

The American Reinvestment and Recovery Plan – By the Numbers

The American economy is in the midst of a crisis unlike any we have seen in our lifetime. The economy lost 2.6 million jobs in 2008, the most of any year since World War II. Manufacturing activity is at its lowest level in twenty-eight years. Consumer spending is declining and confidence is at historic lows. Many experts believe unemployment could reach double digits if no action is taken.

In light of this historic economic weakness, President Obama is working with Congress to enact an American Recovery and Reinvestment Plan, a nationwide effort to create jobs and transform our economy to compete in the 21st century. The plan invests in clean energy, health care, education and infrastructure; cuts taxes for American families and businesses; and helps protect the most vulnerable families from economic harm during the recession. This plan will also break from conventional Washington approaches to spending by ensuring that public dollars are invested effectively and that the economy recovery package is fully transparent and accountable to the American people. Overall, the plan will:

- ***Create or save 3 to 4 million jobs over the next two years.*** Independent analyses by Macroeconomic Advisers and Economy.com have confirmed that the recovery plan will meet this job goal. Jobs created will be in a range of industries from clean energy to health care, with over 90% in the private sector.
- ***Spend out at least 75% of the package in the first 18 months after passage.*** By including major fast-spending provisions like tax cuts for middle class families, measures to avoid state health care cuts, and temporary expansions of unemployment insurance, food stamps and health care for unemployed workers, the package will spend out at least 75% of its total commitment within the first 18 months after passage. The Administration will work with Congress to refine this package to ensure that it meets this 75% goal.

MAJOR GOALS:

- ***Doubles renewable energy generating capacity over three years.*** It took 30 years to reach current levels of renewable energy production. This plan will double that level over the next three years – enough to power 6 million American homes.
- ***Undertakes the largest weatherization program in history, modernizing 75% of federal buildings and two million homes.***
- ***Computerizes every American's health record in five years, reducing medical errors and saving billions of dollars in health care costs.***
- ***Launches the most ambitious school modernization program on record, sufficient to upgrade 10,000 schools and improve learning environments for approximately 5 million children.***
- ***Enacts the largest investment increase in our nation's roads, bridges and mass transit systems since the creation of the national highway system in the 1950s.***

DETAILED BENCHMARKS

The American Recovery and Reinvestment Plan is designed not only to jumpstart our economy and create jobs, but to lay the foundation for a more competitive 21st century economy. Through investments in clean energy, health care, education and other areas, the plan will address long-ignored national priorities and while making a down payment on our nation's economic future.

Spurring a Clean Energy Economy

- ***Doubling renewable energy generating capacity over three years.*** It took 30 years for our nation to reach its current level of renewable generating capacity – the recovery and reinvestment plan will double that level over the next three years. That increase in capacity is enough to power 6 million American homes.
- ***Jump-starting the transformation to a bigger, better, smarter grid.*** The upfront investments and reforms in modernizing our nation's electricity grid will result in more than 3,000 miles of new or modernized transmission lines and 40 million "Smart Meters" in American homes.
- ***Weatherizing at least two million homes to save low-income families on average \$350 per year and modernizing more than 75% of federal building space, saving taxpayers \$2 billion per year in lower federal energy bills.*** Today, the federal government is the world's largest consumer of energy. The recovery and reinvestment plan will make an historic investment in upgrading the federal building stock that will save taxpayer dollars and help catalyze a green building industry.
- ***Launching a Clean Energy Finance Initiative to leverage \$100 billion in private sector clean energy investments over three years.*** The finance authority will provide loan guarantees and other financial support to help ease credit constraints for renewable energy investors and catalyze new private sector investment over the next three years.

Lowering Health Care Costs and Ensuring Broader Health Care Coverage

- ***Accelerating adoption of health IT systems to modernize the health care system, save billions of dollars, reduce medical errors and improve quality.*** The President's plan would modernize the health care system by catalyzing the adoption of health information technology.
- ***Protecting health care coverage for millions of Americans during this recession.*** The plan will increase the Federal Medicaid Assistance Percentage so that no state has to cut eligibility for Medicaid and SCHIP because of budget shortfalls. This investment will protect roughly 20 million people whose eligibility might otherwise be at risk. The investment is equivalent to the state share of health coverage for over 30 million children.
- ***Providing health care coverage for nearly 8.5 million Americans.*** The plan will also provide newly uninsured Americans who lose their jobs a new tax credit to keep their health insurance through COBRA as well as a new option in Medicaid for low-income people that lack access to COBRA. These steps are estimated to help provide coverage for nearly 8.5 million Americans.

- ***Making the single largest investment in prevention in history – providing evidence-based prevention to all Americans.*** The President believes that all Americans should have access to recommended clinical preventive services and community-based prevention programs. More than half of Americans—156 million—go without the flu vaccine every year, and this plan ensures that no American will lack immunizations due to costs. Further, given that 1 in 3 adults have a chronic disease, this plan tackles obesity, smoking and other health risks from nearly 100 programs to potentially, as many as 800 prevention programs in urban and rural communities across the nation.

Preparing Our Children for the 21st Century Economy

- ***An historic investment to school modernization, sufficient to renovate and modernizing 10,000 schools.*** This historic investment in upgrading the nation’s public schools will improve learning environments for about 5 million students.
- ***Increasing college affordability for 7 million students by funding the shortfall in Pell Grants and increasing the maximum award level by \$500.***
- ***Providing a new higher education tax cut to nearly 4 million students.*** The plan will create a new \$2,500 American Opportunity Tax Credit that is partially refundable. As a result, the nearly one-fifth of high school seniors who receive no tax credit under the current system will receive a tax cut to make college affordable for the first time.
- ***Tripling the number of undergraduate and graduate fellowships in science, to help spur the next generation of home grown scientific innovation.***
- ***Expanding the number of children and families receiving quality preschool services.*** The plan will double the Early Head Start program, which will not only provide an additional 350,000 children access to quality pre-k services, but will create at least 15,000 new teaching and teaching assistant jobs, as well as new supervisory and support positions.
- ***Preventing teacher layoffs and education cuts in every state, maintaining key reforms, and ensuring all schools have advanced technology for the 21st century economy.***

Rebuilding America’s Roads and Bridges and Investing in 21st Century Infrastructure

- ***Enacting the largest investment increase in our nation’s roads, bridges and mass transit systems since the creation of the national highway system in the 1950s.*** The plan will repair and modernize thousands of miles of roadways in the U.S. and providing new mass transit options for millions of Americans.
- ***Enhancing the security of 90 major ports, to improve homeland security, increase international trade and commerce, and create jobs.***
- ***Modernizing our nation’s water systems with funding to support 1,300 new wastewater projects, 380 new drinking water projects and construction of 1000 rural water and sewer systems, ensuring that 1.5 million people have new or improved service.***

- ***Supporting our troops and veterans*** by making much-needed repairs to military housing units and accelerating modernization of VA medical facilities to properly serve our veterans

Supporting America's Working Families

- ***Providing a \$1,000 Making Work Pay tax cut for 95 of workers and their families.***
- ***Cutting taxes for more than 16 million children through an expansion of the Child Tax Credit.*** By expanding the Child Tax Credit, the plan will provide a new tax cut to more than 6 million children and increase the generosity of the existing credit for more than 10 million children.
- ***Increasing food stamp benefits for over 30 million Americans*** who currently receive food stamp benefits. The plan also provides additional support for food banks, school lunch programs and the WIC program. The plan will also replenishing the TANF contingency fund, which is expected to run out of funding this fiscal year.
- ***Providing 7.5 million blind, disabled and aged Americans an immediate \$450*** through temporarily increasing Supplemental Security Income (SSI) benefits
- ***Extending and expanding unemployment insurance (UI) benefits*** by extending the Emergency Unemployment Compensation (EUC) program through December 2009, increasing weekly UI benefits by \$25, and providing financial incentives for states to modernize their UI systems to expand coverage and handle higher workloads.

Changing the Way Washington Does Business

- ***No earmarks*** for any proposal in the American Recovery and Reinvestment Plan.
- ***Full transparency.*** When the plan is enacted, all citizens will have the ability to see how recovery funds are spent on a new website, www.recovery.gov.
- ***Strict oversight with independent review.*** A Recovery Act Accountability and Transparency Board drawn from the cabinet departments that are central to the recovery, advised by an outside panel, will provide regular reports to Congress and action alerts about urgent issues.
- ***New public-private partnerships to support innovation.*** The government will unleash the productivity of the private sector by removing unnecessary obstacles to reform.
- ***Fundamentally reform the nation's unemployment insurance system to more efficiently address the challenges and realities of the 21st century workforce.***