



April 22, 2016

OPPOSE ANY BALANCED BUDGET AMENDMENT

Dear Senator:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition charged by its diverse membership of more than 200 national organizations to promote and protect the rights of all persons in the United States, we write to express our opposition to any balanced budget amendment (BBA) to the U.S. Constitution. The impact of a BBA would be disastrous for the economy as a whole and for the communities we represent.

Requiring policymakers to balance the budget every year, even during an economic downturn, would push a struggling economy further into a recession, thereby causing massive job losses and blocking opportunities to stimulate growth and address urgent needs in our communities. A BBA is a recipe for making recessions more frequent, longer, and deeper, while requiring severe cuts that would harshly affect seniors, children, veterans, people with disabilities, communities of color, and low- and moderate-income people. It would almost certainly necessitate massive cuts to vital programs including Social Security, Medicare, Medicaid, and veterans' benefits, as well as education and public safety programs.

The BBA in its various forms would require a balanced budget every year, regardless of the state of the economy. While it punts on the specifics, it would require extreme spending cuts precisely when the economy is at its weakest and government revenues are at their lowest, preventing the government from resorting to countercyclical policies when they are needed most. As a result, a BBA would tip a struggling economy into a recession and keep it there for a protracted period of time, harming our most vulnerable communities. Moreover, most BBA proposals on the table would require a supermajority to increase revenues, which would virtually guarantee that in the event of any shortfall, the budget would be balanced on the backs of people who least can afford it.

According to a 2011 analysis of a balanced budget amendment by Macroeconomic Advisers, one of the nation's preeminent private economic forecasting firms, if a constitutional balanced budget amendment had already been ratified and was enforced for fiscal year 2012, "the effect on the economy would be catastrophic." The analysis reported that if the 2012 budget were balanced through spending cuts, those cuts would have had to total about \$1.5 trillion in 2012 alone, which they estimated would throw approximately 15 million more people out of work, double the unemployment rate from 9 percent to approximately 18 percent, and cause the economy to shrink by about 17 percent instead of growing by an expected 2 percent.¹

Additionally, most versions of the BBA being considered by policymakers also contain a provision requiring a supermajority of both houses to raise the debt limit, making the risk of government default more likely and empowering a willful minority to hold the

¹ Macroeconomic Advisers LLC, "Man Up: AJ(obs)A vs. J(obs)TGA," *Macroadvisers* (blog), Oct. 21, 2011, at <http://macroadvisers.blogspot.com/2011/10/man-up-ajobsa-vs-jobstga.html>.

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creditworthiness of the U.S. hostage to whatever other political demands they may have. The repeated difficulties in raising the debt limit over the past several years illustrates how hard it can be to secure the necessary votes even when the consequences are so grave. Only six of the last 15 debt limit increases achieved a three-fifths vote in both chambers.

For these reasons, we urge you to oppose any balanced budget amendment. Thank you for your consideration. If you have any questions, please contact Kate Wikelius, Policy Associate, at 202-263-2881.

Sincerely,



Wade Henderson
President & CEO



Nancy Zirkin
Executive Vice President