



# **DNC REPORT: TEA PARTY ECONOMIC PLAN ENDORSED BY GOP PRESIDENTIAL FIELD WOULD COST 9.5 MILLION JOBS IF FULLY PHASED IN BY 2012**

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PREPARED BY THE DEMOCRATIC NATIONAL COMMITTEE

For the past year, we have seen a Republican Party, including its presidential aspirants, that is more influenced by the extreme Tea Party than the best interests of middle class families. Their current Tea Party agenda would end Medicare as we know it and slash Social Security—all while protecting millionaires and billionaires from paying their fair share.

Moreover, the Tea Party economic proposals would cripple job creation. This report focuses on one aspect of that agenda—the balanced budget amendment.

This new report from the Democratic National Committee draws on data from the nonpartisan Congressional Budget Office's (CBO) August deficit projections for 2012 (\$991 billion deficit with CBO options for Iraq drawdown, extension of all tax provisions and Alternative Minimum Tax indexing, and accounting for the so-called "Doc fix") and uses the conservative Romer-Bernstein rule of thumb that equates 1 percent of GDP to 1 million jobs. It shows that if the plan were fully implemented in 2012—and nearly a trillion dollars in federal spending were slashed—the balanced budget amendment would cost 9.5 million jobs nationwide.

Despite these negative consequences, every Republican presidential candidate, courting the extreme Tea Party vote, has come out in favor of a balanced budget amendment to the Constitution.

There are several versions of the balanced budget amendment that have been introduced this year, but there are common elements among all of them.

One is a cap on federal spending as a percent of the national economy. This cap would force deep cuts to programs—such as education, health care, research and development, transportation, Social Security and Medicare—that would have disastrous effects on middle class families. These are the very types of programs we need, both to ensure we meet our commitments to those who have worked all of their lives and to make the critical investments to create jobs and be competitive in the 21st Century.

The other common element is requiring a vote of two-thirds of Congress to raise revenue, meaning it would be easier to cut Social Security and Medicare than it would be to eliminate tax breaks for oil companies, insurance companies, or corporate jet owners. This is consistent with the Republican Party's rejection of a balanced approach to deficit reduction that would ask everyone to pay their fair share, including big corporations and the wealthy.

## **IMPACT ON STATES**

If Congress had passed the balanced budget amendment with a strict spending cap and a two-third majority needed to raise revenue—the very plan included in the House-passed Tea Party economic plan that virtually every Republican presidential candidate has endorsed—the effect on state economies would be disastrous.

For example, states throughout the Midwest and Rust Belt, which have been particularly hurt from the Bush Recession, would face even greater job losses.



Michigan would lose more than 247,000 jobs, Ohio more than 290,000 jobs, and Pennsylvania more than 365,000.

The home states of the Republican presidential contenders would not be safe from the negative impacts of the Tea Party agenda. Texas would lose more than 611,000 jobs; Massachusetts would lose more than 225,000 jobs; Minnesota, 123,000 jobs; and Utah, more than 55,000 jobs.

Voters in early and important presidential nominating states should take particular note of the consequences. Iowa would lose nearly 80,000 jobs, New Hampshire nearly 32,000, South Carolina over 126,000, and Nevada more than 50,000. Florida—where the Republicans will hold their nominating convention next year—would lose 473,000 jobs, while North Carolina—home of the Democratic National Convention—would see job losses in excess of 228,000.

## **CONCLUSION**

In their zeal to appeal to the most extreme elements of the GOP and the Tea Party, Republican presidential candidates have signed on to an economic plan so extreme that it would wreak havoc on our economy, cost 9.5 million American jobs and, because of its strict constitutional limits on spending and revenue, would leave future congresses and presidents all but helpless to implement policies to grow the economy, create jobs, or make the U.S. globally competitive.

While tens of millions of Americans would be harmed by the economic fallout from such policies, the wealthiest Americans and big corporations would be protected - not forced to pay their fair share or make any future sacrifices to turn the economy around.

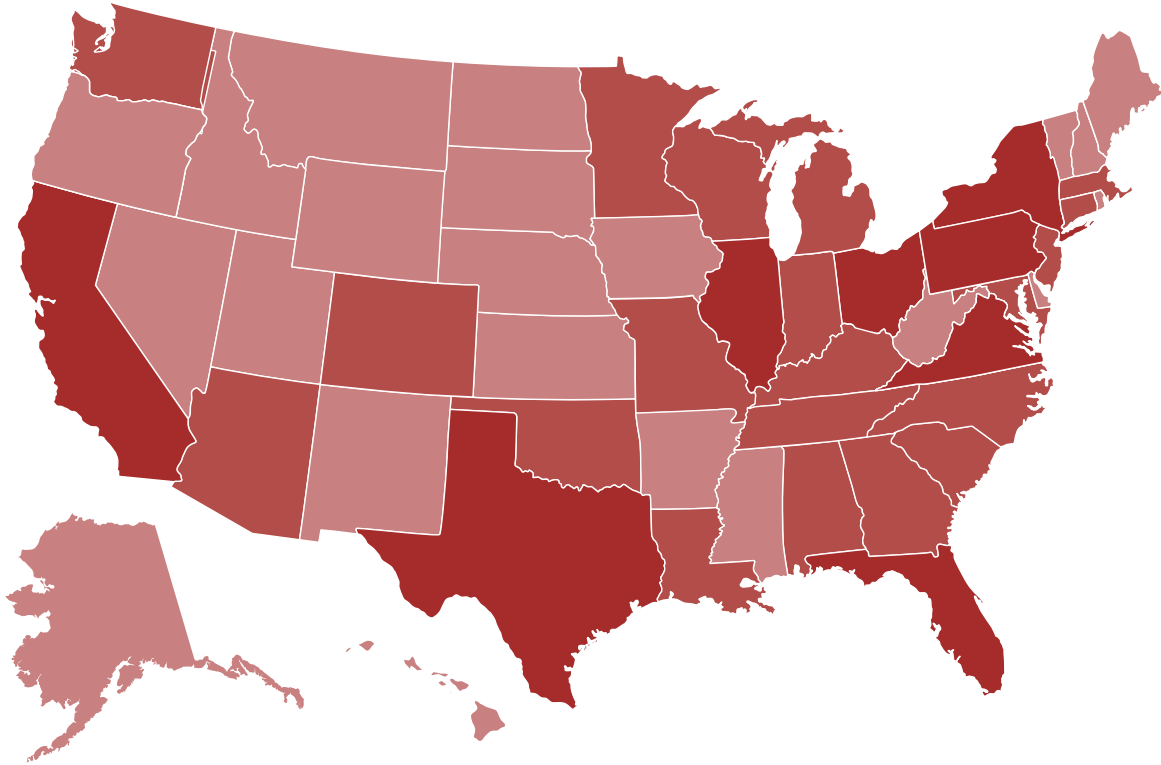
The Tea Party economic plan endorsed by the GOP presidential field, euphemistically referred to as Cut, Cap and Balance, might make for great sound bites at a Tea Party Express rally, but based our analysis, it would be devastating to American workers and the middle class.

See the following page for a state-by-state breakdown of the disastrous job losses resulting from the Tea Party economic plan.

# JOB LOSSES FROM TEA PARTY ECONOMIC PLAN ENDORSED BY GOP PRESIDENTIAL FIELD

IF REPUBLICANS PASS THE TEA PARTY ECONOMIC PLAN, WE WOULD LOSE:

# 9,471,813 JOBS



## JOBS LOST



## STATE BY STATE

AK	-38,276	ID	-40,115	MT	-29,417	RI	-31,011
AL	-147,217	<b>IL</b>	<b>-312,534</b>	NC	-228,416	SC	-126,295
AR	-73,514	IN	-164,652	ND	-23,205	SD	-25,577
AZ	-169,714	KS	-93,448	NE	-44,498	TN	-184,569
<b>CA</b>	<b>-931,570</b>	KY	-134,664	NH	-31,892	<b>TX</b>	<b>-611,519</b>
CO	-128,724	LA	-130,208	NJ	-217,153	UT	-55,743
CT	-114,677	MA	-225,885	NM	-73,972	VT	-19,096
DC	-134,333	MD	-248,140	NV	-50,875	<b>VA</b>	<b>-418,850</b>
DE	-21,910	ME	-38,348	<b>NY</b>	<b>-524,996</b>	WA	-179,222
<b>FL</b>	<b>-473,053</b>	MI	-247,730	<b>OH</b>	<b>-290,737</b>	WV	-53,336
GA	-225,958	MN	-123,029	OK	-101,017	WI	-165,005
HI	-66,266	MO	-182,943	OR	-90,456	WY	-16,904
IA	-79,080	MS	-88,448	<b>PA</b>	<b>-365,355</b>		

SOURCE: DNC ANALYSIS

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