



Office of Congresswoman Kathy Dahlkemper

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For Immediate Release

Contact: Tammy Roche (814) 392-5190 or
media@kathydahlkemperforcongress.com

The American Recovery and Reinvestment Plan: Good for Pennsylvania

Washington DC- Congresswoman Kathy Dahlkemper issued the following statement as an update on the economy and the American Recovery and Reinvestment Act:

Today, I joined my colleagues in the House of Representatives and voted on the American Recovery and Reinvestment Act, legislation that will create and save jobs while investing in the future of our nation. The \$819 billion in spending and tax cuts are intended to stimulate job creation and economic growth. It contains \$275 billion in personal and business tax breaks and \$544 billion in appropriations and direct spending.

January 2009 marks the 13th straight month of job losses in America. In 2008 alone, 2.6 million jobs were lost in the United States – the worst year in more than 60 years. Pennsylvania, particularly the 3rd District, has been hit hard by the worsening economy with new plant closings and job losses being announced daily.

This bleak economic outlook speaks to the urgency of this recovery plan. Without a plan for recovery, economists have predicted Pennsylvania's unemployment to hit record levels in the coming year as more small businesses shut their doors and more homeowners face foreclosure. That is why passing the American Recovery and Reinvestment Act has been the top priority of the Obama Administration and the 111th Congress. Economists from across the spectrum have recommended that we act swiftly and boldly. This plan is not perfect, but it is essential to our country's future, to do nothing would have devastating effects for families all across our state and country.

Some highlights of the Plan for Pennsylvania include:

Immediate Boost and Long-Term Growth

Through tax cuts and investments, the American Recovery and Reinvestment Plan is targeted to create or save as many as 4 million jobs while stimulating economic growth. Specifically, Pennsylvanians will benefit from the following tax cuts:

- Child Tax Credit of up to \$1,000 per child effecting 9,930 children
- Making Work Pay Tax Credit of up to \$500 per worker benefiting 4,420,000 Pennsylvanians
- Extends Production Tax Credit for energy from wind and other renewable sources
- Modifies Investment Tax Credit of 30 percent for new renewable energy facilities by allowing an immediate 30 percent tax credit for facilities in the year they are put into service
- Increased tax credits from \$50 to \$1,500 to promote energy-efficient homes
- Enhanced Research and Development Tax Credit of 20 percent for renewable energy and energy conservation technology

Pennsylvania will also receive funding for:

- Infrastructure Investments - \$1.863 billion
- Medicaid - \$3,974,900
- Food Stamps - \$779,000,000 effecting 1.235 million participants
- Supplemental Security Income - \$190,500,000
- Emergency Shelter Grant Program - \$90,600,000
- State Fiscal Stabilization Fund – \$1,507 billion
- Education for Pennsylvania - \$1.860 billion
 - Education for 3rd district - \$9,047,100
- Educational Technology State Grants - \$6,409,105
- Pell Grants – increasing the maximum grant by \$500, potentially effecting 180,000 students
- Child Care and Development Block Grant - \$60,146,766
- Employment and Training - \$92,900,000
- Increase in Unemployment Benefits:
 - Pennsylvanians will receive a \$25 per week increase in benefits
 - Emergency Benefits will be extended by up to 33 weeks
- Additional funding for Worker Training and Employment Services - \$92,900,000

Support From Economists Across the Spectrum

Independent economists have confirmed that the recovery plan will meet its goal of creating or saving as many as 4 million jobs. Mark Zandi, chief economist for Moody's Economy.com and a former advisor to Senator John McCain's presidential campaign, found that the recovery plan would lead to an unemployment rate 2.2 percent lower than if we did nothing, and that more than 90 percent of jobs created would be in the private sector. [Zandi Analysis, 1/21/09]

The attached link highlights the broad and diverse list of economists that support this Act http://www.americanprogressaction.org/issues/2009/stimulus_letter.html

Accountability and Transparency

The recovery plan will include several important provisions to ensure that spending is transparent and it is clear to the American people where the money is going. The plan includes no earmarks and the Obama Administration will create a website, www.recovery.gov to publicly post details on how the money is being spent. A Recovery Act Accountability & Transparency Board will be created to review management of recovery dollars. These accountability provisions will give the American people the assurance that their money is being spent to get us out of this recession and is not subject to waste, fraud, or abuse.

We are facing an economic crisis of unprecedented proportions, nothing close has been experienced since the Great Depression. This Act, with its combination of tax cuts for individuals and businesses along with the infusion of cash for job creation and retention, should help us stem the tide of job loss and help those families most affected by this crisis. By extending unemployment benefits and increasing food stamps, we are helping those most in need and the economy will see an immediate benefit. By investing in infrastructure, from roads to broadband, we are putting people to work and we are making our rural areas and country more competitive. And by expanding tax credits for businesses, we are giving them the tools they need to retain and grow their businesses. This multi-faceted bill is intended to have both immediate and long-term benefits and while expensive, to do nothing would be far more expensive.