



# 2014 Troubles: Obama's Economy

*Despite Obama's Rosy Spin, A Shrinking Economy And Long-Term Unemployment Spell Trouble For Democrats*

## OBAMA MAY BE EAGER TO HIGHLIGHT THE ECONOMY, BUT AMERICANS STILL AREN'T FEELING ANY RELIEF

**Obama Has Set The Tone For The 2014 Mid-Terms By Urging Democratic Candidates To Get Behind His Economic Message.** "Setting the tone for the election year, President Barack Obama is urging Democrats to coalesce behind a populist economic message that his party has concluded offers the best prospects for fending off Republicans in November." (Pablo Martinez Monsivais, "Obama: Economic Message Is Best Hope For Democrats In 2014," [The Associated Press](#), 2/28/14)

### *A Majority Of Americans See The Economy Getting Worse*

**According To A Recent Gallup Poll, 57% Of Americans Say The Economy "Is Getting Worse."** "Gallup's Economic Confidence Index is the average of two components: Americans' views on the current economic situation and their perceptions of whether the economy is getting better or worse. Last week, 20% of Americans said the economy is 'excellent' or 'good,' while 36% said it is 'poor.' This resulted in a current conditions score of -16, down three points from the week before. Meanwhile, 38% of Americans said the economy is getting better and 57% said it is getting worse, resulting in an economic outlook score of -19, similar to the -18 the week prior." (Rebecca Riffkin, "U.S. Economic Confidence Dips Slightly To -18," [Gallup](#), 7/15/15)

- **Gallup's U.S. Economic Confidence Index Has Dropped To A -18 – "A Level Not Seen Since March."** "Gallup's U.S. Economic Confidence Index dropped slightly to -18 last week, a level not seen since March. It registered at -16 for the three weeks prior, but had reached as high as -13 in early June. Economic confidence has been mostly stable since the beginning of the year, staying within a seven-point margin and not moving by more than three points from week to week." (Rebecca Riffkin, "U.S. Economic Confidence Dips Slightly To -18," [Gallup](#), 7/15/15)

**Sen. Kay Hagan's (D-NC) Campaign Pollster: "People May Believe [The Economy Is] Getting Better, But Not In Any Way That's Helping Them."** "'It's unlikely that even if you have sustained job growth that you're going to see a big difference in the perception of the economy,' said Jeff Liszt, a pollster who, among other races, is working with Sen. Kay Hagan's reelection campaign in North Carolina. 'And people may believe it's getting better, but not in any way that's helping them. Or even to extent it's helping them, they may feel like they're getting crumbs and others are getting the main benefit.'" (Alex Roarty, "Think The Economy Can Save Democrats? It Won't," [National Journal](#), 7/13/14)

**Democrat Pollster On The Economy: “The Problem Is That Public Opinion Isn’t There.”** “The economy is getting better and all the economic data says so—the problem is that public opinion isn’t there,” said one Democratic pollster, who requested anonymity to speak candidly. ‘And that’s the data point that matters for November. There is no way to claim credit for something that the voters don’t believe, so it will be very difficult to campaign on any positive economic news.’” (Alex Roarty, “Think the Economy Can Save Democrats? It Won’t,” [National Journal](#), 7/13/14)

## **OBAMA’S ECONOMY CONTINUES TO SPUTTER AND STRUGGLE TO REBOUND**

**“At The Start Of The Year, Economists Were Optimistic... So Much For Hopeful Thinking.”** “At the start of the year, economists were optimistic. Perhaps the economy would grow 3% this year, they said, instead of the measly 2% pace it’s been stuck at for the prior three years. So much for that hopeful thinking. Half-way through the year, forecasts are being slashed.” (Annalyn Kurtz, “U.S. Economy: Not Looking So Good,” [CNNMoney](#), 6/16/14)

- **The Broader Economy “Still Struggling To Rebound.”** “Other data show the broader economy is still struggling to rebound from an unusually sharp decline in the first three months of the year. Harsh weather and a drawdown of business inventories contributed to the fastest decline in economic output in five years, a contraction at an annualized 2.9% pace.” (Jonathan House and Eric Morath, “As Jobs Surge, Hurdles Linger,” [The Wall Street Journal](#), 7/4/14)

**Federal Reserve Chair Janet Yellen: “Recovery Still Feels Like A Recession To Many Americans.”** “The recovery still feels like a recession to many Americans, and it also looks that way in some economic statistics.” (Janet Yellen, “What The Federal Reserve Is Doing To Promote A Strong Job Market,” [Federal Reserve](#), 3/31/14)

**According To The Chief Economist At The Economic Policy Center, “It’s Going To Be This Way For A While. We’re In A Long Slog.”** “It’s going to be this way for a while. We’re in a long slog,” Shierholz said, noting that the recession of 2007-2009 was the harshest downturn since the 1930s Great Depression.” (Tom Raum, “Where Have All The Missing American Workers Gone?,” [The Associated Press](#), 6/9/14)

## ***The Economy Shrank In The First Quarter Of 2014, Reflecting “Underlying Weakness”***

**GDP Declined By 2.9 Percent In The First Quarter Of 2014, After Being Revised Down For The Second Time.** ([Bureau Of Economic Analysis](#), 6/25/14)

- **Revised GDP Was The Worst Since The Middle Of The Recession In The First Quarter Of 2009.** ([Bureau Of Economic Analysis](#), 6/25/14)
- **The Washington Post Headline: “The Economy Shrank Almost 3 Percent In Q1: Holy Guacamole.”** (Ylan Mui, “The Economy Shrank Almost 3 Percent In Q1. Holy Guacamole,” [The Washington Post](#), 6/25/14)

**The Decline In Economic Growth In The First Quarter Has “Dashed Hopes That The Recovery Was Switching Into A Higher Gear.”** “The economy’s first-quarter stumble has once again dashed hopes the recovery was in the process of switching into a higher gear.” (Jonathan House And Sarah Portlock, “U.S. GDP Contracted At 2.9% Pace In First Quarter,” [The Wall Street Journal](#), 6/25/14)

**The Steep Economic Decline Is “A Reflection Of The Underlying Weakness In The Economy.”** “But the fact that the economy as a whole could show such a sharply negative result thanks to a few combined idiosyncratic factors is also a reflection of the underlying weakness in the economy.” (Neil Irwin, “Economy In First Quarter Was A Lot Worse Than Everybody Thought,” [The New York Times](#), 6/25/14)

## **WHILE ECONOMIC GROWTH DASHES HOPES FOR A FULL RECOVERY, LONG-TERM**

## UNEMPLOYMENT HAS BECOME “A NATIONAL TRAGEDY”

### **Long-Term Unemployment Has “Quickly Growing From A National Crisis Into A National Tragedy.”**

“Over the past six months, economists have debated whether the long-term unemployed would find work as the economy recovered. Slowly, but surely, we’re getting the answer. So far, it’s not good: Long-term unemployment is quickly growing from a national crisis into a national tragedy.” (Danny Vinik, “Four Signs Long-Term Unemployment Is Becoming A National Tragedy,” [The New Republic](#), 7/9/14)

**The Long-Term Unemployed Are “The Greatest Casualty Of The Great Recession.”** “If employers are not willing to hire the long-term unemployed, that means the labor market is tighter than previously imagined and wages will rise sooner. In June, the year-over-year growth in wages was 2 percent. That’s still very low—approximately equal to inflation... If that’s the case, it will indicate that the long-term unemployed are disconnected from the labor market. That would make them the greatest casualty of the Great Recession.” (Danny Vinik, “Four Signs Long-Term Unemployment Is Becoming A National Tragedy,” [The New Republic](#), 7/9/14)

**Many Of The Long-Term Unemployed Are “Giving Up Rather Than Finding Work.”** “But the big question is whether this will be enough to bring back the shadow unemployed. It hasn’t yet. In June, there were 275,000 more people working part-time for economic reasons. And though it sounds like good news that long-term unemployment fell by 293,000, it probably isn’t when you consider that, as Ben Casselman shows, most of them are giving up rather than finding work.” (Matt O’Brien, “Is This The Jobs Recovery We’ve Been Looking For?,” [The Washington Post’s Wonkblog](#), 7/3/14)

- **More Americans Dropped Out Of The Labor Force Than Found Jobs For 49 Out Of The Last 50 Months.** ([Bureau Of Labor Statistics](#), 7/9/14)

**“As Of June, There Are More Than Three Million Long-Term Unemployed Workers, Although Many More Have Dropped Out Of The Labor Market Altogether.”** (Danny Vinik, “Four Signs Long-Term Unemployment Is Becoming A National Tragedy,” [The New Republic](#), 7/9/14)

**Long-Term Unemployment Today Remains Higher Than At Any Point Before 2008.** “After the financial crisis, long-term unemployment—workers unemployed for more than six months—skyrocketed to record levels. In fact, even today, long-term unemployment is higher than at any point before 2008.” (Danny Vinik, “Four Signs Long-Term Unemployment Is Becoming A National Tragedy,” [The New Republic](#), 7/9/14)

**In June, 2.7% Of Adults Were Not Actively Looking For Work, But Would Like A Job Now.** “Finally, we have the people who are not counted as unemployed because they are not actively seeking work. We don’t know how many of these people might return to the labor market as the economy improves. One simple measure: In June, the government reported that 2.7 percent of American adults said they were not actively looking for work, but they would still like a job now. About 2 percent of adults were in that category in December 2007.” (Binyamin Appelbaum, “What About The Jobless Who Aren’t Looking?,” [The New York Times](#), 7/3/14)

### ***Those Lucky Enough To Find Work Are Often Relegated To Part-Time And Low-Wage Work***

**Number Of Part-Time Workers Who Prefer Full-Time Employment Jumped By 275,000 To 7.5 Million In June.** “Among the few worrisome signs in Friday’s generally encouraging employment report was a sharp rise in the number of part-time workers who prefer full-time jobs. The total jumped by 275,000 to 7.5 million, the Labor Department said.” (Paul Davidson, “Rise In Part-Time Workers Worries Some Experts,” [USA Today](#), 7/6/14)

- **In June, An Additional 3% Of Adult Population Reported They Are Working Part-Time Because They Cannot Find Full-Time Jobs, Compared With Only 1.8% In December 2007.** “But hold the celebrations. Another 3 percent of the adult population reported that they are

working part-time because they cannot find full-time jobs. This figure remains far above the December 2007 level of about 1.8 percent.” (Binyamin Appelbaum, “What About The Jobless Who Aren’t Looking?,” [The New York Times](#), 7/3/14)

**“The Fast Growth Of Low-Wage Jobs May Not Exactly Be Luring People Back Onto Payrolls.”** “This really points to one troubling dilemma at the heart of the labor market's recovery: payouts do to some degree disincentivize work, which is one common argument against expanding policies like unemployment insurance. But if that's true, the fast growth of low-wage jobs may not exactly be luring people back onto payrolls.” (Danielle Kurtzleben, “Income From Work Is Shrinking. Here’s Where Americans Are Getting More Of Their Income Now,” [Vox](#), 6/3/14)

- **In June, Two-Thirds Of All New Jobs Were Part-Time Only Jobs.** “In fact, part-time jobs accounted for two-thirds of all new jobs in June. Some economists expect employers to draw on this pool of partially employed workers as the economy continues to expand.” (Binyamin Appelbaum, “What About The Jobless Who Aren’t Looking?,” [The New York Times](#), 7/3/14)

**ObamaCare Could Be Prompting Some Businesses To Hire More Part-Time Workers.** “The Affordable Care Act, which requires firms with at least 50 employees to provide health insurance to those working at least 30 hours, also could be prompting some businesses to hire more part-time workers, O’Sullivan says.” (Paul Davidson, “Rise In Part-Time Workers Worries Some Experts,” [USA Today](#), 7/6/14)

### ***And Millennials Are Still Struggling To Rebound In Obama’s Economy***

**According To A Recent Analysis, 40 Percent Of Unemployed Workers Are Millennials – A Greater Proportion Than Generation X (37 Percent) And Baby Boomers (23 Percent).** “Some 40% of unemployed workers are millennials, according to an analysis of U.S. Census data by the Georgetown University Center on Education and the Workforce released to MarketWatch, greater than Generation X (37%) and baby boomers (23%). That equates to 4.6 million unemployed millennials — 2 million long-term — 4.2 million unemployed Xers and 2.5 million jobless baby boomers.” (Quentin Fottrell, “40% Of Unemployed Workers Are Millennials,” [MarketWatch](#), 7/3/14)

- **Andrew Hanson, Research Analyst At Georgetown: “Unemployment Is Becoming A Youth Problem.”** “I was surprised by how high that number is for millennials,” says Andrew Hanson, research analyst at Georgetown University, who conducted the analysis. “Unemployment is becoming a youth problem.” (Quentin Fottrell, “40% Of Unemployed Workers Are Millennials,” [MarketWatch](#), 7/3/14)

**Even When You Exclude College Students, “There’s Been A Big Increase In Young People Living At Home The Past Few Years.”** “Now, it’s true that more 18 to 24 year-olds are going to school full-time than before. And it’s true, thanks to the quirks of the Census Bureau, that this explains some of the supposed rise of basement-dwelling millennials. But it’s also true that, even if you exclude college students, there’s been a big increase in young people living at home the past few years.” (Matt O’Brien, “It’s Not Your Imagination: Millennials Really Are Living In Their Parents’ Basements,” [The Washington Post’s Wonkblog](#), 7/11/14)

- **“There Just Weren’t Enough Jobs, Let Alone Well-Paying Ones, For Them To Afford To Move Out.”** “Young people moved back home when the economy cratered, and stayed there when it didn’t bounce back. There just weren’t enough jobs, let alone well-paying ones, for them to afford to move out—especially if they had student loans to pay back.” (Matt O’Brien, “It’s Not Your Imagination: Millennials Really Are Living In Their Parents’ Basements,” [The Washington Post’s Wonkblog](#), 7/11/14)

## **IT’S NO SURPRISE MANY DEMOCRATS ARE CONCERNED ABOUT EMBRACING OBAMA’S SO-CALLED “RECOVERY”**

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**President Bill Clinton, On If Democrats Should Run On The Obama Economy: “First Of All, That’s Not What Anybody Should Do.”** DAVID GREGORY: “How can a Democratic candidate for president, or what challenges would a Democratic candidate for president face running on the Obama economy?” BILL CLINTON: “Well, first of all, that’s not what anybody should do. You should run on making it better. But he didn’t cause the meltdown.” (NBC’s [“Meet The Press,”](#) 6/29/14)

- **Hillary Clinton Has Even Distanced Herself From The Obama Economy, Claiming The “Recovery” Hasn’t Helped Americans Or Their Families.** “[Hillary Clinton] appears to be setting herself up for a presidential run, yes, by distancing herself now from the President. Clinton is sounding a more pessimistic note about the economy than her former boss.” CLINTON [Clip]: “Americans don’t think the economy has recovered in a way that has helped them or their families.” (Betty Liu, “Hillary Clinton Separating Herself From Obama,” [Bloomberg](#), 7/7/14)

**Politico’s Maggie Haberman: The Democrats “Are Not Putting Forth An Economic Message That Really Resonates With Voters.”** MAGGIE HABERMAN: “The Democrats are not – this is the argument that Republicans make and some Democrats privately will acknowledge – are not putting forth an economic message that really resonates with voters – something that they feel like they can trust, will make a difference in their lives” (CNN’s [“Inside Politics,”](#) 5/4/14)

**Democratic Polling Firm: “Democrats Should Bury Any Mention Of ‘The Recovery.’”** “As a start, Democrats should bury any mention of ‘the recovery,’” stated an April memo from [Democracy Corps], which includes Mr. Carville and Stanley B. Greenberg, who were two political strategists for Bill Clinton.” (Jonathan Weisman, “Economic Recovery Yields Few Benefits For The Voters Democrats Rely On,” [The New York Times](#), 5/19/14)

### ***Democratic Candidates Run When Obama Comes Into Town To Speak On The Economy***

**“And There Are Signs Some Democrats Are Distancing Themselves From Obama On Issues Such As The Proposed Keystone Oil Pipeline And The Economy In General.”** (David Jackson, “Obama May Be Burden For Senate Democrats in 2014,” [USA Today](#), 2/12/14)

- **USA Today Headline: “Obama May Be Burden For Senate Democrats In 2014.”** (David Jackson, “Obama May Be Burden For Senate Democrats in 2014,” [USA Today](#), 2/12/14)

**Sen. Kay Hagan Refused To Attend An Obama Event On The Economy In North Carolina.** “A spokeswoman for U.S. Sen. Kay Hagan said Monday the senator won’t be at the president’s event on the North Carolina State University campus because she’ll be in Washington as the Senate meets this week. The president is visiting North Carolina for what the White House calls ‘an event on the economy.’” (“Dem Sen. Hagan Won’t Attend Obama’s Economy Speech In North Carolina,” [The Associated Press](#), 1/13/14)

**Sen. Mark Udall Skipped Obama’s Speech On The Economy, “Ensuring That There Will Be No Photos Of The Two Men Together.”** “Udall’s office also says the senator will not attend an economic speech the president plans to deliver in Denver, ensuring that there will be no photos of the two men together.” (Julie Pace and Nicholas Riccardi, “Obama Inches Into Competitive Colorado Senate Race, But Other Democrats Keeping Distance,” [The Associated Press](#), 7/8/14)

**The Washington Post’s Jackie Kucinich: Sen. Al Franken Skipped Out On An Event With Obama So He Doesn’t “Pay For It Later.”** JOHN KING: “Senator Klobachur made it out for a fundraiser last night. Senator Franken will be in Minnesota to, quote, “spend some time,” unquote, with the president, today his staff says. Is the president that toxic? Are they that worried about Minnesota that we’re trying to over manage it?” JACKIE KUCINICH: “First do not harm when you’re up for re-election and that’s what you have with Senator Franken. He doesn’t want to cozy up with the president and pay for it later.” (CNN’s [“New Day,”](#) 6/27/14)