



As Romer/Bernstein Report Reaches Its First Birthday, Unemployment Rate Remains at 10 Percent

Data Show Democrats' 2009 Stimulus Law Failed to Deliver on Their Job Promises

January 8, 2010

Today, the Bureau of Labor Statistics released data showing the nation lost 85,000 jobs in December and the unemployment rate remained at 10 percent. Of note, especially for the millions of Americans without work, tomorrow marks the first birthday of the [Romer/Bernstein report](#). The now infamous document contains the Administration's prediction that the 2009 stimulus law would "create between three and four million jobs by the end of 2010." As Democrats continue to consider their next stimulus bill, it is worth reviewing how the 2009 stimulus law has failed to deliver on each of the report's key promises for job creation.

	Romer/Bernstein Prediction	Actual Outcome	Detail																
Jobs	<i>"A package in the range that the President-Elect has discussed is expected to create between three and four million jobs by the end of 2010."</i>	<table border="1"><caption>Employed Individuals (Millions)</caption><thead><tr><th>Month</th><th>Year</th><th>Type</th><th>Value (Millions)</th></tr></thead><tbody><tr><td>February</td><td>2009</td><td>Actual</td><td>133.7</td></tr><tr><td>December</td><td>2009</td><td>Actual</td><td>130.9</td></tr><tr><td>December</td><td>2010</td><td>Predicted</td><td>137.6</td></tr></tbody></table>	Month	Year	Type	Value (Millions)	February	2009	Actual	133.7	December	2009	Actual	130.9	December	2010	Predicted	137.6	Since the stimulus bill was enacted, 2.7 million jobs have been eliminated -- leaving America more than 6.5 million jobs short of the prediction for the end of 2010.
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<p>Unemployment Rate</p>	<p><i>Figure 1 in the Romer/Bernstein report predicted that, if stimulus passed, unemployment would never exceed 8 percent and would be approximately 7.8 percent in 12/2009.</i></p>	<p style="text-align: center;">Unemployment Rate</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Rate</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>February 2009</td> <td>8.2%</td> <td>Actual</td> </tr> <tr> <td>December 2009</td> <td>10.0%</td> <td>Actual</td> </tr> <tr> <td>December 2009</td> <td>7.8%</td> <td>Predicted</td> </tr> </tbody> </table>	Month	Rate	Type	February 2009	8.2%	Actual	December 2009	10.0%	Actual	December 2009	7.8%	Predicted	<p>The unemployment rate has risen from 8.2 percent in February 2009 to 10.0 percent in December 2009 -- 28 percent above the level Democrats predicted.</p>
Month	Rate	Type													
February 2009	8.2%	Actual													
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<p>Private Sector Employment</p>	<p><i>“More than 90 percent of the jobs created are likely to be in the private sector.”</i></p>	<p style="text-align: center;">Government Employment (Millions) Private Employment (Millions)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Government (Millions)</th> <th>Private (Millions)</th> </tr> </thead> <tbody> <tr> <td>February 2009</td> <td>22.55</td> <td>111.1</td> </tr> <tr> <td>December 2009</td> <td>22.47</td> <td>108.4</td> </tr> </tbody> </table>	Month	Government (Millions)	Private (Millions)	February 2009	22.55	111.1	December 2009	22.47	108.4	<p>There has been a decline in private sector employment (-2.4 percent) that is almost seven times the modest decline in government employment (-0.35 percent).</p>			
Month	Government (Millions)	Private (Millions)													
February 2009	22.55	111.1													
December 2009	22.47	108.4													
<p>Construction and Manufacturing Employment</p>	<p><i>“Certain industries, such as construction and manufacturing, are likely to experience particularly strong job growth under a recovery package that includes an emphasis on infrastructure, energy, and school repair.”</i></p>	<p style="text-align: center;">Construction Employment (Millions) Manufacturing Employment (Millions)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Construction (Millions)</th> <th>Manufacturing (Millions)</th> </tr> </thead> <tbody> <tr> <td>February 2009</td> <td>6.6</td> <td>12.5</td> </tr> <tr> <td>December 2009</td> <td>5.9</td> <td>11.6</td> </tr> </tbody> </table>	Month	Construction (Millions)	Manufacturing (Millions)	February 2009	6.6	12.5	December 2009	5.9	11.6	<p>Instead of experiencing “particularly strong” growth as promised, construction (-10.4 percent) and manufacturing (-6.7 percent) have experienced rates of job destruction several times greater than the overall rate of private sector job destruction (-2.4 percent).</p>			
Month	Construction (Millions)	Manufacturing (Millions)													
February 2009	6.6	12.5													
December 2009	5.9	11.6													
<p>Full Time Employment</p>	<p><i>“A package is...likely to move many workers from part-time to full-time work.”</i></p>	<p style="text-align: center;">Full-Time Employment (Millions) Part-Time Employment (Millions)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Full-Time (Millions)</th> <th>Part-Time (Millions)</th> </tr> </thead> <tbody> <tr> <td>February 2009</td> <td>114.9</td> <td>26.6</td> </tr> <tr> <td>December 2009</td> <td>110.3</td> <td>27.5</td> </tr> </tbody> </table>	Month	Full-Time (Millions)	Part-Time (Millions)	February 2009	114.9	26.6	December 2009	110.3	27.5	<p>Instead of moving workers from part-time to full-time work as promised, stimulus has resulted in the exactly the opposite – a sharp decline in full-time employment (-4.0 percent) and a concurrent increase in unemployment and part-time work (+3.3 percent).</p>			
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Sources: All data from the Department of Labor, Bureau of Labor Statistics, or the Romer/Bernstein report, as noted.