



# Creating Pathways to Opportunity

OCTOBER 2011



*“Yes, we are rugged individualists. Yes, we are strong and self-reliant. And it has been the drive and initiative of our workers and entrepreneurs that has made this economy the engine and the envy of the world. But there’s always been another thread running throughout our history—a belief that we’re all connected, and that there are some things we can only do together, as a nation.”*

- President Barack Obama, September 8, 2011

President Obama has called for our Nation to “out innovate, out educate, and out build the rest of the world.” To answer this call, we must ensure that all Americans have the foundation and opportunities they need to build a strong economic life.

In recent years, too many American families have lost economic ground. The recession of the late 2000s has left many middle class families facing unemployment and economic hardship, even causing them to fall into poverty. Many more families were struggling on the bottom rungs of the economic ladder long before the recession began, and are falling even farther behind today.

Over the decade ending in 2009, the median family income fell by \$3,800. And the gap between the wealthiest Americans and those with the least is growing wider every day – making the task of climbing into the middle class tougher than ever before. Since 1980, real median household income has grown 4 times faster for the top 10 percent of households as it has for middle-income households. The share of income going to the top 10 percent has increased by 32 percent. Reductions in household income, combined with prolonged levels of high unemployment, have caused 2.6 million Americans to fall into poverty from 2009 to 2010. Ultimately, the middle-class and low-income Americans must work harder and longer just to keep up. When families fall out of the middle class – or can’t reach it in the first place – our Nation suffers.

These numbers are especially stark for minority communities: over 30 percent of Hispanic, African American, American Indian and Alaska Native children today live in poverty. Too many of our children live in neighborhoods of concentrated poverty, marked by high unemployment rates, rampant crime, health disparities, inadequate early care and education, struggling schools, and capital disinvestment.

We cannot out innovate, out educate, and out build the rest of the world without the contributions of every American. The cost is too great to leave countless Americans on the sidelines as we compete in a global economy. We must continue to demand the American standard of personal responsibility from all, but we must also ensure that when our neighbors hold up their end of the bargain – as hardworking students, responsible parents, and pavement-pounding job-seekers – they can realize the prosperity of the American Dream.

Since taking office, President Obama has focused on dramatically expanding access to opportunity for all Americans. This focus has been accompanied by a new approach to governing – one that seeks to unlock individual and collective potential; that rewards results, evidence and best practices over ideology; that puts people and places over programs; that rewards work and supports skill-building; and that leverages the power unleashed when we join forces across all sectors – government, business, and non-profits, both community-based and national – recognizing we are strongest when we work together.

This report describes the many ways the Administration has fought to make sure that all Americans have the tools to weather these difficult economic times and a clear pathway to

achieve economic stability and security. Central to this commitment going forward is the American Jobs Act, a key part of President Obama's plan to spur economic growth and put Americans back to work.

## **LOOKING FORWARD: THE AMERICAN JOBS ACT**

*"The purpose of the American Jobs Act is simple: to put more people back to work and more money in the pockets of those who are working."*

-President Barack Obama, September 8, 2011

- ❖ **Extending unemployment insurance that will prevent 6 million Americans looking for work from losing their benefits**, while encouraging reforms that will help get the long-term unemployed back to work, armed with relevant lifelong skills.
- ❖ **Cutting payroll taxes in half for 160 million workers next year** by expanding the payroll tax cut passed last year to cut workers payroll taxes in half in 2012 – providing a \$1,500 tax cut to a typical American family, without negatively impacting the Social Security Trust Fund.
- ❖ **Providing a tax credit to provide up to \$4,000 per worker for businesses** who hire individuals who have been looking for a job for 6 months or more.
- ❖ **Allowing more Americans to refinance their mortgages** at today's near 4 percent interest rates, which can put more than \$2,000 a year into a family's pocket.
- ❖ **Expanding job opportunities for low-income youth and adults** through successful approaches to subsidized employment, innovative training programs and summer/year-round jobs for youth.
- ❖ **Preventing up to 280,000 teacher layoffs**, by investing \$35 billion to prevent layoffs of teachers, while supporting the hiring of tens of thousands more and keeping cops and firefighters on the job.
- ❖ **Modernizing at least 35,000 public schools** across the country with an emphasis on school districts with the largest numbers of children in poverty, supporting new science labs, Internet-ready classrooms and renovations at schools across the country, in rural, urban, and tribal communities.
- ❖ **Investing in "Project Rebuild"**, a \$15 billion fund to rehabilitate and refurbish hundreds of thousands of vacant and foreclosed homes and businesses in communities that have been hardest hit by the housing crisis. This investment will also create nearly 200,000 construction jobs.
- ❖ **Expanding infrastructure employment opportunities** for minorities, women, and socially and economically disadvantaged individuals. Immediate investments in infrastructure and a bipartisan National Infrastructure Bank will put hundreds of thousands of workers back on the job while modernizing our roads, rail, airports, and waterways.
- ❖ **The American Jobs Act is fully paid for as part of the President's long term deficit reduction plan.**

## INTRODUCTION

Since his first day in office, President Obama has taken important steps to create opportunities for all Americans to climb the ladder into the middle class. The President's policies have helped vulnerable Americans through the financial crisis, recession, and turbulent economy by making sure they have the resources they need to put food on the table and keep a roof over their heads, while also creating jobs and putting money back into the pockets of low-income workers. These initiatives support long-term reforms in areas from education to neighborhood revitalization that will grow the middle class. We can see evidence of the success of the President's efforts in measures of poverty that take into account tax relief and non-cash benefits expanded to respond in the depths of the recession. By these measures, which are not captured in the official poverty statistics, but are recommended by the Center on Budget and Policy Priorities and other independent experts, more than 6 million Americans in 2009 were saved from tipping into poverty by the American Recovery and Reinvestment Act of 2009 (Recovery Act).

### **Tax Relief for All Working Americans**

Upon taking office, President Obama provided relief to working families through a series of new and expanded tax credits. The President proposed and enacted a new tax credit, Making Work Pay, which provided enough income to keep 1.6 million Americans out of poverty, and he also expanded the Earned Income Tax Credit and Child Tax Credit, also saving 1.6 million Americans from poverty. And these provisions provided relief to over a hundred million more. Last December the President fought for and won extensions of key tax credits, such as the expanded EITC and CTC – measures that put more money in the pockets of nearly 16 million American families. Not only that, but the President also secured a payroll tax cut that amounted to a 2 percent raise for working Americans through 2011 and for those still looking for work he won a one-year extension of unemployment insurance. Because every worker – around 160 million in total – must pay payroll taxes, the President provided tax relief to all working Americans. And because lower-income and middle class families earn a higher share of their income from wages and salaries (as opposed to capital gains on investments, which are not subject to payroll taxes) and because the payroll tax cut is limited to the first \$106,800 in wages (the Social Security taxable maximum) payroll tax cuts are an especially progressive form of relief. Not only have these measures provided an important boost to the economy, but they have also provided relief to lower-income families.

Through all of these measures, a typical family earning around \$30,000 per year will have received around \$3,600 in tax relief over the President's first term.



## **Expanded and Extended Unemployment Insurance and Nutrition Assistance**

The financial crisis and recession caused many to lose their jobs through no fault of their own. Programs like unemployment insurance have proven a vital lifeline for these individuals. The expansion of unemployment benefits for the long-term unemployed through the Recovery Act helped over 17 million unemployed workers by the end of 2010 and the December Tax Deal's extension of UI kept 7 million Americans from losing their benefits during 2011. In fact, in 2009 the UI program as a whole kept approximately 4.8 million people out of poverty, with the extension of emergency benefits under the Recovery Act responsible for lifting 2.2 million of these Americans out of poverty.

President Obama also enhanced and expanded the Supplemental Nutritional Assistance Program (SNAP) to ensure that the 45 million individuals that participate each month continued to have the means to put food on the table. The Recovery Act investments in the SNAP program kept an additional 3.9 million people, including 1.7 million children, above the poverty line in 2010. The benefits of SNAP go beyond those 45 million participants; the program also helps the broader economy by boosting consumer spending. For every \$5 spent in new SNAP benefits, up to \$9 in economic activity is generated.

## **Kept Americans in their Homes During a Housing and Economic Crisis**

When the President took office in January of 2009, the housing market had seen major losses for 30 straight months, slashing home equity in half which combined with the recession left many communities struggling economically. Since then, the Administration has taken critical steps to mitigate the impact of the crisis and revitalize communities most in need. To begin rebuilding our housing market and economy, the Administration jump-started mortgage loan modifications, which help to keep families in their homes. More than 4 million families have had their mortgages permanently modified since April, 2009 – nearly twice the number of foreclosures which occurred in that time. To help over 1 million Americans avoid homelessness, the President provided \$1.5 billion through the

Recovery Act for the Homeless Prevention and Rapid Re-Housing Program.



## **Invested in Early Education and Spurred K-12 Reforms with Race to the Top**

The President has made historic investments to ensure that all children enter school ready to learn and all Americans have access to a complete and competitive education, from cradle to career. President Obama has recognized the critical need to provide all children and

families access to affordable, safe, high quality early childhood education and care. The Obama Administration has made historic investments in Head Start and Early Head Start and child care assistance programs, which allowed over 360,000 more kids access to these critical programs. The Administration has also launched a new \$500 million Race to the Top Early Learning Challenge competition to bring an emphasis on innovation and quality across all state early childhood education programs.

To ensure quality education from kindergarten through high school, President Obama created Race to the Top to spur systemic reform and embrace innovative approaches to teaching and learning in America's schools. As a result of the groundbreaking initiative, over 40 states have raised standards, improved assessments, or invested in teachers to ensure that all of our children receive a high-quality education.

### **Made College More Affordable and Accessible**

The President has set the goal of the U.S. being number one in college attainment by 2020. To achieve this goal and prepare students who can compete in the 21<sup>st</sup> century global economy, the Obama Administration has championed bold and comprehensive reform of student loans that will save taxpayers \$68 billion over the next decade, help pay for programs that boost college completion, and provide significant support for community colleges and minority serving institutions. To make college more affordable, the President has dramatically increased Pell Grant funding, increasing awards to millions of postsecondary students. The President also created the American Opportunity Tax Credit, which doubled the value of tax credits for higher education, is partially refundable thus expanding educational tax incentives to many low-income families for the first time, and has eased college costs for over 9 million families. Together these represent the largest investments in higher education since the passage of the G.I. Bill.

### **Developed Pathways to Employment for Low-Income Adults and Youth**

To encourage continued skill-building and on-ramps to economic opportunity, President Obama, through the Recovery Act, invested in summer and year-round jobs for disadvantaged youth that placed over 367,000 young people in summer jobs. In addition, over 260,000 low-income individuals were placed in subsidized jobs through investments in the Recovery Act. These programs have been critical for a population whose unemployment rate has stayed above 15 percent since 2009. President Obama has also invested in strengthening America's community college system which enrolls more than 6 million students.

### **Created Economically-Sustainable Neighborhoods**

To transform high-poverty neighborhoods with distressed public housing into sustainable communities with mixed-income housing, safe streets, and economic opportunities, the Obama Administration developed the Choice Neighborhood initiative and has already provided \$126 million to communities in need across the country. The Obama Administration has also secured \$40 million over the past two years to develop Promise



Neighborhoods initiative, which is modeled on the Harlem Children's Zone and provides communities with the continuum of services – from cradle to career – to meet educational challenges.

Through \$8 billion worth of investments in high-speed broadband through the Recovery Act, the Obama Administration has significantly increased access to the Internet across the country: more than 18,000 miles of broadband network have been installed or updated; more than 33,000 community anchor institutions have been connected to broadband; more than 16,000 computers for public use have been installed; and more than 110,000 new broadband subscribers have been generated. The Obama Administration is also working with tribal leaders to bring high speed, affordable broadband to their communities.

The Obama Administration is also piloting innovative efforts to strengthen cities and regions, increase the capacity of local governments to execute their economic growth plans, and deliver federal assistance tailored to the local government's needs through the Strong Cities, Strong Communities initiative. In rural America, the Administration's Strike Force initiative will promote and assist the economic development of rural communities and enhance the viability and profitability of small farms and ranches.

### **Expanded Support for Small Businesses in Low-Income Areas**

The President has taken a series of steps designed to help small businesses – many of whom have been among the hardest-hit from the downturn – to invest and hire. Through measures like the Small Business Jobs Act, the President has signed into law 17 small business tax cuts, established the Small Business Lending Fund and the State Small Business Credit Initiative, and enhanced SBA lending programs.

The Obama Administration has especially targeted small businesses in struggling communities. The Community Development Financial Institution (CDFI) Program draws on federal resources to invest in CDFIs and to build their capacity to serve low-income people and communities, including Indian Country, that lack access to affordable financial products and services. The Recovery Act provided an additional \$100 million to enhance the lending capacity of CDFIs, while the President secured funding in both 2010 and 2011 for the CDFI program that was more than double its levels in 2009. Likewise, the Recovery Act contained an additional \$3 billion in allocation authority for the New Markets Tax Credit – which supports investments in underserved communities. In addition to this historic increase in support for the New Market Tax Credit program, the Obama Administration has called for reauthorizing and expanding the credit from \$3.5 billion to \$5 billion in its FY2012 budget and proposed reforms to the program that will make it easier for it to support access to capital for small businesses.

## **Strengthened the Health and Wellness of Families**

The President has taken historic steps to ensure greater access to health care for the neediest Americans. Healthy workers benefit the economy because they have reduced levels of absenteeism and improved productivity. Within a month of taking office, the President signed the Children’s Health Insurance Program Reauthorization Act into law, expanding health coverage to more than 4 million low-income children who would otherwise go uninsured.

And thanks to the landmark Affordable Care Act, 34 million Americans will have quality, affordable health coverage when the law is fully implemented. Because nine out of ten Americans without health insurance today are in low- or moderate- income families, they will greatly benefit from the Affordable Care Act’s coverage expansion—some will be eligible for Medicaid while others will get tax credits to purchase private coverage. In fact, the Affordable Care Act is already working to expand health coverage: compared to a year ago, nearly one million young adults have gained health insurance through the Affordable Care Act under a provision that requires health plans to let young adults without employer coverage stay on their parents’ policy until they turn 26.

To help parents and families succeed through investments in programs that are proven to work, the President has invested in evidence-based home visiting services for low-income parents and young children and evidence-based teen pregnancy prevention

programs. And to promote responsible parenting, encourage healthy relationships and marriage, and help families move toward self-sufficiency and economic stability, the President created his nationwide Fatherhood and Mentoring Initiative and invested in responsible fatherhood programs.



The Obama Administration supports effective, long-standing programs that have served Americans who are trying to climb out of poverty and those in the middle class struggling to remain there. The President is committed to building on these programs through new,

historic investments and fresh, innovative initiatives championed by his Administration. By working together to identify innovative ways to solve shared problems, we can ensure that our Nation lives up to its proud history of opportunity for all, so that regardless of the family or neighborhood we grow up in, our hard work allows us to realize the prosperity of the American Dream.

## OPPORTUNITIES REALIZED: PRESIDENT OBAMA'S PATHWAYS TO OPPORTUNITY

- ❖ **Tax Relief for All Working Americans, with refundable tax credits focused on working families.** The President secured the Making Work Pay tax credit in 2009 and 2010 and then a payroll tax cut in 2011 that amounted to a 2 percent raise for working Americans through 2011. In addition, the President secured historic expansions in refundable tax credits EITC and CTC for low-income families.
- ❖ **Expanded and Extended Unemployment Insurance and Nutrition Assistance.** The expansion of unemployment benefits for the long-term unemployed through the Recovery Act helped over 17 million unemployed workers by the end of 2010 and the December tax deal's extension of UI kept 7 million Americans from losing their benefits during 2011. The Recovery Act also modernized the Unemployment Insurance program with incentives to states to extend coverage to workers who had previously been excluded. The Administration also expanded Supplemental Nutrition Assistance Program benefits, a critical program which helped keep an additional 3.9 million people, including 1.7 million children, above the poverty line in 2010.
- ❖ **Kept Americans in their Homes During a Housing and Economic Crisis.** The Administration's programs, both through their direct and indirect impact on the market, have helped more than 4 million families permanently modify their mortgages so they can stay in their homes. Through the Hardest Hit Fund, an additional \$7.6 billion supports locally-developed solutions to help unemployed and distressed homeowners in states hardest hit by the foreclosure crisis. Through the Recovery Act, the President provided \$1.5 billion for the Homeless Prevention and Rapid Re-Housing Program to prevent homelessness for 1 million Americans.
- ❖ **Reformed K-12 and Early Education through Innovative, New Programs.** President Obama created Race to the Top with a historic \$4.35 billion investment. As a result of the initiative, over 40 states have raised standards, improved assessments, and invested in teachers to ensure that all of our children receive a high-quality education. A similar Race to the Top Early Learning Challenge has been developed to raise the quality of and increase access to critical programs that ensure our kids are entering school ready to learn.
- ❖ **Increased College Access and Affordability for Students.** Since the beginning of the Administration, the President has dramatically increased Pell Grant funding, created the American Opportunity Tax Credit to ease college costs for over 9 million families, and championed bold and comprehensive reform of student loans that will save taxpayers \$68 billion over the next decade. Together, these represent the largest investment in higher education since the G.I. Bill.
- ❖ **Subsidized Jobs for Low-Income Adults and Youth.** Through the Recovery Act, 367,000 low-income youth received summer employment and over 260,000 adults and youth were placed in subsidized jobs.
- ❖ **Created Economically-Sustainable Neighborhoods.** The Administration has secured \$40 million to Promise Neighborhoods and \$126 million to Choice Neighborhoods that provide a continuum of services to combat the challenges facing communities most in need. The new Strong Cities, Strong Communities is helping strengthen cities and regions by increasing the capacity of local governments to execute their economic growth plans, while also delivering federal assistance tailored to the local government's needs.
- ❖ **Support for Small Businesses.** Since the beginning of the Administration, the President has enacted 17 tax cuts for small businesses, including billions of dollars in tax credits, write-offs, and deductions for Americans who start new businesses, hire the unemployed, and provide health insurance for their employees. In addition, through the Small Business Jobs Act and other measures, he has taken steps to expand small businesses' access to credit – with a particular focus on underserved communities through programs like the Community Development Financial Institutions and the New Markets Tax Credit.
- ❖ **Expanded Health Care Access for Families and Workers.** Within a month of taking office, the President signed the Children's Health Insurance Program Reauthorization Act into law, expanding health coverage to more than 4 million children who would otherwise go uninsured. And the historic Affordable Care Act, when fully implemented, will expand health coverage to 34 million Americans, the majority of whom are low- or moderate-income.

## PROVIDING FINANCIAL STABILITY TO STRUGGLING FAMILIES

*“But no matter what we argue, no matter where we stand, we’ve always held certain beliefs as Americans. We believe that in order to preserve our own freedoms and pursue our own happiness, we can’t just think about ourselves. We have to think about the country that made these liberties possible. We have to think about our fellow citizens with whom we share a community. And we have to think about what’s required to preserve the American Dream for future generations.”*

– President Barack Obama, April 13, 2011

When President Obama took office, the economy was shedding 750,000 jobs each month and millions of families were unable to make ends meet. President Obama took immediate action, with tax relief, unemployment insurance, and assistance for basic needs like keeping food on the table and a roof over struggling families’ heads. Three years later, data show that millions of people were lifted out of poverty by each of these efforts – which not only



helped blunt the worst impacts of the recession, but also stabilized the economy and stemmed historic job losses.

### **Support for Struggling Families**

When the President took office, he signed into law tax relief targeted to lower-income and middle-class working families, helping them bear the brunt of the

recession. The President proposed and enacted a new tax credit, Making Work Pay, which provided enough income to keep 1.6 million Americans out of poverty, and he also expanded the Earned Income Tax Credit and Child Tax Credit, also saving 1.6 million Americans from poverty. And these provisions provided relief to over a hundred million more. As a way to get the economy going again and help out families in tough times, the President fought for and enacted a 2 percentage point employee-side payroll tax cut for 2011, and, in the American Jobs Act, the President is proposing to extend that through 2012 and expand the tax cut to 3.1 percentage points. This payroll tax cut is adding to the paychecks of about 160 million American workers this year.

As part of the Recovery Act, the President signed into law the Making Work Pay tax cut of up to \$800 for a family (and \$400 for a single individual) in 2009 and 2010. Making Work Pay went to about 95 percent of working families. The American Opportunity Tax Credit is a new, partially refundable tax credit that is now helping more than 9 million families afford the cost of college. It was created in the Recovery Act and continued through 2012 in the December tax deal.

The Recovery Act set a lower refundability threshold for the Child Tax Credit (CTC), and this was also continued through 2012 in last December's tax deal. This lower refundability threshold provides a tax cut to 11.8 million working families with 21.3 million children. The Earned Income Tax Credit (EITC) is widely recognized as one of the largest and most effective anti-poverty programs in the country; it both encourages work and alleviates poverty. The Recovery Act expanded the EITC for families with three or more children—giving them a tax cut of up to \$640 this year—and also reduced the “marriage penalty” faced by working married families. These were continued through 2012 in the December tax deal, and, together, these enhancements to the EITC are helping 5.8 million working parents with 12.5 million children.

For the 45 million low-income Americans that participate each month, the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) is an important economic lifeline. The face of SNAP has evolved over time and, during the recent recession, many families who had never before accessed social benefits found themselves suddenly in need.

#### How tax relief has helped American families:

- **A family earning \$20,000 per year (close to the poverty line in 2011):** A family with two children close to the poverty line will have received around \$3,600 in tax relief – including around \$1,600 each from Making Work Pay and the extended EITC – through the President's first term. If the American Jobs Act is passed, this family would get an additional \$620 payroll tax cut next year.
- **A family with a single parent earning the minimum wage (around \$14,000 per year) got \$3,000 in tax relief from the expanded Child Tax Credit:** A family with one eligible child, and a parent earning the minimum wage (\$7.25 per hour) will have received around \$4,200 in tax relief over the President's first term. Most of this relief is due to the expansion of the Child Tax Credit, which provided a targeted benefit to lower-income, working families. Before the crisis in 2008, families received no child tax credit until they earned around \$12,000, with the credit phasing in after that. Single parents at the minimum wage would therefore not earn enough to qualify for a substantial credit. In 2009, the Recovery Act lowered the phase-in to \$3,000, meaning that a minimum wage earner with one qualifying child would get the full \$1,000 credit, rather than around \$225 under prior law. This adds up to around \$3,000 in tax relief over the President's first term.
- **Lower income and middle-class families received \$4,000 in tax relief for college costs:** The American Opportunity Tax Credit (AOTC) provided a credit that is refundable up to \$1,000 per year for families with college expenses. A typical family earning \$20,000 or \$30,000 with college expenses of more than \$5,000 will have received \$4,000 in tax relief over the President's first term.

Despite rising poverty and unemployment in 2008 and 2009, child hunger did not rise. SNAP played a major role in making that possible. According to the Census Bureau, the SNAP program kept an additional 3.9 million people, including 1.7 million children, above the poverty line in 2010.

Patrick and Tyra Magreevy of San Antonio, TX, never thought their family would need assistance from a program like SNAP. While Patrick, a Veteran, is currently employed at Sears, Tyra is undergoing treatment for breast cancer. All of a sudden they were struggling to pay the basic necessities including utilities, mortgage and most importantly groceries. SNAP benefits helped relieve the stress and pain of hearing their children ask for food when the pantry was empty. Current data shows the vast majority of SNAP beneficiaries are now working families, children and the elderly. Most households who enroll in SNAP stay on the program for less than a year, using the program like Patrick and Tyra: to get back on their feet during times of economic hardship.

SNAP not only successfully helps meet the needs of working families in financial crisis, but it also provides an economic multiplier for their communities: every \$5 spent in new SNAP benefits yields up to \$9 in economic activity. Every time a family uses SNAP to put food on the table, it benefits the store and the employees where the purchase was made, the truck driver who delivered the food, the warehouses that stored it, the plant that processed it, and the farmer who produced the food.

### **Addressing the Housing Crisis**

When President Obama took office in January of 2009, the housing market had seen major losses for 30 straight months, slashing home equity in half and leaving as many communities struggling economically. Since then, the Administration has taken critical steps to mitigate the impact of the crisis and revitalize communities most in need.

To begin rebuilding our housing market and economy, the Administration jumpstarted mortgage modifications, which help to keep families in their homes. More than 4 million families have had their mortgages permanently modified since April 2009 – nearly twice the number of foreclosures in that time. And the Administration has fundamentally changed the way that mortgage modifications are conducted. Before President Obama was inaugurated, most loan modifications conducted in the private market actually raised payments. Our efforts have set a standard for affordability in the market, which has resulted in the average modification lowering monthly payments by about \$500.

The Administration has made it easier for Americans to afford a new home, with an \$8000 First Time Homebuyer Tax Credit that hundreds of thousands of Americans used to realize their dreams of owning a home. And the Administration has also made it easier to take advantage of historically low interest rates, as over 1.5 million Americans have refinanced their homes at lower rates through the Federal Housing Administration.

And for those communities hit hardest by the collapse of the housing market, the Hardest Hit Fund provides \$7 billion to help their underwater and unemployed homeowners with

the relief needed to hold onto to their homes. This help will give these communities some of the tools needed to stabilize their neighborhoods and turn their local housing markets around.

The Obama Administration acted quickly to deal with some of the worst impacts of the recession through the Homelessness Prevention and Rapid Re-Housing Program, a Recovery Act program that has prevented or ended homelessness for over 1 million Americans. Through this program, homelessness agencies work to connect families with resources they need such as rental assistance, security deposits, SNAP benefits, utility payments, credit counseling, legal aid, and other supportive services.

The Obama Administration has placed extra emphasis on preventing homelessness among veterans who have served their country – a focus desperately needed because veterans are 50 percent more likely to become homeless than all Americans. Through coordinated action by the Department of Housing and Urban Development and the Veterans Administration, more than 37,000 veterans have received housing vouchers since 2008, putting the United States on track to end veteran homelessness by 2015.

### **Relief for Unemployed Job Seekers**

The expansion of unemployment benefits for the long-term unemployed through the Recovery Act helped over 17 million unemployed workers by the end of 2010 and the December Tax Deal's extension of UI kept 7 million Americans from losing their benefits during 2011. In fact, in 2009 the UI program as a whole kept approximately 4.8 million people out of poverty, with the extension of emergency benefits under the Recovery Act responsible for lifting 2.2 million of these Americans out of poverty.

According to the Census, unemployment insurance payments kept 3.2 million people above the poverty line in 2010. These payments also have shown success in spurring economic growth—putting an estimated two dollars back into the economy for every one dollar spent by the government, since those receiving unemployment payments are likely to spend them right away. The White House Council of Economic Advisers estimates that the extensions increased GDP growth by 0.8 percent and contributed to generating 800,000 jobs.

Over the last two years, unemployment insurance (UI) claims were processed for 31 million beneficiaries. The Obama Administration provided technical assistance to 26 states to amend their laws to ensure that millions of unemployed job seekers had access to extended benefits and also provided guidance and onsite monitoring in all states.

The Recovery Act also modernized the Unemployment Insurance program with incentives to states to extend coverage to part-time workers, recent entrants to the labor force, and others who had previously been excluded. The Obama Administration provided over \$4 billion to 41 states as part of this initiative.



## **Protecting Consumers for the Future**

When applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products, Americans need at the very least to be able to protect themselves from the same abusive practices of the lending industry that precipitated the current financial crisis. The newly-created Consumer Financial Protection Bureau will provide protection for consumers by ensuring that they get the information they need to make the best financial decisions for themselves and their families—that prices are clear up front, that risks are visible, and that nothing is buried in fine print. In a market that works, consumers should be able to make direct comparisons among products and no provider should be able to build, or feel pressure to build, a business model around unfair, deceptive, or abusive practices.

## READY TO LEARN

*“This isn't just about keeping an eye on our children, it's about educating them. Studies show that children in early childhood education programs are more likely to score higher in reading and math, more likely to graduate from high school and attend college, more likely to hold a job, and more likely to earn more in that job. For every dollar we invest in these programs, we get nearly \$10 back in reduced welfare rolls, fewer health care costs, and less crime.”*

– President Barack Obama, March 10, 2011



President Obama has worked to expand the number of children who have access to high quality early childhood education. Access to affordable, safe, quality child care is essential for parents who work—without it, many families are left with the untenable choice of leaving their children in substandard care or losing their jobs.

In 2009, an average of 2.5 million families received child care assistance from federally-supported child care programs and associated state funds. Almost 1 million children depend on the Head Start program for comprehensive early childhood services. Historic investments by the Obama Administration in Head Start, Early Head Start, and child care funding have increased access to early education for thousands of young children. The number of children served in Head Start increased by 13,000 three- and four- year-olds and 48,000 infants and toddlers. And, additional child care funding enabled states to serve approximately 300,000 additional children during the depths of the recession.

The critical importance of the early years of development and the potential benefits of early childhood programs are described in the groundbreaking Institute of Medicine report, *Neurons to Neighborhoods*. Nurturing and stimulating relationships with parents and caregivers during the first five years of life provide a foundation for life-long healthy development and learning.

By the time children start school, low-income children are, on average, a full year behind their peers in cognitive and language skills. Once behind, these problems are not easily overcome as children enter school. Low-income children are more likely to experience academic failure, repeat grades, and drop out before completing high school.

### **Race to the Top: Early Learning Challenge**

The Obama Administration has launched a new \$500 million competition, the Race to the Top Early Learning Challenge that will push states to transform early learning systems with better coordination, clearer learning standards, and meaningful workforce development for educators and care takers. The competition focuses on improving early learning and development for young children by supporting States' efforts to increase the number and percentage of low-income and disadvantaged children in each age group of infants, toddlers, and preschoolers participating in high-quality early learning and development



programs. The overarching goal of the Early Learning Challenge competition is to make sure that many more children, especially children with high needs, enter kindergarten ready to succeed.

The Race to the Top Early Learning Challenge does not create new early learning and development programs, nor is it a vehicle for maintenance of the status quo. Rather, the program will support States that demonstrate their commitment to integrating and aligning resources and policies across all of the State agencies that administer public funds related to early learning and development. This commitment by the Administration represents a significant effort to help close the

Head Start graduate Mary Yong, now in her 20s, says the program gave her the start in life that she needed. From a family that did not speak English in the home, she began attending Head Start at 3 years old. Mary says, "Words really can't explain how much Head Start means to me and my family. They have helped me in so many ways. I was taught another language...I was taught what any preschooler needed to learn and I am so thankful." Like Mary, every child in America should have the opportunity to learn the skills they need to succeed.

achievement gap between high need children and their peers by assisting states in promoting access to higher quality early learning and development programs for the children that can benefit the most.

### **Reforming Head Start**

The Obama Administration has launched an ambitious reform agenda aimed at improving the quality of programs using current research and the best available evidence-based strategies. This reform agenda includes raising the standards for quality to which Head Start centers are held accountable, fully engaging families in children’s development and learning, raising teacher qualifications, providing better training on evidence-based strategies to Head Start staff, and, for the first time, requiring low-performing Centers to compete for Head Start funds.

There is a special focus in this quality improvement initiative on the strategies and methods that have been shown through research to be associated with improvements in children’s outcomes. Part of this initiative includes critical technical assistance and resources on best practices to Head Start centers.



### **Improving Child Care Quality**

The Obama Administration has focused on improving quality in child care across the country for all children, and particularly for low-income children. More than 12 million American children regularly rely on child care, including child care centers and family child care homes, to support their healthy development and school success. The Administration identified principles for reforming the nation’s primary funding source for child care assistance and quality improvement. These reforms would transform the Nation’s child care system into one that provides safe, nurturing care that fosters healthy child development, promotes future academic success, focuses on quality improvement, and supports parental employment.

## READY FOR COLLEGE AND CAREER

*“We will provide the support necessary for you to complete college and meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world.”*

- President Barack Obama, February 24, 2009



Obtaining the skills and knowledge necessary to succeed in the 21<sup>st</sup> century is the simplest and most stable path into the middle class today and is the best way to lead individuals into fulfilling careers. President Obama recognizes that quality educational opportunities are keys to economic success for every individual and community, as well as the country. And he is absolutely committed to providing every student in America a complete and competitive education, regardless of his or her background. The provision of a free, public education to all our citizens is one of America’s greatest success stories. Expanding educational opportunities helped move millions of families out of poverty and helped make our country the most prosperous nation on Earth.

In a world of increasingly global economic competition, the President knows America cannot afford to waste any of our talent. We must educate all of the next generation with the skills needed to succeed in the 21st century workforce. But the American education system must do more today to keep up with our global competitors. More than 60 percent of the jobs in the next decade will require more than a high school degree. Yet, nationwide, one quarter of our children are not earning their diploma.

This crisis, evidenced by the growing gap between American students and their peers in other countries, is economically inefficient and threatens our global competitiveness. Too often we are leaving behind our socially and economically disadvantaged students who are disproportionately bearing the brunt of our country's lagging educational performance. In many States, the "graduation gap" between white and minority students is stunning, even exceeding 40 or 50 percentage points in some cases. The President has committed to historic investments in reform and innovation while continuing investment in fundamental education programs. The President's vision for the nation's education system includes higher academic standards, effective teachers, and innovation that builds on what works in America's classrooms.



### **Race to the Top**

Supported from the earliest days of the Administration through the Recovery Act, the Race to the Top Program has spurred systemic reforms across the nation and embraced innovative approaches to teaching and learning in America's schools. The program encourages States to address reforms in four areas critical to student success—ensuring that our neediest students are taught by effective and prepared teachers; turning around the lowest-performing schools; adopting college and career ready standards for all students; and building data systems that measure student success and inform teachers and principals in how they can improve their practices. Over 40 states have changed laws or regulations in key policy areas to improve their schools and better prepare their students for college and beyond. The application process also spurred statewide collaboration and conversation between governors, state legislatures, and teachers about education reform focused on improving outcomes for all students.

As a Race to the Top winner, Tennessee is taking action to improve teacher evaluation, adopt rigorous standards, and increase the use of data, while also supporting targeted investments in the educator pipeline and STEM. Tennessee is also starting to adopt the Common Core State Standards for kindergarten through 2<sup>nd</sup> grade, while building awareness of what the standards will mean in other grades. The State is also using Race to the Top funds to focus on STEM and support innovation in educator recruitment. The State opened the first two STEM-focused schools in Knoxville and Nashville and plans to open supporting hubs to build the STEM capacity in the middle and eastern parts of the State. These STEM schools provide cutting-edge opportunities for students, such as robotic and vehicular transportation, national security, and engineering programs, with opportunities to earn dual credits with postsecondary education or career-related internships.

Many winning states like North Carolina, Maryland, and Delaware are using Race to the Top funds to help thousands of teachers and school administrators transition to more demanding college- and career-ready standards so students are better prepared for college and the workforce.

Even states that did not win a Race to the Top grant are still taking important steps toward reform. A June 2011 GAO report found that selected states that applied for—but did not receive—Race to the Top grants expected to implement some of their planned reforms anyway. Out of eight states interviewed, officials in five of the non-grantee states reported moving ahead with plans to implement teacher evaluation systems, but at a different scale or pace than stated in their Race to the Top applications. For example, officials in California decided to allow districts to implement the new teacher evaluations on a discretionary basis rather than implementing the evaluations statewide. Officials in Illinois indicated they are moving ahead with a requirement for districts to include student academic growth in teacher evaluations though at a slower pace.

### **Praise for Race to the Top**

*“an important step forward” and “a powerful spur to innovation in education”*

–New York Times Editorial Board

*“Race to the Top is headed in the right direction”*

–Michael Lomax, President and CEO of United Negro College Fund

*“Race to the Top may have only been in existence for a short time. But it’s triggered the most dramatic state education reforms the country has seen in many years.”*

–Center for American Progress

*“this is a remarkable opportunity to help students and teachers by bringing innovative and proven approaches into classrooms.”*

–Matthew Cregor, The Southern Poverty Law Center

*“This is Washington energizing diverse communities of reformers, locality by locality, and giving them more leverage in their struggles against the defenders of the status quo.”*

–David Brooks, New York Times

### **Investing in Innovation**

To improve academic achievement and close achievement gaps, the Obama Administration is spurring and scaling up the most innovative, effective, and evidence-based strategies for improving student outcomes. Investing in Innovation (i3) is expanding the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, particularly for low-income individuals. The 49 grantees selected from nearly 1,700 applicants in the first round of the competition are now serving over 250 communities nationwide. Some projects supported by i3 are

leveraging cutting-edge technology, such as distance learning, to provide previously unavailable learning opportunities for students in rural communities.

The Niswonger Foundation received \$17.7 million to establish the Northeast Tennessee College and Career Ready Consortium, a partnership with 15 school districts in rural Tennessee. The project uses online courses to increase student access to rigorous coursework and also takes advantage of cell phones and video technology to measure learning and deliver courses such as French, Mandarin Chinese, and calculus. The consortium is already offering 30 online courses--including 26 it developed--to approximately 500 students.

### **Innovation and Disconnected Youth**

More than 1.2 million students drop out of school every year. That's over 6,000 students every school day. One every 26 seconds.<sup>1</sup> Children and youth who grow up in poverty and in low-income neighborhoods have a greater chance of becoming disconnected from education or employment on the path to adulthood. They are three times more likely to drop out of high school, or to become a teen parent. And they are highly likely to have trouble maintaining consistent employment in young adulthood. These challenges are exacerbated in communities-of-color: black boys in poor families have the worst employment outcomes in young adulthood of any sub-group and poor black children are more likely than their peers to be poor in adulthood.

The costs of disconnection are not only great for the individual youth, but also for our communities and our Nation. The lifetime cost to the individual of dropping out of high school is estimated at \$200,000 when compared to a high school graduate and \$1 million when compared to a college graduate.<sup>2</sup> This loss of human potential is magnified when considering the societal cost to taxpayers – as much as \$350 billion in lost wages, taxable income, health, welfare, and incarceration costs.<sup>3</sup> A comprehensive approach is needed to support these youth to get back on track to education, good careers, and self-sufficiency, and to ensure that they can transition into responsible adulthood successfully.

Grants from i3 have supported new approaches to reaching disconnected youth, including youth in the foster care system. The Advancement Through Opportunity and Knowledge program received \$3.7 million through i3 and leveraged an additional \$799,000 in private resources to address the needs of foster care students in a comprehensive and coordinated fashion by improving information-sharing across agencies so that social workers, educators, and service providers can work together to address each youth's individual educational needs.

<sup>1</sup> Education Week. (2007, June 12). Diplomas Count 2007: Ready for What? Preparing Students for College, Careers, and Life after High School. Bethesda, MD: Editorial Projects in Education Research Center.

<sup>2</sup> "School Dropout Rates Add To Fiscal Burden." Writ. Claudio Sanchez and Linda Wertheimer. *Weekend Edition Sunday*. NPR. 24 July 2011. Radio. <http://www.npr.org/2011/07/24/138653393/school-dropout-rates-adds-to-fiscal-burden>

<sup>3</sup> Ibid.

## **Transforming Low-Performing Schools**

There are close to 2,000 high schools in this country, where a student's chances of walking across the stage and receiving a diploma at the end of four years is a 50/50 proposition at



best. And there are many other elementary and middle schools where students struggle to achieve and reach the levels needed to succeed in high school and beyond. To address this threat to our economic strength, the Obama Administration made a historic investment in the Department of Education’s turnaround strategy that provides targeted reforms in the operation, governance, and staffing of these low-performing schools to dramatically increase student outcomes. Investing in schools that need the most help can change an entire culture and provide learning opportunities to students that would never have been available before.

Before receiving a federal grant through this initiative, University City High School in Philadelphia, PA, had a physical environment that was described as “not welcoming or conducive to learning,” was frequently listed as persistently dangerous for acts of violence, and suffered low attendance. But thanks to federal support, the school implemented a number of changes that improved school safety, turned a low-morale environment into one that encouraged student achievement, and helped instill a college-centered culture. Small changes, like painting the hallways and installing brighter lighting, as well as larger ones—like installing a new staff, the adoption of school uniforms worn by both students and teachers, consistent behavior expectations across classrooms, and Saturday school—have helped transform the learning environment into a successful, collaborative space where students participate and feel responsible for their own learning. The promotion of a “college-centered” culture and partnerships with local universities like the Wharton School of Business at the University of Pennsylvania and Drexel University have provided students with opportunities for mentoring, academic and leadership development, and summer internships. The result: at the end of school year 2010-2011, 131 out of 156 seniors walked across the stage and received diplomas— and 87 percent of those students had college acceptances. Additionally, attendance rates have risen by 9 percent over two years and for the start of the 2011-2012 school year, the attendance rate is 87.5 percent and rising.

### **Making College Affordable and Accessible**

Graduating from high school used to be sufficient to find stable employment and have a successful middle-class lifestyle. But the increasing level of skills demanded today means learning can no longer stop with a high school diploma. Instead, students of all ages will increasingly need at least some postsecondary education to compete in the global economy. Having more students complete college is crucial for not just individual success, but for our nation as a whole to stay economically prosperous and internationally competitive. That is



why the President unveiled his goal that by 2020 America will, once again, have the highest proportion of college graduates in the world.

According to a recent report published by Public Agenda and the Bill and Melinda Gates Foundation, two most common reasons why students drop out of higher education are the difficulties of balancing work, school, and life simultaneously and an inability to afford tuition and fees. And that is to say nothing of the students from low-income or other disadvantaged backgrounds who may never enroll because they are scared off by the high price tag of college.

The largest source of postsecondary grant aid in the nation, the Pell Grant will provide support to over 9 million students this year. With over one-third of students in higher education being helped by this program, Pell Grants can be the difference between completing and dropping out for many students.

President Obama has taken a number of dramatic steps to address the financial concerns of students and ensure that college stays affordable and accessible by shoring up this critical program. In the last two and a half years, the President has made the largest investments in higher education since the passage of the G.I. Bill. These record commitments included raising the maximum Pell Grant to its highest level ever. And with the importance of college magnified by the current economic climate, the Administration fought vigorously to preserve the maximum award.

The President paid for this investment in college access by reallocating billions of dollars in bank subsidies directly to financial aid for low income students. Choosing students over banks not only preserved the Federal student loan program and increased assistance for low income students, it also saved \$68 billion in taxpayer dollars that was redirected to minority-serving institutions, community colleges, and deficit reduction.

In addition to Pell Grants, the Administration has enacted a number of other benefits, programs, and policies that make it easier to afford college and access Federal aid. In particular the Recovery Act established the American Opportunity Tax Credit, which more than doubled the value of tax credits for higher education and made up to \$2,500 available for the first four years of college—including a refundable benefit of \$1,000 for low-income families. In 2011, the credit provided an average of \$1,900 for an estimated 9.4 million families. Last year, the President successfully fought to fully extend the credit—allowing more than 8 million students to continue receiving this tax benefit to help them afford college and

The Pell Grant has been a crucial source of support for University of Central Oklahoma student Billy Elles. Billy did not have an easy road to college. After his parents' divorce and their subsequent struggles with addiction to drugs and alcohol, he moved into his Youth Minister's home to get back on a positive track in school and in life. When he began considering college, he learned about how Pell Grants could help someone like him who lacked parental support. Now at the University of Central Oklahoma, Billy has a 3.95 GPA and spends over 100 hours a semester volunteering. He's on track to graduate in December of 2012.

continue on the path to opportunity. President Obama continues to fight to make this tax credit permanent.

## PATHWAYS TO EMPLOYMENT

*“...The most important anti-poverty effort is growing the economy and making sure there are enough jobs out there – single most important thing we can do. It’s more important than any program we could set up. It’s more important than any transfer payment that we could have. If we can grow the economy faster and create more jobs, then everybody is swept up into that virtuous cycle. And if the economy is shrinking and things are going badly, then the folks who are most vulnerable are going to be those poorest communities.”*

- President Barack Obama, September 10, 2010

### **Job Opportunities for High Need Populations**

Keeping young adults engaged and productive during the summers is particularly important for keeping them connected to the community and growing their skills. The Obama Administration made a significant investment in the Summer Jobs Program through the Recovery Act that allowed 367,000 young adults to be placed in summer employment in 2009 and 2010. The Summer Jobs Program teaches disadvantaged youth employment skills and often provides them with their first pay check. Most importantly, summer jobs can be the life lesson to many young adults that “hard work pays off.”

The Summer Jobs Program cannot happen without critical partnerships with the business and non-profit sectors. The Department of Labor’s 2011 Summer Jobs USA initiative does not rely on any federal funds but instead is funded through partnerships with business leaders, elected officials and non-profits to create, publicize, and fill jobs for low-income, young people age 16 to 24. These partners pledged to hire more than 80,000 youth in the summer of 2011. Private sector partners such as Wells Fargo, Jamba Juice, and We Are Golf recruited and placed thousands of young people in summer jobs.

In addition to the Summer Jobs Program, over 30 states provided subsidized employment to more than 260,000 low-income adults and youth with funds from the Temporary Assistance for Needy Families Emergency Contingency Fund supported by the Recovery Act.

The Department of Labor recently announced over \$39 million in grants to help low income non-custodial parents and ex-offenders obtain the skills they need in the workplace. Through this funding, more than 3,500 people will be placed in temporary, paid work experiences to improve their employability, earnings and opportunities for advancement, as well as promote their self-sufficiency and long term success in the workforce. At least \$15 million of the funding is dedicated to assisting ex-offenders.

Two years ago, Gracey Ibarra, a young mother of two, became a Certified Nursing Assistant with the help of the help of Summer Jobs and other federal training programs. Still she is determined to earn a college degree. She now works as an on-call CNA at the local nursing home and will further her medical career with a Licensed Nurse Practitioner degree or First Responder degree at Northland Technical College in East Grand Forks, Minnesota. Gracey realizes that her success story inspires other Hispanic teens to look up to her as a role model.

These initiatives provide an on-ramp to job opportunities for those who often times face particularly high barriers to finding work.

### **Job Clubs: Supporting Creative Ideas**

The Obama Administration has begun to encourage new partnerships called “Job Clubs” that represent the value of social capital in our communities and the commitment of neighbors helping their fellow neighbors through difficult times. Job Clubs are being developed between the workforce system and the hundreds of job seeker support groups that have sprouted up across the country at churches, public libraries, and community colleges. These Job Clubs help job seekers tap into informal hiring networks by assisting them to expand their professional contacts, learn about the latest job search tools like LinkedIn, and even address the emotional and mental health challenges associated with unemployment. Often run and managed by volunteers and on shoe-string budgets, Job Clubs have especially attracted out-of-work middle class professionals ages 50 and above. One of the largest job clubs is the McLean Bible Church Career Network Ministry in Vienna, VA. This group draws between 100 and 200 people every Tuesday evening. They have hundreds of success stories from the past two years, including Karen, a single mom who showed up at her office one day last December only to learn that her position was being terminated. She was out of work for nearly nine months, during which time she attended the ministry to learn how to become a better networker and marketer of her skills and experience. The camaraderie of the group meetings also helped her maintain a positive outlook on the job search process and a motivated, productive job seeker. As a result of this support she recently landed a new management position with a technology firm.

### **Building a 21<sup>st</sup> Century Workforce**



As the largest part of the nation’s higher education system, community colleges enroll more than 6 million students and are growing rapidly. They feature affordable tuition, open admission policies, flexible course schedules, and convenient locations. Community colleges are particularly important for students who are older, working, or need remedial classes. Community colleges work with businesses, industry

and government to tailor training programs to meet economic needs like nursing, health information technology, advanced manufacturing, and green jobs. In the coming years, jobs requiring at least an associate degree are projected to grow twice as fast as those requiring

no college experience. For these reasons, President Obama has invested billions of dollars in strengthening America's community colleges.

At this time of economic hardship and uncertainty, the Administration is focused on building the highly skilled workforce that is crucial for success in the 21st century. For workers whose jobs may have moved overseas, community colleges and other training institutions are helping to develop, improve, and provide education and career training programs so that displaced workers can prepare for new career pathways. Over the next four years, the Obama Administration will invest \$2 billion through the Trade Adjustment Assistance Community College and Career Training initiative to support partnerships between community colleges and employers to develop programs that provide pathways to good jobs in high wage, high skill fields including advanced manufacturing, transportation, health care, and STEM (science, technology, engineering, and math) occupations.

A lack of basic literacy and numeracy skills is a challenge that must be addressed for many low-income Americans. If individuals who lack these basic skills are ready to acquire them in order to get a job, then we should be ready to provide an entry point through community partnerships with K-12 schools, community colleges, non-profits, and community-based organizations. For students who have not yet learned the basic skills needed to succeed in college or work while they are in high school, community colleges are receiving support to improve remedial and adult education programs, accelerating students' progress and integrating developmental classes into academic and vocational classes.



The Obama Administration encouraged the creation of Skills for America's Future, a national initiative that promotes partnerships between community colleges and businesses. The vision is to create a broad umbrella under which corporations, labor

unions, community colleges and others can connect, identify opportunities for leveraging and scaling effective models, and, by working together, have a substantially greater impact than the training efforts of individual firms or community colleges. A partnership between the initiative and the Manufacturing Institute, non-profit affiliate of the National Association of Manufacturers, has set the goal of equipping 500,000 community colleges students with the credentials necessary to secure good paying, cutting-edge jobs in the manufacturing sector. American manufacturers have added over 280,000 jobs since December 2009, the first time the manufacturing sector has added jobs since 1998, as the manufacturing sector has quietly outperformed the overall economy.

The Department of Labor invested in 36 public-private partnerships serving 21 states through the H-1B Technical Skills Training Grant Competition that will provide education, training and job placement assistance, as well as on-the-job training, which will allow participants to learn new skills while earning a regular paycheck. This initiative will provide training in high-growth fields where employers are currently using the H-1B nonimmigrant visa program to hire foreign workers, such as advanced manufacturing, energy, health care and information technology. In addition, the Obama Administration has created a new competition—the Job Accelerator Challenge—that will promote the development in areas such as advanced manufacturing, information technology, aerospace and clean technology in rural and urban regions spanning 21 states. With a focus on individuals who have been unemployed for longer than six months, these investments are an important part of the administration's efforts to help ensure that America's workers have the chance to succeed in new and emerging fields, and that growing businesses have access to the skilled American workers they need.

With millions of Americans struggling, the most important thing we can do is expand the availability of the good, stable jobs that are at the core of every family's economic opportunity. The financial crisis and the recession it caused have increased the economic strain that many families already felt. We must not only restore the American economy to its past strength, but also rebuild it with solid foundations and structures that ensure all Americans' hard work can allow them to realize the prosperity of the American Dream. We must take action right now to put more people back to work and also provide all Americans pathways to employment and the skills they need for the jobs of the future.

## REVITALIZING AND STRENGTHENING COMMUNITIES

*We're attacking the cycle of poverty that steals the future from too many children – not just by pouring money into a broken system, but by building on what works – with Promise Neighborhoods modeled after the good work up in Harlem; Choice Neighborhoods rebuilding crumbling public housing into communities of hope and opportunity; Strong Cities, Strong Communities, our partnership with local leaders in hard-hit cities like Cleveland and Detroit.*

- President Barack Obama, September 24, 2011

A child's zip code should never determine his or her life opportunities. But research has shown that neighborhood poverty levels are a critical factor in determining the lifetime outcomes for children. During his time as a community organizer in the heart of Chicago neighborhoods devastated by steel plant closures, President Obama saw this play out as he confronted extreme poverty so overwhelming that it seemed impossible to escape. This poverty was a disease that spread through bad schools and inability to access basic job opportunities, and infected the surrounding city blocks with hopelessness and fear. That Chicago experience has stayed with him throughout his public service career – a searing reminder that we must fight to ensure that all Americans, regardless of the family or neighborhood they grow up in, can see their hard work realize the American dream. That promise is a cornerstone of American society, a tenet central to the prosperity of our nation.

More than 10 million people in America currently live in urban neighborhoods and rural communities of highly concentrated poverty, with poverty levels of 40 percent and higher. In these places, high unemployment rates, struggling schools, distressed housing, persistent and violent crime, shocking health disparities, and a lack of local businesses cause disproportionately negative outcomes for their residents. They feed into and perpetuate one another, intensifying challenges for the children who grow up there.





## **Neighborhood Revitalization**

The interconnected challenges in high-poverty neighborhoods require interconnected solutions to address the compounding effects of the multiple barriers facing children and families who live in these neighborhoods. The White House Neighborhood Revitalization Initiative is the Obama Administration's bold approach to supporting innovative, holistic strategies for transforming neighborhoods of distress into neighborhoods of opportunity – places that provide the pathways, resources, and environments that children and families need to maximize their life outcomes and contributions to society. By bringing the right partners together and aligning their efforts, the Neighborhood Revitalization Initiative will help break the cycle of intergenerational poverty, improve the educational outcomes of low-income children, and empower individuals and community organizations to transform their neighborhoods into places of opportunity.

Choice Neighborhoods is one of the signature programs of the Neighborhood Revitalization Initiative, providing local leaders with flexible funds to transform high-poverty neighborhoods with distressed public housing into sustainable communities with mixed-income housing, safe streets, and economic opportunity. Choice Neighborhoods builds upon the bipartisan-supported HOPE VI program which reduced poverty, crime, and unemployment; increased income and property values; and triggered investment, business growth, and local jobs. The Urban Institute estimated that, with these gains, a typical redevelopment could save taxpayers \$22 million more than if the federal government did nothing. The Obama Administration has invested \$126 million in communities in need through the Choice Neighborhoods program.

In New Orleans, Choice Neighborhoods will spur the revitalization of the Iberville/Tremé neighborhood, where 52 percent of families live in poverty, with a plan centered on the transformation of distressed, highly-concentrated public housing into mixed-income housing that preserves the historic character of the neighborhood. The partnership, led by the City of New Orleans and its housing authority, will take advantage of the neighborhood's adjacency to the French Quarter, bringing back the streetcar named *Desire*, and expanding the reach of New Orleans' strong tourism economy to include the musical and cultural heart of Tremé. A new hospital, clinic, and biomedical research facility, tied to integrated job training, will create critical employment opportunities for neighborhood residents and expand access to affordable health care. And through the Choice Neighborhoods partnership with the Recovery School District, Louisiana's fastest-improving school district, children growing up in the revitalized neighborhood will have access to the quality educational opportunities they need to achieve their potential. All of this work is aligned by a \$30.5 million Choice Neighborhoods grant that leverages over \$1 billion in private, non-profit, and other investments into the community, driving all of the partners to a coordinated effort to end intergenerational poverty.

The Administration's approach to revitalizing neighborhoods of distress focuses heavily on the link between housing and school improvements, recognizing that for neighborhoods to succeed they need high-quality educational opportunities. Modeled off of the Harlem Children's Zone, Promise Neighborhoods is the sister program to Choice Neighborhoods. It focuses on significantly improving the educational and developmental outcomes of children and youth in our most distressed communities, from cradle to career, and to transform those communities by creating great schools at the center. To date, the Obama Administration has invested \$40 million to develop Promise Neighborhoods in communities across the country.

Clay, Jackson, and Owsley Counties, Kentucky, the three economically depressed rural counties served by the Berea Promise Neighborhood, are among the poorest in the nation and are confronted by a variety of challenges: two of three high schools in the neighborhood did not meet student performance targets in 2009 and the Appalachian community served by the Promise Neighborhood faces health issues like obesity, dental problems, and drug abuse. The Berea Promise Neighborhood uncovered negative community perceptions of education that they hope to remedy. The neighborhood is already piloting several solutions: AmeriCorps members were placed in high schools to act as college coaches; primary and secondary teachers have been given art supplies and trained to use art as a tool to teach literacy; and parents from the neighborhood have been engaged to support at-risk youth.

Promise Neighborhoods and Choice Neighborhoods are tightly aligned programs that multiply the impact of Federal resources within their communities, ensuring that both community development and educational opportunities are at the center of the neighborhood transformation.

Mary (name changed), a public housing resident and mother of a two-year-old, was participating in a "Living Room Conversation" on early care and learning, a focus group hosted by a neighborhood leader with Whatever It Takes, the Athens, GA Promise Neighborhood. She strongly and vocally agreed with the other five parents that "reading to your young child is very important." When the neighborhood leader asked the parents if they read to their children, all but Mary immediately said yes. When pressed, she said that she didn't, and when asked why, said that she did not know how to read. Her feelings of embarrassment and shame quickly gave way to gratitude as the other parents asked if she wanted to learn how to read and told her that the public adult literacy/GED program had relocated onto the same campus that houses Whatever It Takes. She enrolled in basic literacy class, has a long term goal of obtaining a GED and post-secondary education, and has a short-term goal of reading to her daughter. Due in part to the community outreach efforts of the Athens Promise Neighborhoods, Mary is serving as a role model for her daughter on their path to educational success.

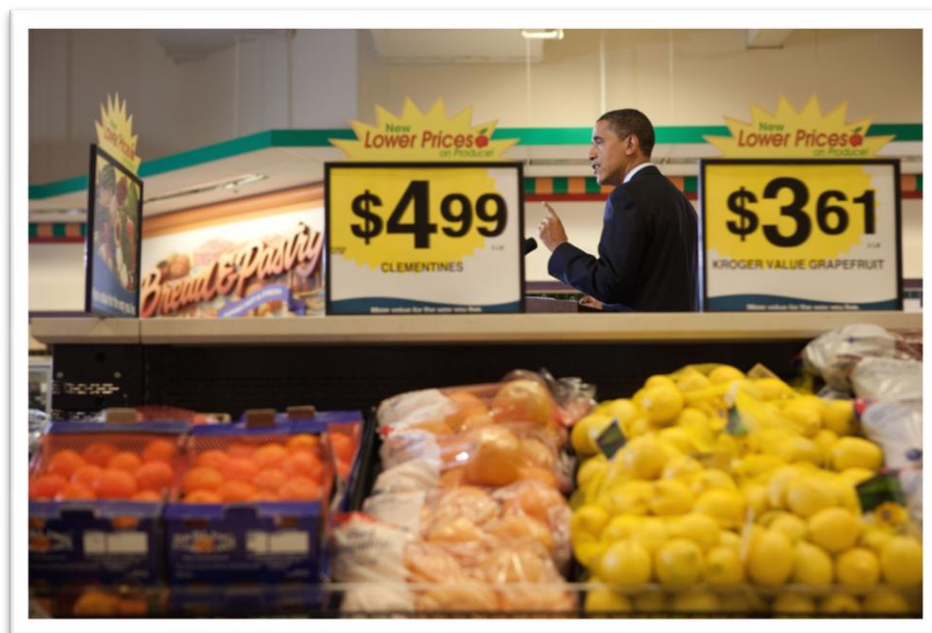
Another key element of community revitalization during the current housing crisis is confronting abandonment and blight through the purchase and rehabilitation of foreclosed and vacant homes. The Obama Administration has continued the Neighborhood Stabilization Program, and as part of the American Jobs Act, has proposed a historic

investment of \$15 billion for Project Rebuild. These programs provide supports for State and local governments and non-profit developers to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. Required housing counseling for families receiving homebuyer assistance helps prevent future foreclosures. And these programs are proven to create tens of thousands of jobs and grow local economies by revitalizing the life of the neighborhoods.

### **Building Healthier Communities**

Residents of many distressed or low-income communities often live many miles from retailers that provide nutritious options. These residents of “food deserts” typically rely on fast food restaurants and convenience stores that offer little or no fresh food. The Obama Administration’s Healthy Food Financing Initiative is a multiagency effort to remedy this problem and support the increase of access to healthy, affordable food by encouraging the expansion and development of grocery stores, small retailers, corner stores, and farmers markets in underserved areas.

Working with the Obama Administration, several of the nation’s food retailers and national foundations are also making commitments to bring grocery stores to communities across America. Focusing on serving communities with little access to healthy foods, over the next five years more than 1,500 stores will be built or expanded by companies such as SuperValu, Wal-Mart, Walgreens and Calhoun Grocers. Additionally, the California Endowment has set a goal of securing \$200 million to finance healthy food projects in California through the new FreshWorks Fund. According to the organizations involved, all together these commitments will create tens of thousands of jobs and serve 9.5 million individuals.



## **Strengthening Local Economies**

Small businesses are the backbone of our economy—they create two of every three new jobs in America, spur economic growth, and are the cornerstones of our communities. When Americans walk through their communities and see small businesses shuttered and boarded up, it is difficult for them to believe in the promise of economic opportunity. The President has enacted billions of dollars in tax credits, write-offs, and deductions for new small business—as well as for small businesses that hire the unemployed and provide health insurance for employees. This tax relief encourages private investment in, makes resources available, and creates jobs in communities hard hit by the recession and persistent poverty.

Similar to small businesses, Internet connectivity is vital to a community's economic growth. Lack of Internet access is a significant hurdle for communities and individuals struggling to stay afloat, especially in rural America. The Internet has revolutionized how we live and work. Most Americans go online daily to read the newspaper, connect with friends and family, and access employment, health, and housing information. For many families and businesses, broadband is an essential utility. Yet too many communities, especially those in rural areas, lack access to broadband, which puts them at an economic disadvantage.

Through the Recovery Act, the Obama Administration invested approximately \$8 billion to deploy high-speed broadband networks across the country and established a broadband access and adoption program to connect schools libraries and other community anchor institutions to the Internet. The Obama Administration is also working with tribal leaders to bring high-speed, affordable broadband to their communities as well. To date, more than 18,000 miles of broadband network have been installed or updated; more than 33,000 community anchor institutions have been connected to broadband; more than 16,000 computers for public use have been installed; and more than 110,000 new broadband subscribers have been generated. The need is great: in 2009, 30 million people – or 10 percent of the U.S. population – used public library computers to help address their career and employment needs. These investments are helping create jobs, expanding local economies, and connecting Americans to important 21<sup>st</sup> century resources such as distance learning and telemedicine while enabling rural Americans to stay in their communities.

Many cities need help efficiently and effectively using their federal funds and other critical resources. The Obama Administration's Strong Cities, Strong Communities program supports local governments that have been strained to the breaking point by the economic collapse and years of disinvestment and population loss. The teams of federal experts deployed to six high-need communities are "first responders" to endemic poverty in these cities, and also help structure and rebuild opportunities to grow the middle class by aligning job training programs with employer needs, and improving the cradle to career educational opportunities. These teams cut through red tape and harness public-private partnerships to help local communities build their capacity to create jobs and revitalize their economies, while also ensuring taxpayer dollars are used wisely and efficiently.

Partnering with philanthropy, the Administration is launching a new fellowship program that will attract young people to serve in these local governments, bringing their energy and commitment to help “build the bench” for these and other cities for years to come. The six cities currently participating in this program are Chester, PA; Cleveland, OH; Detroit, MI; Fresno, CA; New Orleans, LA; and Memphis, TN.

A similar pilot initiative focused on rural America is also underway in States like Arkansas, Georgia, and Mississippi. Ninety percent of all persistent poverty counties are in rural parts of America. To better serve these communities and socially disadvantaged farmers, the Obama Administration is deploying a cross-agency “Strike Force” which will improve access to programs at the Department of Agriculture to enhance the viability and profitability of small farms and ranches as well as promote and assist the economic development of rural communities, including tribal reservations. Federal staff will be strategically deployed to targeted areas to support the community and provide technical assistance.

## **STRENGTHENING THE HEALTH AND WELLNESS OF AMERICAN FAMILIES**

*“After a year of striving, after a year of debate, after an historic vote, health care reform is no longer an unmet promise. It is the law of the land.”*

- President Barack Obama, March 23, 2010

Although a top notch education and a good, stable job are two of the cornerstones to success and factors for self-sufficiency, for many low income families, upward mobility cannot happen without addressing other key ingredients to opportunity like access to affordable health care and supports to keep families stable and strong.

### **Access to Affordable Health Care**

Today, many families without health insurance – and even some who have health coverage – struggle with health care bills, only to be plagued with bankruptcy and financial ruin in the future. Evidence demonstrates that medical bills are a cause behind 60 percent of bankruptcies, and the lack of health insurance poses a greater risk of financial catastrophe than lacking car insurance or homeowner’s insurance. According to the Department of Health and Human Services, most families without health insurance don’t have the financial assets to pay the hospital bills they would incur if a family member were to be hospitalized. That’s because the majority of uninsured families have virtually no savings or investments—in fact, the median financial assets for all uninsured families are just \$20.

Johanna from Colorado was diagnosed with depression but couldn’t access care because she had lost her job and her COBRA coverage ran out; Michael from Meridian, Mississippi was uninsured for three years with a pre-existing heart condition and unable to obtain any health insurance coverage; and Gail of New Hampshire was diagnosed with high grade non-Hodgkin's lymphoma but had no health insurance to cover the costs of care. The stories of uninsured Americans are all too familiar.

Access to the basic necessity of affordable, quality health care is key to staying on the path to opportunity. Access to affordable health care results in healthier children, adults, and families– which translates into success in school and in the workplace – and provides the security that an injury or illness will not lead to financial ruin. That is why the the President fought to extend affordable coverage to millions of Americans.

### **Expanding Coverage for Children**

On February 4, 2009, as one of his first acts after taking office, President Obama signed the Children’s Health Insurance Program Reauthorization Act into law. The reauthorization offers States new financial resources and program options to improve health coverage for children through Medicaid and the Children’s Health Insurance Program (CHIP). More than 4 million children will gain Medicaid or CHIP coverage by the time the expansion is complete. These programs protected children’s health coverage during the recession, leading to a decline in the rate of uninsured children even during the economic downturn.

One million fewer children under age 18 were uninsured in 2010 compared to 2006, largely due to Medicaid and CHIP.

Outreach initiatives have also helped ensure that eligible children are connected to coverage through Medicaid and CHIP. A total of \$140 million in outreach and enrollment activities was authorized under CHIP reauthorization and the

Affordable Care Act. States, tribes, nonprofit community groups and healthcare provider organizations have received \$90 million in grants so far. The grants help to engage schools identifying and enrolling eligible children. This funding also enables states and nonprofit groups to utilize technology to advance outreach and enrollment, focus resources on the populations of uninsured children most likely to be eligible for coverage, step-up the enrollment of eligible teens, and improve the retention of coverage.



### **Extending Coverage to 34 million Uninsured Americans**

President Obama’s landmark Affordable Care Act of 2010 extends affordable health care to all Americans starting in 2014. Over the past decade, the cost of family coverage from an employer has more than doubled, to over \$15,000 in 2011. And this money comes out of family paychecks either directly through employee contributions, or indirectly through lower wages and salaries. Rising health costs are another factor putting the American dream – and health and wellbeing – out of the reach of many families.

When the law is fully implemented, 34 million Americans who previously lacked health insurance will be covered. Some will be eligible for Medicaid while others will get tax credits to purchase private coverage through new health insurance marketplaces or “Affordable Insurance Exchanges” where insurance companies will have to compete on the basis of price and quality, driving down the cost of coverage, according to independent analysts like the Congressional Budget Office.

Morgan from Kansas, a young adult with diabetes, would have lost her health insurance when she turned 24 if the Affordable Care Act had not been enacted. Under the old rules, it would have been difficult or impossible to buy insurance on the individual market because of her diabetes. But now she can stay on her step-father's insurance until she turns 26, when the new law is fully implemented and she will have more health insurance options.

The law also offers protections that help families struggling to afford health care now. Since September 2010, young adults have been able to stay on their parents’ plans until they turn 26, a policy that has already helped nearly 1 million

young Americans gain coverage. New private plans now cover preventive medical care without a deductible or cost sharing, and insurance companies are prohibited from imposing lifetime dollar limits on coverage. And uninsured Americans that had been denied coverage by private insurance companies because of a pre-existing condition can now purchase coverage through the Pre-existing Condition Insurance Plan in their State.

Starting in 2010, the Affordable Care Act began investing \$11 billion in funding for the operation, expansion and construction of community health centers across the country. Today, a network of more than 1,100 community health centers operate 8,100 sites that provide care to nearly 20 million patients throughout the country. Already, because of investments made possible by the Affordable Care Act and the Recovery Act combined, over 1,800 health centers were funded for construction, renovation, new equipment, and the implementation of health information technology; over 1,000 health centers have expanded their services, and nearly 200 brand new health centers were created. These Health Centers are an important part of our health care system, providing comprehensive, quality primary health care services to medically underserved communities and vulnerable populations with limited access to health care.

#### **ENSURING HEALTHY AND HUNGER-FREE KIDS**

Improving child nutrition is a focal point for the Obama Administration. Numerous studies indicate inadequate nutrition can be a significant cause for lower academic performance including grades, test scores and ability to concentrate in class. That is why the President strongly supported passage of the Healthy, Hunger-Free Kids Act of 2010 which included \$4.5 billion in new funding for basic nutrition and hunger assistance to children and families as well as significant reforms to the school lunch and breakfast programs for the first time in over 15 years. In addition to improving the nutritional quality of foods provided to children, this Act also improves access to meals by allowing school-wide eligibility for students in high poverty communities. The afterschool supper program, which was previously only available to low-income youth in Washington D.C and 13 States, has been expanded nationwide. These programs currently serve over 31 million children and 12 million children respectively and make up a critical part of the nutrition and hunger safety net for millions of children in America.

#### **Strengthening Families and Healthy Relationships**

The important role of families in fostering opportunity cannot be overstated. Strong families with involved and nurturing parents can help children thrive and succeed. As a father, President Obama understands that good schools and healthy communities are not enough - children need strong families to guide and support them.

That is why the President has supported efforts to help parents succeed at the world's most difficult job - parenting - and to ensure that young people become adults before they become parents. The Affordable Care Act invests more federal funds than ever before in evidence-based, voluntary home visiting services for low-income parents and young children. Home visiting programs are designed to help parents succeed and children



thrive. In these programs, trained professionals - such as nurses, social workers, educators – or paraprofessionals meet with pregnant women and new parents in their homes and focus on maternal and child health, parenting skills, nutrition, child abuse prevention, and parental education and employment.

The home visiting staff work with families to identify areas where the parents or children may need help, check on a child’s developmental progress, provide nutrition, health, and parenting assistance, and connect families with any help they might need. Research has shown that high-quality home visiting programs can significantly improve outcomes for children and families, including improving maternal and child health, reducing child maltreatment, increasing parental employment, and improving the rate at which children reach developmental milestones.

To help ensure that our young adults do not become parents before they are ready, the Administration has invested \$180 million in programs that are found to have a real, positive impact on preventing teen pregnancy or risk factors for teen pregnancy. Births to teens represented 10 percent of all births in 2009. Not only do unplanned pregnancies present significant challenges to young mothers and fathers, research shows that children born outside of two-parent married families are more likely to be poor, drop out of high school, have lower grade-point averages, and poorer school attendance records – factors that can help continue the cycle of poverty.

For those Americans that do have children, the President believes in personal responsibility and being able to support one’s family financially as well as emotionally. Throughout his career, President Obama has been outspoken on the need for greater responsible fatherhood in America. One out of three American children lives in a home without a father. Too many moms and other caregivers have to take sole responsibility for the future of our kids, and our communities.

To encourage more fathers to play active roles in their children’s’ lives, the President created the nationwide Fatherhood and Mentoring Initiative. The goals are to impact rates



of father absence, support fathers who are there for their families, affirm the roles of mothers and other caretakers, and ensure that every child has a caring adult in their life. Through sound child support policies and increased financial support for local fatherhood programs; encouraging personal responsibility through outreach, electronic media, and local events around the country; and encouraging private companies to support fatherhood through the

Year of Strong Fathers, Strong Families, the Obama Administration is helping fathers get back on the right track and connect with their kids. The Administration recently announced \$119 million to support 120 organizations that provide services that promote responsible parenting, encourage healthy relationships and marriage, and help families move toward self-sufficiency and economic stability. Given the challenges facing kids and families today, young people need all the support we can provide to reach their full potential.

## **BUILDING ON PAST SUCCESS: THE AMERICAN JOBS ACT**

*“Our country is based on the belief that anybody can make it if they put in enough sweat and enough effort...But part of the American idea is also that once we've done well we should pay our fair share to make sure that those schools that we were learning in can teach the next generation; that those roads that we benefited from – that they're not crumbling for the next bunch of folks who are coming behind us; to keep up the nation that made our success possible.”*

– President Barack Obama, September 24, 2011

The President has put forward the American Jobs Act, which contains proposals to immediately put workers back on the job and put more money into the pockets of working Americans. The proposed investments are proven to grow the economy, create millions of jobs and grow businesses through investments in our communities, as well as create pathways back to work for low-income adults and youth. Since his very first day in office, President Obama has been fighting to make sure that all Americans have clear pathways to opportunity including the tools they need to weather tough economic times and ultimately succeed in a 21<sup>st</sup> century global economy. Too many low-income Americans were struggling to climb into the middle class long before the recession and continue to face the threat of falling even farther behind today. Many more Americans, for the first time ever, are fearful of slipping from the middle class and are in need of temporary support to keep them on the path to economic stability and security.

The Obama Administration has ensured that millions of additional Americans remain on a path of opportunity through new investments and key reforms. These investments and reforms have not only given a helping hand to families that don't want to be dependent on the government, but they have also created thousands of jobs, generated economic activity, and helped revitalize communities that are hardest hit during these tough economic times.

Still, the President believes we have more work to do. Our Nation need policies that will put more people back to work and put more money in the pockets of working families, including low-income families. That is why he proposed the American Jobs Act.

The American Jobs Act includes new tax cuts for small businesses to help them hire and expand, a payroll tax holiday for those businesses that hire or increase wages, and targeted tax cuts for those businesses that hire the long-term unemployed as well as veterans who have been out of work six months or more.

The American Jobs Act would prevent more than 6 million Americans who are currently long-term unemployed and looking for work from losing these unemployment insurance benefits, including 1.4 million African Americans and 1.1 million Hispanics, which are among the groups with the highest poverty rates.

In addition to extending UI, the President's plan would help the long-term unemployed receiving UI payments to get back to work and prevent others from losing their jobs through innovative work-based reforms that provide employers with incentives to reduce hours instead of laying off workers. One such initiative, work-sharing, allows the use of

unemployment benefits to cover salary reductions when workers experience a reduction in hours of work. States could also implement innovative new programs that allow UI recipients to use their benefits to get short-term employment, to start their own business or to cover salary reductions in case when older workers have to accept jobs that pay less than their previous job.

State budgets are facing severe constraints in the upcoming year and as a result up to 280,000 education jobs could be on the chopping block. Cuts like these could have a significant impact on children's education, through the reduction of school days and the elimination of key classes and services. The American Jobs Act will support State, local, and tribal efforts to retain, rehire, and hire early childhood, elementary, and secondary educators – including teachers, guidance counselors, classroom assistants, tutors, and literacy and math coaches, and after-school personnel—many of which are held by women. The investments will help schools keep teachers in the classroom as well as preserve or extend the regular school day and year and support after-school activities critical to children's learning and development.

The American Jobs Act includes a new fund to provide hundreds of thousands of low-income youth and adults with the opportunities to work through subsidized employment and summer and year-round jobs, as well as the training needed to secure jobs in growth industries. This proposal builds on programs previously signed into law by President Obama to create highly successful employment programs which provided 260,000 subsidized jobs for low-income individuals and 367,000 for disadvantaged youth.

The American Jobs Act also focuses on putting Americans back to work in key areas that are central to America's future competitiveness. The American Jobs Act includes significant investments in rebuilding and modernizing the infrastructure of our country, which will lead to quality jobs for construction workers and masons; carpenters and plumbers; architects and engineers.

A school modernization initiative in the American Jobs Act will focus particular attention on the school districts with the largest numbers of children in poverty, to repair and modernize more than 35,000 public schools, including schools funded by the Bureau of Indian Education, and ensure they have the facilities that can meet their educational needs. Too many children in our nation are attending public schools in the poorest school districts that struggle to keep up with basic maintenance. This means peeling paint, crumbling ceilings and a lack of the basic wiring infrastructure needed for computers, projectors, and other technology. To upgrade these schools so they can meet the 21st century needs of students, funds could be used for repair and renovation projects, greening and energy efficiency upgrades, asbestos abatement and removal, and modernization efforts to build new science and computer labs and to upgrade technology in our schools.

To sufficiently meet the demands of training a 21st century workforce, the President's jobs plan also includes necessary upgrades for facilities at community colleges. Investment in modernizing community colleges fills a key resource gap, and ensures these local, bedrock education institutions have the facilities and equipment to address current workforce demands in today's highly technical and growing fields. These combined modernization

efforts will not only make our schools safer and healthier learning environments, but also ensure that our educational facilities are fully equipped to teach today's necessary skills in math, science, and other technical fields and to serve as effective centers for workforce training and development.

The American Jobs Act also proposes to build on the success of existing federal, nationwide efforts to rehabilitate and refurbish vacant and foreclosed homes and businesses in communities that have been hardest hit by the housing crisis through Project Rebuild. The scale of the foreclosure crisis is urgent and can be devastating to already distressed communities. Preventing or eliminating blight will not only help keep neighborhoods alive and vibrant but also create nearly 200,000 construction jobs.

These investments in our nation's infrastructure are intended to benefit all our communities—so that the job opportunities they create must be open to all. A new initiative to expand infrastructure employment opportunities for minorities, women, and socially and economically disadvantaged individuals will provide pathways into the construction industry for otherwise historically marginalized groups. And a special emphasis on local hiring opportunities in major infrastructure projects will ensure that economic benefits are maximized for communities where projects are located.

The President's Plan for Economic Growth and Deficit Reduction ensures that the American Jobs Act is fully paid for with a balanced approach to deficit reduction that ensures that everyone has to do their part, including millionaires and billionaires, without making cuts solely on the backs of low-income Americans who are already struggling. This is the right policy for our current economic climate and the right policy for low-income Americans. Ensuring that all Americans – from the persistently poor to the middle class – have the foundation and opportunities they need to build a strong economic life is the only way American can answer the call to “out innovate, out educate, and out build the rest of the world.”

