

The Trump Shutdown Harmed the Economy, Working Families, and National Security

For 35 days, President Trump and Congressional Republicans kept the government shut down, leaving 800,000 federal employees furloughed or working without pay, damaging our nation's economy, and undermining national security. Here's a look at the lasting impact of the Trump-McConnell shutdown on the American people – and why President Trump shouldn't be threatening to shut down the government once again:

ECONOMY

The non-partisan [Congressional Budget Office](#) found the Trump-McConnell shutdown directly cost the U.S. economy at least \$11 billion, with \$3 billion permanently lost due to decreased economic activity.

“Underlying those effects on the overall economy are much more significant effects on individual businesses and workers. Among those who experienced the largest and most direct negative effects are federal workers who faced delayed compensation and private-sector entities that lost business. Some of those private-sector entities will never recoup that lost income.” [CBO Report, [1/28/19](#)]

“The [CBO] analysis does not incorporate some indirect effects of the shutdown, such as the halt in some federal permits and reduced access to loans....However, the report suggests that businesses were beginning to postpone investment and hiring decisions as a result of the shutdown and warned that the risks were becoming ‘increasingly significant’ as the impasse dragged on.” [CNBC, [1/28/19](#)]

The financial rating agency [Standard & Poor's](#) found the Trump-McConnell shutdown cost at least \$6 billion.

“Standard & Poor's analyzed the cost of the partial government shutdown on the United States economy and found it added up to at least \$6 billion... the rating agency's Global Economics arm said the overall cost to the economy — for the longest government shutdown in U.S. history — is ‘likely worse than what we had previously expected.’” [ABC News, [1/26/19](#)]

In addition, major employers are losing substantial revenue due to the shutdown.

“The partial U.S. government shutdown will cost Delta Air Lines about \$25 million in revenue this month as fewer government contractors and employees are traveling, the airline's, CEO Ed Bastian, said Tuesday.... The comments from Delta's CEO are the clearest yet of the financial toll that the partial shutdown is having on U.S. companies.” [CNBC, [1/15/19](#)]

TAX FILERS

Thousands of IRS employees were furloughed ahead of tax filing season, meaning that tax filers' refunds could be delayed.

“Millions of Americans have come to count on tax refunds to fuel their spending in the waning days of winter. But as income tax filing season opens on Monday, a sweeping tax code overhaul and the lingering effects of a government shutdown could squeeze taxpayers' refund checks and delay them, too... Many taxpayers calling with questions faced delays of over an hour... Even before the shutdown, big questions loomed about this year's tax season... All told, the overhaul threw a cloud of confusion over the correct amount to withhold in advance from workers' paychecks.” [New York Times, [1/27/19](#)]

FEDERAL EMPLOYEES

Eight hundred thousand federal employees were furloughed or forced to work without pay for 35 days, which meant two pay periods passed without pay checks as mortgage payments, bills, and expenses came due. While federal employees will receive their pay retroactively, hundreds of thousands of government contractors may never see backpay.

June Bencebi, Case Manager at a Federal Detention Center in New York: “I’m already having [union] members tell me they’ve been feeding their children peanut butter and jelly sandwiches for dinner.” [CNN, [1/11/19](#)]

Eric Young, National President of Prison Locals, American Federation of Government Employees: “[Employees working without pay] are having to decide whether to keep the lights on or pay for their insulin.” [New York Times, [1/4/19](#)]

Wesley McClure, Founder and President of Government Contracting Firm Unispec Enterprises: “In 15 years, I’ve never once missed a payroll. I’ve never once been without insurance, either for me or my employees, but that’s where we are.” [Washington Post, [1/27/19](#)]

Jacqueline Esparza, Spouse of Coast Guard Who Worked Without Pay: “Service members, who are still required to work, also are not easily able to find supplemental income, she said. ‘Doing odd jobs and selling items we don’t need anymore is a temporary fix,’ she said. ‘It’s not going to help us pay the rent.’” [Washington Post, [1/10/19](#)]

Jessica Caraballo, Transportation Security Administration Officer at Atlanta's Hartsfield-Jackson International Airport Who Worked Without Pay: “Rent is due, light bill, gas bill, my car bill is due the 26th... I already got my last paycheck and there's no paycheck to come... I know that I have a partner, but he cannot do everything by himself. It takes two people in a household to keep it afloat.” [CNN, [1/6/19](#)]

Furloughed Counselor at the Equal Employment Opportunity Commission in Washington, D.C.: “One counselor said 150 to 200 cases will be waiting when they return. ‘It’s going to be crazy,’ the counselor said... ‘I expect to have at least 300 emails waiting for me. The cases may have been placed on hold, but the harassment has been allowed to continue while we were gone.’” [Washington Post, [1/26/19](#)]

Joe Rojas, Union President at Coleman Penitentiary in Florida: “Joe Rojas...said several employees quit during the shutdown, including a secretary hired days before it began. ‘There is a lot of work piled up on his desk that someone is going to have to handle,’ Rojas said. ‘When you start a job, you don’t expect them to say, ‘By the way, we aren’t going to pay you for this.’” [Washington Post, [1/26/19](#)]

SMALL BUSINESSES

Loans from the Small Business Administration have been on hold for thirty-five days due to the Trump-McConnell shutdown, and experts [estimate](#) SBA may have \$3 billion worth of loans that are not processed. In addition, export licenses from the Commerce Department and permits from U.S. Fish and Wildlife have been on hold.

Lynn Ozer, President of Small-Business Lending at Fulton Bank: “It’s not like the government reopens and everyone lives happily ever after. There is a real drag... I’ve been doing SBA lending for 40 years. I know how disruptive it’s been in the past. It takes weeks to get out of it.” [Washington Post, [1/10/19](#)]

Andrew Rickabaugh, Small Business Owner: “When Andrew Rickabaugh and his brother-in-law decided to start a restoration business last year in Huntsville, Alabama, they reached out to the Small Business Administration to guarantee a loan to help them buy equipment. The process was going smoothly – Rickabaugh said he expected approval around Christmas – until the shutdown hit. The Small Business Administration guaranteed more than \$30 billion in loans to companies in the fiscal year that ended in 2017, but processing of most loans was suspended when the agency closed. Rickabaugh couldn’t reach SBA officials in Alabama.” [USA Today, [1/1/19](#)]

Doug Jacobson, Trade Attorney: “He has several clients with requests pending... A second Jacobson client is selling a company and the buyer needs a Commerce Department verdict as to how many of its products require export licenses. That request has been pending since Dec. 8, the attorney said. ‘The process has now ground to a halt,’ he said. ‘And once it reopens, there’ll be a big backlog that will take a month or more to resolve.’” [Washington Post, [1/10/19](#)]

Zachary Davis and Kendra Baker, Co-founders of Penny Ice Creamery in Santa Cruz, CA: “Zachary Davis is one of thousands of small-business owners anxiously checking news about the shutdown... They are on the verge of opening their third location and had spent months scouting a site, working with an architect on the design and filling out all the paperwork. They were planning to finalize their \$900,000 loan this month, a ‘pretty big deal,’ but the SBA isn’t processing any new loans. ‘It’s frustrating. We open our doors every day. I’m not in a position where I can shut down my business like the government,’ Davis said.” [Washington Post, [1/11/19](#)]

Paul Reed Smith, Founder and Owner of PRS Guitars in Stevensville, MD: “‘I have an unusual story,’ Smith said. ‘Half my business is exports, and I can’t get my permits from Fish and Wildlife because they’re shut down. ... In about 20 days, half of our businesses are going to shut down.’ Smith, who employs 330 people at the Stevensville factory, said his company’s situation shows how missing something as simple or routine as those permits can pose serious threats to a business. ‘It’s not just us,’ he said. ‘It’s the whole industry. This is affecting the export trade.’” [Baltimore Sun, [1/17/19](#)]

Small businesses across America also experienced decreased revenue and activity as they lost business from furloughed workers.

David Fogel, Owner of Bump ‘n Grind Café in Silver Spring, MD: “[David] has seen a 20% drop in revenue this past month ... Typically, about 15 to 20 NOAA employees stop by the shop every day, but the shutdown has furloughed them. ‘The federal workers thankfully are going to get money back,’ Fogel said, ‘but for myself and my small business, we’ll never see that money back.’” [MarketWatch, [1/25/19](#)]

Tyler Lathrop, Owner of A Good Life Café and Juice Bar in Ogden, UT: "... we were down half of our sales. We were probably down 80 percent of our lunch base. We're a lunchtime cafe, so 80 percent of our lunch base is probably federal and forestry workers, and that completely changed. No one's going to be going out and spending money is how we kind of feel here.... There is an absolutely uncertainty... it has been very bleak. It's a ghost town." [WBUR, [1/28/19](#)]

Rachel Lackey, Owner of Green Pea Press in Huntsville, AL: “We're trying to keep our employees on payroll and coming in every day and working and it's hard when the work isn't there... The first quarter last year actually killed us. We never recovered from it... Our profit was half of what it was the

year before and that's the first time that's ever happened. Nobody ever goes back and buys the things they meant to buy during that time.” [Rocket City Now, [1/23/19](#)]

Bill Fowler, Co-Owner of Old Town Beer Exchange in Huntsville, AL: ““We never really realize how many of those people are our customers until they don't come anymore,’ said Co-owner Bill Fowler about furloughed workers... You can't lose 50 percent of your business and not feel it and not have an effect...Our issue is that we don't get any of this money back. There's some back pay for some of the folks who aren't here but we don't have the opportunity to dig our way out for something like this and there are people who are really hurting so it's a big deal.” [Rocket City Now, [1/23/19](#)]

Tom Christopulos, Director of Community and Economic Development in Ogden, UT: ““The lunches that are missed and the shopping that is missed, people are staying at home, and that really hurts our small-business community...’ He expects the town will take a hit on its weekly sales tax revenue of \$314,000, which could delay parks and roads projects.” [Washington Post, [1/6/19](#)]

LaJuanna Russell, President of Business Management Associates Inc. in Alexandria, VA: “[U]nlike furloughed government employees who typically receive back pay after a shutdown concludes, I won't be getting paid back for work we were prevented from performing while the government was closed. My employees are just out of luck.” [Washington Post Op-Ed, [1/11/19](#)]

IMMIGRATION

A report by Syracuse University's Transactional Records Access Clearinghouse released January 14 found 40,000 immigration hearings had been canceled due to the Trump-McConnell shutdown.

“But probably no system is feeling the shutdown as much as the already overburdened immigration courts, where there are more than 800,000 cases pending. Most of these courts, except those that hear the cases of those currently in detention, are now closed because of the shutdown.” [New York Times, [1/4/19](#)]

Judge Ashley Tabaddor, President of the National Association of Immigration Judges: “We do think every day cases are being canceled. We're looking at several thousand a day...” [CNN, [1/14/19](#)]

Judge Amiena Khan, Executive Vice President of the National Association of Immigration Judges: ““That is the irony of this shutdown...The impact is most acutely felt in immigration courts and proceedings where cases will not be going forward.’ ...In New York, home to one of the busiest immigration courts in the country, those whose trials have been postponed will have to wait until the end of 2022 and 2023 at the earliest before their cases are heard because of the backlog, Judge Khan said.” [New York Times, [1/4/19](#)]

ENVIRONMENT

The Trump-McConnell shutdown also caused untold damage to thousands of national parks lacking employees to monitor or maintain the open spaces.

David Smith, Joshua Tree Park Superintendent: “We have two new roads that were created inside the park. We had destruction of government property with the cutting of chains and locks for people to access campgrounds. We've never seen this level of out-of-bounds camping... [Visitors] would just go out into the country, and then once 20 or 30 cars would go over it you would essentially have a new road created in pristine desert.” [SFGATE, [1/10/19](#)]

Dakota Snider, Employee in Yosemite Valley: “It’s a free-for-all...the areas open to visitors but with little staff on duty.” [SFGATE, [1/1/19](#)]

John Garder, Senior Budget Director of the National Parks Conservation Association: “We’re afraid that we’re going to start seeing significant damage to the natural resources in parks and potentially to historic and other cultural artifacts... We’re concerned there’ll be impacts to visitors’ safety... It’s really a nightmare scenario.” [SFGATE, [1/1/19](#)]

Gary Holmquist, National Park Liaison at the Hurricane Ridge Winter Sports Club: “Closure of the 500-acre [Hurricane Ridge Ski and Snowboard Area], which usually attracts up to 200 skiers a day this time of year, is costing about \$5,000 a day in lost revenues, and has prompted the furloughs of about 16 part-time workers, Mr. Holmquist said; ‘This is the absolute worst time for this to happen.’” [Wall Street Journal, [1/31/18](#)]

LAW ENFORCEMENT & NATIONAL SECURITY

Throughout the shutdown, law enforcement working without pay raised their voices about the damaging impact of the shutdown to investigations, national security protocol, and keeping Americans safe.

Tom O’Connor, President of the FBI Agents Association: “Operations are being hindered... Pay uncertainty undermines the FBI’s ability to recruit and retain high-caliber professionals... As that pot of money is diminished, things such as purchasing narcotics in investigations and surveillance specialists, these types of support and functions of investigations are clearly being hurt... We have no knowledge that this is going to be back-filled and it’s only going to get worse.” [CNN, [1/10/19](#)]

Josh Campbell, Former FBI Supervisory Special Agent: “Agents build trust with people and recruit them to help, and these informants often get paid in return... Being unable to pay informants destroys that relationship of trust that is so key to recruiting people to report crime.” [CNN, [1/10/19](#)]

STUDENTS

America’s students will continue to feel the wide-ranging impacts of delayed resources that could keep students out of the classroom for full semesters due to the Trump-McConnell shutdown.

Cartonise Lawson-Wilson, Sophomore FAFSA Applicant at the University of Michigan-Dearborn: She “has been unable to submit required paperwork for a grant that will pay her housing and tuition. Desperate for help while she awaits a resolution to the deadlock, she started a GoFundMe campaign, but has received only \$15 of her \$7,512 goal.... ‘I don’t have a backup plan,’ she said.” [New York Times, [1/15/19](#)]

Gustavo Carlo, University of Missouri: “‘The shutdown is like an acute recession’ ... The economic instability can lead to depression that hurts parent-child relationships, he said, adding, ‘It’s not good for these kids, it’s not good for these families.’” [New York Times, [1/15/19](#)]

By shutting down the government for 35 days, President Trump damaged the economy and the livelihoods of families and small businesses across the country, and put our national security at risk. President Trump and Congressional Republicans should work with Democrats over the next three weeks to responsibly fund government and prevent another costly shutdown from happening in the future.