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Remarks by the President on the Budget

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THE PRESIDENT: Thank you very much. (Applause.) Thank you, Virginia! Thank you, NOVA! (Applause.) Thank you very much. Everybody who has a chair please have a seat. I know not everybody has a chair.

AUDIENCE MEMBER: Love you!

THE PRESIDENT: I love you back. (Laughter.) Great to be here.

First of all, I want to thank Mike for the wonderful introduction. Please give Mike a big round of applause. (Applause.)

It is great to be back here at NOVA. I've been here so many times I'm about three credits short of graduation. (Laughter.) But there are a couple of reasons that I keep on coming back. First of all, I think that Dr. Templin and the whole administration here is doing a great job, so I want to give them a big round of applause. (Applause.) The other reason is because Jill Biden keeps talking up how great you are. And just as I do what Michelle tells me to do, I also do what Jill Biden tells me to do. (Laughter.)

In addition, by the way, I just want to acknowledge that we also have our Secretary of Labor here, Hilda Solis, who's doing an outstanding job. (Applause.)

But the main reason I keep on coming back is I think this institution is an example of what's best about America. Some of you may have your eye on a four-year college. Some of you may be trying to learn new skills that could lead to a new job, like Mike, or a job that pays more, gives you more opportunity. But all of you are here because you believe in yourselves, you believe in your ability, you believe in the future of this country. And that's something that inspires me and you guys should take great pride in.

Now, the truth is, the skills and training you get here will be the best tools you have to achieve the American promise -- the promise that if you work hard, you can do well enough to raise a family, own a home, send your kids to college, and put a little away for retirement.

And the defining issue of our time is how to keep this promise alive today -- for everybody. Because we've got a choice: We can settle for a country where a few people do really, really well, and everybody else struggles to get by. Or we can restore an economy where everybody gets a fair

shot, everybody does their fair share, everybody plays by the same set of rules -- from Washington to Wall Street to Main Street. That's the America we believe in. (Applause.)

Now, we're still recovering from one of the worst economic crises in three generations. We've got a long way to go before everybody who wants a good job can find one; before middle-class Americans regain that sense of security that's been slipping away for too long -- long before the recession hit.

But over the last 23 months, we've added 3.7 million new jobs. (Applause.) American manufacturers are creating jobs for the first time since the 1990s. The economy is growing stronger. The recovery is speeding up. And the last thing we can afford to do right now is to go back to the very policies that got us into this mess in the first place. We can't afford it. (Applause.) The last thing we need is for Washington to stand in the way of America's comeback. (Applause.)

Now, what does that mean concretely? For starters, Congress needs to stop taxes from going up on 160 million Americans by the end of this month. And if they don't act, that's exactly what will happen. (Applause.) Congress needs to pass an extension of the payroll tax cut and unemployment insurance without drama, and without delay, and without linking it to some other ideological side issues.

We've been through this before, remember? We've seen this movie. We don't need to see it again. The time for self-inflicted wounds to our economy has to be over. Now is the time for action. Now is the time for all of us to move forward.

But preventing a tax hike on the middle class -- that's only the beginning, that's just starters. In the State of the Union, I outlined a blueprint for an economy that is built to last -- an economy built on new manufacturing, and new sources of energy, and new skills and education for the American people.

Today, we're releasing the details of that blueprint in the form of next year's budget. And don't worry, I will not read it to you. (Laughter.) It's long and a lot of numbers. But the main idea in the budget is this: At a time when our economy is growing and creating jobs at a faster clip, we've got to do everything in our power to keep this recovery on track.

Part of our job is to bring down our deficit. And if Congress adopts this budget, then along with the cuts that we've already made, we'll be able to reduce our deficit by \$4 trillion by the year 2022 -- \$4 trillion. I'm proposing some difficult cuts that, frankly, I wouldn't normally make if they weren't absolutely necessary. But they are. And the truth is we're going to have to make some tough choices in order to put this country back on a more sustainable fiscal path.

By reducing our deficit in the long term, what that allows us to do is to invest in the things that will help grow our economy right now. We can't cut back on those things that are important for us to grow. We can't just cut our way into growth. We can cut back on the things that we don't need, but we also have to make sure that everyone is paying their fair share for the things that we do need.

We need to restore American manufacturing by ending tax breaks for companies that ship jobs overseas, giving them to companies that are creating jobs right here in the United States of America. (Applause.) That's something that everybody should agree on.

We need to reduce our dependence on foreign oil by ending the subsidies for oil companies, and doubling down on clean energy that generates jobs and strengthens our security. (Applause.)

And to make sure our businesses don't have to move overseas to find skilled workers, we've got to invest in places like NOVA, and make sure higher education is affordable for every hardworking American. (Applause.)

That's what I want to focus on today -- what we need to do in terms of higher education, and community colleges in particular. Employers today are looking for the most skilled, educated workers. I don't want them to find them in India or China. I want businesses to find those workers right here, in the United States. The skills and training that employers are looking for begins with the men and women who educate our children.

All of us can point to a teacher who's made a difference in our lives -- and I know I can. So I want this Congress to give our schools the resources to keep good teachers on the job, and reward the best teachers. And in return, they also need to give schools the flexibility to stop just teaching to the test, and replace teachers who aren't helping kids learn. That's something that we can do. (Applause.)

So making sure we've got the most skilled workers starts early. It starts with K-12 -- it starts before K-12, making sure every child is prepared. And when an American of any age wants to pursue any kind of higher education -- whether it's that high school grad who's just trying to get that first couple years of college education, or somebody like Mike who's in the process of retraining -- whether it's two years or four years or more, we've got to make sure that education is affordable and available to everybody who wants to go.

Now, this Congress needs to stop the interest rates on student loans from doubling this July. That's pretty important. (Applause.) That's in our budget. We're saying to Congress, now is not the time to make school more expensive for young people. And they can act right now to make that change.

They also need to take the tuition tax credit that my administration put in the budget over these last few years -- a tax credit that saves families thousands of dollars on tuition -- and we need to make that permanent. It shouldn't be temporary, it should be permanent. (Applause.)

So between the increases we've provided in Pell grants, these tax credits, keeping interest rates low -- all that is going to help. And millions of students across the country have benefitted from that. But students and taxpayers can't just keep on subsidizing skyrocketing tuition -- we're going to run out of money. So that's why I've asked states and colleges to do their part to keep costs down.

We're putting colleges and universities on notice: You can't just keep on raising tuition and expect us to keep on coming up with more and more money. Because tuition inflation has actually gone up even faster than health care. That's hard to do. (Laughter.)

So what we're saying to states, colleges and universities -- if you can't stop tuition from going up, then funding you get from taxpayers will go down. Because higher education cannot be a luxury; it is an economic imperative that every family in America should be able to afford. That's part of the American promise in the 21st century. (Applause.)

So that's what we need to do to get more Americans ready for the jobs of the future. But what about the jobs that are open today? I talked about this at the State of the Union. There are millions of jobs

open right now, and there are millions of people who are unemployed. And the question is how do we match up those workers to those jobs? What about the companies that are looking to hire right now?

I hear from business leaders all the time who want to hire in the United States, but at the moment, they cannot always find workers with the right skills. Growing industries in science and technology have twice as many openings as we have workers who can do those jobs. Think about that. At a time when millions of Americans are looking for work, we shouldn't have any job openings out there. They should all be getting filled up.

Here in America, we've got the best workers and some of the fastest-growing companies in the world. There's no reason we can't connect the two. And places like NOVA are proving that we know how to do it. This institution proves we know how to do it. (Applause.)

So let's say you are a single parent, or a returning veteran, or somebody who just wants a shot at a better-paying job. You're a hard worker, you're a fast learner, you're motivated. You know there are companies looking to hire. You just need to figure out how to acquire some of the specific skills, the specialized skills that the companies need, and you need to figure that out as quickly as possible -- hopefully without taking on tons of debt.

Everybody in America should be able to get those skills at a community college like NOVA. And companies looking to hire should be able to count on these schools to provide them with a steady stream of workers qualified to fill those specific jobs.

That's why Mike was sharing his story. As Mike mentioned, he worked in the mortgage and real estate industry for 10 years, but when business declined after 9/11, he decided to start over. So he began selling building materials. Then the bottom fell out of the housing market, so Mike had to start all over again. He's got a knack for computers. So he figured he'd try a career in cybersecurity, where there is a lot of hiring -- that is going to be a growth industry.

Luckily for Mike, NOVA is home to a program called CyberWatch. So he signed up -- even though he's driving a limo on the side, he's still got to pay the bills. So he's working while going to school. But in December, Mike earned two certificates -- and, by the way, finished with a 4.0. So we're proud of that. (Applause.) Now he's working towards his Associate's degree. And when he graduates, Mike will have access to a network of over 40 companies and government agencies to help him find a job.

So we need more stories like Mike's. That's why my administration is helping community colleges redesign training programs, so students can learn the skills that are most in demand in industries like health care sciences and advanced manufacturing. And that's why we're making a national commitment to train 2 million Americans with skills they need to get a job right now, or start their own business right now. (Applause.)

We've lined up more companies that want to help. We've already got model partnerships between major businesses like Siemens and community colleges in places like Charlotte and Orlando and Louisville -- they're already up and running. We know how they work. And that's why I've asked Dr. Biden Secretary Solis to take a bus tour through several states, including Ohio and Kentucky and North Carolina, to highlight businesses and community colleges that are working together to train workers for careers that are in demand right now. We've got to make these examples a model for the entire nation.

And we also need to give more community colleges the resources they need to become community career centers -- places where folks can learn the skills that local business are looking for right now, from data management to high-tech manufacturing. This should be an engine of job growth all across the country, these community colleges, and that's why we've got to support them. That's why it's such a big priority. (Applause.)

So an economy built to last demands that we keep doing everything we can to help students learn the skills that businesses are looking for. It means we have to keep strengthening American manufacturing. It means we've got to keep investing in American energy. We've got to double down on the clean energy that's creating jobs. But it also means we've got to renew the American values of fair play and shared responsibility.

The budget that we're releasing today is a reflection of shared responsibility. It says that if we're serious about investing in our future and investing in community colleges, and investing in new energy technology, and investing in basic research, well, we've got to pay for it. And that means we've got to make some choices.

Right now, we're scheduled to spend nearly \$1 trillion more on what was intended to be a temporary tax cut for the wealthiest 2 percent of Americans. We've already spent about that much. Now we're scheduled to spend another trillion. Keep in mind, a quarter of all millionaires pay lower tax rates than millions of middle-class households. You've heard me say it -- Warren Buffett pays a lower tax rate than his secretary. That's not fair. It doesn't make sense at a time when we've got to pull together to get the country moving.

I don't need a tax break. We don't need to be providing additional tax cuts for folks who are doing really, really, really well. Do we want to keep these tax cuts for the wealthiest Americans? Or do we want to keep investing in everything else -- education, clean energy, a strong military, care for our veterans? We can't do both -- we can't afford it.

Some people go around, they say, well, the President is engaging in class warfare. That's not class warfare. That's common sense. That's common sense. (Applause.) Asking a billionaire to pay at least as much as his secretary when it comes to his tax rate -- that's just common sense. Because Warren Buffet is doing fine, I'm doing fine. We don't need the tax breaks. You need them. (Applause.) You're the ones who see your wages stall. You're the one whose costs of everything from college to groceries has gone up. You're the ones who deserve a break.

And we don't begrudge success in America; we aspire to it. Everybody here -- I want everybody here to go out there and do great. I want you to make loads of money if you can. That's wonderful. And we expect people to earn it -- study hard, work hard for it. So we don't envy the wealthy. But we do expect everybody to do their fair share, so that everybody has opportunity, not just some.

And given where our deficit is, it's just a matter of math that folks like me are going to have to do a little bit more. Because Americans understand if I get a tax break I don't need and the country can't afford, then one of two things is going to happen: Either that means we have to add to our deficit, or it means you've got to pay for it. It means a senior has got to pay for it, in terms of suddenly their Medicare benefits are costing more. It means a student suddenly sees their interest rates go up higher at a time when they can't afford it. It means a family that's struggling to get by is having to do more because I'm doing less.

That's not right. It's not who we are. Each of us is here only because somebody, somewhere, felt a responsibility to each other and to our country's future. That's why they made investments in places like NOVA.

Here in America, the story has never been about what we can do just by ourselves; it's about what we can do together. It's about believing in our future, and the future of our country. You believe in that future. That's why you're working hard. That's why you're putting in the long hours. That's why Mike is doing what he's doing. Some of you are balancing a job at the same time as you're going to school. You're scrimping and scratching to make sure that you can pay tuition here. You know that doing big things isn't easy, but you haven't given up.

That's the spirit we've got to have right now. We don't give up in this country. We look out for each other. We pull together. We work hard. We reach for new opportunities. We pull each other up. That's who we are. (Applause.) And if we work together in common purpose, we will build an economy that lasts, and remind people around the world why America is the greatest country on Earth.

Thank you very much, everybody. God bless you. God bless the United States of America. (Applause.)