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Romney, Obama Court Moms, Distort Facts

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Mitt Romney and President Obama each distort the facts in TV ads aimed at young mothers:

- Romney's ad falsely attributes the nation's $16 trillion debt all to Obama when it says "your share of Obama's debt is over $50,000." The total public debt was $10.6 trillion when Obama took office, and he inherited a $1 trillion-plus deficit in his first year.
- Obama's ad claims Romney's tax plan "could take away middle-class deductions for child care, home mortgages and college tuition," citing a nonpartisan study. But the independent group cited by the president's campaign disputes the campaign's interpretation of its study.

'Obama's Debt'?

The Romney campaign announced on Sept. 18 that it had launched a new TV ad titled "Dear Daughter." It shows a young mother holding her infant daughter as the narrator speaks over soft piano music about the impact of "Obama's policies" on women.

It starts off by saying, "Dear Daughter. Welcome to America. Your share of Obama's debt is over $50,000." But that $50,000 was not all accumulated under Obama.

The Romney campaign supports its per-capita debt claim by dividing the total public debt ($16 trillion) by the U.S. population (314.4 million). That's nearly $51,000.

Yes, the total public debt currently stands at $16 trillion, including about $4.8 trillion that the government owes itself and $11.2 trillion that it borrowed from the public. However, it was already at $10.6 trillion on the day Obama took office. (You can find that figure by inserting the inauguration date of Jan. 20, 2009, on the Treasury's "debt to the penny" website.)

So, the debt has increased by roughly $5.4 trillion since Obama took office. And not all of that can be blamed on Obama.

The federal fiscal year begins on Oct. 1, so the federal government was more than three months into fiscal 2009 when Obama became president. Shortly before Obama assumed office, the nonpartisan Congressional Budget Office projected that the deficit for fiscal year 2009 would be $1.2 trillion.

The fiscal year ended on Sept. 30, 2009, with the deficit at $1.4 trillion. But only some of that was Obama's doing. We conducted an exhaustive study of the spending bills Obama signed for that year, and concluded that Obama can be fairly assigned responsibility for a maximum of $203 billion in additional spending for fiscal 2009. Others put the amount lower: Economist Daniel J. Mitchell of the libertarian CATO Institute — who once served on the Republican staff of the Senate Finance Committee — has put the figure at $140 billion.

Certainly, Obama and Congress have not done much to curb deficit spending. The current fiscal year will end in less than two weeks with more than a $1.1 trillion deficit — the fourth consecutive year of trillion-plus deficits.

Those massive deficits, however, are due to a combination of historically high spending and low revenues, as we have written before. The average effective federal tax rate in 2010 was the lowest in 30 years, according to the most recent CBO data. So that must be taken into account, too.

The Romney ad also correctly cites unemployment and poverty statistics for women. It's worth noting, however, that while the unemployment rate for women was 7.8 percent in August, it was still lower than the rate for men (8.3 percent).

'Tough Luck'?

The Obama campaign unveiled its own TV ad the same day aimed at young mothers and titled "Pay the Bills." The ad features a young mother, "Christie," who represents middle-class moms whose finances "would be stretched even more under Mitt Romney." How? By Romney's proposed plan to cut taxes 20 percent across the board and eliminate and reduce tax deductions and credits in order to raise the money necessary to make the plan revenue neutral.

As Christie pushes her toddler on a swing, the narrator intones: "To fund his tax cuts for millionaires, Romney could take away middle-class deductions for child care, home mortgages and college tuition." But that's not part of Romney's plan; that's the Obama administration's interpretation of it.

Romney's plan does not say which tax deductions or credits will be reduced or eliminated to offset the tax rate reduction or how they will be phased out and at what level income. Romney has declined numerous opportunities to be more specific and, instead, has spoken generally about wanting to reduce the middle-class tax burden and eliminate or reduce tax breaks for upper-income taxpayers.

On “Meet the Press,” Romney said he wants to “limit or eliminate some of the loopholes and deductions at the high end.” Asked about his definition of middle class, Romney told ABC News’ George Stephanopoulos that “middle income is $200,000 to $250,000 and less” — which is exactly where Obama draws the line in his plan to raise taxes on upper-income taxpayers, while extending the Bush-era tax cuts for everybody else.

> **Romney, “Meet the Press,” Sept. 9**: [E]verything I want to do with regards to taxation follows simple principles, which is bring our rates down to encourage growth, keep revenue up by limiting deductions and exemptions and make sure we don’t put any bigger burden on middle income people. In fact, I want to lower the burden on middle income people.

Romney’s challenge, however, is that the nonpartisan Tax Policy Center says such a plan is impossible. There simply isn’t enough revenue that can be gained by eliminating tax breaks for the wealthy to pay for the tax rate cuts.

A TPC report said “offsetting the $360 billion in revenue losses necessitates a reduction of roughly 65 percent of available tax expenditures,” including “deep reductions in many popular tax benefits ranging from the mortgage interest deduction” to “benefits for low- and middle-income families and children like … child tax credit.” The Obama ad mentions both tax breaks.

> **Tax Policy Center, Aug. 1**: [E]ven when we assume that tax breaks – like the charitable deduction, mortgage interest deduction, and the exclusion for health insurance – are completely eliminated for higher-income households first, and only then reduced as necessary for other households to achieve overall revenue-neutrality– the net effect of the plan would be a tax cut for high-income households coupled with a tax increase for middle-income households.

The Tax Policy Center, however, is not saying that Romney’s plan will eliminate tax deductions for the middle class. In fact, TPC Director Donald Marron said: “I don’t interpret this as evidence that Governor Romney wants to increase taxes on the middle class in order to cut taxes for the rich.” Instead, he said, Romney’s plan “can’t accomplish all his stated objectives.”

The Obama campaign assumes that Romney will break his promise to the middle class and, as a result, “moms like Christie would be stretched even more under Mitt Romney.” But there are other options, including not cutting rates so deeply or not fully offsetting the cost of the tax cuts.