

2) To aid it in meeting this goal, the Commission should assure that it obtains and makes public in a timely way a distributional analysis (e.g., by income deciles or quintiles) of the impact of the proposals that it considers. Understanding and making transparent how different paths would affect different income groups is an essential means of determining fairness in who bears the burdens of changes in spending and tax policy.

Even before the recession, low- and moderate-income people in our nation had been largely shut out from the benefits of the nation's economic growth for two generations. From 1979 to 2006, the average after-tax income of the bottom fifth of the population rose only 11 percent over 27 years, from \$14,900 to \$16,500, in inflation-adjusted 2006 dollars, according to the Congressional Budget Office. This includes non-cash income like food stamps, housing assistance, and refundable tax credits. The average income of the second fifth rose a modest 18 percent, to \$35,400 — still well under 1 percent per year. In contrast, the average income of the top fifth rose 86 percent, from \$98,900 to \$184,400 during this period, and the average income of the top 1 percent increased 256 percent, from \$337,100 to \$1.2 million.

Moreover, during the last economic recovery, from 2001 to 2007, poverty actually increased and the median income of working-age households declined, even as income at the top of the income scale continued to rise.

In other words, after nearly three decades of overall economic growth, America saw only very weak gains for the bottom two-fifths of the population and substantially widened gaps between the top and bottom of our society. Income stagnation and rising inequality have left lower-income households bearing a heavy cost.

Reducing public supports for this population would be unwarranted. This population has borne an undue share of the pain of the economic and political transformations of the last several decades, not to mention the deep recession from which the country is only beginning to emerge.

Reducing the federal deficit is a means to an end — the strongest possible economic future for the nation. Under-investing in low- and moderate-income children and adults would not be consistent with that goal. Indeed, smart and more adequate investments for them could help strengthen the economy and the nation.

We believe that an explicit goal to protect the most vulnerable in our nation, together with impact analyses to ensure the goal is being met, will assist the Commission in producing recommendations that can put the nation on a sustainable fiscal course without harm to those who have no margin to sacrifice more.

Sincerely,

9to5, National Association of Working Women
AFL-CIO
Afterschool Alliance
American Association of University Women (AAUW)
American Federation of Government Employees, AFL-CIO
American Probation and Parole Association
Americans for Democratic Action, Inc.
APWU Retirees Department
Association of Farmworker Opportunity Programs
Association of Nutrition Services Agencies
Bread for the World
Center for Community Change
Center for Medicare Advocacy
Center for Women Policy Studies
Center on Budget and Policy Priorities
CFED
Child Welfare League of America
Children's Defense Fund
Citizens for Tax Justice
CLASP
Coalition on Human Needs
Common Cause
Communications Workers of America
Community Action Partnership
Community Food Advocates
Community Food Security Coalition
Conference of Major Superiors of Men
Contact Center
Department of Professional Employees, AFL-CIO
Disciples Justice Action Network
Early Care and Education Consortium
Easter Seals
Evangelical Lutheran Church in America
Every Child Matters
Families USA
Feeding America
First Focus Campaign for Children
Food Research and Action Center (FRAC)
Forum for Youth Investment
Franciscan Action Network
Friends Committee on National Legislation
Generations United
Habitat for Humanity International
Interfaith Worker Justice
International Brotherhood of Boilermakers
International Federation of Professional and Technical Engineers
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America
(UAW)
Jewish Council for Public Affairs
Leadership Conference of Women Religious
LEAnet

Legal Momentum

Lutheran Services in America

Mennonite Central Committee, Washington Office

National Advocacy Center of the Sisters of the Good Shepherd

National African American Drug Policy Coalition, Inc.

National Alliance of Community Economic Development Associations

National Alliance to End Homelessness

National Association for Commissions for Women

National Association for State Community Services Programs

National Association for the Education of Young Children

National Association of Child Care Resource & Referral Agencies

National Association of Counsel for Children

National Association of Social Workers

National Black Child Development Institute

National Center for Housing and Child Welfare

National Center for Law and Economic Justice

National Coalition for the Homeless

National Community Action Foundation

National Community Tax Coalition

National Council of Jewish Women

National Council of La Raza

National Council of Women's Organizations

National Council on Aging

National Employment Law Project

National Family Planning & Reproductive Health Association

National Gay and Lesbian Task Force

National Head Start Association

National Housing Conference

National Housing Trust

National Human Services Assembly

National Low Income Housing Coalition

National Network for Youth

National Partnership for Women & Families

National Senior Citizens Law Center

National WIC Association

National Women's Law Center

NETWORK: A National Catholic Social Justice Lobby

Northwest Federation of Community Organizations

Older Women's League

OMB Watch

Pension Rights Center

PHI National

Progressive Congress Action Fund

RESULTS

Sargent Shriver National Center on Poverty Law

Service and Advocacy for Gay, Lesbian, Bi-sexual and Transgender

Service Employees International Union

Sisters of Mercy Institute Justice Team

Sisters of Mercy of the Americas

Social Security Works

Sojourners

Stewards of Affordable Housing for the Future (SAHF)
Sugar Law Center for Economic and Social Justice
The Alliance to End Hunger
The Arc of the United States
The Hatcher Group
The Jewish Federations of North America
The United Methodist Church - General Board of Church and Society
Union for Reform Judaism
United Cerebral Palsy
United for a Fair Economy
USAction
Voices for America's Children
Volunteers of America
Washington Office of Public Policy, Women's Division, United Methodist Church
WhyHunger
Wider Opportunities for Women (WOW)
Women's Institute for a Secure Retirement
YWCA USA