

The Longest Government Shutdown

As a result of the government shutdown that began on December 21, over 800,000 federal employees across the nation are not working and not receiving a paycheck. The shutdown began because Members of Congress would not agree to fund President Trump's proposed border wall along the U.S.-Mexico border and failed to pass a government funding bill. Now, federal employees across the nation are in financial jeopardy as they struggle to pay for daily expenses. Because many Americans are not being paid, small businesses and rural towns are suffering. Federal employees in smaller cities across the nation truly power the local economy because they spend their paychecks at local restaurants, gas stations, and stores. Without this business, Americans are suffering. This basic will explore the impacts of the shutdown on rural America.

Impact of the Shutdown

On average, federal workers have missed at least \$5,000 in wages as a result of the shutdown. While all federal employees are not being paid, some employees that are defined as "essential" have continued to work during the shutdown, while others known as "non-essential" have been put on unpaid furlough. Overall, nine out of fifteen federal departments and various agencies are affected by the shutdown, including the EPA, the IRS, and the departments of State, HUD, Treasury, Agriculture, Commerce, Interior, Justice, and Homeland Security.

Housing

A number of Department of Housing and Urban Development (HUD) programs have been temporarily stopped because of the shutdown. For example, many rural homeowners that need a mortgage extension or housing loan cannot get one. About 100,000 low-income households are in jeopardy because HUD does not have the staff to renew around 1,150 affordable housing contracts. On January 4th, HUD sent letters to 1,500 landlords to prevent the eviction of thousands of tenants who live in units covered by a HUD program. If the shutdown lasts until March, funding for HUD's Section 8 voucher program will end and an additional 2.2 million low-income households will not receive rent assistance.

Farmers

Many of the USDA's programs are not being implemented due to the shutdown. Specifically, many farm support programs such as subsidized home loans and tariff relief payments are currently not being processed. Every January, the USDA releases several reports on agriculture and livestock prices and economic data to help farmers make planning decisions. These reports have not been released and without this vital information, farmers do not have the necessary information to plan for the upcoming year.

Center Forward Basics

Center Forward brings together members of Congress, not-for-profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Facts

- The median federal salary is \$77,000. But, about one-fifth of workers make less than \$50,000.
- Many federal employees have said they have less than a month of savings.
- Applications for unemployment in early January rose in states with large numbers of federal contractors.
- Furloughed employees can take outside employment and apply for unemployment benefits, which are paid under state laws.
- Several agencies have called back furloughed employees to

As a result of the shutdown, the \$12 billion bailout program aimed at helping farmers who were negatively affected by President Trump's tariff dispute with China is not being implemented. While these relief payments were intended to compensate farmers for their losses due to the retaliatory tariffs, they are further compounding the negative economic impact of the tariffs and hurting the farmers financially. Additionally, many of the new relief and assistance programs included in the 2019 Farm Bill cannot be implemented without necessary staff and funding.

The Effect on Americans

With no end in sight, consequences of the shutdown affect various sectors of the economy:

- The USDA only has funding for the Supplemental Nutrition Assistance Program, which benefits over 38 million Americans, until the end of February.
- The Department of Health and Human Services only has funding to pay for Temporary Assistance for Needy Families, which benefits 3.4 million Americans, through March.
- The Small Business Administration has stopped processing new loans.
- Cleanup has been suspended at Superfund pollution sites.
- The EPA has stopped inspection of various industrial sites including chemical factories, power plants, oil refineries, and water treatment plans.
- The FDA has stopped routine food safety inspections.

Conclusion

While President Trump did sign a law guaranteeing that federal employees will be paid after the shutdown ends, many Americans are currently unable to afford daily expenses, rent and loan payments, and cannot receive necessary assistance from federal agencies. Recently, businesses across the country are stepping up to help: banks, cell phone companies, food pantries, and nonprofit organizations are all implementing programs to help federal workers hurt by the shutdown. Many local restaurants and chefs have also been giving away free or discounted food. Credit Unions across America are ensuring that all of their members impacted by the shutdown have access to low- or no-interest loans with substantial repayment terms and additional financial services that vary by state. Additionally, the shutdown has already negatively impacted the U.S. economy as a whole. The Council of Economic Advisors estimates the shutdown has already cut quarterly economic growth by 0.13 percentage points per week. As Members of Congress and the President fail to reach a compromise to fund the government, Americans continue to live without paychecks and will face widespread financial hardship.

Links to Other Resources

- The Boston Globe- Here's a look at how the effects of the shutdown go beyond federal workers
<https://www.bostonglobe.com/metro/2019/01/11/here-look-how-impact-shutdown-goes-beyond-federal-workers/Zwk59JBfhrh9LYjjyvQTkO/story.html>
- High Country News- Farmers and ranchers lose vital support during shutdown
<https://www.hcn.org/articles/departments-of-agriculture-farmers-and-ranchers-lose-vital-support-during-shutdown>
- NBC News- How the shutdown is jeopardizing housing for rural Americans

work: the IRS, Treasury, Agriculture, and Interior. All employees working are unpaid.

- 95 percent of HUD's workforce is on furlough.
- Members of Congress and staffers are not affected by the shutdown because they are funded by one of the appropriations bills that became law last fall.

https://www.nbcnews.com/politics/white-house/how-shutdown-jeopardizing-housing-rural-americans-n959366?cid=eml_nbn_20190116

- National Low Income Housing Coalition- Government Shutdown Now into Third Week, Impacts Housing Programs and Tenants
<https://nlihc.org/article/government-shutdown-now-third-week-impacts-housing-programs-and-tenants>
- NPR- How the Government Shutdown Hits Rural America
<https://www.npr.org/2019/01/05/682394167/how-the-government-shutdown-hits-rural-america>
- The New York Times- A Typical Federal Worker Has Missed \$5,000 in Pay From the Shutdown So Far
<https://www.nytimes.com/interactive/2019/01/16/us/politics/federal-shutdown-salaries.html?action=click&module=Top%20Stories&pgtype=Homepage>
- The New York Times- Federal Shutdown's Uneven Toll: Some Americans Are Devastated, Others Oblivious
<https://www.nytimes.com/2019/01/11/business/federal-shutdown-divide.html>
- The New York Times- Farm Country Stood by Trump. But the Shutdown is Pushing It to Breaking Point
<https://www.nytimes.com/2019/01/10/us/farmers-trump-administration.html>
- The New York Times- Shutdown's Economic Damage Starts to Pile Up, Threatening an End to Growth
<https://www.nytimes.com/2019/01/15/us/politics/government-shutdown-economy.html>
- United States Senate Committee on Agriculture, Nutrition, and Forestry- Ranking Member Stabenow Raises Concerns on Shutdown Impacts for Farmers, Families, Rural Communities
<https://www.agriculture.senate.gov/newsroom/dem/press/release/ranking-member-stabenow-raises-concerns-on-shutdown-impacts-for-farmers-families-rural-communities>
- USA Today- Banks, phone companies, nonprofits roll out help for federal workers amid government shutdown
<https://www.usatoday.com/story/money/2019/01/22/government-shutdown-2019-creditors-roll-out-help-federal-workers/2642924002/>
- The Washington Post- As shutdown drags on, Trump officials make new offer, seek novel ways to cope with its impacts
https://www.washingtonpost.com/national/health-science/as-shutdown-drags-on-trump-officials-seek-novel-ways-to-cope-with-its-impacts/2019/01/06/96c54a50-11ee-11e9-90a8-136fa44b80ba_story.html?utm_term=.5da30ebba88c
- The Washington Post- Everything you need to know about the government shutdown
https://www.washingtonpost.com/graphics/2018/politics/government-shutdown-faq/?utm_term=.b9118e2720bc
- The Washington Post- Food stamps, rent aid and the safety net for American's poorest at risk as shutdown drags on
https://www.washingtonpost.com/business/economy/food-stamps-housing-subsidies-and-other-services-for-vulnerable-americans-in-jeopardy-as-shutdown-drags-on/2019/01/09/e025549c-1374-11e9-803c-4ef28312c8b9_story.html?utm_term=.3f13546905dc
- The Washington Post- Looking to help farmers hurt by shutdown, Trump administration recalls 2,500 USDA workers
https://www.washingtonpost.com/business/economy/looking-to-help-farmers-hurt-by-shutdown-trump-administration-temporarily-recalls-2500-usda-workers/2019/01/16/e166d6b2-19ac-11e9-88fe-f9f77a3bcb6c_story.html?utm_term=.cb9e8c86d867
- WGBH- Many Farmers Feel Impact of Government Shutdown
<https://www.wgbh.org/news/national-news/2019/01/15/many-farmers-feel-impact-of-government-shutdown>