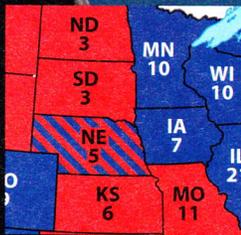


There's More Online!

- ✓ CHART/GRAPH GDP
- ✓ CHART/GRAPH S&P 500 Stock Index
- ✓ CHART/GRAPH Unemployment
- ✓ SLIDE SHOW BP Oil Spill
- ✓ MAP 2008 Presidential Election
- ✓ VIDEO The Obama Presidency
- ✓ INTERACTIVE SELF-CHECK QUIZ



LESSON 4

The Obama Presidency

ESSENTIAL QUESTIONS • How is American culture shaped by a set of common values and practices? • How have disputes over ideas, values, and politics resulted in change?

Reading **HELPDESK**



Academic Vocabulary

- monitor
- procedure

Content Vocabulary

- **earmark**

TAKING NOTES:

Key Ideas and Details

Outlining As you read about key events in the Obama candidacy and presidency, use the major headings of the lesson to create an outline similar to the one below.

<p>The Obama Presidency</p> <p>I. The Election of 2008</p> <p>A.</p> <p>B.</p> <p>II.</p> <p>A.</p> <p>B.</p>

IT MATTERS BECAUSE

The 2008 election of Barack Obama as the nation's first African American president was a watershed event. The nation became increasingly polarized, however, as he began to carry out his agenda. After the 2010 midterm elections, the Republicans regained control of the House.

The Election of 2008

GUIDING QUESTION What issues and events attracted support for Barack Obama's presidential campaign?

In 2007 a major financial crisis developed. Millions of Americans found themselves unable to make payments on their home mortgages. Financial institutions failed. As the 2008 election approached, the economy had replaced the war in Iraq as the most important issue for most Americans.

Choosing the Candidates

Senator John McCain of Arizona, a widely admired hero of the Vietnam War, won the Republican nomination for president. He chose Sarah Palin, the conservative governor of Alaska, as his running mate.

Illinois senator Barack Obama bested New York senator Hillary Clinton to win the Democratic nomination. Obama had delivered the keynote address at the 2004 Democratic National Convention. His speech impressed Democrats and made him a national political figure. Senator Joe Biden of Delaware was his running mate. Biden's 35 years in the Senate helped balance criticism of Obama's relative inexperience.

Obama Wins

In October 2008, President Bush and Congress passed a \$700 billion bailout for the nation's financial institutions, intended to help the worsening crisis. Americans opposed it. With the approval ratings of the president and Congress at all-time lows, McCain and Obama both promised change. Obama made good use of the Internet and formed a strong grassroots network of young supporters. On Election Day, Obama won 53 percent of the popular vote and 365 electoral votes.

It was the biggest victory for a Democratic candidate since 1964. Obama, the first African American to win the presidency, exulted:

PRIMARY SOURCE

“This is our moment . . . to put our people back to work and open doors of opportunity for our kids; to restore prosperity and promote the cause of peace; to reclaim the American Dream and reaffirm that fundamental truth—that out of many, we are one; that . . . where we are met with . . . those who tell us that we can’t, we will respond with that timeless creed that sums up the spirit of a people: Yes We Can.”

—from the Address at Grant Park, November 4, 2008

READING PROGRESS CHECK

Analyzing How did the passing of the \$700 billion bailout affect the 2008 election?

Financial Meltdown

GUIDING QUESTION *How did the economic recession and housing crisis affect Obama's domestic goals?*

When Americans voted President Obama into office, many expected him to improve the shaky economy. Obama’s domestic agenda proposed to create jobs, relieve suffering families, assist home owners, and ease the financial crisis. Yet as the economy worsened, Obama’s specific plans to solve the nation’s problems drew criticism. Some people believed he was not doing enough, while others argued that he was misusing government authority by doing too much.

The Economy in 2009

Despite the Bush administration’s bailout of financial institutions and insurance companies, the American economy continued to weaken. More Americans lost their homes, and banks closed. Many large companies reported record losses. They laid off workers, contributing to a spike in unemployment. With fewer workers, less money went into Social Security, threatening the sustainability of the program. As the crisis spread worldwide, global trade lessened and the world economy shrank.

Obama’s Response

In response to the failing economy, Obama signed the American Recovery and Reinvestment Act in February 2009. The act aimed to stimulate the economy by providing tax cuts to working families and small businesses. It allocated federal funds for growth and investment as well as for education, health, and other entitlement programs. Many Americans were still angry about Bush’s bailout plan. They believed it favored large businesses at the expense of ordinary people. To counter this anger, the act set up a system to **monitor** how the recovery money was spent. Obama pushed additional legislation through the Democrat-controlled Congress in July 2010. Among other things, this financial reform bill provided protection for consumers. It also called for more government oversight of financial institutions and large companies.

By the end of 2009, there were signs that some of Obama’s measures were working. The nation’s gross domestic product (GDP) had climbed. Some of the large businesses that had accepted stimulus funds were reporting gains. The unemployment rate, however, continued to rise, as did the federal deficit. And many Americans were uncomfortable with what they viewed as a rapidly growing role for the federal government in the economy.

READING PROGRESS CHECK

Identifying Central Ideas Do you think the American Recovery and Reinvestment Act helped stimulate the economy?



Barack Obama waves to the crowd in Chicago’s Grant Park on election night in November 2008.

monitor to observe, oversee, or regulate

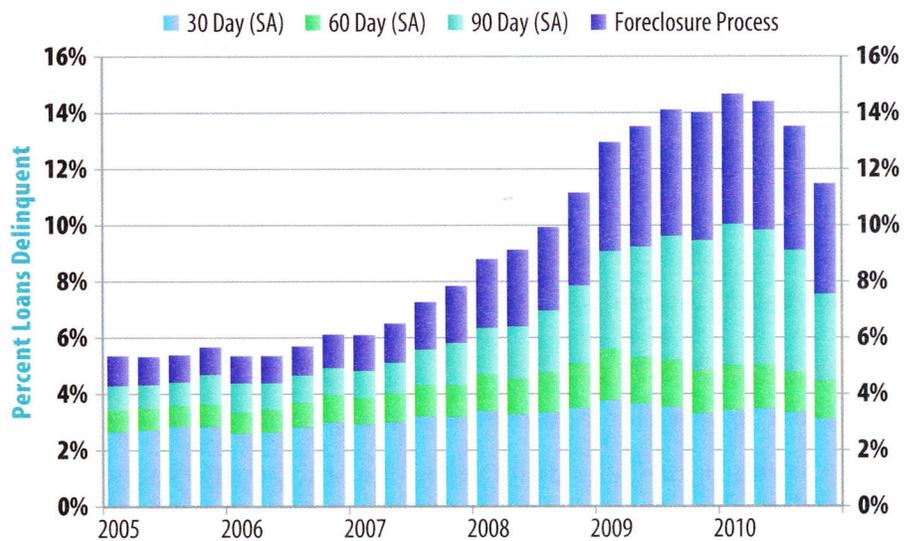
Foreclosures averaged between 4–6% for many years.

- Evaluating** What was the percentage increase in foreclosures between 2007 and 2009?
- Making Generalizations** Why was there a steady rise in foreclosures beginning in 2007?



The weak economy caused many people to struggle financially. As a result, many Americans either sold their homes or lost them to foreclosure.

Mortgage Delinquencies and Foreclosures by Period Past Due, All Loans



Source: Mortgage Bankers Association; U. S. Department of the Treasury

Health Care Reform, Energy, and the Environment

GUIDING QUESTION What other major domestic events defined Obama's first years as president?

As a candidate and president-elect, Obama stressed many other domestic issues. Two priorities were to reform and expand the health care system and to solve the nation's energy and environmental problems.

Health Care Reform

Obama's health care reform plan aimed to lower health care costs, introduce better **procedures** for delivering care, and insure all Americans. In a speech to Congress delivered in 2009, he said, "We are the only advanced democracy on Earth—the only wealthy nation—that allows such hardships for millions of its people. There are now more than thirty million American citizens who cannot get coverage."

Obama wanted to pay for the plan through higher taxes on the wealthy and by reducing wasteful spending. Yet some Americans opposed what they saw as another expensive government intrusion. Months of heated partisan debate took place within Congress. No Republican voted for the final bill that passed in March 2010, and many vowed to overturn it. Though Obama had promised to reform the system of **earmarks**, the bill contained many.

The bill extended coverage to about 32 million more Americans who could not previously afford it. It prevented insurers from denying insurance to people who had preexisting medical conditions. It also gave tax credits to small businesses that provide health care to their employees. According to the White House, it would lower costs, strengthen the Medicare program, and expand the Medicaid program.

Energy Policy and the Environment

President Obama's energy plan enforced limits on the amount of pollution companies could emit. Conservatives who opposed the idea stalled the bill in Congress. Then, an environmental disaster struck the Gulf of Mexico

procedure a particular way of conducting or engaging in an activity

earmarks specifications added by both Republicans and Democrats for the expenditure of federal money for particular projects

Interpreting Significance

When President Obama chose Sonia Sotomayor and Elena Kagan to fill vacancies on the U. S. Supreme Court, he became the first president to successfully nominate two women to the nation's highest court. These women are now the third and fourth female justices in the nation's history. Born and raised in a Puerto Rican family in the Bronx, New York, Sotomayor is the nation's first justice of Latin American descent. Determining the significance of both women's service to the Supreme Court will be based on their interpretations of the legal questions that come before the Court.

in April 2010. A British Petroleum (BP) oil rig exploded, sending nearly 5 million barrels of oil into the Gulf. It was the worst marine oil spill in history. Commercial fishing and tourism in the Gulf region suffered. Obama required BP to create a \$20 billion fund to assist people affected by the oil spill. Federal agencies directed the recovery, which lasted through October.

READING PROGRESS CHECK

Drawing Conclusions How did the British Petroleum disaster in the Gulf of Mexico affect the environment?

2010 Midterm Elections

GUIDING QUESTION *What did the results of the elections say about the mood of the nation at that time?*

As the 2010 midterm elections approached, Obama's approval rating was at a low point. Many Americans felt that the stimulus and health care bills had been too expensive and had not strengthened the economy. A grassroots movement called the "Tea Party" sprang up to protest the Obama administration. The movement took its name from a reference to the Boston Tea Party protests against British taxation. Most in the movement opposed what they called "big government"—including taxes, the health care program, and the economic stimulus plans of Bush and Obama. Yet they disagreed on many other issues.

Republicans gained a rousing win in the midterm elections. Republicans gained 60 seats in the House of Representatives and took back control of that House of Congress. It was the biggest shift in power in over 60 years. The Republicans also captured six Senate seats, though the Democrats maintained the majority. It was clear that Americans of all political beliefs needed to work together to solve the issues facing the nation. In a White House conference a day after the election, President Obama said, "Over the last two years, we've made progress. But, clearly, too many Americans haven't felt that progress yet, and they told us that yesterday." The United States had obstacles to overcome: the worst economic depression in 70 years and two ongoing wars. Yet opportunities to innovate in the nation's economic system gave new challenges. The commitment remained to strengthen the nation's political institutions as a foundation to address any future conflict.

READING PROGRESS CHECK

Synthesizing What issues were raised by the Tea Party movement?

Polarized Politics

GUIDING QUESTION *How did Americans react to the slow economic recovery from the recession?*

The Income Gap

The recession widened the gap between income levels in America. The economy slowly recovered, but slow wage growth and high unemployment hit those in middle and lower incomes the hardest. As wealthier individuals recovered from the recession faster, their share of the nation's total income increased. The 2010 Census showed that the middle-income families' share of income had fallen to 45 percent, while the wealthiest's share of income has risen to 46 percent.

Middle income Americans cut back on their spending, which further restrained the recovery. These families were hurt by the decline in manufacturing jobs. The



Occupy Wall Street protesters claimed that the high salaries and bonuses for corporate and banking executives were excessive. Coverage in the social media helped the protest in New York gain support, and similar protest movements spread to a dozen major cities.

family home was usually their biggest investment. When housing values fell sharply during the recession, some people found themselves paying higher mortgages than their homes were worth. Rising costs of health care and college tuition also hurt those in the middle incomes.

Occupy Wall Street

The widening gap between income groups helped spark a movement that called itself “Occupy Wall Street.” Protesters claimed

that they represented “the 99 percent” of the population against the wealthiest one percent. They began by occupying a park in New York City’s financial district. Occupy Wall Street drew attention to economic inequality, tax breaks for the wealthy, and corporate greed.

Most of the protesters were young and identified themselves as political independents. They were critical of both major parties. President Obama acknowledged that the movement expressed people’s frustration with the financial crisis. After police moved demonstrators out of the parks they had occupied, the movement dwindled. Although the Occupy Wall Street movement expressed popular anger, it suffered from a lack of leadership and specific solutions to the nation’s economic problems.

The Tea Party in Congress

Public anxiety over the rising national debt was also reflected in a political protest group known as the Tea Party. Some leaders of the Tea Party movement won seats in Congress during the 2010 midterm election. They were determined to cut federal spending and prevent taxes from rising. As a large bloc of members of the House of Representatives, these freshmen politicians favored confrontation rather than cooperation.

Republicans called for deep cuts in federal spending while Democrats called for raising taxes for the wealthy. House Speaker John Boehner attempted to negotiate a budget compromise with President Obama, but the large Tea Party faction was dissatisfied with the agreement they reached and refused to support it. A deadlock developed between the House controlled by Republicans and the Senate by Democrats, which kept either party from effecting economic growth.

As public disapproval of polarized politics rose, the number of Americans who called themselves independents grew. In some areas independents outnumbered registered Republicans or Democrats. Political independents told pollsters that they favored cooperation. These independents increasingly played a role in determining election outcomes.

READING PROGRESS CHECK

Identifying Central Issues What were the causes of disagreement over setting economic policies?

Spending and Taxes

GUIDING QUESTION *Why was it so difficult for Congress and the president to reach agreement on ways to improve the economy?*

Despite the president’s stimulus plan, the national economy suffered from persistently high rates of unemployment. At the same time that federal

funding expanded, many state and local governments cut back on their spending and laid off teachers and other public workers. Young people who were just entering the workforce found the worst job market since the Great Depression.

The National Debt, Spending and Taxes

The national debt grew alarmingly high. Among the causes of the increased debt were President Obama's stimulus plan, President George W. Bush's tax cuts, the two wars in Iraq and Afghanistan, an expansion of Medicare to cover prescription drugs, the housing crisis, and the recession. Unemployment was a significant factor because those who lost their jobs or took lower-paying employment paid less in taxes. Federal deficits required more borrowing, which meant that the government had to pay more for the interest on its debts.

The issues of deficit spending, the national debt, and taxes, drove the two political parties further apart. The president appointed a commission to reach a compromise, but its proposed solutions of cutting spending and raising taxes won little support in Congress. Rather than confronting economic problems, Congress delayed these problems for future consideration.

Significant Supreme Court Decisions

Like Congress, the Supreme Court was deeply divided over the issues facing the nation, and it reached major decisions with 5 to 4 margins. In the case of *Citizens United v. the Federal Elections Commission* (2010), the Supreme Court lifted many of the limits Congress had set on campaign financing as a restriction on freedom of speech. As a result, corporations could make political contributions, and wealthy individuals were free to make unlimited donations. This ruling sent both political parties scrambling to raise campaign finances. The ruling also allowed non-party groups to spend massive amounts on media advertising. The resulting onslaught of negative political advertising further propelled political polarization.

Since conservative justices held a narrow majority on the Supreme Court, there were doubts that it would uphold President's Obama's healthcare law as constitutional. Four of the justices believed that the government could not mandate that individuals must purchase health insurance or face a penalty. Four of the justices believed equally strongly that the government had constitutional authority to require insurance under its power to regulate interstate commerce. Chief Justice John Roberts cast the deciding vote in 2012. In another 5-4 decision, the Court determined that Congress could not legally command people to buy insurance, but the federal government did have the power to tax those who did not buy insurance.

✓ READING PROGRESS CHECK

Identifying Central Issues What economic solutions did liberals and conservative propose?

A Troubled World

GUIDING QUESTION *How did international issues affect the United States?*

U.S. Wars in Iraq and Afghanistan

President Obama came to office determined to follow a more international approach to foreign policy. His foreign policy therefore relied more on the United Nations and sought to build consensus among American allies.

The Obama administration ended the American combat mission in Iraq and reduced the number of U.S. troops stationed there. At the same time,

Arab citizens in several North African nations conducted political protests against their dictator governments during President Obama's first term. This resulted in several regime changes in the regions, raising some hopes that democracy might take hold in parts of the Middle East.



the president expanded the American combat role in Afghanistan. Its mission was to fight the Taliban until Afghan forces could defend the country on their own. In 2011, a Navy SEAL team located and killed Osama bin Laden, the leader of al-Qaeda who had planned the 9/11 attacks on the United States. The U.S. also made increased use of pilotless drone aircraft to track and eliminate other militant leaders of al-Qaeda. While the drones reduced the chances of American and NATO casualties, they raised protests when they caused injury and death to innocent civilians near the target. Critics warned that the drone attacks would work against U.S. policy by alienating civilians who felt threatened by them.

Between the Iraq and Afghanistan wars, including military operations, foreign aid, and wounded veterans' health care costs, the United States paid more than a trillion dollars a year. These costs helped fuel the deficits and national debt.

The Arab Spring

The wars in Iraq and Afghanistan heightened tension between the United States and Muslims around the world. Violent extremists sought to exploit this situation. President Obama went to Egypt to speak at Cairo University in 2009. He called for a "new beginning" between the U.S. and the Muslim world, based on mutual respect. He pledged to pursue a peaceful settlement of long dispute between Israelis and Palestinians, and also to promote democracy and human rights against ruthless governments.

In 2011, popular unrest in the Middle East led to a series of revolutions against oppressive governments. The movement, known as the "Arab Spring," overthrew dictators in Tunisia, Libya, and Egypt. Since American troops were engaged in combat in Afghanistan, President Obama was reluctant to provide American military support to the rebels in these nations. Instead, he relied on other NATO nations to provide the air support that helped rebels remove Muammar Qaddafi from power in Libya.

Overthrowing dictators caused political instability that posed serious problems for U.S. policy in the Middle East. Some of the government that fell had been security partners with the U.S. There was a danger that religious extremists might gain power, which would complicate relations with the U.S.,

make compromise with Israel more difficult, and jeopardize the supply of oil and other commerce from the Middle East. Another uncertain danger was the possibility that Iran could develop nuclear weapons.

The Euro Crisis

A European debt crisis affected the American economy. Like the United States, European nations had also experienced a collapse of their real estate markets, bank failures, and recession. Some of these governments, including Greece, Spain, Portugal, Italy, and Ireland, struggled with high deficits and national debt. High unemployment in these countries diminished their ability to trade with the U. S., which further slowed the American recovery.

Many European countries share a common currency—the Euro—so nations in the Euro bloc that had economic problems looked for loans from other nations with stronger economies. Germany boasted the most prosperous economy in Europe, but Germans were unhappy about “bailing out” those nations that mismanaged their finances. In order to get financial support from the wealthier nations, the debtor governments had to agree to reduce their government spending, even though this triggered higher unemployment and further depressed their economies.

Trade and investments closely connected the United States economy to Europe. Uncertainties over Europe’s economic future worried American investors. American officials encouraged European leaders to stabilize their economies.

READING PROGRESS CHECK

Drawing Conclusions What economic consequences did international issues have?

The Election of 2012

GUIDING QUESTION *What issues defined the campaigns of Barack Obama and Mitt Romney?*

Having been elected president in 2008 by promising hope and change, President Obama found his reelection jeopardized by the disappointingly slow recovery from the recession. His opponents proposed a different route to economic revival.

The Republican Nomination

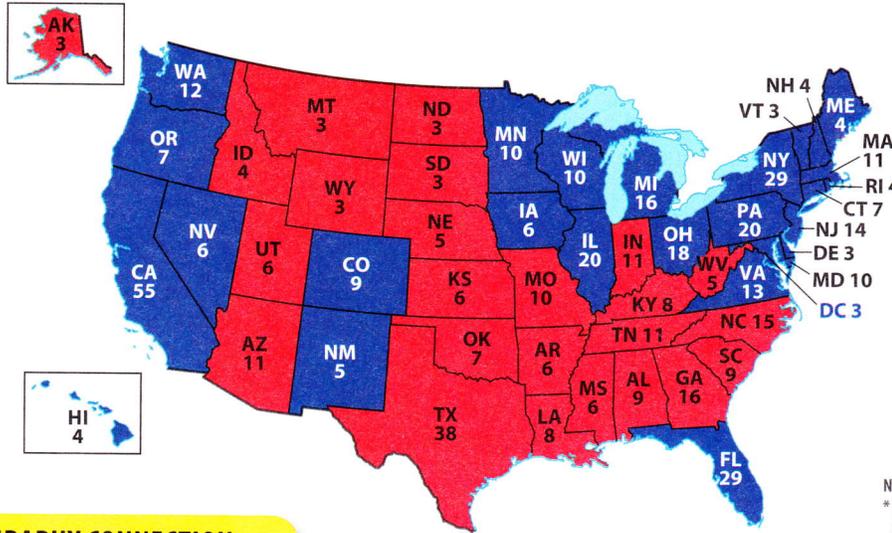
After Republicans won control of the House of Representatives in 2010, the party’s chances of defeating President Obama seemed stronger. The campaign for the Republican nomination began more than a year before the election. From the start, former Massachusetts Governor Mitt Romney was the front-runner. As a former business executive, he promised to apply his business leadership skills to improving the economy and putting more people back to work.

Romney faced a large number of more conservative Republican rivals. Although his rivals appealed to the Tea Party protest movement, they could not match Romney’s organization and financial resources. They portrayed Romney as more liberal, pointing out that he had signed into law a state healthcare bill that was strikingly similar to the president’s plan.

Romney won the nomination, in large part because Republicans felt that he had the best chance of beating President Obama. Romney selected Wisconsin Representative Paul Ryan for vice president. As chair of the House Budget Committee, Ryan appealed to conservatives for budget plans for cutting government spending and reducing the budget. The most controversial provision of Ryan’s budget plan would convert Medicare into a system of vouchers.



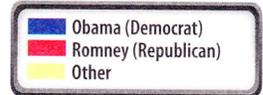
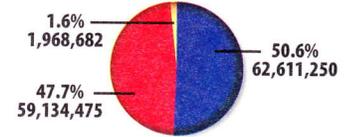
Presidential Election of 2012



ELECTORAL VOTE
TOTAL: 538



POPULAR VOTE
TOTAL: 123,714,407*



Numbers on map show electoral votes per state.
* Preliminary figures as of November 19, 2012.
Source: www.washingtonpost.com

GEOGRAPHY CONNECTION

- 1 THE WORLD IN SPATIAL TERMS** What commonalities can you identify that united the states that voted for Mitt Romney?
- 2 PLACES AND REGIONS** Why do you think President Obama won Upper Midwest states such as Ohio and Michigan?

A Choice of Different Paths

Mitt Romney asked voters if they were better off after four years of Obama's leadership. Because the economy had collapsed before Obama took office, however, Romney could not blame the recession on him. Instead, Romney had to convince voters that he could do a better job leading the nation to economic recovery.

Republicans believed that government controlled too much of citizens' lives and that people should take care of themselves. Democrats argued that government had to do more to help citizens in need and raise living standards. Republicans saw the deficit as holding back economic development. Democrats said that deficit spending would stimulate the economy and create jobs. Republicans warned that government regulations were keeping business from being more productive and hiring more people. Democrats responded that after the economic collapse government should be more vigilant in regulating business to prevent further abuse. Republicans pledged to make further cuts in taxes. Democrats called for the wealthy to pay a larger share of the taxes.

Economic issues dominated the campaign. The two parties also disagreed over such social issues as same-sex marriage and abortion, with Republicans defending traditional moral values and Democrats calling for greater tolerance. On international issues, by contrast, the differences between the parties were less stark.

Politics and the New Media

The Internet increasingly played a role in American politics. By the 2012 elections, two-thirds of all Americans were using social networks. Unlike the traditional media, social networks created more interaction by encouraging people to respond and to share information. Studies showed that many people were likely to vote if they learned through social networks that their friends were voting. Political parties recognized that social networking had become a new way of getting their messages out. Pollsters began charting public interest in the campaign by the number of tweets sent

during the conventions and other political events. The parties also made much use of email for fundraising.

Presidential campaigns still relied largely on web sites to raise funds, recruit volunteers, and provide lengthier discussions of their positions on the issues. Independent bloggers, commentators, and satirists were also active, much of it anonymously. A popular tool was to post videos. The candidates were the subjects of the videos, and the traditional media made the videos, but they were posted and spread online because of average citizens, creating more democracy in the media. This allowed ordinary citizens rather than politicians and the established media to frame the stories that the public will see and discuss.

Obama Wins a Second Term

After a long, expensive, and hard-fought campaign, President Obama won a second term in 2012. The polls showed that the weakened economy remained the leading issue for the voters. While people expressed disappointment over the slow recovery, they credited the president's efforts to rebuild the economy and restore employment.

A devastating hurricane also affected the campaign. In October, a major storm hit the Atlantic coast, flooding portions of New Jersey and New York. President Obama took charge of the government's response to the crisis. His actions earned him some bipartisan support in the final days of the election and may have played a role in convincing some undecided voters. As Americans debated the role of government in their lives, the storm showed how essential effective government could be during an emergency.

The election left Congress divided between a Republican majority in the House of Representatives and a Democratic majority in the Senate. Major issues of deficits, taxes, immigration, and the environment remained unresolved. They challenged both parties to break the partisan divide and legislative gridlock. On election night, however, President Obama spoke to the nation in hopeful terms, suggesting that whatever the challenges ahead, the nation would continue to move forward.

PRIMARY SOURCE

“I have always believed that hope is that stubborn thing inside us that insists, despite all the evidence to the contrary, that something better awaits us so long as we have the courage to keep reaching, to keep working, to keep fighting.”

—President Barack Obama, November 7, 2012

LESSON 4 REVIEW



Reviewing Vocabulary

1. **Making Inferences** Why did Obama sign a bill with earmarks when he had opposed them at one time?

Using Your Notes

2. **Summarizing** Use your notes to write a paragraph summarizing the main domestic issues of the Obama presidency.

Answering the Guiding Questions

3. **Identifying Central Issues** What issues and events attracted support for Barack Obama's presidential campaign?

4. **Identifying Cause and Effect** How did the economic recession and housing crisis affect Obama's domestic goals?

5. **Specifying** What other major domestic events defined Obama's first years as president?

6. **Interpreting** What did the results of the elections say about the mood of the nation at that time?

Writing Activity

7. **NARRATIVE** Write a journal entry describing current events that will be read by students 50 years in the future. Be clear and concise with your description of these events.