



State of the Union 2015 Fact Check: Rhetoric vs. Reality

by Ali Weinberg

January 21, 2015

ECONOMIC GROWTH

What Obama said: "So the verdict is clear. Middle-class economics works. Expanding opportunity works. And these policies will continue to work, as long as politics don't get in the way."

It's complicated. The verdict isn't exactly that clear.

To be sure, nearly 3 million jobs were added to the economy last year, making 2014 the best for job creation this century. Non-farm payrolls have returned to pre-recession levels, but a greater share of those new jobs are in low-paying industries, according to a recent report from the National Employment Law Project.

The national unemployment rate was 5.6 percent in December, lower than at any other point in Obama's presidency. But the December figure is closer to 11 percent when factoring in "marginally

attached workers," including discouraged and part-time workers who would prefer full-time work. That rate, known as the U-6, is still higher than pre-recession levels.

Another key measure of the economy's strength, the labor force participation rate, stood at 62.7 percent at the last job report -- down from 65.8 percent at the same point six years ago.

Attitudes are shifting upward. Americans are feeling better about the economy, according to a new ABC News/Washington Post poll. Forty-one percent of respondents believe the economy is in good shape, the most since April of 2007. Taking in the sixth consecutive year of gains for the stock market, and decreasing gas prices around the country, it's easy to see why Senate Majority Leader Mitch McConnell of Kentucky tried taking credit for the improved economy on behalf of the new Republican-led Congress.

But economic inequality -- the sense that the divide between rich and poor Americans is growing -- is still a resonant theme in American public life, so much so that Republicans and Democrats alike expect it to be a main focus on the next presidential race.

So while the economy, by many measures, has bounced back since the recession, it hasn't returned in the same condition. And it's not clear how much credit the president deserves for the good and bad elements of the recovery, says Jeffrey Miron, the director of economic studies at the Cato Institute who directs undergraduate economics department at Harvard University.

"There's no question the economy has improved over the past five years," Miron says. "But that doesn't tell us whether it is better or worse than if someone else had been president."

GAS PRICES

What Obama said: "Thanks to lower gas prices and higher fuel standards, the typical family this year should save \$750 at the pump."

Mostly True. According to the most recent short-term energy outlook from the U.S. Energy Information Administration, "the average household is now expected to spend about \$750 less for gasoline in 2015 compared with last year because of lower prices."

What the forecast doesn't thank for that figure is "higher fuel standards," instead saying that the recent drop in fuel prices is thanks to "U.S. tight oil production, strong global supply, and weakening outlooks for the global economy and oil demand growth."

It's an alluring figure that Deborah Gordon, the Director for the Energy and Climate Program at the Carnegie Endowment for International Peace, said actually casts a dark shadow over the outlook for further initiatives addressing climate change that the President also pushed for in his address.

"The problem is that lower gas prices make trucks and SUVs more attractive," Gordon told ABC News. "So maintaining fuel economy when gas prices are low is very challenging."

THE WAR ON ISIS

What Obama said: "Instead of getting dragged into another ground war in the Middle East, we are leading a broad coalition, including Arab nations, to degrade and ultimately destroy this terrorist group."

Mostly true. At issue is the President's claim that the US is not being drawn into another ground war in the Middle East. He's said repeatedly he wants no "US boots on the ground," but since the war against ISIS started last August the US has deployed 2,357 American troops to Iraq, according to the Pentagon. And they all have boots.

The White House has said "no boots" translates to "no combat troops." And so far those 2,357 Americans have managed to avoid ground combat and stick to their role of training Iraqi troops. But the same cannot be said for every member of the coalition.

ABC News reported today that earlier this week a Canadian Special Forces unit embedded with Iraqi forces out near the enemy line were drawn into a firefight with ISIS. It marked the first time a member of the coalition actually engaged in ground combat with ISIS... and it may not be the last.

The President's most senior military adviser, Chairman of the Joint Chiefs of Staff Gen Martin Dempsey, has said he won't rule out putting U.S. forces in combat roles. He said he might want to use them as "forward air controllers," essentially ground forces who can get an eye on potential targets for airstrikes. That also happens to be the same role those Canadians were playing when they were attacked.

What Obama said: "In Iraq and Syria, American leadership – including our military power – is stopping ISIL's advance... we are leading a broad coalition, including Arab nations, to degrade and ultimately destroy this terrorist group."

It's complicated. The U.S. and its coalition partners have had successes halting ISIS in parts of Iraq, but there's a much murkier picture in neighboring Syria.

U.S. officials have said that the airstrikes in Iraq have halted ISIS's momentum there, and Pentagon Press Secretary Rear Admiral John Kirby has stated that Iraqi forces have retaken 700 square kilometers of territory from ISIS. The Pentagon has also pointed to limited Iraqi offensives at Mosul Dam and near Mount Sinjar that have blunted ISIS advances. But U.S. officials say it could be later this year before the Iraqi military is capable of beginning an offensive to retake Mosul, Iraq's second largest city, from ISIS's control.

But the question will be sustaining those Iraqi military successes. ISIS is adapting to airstrikes by no longer operating in large formations and covering their movements from surveillance drones overhead. And they have also maintained their freedom of movement over large areas of northwestern Iraq.

The situation is much different inside Syria, where the majority of almost 800 U.S. airstrikes have occurred near the key border town of Kobani. While airstrikes there have halted the ISIS attempt to capture the city, ISIS has continued to expand its control of much of the eastern desert regions of Syria that border Iraq.

The U.S. heads a coalition of 60 countries that have pledged financial, technical and military support to take on ISIS. Some countries have chosen to conduct airstrikes in training only inside Iraq, while five Arab nations (Bahrain, United Arab Emirates, Jordan, Saudi Arabia and Qatar) have chosen to participate in the airstrike campaign inside Syria.

And this offensive could last well beyond Obama's term. U.S. officials have said that the strategy to defeat ISIS may take as long as three years.

What Obama said: "We will continue to hunt down terrorists and dismantle their networks."

It's complicated. It depends what the president means by "networks."

Have any terrorist networks actually been dismantled? Indeed, many smaller "groups of plotters," most if not all of them overseas, have been dismantled in recent years with help from the U.S. government, ABC News was told.

But when it comes to core al Qaeda and its dangerous offshoots in places like Yemen, Syria and Africa, those networks are anything but dismantled.

Just last week, a State Department spokeswoman said that – though it has been "weakened" – core al Qaeda "clearly remains a threat." And, State Department spokeswoman Marie Harf added, the U.S. government is still spending "a lot of money" going after core al Qaeda.

As for affiliates of al Qaeda core, Harf said the U.S. government is "increasingly concerned" about them. In addition, the U.S. government is "now focused on" the Islamic State, the brutal terrorist group wreaking havoc in Iraq and Syria, according to Harf.

"It's become a much more diffuse threat, and it's not just from these groups, but also the lone-wolf threat, which is ... very hard to detect," Harf said.

What Obama said: "We're also supporting a moderate opposition in Syria that can help us in this effort"

True. The United States has just begun to roll out a training program scheduled to begin this spring that will train and equip 5,400 moderate Syrian opposition forces over the next year.

The training for these fighters will take place at a staggered pace at training sites in Qatar, Saudi Arabia and Turkey.

Moderate Syrian opposition leader have criticized the U.S. for not providing lethal assistance and training before this year. Assistance they say could have helped them in their fight against more Islamic extremist groups like the al Nusra Front and ISIS.

U.S. officials say the training effort is intended to train Syrian fighters to fight ISIS. Plans call for vetted Syrian fighters to be trained for six to eight weeks before being reinserted into Syria as unified fighting forces. The idea is that they will return to their home areas to provide security and stability and push back ISIS. After that Pentagon officials expect that this force of moderate fighters will be able to

undertake offensive operations against ISIS. But even Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, has acknowledged that it could take a force of 15,000 to 18,000 moderate fighters to have an impact against ISIS in Syria, which would require continuing the training program for several more years.

And there are no guarantees that the fighters the U.S. trains will choose to only fight ISIS instead of the forces of Syrian President Assad. Turkey has agreed to host the training program with the expectation that any forces trained inside its territory will be able to fight the Assad regime.

EDUCATION

What Obama said: "Today, our younger students have earned the highest math and reading scores on record. Our high school graduation rate has hit an all-time high. And more Americans finish college than ever before."

Mostly True. According to the most recent reports by the National Center for Education Statistics, 81% of Americans graduated from high school in 2013, the highest number in history. However, according to the 2012 National report card, which reports on trends in academic progress, American student's test scores have been relatively consistent for the past 40 years.

JOB CREATION

What Obama said: "Since 2010, America has put more people back to work than Europe, Japan, and all advanced economies combined. Our manufacturers have added almost 800,000 new jobs. Some of our bedrock sectors, like our auto industry, are booming. But there are also millions of Americans who work in jobs that didn't even exist ten or twenty years ago – jobs at companies like Google, and eBay, and Tesla."

It's Complicated. U.S. manufacturing has bounced back since the recession, but the hundreds of thousands of jobs created since 2010 are still dwarfed by the roughly 2 million manufacturing jobs lost in America between December 2007 and June 2009—and that by the larger overall decline in American manufacturing since its peak in 1979, when over 19 million Americans worked in manufacturing. Detroit may be on the rise since the administration bailed out the auto industry, but American auto manufacturing is still a far cry from its heyday.

Additionally, technology is driving job creation in new industries and directions. But many more Americans are working in fast-food, hospitality, and other low-paying services industries than at the Googles, Teslas and Facebooks of the US economy.

CLIMATE CHANGE

What Obama said: "Over the past six years, we've done more than ever before to combat climate change, from the way we produce energy, to the way we use it. That's why we've set aside more public lands and waters than any administration in history."

It's complicated. Yes, the President is right in saying his White House has set aside more public lands and waters than any administration in history.

And Deborah Gordon, the Director of the Energy and Climate Program at the Carnegie Endowment for International Peace notes, Obama may have done more than recent predecessors in terms of regulating the way energy is used. But Gordon told ABC News the administration has hardly acted to counter increased emissions brought by skyrocketing production levels of fossil fuels.

"The U.S. is further afield from clean energy now than when Obama took office," Gordon said.

Gordon points to statistics from the U.S. Energy Information Administration which actually show annual U.S. crude oil production will continue to skyrocket in 2015.

"Experts fully expected and hoped that the downturn in US oil production over 30 years would be replaced with clean alternative fuels," Gordon said. "Then the oil boom happened when no one expected it. But it presents major climate challenges. And Obama did nothing to adopt a US oil policy to meet this challenge."

What Obama said: "The best scientists in the world are all telling us that our activities are changing the climate, and if we do not act forcefully, we'll continue to see rising oceans, longer, hotter heat waves, dangerous droughts and floods, and massive disruptions that can trigger greater migration, conflict, and hunger around the globe"

True. According to NASA scientists have seen tangible effects of the global climate change on our environment, including rising ocean levels, longer and more intense heat waves. A National Climate Assessment report released by the U.S. Global Change Research Program in 2014 said that in just the Northeast region of America, "changes in the timing of stream flow reduce water supplies for competing demands." The current climate change has also led to increased heat and drought in the Southwest regions which in turn will cause water supplies to decline and reduce agricultural yields. In the Northwest, more trees are dying because of increasing wildfires, insect outbreaks and tree diseases, the report added.

Sea levels along the U.S. Atlantic coast have also been accelerating at an alarming rate. According to the U.S. Geological Survey the rate of sea level rising is happening "three-to-four times faster along portions of the U.S. Atlantic Coast than globally." The stretch of the Atlantic Coast from Massachusetts to North Carolina has been labeled a "hotspot" by scientists and since 1990 the sea level rise along that coast line "has increased 2-3.7 millimeters per year; the global increase over the same period was 0.6 -1 millimeter per year."

A report published by the Environmental Justice Foundation warned that the continued rise in sea levels will have an effect seen globally and that "countries liable to lose all or a significant part of their land in the next 50 years include, Fiji, the Solomon Islands, the Marshall islands, and the Maldives." The foundation also warned that "global warming will force up to 150 million people to move to other countries in the next 40 years."

CYBER SECURITY

What Obama said: "We are making sure our government integrates intelligence to combat cyber threats, just as we have done to combat terrorism."

True - but with an important caveat.

Officials from across the U.S. government say their agencies are sharing cyber-related intelligence in ways it's never done so before, and the government is using that intelligence in unprecedented ways.

The Justice Department and FBI, for example, have recruited and trained federal investigators to handle cyber incidents and sources in the same, sensitive ways their terrorism counterparts would handle a national security probe.

Information once housed "on the intelligence side" of government is now being shared with prosecutors, who can then develop cases against cyber criminals, the head of the Justice Department's National Security Division, John Carlin, said at a cybersecurity forum last month. And, according to Carlin, "I think it's as a direct consequence that we have this new model that led to the groundbreaking charges against" five Chinese military officials last year, when the U.S. government accused them of hacking into American companies and stealing their trade secrets.

Similarly, just weeks ago, the FBI took the unusual step of accusing an entire regime of orchestrating a massive cyber-attack – labeling North Korea as the driving force behind the crushing hack of Sony. According to the FBI, investigators came to their conclusion "based on intelligence from the FBI, the U.S. intelligence community, DHS, foreign partners and the private sector."

Integrating intelligence, however, can only do so much to combat cyber threats. At that same forum, Carlin warned that the U.S. government needs to do far more, saying, "[W]e have not put in the defenses that would keep a committed adversary from being able to cause us harm. And that's true in both the private and the public sector."

TAXES

Obama said: "my plan will make quality childcare more available, and more affordable, for every middle-class and low-income family with young children in America – by creating more slots and a new tax cut of up to \$3,000 per child, per year"

True. Yes, expanding child care tax benefits could help millions of families cover child care costs by tripling the maximum Child and Dependent Care Tax Credit (CDCTC) for families with children under five.

But Thomas Cooke, a professor at Georgetown University, said this is a very small part of a bigger issue.

"If offered as a refundable tax credit this will put more money into the hands of middle income taxpayers," Cooke said, although he added, "there is so much more that can be done. We have a number of tax education provisions that could be simplified."

But a related question could be why, despite the great focus of the White House on tax rate changes in the weeks leading up to the State of the Union, President Obama didn't really say that much about tax reform or simplification? The fact that Obama said so little about changes he wants to the tax code, like increasing the capital gains and inheritance taxes, surprised Cooke and other experts with whom ABC spoke.

GUANTANAMO BAY

What Obama said: "As Americans, we have a profound commitment to justice – so it makes no sense to spend three million dollars per prisoner to keep open a prison that the world condemns and terrorists use to recruit."

Did we hear that right? Does it really cost \$3 million per prisoner to keep it open?

True.

The U.S. government spent \$397.4 million dollars to run the Guantanamo Bay detention facility in 2014, according to the final fiscal year report from Congress. That breaks down to \$3.25 million per detainee.

There are 122 remaining there today. No other prison on earth can match that price tag.

Closing Guantanamo Bay has also been one of Obama's most glaring broken campaign promises - he has been pledging to shut it down since his first presidential campaign in 2008