



**ADJUSTED  
GROWTH STRATEGY:  
UNITED STATES**

## UNITED STATES' ADJUSTED GROWTH STRATEGY, 2015

*The purpose of this document is to highlight changes and new additions to members' growth strategies since Brisbane :*

### **Changes to section A (Economic Objective)**

*Please discuss changes to the economic objectives, if any.*

Our economic objectives continue to be to secure sustained and strong economic growth, robust job creation, and sustainable public finances. Our top policy priorities are to increase expenditures on infrastructure investments, boost the incomes of low-wage workers and low-income families, provide for greater access to education and skills training, pass new trade agreements, and undertake immigration reform.

*Please list the top 5 commitments from your growth strategy. These can be from either Brisbane or the current adjusted growth strategy.*

1. Undertake federal investment of \$302 billion over four years for surface transportation and related transportation infrastructure improvements.
2. Raise the incomes of low-wage workers and address inequality by: raising the federal minimum wage by \$2.85 per hour to \$10.10.; making permanent the significant expansions of the child tax credit (CTC) and earned income tax credits (EITC); and doubling the maximum EITC credit for workers without children.
3. Boost employment and labor force participation through skills training programs and promoting workplace flexibility.
4. Pass a comprehensive Asia-Pacific trade agreement, the Trans-Pacific Partnership (TPP) and create a single-window documentation process for the export and import of cargo through completion of the International Trade Data System (ITDS).
5. Undertake comprehensive immigration reform.

### **Changes to section B (Economic Outlook and Challenges to Growth)**

*Please discuss changes to the economic outlook and challenges, and if desired, highlight any new and existing gaps remaining to be addressed. Add discussion of risk of persistent stagnation, if relevant.*

*Update table of key indicators as follows:*

Growth in the first quarter was 0.6 percent (annualized), due in part to harsh winter weather and several one-off factors. This was followed by a robust second quarter during which growth was 3.9 percent (annualized). Domestic demand was solid both quarters, but net exports subtracted an average of 0.8 percentage point per quarter from GDP growth. Growth slowed in the third quarter to 1.5 percent (annualized), largely due to inventory adjustments, as private final demand advanced a strong 3.2 percent. Unemployment has decreased from 5.6 percent of the civilian labor force at the end of 2014 to 5.0 percent as of October. The federal budget deficit for FY2015 was 2.5 percent of GDP, its lowest level since 2007.

The consensus view is that the U.S. economy will grow 2.7 percent in the fourth quarter of 2015 and 2016.

The key international challenge to the U.S. economy is weak foreign demand. The U.S. dollar has appreciated a cumulative 19.5 percent in real effective terms over the past two years, nine months: 2.1 percent in 2013, 7.1 percent in 2014, and 9.2 percent in 2015 through September. Factoring in a stronger dollar and weak foreign demand, U.S. net exports are likely to face substantial headwinds over the next couple of years. The U.S. current account deficit increased slightly during the first half of 2015 to 2.6 percent of GDP, up from 2.2 percent in 2014, which was the lowest since the 1990s. The United States has benefitted from the decrease in the price of imported oil.

### Key Indicators

	2014	2015	2016	2017	2018	2019
Real GDP (% yoy)	2.4	2.5	3.0	2.9	2.3	2.2
Nominal GDP (% yoy)	4.1	3.6	4.5	4.8	4.4	4.3
Output Gap (% of GDP)	-3.2	-2.6	-1.5	-0.6	-0.5	-0.5
Inflation (% yoy)	1.6	0.2	2.1	2.3	2.3	2.4
Fiscal Balance (% of GDP)	-2.8	-2.5	-2.2	-2.1	-2.2	-2.8
Unemployment (%)	6.1	5.3	5.1	5.0	5.0	5.1
Savings (% of GDP)	17.5	17.7	17.6	17.5	17.6	17.7
Investment (% of GDP)	19.8	20.3	20.5	20.8	20.9	21.0
Current Account Balance (% of GDP)	-2.3	-2.7	-3.3	-3.5	-3.5	-3.5

Data for 2014 are actual. Data for 2015 are either actual, for the fiscal balance, or projections from the latest Blue Chip forecast. Projections for 2016-2019 are from the Congressional Budget Office (August 2015), except for the estimates of the current account and counterpart savings/investment ratios, which are unofficial estimates that come from the Department of the Treasury's Office of International Affairs.

### Changes to section C (Policy Responses to Lift Growth)

*Please indicate any adjustments to measures taken in Brisbane Growth Strategies as well as new high impact policy measures taken since Brisbane.*

*Please include both macroeconomic and structural policy responses.*

As described in Annex 1, President Obama has in 2015 announced or supported new proposals to:

- Reauthorize surface transportation funding at \$478 billion over six years.
- Protect families by requiring retirement advisers to abide by a "fiduciary" standard.
- Make two years of community college free for responsible students.
- Update the regulations regarding who qualifies for overtime protection.
- Expand the child care tax credit, introduce a second earner tax credit, and simplify and expand education tax benefits.
- Raise the federal minimum wage to \$12 an hour by 2020

In October 2015, Congress reached a bipartisan budget agreement to raise Federal budget authority by \$111 billion over the next two years relative to levels previously specified in law. The legislation reflecting this agreement was signed into law by the President on November 2. The economic impact of this agreement is described in Annex 3.

## ANNEX 1: NEW AND ADJUSTED POLICY COMMITMENTS FOR 2015

### New and Adjusted Commitments since Brisbane

*This annex is for describing new measures introduced since Brisbane or Brisbane commitments that have been adjusted or modified.*

*Please complete a table for each new or adjusted commitment put forward in 2015. We would expect each policy commitment table to be no longer than 1 page.*

<b>• The new or adjusted policy action:</b>	<b>Reauthorize surface transportation funding at \$478 billion over 6 years</b>
<b>Implementation path and expected date of implementation</b>	Proposed in the President's FY2016 Budget.
<b>What indicator(s) will be used to measure progress?</b>	Approval by Congress and signature by the President.
<b>Explanation of additionality or adjustment (where relevant)</b>	The 6-year, \$478 billion surface transportation reauthorization proposal updates the 4-year, \$302 billion proposal from the Brisbane growth strategy.

<b>• The new or adjusted policy action:</b>	<b>Protect families by requiring retirement advisers to abide by a "fiduciary" standard</b>
<b>Implementation path and expected date of implementation</b>	In February 2015, President Obama directed the Department of Labor to move forward with a proposed rulemaking. The Department of Labor issued a proposed rule in April 2015.
<b>What indicator(s) will be used to measure progress?</b>	Issuance of final rule.
<b>Explanation of additionality or adjustment (where relevant)</b>	The new rule aims to reduce the \$17 billion in retirement savings lost annually due to conflicts of interest.

<b>• The new or adjusted policy action:</b>	<b>Make two years of community college free for responsible students</b>
<b>Implementation path and expected date of implementation</b>	Proposed in the President's FY2016 Budget.
<b>What indicator(s) will be used to measure progress?</b>	Approval by Congress and signature by the President.

<b>Explanation of additionality or adjustment (where relevant)</b>	<b>of or (where relevant)</b>	An estimated 9 million students could benefit, saving students an average of \$3,800 in tuition per year.
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<b>• The new or adjusted policy action:</b>	<b>or</b>	<b>Update the regulations regarding who qualifies for overtime protection</b>
<b>Implementation path and expected date of implementation</b>	<b>of</b>	A Presidential Memorandum issued March 2014 instructed the Secretary of Labor to update regulations regarding who qualifies for overtime protections. The Department of Labor issued a proposed rule on June 30.
<b>What indicator(s) will be used to measure progress?</b>		Issuance of final rule.
<b>Explanation of additionality or adjustment (where relevant)</b>	<b>of or (where relevant)</b>	The Department of Labor's proposal would extend overtime protections to nearly 5 million workers. The proposal would guarantee overtime protections to most salaried workers earning less than an estimated \$50,440 next year.

<b>• The new or adjusted policy action:</b>	<b>or</b>	<b>Expand the child care tax credit, introduce a second earner tax credit, and simplify and expand education tax benefits</b>
<b>Implementation path and expected date of implementation</b>	<b>of</b>	Proposed in the President's FY2016 Budget.
<b>What indicator(s) will be used to measure progress?</b>		Approval by Congress and signature by the President.
<b>Explanation of additionality or adjustment (where relevant)</b>	<b>of or (where relevant)</b>	The President's FY2016 Budget includes: (a) a new \$500 second earner credit to help cover the additional costs faced by families in which both spouses work — benefiting 24 million couples; (b) an expanded child care tax credit for middle-class families, including tripling the credit for those with young children (up to \$3,000 per child), helping 5.1 million families cover child care costs for 6.7 million children; and (c) simplifying and expanding education tax benefits, centered around a permanent expanded tax credit for tuition (American Opportunity Tax Credit), increasing assistance for about 8.5 million students and families per year.

<b>• The new or adjusted policy action:</b>	<b>or</b>	<b>Raise the federal minimum wage to \$12 an hour by 2020</b>
<b>Implementation path and expected date of implementation</b>	<b>of</b>	Requires Congressional approval.
<b>What indicator(s) will be used to measure progress?</b>		Approval by Congress and signature by the President.
<b>Explanation of additionality or adjustment (where relevant)</b>	<b>of or (where relevant)</b>	This updates the previous proposal to raise the minimum wage from \$7.25 an hour to \$10.10 an hour. Raising the minimum wage to \$12 an hour by 2020 will benefit an estimated 35 million workers.

## ANNEX 2: PAST COMMITMENTS – ST. PETERSBURG FISCAL TEMPLATE – UPDATE

*Please update as necessary. In particular, please update tables as follows:*

Medium-term projections, and change since last submission (*required for all members*):

The United States has made substantial progress toward strengthening the sustainability of federal government finances. The federal government budget deficit has fallen from near 10 percent of GDP in FY 2009 to 2.5 percent in FY 2015. Debt as a share of GDP was 74.4 percent in FY 2015, and net of financial assets was 67.5 percent. The President's fiscal strategy is to strengthen the sustainability of finances in a "balanced way" while also funding critical investments to grow the economy and support improved economic prospects for middle-class Americans. The projected deficit and debt paths shown below are contingent on the evolution of domestic and foreign economic developments and on the adoption by Congress of the President's proposed spending and revenue policies.

### Estimate Projections (FY Basis)

	2014	2015	2016	2017	2018	2019	2020
Publicly Held Federal Debt							
% GDP	74.0	74.4	75.3	74.9	74.6	74.6	74.6
Debt Net of Financial Assets							
% GDP	66.4	67.5	66.5	65.8	65.3	65.1	64.9
Federal Deficit							
% GDP	2.8	2.5	2.3	2.2	2.4	2.5	2.5
Primary Deficit							
% GDP	1.5	1.2	1.3	1.1	0.9	1.1	1.0
CA Federal Deficit							
% GDP	1.0	1.9	1.7	2.0	2.2	2.4	2.5

### Assumptions (CY Basis)

	2014*	2015	2016	2017	2018	2019	2020
Real GDP Growth							
% change	2.4	2.1	3.0	2.8	2.7	2.3	2.3
Nominal GDP Growth							
% change	3.9	3.0	4.6	4.6	4.6	4.3	4.4

### Estimate Projections (FY Basis)

	2014	2015	2016	2017	2018	2019	2020
ST Interest Rate	0	0.1	0.5	1.2	1.9	2.6	3.1
%							
LT interest rate	2.5	2.2	2.9	3.5	3.9	4.1	4.3
%							

### ANNEX 3: PAST COMMITMENTS – BRISBANE COMMITMENTS

The purpose of these tables is to monitor the implementation of commitments from members' Brisbane growth strategies.

#### Key Commitments for Monitoring Purposes

The detailed table below is for the monitoring of key commitments, as identified by members. Please complete a table for each key commitment.

• The action:	policy	1. Undertake federal investment of \$302 billion over four years for surface transportation and related transportation infrastructure improvements.		
Detailed implementation path and status		Interim Steps for Implementation	Deadline	Status
		<p>1 – Secure Congressional approval of a long-term surface transportation reauthorization proposal.</p> <p>2 – Reform tax laws to incentivize infrastructure investment.</p> <p>3 – Continue to implement the comprehensive plan announced in May 2014 to streamline the Federal infrastructure permitting process and accelerate and expand permitting reform.</p> <p>4 – Provide technical assistance and create centers of excellence to grow the market for public-private partnerships.</p>	<p>1 – Current surface transportation authorization expires on November 20.</p> <p>2 – No deadline for Congressional action.</p> <p>3 – N/A, ongoing</p> <p>4 – N/A, ongoing</p>	<p>1 – The Administration continues to advocate for a long-term surface transportation reauthorization proposal.</p> <p>2 – Several tax reforms were proposed in the President's FY2016 Budget. The Administration continues to support Congressional approval of these proposals.</p> <p>3 – New guidance issued in September 2015 will expand the use of the Federal Infrastructure Permitting Dashboard. Concurrently, relevant agencies released the first update in nearly 30 years to the <i>Synchronizing Environmental Reviews for Transportation and Other Infrastructure Projects</i> handbook.</p> <p>4 – Created new investment centers at</p>

			the Department of Transportation and Environmental Protection Agency focused on transportation and water infrastructure, respectively.
<b>Impact of Measure</b>	Taken together, these steps will increase private investment; speed up and expand the project pipeline; and increase public investments.		

<ul style="list-style-type: none"> <li><b>The policy action:</b></li> </ul>	<b>2. Raise the incomes of low-wage workers and address inequality by: raising the federal minimum wage by \$2.85 per hour; making permanent the significant expansions of the child tax credit (CTC) and earned income tax credits (EITC); and doubling the maximum EITC credit for workers without children.</b>		
<b>Detailed implementation path and status</b>	Interim Steps for Implementation	Deadline	Status
	<p><b>Minimum Wage:</b> Since President Obama’s initial call in 2013 to increase the minimum wage, a number of states, cities and businesses have taken action. Increases to the federal minimum wage require Congressional action.</p> <p><b>Tax Credits:</b> Require Congressional approval.</p>	<p><b>Minimum Wage:</b> N/A</p> <p><b>Tax Credits:</b> Several key expansions to the child and earned income tax credits are currently extended through the end of 2017.</p>	<p><b>Minimum Wage:</b> Since 2013, 17 states and the District of Columbia have passed a higher minimum wage—which will benefit 7 million workers—about 30 cities have acted, and businesses have moved on their own to raise wages. Additionally, as a result of an Executive Order to raise minimum wage for federal contractors, nearly 200,000 workers will benefit by 2019. The Obama Administration has also supported a bill in Congress to raise the federal minimum wage to \$12 an hour by 2020.</p> <p><b>Tax Credits:</b> The Administration continues to advocate for Congressional approval of key tax credit proposals.</p>

<b>Impact of Measure</b>	The President's tax proposals would altogether benefit over 44 million working families. The proposal supported by the President to raise the Federal minimum wage to \$12 an hour by 2020 would benefit about 35million workers.
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• The policy action:	<b>3. Boost employment and labor force participation through skills training programs and promoting workplace flexibility.</b>		
<p><b>Detailed implementation and status path</b></p>	Interim Steps for Implementation	Deadline	Status
	<p><b>Job-Driven Training:</b> Provide grants to enable community colleges and other higher education institutions to partner with employers to expand and improve training for in-demand jobs.</p> <p><b>Upskill Initiative:</b> The Upskill Initiative is a public-private effort to create clear pathways for the more than 20 million workers in front-line jobs that too often lack opportunities to progress into higher-paying jobs.</p> <p><b>TechHire:</b> TechHire is a bold multi-sector initiative and call to action to empower Americans with the skills they need through universities and community colleges as well as non-traditional approaches like “coding boot camps” and high-quality online courses, which can rapidly train workers for a well-paying job.</p> <p><b>Implementation of the Workforce Innovation and Opportunity Act (WIOA):</b> Signed by President Obama in June 2014, this act represents the most significant upgrade to the Federal workforce training system in more than 15 years. WIOA is designed to improve the coordination of employment and training services across</p>	<p><b>Job-Driven Training:</b> N/A</p> <p><b>Upskill Initiative:</b> N/A, ongoing</p> <p><b>TechHire:</b> N/A, ongoing</p> <p><b>WIOA:</b> In accordance with legislation.</p> <p><b>Paid Leave:</b> N/A</p> <p><b>Pregnant Workers’ Rights Interactive Map:</b> Created in 2014.</p>	<p><b>Job-Driven Training:</b> Agencies have awarded over 15 competitive job-training grants that total over \$1.2 billion and more than \$8 billion in non-competitive formula funding that incorporate job-driven training elements, such as stronger employer engagement, work-based learning approaches, and accountability for employment outcomes.</p> <p><b>Upskill Initiative:</b> In April 2015, over 100 employers and 40 labor unions made commitments aimed at increasing access to on-the-job training and apprenticeships, increasing uptake of training programs, and clarifying pathways to a promotion.</p> <p><b>TechHire:</b> In October, the President announced that five cities made new commitments alongside employers to get formerly incarcerated Americans into tech training and jobs. This Fall, the Administration will</p>

	<p>federal agencies, strengthen collaboration with state and local partners, and provide Americans with increased access to training, education, and other support to succeed in the job market and in their careers.</p> <p><b>Paid Leave:</b> Support additional research and analysis of how paid leave programs can be developed and implemented at the state level.</p> <p><b>Pregnant Workers' Rights Interactive Map:</b> To help reduce discrimination against pregnant women, create a clickable map that will contain information on pregnant worker rights on a state-by-state basis.</p>	<p>launch a \$100 million Department of Labor grant to support strategies that train and successfully employ individuals with barriers to employment in well-paying technology jobs and other in-demand fields.</p> <p><b>WIOA:</b> The Departments of Labor and Education are reviewing public comments to draft regulations in preparation for the release of the final rule in early 2016.</p> <p><b>Paid Leave:</b> Building on \$500,000 in grants awarded to three states and the District of Columbia in 2014, an additional \$1.55 million was awarded in September 2015.</p> <p><b>Pregnant Workers' Rights Interactive Map:</b> N/A</p>
<b>Impact of Measure</b>	The measures described above will boost labor force participation and wages.	

<ul style="list-style-type: none"> <li><b>The policy action:</b></li> </ul>	<p><b>4. Pass a comprehensive Asia-Pacific trade agreement, the Trans-Pacific Partnership (TPP) and create a single-window documentation process for the export and import of cargo through completion of the International Trade Data System (ITDS).</b></p>		
<p><b>Detailed implementation path and status</b></p>	<p>Interim Steps for Implementation</p> <p><b>TPP:</b> Negotiations concluded on October 5.</p> <p><b>Single Window/ITDS:</b> Departments are completing regulatory changes that are necessary to implement the single window. Pilot programs have begun and will ramp up throughout 2015.</p>	<p>Deadline</p> <p><b>TPP:</b> N/A</p> <p><b>Single Window/ITDS:</b> The President's February 2014 Executive Order mandates the completion of the ITDS</p>	<p>Status</p> <p><b>TPP:</b> The Administration continues to advocate for Congressional approval of TPP.</p> <p><b>Single Window/ITDS:</b> Steps to implement the President's February 2014 Executive Order are ongoing, including regulatory changes</p>

		by December 2016.	and on-boarding private sector use of the ITDS.
<b>Impact of Measure</b>	<p><b>TPP:</b> TPP eliminates more than 18,000 tariffs that various countries put on U.S. products; includes the strongest commitments on labor and the environment of any trade agreement in history; and promotes a free and open Internet. One analysis estimated the potential gains from TPP for the United States at roughly \$80 billion per year.</p> <p><b>Single Window/ITDS:</b> The impact of fully launching the single window will drastically reduce the paperwork necessary for customs filings for both importers and exporters. The single window will ease the burden on businesses by providing one source of U.S. government information on a filing.</p>		

• The action:	policy	5. Undertake comprehensive immigration reform.	
<b>Detailed implementation path and status</b>	Interim Steps for Implementation	Deadline	Status
	<p>Continue to press for passage of comprehensive immigration reform legislation in Congress.</p> <p>Implement broad package of executive actions on immigration announced in November 2014, including reforms that will streamline the legal immigration system, better protect victims of crime and human trafficking, and promote naturalization.</p>	No deadline for legislative action.	<p>The Administration continues to advocate for comprehensive immigration reform legislation.</p> <p>The Administration has already issued new regulations extending work-authorization to certain green card-bound spouses, clarifications of intra-company transfers coming to the United States, and an initiative to help communities be more welcoming and better integrate immigrants and refugees. Work on the other actions continues, though implementation of new policies involving certain undocumented immigrants is on hold pending litigation.</p>
<b>Impact of Measure</b>	<p>According to the Council of Economic Advisers, the President's November 2014 package of executive actions on immigration, if fully implemented, would be expected to boost real GDP by 0.4 percent in 2024. According to the Congressional Budget Office, the bipartisan comprehensive reform legislation passed by the Senate in 2013, would increase real GDP by 3.3 percent after 10 years and 5.4 percent after 20 years.</p>		

## Other Brisbane Commitments

*This table is for the monitoring of other Brisbane commitments (non key commitments). Please complete a table for each commitment*

<b>• The policy action:</b>	<b>Boost Near-Term Demand with Sequester Relief</b>
<b>Implementation path and expected date of implementation</b>	In October 2015, Congress reached a bipartisan budget agreement to raise Federal budget authority by \$111 billion over the next two years. The legislation reflecting this agreement was signed into law by the President on November 2.
<b>Status of Implementation and Impact</b>	The direct effect of the agreement will result in an estimated 340,000 additional jobs in 2016 and a total of 500,000 job-years added in 2016 and 2017. The budget agreement includes \$80 billion in sequester cap relief over the next two years, plus \$31 billion in additional funding. The agreement is front-loaded, with \$50 billion of that sequester cap relief and roughly \$16 billion of additional funding coming in fiscal year 2016, constituting nearly 90 percent of the discretionary sequester relief for 2016 proposed in the President's Budget.

<b>• The policy action:</b>	<b>\$15 Billion for Project Re-Build</b>
<b>Implementation path and expected date of implementation</b>	Requires Congressional action.
<b>Status of Implementation and Impact</b>	Not yet approved by Congress.

<b>• The policy action:</b>	<b>Student Loan Relief</b>
<b>Implementation path and expected date of implementation</b>	No deadline for Congressional action. Executive action taken in June 2014.
<b>Status of Implementation and Impact</b>	Congressional action required to help 25 million borrowers refinance at lower rates. Executive action in June 2014 will allow an additional 5 million borrowers to cap their monthly payment at 10 percent of their income.

<b>• The policy action:</b>	<b>\$4 Billion for New Career Pathways and \$4 Billion to Support Long-Term Unemployed</b>
<b>Implementation path and expected date of implementation</b>	Requires Congressional action.
<b>Status of Implementation and Impact</b>	Not yet approved by Congress.

<b>• The policy action:</b>	<b>\$6 Billion Community College Job-Driven Training Fund</b>
<b>Implementation path and expected date of implementation</b>	Requires Congressional action.

<b>Status of Implementation and Impact</b>	Not yet approved by Congress.
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#### **ANNEX 4: PRE-BRISBANE COMMITMENTS**

*Please include a maximum of 5 important structural reform commitments from Action Plans prior to Brisbane. Please also include all relevant monetary and exchange rate commitments. Fiscal commitments will be accounted for in the St. Petersburg Fiscal Template in Annex 2.*

<b>Commitment</b> <i>[State commitment]</i>	
<b>Structural reform/monetary &amp; exchange rate policies</b> <i>[Select area]</i>	<b>Action Plan</b> <i>[From which Action Plan is this commitment?]</i>
<b>Rationale for carrying forward</b>	<i>[Identify how this commitment contributes to strong, sustainable and balanced growth]</i>
<b>Update on Progress</b>	<i>[Update on progress made on original commitment, and whether revisions have been made to the original commitment. Include qualitative and quantitative measures to assess progress, where relevant.]</i>

*Pre-Brisbane structural reform commitments have been completed.*