THE DEMOCRATIC NATIONAL COMMITTEE
WEEKLY UPDATE
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President Obama Keeps Promise to Prevent Middle-Class Tax Hike

On Tuesday, President Obama spoke after the bi-partisan tax agreement passed the House of Representatives. With the signing of this bill, the President kept his promise to raise tax rates on millionaires and billionaires and prevented a middle-class tax hike that could have sent the economy back into recession. H.R. 8, the "American Taxpayer Relief Act of 2012," raises taxes on the wealthiest 2 percent of Americans while shielding middle class Americans from a debilitating tax hike.

President Obama detailed the impact the legislation will have on working Americans across the country, saying:

"Under this law, more than 98 percent of Americans and 97 percent of small businesses will not see their income taxes go up. Millions of families will continue to receive tax credits to help raise their kids and send them to college. Companies will continue to receive tax credits for the research that they do, the investments they make, and the clean energy jobs that they create. And 2 million Americans who are out of work but out there looking, pounding the pavement every day, are going to continue to receive unemployment benefits as long as they're actively looking for a job."

Go here to watch President Obama's remarks.

Opening day of the 113th Congress

On Thursday, 12 new senators and over 90 new House members joined their colleagues to be sworn in to the 113th Congress. Both chambers became increasingly diverse. The Senate gained four women, making for all-time record of 20 women senators. The House Democratic Caucus saw considerable increases in women, Hispanics, African Americans and Asians.

[Employment Situation in December](#)

The Bureau of Labor Statistics released its December jobs report on Friday. Alan B. Krueger, Chairman of the Council of Economic Advisers, said the following about the jobs numbers:

> "While more work remains to be done, today's employment report provides further evidence that the U.S. economy is continuing to heal from the wounds inflicted by the worst downturn since the Great Depression. It is critical that we continue the policies that are building an economy that works for the middle class as we dig our way out of the deep hole that was caused by the severe recession that began in December 2007…
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> "Today's report from the Bureau of Labor Statistics (BLS) shows that private sector businesses added 168,000 jobs in December. Total non-farm payroll employment rose by 155,000 jobs last month. The economy has now added private sector jobs for 34 straight months, and a total of 5.8 million jobs have been added over that period, taking account of the preliminary benchmark revision."

To read the full statement, click here:

President Obama to troops on Christmas Day: "we want to say thank you, we love you"

As they have in years past, President and Mrs. Obama visited with troops at the Marine Corps Base in Kaneohe Bay, Hawaii on Christmas Day.

The President thanked the gathered military families, saying:

"Obviously, we're still in a wartime footing. There are still folks, as we speak, who are overseas, especially in Afghanistan, risking their lives each and every day. Some of you may have loved ones who are deployed there. Some of you may be about to be deployed there. And so we know that it's not easy. But what we also want you to know is that you have the entire country behind you, and that all of us understand that we would be nowhere without the extraordinary service that you guys provide."

Watch the President's remarks here.

Issues in the News

Talking Points: (1/4/13)

Talking Points: Employment Situation in December

- Because of the hard work and grit of the American people, the economy has seen 34 straight months of private sector job growth, for a total of 5.8 million jobs. After the worst recession since the Great Depression we're making progress and need to continue to build on that progress in December.

- Today's employment report shows that private sector payrolls increased by 168,000 in December. Private businesses added 2.0 million payroll jobs, in 2012

- The manufacturing sector has created a half a million jobs over the past 35 months, marking the strongest 35 month period since 1989.

- In December, the unemployment rate remained at 7.8 percent. Over the last 12 months, the unemployment rate has gone down by 0.7 percentage point as a result of growing employment, while the labor force participation rate has been basically unchanged.

- For the first time in two decades, a bipartisan agreement was reached to raise tax rates on millionaires and billionaires, the President fulfilled his promise, while preventing a middle-class tax hike that could've sent the economy back into recession.

- This agreement enshrines a principle into law that will remain in place as long as the President is in office: we must reduce the deficit in a balanced way with everyone paying their fair share and everyone doing their part.

- Under this bipartisan agreement:
    - Income taxes will not go up on 98% of Americans and 97% of small businesses.
    - Two million Americans who lost their job through no fault of their own will continue to receive unemployment benefits so long as they are actively looking for a job.
    - Companies will continue to receive tax credits for research, investments, and clean energy jobs they create.
    - For the wealthiest Americans making over $400,000 a year, tax rates will increase to 39.6%--the level they were at under President Clinton--when our economy created over 23 million new jobs. The rate increases will be immediate, and permanent. Further, tax benefits for folks making over $250,000 will be reduced.
    - Millions of families will continue to receive tax credits to help raise their children and send them to college.
    - Automatic spending cuts that would threaten our national security and slash investments that build our economy and the middle class will be prevented.

- But this law is just a part of the broader effort to strengthen our economy. There is more to do-- the deficit is still too high, and we're still not investing enough in the things our economy needs to grow.

- The President has always preferred to reduce the deficit in a balanced way through a large $4 trillion agreement. Since that wasn't possible with the previous Congress, the President is going to continue to make step by step progress. The President has signed into law more than $1.7 trillion of spending cuts since 2011. This agreement further reduces the deficit by raising $620 billion in revenue from the wealthiest Americans and reduces the deficit by a total of $737 billion over the next ten years. This bill is one of the two largest deficit reduction bills passed in the past 15 years. As we continue to address our fiscal challenges, there will be more deficit reduction—split in a balanced way between even more spending cuts and even more revenue from the wealthiest Americans.

- While the President will negotiate on many things, he has made clear that he will not have another debate with Congress over whether they should pay their. The consequences for the entire global economy could be catastrophic If Congress refuses to give the United States government the ability to pay these bills on time. The last time this course of action was threatened, our entire recovery was threatened.

- We must reduce our deficit for our economy and future generations, and as we address our ongoing fiscal challenges, the President will continue to fight every day on behalf of middle class families.

- The President is committed to tackling some of the biggest challenges that we face in his second term including: jobs and boosting incomes; fixing our infrastructure and our immigration system; protecting our planet from the harmful effects of climate change, and protecting our children from the horrors of gun violence. There's more we can do to strengthen our economy and create jobs. In order to grow the economy from the middle-out, we'll need to reduce our deficits but also make investments in manufacturing, clean energy, education, and small business.

Talking Points: Statement by the President (1/2/13)

- The President kept his promise to raise tax rates on millionaires and billionaires and prevented a middle-class tax hike that could've sent the economy back into recession. This bipartisan deal is the first time in two decades that rates have been raised on the wealthiest Americans.

- This agreement sets a precedent that will remain in place as long as the President in office: deficit reduction must be achieved in a balanced way. Everyone must pay their fair share because that's how our economy works best.

- Under this bipartisan deal:

    - 98% of Americans and 97% of small business will not see their income taxes go up.
    - Tax rates will increase to the level they were at under President Clinton--39.6%-- for the wealthiest Americans making over $400,000 a year. Under those rates, our economy created over 23 million new jobs. These rate increases will be immediate and permanent. Tax benefits for people making over $250,000 will be reduced.
    - Middle class families will continue to receive tax credits to help raise their children and afford a college education.
    - Tax credits will continue for companies to encourage the research they do, the investments they make, and the clean energy jobs they create.
    - Temporarily prevents automatic spending cuts that would threaten our national security and slash investments that build our economy and the middle class.
    - Two million Americans who lost their job through no fault of their own will continue to receive unemployment benefits so long as they are actively looking for a job.

- This agreement is one step in broader effort to strengthen our economy. The deficit is too high and we are not investing enough in the things that will continue to grow our economy.

- The President's position has been clear throughout: reduce the deficit in a balanced way with a $4 trillion agreement. That sort of agreement wasn't possible with this Congress. President Obama will continue to address this problem in a step-by-step approach. President Obama has already signed into law more than $1 trillion of spending cuts. The bipartisan deal reached yesterday raises $620 billion from millionaires and billionaires and cuts the deficit by $737 billion over the next ten years. It is one of the largest deficit reduction bills passed in the last 15 years. There will be more deficit reduction to come and it will be achieved through a balance of spending cuts and more revenue from the wealthiest Americans.

- The President is willing to negotiate to achieve balanced deficit reduction. He is not willing to debate with the Congress over whether they should pay the bills they have already racked up. If Congress refuses to give the United States government the ability to pay these bills on time, it could affect the entire global economy. The last time they tried that, our economic recovery was threatened. The consequences of Congressional brinksmanship could be far worse than the fiscal cliff.

- It is critical that we reduce our deficit. We cannot keep racking up debt. As we move to address these challenges, the President will continue to fight everyday on behalf of middle class Americans.

- We must continue to do all that we can to strengthen our economy and create jobs. We need to build our economy from the middle out, not the top down. In order to do that, we need to reduce our deficit without sacrificing key investments in manufacturing, clean energy, education, and small business. The President is committed to tackling some of the biggest challenges that we face in his second term including: jobs and boosting incomes; fixing our infrastructure and our immigration system; protecting our planet from the harmful effects of climate change, and protecting our children from the horrors of gun violence.

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