



The Stimulus That Wasn't

Five Years Later, It's Clear Obama's Stimulus Was A Waste Of Taxpayer Dollars

On February 17, 2009, Obama Signed The Stimulus Into Law, Promising It Marked "The Beginning Of The End" Of America's "Economic Troubles." "President Obama on Tuesday signed the \$787 billion American Recovery and Reinvestment Act into law... 'Today does not mark the end of our economic troubles,' Obama said before signing the bill at the Denver Museum of Nature and Science. 'But it does mark the beginning of the end - the beginning of what we need to do to create jobs for Americans scrambling in the wake of layoffs; to provide relief for families worried they won't be able to pay next month's bills; and to set our economy on a firmer foundation.'" (Jeanne Sahadi, "Stimulus: Now For The Hard Part," [CNN's Money](#), 2/17/09)

FOR EVERYONE – INCLUDING OBAMA – THE STIMULUS FAILED TO LIVE UP TO EXPECTATIONS

In 2010, Obama "Admitted That The Enormous Sums Of Money" In The Stimulus "Had Fallen Short." "Yet he also admitted that the enormous sums of money had fallen short. 'If we're honest, part of the controversy also is that despite the extraordinary work that has been done through the Recovery Act, millions of Americans are still without jobs. Millions more are struggling to make ends meet. So it doesn't yet feel like much of a recovery. And I understand that. It's why we're going to continue to do everything in our power to turn this economy around.'" (Richard Wolffe, *Revival: The Struggle For Survival Inside The Obama White House*, 2010, p. 155)

According To Obama's Former Chief Of Staff Bill Daley, The Obama Administration Gave Up Defending The Stimulus Program Two Years After It Was Passed. "Then, early in 2011, with unemployment hovering above 9 percent, Obama's aides made a calculated decision to stop expending the president's political capital to defend the program, either by its name or the generic term stimulus, said Bill Daley, Obama's chief of staff at the time." (Hans Nichols, "Stimulus Back In Obama's Vocabulary After Year On Don't-Say List," [Bloomberg](#), 10/26/12)

- **Daley: "You Could See The Investments, But You Couldn't See The Returns On Those Investments."** "'It was pretty obvious that people didn't see a difference in the economy yet,' Daley said. 'You could see the investments, but you couldn't see the returns on those investments.'" (Hans Nichols, "Stimulus Back In Obama's Vocabulary After Year On Don't-Say List," [Bloomberg](#), 10/26/12)

FactCheck.org: “It’s Accurate To Say The Stimulus Has Failed To Live Up To Initial Expectations.”

“CBO’s high estimate is still short of the 3.5 million jobs that Obama had said would be created by the end of 2010, so it’s accurate to say the stimulus has failed to live up to initial expectations.” (Lori Robertson, “Dueling Economic Ads,” [Fact Check](#), 6/30/11)

The Stimulus Was Supposed To Control Spiraling Unemployment; It Never Delivered On Its Promises

FLASHBACK: Obama’s Economic Advisors Predicted That With The Stimulus The Unemployment Rate Would Be Around 5 Percent By The End Of 2013. (Christina Romer and Jared Bernstein, “[The Job Impact Of The American Recovery And Reinvestment Plan](#),” 1/9/09)

- **Obama Publically Backed His Advisor’s Predictions In Releasing A Report So “The American People Can See Exactly What This Plan Will Mean For Their Families, Their Communities, And Our Economy.”** OBAMA: “I asked my nominee for Chair of the Council of Economic Advisers, Dr. Christina Romer, and the Vice President-Elect’s Chief Economic Adviser, Dr. Jared Bernstein, to conduct a rigorous analysis of this plan and come up with projections of how many jobs it will create – and what kind of jobs they will be. Today, I am releasing a report of their findings so that the American people can see exactly what this plan will mean for their families, their communities, and our economy.” (President-Elect Barack Obama, [The President Elect’s Radio Address](#), 1/10/09)

The Unemployment Rate Was 6.7 Percent In December 2013 And 6.6 Percent In January 2014.

(Current Population Survey, [Bureau Of Labor Statistics](#), Accessed 2/14/14)

- **The Unemployment Rate Is Projected To Remain Above Six Percent Until 2017 And Stay Above 5 Percent Through 2024.** “In CBO’s projections, the growth of real GDP averages 2.2 percent a year between 2018 and 2024, and the unemployment rate declines from 5.8 percent at the end of 2017 to 5.5 percent in 2024.” (“The Budget And Economic Outlook: 2014 To 2024,” [The Congressional Budget Office](#), 2/4/14)

Under Obama The Labor Force Participation Rate Has Fallen To 63 Percent – A Level Last Seen In 1978 – From 65.7 Percent When He Became President. (Current Population Survey, [Bureau Of Labor Statistics](#), Accessed 2/14/14)

- **According To The CBO, The Declining Labor Force Participation Rate Has Been Due To A Lack Of Job Opportunities And Will Only Recover Slowly.** “The labor force participation rate (the percentage of people in the civilian noninstitutionalized population age 16 or older who are either working or are available for and actively seeking work), which has been pushed down by an unusually large number of people deciding not to look for work because of a lack of job opportunities, will move only slowly back toward the level it would be without the cyclical weakness in the economy.” (“The Budget And Economic Outlook: 2014 To 2024,” [The Congressional Budget Office](#), 2/4/14)

CBO: “CBO Estimates That The Economy Will Continue To Have Considerable Unused Labor And Capital Resources (Or ‘Slack’) For The Next Few Years.” (“The Budget And Economic Outlook: 2014 To 2024,” [The Congressional Budget Office](#), 2/4/14)

Obama Sold The Stimulus As Being Able To Get People Back To Work Immediately – But His Shovel-Ready Jobs Are Still Missing In Action

President-Elect Obama Was Confident That Shovel-Ready Infrastructure Projects Would Lead Recovery And Create Jobs Immediately. OBAMA: “Now, here’s what I’m confident about, that our economic recovery plan, our 21st-century investments will create jobs immediately that would not

otherwise be created. We've got shovel-ready projects all across the country that governors and mayors are pleading to fund. And the minute we can get those investments to the state level, jobs are going to be created." (President-Elect Obama, [Remarks Announcing Energy And Environment Team](#), Chicago, IL, 12/15/08)

- **Obama Said "14 Days After I Signed Our Recovery Act Into Law, We Are Seeing Shovels Hit The Ground."** OBAMA: "Because of Joe, and because of all the governors and mayors, county and city officials who are helping implement this plan, I can say that 14 days after I signed our Recovery Act into law, we are seeing shovels hit the ground." (President Barack Obama, [Remarks By The President On Transportation Infrastructure](#), Washington, D.C., 3/3/09)

Construction Employment Has Declined By 524,000 Workers Since The Stimulus Bill Was Signed By Obama. (Current Employment Survey, [Bureau Of Labor Statistics](#), Accessed 2/14/14)

- **Heavy And Civil Engineering Construction Employment Has Declined By 21,700 Since The Stimulus Bill Signed By Obama.** (Current Employment Survey, [Bureau Of Labor Statistics](#), Accessed 2/14/14)

President Obama, In 2011: "Shovel-Ready Was Not As Shovel-Ready As We Expected." (President Obama, [Remarks](#), Durham, NC, 6/13/11)

INSTEAD OF GETTING AMERICANS BACK TO WORK, STIMULUS MONEY WENT TO OBAMA'S PET PROJECTS

Obama Claimed All Stimulus Projects Received Funding "Based Solely On Their Merits." OBAMA: "And I just want to point this out -- there has never been a program of this scale, moved at this speed, that has been enacted as effectively and as transparently as the Recovery Act. I'm grateful that Congress agreed to my request that the bill include no earmarks, that all projects receive funding based solely on their merits." (President Barack Obama, [Remarks On The One-Year Anniversary Of The Signing Of The Recovery Act](#), Washington, D.C., 2/17/10)

\$3.9 Billion In Department Of Energy Stimulus Grants And Awards Were Directed To 21 Companies With Ties To The Obama Administration. "During the next three years, the department provided \$2.4 billion in public funding to clean-energy companies in which Wagle's former firm, Vantage Point Venture Partners, had invested, a Washington Post analysis found. Overall, the Post found that \$3.9 billion in federal grants and financing flowed to 21 companies backed by firms with connections to five Obama administration staffers and advisers." (Carol D. Leonnig and Joe Stephens, "Federal Funds Flow To Clean-Energy Firms With Obama Administration Ties," [The Washington Post](#), 2/14/12)

- **Awardees From One Stimulus Program Included "A Large Proportion" Of Obama Campaign Connections, Including "At Least 10 Members Of Obama's Finance Committee And More Than A Dozen Of His Campaign Bundlers."** "But an examination of grants and guaranteed loans offered by just one stimulus program run by the Department of Energy, for alternative-energy projects, is stunning. The so-called 1705 Loan Guarantee Program and the 1603 Grant Program channeled billions of dollars to all sorts of energy companies. ... Nevertheless, a large proportion of the winners were companies with Obama-campaign connections. Indeed, at least 10 members of Obama's finance committee and more than a dozen of his campaign bundlers were big winners in getting your money." (Peter Schweizer, "Obama Campaign Backers And Bundlers Rewarded With Green Grants And Loans," [Newsweek](#), 11/12/11)

Obama Thought Solyndra Would Be The Future Of "American Ingenuity," Instead They Filed For Bankruptcy After Getting \$535 Million In Loan Guarantees

Obama Hailed Solyndra As A “Testament To American Ingenuity And Dynamism.” OBAMA: “And I appreciated the chance to tour your plant and to see the incredible, cutting-edge solar panels that you’re manufacturing, but also the process that goes into the manufacturing of these solar panels. And it is just a testament to American ingenuity and dynamism and the fact that we continue to have the best universities in the world, the best technology in the world, and most importantly the best workers in the world.” (President Barack Obama, [Remarks By The President On the Economy](#), Fremont, CA, 5/26/10)

- **“Solyndra Was The Epitome Of What The Government Envisioned To Be Our Green Tech Future...”** (David Louie, “Fremont Solar Panel Maker Solyndra Scales Back Expansion Plans,” [The Oakland Tribune](#), 11/4/10)

Solyndra Was Offered The First Recovery Act Loan Guarantee, Receiving \$535 Million In March 2009. (Solyndra, “Solyndra Offered \$535 Million Loan Guarantee By The U.S. Department Of Energy,” [Press Release](#), 3/20/09)

In August 2011, Solyndra Announced That It Would File For Bankruptcy And Laid Off 1,861 Workers. “On the day it closed, Solyndra said it was laying off 1,100 full-time and temporary employees. But 1,861 workers lost their jobs as the solar panel manufacturer shut its doors, according to U.S. Labor Department documents provided to The Bay Citizen under the Freedom of Information Act... By the time it closed last August, Solyndra had an unsold inventory of more than 23 megawatts – enough solar panels to power about 23,000 homes.” (Aaron Glantz, “Solyndra Layoffs Larger Than Previously Reported,” [The Bay Citizen](#), 6/13/12)

A123 Systems Was Supposed To Be Part Of “An Entire New Industry In America,” Instead They Were Bought By A Chinese Company After Filing For Bankruptcy

Obama Said That His Investments In A123 And Electric Vehicle Technology Were “The Birth Of An Entire New Industry In America.” OBAMA: “I met with David and some of the A123 team here at the White House back in April, and it's incredibly exciting to see how far you guys have come since we announced these grants just over a year ago. And this is important not just because of what you guys are doing at your plant, but all across America, because this is about the birth of an entire new industry in America, an industry that's going to be central to the next generation of cars.” (President Barack Obama, [Telephone Remarks To A123 Systems](#), Washington, D.C., 9/13/10)

A123 Received Nearly \$250 Million In Taxpayer Backed Loan Guarantees. “A123, which was awarded a federal grant of as much as \$249.1 million and only used about \$132 million to build two plants in Michigan, listed assets of \$459.8 million and debt of \$376 million as of Aug. 31 in court documents.” (Michael Bathon, “Ex-Battery Maker B456 Wins Approval Of Bankruptcy Plan,” [Bloomberg](#), 5/20/13)

- **In October 2012, Taxpayer-Backed A123 Systems, A Maker Of Rechargeable Lithium-Ion Batteries For Electric Cars, Filed For Bankruptcy.** “A123 Systems Inc. (AONE), a maker of rechargeable lithium-ion batteries for electric cars, filed for bankruptcy after failing to make a debt payment that was due yesterday. The company listed assets of \$459.8 million and debt of \$376 million as of Aug. 31 in Chapter 11 documents filed today in U.S. Bankruptcy Court in Wilmington, Delaware. Chapter 11 is the section of the Bankruptcy Code used by companies to reorganize.” (Dawn McCarty and Craig Trudell, “Electric Car Battery Maker A123 Systems Files Bankruptcy Papers,” [Bloomberg Businessweek](#), 10/16/12)

Batteries Produced By A123 Systems For Fisker Automotives Were Defective Forcing Another Obama-Backed Company, Fisker, To Recall Its Electric Cars. “Meanwhile, Fisker, the recipient of more than half a billion dollars in low-interest Energy Department loans, repeatedly delayed the introduction of its ballyhooed Karma — while repeatedly raising the sticker price. And now Fisker has announced a

recall of the cars because of a potential defect in its batteries — made by A123 Systems, another large recipient of Energy Department support.” (Editorial, “Overcharged,” [The Washington Post](#), 1/1/12)

After Filing For Bankruptcy, A123 Systems Was Sold To A Chinese Company And Renamed To B456 Systems. “After its bankruptcy sale to Chinese auto supplier Wanxiang Group, battery-maker A123 Systems Inc. was required to change its name as part of its agreement. The new name: B456 Systems Inc. The company today filed a document with the U.S. Securities and Exchange Commission explaining the change. A123, which was based in Massachusetts and operated battery plants in Livonia and Romulus, company filed for Chapter 11 bankruptcy in October, about three years after winning a \$249 million grant from the Energy Department to expand production.” (Nathan Bomey, “After Sale To Chinese Firm, Bankrupt Battery Maker A123 Gets A New Name: B456,” [Detroit Free Press](#), 3/28/13)

And Millions In Stimulus Money Went To Wasteful Projects

\$3 Million In Stimulus Funds For A Turtle Crossing. “A report due to be released today by a Republican senator contends the Obama administration’s stimulus program is fraught with waste and incompetence – evidenced by a turtle crossing in northern Florida that will cost more than \$3 million.” (Peter Nicholas, “Stimulus Program Fraught With Waste Report Says,” [The Los Angeles Times](#), 6/15/09)

\$2.5 Million In Stimulus Funds For A Bridge At The Clinton Presidential Library. “A historic bridge at Bill Clinton’s presidential center in Little Rock is slated to get \$2.5 million of federal stimulus money from Arkansas’s share of the funds. ... Members of the Arkansas congressional delegation sought an \$8 million legislative earmark for the bridge this year, without success. But after Congress authorized the \$787 billion stimulus package in February, representatives of the William J. Clinton Foundation contacted Mr. Beebe’s office, according to Matt DeCamp, the governor’s spokesman, and spoke with Mr. Beebe’s recovery director and ombudsman to suggest the bridge project receive funds from Arkansas’s share.” (Louis Radnofsky, “Clinton Site Gets A Taste Of The Stimulus Pie,” [The Wall Street Journal](#), 9/30/09)

\$712,883 In Stimulus Money Went To A Project For “Machine-Generated Humor.” “The National Science Foundation gave a \$712,883 grant to Northwestern University for a project called ‘Computational Creativity: Building a Model of Machine-Generated Humor.’”

\$219,000 In Stimulus Money Went To Study Female Students’ Behavior After Drinking Alcohol. “The National Institutes of Health got \$219,000 in funds to study whether female college students are more likely to “hook up” after drinking alcohol.” (Alexander Bolton, “Mark Penn’s Two Firms Awarded Millions From Stimulus For Public Relations Work,” [The Hill](#), 12/09/09)

EVEN THE STIMULUS’ PRICE TAG WASN’T AS ADVERTISED

When Obama Signed The Stimulus Into Law, The Bill Was Estimated To Cost \$787 Billion.

“President Barack Obama signed his \$787 billion economic stimulus package into law Tuesday, with an upbeat speech emphasizing the road to recovery.” (Laura Meckler, “Obama Signs Stimulus Into Law,” [The Wall Street Journal](#), 2/18/09)

In 2013, CBO Found That The Stimulus Bill Actually Cost \$830 Billion – \$43 Billion More Than Advertised. “When ARRA was being considered, the Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation estimated that it would increase budget deficits by \$787 Billion between fiscal years 2009 and 2019. CBO now estimates that the total impact over the 2009-2019 period will amount to about \$830 Billion.” (Estimated Impact Of the American Recovery And Reinvestment Act On Employment And Economic Output From October 2012 Through December 2012, [Congressional Budget Office](#), 2/21/13)