

Fiscal and Economic Issues Agenda
August 2014 :

- **(Karl / Helen) Intro of Karl and Bill for Fiscal and Economic Issues**
- Introduction of new team members (2 minutes each) - why they volunteer for OFA

- **Announcement re 8/19/2014** : Fiscal Issues and Stand with Women will have a screening of "Warren / Piketty Conversation on Inequality in America" , at the Arlington Hts library, 7 - 9 pm. To RSVP : <https://my.barackobama.com/page/event/detail/g829k>

Status of the economic recovery, including the July 2014 jobs report (June 2014 for IL data)

- We are recovering, but we haven't fully recovered yet. Labor Force up 1,960,000 since Jan 2008; Marginally attached up 800,000 since January 2008 (2.2 million).
- Don't put too much emphasis on a single monthly report. Look instead at longer term trends. (Except for you stock traders).
- We set a new private sector jobs record in March and set a new total jobs record in May. Setting new records each month
 - i. This is not complete recovery nationally, but still a significant milestone nonetheless. A full recovery nationally will likely occur in 2015.
 - ii. IL's recovery is lagging the national recovery by about two years.

| | Total Jobs Added / (Lost) | Private Sector Jobs Added / (Lost) | Illinois total Jobs Added / Lost | IL Private Sector Jobs Added / Lost |
|-----------------------------|----------------------------------|-------------------------------------------|-----------------------------------------|--------------------------------------------|
| 2014 YTD | 1,609,000 | 1,541,000 | (15,500) | (18,100) |
| 2013 | 2,331,000 | 2,365,000 | 50,300 | 52,200 |
| 2012 | 2,236,000 | 2,294,000 | 79,500 | 77,600 |
| 2011 | 2,083,000 | 2,400,000 | 57,700 | 68,500 |
| 2010 | 1,058,000 | 1,277,000 | 56,300 | 70,300 |
| 2009 | (5,087,000) | (5,013,000) | (286,600) | (266,800) |
| 2008 | (3,576,000) | (3,756,000) | (134,400) | (142,200) |
| Total Jan 2008 - YTD | +639,000 | +1,105,000 | (181,300) | (161,900) |

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|-------------|--|--|--|--|
| 2014 | | | | |
|-------------|--|--|--|--|

- iii. 209,000 jobs added in July;
- iv. May and June employment revised up by 15,000 jobs
- o Unemployment rate nationally up to 6.2% in July, and continues to trend down from its high of 10.0% in October 2009..
- o IL unemployment rate was 7.1% in June, down from 7.5% in May, 7.9% in April, 8.4% in March and 8.7% in Feb and trending down from its high of 11.4%
- o http://www.whitehouse.gov/blog/2014/07/03/employment-situation-june?utm_source=email&utm_medium=email&utm_content=email349-text2&utm_campaign=economy
- o http://www.bloomberg.com/news/2014-07-04/u-s-seen-as-biggest-oil-producer-after-overtaking-saudi.html?mc_cid=ace7d9450e&mc_eid=dd2d565966
- o **Total Jobs** - <http://data.bls.gov/timeseries/CES0000000001>
- o **Private Sector Jobs** - <http://data.bls.gov/timeseries/CES0500000001>
- o **Unemployment Rate** - <http://data.bls.gov/timeseries/LNS14000000>
- o <http://data.bls.gov/timeseries/SMS170000000000000001>
- o <http://data.bls.gov/timeseries/SMS170000090000000001>
- o Renewed Extended Unemployment Insurance Benefits through May passed in the Senate but died in the House. Now we need to start over and get them extended through 2015. Current proposal is to extend for five months, but not make them retroactive.
- o News Release: <http://www.bls.gov/news.release/empsit.nr0.htm>

2. GDP growth was 4.0% in 2nd quarter, up from minus 2.1% in 1st quarter. It appears that the negative 1st quarter result was just an anomaly, primarily due to the harsh winter in much of the country.

3. Budget Deficits - Historical and Projected

**Fiscal Year Totals
(billions of dollars)**

| | Bush Budget Years | | | Obama Budget Years | | | CBO Projections | |
|-----------------|--------------------------|---------------|---------------|---------------------------|---------------|--------------|------------------------|--------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Receipts | 2,524 | 2,105 | 2,163 | 2,303 | 2,449 | 2,774 | 3,032 | 3,305 |
| % of GDP | 17.0% | 14.6% | 14.7% | 14.9% | 15.3% | 16.7% | 17.6% | 18.2% |
| Outlays | 2,983 | 3,518 | 3,457 | 3,603 | 3,538 | 3,454 | 3,523 | 3,774 |
| % of GDP | 20.1% | 24.4% | 23.5% | 23.3% | 22.1% | 20.8% | 20.4% | 20.8% |
| Deficit | -459 | -1,413 | -1,294 | -1,300 | -1,089 | -680 | -492 | -469 |

| | | | | | | | | |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|
| % of GDP | -3.1% | -9.8% | -8.8% | -8.4% | -6.8% | -4.1% | -2.8% | -2.6% |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|

Historical Data - <http://www.cbo.gov/publication/44716>

Apr 2014 Projections - Page 7 of pdf at

http://www.cbo.gov/sites/default/files/cbofiles/attachments/45229-UpdatedBudgetProjections_2.pdf

- 2014-07-03
<http://theweek.com/article/index/264151/obamas-greatest-failure-the-rapidly-falling-deficit>
- <http://www.businessweek.com/articles/2014-04-14/more-good-news-on-obama-care-just-when-democrats-need-it>
- <http://wallstcheatsheet.com/personal-finance/10-states-most-dependent-on-the-federal-government.html/?ref=YF>

4. Some selected articles that cover some of the topics to be discussed:

- <http://www.treasury.gov/connect/blog/Pages/Update-Growing-Strength-in-the-U.S.-Economy.aspx>
- http://www.nytimes.com/2014/08/06/upshot/luck-and-a-little-mystery-the-economy-grows-faster-under-democratic-presidents.html?ref=business&_r=1
- <http://www.washingtonpost.com/news/rampage/wp/2014/08/07/9-myths-about-the-social-safety-net-annotated/>
- http://www.nytimes.com/2014/07/30/upshot/what-debate-economists-agree-the-stimulus-lifted-the-economy.html?src=twr&_r=3&utm_content=buffer87712&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
- <http://www.aei-ideas.org/2014/08/did-cutting-jobless-benefits-promote-work-not-so-much/>
- " Contrary to "Entitlement Society" Rhetoric, Over Nine-Tenths of Entitlement Benefits Go to Elderly, Disabled, or Working Households" <http://www.cbpp.org/cms/?fa=view&id=3677>

For proponents of raising the minimum wage:

Join Open University of the Left on
Saturday August 16th at 2:30 pm

Open University of the Left
Lincoln Park Public Library
1150 W. Fullerton, Chicago
Corner Racine Ave., across from DePaul University

(Red Line: Fullerton)

A panel made of the 15Now movement will be present to discuss the current status of their efforts.

15now/Socialist Alternative presents

What are our goals?

- **No phase-in for big business**
- Building a winning movement means popularizing clear demands. First and foremost, **corporations like Walmart and McDonalds don't need two years to start paying a living wage. Big business knows that there is no sympathy for them delaying \$15; they will hide behind small businesses to mobilize public sentiment against \$15/hour.**
- **The movement needs to reach out to genuinely small businesses who are also being crushed by big corporations and, where necessary, offer policies like subsidies or tax breaks paid for by the rich, that ensure their workers get a living wage without forcing mom-and-pop shops out of business.**
- **Don't Rely on City Hall!**
- Before the battle has even started, some Aldermen have expressed willingness to make compromises. **In Chicago, the Democratic Party has presided over vicious attacks on working class people: cuts to pensions and social programs, 50 public school closures, attacks on teachers, and privatization schemes while giving hundreds millions to politically connected charter school operators, contractors and developers.**
- **Build a movement!**
- **As long as the process is left up to the Democrats closed-door meetings workers will be at a disadvantage. To combat big-business' influence, we need to take this fight into the streets, the union halls, and our communities.** The Chicago Teachers' Union strike offers a glimpse of what's possible when unions seriously mobilize communities against a corporate agenda. **Unions can play a similar role in this struggle, organizing mass demonstrations outside city hall around clear, specific demands to show "Mayor 1%" and the rest of the political establishment that we won't allow them to sneak in corporate loopholes.**
- Political Independence
- The 21 Aldermen and women who co-sponsored the bill took an important step by challenging Mayor Emanuel, but they have not offered a clear alternative to big-business politics in Chicago. **The strongest challenge to Rahm's electoral machine would be to build a genuine independent grass roots campaign for a \$15 minimum wage.**

<https://groups.yahoo.com/neo/groups/oulchicago/conversations/messages/497>