

Addressing Uncertainties To Help Keep Our Economy Growing

Bipartisan Economic Growth Package Must Be Passed Quickly To Bolster Economic Growth

On February 1, the Bureau of Labor Statistics released new jobs figures for January. The unemployment rate fell to 4.9 percent, below the averages for the past three decades, but nonfarm payroll employment decreased by 17,000 jobs. This decline follows 52 months of uninterrupted job growth – the longest period on record. Our economy has added nearly one million jobs over the last 12 months, and more than 8.2 million since August 2003.

- **Our economy has a solid foundation, but the U.S. is going through a period of economic uncertainty.** The economy has been growing for more than six straight years, but real GDP growth slowed to an annual rate of 0.6 percent in the fourth quarter of last year. Wages have risen, but so have the costs of food, gasoline, and health care. In addition, the downturn in the housing sector and the volatility of the financial markets are leaving many Americans feeling uncertain.
- **To help keep our economy growing, the Senate should quickly pass the more than \$145 billion bipartisan economic growth package, without delay.** This growth package was agreed upon in bipartisan negotiations between the Administration and House leadership, and the House passed it this week. It meets the criteria the President set forth to provide an effective, robust, and temporary boost to protect the health of our economy and encourage job creation.
- **This growth package would boost consumer spending by sending eligible taxpayers rebates of up to \$600 for individuals and \$1,200 for couples, with a minimum of \$300 per person and \$600 per couple.** It will also provide investment incentives to encourage businesses to expand and create new jobs this year.

The U.S. Economy Benefits From A Solid Foundation

- **Real after-tax per capita personal income has risen by 12.1 percent – an average of more than \$3,700 per person – since President Bush took office.**
- **Over the course of this Administration, productivity growth has averaged 2.6 percent per year.** This growth is well above average productivity growth in the 1990s, 1980s, and 1970s.
- **U.S. exports in November 2007 were 13.0 percent higher than exports in November 2006.**
- **Durable goods orders rose by a strong 5.2 percent in December.**

The President Will Continue Working With Congress To Address Challenges And Help Keep Our Economy Sound

President Bush calls on Congress to open markets for American workers and entrepreneurs by approving free trade agreements with Colombia, Panama, and South Korea. Open markets contribute to America's prosperity – exports now account for a larger percentage of our GDP than at any other time in our history, meaning that trade is supporting economic growth. To help workers directly displaced by trade

adjust to changes in our dynamic economy, Congress should also reauthorize and reform the Trade Adjustment Assistance program.

President Bush believes the most important action to ensure the long-term health of our economy is to make sure the tax relief that is now in place is made permanent. The 2001 and 2003 tax cuts are set to expire in less than three years. If Congress allows that to happen, 116 million taxpayers will see their taxes go up by \$1,800 on average, and we will see an end to many of the measures that have helped our economy grow – including the 10 percent individual income tax bracket, reductions in the marriage penalty, the expansion of the child tax credit, and reduced rates on regular income, capital gains, and dividends.

The Administration is acting now to help thousands of struggling American homeowners. The Administration has launched the *FHASecure* initiative, expected to help more than 300,000 families refinance their homes. In addition, Secretaries Paulson and Jackson have facilitated the private-sector HOPE NOW alliance, which has developed a plan under which more than a million homeowners could receive help.

The President calls on Congress to join him in helping American homeowners refinance their mortgages by passing important legislation, including a bill to modernize the Federal Housing Administration (FHA). The bill will give the FHA the necessary flexibility to help hundreds of thousands of additional families qualify for prime-rate financing. In addition, Congress needs to pass legislation permitting cities and states to help troubled borrowers by issuing tax-exempt bonds for refinancing existing home loans. Congress should also act to strengthen the regulation of Freddie Mac and Fannie Mae to ensure they focus on their important housing mission.

###