

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?

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JOBS



Unemployment in America



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

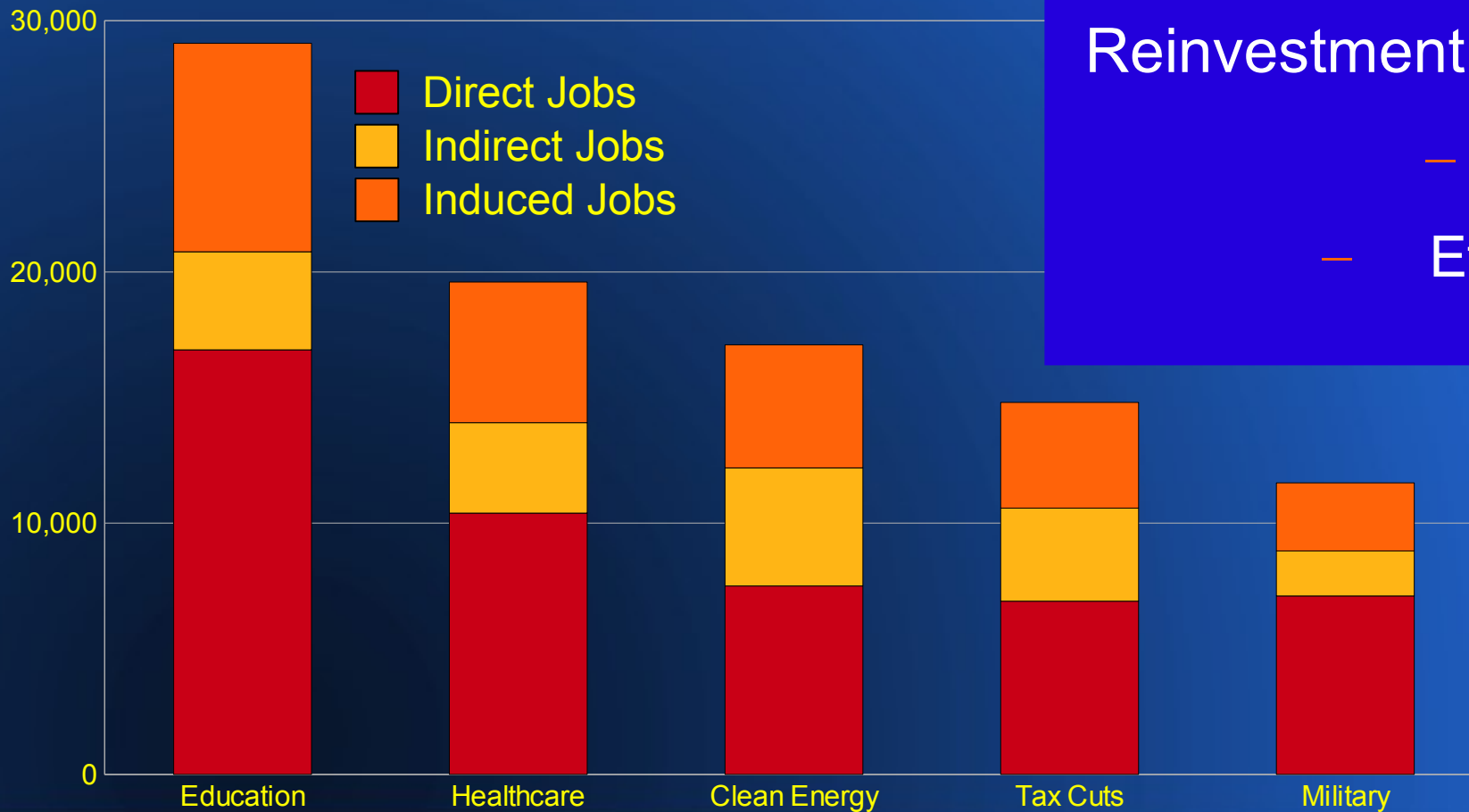
Detroit, MI: after 2019

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?

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DEFICITS



What is a deficit?

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

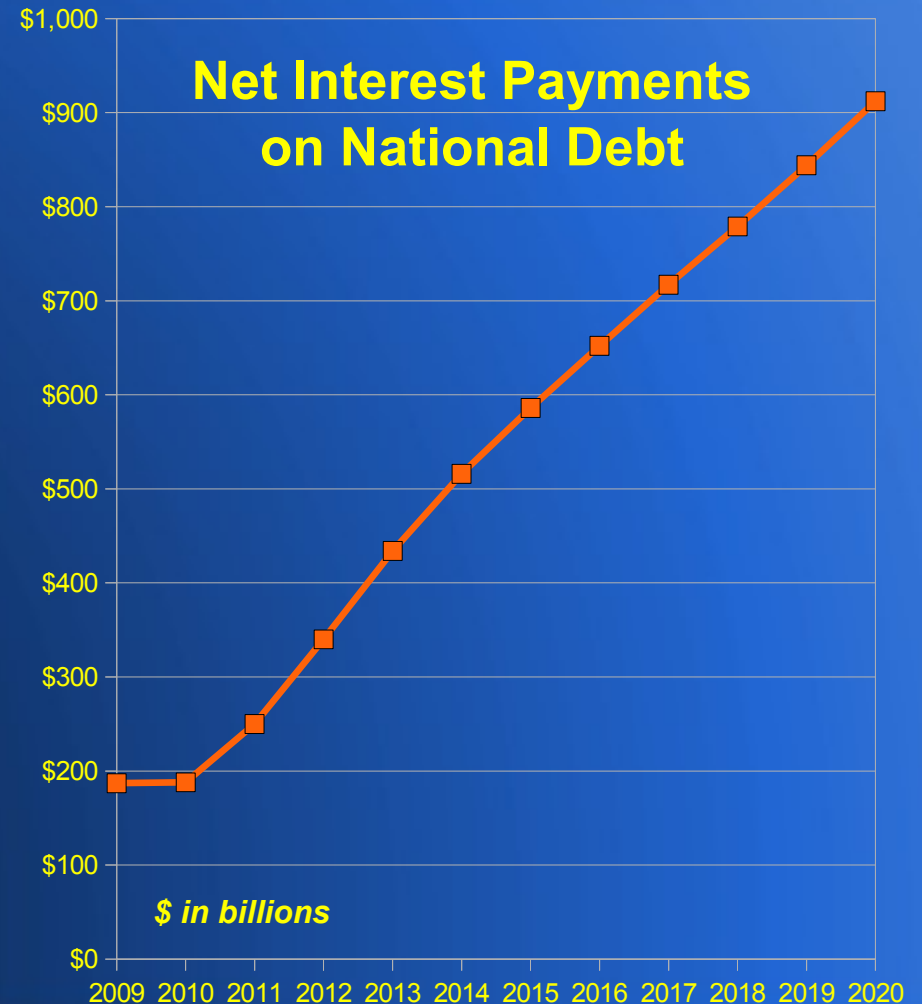
“National Debt” is the accumulated total of annual deficits and surpluses



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

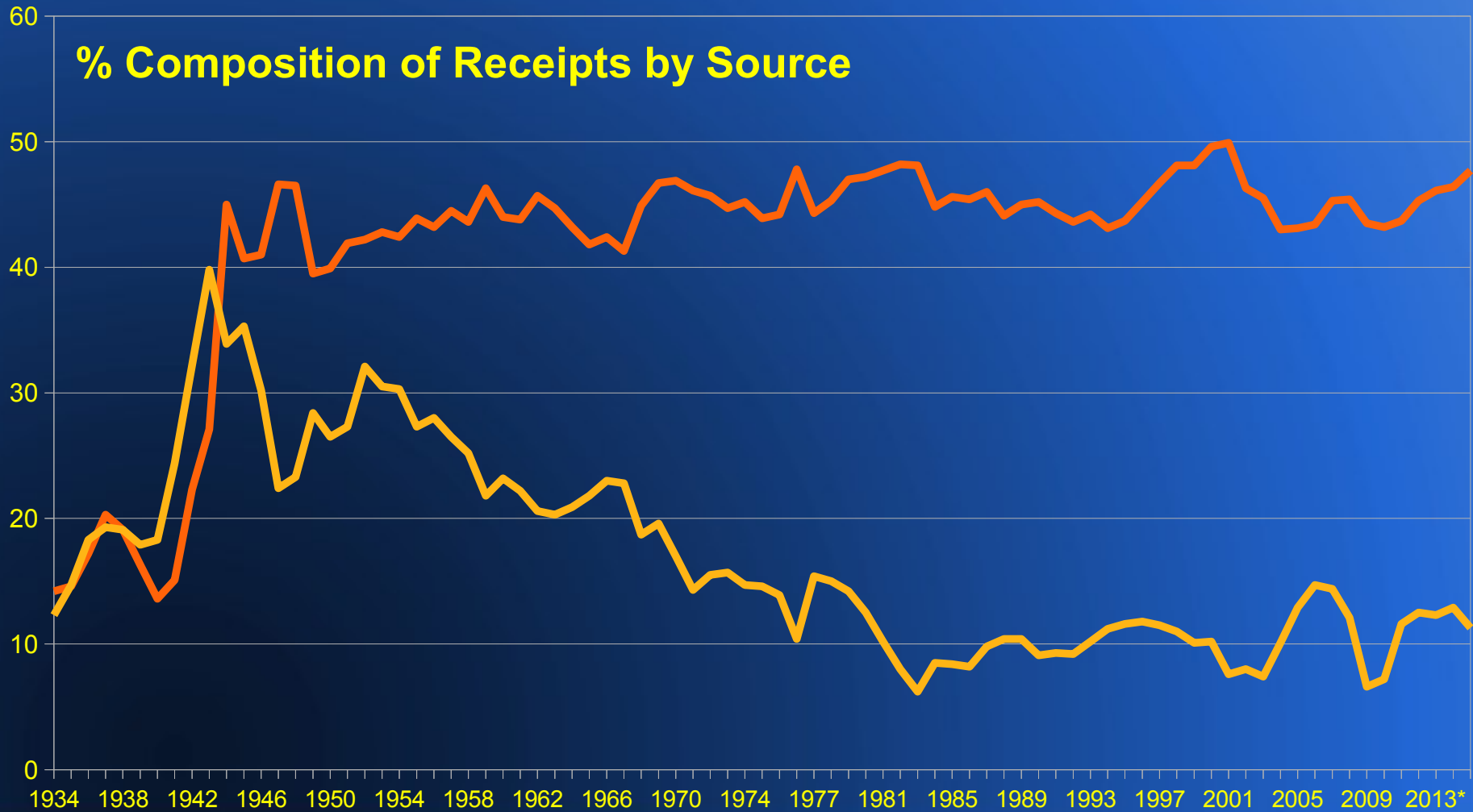


Current and Possible Revenue Sources



- Options for additional revenue
- Increased income tax
 - Gas Tax, other excise tax
 - Valued Added Tax (VAT)
 - Others?

Individual v. Corporate Taxes 1934 to 2011 (estimated)



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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