

Rebound.

**Three Essentials
To Get the Economy
Back on Track**



Compete.

Council on
Competitiveness



In November 2008, the Council on Competitiveness released *Compete: New Challenges, New Answers*—a strategic action plan to ensure long-term economic growth in the United States.

The Council's members—key leaders from business, labor and academia—also recognize that the American economy needs a jumpstart right now.

We have to **REBOUND** in the short term to stay in the game in the long term.

The private sector must spark an investment-led recovery by infusing cash into the economy and igniting a chain of economic growth. This, coupled with federal spending on 21st century infrastructure, can get America back on track.

Our Recommendations ►

Unlock Private Sector Investment to Create Jobs, Stimulate Economic Growth and Speed America's Recovery.

The balance sheets of many companies remain healthy, but business leaders are reluctant to invest in this uncertain, volatile environment. The net result is that tens of billions of dollars in planned capital investment are sitting idle. Enabling companies to expense immediately the full cost of new capital equipment and facilities investments could unlock corporate balance sheets, stimulating jobs and growth. For many companies, the retirement of older equipment and subsequent investment in more efficient machinery, vehicles and equipment will generate tremendous gains in energy efficiency and cost savings as well. The result is an incentive that expands capital investment while driving a higher level of energy productivity.

The Council on Competitiveness recommends enacting new tax provisions that allow corporations to expense 100 percent of capital investments made at a minimum within a 12-month period.

Give Consumers and Small Businesses Incentives to Invest in Energy Efficient Technologies.

The economic stimulus package should also unlock household and small business capital to encourage purchases of energy efficient products. These investments will continue to pay dividends well into the future in the form of lower energy bills for Americans, a cleaner environment and improved energy security for the United States.

The Council on Competitiveness recommends enacting tax provisions that allow individuals and small businesses to deduct, in the 2009 tax year, the full value of products that are Energy Star certified or that have a recognized efficiency rating up to \$50,000 for individuals and \$250,000 for small businesses.

Create the CompeteBond to Build Next Generation Infrastructure, while Increasing the Savings and Economic Security of Americans.

America needs Next Generation Infrastructure to sustain its economic leadership in the global economy. The nation can fund those projects through a unique savings bond program called **CompeteBond**—tax-exempt, federally-guaranteed bonds available to any American who wants to contribute to our nation's economic revitalization while raising the personal saving rate and reducing our dependence of foreign borrowing. The resulting capital would be transparently reinvested into projects that, for example, expand broadband access, provide greener public transportation systems and contribute to the development of a national electric transmission superhighway. These investments will result in greater energy and homeland security and lower carbon emissions—and they will produce hundreds of thousands of high-paying American jobs.

The Council on Competitiveness recommends creating a **CompeteBond** to stimulate personal savings and invest in America's advanced infrastructure.

Council on Competitiveness

1500 K Street, NW, Suite 850, Washington, D.C. 20005 T 202 682 4292

Compete.org



Compete.

Council on
Competitiveness