



Jay Carney: Obama Stimulus Broke “the Back of the Recession”

Last week, White House Press Secretary Jay Carney made a [bold assertion](#): President Obama’s 2009 economic stimulus law is “widely recognized to have broken the back of the recession.” The American Recovery and Reinvestment Act, which was signed into law on February 17, 2009, had an original cost estimate of \$787 billion, but has since been revised by the Congressional Budget Office (CBO) to an elevated tune of [\\$831 billion](#).



Naturally, when considering such a massive sum of taxpayer dollars, debate over whether the law has stimulated economic growth — or whether it has spurred enough growth to warrant government intervention — has become a common theme among critics and lawmakers. Inevitably, the Obama administration stands by its allegation that government-sponsored “stimulus” is imperative in a time of economic crisis, and that without the Recovery Act, the United States would have sunk into an economic cataclysm rivaling the Great Depression.

“There’s been some discussion about the Recovery Act,” Carney noted in a White House briefing last Thursday. “The entire purpose of the Recovery Act was to grow the American economy and grow American jobs here at home, and that’s what it did. It’s widely recognized to have broken the back of the recession, to have reversed the situation where we were losing jobs at a rate of 750,000 per month to one where we’ve created over 4.2 million private sector jobs. The Recovery Act alone is viewed by outside economists as having saved or created over 3 million jobs.”

Carney’s claim, critics and Republican lawmakers have insisted, is highly ambitious, particularly when observing unemployment trends for the past three and a half years. According to the [Bureau of Labor Statistics](#), the national unemployment rate stood at 7.8 percent in January 2009, one month before Obama signed the Recovery Act. In May of that year, unemployment hit 9.4 percent, and in October 2009 — eight months after the law was signed — unemployment peaked at 10 percent.

Ever since, national unemployment in the United States has yet to dip below the eight-percent mark, with the latest BLS report disclosing a rate of 8.2 percent. In an extensive analysis on the subject, CNS News’ Terence Jeffrey [expounded](#) on the damning job trend:

In January 2009, there were 12,049,000 unemployed people in the country, meaning there were that many people age 16 and older who wanted a job, had actively sought one in the previous four weeks, but had not been able to find one. In June 2012, there were 12,749,000 unemployed people — or 700,000 more than there were the month before Obama signed the stimulus.

The percentage of the American population actually holding jobs and the percentage of the population participating in the labor force (those either holding a job or actively looking for one) have both declined since January 2009. In that month, 60.6 percent of Americans 16 or older were working. In June 2012, 58.6 percent of Americans 16 or older were working. In January 2009, 65.7



Written by [Brian Koenig](#) on July 18, 2012

percent of Americans 16 or older either held a job or were looking for one — and thus were participating in the labor force. By June 2012, that had dropped to 63.8 percent.

In its most recent analysis, the CBO reported that the stimulus's peak impact on employment transpired in the third quarter of 2010, when there were, according to the agency's estimates, 700,000 to 3,600,000 Americans employed who would've been unemployed if not for the law. As of the current quarter, however, the law is allegedly responsible for only 200,000 to 1,000,000 workers who otherwise would be unemployed, the report added.

"At its maximum best-case, job-creating power, Jeffrey noted, "the Obama stimulus created 3.6 million jobs for \$831 billion — or \$230,833 per job." In the current quarter, he added, "the best the stimulus can claim is that it has sustained 1,000,000 jobs at a cost of \$831,000 per job."

Commenting on allegations that the Obama stimulus helped [contribute](#) to job outsourcing and the subsidization of foreign companies, Senate Minority Leader Mitch McConnell (R-Ky.) jabbed at the President's landmark law, [telling](#) the *Washington Examiner*, "This is just the latest unintended consequence of a bill that's been better at creating punch lines for late-night talk show hosts than good American jobs."

"Unfortunately," McConnell added, "President Obama's faith in government is so absolute he still doesn't seem to see what a titanic failure this bill has been."

Photo:

White House Press Secretary Jay Carney gestures during his daily news briefing at the White House, July, 11, 2012: AP Images



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