

# The economy and its role in deciding the victor

[Economics](#)



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From the days of Herbert Hoover to Bill Clinton, the economy has played a major role in deciding the victor of the presidential race. The United States economy is all of the ways goods and services are produced, distributed and consumed by individuals and businesses in the United States and abroad. The United States economy is vast and well diversified. In 1998, it incorporated more than 270 million consumers and 20 million businesses. The U. S. consumers purchase more than \$5. 5 trillion of goods and services annually. Businesses invest over \$6. 5 trillion on factories and equipment. The levels of production, consumption, and spending make the U. S. economy the largest economy in the world. Any problems the U. S. economy displays are shown throughout the world through ripple effects in their own economies. The Democratic and Republican parties differ on many issues regarding the economy, but still have the same overall goal of making the economy grow and work for its people. (Paragraph i?? ) This year, John Kerry and John Edwards are running on behalf of the Democratic Party as a ticket of change. Their stand on the economy is simple: " A better life for all who work for it.

No matter who you are, where you come from, or what you believe, as an American, you live in a land that offers you all the possibilities your hard work and God-given talent can bring. " The Kerry-Edwards ticket wants to offer America a new economic plan that will put jobs first. They want to create and keep good jobs in America. Under President George Bush's watch, about 2, 931, 000 jobs have been lost. John Kerry and John Edwards want to have an America that keeps the promise of opportunity for all and heeds the warnings of special privileges for none.

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Kerry and Edwards believe that a strong America begins at home, with good jobs that support families and gives equal chances to all people. Some of the jobs that have been lost are mainly due to the decrease of consumerism, rising operational costs, and the outsourcing of jobs. The jobs being outsourced are taken away from towns and cities in America and moved to countries such as India and China<sup>4</sup>. The main reason for outsourcing is to lower the cost of production. John Kerry and John Edwards believe in being selective in their tax breaks.

Today's tax laws provide big tax breaks for companies that send American jobs overseas. The Kerry-Edwards ticket believes in ending the deferral that encourages companies to ship jobs overseas and to close other loopholes that will help make the tax code work for the American worker. They will provide tax cuts to companies that produce goods and create jobs here at home. They want to discourage the outsourcing of jobs by having special incentives for jobs kept at home. They also believe in a plan to reinvigorate manufacturing. They support investment corporations that give small businesses access to capital.

They also support the growth of high-technological "clusters" that invest in new industries around research institutions. Another key characteristic of Kerry and Edwards is the need for breaking down barriers to free, fair, and balanced trade so other nation's markets are as open as the United States. They will launch immediate investigations into China's workers' rights abuses and currency manipulation, increase funding for efforts to protect workers' rights and stop child labor abuse, make new reforms to protect the innovations of high-tech companies, and have vigorous enforcement of U. S. <https://assignbuster.com/the-economy-and-its-role-in-deciding-the-victor/>

trade laws. They will effectively enforce trade laws against dumping, illegal subsidies, and import surges that threaten American jobs. They do not want to join trade agreements that give greater rights to foreign investors than to the U. S. investors, require the privatization of vital public service, or limit the government's ability to create good jobs in communities. Kerry and Edwards also want to invest in technology to create good jobs by investing in the technologies of the future.

They want to make this possible by making research and development tax credit permanent and trying to achieve universal access to broadband services. Broadband services could add up to about \$500 billion to the economy, generate 1.2 million jobs, and transform the way people learn and work. The Kerry-Edwards ticket will put science ahead of ideology in research and policymaking. Social Security is a major lifeline needed by many American seniors and will be a key recipient of the Kerry-Edwards economic plan. Today, there are about 45 million Americans on Social Security.

Social Security accounts for 38 percent of the elderly income and about 10.4 percent of the elderly is in poverty. Without Social Security, 50 percent of the elderly would be in poverty. Social Security is projected to have enough funding till 2042, but will need some proper management to make its lifespan expand for many more years to come. John Kerry believes that they need to grow the economy to expand Social Security. The growth of the economy would better position the government to pay for an increasing number of retirees.

Social Security is also part of a broader fiscal challenge facing America. The Kerry-Edward plan calls on restoring fiscal discipline. They plan on cutting the deficit in half and restoring financial discipline to Washington. They also believe in working in a bipartisan process because the greatest accomplishments on Social Security have come on a bipartisan basis. John Kerry will not raise Social Security taxes, raise the retirement age, cut benefits, or privatize Social Security. John Kerry also wants to consider making sure that high-income beneficiaries don't get more than they put in it.

John Kerry and John Edwards call on increasing the minimum wage to \$7.00 an hour by the year 2007. By raising the minimum wage, the income of 4.5 million women would rise. The extra increase would provide a family with enough money to pay for about 10 months of groceries, 8 months of rent, or an entire year of healthcare and community college expenses. Kerry and Edwards believe in putting the working class before special interest groups. They have drawn from their careers in the justice system, from being a district attorney to being a trial lawyer.

They plan to use their experiences to help fight for the American working class. (Paragraph 6) President George Bush and Vice-President Dick Cheney have a plan to construct a more prosperous and aggressive economy that will ensure a strong source of jobs and a better life for all Americans. Like Kerry, Bush has his own ideas about jobs and outsourcing, Social Security, manufacturing, tax credits, and trade. George Bush knows that many men and women are struggling with unemployment. President Bush's plan will provide both short-term benefits and long-term opportunity.

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Bush and Cheney want to extend unemployment benefits for people who lost unemployment benefits on December 28th. Bush also wants to create new Personal Re-employment Accounts. It will be a new, innovative approach to help unemployed Americans find a job. The Personal Re-employment Accounts would provide unemployed workers with up to \$3,000 to use for job training, child care, transportation, moving costs, or other expenses associated with finding a new job. A person who gets a job within 13 weeks would be able to keep the extra leftover funds as a re-employment bonus.

The accounts would help at least 1.2 million Americans and would be in addition to regular unemployment benefits. (Paragraph 7) President Bush wants to strengthen Social Security by letting individuals have the option of private ownership. George Bush believes that personal retirement accounts should be in place. The personal retirement accounts would allow workers to direct a portion of their payroll taxes to personal investments for their retirement instead of the government collecting taxes and putting them in a public fund.

George Bush believes that the financial markets offer a guarantee of a higher return than the current Social Security system with no risks to the investor. He believes that young people deserve to know that their Social Security will be there when they retire. The private accounts would let individuals decide what they wanted to do with their money. They could pass the money on to their children and grandchildren for college education funding, to starting small business, or a way to save for their own retirement. The key is the choice is theirs to make.

George Bush believes that reforming the litigation system will strengthen the business and manufacturing sector. According to President Bush, junk and frivolous lawsuits are driving up the cost of doing business in America by forcing companies to pay excessive legal expenses to fight off or settle often baseless lawsuits. If a typical small business with \$10 million in annual revenue pays about \$150, 000 a year in tort liability costs, the money used on tort liability costs could be used to invest and hire new employees.

Bush believes that a cap on the amount of money lawyers can sue for could help keep hundred of thousand good jobs, honest employers, and give women critical medical care. (Paragraph 8) According to President Bush, another way to help small businesses is by lowering taxes even more for small business owners and entrepreneurs. President Bush wants to make his tax relief from 2001 and 2003 permanent. President Bush also wants to reduce paperwork involved with filing tax forms, which would return an estimated 9. 5 million hours used in paperwork filing every year.

The new tax code system would be simpler and would be pro-growth, boost the economy, and encourage savings and investments. The death tax should also be removed under his plan. According to the Bush-Cheney team, the death tax punishes family-owned small businesses and family farms. The Bush-Cheney team also wants to expand overseas markets for goods and services by reducing trade barriers. (Paragraph 8) As the economy continues to become of a global affair the President's administration believes international trade reform is needed to avoid economic isolationism.

President Bush has already negotiated open trade agreements with 12 nations and is in the process of negotiating with 10 other nations. George Bush believes that the free trade agreements open up great potential markets for American businesses and farmers. They are estimated to contain about 2.5 trillion dollars which could qualify them to be America's third largest export market. President Bush also wants to emphasize that the United States should not allow unequal trading with nations like China.

The President wants to continue to work through the World Trade Organization to file complaints against the Chinese government and its unfair currency manipulation. (Paragraph 8) A major initiative of the Bush-Cheney campaign is homeownership. Homeownership is a central theme to the Republicans and they want to make it a reality for everyone. They want to have easy access to capital for entrepreneurs and access to credit for consumers. President Bush also has a goal of increasing the number of minority homeowners by at least 5.5 million families by the end of the decade.

The Self-Help Homeownership Opportunities Program would help low-income families purchase a home. The biggest obstacle facing new homeowners is the down payment. President Bush supports efforts to reduce this barrier by having programs like the American Dream Downpayment and Zero Downpayment Mortgages in place for new homeowners. Bush and Cheney also believe in enacting the Single-Family Affordable Housing Tax Credit, but also recognize that decent housing is also available in apartments.

Regulation should also be cut to the minimum to encourage the development of homebuilding.

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While the President and Senator Kerry differ on many issues regarding economic improvement, they both share a common goal. A stronger economy must be a priority for the next administration and more importantly for the American people. The United States economy is the largest economy and is currently in a " diversifying" process through the addition of technology and the outsourcing of manufacturing jobs. Both major political parties will work tirelessly towards the greater goal of economic improvement and will more than likely sustain America's strong economy for years to come.