

Solutions for America **Economic Blueprint**

Hillary Clinton's Economic Blueprint
for the 21st Century



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The background of the entire page is a close-up, slightly blurred image of the American flag, showing the stars and stripes in shades of blue, red, and white. The flag appears to be waving or draped across the frame.

Restoring the American Dream: Hillary Clinton's Economic Blueprint for the 21st Century

Hillary Clinton has a vision for a 21st century economy based on shared prosperity - where we measure our success not by the wealth at the very top, but by how broadly our wealth and prosperity are shared. She believes in an economy that rewards hard work, puts the American Dream within everyone's reach, and allows each of us to live up to our God-given potential.

Throughout the campaign, Hillary has outlined a comprehensive set of economic policies to jumpstart our ailing economy, provide more economic security to hardworking Americans, and lay the foundation for shared economic growth and the creation of good, high-wage jobs across our country. Hillary is the only candidate that has proposed real solutions for our immediate economic challenges, including ending the mortgage crisis and creating millions of green-collar jobs.

Americans face tough economic times. Hillary is ready to lead on the economy from day one, with a clear vision and bold agenda to restore the American Dream for everyone.

THE CHALLENGE

Today, Americans are working harder and getting less. The American dream is at risk. As President, Hillary will work hard every day to solve the problems working people face:

- Typical family incomes have dropped nearly \$1,000 since President Bush took office, while health care premiums are up 98 percent and college costs have jumped 75 percent.
- Oil prices recently hit \$100 a barrel, and consumers are feeling the increased costs at the pump and in their energy bills. Gas is over \$3.00 a gallon, and heating costs are up as much as 26 percent this winter. As a result, the typical American family is paying \$2,000 more per year for energy than they were in 2000.
- The housing crisis has created the first nationwide fall in home prices since the Great Depression. As a result, American families have already lost an estimated \$1.6 trillion in household wealth. And unless bold action is taken to address the foreclosure crisis, experts expect more than 2 million families to lose their homes.



ADDRESSING URGENT ECONOMIC PROBLEMS

Hilary Clinton is the only candidate that has proposed comprehensive solutions for our immediate economic challenges:

A Bold, Aggressive Plan to End The Foreclosure Crisis.

Hillary has called for bold measures to address the foreclosure crisis. She has called on Wall Street and the mortgage industry to agree to the following:

- **A foreclosure moratorium of at least 90 days on subprime, owner-occupied homes.** The moratorium will stop foreclosures until lenders and servicers have an opportunity to implement the freeze in mortgage rates. The moratorium will also give state and city organizations, as well as community groups, the necessary time to provide financial counseling to at-risk homeowners.
- **A freeze in the rates on subprime adjustable rate mortgages.** The freeze must last at least 5 years or until the mortgages have been converted into affordable, fixed-rate loans. The overwhelming majority of subprime mortgages have adjustable rates. The long rate freeze will give the housing market time to stabilize. It will give families an opportunity to rebuild equity in their homes. It also gives the mortgage industry time, and incentive, to convert mortgages that were designed to fail into loans that are actually affordable. The rate freeze and loan modification must be extended not only to borrowers who are current but to some who have fallen behind. After all, it is indisputable that brokers and mortgage companies lured families into mortgages that were designed to end in foreclosure. This was only possible because regulators were asleep at the switch.
- **A \$30 billion fund to help states combat the foreclosure crisis.** This fund will support initiatives by states, cities, and community groups to reduce foreclosures, and to help cities cope with the financial and social costs associated with an increase in vacant properties. States are already piloting programs to stem foreclosures. Many of the programs provide financial counseling to at-risk homeowners, help borrowers work out solutions with lenders, help homeowners become current in their payments, help families refinance unworkable mortgages, and educate homeowners about predatory lending.

A Comprehensive Plan to Jumpstart Our Economy.

Hillary was the first candidate to announce a stimulus plan. She has consistently pushed for tax rebates for working families and seniors who need help the most, and was heartened that the Democratic leadership in Congress worked so quickly to deliver such rebates to American families. However, Hillary believes it will take more than tax rebates to solve our urgent economic problems. She has called for three additional immediate steps to jumpstart our economy:

- **Extending and broadening unemployment insurance to help those who have lost their jobs and are struggling to find work.**
- **Providing an average of \$650 in emergency energy assistance to the 37 million families that are struggling the most with skyrocketing energy bills this winter.**
- **Making immediate investments to jumpstart green collar job growth, including a program to weatherize homes, retrofit public buildings and train green collar workers.**



A LONG-TERM ECONOMIC STRATEGY TO RESTORE SHARED PROSPERITY FOR THE MIDDLE CLASS:

In addition to being ready from day one to address our urgent economic challenges, Hillary has an ambitious vision for restoring shared prosperity by laying the foundations for good, high-wage job growth across our country, providing more economic security to hardworking Americans, helping families balance their competing needs, and restoring fairness to our trade policies.

Laying the Foundations for High-Wage Job Growth

- **Creating at least 5 million new green collar jobs by transitioning from a carbon-based economy to a green, energy-efficient economy.** Hillary believes that by investing in clean energy and energy efficiency we can unleash a wave of private sector innovation and create at least 5 million new green collar jobs over the next decade. She has laid out a bold, long-term strategy to catalyze clean energy industries here in the U.S. and invest in making our homes, schools and buildings energy efficient.
- **Investing in infrastructure to ensure our safety, enhance our economic competitiveness, and create good jobs.** New Orleans, the Minnesota bridge collapse, and the recent levee break in Nevada are all reminders that we have failed to invest sufficiently in our infrastructure. Hillary has presented a plan that calls for more than \$10 billion in funding to help states review and repair their critical infrastructure; modernizing seaports; expanding funding for public transit and intercity rail; incentivizing environmentally sensitive land use policies; and a greater focus on reducing congestion.
- **Ending tax breaks for companies that ship jobs overseas, and investing those resources in the innovative potential of our own economy.** Hillary believes that investing in innovation is a key to creating the jobs of the future, stimulating economic growth, and ensuring American leadership in new industries. Hillary's plan calls for establishing a national broadband strategy; creating a \$50 billion Strategic Energy Fund; doubling the research budgets at the major federal

agencies; strengthening education from pre-K to post-graduate study; making the Research and Experimentation tax credit permanent; and restoring integrity to science by ending the Bush Administration's war on science.

- **Restore a strong, vibrant manufacturing sector in America.** Hillary firmly believes that we cannot remain a great country with a strong economy if we don't make things in America. As co-chair of the Senate Manufacturing Caucus, Hillary knows and understands both the challenges and opportunities facing American manufacturing. As President, she will work to develop a manufacturing strategy that meets our new needs in the 21st century. She will invest in development of processes and products that could lower costs, improve efficiencies, and create more jobs in our manufacturing base and keep America competitive. She will expand the Manufacturing Extension Partnership, which for a \$100 million investment yields \$910 million in new investments and trains or retrains 50,000 workers. And she will provide \$20 billion in Green Vehicle Bonds to help American auto companies retool the oldest auto plants to meet her strong efficiency standards, while addressing retiree health legacy costs with tax credits for qualifying private and public retiree health plans.

Providing Real Economic Security for Hardworking Americans

- **Providing quality, affordable health care to every single American.** Senator Clinton recognizes that healthcare is the biggest economic burden facing many American families and businesses. Her American Health Choices Plan will help lower the burden on middle-class families and ensure our ongoing economic competitiveness by aggressively cutting health care costs and finally covering every single American - no one will be left out. For those with health care, Hillary's plan will lower costs and improve quality. For those without, it will offer new choices from the same menu of private plans currently available to members of Congress. Her plan will provide generous tax credits to ensure healthcare is affordable for everyone, and will ban insurance company discrimination, so no one will ever again be denied coverage because of a pre-existing condition. Under Senator Clinton's plan, small businesses would get a new tax credit to help them afford health care for their employees.

- **A Generous Matching 401(k) Plan for All Americans.** Hillary understands that saving and building wealth can be the key to the American dream - the difference between just getting by and getting ahead. Yet today, more than half of America's workers don't have an employer-sponsored retirement account, and millions of Americans are not saving or investing anything at all. Hillary has a plan to take on our national savings crisis by giving all Americans an opportunity to save and build wealth for retirement that is as easy, secure and generous as is offered by good employer-sponsored 401(k)s. Under the plan, working and middle class families who currently have the hardest time saving will get up to \$1000 in matching tax cuts as an incentive to save. And all middle class Americans will get to open new American Retirement Accounts that will be designed to provide no-hassle, portable savings throughout their careers.
- **Making College Affordable for All. In our 21st century economy, a college education is more important than ever.** That is why Hillary has outlined a comprehensive plan to make college more affordable and accessible so that every American has the chance to get a college degree. Her plan includes a new \$3,500 college tax credit that will cover more than 50 percent of the typical cost of public colleges and universities, or the full cost of tuition and fees for community colleges. She would increase the size of Pell Grants, strengthen our community colleges, and invest \$500 million to support innovative, on-the-job training and apprenticeship programs for those who don't attend college.



Restoring Fairness to Trade and our Government

Leveling the playing field by reducing special breaks for big corporations.

Over the past seven years, big corporations and special interests have been given a free pass to profit, often at the expense of the American worker.

As President, Hillary will make it a priority to scale back special benefits and subsidies to these corporations and put those resources to work for our economy again. She will again take on the special interests and restore the voices of working families. Hillary's plan to reign in the special interests will take back at least \$55 billion per year from drug companies, oil companies, and firms that ship jobs overseas and invest those resources to improve the lives of working families.

As President, she will:

- **Take away subsidies and tax credits from big oil companies, and invest those resources in clean, renewable, alternative energy.** Hillary will create a \$50 billion Strategic Energy Fund financed in part by a windfall profits tax on large oil companies to spur clean energy research and development.
- **Eliminate tax breaks for companies that ship jobs overseas and invest those resources in policies to help create good, high-paying jobs in the U.S.**
- **Force the pharmaceutical companies to compete by allowing Medicare to negotiate to get drug prices down.**
- **Enact a Fair Credit for Families Agenda to protect American families from abusive credit card practices like excessive fees and sudden rate hikes.** She will impose a 30 percent cap on annual interest rates and work toward a lower cap.
- **Tell health insurance companies who have denied so many people coverage that they will no longer be able to discriminate against the sick, and instead will provide every single American with quality, affordable health care.**
- **Crack down on unscrupulous mortgage lenders and make sure that we have a regulatory framework that protects against the excesses that have led to the current housing crisis.**

- **End the practice of no-bid contracting to corporations like Halliburton and Blackwater, and cut 500,000 government contractors as well.**

A Pro-American Trade Agenda

- **A New Trade Prosecutor.** Hillary will appoint a trade enforcement officer within the office of the United States Trade Representative (USTR) and double the size of USTR's enforcement unit. The Bush Administration has been extremely lax about enforcing our trade agreements, and workers are suffering as a consequence. There were more trade enforcement actions in one year of the Clinton Administration than in six years of the Bush Administration. Hillary will appoint a trade enforcement officer within USTR who will be responsible for ensuring that our trade agreements are vigorously enforced. She will also double the size of the enforcement unit. The current staff is too small to monitor and enforce the increasingly complex agreements.



- Modernizing Trade Adjustment Assistance.** Hillary will overhaul the Trade Adjustment Assistance (TAA) program to ensure that workers who have lost jobs because of global competition get the support they need. TAA provides job training, income support, a health care tax credit, and job placement assistance. Hillary will modernize the program to ensure that it is truly helping workers hurt by global trade. First, she will extend TAA benefits to service workers. Today, workers who produce a service rather than a product are ineligible for TAA, leaving everyone from call-center operators to radiologists, without assistance. Second, Hillary will broaden TAA to cover all workers whose plants have moved abroad. Workers are currently ineligible for TAA if their plants relocated to countries with which we have not signed free trade or trade preferences agreements. This outdated rule means that when plants shift from America to low-wage countries like India and China, laid-off workers are ineligible for TAA. Third, Hillary will double funding for TAA's job training program to \$440 million. And fourth, she will overhaul the Health Coverage Tax Credit (HCTC) to ensure that it is actually making health care affordable for laid-off workers. She will increase the tax credit to 90 percent of premiums from the current 65 percent. And she will allow laid-off workers without access to COBRA or a qualified state plan to use the HCTC to buy into the Federal Employees Health Benefit Plan (FEHBP).
- Review trade agreements every five years.** As President, Hillary will review trade agreements every five years to determine whether they are meeting their promises and whether they are being properly enforced. She will also review NAFTA and work with our trade partners to make necessary adjustments to ensure they are working for America.
- Time-out for Trade.** Hillary has called for a trade "time out" from new trade agreements as President, and she will not enter into new trade agreements until her Administration has reviewed all existing agreements and designed a genuinely pro-American, pro-worker trade policy that is appropriate for the 21st Century.

Helping Parents Balance Work and Family

- A New National Family Leave Policy.** Hillary Clinton's national family leave initiative will set a goal of having all states adopt family leave programs by 2016. To help states reach this goal, Hillary will commit \$1 billion annually in a Family Leave Innovation Fund and ramp up as states develop initiatives. The Family Leave Innovation Fund will support state-level parental leave programs across the country. The Innovation Fund will also work in partnership with states that create family leave programs by offering competitive matching grants to cover state start-up costs and a meaningful portion of program expenditures. The fund will not dictate from Washington what approach states should take. Instead, the fund would support all approaches to providing more leave to employees including through Temporary Disability Insurance or Unemployment Insurance programs, expansion of direct support programs like At Home Infant Care, or through individual and business tax credits. In addition, Hillary will direct the Secretary of Labor to develop model state legislation and employ technical assistance teams to provide support to states in passing and implementing such programs.



- Expanding the Family and Medical Leave Act (FMLA) to Cover Employers with 25 Workers.** The FMLA, which provides 12 weeks of job-protected leave to new parents, those with a serious medical condition or those who are taking care of an immediate family member, has disproved critics and established itself as a driver of productivity and employee retention. The wide majority of firms covered by the FLMA have reported that the act had either a positive or neutral effect on profitability and growth. Yet the FMLA is incomplete. It only covers employees in firms with more than 50 workers, an exclusion that disproportionately impacts low-wage workers and working women—because they are more likely to work for small employers. Hillary is proposing to lower the threshold to companies with 25 or more workers, a change that would cover 13 million additional workers.
- Ensuring all Americans have Access to Sick Days.** Forty-eight percent of private sector workers and 57 million total workers in the United States have no paid sick days at all. And 86 million workers do not have paid sick days that can be used to care for sick children. Hillary is proposing to make 7 sick days a year – to care for yourself or your children – standard. When people go to work ill or worrying about their sick child, they make other people sick and they run the risk of affecting the productivity of the organization as a whole.
- Better Access to Higher Quality Child Care.** Hillary has worked on expanding access and improving the quality of child care in our country for decades. The Bush Administration has essentially frozen the level of child care funding for the last eight years. As a result, the real purchasing power of child care subsidies has fallen significantly. According to the Bush Administration’s own estimates, 300,000 children will lose child care assistance by 2010, and 150,000 have already lost child care assistance since 2000. Hillary believes we need to increase child care funding through the Child Care and Development Block Grant and return the program to its original intent: to serve working families. She will also work with Congress to reform the Dependent Care Tax Credit to address its shortcomings.

