Jobs, Deficits & Taxes

demystifying three of the most pressing issues of our time
About NPP

National Priorities Project makes federal budget information transparent and accessible so people can prioritize and influence how their tax dollars are spent.

NPP holds the vision of an informed and engaged democracy where all people affected by federal spending priorities have the ability and opportunity to shape our nation's budget.
What are the issues & why are they important to me?

These issues have dominated the daily news and the 2010 Congressional elections.

- Government has a role in providing assistance to unemployed and promoting economic recovery.
- What will that role be?
- Who will decide?
JOBS
Recovery for cities: a long road for U.S. cities

Half the nation’s metro areas will not return to pre-recession employment levels until the end of 2012.

Some in crisis for many years:

- New York, NY: 2012
- Los Angeles, CA: 2013
- Springfield, MA: 2014
- Hartford, CT: 2018
- Milwaukee, WI: 2019
- Detroit, MI: after 2019

Metro areas represent 86% of U.S. employment and 90% of economic input.
Creating Jobs

Impact of $1 billion on potential job creation in select sectors

American Recovery and Reinvestment Act (ARRA)

- What is it?
- Effectiveness?
DEFICITS
What is a deficit?

“Annual Deficit” is when the government spends more than it brings in as revenues (v. “Surplus”)

“National Debt” is the accumulated total of annual deficits and surpluses
Are deficits bad or good?

Good – borrowing to support critical federal goals, economic stimulus

Bad – add to long-term debt, impact of interest payments
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TAXES
Current and Possible Revenue Sources

Options for additional revenue

- Increased income tax
- Gas Tax, other excise tax
- Valued Added Tax (VAT)
- Others?
The Bush Tax Cuts Expire 12/31/10

- Lowered tax rates across the board on income, dividends & capital gains
- Eliminated estate tax
- Reduced burdens on married couples, parents & working poor
- Increased tax credits for education & retirement savings

CBO's Options

Extend: cost $2.8 trillion over ten years

Repeal: No cost to government; $2.8 trillion to treasury

In Between (Obama Plan): cost $2.1 trillion over 10 years
Thank you!

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