



REALITY CHECK: THE PRESIDENT'S STATE OF THE UNION ADDRESS

The President's State of the Union address lacked real solutions for real children left behind in the present economic downturn. The President offered an agenda to move America forward by accelerating his \$1.3 trillion tax giveaway to the wealthiest citizens and eliminating the stock dividend tax for millionaires in his \$674 billion economic plan. He did not address the surge of jobless workers with children, offer any solutions for the 9.2 million American children without health coverage, or outline a plan to make sure children arrive at school ready to learn.

"We will work for a prosperity that is broadly shared... We will not deny, we will not ignore, we will not pass along our problems to... other generations."
– President Bush, 2003 State of the Union Address to Congress

THE ECONOMY

Statement: *"We also strengthen the economy by treating investors equally in our tax laws... I ask you to end the unfair double taxation of dividends."*

Fact: **This new tax cut for millionaires is shameful in the face of other needs.** The ten year cost of the stock dividends tax cut could provide comprehensive health care for all 9.2 million uninsured children and Head Start for all unserved eligible preschoolers in need of comprehensive services that prepare them for school and a productive future. The same Administration that starves and freezes children's services is willing to heap more money on millionaires.

Statement: *"To bring our economy out of recession, we delivered the largest tax relief in a generation... Some might call this a good record. I call it a good start... I am proposing that all the income tax reductions set for 2004 and 2006 be made permanent and effective this year... If this tax relief is good for Americans three, or five, or seven years from now, it is even better for Americans today."*

Fact: **The President's 2001 tax plan was a "good start" only for millionaires; his new stock dividend tax cut would give them an even bigger head start.** The President's \$1.3 trillion giveaway to the wealthiest Americans was only the beginning. His new plan to cut stock dividend taxes hands an additional \$11,000 to the top one percent while the bottom 60 percent gets only \$12 more.

Statement: *"Instead of slowly raising the child credit to a thousand dollars, we should send the checks to American families now... This tax relief is for everyone who pays income taxes - and it will help our economy immediately."*

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Fact: **The child tax credit plan leaves out nearly half of all Black and Latino children.** The President chose not to help millions of parents who are working hard to support their children on low wages. One in four American children will not get any help from speeding up the child tax credit, including nearly half of all Black and Latino children, because their parents earn so little they are not eligible for additional tax credits.

Statement: *“Ninety-two million Americans will keep - this year - an average of almost 1,100 dollars more of their own money.”*

Fact: **Put you, me, and Bill Gates in a room and on average we're all billionaires.** Statistical averages are misleading because the wealthiest get so much and everyone else gets relatively so little. About one in three taxpayers will receive nothing in 2003. The bottom 60 percent will receive little over \$100 while the richest 1 percent will pocket \$30,000 according to Citizens Tax Justice.

Statement: *“Lower taxes and greater investment will help this economy expand.”*

Fact: **Tax cuts that help the narrow interests of the wealthiest Americans but offers only empty promises and starved resources for low- and middle- income children will not expand our economy.** As a country, we must invest in resources to build a nation where families have the support they need to make it at work and at home; where every child enters school ready to learn and leaves on a path to a productive future; where babies are likely to be born healthy and sick children have the health care they need; where no child has to grow up in poverty; where all children are safe in their community and every child has a place to call home.

Statement: *“Our first goal is clear: We must have an economy that grows fast enough to employ every man and woman who seeks a job.”*

Fact: **The President throws roadblocks up to low-income parents who seek jobs.** The Administration does not increase investments in child care by a single dime, even while his welfare plan adds harsh new make-work requirements that will not lead to real employment.

HEALTH CARE

Statement: *“Our second goal is high quality, affordable health care for all Americans... for many people, medical care costs too much - and many have no coverage at all... we must work toward a system in which... low-income Americans receive the help they need.”*

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Fact: **The President offers no effective remedy for an ailing health crisis where children do not have the health care they need.** The President mentioned no solution for the 9.2 million uninsured American children. The Administration's old proposal to give inadequate tax credits to the uninsured falls short of a meaningful solution to make health insurance affordable. Another half million children will be added to the uninsured if \$2.7 billion in expiring Children's Health Insurance Program (CHIP) funding is not preserved and distributed effectively to pay for coverage.

EDUCATION

Statement: *"To lift the standards of our public schools, we achieved historic education reform – which must now be carried out in every school, and every classroom, so that every child in America can read, and learn, and succeed in life."*

Fact: **We are far from historic education reform.** Aid to the neediest students remains at one-third the necessary level to reach all eligible students, and the President offers no new funds for teacher quality and after school programs. The President's empty promise of reform lacks significant investments in quality teaching, class size reduction, and enriching after school programs.

The President's No Child Left Behind bill does not ensure that every child receives the Head Start or quality child care they need to enter school ready to learn. The Administration's past budgets have not recognized the needs to extend Head Start to disadvantaged children who need its help to enter school ready to learn and leave on a path to a productive future. Only three in five preschoolers currently eligible for Head Start are served. Three percent of eligible infants and toddlers get Early Head Start during their years of crucial brain, emotional, and social development.

COMPASSION

Statement: *"Our fourth goal is to apply the compassion of America to the deepest problems of America. For so many in our country - the homeless, the fatherless, the addicted - the need is great... And in this work we must not overlook the weakest among us."*

Fact: **A compassionate America can proudly say, "We Leave No Child Behind®."** Americans are compassionate. They do not want families to seek emergency food and shelter in increasing numbers, but those reaching out cannot do it alone. They alone cannot give 9.2 million uninsured American children health coverage, lift 12 million American children out of poverty, or treat 879,000 American children who have been abused and neglected. Parents, congregations and the private sector all must live up to our responsibilities to all children. Government also has a responsibility to treat children justly.

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