

How The Default on America Act Hurts the U.S. Economy

Republican lawmakers in the House are holding the economy hostage with the Default on America Act, threatening a default on existing debt obligations unless their vague but dangerous conditions are met. Instead of negotiating responsibly, they keep changing their demands—yet one thing remains constant: Republicans want to drastically cut the programs that help children, families, and communities across the country.

Broad cuts and added bureaucracy would gut programs that Americans depend on

- An across-the-board 22% [cut](#) to government programs means that everyone bears the burden of the GOP's radical plan.
- Their approach cuts funding for K-12 education, Veterans Affairs health care, Head Start, housing programs, law enforcement, rail safety, and countless other key programs.
- Added paperwork and bureaucracy requirements would [kick](#) families off SNAP and Medicaid without increasing employment.

Rolling back clean energy investments jeopardizes manufacturing jobs

- Removing support for clean energy technologies would threaten the future of clean energy investments announced in states like [New Mexico](#), [Ohio](#), [Georgia](#), and [Arizona](#), with many more to come.
- Cutting these programs would jeopardize [thousands](#) of jobs already created in the clean energy transition, along with the Made in America supply chain for clean technology.

Getting rid of clean energy tax credits drives up costs and hurts the planet

- The GOP bill would get rid of the Inflation Reduction Act's clean energy tax credits that are expected to save the average family over [\\$1,000](#) per year in lower energy costs.
- Undoing IRA investments would drive up energy costs by making it more expensive to do home energy upgrades or purchase electric vehicles, solar panels, heat pumps, and other energy-saving technologies that help reduce emissions.

The GOP plan makes it easier for the wealthy to not pay their taxes

- The GOP wants to get rid of additional [funding](#) that helps the IRS make sure the wealthiest Americans pay their fair share in taxes.
- This increased scrutiny does not apply to families earning under \$400,000, and instead focuses on the complex financial arrangements used by the rich to hide their wealth.

These are just some of the ways that the GOP's reckless plan will harm real people across the country. Instead, House Republicans should join Democrats in avoiding a default and passing a clean debt-limit bill like they did three times under the last president.