

# Talking Points for Charts

## The Bush Economy

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## **The Bush Economy**

### **Chart 1: Slowest Job Growth of Any Administration in over 75 Years**

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## **The Bush Economy**

### **Chart 2: Slowest Job Growth in the Private Sector of Any Administration in over 75 Years**

- President Bush currently holds the record for the worst job creation record of any president since Herbert Hoover.
- In October 2008 there were just 4.4 million more jobs on nonfarm payrolls than there were when President Bush took office in January 2001.
- That is a paltry pace of job creation of just 47,600 jobs per month on average (0.4 percent per year).
- Leaving aside job creation in the government sector, there were just 2.8 million more private sector jobs in October 2008 than there were when President Bush took office (a pace of 29,800 jobs per month, or 0.3 percent per year).
- Within the private sector, manufacturing was particularly hard hit, with payrolls declining by 3.8 million jobs between January 2001 and October 2008.

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### **Chart 3: Slow Job Growth Has Turned Into Job Losses**

- Payroll employment declined by 240,000 jobs in October 2008. Where it was common to see job gains of 200,000 to 300,000 jobs per month in the 1990s expansion, we have not seen a gain of this magnitude since 2006.
- Over the past ten months, payroll has declined by 1.2 million jobs
- Declines in job growth like this are usually only seen during an economic downturn as more typically, the economy adds upwards of 150,000 to 200,000 jobs each month during times of expansion.

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### **Chart 4: Unemployment Rate Hits 6.5 Percent, Highest Since 1994**

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### **Chart 5: 4.1 Million More Unemployed**

- In October 2008, the civilian unemployment rate reached 6.5 percent, 2.3 percentage points higher than when President Bush took office and higher now than at any time during President Bush's tenure. In fact, this is the highest rate of joblessness since 1994, when the economy was still recovering from the recession of 1990-1991.
- In October 2008, 10.1 million people were officially counted as unemployed—4.1 million more people than were unemployed when President Bush took office in January 2001.
- To be counted as unemployed, a person must be actively looking for work, but in a weak labor market there can be considerable hidden unemployment and underemployment if people who want to work have been discouraged from looking for work and if people who want to work full-time can only find a part-time job.

- In a typical business cycle recovery, people come back into the labor force as the prospects of finding a job improve, but in the most recent job slump the labor force participation rate has remained depressed compared with its level at the start of the recession.
- In October 2008 the labor force participation rate (the proportion of the population working or actively looking for work) was 66.1 percent, 1.1 percentage points lower than it was at the start of the recession in March 2001.
- As a result of sluggish job creation and the depressed labor force participation rate, the proportion of the population with a job (the employment-to-population ratio) was 61.8 in October 2008, 2.5 percentage points lower than it was at the start of the 2001 recession.
- In October 2008, 5.0 million people who were not in the labor force said they wanted a job; about 1.6 million of these are considered “marginally attached” to the labor force because they have searched for work in the past year and are available for work.
- In October 2008, 6.7 million people were working part-time for economic reasons but wanted full-time work.
- The Bureau of Labor Statistics estimates that if marginally attached workers were included, the unemployment rate would have been 7.5 percent in October 2008, and if those working part-time for economic reasons were also included it would have been 11.8 percent.

## **The Bush Economy**

### **Chart 6: Three Times As Many Long-Term Unemployed Than When President Bush Took Office**

- The President's employment record shows that more people are unemployed, and that the jobless are staying unemployed longer.
- The number of people unemployed for more than 26 weeks is more than three times its level from when President Bush took office.
- In October 2008, more than one in five of the unemployed (22.3 percent) had been unemployed for more than 26 weeks, an increase of 11.0 percentage points since January 2001.

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### **Chart 7: Employee Compensation Has Lagged Far Behind Productivity**

- Historically, economy-wide increases in workers' pay have tended to track economy-wide increases in productivity (output per hour).
- Since early 2001, however, continued strong growth in productivity has not translated into commensurate increases in real (inflation-adjusted) average hourly compensation (wages plus benefits).
- While productivity in the nonfarm business sector rose by 20.8 percent between the fourth quarter of 2000 and the third quarter of 2008, real compensation per hour increased by only 7.1 percent over the same period.
- The cost of employee benefits has grown much faster than wages and salaries, squeezing take-home pay. Key costs include rising health insurance premiums and increased contributions to bolster the solvency of employee pension plans.

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### **Chart 8: The Bush Economy Real Earnings Growth Weak and Unequal Relative to 1990s Expansion**

- The 1989-2000 pattern of earnings growth is markedly different from that during the current expansion, which has seen weaker earnings growth for everyone, stagnation for the middle-class, and falling earnings for those at the bottom. Data from the Bureau of Labor Statistics on the usual weekly earnings of full-time workers—a measure of take-home pay—illustrate the changes at different points on the wage ladder.
- After adjusting for inflation, the usual weekly earnings at the center of the distribution—real median usual weekly earnings—increased by a mere .3 percent between 2000 and 2007. That contrasts with growth of 7.7 percent between 1989 and 2000.

## **The Bush Economy**

### **Chart 9: Large Projected Surpluses Turned into Large Deficits**

- When President Bush took office in January 2001, the Congressional Budget Office (CBO) projected large and growing federal budget surpluses under existing laws and policies (the so-called baseline projection).
- Over the 10 years from 2002 to 2011 those surpluses would accumulate to \$5.6 trillion.
- In fact, of course, the surplus was smaller than projected in 2001 and by 2004 a projected \$400 billion surplus had turned into a deficit of over \$400 billion.
- The 2007 budget deficit was \$162 billion. In 2001, CBO's projection was for a surplus of \$573 billion.

## **The Bush Economy**

### **Chart 10: \$4.2 Trillion More Debt in FY 2008**

- In February 2001, the Bush Administration projected that the federal debt would be \$1.2 trillion in 2008 if their policies were enacted, and that it would not be prudent or possible to pay down the debt any faster.
- In fact, however, under President Bush, the hard-won fiscal discipline of the late 1990s was completely squandered. The Administration's current projection of what the public debt will be in 2008 sits at \$5.4 trillion—an increase of \$4.2 trillion over the February 2001 projection.
- The public debt is federal debt held outside government and does not include debt held in the Social Security Trust fund and elsewhere within the government. The gross federal debt, which includes debt held by government agencies, was \$7.9 trillion in 2005 and now exceeds \$10 trillion.
- Instead of building up surpluses and retiring debt in order to prepare properly for the retirement of the baby boom generation, the Bush administration abandoned all pretense of fiscal discipline and let the debt skyrocket.

## **The Bush Economy**

### **Chart 11: Bush Tax Cuts for Millionaires Dwarf Tax Cuts for the Rest of America**

- The average amount of 2001-2006 tax cuts for households with more than \$1 million of income will be \$130,423 in 2008.
- The comparable figure for households with incomes of \$50,000 to \$75,000 is \$1,203.
- That means that millionaires can expect an average tax cut 108 times larger than that of households with incomes \$50,000 and \$75,000, 186 times greater than the average tax cut for households with \$20,000 to \$50,000 of income and 77 times larger than that of households with \$75,000 to \$100,000 of income.

## **The Bush Economy**

### **Chart 12: Household Income Has Declined Under This Administration &**

## **The Bush Economy**

### **Chart 13: Real Median Household Income Has Fallen**

- After adjusting for inflation, the income of a typical household was down by more than \$300 during President Bush's first term (2007 is the latest year for which we have data).
- The measure used here is the Census Bureau's median household income, adjusted for inflation. The median income is the income of the household at the exact middle of the distribution—half of all households have less income and half have more.
- Real (inflation-adjusted) median household income has fallen at an average annual rate of 0.1 percent since President Bush took office. Looking back as far as we have data, that is, back to Kennedy, only two other administrations have had a decline in real median household income.

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### **Chart 14: Real Household Income Has Declined for Virtually All Income Brackets since 2000**

- Average income for 80 percent of American households has fallen since 2000 after adjusting for inflation.
- Changes in income over the past year have been regressive, with the average income of the bottom fifth declining two-and-a-half times more than the top fifth.
- As a result of this pattern of losses at the bottom and gains at the top, income inequality is now greater than it was before President Bush took office.

## **The Bush Economy**

### **Chart 15: The Poverty Rate Has Risen Under This Administration &**

## **The Bush Economy**

### **Chart 16: 5.7 Million More Americans Are Living in Poverty**

- The official poverty rate in 2007 was 12.5 percent.
- That translates into 37.3 million Americans living in poverty in 2007—5.7 million more than were living in poverty in 2000, the year before President Bush took office.
- With less than four months remaining in his second term, President Bush's Administration is one of only four to preside over an average annual rise in the poverty rate.

## **The Bush Economy**

### **Chart 17: 7.2 Million More Americans Are Without Health Insurance**

- Nearly 46 million Americans were without health insurance in 2007 (the latest year for which we have data).
- That represents an increase of 7.2 million over the number of people without health insurance in 2000, the last year before President Bush took office.