

# No, It's Not Time For Another Round Of Stimulus

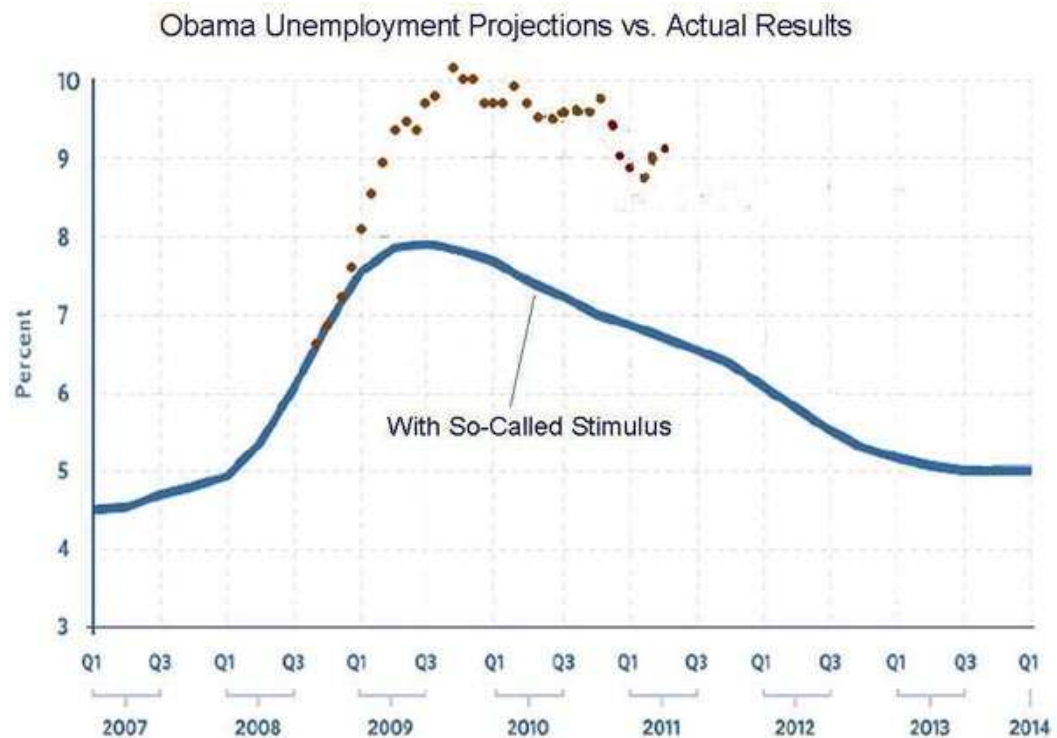
Peter Suderman | June 3, 2011

Last month, the U.S. created just 54,000 jobs—well below the roughly 150,000 necessary simply to keep up with population growth—and unemployment crept upward to 9.1 percent. Those ugly jobs numbers have already provoked cries for action from Washington from a number of liberal bloggers.

We've heard this line before. In early 2009, as the economy reeled, the Obama administration passed a stimulus with an enormous price tag that's since grown to roughly \$800 billion. The stimulus package came attached to very specific promises about the unemployment trajectory that would follow its passage, and those promises were crucial to the administration's case for passing the spending.

Well, we passed the stimulus. But as the chart below shows, the promised jobs didn't materialize. With the stimulus in place, we were supposed to see less than seven percent unemployment by now. Via Cato's Dan Mitchell, here's an updated comparison between the unemployment numbers the Obama administration predicted (the blue line) under the stimulus and the dismal unemployment figures we've actually seen (the dots):

Meanwhile, the jobs-created-or-saved numbers the White House constantly touts in order to justify the stimulus are essentially useless. They're based on slightly updated



versions of the same models that initially predicted the stimulus would create jobs rather than real-world measurements. As the director of the Congressional Budget Office, which produces the estimates, has made crystal clear, the topline numbers in the stimulus reports are disconnected enough from reality that if no jobs had been created at all, the official estimates would not reflect that fact.

So the official estimates tell us nothing of value. And the unemployment numbers in our post-stimulus world don't even come close to matching the administration's rosy original predictions. What's the case for adding more expensive, debt-driving stimulus to the pile when there's so little evidence that the last round worked in the way we were all promised it would?