



Third-Year Anniversary of \$787B Stimulus Scores a Grave Milestone

Last Friday marked the third-year anniversary of President Obama's \$787-billion economic "stimulus" law — and it scored a rather grim milestone: The unemployment rate held steady above eight percent for 36 months, the longest period since World War II. In fact, according to the Bureau of Labor Statistics, the current 8.3-percent unemployment rate is precisely where it stood three years ago when the legislation, called the American Recovery and Reinvestment Act (ARRA), was signed into law. The previous record for above-8-percent unemployment was 27 months, which transpired in the early 1980s.



This undeniable truth, along with dozens of others, is underscored in a 52-page book — entitled [Obamanomics: Stimulus Deconstructed, Three Years of Failed Policies](#) — produced by the Republican National Committee (RNC). One of the more notable assertions about the Obama administration's much-touted stimulus plan was a pledge to create 678,000 construction jobs by the end of 2010, an estimation forecasted by Council of Economic Advisors Chair Christine Romer and Vice President Joe Biden's chief economist Jared Bernstein. However, much to the White House's dismay, 971,000 construction jobs were lost by the end of 2010.

In the same report, Romer and Bernstein surmised that the ARRA would generate 408,000 manufacturing jobs by the end of 2010. Again, the administration's estimates were damningly askew, as the U.S. economy suffered a loss of more than 800,000 manufacturing jobs during that time frame.

The RNC's analysis chronicled a myriad of broken promises, including one where the President claimed the stimulus bill would lift two million Americans out of poverty. "And it's a plan that rewards responsibility, lifting 2 million Americans from poverty by ensuring that anyone who works hard does not have to raise a child below the poverty line," he professed in February 2009. "So as a whole, this plan will help poor and working Americans pull themselves into the middle class in a way we haven't seen in nearly 50 years." However, the stark reality is that since Obama took office, 6.3 million Americans have fallen into poverty, according to the [U.S. Census Bureau](#).

[Investors.com](#), the online presence of *Investor's Business Daily*, added to the RNC's analysis, first pointing out Obama's ambitious claims that the stimulus would "create or save up to 3.5 million jobs" and unleash a "new wave of innovation, activity, and construction." The website recalled that Obama promised that the stimulus would "ignite spending by businesses and consumers" and bring "real and lasting change for generations to come." In response, investors.com offered the following assessment:

Unemployment: The jobless rate is unchanged from February 2009 to January 2012. Both stood at 8.3 percent. Obama's economists had predicted that the stimulus would keep unemployment



under 8 percent.

Long-term unemployed: The number of workers who haven't been able to find a job in 27 months or more has shot up 83 percent. They now number 5.5 million.

Civilian labor force: This segment has shrunk by 126,000. During similar time periods of recoveries of the past, the labor force rose an average of more than 3 million.

Labor force participation: The share of adults in the labor force has dropped 3 percent, which Investors.com labels "also highly unusual in a recovery." A lower participation rate makes the unemployment rate look better.

Household income: Median annual household income is about 7 percent below its February 2009 level.

National debt: The debt has risen \$4.5 trillion, or 41 percent. "The latest Treasury figures put the national debt at \$15.4 trillion, larger than the entire U.S. economy," Investors.com noted.

Deficits: For fiscal year 2009, the debt totaled \$1.4 trillion. The Obama administration's proposed deficit for 2012 is \$1.3 trillion.

Gross Domestic Product: Real GDP rose just six percent between the first quarter of 2009 and the fourth quarter of 2011.

Consumer and business spending: Personal consumption has climbed 10 percent in the past three years, but companies continue to stockpile cash, with cash on hand up 27 percent since the first quarter of 2009.

Stimulus price tag: The original cost estimate was \$787 billion. Now the Congressional Budget Office says it will have cost \$825 billion.

"Perhaps the best measure of the success or failure of the stimulus, however, is the fact that President Obama in his latest budget plan has called for still another round of stimulus spending," investors.com concluded, "this time totaling \$350 billion over the next four years, for what is labeled 'short-term measures for jobs growth.'"

As the failures of President Obama's economic stimulus are further realized, critics have again pounced at the opportunity to expose the wasteful, and often bizarre, projects funded through the law. [One example](#), for instance, was a \$50,000 check to a Chicago theater that in 2009 orchestrated a play showcasing former Illinois Governor Rod Blagojevich (D). The Shakespeare Theater flaunted its "Rod Blagojevich Superstar," in which the impeached former Governor himself — who is currently serving 14 years in prison — made an appearance on opening day for a performance that mocked his political and legal scandal.

In another scathing release, the RNC delivered last week a new report called "[Where Did All The Money Go?](#)" which offers a state-by-state breakdown of ludicrous stimulus projects and blundering government investments. Among the schemes underscored in the RNC report are:

- \$950,000 for a University of Arizona study on the genetics of ants
- \$54 million to help construct the Napa Valley Wine Train tourist attraction in California
- \$500,000 for cell phones as part of a smoking cessation program in Washington, D.C.
- \$934,498 for a University of Florida study on the DNA of lice



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- \$221,355 for a Indiana University study on why young men dislike using condoms
- \$35,000 to teach basket weaving in Maine
- \$30,000 for a University of Maryland study on the effects of methamphetamine on the sex drives of female rats
- \$141,000 to pay for a group from the University of Montana to study dinosaur eggs in China
- \$15,000 to teach Dutch-Hop polka in Nebraska
- \$231,750 for a Rutgers study on why female rats prefer cocaine to their own pups
- \$390,000 for a State University of New York study on malt liquor and marijuana consumption

The intended economic results of the ARRA never materialized. And what Americans have been left with is not only a record-breaking unemployment stretch, but a congressional spending spree with a near-one-trillion-dollar tab.

Photo: A January, 2012, photo shows people waiting in line at a job fair employer hiring event for Safeway in Portland, Ore.: AP Images.



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