

Obama's Presidential Disaster: Broken Promises/Failed Projections

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When the American people elected an inexperienced junior senator from Illinois to serve as their President, they might have suspected that the candidate's notable lack of scholarly or professional achievement might foretell disastrous job performance. If the people were not aware of that risk then, they certainly are now.

During his presidency, Barack Obama made some key promises and projections:

- He promised to [cut the budget deficit to "half" of what he "inherited"](#) by the end of 2012.
- [He projected unemployment to remain modest](#) if his \$800+ billion stimulus bill passed.
- He predicted [fourth-quarter 2011 GDP growth would be 5.8%](#).

How did these promises and projections work out?

Background:

When the GOP turned over control of Congress to large Democrat majorities in both the House and Senate in January 2007, the nation was relatively healthy both fiscally and economically. The GDP growth for the previous quarter stood at 3.5% and the GOP budget for FY 2007 (October 1, 2006 to September 30, 2007) produced a deficit of just \$160 billion, making FY 2007 the *fourth straight year* of dramatically lower deficits. Unemployment stood at 4.6% and the Bush administration had just recorded more than four years (52 months) of continuous job growth.

What happened next?

Budget Deficit Cut - A Broken Promise:

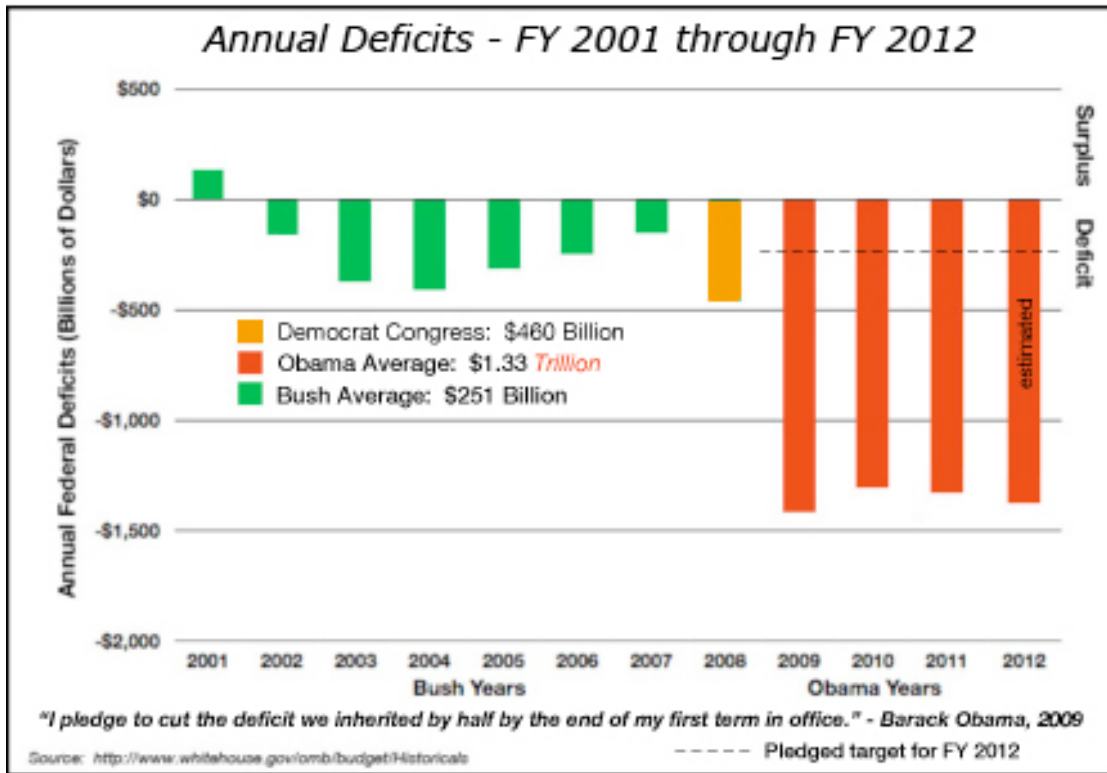
On January 3rd, 2007, newly-elected members of the Democratic Party gave Democrats a substantial majority in both chambers of Congress and, for the first time in more than a decade, Democrats were in *full and absolute control of Congress*. Republicans were so weak, they could just be ignored.

At that moment, things began to change dramatically. From that point on through the end of the Bush presidency, Nancy Pelosi and Harry Reid bypassed George Bush entirely, passing continuing resolutions to keep government running. During this time, as junior Senator from Illinois, Barack Obama voted for FY 2008 spending resolutions that nearly *tripled* the GOP's FY 2007 deficit from \$160 billion to \$460 billion for FY 2008.

On taking office in January 2009, now-[President Obama declared](#), "I pledge to cut the deficit we inherited by half by the end of my first term in office."

What deficit had Obama inherited? Why, it was the one the Democrat Congress (including Senator Obama) had *created by tripling* the GOP's FY 2007 deficit with continuing resolutions

during FY 2008. In other words, President Obama pledged to halve the deficit he, Senator Reid, and Speaker Pelosi had created! In effect, Obama pledged to halve a deficit he *inherited from himself and his Party*.



The “inherited” deficit benchmark established by the Democrat Congress was \$460 billion, so Obama’s pledge to cut the inherited deficit by half translates to a pledge to reduce the annual deficit to \$230 billion by the “end of [his] first term in office.”

How did he do?

Not very well.

See the chart above ([from US Government data](#)). Since being elected, Obama has failed to secure congressional passage of a single budget. Instead, Democrats controlling Congress (2007-2010) and the Senate (2007-present) used continuing resolutions to avoid the bad publicity of passing a budget massively in deficit. But lack of a budget didn’t prevent Democrats from deficit spending anyway!

Annual deficits for FY 2009, 2010, and 2011 ranged from \$1.29 to \$1.41 trillion, averaging \$1.33 trillion per year during Obama’s presidency. FY 2012 is projected to be in deficit by \$1.33 trillion (the same as the four-year average under Obama). This is a truly obscene record.

Recall that the last GOP-Bush budget deficit was for FY 2007 at \$160 billion, *nearly an order of magnitude lower* than the average during the Democrat-Obama era.

At the end of the second quarter of FY 2012 (March 31, 2012), the federal deficit had already accumulated to \$777 billion. If the second half of FY 2012 were to continue at that pace, the annual deficit for FY 2012 would exceed \$1.5 trillion.

To summarize: In 2009, Obama pledged to “cut the deficit ... by half”, a deficit he and fellow Democrats in Congress had *increased* from \$160 billion in FY 2007 to \$460 billion in FY 2008. With a promised target for FY 2012’s annual deficit of \$230 billion, the actual figure is likely to come in at nearly *six times* that target (\$1.33 trillion).

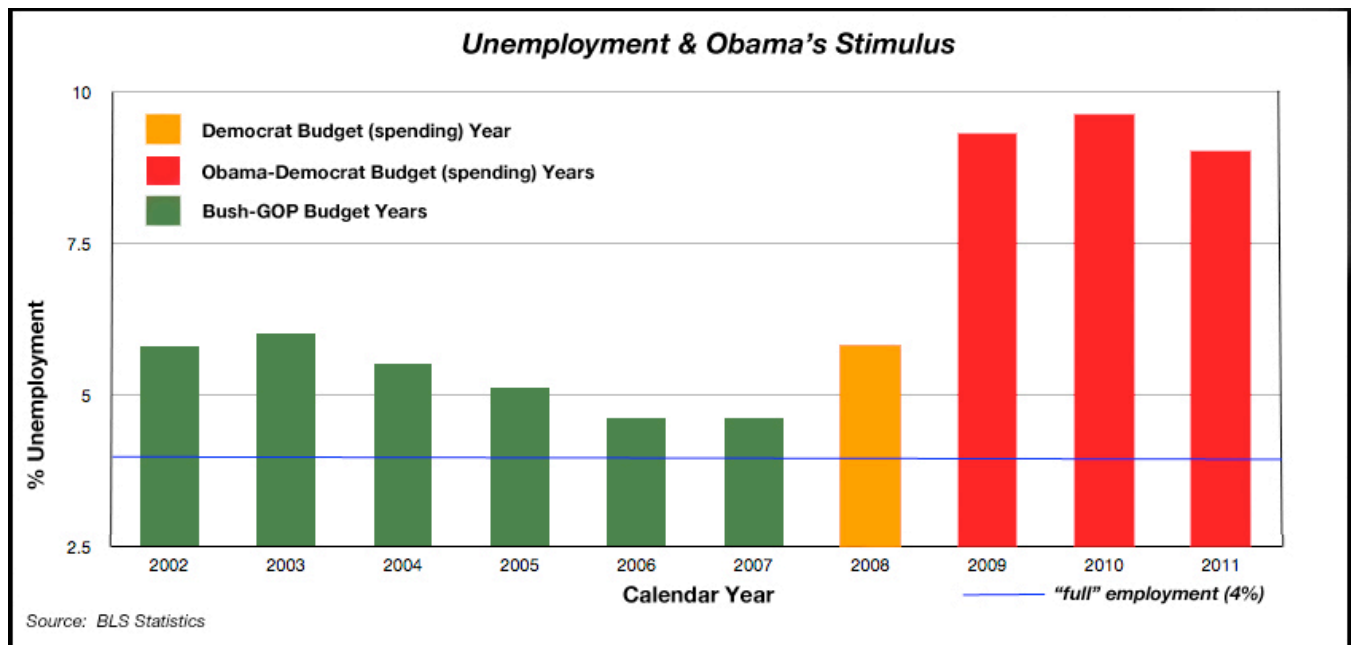
That is a track record that can only be characterized as an unmitigated disaster.

Unemployment - Costly Failed Projections:

One of the first things Obama sought as President was a costly economic stimulus package designed to reduce or temper unemployment growth that had begun to steadily increase after 2007. Massive blocks of stimulus funds were poured into the unionized automobile industry and banking and insurance institutions that were pushed to the brink of solvency by loose government mortgage policy.

Obama administration projections claimed that passage of the massive stimulus package should prevent unemployment from rising above 8%. The Democrat Congress passed the stimulus package, adding over \$800 billion in spending to a nation already drowning in debt.

How did that work out? Unemployment figures from the [Bureau of Labor Statistics \(BLS\)](#)



The economic stimulus enacted in 2009 was approximately \$831 billion. In that same year, unemployment began at 7.8% in January and steadily rose to 10% in October, tapering to 9.9% for the rest of the year! Throughout 2010 the unemployment rate remained between 9.4% and 9.9%.

At the end of January 2012, the Congressional Budget Office (CBO) projected unemployment would rise to 8.9% by year's end and continue to rise to 9.2% in 2013.

So much for the Obama administration's unemployment projections. A costly failure in both jobs and national debt growth.

Economic Growth Projections - Another Dismal Failure:

Contributing to the fiscal mess has been Obama's unrealistic view of how to create jobs and provide for a robust economy.

Recall that Democrats inherited 52 months of job growth under Bush with GDP growth at 3.5% in the quarter before Democrats took control of Congress. Here are the latest GDP growth figures under Obama's economic policies:

Average 2009 Quarterly GDP growth: -0.5%
Average 2010 Quarterly GDP growth: 3.1%
Average 2011 Quarterly GDP growth: 1.6%
4Q 2011 Quarterly GDP growth: 3.0% (*about 1/2 of the predicted value*)
1Q 2012 Quarterly GDP growth: 2.2%

- Source: US Dept. of Commerce, Bureau of Economic Analysis

A classic example of Obama's economic naiveté is his support for questionable, inefficient, and immature "green" alternate energy technologies. This botched, needless and costly program of the Department of Energy has done little but highlight the folly of government-directed research for a premature industry where efficiency and cost-effectiveness are still only dreams.

The monumental failure of these "green" initiatives reached a scandalous level with the financial collapse of several highly-touted companies despite having received a massive influx of federal funds.

Obama's inexplicable and senseless blocking of the "Keystone Pipeline" can fairly be characterized as bizarre and foolhardy. That project would have generated domestic jobs and income while exploiting the easiest and environmentally safest market route for Canadian oil.

The open hostility of Obama toward exploiting abundant, efficient, cost-effective domestic fossil fuel energy is another mystery whose cost to all Americans is enormous.

Obama's failure to grasp basic economic realities and the consequent damage to our national economy reflects an ineptitude matched only by his failed fiscal and unemployment policies.

Is it possible to understand this and not believe change in Washington is needed?

Giving Obama another term as President would be like giving a toddler a book of matches in a room full of gasoline.