

White House: Stimulus Has Created 2 Million Jobs

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WASHINGTON (AP) — President Barack Obama is trumpeting a new White House estimate that his top economist calls "stunning": His stimulus plan has already created or saved up to 2 million jobs.

The analysis is part of the administration's quarterly report to Congress on the controversial \$787 billion package of spending and tax cuts he signed weeks after taking office.

Obama planned to highlight the report Wednesday during a visit to a Lanham, Md., training center for union electricians that specializes in "green" technology.

Republicans have denounced the stimulus plan as an expensive flop, pointing to a national unemployment rate stuck at 10 percent and December figures showing the economy shed 85,000 more jobs.

But the report from the President's Council of Economic Advisers said the economy is a lot better off than it would have been without the stimulus. Citing its own analysis plus a range of private sector summaries, the council estimated the annual growth rate last year would have been roughly 2 percentage points lower, and there would have been 1.5 million to 2 million fewer jobs.

"That's truly a stunning and important effect", Christina Romer, the council's chairwoman, said in a conference call with reporters. "It has done exactly what we have anticipated it would do."

The report also said over half the stimulus plan's cash and tax breaks have now been spent or otherwise committed. Critics warned the cash would arrive too late to do much good.

On Friday, when the December jobs report was issued, Obama acknowledged a setback.

"The road to recovery is never straight," he told reporters. "We have to work every single day to get our economy moving again."

The president's visit to the training facility in the Washington suburbs is part of a renewed focus on jobs ahead of his State of the Union speech.

While defending the stimulus plan and its impact, Obama has sought to build support for fresh job-creation measures, including tax breaks for hiring, additional public works spending and incentives for weatherizing homes — the so-called Cash for Caulkers program.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Some of these are in the \$75 billion Jobs for Main Street Act that the House has already passed. The Senate is expected to take it up soon.

Obama has also signaled he'd like the job-creation to focus on the burgeoning market for energy technologies that also fight global warming.

The Lanham center — run by the International Brotherhood of Electrical Workers and the National Electrical Contractors Association — teaches electricians how to install solar panels and retrofit buildings with energy-saving automation. There also are courses on wind and geothermal energy.

Last week, Obama announced \$2.3 billion in tax credits to promote clean-energy jobs, paid for out of his stimulus plan. He also urged \$5 billion in future spending on green manufacturing.

"Building a robust clean energy sector is how we will create the jobs of the future," he said.

The White House jobs analysis said the actual number of jobs saved or created by direct cash grants comes to 640,000. But it stressed the figures are only current through the end of September and do not include "multiplier" effects as the increased spending ripples through the economy.

However, the administration's method of counting jobs has been controversial, and starting with fourth-quarter figures, it's adopting a new one — giving up trying to determine if a job has been created or saved, and reporting only that it's funded by the stimulus. The change was ordered quietly last month in a memo to federal agencies.

The new rules follow analyses by The Associated Press and others that uncovered flaws that overstated the actual job numbers by thousands.

The administration says the new counting method streamlines the process and responds to complaints from grant recipients that the reporting rules were too complex.

Romer, meanwhile, said the stimulus is well on its way to meeting Obama's stated goal of saving or creating 3.5 million jobs. "We are very much tracking what we anticipated," she said.

Source URL (retrieved on 04/26/2015 - 7:44pm):

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