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### **What We Know About Obama's New Economic Adviser**

John Hudson 11:27 AM ET 611 Views Comments (8)

President Obama's nomination of Alan Krueger as his top economic adviser Monday gave bloggers the opportunity to dig through the Princeton University labor economist's political and academic career. The 50-year-old replacement of outgoing chairman of the White House Council of Economic Advisers Austan Goolsbee returned to the ivory tower a year ago after working as assistant treasury secretary for economic policy in the Obama administration. For this new appointment, he'll have to clear the Senate confirmation process once again. Here's what we know about him:

**His reputation** Catherine Rampell at *The New York Times* lays it out like this:

Dr. Krueger is considered a liberal-moderate economist, but has supporters on both sides of the aisle. Greg Mankiw, a Harvard economist who served as the chairman of President George W. Bush's Council of Economic Advisers, endorsed the forthcoming announcement Monday as "an excellent choice by President Obama."

**Why conservatives don't like him** His scholarship on taxes, the minimum wage and Obama's "Cash for Clunkers" program stick out in particular. Daniel Mitchell at the libertarian CATO Institute says "I'm worried about Krueger's sympathy for a value-added tax (VAT)." He then links to an argument written by Krueger in 2009 noting the

benefits of a "5 percent consumption tax," which would raise \$500 billion a year and "fill a considerable hole in the budget outlook" while encouraging "more savings in the long run" and lowering "long-term interest rates." Conn Carroll at *The Washington Examiner* bemoans Krueger's support of Cash for Clunkers, which caused the "destruction of over half-a-million perfectly functioning automobiles."

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**Why liberals really like him** Steve Benen at the *Washington Monthly* praises Krueger's ability to do battle with Republicans. "Krueger's academic work has frequently played a valuable role in the political discourse. When congressional Republicans blatantly lied about the costs of a cap-and-trade plan, it was Krueger who set the record straight. When conservatives said in 2009 that slashing the minimum wage would boost the economy, Krueger explained why the opposite is true." Jonathan Chait at *The New Republic* is a big fan of Krueger's scholarship on the minimum wage: "Krueger, along with Alan Card, studied fast food restaurants in New Jersey (which raised its minimum wage from \$4.25 to \$5.05) and western Pennsylvania (which did not change its minimum wage.) They found that New Jersey did not suffer higher unemployment among minimum wage workers."

**What he'll be doing** The Associated Press says he'll be on the front lines for the president.

Krueger is likely to become an important public face for the administration on the economy. Both Roemer and Goolsbee, Obama's two previous CEA chairs, were frequent spokesmen for the president, appearing on television and at White House events to promote the president's policies.

That role could be even more important in the coming months, as a host of would-be Republican successors travel around the country, campaigning hard for the GOP presidential nomination by focusing, in no small part, on Obama's handling of the economy.

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