

Stimulus Two Years Later, Networks Ignore Obama's Failed Job Promise

Eight percent unemployment prediction rarely made broadcast evening news.

By Iris Somberg

Wednesday, February 16, 2011 9:56 AM EST

Executive Summary

Just a few years ago, double-digit unemployment seemed like a crazy idea. But when the economy began to stumble, it was fear of high unemployment and a promise to prevent it that the Obama administration used to usher in the \$787 billion stimulus package. As The New York Times reported on Oct. 22, 2009, "The Obama administration's forecast at the start of the year, which predicted that unemployment would not climb much above 8 percent."

A big promise to be sure and a claim that proved false as unemployment climbed higher and higher reaching 10.2 percent at its peak. Yet, ABC, CBS, and NBC referenced this promise just nine times in two years in stimulus stories mentioning unemployment.

Unemployment still exceeds the Obama-guaranteed 8 percent unemployment rate two years after the bill's passage. In the same time period, network news barely reported that the stimulus failed to halt the sharp rise in unemployment. ABC 'World News,' CBS 'Evening News' and NBC 'Nightly News' all paid plenty of attention to the stimulus and its accomplishments, but more than 98 percent of those evening broadcast stories skipped over the administration's failed prediction.

The Media Research Center's Business & Media Institute (BMI) analyzed network evening news reports that mentioned "stimulus" and "unemployment" from Obama's inauguration on Jan. 20, 2009, to Dec. 21, 2010. BMI found that the networks almost completely ignored Obama's 8 percent unemployment promise and the failure of the stimulus to prevent rising unemployment.

Where Were Stories about the 8 Percent Promise? Just nine stories out of 589 (less than 2 percent) referred to the unemployment prediction in two years of network news coverage.

Networks Instead Promoted More Stimulus: When the effects of the stimulus plan were discussed, network news shows promoted even more stimulus. ABC's Bianna Golodryga asked Warren Buffet if he thought unemployment would hit 11 percent to which he said yes. Then, instead of noting that the stimulus failed, she asked if a second stimulus was needed. To this Buffet replied it may be necessary because the first bill "was sort of like taking half a tablet of Viagra."

Bush Forced to Defend 5 Percent Unemployment: Under the administration of President George W. Bush, negative economic stories were pushed when unemployment was below 5 percent - less than half the number reached *after* the stimulus passed. CBS' Dan Rather on Oct. 8, 2004, asked "Tonight, where are the jobs?" yet few stimulus stories have even mentioned Obama's unemployment prediction.

ABC Was The Worst With Only One Story: ABC "World News" only mentioned the 8 percent prediction one time in nearly two years of coverage, making it the worst of the three networks. Instead ABC credited the stimulus with lower unemployment as reporter Betsy Stark claimed Dec. 4, 2009, when unemployment dropped to 10 percent: "Economists credit the government's massive stimulus spending with getting the job market to this point."

CBS Was the Best With a Mere Four Stories: "Evening News" did a better job of reminding viewers of Obama's promise than ABC and NBC did, but still only mentioned it four times over two years. But unlike others Katie Couric actually brought it up in an interview with Obama on July 21, 2009 and asked him to respond. That was one of the few examples of what the networks should have done more often.

To accurately reflect the effects of the stimulus plan, BMI recommends the networks:

Need to Cite Promised Economic Numbers: Networks should refer to Obama's failed promise to keep unemployment below 8 percent when referencing effects of the stimulus.

Expose the Shortcomings of Government Programs: Broadcast reporters need to ask why the predictions were wrong and what is being done to fix this. They shouldn't simply parrot talking points about the need for even more stimulus.

Consult Economic Experts from Both Sides: Liberal and conservative economic experts must be asked why the unemployment prediction was wrong.

Full Report

A major selling point of the massive stimulus plan an Obama administration claim was that the unemployment rate would stay below 8 percent if it was enacted. The bill was rushed through Congress to guarantee Americans would see immediate relief. Two years later, the unemployment number has far surpassed this prediction by climbing as high as 10.2 percent. Yet, the media trivialized this failure of policy by referring to President Barack Obama's promise to keep unemployment down in a mere nine stories in nearly two years.

Before the stimulus passed, Americans were told that \$787 billion was the shocking price that had to be paid in order to save the economy from another Great Depression (and high unemployment). The New York Times referred to the initial promise on Oct. 22, 2009 saying, "The Obama administration's forecast at the start of the year, which predicted that unemployment would not climb much above 8 percent." However, few network reports covered this original guarantee in their broadcasts.

Since that time, ABC "World News," CBS "Evening News" and NBC "Nightly News" have managed to include the prediction just nine times. In fact, less than 2 percent of all stories in the past two years that had the words "stimulus" and "unemployment" noted the unemployment promise. Even when unemployment rose to 10.2 percent, the networks continued to ignore Obama's 8 percent promise.

Rep. Michele Bachmann, R-Minn., called out Obama on Jan. 25, 2010, for his failed stimulus plan saying: "But just eight months after President Obama promised lower unemployment, that rate spiked to a staggering 10.1 percent. Today, unemployment is at 9.4 percent with about 400,000 new claims every week."

The networks, however, chose to ignore these clear signs that the stimulus had failed to create jobs and busied themselves calling for more of the same. Little did they remember the harsh criticism they had for President George W. Bush when unemployment was below 5 percent.

Networks Instead Promoted More Stimulus

Instead of asking the seemingly obvious question of why unemployment did not stop at 8 percent as the Obama administration promised, some reporters instead [used the familiar talking point](#) that more stimulus was needed.

On "World News" July 9, 2009, ABC's Bianna Golodryga (who was engaged and is [now married](#) to Obama's former budget director Peter Orszag) interviewed Warren Buffett about unemployment and the stimulus. After Buffett said "I wouldn't be surprised" to see unemployment hit 11 percent, Golodryga failed to tell viewers that the stimulus was not working as promised. Instead, she asked "Do you think that we need a second stimulus?" to which Buffett replied, "Well, I think that a second one may well be called for. Our first stimulus bill, it seems to me it was sort of like taking half a tablet of Viagra."

CBS's Katie Couric also asked if a second stimulus was needed on July 8, 2009, "[S]ome say the economy needs another shot in the arm. But is the first one even working?" She failed to note the unemployment promise and continued to go on about whether a second stimulus program was the right fix.

NBC's John Yang did the same thing Nov. 6, 2009, when unemployment jumped to 10.2 percent saying that Obama was "facing pressure for a new stimulus package" to solve the jobs crisis.

Desmond Lachman, an American Enterprise Institute resident fellow, wrote on Sept. 21, 2009, "The Obama Administration's claim that the fiscal stimulus package is working, in the sense that it is providing the basis for a sustainable economic recovery, sits oddly with the facts."

So why weren't the networks covering the story? They were held captive by their need to promote more stimulus instead of covering the facts.

Bush Forced to Defend Economy at 5 Percent Unemployment

If President George W. Bush had promised unemployment would stay below 8 percent, the networks would have been sure to talk about it constantly. During the Bush years, they spun a good economy by promoting negative economic stories even when unemployment was below 5 percent.

The broadcast networks consistently portrayed Bush as failing to fix the economy. In 2006, the average unemployment rate for the year was 4.8 percent. However, [58 percent of the stories about the economy in the year leading up to the 2006 midterm election were spun negatively.](#)

NBC's Brian Williams did just that on April 7, 2006, when he portrayed the White House point of view as spin. Williams said that Bush was trying to "convince Americans that the economy is in fact on a roll. But as NBC News chief financial correspondent Anne Thompson tells us tonight, the economic picture is a bit more complicated." Thompson then cited a poll saying that "59 percent of Americans disapproved of the president's handling of the economy."

CBS's Jim Axelrod pushed a similar theme when he said Bush needed to do a better job of selling the economy. Axelrod said, "The administration needs a salesman" because no matter how much they point to good economic factors such as "unemployment down to 4.7 percent, there's nothing to contend with it."

Networks Neglected to Cover the Unemployment Promise

In the two years following passage of the stimulus, broadcast network evening news shows failed in 98 percent of their stories to bring up President Barack Obama's guarantee that unemployment would stay below 8 percent.

Heritage Foundation's James Sherk noted on July 2, 2009 that Obama broke his promise saying: "President Obama promised government spending would 'stimulate' the economy and quell rising unemployment" and "with the stimulus unemployment would stay below 8 percentage points." But with unemployment remaining at historically high levels there were few network reports that took the administration to task.

ABC was the worst network with just one story citing the 8 percent promise, despite plenty of opportunities to bring it up. On the Dec. 4, 2009 "World News," anchor Charles Gibson stated that "the unemployment rate fell from 10.2 percent to an even 10 percent" and then asked if it was just a "one-month phenomenon." With the unemployment rate a full two points above the stimulus prediction, ABC's Betsy Stark surprisingly credited it with improving the economy: "Economists credit the government's massive stimulus spending with getting the job market to this point."

Like "World News," CBS "Evening News" also excluded the broken 8 percent promise from many stories where it was sorely needed. One of those was on Feb. 17, 2010. That night Katie Couric asked, "The stimulus package one year later. Did it deliver what was promised?"

Although Couric asked the right question, "Evening News" didn't deliver the answer regarding Obama's own unemployment rate claims. Correspondent Chip Reid did mention that unemployment increased but not that the administration's claim was false.

"In the year since the stimulus was signed into law, the economy has lost 3.2 million jobs and the unemployment rate has soared from 8.2 to 9.7 percent," Reid said. However, the unemployment rate when the stimulus was signed on Feb 17, 2009, was at just 7.1 percent and was supposed to remain under 8 percent.

NBC "Nightly News" also neglected to remind viewers that the Obama promised his stimulus package would keep unemployment under 8 percent. A July 15, 2010 story would have been the perfect place to mention that fact, but the network didn't.

NBC's Chuck Todd reported that Obama "took time out to talk" with NBC on his trip to Michigan "to sell the idea his nearly trillion dollar stimulus plan is working." Yet, Todd did not hold the president to his promise and instead let the interview end with Obama saying Republicans would have done worse: "Look, if unemployment is at 9.5 percent, the party in power is going to have some problems, regardless of how much progress we've made and how much worse it would be if the other side had been in charge."

A Few Stories Covered the News

Out of nearly two years of evening news coverage, only nine network stories included the administration's guarantee that unemployment would stay below 8 percent with the enactment of the stimulus bill.

Cato Institute's Alan Reynolds explained on Feb. 22, 2010, that higher unemployment was actually the main effect of the stimulus. "It turns out that raising the unemployment rate by a percentage point or two is the only clearly identifiable effect the stimulus act had on the jobs market. It stimulated unemployment," he said.

In the only "World News" story on the topic, correspondent Jonathan Karl said what was left out of the rest of the coverage. On Oct. 25, 2010, Karl clearly laid out the problem.

"Did the stimulus exceed expectations? No. Forget wild dreams, the Obama-Biden economic team put out a report in early 2009 saying the stimulus would keep the unemployment rate to no higher than 8 percent. The unemployment rate now stands at nearly 10 percent," Karl said. It is unfortunate that more reporters at ABC and elsewhere didn't follow Karl's lead for stimulus reporting.

When Norah O'Donnell of NBC tried to report this story on "Nightly News" June 18, 2010, she only said that Republicans called the unemployment promise wrong and "the president has not reduced unemployment as predicted." O'Donnell followed up with the administration's line that "[T]his White House is adamant that the stimulus has worked.'

NBC's Lisa Myers faired better by citing the administration's promise three times in two years. On Feb. 17, 2010, Myers reported on current economic numbers while referring back to the administration's failed promise, "The White House had forecasted the stimulus would keep unemployment from going above 8 percent. Instead, the jobless rate soared to 10.2 percent last fall and stood at 9.7 percent last month."

Couric even called out the president on CBS July 21, 2009. She said the prediction in an interview with Obama, "Your administration projected that with the stimulus package, as you know, unemployment could be kept below 8 percent. Well, that was then, this is now." Unfortunately, this only happened once since the bill was passed.

Methodology

BMI analyzed the evening network news shows from ABC, CBS, and NBC between Jan. 20, 2009, when Obama took office, and Dec. 31 2010, nearly two years later. Researchers studied stories that mentioned the word "stimulus" and "unemployment" to see how the networks handled that coverage.

Conclusion

In the nearly two years since Obama's stimulus was enacted the unemployment rate shot up to 10.2 percent and still remains at a very high 9 percent. Americans were told that the stimulus would prevent unemployment from going above 8 percent. It didn't.

Yet, the networks news programs have barely reported the failure of the stimulus and instead have continued to promote more government use of taxpayer dollars as Katie Couric did July 8, 2009, when she asked if the economy needed another "shot in the arm."

While the networks have failed to call Obama to account for that false claim, President Bush was forced to constantly defend his economy policies when the unemployment rate was at a much lower 5 percent rate. Yet, the liberal media have let Obama slide as unemployment nearly doubled Bush's lowest rates.

With an increase of more than 25 percent in the unemployment rate from what it was when the stimulus was signed, it is time for the network news media to seriously evaluate how stimulus stories are covered.

Gary Wolfram, the William Simon Professor of Economics and Public Policy at Hillsdale College and a BMI adviser, noted that the stimulus did not address unemployment, "We still have 9.4 percent unemployment. The stimulus certainly did not address any of the problems that were creating the unemployment. It was being created by government uncertainty."

Is it too much to ask that the networks remind viewers of what they the administration promised regarding its own policies.

Recommendations

The Business and Media Institute recommends that ABC, CBS and NBC not show bias and stop protecting Obama from criticism over his failed stimulus bill.

To accurately reflect the effects of the stimulus plan, BMI recommends the networks:

Need to Cite Promised Economic Numbers: Networks should use Obama's guarantee that unemployment would stay below 8 percent when referencing effects of the stimulus.

Expose the Shortcomings of Government Programs: Instead of only discussing what is being done to reduce unemployment, the networks need to ask why the predictions were wrong in the first place and what is being done.

Consult Economic Experts from Both Sides: Reporters should ask both liberal and conservative economists why the original unemployment prediction was wrong.

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