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# Economic Policy Institute

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1660 L STREET, NW • SUITE 1200 • WASHINGTON, DC 20036 • 202/775-8810 • FAX 202/775-0819

## Correcting the Record on the Economy

Recent speeches and statements by key administration officials contain assertions about the economy that are either inaccurate or incomplete. The failure of the economy to generate enough jobs to lift the labor market out of the doldrums is likely to be a major part of the president's State of the Union Address on January 21. The table below lists and corrects some of the most egregious of these errors.

Who/When	Statement	The facts
Vice President Dick Cheney January 14, 2004 speech The Beverly Hilton Beverly Hills, CA	"Strong growth has also begun to bring down the unemployment rate"	<ul style="list-style-type: none"><li>▪ Unemployment fell in December only because people gave up looking for work because of bleak employment prospects.</li><li>▪ In the survey that measures unemployment, employment actually fell by 54,000 in December.</li></ul>
Vice President Dick Cheney January 13, 2004 speech Republican Party of Oregon Embassy Suites Hotel Portland, Oregon	"And our economy has added over a quarter of a million new jobs over the last five months. The Bush tax cuts are working."	<ul style="list-style-type: none"><li>▪ In the six months since the 2003 tax cuts took effect, only 221,000 jobs have been added, an average of under 37,000 per month.</li><li>▪ When President Bush campaigned for the tax cut bill in the first five months of 2003, he promised the cuts would generate 306,000 jobs per month.</li></ul>
Treasury Secretary John Snow January 7, 2004 speech U.S. Chamber of Commerce	"In the last four months, over 300,000 jobs have been created, putting the economy on the right path – the most robust four-month job growth record in nearly three years."	<ul style="list-style-type: none"><li>▪ We need 150,000 more jobs each month just to keep up with growth in the working age population. Because job growth has fallen far short of that, the job market is still weakening.</li></ul>
Labor Secretary Elaine Chao Jan. 10, 2004 <i>Miami Herald</i>	"The president's economic policies are working." Chao noted that unemployment dropped from November to December from 7.4% to 6.6 % for Hispanics, from 10.4% to 10.3% for blacks, and from 5.2% to 5.0% for whites.	<ul style="list-style-type: none"><li>▪ The decline in unemployment from November to December did not come from higher employment but from people withdrawing from the labor force.</li><li>▪ The labor force declined by 290,000 among whites, by 159,000 among blacks, and by 90,000 among Hispanics.</li></ul>