



The Recovery Summer: One year later

June 10, 2011

“We’ve finally turned – we’ve finally started adding jobs. We’re finally seeing promise in a lot of industries to come out of a deep hole.”

—Austan Goolsbee, Chairman of President Obama’s Council of Economic Advisers, [May 19, 2011](#),

MAYBE WE NEED TO TAKE A DIFFERENT ROAD

Approaching the one-year anniversary of his ill-fated “Recovery Summer” (June 17th), President Obama is spending this summer trying to convince the American people that 28 consecutive months of unemployment above 8 percent is just a “[bump on the road to recovery](#).” But American families realize that the so-called “bump” is actually a mountain of constraint put in place by failed Democrat policies and empty promises.

In 2009, the Obama administration promised that if the Democrats borrowed \$1.16 trillion to “stimulate” the economy, the unemployment rate [would not exceed 8 percent](#). Democrats then promised that the government takeover of healthcare would create [4 million jobs](#)—400,000 jobs “almost immediately.” Democrats even promised that “[welfare](#)” checks were a surefire way to juice the economy.

It does not take heavy econometric analysis to determine the net effect of these policies—they have failed. Economic growth was recently reported at an anemic rate of 1.8 percent for the [first quarter](#). The [unemployment rate](#) stands at 9.1 percent, the highest level since December 2010. The government takeover of health care is proving to be an [unpopular job-destroyer](#). And there are approximately 45 million Americans receiving [food stamps](#). In fact, there is no stronger indictment of “Obamanomics” than the millions of Americans still out of work or struggling to make ends meet [two years](#) into the current recovery.

RECOVERY SUMMER RHETORIC VS. REALITY

What Democrats said:

- **April 14, 2010** – House Speaker Nancy Pelosi said, “[T]here is mounting independent evidence that the Recovery Act and other job-creation efforts are spurring an American economic recovery.”
- **June 17, 2010** – The White House [declared](#), “This summer is sure to be a Summer of Economic Recovery...it is becoming clear that it could quite possibly be the most active season yet when it comes to recovering our economy.”
- **June 17, 2010** – Vice President Joe Biden told reporters that “the Recovery Act is working” and predicted the summer would be the most active period of job creation since the stimulus bill was passed by Congress in early 2009.
- **June 18, 2010** – President Obama claimed that his trillion dollar stimulus was creating “...progress all across the country. Businesses are beginning to hire again.” He also said that the economy “is now growing at a good clip,” and he gave credit to Democrats in Congress.

- **August 4, 2010** – The administration’s hopefulness continued through the summer with Treasury Secretary Geithner’s *New York Times* op-ed titled “Welcome to the Recovery,” in which he assured us that the American economy is “on a path back to growth.”
- **August 24, 2010** – Rep. Debbie Wasserman-Schultz (D-FL) said on Fox News’ *On the Record*, “The president’s economic policy is working all over the country. I mean, you only have to look at results.”
- **August 27, 2010** – Rep. Chris Van Hollen (D-MD) told Politico, “Today we are moving in the right direction.”

How the American people experienced it:

- **9.1%:** The unemployment rate for the month of May. Since March 2009 (the month after the stimulus passed) through May 2011, unemployment has [averaged 9.4 percent](#). Prior to President Obama taking office, unemployment had not been above 9 percent in 28 years.
- **28:** The number of consecutive months that unemployment has been at or above 8 percent—the level the President said unemployment would never reach if the stimulus passed. Unemployment has not stayed above [8 percent](#) for so many consecutive months since the Great Depression.
- **13,914,000:** The number of unemployed Americans looking for work in the month of May. The number of unemployed eclipsed 13 million for the first time in history two months after President Obama took office and has remained above 13 million for 27 straight months.
- **44,587,328:** The number of Americans receiving [food stamps](#), the highest number of participants in history. Today 14 percent of Americans receive food stamps, an increase of 40 percent since President Obama took office.
- **39.7:** The average number of weeks that job seekers have been unemployed—the longest average time that Americans have been unemployed since the statistic was first recorded in 1948.
- **19.1%:** The rate of underemployment during mid-May according to Gallup’s monthly [employment survey](#). This accounts for the unemployed, those unable to find full-time work and those discouraged from looking for work.
- **8,548,000:** The number of Americans who are working only part-time because they cannot find full time employment. The number of people working part time for economic reason reached 8 million for the first time in history under President Obama and has remained above 8 million for 28 consecutive months.
- **6,200,000:** The number of Americans unemployed and searching for work for more than 27 weeks. Since President Obama took office, the number of people unemployed for more than 27 weeks has increased by 131 percent.
- **1,231,000:** The number of job seekers that are new to the workforce and have yet to find a job. The number of new workers who cannot find a job has been above 1 million for 22 straight months.
- **24.2%:** The unemployment rate among job seekers between the ages of 16 and 19. Youth unemployment has been above 24 percent for 24 months, the longest streak since the Great Depression.

- **16.2%:** The unemployment rate among African Americans, an increase of 27 percent since President Obama took office.
- **11.9%:** The unemployment rate among Hispanics and Latinos, an increase of 20 percent since President Obama took office.
- **14.7%:** The unemployment rate among Americans without high school diplomas, an increase of 19 percent since President Obama took office.
- **6.8%:** The level at which the Obama administration [claimed](#) unemployment would be today if the "stimulus" was signed into law.
- **1,908,000:** The number of net jobs the economy has shed since the Democrats' "stimulus" was signed into law in February 2009.
- **\$1,161,000,000,000:** The total cost of the Democrats' "stimulus." CBO estimates the cost of the bill will reach [\\$814 billion](#) and interest on the debt for the bill will be at least [\\$347 billion](#).
- **Entrepreneurship is at a 17-Year Low:** Since 2007, there has been a 23% drop in new business creation - falling to the lowest levels seen since 1994.

HOUSE REPUBLICANS' PLAN FOR AMERICA'S JOB CREATORS

Problem: On June 3, 2011, the *Washington Post* [reported](#), "Employers from coast to coast describe a situation in which tepid economic growth alone isn't enough to prompt them to add to their payrolls...Doubts about the future have continued to chip away at confidence and prevented many business people from taking the leap of faith required to expand and hire new workers."

Solution: Providing a stable environment for businesses. House Republicans will approve legislation to require congressional review and approval of any government regulations that have a significant economic impact or burden small businesses, in addition to requiring an audit of existing and pending regulations to identify and address those that hinder economic growth.

Problem: A recent *Washington Post* [article](#) quoted the owner of a family-run construction company: "You try to keep your business going. You try to hire new people. But then you have to pay more unemployment taxes, you have to pay more workers' compensation, you have to pay more in health insurances...It just snowballs for the employer."

Solution: Reforming a broken tax code. House Republicans will approve legislation to increase American competitiveness by lowering the corporate tax rate to no more than 25 percent, spurring business investment that will create more jobs. House Republicans will also approve legislation that allows U.S. businesses with operations overseas to repatriate almost \$1.2 trillion in overseas profits at a lower tax rate so they can invest domestically, creating American jobs.

Problem: As a consequence of President Obama's "permitorium" in the Gulf region, the American economy becomes more dependent on unstable foreign sources of oil. On June 8, 2011, *Reuters* [reported](#), "OPEC talks broke down in acrimony on Wednesday after Saudi Arabia failed to convince the cartel to lift production, sparking a rebound in global oil prices...The failure to do a deal is a blow for consumer countries hoping the Organization of the Petroleum Exporting Countries would take action to stem fuel inflation." The long-term impact of the President's moratorium, if sustained for 18 months, could cause over 36,000 jobs to be lost nationally, over 24,000 jobs lost in the gulf region, and over 14,000 jobs lost in the state of Louisiana, according to a [study](#) by Louisiana State University economist Dr. Joseph Mason. By delaying the process to issue drilling permits, the President has continued a *de facto* moratorium with the adverse economic consequences therein.

Solution: Unleashing American energy. House Republicans will approve [legislation](#) that promotes lower energy prices through increased domestic production and encouraging competition among all forms of energy.

According to the Heritage Center for Data Analysis, the economic policies in the FY2012 Republican Budget would create nearly 1 million new private-sector jobs next year, bring the unemployment rate down to 4 percent by 2015, and result in 2.5 million additional private-sector jobs in the last year of the decade.