



July 14, 2009

## ***Cracks Appear In Obama's Rose Colored Glasses***

### **OBAMA'S STIMULUS "FAILING BY ITS OWN MEASURE"**

**Stimulus Fails To Create Jobs Despite Obama Administration's Predictions Of "Boom In Job Creation".** "[T]wo of [Obama's] chief economic advisers, and leading proponents of a stimulus bill, predicted that the passage of a large economic-aid package would boost the economy and keep the unemployment rate below 8%. It hasn't quite worked out that way. Last month, the jobless rate in America hit 9.5%, the highest level it has reached since 1983 ... What has not come to pass, however, is the boom in job creation that Romer and Bernstein predicted. A little over a month ago, the Administration said the stimulus bill had created or saved 150,000 jobs. That's a far cry from the 3 million to 4 million jobs that Romer and Bernstein foresaw back in January." (Stephen Gandel, "Obama's Stimulus Plan: Failing by Its Own Measure," [Time](#), 7/14/09)

**Under Obama, Job Losses Now At Historic Highs.** "The cumulative job losses over the last six months have been greater than for any other half year period since World War II, including the military demobilization after the war. The job losses are also now equal to the net job gains over the previous nine years, making this the only recession since the Great Depression to wipe out all job growth from the previous expansion." (Mortimer Zuckerman, Op-Ed, "The Economy is Even Worse Than You Think," [The Wall Street Journal](#), 7/14/09)

### **"WIDESPREAD DISDAIN" FOR OBAMA'S "ROSY" ECONOMIC PREDICTIONS**

**Economists Call Obama's Economic Predictions "Fantasy" As White House Starts To Correct Them.** "President Barack Obama's economic forecasts for long-term growth are too optimistic, many economists warn ... White House officials rebuff such suggestions, saying the midyear correction is precisely intended to keep their economic program reality based. But a series of POLITICO interviews in recent days with independent economists of varied political stripes found widespread disdain for Obama's first round of assumptions, with some experts invoking such phrases as 'rosy' and 'fantasy.'" (Jeanne Cummings, "Obama's Rosy Scenario Turns Thorny," [Politico](#), 7/14/09)

### **STIMULUS SHOWS THROWING MONEY AT PROBLEMS DOESN'T SOLVE THEM**

**Much Of Spending Under Stimulus Has Nothing To Do With Creating Jobs.** "Unemployment has doubled to 9.5% from 4.8% in only 16 months ... How could this happen when Washington has thrown trillions of dollars into the pot, including the famous \$787 billion in stimulus spending that was supposed to yield \$1.50 in growth for every dollar spent? For a start, too much of the money went to transfer payments such as Medicaid, jobless benefits and the like that do nothing for jobs and growth. The spending that creates new jobs is new spending, particularly on infrastructure. It amounts to less than 10% of the stimulus package today." (Mortimer Zuckerman, Op-Ed, "The Economy is Even Worse Than You Think," [The Wall Street Journal](#), 7/14/09)

**Obama's Deficit-Spending Agenda Could Undermine Economic Recovery.** "The U.S. Treasury Department on Monday said the government's annual deficit reached almost \$1.1 trillion by the end of June, a once-unthinkable level that could threaten any nascent economic recovery by undermining the dollar and driving up interest rates." (John D. McKinnon, "\$1 Trillion Deficit Complicates Obama's Agenda," [The Wall Street Journal](#), 7/14/09)