



Economic Policy Trends

EXAMPLE STUDENT
AP GOV US

Ronald Reagan

- Term: 1981-1989
- Party: Republican
- American actor-turned-politician who became the 40th President with a successful campaign run in the 1980 election after serving as Governor of California and running unsuccessful campaigns in the 1968 and 1976 Republican Primaries.





Laws

- **Economic Recovery Tax Act of 1981:** Reduced Federal Income Tax to 25 Percent
- **Tax Reform Act of 1986:** Revised tax code. Federal income tax receipt increased to \$549 billion in 1989 from \$308.7 billion in 1980.
- **Immigration Reform and Control Act:** Deemed it illegal for illegal immigrants to be hired by employers. 3 million illegal immigrants who had entered the United States before January 1, 1982 were given amnesty.

Executive Orders

- Executive Order 12601: President's Commission on the HIV Epidemic
- Executive Order 12333: Strengthened management of US Intelligence Community
- Executive 12287: Decontrol of Crude Oil and Refined Petroleum Products





Judicial Decisions

- **Texas v. Johnson:** Burning of American flag was protected under the First Amendment as part of expressive activity.
- **South Dakota v. Dole:** Congress may attach reasonable conditions to funds disbursed to the states without violating the Tenth Amendment

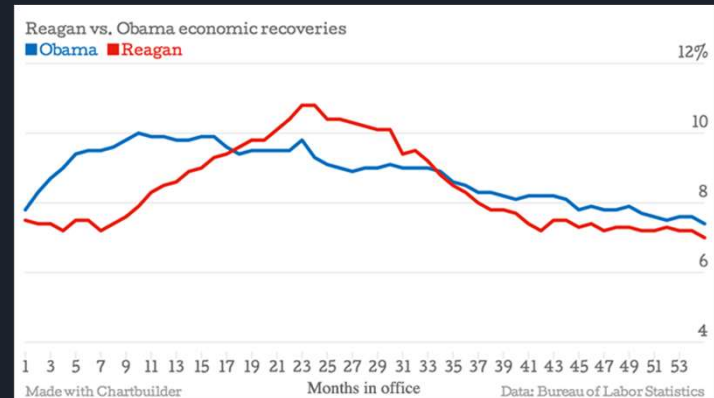


Presidential Directives

- National Security Study Directives
 - Senior Interagency groups, members of the National Security Council Staff, or the Advisor to the President for National Security could call for a policy study on significant security issues under the Reagan administration's national security policy.
- National Security Decision
 - President Reagan and Assistants to the President for National Security Affairs set forth official national security policy for guidance of defense, intelligence, and foreign policy establishments of U.S. government.

Impact on Economy

- **Reaganomics:** Term coined to describe the economic policies of the Reagan administration.
 - Four-point policy decreased social spending, increased military spending, deregulated domestic markets, and saw widespread tax cuts
 - Businesses and individuals saw reduced taxes
 - Supported slower money growth in economy
 - Involved “trickle-down” economics



Bill Clinton

- Term: 1993-2001
- Party: Democratic
- American politician from Arkansas who took office after the Cold War and oversaw much of the rapid change in the 1990s. Served as 42nd President. Clinton was also the first President to have been born as part of the baby-boom.





Laws

- **NAFTA: The North American Free Trade Agreement**
 - Passed under George H.W. Bush, enacted in 1994 under Bill Clinton
 - Eliminated most tariffs between Mexico, Canada, and the United States

- **Omnibus Budget Reconciliation Act of 1993**
 - Created new tax brackets for income above \$115,000 and \$250,000
 - Created new income tax brackets for corporations
 - Transportation fuel taxes were increased
 - Medicare tax cap removed
 - Social Security benefits subject to income taxes increased
 - AMT tax rate saw new tiered rates of 26% and 28%



Executive Orders

- Executive Order 12837: Deficit Control and Productivity Improvement in the Administration of the Federal Government
- Executive Order 12857: Budget Control
- Executive Order 12870: Trade Promotion Coordinating Committee



Judicial Decisions

- **United States v. Virginia:** Virginia violated the equal protection clause as a result of their failure to provide an education for females that was deemed as equal to that of their male counterparts at the Virginia Military Institute. This opened VMI to women.
- **Boy Scouts of America v. Dale:** Ruled that the Boy Scouts of America reserved the right under freedom of association rights to exclude those from the organization that could potentially undermine their values, including homosexuals.



Presidential Directives

- **Presidential Decision Directives**
 - Used by Clinton Administration to direct departments and agencies to undertake specific reviews and analyses

- **Presidential Review Directives**
 - Used by Clinton Administration to direct departments and agencies to undertake specific reviews and analyses



Impact on Economy

- Economic growth averaged 4.0 percent annually during time in office
- 22 million jobs were created
- Median family income increased by \$6,000
- Unemployment was lowest in 30 years
- Economic growth for 116 consecutive months

George W. Bush

- Term: 2001-2009
- Party: Republican
- Texan who served as the 43rd President after narrowly receiving an Electoral College Victory in the 2000 election. President during the 9/11/2001 Attacks who initiated “the War on Terror”.





Laws

- **Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA):**
 - Designed to sunset on January 1, 2011
 - New 10% Income bracket
 - Lowering in tax brackets
 - Capital Gains tax was reduced to 8%
 - New Estate and Gift Tax rules
 - Sweeping changes to retirement plans

- **Internet Tax Nondiscrimination Act**
 - Still in effect
 - Bans Internet Taxes in the United States



Executive Orders

- **Executive Order 13224:** Terrorism Sanctions Regulations, Blocking Terrorist Property and disruption of Terrorist Assets; renewed every since signed

- **Executive Order 13455:** Establishing the President's Advisory Council on Financial Literacy



Judicial Decisions

- **Bush v. Gore:** Bush's electoral victory can be attributed to this. Decision to stop recounting of Florida votes in 2000 Presidential Election, allowing George Bush to receive Florida electoral votes and win election
- **Hamdan v. Rumsfeld:** Without Congressional authorization, the President did not have implied authority under Article II to authorized trials utilizing the process proposed at the time. Bush did not have constitutional authority in authorizing trials by military commission of prisoners at Guantanamo Bay.



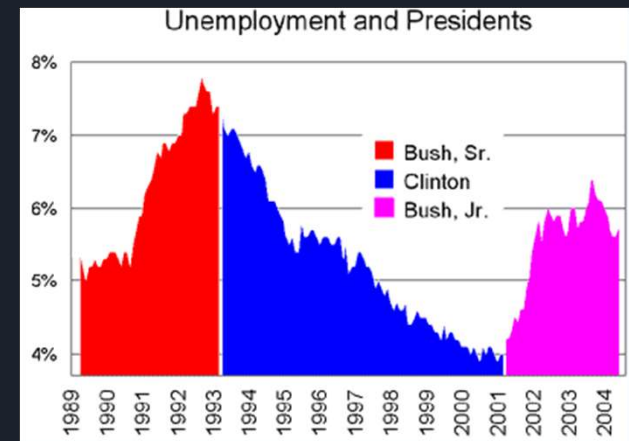
Presidential Directives

- National Security Presidential Directives
 - Comprehensive National Cybersecurity Initiative (CNCI)
 - Used to promulgate Presidential decisions on national security matters

- Homeland Security Presidential Directives
 - Issued by President on matters pertaining to Homeland Security.

Impact on Economy

- Considered to have generally poor economic record
- Economy was entering recession in 2001 when Bush took office
- Steady economic improvement until 2007
- Oil prices rose dramatically in 2007
- Housing bubble burst, resulting in poor economic conditions in 2007 and 2008
- Internet Taxes remain banned under Federal Law



Barack Obama

- Term: 2009-2017
- Party: Democratic
- 44th President of the United States. First American President of color. Obama originally served as a Senator from Illinois. Oversaw American recovery after 2008 recession.





Laws

- **Affordable Care Act:** Controversial United States Healthcare Reform Law that curbs spending through regulations and taxes and intends to expand and improve access of American citizens to health care.
- **Tax Relief, Unemployment Insurance Re-authorization, and Job Creation Act of 2010:** Business tax credits for alternative fuels, extension of ARRA provisions, extend EGTRRA 2001 income tax rates, extension of federal unemployment benefits, etc.



Executive Orders

- **Executive Order 13492:** Ordered Guantanamo detention facility to be shut down within one year and suspended proceedings of Guantanamo military commissions
- **Executive Order 13519:** Establishment of the Financial Fraud Enforcement Tax Force
- **Executive Order 13531:** National Commission on Fiscal Responsibility and Reform



Judicial Decisions

- **Obergefell v. Hodges:** Legalization of Gay Marriage in all fifty U.S. states as result of Supreme Court decision
- **Fisher v. Texas:** Challenge against use of race in college admissions decisions after white student, Abigail Fisher, is rejected from University of Texas
- **Whole Woman's Health v. Hellerstedt:** Constitutionality of anti-abortion provisions passed in Texas in 2013



Presidential Directives

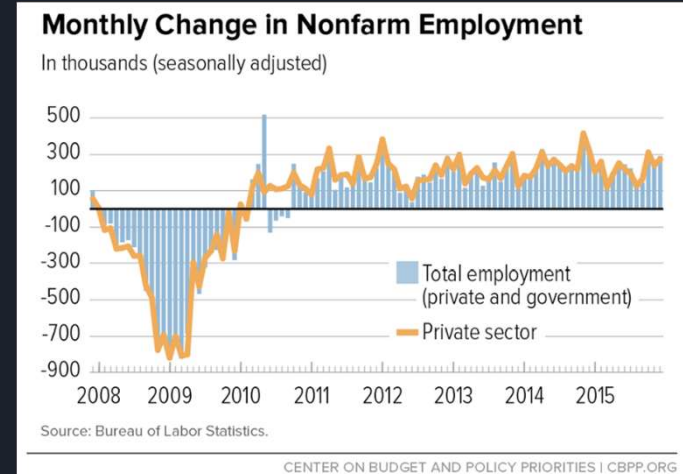
- Homeland Security Presidential Directives
 - Issued by President on matters pertaining to Homeland Security

- Presidential Study Directives
 - Obama administration utilized these directives to initiate policy review procedures

Impact on Economy

- U.S Auto Industry bailout saved three million jobs in 2009

- Economic Stimulus Package
 - \$787 billion
 - Cut Taxes
 - Funded Public Works Projects
 - Extended unemployment Benefits
 - Recession ended in 2009



- Affordable Care Act affected the healthcare coverage of millions



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