

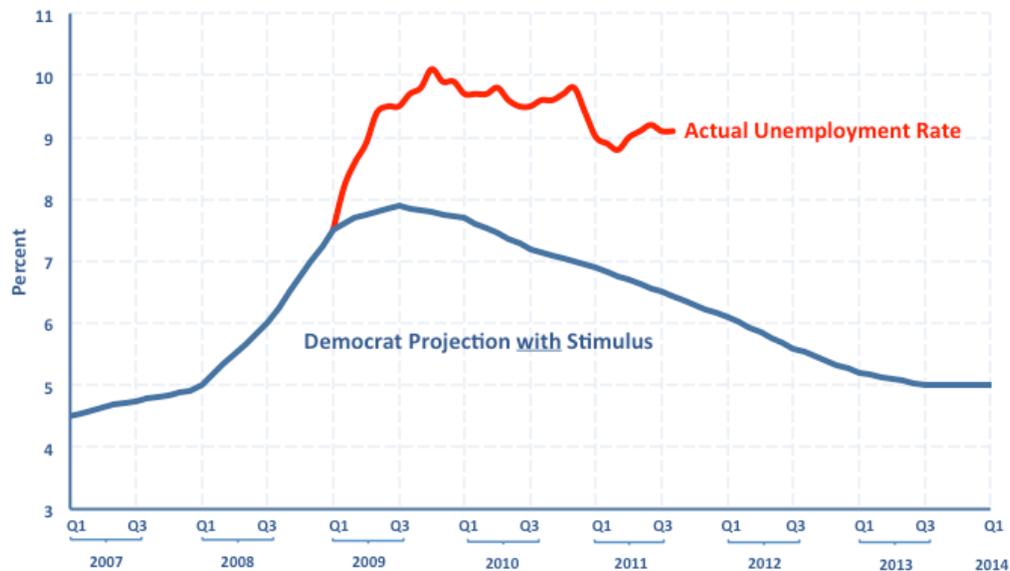


**Another Unhappy
Labor Day for
American Workers:
Obama Stimulus
Created More
Unemployment and
Debt, but Not the
Jobs It Promised**

Unemployment and Jobs by the Numbers

Unemployment Rate (August 2011)	
Predicted by Administration with Stimulus	6.4%
Predicted by Administration without Stimulus	7.8%
Actual	9.1%
Difference from what Administration predicted with Stimulus	+2.7% higher unemployment
Jobs	
Predicted by Administration with Stimulus (for December 2010)	137.6 million
Predicted by Administration without Stimulus (for December 2010)	133.9 million
Actual (August 2011)	131.1 million
Difference from what Administration predicted with Stimulus	-6.4 million jobs

Democrat Projection of Unemployment Rate with Stimulus vs. **Actual Unemployment Rate**



September 2, 2011

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In August, President Obama [told](#) Americans that he would unveil [yet another jobs plan](#) on September 8, 2011 during an address before a Joint Session of Congress. Why hold such a grand and high profile event? The obvious reason is because prior plans and proposals offered up by the Obama Administration have [failed to deliver the jobs that have been promised](#) time and time again. The charts included in this report detail the depth of the failure of the Administration's prior jobs plans, and they also serve as a direct argument against yet another round of stimulus, since the President's policies to date have delivered more spending, debt and unemployment but nothing close to the jobs the American people were promised.

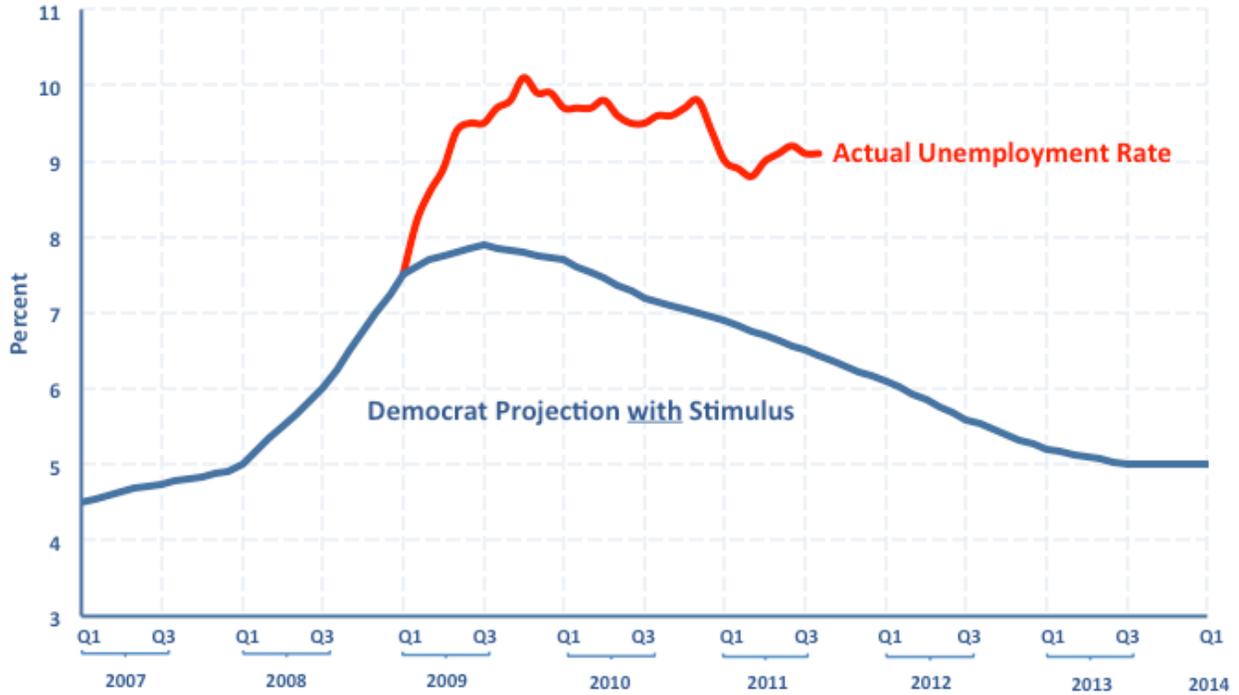
The following charts and tables illustrate that:

- (1) Current unemployment is far higher than the Administration projected;
- (2) There are over 6 million fewer jobs today than the Administration projected there would be at the end of 2010;
- (3) Job growth has failed to reach the levels the Administration projected for 49 out of 50 States;
- (4) Key private sector industries have shed millions of jobs;
- (5) The high official unemployment rate actually understates the unemployment problem in America;
- (6) Massive and rising debt and unemployment have increased economic misery; and
- (7) The current debt-to-GDP ratio of over 90 percent has already cost the country up to 1 million jobs, according to labor experts.

(1) UNEMPLOYMENT IS FAR HIGHER THAN THE ADMINISTRATION PROJECTED

The actual August 2011 unemployment rate of 9.1 percent is far higher than the 6.4 percent rate the Administration predicted if their stimulus passed.

Democrat Projection of Unemployment Rate with Stimulus vs. Actual Unemployment Rate



Source: Department of Labor [unemployment rate data](#) and Obama Administration [projections](#).

(2) THERE ARE OVER 6 MILLION FEWER JOBS TODAY THAN THE ADMINISTRATION PREDICTED

In August 2011, there were 131.13 million jobs in the U.S. economy, or 6.4 million fewer jobs than the 137.55 million jobs the Administration predicted there would be at the end of 2010 if their stimulus plan passed.

- According to the selection below from the Administration's January 2009 projections, "with stimulus" there would be 137.55 million jobs in the U.S. economy at the end of 2010:

Aggregate Effect of the Recovery Package on GDP and Jobs in 2010Q4

	<u>Real GDP (billions of chained 2000 \$)</u>	<u>Payroll Employment</u>
Without Stimulus	\$11,770	133,876,000
With Stimulus	\$12,203	137,550,000
Effect of Package	Increase GDP by 3.7%	Increase jobs by 3,675,000

- In reality, according to the latest official U.S. Department of Labor statistics, there were a total of 131.1 million jobs in the U.S. in August 2011 – 6.4 million fewer jobs than the Administration projected for December 2010 if their stimulus plan passed.

Source: U.S. Department of Labor [payroll employment data](#) and Obama Administration [projections](#).

(3) JOB GROWTH HAS FAILED TO REACH PROMISED LEVELS IN 49 OUT OF 50 STATES

Nearly two and a half years after the Administration's stimulus, 49 out of 50 States still have not reached the Administration's job creation projections:

State	Administration Projection of Change in Jobs (Through December 2010)	Actual Change in Jobs (Through July 2011)
Alabama	+52,000	-46,600
Alaska	+8,000	+7,700
Arizona	+70,000	-92,500
Arkansas	+31,000	-3,200
California	+396,000	-326,200
Colorado	+59,000	-48,100
Connecticut	+41,000	-32,500
Delaware	+11,000	-9,900
District of Columbia	+12,000	+12,000
Florida	+206,000	-158,900
Georgia	+106,000	-134,700
Hawaii	+15,000	-5,000
Idaho	+17,000	-16,600
Illinois	+148,000	-120,100
Indiana	+75,000	-58,600
Iowa	+37,000	-11,600
Kansas	+33,000	-47,100
Kentucky	+48,000	+12,000
Louisiana	+50,000	-10,600
Maine	+15,000	-6,700
Maryland	+66,000	-23,100
Massachusetts	+79,000	+27,800
Michigan	+109,000	-4,700
Minnesota	+66,000	-49,500
Mississippi	+30,000	-18,700
Missouri	+69,000	-67,100
Montana	+11,000	+900
Nebraska	+23,000	0
Nevada	+34,000	-68,600
New Hampshire	+16,000	-600
New Jersey	+100,000	-62,200
New Mexico	+22,000	-20,000
New York	+215,000	+9,400
North Carolina	+105,000	-115,500
North Dakota	+8,000	+28,800
Ohio	+133,000	-67,000
Oklahoma	+40,000	-1,900
Oregon	+44,000	-18,300
Pennsylvania	+143,000	+3,200
Rhode Island	+12,000	+200
South Carolina	+50,000	-15,000
South Dakota	+10,000	+900
Tennessee	+70,000	-40,100
Texas	+269,000	+164,500
Utah	+32,000	+3,900
Vermont	+8,000	+500
Virginia	+93,000	-40,100
Washington	+75,000	-60,200
West Virginia	+20,000	-3,400
Wisconsin	+70,000	-38,900
Wyoming	+8,000	-4,400

Source: Administration February 2009 [projection](#) and Ways and Means Republican Staff calculations based on Department of Labor [data](#).

(4) KEY PRIVATE SECTOR INDUSTRIES HAVE SHED MILLIONS OF JOBS

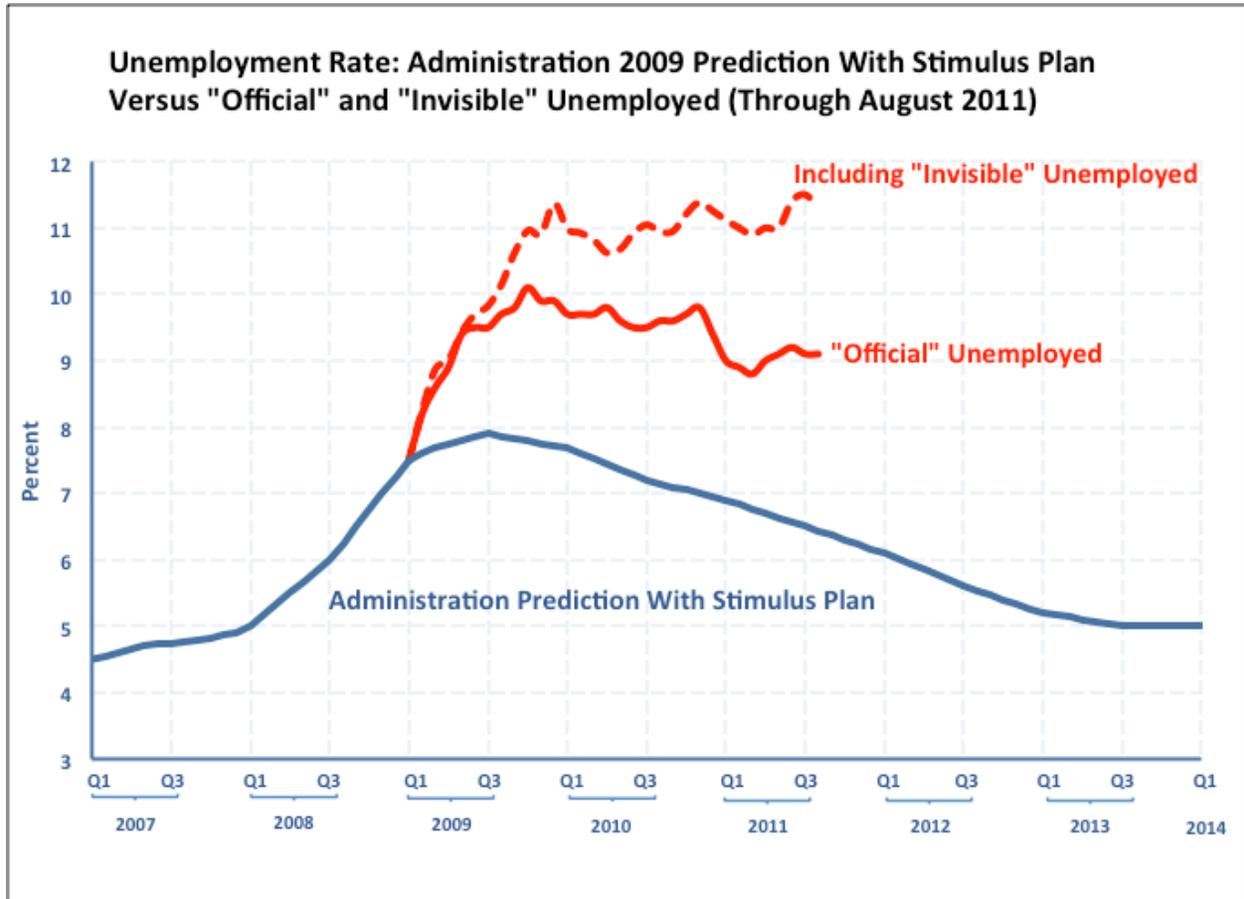
Instead of creating millions of private sector jobs as promised, key industries have lost millions of jobs since Democrats' stimulus. Overall, since the February 2009 stimulus law, the private sector has shed 1.1 million jobs, including almost 1.6 million jobs lost in construction and manufacturing alone through August 2011. That compares with the Administration's January 2009 projection that "30% of the jobs created will be in construction and manufacturing, even though these industries employ only 15% of all workers."

Industry	Administration Prediction of Job Creation by the End of 2010	Actual Change in Jobs since Stimulus (February 2009 – August 2011)
Construction	678,000	-931,000
Manufacturing	408,000	-631,000
Financial Activities	214,000	-288,000
Information	50,000	-243,000
Wholesale Trade	158,000	-167,700
Retail Trade	604,000	-132,700
Transportation and Warehousing	98,000	-70,400
Utilities	11,000	-11,500
Leisure and Hospitality	499,000	+28,000
Other Services	99,000	+49,000
Mining	26,000	+56,000
Professional and Business Services	345,000	+318,000
Education, Health and Social Services	240,000	+934,000

Source: U.S. Department of Labor [data](#) and Obama Administration [projections](#).

(5) THE HIGH OFFICIAL UNEMPLOYMENT RATE UNDERSTATES THE PROBLEM

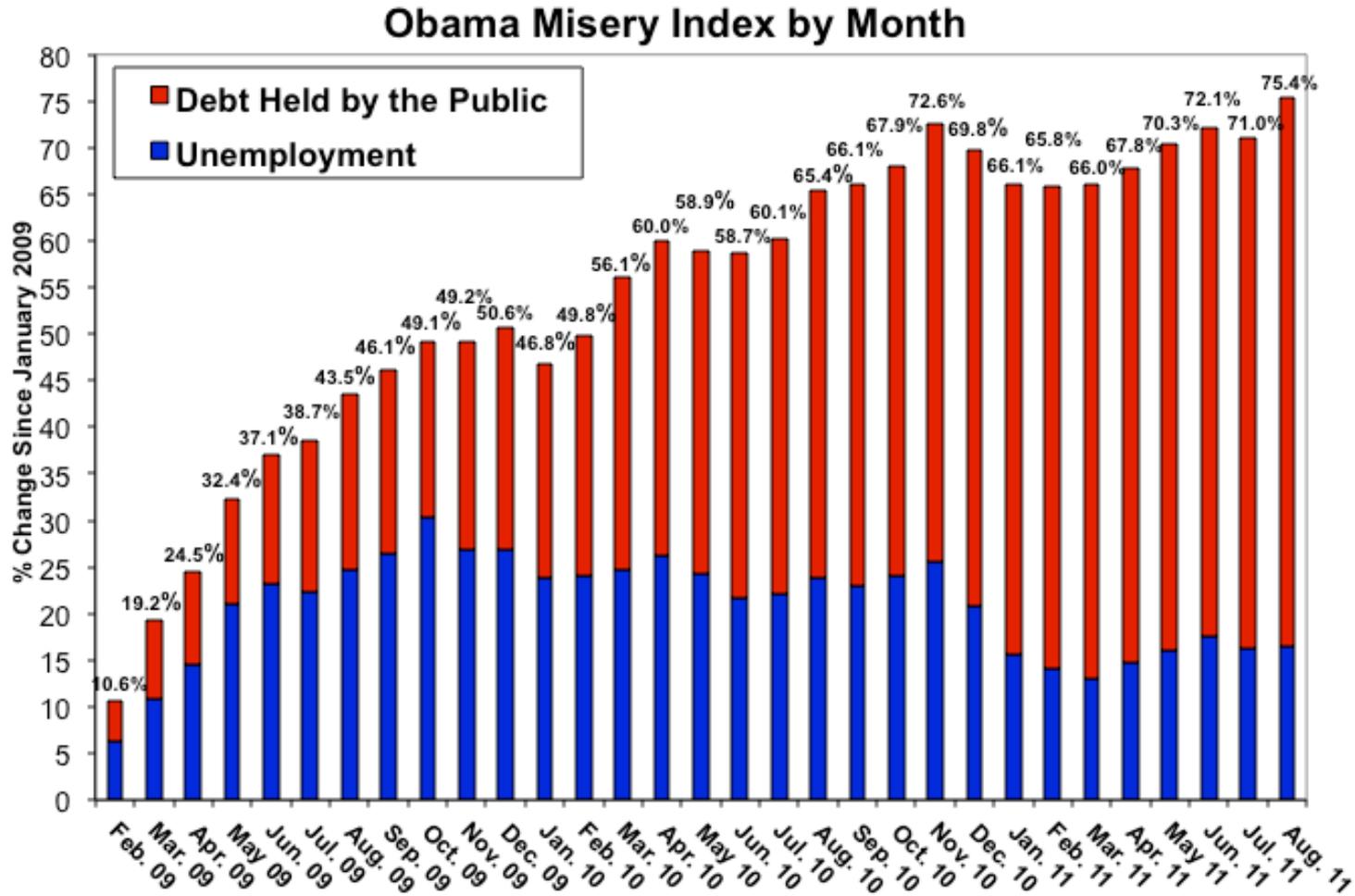
Instead of today's official unemployment rate of 9.1 percent, the unemployment rate would be over 11.3 percent if it included all the "invisible unemployed" – American workers who have simply given up trying to find a job. This compares with the 6.4 percent unemployment rate the Administration in January 2009 projected for August 2011 if its stimulus plan was enacted:



Source: January 2009 Obama Administration [projections](#) ("Administration Prediction With Stimulus Plan"), actual [U.S. Department of Labor data](#) ("official unemployed") and Ways and Means Republican staff calculations of "invisible unemployed," defined as unemployed persons not included in official unemployment rate calculations because they are not currently in the labor force, compared with the month Democrats' stimulus passed (February 2009). This includes people who quit looking for jobs since stimulus passed and dropped out of the labor force, plus other working-age adults who never entered the labor force, but would have if the labor force participation rate was the same as when stimulus passed.

(6) MASSIVE AND RISING DEBT AND UNEMPLOYMENT CAUSE ECONOMIC MISERY

The staggering 75 percent combined rise in debt and unemployment during President Obama’s term has created a record-high “Obama Misery Index”:



Source: Ways and Means staff calculations, using [Department of Labor](#) and [Department of Treasury](#) data.

**(7) THE CURRENT DEBT TO GDP RATIO OF GREATER THAN 90 PERCENT
HAS ALREADY COST THE COUNTRY 1 MILLION JOBS**

The national debt has skyrocketed under the Obama Administration. In June, the Treasury Department issued a [report](#) in which they show that the total debt for fiscal year 2010 reached \$13.6 trillion, or 93.1 percent of Gross Domestic Product (GDP). According to a comprehensive [report](#) by independent economists, debt loads above 90 percent of GDP result in a reduction in economic growth of one percentage point. Further, according to the Administration's Romer-Bernstein economic model, a one percent increase in GDP could create 979,000 jobs, suggesting the loss of that amount of economic growth has already cost U.S. workers nearly 1 million jobs.

Total Public Debt ^{1/}

Billions of Dollars			
End of Fiscal Year	Total Public Debt	GDP	Ratio of Debt to GDP
1990	3,161.2	5,734.5	55.1
1991	3,569.3	5,930.5	60.2
1992	3,972.6	6,242.0	63.6
1993	4,315.6	6,587.3	65.5
1994	4,605.3	6,976.6	66.0
1995	4,884.6	7,341.1	66.5
1996	5,137.2	7,718.3	66.6
1997	5,327.6	8,211.7	64.9
1998	5,439.4	8,663.0	62.8
1999	5,567.7	9,208.4	60.5
2000	5,591.6	9,821.0	56.9
2001	5,732.8	10,225.3	56.1
2002	6,161.4	10,543.9	58.4
2003	6,737.6	10,979.8	61.4
2004	7,333.4	11,685.6	62.8
2005	7,871.0	12,445.7	63.2
2006	8,420.3	13,224.9	63.7
2007	8,921.3	13,891.8	64.2
2008	9,959.8	14,394.1	69.2
2009	11,853.1	14,097.5	84.1
2010	13,510.8	14,508.2	93.1
2011	<i>estimate</i> ^{2/}	15,079.6	102.2
2012	<i>estimate</i>	15,812.5	104.6
2013	<i>estimate</i>	16,752.4	105.8
2014	<i>estimate</i>	17,782.2	106.1
2015	<i>estimate</i>	18,804.1	106.9
2016	<i>estimate</i>	19,790.5	108.3



Source: Department of Treasury [Annual Report on the Public Debt](#), June 2011.