



# OBAMA'S PLAN *for* AMERICA



ECONOMY



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“I’m in this race to take those tax breaks away from companies that are moving jobs overseas and put them in the pockets of hard working Americans who deserve it. And I won’t raise the minimum wage every ten years – I will raise it to keep pace so that workers don’t’ fall behind. That is why I am in it. To protect the American worker. To fight for the American worker.”

-- Barack Obama, Speech in Des Moines, IA, November 10, 2007

## BARACK OBAMA'S PLAN TO STRENGTHEN THE ECONOMY

### AT A GLANCE

#### ***Taxes***

Obama will cut income taxes by \$1,000 for working families to offset the payroll tax they pay.

#### ***Trade***

Obama believes that trade with foreign nations should strengthen the American economy and create more American jobs. He will stand firm against agreements that undermine our economic security.

#### ***Technology***

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.

#### ***Labor***

Obama will strengthen the ability of workers to organize unions. He will fight for passage of the Employee Free Choice Act. Obama will ensure that his labor appointees support workers' rights and will work to ban the permanent replacement of striking workers. Obama will also increase the minimum wage and index it to inflation to ensure it rises every year.

#### ***Home Ownership***

Obama will crack down on fraudulent brokers and lenders. He will also make sure homebuyers have honest and complete information about their mortgage options, and he will give a tax credit to all middle-class homeowners.

#### ***Bankruptcy Reform***

Obama will reform our bankruptcy laws to protect working people, ban executive bonuses for bankrupt companies, and require disclosure of all pension investments.

#### ***Credit Cards***

Obama will establish a five-star rating system so that every consumer knows the risk involved in every credit card. He also will establish a Credit Card Bill of Rights to stop credit card companies from exploiting consumers with unfair practices.

#### ***Work-Family***

Obama will double funding for after-school programs, expand the Family Medical Leave Act, provide low-income families with a refundable tax credit to help with their child-care expenses, and encourage flexible work schedules.

## 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.

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

The Bush tax cuts give those who earn over \$1 million dollars a tax cut 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.

## 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 credit of up to \$500 per person, or \$1,000 per working family. The "Making Work Pay" tax credit will completely eliminate income taxes for 10 million Americans.

**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.

### ***Trade***

**FIGHT FOR FAIR TRADE:** Obama will fight for a trade policy that opens up foreign markets to support good American jobs. He 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 nontariff barriers on U.S. exports.

**AMEND THE NORTH AMERICAN FREE TRADE AGREEMENT:** Obama believes that NAFTA and its potential were oversold to the American people. Obama will work with the leaders of Canada and Mexico to fix NAFTA so that it works for American workers.

**IMPROVE TRANSITION ASSISTANCE:** To help all workers adapt to a rapidly changing economy, Obama would update the existing system of Trade Adjustment Assistance by extending it to service industries, creating flexible education accounts to help workers retrain, and providing retraining assistance for workers in sectors of the economy vulnerable to dislocation before they lose their jobs.

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

**SUPPORT JOB CREATION:** Barack Obama believes we need to double federal funding for basic research and make the research and development tax credit permanent to help create high-paying, secure 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.

**INVEST IN U.S. MANUFACTURING:** The Obama comprehensive energy independence and climate change

plan will 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.

**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.

**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.

## ***Labor***

**ENSURE FREEDOM TO UNIONIZE:** 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 strong advocate for the Employee Free Choice Act, a bipartisan effort to assure that workers can exercise their right to organize. He will continue to fight for EFCA's passage and sign it into law.

**FIGHT ATTACKS ON WORKERS' RIGHT TO ORGANIZE:** Obama has fought the Bush National Labor Relations Board (NLRB) efforts to strip workers of their right to organize. He is a cosponsor of legislation to overturn the NLRB's "Kentucky River" decisions classifying hundreds of thousands of nurses, construction, and professional workers as "supervisors" who are not protected by federal labor laws.

**PROTECT STRIKING WORKERS:** Obama supports the right of workers to bargain collectively and strike if necessary. He will work to ban the permanent replacement of striking workers, so workers can stand up for themselves without worrying about losing their livelihoods.

**RAISE THE MINIMUM WAGE:** Barack Obama will raise the minimum wage, index it to inflation and increase the Earned Income Tax Credit to make sure that full-time workers earn a living wage that allows them to raise their families and pay for basic needs.

## ***Protect Homeownership and Crack Down on Mortgage Fraud***

**CREATE A UNIVERSAL MORTGAGE CREDIT:** Obama will create a 10 percent universal mortgage credit to provide tax relief to homeowners who do not itemize. This credit will provide an average of \$500 to 10 million homeowners, the majority of whom earn less than \$50,000 per year.

**ENSURE MORE ACCOUNTABILITY IN THE SUBPRIME MORTGAGE INDUSTRY:** Obama has been closely monitoring the subprime mortgage situation for years, and introduced comprehensive legislation over a year 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.

**MANDATE ACCURATE LOAN DISCLOSURE:** 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 individuals to easily compare various mortgage products and understand the full cost of the loan.

**CREATE FUND TO HELP HOMEOWNERS AVOID FORECLOSURES:** Obama will create a fund to help people refinance their mortgages and provide comprehensive support to innocent homeowners. The fund will be partially paid for by Obama's increased penalties on lenders who act irresponsibly and commit fraud.

**CLOSE BANKRUPTCY LOOPHOLE FOR MORTGAGE COMPANIES:** Obama will work to eliminate the provision that prevents bankruptcy courts from modifying an individual's mortgage payments. Obama believes that the subprime mortgage industry, which has engaged in dangerous and sometimes unscrupulous business practices, should not be shielded by outdated federal law.

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

**CREATE A CREDIT CARD RATING SYSTEM TO IMPROVE DISCLOSURE:** 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, based on the card's features. 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.

**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
- Apply Interest Rate Increases Only to Future Debt
- Prohibit Interest on Fees
- Prohibit "Universal Defaults"
- Require Prompt and Fair Crediting of Cardholder Payments

**CAP OUTLANDISH INTEREST RATES ON PAYDAY LOANS AND IMPROVE DISCLOSURE:** Obama supports extending a 36 percent interest cap to all Americans. Obama will require lenders to provide clear and simplified information about loan fees, payments and penalties, and he'll require them to provide this information during the application process.

**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.

**REFORM BANKRUPTCY LAWS TO PROTECT FAMILIES FACING A MEDICAL CRISIS:** Obama will create an exemption in bankruptcy law for individuals who can prove they filed for bankruptcy because of medical expenses. This exemption will create a process that forgives the debt and lets Americans get back on their feet.

## ***Work/Family Balance***

**EXPAND THE FAMILY AND MEDICAL LEAVE ACT:** The FMLA covers only certain workers in businesses with 50 or more employees. Obama will expand it to cover businesses with 25 or more employees. He will also expand what's covered under the FMLA, to include 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 to expand 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.

**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.

**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**

**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 urged 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 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)