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Government and Job Creation: Help or Hindrance?

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by [Dan Mitchell](#)

I recently posted [four charts eviscerating Obama's record on jobs](#).

My Cato colleague, Caleb Brown, has a good complement to those charts. He's put together a short video looking at how government spending and regulation undermine job creation.



Caleb says he will be doing more excellent videos like this, which is very encouraging since there is so much more ground to cover – particularly when trying to educate people in Washington.

One thing he should explain is that jobs don't exist without profits. [As I explained in a New York Post column last year](#), employers “only create jobs when they think that the total revenue generated by new workers will exceed the total cost of employing those workers.”

This seems like an elementary observation, but it's one that most politicians don't seem to understand. Or don't care to understand.

That certainly seems to be the case at 1600 Pennsylvania Avenue. The president will speak tonight and supposedly will propose a \$300 billion plan. He'll claim, of course, that this new “stimulus” package will boost growth.

But [a look at the various components that reportedly will be in his plan doesn't create a sense of optimism](#). Especially since it appears that he's mostly recycling proposals that already have failed at least once.

Maybe the President should copy the policies of a former resident of the White House, who also had to deal with a deep downturn, but [managed to produce dramatically better results](#).