



Written by [Bob Adelman](#) on July 15, 2010

## Still Waiting for the Recovery

The economy has gained either 2.5 million jobs or 3.6 million jobs since the Recovery Act was signed into law in January, 2009, depending upon which statistical “model” is used, according to Christina Romer, Chair of the White House’s Council of Economic Advisers. When compared to the report issued earlier this month by the Bureau of Labor Statistics, neither number is even close.



Said Romer, “We estimate the impact of the Recovery Act on job creation in two ways...[a] model-based approach [and] the projection approach.... [By using the latter approach] the Recovery Act has met the President’s goal of saving or creating 3.5 million jobs — two quarters earlier than [he] anticipated.”

[She added](#), “There’s obviously a lot of uncertainty about any jobs estimate, and I expect the true effects of the [Recovery] act will not be fully analyzed or fully appreciated for many years.”

[Current Employment Statistics Highlights](#) from the BLS, however, paint a much starker picture. Non-farm payroll employment dropped in June by 125,000, which includes private employment gains of just 83,000 jobs. According to that report, “Since December, 2009, private-sector employment has risen by 593,000, or by an average of 99,000 jobs gained per month.” This is far off the pace announced by Romer, and was picked up immediately by [several followers](#) of the economy. Veronique de Rugy, an economist with the Mercatus Center at George Mason University, declared, “The 3.5 million is a mystical, whimsical number that comes out of models that rest on extremely rosy projections.” She added that the real number of jobs created by the stimulus is likely to be much lower than what Romer reported. Rep. Darrell Issa (R-Calif.), ranking member of the House Oversight and Government Reform Committee, said, “The administration’s new stimulus jobs ‘saved and created’ claim lacks a basis in reality.”

As President Obama travels the country this summer, calling it the “Summer of Recovery,” his message is that things could be worse, but according to [Fox News](#), “That message is a tough sell.” The President is pointing to 30,000 miles of highways that are being improved, 2,800 water projects that have been started, and 120,000 homes that have been weatherized. But despite that, “It’s very hard to discern any impact,” according to Brian Bethune, chief U.S. financial economist for HIS Global Insight. He says that Romer’s projections are overly optimistic and that while the stimulus did have some small impact, he estimates it at about a third of what the White House has estimated. “Just look at the number of jobs we created over the past four quarters,” he added. “There haven’t been a lot.” And Ken Simonson, chief economist for the Associated General Contractors of America, [concludes](#), “There’s no pretending that [the] stimulus will drive the economy or replace the private sector.”



Written by [Bob Adelman](#) on July 15, 2010

---

On page 14 of the *Highlights* report is a chart illustrating “employment in temporary help services,” which sector, since last September, has added 379,000 jobs. According to Thomas Sowell, this is a critical number to know as it reflects businesses that have been meeting their need for labor “by hiring temporary workers and working their existing employees overtime, instead of hiring new people ... because temporary workers usually don’t get health insurance or other benefits, and working existing employees overtime doesn’t add to the cost of their benefits.”

Lew Rockwell agrees that the actual number of jobs is [much worse](#) than it appears.

For example, the Census Bureau hired 700,000 workers but then laid them off a couple of months later. He says, “Census jobs perform no market function, [but] the wages of these workers are paid by the taxpayer, meaning that these jobs are actually destructive of wealth. They siphon wealth and work out of the private sector into the wasteful sector...*the point of jobs is for people to work towards providing goods and services that are valued by the marketplace.* [Emphasis added.] If there is no consumer-driven demand for the things people are doing, their jobs are nothing more than waste.” That is why these latest jobs numbers from the government “show nothing like robust jobs growth where it matters most.”

This is what needs attention, but not from government programs. We need an absence of government programs, plus dramatic cuts in taxes and regulations.... We need wage reductions in some sectors so that employment can grow in other sectors. Government cannot plan real job growth. It can only get out of the way and let it happen.



## Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



### What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

**Subscribe**