

As the League of Women Voters looks to January 20, 2009, we see hard work ahead for the next President of the United States.

Over the years, America's leaders have allowed crucial problems confronting our country to fester and worsen.

Climate change threatens our public health, environment and economy. Our **health care** system leaves 47 million Americans uninsured while wreaking havoc on the economy because of skyrocketing costs. We have not addressed the status of 12 million unauthorized immigrants living and working in the United States, and we have an **immigration system** that is incapable of dealing with either legal or illegal immigrants. Last but not least, **growing inequality** in wealth and incomes threatens the very fabric of our society, turning the United States into a land where the rich keep getting richer and everyone else struggles just to get by.

The League of Women Voters has devoted these pages of *The National Voter* to a special call for action on each of these four issues. When the election season of partisanship and political wrangling is over, it will be time for real action to build a better, stronger America—a nation that is true to its ideals of fairness and opportunity for all, one that sees challenges such as those spelled out in the pages that follow less as threats to our society than as opportunities for economic and social progress.

The League of Women Voters believes significant progress is possible on each of the four issues we have identified as priorities for the new Administration. We look forward to working with the new President to make this presidency a historic one, during which the people and their elected leaders cast aside the chains of partisanship, complacency and fear, and embrace real action to build a better nation and a better world together.

Sincerely,
Mary G. Wilson
President, League of Women Voters of
the United States

An Open Letter to the Next President

Agenda for a New Administration

By William H. Woodwell, Jr.



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What We Must Do:

We can protect our communities and the world from the effects of global climate change. But we must act now—before it's too late. We must reduce global warming *right now* by capping harmful pollution. At the same time, we must aggressively begin cutting “greenhouse emissions”—achieving reductions of 80 percent or more by 2050, based on 1990 levels—by shifting quickly to cleaner technologies in every sector of our economy.

Cities, states and individuals already are taking bold and innovative steps to reduce global warming pollution. Their work is a reminder that protecting the climate can yield an array of benefits for America—limiting our dependence on oil from other countries, reducing air pollution, spurring new industries and jobs, and protecting pristine places from drilling and mining. To reinforce and expand on those efforts, the United States must step up to the plate with policies to reduce global warming pollution nationally and globally.

Why It's Important:

Global climate change poses a major threat to public health, the environment, and U.S. and world economies. We already face increasingly severe heat waves and droughts, intensifying hurricanes and floods, disappearing glaciers, and more wildfires. If left unchecked, the effects could be catastrophic: millions of people displaced as rising sea levels flood coastal areas; many regions devastated by reduced crop yields and shortages of drinking

water; human health threatened by malaria and other diseases; and numerous plant and animal species at risk of extinction.

Climate change is happening now. According to the World Meteorological Organization, the decade from 1998 to 2007 was the warmest on record. In addition, 2007 ranked among the warmest seven years since record-keeping began in the mid-1800s. The other six warmest years all fell within the 1998–2007 period.

Warmer temperatures already are having alarming effects. Summer sea ice is disappearing in the Arctic; mountain glaciers are retreating around the world; many species of plants and animals are responding to earlier spring warming; and climate change is taking some species to the brink of extinction. Recent increases in the strength of tropical hurricanes have been linked to a rise in ocean temperatures caused by global warming.

Climate change is caused by human activity. There is no longer any doubt about it: Human activities are the primary causes of global climate change. Burning fossil fuels—chiefly coal and oil—in our power plants, cars and trucks, and elsewhere produces carbon dioxide (CO₂), which works like a blanket to trap the sun's heat in the Earth's atmosphere, creating an enhanced greenhouse effect. Other human sources of “greenhouse gases” (GHGs) include deforestation, agriculture and industrial processes.

In its latest *Greenhouse Gas Bulletin*, the World Meteorological Organization states that average global concentrations of the three main GHGs—carbon dioxide,

methane and nitrous oxide—reached new highs in 2006. Compared to pre-industrial levels, CO₂ levels in the atmosphere have surged by 36 percent. Scientists say current levels of atmospheric CO₂ are unprecedented in human history.

Climate change will get worse. In the absence of substantial reductions in worldwide emissions of CO₂ and other GHGs, climate change will accelerate in the decades to come. The Nobel Prize-winning Intergovernmental Panel on Climate Change projects that global temperatures will increase between 2.0° and 11.5° F by 2100. Sea levels will rise by 1–1.5 feet or more. In addition, there's a 90 percent or greater chance that the world will see more extreme weather, heat waves and heavy precipitation events, more droughts and more intense hurricanes.¹ Developing countries, which lack the resources needed to protect their residents and their economies, will be among the hardest hit by the effects of catastrophic climate change.

What's in It for Us:

Everyone on Earth is affected by climate change in multiple ways:

Climate change affects our health and safety. Heat waves and extreme temperatures pose obvious health risks to all people, especially the elderly and those living in poverty. Scientists also say climate change will accelerate the spread of infectious disease and pose serious threats to food and water supplies, while increasing the threat to humans from wildfires, hurricanes and other severe-weather events.

Climate change affects our security. A June 2008 report by the National Intelligence Council documented how increased temperatures, changes in rainfall, rising sea levels and other changes could threaten U.S. security in the next 20 years. Among the potential problems: political instability, mass movements of refugees, and conflicts over water and other resources. Addressing climate change in a serious way also will reduce the United States' reliance on oil from unstable regions of the world.

Climate change affects our wallets. Numerous studies have shown that the costs of *not* addressing climate change (from increased emergency room admissions to food and crop losses, lost infrastructure, and increased storm and flood cleanup) will be considerably higher than the costs of reducing emissions. Plus: addressing climate change will create a wealth of *new* economic opportunities as businesses develop alternative energy technologies and new ways of reducing emissions.



Where We Are Now:

The need for strong action to protect the climate is obvious—but opponents still stand in the way of national and international solutions. Despite entering the White House in 2001 with a pledge to regulate CO₂ emissions, President Bush regularly blocked actions that could yield real reductions in those emissions over time.

The White House's most recent obstructive move: a denial of California's plan to impose stricter standards on vehicle emissions. President Bush also consistently blocked strong international action on climate change, rejecting the Kyoto Protocol (which set emission targets for the United States and other developed countries for 2012) and opposing efforts to design an effective post-Kyoto agreement.

While the Bush administration stood squarely against decisive action, Congress debated a number of measures aimed at starting the United States on a course to lower emissions. The comprehensive approach receiving the most support to date, known as "cap and trade," seeks to cap overall U.S. emissions at a level that will decrease over time, while allowing companies and industries to trade emission allowances so reductions can be achieved as cost-effectively as possible.

Luckily, states and cities have not waited for federal leadership. Many states have been working together on regional cap-and-trade initiatives, while simultaneously setting out to reduce emissions within their borders. Mayors and other city officials across the country also have launched local climate initiatives.

Agenda for the New President:

Scientists say the time for strong action to protect the climate is now. To avoid the worst effects of climate change, we have to begin reducing U.S. and international emissions. This means that the new President must:

- Take action to reduce U.S. emissions by at least 20 percent by 2020 from 2005 levels, and by at least 80 percent by 2050 from 1990 levels. Advances in scientific knowledge may indicate a need for quicker and greater reductions.
- Sign a cap-and-trade law with proceeds from the auction of emission allowances supporting the transition to renewable energy technologies and other climate priorities.
- Support international negotiations on a successor agreement to the Kyoto Protocol that includes binding commitments for the United States and other developed countries, as well as developing countries.
- Support other measures to reduce U.S. GHG emissions, from increased fuel efficiency standards for cars and trucks to promising alternative energy technologies.

Health Care



What We Must Do:

America is facing a health care crisis caused by a combination of skyrocketing costs and an insurance system that leaves 47 million of us without any coverage. We must make quality, affordable health care available to all U.S. residents. All Americans should have access to a basic level of care that includes the prevention of disease, health promotion and education, primary care (including prenatal and reproductive health), acute care, long-term care and mental health care. At the same time, the federal government needs to take action to reduce the costs of health care for individuals, businesses and communities.

Why It's Important:

As a nation, we are spending \$1 out of every \$6 we earn on health care. Over the last three decades, increases in the amount we spend on health care have consistently risen faster than wages and inflation. If nothing is done to control costs, we could be spending \$3 trillion for health care by 2011 and \$4.2 trillion by 2016. That's 20 percent of U.S. gross domestic product (GDP).

If the true measure of a country's health care system is the health and well-being of the people it serves, then Americans are getting a raw deal. Women and children suffer the most under the current U.S. system. More than one in five pregnant women in the United States do not receive timely prenatal care starting in the first trimester. Among the results: the wealthiest nation in the world regularly ranks near the bottom among developed countries in infant mortality and low birthweight rates.

Today, 47 million Americans have no health insurance at all, up from less than



40 million in 2000. The uninsured include more than 9 million children. And, if you think this is a problem that mostly affects the poor and unemployed, think again: 70 percent of the uninsured are in families with at least one full-time worker.

In addition, critics charge that the U.S. health care system is geared too much to treatment of problems and not enough to

prevention, which costs less in the long run and results in a healthier America. Today, 75 cents of every health care dollar spent in the United States is spent on treating chronic diseases, many of which are completely preventable.

Part of the reason our system focuses on treatment over prevention is shrinking access to needed health insurance and services. Most uninsured Americans can't afford check-ups and preventive care, so they don't go to the doctor or the hospital until it's an emergency.

What's in It for Us:

Providing quality, affordable health care coverage will reap rewards for all Americans:

Health care for all. A comprehensive federal health care system will guarantee health care coverage for all Americans as a matter of public policy. In recent polls, a majority of people support universal health care coverage for all Americans.

Reduced costs. The average annual premium for employer-sponsored health insurance was more than \$12,000 per family in 2007; the average worker's share was about \$3,300. For individuals and families without employer-sponsored plans, the costs can be much higher. Every year, health insurance is becoming less and less affordable for families and businesses. Part of the problem

Expanding Health Coverage: Weighing the Options

Policymakers have proposed several approaches for reforming the U.S. health care system and achieving the goal of universal coverage. They are:

Single payer: A single payer system would replace the current U.S. health insurance system with its multiple payers (individuals, employers, insurers, governments, etc.) with a system financed through general taxes.

Expanded federal programs: Another solution requiring an expanded federal role in health care is to broaden access to existing federal health insurance programs, including Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP) and the health insurance program for federal employees.

Individual mandate: In the same way that drivers are required to purchase auto insurance, many policymakers have proposed that all American adults be required to purchase health insurance. Massachusetts passed such a requirement in 2006.

Tax credits and subsidies: Some policymakers have proposed offering enhanced tax credits, subsidies and other incentives to encourage more businesses to offer health insurance to their employees, and to encourage more uninsured people to purchase insurance.

is “cost shifting”—i.e., insured Americans continue to foot the bill for expensive emergency care for the uninsured. Experts recommend two key steps for reducing costs for everybody: 1) an increased focus on prevention for all Americans; and 2) the expansion of health insurance coverage to the uninsured. Any health care reforms must reduce or eliminate cost-shifting and excessive administration costs.

A stronger U.S. economy. Other industrialized countries are getting a lot more bang for their health care buck. The United States spends nearly 16 percent of GDP on health care, while the average for all industrialized countries in the Organization for Economic Cooperation and Development is roughly half that number: 8.9 percent. Most of the other developed countries also spend far less on health care than the United States on a per capita basis. Are the people of these countries less healthy than Americans? For the most part, no.

The United States will have trouble competing in a global economy if it can't keep health care costs under control. It's been widely reported, for example, that the price tag for every car produced by U.S. auto manufacturers includes as much as \$1,500 for health care that their competitors in Japan and other nations do not have to pay. The annual bill for chronic diseases alone threatens to reach \$6 trillion by the middle of the century—money that could be put to more productive uses in the economy.

Where We Are Now:

Over the past eight years, the President and Congress have done little to reduce health care costs or expand coverage for care, while costs have climbed and the numbers of uninsured have grown.

President Bush's main reform was the expansion of Medicare to cover a portion of the cost of outpatient prescription drugs. Another change enacted under President Bush was the creation of health savings accounts (HSAs), which are touted as a way for consumers to save for

future health expenses using tax-free dollars. Studies have shown, however, that HSAs, which require consumers to enroll in health plans with higher-than-normal deductibles, are primarily an option for “healthy and wealthy” Americans. Furthermore, HSAs may actually encourage consumers to *skip* necessary health care services because they have to pay more money out of pocket.

Another health care reform topic that was the focus of Washington debate in recent years was the reauthorization of the State Children's Health Insurance Program (SCHIP). In the decade since Congress passed SCHIP in 1997, the program has provided health care coverage to 6 million low-income children who are not eligible for Medicaid, the state-federal health insurance program that primarily serves the poor. SCHIP has proven the most successful expansion of health care coverage in a generation, reducing the percentage of low-income children without coverage by one-third.

Based on the program's success, both houses of Congress passed a bipartisan

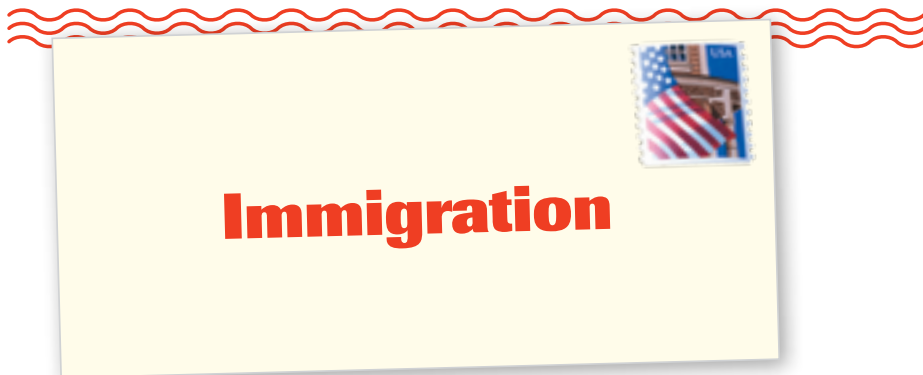
measure in 2007 to reauthorize SCHIP, but President Bush vetoed the bill. The bill called for an increase in the program's budget in order to expand coverage to 4 million more children. A House vote to override the presidential veto failed, prompting Congress to pass a short-term extension of the program.

Looking ahead, the next President and Congress face a renewed effort to reauthorize SCHIP. But an even bigger debate looms over plans for more comprehensive reform of the U.S. health care system (see sidebar, p. 7).

Agenda for the New President:

America's health care status quo is endangering our economy and our health. The new President must advance reforms with two principal objectives in mind:

- Guarantee that a basic level of quality health care at an affordable cost is available to all U.S. residents.
- Work toward containing out-of-control health care costs so that health care dollars go to caring for people rather than cost-shifting or excess administration.



What We Must Do:

President John F. Kennedy once called America “a society of immigrants, each of whom had begun life anew, on an equal footing.” Today, America's immigration system is broken. Too many unauthorized immigrants are living and working in the shadows of our society, and too many of our leaders are using the immigration issue as a platform for inciting prejudice and fear.

We must enact comprehensive immigration reform that combines a path to citi-

zenship for unauthorized immigrants who are already in the country, provided they pay their taxes, learn English and meet other relevant criteria, with stepped-up enforcement of immigration laws.

Why It's Important:

In 2006, there were an estimated 11.5 to 12 million unauthorized immigrants in the United States. Of this number, between 25 and 40 percent entered the country legally but overstayed their visas. Others entered

the United States to join family members after years of waiting in line for visas that never materialized. The simple fact that nearly 4 percent of the total U.S. population is in the country illegally suggests that America's immigration policies are failing.

Many unauthorized immigrants have lived in this country for years. They play an active part in their communities. They have jobs. They send children to local schools. The Urban Institute estimates that at least 5 million children—including 3 million children who are U.S. citizens—have at least one parent without legal residency.

To identify and deport all unauthorized immigrants currently living and working in the United States, as some suggest, would create enormous upheavals in communities across the nation. It also would create what one U.S. senator has called a "logistical nightmare" as federal, state and local law enforcement would have to mount a costly sweep of American communities. In September 2007, the director of Immigration and Customs Enforcement (ICE) estimated that detaining and removing 12 million people would cost at least \$94 billion.

Does this mean Americans should simply accept the status quo and keep our current immigration policies largely in place? No. Millions of Americans are toiling in an underground economy and are vulnerable to exploitation in the workplace—e.g., lower wages and poor working conditions—because they want to remain out of sight. In addition to the human toll, this creates an unfair economic advantage for abusive employers over competitors that adhere to wage and labor standards.

Unauthorized immigrants also are less likely to report crimes to police, or to seek preventive medical care so that today's health problems don't become tomorrow's costly emergency call. Creating a path to citizenship for these individuals, provided they have no history of serious criminal activity, is an essential part of the solu-

Unauthorized Immigrants: Where They Come From

In 2006, the Pew Hispanic Center estimated that the population of unauthorized immigrants in the United States at 11.5 to 12 million. Their countries of origin were as follows:

Country/region	% of all unauthorized immigrants
Mexico	57
Central America/South America	24
Asia	9
Europe and Canada	6
Other	4

Source: "The Size and Characteristics of the Unauthorized Migrant Population in the United States," Research Report, March 7, 2006, Pew Hispanic Center. <http://pewhispanic.org/files/execsum/61.pdf>

tion to America's immigration problem. At the same time, the United States needs to slow the flow of new unauthorized immigrants into the country by increasing enforcement personnel at U.S. borders and imposing significant fines and penalties for employers who hire unauthorized workers.

Another item on the next President's immigration to-do list: supporting Mexico and other developing countries as they work to create home-grown economic opportunities. The pressure to emigrate to the United States from these countries will remain strong as long as they suffer from high levels of poverty and a lack of jobs. Increased U.S. foreign aid and other policies that support development and economic growth in these countries are part of the solution.

What's in It for Us:

Comprehensive immigration reform will restore sanity and order to America's immigration system, while delivering real benefits to all Americans.

Our jobs. Orderly immigration creates economic opportunity for all Americans. Every year, the U.S. workforce absorbs 1.5 million immigrants whose spending on housing and consumer goods helps stimulate the economy and increases the demand for still more labor. Furthermore, if unau-

thorized immigrants emerge from the shadows of the underground economy, experts predict that wages and working conditions will improve for *all* entry-level workers.

At a time when America is facing a wave of Baby Boomer retirements and not enough native-born Americans to fill their jobs, immigrants are a necessary labor pool to keep the U.S. economy humming. Immigrants to the United States have a strong record of economic innovation and capital creation. According to the National Venture Capital Association, one in four U.S. public companies that received venture capital in the last 15 years was started by an immigrant entrepreneur.

Our tax dollars. While individual communities, especially border communities, are indeed bearing an unfair burden for America's failed immigration policies, the overall effect on government budgets is small. Among the reasons: even unauthorized immigrants often pay property and other taxes to the government. Many immigrant workers also pay into social insurance programs even though they are ineligible to receive benefits. Less than 3 percent of immigrants receive food stamps, for example.

Creating a path to citizenship for unauthorized immigrants will ensure that more Social Security and income taxes will be paid to the federal and state governments by newly legalized workers, boosting the economy and helping to fund the Social Security and Medicare systems. Over the long term, restoring order and sanity to the immigration system will allow government at all levels to focus resources on key priorities, such as pursuing criminal aliens, rather than playing a cat-and-mouse game with gainfully employed individuals who are not a threat to society.

Where We Are Now:

Despite President Bush's stated support for comprehensive immigration reform, Congress failed to reach agreement on a bipartisan 2007 measure linking stepped-

up enforcement with a path to citizenship for unauthorized immigrants. After the reform bill failed, the Administration and many states adopted an “enforcement-first” approach to immigration, cracking down harder on employers of unauthorized workers, while moving ahead with plans for a 700-mile fence along the U.S.-Mexico border. This get-tough approach has produced its own complications. For example, immigration raids on employers have created a public backlash as workers with no history of criminal activity are separated from their families and children for detention and deportation. And, the border-fence project has stalled in many places because of concerns about cost, property rights and environmental impact.

Meanwhile, as many as 500,000 unauthorized immigrants continue to cross the U.S.-Mexico border each year. And, the 12 million already in the United States continue to live in a parallel universe, trying to make a living for themselves and their families without drawing the notice of local, state or federal authorities.

Agenda for the New President:

It’s time to bring order and sanity to the U.S. immigration system. America needs immigration reform designed to:

- Provide an efficient, expeditious system (with minimal or no backlogs) for legal entry of immigrants into the United States.
- Create a path to legal status, including citizenship, for unauthorized immigrants currently living in the country, provided they pay taxes, learn English, study civics and meet other relevant criteria.
- Strengthen enforcement of immigration laws through improved technology to facilitate employer verification of employee status; significant fines and penalties for employers who hire unauthorized workers; increased personnel at borders; and more effective tracking of individuals who enter the United States.
- Support initiatives aimed at improving economies, education, job opportunities and living conditions in nations with large emigrating populations.

Why It’s Important:

Americans have always understood that living in a free, capitalist and entrepreneurial society means accepting disparities in wealth and income. In recent years, however, government decisions have made those disparities more pronounced, harder to bridge—and, as a result, harder to accept.

Poverty is on the rise. In 2006, according to the U.S. Census Bureau, 36.5 million Americans were living in poverty—defined as roughly \$20,500 income for a family of four. This marked an increase from 31.5 million in poverty in 2000. The official poverty rate for 2006—12.3 percent of the population—masked glaring differences among various segments of the population. The poverty rates for African Americans and Hispanics, for example, were 24.3 percent and 20.6 percent, respectively. Among children under 18 years of age, the rate was 17.4 percent—meaning 12.8 million American children were living in poverty in 2006, up from 11.6 million in 2000.

Inequality is on the rise. According to the Center on Budget and Policy Priorities, the gap between the richest and poorest families, and between rich and middle-income families, grew significantly in most states over the last two decades. In fact, the income gap accelerated since the late 1990s as incomes fell for poor families and stagnated for middle-income families in a number of states. In 2006, the top 20 percent of households earned more than half (50.5 percent) of the nation’s total household income, and their share continues to grow. Meanwhile, the share of income earned by those at all other income levels has been in a steady decline over the last two decades.

Government policies have widened the gap. An array of government decisions in areas from tax policy to levels of funding for education and social services have contributed to growing inequality in America. Among the government actions that have done the most to widen the gap: reductions in taxes for the wealthiest Americans (see below and Sounding Off, inside back cover).



What We Must Do:

The United States is hailed as a land of opportunity, a place where anyone can succeed, provided they work hard and play by the rules. For too many Americans, however, this vision has become an unattainable dream—not because of anything they did or didn’t do, but because the system is stacked against them.

The combination of an unfair tax system and insufficient (and inequitable) public investment in education, job creation, and crucial supports for middle- and

lower-income Americans has created a nation where the rich get richer while millions struggle just to get by. We have to restore equality and fairness to America’s tax system, while ensuring that the federal government continues to play a leading role in providing health insurance, income support and vital services to the elderly, children and others in need.

“We can have democracy in this country, or we can have great wealth concentrated in the hands of a few. But we can’t have both,” said U.S. Supreme Court Justice Louis D. Brandeis.



What's in It for Us:

Inequality threatens the well-being of all Americans, no matter what we earn or where we live.

A fraying social fabric. That millions of Americans are living in poverty or on the edge can lead to family breakdowns and higher rates of crime and violence. People feel more isolated, more disconnected and more frustrated and are more reluctant to join with others to solve common problems. Other concerns take a backseat to the work of surviving and getting by.

Researchers such as Robert Putnam at Harvard University have linked a steady decline in civic engagement in the United States to rising levels of inequality. As Putnam notes in the *Pittsburgh Post-Gazette*:

Folks in small towns who have managed to climb the ladder of success through education and well-paid employment are just as happy and socially engaged as their advantaged peers elsewhere. But the large numbers of small-town people who have not managed to get on that ladder are as unhappy, fearful about the future and unlikely to think government will listen to them as their peers in cities and suburbs.

A weakening economy. Growing disparities in wealth and income hurt the nation's economy by lowering efficiency and productivity, reducing demand for goods and services, and increasing costs for health care and social services. A recent analysis found that the costs to the United States associated with child poverty alone total about \$500 billion per year. More specifically, the authors found that childhood poverty reduces productivity and economic output by about 1.3 percent of the U.S. gross domestic product (GDP) each year, while raising the costs of crime by 1.3 percent of GDP.²

Where We Are Now:

In the year 2000, dividend income was taxed as ordinary income—this meant the wealthiest Americans were paying a top marginal rate of 39.6 percent on dividends. The top tax rate on capital gains from the sale of stocks and other assets was 20 percent. In 2003, the President and Congress lowered the top rate for capital gains and corporate stock dividends to 15 percent.

An analysis of 2005 IRS statistics by Citizens for Tax Justice found that nearly three-fourths of the tax reductions went to Americans earning more than \$500,000—just 0.6 percent of the population. Meanwhile, the 67 million tax filers reporting adjusted gross incomes of less than \$30,000—half of all filers—got virtually none of the capital gains and dividend tax breaks. The total cost of the tax breaks to the federal government: \$91.7 billion in 2005, about the costs of the wars in Iraq and Afghanistan that year.

In addition to slashing dividend and capital gains taxes, Congress and the President offered another new tax break to the wealthiest Americans in 2001 when they agreed to gradually phase out the federal tax on inherited estates. However, because of concerns about lost revenue, the estate tax is slated to come back to life in 2011 after vanishing entirely in 2010. According to the Center on Budget and Policy Priorities, permanent repeal of the tax would cost the U.S. Treasury more than \$1 trillion between 2012 and 2021.³

Proponents of repealing the estate tax regularly argue that it has dire consequences for small, family-owned farms and businesses. But the reality is that very few family-owned farm estates and businesses would owe any estate tax under current federal rules, which exempt estates valued at under \$2 million. In fact, more than 99 percent of estates pay no estate tax. No less a capitalist than Warren Buffett has called on Congress to keep the estate tax in place, arguing that a “meaningful estate tax is needed to prevent our democracy from becoming a dynastic plutocracy.”

Buffett added that in the last 20 years, U.S. tax laws have allowed the “super-rich” to get richer. “Tax-law changes have benefited this group, including me, in a huge way,” he said. “During that time the average American went exactly nowhere on the economic scale: He’s been on a treadmill while the super rich have been on a spaceship.”⁴

Agenda for the New President:

The disparities between the haves and have-nots in America have reached unacceptable levels. The President and Congress must take action to level the playing field by:

- Repealing the Bush tax cuts that provide benefits exclusively to the wealthiest Americans, including cuts in the tax rates on capital gains and dividends.
- Preserving the estate tax for the largest inherited estates.
- Restoring fairness to the U.S. tax system by expanding tax benefits for working families, including the Earned Income Tax Credit.
- Ensuring adequate and flexible funding for federal government programs, and a strong federal role in providing mandatory, universal, old-age, survivors, disability and health insurance. ■

Endnotes

1. Pew Center on Global Climate Change, “Climate Change 101: Understanding and Responding to Climate Change.” www.pewclimate.org.
2. Harry Holzer et al., *The Economic Costs of Poverty: Subsequent Effects of Children Growing Up Poor*, Center for American Progress, 2007.
3. *The Estate Tax: Myths and Realities*, Center on Budget and Policy Priorities, October 2007. <http://www.cbpp.org/estatetaxmyths.pdf>
4. “Buffett Says No Estate Tax Would Be a Gift to the Rich,” *New York Times*, November 17, 2007. <http://www.nytimes.com/2007/11/15/business/15buffett.html>

William H. Woodwell, Jr., is a writer and editorial consultant in the D.C. metropolitan area who has written extensively on public policy issues and elections.