

TRUTH IN NUMBERS: BUSH ECONOMY IS WEAKEST IN DECADES

“President Bush has presided over the weakest eight-year span for the U.S. economy in decades, according to an analysis of key data, and economists across the ideological spectrum increasingly view his two terms as a time of little progress on the nation's thorniest fiscal challenges.”

– Washington Post, 1/12/09



As we approach the end of President Bush’s eight years in the White House, the economy is in shambles, job growth is among the slowest of any administration in over 75 years, and unemployment is at a record high. After eight years of what amounts to complete negligence concerning the economy by the Bush Administration, millions of Americans are paying the price. Could this have been avoided?

RHETORIC vs. REALITY

President Bush pursued reckless fiscal policies for years, setting the stage for massive deficits and economic decline. Then, while experts warned of a looming recession, the Bush Administration and Congressional Republicans ignored the warning signs and continued to act as if the economy were strong. On August 30, 2008, President Bush addressed the nation: “Despite our economic difficulties, there is every reason to be optimistic about America's future. Our workforce is dynamic and productive. Our economy is showing that it is resilient.” One week later, the administration announced the takeover of Fannie Mae and Freddie Mac. This “optimistic, even rosy, economic outlook”* persisted for eight years:

RHETORIC: “We can proceed with tax relief without fear of budget deficits, even if the economy softens. Projections for the surplus in my budget are cautious and conservative.” [President George W. Bush, 3/27/01]

REALITY: “The federal government had a modest budget surplus when Bush took office in 2001, but ran a deficit -- funding itself to a significant degree with borrowed money -- of 4.9 percent of gross domestic product in 2004 and 4 percent in 2005, even as the economy was growing at a healthy pace.” [Washington Post, 1/12/09]

RHETORIC: “The reduction of the deficit I've announced today is no accident. It is the result of the hard work of the American people, and because of sound fiscal policies here in Washington. When I first came to office, I thought taxes were too high -- and they were -- and this economy of ours was headed into a recession. Some people said the answer was to centralize power in Washington and to let politicians decide what to do with the people's money. **I had a different approach. I have a different view. And therefore, we chose a different course of action.**” [President George W. Bush, 10/11/06]

REALITY: "It's sad to say, but we really went nowhere for almost ten years, after you extract the boost provided by the housing and mortgage boom," said Mark Zandi, chief economist of Moody's Economy.com, and an informal adviser to McCain's campaign. **"It's almost a lost economic decade."** [Washington Post, 1/12/09]

RHETORIC: “In the long run, **our economy is going to be fine.**” [President George W. Bush, 3/17/2008]

RHETORIC: “Sure, there's some challenges facing us, but **the underpinnings of our economy are strong**, and we're a resilient economy.” [George W. Bush, 11/13/07]

REALITY: “Throughout much of past year, even as **the Treasury Department and Federal Reserve began preparing for the worst behind closed doors, Bush and his aides trumpeted the fundamental strength of the U.S. economy and dismissed Democratic proposals for a second stimulus package.** A White House fact sheet released on Sept. 5 was titled: ‘American Economy Is Resilient in the Face of Challenges.’ **Two days later, the administration announced the federal takeover of Fannie and Freddie,** setting in motion the most sweeping government intervention in the economy since the Great Depression.” [Washington Post, 1/12/09]

RHETORIC: “This growth and jobs package is essential in the short run; it's an immediate boost to the economy... They are essential for the long run, as well -- to lay the groundwork for future growth and future prosperity. That growth will bring the added benefit of higher revenues for the government -- **revenues that will keep tax rates low, while fulfilling key obligations and protecting programs such as Medicare and Social Security.**” [President George W. Bush, 1/7/03]

REALITY: “The administration also **failed to gain traction on some of the fundamental economic and fiscal issues facing the nation -- including solidifying the finances of Medicare and Social Security, simplifying the tax code, or making health care more affordable.** Resolution of those issues might have left the government more flexibility to respond to the current crisis by lowering the nation's future budget deficits.” [Washington Post, 1/12/09]

The numbers speak for themselves*:

- “The number of jobs in the nation increased by about 2 percent during Bush's tenure, the most tepid growth over any eight-year span since data collection began seven decades ago.”
- “Gross domestic product, a broad measure of economic output, grew at the slowest pace for a period of that length since the Truman administration.”
- “Americans' incomes grew more slowly than in any presidency since the 1960s, other than that of Bush's father.”
- “Even excluding the 2008 recession, however, Bush presided over a weak period for the U.S. economy. For example, for the first seven years of the Bush administration, gross domestic product grew at a paltry 2.1 percent annual rate.”

**Excerpts from the Washington Post, 1/12/09*