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No, there is no consensus on Obama's policies

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Since its inception, the Obama administration has engaged in the deceptive routine of claiming that "economists" or "every economist" or a "consensus" among economists is in lock-step agreement over whatever policy prescription the White House happens to be peddling at the moment.

It began with the stimulus, when President Barack Obama misleadingly asserted that "economists from across the political spectrum agree that if we don't act swiftly and boldly, we could see a much deeper economic downturn that could lead to double-digit unemployment and the American dream slipping further and further out of reach." Swiftly and boldly, perhaps, but not in the same way. The libertarian Cato Institute found 200 economists, three of them Nobel laureates — James Buchanan, Edward Prescott and Vernon Smith — who disagreed that all "economists" supported the president's stimulus plan.

Then there's Nobel laureate Thomas J. Sargent, who in 2010 took the White House to task for its incorrect assertions about economists' views of the stimulus bill's likely effects: "President Obama should have been told that there are respectable reasons for doubting that fiscal stimulus packages promote prosperity and (told) that there are serious economic researchers who remain unconvinced."

And after the stimulus failed to come close to achieving the rosy predictions set by the president's own Council of Economic Advisers, Obama attacked critics, ratcheting up the rhetoric to claim that "every economist" — yes, every — "from the left and the right, has said, because of the Recovery Act, what we've started to see is at least a couple of million jobs that have either been created or would have been lost." Obama's chief economist, Jason Furman, wrote on his blog this week that the stimulus saved or created an average of 1.6 million jobs a year through the end of 2012. That piece of, um, data, like many contentions made by economists with an agenda, is nearly impossible to prove or disprove — and it should be nearly impossible to believe because it comes from a White House shop that trumpeted pie-in-the-sky forecasts about recovery to begin with.

This week, the Democrats' big push on a minimum wage hike hit a bit of a speed bump when the Congressional Budget Office estimated that if a $10.10 wage were implemented in the second half of 2016, we would see a reduction in employment of anywhere from 500,000 to 1 million workers. Further, only 19 percent of the $31 billion wage increases would accrue to families with earnings below the poverty threshold. So naturally, Furman, who has used CBO numbers to bolster arguments over the years, told reporters that this time around, the numbers are completely wrong because the report “does not reflect the overall consensus view of economists, who have said that the minimum wage would have little or no impact on employment.”

Consensus view of economists? Is that true? For many years, the broad consensus said that raising the cost of hiring low-skilled workers would mean fewer jobs. Economist and columnist Thomas Sowell put it like this: “One of the simplest and most fundamental economic principles is that people tend to buy more when the price is lower and less when the price is higher. Yet advocates of minimum wage laws seem to think that the government can raise the price of labor without reducing the amount of labor that will be hired.”

This seems to be the most basic of basic economics. Yet in the past decade, there have been competing studies claiming to show an array of results. Democrats will most often refer you to a letter from the left-wing, union-funded Economic Policy Institute that’s signed by 600 economists who support the wage hike. How many of those findings are driven by partisan and ideological concerns rather than empirical outcomes? I’ll let the social scientists argue over it. But when the Initiative on Global Markets at the University of Chicago’s Booth School of Business queried a panel of 38 top economic experts on the subject of the minimum wage and low-skill employment not long ago, the results suggested anything but a consensus.

They were presented with this statement: “Raising the federal minimum wage to $9 per hour would make it noticeably harder for low-skilled workers to find employment.” Thirty-four percent agreed, and 32 percent disagreed; 24 percent were uncertain.

So the minimum wage debate splits economists in many ways these days, but what it doesn’t do is offer us any consensus that asserts Obama is right. It never does.

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