



# KEEPING AMERICA'S PROMISE

Strengthening the Middle Class



OBAMA'08  
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## INTRODUCTION

In America we rise and fall together. If we are going to be the country we want to be, we cannot have a booming Wall Street and a crumbling Main Street. While some Americans have prospered in this new global economy, wages for most have been largely stagnant for decades, while costs are mounting on working families. Even as productivity grows, American workers are falling behind.

The policies of the Bush Administration and the Republicans – from corporate tax loopholes to lax trade enforcement to an assault on organized labor – have made our economy less fair and less equal. And by giving tax cuts to the wealthy while waging a trillion dollar war, George Bush's Washington has saddled our country with a crippling debt that's stopping us from making much-needed investments in America and the American people. We have to change this disastrous leadership.

To truly bring the change we need, and give all Americans a chance to share in the growth of our economy, we must defeat the power of special interests in Washington who push their narrow agendas at the expense of everyday Americans and our country's future. We need a leader who can bring us together, with an eye on the next generation and not just the next election. And we must have a long-term economic strategy that will value work and not just wealth, strengthen the middle class and make the investments we need for long-term growth.

“The time has come to bridge the growing divide between Main Street and Wall Street. The American Dream is slipping out of reach for many families whose paychecks aren’t meeting the increased costs of their medical bills and tuition payments. Four months ago I said it was time to put a middle-class tax cut worth \$1000 per family into the pockets of workers who deserve it. A tax cut that would eliminate income taxes for seniors who make under \$50,000. We can’t wait for the next president to act. We need that middle-class tax cut now more than ever - not five months from now or five weeks from now, but now. I’m announcing a plan to jumpstart the economy by putting money in the pockets of those who need it most and will spend it quickly.”

-- Barack Obama, January 13, 2008



## PLAN TO JUMPSTART THE ECONOMY

### AT A GLANCE

- Provide an immediate \$250 tax cut for workers and their families
- Provide an immediate, temporary \$250 bonus to seniors in their Social Security checks
- Provide an additional \$250 tax cut to workers and an additional \$250 to seniors if the economy continues to worsen
- Provide relief to homeowners hit by the housing crisis
- Provide aid to states hardest-hit by the housing crisis to avoid a slash in services
- Extend and expand unemployment insurance

### THE PROBLEM

#### ***Wages are Stagnant as Prices Rise***

While wages remain flat, the costs of basic necessities are increasing. The cost of in-state college tuition has grown 35 percent over the past five years. Health care costs have risen four times faster than wages over the past six years. And the personal savings rate is now the lowest it's been since the Great Depression.

#### ***Rising Unemployment and Limited Job Growth***

Recent data reveals that the unemployment rate has experienced its sharpest monthly increase since 2001, the last time the economy fell into recession. Jobs have been lost in a wide range of industries, including construction, manufacturing, retail and the financial services.

#### ***Growing Economic Anxiety for Most Americans***

Consumer confidence levels are the lowest they have been since Hurricane Katrina. Consumers are starting to cut back on spending, as evidenced by lower-than-expected holiday sales. Automobile purchases have fallen to their lowest level in a decade.

## BARACK OBAMA'S PLAN

### ***Provide An Immediate Tax Cut For Workers & Their Families***

Barack Obama believes we must restore fairness to the tax code. In September, recognizing the squeeze on working people in this country and the economic difficulties they were confronting, Obama proposed tax relief of up to \$500 for 150 million workers. This refundable income tax cut will provide direct relief to American workers facing the regressive payroll tax system, offsetting the payroll tax on the first \$8,100 of earnings while preserving the important principle of a dedicated revenue source for Social Security. The economy has weakened significantly. Obama believes we cannot wait until he becomes president to give workers the tax relief they need. He believes we should make half of the tax cut, \$250 per worker, available immediately in order to quickly get money into the pockets of Americans. This will help maintain consumer spending, strengthen the economy and ease the squeeze so many Americans are currently experiencing. If there is a three-month cumulative decline in employment, Obama believes we should immediately provide the remaining portion of that tax cut, an additional \$250 per worker.

***STIMULUS: \$35 BILLION. ADDITIONAL RESERVE: \$35 BILLION.***

### ***Provide An Immediate Supplement To Social Security For Low- And Middle-Income Seniors***

Research suggests that older Americans are particularly likely to spend rather than save additional money they receive. Obama understands that seniors living on fixed incomes are squeezed by higher prices. Obama is calling for providing middle- and low-income seniors – who would not benefit from the workers' tax credit – an immediate, one-time \$250 supplement to their Social Security benefit. And if there is a three-month cumulative decline in employment an additional temporary supplement of \$250 per Social Security beneficiary should be provided. These payments would not alter the Social Security program and would not use revenue from the Social Security trust funds. This would provide immediate consumer spending in a feasible way. By piggy-backing on the Social Security Administration's highly efficient payment system, these supplemental payments will stimulate consumer spending in the most rapid way possible.

***STIMULUS: \$10 BILLION. ADDITIONAL RESERVE: \$10 BILLION.***

### ***Establish A \$10 Billion Fund To Help Families Avoid Foreclosure***

In addition to taking important steps to prevent mortgage fraud from occurring in the future and to prevent credit cards from turning into the next subprime housing crisis, Barack Obama has called for establishing short and long-term programs to help responsible homeowners facing foreclosure. Obama's plan will help people stay in their homes and renegotiate with their lenders. It will not help speculators, people buying vacation homes or people that falsely represented their incomes. It is meant to help responsible homeowners through this difficult period. Given the downturn in the economy, Obama is calling for immediate creation of his Foreclosure Prevention Fund that will dramatically increase emergency pre-foreclosure counseling, and will work through the Federal Housing Administration, Fannie Mae and Freddie Mac to allow families facing foreclosure to responsibly refinance their mortgages or sell their homes. By helping families avoid losing their homes and preventing a further decline in property values, this measure will help lessen the impact of a national foreclosure crisis on state, local and family budgets. Obama was one of the first to speak out about the risks of fraudulent and deceptive lending practices. He will build off of that experience and his work with community based organizations to bring American homeowners and housing markets effective relief when he is president.

### ***Provide \$10 Billion In Relief For State & Local Governments Hardest-Hit By the Housing Crisis To Prevent Cuts In Services Such As Health, Education & Infrastructure***

Because of the housing crisis and the weakening economy, many state and local governments are facing significant revenue shortfalls. Already, 19 states have a projected budget shortfall for their next financial year and balanced budget requirements in most states will force them to cut programs or raise taxes in the face of the downturn. This will worsen America's economic slowdown and leave millions without a safety net. State and local governments provide important services to low and middle-income families, including health care, housing, and income assistance that are particularly necessary during a recession. In addition, as the economy slows, it is important that state and local governments not postpone major infrastructure spending



since doing so would exacerbate the economic slowdown. Barack Obama believes that in the areas hardest hit by the housing crisis we should provide immediate, temporary funding to state and local governments so that the decline in property values does not cause them to slash critical public services and cut vital infrastructure spending. Obama's plan will provide \$10 billion in immediate relief to the states and localities hardest hit by the housing crisis. **STIMULUS: \$10 BILLION.**

#### ***Extend And Expand Unemployment Insurance***

The last time America had a jump in the unemployment rate as large as the most recent one it indicated the start of a recession. But in many ways, our current situation is worse than when the 2001 recession began. The long-term unemployment rate – the share of workers having been unemployed for at least six months – is nearly twice as high now as it was then. Barack Obama believes we must extend and strengthen the Unemployment Insurance (UI) program to address the needs of the long-term unemployed, who currently make up nearly one-fifth of the unemployed and are often older workers who have lost their jobs in manufacturing or other industries and have a difficult time finding new employment. As job growth stagnates, the long-term unemployed face additional difficulties re-entering the job market. Providing these workers additional assistance in a time of economic distress is necessary to ensure consumer spending remains at an acceptable level and that they have a chance at restarting their careers. Expanding UI is one of the most effective ways to combat economic turmoil; every dollar invested in UI benefits results in \$1.73 in economic output. Obama is calling for a temporary expansion of the UI program for those who have exhausted their current eligibility. Obama also believes that the extension of UI benefits should be coupled with an expansion of UI eligibility to more workers, including many part-time and non-traditional workers who are currently left out of the program. **STIMULUS: \$10 BILLION.**

## OBAMA'S RECORD

### ***Tax Relief***

In the Illinois State Senate, Barack Obama was the chief cosponsor of Illinois' Earned Income Tax Credit, which provided over \$100 million in tax relief to working families in Illinois.

### ***Housing***

In the U.S. Senate, Obama introduced the STOP FRAUD Act to increase penalties for mortgage fraud and provide more protections for low-income homebuyers, well before the current subprime crisis began.

### ***Predatory Lending***

In the Illinois State Senate, Obama called attention to predatory lending issues. Obama sponsored legislation to combat predatory payday loans, and he also was credited with encouraging the state to more closely regulate some of the most egregious predatory lending practices.

### ***American Jobs***

Barack Obama introduced the Patriot Employer Act of 2007 to provide a tax credit to companies that maintain or increase the number of full-time workers in America relative to those outside the US; maintain their corporate headquarters in America; pay decent wages; prepare workers for retirement; provide health insurance; and support employees who serve in the military.

## FOR MORE INFORMATION

### ***Read the Plan:***

<http://www.barackobama.com/issues/economy/EconomicPolicyFullPlan.pdf>

### ***Read the Speech***

[http://www.barackobama.com/2007/09/17/remarks\\_of\\_senator\\_barack\\_obam\\_24.php](http://www.barackobama.com/2007/09/17/remarks_of_senator_barack_obam_24.php)

“The American people work longer and harder than the people of any other wealthy nation in the world. But their hours are getting longer and their wages aren’t getting any higher. Their costs are going up, but their economic security is going down. When a single mom gets her paycheck, that check gets taxed. When she goes to buy groceries, that purchase gets taxed. When she reaches her retirement, her social security benefit gets taxed. Meanwhile, her boss’s investments get taxed at a lower rate, and the corporation she works for has all kinds of loopholes built into the tax code because they’ve got lobbyists in Washington sticking up for their interests. It’s time for that to change. It’s time for Americans to have a President in the Oval Office who makes decisions based on their interest, not the special interests.”

— Barack Obama, Washington, DC, September 18, 2007



## PLAN TO RESTORE TAX FAIRNESS TO AMERICA

### AT A GLANCE

- Cut income taxes by \$500 per worker and \$1,000 per working family
- Honor America's seniors by eliminating income taxes for those making less than \$50,000 per year
- Simplify tax filings so millions of Americans do their taxes in less than 5 minutes
- Eliminate special interest loopholes and tax breaks and crack down on international tax havens

### THE PROBLEM

#### ***Tax Cuts for Wealthy Instead of Middle Class***

The Bush tax cuts give those who earn over a million dollars a tax cut that is nearly 160 times greater than that received by middle-income Americans. At the same time, this administration has refused to tackle health care, education and housing in a manner that benefits the middle class. This year alone, the average person in the wealthiest 1 percent will receive more than \$55,000 from the Bush tax cuts, while the average person in the bottom 20 percent will get about \$70.

#### ***A Tax Code Filled with Loopholes that Favor Corporations and Special Interests***

Our tax code is riddled with loopholes and special tax breaks that benefit Washington special interests. There are corporate carve-outs that serve no national purpose; tax breaks that allow companies to stash their profits overseas; a government that's paralyzed when dealing with offshore tax haven countries; an overloaded tax code that's too complicated for ordinary folks to understand, but just complicated enough to work for someone who knows how to work the system. When big business doesn't like something in the tax code, they can hire a lobbyist to get it changed. But nobody lobbies for working people.

## BARACK OBAMA'S PLAN

### ***Provide Middle Class Americans Tax Relief***

**PROVIDE A TAX CUT FOR WORKING FAMILIES:** Obama will restore fairness to the tax code and provide 150 million workers the tax relief they need. Obama will create a new “Making Work Pay” tax cut of up to \$500 per worker, or \$1,000 per working family. The “Making Work Pay” tax cut will completely eliminate income taxes for 10 million Americans.

**CREATE THE AMERICAN OPPORTUNITY TAX CREDIT:** Barack Obama will make college affordable for all Americans by creating a new American Opportunity Tax Credit. This fully refundable credit will ensure that the first \$4,000 of a college education is completely free for most Americans, and will cover two-thirds the cost of tuition at the average public college or university. Obama will also ensure that the tax credit is available to families at the time of enrollment by using prior year's tax data to deliver the credit at the time that tuition is due, rather than a year or more later when tax returns are filed.

**EXPAND THE CHILD AND DEPENDENT CARE TAX CREDIT:** The Child and Dependent Care Tax Credit provides too little relief to families that struggle to afford child care expenses. Currently the credit only covers up to 35 percent of the first \$3,000 of child care expenses a family incurs for one child and the first \$6,000 for a family with two or more children. And the credit is not refundable, which means that upper-income families disproportionately benefit while families who make under \$50,000 a year receive less than a third of the tax credit. Barack Obama will reform the Child and Dependent Care Tax Credit by making it refundable and allowing low-income families to receive up to a 50 percent credit for their child care expenses. Coupled with Obama's “Making Work Pay” tax cut, this proposal will help put more money directly in the pockets of hardworking low and middle-income parents.

**SIMPLIFY TAX FILINGS FOR MIDDLE CLASS AMERICANS:** Obama will dramatically simplify tax filings so that millions of Americans will be able to do their taxes in less than five minutes. Obama will ensure that the IRS uses the information it already gets from banks and employers to give taxpayers the option of pre-filled tax forms to verify, sign and return. Experts estimate that the Obama proposal will save Americans up to 200 million total hours of work and aggravation and up to \$2 billion in tax preparer fees.

### ***Eliminate Income Taxes for Seniors Making Less than \$50,000***

Barack Obama will eliminate all income taxation of seniors making less than \$50,000 per year. This proposal will eliminate income taxes for 7 million seniors, and provide these seniors with an average savings of \$1,400 each year. Under the Obama plan, 27 million American seniors will also not need to file an income tax return. For many seniors, this will eliminate the need to hire a tax preparer, resulting in even larger savings.

### ***Level the Playing Field for American Businesses***

**CLOSE CORPORATE LOOPHOLES:** Barack Obama will level the playing field for all businesses by eliminating special interest loopholes and deductions, such as those for the oil and gas industry, as well as by limiting the ability of large multi-national corporations to use tax havens to hide income overseas. He will firmly institutionalize the economic substance doctrine so we can stop companies from creating abusive tax shelters.

**CRACK DOWN ON OFFSHORE TAX HAVENS:** Obama will crack down on the offshore tax havens engaged in shielding tax evaders from justice by refusing to share tax information with us the way all other nations do. This costs us tens of billions of dollars every year. Obama will create an International Tax Evasion Watch List to monitor these countries and will use economic pressure to make them comply. And Obama will penalize any company that reports income from tax havens on the list.

**TAX RELIEF TO START-UP BUSINESSES:** Obama will eliminate the capital gains taxation of start-up businesses to encourage innovation and job creation. These provisions, combined with reducing the self-employment tax for small business measures, will ensure that the corporate tax code is not only fair, but also promotes continued economic growth and innovation.

***A Commitment to Fiscal Responsibility***

Barack Obama's plan will provide \$80-85 billion in tax relief to America's workers, seniors, and homeowners. Unlike President Bush, whose fiscally irresponsible tax cuts that traded the budget surpluses of the 1990s to record deficits today, Obama has a plan to pay for his tax reform plan. In addition to closing the corporate loopholes and cracking down on international tax havens, he will pay for middle class tax relief by increasing the highest bracket for capital gains and dividends to a level at or below the Reagan rate and closing the carried interest loophole.

## OBAMA'S RECORD

***Middle-Class Tax Relief:*** In the Illinois State Senate, Barack Obama was the chief cosponsor of Illinois' Earned Income Tax Credit, which provided over \$100 million in tax relief to working families in Illinois.

***Expanding Child Tax Credit:*** As a U.S. Senator, Obama worked with Senator Olympia Snowe (R-WA) to introduce legislation lowering the Child Tax Credit's income limit so that 600,000 more families can benefit.

## FOR MORE INFORMATION

***Read the Speech:***

[http://www.barackobama.com/2007/09/18/remarks\\_of\\_senator\\_barack\\_obam\\_25.php](http://www.barackobama.com/2007/09/18/remarks_of_senator_barack_obam_25.php)

“If work is how most Americans seek their dream, a home is how many families realize it. A home is a source of stability, a building block for communities, and the most valuable thing that most middle class folks will own. But - as has been made painfully clear through the sub-prime crisis - that source of stability can quickly become the source of economic insecurity. Too many Americans are struggling under the weight of their mortgages. Homeowners need a break.”

— Barack Obama, Washington, DC, September 18, 2007



## PLAN TO PROTECT HOMEOWNERSHIP AND ADDRESS THE SUBPRIME MORTGAGE CRISIS

### AT A GLANCE

- Create a \$10 billion foreclosure fund to help Americans keep their homes
- Create a new universal mortgage interest credit that will benefit low and middle-income homeowners
- Provide \$10 billion worth of Mortgage Revenue Bonds to refinance subprime loans and assist first-time homebuyers
- Combat mortgage fraud and risky subprime loans
- Close the bankruptcy loophole for mortgage companies
- Mandate accurate loan disclosure

### THE PROBLEM

#### ***Subprime Mortgage Crisis***

The implosion of the subprime lending industry threatens to bring foreclosure to over two million households nationwide, and is spreading devastating impacts to the economy as a whole. Over the past several years, while predatory lenders were driving low-income families into financial ruin, ten of the country's largest mortgage lenders were spending more than \$185 million lobbying Washington to let them get away with it.

#### ***Homeownership is Threatened for Millions of Families***

As a result of the housing crisis, nearly 2.5 million homeowners could lose their homes. Millions more who had nothing to do with this could see the value of their own home decline - with some estimates projecting a cost of nearly \$164 billion, primarily in lost home equity.

## BARACK OBAMA'S PLAN

### ***Protect and Promote Homeownership***

Barack Obama's plan will provide immediate relief to homeowners who are facing foreclosure or struggling to make their mortgage payments.

**CREATE FUND TO HELP HOMEOWNERS AVOID FORECLOSURES:** Obama will create a Foreclosure Prevention Fund to help people facing foreclosure stay in their homes and renegotiate with their lenders or sell their homes. The Fund will not help speculators, people who bought vacation homes or people who falsely represented their incomes. Given the downturn in the economy, Obama has called for immediate creation of this \$10 billion fund as part of his economic stimulus package.

**CREATE A UNIVERSAL MORTGAGE CREDIT:** Many middle class Americans do not receive the existing mortgage interest tax deduction because they do not itemize their taxes. As a result, primarily wealthy Americans benefit from this homeownership tax incentive. Obama will ensure that middle-class Americans get the financial assistance they need to purchase or keep their own home by creating a 10 percent universal mortgage credit that gives tax relief to Americans who have a home mortgage. The Obama proposal will provide 10 million homeowners, most of whom earn under \$50,000 per year, with an average of \$500 in savings. This tax cut will provide direct relief to many homeowners who are struggling to maintain their mortgage payments.

**PROVIDE AN ADDITIONAL \$10 BILLION WORTH OF MORTGAGE REVENUE BONDS:** Mortgage Revenue Bonds are used to refinance subprime loans and provide mortgages for first-time homebuyers. But these bonds are over-subscribed in virtually all the states and are being rationed to respond to affordable housing needs. Barack Obama will provide \$10 billion in additional Mortgage Revenue Bonds to help families facing foreclosure refinance and to enable low- and moderate-income first-time homebuyers purchase a home. Approximately, 1.7 million subprime adjustable rate mortgages worth \$367 billion are expected to reset during 2008 and 2009. According to the National Association of Home Builders, every new Mortgage Revenue Bond home loan produces almost two full-time jobs, \$75,000 in additional wages and salaries and \$41,000 in new federal, state and local revenues.

**CLOSE BANKRUPTCY LOOPHOLE FOR MORTGAGE COMPANIES:** The 2005 bankruptcy bill, which Barack Obama opposed, is expected to have serious effects on low and middle-income borrowers of subprime mortgages. While investors who own multiple homes and people with vacation homes can renegotiate those mortgages in bankruptcy, current Chapter 13 law requires ordinary families to stick with the original terms of their home loans—regardless of whether the loan was predatory or unfair. Obama will repeal this provision so that ordinary families do not suffer this unfair treatment.



### ***Prevent Future Crises in the Housing Market***

Barack Obama's plan will ensure that the conditions that led to the subprime lending crisis are not repeated in the future by cracking down on mortgage fraud and requiring better disclosure and stronger oversight of the mortgage market.

**MANDATE ACCURATE LOAN DISCLOSURE:** Barack Obama will enact laws to ensure that all prospective homebuyers have access to accurate and complete information about their mortgage options. Obama will create a Homeowner Obligation Made Explicit (HOME) score, which will provide potential borrowers with a simplified, standardized borrower metric (similar to APR) for home mortgages. The HOME score will allow Americans to easily compare various mortgage products and understand the full cost of the loan.

**COMBAT MORTGAGE FRAUD AND SUBPRIME LOANS:** Barack Obama introduced comprehensive legislation nearly two years ago to fight mortgage fraud and protect consumers against abusive lending practices. Obama's STOP FRAUD Act provides the first federal definition of mortgage fraud, increases funding for federal and state law enforcement programs, creates new criminal penalties for mortgage professionals found guilty of fraud, and requires industry insiders to report suspicious activity. This bill also provides counseling to homeowners and tenants to avoid foreclosures. Finally, Obama's bill requires the Government Accountability Office to evaluate and report to Congress on various state lending practices so that state regulations that undermine consumer's rights can be identified and hopefully eliminated.

## OBAMA'S RECORD

In 2006, Obama introduced the STOP FRAUD Act to increase penalties for mortgage fraud and provide more protections for low-income homebuyers, well before the current subprime crisis began.

## FOR MORE INFORMATION

### ***Read and Watch the Speech:***

[http://www.barackobama.com/2007/09/17/remarks\\_of\\_senator\\_barack\\_obam\\_24.php](http://www.barackobama.com/2007/09/17/remarks_of_senator_barack_obam_24.php)

### ***Read the Plan:***

<http://www.barackobama.com/pdf/MortgageFactSheet.pdf>

“We have lived through six years of the most anti-labor administration in generations. They don’t believe in unions. They don’t believe in organizing. They’ve packed the labor relations board with their corporate buddies. Well, we’ve got news for them - it’s not the Department of Management, it’s the Department of Labor, and we’re going to take it back.”

— Barack Obama, Dubuque, IA, November 13, 2007



## PLAN TO STRENGTHEN WORKERS RIGHTS

### AT A GLANCE

- Ensure freedom to unionize
- Fight attacks on workers' right to organize
- Protect striking workers
- Raise the minimum wage
- Making sure that American workers are not left behind in our trade policies

### THE PROBLEM

#### ***Harassment and Intimidation of Workers***

Although an estimated 60 million Americans would join a union if given the opportunity, companies too often deny workers the opportunity to organize and improve their lives.

### BARACK OBAMA'S PLAN

#### ***Protect Workers' Rights to Organize***

**ENSURE FREEDOM TO UNIONIZE:** Barack Obama believes that workers should have the freedom to choose whether to join a union without harassment or intimidation from their employers. Obama cosponsored and is a strong advocate for the Employee Free Choice Act that will assure workers can exercise their right to organize and secure initial agreements with their employers. As president Obama will fight for EFCA's passage and sign it into law.

**PROTECT STRIKING WORKERS:** Barack Obama supports the right of workers to bargain collectively and strike if necessary. The system of collective bargaining is out of balance when workers who exercise their right to strike can be permanently replaced, effectively losing their jobs. As President, Obama will work to ban the permanent replacement of striking workers, so workers can stand up for themselves without worrying about losing their livelihoods.

**INCREASE COLLECTIVE BARGAINING RIGHTS ACROSS THE ECONOMY:** Barack Obama believes that employees in many non-unionized sectors should have the right to work together to build stronger and safer workplaces. Obama supports the Public Safety Employer-Employee Cooperation Act, which would provide public safety workers who put their lives on the line every day the right to bargain collectively.

**FIGHT ATTACKS ON WORKERS' RIGHT TO ORGANIZE:** Barack Obama has fought the Bush NLRB's efforts to strip workers of their right to organize. He is a co-sponsor of the Re-Empowerment of Skilled and Professional Employees and Construction Tradeworkers (RESPECT) Act, which will overturn the NLRB's "Kentucky River" trilogy of decisions classifying hundreds of thousands of nurses, construction, and professional workers as "supervisors" who are not protected by federal labor law. Obama believes that the Bush NLRB's decisions could put millions of workers at risk of losing their rights to organize and bargain collectively simply because they participate in modern managerial approaches like team production or direct others' work as part of their professional responsibilities. The RESPECT Act reaffirms Congress' original intent to exclude from the NLRA's protections only supervisors truly vested with managerial responsibilities.

**OPPOSE 'RIGHT TO WORK' AND "PAYCHECK PROTECTION" BILLS:** Barack Obama opposes a national "right to work" bill that would limit union membership. Obama also opposes so-called "Paycheck Protection" Bill that would put burdensome and unnecessary administrative regulations on unions.

### ***Ensuring Living Wages and Improving Working Conditions***

**RAISE THE MINIMUM WAGE:** Even though the minimum wage will rise to \$7.25 an hour by 2009, the minimum wage's real purchasing power will still be below what it was in 1968. Obama will further raise the minimum wage to \$9.50 an hour by 2011, index it to inflation and increase the Earned Income Tax Credit to make sure that full-time workers can earn a living wage that allows them to raise their families and pay for basic needs such as food, transportation, and housing – things so many people take for granted.

**UPHOLD OVERTIME PAY:** Barack Obama opposes proposals to roll back protections now granted to workers under the Fair Labor Standards Act, including proposals to allow employers to use comp time, whereby employees who work longer than 40 hours a week get added vacation time instead of getting overtime pay.

**HOLD CORPORATE AMERICA RESPONSIBLE:** Barack Obama has joined union efforts to get Wal-Mart to improve working conditions, wages and health coverage.

**ADDRESS EMPLOYER ABUSE OF TAX LAW AND WORKERS' RIGHTS:** A loophole in current tax law encourages some employers to classify their employees as independent contractors rather than full-time employees. This allows employers to deny workers basic protections, such as overtime and workers compensation. It also allows them to avoid paying their employment taxes in full. Employers that use this loophole gain an unfair advantage over other businesses that pay taxes honestly and treat their workers fairly. Barack Obama has led efforts to stop this abuse. He introduced the Independent Contractor Proper Classification Act of 2007 to close this loophole, create a level playing field for workers and employers.

**SUPPORT DAVIS-BACON ACT:** Barack Obama supports the worker protections under the Davis-Bacon Act, which ensures local prevailing wages are paid on federal construction projects and transit employee collective bargaining protections. In the wake of Hurricane Katrina, Obama fought to ensure that Davis-Bacon protections were preserved for response personnel.

**STRENGTHEN OCCUPATIONAL SAFETY AND HEALTH:** Barack Obama will increase funding for the Occupational Safety and Health Administration, including more job site inspections and grants for safety and health training programs for small business employers, and employees and workers in high-risk jobs such as construction. Obama is also a proud cosponsor of the Protecting America's Workers Act. The legislation would increase penalties for safety violations that result in a worker's injury or death, expand Occupational Safety and Health Administration protections to the 8.5 million public workers who are currently left to fend for themselves, protect whistleblowers who expose unsafe working conditions, increase accountability by giving workers greater access to Labor Department investigators and require that employers pay for the safety equipment their workers need.

**PREVENT WORKPLACE DISCRIMINATION:** Barack Obama would increase funding for the Equal Employment Opportunity Commission, and would fight to eliminate racial and sexual discrimination. He also would strengthen whistleblower protections.

## OBAMA RECORD

Throughout his career, Barack Obama has been a consistent champion of the organized labor movement, fighting for workers' rights and to improve the lives of working families. He began his career as a community organizer in a South Chicago neighborhood devastated by steel mill closings. He built coalitions of residents, labor unions and churches to bring job training and economic development to the blighted area.

In recent congressional voting scorecards, Obama had a 94 percent rating from the Service Employees International Union (SEIU) and 96 percent rating from the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). As a state senator, Obama had a 91 percent voting record with organized labor.

## FOR MORE INFORMATION ABOUT BARACK'S PLAN

### ***Read the Speech***

[http://www.barackobama.com/2007/11/07/remarks\\_of\\_senator\\_barack\\_obam\\_31.php](http://www.barackobama.com/2007/11/07/remarks_of_senator_barack_obam_31.php)



## PLAN TO PROMOTE FAIR TRADE FOR AMERICAN WORKERS

### AT A GLANCE

- An end to agreements that lack environmental and labor standards
- Fighting for fair trade that gives American workers a chance to compete on a level playing field
- Making sure that American workers are not left behind in our trade policies

### THE PROBLEM

#### ***Trade Deficit***

At 7 percent of Gross Domestic Product, our trade deficit has never been higher. Some foreign markets have been especially closed to American products. We have an \$11 billion deficit in automotive trade with Korea. Last year, Korea sold 700,000 vehicles in the U.S.; the U.S. sold only 4,556 in Korea.

#### ***NAFTA Has Not Created The American Jobs It Promised***

One million jobs have been displaced by the NAFTA trade deal.

### BARACK OBAMA'S PLAN

#### ***An End To Agreements That Lack Labor And Environmental Protections And Hurt American Workers***

**AMEND THE NORTH AMERICAN FREE TRADE AGREEMENT:** Barack Obama will work with the leaders of Canada and Mexico to fix NAFTA so that it works for American workers. Obama believes that NAFTA and its potential were oversold to the American people. NAFTA has not created the jobs and wealth that were promised. Obama believes that we can, and must, make trade work for American workers by opening up foreign markets to U.S. goods and maintaining strong labor and environmental standards. As president he will work to amend NAFTA so that it lives up to those important principles.

**OPPOSE THE SOUTH KOREA FREE TRADE AGREEMENT:** Barack Obama is opposed to the South Korea Free Trade Agreement. Obama believes that while the agreement would be a boon for banks, telecommunications firms, and some in corporate agriculture, it fails to ensure that U.S. products – especially our cars and trucks, rice and beef – receive fair treatment in the Korean market. The U.S.-Korea trade agreement does not do enough to change Korea's discriminatory practices or to enforce commitments by Korea to open up its market.

### ***A Commitment To Strong Enforcement***

**FIGHT FOR FAIR TRADE:** Barack Obama will use trade agreements to spread good labor and environmental standards around the world and stand firm against agreements, like the Central American Free Trade Agreement, that fail to live up to those important benchmarks. Obama will also pressure the World Trade Organization to enforce trade agreements and stop countries from continuing unfair government subsidies to foreign exporters and barriers on U.S. exports. Obama will build on of his efforts to declare China a currency manipulator, and work to ensure that China is no longer given a free pass to undermine U.S. workers.

**STRENGTHEN TRADE ENFORCEMENT:** Barack Obama will take trade enforcement seriously. He will make enforcement the top priority of the U.S. Trade Representative (USTR) Office, and he will increase resources for the USTR so it can carry out its properly responsibilities. Barack Obama will also only negotiate trade agreements that have strong and enforceable labor and environmental standards in the agreement.

**CRACK DOWN ON CHINA:** Obama will build on his efforts in the U.S. Senate to declare China a currency manipulator, and work to ensure that China is no longer given a free pass to undermine U.S. workers.

### ***Making Sure American Workers Are Not Left Behind***

**HELP WORKERS RETRAIN:** Obama will modernize and expand the existing system of trade adjustment assistance to include all workers hurt by changing trade patterns -- including those in the service sector and those losing jobs going to countries with which we do not have trade agreements such as China and India. Obama will extend Trade Adjustment Assistance to workers whose jobs are shifted overseas regardless of whether or not we have a trade agreement with that country and to service industries. He will also create flexible education accounts that workers can use to retrain, provide retraining assistance for workers in sectors of the economy vulnerable to dislocation before they lose their jobs, and provide additional assistance for workers to afford health care. He will sign into law an updated WARN Act that requires large employers to notify employees of a layoff 90 days before a plant closing – an increase of 30 days from today's standard. And we will expand and fully fund apprenticeship programs to help workers get credentials and skills in crafts that reward that investment with a middle class income and benefits..

**END TAX BREAKS FOR COMPANIES THAT SEND JOBS OVERSEAS:** Barack Obama believes that companies should not get billions of dollars in tax deductions for moving their operations overseas. Obama will also fight to ensure that public contracts are awarded to companies that are committed to American workers.

## **OBAMA RECORD**

### ***American Jobs***

Barack Obama introduced the Patriot Employer Act of 2007 to provide a tax credit to companies that maintain or increase the number of full-time workers in America relative to those outside the US; maintain their corporate headquarters in America; pay decent wages; prepare workers for retirement; provide health insurance; and support employees who serve in the military.

### ***Protecting American Workers***

Obama has fought against trade agreements that lack environmental and labor standards, such as the Central American Free Trade Agreement.

## **FOR MORE INFORMATION ABOUT BARACK'S PLAN**

### ***Read the Speech***

[http://www.barackobama.com/2007/09/17/remarks\\_of\\_senator\\_barack\\_obam\\_24.php](http://www.barackobama.com/2007/09/17/remarks_of_senator_barack_obam_24.php)

### ***Read the Plan***

<http://www.barackobama.com/issues/economy/EconomicPolicyFullPlan.pdf>

“I started my career as a community organizer on the streets of Chicago, fighting joblessness and poverty when the local steel plant closed. I provided tax relief for working families as a state Senator in Illinois. And when I am President, I’ll take away the tax breaks that Washington gives to companies who ship our jobs overseas, and give them to companies who create the jobs of the future right here in America.”

— Barack Obama, Greenville, SC, January 22, 2007





## BARACK OBAMA'S PLAN TO CREATE GOOD-PAYING AMERICAN JOBS

### AT A GLANCE

- Invest in the manufacturing sector and in companies that protect American workers
- Create new “Green Jobs” through comprehensive energy independence and climate change plan
- Create new economy jobs through technology and innovation
- Create new jobs through national infrastructure investments

### THE PROBLEM

#### ***Rising Unemployment and Stagnant Job Growth***

The United States lost 17,000 jobs in January of 2008 – the first monthly decline in jobs in four years. The unemployment rate reached 5% in December – the largest month-to-month increase since 2001. And job growth is stagnant – the economy added only 1.3 million jobs last year, the lowest in 4 years.

#### ***Losing Manufacturing Jobs***

Fueled in part by the downturn in the housing market, the economy has experienced job losses in the manufacturing, construction, and retail sectors.

### BARACK OBAMA'S PLAN

#### ***Invest in the Manufacturing Sector***

**SUPPORT JOB CREATION:** Barack Obama believes we need to increase federal funding for basic research and make the research and development tax credit permanent to help create high-paying, secure manufacturing jobs. Obama will also make long-term investments in education, training, and workforce development so that Americans can leverage our strengths - our ingenuity and entrepreneurialism - to create new high-wage jobs and prosper in a world economy.

**END TAX BREAKS FOR COMPANIES THAT SEND JOBS OVERSEAS:** Barack Obama believes that companies should not get billions of dollars in tax deductions for moving their operations overseas. Obama will also fight to ensure that public contracts are awarded to companies that are committed to American workers.

**REWARD COMPANIES THAT SUPPORT AMERICAN WORKERS:** Barack Obama introduced the Patriot Employer Act of 2007 with Senators Richard Durbin (D-IL) and Sherrod Brown (D-OH) to reward companies that create good jobs with good benefits for American workers. The legislation would provide a tax credit to companies that maintain or increase the number of full-time workers in America relative to those outside the US; maintain their corporate headquarters in America if it has ever been in America; pay decent wages; prepare workers for retirement; provide health insurance; and support employees who serve in the military.

### ***Create New Green Jobs***

The Obama comprehensive energy independence and climate change plan will simultaneously boost the economy and address global warming by creating millions of new “green jobs” by investing in the clean energy sector. The plan will also invest in America’s highly-skilled manufacturing workforce and manufacturing centers to ensure that American workers have the skills and tools they need to pioneer the first wave of green technologies that will be in high demand throughout the world. Obama will also provide assistance to the domestic auto industry to ensure that new fuel-efficient vehicles are built by American workers. Obama’s energy plan will:

**INVEST IN A CLEAN ENERGY ECONOMY AND CREATE AMERICAN JOBS:** Obama will invest \$150 billion over 10 years to advance the next generation of biofuels and fuel infrastructure, accelerate the commercialization of plug-in hybrids, promote development of commercial scale renewable energy, invest in low emissions coal plants, and begin transition to a new digital electricity grid. A principal focus of this fund will be devoted to ensuring that technologies that are developed in the U.S. are rapidly commercialized in the U.S. and deployed around the globe.

**CREATE NEW JOB TRAINING PROGRAMS FOR CLEAN TECHNOLOGIES:** The Obama plan will increase funding for federal workforce training programs and direct these programs to incorporate green technologies training, such as advanced manufacturing and weatherization training, into their efforts to help Americans find and retain stable, high-paying jobs. Obama will also create an energy-focused youth jobs program to invest in disconnected and disadvantaged youth.

**BOOST THE RENEWABLE ENERGY SECTOR AND CREATE NEW JOBS:** The Obama plan will create new federal policies, and expand existing ones, that have been proven to create new American jobs. Obama will create a federal Renewable Portfolio Standard (RPS) that will require 25 percent of American electricity be derived from renewable sources by 2025, which has the potential to create hundreds of thousands of new jobs on its own. Obama will also extend the Production Tax Credit, a credit used successfully by American farmers and investors to increase renewable energy production and create new local jobs.

### ***Technology, Innovation and Creating Jobs***

Obama will encourage the deployment of the most modern communications infrastructure to reduce the costs of health care, help solve our energy crisis, create new jobs, and fuel our economic growth.

**INVEST IN THE SCIENCES:** Barack Obama supports increasing federal funding for basic research, changing the posture of our federal government from being one of the most anti-science administrations in American history to one that embraces science and technology. This will foster home-grown innovation, help ensure the competitiveness of US technology-based businesses, and ensure that 21st century jobs can and will grow in America.

**MAKE THE R&D TAX CREDIT PERMANENT:** Barack Obama wants investments in a skilled research and development workforce and technology infrastructure to be supported here in America so that America-workers and communities will benefit. Obama wants to make the Research and Development tax credit permanent so that firms can rely on it when making decisions to invest in domestic R&D over multi-year timeframes.

**DEPLOY NEXT-GENERATION BROADBAND:** Obama believes we can get broadband to every community in America through a combination of reform of the Universal Service Fund, better use of the nation's wireless spectrum, promotion of next-generation facilities, technologies and applications, and new tax and loan incentives.

**PROTECT THE OPENNESS OF THE INTERNET:** Obama supports the basic principle that network providers should not be allowed to charge fees to privilege the content or applications of some web sites and Internet applications over others. This principle will ensure that the new competitors, especially small or nonprofit speakers, have the same opportunity as big companies to innovate and reach large audiences.

**INVEST IN RURAL AREAS:** Obama will invest in rural small businesses and fight to expand high-speed Internet access. He will improve rural schools and attract more doctors to rural areas.

#### ***New Jobs Through National Infrastructure Investment***

Barack Obama believes that it is critically important for the United States to rebuild its national transportation infrastructure – its highways, bridges, roads, ports, air, and train systems – to strengthen user safety, bolster our long-term competitiveness and ensure our economy continues to grow. Investing in national infrastructure is especially important in our efforts to bolster our homeland security to meet international terrorism and natural disaster threats. Additionally, a robust federal infrastructure investment program today will help strengthen the U.S. economy and provide at least one million more U.S. jobs at a time when the housing and construction industries are slowing.

**CREATE A NATIONAL INFRASTRUCTURE REINVESTMENT BANK:** Barack Obama will address the infrastructure challenge by creating a National Infrastructure Reinvestment Bank to expand and enhance, not supplant, existing federal transportation investments. This independent entity will be directed to invest in our nation's most challenging transportation infrastructure needs. The Bank will receive an infusion of federal money, \$60 billion over 10 years, to provide financing to transportation infrastructure projects across the nation. These projects will create two million new direct and indirect jobs per year and stimulate approximately \$35 billion per year in new economic activity.

## **OBAMA'S RECORD**

Barack Obama introduced the Patriot Employer Act of 2007 to provide a tax credit to companies that maintain or increase the number of full-time workers in America relative to those outside the US; maintain their corporate headquarters in America; pay decent wages; prepare workers for retirement; provide health insurance; and support employees who serve in the military.

“This is a defining moment for our generation. Revolutions in communications and technology have created a global economy of high-tech, high-wage jobs that can be located anywhere there’s an internet connection - an economy where the most valuable skill you can sell is your knowledge. Education is now the currency of the Information Age. It’s no longer just a pathway to opportunity and success - it’s a prerequisite. There simply aren’t as many jobs today that can support a family where only a high school degree is required. And if you don’t have that degree, there are even fewer jobs available that can keep you out of poverty. In this kind of economy, countries who out-educate us today will out-compete us tomorrow.”

— Barack Obama, Manchester, NH, November 20, 2007



## BARACK OBAMA'S PLAN TO PROVIDE EVERY CHILD A WORLD CLASS EDUCATION TO COMPETE IN THE GLOBAL ECONOMY

### AT A GLANCE

- Early childhood education that begins at birth
- Recruit, prepare, retain, and reward teachers
- Address the dropout rate and create opportunity for at-risk youth

### THE PROBLEM

#### ***No Child Left Behind Left the Money Behind***

The goal of the law was the right one, but unfulfilled funding promises, inadequate implementation by the Education Department and shortcomings in the design of the law itself have limited its effectiveness and undercut its support. As a result, the law has failed to provide high-quality teachers in every classroom and failed to adequately support and pay those teachers.

#### ***Students Left Behind***

Six million middle and high school students read significantly below their grade level. A full third of high school graduates do not immediately go on to college. American 15 year olds rank 28th out of 40 countries in mathematics and 19th out of 40 countries in science. Almost 30 percent of students in their first year of college are forced to take remedial science and math classes because they are not prepared.

#### ***High Dropout Rate***

America has one of the highest dropout rates in the industrialized world. Only 70 percent of U.S. high school students graduate with a diploma. African American and Latino students are significantly less likely to graduate than white students.

#### ***Teacher Retention is a Problem***

Thirty percent of new teachers leave within their first five years in the profession.

### BARACK OBAMA'S PLAN

#### ***Early Childhood Education***

**ZERO TO FIVE EARLY EDUCATION PLAN:** Obama's comprehensive "Zero to Five" plan will provide critical support to young children and their parents. Unlike other early childhood education plans, Obama's plan places key emphasis at early care and education for infants, which is essential for children to be ready to enter kindergarten. Obama will create Early Learning Challenge Grants to promote state "zero to five" efforts and help states move toward voluntary, universal pre-school.

**EXPAND EARLY HEAD START AND HEAD START:** Obama will develop domestic incentives that reward forest owners, farmers, and ranchers when they plant trees, restore grasslands, or undertake farming practices that capture carbon dioxide from the atmosphere.

**AFFORDABLE, HIGH-QUALITY CHILD CARE:** Obama will also provide affordable and high-quality child care to ease the burden on working families.

### ***K-12***

**REFORM NO CHILD LEFT BEHIND:** Obama will reform NCLB, which starts by funding the law. Obama believes teachers should not be forced to spend the academic year preparing students to fill in bubbles on standardized tests. He will improve the assessments used to track student progress to measure readiness for college and the workplace and improve student learning in a timely, individualized manner. Obama will also improve NCLB's accountability system so that we are supporting schools that need improvement, rather than punishing them.

**MAKE MATH AND SCIENCE EDUCATION A NATIONAL PRIORITY:** Obama will recruit math and science degree graduates to the teaching profession and will support efforts to help these teachers learn from professionals in the field. He will also work to ensure that all children have access to a strong science curriculum at all grade levels.

**ADDRESS THE DROPOUT CRISIS:** Obama will address the dropout crisis by passing his legislation to provide funding to school districts to invest in intervention strategies in middle school - strategies such as personal academic plans, teaching teams, parent involvement, mentoring, intensive reading and math instruction, and extended learning time.

**EXPAND HIGH-QUALITY AFTERSCHOOL OPPORTUNITIES:** Obama will double funding for the main federal support for afterschool programs, the 21st Century Learning Centers program, to serve one million more children.

**EXPAND SUMMER LEARNING OPPORTUNITIES:** Obama's "STEP UP" plan addresses the achievement gap by supporting summer learning opportunities for disadvantaged children through partnerships between local schools and community organizations.

**SUPPORT COLLEGE OUTREACH PROGRAMS:** Obama supports outreach programs like GEAR UP, TRIO and Upward Bound to encourage more young people from low-income families to consider and prepare for college.

**SUPPORT ENGLISH LANGUAGE LEARNERS:** Obama supports transitional bilingual education and will help Limited English Proficient students get ahead by holding schools accountable for making sure these students complete school.

### ***Recruit, Prepare, Retain, and Reward America's Teacher***

**RECRUIT TEACHERS:** Obama will create new Teacher Service Scholarships that will cover four years of undergraduate or two years of graduate teacher education, including high-quality alternative programs for mid-career recruits in exchange for teaching for at least four years in a high-need field or location.

**PREPARE TEACHERS:** Obama will require all schools of education to be accredited. He will also create a voluntary national performance assessment so we can be sure that every new educator is trained and ready to walk into the classroom and start teaching effectively. Obama will also create Teacher Residency Programs that will supply 30,000 exceptionally well-prepared recruits to high-need schools.

**RETAIN TEACHERS:** To support our teachers, Obama's plan will expand mentoring programs that pair experienced teachers with new recruits. He will also provide incentives to give teachers paid common planning time so they can collaborate to share best practices.

**REWARD TEACHERS:** Obama will promote new and innovative ways to increase teacher pay that are developed with teachers, not imposed on them. Districts will be able to design programs that reward accomplished educators who serve as a mentor to new teachers with a salary increase. Districts can reward teachers who work in underserved places like rural areas and inner cities. And if teachers consistently excel in the classroom, that work can be valued and rewarded as well.

## OBAMA RECORD

### ***Record of Advocacy***

Obama has been a leader on educational issues throughout his career. In the Illinois State Senate, Obama was a leader on early childhood education, helping create the state's Early Learning Council. In the U.S. Senate, Obama has been a leader in working to make college more affordable. His very first bill sought to increase the maximum Pell Grant award to \$5,100. As a member of the Health, Education, Labor, and Pensions committee, Obama helped pass legislation to achieve that goal in the recent improvements to the Higher Education Act. Obama has also introduced legislation to create Teacher Residency Programs and to increase federal support for summer learning opportunities.

## FOR MORE INFORMATION ABOUT BARACK'S PLAN

### ***Read the Pre-K to 12 Plan***

<http://www.barackobama.com/issues/pdf/PreK-12EducationFactSheet.pdf>

### ***Speech on Pre-K to 12 Education***

[http://www.barackobama.com/2007/11/20/remarks\\_of\\_senator\\_barack\\_obam\\_34.php](http://www.barackobama.com/2007/11/20/remarks_of_senator_barack_obam_34.php)

“I think you deserve a President who you can trust will fight for your dreams every hour of every day for the next four years. That’s the change we need. This starts with an economy that works for working people. Americans don’t expect government to solve all our problems. But you’re tired of a government that works for special interests, and not for you. It’s time that we had leadership that worried as much about Main Street as it does about Wall Street. That’s why I’m introducing an American Dream agenda - to put some wind at the backs of working people, to lower the cost of getting ahead, and to protect and extend opportunity for the middle class.”

— Barack Obama, Bettendorf, IA, November 7, 2007





## PLAN TO RECLAIM THE AMERICAN DREAM FOR THE MIDDLE-CLASS

### AT A GLANCE

- Provide universal health care coverage that will reduce a typical family's premiums by as much as \$2,500 a year
- Protect American families by reforming bankruptcy laws, predatory credit card policies and abusive payday lending practices
- Make a college education affordable for every American by providing a \$4,000 refundable tax credit
- Address the challenge of balancing work and family by guaranteeing workers paid sick days, expanding the Family and Medical Leave Act, supporting paid FMLA, and doubling after-school programs.

### THE PROBLEM

#### ***The Middle-Class Is Being Squeezed***

The American dream is increasingly out of reach for many people. Americans with incomes below \$100,000 have experienced stagnating wages, declining health care coverage, erosion of pension protections, rising personal debt, jobs disappearing as a result of global competition and rising housing costs. Further, the gap between America's richest and poorest is at its widest points in at least 25 years.

#### ***Millions of Americans Are Uninsured or Underinsured Because of Rising Medical Costs***

47 million Americans – including nearly 9 million children – lack health insurance. And those that do have health insurance are experiencing skyrocketing costs: Health insurance premiums have risen four times faster than wages over the past six years. Meanwhile, the nation faces epidemics of obesity and chronic diseases as well as new threats of pandemic flu and bioterrorism. Yet despite all of this, less than 4 cents of every health care dollar is spent on prevention and public health.

#### ***Bankruptcy Laws That Protect Banks, Not Workers***

Current bankruptcy laws are designed to protect banks before workers by helping companies get capital to get back on their feet. But these laws have made it easier for bankrupt companies to shed pension and health care obligations to retired workers.

#### ***Credit Cards Could Turn into the Next Subprime Crisis***

Predatory lending continues to be a problem for low-income and middle-class families. Moreover, consumers lack means to determine the risk-level with taking on particular credit cards.

#### ***Soaring College Costs***

College costs have grown nearly 40 percent in the past five years. The average graduate leaves college with over \$19,000 in debt. And between 2000 and 2010, 2 million academically qualified students will not go to college because they cannot afford it.

#### ***Families Struggle to Balance Work and Family***

Americans are working harder than ever before, and struggling more to balance work and family. The 78 percent of employees covered by the Family Medical Leave Act who have needed leave but have not taken it report that it is because they could not afford to take unpaid leave.

## BARACK OBAMA'S PLAN

### ***Universal Health Care***

**OBAMA'S PLAN TO COVER UNINSURED AMERICANS:** Obama will make available a new national health plan to all Americans, including the self-employed and small businesses, to buy affordable health coverage that is similar to the plan available to members of Congress. The Obama plan will have the following features:

- **GUARANTEED ELIGIBILITY.** No American will be turned away from any insurance plan because of illness or pre-existing conditions.
- **COMPREHENSIVE BENEFITS.** The benefit package will be similar to that offered through Federal Employees Health Benefits Program (FEHBP), the plan members of Congress have. The plan will cover all essential medical services, including preventive, maternity and mental health care.
- Affordable premiums, co-pays and deductibles.
- **SUBSIDIES.** Individuals and families who do not qualify for Medicaid or SCHIP but still need financial assistance will receive an income-related federal subsidy to buy into the new public plan or purchase a private health care plan.
- Simplified paperwork and reined in health costs.
- **EASY ENROLLMENT.** The new public plan will be simple to enroll in and provide ready access to coverage.
- **PORTABILITY AND CHOICE.** Participants in the new public plan and the National Health Insurance Exchange (see below) will be able to move from job to job without changing or jeopardizing their health care coverage.
- **QUALITY AND EFFICIENCY.** Participating insurance companies in the new public program will be required to report data to ensure that standards for quality, health information technology and administration are being met.

**NATIONAL HEALTH INSURANCE EXCHANGE:** The Obama plan will create a National Health Insurance Exchange to help individuals who wish to purchase a private insurance plan. The Exchange will act as a watchdog group and help reform the private insurance market by creating rules and standards for participating insurance plans to ensure fairness and to make individual coverage more affordable and accessible. Insurers would have to issue every applicant a policy, and charge fair and stable premiums that will not depend upon health status. The Exchange will require that all the plans offered are at least as generous as the new public plan and have the same standards for quality and efficiency. The Exchange would evaluate plans and make the differences among the plans, including cost of services, public.

**MANDATORY COVERAGE OF CHILDREN:** Obama will require that all children have health care coverage. Obama will expand the number of options for young adults to get coverage, including allowing young people up to age 25 to continue coverage through their parents' plans.

**EXPANSION OF MEDICAID AND SCHIP:** Obama will expand eligibility for the Medicaid and SCHIP programs and ensure that these programs continue to serve their critical safety net function.

**FLEXIBILITY FOR STATE PLANS:** Due to federal inaction, some states have taken the lead in health care reform. The Obama plan builds on these efforts and does not replace what states are doing. States can continue to experiment, provided they meet the minimum standards of the national plan.

### ***Lower Costs by Modernizing The U.S. Health Care System***

**REDUCING COSTS OF CATASTROPHIC ILLNESSES FOR EMPLOYERS AND THEIR EMPLOYEES:** Catastrophic health expenditures account for a high percentage of medical expenses for private insurers. The Obama plan would reimburse employer health plans for a portion of the catastrophic costs they incur above a threshold if they guarantee such savings are used to reduce the cost of workers' premiums.

#### **HELPING PATIENTS:**

- Support disease management programs. Seventy five percent of total health care dollars are spent on patients with one or more chronic conditions, such as diabetes, heart disease and high blood pressure. Obama will require that providers that participate in the new public plan, Medicare or the Federal Employee Health Benefits Program (FEHBP) utilize proven disease management programs. This will improve quality of care, give doctors better information and lower costs.
- Coordinate and integrate care. Over 133 million Americans have at least one chronic disease and these chronic conditions cost a staggering \$1.7 trillion yearly. Obama will support implementation of programs and encourage team care that will improve coordination and integration of care of those with chronic conditions.
- Require full transparency about quality and costs. Obama will require hospitals and providers to collect and publicly report measures of health care costs and quality, including data on preventable medical errors, nurse staffing ratios, hospital-acquired infections, and disparities in care. Health plans will also be required to disclose the percentage of premiums that go to patient care as opposed to administrative costs.

#### **ENSURING PROVIDERS DELIVER QUALITY CARE:**

- Promote patient safety. Obama will require providers to report preventable medical errors and support hospital and physician practice improvement to prevent future occurrences.
- Align incentives for excellence. Both public and private insurers tend to pay providers based on the volume of services provided, rather than the quality or effectiveness of care. Providers who see patients enrolled in the new public plan, the National Health Insurance Exchange, Medicare and FEHBP will be rewarded for achieving performance thresholds on outcome measures.
- Comparative effectiveness research. Obama will establish an independent institute to guide reviews and research on comparative effectiveness, so that Americans and their doctors will have the accurate and objective information they need to make the best decisions for their health and well-being.
- Tackle disparities in health care. Obama will tackle the root causes of health disparities by addressing differences in access to health coverage and promoting prevention and public health, both of which play a major role in addressing disparities. He will also challenge the medical system to eliminate inequities in health care through quality measurement and reporting, implementation of effective interventions such as patient navigation programs, and diversification of the health workforce.
- Insurance reform. Obama will strengthen antitrust laws to prevent insurers from overcharging physicians for their malpractice insurance and will promote new models for addressing errors that improve patient safety, strengthen the doctor-patient relationship and reduce the need for malpractice suits.

#### **LOWERING COSTS THROUGH INVESTMENT IN ELECTRONIC HEALTH INFORMATION TECHNOLOGY**

**SYSTEMS:** Most medical records are still stored on paper, which makes it hard to coordinate care, measure quality or reduce medical errors and which costs twice as much as electronic claims. Obama will invest \$10 billion a year over the next five years to move the U.S. health care system to broad adoption of standards-based electronic health information systems, including electronic health records, and will phase in requirements for full implementation of health IT. Obama will ensure that patients' privacy is protected.

**LOWERING COSTS BY INCREASING COMPETITION IN THE INSURANCE AND DRUG MARKETS:** The insurance business today is dominated by a small group of large companies that has been gobbling up their rivals. There have been over 400 health care mergers in the last 10 years, and just two companies dominate a full third of the national market. These changes were supposed to make the industry more efficient, but instead premiums have skyrocketed by over 87 percent.

- Barack Obama will prevent companies from abusing their monopoly power through unjustified price increases. His plan will force insurers to pay out a reasonable share of their premiums for patient care instead of keeping exorbitant amounts for profits and administration. His new National Health Exchange will help increase competition by insurers.
- Lower prescription drug costs. The second-fastest growing type of health expenses is prescription drugs. Pharmaceutical companies are selling the exact same drugs in Europe and Canada but charging Americans more than double the price. Obama will allow Americans to buy their medicines from other developed countries if the drugs are safe and prices are lower outside the U.S. Obama will also repeal the ban that prevents the government from negotiating with drug companies, which could result in savings as high as \$30 billion. Finally, Obama will work to increase the use of generic drugs in Medicare, Medicaid, and FEHBP and prohibit big name drug companies from keeping generics out of markets.

#### ***Address Predatory Credit Card Practices and Reform Bankruptcy Laws***

**REFORM BANKRUPTCY LAWS TO PROTECT FAMILIES FACING A MEDICAL CRISIS:** Current law, which Barack Obama opposed in the 2005 bankruptcy bill, provides too many families with inadequate relief when faced by an unforeseen medical crisis. Obama will create an exemption from the new law's requirement that middle class families extend their debts rather than have them forgiven. If a person can demonstrate to the satisfaction of the bankruptcy court that the reason they filed for bankruptcy was a result of debts incurred through medical expenses, then Obama believes they should be relieved of that debt through a process that lets them get back on their feet.

**CREATE A CREDIT CARD RATING SYSTEM TO IMPROVE DISCLOSURE:** Barack Obama will create a credit card rating system, modeled on five-star systems used for other consumer products, to provide consumers an easily identifiable ranking of credit cards. Under the Obama plan, the Federal Trade Commission (FTC) will assess the degree to which credit cards meet consumer-friendly standards. Credit card companies will be required to display the rating on all application and contract materials, enabling consumers to quickly understand all of the major provisions of a credit card without having to rely exclusively on fine print in lengthy documents. Credit card companies will also be required to disclose in simplified, clear language all of the major features of the card in addition to their FTC rating to provide consumers with additional information to compare credit card products.

**ESTABLISH A CREDIT CARD BILL OF RIGHTS TO PROTECT CONSUMERS:** Obama will create a Credit Card Bill of Rights to protect consumers. The Obama plan will:

- **Ban Unilateral Changes:** Currently, credit card companies can unilaterally change the terms of a credit card agreement at any time for any reason with only a 15-day notice to the consumer. Barack Obama will ban these unilateral changes in credit card agreements unless companies have obtained written consent from consumers and have followed the rules and terms of the agreement.
- **Apply Interest Rate Increases Only to Future Debt:** Credit card companies often apply increased interest rates to both new debt incurred by the cardholder, as well as previously incurred debt. Barack Obama will require increased interest rates to apply only to future credit card debt, and not to debt incurred prior to the increase.
- **Prohibit Interest on Fees:** Credit card companies often charge interest on transaction fees, such as late fees or paying a bill by telephone. Barack Obama will prohibit credit card issuers from charging interest on transaction fees.
- **Prohibit “Universal Defaults”:** “Universal defaults” are a practice in which a credit card company raises an individual’s interest rate based on failure to pay a different creditor on time. Barack Obama will prohibit this practice.
- **Require Prompt and Fair Crediting of Cardholder Payments:** Barack Obama will require credit card issuers to apply payments first to the credit card balance with the highest rate of interest and to minimize finance charges.

**CAP OUTLANDISH INTEREST RATES ON PAYDAY LOANS AND IMPROVE DISCLOSURE:** Barack Obama supports extending a 36 percent interest rate on payday loans to all Americans – just like Congress limited rate interest rates charged to military service members.

**ENCOURAGE RESPONSIBLE LENDING INSTITUTIONS TO MAKE SMALL CONSUMER LOANS:** Obama will encourage banks, credit unions, and Community Development Financial Institutions to provide affordable short-term and small-dollar loans and to drive unscrupulous lenders out of business.

### ***Make College Affordable***

**CREATE THE AMERICAN OPPORTUNITY TAX CREDIT:** Obama will make college affordable for all Americans by creating a new American Opportunity Tax Credit. This fully refundable credit will ensure that the first \$4,000 of a college education is completely free for most Americans, and will cover two-thirds the cost of tuition at the average public college or university and make community college tuition completely free for most students. Recipients of this credit will be required to conduct 100 hours of public service a year, either during the school year or over the summer months. Obama will also ensure that the tax credit is available to families at the time of enrollment by using prior year’s tax data to deliver the credit when tuition is due.

**SIMPLIFY THE APPLICATION PROCESS FOR FINANCIAL AID:** Obama will streamline the financial aid process by eliminating the current federal financial aid application and enabling families to apply simply by checking a box on their tax form, authorizing their tax information to be used, and eliminating the need for a separate application.

### ***Help Families Maintain a Work/Family Balance***

**EXPAND HIGH-QUALITY AFTERSCHOOL OPPORTUNITIES:** Obama will double funding for the main federal support for afterschool programs, the 21st Century Learning Centers program, to serve a million more children. Obama will include measures to maximize performance and effectiveness across grantees nationwide.

**EXPAND THE CHILD AND DEPENDENT CARE TAX CREDIT:** The Child and Dependent Care Tax Credit provides too little relief to families that struggle to afford child care expenses. Obama will reform the Child and Dependent Care Tax Credit by making it refundable and allowing low-income families to receive up to a 50 percent credit for their child care expenses.

**EXPAND THE FAMILY AND MEDICAL LEAVE ACT:** The FMLA covers only certain employees of employers with 50 or more employees. Obama will expand it to cover businesses with 25 or more employees. He will expand the FMLA to cover more purposes as well, including allowing workers to take leave for elder care needs; allowing parents up to 24 hours of leave each year to participate in their children's academic activities; and expanding FMLA to cover leave for employees to address domestic violence.

**ENCOURAGE STATES TO ADOPT PAID LEAVE:** As president, Obama will initiate a strategy to encourage all 50 states to adopt paid-leave systems. Obama will provide a \$1.5 billion fund to assist states with start-up costs and to help states offset the costs for employees and employers.

**PROTECT AGAINST CAREGIVER DISCRIMINATION:** Workers with family obligations often are discriminated against in the workplace. Obama will enforce the recently-enacted Equal Employment Opportunity Commission guidelines on caregiver discrimination.

**EXPAND FLEXIBLE WORK ARRANGEMENTS:** Obama will create a program to inform businesses about the benefits of flexible work schedules; help businesses create flexible work opportunities; and increase federal incentives for telecommuting. Obama will also make the federal government a model employer in terms of adopting flexible work schedules and permitting employees to request flexible arrangements.

## **OBAMA'S RECORD**

### ***Health Insurance***

In 2003, Barack Obama sponsored and passed legislation that expanded health care coverage to 70,000 kids and 84,000 adults. In the U.S. Senate, Obama cosponsored the Healthy Kids Act of 2007 and the State Children's Health Insurance Program (SCHIP) Reauthorization Act of 2007 to ensure that more American children have affordable health care coverage.

### ***Predatory Lending***

In the Illinois State Senate, Obama sponsored legislation to combat predatory payday loans and he also urged the state to more closely regulate some of the most egregious predatory lending practices.

### ***College Affordability***

Obama's very first bill in the U.S. Senate sought to increase the maximum Pell Grant award to \$5,100. As a member of the Health, Education, Labor, and Pensions Committee, Obama helped pass legislation to achieve that goal in the recent improvements to the Higher Education Act.

## FOR MORE INFORMATION

***Read Obama's Health Care Plan:***

<http://www.barackobama.com/issues/healthcare/>

***Read Obama's American Dream Plan:***

[http://www.barackobama.com/2007/11/07/remarks\\_of\\_senator\\_barack\\_obam\\_31.php](http://www.barackobama.com/2007/11/07/remarks_of_senator_barack_obam_31.php)

***Read Obama's Plan To Make A College Education Affordable:***

<http://www.barackobama.com/issues/pdf/CollegeAffordabilityFactSheet.pdf>

“We... have an obligation to protect Social Security and ensure that it’s a safety net the American people can count on today, tomorrow and forever. Social Security is the cornerstone of the social compact in this country... Coming together to meet this challenge won’t be easy... It will take restoring a sense of shared purpose in Washington and across this country. But if you put your trust in me – if you give me ‘your hand and your heart’ – then that’s exactly what I intend to do as your next President.”

–Barack Obama, Speech in Des Moines, IA, October 27, 2007





## PLAN TO PRESERVE SOCIAL SECURITY AND STRENGTHEN RETIREMENT SECURITY

### AT A GLANCE

- Protect Social Security
- Strengthen Retirement Savings
- Affordable Health Care for Seniors
- Protect and Honor Seniors

### THE PROBLEM

#### ***Insecure Retirement Savings***

Retirement savings are near a historic low and 75 million working Americans lack employer-based retirement plans. Too many companies have dumped their pension obligations, leaving workers in the cold.

#### ***Income Security***

With skyrocketing health care, energy and housing costs, and the risk of being defrauded by insurance companies, too many seniors do not have the resources to live comfortably.

### BARACK OBAMA'S PLAN

#### ***Protect Social Security***

Obama is committed to ensuring Social Security is solvent and viable for the American people, now and in the future. Obama will be honest with the American people about the long-term solvency of Social Security and the ways we can address the shortfall. Obama will protect Social Security benefits for current and future beneficiaries alike. And he does not believe it is necessary or fair to hardworking seniors to raise the retirement age. Obama is strongly opposed to privatizing Social Security.

Obama believes that the first place to look for ways to strengthen Social Security is the payroll tax system. Currently, the Social Security payroll tax applies to only the first \$97,500 a worker makes. Obama supports increasing the maximum amount of earnings covered by Social Security and he will work with Congress and the American people to choose a payroll tax reform package that will keep Social Security solvent for at least the next half century.

### ***Strengthen Retirement Savings***

**REFORM CORPORATE BANKRUPTCY LAWS TO PROTECT WORKERS AND RETIREES:** Current bankruptcy laws protect banks before workers. Obama will protect pensions by putting promises to workers higher on the list of debts that companies cannot shed; ensuring that the bankruptcy courts do not demand more sacrifice from workers than executives; telling companies that they cannot issue executive bonuses while cutting worker pensions; increasing the amount of unpaid wages and benefits workers can claim in court; and limiting the circumstances under which retiree benefits can be reduced.

**REQUIRE FULL DISCLOSURE OF COMPANY PENSION INVESTMENTS:** Obama will ensure that all employees who have company pensions receive detailed annual disclosures about their pension fund's investments. This will provide retirees important resources to make their pension fund more secure.

**ELIMINATE INCOME TAXES FOR SENIORS MAKING LESS THAN \$50,000:** Obama will eliminate all income taxation of seniors making less than \$50,000 per year. This will provide an immediate tax cut averaging \$1,400 to 7 million seniors and relieve millions from the burden of filing tax returns.

**CREATE AUTOMATIC WORKPLACE PENSIONS:** Obama's retirement security plan will automatically enroll workers in a workplace pension plan. Under his plan, employers who do not currently offer a retirement plan, will be required to enroll their employees in a direct-deposit IRA account that is compatible to existing direct-deposit payroll systems. Employees may opt-out if they choose. Experts estimate that this program will increase the savings participation rate for low and middle-income workers from its current 15 percent level to around 80 percent.

**EXPAND RETIREMENT SAVINGS INCENTIVES FOR WORKING FAMILIES:** Obama will ensure savings incentives are fair to all workers by creating a generous savings match for low and middle-income Americans. His plan will match 50 percent of the first \$1,000 of savings for families that earn less than \$75,000. The savings match will be automatically deposited into designated personal accounts. Over 80 percent of these savings incentives will go to new savers.

**PREVENT AGE DISCRIMINATION:** Obama will fight job discrimination for aging employees by strengthening the Age Discrimination in Employment Act and empowering the Equal Employment Opportunity Commission to prevent all forms of discrimination.

### ***Affordable Health Care for America's Seniors***

**PROVIDE CHEAPER PRESCRIPTION DRUGS:** Our seniors pay the highest prices in the world for brand-name drugs. To lower drug costs, Obama will allow the federal government to negotiate for lower drug prices for the Medicare program, just as it does to lower prices for our veterans. He also supports allowing seniors to import safe prescription drugs from overseas, and will prevent pharmaceutical companies from blocking cheap and safe generic drugs from the market.

**PROTECT AND STRENGTHEN MEDICARE:** Obama is committed to the long-term strength of the Medicare program. He will reduce waste in the Medicare system, including eliminating subsidies to the private insurance Medicare Advantage program, and tackle fundamental health care reform to improve the quality and efficiency of our healthcare system. Obama supports closing the "doughnut hole" in the Medicare Part D prescription drug program.

**PROVIDE TRANSPARENCY TO MEDICARE PRESCRIPTION DRUG PLANS:** Many seniors are enrolled in Medicare prescription drug plans that are actually more expensive for them than other available plans. Obama will require companies to send Medicare beneficiaries a full list of the drugs and fees they paid the previous year to help seniors determine which plans can better reduce their out-of-pocket costs and improve their health.

**STRENGTHEN LONG-TERM CARE OPTIONS:** As president, Obama will work to give seniors choices about their care, consistent with their needs and not biased towards institutional care. He will work to reform the financing of long term care to protect seniors and families. He will work to improve the quality of elder care, including by training more nurses and health care workers.

### ***Protect and Honor Seniors***

**ENSURE HEATING ASSISTANCE:** Obama will increase funding for the Low Income Home Energy Assistance Program (LIHEAP) which helps low-income citizens — many of them seniors — pay their winter heating and summer cooling bills. Obama believes that we should expand the LIHEAP program to more families and that we should pay for it by implementing a windfall profits tax on the oil and gas industry, which has experienced record profits as consumer energy prices have skyrocketed the past few years. As president, Obama will also use a portion of the proceeds from his cap-and-trade climate change initiative to ensure low-income families receive proper assistance to pay their heating and cooling bills.

**SUPPORT SENIOR VOLUNTEER EFFORTS:** Retired Americans have a wide range of skills and knowledge to contribute to local and national public service efforts. Obama will engage more interested seniors into public service opportunities by expanding and improving programs like Senior Corps to connect seniors with quality volunteer opportunities.

## OBAMA RECORD

### ***Social Security and Pensions***

In the midst of the 2005 debate over Social Security privatization, Obama gave a major speech at the National Press Club forcefully arguing against privatization. He also repeatedly voted against Republican amendments that aimed to privatize Social Security or cut benefits. Obama has also voted to force companies to properly fund their pension plans so taxpayers don't end up footing the bill.

### ***Medicare***

Obama has supported a number of efforts to strengthen Medicare, including voting for legislation to allow Medicare to negotiate for cheaper prescription drug prices and to extend the enrollment period for low-income beneficiaries.

### ***Protecting Seniors***

After reports that lobbyists, but not the American people, received information about the most unsafe nursing homes in the country, Barack Obama demanded the Department of Health and Human Services release that information. Following Obama's letter, the names of the four Iowa care facilities cited for unsafe care were released to the public. Obama's efforts follow his successful efforts in Illinois to make nursing home information public and strengthen elder abuse laws.

## FOR MORE INFORMATION ABOUT BARACK'S PLAN

### ***Read the Speech***

[http://www.barackobama.com/2007/11/07/remarks\\_of\\_senator\\_barack\\_obam\\_31.php](http://www.barackobama.com/2007/11/07/remarks_of_senator_barack_obam_31.php)

### ***Read the Plan***

<http://www.barackobama.com/issues/seniors/>

“In this country - of all countries - no child’s destiny should be determined before he takes his first step. No little girl’s future should be confined to the neighborhood she was born into. Our government cannot guarantee success and happiness in life, but what we can do as a nation is to ensure that every American who wants to work is prepared to work, able to find a job, and able to stay out of poverty. What we can do is make our neighborhoods whole again. What we can do is retire the phrase “working poor” in our time. That’s what we can do, because that’s who we are.”

— Barack Obama, Dubuque, IA, November 13, 2007



## COMBAT POVERTY

### AT A GLANCE

- Expand access to jobs
- Make Work Pay for All Americans
- Strengthen Families
- Increase the Supply of Affordable Housing
- Tackle Concentrated Poverty

### THE PROBLEM

#### ***Poverty Rising***

There are nearly 37 million poor Americans. Most Americans living in poverty work, but still cannot afford to make ends meet.

#### ***Minimum Wage is Not Enough***

Even when a parent works full-time earning minimum wage and EITC and food stamps are factored into their income, families are still \$1,550 below the federal poverty line because of the flat-lined minimum wage.

### BARACK OBAMA'S PLAN

#### ***Tackle Concentrated Poverty***

**ESTABLISH 20 PROMISE NEIGHBORHOODS:** Obama will create 20 Promise Neighborhoods in areas that have high levels of poverty and crime and low levels of student academic achievement in cities across the nation. The Promise Neighborhoods will be modeled after the Harlem Children's Zone, which provides a full network of services, including early childhood education, youth violence prevention efforts and after-school activities, to an entire neighborhood from birth to college.

**ENSURE COMMUNITY-BASED INVESTMENT RESOURCES IN EVERY URBAN COMMUNITY:** Obama will work with community and business leaders to identify and address the unique economic development barriers of every major metropolitan area. Obama will provide additional resources to the federal Community Development Financial Institution Fund, the Small Business Administration and other federal agencies, especially to their local branch offices, to address community needs.

**INVEST IN RURAL AREAS:** Obama will invest in rural small businesses and fight to expand high-speed Internet access. He will improve rural schools and attract more doctors to rural areas.

### ***Expand Access to Jobs***

**HELP AMERICANS GRAB A HOLD OF AND CLIMB THE JOB LADDER:** Obama will invest \$1 billion over five years in transitional jobs and career pathway programs that implement proven methods of helping low-income Americans succeed in the workforce.

**CREATE A GREEN JOBS CORPS:** Obama will create a program to directly engage disadvantaged youth in energy efficiency opportunities to strengthen their communities, while also providing them with practical skills in this important high-growth career field.

**IMPROVE TRANSPORTATION ACCESS TO JOBS:** As president, Obama will work to ensure that low-income Americans have transportation access to jobs. Obama will double the federal Jobs Access and Reverse Commute program to ensure that additional federal public transportation dollars flow to the highest-need communities and that urban planning initiatives take this aspect of transportation policy into account.

**REDUCE CRIME RECIDIVISM BY PROVIDING EX-OFFENDER SUPPORTS:** Obama will work to ensure that ex-offenders have access to job training, substance abuse and mental health counseling, and employment opportunities. Obama will also create a prison-to-work incentive program and reduce barriers to employment.

### ***Make Work Pay for All Americans***

**EXPAND THE EARNED INCOME TAX CREDIT:** Obama will increase the number of working parents eligible for EITC benefits, increase the benefits available to parents who support their children through child support payments, increase benefits for families with three or more children, and reduce the EITC marriage penalty, which hurts low-income families.

**CREATE A LIVING WAGE:** Obama will raise the minimum wage and index it to inflation to make sure that full-time workers can earn a living wage that allows them to raise their families and pay for basic needs such as food, transportation, and housing.

**PROVIDE TAX RELIEF:** Obama will provide all low and middle-income workers a \$500 Making Work Pay tax credit to offset the payroll tax those workers pay in every paycheck. Obama will also eliminate taxes for seniors making under \$50,000 per year.

### ***Strengthen Families***

**PROMOTE RESPONSIBLE FATHERHOOD:** Obama will sign into law his Responsible Fatherhood and Healthy Families Act to remove some of the government penalties on married families, crack down on men avoiding child support payments, and ensure that payments go to families instead of state bureaucracies.

**SUPPORT PARENTS WITH YOUNG CHILDREN:** Obama will expand the highly-successful Nurse-Family Partnership to all 570,000 low-income, first-time mothers each year. The Nurse-Family Partnership provides home visits by trained registered nurses to low-income expectant mothers and their families.

**EXPAND PAID SICK DAYS:** Today, three-out-of-four low-wage workers have no paid sick days. Obama supports guaranteeing workers seven paid sick days per year.

### ***Increase the Supply of Affordable Housing***

**CREATE AN AFFORDABLE HOUSING TRUST FUND:** Obama will create an Affordable Housing Trust Fund to develop affordable housing in mixed-income neighborhoods.

**FULLY FUND THE COMMUNITY DEVELOPMENT BLOCK GRANT:** Obama will fully fund the Community Development Block Grant program and engage with urban leaders across the country to increase resources to the highest-need Americans.

## OBAMA RECORD

### ***Tax Relief for Low-Income Working Families***

Obama created the Illinois Earned Income Tax Credit for low-income working families in 2000 and successfully sponsored a measure to make the credit permanent in 2003. The law offered about \$105 million in tax relief over three years.

### ***Housing***

In the Illinois State Senate, Obama championed multiple pieces of legislation to help low-income families find adequate affordable housing.

## FOR MORE INFORMATION ABOUT BARACK'S PLAN

### ***Read the Plan***

<http://www.barackobama.com/issues/pdf/PovertyFactSheet.pdf>

### ***Read the Speech***

[http://www.barackobama.com/2007/07/18/remarks\\_of\\_senator\\_barack\\_obam\\_19.php](http://www.barackobama.com/2007/07/18/remarks_of_senator_barack_obam_19.php)

