



Children's Defense Fund

Balanced Budget Amendment

July 2011

The U.S. House of Representatives and Senate are likely to vote on a Balanced Budget Amendment to the U.S. Constitution before Congress leaves for its August recess. Although a balanced budget may seem like a responsible goal, the specific proposals being discussed would harm children and our country's economic future, and go far beyond balanced budget amendments that have been debated in past years.

What is the Balanced Budget Amendment (H.J. Res.1)?

The Balanced Budget Amendment (BBA) would amend the U.S. Constitution to require the federal government to balance its budget each year regardless of future financial circumstances or national emergencies. The House proposed BBA (H.J. Res 1) would:

- Cap total government spending at just 18 percent of the Gross Domestic Product –the lowest level in more than 45 years. Total federal spending in 2010 was 24 percent of GDP.
- Require a supermajority (two-thirds) vote in both the House and the Senate to increase taxes, close tax loopholes, raise the debt ceiling or run a deficit - even in the case of a national emergency. It would, however, continue to allow Congress to cut spending with only a simple majority vote.
- To amend the Constitution, three fourths of the states would have to ratify the amendment.

Why is the Balanced Budget Amendment bad for the country and children?

- The severe cap on total federal spending would lead to deep cuts in critical programs serving children from cradle to college such as Medicaid, SNAP/food stamps, Early Head Start and Head Start, K-12 education, child protection and juvenile justice programs and funding for college, jeopardizing millions of children's chances for future success.
- Experts estimate the BBA would require that Medicaid, SNAP/food stamps and Social Security be cut in half in 10 years and other programs that provide basic services to children and other vulnerable populations be cut by 70 percent over the same period.
- The government would have virtually no flexibility to respond to emergencies such as a recession, natural disasters like Hurricane Katrina, terrorist attacks such as those that occurred on September 11, 2001, or the needs of an aging population.