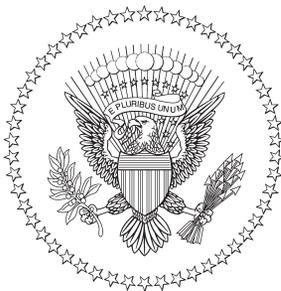


ECONOMIC  
REPORT  
OF THE  
PRESIDENT



TRANSMITTED TO THE CONGRESS  
MARCH 2014

TOGETHER WITH  
THE ANNUAL REPORT  
OF THE  
COUNCIL OF ECONOMIC ADVISERS

UNITED STATES GOVERNMENT PRINTING OFFICE  
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ECONOMIC REPORT  
OF THE  
PRESIDENT



## ECONOMIC REPORT OF THE PRESIDENT

TO THE CONGRESS OF THE UNITED STATES:

This year's *Economic Report of the President* describes how after 5 years of grit and determined effort, the United States is better-positioned for the 21st century than any other nation on Earth. We've now experienced 4 straight years of economic growth with more than 8 million new private-sector jobs. Our unemployment rate is the lowest it's been in more than 5 years. Our deficits have been cut by more than half. For the first time in nearly 20 years, we produce more oil at home than we buy from the rest of the world. The housing market is rebounding, manufacturers are adding jobs for the first time since the 1990s, and we sell more of what we make to the rest of the world than ever before.

But in many ways, the trends that have threatened the middle class for decades have grown even starker. While those at the top are doing better than ever, average wages have barely budged. Inequality has deepened. Too many Americans are working harder and harder just to get by, and too many still aren't working at all. Our job is to reverse those trends. It is time to restore opportunity for all—the idea that no matter who you are or how you started out, with hard work and responsibility, you can get ahead.

That's why this must be a year of action. I'm eager to work with the Congress to speed up economic growth, strengthen the middle class, and build new ladders of opportunity into the middle class. But America does not stand still, and neither will I. Wherever and whenever I can take steps without legislation to expand opportunity for more American families, I will. Because opportunity is who we are. And the defining project of our generation is to restore that promise.

Simply put, this opportunity agenda has four parts. Number one is more new jobs. Number two is training more Americans with the skills to fill those jobs. Number three is guaranteeing every child access to a world-

class education. And number four is making sure hard work pays off for every American.

With the economy picking up speed, companies say they intend to hire more people this year. We should make that decision even easier for them by closing wasteful tax loopholes and lowering tax rates for businesses that create jobs here at home, and use the money we save in the process to create jobs rebuilding our roads, upgrading our ports, and unclogging our commutes. We should help America win the race for the next wave of high-tech manufacturing jobs by connecting businesses and universities in hubs for innovation. We should do more to boost exports and fund basic research. We should maintain our commitment to an all-of-the-above-energy strategy that is creating jobs and leading to a safer planet. Finally, we should heed the call of business leaders, labor leaders, faith leaders, and law enforcement, and fix our broken immigration system. Independent economists say this will grow our economy and shrink our deficits by almost \$1 trillion in the next two decades. We should get it done this year.

Creating jobs is step one, but in this rapidly-changing economy, we also must make sure every American has the skills to fill those jobs. I've asked Vice President Biden to lead an across-the-board reform of America's training programs to make sure they have one mission: training Americans with the skills employers need, and matching them to good jobs that need to be filled right now. That means more on-the-job training, and more apprenticeships that set a young worker on an upward trajectory for life. It means connecting companies to community colleges that can help design training to fill their specific needs.

I'm also convinced we can help Americans return to the workforce faster by reforming unemployment insurance so that it's more effective in today's economy. But first, the Congress needs to restore the unemployment insurance it let expire at the end of last year, affecting around 2 million workers.

Of course, it's not enough to train today's workforce. We also have to prepare tomorrow's workforce, by guaranteeing every child access to a world-class education. Our high school graduation rate is higher than it's been in 30 years, and more young people are earning college degrees than ever before. The problem is we're still not reaching enough kids, and we're not reaching them in time.

That has to change. I am repeating a request I made last year asking you to help States make high-quality preschool available to every four

year-old. In the meantime, I'm going to pull together a coalition of elected officials, business leaders, and philanthropists willing to help more kids access the high-quality early education they need. I'll also work to redesign high schools and partner them with colleges and employers that offer the real-world education and hands-on training that can lead directly to a job and career, and follow through on my pledge to connect 99 percent of our students to high-speed broadband over the next 4 years. With the support of the FCC, we've announced a down payment to start connecting more than 15,000 schools and 20 million students over the next 2 years, without adding a dime to the deficit, and with the help of some of America's top companies, we're going to make the most of these new connections.

My Administration is also shaking up our system of higher education, so that no middle-class family is priced out of a college education. We're offering millions the opportunity to cap their monthly student loan payments to ten percent of their income, and I will continue to look for other ways to see how we can help even more Americans who feel trapped by student loan debt.

But we know our opportunity agenda won't be complete—and too many young people entering the workforce today will see the American Dream as an empty promise—unless we do more to make sure hard work pays off for every single American. This year, we should do more to secure a women's right to equal pay for equal work. We should expand the Earned Income Tax Credit to help more workers without children make ends meet, and help more Americans save for retirement through the new "MyRA" plans my Administration is creating. We should protect taxpayers from ever footing the bill for a housing crisis ever again. And we will continue the work of making sure every American has access to affordable, quality health insurance that's there for them when they need it.

And we should raise a minimum wage that in real terms is worth less than it was when Ronald Reagan took office. In the year since I first asked the Congress to raise the minimum wage, six States raised theirs, and more companies like Costco see paying fair wages as one of the best ways to reduce turnover, increase productivity, and boost profits. As America's chief executive, I agree, which is why I signed an Executive Order requiring Federal contractors to pay their federally funded employees a fair wage of at least \$10.10 an hour for new contracts. There is a bill in front of both the House and the Senate that would raise the minimum wage to \$10.10 for all Americans. The Congress should pass that bill and give America a raise.

I believe this can be a breakthrough year for America. But it falls to all of us to grow the economy and create new jobs, to strengthen the middle class, and to build new ladders of opportunity for folks to work their way into the middle class. So in the coming months, let's see where we can make progress together. Let's continue to make this a year of action. Together, we can restore an economy that works for everybody, and our founding vision of opportunity for all.

A handwritten signature in black ink, appearing to read "Barack Obama". The signature is fluid and cursive, with a large initial "B" and a circular flourish around the "O".

THE WHITE HOUSE  
MARCH 2014



THE ANNUAL REPORT  
OF THE  
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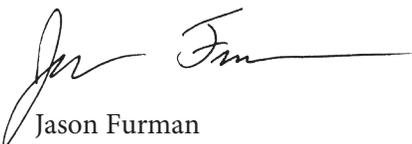
LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS  
Washington, D.C., March 10, 2014

MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 2014 Annual Report in accordance of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jason Furman", with a long horizontal flourish extending to the right.

Jason Furman  
*Chairman*

A handwritten signature in black ink, appearing to read "Betsey Stevenson", with a long horizontal flourish extending to the right.

Betsey Stevenson  
*Member*

A handwritten signature in black ink, appearing to read "James H. Stock", with a long horizontal flourish extending to the right.

James H. Stock  
*Member*

