



Philanthropy Cannot Fill the Gap

President Trump's 2018 budget proposes more than \$54 billion in cuts to federal agencies and programs that support arts & culture, housing, human services, the environment, education, health and many other areas that philanthropy funds. This is nearly equal to total annual U.S. foundation grantmaking—\$58.46 billion in 2015¹—to support charitable purposes. So **current foundation giving would be wiped out if it had to cover the cuts in programs and services proposed by the Trump budget.**

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SUMMARY OF CUTS IN PRESIDENT TRUMP'S 2018 BUDGET PROPOSAL²

Arts & Cultural Agencies

The Trump administration's proposal calls for eliminating four cultural agencies and their collective \$971 million budgets. Most of the funds support nonprofit groups across the country, such as dance companies, radio stations, orchestras and theaters. The budget eliminates all \$148 million for the National Endowment for the Arts, all \$148 million for the National Endowment for the Humanities, \$230 million for the Institute of Museum and Library Services and \$445 million for the Corporation for Public Broadcasting, which supports public television and radio, including PBS and NPR.

Department of Health and Human Services

An 18% decrease (\$15.1 billion) is proposed for HHS. That sum excludes funding for the insurance provided by Medicare and Medicaid.

Department of Housing and Urban Development

The 13% cut in funding (\$6.2 billion) for HUD will put tremendous strain on housing authorities across the country, which manage public housing and rely heavily on federal funding. Cuts include the elimination of the \$3 billion Community Development Block Grant program and \$35 million of funding for Section 4 Community Development and Affordable Housing.

Education Department

The Education Department faces a 14% cut (\$9.2 billion) under the Trump administration budget, which would downsize or eliminate a raft of grants, including for teacher training, afterschool programs, and aid to low-income and minority college students. The cuts would be coupled with a historic investment—\$1.4 billion—in charter schools, private schools and other school-choice initiatives.

Environmental Protection Agency

Trump's budget begins to dismantle the EPA, shrinking its funding by 31% (\$2.5 billion) and eliminating a fifth of its workforce. More than 50 programs would be eliminated altogether, including Energy Star; grants that help states and cities fight air pollution; an office focused on environmental justice and cleanup efforts in the

Chesapeake Bay and Great Lakes; and infrastructure assistance to Alaskan native villages and along the Mexican border. Funding for drinking water infrastructure would remain intact, but the agency's scientific research would suffer massive cuts. This proposal would eliminate more than 50 programs and 3,200 jobs, discontinue funding for international climate-change programs, cut funding for the Office of Research and Development in half, cut funding for the Superfund cleanup program and the Office of Enforcement and Compliance but prioritizes drinking water and wastewater infrastructure projects.

Labor Department

The 21% proposed cut (\$2.6 billion) in the Labor Department reduces funding for job training programs that benefit seniors and disadvantaged youth. The proposal would also shift funding responsibility to states for certain job placement programs. The budget eliminates the Senior Community Service Employment Program, which helps low-income seniors find work, closes poor-performing centers for Job Corps, a job-training program for disadvantaged youth and eliminates grants that help nonprofit groups and public agencies pay for safety and health training.

Treasury Department

The Treasury's budget would shrink by 4% (\$.5 billion), with other funds reallocated toward the department's security missions: preventing hacking, seizing terrorists' bank accounts and enforcing sanctions on foreign adversaries. The budget reduces funding for the Internal Revenue Service by \$239 million and eliminates grants for Community Development Financial Institutions, which provide financial services in economically distressed neighborhoods.

In total, the President's 2018 budget proposes to eliminate funding for these 19 agencies:

- African Development Foundation
- Appalachian Regional Commission
- Chemical Safety Board
- Corporation for National and Community Service
- Corporation for Public Broadcasting
- Delta Regional Authority
- Denali Commission
- Institute of Museum and Library Services
- Inter-American Foundation
- U.S. Trade and Development Agency
- Legal Services Corporation
- National Endowment for the Arts
- National Endowment for the Humanities
- Neighborhood Reinvestment Corporation
- Northern Border Regional Commission
- Overseas Private Investment Corporation
- U.S. Institute of Peace
- U.S. Interagency Council on Homelessness
- Woodrow Wilson International Center for Scholars

The work of philanthropy is not to replace government but rather to leverage the investment of government and business to improve the quality of life for all residents. President Trump's budget cuts would wipe out *all* annual foundation giving just to fill the federal gap left by these cuts. Communities and families that rely on philanthropy to meet unfunded needs, strengthen communities, and advance society will have fewer resources to address needs that will surely be increased by these proposed cuts.

¹Source: Giving USA 2016

²Source: Washington Post, Office of Management and Budget