KNOW YOUR DEBATE STATE  NEW YORK

Here is a by-the-numbers examination of what a third term of the Bush-McCain-Palin agenda would mean for the people of New York.

HEALTH CARE

- There are **2.5 million people without health insurance** in New York. This is 13 percent of the population, down from 16 percent (3 million people) in 2000.¹
- **10 million** people in New York, including approximately **3.7 million women**, have employer-based health insurance and are at risk of losing it under Sen. John McCain’s plan.²
- **3.5 million** people in New York, including around **1.8 million women**, with pre-existing conditions, currently covered by their employer, would find it particularly expensive or even impossible to get coverage under John McCain’s plan.³
- A New York couple making $60,000 a year will see their taxes **increase $1,800 by 2013** under McCain’s health plan assuming the exemption for both payroll and income taxes is removed.⁴

ECONOMY

- The average New York household has seen their real wages increase by **$1,300 since 2000**. From 1992 to 1999 real median family income rose $8,100 across the Northeast. (New York-only data unavailable.)⁵
- There are **297,000 more people living in poverty** in New York than there were in 2000, up from 13 percent of the population in 2000 to almost 15 percent of the population in 2007.⁶
- In New York, **one house in every 1444** has gone into foreclosure in August of 2008.⁷
- New York taxpayers will spend **$3.4 billion** on subsidies for big oil and gas companies under McCain over the next five years.⁸
- New York has **gained 300,000 jobs** from August 2001 to August 2008. From August 1992 to August 2000, New York gained **760,000 jobs**.⁹
- New York’s unemployment rate is **5.8 percent**, up from 5 percent in August, 2001.¹⁰

THE IRAQ WAR

- New York taxpayers are paying approximately **$870 million a month** for the war in Iraq.¹¹
- Since 2003, New York taxpayers have paid **$58 billion** for the Iraq war.¹²

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Endnotes

1 U.S. Census Bureau
3 Ibid.
5 U.S. Census Bureau
6 Center for American Progress Action Fund analysis of U.S. Census Bureau data
7 RealtyTrac
9 Bureau of Labor Statistics
10 Bureau of Labor Statistics
11 Based on a Center for American Progress Action Fund analysis of a Center for Arms Control and Non-Proliferation study of Congressional Research Service data.
12 Ibid.
Sen. McCain vs. REALITY Seventeen Things McCain Gets Wrong

THE ECONOMY

1 Sen. John McCain (R-AZ) claims that his tax plan does not cut taxes for the wealthy. McCain senior economic adviser Douglas Holtz-Eakin insists that tax cuts for the wealthy are “not anywhere” in the McCain tax plan. [CNN Late Edition, 6/22/08]

REality McCain significantly cuts taxes for the wealthy. McCain’s plan involves a doubling of the Bush tax cuts. The Tax Policy Center writes that “Senator McCain’s tax cuts would primarily benefit those with very high incomes, almost all of whom would receive large tax cuts.” Under McCain’s plan, the top 0.1 percent of households will receive a nearly $1 million tax cut. [Tax Policy Center, 7/23/08]

Meanwhile, the plan does not cut taxes for 100 million middle class households. And if McCain’s health care plan raises taxes enough to avoid blowing a hole in the deficit, it would raise taxes by $1,119 on a family making $60,000 within five years. [Center for American Progress Action Fund, 7/2/08]

2 McCain wants to cut corporate taxes because he claims that the United States has the second-highest business tax in the world. “We now have the second-highest corporate tax rate in the world, making America a less attractive place for companies to do business,” says his economic plan – Jobs for America. McCain continually cites Ireland’s 12 percent rate as competitive. [JohnMcCain.com accessed 9/17/08; Center for American Progress Action Fund, 9/29/08]

REality While the nominal rate for the U.S. corporate tax is the second-highest in the industrialized world, the United States actually ranks “below average” due to tax loopholes and keeping profits offshore. An analysis by the Center for American Progress Action Fund shows that U.S. tax revenue as a share of the economy is below the average share among member industrialized nations in the Organization for Economic Cooperation and Development. While the U.S. revenue is about 2.2 percent of GDP, Ireland’s revenue is 4 percent. [Center for American Progress Action Fund, 8/12/08; OECD Statistics] Furthermore, corporate revenue is down from just a
year ago, when it was 2.7 percent of GDP. Congressional Budget Office Director Peter Orszag said recently that falling corporate tax revenue is “a big part of why” the federal deficit exploded this year to a near-record $407 billion. [Center for American Progress Action Fund, 9/10/08; OECD Statistics]

3 McCain continually says that he will balance the budget by the end of this first term. Senior policy adviser Nancy Pfotenhauer said that the budget would be balanced and that no “real cuts would even be required.” [Wall Street Journal 9/2/08; Fox News, 9/17/08]

REALITY McCain spends so much on tax cuts for the wealthy and corporations that they could eliminate ten cabinet agencies and still not balance the budget. Their proposed budget actually creates the largest deficit in 25 years, through $300 billion in tax breaks for corporations and the wealthiest Americans. McCain backs up his budget claim by saying that he will cut $160 billion of discretionary spending from the federal budget, but to do so would require a 30 percent cut in every federally funded program. [Center for American Progress Action Fund, 7/7/08, 5/15/08; ABC 4/20/08]

4 McCain believes that private accounts are vital part of Social Security reform. McCain has said that he is “totally in favor of personal savings accounts...along the lines that President Bush proposed” and has said that “without privatization, I don’t see how you can possibly, over time, make sure that young Americans are able to receive Social Security benefits.” [Wall Street Journal, 3/3/08; C-SPAN, 11/18/04]

REALITY Private accounts are risky, expensive, and undermine rather than shore up the long-term solvency of Social Security. According to a 2005 analysis by Robert Shiller of Yale University, a lifetime private account, as envisioned by Bush and McCain, loses money about one third of the time because of market volatility. While draining money from Social Security, creating a need for benefit cuts, these accounts would add an additional $17.7 trillion to the national debt by 2050 and give a boon to Wall Street firms who would manage the accounts. [CBPP, 5/27/05; CBPP, 3/31/08; Washington Post, 1/7/97]

5 McCain blamed the financial crisis on earmarks, saying “one of the major reasons why we’re having difficulties is we let spending get completely out of control — earmark and pork-barrel projects.” McCain
consistently decries earmarks, and has said that he “can eliminate $100 billion of wasteful and earmark spending immediately.” [CBS, 9/24/08; NPR, 4/23/08]

**REALITY** The Washington Post called McCain out for his “fantasy war on earmarks.” All the federal earmarks in the budget amount to $18 billion – less than 1 percent of the total. And earmark spending had nothing to do with financial crisis. In fact, McCain voted for the economic bailout bill, which included earmark spending, despite saying that a bailout with “any kind of earmarks” would be “unacceptable” and “simply cannot happen.” [Washington Post, 5/23/08; USA Today, 9/10/08; CNN, 9/23/08]

**HEALTH CARE**

McCain promises to build on the current health care system by eliminating “the current tax exclusion of the value of health insurance from employees’ taxable compensation.” [New England Journal of Medicine, 9/24/08]

**REALITY** McCain’s plan places 158 million Americans who receive their health care through their jobs in danger of losing coverage. By equalizing the tax treatment of employer and individual plans and enticing healthy workers to buy cheaper but less substantive insurance in the individual insurance plan market place, McCain’s tax reform would increase costs for sicker workers and may force some workers to opt out entirely. Among those who would lose their health care are 56 million Americans with pre-existing chronic health conditions. The entire employer health insurance system...
could unravel, ending this as an option for Americans who prefer it. [Kaiser Foundation, 9/26/08; Center for American Progress Action Fund, 4/29/08] In fact, a recent survey of benefits officers at large U.S. companies found that 74 percent of them believe that a repeal of the employee tax exclusion for employer-sponsored health coverage “would have a strong negative impact on their workforce.” [Business Week, 9/18/08]

8 McCain says he would provide a “refundable credit amounting to $5,000 for all families and $2,500 for individuals purchasing health insurance—regardless of the source of that coverage, regardless of how one purchases it, and regardless of one’s income.” [American Academy of Actuaries, 10/08]

REALITY Problem is, McCain’s tax credits will not cover average cost of insurance premiums. According to the Kaiser Family Foundation, “the total cost for family coverage now averages $12,680 a year, up 5 percent from 2007,” and $4,704 for single coverage. Annual premiums for nongroup coverage vary widely, currently ranging from $1,163 to $5,090 for singles, and $2,325 to $9,201 for family coverage. [Kaiser Foundation, 9/25/08; Kaiser Foundation, 2/04/08]

Not only will McCain’s credits not pay for a comprehensive plan, but they also will diminish in proportion to growing health care premiums. This is because McCain indexes the growth of his initial $5,000 offering to inflation, not premiums. And, since premiums grow at a higher rate than inflation, McCain’s proposal imposes $3.6 trillion tax increase on the consumer. [Center for American Progress Action Fund, 4/30/08]

For a couple earning $40,000 and paying $13,800 for insurance, “McCain’s new tax credit would cut their taxes by $50 in 2009, but because the credit quickly falls behind rising premiums that are the basis of the current tax break, the family would pay $1,169 more in taxes in 2013…[and] would pay $2,809 more in taxes by 2018.” [Center for American Progress Action Fund, 7/08]

9 McCain “believes that Americans should be able to purchase health insurance in a national market, across state lines, should they so desire.” [BlogHer, 8/01/08]

REALITY McCain’s plan permits insurance companies to deny coverage to Americans with pre-existing conditions and dismantles important consumer protections. Under McCain’s plan, insurance companies “would
have little incentive to continue doing business” under certain state rules that “require that companies issue coverage to all new customers and not set higher rates for people who are already sick.” [Slate, 5/19/08]

Ultimately, “insurance companies could sell plans across the country that deny coverage altogether to high-cost cases. Healthy "individuals, regardless of their state of residence, could move to cheaper (albeit less comprehensive) plans based in states with fewer protections. Plans based in states with more rigorous insurance regulations would be left with sicker, more expensive patients—and higher rates.” [Center for American Progress Action Fund, 9/10/08]

Insurance providers could also have an incentive to develop “bare-bones” insurance policies costing little more than the $5,000 tax credit for families, however, for most uninsured families, the benefits of such policies in terms of protection from financial risk and access to medical care would likely be very small.” [Health Affairs, 9/16/08]

McCain says that “no American should be denied access to affordable coverage simply because of a preexisting condition such as cancer” and promises to “work with states to create guaranteed-access plans that will ensure high-quality coverage, with reasonable premium limits, for these Americans and additional help for low-income individuals.” [New England Journal of Medicine, 9/24/08]

REALITY McCain’s plan to shore up state-run high-risk pools is an extremely expensive, inefficient and ineffective way of providing health care. Financing insurance for the millions of Americans with pre-existing conditions who would lose employer-based coverage under McCain’s plan, would cost $100 billion a year—far more than the $10 billion McCain has proposed spending on shoring-up high risk programs. [Tax Policy Center, 7/23/08]

Moreover, the high cost of insuring a large pool of sick people has forced states to limit eligibility. As a result, the 33 states that run high risk pools “exclude from coverage the pre-existing condition that made you eligible for it in the first place,” and maintain many of the same draconian limitations as the unregulated private insurance plan market, such as waiting periods, premiums that are out of reach for many families, substantial deductibles and co-pays, and limits on mental health and maternity care. [Kaiser Foundation, 9/26/08]
McCain’s proposal “could only cover three million people and leave millions without affordable insurance.” [Health Affairs, 9/16/08]

McCain says that “every American should have access to quality and affordable coverage of their choice” and argues that “the key to real reform is to strengthen the doctor-patient relationship.” [New England Journal of Medicine, 9/24/08]

REALITY McCain’s plan would cover only 5 million uninsured Americans and give insurance companies unprecedented control over an individual’s health care choices. In fact, under McCain’s proposal, there would still be 55 million without insurance, 8 million more than today, with fewer covered every subsequent year. [Tax Policy Center, 7/23/08]

Moreover, by creating a deregulated national marketplace in which insurers no longer have to comply with rules that require they provide cancer screenings, maternity care, mammograms, and emergency services, or abide by rules that “limit the rates that can be charged to higher-cost consumers and that limit who can be excluded for a health plan,” McCain’s plan discourages preventive care and chronic disease management. [Health Affairs, 9/16/08]

While McCain supported the Patients Bill of Rights in 2001, he hasn’t mentioned the legislation on the campaign trail and is now proposing a health care plan that would allow insurance companies to undermine the doctor-patient bond. [Time, 6/20/01]

McCain promises to “work closely with non-profit, government, and private sector stakeholders to continue the fight against HIV/AIDS.” [AFP, 8/4/08]

REALITY McCain rarely supports initiatives to prevent new HIV infections, opposes federal funding for syringe exchange programs and has yet to call for a national AIDS strategy. In 2007, McCain admitted that he has “never gotten into these issues or thought much about” the effectiveness of condoms in stopping sexually transmitted disease.” McCain “voted for a Jesse Helms strategy to cut off funding for prevention efforts aimed at the gay community” and “voted against HIV/AIDS programs, funding and research at least seven times.” [Washington Post, 3/16/07; HRC PAC, 2008; Progressive Accountability, 7/7/08]

McCain also opposes lifting the ban on federal funding for syringe exchange programs, even though “eight federally funded research reports
concluded that needle and syringe programs, as part of a comprehensive HIV prevention strategy, are an effective public health intervention that reduces HIV transmission without increasing the use of illicit drugs.” [Black AIDS Institute, 12/07; Market Watch, 7/30/08]

ENERGY

13 McCain routinely claims that offshore drilling will reduce gas prices in the short term.

REALITY The Energy Information Administration, the U.S. government’s official source for energy statistics, says that offshore drilling will not have a significant impact on gas prices until 2030. McCain himself admitted in June that offshore drilling would not provide “immediate relief” but would have a beneficial “psychological impact.” [Energy Information Administration, 2007; Wonk Room, 6/24/2008]

14 According to McCain’s energy plan, as president he will “encourage the market for alternative, low-carbon fuels such as wind, hydro and solar power.” [JohnMcCain.com, accessed 9/17/08].

REALITY In 2004, McCain introduced legislation that would have eliminated the renewable energy production tax credit, and his continued opposition prevented renewal of the tax credit in 2007 and 2008. McCain has also vigorously opposed a federal renewable electricity standard. In response to a question about wind and solar power at a December 2007 town hall meeting McCain said, “the truly clean technologies don’t work.”

When asked by Grist Magazine in October 2007 for his position on subsidies for green technologies such as wind and solar, McCain responded: “I’m not one who believes that we need to subsidize things. The wind industry is doing fine, the solar industry is doing fine.” [Wonk Room, 5/16/08; Grist, 10/01/2007; Climate Progress, 8/20/2008]

15 According to a recent campaign advertisement, McCain will “battle big oil” when he gets to the White House. In his Republican Convention speech, McCain even criticized “both parties” for passing “another corporate welfare bill for oil companies.” [ThinkProgress, 8/5/2008; JohnMcCain.com, accessed 9/17/08]

REALITY McCain’s economic plan would deliver nearly $4 billion a year
in new tax breaks to America’s five largest oil companies. And McCain has rejected efforts to repeal the tax breaks in the 2005 energy bill. In 2007, McCain failed to vote on a motion to invoke cloture on the Energy Independence and Security Act, which would have ended $13 billion in Big Oil tax breaks. A spokesperson said he would not have supported breaking the filibuster. [Center for American Progress Action Fund, 3/27/08; Wonk Room, 4/23/08]

In December 2007, McCain again could have broken a filibuster and helped the Senate pass the same package of clean car tax credits.

But McCain missed the vote, and the effort to break the filibuster and pass the package failed by one vote, 59 to 40. After the vote, a McCain spokesperson said that McCain “would not have supported breaking the filibuster.” [Wonk Room, 6/23/2008]

16 McCain says he plans to “broaden the market for energy-efficient cars.” [JohnMcCain.com, accessed 9/17/08].

REALITY In the past 6 months, John McCain has helped the Republican leadership block clean car tax credits not once, but twice. Both times, McCain had the key swing vote. On February 6, 2008, there was an effort to add a package of clean energy tax breaks, including a $3,000 tax credit to encourage the purchase of electric, Plug-in Hybrid Vehicles, which can get 100 or more miles to the gallon, to the economic stimulus bill. A cloture vote failed, 59 to 40, with McCain the only absence. McCain’s staff said that he would have “sided with the Republican leaders” in opposing the package.

17 McCain’s chief economic adviser claimed in a recent Financial Times column that the emissions reduction targets in McCain’s climate change plan are “consistent with the international scientific consensus.” [Financial Times, 9/15/08]

REALITY McCain’s targets are totally inconsistent with the international scientific consensus. McCain would reduce emissions to 2005 levels by 2012 and to 66 percent below 2005 levels by 2050. In contrast, the Intergovernmental Panel on Climate Change calls for the United States and other industrialized nations to reduce emissions 25 percent to 40 percent below 1990 levels by 2020, and 80 percent to 95 percent below 1990 levels by 2050. [Wonk Room, 9/16/08]
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