
Economic Policy Institute

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ADMINISTRATION RENEGES ON JOB PROMISE

The Bush Administration projected that with its tax cuts in effect, the economy would generate 5.5 million jobs by the end of 2004 — or 344,000 new jobs each month, starting in mid-2003.

Today, Treasury Secretary John Snow backpedaled, predicting that the economy will only grow enough to create two million new jobs before next year's election — or only about 200,000 jobs a month.

This announcement, reported today in the New York Times, comes just as the unemployment and job creation numbers were released today showing a continuing jobs crisis in the states.

Only one state — Rhode Island — has a lower unemployment rate than when the recession started. Nearly two and a half years after the March 2001 onset of the recession, 35 states still have fewer jobs than they did then, in contrast to only 18 states with fewer jobs at the same time point after the recession of the 1990s.

Given the grim national job picture, it's not surprising that most states are facing troubled job markets. In 33 states across the country, at least a full percentage point more of the labor force cannot find work than at the official start of the recession in March 2001. Ten states have seen at least a two percentage point increase in the unemployment rate.

The Economic Policy Institute is watching these numbers on our new web site <http://www.jobwatch.org> -- which compares actual job growth to the jobs the Bush Administration said would be created if the tax cuts were passed.

“The Administration projected 344,000 new jobs each month once the tax package was passed. This has been a profound failure — one that Secretary Snow has now implicitly acknowledged,” said EPI president Lawrence Mishel. “Creating 200,000 jobs per month is not satisfactory performance, as we need at least 170,000 jobs each month to absorb new workers.”

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<http://www.jobwatch.org>