

REPAIRING OUR ECONOMY

Economic Statistics Make Case for Economic Recovery

Every day, new economic statistics make the dire situation confronting our nation clear. Millions of Americans are unemployed, and many more risk losing their jobs. Families are struggling to keep their homes and make ends meet. As we face the bleakest economic forecast since World War II, the need for bold and swift action is evident. Rebuilding America's economy will take time, perhaps years, of leaders coming together in a bipartisan way to make the tough choices and smart investments required to ensure a solid recovery.

THE NEED FOR RECOVERY IS CLEAR

- **Microsoft plans to cut 5,000 jobs**, about 5 percent of their work force (CNN Money, 1/22/09)
- **Foreclosures surpassed 3 million in 2008**, up 81% from 2007 and 225% from 2006 – 1 in 54 homes received a foreclosure filing in 2008 (USA Today, 1/21/09)
- **New home construction fell to record lows** in December with an annual pace of 550,000, ending the worst year on record since 1959 (Reuters, 1/22/09)
- **Unemployment hits highest point** since November 1982, with number of Americans filing for unemployment insurance this past week at 589,000 (CNN Money, 1/22/09)

AMERICAN RECOVERY AND REINVESTMENT PLAN

To confront these challenges, President Obama is working with Congress on an American Recovery and Reinvestment Plan to jump-start the economy. This legislation focuses on job-creating projects and middle-class tax relief to get our economy moving again. The plan calls for bold and immediate action, but it is also carefully targeted, with strict accountability measures built in. While addressing our long term budget problems, Congress and the Obama Administration will remain diligent in making sure that the recovery funds are spent wisely and responsibly.

Economists from across the political spectrum agree that we must take action on the American Recovery and Reinvestment Plan—or the current situation could get much worse:

“Implementation of the House Democratic fiscal stimulus plan in early 2009 would provide a substantial benefit to the economy. The stimulus will not keep the downturn from becoming the worst since the Great Depression, but it will ensure that the current episode remains a recession and not a depression.” (Mark Zandi, Chief Economist at Moody's Economy.com and former advisor to John McCain's presidential campaign, [1/21/09](#))

“The focus has shifted from the bailout of financial sector players to getting the economy back on track for all Americans. The attention paid to accountability and ensuring that the funds are spent wisely is a welcome shift from the Bush administration's disregard, in drafting its financial recovery legislation, for both the public's right to know how its tax dollars are being used and the need for careful supervision of the use for such substantial sums.” (Michael Ettlinger, Vice President for Economic Policy at Center for American Progress, [1/16/09](#))

“We believe the Obama economic program combined with ongoing restructuring in the financial sector will set the stage for the economy to return to positive growth by next fall.” (Bernard Baumohl, Chief Economist at Economic Outlook Group, [1/19/09](#))