



EMBARGOED UNTIL JUNE 17, 2019 at 10AM

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You can find the full report on June 17, 2019 at 10AM at www.ips-dc.org/report-moral-budget or poorpeoplescampaign.org/budget

Moral Budget Report Proves We Can Afford Poor People's Moral Agenda and Demands

Poor People's Campaign and IPS Release Moral Budget identifies \$886 billion in annual revenue, cuts \$350 billion in Pentagon spending as part of plans to address systemic poverty, racism, ecological devastation, militarism and war economy

(Washington, DC) -- In April 2018, the Poor People's Campaign and the Institute for Policy Studies released an audit of the policies that have led to deepening crises of systemic racism, poverty, ecological devastation, militarism and the war economy in this country over the past 50 years. Informed by this research and engagement with poor communities in more than 40 states, the Poor People's Campaign also released a Moral Agenda, presenting a comprehensive response to this problem. The Campaign then asked, we know these demands are necessary, but are they possible?

Today, the Poor People's Campaign and IPS released a report which answers a resounding yes. [*The Poor People's Moral Budget: Everybody Has a Right to Live*](#) looks at policies and investments for seven critical areas of the Moral Agenda. In each case, we found the U.S. has abundant resources to meet the demands of the poor and that the cost of not addressing them are far greater than we've been led to believe. In fact, this Budget shows that if we prioritize the needs and demands of the poor, we will create more jobs, build up our infrastructure, and yield short- and long-term benefits that will grow our economy and protect our resources for future generations.

Key Findings:

The United States has abundant resources for an economic revival that will move towards establishing a moral economy. This report identifies:

- \$350 billion in annual military spending cuts that would make the nation and the world more secure;
- \$886 billion in estimated annual revenue from fair taxes on the wealthy, corporations, and Wall Street
- Billions more in savings from ending mass incarceration, addressing climate change

Investments in enfranchising voters and protecting our elections would yield huge economic benefits

- Transitioning to automatic voter registration and updating voting machines and security systems would cost just \$450 million per year for five years. That's less than the \$451 million the top dozen individual political donors contributed in the 2016 election.

Investments lifting poverty wages, restoring the safety net, and guaranteed employment rebuilding our infrastructure would put trillions of dollars every year into the pockets of those who need and deserve it most.

- A \$15 federal minimum wage enacted immediately would raise pay for 49 million workers by a combined \$328 billion per year. At \$22 per hour, 83 million workers would get \$1 trillion more in pay. These pay raises dwarf the \$7.1 billion in "tax cut bonuses" employers gave U.S. workers in 2018.

Investments in an equitable economy including fair taxes on the wealthy, corporations, and Wall Street could pay for a substantial share of the proposals in this report.

- An annual wealth tax on just the 75,000 richest U.S. households would generate \$275 billion per year — more than enough to put 2.5 million people to work fixing our public infrastructure.
- Capital gains taxes on fortunes that are passed on to heirs would raise an estimated \$78 billion per year — approximately the estimated cost of a baby bonds program that would help close our racial wealth divide

Investments in a health care system that covers everyone would actually save money.

- Expanding Medicaid in the 14 states that have not yet taken advantage of Affordable Care Act subsidies for Medicaid would cost the federal government \$25 billion in the first year — roughly the amount the Pentagon gives one company, Boeing, in military contracts each year.
- One analysis of a publicly funded single-payer system estimates savings at 9% over current costs, saving businesses and individuals as much as \$310 billion per year, even as coverage is expanded to all.

Investments in childcare support or free college provide long-term economic benefits and may be covered simply by restoring pre-2018 corporate tax rates and adding a tiny tax on Wall Street trades

- Universal early learning and childcare support would require \$100 billion per year. That's substantially less than the \$130 billion per year that could be generated if we merely restored the corporate tax rate to the pre-2018 level of 35%.
- For every \$1 invested in early childhood education, society would gain \$7.30 due to reduced poverty, lower incarceration rates, and better health outcomes.
- The federal and state shares of providing free public college would cost about \$70 billion per year. That's less than the revenue that could be generated through a tiny tax on transactions by wealthy, high-speed Wall Street traders.

Investments in a clean energy transition and basic resource rights like clean water would create jobs, save trillions, and address the needs of the poor and people of color who are already feeling the worst effects of climate change.

- Inaction on climate change could cost up to 15.7% of GDP per year. That's the equivalent of wiping out \$3.3 trillion from the U.S. economy — or five Great Recessions.
- A \$200 billion per year investment in a clean energy transition would reduce the damage to GDP while creating 2.7 million net new jobs.
- \$37.2 billion a year in water infrastructure would create up to 945,000 jobs while providing safe drinking water to thousands of communities. That's less than what the Pentagon gave just one corporation — Lockheed Martin — for military contracts in 2018.

Investments in shifting our foreign policy toward peace and diplomacy, and away from military-first responses, would make our world safer – and put hundreds of billions back on the table for security at home.

- We could save as much as \$350 billion per year by cutting current Pentagon spending on things like maintaining a worldwide network of 800 military bases and subsidizing for-profit corporate contractors, and our military budget would still be larger than that of China, Russia, and Iran combined.
- A one-quarter reduction in spending on mass incarceration would free up \$44 billion per year that could go towards investments in a housing trust fund to build, maintain, and preserve affordable rental homes

“Many people said that our demands are politically impossible and too expensive,” **Rev. Barber, co-chair of the Poor People’s Campaign, said.** “But we’ve learned that it is not a moral budget that is too expensive. It is the costs of inequality and continuing immoral policies that we cannot afford.”

"Our research found that alleviating poverty and racism and protecting the planet are good for people, and good for the economy. Policies like pro-immigration reforms, health care for all, and expanded voting rights would actually save money," **report co-author and IPS federal budget expert Lindsay Koshgarian said.** “Meanwhile, we spend hundreds of billions of dollars for counterproductive uses like never-ending war, mass incarceration, and lower taxes for the wealthy, corporations and Wall Street. If we choose to invest in infrastructure, education, clean drinking water, or any number of other priorities, the resources are there and can be raised.”

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