

9 Ways Hillary Clinton's Financial Plan Will Affect Your Wallet

By Beth Braverman



About seven months after Hillary Clinton announced that she'd run for president in [the 2016 election](#) — and years after the press began predicting that she'd win the Democratic nomination — the former secretary of state has begun to formally lay out her proposed economic policy for the country.

As her lead in the Democratic polls diminished in the past few months while rival Bernie Sanders gained steam, she recently announced a plan that focuses on jobs, the middle class and small business. Here's a look at where Clinton stands on the key issues and how those positions could affect the U.S. economy and your wallet if she is elected president.

1. Tax Cuts for the Middle Class

While she hasn't released too many details on how she'll do it, Clinton has promised to cut taxes for the middle class so people can increase their take-home pay. She also advocates closing tax loopholes and enacting the "Buffett Rule," which would require millionaires and billionaires to pay at least 30 percent of their income in taxes. Additionally, she wants to incentivize businesses to share their profits with workers by providing a 15 percent tax credit to companies that do so.

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Where she has gotten more specific is her plan to raise the capital gains tax, which is paid on the profits made by

individuals when they sell property, stocks, businesses or other assets after holding them for a short period of time. Under Clinton's plan, investors would be taxed 39.6 percent on their gain on assets held for less than two years, with that rate phasing out to the current 20 percent after the six-year mark, according to CNBC. This change, which is meant to encourage longer-term investing and economic growth, would apply to those in the highest tax bracket, which is nearly \$465,000 for married joint filers and \$411,500 for single filers.

"For most Americans, an increase in the capital gains tax won't affect them at all," said [Tom Wheelwright](#), certified public accountant and author of "Tax-Free Wealth." "For the average investor who has their money in an IRA or a 401k, there is no impact by all of this."

2. Protection for the CFPB

Clinton has publicly urged Democrats in Congress to fight a Republican proposal that would limit the Consumer Financial Protection Bureau, a federal agency created in the wake of the financial crisis to supervise financial institutions' dealings with the public. The agency is responsible for supervising and enforcing the laws that cover consumer financial products and services, and it aims to provide better transparency for the consumers who use them.

"The [CFPB] has only one mission: protecting Americans from unfair and deceptive financial practices — and it's succeeding," she wrote in an open letter to Congress.

3. Increased Wages for the 99 Percent

Reducing income inequality is one of the central tenets of Clinton's campaign. The gap between the richest and poorest Americans is wider than the gap in any other democracy in the developed world, according to U.S. News & World Report.

"Corporate profits are at near record highs, and Americans are working as hard as ever, but paychecks have barely budged in real terms," Clinton said in a July 2015 speech. "Families today are stretched in so many directions, and so are their budgets."

Clinton supports raising the federal minimum wage to \$12 per hour. Despite minimum wage hikes by many state and local governments, and by high-profile employers like Walmart and Target, the federal minimum wage remains stuck at \$7.25 per hour, the same rate it has been at since 2009. Many advocates of a higher minimum wage, including Clinton competitor Bernie Sanders, want a federal minimum wage of \$15 per hour nationwide.

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Even moving the minimum wage to \$12 would raise wages for one in four U.S. workers, according to Amy Traub, a senior policy analyst with public policy organization [Demos](#). "That's a big segment of the workforce, and it would make a big difference for a lot of people," she said. "It would be really good for consumers' wallets."

Clinton has also backed President Obama's expansion of overtime rules to more workers. Starting in 2016, that plan extends overtime protection to nearly 5 million workers, covering salaried workers who make up to \$50,400.

4. Options to Avoid or Refinance Student Debt

Student loan borrowers carry a mean balance of \$26,700, and nearly 17 percent of all borrowers are late or in default on their loans, according to a 2015 report published by the Federal Reserve Bank of New York. Furthermore, a study by the Federal Reserve Bank of Boston shows that student loan borrowers appear to be less likely to own a home and have more difficulty accumulating wealth. Clinton addresses the student debt crisis with her "New College Compact."

Advocating for "debt-free" college, her proposal would allow students to go to in-state public colleges without

borrowing any money for education. She also supports a plan to allow Americans with existing student loans to refinance at more favorable rates, which her campaign claims would save the typical borrower about \$2,000 over the life of the loan.

5. No Cuts to Social Security

The 2015 annual report on Social Security projected that retirement and disability trust funds would be depleted in 2034 and then would “pay about three-fourths of scheduled benefits for 50 years,” according to The New York Times. The [future of Social Security](#), however, has long been a big point of contention between the parties. Republicans, in particular, have been calling for cuts and privatization to address the situation.

In April 2015, Clinton called Republicans who want to cut back Social Security “just wrong” and said she’d preserve the retirement benefit. “We do not mess with it, and we do not pretend that it is a luxury — because it is not a luxury,” she said at a New Hampshire campaign event. “It is a necessity for the majority of people who draw from Social Security.”

Clinton also has stated that she believes women especially need better access to Social Security and has promised to work to “enhance” the program.

6. Paid Family Leave and Affordable Child Care Policies

It’s been more than 20 years since Bill Clinton signed the Family and Medical Leave Act, which allows families to take up to 12 weeks of unpaid leave to care for a new child and deal with their own or a family member’s health needs. That provision puts America behind most other developed countries which offer paid leave for women — and often men.

As part of her goal of getting more women in the workforce at higher wages, Hillary Clinton supports family-friendly policies such as paid family leave and affordable child-care policies.

“I believe that what’s good for women is good for America,” she wrote in a 2015 op-ed for women’s lifestyle media platform SheKnows. “Take child care. It’s a women’s issue. It’s also an economic issue. You can’t go to work every day if you can’t afford a safe place to leave your kids.”

This issue has gained more visibility in recent months as several Silicon Valley companies have announced changes to their parental leave policies that extend more generous benefits to both men and women, according to Wired. Currently, California, New Jersey, Rhode Island, Washington and the District of Columbia offer paid family leave.

7. Pursuit of a New Foreign Trade Agreement

Clinton broke with President Obama and with previous statements recently in opposing the [Trans-Pacific Partnership deal](#), which would put in place one of the largest free trade areas in the world.

“I still believe in the goal of a strong and fair trade agreement in the Pacific as part of a broader strategy both at home and abroad, just as I did when I was secretary of state,” Clinton said in a statement in October. “I appreciate the hard work that President Obama and his team put into this process and recognize the strides they have made. But the bar here is very high and, based on what I have seen, I don’t believe this agreement has met it.”

8. Help for Small Businesses

Clinton wants to “jump-start small businesses” by reducing the time it takes to start a business, expanding access to capital, simplifying and cutting the taxes paid by small businesses, and using technology to allow small businesses to access new markets both domestically and globally.

“Despite generations of progress on so many other fronts, it’s still too hard to get a business started today,” Clinton wrote on LinkedIn in May. “Credit is too tough to come by. Too many regulatory and licensing requirements are uneven and uncertain.”

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9. Repeal of the Obamacare ‘Cadillac Tax’

While she has supported the Affordable Care Act and its goal of reducing the number of uninsured Americans, Clinton announced in September that she is opposed to the so-called “Cadillac tax,” which imposes a tax on employers with the most expensive health plans. The goal of the tax is to reduce overall health care costs, but critics say it’s encouraging employers to simply reduce the quality of their insurance and push costs onto consumers.

If she were to succeed in repealing the tax, the Congressional Budget Office has said that, without such a tax, the Affordable Care Act might not actually reduce health care costs.