



Written by [Ralph R. Reiland](#) on July 2, 2013

## It's Still "the Economy, Stupid"

To help campaign workers in Bill Clinton's 1992 presidential campaign to keep their eye on the ball, to stay focused on the public's top concern, Clinton campaign manager James Carville coined the phrase "It's the economy, stupid."

Carville was right. As is precisely the case today, the centrality of economic issues was paramount in 1992.

Under incumbent Republican President George H. W. Bush, the U.S. unemployment rate had increased from 5.6 percent in 1990 to 6.8 percent in 1991 and 7.5 percent in 1992.

Failing on another key economic issue, Bush had reneged on his well-known 1988 campaign pledge to refrain from raising taxes.

Further adding to the primacy of economic issues in the 1992 presidential election, third party candidate Ross Perot focused his campaign on federal budget deficits, the U.S. trade imbalance, and the national debt.

Today, it's still "the economy, stupid" with the federal debt now at \$17 trillion, up from \$4 trillion in 1992, and the economy stuck in a record-breaking slow recovery with an official unemployment rate of 7.6 percent in May, up from 7.5 percent in April.

Moreover, the 7.6 percent jobless rate doesn't include the roughly 800,000 unemployed people officially labeled as "discouraged workers," or the million-plus jobless workers classified as "marginally attached" to the labor force, or the 8 million partially jobless workers who are working only part-time but looking for full-time employment.

Add these "discouraged workers," the "involuntary part-timers," and the "marginally attached" to the official unemployment rate and the true unemployment rate in the U.S. is currently between 14 percent and 15 percent of the labor force — one in seven workers.

Not surprisingly, "huge majorities" of the public ranked "jobs and the economy" as their highest policy priorities in a Pew Research Survey in January 2013, as President Obama was beginning his second term, reports the *New York Times* op-ed columnist Ross Douthat.

"Down at the bottom of the list" of the public's policy priorities in January were "gun control, immigration and climate change," and yet just six months later, writes Douthat, "the public's non-priorities look like the entirety of the White House's second-term agenda."

Outside of liberal elite circles, contends Douthat, Obama's second-term agenda "looks at best peculiar, at worst perverse": Gun control became a priority "with firearm homicides at a 30 year low," while major new carbon regulations are being drawn up "when actual existing global warming has been well below projections for 15 year and counting."





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On “the issues that Americans actually prioritize — jobs, wages and the economy,” advises Douthat, Obama’s agenda on immigration and greenhouse gases “will make the picture somewhat worse.” This fundamental “disconnect” between the public’s priorities and Obama’s agenda, Douthat contends, “is the most serious threat to current liberal ascendance.”

Additionally, Douthat doesn’t comment on the negative impact of ObamaCare on economic growth and jobs. In a new Gallup poll, 41 percent of small-business owners, a key job-creating segment of the U.S. economy, say ObamaCare has already caused them to freeze hiring, 19 percent say they’ve cut their number of employees, and 18 percent have reduced their employees’ hours to part-time.

Also adding to business costs and negatively impacting economic growth and job creation, there are over 4,000 new regulations currently in the federal pipeline, including EPA’s new ozone rule which will hit American manufacturers with an estimated \$100 billion per year in new costs.

Bottom line, with few if any corrective measures coming out of Washington, asserts Douthat, “we’re left with the peculiar spectacle of a political class responding to a period of destructive long-term unemployment with an agenda that threatens to help extend the crisis toward 2020 and beyond.”

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