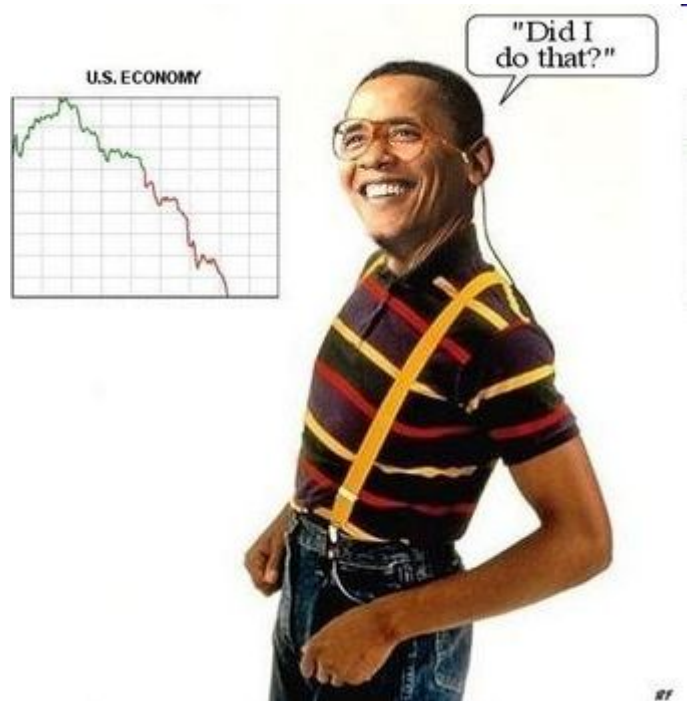


Obama Economic Record

The Obama Economic Record = **FAILED**

Obama: It is anyone's fault but mine. Not so.

President Obama has told us repeatedly that the financial crisis he inherited was George W. Bush's fault. But a closer look reveals that while Bush spent more than Republican presidents generally spend, it fell far short of what "tax-and-spend" Democrat presidents typically spend. An even closer look reveals it was Democrat policies that created the dangerous economic conditions and the Fannie Mae-Freddie Mac trigger that set off our financial crisis.



So the financial crisis inherited by Obama was in great part caused by himself and his own party. Obama's blame game is not only based on a politically motivated fabrication, even if it were true it serves only to distract us from Obama's responsibility as president to deal effectively with the crisis. It has been his economy for years and his record cannot be hidden or spun away. The Obama economic record gets a failing mark. He has managed to give us the worst economic

recovery in 70 years. That is not hype, it is fact.

He not only blames former president Bush, he also blames Republicans for blocking his recovery plans. Yet for the first two years of his presidency, his party was in complete control of Washington and he passed almost every item on his agenda. So once again, he attempted to place responsibility for his failure on anyone but himself.

It should also be noted that while Obama dishonestly accuses Republicans of doing nothing, the Republican controlled House of Representatives passed a budget every year in addition to passing over thirty pro-growth bills, including many jobs bills. In contrast, the Democrat controlled Senate is constitutionally required to submit an annual budget, yet they have not done so in almost four years. They have also refused to vote on the many bills submitted to them by the Republican House. It is Obama's own party in the Senate that has done virtually nothing to deal with our economic problems, not the Republican House. So President Obama is not only an ineffective leader, he is also blatantly dishonest.

Let's take a look at Obama's more obvious failures:

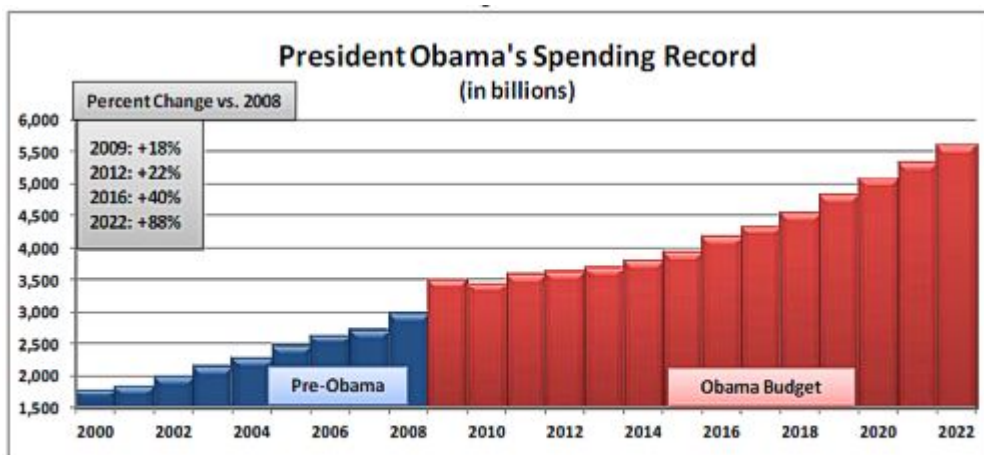
- Our nation's unemployment rate has exceeded 8 percent for more than three years—the longest period over 8 percent since the Great Depression.
- He promised to cut the deficit in half. Instead, he increased it, dramatically.
- He told us that his budget achieves \$4 trillion in deficit reduction and recently claimed, "Since I've been President, Federal spending has risen at the lowest pace in 60 years." – yet he gave us unprecedented trillion-dollar deficits for four consecutive years and added over \$5 trillion in new debt in just three years—more than all other presidents from George Washington through

George H. W. Bush, combined!

- Since he took office, he has piled on a slew of new government initiatives, including an almost trillion dollar stimulus and a massive new healthcare entitlement.

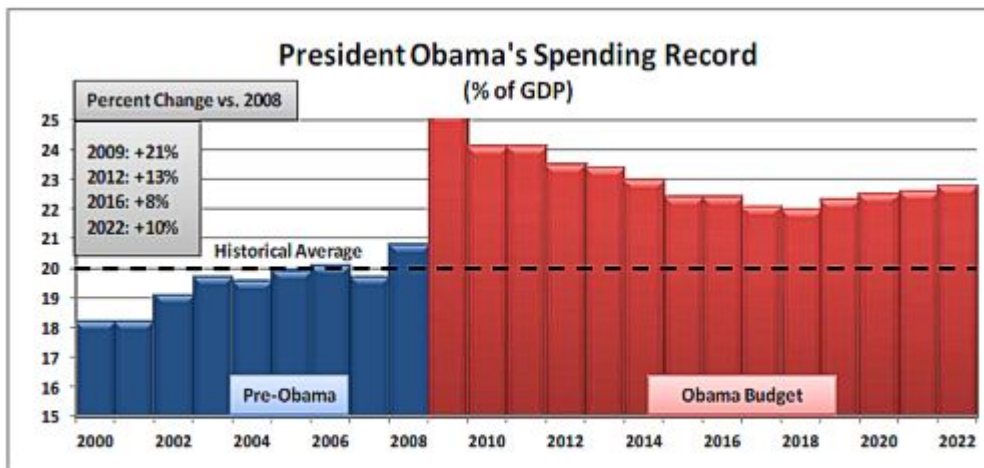
Obama's fiscal record has been a failure by any honest, credible measurements and his assertions to the contrary are more than misleading. His budget proposals for the future would perpetuate his failed policies and make an already dangerous fiscal situation worse.

Some more things to consider:



Source: *Budget of the U.S. Government FY2013, Historical Tables, Table 1.1.*
Analysis of the President's 2013 Budget. Congressional Budget Office.

Measuring Obama's record relative to the economy also shows that he has boosted spending sharply above historic norms. Federal spending has averaged about 20 percent of the economy during the past 50 years. Not only did Obama significantly increase spending by 21 percent from 2008 to 2009, but he kept it far above the historic norm well after the end of the recession in mid-2009.



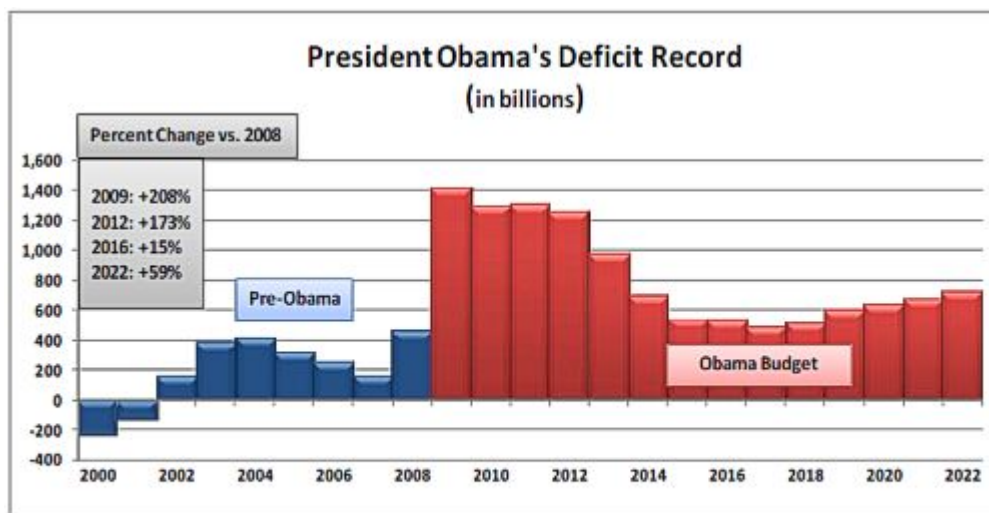
Source: *Budget of the U.S. Government FY2013, Historical Tables, Table 1.2.*
Analysis of the President's 2013 Budget. Congressional Budget Office.

- Spending surged 18% in 2009 reaching 25% of GDP – the highest since World War II
- Deficits have exceeded \$1 trillion in each year of Obama's term
- Gross debt has increased over \$5 trillion since Obama was inaugurated
- Even adjusting for a weak economy and Bush-era policies, President Obama has signed legislation increasing annual deficits by \$1.6 trillion over his term
- Republicans in the 112th Congress have stopped the spending spree and have forced Obama to accept over \$2.3 trillion in future deficit reduction
- Spending surged a remarkable 18 percent from 2008 to 2009 – a rate of growth in year-over-year spending that has occurred only once since 1960.
- Spending will be 22 percent higher at the end of the Obama's term compared to when he took office and is projected to continue higher under his proposed 2013 budget.
- The deficit soared to \$1.4 trillion in 2009 – a 208 percent and \$958 billion increase above the previous deficit record.
- Obama added nearly a \$1 trillion stimulus package within a month of taking office .
- Non-defense discretionary spending increased by 10

percent from 2008 levels in that year alone.

- He pursued the creation of a new open-ended healthcare entitlement funded by huge tax increases, a raid on Medicare, and gimmicks to hide its true cost.
- He added even more to subsequent year deficits compared to those projected at the time he took office and has made no progress in reducing them.
- His 2012 deficit is projected to be 173 percent larger than the 2008 deficit before he took office, and each of his four years in office produce record deficits in excess of \$1 trillion.
- Over the longer term, his budget request would keep deficits higher than any level experienced during the Bush administration, never dropping below \$488 billion.

Bottom line: Obama spent much more than the government took in.



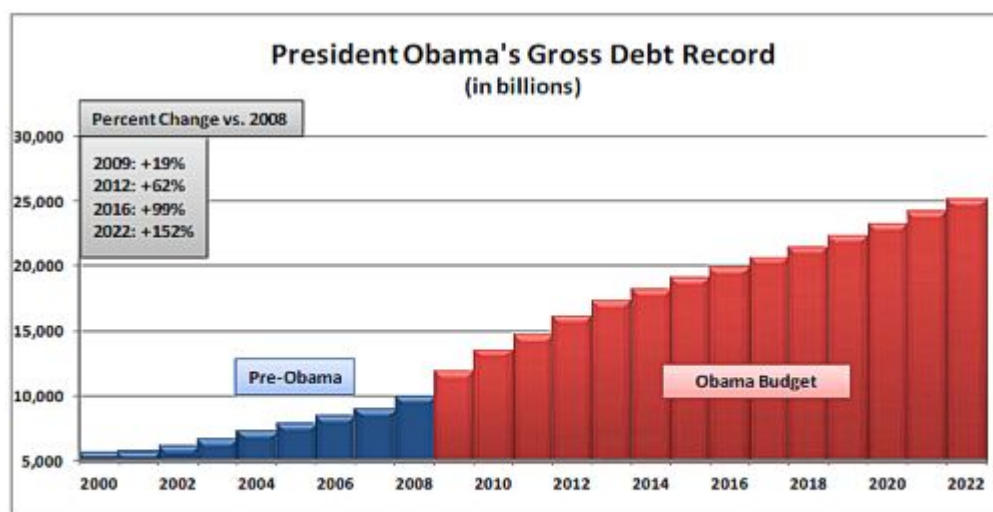
Source: *Budget of the U.S. Government FY2013, Historical Tables, Table 1.1.*
Analysis of the President's 2013 Budget. Congressional Budget Office.

Our national debt could destroy us

The result of record deficits has been an explosion in government debt since Obama took office. Gross federal debt increased by 19 percent from 2008 to 2009, and is on pace to increase by 62 percent by the time Obama finishes his term.

The debt would double in just eight years versus when Obama took office assuming his budget is implemented.

Our debt is projected to be higher than the total of everything we produce as a nation.



Source: *Budget of the U.S. Government FY2013, Historical Tables, Table 7.1*
Analysis of the President's 2013 Budget. Congressional Budget Office.

Perhaps the most shocking aspect of Obama's fiscal record is the amount of debt he has accumulated versus the nation's ability to pay for it. Gross debt jumped from about 70 percent of GDP in 2008, to 85 percent in 2009 – a 22 percent increase in just one year and by 2014, it is projected to reach 110 percent of GDP. Particularly troubling about this is that a larger share of the future economy will be absorbed by higher interest payments resulting in more tax dollars being diverted away from government services and paid to creditors, many of whom are foreign nations. With the Federal Reserve keeping interest rates artificially low, debt service costs (interest payments on loans) have not risen significantly, but once rates normalize the additional cost could run in the trillions.

President Obama's own budget makes this clear by stating:

"Beyond 2022, the fiscal position gradually deteriorates mainly because of the aging of the population and the high continuing cost of the Government's health programs. By 2030, the deficit is projected to be 4.5 percent of GDP, and by 2040 it is nearly 6 percent. The deficit continues to rise for the next 75 years, and the publicly-held debt is also projected to rise persistently relative to GDP."

Despite sharply higher taxes, Obama's budget would remain woefully unsustainable. Out-of-control spending is clearly the root of the problem and Obama has no plan to address it.

Note: Obama's budget was so bad that not even the Democrats would vote for it.

Obama is a blamer not a solver

Presidents usually enter office to solve problems and not to blame their record on their predecessors. President Reagan could have said he "inherited" a weak economy, high taxes, soaring inflation and interest rates, a weak defense in the face of the Soviet threat and done nothing about it. Instead, he took action to address all of these problems that he could have claimed he "inherited." Even so, if one removes the effects of enacted laws and economic conditions prior to President Obama taking office, his fiscal record is still dismal.

Republicans managed to slow the rate of spending but much more needs to be done.

With the election of a Republican House of Representatives in 2010, the spending explosion ended. The Republican House immediately stopped the huge increases occurring in discretionary appropriations and fulfilled the Speaker's goal

that any increase in the debt limit should be accompanied by a greater amount of deficit reduction through spending cuts and reforms. While a Republican House has slowed the growth in spending, much more needs to be done in order to avoid a fast approaching fiscal crisis, and it will take both strong Presidential and Congressional leadership to achieve it.

Another Obama term could literally destroy us!

Sources: U.S. House of Representatives–House Budget Committee and other government sources.