



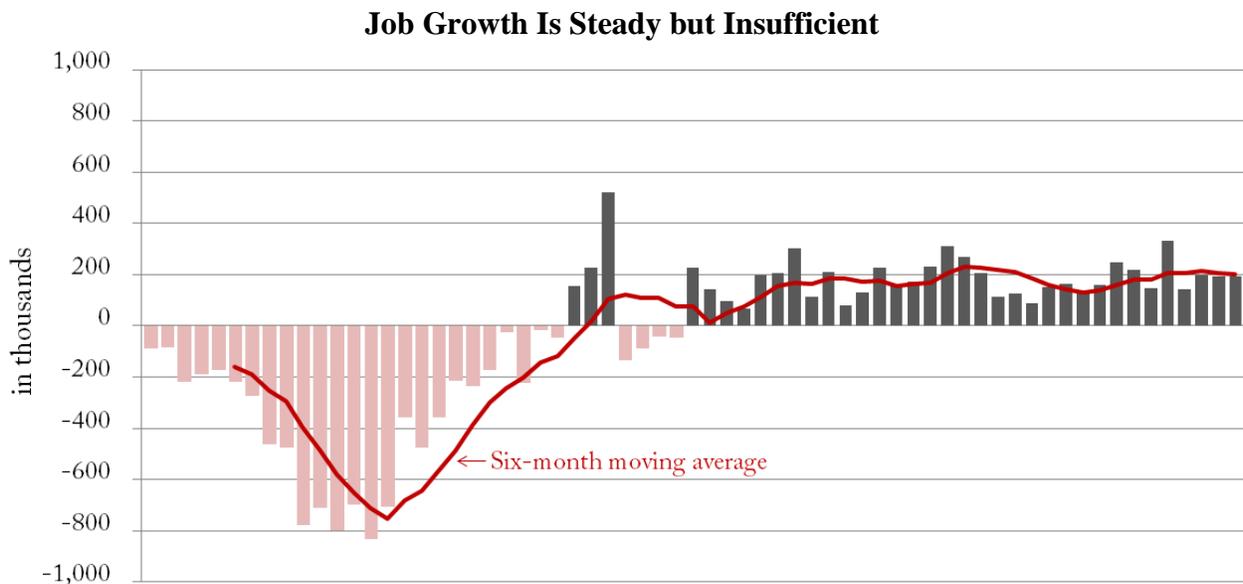
July 23, 2013

President Re-re-re-Focuses on Economy

The President will hit the road starting this week for campaign-style speeches in Illinois, Florida, and Missouri. The President plans once again to “pivot” to jobs. His senior advisor wrote Sunday evening the President will talk about “what it means to be middle class in America: job security, a good education, a home to call your own, affordable health care when you get sick.” Five years in office, and four years after the recession ended, our country needs more than campaign speeches. We need solutions to encourage job growth, not limit it. The President has failed, and when he speaks about these issues, this is his record.

Squeezing the Middle Class

- **Take-home Pay:** The Washington Post [says](#), “data from spring show that median earnings – those of the worker smack in the middle of the middle class – have fallen 4 percent since the recession ended, after adjusting for inflation.”



Source: Wall Street Journal

- **Lack of Sufficient Job Growth.** While the economy added 195,000 jobs in June, the rate is insufficient to replace the millions of jobs lost in the recession. Even with our recent job gains, the [severity](#) of the 2007-2009 recession was so great, the recovery needs to be stronger.
- **Unemployment Rate.** Nationally, the unemployment rate was 7.6 percent for June. In Missouri, the unemployment rate is 6.9 percent. It is 7.1 percent in Florida, and 9.2 percent in Illinois.
- **Part-Time Jobs.** According to the latest job report, involuntary part time workers increased by [322,000](#) to 8.2 million.
- **Manufacturing Jobs.** Manufacturing has been particularly hard hit, despite the President's stated goal of adding one million new manufacturing jobs by the end of his second term. The economy would need to add 23,000 manufacturing jobs per month to reach that goal, but last month we lost 6,000 manufacturing jobs. Since the President took office, the U.S. has lost 1.8 million manufacturing jobs.

“We’re not growing fast enough.”

– [Chief Economist](#), National Association of Manufacturers, July 19, 2013

- **Keystone XL.** “The Keystone XL pipeline project begins and ends with one word: JOBS,” wrote Mark Ayers, President of the AFL-CIO’s Building and Construction Trades Department. Most other unions agree. So do 62 members of the Senate – including 17 Democrats. The State Department’s draft Supplemental Environmental Impact Statement concluded that this pipeline will not accelerate greenhouse gas emissions or otherwise significantly impact the environment. After nearly five years of review, President Obama continues to block the Keystone XL pipeline project and the 42,000 jobs it will generate.

“It’s a pathetic recovery. It really is extraordinary that four years ago we declared the recession over, but we’re not even spitting distance of full employment.”

– [Deputy Chief of Staff](#), AFL-CIO, July 19, 2013

Education Missteps

- **More Spending on Race to the Top.** The President is expected to talk about expanding his Race to the Top initiative to include an early childhood education program. His fiscal year 2014 budget requested a combination of \$750 million in new discretionary spending to incentivize states to build new early childhood programs, and \$75 billion over 10 years in mandatory grant funding to expand access to preschool. The mandatory funding is offset by nearly doubling the tobacco tax.

- Low-income families already have access to taxpayer-funded preschool through state programs and Head Start. President Obama’s proposal would subsidize middle-income and upper-income families — with no new benefit to low-income parents.
- The New America Foundation estimates that it would cost \$24.6 billion per year to fund universal public pre-kindergarten programs for all four year-olds. This would require approximately \$15 billion in additional funding for pre-kindergarten, in addition to the 45 child care and early childhood programs already in existence.
- **Student Loan Rates.** Republicans in the House and Senate, along with the Administration, have offered proposals to move federal student loans to a market-based interest rate. While a bipartisan agreement recently was reached to link student loans to market rates, some Senate Democrats continue to delay, seeking a partisan proposal for a permanent tax increase for a short-term extension of current rates.

Stagnant Housing Recovery

- **No GSE Reform.** During the housing crisis, U.S. taxpayers gave \$188 billion to Fannie Mae and Freddie Mac. Under the terms of their bailouts, neither Fannie nor Freddie has the ability to pay off these debts. All profits are sent to the Treasury as dividends. Including an expected dividend [announced](#) in May, Fannie will have paid \$95 billion since 2008 and Freddie \$37 billion. And yet, the Administration has put forth no plan to provide long-term stability to our nation’s housing market.
- **Failed Housing Program.** The President unveiled the Home Affordability Modification Program (HAMP) shortly after taking office. HAMP was intended to help three to four million at-risk homeowners to avoid [foreclosure](#). According to recent data, only 862,279 homeowners are in active permanent HAMP modification. The Special Inspector General for the Troubled Asset Relief Program is reportedly “concerned that the number of homeowners who have re-defaulted on a HAMP permanent mortgage modification is increasing at an alarming rate.” To say the program has experienced a series of setbacks is an understatement.

Harm Inflicted by Obamacare

- **Losing Employer Coverage.** While the Administration worries about getting 2.7 million young, healthy, uninsured people to sign up for government benefits, the non-partisan Congressional Budget Office [estimates](#) seven million people will lose the employer-sponsored coverage they have today. A University of Chicago [study](#) shows more than half of the individual insurance plans offered today do not meet the health care law’s standards and will likely [disappear](#). And the Administration’s delay of the employer mandate will, according to the left-leaning [Urban Institute](#), cost a million people their employer-sponsored coverage.

- **Restricting Job Growth.** Economists [fear](#) the health care law will hurt job creation. According to the U.S. Chamber of Commerce, 71 percent of small businesses [say](#) the law makes it harder to hire more employees. According to the Fed's Beige Book, the health care law has been cited as a job market concern. This month's report from the Chicago district said, "several retailers reported that the Affordable Care Act would lead to more part-time and temporary versus full-time hiring."
- **Premium Rate Shock.** The President's top health care advisor [admitted](#) that some people will see their premium costs go [up](#) because of the law. Many who are eligible for taxpayer subsidies will still [pay](#) higher premiums than they do today, especially young people. CBO [determined](#) that five million Americans will not get a subsidy to buy President Obama's more expensive insurance.
- **Americans Remain Uninsured.** Estimates are that by 2023 the health care law will leave as many people uninsured as it helps obtain insurance coverage. CBO [projected](#) the health care law will not reduce the number of uninsured below 30 million people over the next decade.
- **Obamacare Spending.** CBO [estimates](#) the health care law's 10-year spending at \$1.8 trillion. President Obama [pledged](#) not to "sign a plan that adds one dime to our deficits – either now or in the future." GAO [recently confirmed](#) that the law will, under a realistic set of assumptions, increase the deficit by roughly \$6.2 trillion over the next 75 years.

The Obama Administration has increased the national debt by more than \$6 trillion, all while spending stimulus money that has not lowered the unemployment rate anywhere close to where he [promised](#) it would be. Interest payments under the [Obama budget](#) would total nearly \$800 billion in 2023 alone. He has failed to reach across the aisle on a bipartisan budget deal that would bring our long-term deficits down to sustainable levels. He justifies this by [saying](#), "We don't have an immediate crisis in terms of debt."