

# IT AIN'T OVER 'TIL IT'S OVER

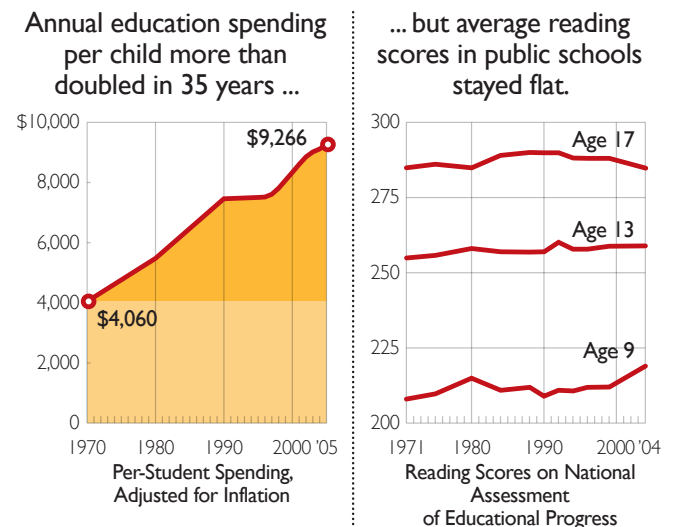
## Two Wrongs Don't Make a Recovery

### Economists Do Not All Agree

- **200 and Growing:** The Obama Administration has claimed that virtually all economists support their approach to “stimulus” spending. Nobel Laureates Ed Prescott, James Buchanan, and Vernon Smith recently joined 200 other economists signing a letter opposing the legislation.
- **Even the CBO:** When their own budget office says, “In the longer run, the legislation would result in a slight decrease in gross domestic product (GDP) compared with CBO’s baseline economic forecast,” Congress has a problem.
- **Even the President’s Advisors:** Council of Economic Advisors Chairwoman Christina Romer wrote, “Countercyclical fiscal policy is not achieving its intended purpose.” Economic advisor Jason Furman said, “In the past, infrastructure projects that were initiated as the economy started to weaken did not involve substantial amounts of spending until after the economy had recovered.”
- **Even Larry Summers:** Last year, the National Economic Council Director wrote, “Poorly provided fiscal stimulus can have worse side effects than the disease that is to be cured.... Fiscal stimulus, to be maximally effective, must be clearly and credibly temporary—with no significant adverse impact on the deficit for more than a year or so after implementation. Otherwise it risks being counterproductive by raising the spectre of enlarged future deficits pushing up longer-term interest rates and undermining confidence and longer-term growth prospects.”
- **Even Peter Orszag:** The President’s budget director oversaw a 2008 CBO report stating, “Large-scale construction projects of any type require years of planning and preparation. Even those that are ‘on the shelf’ generally cannot be undertaken quickly enough to provide timely stimulus to the economy.”

### Taxpayers’ checks doubled, but Johnny still can’t read

Higher spending on education hasn’t translated into higher achievement for America’s kids. From the time Johnny enters first grade in public school till he graduates, taxpayers will fork over more than \$110,000 to educate him. That’s more than twice the cost in the 1970s, without pushing up average reading scores.



For research on education spending, go to [heritage.org](http://heritage.org) and click on Education.

Sources: U.S. Department of Education, National Center for Education Statistics

The Heritage Foundation

### Experts Do Not All Agree

- **Protecting Spending:** The price of this spending bill, including interest, is currently \$1.16 trillion. Under President Bush, America racked up \$3.3 trillion dollars in deficits between 2002 and 2009, including the full cost of TARP and '09 spending. At his current pace, President Obama is projected to be responsible for **\$8.4 trillion** in deficits if he has a two-term presidency.
- **Protecting Welfare:** Aside from creating \$787 billion in extra welfare costs, both versions of the “stimulus” bill would abolish the historic welfare reform of the mid-1990’s that led to a dramatic reduction in welfare dependency and child poverty.
- **Not Protecting Jobs:** The President has said, “I think my initial measure of success is creating or saving 4 million jobs.” How do you measure a job saved?
- **Not Protecting Religion:** Both versions of the “stimulus” bill deliberately censor religious speech and worship on school campuses by prohibiting use of any “stimulus” funds for facilities that are used for sectarian instruction, religious worship, or a school of divinity.

### Americans Do Not All Agree

- **62% of Americans Want Less Spending:** According to a Rasmussen Poll released on Monday, 62% of Americans want the plan to include more tax cuts and less government spending.

### Twice the Jobs at Half the Price

Check out Heritage ideas for providing twice the jobs at half the price at: <http://www.heritage.org/news/economic-stimulus.cfm>.