



Trump budget would cut food stamps by 25 percent

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"69 percent of the 9 million dually eligible beneficiaries - people covered by both Medicare [a federal health insurance program for Americans over age 65] and Medicaid - are women".

President Donald Trump's first major budget proposal on Tuesday **will include massive cuts to Medicaid** and call for changes to anti-poverty programs that would give states new power to limit a range of benefits, people familiar with the planning said, despite growing unease in Congress about cutting the safety net.

People familiar with the plan say that includes cuts to pensions for federal workers and higher contributions toward those pension benefits.

The program now helps about 42 million people across the country.

The food stamp cuts are several times larger than those attempted by House Republicans a few years back.

The budget is also expected to propose major domestic discretionary spending cuts; an earlier version of the budget called for \$54 billion in such cuts next year alone, although Republicans in Congress have already rejected many of them.

The week ahead includes a lot of economic data as well as minutes from the last Federal Reserve meeting, an official analysis of costs of the Republican health care bill and the release of **President Trump's** budget.

The proposed cuts to Medicaid, which provides health care to people with low incomes, would come in at more than \$800 billion over 10 years, with the Congressional Budget Office estimating that would cut off benefits for around 10 million people over the period, the report said. It reiterates that Trump wants to shrink individual income tax rates into three brackets of 10 percent, 25 percent and 35 percent.

Trump's GOP allies rejected such cuts when wrapping up long-overdue legislation for the current budget year, which ends September 30.

There is little sign they will have a change of heart now, especially with Trump's administration in turmoil and his poll ratings at historic lows.

"The budget's a starting point". Michael Tanner, welfare expert at the libertarian Cato Institute, said taking another look at government entitlements is a worthwhile effort, as the feds may not

see "the type of gains" they seek under such programs, while Sen. Marc Goldwein, senior vice president with the anti-deficit Committee for a Responsible Federal Budget, told reporters May 18 it would be "pretty heroic" for the economy to consistently grow at 3 percent, even with the tax and regulatory changes proposed by the White House.

Hall said if all federal spending aside from interest on the debt were reduced by 2.1 percent in 2018 and a same-sized amount in the subsequent years of the budget-rising from \$80 billion in savings in 2018 to \$1.2 trillion in 2027-the budget could be balanced. The proposal is due to be announced Tuesday.