



ANSWERING MISLEADING CLAIMS ABOUT THE ECONOMY *Overview*

The Democratic staff of the Joint Economic Committee recently released [*Answering Misleading Claims about the Economy*](#), a 27-page publication with in-depth, carefully researched and referenced rebuttals of more than 35 statements. This shorter document offers quick answers to the most frequently cited claims.

Claim: This has been the worst recovery from a recession since World War II.

President Obama inherited from George W. Bush the worst economic catastrophe since the Great Depression. Congressional Republicans opposed his efforts to revive the economy and even weakened the recovery by cutting spending when more government investment was needed.

Claim: Republicans are better at managing the economy than Democrats.

According to peer-reviewed research by economists Alan Blinder and Mark Watson, the economy has performed better under Democratic presidents “almost regardless of how one measures performance.”

Claim: Job growth under President Obama has been weak.

Job growth has been significantly faster under President Obama than under George W. Bush. Over the past 6 ½ years, businesses have added more than 15 million jobs.

Claim: The Affordable Care Act (ACA) is a job killer.

This claim has been debunked repeatedly by fact-checking organizations. CBO actually projects that the labor supply will be slightly lower because workers will voluntarily choose to work less—not because they will lose their jobs.

Claim: The unemployment numbers are “artificial numbers” that are “massaged.”

PolitiFact has called this claim a “pants on fire” lie. The unemployment rate has been calculated the same way for decades.

Claim: The decline in the unemployment rate overstates progress because it doesn’t count people who have given up looking for work.

Labor market statistics that include workers who have become discouraged and dropped out of the labor force went sky-high during the Bush-era recession and have dropped precipitously under Barack Obama.

Claim: Labor force participation is at historic lows.

This is a long-term trend driven largely by the fact that tens of millions of baby boomers are retiring.

Claim: Unemployment among minority youth exceeds 50 percent.

This claim has been widely debunked. It counts millions of people who are not even in the labor force, including many high school and college students.

Claim: More than 90 million Americans aren’t working.

This number includes retirees, students, the disabled and stay-at-home mothers and fathers.

Claim: Middle-class incomes are down under President Obama.

Real median household is up under President Obama—about \$1,100 higher now than in George W. Bush’s last year in office. In 2015, it grew faster than any other year on record.

Claim: Government spending is out of control.

Discretionary spending outside of defense is currently below its 50-year average as a share of the economy and is projected to fall to its lowest level on record by 2018. Over the last four years of the Obama and Reagan administrations, government spending as a share of the economy was about the same.

Claim: President Obama spent \$800 billion on a “stimulus” bill that didn’t work.

Research finds that the recession would have lasted twice as long and job losses would have been about twice as high without the “stimulus,” other fiscal policy efforts and actions by the Federal Reserve.

Claim: The national debt has doubled under President Obama.

The national debt more than doubled under George W. Bush and nearly tripled under Ronald Reagan. The increase under Barack Obama largely is due to factors he inherited—the fallout from the economic meltdown, the wars in Iraq and Afghanistan and the Bush tax cuts.

Claim: We must cut spending to reign in the national debt.

Projected future increases in the debt are caused largely by the inevitable fact that Americans are getting older and retiring, driving up costs for Social Security and Medicare. It is deeply misleading to blame this on “runaway spending” and it is dishonest to call for cuts in other areas to address this issue.

Claim: We are leaving a mountain of debt to the next generation.

It is misguided to focus exclusively on Treasury debt while neglecting other burdens we risk leaving to future generations. Failing to repair our infrastructure, invest in education and medical research, and take action on climate change also leaves a serious debt.

Claim: Republicans are more fiscally responsible than Democrats.

Since Reagan, annual deficits generally have gone up under Republican presidents and come down under Democrats. Clinton presided over four straight years of budget surpluses before George W. Bush turned them into a sea of red ink. During the Obama administration, the deficit as a share of the economy has fallen by nearly three-quarters.

Claim: President Obama has increased taxes on middle-class families.

The average federal income tax rate for a median-income family of four has been lower under President Obama than any other president since Dwight Eisenhower.

Claim: We need to cut taxes to spur economic growth.

Economic research has found no clear connection between tax rates and growth. In recent decades, the economy has grown faster when tax rates have been higher. For example, growth was much stronger during the Clinton years than when George W. Bush was president.

Claim: President Obama has buried us with regulations.

He has issued fewer regulations than George W. Bush at the same point in his presidency.

Claim: Regulations costs Americans nearly \$2 trillion annually—approximately \$15,000 per household.

This has been debunked by the *Washington Post* Fact Checker. The claim is based on the questionable assumption that regulations have no benefits. The math is also deceptive and even the organization that came up with the \$15,000 figure admits that the median household doesn’t pay this amount.