

# Obama's budget tackles 9.7 percent unemployment rate

Eliot Sasaki  
Senior Reporter

President Obama unveiled a \$3.8 trillion spending plan for 2011 on Monday, heightening the effort to reduce unemployment and endorsing new job-creation efforts. If approved by Congress, the deficit would be raised to a record-breaking \$1.56 trillion.

The budget forecasts an additional \$266 billion to boost the economy and extend relief to states and unemployed workers, according to the Washington Post. These efforts allude to Obama's domestic agenda in education, renewable energy, health care and other areas. The aim of this agenda is long-term growth — a by product of job creation.

Students grappling with the reality of finding a job after graduation marks a common theme at Elon.

"It's still going to be awhile until unemployment comes down," professor of economics Steve DeLoach said. "Getting out of the recession is the first stage."

The national unemployment rate currently stands at 9.7 percent. In addition, about 7 percent of the population works part time.

Despite these startling figures, DeLoach said he expects jobs to

slowly start returning. By 2012, unemployment could dip into the 8 percent range.

"More (students) will graduate with debt, which you will have to pay off once you get a job," DeLoach said. "It will cut into people's lifestyle: once you graduate from college you might not buy a car right away."

Normally it would be feasible for well-off students to purchase a car, but, at least for now it may not be, it's not.

"Under Obama's proposal, Bush-era tax cuts would be allowed to expire for individuals making more than \$200,000 per year and for married couples who earn more than \$250,000," according to the U.S. News & World Report. The president also proposed increasing the capital gains tax rate from 15 percent to 20 percent for Americans falling in those wealth brackets.

But the belt-tightening that the rich might feel doesn't necessarily translate to other socio-economic classes.

"Bringing down the deficit is generally good for middle- and lower-class people," DeLoach said. "If Democrats had their way, they would do something similar to the Clinton administration in the early 1990s."

The "pay-go" regime appeared in the 1990's under Clinton and resurfaced



with Obama. Bush's presidency scrapped pay-as-you-go, and a \$127 billion surplus in 2001 turned into deficits over the next four years of \$159 billion, \$377 billion, \$413 billion and \$319 billion respectively, according to The Huffington Post.

The pay-as-you-go rule is simple: Congress can only spend a dollar if it saves a dollar elsewhere.

Obama's \$3.8 trillion budget for 2011 includes his proposals to overhaul the health care system and energy policies, though they are crumbling

in Congress, an NYTimes.com article said.

"The president will ask the commission to recommend by December a plan to balance the budget by the 2015 fiscal year, not counting interest payments on the national debt," the article said.

Elon seniors last year cringed to the tune of the job market. This year's seniors will be doing much of the same. Underclassmen are essentially in the same boat — but unemployment rates are expected to improve.

## Coble refuses pension, gains positive reputation

Caitlin O'Donnell  
Assistant News Editor

Through the years, politicians have gained a reputation for being deceitful, corrupt and greedy. But in one small way, Congressman Howard Coble, R-N.C., is trying to change that.

For the 25 years Coble has represented the sixth district of North Carolina, he has refused to accept his Congressional pension.

"I have historically opposed pay increases and excessive benefits for members of Congress. I fight hard to ensure tax dollars are spent wisely," Coble said on his Web site.

Coble first got the idea in 1983 while serving in the North Carolina general assembly. At the time, he was considering running for Congress.

"At a reception, I was approached by a fellow who asked if I was familiar with Congressional pension," Coble said. "He said it was a taxpayer rip-off, too generous and I should not accept it."

Though members do contribute to the pension funds, the program is subsidized heavily by tax payers.

"I get a pretty good salary and I made up my mind that if I was ever

elected, I would forego the pension," Coble said.

After five years, the pension becomes vested at \$ 12,000-14,000 thousand dollars per year for the remainder of the members' time in Congress.

According to a CBS Evening News Report by Sharyl Attkisson, only 18 percent of private workers receive a traditional pension, down from 80 percent in 1985. Today, more than 400 retired Congress members are guaranteed a pension. The 2009 bill for the program exceeds \$25 million, not to mention the \$7.4 million taxpayers contribute to current members' future pensions.

"Of course, the longer you are there, the bigger the pension," Coble said. "If I were to leave Congress today, I would have a pension of \$65,000-68,000 a year."

Coble admits that refusing the money was not his wisest financial decision. Usually, when members leave Congress, they are able to convert their health care program and continue receiving medical coverage. As a result of Coble's decision, he will be unable to do this when he leaves Congress.

"If I had known that, I probably

would have just taken the pension and given it to charity," he said. "Even though I have had two chances to get back into the program, I have refused both."

During his first few years in Congress, Coble routinely introduced bills which would eliminate the Congressional pension altogether.

"This obviously went nowhere and didn't make me very popular on Capitol Hill," Coble said.

In 2007, a bill was passed which corrected one of the primary complaints made against the program.

According to Attkisson's report, the legislation prevents future congressional felons from collecting pensions. William Jefferson, D-La, who was convicted of bribery in 2005, will still have a hefty paycheck waiting upon their release from prison. Constitutionally, the bill cannot affect crimes already committed.

At this point, members are left to make individual decisions regarding their pensions. Though only one other Congressman, Ron Paul, R-Texas, has followed Coble's lead, the program is getting increased attention from the public.

"People have told me that it is the only reason they continue to vote for me," Coble said. "And recently on his broadcast, Governor Huckabee encouraged all members of Congress to refuse their pension."

Elon resident Ron Sockwell said he believes refusing the pension is not enough and agrees with Coble's idea to donate the money to charity.

"When Representative Coble refuses his pension, it's not likely that any of the money will find its way back into the community through other government programs and there will be zero impact or benefit in Elon or North Carolina," Sockwell said. "I believe that he should accept the money and donate it to local charities, ensuring it gets returned to the community."

Though Coble said he believes the program is philosophically too generous, he understands it is fundamentally a good idea, which is why nothing has been done to dismantle it.

"Though it is getting more attention from the press, I do not foresee many jumping on the bandwagon in the future," he said.

Coble is currently planning to run for his 14th term in Congress.

### Off Campus Housing for as little as \$395!!!

All apartments include:

All Utilities

High Speed Internet

Cable w/ HBO

All Furniture

Short & Long Term

Leases Available

Single Studio, one & two

bedroom apartments available.

acornhousingelon.com

336-516-4777



### WINTER SERVICE SPECIALS! "We Put You First"

#### OIL and FILTER CHANGE

\$19.95 Plus tax

- Up to 5 qts Havoline oil
- Genuine Hyundai filter
- Adjust tire pressure
- Multipoint vehicle inspection
- Top off all fluids
- Multipoint inspection

Student ID must be presented to receive this special.

Hyundai vehicles only. Not good with any other offer or coupon. Expires 2-27-10

Crenshaw HYUNDAI

#### FREE STUDENT SHUTTLE SERVICE

To and from our service dept. with work order

Crenshaw  
HYUNDAI

330 Huffman Mill Rd, Burlington, NC  
(Across from Burlington Square Mall)

584-1144

"We Put You First"

Service hours: Mon - Fri 7:30 am to 6:00 pm; Sat - 8:00 am to noon