



## Bad employment figures cast doubt on Obama's extravagant stimulus claims

Hans Bader | June 3, 2012

The recent bad employment figures debunk claims that the \$800 billion stimulus package would fix the economy. "The joblessness rate jumped to 8.2 percent. What makes that number particularly painful is that the Obama Administration claimed that the unemployment rate today would be less than 6 percent if the so-called stimulus was adopted," [notes Daniel J. Mitchell](#) of the Cato Institute. "Squandering \$800 billion on" the stimulus package "hasn't worked."

As the left-leaning *Daily Kos* blog admits, things are [worse than they look](#), since so many unemployed people have given up on looking for work that those "missing workers" make the situation look better than it is. "An alternative measure labeled U6—which includes part-time workers who want full-time work but can't find any, and some but not all of the millions of people who have become too discouraged to look for work—rose from 14.5 percent to 14.8 percent. . . . The number of Americans unemployed for six months or more rose from 5.1 million to 5.4 million."

The director of the Congressional Budget Office [admitted](#) that the stimulus package will actually [shrink the economy in the long run](#), and have "[a net negative effect on the growth of GDP](#) over 10 years" in his congressional testimony in November 2011.

Harvard economists [Robert Barro](#) and [Jeffrey Miron](#) criticized the stimulus package. Barro [called it](#) "the worst bill that has been put forward since the 1930s." The "'stimulus' is not the road to economic recovery. It's the problem, not the solution," [wrote Nobel Prize winning economist Vernon L. Smith](#). And 200 economists signed a statement [publicly opposing](#) the stimulus package in an ad published in the Washington Post and New York Times. Two economists argued that the stimulus indirectly [wiped out a net 550,000 jobs](#) by diverting money away from more productive uses in the private sector.

The Obama administration has also discouraged hiring through costly [new employment-law mandates](#) and through [burdensome](#) taxes and regulations [contained in Obamacare](#) and the [Dodd-Frank Act](#).