

After a long and heated debate, President Obama has signed into law a compromise that will reduce the deficit and avert a default on our obligations that would have devastated our economy.

To help explain this compromise, we've put together an infographic that explains what's in it and what will happen in the coming months:

THE BIPARTISAN COMPROMISE

EXPLAINED IN THREE STEPS • WHITEHOUSE.GOV

- 1** **DEBT LIMIT**
increased BY AT LEAST
\$2.1 TRILLION

THROUGH 2013 IN TWO STAGES ENABLING US TO PAY FOR EXISTING COMMITMENTS (TWO WARS, BUSH TAX CUTS, INVESTMENTS IN EDUCATION)

Removes the cloud of uncertainty over our economy.
- 2** **10-YEAR SPENDING CUTS**
OF NEARLY
\$1 TRILLION

Protects Pell Grants.

Done in a way to not harm the economic recovery, are balanced between domestic and security spending.
- 3** ESTABLISHES A **BIPARTISAN COMMITTEE** *an additional* **\$1.5 TRILLION**
TASKED WITH IDENTIFYING IN DEFICIT REDUCTION.

Bipartisan committee is tasked with identifying **\$1.5 trillion** in deficit reduction. The committee is required to report legislation by November 23, 2011.

Legislation is **fast tracked through Congress** with protections against filibustering and amendments.



Congress is **required to vote** on Committee recommendations by **December 23, 2011**.



Agreement Met in Congress.

If a balanced agreement is not reached, President Obama can always veto any extension of the Bush high income tax cuts, which would add nearly \$1 Trillion to our bottom line.

ENFORCEMENT MECHANISM (AKA TRIGGER)

If an agreement isn't signed into law, automatic cuts are triggered, starting in 2013, on certain spending programs to ensure that an additional \$1.2 trillion is removed from the deficit.

The \$1.2 trillion would be divided equally between defense and non-defense programs. Social Security, Medicaid, programs for low-income families, and civilian and military retirement are exempt from this trigger.

These cuts provide a strong incentive for both sides to come to the table. If the bipartisan committee takes no action, the trigger automatically adds nearly \$500 billion additional defense cuts while also cutting critical programs like infrastructure and education. That outcome is unacceptable to both Republicans and Democrats alike – creating pressure for a bipartisan agreement without requiring the threat of a default with unthinkable consequences for our economy.

- avert: ähnlich wie 'avoid': vermeiden, abwenden
- default: hier: Ausfall (wie Kreditausfall)
- devastate: zugrunde richten
- bipartisan: von beiden Parteien vereinbart, parteiübergreifend
- cuts: Einsparungen
- pell grants: Stipendien (A Federal Pell Grant, unlike a loan, does not have to be repaid. The amount depends on the student's financial need, costs to attend school, status as a full-time or part-time student, and plans to attend school for a full academic year or less.)
- filibustering (Ausdruck in der US-Politik: Verschleppungstaktik, Zerreden)
- amendment: Ergänzungen bzw. Änderungen
- enforcement: Vollstreckung, zwangsweise Durchführung
- AKA: Abkürzung, auch a.k.a. = also known as (auch bekannt als ...)