



---

# JOINT ECONOMIC COMMITTEE

Senator Sam Brownback, Ranking Republican

---

February 2, 2009

## Background Material Relating to Fiscal Stimulus Measures

The so-called economic “stimulus” package being hastily pushed through Congress is intended to create jobs, provide economic relief to individuals and businesses, establish new “green” investments, and provide needed infrastructure. The stimulus package under debate in the Senate amounts to a massive increase in government spending, with the inclusion of many new long-term programs. Rather than enact a package that would use taxpayers’ dollars to effectively stimulate the economy through timely, targeted and temporary spending, the current proposal seeks to enact a massive increase in deficit-financed government spending under the guise of stimulus.

The following documents provide a critique of the proposed economic stimulus package and of the analyses used to support the proposed spending measures. Hyperlinks to the individual documents are in blue.

**[Fiscal Policy Stimulus: Timely, Targeted, and Temporary](#)**: This analysis considers how the current economic stimulus package measures up to the three key components of effective stimulus spending.

**[Keynesian Tax and Spending Multipliers](#)**: The use of multipliers has come into play in advocating how to spend taxpayers’ dollars (the “bang for the buck” notion). This paper summarizes Keynesian multipliers and what economists know about the size of multipliers for various spending projects while cautioning against the way in which these multipliers are generated and put to use.

**[Romer and Bernstein Analysis of Effects of Stimulus Jobs Created or Saved](#)**: This paper provides a description and critique of the analysis behind the claim that the proposed stimulus package will save or create three million jobs.

**[Stimulus and Green Jobs: Some Disconcerting Suggestions](#)**: This paper considers a study done by economists in the Obama Administration which specifies that certain types of jobs will be created by the proposed economic stimulus package. These alleged job-type distinctions are highly suggestive and rely on suggestions from radical economists.

**[Stimulus or Permanently Larger Government](#)**: This short piece highlights the effect that the proposed stimulus measures will likely have on the size of government in the long run.