

## **ECONOMIC RECOVERY ON TRACK**

*Democrats, Economists Repeatedly State Recovery Will Not Happen Overnight*

***“Earlier generations of Americans didn't build this great country by fearing the future and shrinking our dreams. This generation has to show that same courage and determination. I believe we will.”*** – President Barack Obama, 7/12/09

Even before passage of the American Recovery and Reinvestment Act, President Obama cautioned Americans that economic recovery would take time. Since passage of the Recovery Act, the pace of job loss has eased substantially and the economy is no longer in a freefall. While there is still significant work to be done to restore our economy and bring relief to American families, economic experts agree that the recovery is working as designed and on track to meet its goals. Nearly a quarter of the recovery funds have been obligated in under a quarter of the days allotted.

### **Experts Agree: Economic Recovery Will Take Time, Will Help Economy**

**“The current stimulus has not had a sufficient opportunity to work, and while it has already provided some benefit to the economy -- the downturn would be even worse without it -- its benefit won't be fully felt until later this year.”** – Mark Zandi, Chief Economist at Moody's Economy.com, 7/13/09

**“[M]ost economists say the sheer size of the stimulus -- more than five times larger than a tax-rebate bill that helped produce a quarter of economic growth last year -- means it almost certainly will help spawn a recovery of growth in the second half of the year, when most of the spending provisions are expected to kick in.”** – Washington Times, 7/14/09

### **WSJ: Flow of Stimulus Funds Slightly Exceeds Forecast**

While we continue to work toward an economic recovery, data shows that we are on the right path in terms of timeline and funding. A story in the [Wall Street Journal](#) (7/8/09) demonstrates that the American Recovery and Reinvestment Act is already having an effect in just over 130 days of enactment:

**“Economic stimulus spending is currently 'slightly ahead of estimates,' with \$29 billion distributed to state governments through mid-June.”**

**“The GAO initially forecast that \$49 billion would be spent by the federal government in increased transfers to state governments through fiscal 2009, which ends Sept. 30. Through June 19, 60% of that amount had been disbursed -- putting spending slightly ahead of estimates.”**

### **President Obama Consistent in Assessment of Recovery Timeline**

The Recovery Act has only been in place a few short months, and it was designed to provide sustained economic stimulus over two years – not just these 4 months. President Obama made it clear from the beginning that the economy he inherited would take time to repair; his tune has not changed:

**Then...** **“It is time to set a new course for this economy, and that change must begin now...It will not come easy or happen overnight, and it is altogether likely that things may get worse before they get better.”** – President-elect Barack Obama, 1/8/09

**Now...** **“[T]he Recovery Act was not designed to work in four months – it was designed to work over two years...We must let it work the way it's supposed to, with the understanding that in any recession, unemployment tends to recover more slowly than other measures of economic activity.”** – President Barack Obama, 7/11/09