President Obama on The Economy

ECONOMIC RESCUE, RECOVERY, AND REBUILDING ON A NEW FOUNDATION

In 2008, the American people turned to Barack Obama to lead the country through the worst economic crisis since the Great Depression. His North Star was to make the economy work for the middle class and for those fighting to join it. He took steps to create jobs, rescue the auto industry, and rebuild the economy on a new foundation for growth and prosperity.

Stabilized an Economy in Crisis and Laid the Groundwork for Long-Term Growth

• Took steps to help the hardest-hit Americans. Without the Recovery Act’s boost to household incomes, the poverty rate would have risen an additional 1.7 percentage points—which translates into about 5.3 million additional people that would have slipped into poverty in 2010

• Provided tax relief that gave the typical American family a tax cut of $3,600 over the first four years of the Administration — helping to restart job growth — and made important tax cuts permanent for working families and families with college students.

• Secured substantial reforms to improve education for all Americans — from catalyzing reforms of K-12 education to investing in community colleges to making it easier for students to afford higher education

• Invested in building the economy of the future, from physical and technological infrastructure — including roads, bridges, and broadband — to scientific research to the largest investment in clean energy in history
Brought Stability to a Financial Sector in Crisis

- Created and conducted a comprehensive stress test for the nation’s largest banks in May 2009 to ensure they had sufficient capital to withstand a Great Depression-like scenario. The added transparency helped banks to raise $66 billion in capital from private markets within a month of the stress test.

- Recapitalized the financial system so it could withstand the downturn and start lending again; recovered the entire taxpayer investment into the banks, plus a nearly $30 billion positive return

- Restructured AIG, the world’s largest insurer, to prevent its catastrophic collapse; recovered the entire taxpayer investment plus a $22.7 billion positive return

- Launched programs to restart crucial lending markets for student and auto loans, other forms of consumer credit, housing, and small businesses

- Coordinated a global response to the financial crisis at a London G-20 meeting in April 2009 that marshaled more than $1 trillion of support to restore credit, growth, and jobs in the global economy

Brought Stability to The Housing Sector

- Made it easier for responsible homeowners to stay in their homes — avoiding foreclosures that would have hurt them and the economy and helping underwater homeowners refinance. In all, more than 10 million mortgage modification and other forms of mortgage assistance were completed to help mitigate the foreclosure crisis

- Established a mortgage refinancing program for underwater borrowers (i.e. those whose house is worth less than their mortgage), to help more than 3.3 million Americans overcome barriers to refinancing and lower their monthly payments

- Helped state and local housing finance agencies through the New Issue Bond Program to extend affordable mortgage credit to families and enable the development and rehabilitation of tens of thousands affordable rental units

- Launched a program to require investors who purchase distressed Federal Housing Administration (FHA) loans to maintain the properties in a manner that avoids the kinds of vacancy and abandonment that downgrade the community

- Stepped up lending through the FHA, bolstering its capital reserves to the point where the Administration was able to lower the FHA mortgage insurance premium

- Negotiated the National Mortgage Servicing Settlement with 49 state attorneys general and major banks and mortgage companies to establish new servicing standards and provide more than $50 billion of relief to distressed homeowners
• Launched mortgage fraud cases against thousands of defendants

• Improved the quality of public housing for residents across the country through a new HUD tool that helps provide stable sources of funding for property improvements

**Saved the American Auto Industry**

• Required that Chrysler and General Motors (GM) adopt viable restructuring plans in exchange for temporary federal loan support, including building more fuel efficient cars

• Facilitated the emergence of Chrysler and GM from bankruptcy in mid-2009, enabling the auto industry (including manufacturing and retail) to add more than 700,000 jobs, with domestic sales and production reaching their highest levels in more than a decade in 2015

• The auto industry has fully exited the temporary federal programs that supported them, repaying the American taxpayer every dollar and more of what the Obama Administration committed

• Launched “Cash for Clunkers” to spur auto sales

**Reformed Wall Street**

• Adopted the Volcker Rule to prohibit banks from risky proprietary trading and from sponsoring investment funds that are unrelated to core banking activities

• Set higher capital and liquidity standards for financial institutions both domestically and internationally

• Established orderly liquidation authority to prevent serious harm to the entire economy and to protect taxpayers from bearing the losses of private firms by giving regulators the tools to safely wind down large, complex financial institutions that fail

• Expanded reporting requirements for hedge funds and private equity funds

• Overhauled the $600 trillion derivatives market to make it safer and more transparent, including by leading an international push to mandate central clearing of standardized derivatives, setting capital and margin requirements for derivatives that are not centrally cleared, and imposing new oversight of major swap dealers and participants

• Set new accounting standards to move all exposures onto firms’ balance sheets

• Required large banks to create “living wills” to help regulators wind down bankrupt firms in an orderly fashion

• Established the Consumer Financial Protection Bureau (CFPB) to hold financial institutions accountable and protect consumers from the types of abuses that preceded the crisis
Laid the Groundwork for a Manufacturing Resurgence and Fostered U.S. Competitiveness

- Launched Manufacturing USA, already up to thirteen manufacturing hubs that bring together industry, academia and government partners to bridge the gap between applied research and product development, leading the way to new advanced manufacturing capabilities

- Established a new investment tax credit to support companies building new factories and new jobs to produce advanced, clean-energy products in the United States

- Launched the Investing in Manufacturing Community Partnerships (IMCP) program to pool resources of multiple federal agencies in order to spur communities to develop integrated, long-term economic development plans, improving their ability to attract global manufacturers and their supply chains and create and sustain good jobs

- Formed the Advanced Manufacturing Partnership to convene industry, academia, labor, and government leaders to address the challenge of expanding advanced manufacturing across the United States

- Created SelectUSA, the first federal government-wide investment-promotion program, which has directly facilitated billions of dollars in job-creating foreign direct investment and connected thousands of investors with state and local economic development officials

- Launched new infrastructure finance centers at the Department of Transportation, the Environmental Protection Agency, and the Department of the Interior to increase private investment in U.S. infrastructure and encourage more public-private collaboration on transportation, water and other projects

- Worked with the public and private sector to bring new resources into infrastructure planning and design, ensuring that local and state governments can lay the groundwork for future economic growth

- Funded research in next-generation robotics through the National Science Foundation, the National Institutes of Health, NASA, and the Department of Agriculture

- Signed into law the first long-term surface transportation bill in a decade, with increased investment levels — ending the era of short-term patches

Helped Small Businesses Get Back on Track and More Entrepreneurs Start New Businesses

- Used proceeds from the Troubled Asset Relief Program (TARP) to stabilize banks that lend to small businesses
• Supported the liquidity of key SBA lending programs

• Signed legislation that expanded SBA lending programs and created new sources of credit for small businesses

• Eliminated borrower and lender fees for SBA loans under $150,000 as part of the crisis response, fueling a spike in the small-dollar loans disproportionately used by minority-owned small businesses

• Established two new small business credit programs—the State Small Business Credit Initiative and the Small Business Lending Fund

• Cut taxes 18 times for small businesses in the first term and made many of those tax cuts permanent

• Created BusinessUSA.gov as a “no wrong door” portal for entrepreneurs and small businesses seeking government information and services

• Launched the Startup in a Day initiative to make it easier for entrepreneurs to start a business by reducing the amount of time it takes to register and apply for permits and licenses at the local level

Raised Academic Standards in Our Schools and Made New Investments From Preschool Through 12th Grade

• Expanded access to high-quality preschool for children from low-income families through the Preschool Development Grants, which provided resources to 18 states, and through investments in the Race to the Top—Early Learning Challenge competition.

• Signed the Every Student Succeeds Act (ESSA), which fixes the No Child Left Behind Act and carries forward many of the policies and programs that the Administration has supported since 2009.

• Reached a record high graduation rate of 83 percent. Graduation gaps are closing for students of color, students from low-income families, and students with disabilities and English learners.

• Announced a new Testing Action Plan (TAP) to make sure that any tests used in our nation's classrooms are high quality and worth taking, don’t take up too much classroom time or crowd out teaching and learning, and are used alongside other types of information to paint a fuller picture of how our students and schools are doing.

• Expanded access to high-quality preschool through the Preschool Development Grants competition, which has provided development and expansion grants to 18 states to support high-quality early childhood education programs for children from low-income families
• Made critical investments in practices proven to improve educational outcomes.

• Launched the President’s ConnectED initiative to invest in connectivity, teacher professional development, hardware, software, and digital content to facilitate personalized digital learning experiences for students and teachers

**Expanded Scholarships, Made Student Loans More Affordable, and Kept College Within Reach for More Americans**

• Expanded Pell Grants for millions of students

• Created the American Opportunity Tax Credit

• Made student loans more affordable

• Made applying for financial aid easier and faster

• Encouraged greater transparency for students and families and accountability for institutions through the College Scorecard, which provides the clearest, most accessible, and most reliable national data on college cost, graduation, debt, and post-college

• Led a movement to make community college free for responsible students, with states, communities, and community colleges across the country announcing new programs or introducing legislation since the President’s announcement in January 2015

• Cracked down on unscrupulous career colleges and created pathways for defrauded students to get loan relief

• Put in place gainful employment rules to protect students at career colleges from ending up with student loan debt that they cannot pay. The new rules will ensure that career colleges improve outcomes for over 800,000 students who otherwise would be left with debts they cannot afford.

• Encouraged greater innovation and evidence-based spending to decrease costs and increase completion rates through First in the World grants and regulatory waivers granted to 15 experimental sites.

**Expanded and Improved Job-Training Opportunities**

• Secured a six-year extension and expansion of Trade Adjustment Assistance (TAA) in June 2015, which provides vital job training, income support and other benefits to American workers displaced by the forces of globalization. This extension means that over 750,000 Americans will be eligible to apply for these benefits.

• Upgraded federally funded job training and employment programs to focus funding on programs that used strategies that produce strong results in connecting Americans to training that leads to well-paying jobs and reduce unnecessary and ineffective training
• Signed the bipartisan Workforce Innovation and Opportunity Act (WIOA), the first reform of federal job training programs in nearly 20 years; WIOA improves business engagement, accountability, access, and alignment across job training, employment service, and adult education programs

• Launched dozens of new career academies that are exposing over 25,000 high school students to skills for high-demand fields like technology, energy, and manufacturing

• Invested $2 billion to significantly expand partnerships between employers and community colleges to prepare students for in-demand jobs in fields like health care, information technology and energy

• Expanded Registered Apprenticeship programs, resulting in employers, labor unions, and training providers adding more than 125,000 apprenticeships, the nation’s largest increase in nearly a decade, since President Obama issued a challenge to double the number of registered apprenticeships within five years

• Launched TechHire, a community-based, public-private initiative to prepare more people from all backgrounds for the well-paying tech jobs of the future and made investments to spur new accelerated tech training for low-income young people that will offer training and jobs to over 40,000 Americans over the next four years

• Launched the public-private Upskill initiative to help low-skill workers build the skills they need to advance into high-paying roles

• Worked with over 300 businesses, including 80 from the Fortune 500, to adopt recruiting and hiring practices to expand pathways to jobs for Americans who have been unemployed for 6 months or longer, and released grants that have trained nearly 5,000 long-term unemployed people for jobs in the past two years.

**Improved Retirement Security**

• Finalized rules to protect Americans’ hard-earned savings by ensuring that retirement advisers provide advice in their clients’ best interest

• Finalized rules and put forth guidance to facilitate creation of state-sponsored retirement savings plans geared at workers without access to workplace savings plans, similar to the federal automatic IRA proposal put forward by the President in every budget since taking office.

• Created a new myRA account to provide a simple, no-fee way for Americans who don’t have access to employer-sponsored plans to save for retirement

• Took administrative action to promote the use of automatic enrollment in retirement plans and other automatic features shown to increase retirement savings
• Clarified rules to allow greater use of retirement-savings products that provide lifetime income like deferred annuities and longevity annuities, by, among other things, allowing auto-enrollment into qualified fixed annuities in 401(k) plans and permitting deeply deferred longevity annuities in 401(k)s and IRAs

Made the Tax System Fairer

• Oversaw period of lowest federal income tax rates for middle-class families during any presidency since the 1950s

• Made permanent tax cuts for 98 percent of Americans as part of the bipartisan fiscal cliff agreement in January 2013, while allowing costly tax cuts to expire for those with the highest incomes — which will reduce deficits by more than $800 billion over the next ten years

• Made permanent important expansions to tax credits for working and middle-class families in the 2015 tax agreement that were first enacted in the 2009 Recovery Act, providing a tax cut averaging about $1,000 to roughly 24 million families each year

• Ensured the wealthy pay more of their fair share, including by reversing the costly “Bush tax cuts” for those with the highest incomes — which will reduce deficits by more than $800 billion over the next ten years

• Cracked down on corporate inversions through new rules that make it harder for U.S. companies to escape paying U.S. taxes on foreign earnings

• Took action to curb harmful loopholes for the wealthy

• Cracked down on offshore tax evasion through criminal investigations and prosecutions, international agreements, and a new law aimed at preventing banks from facilitating U.S. tax evasion (FATCA)

• Made the Research and Experimentation tax credit permanent, bringing certainty to companies investing in innovation

• Put a real expiration date on dozens of business tax breaks that have been extended repeatedly for years without much scrutiny, which would save more than $200 billion over the next decade

Fought for Working Families

• Expanded the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) for low-wage working families and made those expansions permanent. Together, the CTC and EITC improvements reduce the extent or severity of poverty for more than 16 million people — including about 8 million children — each year.
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- Led a national push for an increased minimum wage, supporting minimum wage increases in 22 states and the District of Columbia as well as over 60 cities and counties, which will increase wages for 7 million workers

- Signed the Lilly Ledbetter Fair Pay Act, empowering workers to recover wages lost to discrimination by extending the time period for parties to bring pay discrimination claims, and took other steps helping to shrink the gender pay gap by more than 10 percent

- Took critical steps to help families pay for child care

- Led the way on paid sick and family leave, promoting state and local action and signing an Executive Order requiring federal contractors to offer 7 paid sick days to workers. Since taking office, the number of private sector workers with paid sick leave has grown by 10.6 million and with paid family leave by 6.2 million.

- Fought to expand overtime protections to 4.2 million workers, which would boost pay by $12 billion over the next decade

- Promoted workers’ rights to express their voice in the workplace, and defended their right to choose to organize and collectively bargain

- Launched the White House Equal Pay Pledge, signed by more than 100 leading businesses committing to conduct an annual pay audit and combat pay gap. Established the collection of pay data by sex, race, and ethnicity from all businesses with 100 or more employees.

- Strengthened workplace safety and health protections, such as limiting exposure to silica, and preventing thousands of deaths and life-altering injuries on the job

- Increased wages, benefits, and labor protections for employees of federal contractors

**Tapped the Full Potential of the Digital Age While Ensuring All Americans Share in The Benefits**

- Supported the FCC’s “net neutrality” decision to adopt the strongest rules possible to ensure Internet Service Providers (ISPs) cannot become gatekeepers to the Internet’s content or create paid fast lanes for access to the best services

- Supported the FCC’s move to pre-empt state laws that restrict the expansion of municipal broadband networks

- Aggressively repurposed spectrum to ensure that the United States remains a leader in next-generation wireless services, including staying on track to free up 500 MHz of valuable spectrum for mobile broadband, refocusing on new ways to share lucrative airwaves, and opening up massive slices of high-band spectrum for the ultrafast 5G services of the future well before any other country.
• Signed the America Invents Act into law to reform the nation’s patent laws for the 21st Century, helping companies and inventors avoid costly delays — especially in key industries like biotechnology, medical devices, telecommunications, the Internet, and advanced manufacturing, that depend on a strong and healthy intellectual property system

• Began work on over a dozen Executive Actions designed to combat patent trolls who make a business model out of threatening innocent companies with infringement — actions that allowed companies to focus on innovation, not costly and needless litigation

• Launched the Startup America campaign to encourage federal agencies to streamline technology-transfer procedures, support government-industry collaboration, and encourage the commercialization of novel technologies flowing from federal laboratories

• Worked with industry to collaboratively develop a “cybersecurity framework” of baseline standards that is helping to protect critical infrastructure from disruptive cyberattack

• Ordered government agencies that process payments to employ enhanced security features, including chip-and-PIN technology, to reduce fraud and better protect Americans’ personal financial information

• Following a petition drive launched on WhiteHouse.gov, signed legislation to restore the basic consumer freedom to “unlock” cell phones, allowing customers to switch carriers without purchasing new equipment

• Successfully encouraged companies to sign a voluntary pledge to protect student privacy by banning the sale of personal data collected in the classroom to third parties for marketing purposes

• Released first-of-their-kind sanctions tools to dissuade and deter foreign hackers and nation-states that would seek to steal our trade secrets or disrupt our economic wellbeing

• Launched ConnectHome, an initiative to help communities build partnerships with the private sector to expand high-speed Internet to all Americans by delivering low-cost in-home broadband, digital literacy, and devices for low-income families living in public and assisted housing

• Expanded federal resources for broadband investments to expand access and reduce costs for families around the country

• Launched ConnectALL, an initiative to help 20 million more Americans get online and to facilitate access to the tools needed to take full advantage of the Internet. As part of this initiative, the Administration supported the FCC’s modernization of the Lifeline low-income phone subsidy program to include broadband.
• Encouraged the safe and responsible testing and deployment of automated and connected vehicles on American roads and streets to save lives and transform mobility, productivity, and sustainability

• Enabled a new generation of aviation technology to transform how we gather information about our world, enable more accurate science, move products around the country, and protect public health and the environment

• Launched the White House Smart Cities Initiative to help communities use technology to tackle local challenges and improve city services

• Released the Consumer Privacy Bill of Rights to provide a blueprint for consumer privacy that sets out principles for how companies should handle consumers’ personal information

• Negotiated and brought into force the U.S.-EU Privacy Shield, a new transatlantic data privacy agreement allowing transfer of personal data between the U.S. and the EU, subject to world-class privacy protections

• Negotiated and signed the U.S.-EU Data Privacy Protection Agreement, providing a mechanism for transatlantic exchange of law enforcement data, with world-class protections for citizens’ privacy. The President also signed into law the Judicial Redress Act, extending additional privacy protections to citizens of our allies and partners.

• Engaged with global partners and built consensus for an open, interoperable, secure, and reliable cyberspace, including international norms of behavior in cyberspace

• Defended a free and open Internet internationally, promoting multistakeholder internet governance led by civil society, industry, and other global stakeholders while maintaining the security and functionality of the internet

• Established mechanisms to target, among others, persons determined to have used information and communications technology in ways that assist in or enable human rights abuses by or on behalf of the Governments of Syria or Iran

• Created coordinated mechanism for developing Federal broadband access policy and increased resources for broadband investments to expand access and reduce costs for families around the country

• Released the Consumer Privacy Bill of Rights to provide a blueprint for consumer privacy that sets out principles for how companies should handle consumers’ personal information

**Made Government More Efficient, Transparent, and Technology Savvy**

• Launched We the People, a new platform that gives all Americans a way to create and sign petitions on a range of issues affecting our nation
• Hired the federal government’s first Chief Information Officer and Chief Technology Officer to smooth operations and ensure the government is making the most effective and efficient use of innovative technological advances

• Signed the Memorandum on Transparency and Open Government on the first day of the administration to usher in a new era of open and accountable government in order to bridge the gap between the American people and their government

• Launched Data.gov to increase access to government information that the public can readily find and use

• Launched open-data initiatives in health, energy, education, and public safety to make information about government operations more readily available and useful

• Signed the Telework Enhancement Act requiring federal agencies to promote the use of telework

• Established the Presidential Innovation Fellows program to recruit technology innovators to spend six months working on special projects for the federal government

• Increased tracking of how government uses federal dollars with easy-to-understand websites like Recovery.gov, USASpending.gov, and the IT Dashboard

• Launched Challenge.gov, a one-stop shop where entrepreneurs and citizens compete to solve problems based on creative thinking and innovation

• Launched the Government Accountability and Transparency Board to root out misspent tax dollars and making government spending more accessible and transparent

• Established the National Science and Technology Council Task Force on Smart Disclosure to promote better disclosure policies and aid in the timely release of complex information in standardized, machine-readable formats

• Expanded access to Trusted Traveler Programs allowing expedited security screening for participants, including a major expansion of Global Entry and creating TSA Precheck

• Accelerated international arrivals process at key airports through new passport control technology and other important improvements

• Expanded the validity of business and tourist visas from 1 to 10 years between China and the United States, and from 1 to 5 years for students, leading to an economy-boosting surge in Chinese travelers and tourists

• Streamlined legal immigration to boost our economy, including by providing portable work authorizations for high-skilled workers and their spouses, enhancing options for entrepreneurs and making key improvements to the H-1B program
• Established the National Science and Technology Council subcommittee on around-the-corner technologies and emergent sectors to identify new potential industry growth areas, as well as new target-rich environments for follow on research and development

**Supporting International Growth and Financial Reform**

• Concluded the Trans-Pacific Partnership, a high-standard trade agreement that, if passed by Congress, would boost Made-in-America exports and support American jobs, while setting strong rules of the road on labor and the environment across the fast-growing Asia-Pacific region.

• At the depth of the financial crisis in early 2009, succeeded in arresting the freefall in the global economy and financial system through coordinated policy action by governments around the world that injected $5 trillion in global fiscal stimulus to raise global output, support growth, and restart international trade.

• Elevated the G-20 to be the premier forum for international economic policy coordination, giving key dynamic emerging economies a seat at the table for major decisions.

• Mobilized more than $1 trillion for international financial institutions, including through general capital increases at the multilateral development banks that expanded their capacity to promote growth and combat extreme poverty around the world, while enhancing the voice and vote of emerging economies.

• Worked with the G-20 to establish the Financial Stability Board to coordinate international efforts on financial reform, and through that channel agreed on rules to increase the quality and consistency of bank capital, to strengthen global liquidity standards so that banks are less vulnerable to runs, and introduced an internationally consistent leverage ratio.

• Signed into law the 2010 IMF quota and governance reforms that modernize the IMF and better anchor fast-growing emerging economies in the multilateral system led by the United States, while preserving our veto over major IMF decisions.

• Launched Power Africa to bring together technical and legal experts, the private sector, and governments from around the world to work in partnership to increase the number of people with access to power.

• Signed the Korea, Panama and Colombia Free Trade Agreements.

• Signed into law a renewed and improved ten-year extension of the African Growth and Opportunity Act (AGOA).

• Challenged unfair trade practices by foreign countries at an unprecedented rate at the World Trade Organization, setting up an Interagency Trade Enforcement Center to mobilize the resources of the government to defend.
• Secured strong commitments against currency manipulation by G-20 countries

• Negotiated organic equivalency arrangements with Canada, the E.U., Japan, Korea and Switzerland, providing U.S. organic farmers and businesses with streamlined access to international organic markets valued at over $35 billion

**Spurred Competition**

• Undertook steps towards reform of occupational licensing to reduce the prevalence of unnecessary and overly broad labor requirements that are hurting workers and consumers

• Launched the Competition Initiative, which mandated federal departments and agencies to act within 60-days to identify competition barriers and to encourage a fair, efficient, and competitive marketplace for American workers, businesses, entrepreneurs, and consumers using every tool at their disposal outside of the enforcement and merger review context

• Acted to create a more competitive airline market, one that makes traveling simpler and fairer for consumers

• Combated anti-competitive employer practices that have inhibited the ability of workers to earn competitive wages and limited workers’ ability to seek employment at another employer

• Took steps to eliminate barriers in the hearing aid market and make it easier for nearly 30 million Americans currently suffering from hearing loss to shop for and purchase hearing aids

• Responded to trends of diminished innovation within the cable television industry by reducing barriers to entry for competition and encouraging more variety, higher-quality, and lower-cost products and services for consumers

• Filed in support of the FCC’s initiative to open up the set-top cable box to competition.

• Acted to support fairness for poultry, cattle, and swine growers by issuing the Farmer Fair Practices Rules