COMPREHENSIVE GROWTH STRATEGY:

UNITED STATES

A. ECONOMIC OBJECTIVE AND KEY POLICY COMMITMENTS

Economic Objectives

The key economic objectives of the U.S. Administration are to achieve a sustained, strong pace of economic growth and robust job creation while ensuring sustainable public finances. Our immediate priority is to boost growth and jobs and achieve full employment. In this context, the Administration is aiming for a pace of fiscal consolidation that maintains support for aggregate demand while also gradually reducing the budget deficit, while the Federal Reserve aims for a monetary policy that achieves its twin mandate of full employment and price stability. Over the medium term, the Administration is aiming for stronger growth potential and a fairer and more inclusive distribution of the benefits of increased growth. The Administration's policy agenda is designed to strengthen the economic well-being of the middle class, enhance economic opportunity, including for women, and ensure a sustainable long-run fiscal position. Strengthening education opportunities, addressing long-term unemployment, making pro-growth infrastructure investments, and supporting innovative new technologies are at the forefront of our policy initiatives. An improved fiscal position over the medium term combined with key energy investments will contribute to more balanced growth, while key infrastructure and education and technology investments will contribute to faster and more sustainable growth and will generate positive spillovers to the global economy.

Key Commitments

Supporting demand and boosting long-term growth potential*:* To boost growth and jobs and close the cyclical gap, while also setting in train stronger and more sustainable medium-term growth, nearly $400 billion in new investments in transportation infrastructure, education, research and innovation, healthcare, and manufacturing technologies; $15 billion in housing and redevelopment investments; student loan relief for 25 million borrowers, and $63 billion in additional federal budget room for FY2014-FY2015.

Additional income and demand support: To boost near-term demand and help address income inequality, raise the incomes of low wage workers and low income families through a $2.85 per hour increase in the federal minimum hourly wage, affecting 19 million workers directly and around 28 million in total, and permanently continue recent expansions to the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) and double the maximum EITC credit for workers without children from about $500 to about $1,000. The IMF calculates that the combination of the changes to the minimum wage, EITC, and CTC constitutes additional income support of $146.9 billion over ten years.

Employment participation/skills training: To increase labor force participation and improve labor skills, $8 billion to support business/education partnerships to train 1 million workers (mostly the long-term unemployed), and a suite of policies designed to raise female labor participation by promoting an easing of child care costs, removing tax disincentives to work and strengthening workplace flexibility, including by supporting paid leave and the Pregnant Workers Fairness Act and a $75 billion initiative to provide all four year olds from low and moderate income families with access to high-quality pre-school. The President's Council of Economic Advisors estimates that this package of policies will boost female labor force participation by 0.3 percentage point by 2018, and raise GDP by 0.25 percent.

Trade: Boost international trade by securing ambitious, comprehensive trade agreements with Asia-Pacific (TTP) and European (T-TIP) partners and by creating a single window documentation process to facilitate faster documentation on the export and import of cargo.

Comprehensive Immigration Reform: Pass comprehensive immigration reform to further enhance border security, create an earned path to citizenship, hold employers accountable, and bring the United States immigration system into the 21st century. According to non-partisan estimates by the United States Congressional Budget Office, comprehensive immigration reform as specified in the legislation passed by the United States Senate – which is consistent with proposals the Administration supports – would increase GDP by an estimated 3.3 percent in 2023.

B. ECONOMIC OUTLOOK AND CHALLENGES TO GROWTH

Current and Future Growth Prospects

The Congressional Budget Office (CBO) estimates that the output gap in the United States was minus 4.6 percent at the end 2013. The International Monetary Fund (IMF), in its July 2014 Article IV review of the United States, estimated the output gap at minus 4 percent. The U.S. Administration estimates the annual long-term potential real growth rate of the United States is 2.3 percent, while CBO and the IMF estimate the long-term potential growth rate is 2.1 and 2.0 percent, respectively. The IMF projects growth to average 2.8 percent over the period 2014-2018 (Blue Chip 2.7 percent).

	Key Indicators (Calendar Year Basis)3					
	2013***	2014	2015	2016	2017	2018
Real GDP (% yoy)	1.9	2.2	3.3	3.4	3	2.2
Nominal GDP (% yoy)	3.4	3.8	5.1	5.3	4.9	4.2
Output Gap (% of GDP)1	-4.6	-4.0	-2.7	-1.4	-0.6	-0.5
Inflation (%, yoy)	1.5	1.3	1.7	1.8	1.8	2.0
Fiscal Balance (% of GDP)	-4.1	-2.8	-2.6	-2.8	-2.9	-3.0
Unemployment (%)	7.3	6.8	6.5	6.1	5.9	5.6
Savings (% of GDP)	18.0	18.3	18.7	18.9	19.2	19.4
Investment (% of GDP)	19.5	19.8	20.2	20.7	21.1	21.6
Current Account Balance (% of GDP)	-2.3	-2.3	-2.4	-2.6	-2.7	-2.9

1 A positive (negative) gap indicates an economy above (below) its potential.
2 A positive (negative) balance indicates a fiscal/current account surplus (deficit).
3 All projections are those of the Congressional Budget Office under current law. However, to be more current, the 2014 real and nominal GDP estimates are taken from Blue Chip. Fiscal balance projections are fiscal year basis. The external estimates of the saving, investment, and current account balances are unofficial Treasury estimates by the Office of International Affairs.

Key Drivers

U.S. growth over the next five years is expected to be driven primarily by domestic private demand. Absent a meaningful pick up in foreign demand, net exports may not be an important driver of medium-term growth. As employment expands and wage and income growth accelerate, private consumption will be the principal driver of growth, with private investment picking up speed as the overall economy gains momentum. The President's economic agenda would bolster growth and put the federal debt-to-GDP ratio on a downward path (debt held by the public), with a projected debt-to-GDP ratio of 73.2 percent by FY2018 and 72.0 percent by FY2024. Net of financial assets, the ratios would be 64.3 and 62.7 percent, respectively.

Assessment of Obstacles and Challenges to Growth

The economic challenge for the United States is three-fold: the first is to ensure the provision of strong near-term macroeconomic support to bolster demand and eliminate as quickly as possible the cyclical slack that still exists. Second is to enact structural reforms and make investments in infrastructure, technology, and education to strengthen the pace and sustainability of growth over the medium to long term to bolster the strength and sustainability of U.S. growth. And third is to increase opportunity, skills, and participation in the economy by all members of society.

With respect to the four areas identified for reforms by the G-20 Australian presidency:

Investment and Structural Reforms: To bolster the long-run growth potential of the U.S. economy, more investment in both physical and human capital is needed. For its part, the Administration is focusing on ways to strengthen both near and long-term demand through infrastructure investment; reform the immigration system; make greater investments in research and education; and shift to a simpler, more efficient business tax system.

Employment and Labor Participation*:* The current unemployment rate is 5.8 percent, as of October 2014. This is significantly lower than the recession high of 10.0 percent; and it is 1.4 percentage points lower than one year ago. However, the labor force participation rate is still 3 percentage points lower than it was at the end of 2007, and while a significant portion of this decline is due to demographic and other structural factors, we still have more work to do to ensure full employment. The Administration has launched a significant initiative focused on the long-term unemployed.

Trade: The U.S. Administration strongly supports removing trade barriers through high standard trade agreements, including agreements with the Asia-Pacific (TPP) and Europe (T-TIP). The United States is committed to implementing the Bali Trade Facilitation Agreement.

Competition: The United States is already a very open economy with highly contestable goods and services markets.

C. POLICY RESPONSES TO LIFT GROWTH

Macroeconomic Policy

U.S. macroeconomic policy, including that of the Open Market Committee of the Federal Reserve, is geared to support demand and the restoration of full employment. Under the December 2013 Bipartisan Budget Act, the sequestration caps for fiscal years 2014 and 2015 were increased to allow for a total of $63 billion in additional spending through FY2015. This increased spending of 0.4 percent of GDP will support growth of domestic demand and help to close the output gap more quickly. The President has proposed further fiscal adjustments in his FY2015 budget proposal that would provide even greater support for near-term demand and jobs while also strengthening fiscal sustainability over the longer-term.

The President’s fiscal strategy would replace much of the remaining sequestration with a larger and more-balanced deficit reduction over the medium-term while also bringing the deficit down as a share of the economy to 2.1 percent by the end of the ten-year budget window. The plan would recalibrate the pace of fiscal consolidation to support demand and jobs and would make investments needed to grow the economy over the longer-term. Additionally, the President’s plan would reduce the amount of federal debt held by the public to 72 percent of GDP, thereby enhancing longer-term fiscal sustainability. Smaller budget deficits will boost national saving and help reduce the U.S. current account deficit other things equal, thus contributing to global rebalancing. Enactment of these reforms is contingent on securing a political consensus with the Congress.

The Open Market Committee of the Federal Reserve is committed to a path for monetary policy that will be guided by the evolving economic and financial situation to achieve its mandate of maximum employment and price stability.

Investment and Infrastructure

Private investment was negatively affected by the Great Recession, and although investment activity has bounced back subsequent to the recession's trough, there remains scope for further improvement. In addition, there is also substantial scope for investment in public infrastructure. Estimates by the American Society of Civil Engineers put infrastructure investment needs at $200 billion over the next six years. The Administration's infrastructure strategy is designed to boost private-sector investment in infrastructure and improve the efficiency of public investment. Key initiatives include:

$302 billion for surface transportation under the Grow America Act to improve roads, bridges, transit systems, and railways over a four-year timeframe. This initiative would address the backlog of required maintenance and repairs, double funding for public mass transit systems, make the TIGER competitive grant program permanent, fund high-performance rail to link regional economies, support exports by improving movement within the country's freight networks, and increase the amount of qualified private activity bonds that can be allocated to highway and freight transfer facilities from $15 billion to $19 billion.

$56 billion under the Opportunity, Growth, and Security Initiative for investments in education, research and innovation, developing and scaling new manufacturing technologies and capabilities through a network of new innovation institutes; investing in a thousand additional National Science Foundation grants, building a new biosafety research laboratory; and investing in applied research at the Department of Energy to accelerate the development and deployment of new energy efficiency and renewable energy technologies, such as higher-performing electric drive motors, batteries and ultra-light materials and composites to make electric vehicles more affordable and convenient. It also includes incentivizing States to make progress toward the goal of doubling American energy productivity in 20 years and toward modernizing their electricity grids, resulting in more cost-effective demand response, distributed generation, and improved grid reliability and resilience.

$27.9 billion in discretionary funds to position the United States to compete in clean energy, and $4.2 billion to drive energy innovation. The United States has made considerable progress toward boosting energy efficiency and increasing domestic energy production. Domestic production of renewable energy, oil, and gas increased 22.4, 29.8, and 19.8 percent, respectively, from 2008 to 2012. In 2013, total U.S. oil production exceeded 12 million barrels per day, making the U.S. the world's largest liquid energy producer. Domestic natural gas production surpassed 67 billion cubic feet per day, the highest U.S. level ever.

Launch of the Build America Investment Initiative to expand private sector investment in infrastructure. In July 2014, the President launched this initiative to focus federal efforts on increasing the quality of infrastructure development, the number of investable projects, federal coordination with project sponsors and investors, and reviewing federal financing programs to ensure they are serving an important role in supporting the market. We expect the Initiative to make additional announcements, but early elements include the launch of an Transportation Investment Center at the Department of Transportation, designed as "navigator" service and technical expertise to state and local governments as well as the private sector.

Creation of America Fast Forward Bonds (AFFBs) to expand funding sources for state and local government infrastructure projects. Borrowing costs for state and local governments issuing AFFBs would be lower while yields to investors of AFFBs would be higher. Using data for taxable municipal debt issued under the Build America Bonds (BABs) program during 2009 and 2010, Treasury research has found that state and local government borrowing costs inclusive of the 35 percent interest payment subsidy were lower from issuing BABs vs. tax-exempt bonds. The AFFB proposal sets the interest payment subsidy at 28 percent.

Exempt foreign pension funds from application of the Foreign Investment in Real Property Tax Act (FIRPTA) to remove the difference in tax treatment between U.S.-based and foreign pension funds. This change would treat any gain from the sale of real assets, including infrastructure, in the same way whether the seller is a domestic or foreign pension fund. With real asset sales by foreign pension funds no longer generating a tax liability under FIRPTA, an obstacle to the purchase of U.S. infrastructure assets by a potentially important class of foreign investor would be removed, thus potentially expanding the pool of private capital available for infrastructure investment in the U.S.

Continue to support the recovery of the housing market through targeted actions aimed at increasing both the demand and supply of available mortgage credit to facilitate new construction. We estimate that if residential investment were to rise to the level implied by historical trends and demographics, GDP would be about 1.5 – 2.0% higher. The Administration has focused on actions that will provide needed investments and increase certainty, including the President's budget proposal to dedicate $15 billion to Project Rebuild (investing hardest hit communities to rehab and demolishing blighted homes, creating jobs and improving communities) and expanding access to mortgage credit through FHA and FHFA reforms clarifying "put-back" risk for mortgage lenders.

Establish a new **Interagency Infrastructure Permitting Improvement Center** to modernize and improve the federal permitting process, a Transportation Investment Center to increase the amount of private capital invested in U.S. transportation infrastructure, and a Presidential Working Group to recommend specific actions to increase private investments in other infrastructure categories such as water and energy.

Because longer-run prospects for investment are tied to national savings, the President's budget would put federal debt as a share of GDP on a declining path, avoiding the risk of crowd-out effects and creating a more favorable climate for private investment.

Employment

To build long-term prosperity and ensure that our economic recovery reaches all Americans, the Administration aims to mitigate downward pressure on labor force participation as the population ages and renew progress in reducing the gender gap with respect to participation. Key objectives include addressing low wages and low family incomes, and providing and better labor market opportunities, particularly for women, the long-term unemployed, youth, and low-skilled workers. Key initiatives include:

Increasing the U.S. federal minimum wage from its current level of $7.25 an hour to $10.10. The minimum wage – last increased in 2007 – has fallen in real value over time, and is now worth about 20 percent less than it was in the early 1980s. The Council of Economic Advisers estimates that an increase would raise wages for 19 million workers directly and around 28 million overall, while lifting 2 million people out of poverty. Raising the minimum wage would also strengthen the economy by increasing the incomes of consumers most likely to spend it. Since early 2013, 17 states and the District of Columbia have passed minimum wage increases that will benefit 7 million people.

Permanently continue expansions to the Earned Income Tax Credit, Child Tax Credit, and American Opportunity Tax Credit; and expand the EITC for single workers, including to permanently extend increased refundability of the Child Tax Credit; permanently extend the Earned Income Tax Credit (EITC) for larger families and married couples; extend the American Opportunity Tax Credit to provide partially refundable financial aid for college; and expand the EITC for workers without qualifying children. Continuing recent improvements in refundable credits will benefit 26 million American families, while 13.5 million workers will benefit from expanding the childless EITC. Refundable credits like the EITC that reward work have been among the most effective policies in reducing poverty and increasing labor force participation.

$8 billion to improve training and skills development programs and partnerships with a $4 billion New Career Pathways program to expand reemployment services (e.g., job search, relocation assistance, etc.) and training for as many as 1 million displaced workers a year and $4 billion to support partnerships between businesses, education, and training providers to train approximately 1 million long-term unemployed workers for new jobs over two years.

$6 billion over the next four years to train Americans with in-demand skills through The Community College Job-Driven Training Fund, which offers competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers.

Trade

The Administration is committed to securing ambitious, comprehensive trade agreements with countries in the Asia-Pacific region (TPP) and with Europe (T-TIP). These markets represent more than 60 percent of global trade. All economic studies point to significant benefits in terms of real GDP from comprehensive agreements. Real income benefits to the United States from TPP are estimated at $77 billion a year by the Peterson Institute, while a comprehensive agreement trade and investment agreement with Europe would support hundreds of thousands additional jobs on both side of the Atlantic. **Key goals in international trade, therefore, are to conclude comprehensive and ambitious agreements on TPP and T-TIP**.

In addition, Executive Order 13659 dated February 19, 2014, established a phased approach to meet the December 31, 2016, deadline for completion and government-wide use of International Trade Data System (ITDS), prioritizing inclusion of agencies playing a major role in cargo movement. The first phase of this effort began in spring 2014, with several U.S. agencies initiating testing of early technical capabilities for imports at select locations and with pre-identified industry partners. The second phase will begin in spring 2015 and will include imports and exports as well as an expanded range of capabilities and industry users. By December 31, 2016, the end of the implementation schedule, the U.S. Government shall utilize the ITDS as the single method of receiving from users data and other relevant documentation required by the Government for the release of imported cargo and clearance of cargo for export.

Immigration

Boost growth through comprehensive immigration reform. The Administration is committed to fixing a broken immigration system based on four core principles: 1) continuing to strengthen border security by giving law enforcement the tools it needs to make communities safer from crime, enhancing infrastructure and technology, and strengthening the capacity to remove criminals and apprehend and prosecute threats to national security; 2) streamlining legal immigration to provide visas to foreign entrepreneurs looking to start businesses, help the most promising foreign graduate students in science and math stay in the United States after graduation, and reunite families in a timely and humane manner; 3) providing undocumented immigrants with a legal way to earn citizenship so they can come out of the shadows while holding them accountable by requiring they pass background checks, pay taxes and a penalty, go to the back of the line, and learn English; and 4) stop businesses from knowingly hiring undocumented workers by holding them accountable and giving employers who want to play by the rules a reliable way to verify that employees are present legally. The nonpartisan Congressional Budget Office (CBO) estimates that comprehensive immigration reform as per the Senate-passed bill would increase real GDP relative to current law projections by 3.3 percent in 2023 and 5.4 percent in 2033.

ANNEX 1: ST. PETERSBURG FISCAL TEMPLATE — UPDATE

The FY2014 federal fiscal budget deficit was 2.8 percent of GDP, a decline of 1.3 percentage points from FY2013, and a decline of 7.0 percentage points from the FY2009 budget deficit of 9.8 percent of GDP. The smaller deficit reflected an increase in receipts, with moderate economic growth and higher tax rates on upper-income earners contributing to the growth in revenues.

The United States' is committed to strengthening the sustainability of federal government finances in a balanced way over the medium term while also providing needed budgetary support to innovation, infrastructure, and education to secure strong growth in the near and long-term. The federal budget deficit is projected to fall to to 2.1 percent of GDP by 2024. The President's Budget policies would achieve the core goal of fiscal sustainability by putting federal debt as a share of GDP on a declining path.

The Bipartisan Budget Act of 2013 (BBA) and the Consolidated Appropriations Act of 2014 (CAA) replaced a portion of the cuts caused by sequestration with long-term reforms, but only for the years 2014 and 2015 and then only for a portion of the sequestration for each of those years. The President's fiscal strategy would trim the deficit by $2.1 trillion over the next ten years on top of the nearly $4 trillion in deficit reduction already achieved since 2011 (including the deep cuts imposed by sequestration). The fiscal strategy includes $1.8 trillion in new revenues and almost $400 billion in spending reductions, including savings from reducing Overseas Contingency Operations (OCO) and net interest. The strategy would further reduce tax loopholes and tax benefits for the wealthiest while also including $400 billion in health-related savings that build on the health reform law and help contain long-term costs related to Medicare.

The fiscal strategy's projected deficit and debt paths over the medium term are contingent on a certain evolution of domestic and foreign economic developments and on the adoption by Congress of the President's proposed spending and revenue policies.

Medium-Term Projections (FY)	2013	2014	2015	2016	2017	2018
Debt (Federal, Held by the Public)	72.0	74.2	74.6	74.3	73.7	73.2
Deficit (Federal)	4.1	2.8	2.9	2.7	2.3	2.2
CAPB*	1.7	1.6	1.4	1.6	1.6	1.7
Assumptions						
Real GDP growth (% change year/year)	1.9	2.4	3.5	3.3	2.8	2.5
Nominal GDP Growth (% change year/year)	3.4	3.9	5.3	5.2	4.9	4.5
S/T interest rate (91-day Treasury bills)	0.1	0.1	0.4	1.3	2.2	2.9
L/T interest rate (10-year Treasury notes)	2.4	2.8	3.3	3.7	4.1	4.3

* As there are no cyclically-adjusted budget balances in the Mid-Session Review, the numbers above are from the President's FY2015 budget.

ANNEX 2: NEW POLICY COMMITMENTS

Macroeconomic Policy

• The New policy action:	Additional Federal Budget Room
Implementation path and expected date of implementation	Added $63 billion to the federal government expenditure ceilings imposed by Sequestration for the period FY2014 through FY2015 (October 2013 to September 30, 2015).
What indicator(s) will be used to measure progress?	Was approved by Congress and signed by the President in December 2013.
Explanation of additionality (where relevant)	The additional spending authorized is $63 billion above the level envisaged at the time of the St. Petersburg summit.

Investment and Infrastructure

• The New policy action:	Increase Public and Private Infrastructure Investment
Implementation path and expected date of implementation	Measures include: • Federal investment of $302 billion over four years for surface transportation and infrastructure to improve roads, bridges, and transit systems. Proposed to Congress. • Reduce municipal infrastructure investment costs and attract additional capital into U.S. infrastructure through the issuance of American Fast Forward Bonds (AFFBs). Proposed to Congress. • Exempt foreign pension funds from the Real Property Tax Act, thus equalizing the treatment of domestic and foreign pension funds. Proposed to Congress. • Create a new Infrastructure Permitting Centre to streamline the government permitting process for infrastructure projects. Created through executive action and currently operating at the Department of Transportation. • Create a new national Transportation Investment Centre to facilitate the development of public-private partnerships and further leverage federal credit programs. Created through executive action and currently operating at the Department of Transportation. • Create partnerships with the private sector to spur investment in specific infrastructure sectors. New $10 billion loan fund launched in July focused on rural infrastructure.

What indicator(s) will be used to measure progress?	• For proposals to Congress: Must be approved by Congress and signed by the President. • For executive actions: growth in pipeline of U.S. infrastructure projects and building a robust US infrastructure asset class.
Explanation of additionality (where relevant)	The tax exemption is projected to constitute a 21 percent reduction in the interest paid by municipal governments and AFFBs would result in a direct subsidy of 28 cents per dollar of interest paid. The AFFBs program would reduce net interest by about nine percent, making it easier for municipalities to fund public infrastructure and increase the potential of the economy.

• The New policy action:	Opportunity, Growth and Security Investments
Implementation path and expected date of implementation	New federal investment of $56 billion in education, research and innovation, healthcare and manufacturing technologies for FY 2015.
What indicator(s) will be used to measure progress?	Approved by Congress and signed by the President.
Explanation of additionality (where relevant)	If approved by Congress, would provide additional relief from Sequestration in FY 2015.

• The New policy action:	Energy Investment and Innovation
Implementation path and expected date of implementation	Measures include: • New federal investment of $27.9 billion for clean energy and $4.2 billion for energy innovation. • Eliminate $4 billion in taxpayer subsidies to the oil, gas and other fuel producers. • Modify and permanently extend the renewable electricity production tax credit. • Implementation of the President's "All-of-the Above" strategy on energy, which supports recent trends in the energy sector through environmentally responsible production of oil and natural gas and advance the growth of energy sources with low or zero carbon emissions through programs that support wind, solar, other renewables, and nuclear.
What indicator(s) will be used to measure progress?	New investment and changes to tax laws must be approved by Congress and signed by the President.

Explanation of additionality (where relevant)	The Administration's proposal to modify and permanently extend the renewable electricity production tax credit would extend prior law for facilities on which construction begins before the end of 2014. For facilities on which construction begins after December 31, 2014, the proposal would permanently extend the renewable electricity production tax credit and make it refundable. The renewable electricity production tax credit would also be available to otherwise eligible renewable electricity consumed directly by the producer, rather than sold to an unrelated third party, to the extent that its production can be independently verified. Solar facilities that currently qualify for the investment tax credit would be eligible for the renewable electricity production tax credit in lieu of the investment tax credit through 2016. The President's "All-of-the-Above" energy strategy has three key elements: to support economic growth and job creation, to enhance energy security, and to deploy low-carbon energy technologies and lay the foundation for a clean energy future. Increases in oil and natural gas production in the United States alone contributed more than 0.2 percentage point to real GDP growth in both 2012 and 2013, and employment in these sectors increased by 133,000 between 2010 and 2013. Some of the recent trends in the energy sector predate the Administration and stem from technological advances and risk-taking by American entrepreneurs and businesses, as well as from government-supported research and other public policies. More information is available in the Administration report, available here.

• The New policy action:	Housing Reform
Implementation path and expected date of implementation	Measures include: • New federal investment of $15 billion in housing rehabilitation and demolition in hardest hit communities. • Implementation of the Federal Housing Administration's "Blueprint for Access" and the Federal Housing Finance Agency's "Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac" to expand access to credit for underserved borrowers.
What indicator(s) will be used to measure progress?	Broad-scale GSE reform will require an Act of Congress and approval by the President. However the Administration has already taken some executive actions to expand access to credit and while some lenders have already reduced credit overlays as a result, the Administration will continue to monitor and work with mortgage lenders, FHA and FHFA to drive further progress.
Explanation of additionality (where relevant)	The steps the Administration has outlined to address lender uncertainty and expand mortgage lending to a larger number of creditworthy borrowers is expected to support a healthy recovery of the mortgage market.

Employment

• The New policy action:	Labor Market Reforms
Implementation path and expected date of implementation	Measures include: • Raise the federal minimum wage to $10.10 per hour for both government and private sector workers – affecting 28 million employees. • Permanently extend increased refundability of the Child Tax Credit; permanently extend the Earned Income Tax Credit (EITC) for larger families and married couples; permanently extend the American Opportunity Tax Credit for college costs; and expand the EITC for workers without qualifying children. • $4 billion to support and re-skill approximately 1 million long-term unemployed workers through business and training/education provider partnerships over two years • $4 billion for a New Career Pathways program that will streamline the delivery of training and reach as many as one million workers a year • $6 billion over the next four years to train Americans with in-demand skills through The Community College Job-Driven Training Fund
What indicator(s) will be used to measure progress?	Minimum wage rate increase for federal employees has already been approved. A change to the national minimum wage requires legislation by Congress and the President's signature. Tax law changes require approval by Congress and the signature of the President.
Explanation of additionality (where relevant)	The Administration's proposal would increase the EITC for workers without qualifying children by doubling the phase-in rate and the phase-out rate from 7.65 percent to 15.3 percent, thereby doubling the maximum credit from about $500 to about $1,000. This larger childless EITC would promote employment and reduce poverty for this group of workers. Past research has shown that the EITC has led to significant increases in employment. The IMF calculates that the combination of the changes to the minimum wage, EITC and CTC constitutes a $146.9 billion expansion over ten years.

• The New policy action:	Female Labor Force Participation

Implementation path and expected date of implementation	Measures include: • **Paid Leave.** The Budget supports a $105 million State paid leave fund to provide technical assistance and support to states that are considering paid leave. • **Preschool for All Initiative.** In partnership with states, this $75 billion initiative would provide all four year olds from low and moderate income families with access to high-quality pre-school while encourage states to expand these programs to all children. • **Child and Dependent Care Credit.** Increase the Child and Dependent Care Tax Credit for children under age five to provide a total credit of up to 65 percent of the first $3,000 in child care expenses for one child under age five and up to 65 percent of the first $6,000 in child care expenses for two children under age five – plus an additional credit of up to 30 percent on the next $1,000 in child care expenses for each child under age five, for up to two children. • **Paid Leave**: New $500,000 competitive grant for states to conduct actuarial studies of paid leave programs. Two other ongoing Department of Labor studies of paid leave programs in California, New Jersey, and Rhode Island and on workers' use of leave more generally. • **Pregnant Worker Fairness Act**: Requires employers to make reasonable accommodations to allow for continued employment. Would also prohibit employers from forcing pregnant employees to take paid or unpaid leave if a reasonable accommodation would allow them to work. • **Pregnant Worker Rights Interactive Map**: To help reduce discrimination against pregnant women, the clickable map will contain information on pregnant worker rights on a state-by-state basis. • **Highlight Initiatives Expanding Pay Equity through Access to Non-Traditional Jobs**: Includes Scaling up Mega Construction Projects Initiative, increasing women in Apprenticeship, new direction for WANTO Grants, and creation of non-traditional occupation clearinghouse for women. • **A $25 Million Competitive Grant**: Would provide grants to address barriers faced by those with child care responsibilities to participate and succeed in job training programs. • **Endorsed Paycheck Fairness Act**: Improves enforcement of anti-discrimination laws and increases transparency to help workers know whether they are

	receiving fair pay.
What indicator(s) will be used to measure progress?	New investment and changes to tax laws must be approved by Congress and signed by the President.
Explanation of additionality (where relevant)	The President's Council of Economic Advisors estimates that this package of policies will boost Female Labor Force Participation by 0.3 percentage points by 2018, which will raise GDP by 0.25 percent.

Trade

• The New policy action:	Complete TPP and TTIP Agreements
Implementation path and expected date of implementation	Complete Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements.
What indicator(s) will be used to measure progress?	Negotiation and congressional ratification of the agreements.
Explanation of additionality (where relevant)	According to an analysis supported by the Peterson Institute, a TPP agreement provides global income benefits of an estimated $223 billion per year, by 2025. Real income benefits to the United States are an estimated $77 billion per year. The TPP could generate an estimated $305 billion in additional world exports per year, by 2025, including an additional $123.5 billion in U.S. exports. TTIP could provide an addition tens of billions of dollars per year, subject to the terms of the agreement.

• The New policy action:	Single Window
Implementation path and expected date of implementation	Create a single window documentation process for the export and import of cargo and completion of the International Trade Data System (ITDS), by December 2016.
What indicator(s) will be used to measure progress?	The President's February 19, 2014, Executive Order directs U.S. departments and agencies with a role in trade to complete the development of the Single Window by December 2016.
Explanation of additionality (where relevant)	

Immigration

• The New policy action:	Comprehensive Immigration Reform
Implementation path and expected date of implementation	The United States Senate has passed The Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744) that is consistent with the President's principles to further enhance border security, create an earned path to citizenship, hold employers accountable, and bring the United States immigration system into the 21st century. Specifically, the legislation would revise laws governing immigration and the enforcement of those laws, allowing for a significant increase in the number of noncitizens who could lawfully enter the United States permanently or temporarily. The legislation also would create a process for many currently unauthorized residents to gain legal status, subject to their meeting certain conditions.
What indicator(s) will be used to measure progress?	Must be approved by Congress and signed by the President.
Explanation of additionality (where relevant)	According to non-partisan estimates by the United States Congressional Budget Office, comprehensive immigration reform as specified in S. 744 – which is consistent with proposals the Administration supports – would increase GDP in 2023 by an estimated 3.3 percent.