BACKWARDS BY DESIGN

America is hungrier, sicker, and more cost-burdened than it has been in a decade. Washington looked at all of it, and pointed the money the other way.

POLICY ANALYSIS · ECONOMIC BRIEFING
RAW INSIGHT · 2026

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ABOUT THIS BRIEF

This white paper uses data from the U.S. Census Bureau, Bureau of Labor Statistics, USDA Economic Research Service, HUD, the Federal Reserve, KFF, the Congressional Budget Office, the National Association of Realtors, and Harvard's Joint Center for Housing Studies. Figures reflect data through mid-2026. RAW Insight is an executive consulting and governance advisory practice.

01 Executive Summary

There is a tell in every government.

Not the speeches, not the press releases, not the flag pins: the budget. A budget is the one document that cannot lie to you, because it is the one place where a government stops describing its values and starts spending them. You want to know what a government actually cares about? Do not ask. Read the receipts.

This brief reads the receipts. It draws on a decade of federal data (2015-2026) to answer one question: are Americans genuinely better off, and does the government's most significant recent legislation reflect conditions on the ground?

The short answer is no, but it is more precise than that. This is a *K-shaped* economy. If you own a home and hold stock, the last decade treated you well. If you rent and live on wages, you are running faster just to stay in place, and millions are losing ground. The One Big Beautiful Bill Act, signed July 4, 2025, did not address that divergence. It widened it.

KEY FINDINGS

- 47.9 million Americans were food insecure in 2024, the worst hunger rate in a decade.
- Homelessness hit an all-time recorded high: 771,480 on a single night (January 2024).
- Child poverty more than doubled after the expanded Child Tax Credit expired (5.2% to 13.4%).
- The OBBBA cut $1T+ from Medicaid and $186B from SNAP to fund $4.5T in tax cuts.
- The same law put $170B into immigration enforcement, more than all U.S. state and local police spending combined.
- CBO projects the bottom 10% of earners 3.1% poorer by 2034; top 10% will be 2.7% richer.

02 The Kitchen Table

What the Country Actually Looks Like

Before we talk about what Washington chose to fund, we need to be clear-eyed about the country it was funding for.

Food insecurity hit 13.7% of households in 2024, about 47.9 million Americans who could not reliably afford to eat. The worst hunger rate in a decade, per the USDA's own data, which the administration has since decided to stop collecting.

Homelessness reached an all-time recorded high of 771,480 people on a single night in January 2024, an 18% jump in one year, the largest single-year increase ever measured. Family homelessness rose 39%; children, 33%.

Child poverty more than doubled after Congress let the expanded Child Tax Credit expire, climbing from a record-low 5.2% in 2021 to 13.4% in 2024. The number of children in deep poverty roughly doubled in the same period.

A family health plan now averages just under $27,000 a year, with workers covering roughly $6,850 out of pocket. More than a third of adults cannot cover a $400 emergency with cash. Household debt hit a record $18.59 trillion in Q3 2025.

Half of all renters (22.7 million households, a record) spend at least thirty cents of every dollar earned on housing. Twelve million spend more than half.

Real median household income was $83,730 in 2024: not statistically different from its 2019 level. The entire decade's income gain was front-loaded before the pandemic. The 2020s have been flat in real terms, even as prices reset roughly a third higher than 2015 and stayed there.

> *"This is not a recession on paper: the stock market is fine, unemployment is low, GDP is growing. But it is a slow, grinding squeeze on everyone who lives on a paycheck instead of a portfolio."*

03 The Receipt

What Washington Chose to Fund

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act. Strip away the branding and it is the most consequential statement of legislative priorities in a generation.

It locks in roughly $4.5 trillion in tax cuts, tilted heavily to the top, by making the 2017 rates permanent and adding new breaks on top. To pay for them, it cuts more than $1 trillion from Medicaid and CHIP over the decade (the largest such cut in American history) and slices $186 billion from SNAP.

The ACA's enhanced subsidies were not extended, meaning 20 million marketplace enrollees faced premium spikes in November 2025. The CBO projects 15 to 17 million people losing coverage by 2034.

The CBO's distributional analysis is unambiguous: by 2034, the top 10% of earners come out 2.7% richer from the tax cuts; the bottom 10% come out 3.1% poorer from the cuts to Medicaid and food aid. The poorest tenth subsidizes the richest tenth's tax break.

Then there is where the new money went. The same law appropriated $170 billion over four years for immigration enforcement. ICE alone received $75 billion, seven to eleven times its prior annual budget, including $45 billion for detention, $30 billion for 10,000 new agents, and $46 billion for border wall construction. That enforcement total exceeds what all state and local governments in the country spend on police, combined (Brennan Center).

THE TRADE-OFF AT A GLANCE

WHAT GOT CUT	AMOUNT	WHAT GOT FUNDED	AMOUNT
Medicaid / CHIP	-$1 trillion+	ICE detention + deportation	+$75B
SNAP / food aid	-$186 billion	Border wall construction	+$46B
ACA subsidies (not extended)	20M lose coverage	Total enforcement	+$170B
SNAP during shutdown	42M halted	ICE/CBP, uninterrupted	Multi-yr

Sources: CBO, Center on Budget and Policy Priorities, Brennan Center for Justice, NILC, American Immigration Council

04 The Steelman

Making the Administration's Best Case

A piece that refuses to make the other side's strongest argument is propaganda, and propaganda is for people who cannot win on the merits. Here is the best case, stated as proponents would state it.

Letting the 2017 tax rates expire would have meant across-the-board tax increases on most households at the end of 2025. Preventing that is legitimate governance. The law added popular provisions: no tax on tips or overtime, a larger senior deduction, a child tax credit raised to $2,200, a car-loan interest deduction, and a $50 billion fund to buffer rural hospitals against the Medicaid changes.

On immigration, the administration is not manufacturing a mandate. Border crossings fell sharply after enforcement escalated. A government doing what voters explicitly asked for is, in a narrow sense, democracy functioning as designed.

Also worth noting: low-wage workers recorded their fastest real raises in 40 years (+13.2% at the 10th percentile, 2019-2023). Life expectancy hit a record 79.0 years in 2024, driven by a 26% drop in overdose deaths. Unemployment stayed near 4%. For people with stable jobs and assets, the decade was genuinely good.

Take all of that seriously. This brief does.

And it still does not survive contact with the distributional math.

The working-family tax relief is real but mostly temporary: tips, overtime, and senior provisions all expire in 2028, while the safety-net cuts are structural and the top-end cuts are permanent. The Medicaid work requirements consistently reduce coverage without raising employment, because most recipients already work, are looking, or cannot work due to disability or caregiving. The mechanism is not incentive. It is paperwork friction that removes eligible people from the rolls.

The deportation apparatus, built without guardrails on spending pace, has already shown what happens when an agency receives seven times its budget with minimal accountability. In January 2026, federal agents fatally shot two U.S. citizens in separate incidents in Minneapolis, drawing bipartisan criticism and calls for investigation. Precision and scale are not the same thing.

05 Priorities Are an X-Ray

You can disagree about tax policy. You can disagree about immigration. Reasonable people do. But a budget forces a different question than "what do you believe?" It asks "what did you fund?"

Funded into a year of record hunger, record homelessness, doubled child poverty, and crushing medical debt, this government cut the food and the medicine and built the jails.

A government facing the right direction would look at that scoreboard and do the obvious, unglamorous things: extend the Child Tax Credit that demonstrably cut child poverty in half overnight, because we have the receipt proving it works. Protect food aid in a hunger year instead of freezing it. Spend political capital on the cost of housing and health care, the two line items actually breaking household budgets. Treat the squeeze as the emergency, because for half the country it is the emergency.

Instead, we got a $170 billion answer to a question almost nobody at the kitchen table was asking, paid for by the people least able to cover the check. The richest tenth got richer. The poorest tenth got poorer. And the part of the federal government built to find people and lock them up got richer than most armies on earth.

Read the receipts. They do not lie. They are telling you, in the only language a government cannot fake, exactly where you rank.

> *"A budget is the one document that cannot lie to you, because it is the one place where a government stops describing its values and starts spending them."*

06 Key Data Points at a Glance

47.9M

Americans food insecure in 2024

Worst rate in a decade

Source: USDA

771,480

Homeless on one night (Jan. 2024)

All-time high; up 18% in one year

Source: HUD

Doubled

Child poverty since 2021

5.2% in 2021 to 13.4% in 2024

Source: U.S. Census Bureau

$26,993

Avg. family health plan per year

Workers cover ~$6,850 out of pocket

Source: KFF, 2025

21%

Homes affordable to a $75K family

Was 49% in 2019

Source: Nat'l Assoc. of Realtors

37%

Adults without a $400 cash buffer

One expense away from debt

Source: Federal Reserve, 2024

12x

Wealth ratio: top 1% vs. bottom 50%

Top 1%: ~31% | Bottom 50%: ~2.5%

Source: Federal Reserve

Half

of renters spend 30%+ on rent

Record 22.7M households; 12M spend 50%+

Source: Harvard JCHS

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