



To: Interested Parties

From: Stephanie Cutter, Deputy Campaign Manager

Re: Romney's Real Record in Massachusetts

Mitt Romney's 2012 campaign promises sound all too familiar to voters in Massachusetts. That's because while running for Governor 10 years ago Mitt Romney pledged, just like today, that his business experience as the CEO of Bain Capital would bring job growth and budget discipline to the corner office. Ten years ago, Romney pledged to be the top salesman for Massachusetts to bring jobs to the state and used platitudes to describe how he'd cut budget deficits.

What happened next? In some ways, Romney's predictions that his public-sector record would match the one he compiled in the private sector became true – but in all the wrong ways. At Bain Capital, Romney made millions by closing plants, laying off workers and shipping their jobs overseas. As Governor, Romney's Massachusetts was 47th out of 50 in job creation. At Bain Capital, Romney ran companies into debt and bankruptcy. As Governor, Romney ran up debt in Massachusetts, even as he raised taxes and fees on middle-class families and businesses.

Now Romney promises to bring that same experience to the White House, and is making the same empty promises to create jobs and balance the budget. It's no wonder that the more voters learn about Romney's record in Boston, the less they like him and the less enthused they are about coming out to vote for him.

- **47th Out of 50 in Job Growth:** In Romney's four years as Governor, even as the national economy was growing, Massachusetts sat at 47th out of 50 in job growth. The state beat only Michigan, Ohio and Louisiana – which was still recovering from the aftermath of Hurricane Katrina.

By contrast, under Gov. Deval Patrick, Massachusetts has excelled even while the nation struggled through the recession. Massachusetts moved from 47th in job creation in 2006 to fifth in the nation over the past two years.

Massachusetts' economy is now outpacing the national growth rate, it had the fourth-highest percent change in GDP between 2009 and 2010, and it was ranked as one of the top 10 places to do business under Gov. Patrick, a distinction Romney never achieved.

- **Mocking Manufacturing:** Romney recently called President Obama “out of touch” for encouraging people to pursue manufacturing jobs. Slighting this sector is nothing new for Romney: as governor of Massachusetts, he repeatedly axed funding for small manufacturers' workforce training. Not surprisingly, on his watch the state's

manufacturing declined by twice the national average, the third-worst record in the country, according to the *Boston Globe*. The *Globe* also reported, unsurprisingly, that Massachusetts' workers' wages and income fell, too.

President Obama has revived manufacturing in America. Through his rescue of the American auto industry and other initiatives to help small businesses, expand exports and bring jobs back to our shores, American manufacturers are hiring for the first time since the late 1990s. Manufacturing has added more than 400,000 jobs since 2010, and February 2012 was the 31st consecutive month in which the sector grew.

- ***Piling on Debt:*** Romney often boasts of his budget mastery as Governor, noting that he balanced budgets as state law required. But what Romney forgets to mention is that under his leadership, debt in Massachusetts grew by 16.4 percent, even as he raised taxes and fees by \$750 million a year on middle-class families and businesses. Each citizen's tax burden increased by nearly a third.

President Obama's budget would cut the national deficit by \$4 trillion over 10 years in a balanced way that asks everyone do to their part and pay their fair share.

- ***Growing Government:*** Romney is campaigning on a promise to shrink government, an area in which he has no record or credibility. While Governor of Massachusetts, public-sector jobs grew at six times the rate of private-sector positions.

President Obama has done the opposite: During the nation's 23 consecutive months of private-sector growth, in which American businesses have created 3.7 million new jobs, government employment is down 2.6 percent – a record unmatched even by Ronald Reagan.

Today, Romney is hitting the “repeat” button. He is making the same case to America that he made to Massachusetts a decade ago. He is promising to grow jobs and shrink deficits, even though his past record fails to support his ability to do so. What's worse is that his current policy promises run counter to these goals.

The independent Tax Policy Center concluded last week that Romney's tax plans would add \$480 billion to the deficit in a single year, equivalent to over \$5 trillion in tax cuts over the coming decade. These trillions would go to tax giveaways that disproportionately favor the wealthiest Americans.

In fact, the top 0.1 percent of households — those fortunate enough to make more than \$2.9 million a year — would get a tax cut of \$725,000. That's more than what a dozen typical families make in a year, combined. And those same families would find themselves paying a higher share of federal taxes because Romney's plan is so slanted to millionaires and billionaires.

Meanwhile, about 18 million working families would actually pay higher taxes because Romney would end current tax breaks for college, children, and earned income. In Massachusetts, that means 260,000 households – including 18 percent of families with children – would pay an average of \$900 more a year in taxes.

On top of these tax cuts, Romney would stack a massive buildup in defense spending. Our defense budget is already larger than the next 10 nations combined. Romney would add about \$2 trillion over the next decade, all in pursuit of an arbitrary target of making defense spending 4 percent of our economy, even though that target is untethered to any clear or strategic objectives.

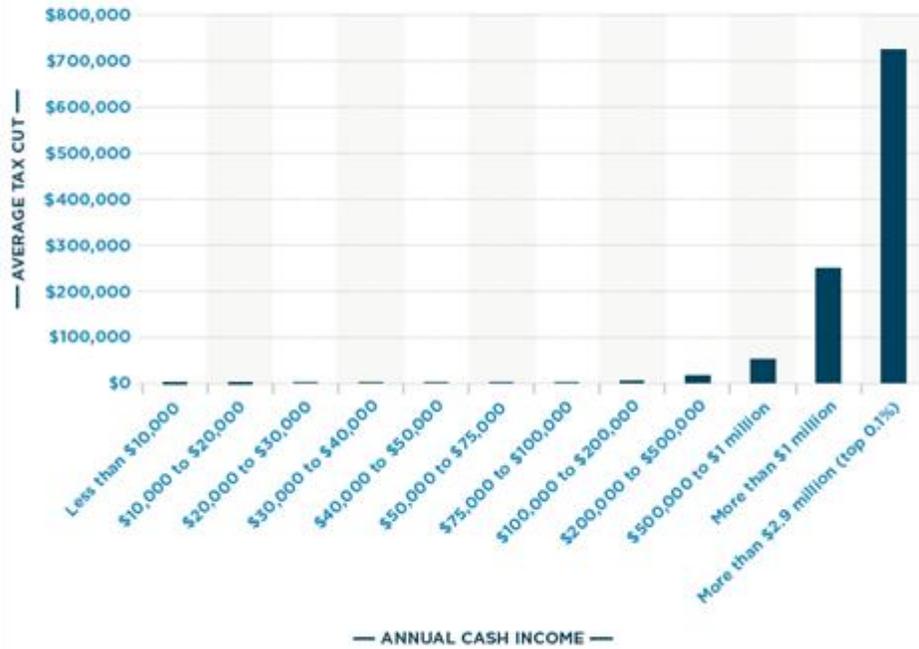
It's the same formula that helped lead to an economic catastrophe in the last decade, and would again.

To help pay for these tax cuts and increase in defense spending, Romney has proposed deep cuts to Social Security, Medicare and Medicaid that would shred our system of retirement security and leave tens of millions of Americans without health insurance. But even these deep cuts would not be nearly enough to pay for his tax cuts and defense spending, much less meet his promise of balancing the budget.

His promises would "require extraordinarily large cuts in nondefense programs," according to the Center for Budget and Policy Priorities, cuts that "are far deeper than those that House Budget Committee Chairman Paul Ryan's (R-WI) austere budget plan would require." The Center estimated that \$10 billion in cuts would be needed over 10 years, a figure calculated before Romney added an additional \$3 trillion in tax cuts two weeks ago. Making cuts this large would require cutting everything from Social Security checks to college scholarships by 38 percent. If Romney chose to protect Social Security and Medicare, he'd have to cut everything else by 81 percent.

Past is prologue, and Americans can learn a lot from Romney's record in Massachusetts.

AVERAGE TAX CUT *by* ANNUAL CASH INCOME



Sources and Notes: Tax Policy Center analysis of the updated Romney Tax Plan without unspecified base broadeners.

MITT'S STARK CHOICE: EXPLODING DEFICIT OR UNPRECEDENTED BUDGET CUTS

MITT ROMNEY HAS BIG PLANS FOR OUR NATION'S BUDGET IF HE BECOMES PRESIDENT.

To do everything he says he'll do, Romney would be forced to choose:
Either allow the budget deficit to grow even larger or make
sweeping and unprecedented cuts to programs important
to the health of our economy.

The Deficit

The president has a comprehensive plan to lower the deficit.
Romney, even after all his spending cuts take place, would
still raise the deficit over ten years.

\$4 trillion

LOWER UNDER THE
PRESIDENT'S PLAN

\$5 trillion

HIGHER UNDER
MITT ROMNEY'S PLAN

Mitt's Choice

If Mitt Romney wants to balance the budget as he's promised,
he'd have to make unprecedented, unrealistic cuts.

at least
\$800
billion

SHORT OF BEING ON THE PATH
TO A BALANCED BUDGET

OR

25%

CUTS TO ALL
NON-DEFENSE SPENDING
IN 2016

What could he cut?

Under President Romney, everything from Medicare to education, Social Security and infrastructure would be on the line. Here's a look at what programs and investments would suffer with unprecedented 25% cuts.



Sources and Notes: Based on Romney for President, Office of Management and Budget, Center for Budget and Policy Priorities, and OFA analysis.

