



Obama Economic Recovery Still Underwater

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TUESDAY, 20 MARCH 2012 16:05

For proof that the Obama “recovery” remains unimpressive compared to previous recoveries, Cato Institute scholar Dan Mitchell gathered evidence from a number of sources to [make his point](#).

President Obama promised that at this point in the recovery unemployment would be down to six percent, but it remains stubbornly above eight percent if one believes the government numbers. At least five million people who lost their jobs in the recession are still unemployed or underemployed. The number of Americans living below the poverty level has set a new record. Government spending is virtually out of control with annual deficits now admitted to be above \$1 trillion for the foreseeable future. Higher taxes are coming unless the Bush tax cuts are somehow permitted to remain in force. And the housing market is still looking for a bottom.

But according to President Obama everything is [coming up roses](#): More than three million jobs have been created in the past two years and the Dow Jones Industrial Average just exceeded 13,000, nearly doubling from under 7,000 in March 2009.

Thanks to the Minneapolis Federal Reserve’s [interactive website](#), the Obama recovery can easily be compared to (and contrasted with) 10 previous recessions all the way back to 1948. Whether looking at jobs or at economic output, the performance under Obama has lagged behind each of the previous recoveries very significantly. As noted by Mitchell, “Under Obama’s policies ... we’ve just barely gotten back to where we were when the recession began ... [and] the jobs chart is probably even more discouraging.... [It] is still below where it started.”

On February 2, 2012, Phil Gramm and Mike Solon wrote in the [Wall Street Journal](#):

Never before in postwar America has ... employment still been lower four years after a recession began....

If in this recovery our economy had grown and generated jobs at the average rate achieved during the 10 previous postwar recessions ... 13.7 million more Americans would be working today....

President Ronald Reagan’s policies ignited a recovery so powerful that if it were being repeated today ... some 16.9 million more Americans would have jobs.

The negative impact of the Obama administration’s policies is also evident when America’s economic performance is compared to that of other countries. Last September Canada’s Fraser Institute published its [2011 Edition of Economic Freedom of the World](#), revealing additional persuasive evidence of that decline. From the report’s Executive Summary:

The world’s largest economy, the United States, has suffered one of the largest declines in economic freedom over the last 10 years, pushing it into tenth place. Much of this decline is a

result of higher government spending and borrowing and lower scores for the legal structure and property rights components.

The study shows that the rate of America's decline now puts it into the same category with Venezuela, Zimbabwe, and Malaysia, while its economic freedom ranking puts the country in 10th place, down from 4th place in 2005. Countries such as Mauritius, the United Kingdom, Chile, Canada, and Australia now rank ahead of the United States.

Mitchell concluded that the reason for America's downfall is because of Obama's continuation of Bush's failed policies: "I challenge anyone to identify a meaningful difference between the economic policy of Obama and the economic policy of Bush," he declared, pointing out:

Bush increased government spending. Obama has been increasing government spending.

Bush adopted Keynesian "stimulus" policies. Obama adopted Keynesian "stimulus" policies.

Bush bailed out politically connected companies. Obama has been bailing out politically connected companies.

Bush supported the Fed's easy-money policy. Obama has been supporting the Fed's easy-money policy.

Bush created a new healthcare entitlement. Obama created a new healthcare entitlement.

Bush imposed costly new regulations on the financial sector. Obama imposed costly new regulations on the financial sector.

A measure of insanity is doing the same thing over and over and expecting different results. Some, like Mitchell, refuse to call the Obama and Bush policies anything more than "misguided," "errors," or "mistakes in policy." But continued evidence of decline without changes in policy is proof not of failed policies but instead of deliberate policies designed to weaken and shrink the economy of the United States.

The solution to economic recovery is what it has always been: Stop the spending, stop the so-called remedies, and let the free market operate. And remove from positions of power those who deliberately continue policies that weaken and destroy this country.