

Obama Administration Record on Spurring Economic Growth, Creating Jobs, and Restoring Security to the Middle Class

“There’s been a raging debate over the best way to restore growth and prosperity, restore balance, restore fairness... this is not just another political debate. This is the defining issue of our time. This is a make-or-break moment for the middle class, and for all those who are fighting to get into the middle class. Because what’s at stake is whether this will be a country where working people can earn enough to raise a family, build a modest savings, own a home, secure their retirement.”

-President Obama, December 6, 2011

When the President took office, the United States was in the midst of a deep recession, losing over 800,000 jobs per month, and the economic security of millions of middle class Americans was vanishing. The President took swift action to address the immediate economic crisis while laying the foundation for an economy built to last, so that hard work and responsibility pay. The recession was deeper and had more lasting effects than anyone expected. Though much remains to be done, the economy has added private sector jobs for 31 straight months, for a total of 5.2 million jobs during that period, taking into account, taking account of the preliminary benchmark revision (+453,000).

Putting Americans back to work remains job one. But we also have to do more. We need to create an economy built to last by investing in education, small businesses, and manufacturing to create jobs our country needs and train our children to succeed – not one built on outsourcing, loopholes, and risky financial deals that jeopardize our entire economy and threaten the security of the middle class. That’s why President Obama has cut taxes for working families and small businesses; passed laws to rein in Wall Street and put an end to risky financial deals that jeopardize our future; invested in education to prepare our children with the skills they need to find a job and compete in the global economy; and rescued the auto industry from collapse and boosted American manufacturing so we can out-build our international competitors. He has worked to restore the fundamental values that made our economy the strongest in the world – making sure everyone does their fair share, everyone gets a fair shot, and hard work and responsibility are rewarded.

The economic crisis and deep recession weren’t created overnight and won’t be solved overnight. There’s much more to do, but the strength and resilience of American workers have helped our economy turn a corner. The Obama Administration’s record on sparking economic growth, creating jobs, and restoring economic security to the middle class includes:

- **Restarting Job Growth in the Wake of the Worst Recession since the Great Depression:** When the President took office, the economy was losing over 800,000 private sector jobs a month and experiencing the worst two quarters of growth in half a century. Due to swift action taken by the President shortly after taking office, the Nation avoided what could have been a second Great Depression – and has now experienced more than two years of private sector job growth, with more than four million jobs created. But the President has made clear this isn’t enough – which is why he has remained focused on additional steps to spur job creation. Below are a few of the steps he has already taken to boost growth and hiring:

- **Passed The Recovery Act, Cutting Taxes for Working Families, and Creating or Supporting Up to 3.6 Million Jobs:** Shortly after taking office, the President took immediate action to address the economic crisis. By signing the American Recovery and Reinvestment Act, the President cut taxes for small businesses and the middle class and saved the jobs of tens of thousands of teachers, police officers, and firefighters with aid to the states. Three years later, it's clear the Recovery Act helped stop us from sliding into a second Great Depression and the independent Congressional Budget Office has estimated it was responsible for creating or saving up to 3.6 million jobs at its peak in 2010. In addition to providing tax cuts for 95 percent of working families, the Recovery Act included key investments in clean energy, education, and infrastructure.
- **Cutting Taxes for the Middle Class – Putting Additional Money in the Pockets of a Typical Family and Strengthening the Economy:** At the end of 2010, President Obama negotiated and signed into law vital tax relief and investments for our workers throughout 2011. The December 2010 tax cut compromise included a new payroll tax cut for 160 million workers, which provides \$1,000 for the typical family making \$50,000 a year; encouraged \$50 billion in new investment by allowing businesses to expense 100 percent of new equipment and supplies; and extended through 2012 crucial expanded tax credits for middle-class families and those hit hardest by the recession – the Earned Income Tax Credit for working families, the Child Tax Credit for families with children, and the American Opportunity Tax Credit to help pay for college costs.
- **Extending the Payroll Tax Cut Through 2012:** At the end of last year, the President stood firm in the face of opposition from some in Congress and signed into law an extension of the payroll tax cut for 160 million working Americans and their families, providing \$1,000 for the typical family making \$50,000 in 2012. This extension prevented workers from losing \$40 per paycheck on average. Independent, respected private-sector forecasters estimate that in combination with extending unemployment insurance, this tax cut will boost growth by half a percent and create more than 500,000 jobs this year.
- **Supporting the Resurgence of American Manufacturing:** America's middle class was built on the strength of our manufacturing sector, which helped improve the lives of millions of American families and created the strongest economy in history. But today, the middle class faces a make-or-break moment. Too many manufacturing jobs were lost in the last decade and the financial crisis, and the middle class families and communities that relied on them have seen wages and benefits stagnate. While American manufacturers have added nearly 500,000 manufacturing jobs in the past 31 months – the strongest growth for any 30-month period since the mid-1990s. That's why President Obama has focused on boosting U.S. manufacturing—rewarding companies that create jobs here, taking away incentives for those who ship jobs overseas, expanding exports, and supporting innovation.
- **Revitalizing the Auto Industry:** When the President took office, the American auto industry was shedding jobs by the hundreds of thousands. In the face of still political opposition, the President rescued the auto industry from collapse, saving over 1

- million jobs across America. The industry is once again leading the world, and is stronger because the President demanded it retool and build more fuel efficient cars in exchange for aid. Since Chrysler and GM emerged from bankruptcy in June of 2009, the auto industry added 246,300 jobs, the best period of job growth in over a decade.
- **Supporting Teachers, First Responders, Manufacturers, and Small Businesses:** After immediate measures to prevent a far greater downturn, the President has been committed at every step to additional efforts to create jobs. In 2009, the Cash-for-Clunkers program offered credits to trade in old cars for new ones, supporting the recovery of the auto industry and creating 60,000 jobs, while reducing fuel consumption over the next 25 years by 824 million gallons. In 2010, President Obama signed legislation that prevented the layoffs of more than a hundred thousand teachers and also provided support for many more police officers and firefighters. The President signed into law the HIRE Act – which provided a tax cut for hiring unemployed workers. And the President signed into law the Small Business Jobs Act, which promoted additional small business lending through community banks and state programs, enhanced Small Business Administration (SBA) lending programs, and included new tax cuts to help small businesses hire and invest. President Obama’s American Jobs Act and Budget for 2013 proposed billions in additional funds to keep teachers in the classroom and \$5 billion for the hiring of police officers and firefighters so local communities can maintain critical emergency response capabilities.
 - **Putting Forward an American Jobs Act to Boost the Economy by Up to One Million Jobs:** In September, President Obama put forward the American Jobs Act to provide an immediate boost to the economy and strengthen the recovery. The President signed into law two key parts of the American Jobs Act – payroll tax relief and extending unemployment insurance. But there’s more to do for our economy, which is why the President put forward key measures of the American Jobs Act in his 2013 Budget – \$50 billion in immediate infrastructure investments, \$25 billion to prevent teacher layoffs and hire cops and firefighters, and \$15 billion to rehabilitate communities hit hardest by the collapse of the housing market. By providing tax cuts to the middle class and small businesses, putting teachers and first responders back on the job, helping the unemployed get back to work, and rebuilding our infrastructure, the American Jobs Act combines the kinds of proposals both Democrats and Republicans have supported in the past. According to independent economists, this plan would create up to 1 million additional jobs..
 - **Partnering with Businesses to Create Job Security for Returning Veterans:** President Obama fought for and passed the VOW to Hire Heroes Act, ensuring that veterans serving our country can find a job when they get back home. Originally a part of the American Jobs Act, the VOW to Hire Heroes Act doubled the tax break that businesses receive for hiring disabled veterans and offered up to a \$5,600 tax credit for businesses hiring veterans who have been unemployed for six months or longer.

- **Supporting the Unemployed and Helping Them Get Back to Work:** After fighting to extend unemployment insurance in December 2010 – ensuring that 7 million people did not lose their benefits in 2011 – the President also successfully fought to ensure millions of Americans looking for work will not lose this crucial support in 2012. The Middle Class Tax Relief and Job Creation Act of 2012 also instituted landmark reforms proposed by this Administration to help make sure people who lost their jobs can gain the skills they need for the next job by linking unemployment benefits to training and apprenticeships.
- **Reforming Wall Street and Putting in Place Tough New Consumer Protections:** The President signed into law the most sweeping financial reforms since the Great Depression to hold Wall Street accountable, put an end to bailouts and “too big to fail,” and enforce the strongest consumer protections in history:
 - **Establishing the Consumer Financial Protection Bureau:** Through the Wall Street reform law, the President created and launched a bureau whose sole mission is to protect consumers from abusive and deceptive practices by credit card lenders and mortgage bankers – whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.
 - **Cracking Down on Fraud:** The President also signed the Fraud Enforcement and Recovery Act, which gives the Federal Government more tools to investigate and prosecute fraud and created a bipartisan Financial Crisis Inquiry Commission to investigate the financial practices that brought us to this point.
 - **Protecting Americans from Unfair and Deceptive Credit Card Practices:** The President signed the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act to protect Americans from unfair and deceptive credit card practices.
- **Supporting Small Businesses So They Can Grow and Hire:** The President has signed 18 small business tax breaks into law, providing support for small businesses across the country seeking to hire new workers and make new investments. He has also been committed to expanding access to credit – establishing a Small Business Lending Fund and a State Small Business Credit Initiative to support lending to small businesses while expanding SBA initiatives that help entrepreneurs access capital. President Obama also launched the “Startup America” Initiative – a coordinated public-private effort to celebrate, inspire, and accelerate high-growth entrepreneurship throughout the nation. In September 2011, as part of the American Jobs Act, President Obama proposed cutting payroll taxes in half for small businesses and completely refunding a business’ payroll tax for each new worker they hire and every wage increase they provide their employees. And in April 2012, he signed into law a bill that will allow Main Street small businesses and high-growth enterprises to raise capital from investors more efficiently, allowing small and young firms across the country to grow and hire faster.
- **Ensuring Workers Have the Skills They Need for the Jobs of the Future:** To ensure that America’s workers have the skills they need for the jobs of the future, President Obama has begun reforming America’s public schools to deliver a 21st century education

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that will prepare all children for success in the new global workplace. And he has set a goal that by 2020, the United States will once again have the highest rate of college graduation of any nation. He has also announced in the State of the Union and proposed in his 2013 Budget critical programs—the Community College to Career Fund and the Universal Displaced Worker Program—to get workers the skills they need for jobs being created in high-growth and high-demand industries. This builds upon the \$2 billion of support that has already begun to flow to Community Colleges to develop training programs for workers through the Trade Adjustment Assistance Community College Career Training program. Early in his term, President Obama presented states with an unprecedented challenge; the opportunity to compete in a “Race to the Top” challenge designed to spur systemic reform and embrace innovative approaches to teaching and learning in America’s schools. He has also taken steps to make college more affordable, signing into law an historic expansion of Pell Grants, creating a college tax credit worth up to \$10,000 over 4 years, and putting in place new rules that help graduates manage their loan payments. In 2011, President Obama proposed the American Jobs Act, which – in addition to keeping teachers on the job – invests \$30 billion to rebuild and modernize schools across the country.

- **Investing in America’s Infrastructure:** To create jobs now and strengthen our nation’s economic competitiveness, President Obama has made historic investments to modernize America’s aging infrastructure. The America Recovery and Reinvestment Act was the largest new investment in infrastructure since the construction of the interstate highway system, and it put hundreds of thousands of construction workers back to work building and repairing our roads, bridges, and ports. While the unemployment rate for the construction industry has declined from a high of over 20 percent in 2010 to 16.4 percent in 2011, it remains too high and President Obama remains committed to creating additional, well-paying jobs rebuilding our nation’s infrastructure. This is why as part of the American Jobs Act and his budget this year, President Obama proposed an immediate \$50 billion investment in our nation’s infrastructure, along with a \$10 billion National Infrastructure Bank to leverage private sector investment, in order to put Americans back to work and jumpstart critical infrastructure projects. The Administration also continues to seek a bipartisan commitment to funding core highway, transit, and rail programs to remove uncertainty and allow the industry to plan hiring needs into the future.
- **Promoting Innovation:** To promote innovation, President Obama implemented the largest increase in Federally-funded research in history through the American Recovery and Reinvestment Act and is making continuous investments for three key basic research agencies: the National Science Foundation, the Department of Energy’s Office of Science, and the National Institute of Standards and Technology Laboratories. The Administration has built up the nation’s innovation infrastructure with pioneering efforts and investments in broadband, a smarter electric grid, and global Internet governance. Furthermore, in September 2011, President Obama signed the America Invents Act – the most significant reform of the patent system since 1952 – making it easier for entrepreneurs and start-ups to turn their ideas into products.
- **Expanding Exports and Promoting Trade, Giving U.S. Companies More Opportunities to Sell Products Abroad:** The President launched the National Export Initiative with the goal of doubling exports and supporting two million new jobs over five

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years. In 2011, goods and services exports broke the \$2 trillion mark for the first time ever and were 33.5 percent above 2009 levels, continuing the historic progress on the path to meeting the President's ambitious target. Exports have also supported an additional 1.2 million jobs since the end of 2009 – 60 percent of the way to the President's goal, only two years into the effort. In October 2011, President Obama signed three trade agreements, with Korea, Colombia, and Panama, that will open new markets for American products, such as cars and trucks, and help businesses grow and create jobs here at home. President Obama has also insisted that we counter unfair trade practices overseas, including in China, and he built on his robust trade enforcement record to date by creating a new Interagency Trade Enforcement Center earlier this year.

- **Helping Responsible Homeowners:** The Administration has taken action to help responsible borrowers refinance their mortgages—saving on average \$3,000 per year—and to provide tax credits for Americans looking to purchase a home:
 - **Providing Support for Borrowers Refinancing Their Loans, Saving Hundreds of Dollars Per Month:** With interest rates at record lows, homeowners can save hundreds of dollars a month by refinancing their loans. However, many borrowers who are current on their payments have been unable to access refinancing—even when doing so is in the interest of them and the taxpayer. In response, the Administration created the Home Affordable Refinance Program (HARP). This program has helped more than a million borrowers to date, and to boost participation further, the Administration announced changes last fall to eliminate barriers that prevent additional refinancing. On February 1, the President announced a legislative plan to build on these changes to expand access to refinancing for responsible borrowers. The plan would remove the remaining barriers in the HARP program, so that all those with loans insured by Fannie or Freddie who have been paying their mortgage on time will have access to simple, low-cost refinancing. It would also create a similar program through the Federal Housing Administration for those families whose loans do not happen to be guaranteed by Fannie or Freddie.
 - **Extending the Homebuyer's Tax Credit:** The President extended and expanded the Homebuyer's Tax Credit, which was first passed in 2008. Under the Homebuyer's Tax Credits, 2.5 million families who purchased homes received relief.
 - **Jumpstarting Mortgage Modifications, Helping Nearly 5 Million Families:** The Administration jumpstarted mortgage modifications, which have helped to keep families in their homes. Including private-sector modifications, nearly 5 million families have had their mortgages modified since April 2009 – about twice the number of foreclosures in that time.
 - **Stabilizing Neighborhoods Hardest Hit by the Housing Crisis:** For those communities hit hardest by the collapse of the housing market, the Administration has provided relief through the Neighborhood Stabilization Program (NSP) and the Hardest Hit Funds (HHF). Under NSP, struggling communities are receiving \$7 billion to manage the vacant and foreclosed residential properties that are creating blight and bringing down home values, while \$7.6 billion is being made available through the HHF to further help struggling homeowners. And the President's

American Jobs Act included an additional \$15 billion to establish Project Rebuild, which will partner with nonprofits and other private sector entrepreneurs to turn around distressed residential and commercial areas.

- **Helping Families Hit Hardest by the Recession:** When the President took office, he signed into law tax relief and emergency measures targeted to lower-income and middle-class working families, helping them bear the brunt of the recession. With measures including the Making Work Pay tax cut and expansions of the Earned Income Tax Credit and Child Tax Credit, the Recovery Act is estimated by outside analysts as having kept 6.5 million people out of poverty. In 2010, the President fought to extend the expansions of these tax credits, supporting 15 million working families with over 29 million children and extending unemployment insurance so that 7 million Americans would not lose their benefits as they looked for jobs in 2011.