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White House advisers flee as economy sinks

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The shakeup in President Obama's economic team comes at a critical point for the White House, creating more uncertainty as the economy slumps and midterm elections approach.

"It does make one suspicious that some of these senior economic advisers know the economy may go back into recession and they are escaping before it's even more obvious," said Chris Edwards, a tax policy expert at the Cato Institute.

Christina Romer, Obama's top economic adviser, resigned last week on the eve of a jobs report showing sluggish growth and no change in the nation's 9.5 percent unemployment rate.

Romer's departure follows a decision by Peter Orszag to step down as Obama's director of management and budget.

The two were the highest profile economic advisers at the White House, outside of Treasury Secretary Timothy Geithner, who raised eyebrows last week with an op-ed in the New York Times touting economic recovery.

Obama, who appears increasingly flummoxed by the slow economic turnaround despite massive government investment, asked for more patience for his policies to show results.

"Climbing out of any recession, much less a hole as deep as this one, takes some time," Obama said. "The road to recovery doesn't follow a straight line. Some sectors bounce back faster than others."

Romer, appearing on MSNBC, denied reports that tension and frustration among key economic advisers played a role in her departure.

"It was purely for family reasons," Romer said, adding that she wants her teenage son to attend high school back at home in California.

Romer said she does not believe the economy is heading for a double-dip recession, although the 71,000 jobs added in the private sector last month is "clearly not good enough."

Romer, whose relentlessly cheerful delivery often provided an odd counterpoint to consistently bad economic news, will return to the University of California at Berkeley, where she taught before joining Obama's team.

A key booster of Obama's \$787 billion stimulus package, Romer departs as Republicans repeatedly drum the message that stimulus has been a failure.

"After another disappointing jobs report and the resignation of one of the chief architects of the trillion-dollar 'stimulus,' it's time for President Obama to listen to the American people and face up to the fact that his 'stimulus' policies aren't working," said House Republican Leader John Boehner of Ohio.

Austan Goolsbee, who serves with Romer on the president's Council of Economic Advisers, is among those under consideration to serve as interim chairman when Romer leaves just before Labor Day.

Jack Lew, a budget official at the State Department who served as former President Clinton's budget chief, awaits confirmation to replace Orszag.

Obama's new economic team will face an array of daunting tasks -- including tackling the nation's record budget deficit, reducing spending, and possibly selling some kind of tax increase after the election, including the rollback of some of the Bush-era tax cuts.

Also demanding attention are Medicare and Social Security, two key government entitlement programs draining the budget and chronically in need of overhaul.

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