



## A BIPARTISAN AGREEMENT TO STRENGTHEN THE RECOVERY

“I’m not willing to let working families across this country become collateral damage for political warfare here in Washington. I’m not willing to let our economy slip backwards just as we’re pulling ourselves out of this devastating recession.”

- PRESIDENT BARACK OBAMA

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President Obama announced a bipartisan agreement that ensures no middle class family sees a tax increase, extends assistance for out-of-work Americans, and strengthens the economic recovery. This agreement was necessary to prevent taxes on the middle class from going up on January 1st, when existing tax cuts were set to expire.

### THE AGREEMENT WOULD:

- **Prevent a tax increase for working families.** Without a compromise, the typical working family would have faced a tax increase of over \$3,000 this January 1st. That is now avoided, and working families will not see their taxes go up.
- **Help those looking for work by extending unemployment benefits for 13 months.** This will save millions of Americans searching for work from losing their unemployment benefits in the coming months, and will help create hundreds of thousands of jobs by putting money back into local economies.
- **Cut payroll taxes for workers.** The agreement includes a 2% payroll tax cut for more than 155 million workers, providing tax relief of about \$120 billion next year while creating a substantial number of jobs.
- **Preserve targeted cuts for working families.** The agreement includes a two-year increase of the Child Tax Credit and Earned Income Tax Credit, which will provide ongoing relief to 12 million lower income families, including a total of 24 million children. Studies find that in addition to helping families, these types of policies are some of the most effective at stimulating economic growth.
- **Keep college costs under control.** This compromise preserves the American Opportunity Tax Credit, which makes sure more than 8 million students and families won’t see their college costs increase.
- **Provide growth-oriented tax cuts for businesses.** The agreement temporarily allows businesses to expense all of their investments in 2011. This will provide a crucial incentive for businesses to invest and create jobs in the U.S., and represents the largest temporary investment incentive in American history.

As President Obama said when he announced the agreement, almost everyone will find something in this compromise that they do not like. The President himself was not happy with the extension of tax cuts for the wealthiest Americans. But we can’t allow Republicans to hold the middle class hostage by failing to take action—and this tough compromise is the right thing to do for our middle class, for our businesses, and for our economy.

PAID FOR BY THE DEMOCRATIC NATIONAL COMMITTEE — 430 SOUTH CAPITOL STREET SE, WASHINGTON, DC 20003.  
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