

Weekly Economic Snapshot

October 23, 2017

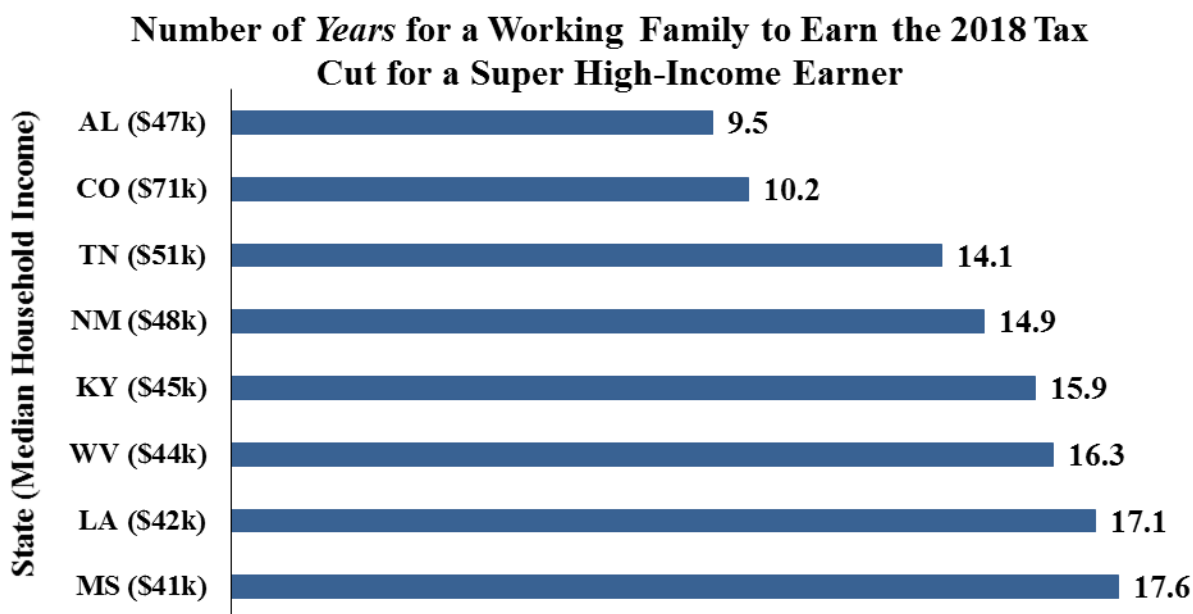
Joint Economic Committee Democratic Staff

Economic Facts for This Week

The recently passed Republican budget cuts nearly \$473 billion from Medicare over the next ten years. Here are the [top facts you need to know](#) about what Medicare means for Americans:

- Medicare provides comprehensive health coverage for 47.8 million seniors, giving them the peace of mind of knowing that their health care will be there when they need it.
- The traditional Medicare enrollee gets an average benefit of \$10,500 per year.
- Publicly managed health insurance is far more efficient than the private market: From 2010 to 2016, per capita spending grew 3.5 percent annually for private insurance compared to just 1.3 percent for Medicare.
- Two-thirds of the Medicare population have three or more chronic conditions; Medicare also provides health coverage to 9 million people of all ages with disabilities.

Chart of the Week



Sources: JEC Democratic Staff analysis based on data from the CPS ASEC 2017 and Tax Policy Center.

Notes: The average tax cut for super high-earners at the top 0.1 percent of income would be \$722,510 in 2018. Median household income is for 2016.

Under the GOP tax plan in 2018 alone, those getting high incomes at the top 1 percent of earners would see an average tax cut of \$129,000 and those earning the top 0.1 percent of incomes would get a cut of more than \$722,000. Meanwhile, nearly 8 million working households will actually see an average tax hike of \$794. To underscore how skewed the GOP tax cut is to

America's wealthy, this chart shows the number of years the typical working family in each state needs to work to earn what the top 0.1 percent of income earners would get in tax cuts next year alone: from 9.5 years in Alaska, Connecticut, and New Hampshire, to more than 17 years in Mississippi and Louisiana. See the JEC's full [state-by-state analysis](#).

ICYMI

- Fiscal policy is a powerful tool for fighting inequality, the [International Monetary Fund](#) finds, but must be done right. Particularly important are progressive income taxes, basic income supports, and widespread investments in health and education—all of which the GOP budget undermines.
- [Grants](#) for post-secondary education to low-income students significantly increase the student's probability of graduating and earning higher income within four years; within 10 years, taxes paid on their additional income would fully recoup the public expenditure.
- Taking account of the power of public measures to raise people up from poverty, the [child poverty rate fell to a record low](#) of 15.6 percent in 2016. Without policies like the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), nutritional assistance (SNAP), rental subsidies, and other federal non-cash benefits and refundable tax credits, child poverty would be 61 percent higher.

Coming This Week

- *Tuesday 10:00am*: Employment Projections and Occupational Outlook Handbook - <https://www.bls.gov/news.release/ooh.htm>; <https://www.bls.gov/news.release/ecopro.toc.htm>
- *Friday 8:30am*: GDP Advance Estimate for Q3 of 2017 - <https://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>