Written by **<u>Bob Adelmann</u>** on October 15, 2020



## Red States Bouncing Back From Shutdown; Blue States Lagging Behind

Back in May, Kevin Hassett, former chairman of President Trump's Council of Economic Advisors, <u>noted</u> that so-called Red states — those governed by largely Republicans — were opening sooner than Blue states — those governed largely by Democrats — and suggested it was something that should be studied.

JustTheNews (JTN) <u>completed just such a</u> <u>study</u>. By analyzing the latest (August) data available from the Bureau of Labor Statistics, Carrie Sheffield, JTN's investigative journalist, saw clearly the difference in approach to opening up the states. She noted that although the national unemployment rate is 7.9 percent, down from 8.4 percent a month earlier, the revival of small business is uneven and depends upon where they are located.



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She reported:

Just the News found that 9 of the 10 states with the lowest unemployment rates are led by Republican governors (Montana, led by Democratic Gov. Steve Bullock is the lone exception).

In startling contrast, 9 of the 10 states with the highest unemployment rates are led by Democrats (the exception being Massachusetts, led by Republican Gov. Charlie Baker, a critic of President Trump).

On average, she said, the combined unemployment rate in Blue states was 10.5 percent, some 60 percent higher than that of Red states' unemployment rate of 6.6 percent.

Steve Cortes, an economic advisor to the Trump reelection campaign, explained why. He called Bluestate governors "lockdown governors":

As astounding as the recent economic renaissance in American has been, the reality is that far too many lockdown governors are a drag upon the process, imposing unreasonable restrictions upon their states' economic activity for purely political motives.

As strong as the V-shaped recovery is in America, it could be even better if the oppressive governors of many blue states would allow citizens to fully begin the process back to normalcy with safe openings of businesses, schools, sports etc.

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Monica Crowley, spokeswoman for the Treasury Department, said that demands by House Speaker Nancy Pelosi for bailouts of those Blue states that are suffering under those primarily Democrat "lockdown" governors' mandates and edicts is a real sticking point in getting more federal financial assistance to small businesses and individuals. She said that President Trump "doesn't want to be in the business of bailing out these states," adding:

When you talk about unemployment, you look at the red states, you look at the blue states. You have very distinct economic agendas and visions....

[In] the red states — you have lower government burdens, lower tax rates, lower regulatory burdens on businesses of all sizes. Blue states have more of all of that — higher taxes, more regulation, and so on. And you can see the economic ramifications of that.

In looking at data compiled by Opportunity Insights and the Visual Capitalist, Hermina Paull, writing for The Deep Dive, said it showed that the lockdown measures applied by "lockdown" governors have "had a profound effect on the health of the U.S. economy.... In some states the number of small businesses that [have] reopened signals that times have returned to normal. Conversely, however, some regions ... still have the majority of their businesses shuttered ... with no end in sight."

As strong as the recovery from the shutdown has been — the Commerce Department is expected to report later this month that the U.S. economy grew at more than a 35-percent annual rate in the third quarter — it could have been much better had those "lockdown" governors taken their political feet off the brakes and let their citizens return to work.



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