



Growth Deficient President

Third Quarter GDP Report Indicates The New Obama Normal: Stagnation

"The First Of Three Estimates Of Growth For The July-September Quarter Sketched A Picture That's Been Familiar All Year: The Economy Is Growing At A Tepid Rate..." *"The first of three estimates of growth for the July-September quarter sketched a picture that's been familiar all year: The economy is growing at a tepid rate, slowed by high unemployment and corporate anxiety over an unresolved budget crisis and a slowing global economy."* ("US Economic Growth Improves To 2 Percent Rate In Q3 On Higher Defense, Consumer Spending," [The Associated Press](#), 10/26/12)

THE THIRD QUARTER GDP REPORT CONFIRMS AN ANEMIC RECOVERY UNDER OBAMA

National GDP Grew By 2 Percent In The Third Quarter. "Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 2.0 percent in the third quarter of 2012 (that is, from the second quarter to the third quarter), according to the "advance" estimate released by the Bureau of Economic Analysis." (Press Release, "National Income And Product Accounts – Gross Domestic Product: Third Quarter 2012 (Advance Estimate)," [Bureau Of Economic Analysis](#), 10/26/12)

The Average GDP Growth For 2012 Thus Far In The Year Trails That Of 2011. "And the 1.74 percent rate for 2012 trails last year's 1.8 percent growth, a point GOP nominee Mitt Romney will emphasize." (Christopher S. Rugaber, "US Economic Growth Improves To 2 Pct. Rate In Q3," [The Associated Press](#), 10/26/12)

- **"Growth Was Held Back By The First Drop In Exports In More Than Three Years And Flat Business Investment In Equipment And Software."** (Christopher S. Rugaber, "US Economic Growth Improves To 2 Pct. Rate In Q3," [The Associated Press](#), 10/26/12)
- **"Growth Was Held Back By The First Drop In Exports In More Than Three Years And Flat Business Investment In Equipment And Software."** ("US Economic Growth Improves to 2 Percent Rate In Q3 On Higher Defense, Consumer Spending," [The Associated Press](#), 10/26/12)
- **Sectors That Previously Drove Growth In The Economy "Are Now Fading."** "While growth remains modest, the factors supporting the economy have changed. Exports and business investment drove growth for most of the recovery, but are now fading. Meanwhile, consumer spending has ticked up. And housing is adding to growth after a six-year slump." ("U.S. Economic Growth Improves To 2 Percent Rate In Q3 On Higher Defense, Consumer Spending," [The Associated Press](#), 10/26/12)

- **“Weaker Business Investment Held Back Growth...”** “Weaker business investment held back growth in the third quarter, a sign that companies are hesitant to spend amid broad uncertainty over policies in Washington and slowing demand from abroad. Nonresidential fixed investment, a category that includes business spending on structures and equipment, fell 1.3% during the third quarter, compared with a 3.6% gain the prior period.” (Jeffrey Sparshott and Eric Morath, “GDP Rises 2%, Helped By Consumers,” [The Wall Street Journal](#), 10/26/12)
- **“Since The Recovery From The Great Recession Began In June 2009, The U.S. Economy Has Grown At The Slowest Rate Of Any Recovery In The Post-World War II Period.”** (“US Economic Growth Improves To 2 Percent Rate In Q3 On Higher Defense, Consumer Spending,” [The Associated Press](#), 10/26/12)

The Washington Post’s Neil Irwin: “A Growth Rate In The Ballpark Of 2 Percent Is Nothing To Write Home About, Given The High Unemployment Rate.” “But a growth rate in the ballpark of 2 percent is nothing to write home about, given the high unemployment rate. Economic growth, then, would be in the ballpark of the nation’s long-run potential but not enough to put the millions of jobless people back to work with any speed.” (Neil Irwin, “GDP Report: What To Expect,” [The Washington Post](#), 10/25/12)

- **The Washington Post’s Neil Irwin:** “Trade was a net drag on growth, as exports fell. Overall trade subtracted 0.18ppt. Had been positive 6 of 8 quarters.” (Neil Irwin, [Twitter Feed](#), 10/26/12)

Economic Growth Under The Majority Of Obama’s Term Has Been “Lackluster.” “Economic output has expanded for 13 consecutive quarters, covering all but the first months of the president’s administration. But the pace has been lackluster—GDP grew only 1.3% in the second quarter. As a result, unemployment has remained high and payrolls have expanded only slowly. So far this year, employment growth has averaged 146,000 per month, down from 153,000 in 2011.” (Jeffrey Sparshott and Eric Morath, “GDP Rises 2%, Helped By Consumers,” [The Wall Street Journal](#), 10/26/12)

Bloomberg’s Joseph Brusuelas: “Q3’12 GDP: major doubt on flat reading in software & equip. Core durables indicates likely downward revisions & slightly slower growth. \$\$” (Joseph Brusuelas, [Twitter Feed](#), 10/26/11)

CNBC’s Steve Liesman: “It’s A Weak Growth Economy.” LEISMAN: “The thing is to take the forty thousand foot view of this number here. What’s happened in this economy- it’s a weak growth economy. It’s sequentially a bit stronger from how it was last quarter 1.3 percent. How much stronger? Is it .7, is it .5, is it 1.2? Let’s say I told you it was 2.2. Would you get up out of your chair, start doing a dance and be really excited?” (CNBC’s “Squawk Box,” 10/26/12)

- **Liesman:** “But business is really flat to down. Business investments overall down 1.3%, structures down 4.4, and equipment and software unchanged. So the idea of a consumer that seems to be hanging in there and a business that’s not spending and a resurgent housing industry, not really any incredible news right there when it comes to what is going on in the economy.” (CNBC’s “Squawk Box,” 10/26/12)

BY OBAMA’S OWN PAST STATEMENTS, GROWTH AT THIS RATE IS SHEER DISAPPOINTMENT

FLASHBACK: November 6, 2003: Obama Was Dismissive Of 7.2% GDP Growth In The Third Quarter. HOST: “Just the other day as we taped this the government released figures that the economy grew at 7.2 percent in the 3rd quarter. One of the charges that you made was that the Bush economic policies are not working. Now the future will dictate more whether this continues or does not continue.

Now what is your approach. The Bush administration economic policies I would say, if you would agree, have been predominantly based on tax cuts." BARACK OBAMA: "Oh I think it's solely, exclusively based on tax cuts. I don't know what other policies they have." HOST: "What is your approach, what do you think about tax cuts to stimulate the economy and then tell us what your basic approach is to building a strong economy." OBAMA: "I think a couple of things. I am in favor a tax cuts as a short term stimulus if they are going into the pockets of working people that actually need them." (Illinois Channel, "[Obama Profile](#)," 11/6/03)

FLASHBACK: June 25, 2004: The Bureau Of Economic Analysis Reported A Q1 2004 GDP Growth Of 3.9 Percent. "Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.9 percent in the first quarter of 2004, according to revised estimates released by the Bureau of Economic Analysis." (Press Release, "Gross Domestic Product: First Quarter 2004 (Final)," [Bureau Of Economic Analysis](#), 6/25/04)

June 26, 2004: Illinois State Senator Obama Dismissed Celebrating A GDP Growth Rate Of 3.9 Percent And Said "I've Heard From People Who Say It's Way Too Early To Claim Victory When It Comes To Our Economy." OBAMA: "For the past few weeks, President Bush and members of his administration have traveled the nation to celebrate recent improved economic statistics. Well, I've been traveling too, all over this large and diverse state. In cities and suburbs, downstate and upstate, I've heard from people who say it's way too early to claim victory when it comes to our economy." (State Senator Barack Obama, Response To Weekly Address, 6/26/04)

- **Obama: "We All Welcome Encouraging Statistics."** OBAMA: "After three dismal years of job-loss, we all welcome encouraging statistics. But for most Americans, the health of our economy is measured in a different and more personal way: If I lose my job, where will I find one that pays as well and offers real benefits? Can I afford health-care coverage on my own, or the cost of sending my children to college? Will I ever be able to save and retire with dignity and security?" (State Senator Barack Obama, Response To Weekly Address, 6/26/04)

GDP GROWTH IS NOWHERE NEAR WHERE OBAMA PREDICTED IT WOULD BE THIS YEAR

James Pethokoukis: "In 2009, WH Predicted GDP Would Grow 4.3% This Year; In 2011, The 2012 Forecast Was 4.0%" (James Pethokoukis, [Twitter Feed](#), 7/27/12)

The OMB Mid-Session Review Predicted Lower Economic Growth Than Previously Forecasted.

"The mid-session review from the Office of Management and Budget also projected lower economic growth in 2012 and 2013 than previously anticipated, and calls for \$195 billion in economic stimulus to address an economy that 'still faces significant headwinds.'" (Erik Wasson, "White House Projects \$1.2T Deficit, Lower Economic Growth," [The Hill](#), 7/27/12)

- **The White House Downgraded Forecast For FY2012 GDP Growth From 2.7 Percent To 2.3 Percent.** "In fiscal year 2012, the White House downgraded its its projection to a 2.3 percent growth in gross domestic product compared to 2.7 percent when President Obama released his budget in February." (Erik Wasson, "White House Projects \$1.2T Deficit, Lower Economic Growth," [The Hill](#), 7/27/12)
- **The White House Downgraded Forecast For FY2013 GDP Growth From 3 Percent To 2.7 Percent In 2013.** "It lowered expectations in 2013 from 3 percent GDP growth to 2.7 percent." (Erik Wasson, "White House Projects \$1.2T Deficit, Lower Economic Growth," [The Hill](#), 7/27/12)

THE ANEMIC REPORT SOLIDIFIES A LONGER TREND OF ECONOMIC WEAKNESS UNDER OBAMA

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“The President Can’t Tell Voters About A Grand Economic Comeback Story Because There Isn’t One To Tell.” (Ken Thomas, “Obama Doesn’t Emphasize Issues He Fought Hard For,” [The Associated Press](#), 6/12/12)

- **“The American Economy Is Stuck In A New Kind Of Normal...”** “The American economy is stuck in a new kind of normal, somewhere between crisis and prosperity, and economic policy makers are struggling to define their role. The Fed, which has responded forcefully each time the economy tips back toward recession, remains divided over whether it should try with similar urgency to return the economy to prosperity.” (Binyamin Appelbaum, “Fed Is Torn On Tipping Point For Action,” [The New York Times](#), 7/11/12)

The Associated Press Headline: “Economic Recovery Is Weakest Since World War II.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

“The Recession That Ended Three Years Ago This Summer Has Been Followed By The Feeblest Economic Recovery Since The Great Depression.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

- **“Since World War II, 10 U.S. Recessions Have Been Followed By A Recovery That Lasted At Least Three Years. An Associated Press Analysis Shows That By Just About Any Measure, The One That Began In June 2009 Is The Weakest.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)
- **“The Ugliness Goes Well Beyond Unemployment, Which At 8.3 Percent Is The Highest This Long After A Recession Ended.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)
- **“Economic Growth Has Never Been Weaker In A Postwar Recovery.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

“Consumer Spending Has Never Been So Slack” In Any Recovery. “Economic growth has never been weaker in a postwar recovery. Consumer spending has never been so slack. Only once has job growth been slower.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

“The AP Compared Nine Economic Recoveries Since The End Of World War II That Lasted At Least Three Years” And Found That The Current Recovery Is The Weakest. “A 10th recovery that ran from 1945 to 1948 was not included because the statistics from that period aren’t comprehensive, although the available data show that hiring was robust. There were two short-lived recoveries — 24 months and 12 months — after the recessions of 1957-58 and 1980.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

Since Employment Hit Bottom, The Economy Has Created Just Over 4 Million Jobs, “By Far The Worst Performance Since World War II.” “So the new hiring has replaced 46 percent of the lost jobs, by far the worst performance since World War II. In the previous eight recoveries, the economy had regained more than 350 percent of the jobs lost, on average.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

“Never Before Have So Many Americans Been Unemployed For So Long Three Years Into A Recovery.” (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

- **“Nearly 5.2 Million Have Been Out Of Work For Six Months Or More.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)

- **“The Long-Term Unemployed Account For 41 Percent Of The Jobless; The Highest Mark In The Other Recoveries Was 22 Percent.”** (Paul Wiseman, “Economic Recovery Is Weakest Since World War II,” [The Associated Press](#), 8/16/12)