



Talking Points: Recovery Act – Year One

After being signed into law one year ago, evidence is clear that the Recovery Act is working. It has saved us from the worst economic crisis since the Great Depression and is laying a new foundation for the economy to grow on.

The Recovery Act has funded about 2 million jobs across the country according to reports from a wide range of forecasters including the Council of Economic Advisors, Moody's Economy and HIS Global. The Congressional Budget Office, a non-partisan observer, put the number as high as 2.4 million.

The economy grew 5.7 percent in the fourth quarter of 2009, the largest gain in six years, which economists have attributed to the Recovery Act.

We have made progress on job growth, with losses at a fraction of what they were before the Recovery Act was passed one year ago, but the work will not be done until there is positive job growth.

In the last year, the Recovery Act has:

Reduced Taxes: Businesses and families have received over \$100 billion in tax relief. In 2009, 95 percent of working families got a tax cut through the Making Work Pay Tax Credit – it provided \$37 billion in tax relief to 110 million families.

Relief for States and Small Businesses: The Recovery Act provided critical support to state governments by filling in critical budget shortfalls and providing small businesses with access to capital:

Over \$50 billion went towards saving Medicare programs from being forced to make cuts.

Almost \$60 billion went to protecting education, funding over 300,000 education jobs in the last quarter of 2009.

More than 42,000 loans went to small businesses, opening up almost \$20 billion in capital.

Projects: The Recovery Act has funded more than 55,000 projects which are creating jobs across the country and establishing a long-term foundation for economic growth. Projects have included:

- **Transportation** – more than 12,500 transportation projects have been funded across the country, including construction on everything from highways to airports.
- **Vehicles** – we've invested \$2.4 billion throughout 20 states in 48 different advanced battery and electric drive projects aimed at powering the next generation of vehicles.
- **High speed rail** – there are projects in 31 states, including the development of 13 new, large-scale high-speed rail corridors, to lay a foundation for high speed rail across the country



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The Recovery Act is just getting started, with even more to come.

Recovery Act spending will peak early this year, but the sum of the money will be spent gradually over time, sustaining a true recovery.

The nature of the spending will change as we move from rescue to rebuilding, with a surge of investments in projects and tax relief to come.

In the first two quarters this year, outlays for projects will likely double.

We will likely be breaking ground in thousands of construction projects which received funding late in 2009 as the weather begins to thaw.

Major investments that were made last year are getting underway, we're beginning work on projects such as broadband, health IT, smart grid and weatherization.

Tax relief is expected to nearly double, from \$11 billion to \$18 billion a month, beginning in February.

In many cases, we're just beginning to feel the impact of Recovery Act projects underway on jobs.

There are still more jobs to come from money already invested, with about 75 percent of those receiving funds reporting projects are less than half complete.

We are on track to save or create at least 3.5 million jobs by the end of 2010.

The Administration has proposals to extend or expand some of the most innovative and effective programs in the Recovery Act:

Renewable energy manufacturing projects received \$2.3 billion last year, but because there were so many quality applications, the Vice President has announced they will receive an additional \$5 billion in 48c tax credits.

The Race to the Top Program received \$4.35 billion in funds last year, but the President has announced plans to seek additional funding from his budget to expand the program.

Despite the progress made through the Recovery Act, we have still lost more jobs than predicted. President Obama is working with Congress to come up with new measures, many following the successful path of Recovery Act programs, to create jobs.

No one government program could make up for 8 million jobs lost – that was never the intention of the Recovery Act.

The President's proposals to create more jobs include:



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A new tax incentive that would eliminate capital gains taxes on investments for small businesses, encouraging companies to hire employees and building on the tax cuts and assistance to small businesses in the Recovery Act.

Modernizing our transportation and communications networks, building on the initial infrastructure investments made in the Recovery Act.

Promoting clean energy jobs and energy efficiency programs, which have proven to be popular and effective, by expanding some Recovery Act initiatives.

We must put aside partisan differences to make progress on jobs. Measures have already passed in the House, and the Senate proposal includes investments the President laid out for job creation, focusing on infrastructure and incentivizing small businesses to hire. The Administration will begin looking at all bills going forward through the lens of job creation and will continue working with Congress to provide tax credits for retrofitting homes and providing assistance to small businesses.

The President looks forward to getting more people back to work with support from members of both parties, looking at all the ideas on the table for addressing our economic challenges and getting jobs legislation signed.

The President will not be satisfied until our economy is back on firm footing and will continue working every day to find new ways to create jobs and spur economic growth.

After one year, experts on both sides of the aisle, from private forecasters to governors, say the Recovery Act is laying a firm foundation for economic recovery after bringing us back from the brink of economic disaster.