



# At Cliff's Edge, Economy On Shaky Ground

## *Four Years Later, Obama's Dismal Jobs Record Continues Unabated As 350,000 Americans Drop Out Of The Labor Force*

### THE LABOR FORCE CONTINUES TO SHRINK AND LONG-TERM UNEMPLOYMENT DRAGS ON NEARLY FOUR YEARS AFTER OBAMA PROMISED A RECOVERY

**Obama's Advisers Predicted The Stimulus Would Lower Unemployment To 5.4 Percent By Today But It Stands At 7.7 Percent Nearly Four Years Later.** (Christina Romer and Jared Bernstein, "[The Job Impact Of The American Recovery And Reinvestment Plan](#)," 1/9/09; [Bureau Of Labor Statistics](#), Accessed 12/7/12)

**In November, 350,000 Workers Dropped Out Of The Labor Force.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

- **In November, The Labor Force Participation Rate Decreased From 63.8 Percent To 63.6 Percent.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

**The Unemployment Rate Dropped "Mostly Because More People Stopped Looking For Work And Weren't Counted As Unemployed."** "And the unemployment rate fell to a four-year low in November from 7.9 percent in October mostly because more people stopped looking for work and weren't counted as unemployed." ("US Economy Adds 146K Jobs, Jobless Rate Falls To 4-Year Low Of 7.7 Percent; Sandy Minor Factor," [The Associated Press](#), 12/7/12)

#### **The Decline In Labor Force Participation Suggests That The Labor Market Is "Still Tepid."**

"Employment grew faster than expected in November, but a drop in the unemployment rate to nearly a four-year low as people gave up the search for work suggested the labor market was still tepid." (Lucia Mutikani, "Employment Growth Quickens, Jobless Rate At 7.7 Percent," [Reuters](#), 12/7/12)

- **The Drop "Does Not Bode Well For The Economy."** "The jobless rate fell to 7.7 percent last month, the lowest since December 2008. But the drop was because people gave up the search for work, which does not bode well for the economy." (Lucia Mutikani, "Employment Growth Quickens, Jobless Rate At 7.7 Percent," [Reuters](#), 12/7/12)

**Roll Call's David Drucker:** "...A significant however to November jobs #s: Labor participation rate DROPPED in November vs. October. Shows a still weak jobs picture." (David Drucker, [Twitter Feed](#), 12/7/12)

- **Drucker:** "And keep in mind: 146K jobs created is mediocre & only good enough 4 U.S. economy to continue treading water @ this level." (David Drucker, [Twitter Feed](#), 12/7/12)

**Reuters' Pedro Da Costa:** "A decline in U.S. labor force participation indicates the November drop in unemployment is really nothing to write home about." (Pedro Da Costa, [Twitter Feed](#), 12/7/12)

**James Pethokoukis:** “At job growth pace of past 2 years, US wont return to pre-recession employment levels until after 2025” (James Pethokoukis, [Twitter Feed](#), 12/7/12)

**Since Obama Took Office, The Nation Has Lost 1,044,000 Construction Jobs And 598,000 Manufacturing Jobs.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

- **In November, The Construction Sector Lost 20,000 Jobs And The Manufacturing Sector Lost 7,000 Jobs.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

**There Are 22.7 Million Americans That Are Unemployed, Underemployed Or Marginally Attached To The Labor Force.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

- **There Are 8.2 Million Americans Working Part-Time For Economic Reasons.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)
- **979,000 Discouraged Workers Have Given Up Looking For Work.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

**Since Obama Took Office, The Number Of Workers Unemployed For 27 Weeks Or Longer Has Increased From 2.7 Million To 4.8 Million.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

- **40.1 Percent Of All Unemployed Workers Have Been Out Of Work For 27 Weeks Or Longer.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

**Since Obama Took Office, The Number Of Workers Unemployed For 52 Weeks Or Longer Has More Than Doubled From 1.4 Million To 3.4 Million.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

- **29.7 Percent Of All Unemployed Workers Have Been Out Of Work For 52 Weeks Or Longer.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

**Since Obama Took Office, The Average Length Of Unemployment Has More Than Doubled From 19.8 Weeks To 40.0 Weeks.** ([Bureau Of Labor Statistics](#), Accessed 12/7/12)

## **DESPITE THE WEAK ECONOMY, OBAMA AND HIS LIBERAL ALLIES ARE PRESSING TO STEER THE COUNTRY OVER THE FISCAL CLIFF**

**The Congressional Budget Office Has Warned Of A Recession In 2013 If The Nation Goes Off The Fiscal Cliff, With The Unemployment Rate Rising As High As 9 Percent.** “Such fiscal tightening will lead to economic conditions in 2013 that will probably be considered a recession, with real GDP declining by 0.5 percent between the fourth quarter of 2012 and the fourth quarter of 2013 and the unemployment rate rising to about 9 percent in the second half of calendar year 2013 (see Summary Table 2).” (“An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022,” [Congressional Budget Office](#), 8/22/12)

**“Call Them The Cliff Jumpers. A Growing Bloc Of Emboldened Liberals Say They’re Not Afraid To Watch Defense Spending Get Gouged And Taxes Go Up On Every American If A Budget Deal Doesn’t Satisfy Their Priorities.”** (Seung Min Kim, “Fiscal Cliff: Will They Jump?,” [Politico](#), 11/25/12)

**Treasury Secretary Tim Geithner Said The Administration Is “Absolutely” Willing To Go Off The Fiscal Cliff If The GOP Refuses To Raise Taxes.** CNBC’s STEVE LIESMAN: “I want to understand the administration’s position when it comes to raising taxes on the wealthy, those making more than \$250,000. If Republicans do not agree to that, is the administration prepared to go over the fiscal cliff?” TREASURY SECRETARY TIM GEITHNER: “Oh, absolutely. Again, we say there’s no prospect to an agreement that doesn’t involve those rates going up on the top 2% of the wealthiest – remember it’s only

2 percent. And remember - all those Americans, too, get a tax cut under that framework under the first \$250,000 of their income. So in some sense, it's a tax cut for all Americans. It's just for people who make more than that, we're going to ask them to pay a modestly higher amount of additional revenue on top, on the income they earn above 250." (CNBC's ["Closing Bell,"](#) 12/5/12)

**Sen. Patty Murray (D-WA), Indicated That She Is Willing To Go Off The Fiscal Cliff Unless A Final Deal Includes Raising Taxes.** "In the latest turn of events, Sen. Patty Murray, a leading Senate Democrat, said Monday that no deal will be cut until Republicans agree to raise taxes on high-income households. 'If we can't get a good deal, a balanced deal that calls on the wealthy to pay their fair share, then I will absolutely continue this debate into 2013 rather than lock in a long-term deal this year that throws middle class families under the bus,' Murray said in prepared remarks at the Brookings Institution." (Jeanne Sahadi, "Fiscal Cliff Fight Is On, And Economy Suffers," [CNN](#), 7/16/12)

- **Sen. Harry Reid (D-NV) Endorsed Sen. Murray's Negotiation Tactic On The Fiscal Cliff.** "Top negotiators won't explicitly endorse the tip-off-the-cliff method. The White House has repeatedly said an agreement must be reached, though it has drawn its own hard line: Obama will veto any bill that keeps the Bush-era tax rates for the highest earners. When asked about Murray's tactic in July, Senate Majority Leader Harry Reid (D-Nev.) told reporters: 'Patty Murray knows what she's talking about.'" (Seung Min Kim, "Fiscal Cliff: Will They Jump?," [Politico](#), 11/25/12)

**Rep. Peter DeFazio (D-OR) Says That If A Deal Doesn't Raise Taxes Enough, "Then We're Better Off Going Over The Cliff."** "If the Republicans can't see their way to significant additional revenues targeted toward the people who are best off and targeted toward passive income and other things like that, then we're better off going over the cliff and readdressing this with a better Congress in January,' Rep. Peter DeFazio (D-Ore.) said. 'And we would have plenty of time to fix it.'" (Seung Min Kim, "Fiscal Cliff: Will They Jump?," [Politico](#), 11/25/12)

**Rep. Peter Welch (D-VT) Says "If It's Necessary To Wait To Get A Good Deal, Let's Do That."** "This is very, very important that we hang in there to essentially get the revenue component,' said Rep. Peter Welch (D-Vt.). 'I favor an agreement before Jan. 1, but I'm skeptical that our leadership may be able to reach one. If it's necessary to wait to get a good deal, let's do that.'" (Seung Min Kim, "Fiscal Cliff: Will They Jump?," [Politico](#), 11/25/12)

**Rep. Raul Grijalva (D-AZ) Said Of The Fiscal Cliff That The "Last Option Is Something That Democrats Need To Prepare For."** "But rank-and-file Democrats calling for a so-called balanced deal are getting ready for that alternative. 'If there's a better opportunity to deal with that in January,' said Arizona Rep. Raul Grijalva (D-Ariz.), 'then that last option is something that Democrats need to prepare for.'" (Seung Min Kim, "Fiscal Cliff: Will They Jump?," [Politico](#), 11/25/12)

**Former Chairman Of The DNC Howard Dean Has Voiced Support For Going Off The Fiscal Cliff, Saying "Let's Go Ahead And Get This Done."** FORMER DNC CHAIRMAN HOWARD DEAN: "So, if you want to try to do this whole thing by cutting spending, be my guest, but you're not going to have many democratic votes. The fiscal cliff was agreed to by Republicans and Democrats. Now nobody wants to pay the price. I say let's go ahead and get this done. The fact is it's actually a slope and not a cliff. We've got to get this done. I'm serious about deficit reduction. I don't think you can talk about deficit reduction without more taxes and cutting spending both." (CNBC's ["Squawk Box,"](#) 12/4/12)