



Obama's "Choppy" "Recovery" Slows To A Stall

Obama's Economy Continues To Disappoint With Weak Economic Growth

GDP Grew By 0.1 Percent In The First Quarter Of 2014, A Sharp Decline From The 2.6 Percent GDP Growth In The Last Quarter Of 2013. ([Bureau Of Economic Analysis](#), 4/30/14)

LATEST GDP NUMBERS SHOW "BRUTALLY SLOW" ECONOMIC GROWTH

Today's Low GDP Report Shows "Brutally Slow" Economic Growth "Even By Sluggish Post-Recession Standards." "Gross Domestic Product, the broadest measure of the U.S. economy, grew at a 0.1% annual pace in the first quarter, the U.S. Bureau of Economic Analysis reported Wednesday. That's brutally slow even by sluggish post-recession standards." (Annalynn Kurtz, "U.S. Economy Slows To Stall-Speed," [CNN Money](#), 4/30/14)

- **CNN Money Headline: "U.S. Economy Slows To Stall-Speed"** (Annalynn Kurtz, "U.S. Economy Slows To Stall-Speed," [CNN Money](#), 4/30/14)

The U.S. Economy "Slowed Drastically" In The First Three Months Of 2014. "The U.S. economy slowed drastically in the first three months of the year as a harsh winter exacted a toll on business activity." ("US Economy Slowed To 0.1 Percent Growth Rate In Q1," [Associated Press](#), 4/30/14)

The Wall Street Journal Headline: "GDP Slows To Crawl In 1st Quarter, Up 0.1%." (Ben Leubsdorf and Eric Morath, "GDP Slows To Crawl In 1st Quarter, Up 0.1%," [The Wall Street Journal](#), 4/30/14)

Bloomberg's Mike McKee: "Business Just Stopped Dead In Its Tracks And Actually Contracted What It Was Buying." "The question you always have is what are businesses doing? And right now it doesn't look like they did very well. After a 5.7% gain in spending in the fourth quarter it dropped 2.1%. So business just stopped dead in its tracks and actually contracted what it was buying." (Bloomberg's [In The Loop](#), 4/30/14)

CNBC's Rick Santelli: "To Summarize: Weak. Let Me Summarize Again: Weak." RICK SANTELLI: "Holy cow! Let's look at this twice. Up one-tenth. Up one-tenth of 1% on GDP. Up one-tenth. Which means it's a tie. It's a tie! The last time we had such a non-robust level of growth was the fourth quarter of 2012 when it was exactly .1, the same as it is now. We'd have to go back to March of 2011 to find a lower

number, and a lower number was minus 1.3. Let's go through the internals. So, up one-tenth if we look at consumption, consumption was a pretty decent number, 3%. A little lower than our last look which was 3.3. But still better than most expected. If we look at the price index that was 1.3, if we look at core PCE quarter over quarter up 1.3 as well. Also, we had the first quarter employment cost index. That was up .3. That's light. We are looking up to .5 up to .6 So, to summarize: weak. Let me summarize again: weak. Back to you." (CNBC's ["Squawk Box,"](#) 4/30/14)

GDP Growth Is The Slowest In Years As The Economic Recovery Continues To Be Known For "Choppiness" And Its "Slow Pace"

"The Nation's Economic Recovery, Which Started In Mid-2009, Has Been Marked As Much For Its Choppiness As Its Slow Pace." (Ben Leubsdorf and Eric Morath, "GDP Slows To Crawl In 1st Quarter, UP 0.1%," [The Wall Street Journal](#), 4/30/14)

Several Times "Hopes For A Breakout" Have Been Raised "Only To Be Upended By A Slowdown."

"At several junctures, consecutive strong quarters have raised hopes for a breakout--only to be upended by a slowdown. The overall gains have been too weak to push the unemployment rate back in line with historical norms. The unemployment rate in March stood at a still-elevated 6.7%." (Ben Leubsdorf and Eric Morath, "GDP Slows To Crawl In 1st Quarter, UP 0.1%," [The Wall Street Journal](#), 4/30/14)

MarketWatch Headline: "U.S. GDP Posts Smallest Gain In Three Years" (Jeffrey Bartash, "U.S. GDP Posts Smallest Gain In Three Years," [MarketWatch](#), 4/30/14)

The First Quarter Expansion Was "The Weakest Since The Fourth Quarter Of 2012, When Output Barely Grew At All." "At an annualized rate of 0.1 percent, the pace of expansion in January, February and March was the weakest since the fourth quarter of 2012, when output barely grew at all." (Nelson D. Schwartz, "U.S. Economy Barely Grew In First Quarter," [The New York Times](#), 4/30/14)

- **"It Also Represented A Sharp Deceleration From The Level Of Growth Recorded In The Second Half Of 2013."** "It also represented a sharp deceleration from the level of growth recorded in the second half of 2013, when the economy expanded at a 3.4 percent rate." (Nelson D. Schwartz, "U.S. Economy Barely Grew In First Quarter," [The New York Times](#), 4/30/14)

GDP Growth In The First Quarter Of 2014, "One Of The Weakest Paces Of The Five Year Economic Recovery." "The U.S. economy slowed in the first quarter to one of the weakest paces of the five-year recovery as the frigid winter appeared to have curtailed business investment and weakness overseas hurt exports." (Ben Leubsdorf and Eric Morath, "GDP Slows To Crawl In 1st Quarter, UP 0.1%," [The Wall Street Journal](#), 4/30/14)

Even With Economists Predicting Sluggish Growth, First Quarter GDP Weakness Was "Even More Widespread Than Had Been Forecast"

"Wall Street Expected A Poor Number, But The Weakness Appeared Even More Widespread Than Had Been Forecast." (Jeffrey Bartash, "U.S. GDP Posts Smallest Gain In Three Years," [MarketWatch](#), 4/30/14)

The First-Quarter Pace Was Also "Well Short" Of Wall Street Expectations. "The first-quarter pace also fell well short of the 1.2 percent rate of growth expected by Wall Street economists before the Commerce Department announcement Wednesday morning." (Nelson D. Schwartz, "U.S. Economy Barely Grew In First Quarter," [The New York Times](#), 4/30/14)

Lower Business Investment And Construction, Along With A Higher Trade Deficit, Led To Stagnant Economic Growth

There Was “A Drop In Business Investment, A Rise In Trade Deficit And A Fall In Housing Construction.” “Also dampening growth were a drop in business investment, a rise in the trade deficit and a fall in housing construction.” (“US Economy Slowed To 0.1 Percent Growth Rate In Q1,” [Associated Press](#), 4/30/14)

Business Investment Fell By 2.1 Percent, The First Decline In A Year. “However, business spending on items such as equipment, buildings and intellectual property fell at a 2.1% pace in the first three months of the year. That was the first decline in a year and reversed in part the 5.7% gain the prior period.” (Ben Leubsdorf and Eric Morath, “GDP Slows To Crawl In 1st Quarter, UP 0.1%,” [The Wall Street Journal](#), 4/30/14)

“Business Investment On Equipment, Meanwhile, Fell 5.5% To Mark The Biggest Drop In Almost Five Years.” (Jeffrey Bartash, “U.S. GDP Posts Smallest Gain In Three Years,” [MarketWatch](#), 4/30/14)

“Investment In Home Construction Also Fell For The Second Quarter In A Row, Down An Annualized 5.7%.” (Jeffrey Bartash, “U.S. GDP Posts Smallest Gain In Three Years,” [MarketWatch](#), 4/30/14)

“A Higher Trade Deficit Was Also Another Drag On Growth. Exports Fell 7.6%, A Much Steeper Drop Than The 1.4% Decline In Imports.” (Jeffrey Bartash, “U.S. GDP Posts Smallest Gain In Three Years,” [MarketWatch](#), 4/30/14)

How Has The White House Responded? Pitching Policies That Will Further Dampen Economic Growth

Today, President Obama Will Continue His Push For An Increase In The Minimum Wage To \$10.00 Per Hour. “President Obama will continue his push for a minimum wage increase on Wednesday even as the Democratic-led Senate is poised to vote down his proposal raising the rate to \$10.10 per hour.” (Justin Sink, “Obama Will Keep Up Minimum Wage Push,” [The Hill](#), 4/29/14)

According To The CBO, The Reduction In Employment Caused By The Minimum Wage Would Lower The Nation’s Output And Income. “In the long term, that reduction in the workforce lowers the nation’s output and income a little, which means that the income losses of some people are slightly larger than the income gains of others.” (Douglas W. Elmendorf, “Increasing The Minimum Wage; Effects On Employment And Family Income,” [Congressional Budget Office](#), 3/13/14)

Employment Would Decline By “Roughly” 500,000 Due To Increasing The Minimum Wage To \$10.10. “According to CBO’s central estimate, implementing the \$10.10 option would reduce employment by roughly 500,000 workers in the second half of 2016, relative to what would happen under current law.” (“The Effects of a Minimum-Wage Increase on Employment and Family Income,” [Congressional Budget Office](#), 2/18/14)

Family Incomes “For Many People” Would Fall As The Price Of Goods And Services Increases, Reducing Their Purchasing Power. “In addition, real family income for many people tends to fall a bit, because the increase in prices of goods and services reduces families’ purchasing power.” (Douglas W. Elmendorf, “Increasing The Minimum Wage; Effects On Employment And Family Income,” [Congressional Budget Office](#), 3/13/14)