



## Trump's budget proposal includes huge cuts to food stamps

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To achieve balance, the plan by White House budget director Mick Mulvaney relies on optimistic estimates of economic growth, and the surge in revenues that would result, while abandoning Trump's promise of a "massive tax cut".

### Is it realistic to expect Trump to balance the budget? .

**President Trump** unveils his first detailed budget plan on Tuesday, and word leaking out in advance suggests he wants big cuts for Medicaid and food stamps.

The White House will propose slashing \$1.7 trillion in entitlements, according to multiple reports. But the path to getting there will be tough. Cutting federal funding for Medicaid expansion could vastly reduce the pool of women which Medicaid can help support, something which would have a detrimental impact on women's health. "Under that illustrative scenario, total spending in 2027 would equal about 18.3 percent of GDP-lower than the 50-year average of 20.3 percent and lower than it has been since 2001", he wrote.

**Is the administration's projected economic growth realistic?** 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. The 3 percent growth rate will be reached after a few years, not immediately.

**Will there be more details on Trump's tax overhaul proposals?** "We shouldn't be buying magic beans", he said.

The March streamlined version of the budget plan dealt only with the 30 percent of government spending that is appropriated each year.

In short, this will likely be a week of political heat on the President's agenda, but at the end of it investors will probably be no closer to the cuts in corporate taxes and investment income taxes that could enhance the value of stocks.

"Then you get things like eliminating the arts and humanities, public broadcasting, and Meals on Wheels".

"We think it's wrongheaded," said Representative Mike Conaway, chairman of the House Agriculture Committee, said when asked about looming cuts to farm programs.

"Just some of this stuff in here doesn't make any sense, frankly", he said May 17.

The president's budget is expected to leave Medicare and Social Security untouched, in line with Trump's promises on the campaign trail.

Trump vowed on the campaign trail not to cut Medicaid, Medicare, or Social Security, but much like the majority of his pledges, that seems to have gone by the wayside. These mandatory cuts – especially to politically-sensitive programs like food stamps – will make some moderate Republicans as nervous as the recent healthcare bill did. “People think government is cheaper than it is because we've allowed ourselves to borrow money for a long period of time and not worry about paying it back”.

Congress must approve of most changes in the budget plan before it is enacted into law.