

House Republicans' *Default on America Act* Would be Devastating for Workers and the Economy

Speaker McCarthy and House Republicans say the *Default on America (DOA) Act* will "[grow the economy.](#)" Nothing could be further from the truth. One analysis suggests the *Default on America Act* would eliminate as many as [780,000 jobs](#). House Republicans are putting politics over people and holding our economy hostage by threatening default on our debt in order to advance their extreme MAGA agenda.

The *Default on America Act* slashes programs that make finding and keeping work possible.

- Programs that support workers like subsidized child care, job-search assistance, and subsidized employment have [increased the employment](#) of recipients—the exact programs that would be cut by the *Default on America Act*.
- According to the Department of Labor, a 22 percent budget cut of the magnitude required by the *Default on America Act* would prevent about [750,000 job seekers](#) from accessing key services and training and result in roughly [125,000 fewer job seekers](#) receiving services and training from the workforce development system.
- According to the Department of Health and Human Services, a 22 percent reduction would eliminate more than [200,000](#) Head Start slots. Funding Head Start at FY 2022 enacted levels would eliminate more than [170,000](#) slots for children.

The *Default on America Act* undermines workers' abilities to keep and seek work and destabilizes the economy.

- While there is reason to be skeptical that work requirements would increase employment among the roughly [900,000 SNAP participants](#) who would be impacted by the *Default on America Act*, there is much clearer evidence that the *Default on America Act* would destabilize the economy. In fact, according to a recent analysis by Moody's, the *Default on America Act* would eliminate as many as [780,000 jobs](#).
- Some workers rely on benefits to make ends meet and continue working. For example, for individuals experiencing low wages coupled with insufficient or changing hours, being able to rely on SNAP to make ends meet [supports](#) their continued employment. An analysis of 2015 data found that in some service occupations — personal care aides, maids and housekeeping cleaners, dishwashers, food preparation workers, and nursing, psychiatric, and home health aides — at least [one-quarter](#) of all workers participate in SNAP.

The *Default on America Act* ignores evidence suggesting stricter and more punitive work requirements don't spur employment.

- In a recent metanalysis of work requirements and work supports, the Congressional Budget Office (CBO) found that effects on employment are [highly uncertain](#) across various proposals to increase [work requirements](#) for the Temporary Assistance for Needy Families (TANF), SNAP, and Medicaid programs.
- The expiration of the temporary \$600 boost to unemployment insurance benefits under the Federal Pandemic Unemployment Compensation (FPUC) program— another benefit [derided by conservatives](#) as a disincentive to work— [did not](#) lead to any sizable increase in employment.
- In Arkansas, when in the 2018 work requirements were implemented within Medicaid, researchers [did not](#) find any significant change in employment.