

# THE WHITE HOUSE

Washington

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## **The American Reinvestment and Recovery Act** Jumpstarting our Economy and Investing in Our Future

The American economy is in the midst of a crisis unlike any we have seen in our lifetime. The economy lost 3.6 million jobs in the last 13 months, the biggest job loss since the end of World War II. Many experts believe unemployment could reach double digits if no action is taken. In light of this historic economic weakness, President Obama is signing the American Recovery and Reinvestment Act, a nationwide effort to create jobs and transform our economy to compete in the 21<sup>st</sup> century. The legislation represents the most ambitious effort to stimulate the economy in our nation's history. It will:

- ***Create or save 3.5 million jobs over the next two years.*** Based on an analysis by the Council of Economic Advisers, the legislation will meet the goal of creating or saving at least 3.5 million jobs over the next two years. Jobs created will be in a range of industries from clean energy to health care, with over 90% in the private sector.
- ***Provide nearly 40 percent of the package in direct relief to working and middle class families:*** The package includes a Making Work Pay tax credit for 95% of workers and their families. In addition, the package provides direct relief for families by expanding unemployment insurance and offering payments to Social Security beneficiaries and veterans. The vast majority of the remainder of the package is provided in state fiscal relief and investments that also benefit working families.
- ***Double renewable energy generating capacity over three years.*** It took 30 years to reach current levels of renewable energy production. This package will double that level over the next three years – enough to power 6 million American homes.
- ***Creates a Clean Energy Finance Authority and Renewable Tax Credits that together will leverage an additional \$100 billion in private investment in the renewables sector.*** 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.
- ***Make a \$150 billion investment in our nation's infrastructure – the largest investment since the interstate highway system in the 1950s:*** It includes historic investments in public transit and high speed rail, an unprecedented effort to upgrade or nation's electricity grid, and a new initiative to expand broadband coverage throughout the nation.
- ***Protect health care coverage for millions of Americans during this recession.*** The legislation provides a temporary increase the Federal Medical 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. It will also generate considerable state economic activity, jobs and wages.
- ***Enact the most significant expansion in tax cuts for low- and moderate-income households ever:*** Under current law, a family of four earning the minimum wage currently lives below the poverty line. Under the plan, that family will be lifted out of poverty by a combination of an \$800 Making Work Pay tax credit and \$1,200 from an expanded child tax credit. All told, more than 2 million people would be lifted out of poverty by the plan.