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**OBAMANOMICS:
NOT WORKING FOR HIS KEY CONSTITUENCIES**

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From the very start of his presidency Barack Obama has blamed the economy's poor performance on the "failed" policies of his predecessor George Bush. His insistence on shifting the blame is reinforced virtually every day by various Democrat pollsters, strategists, spokespersons, party loyalists, public officials, and assorted other allies.

If their claims had any validity at all, one would expect to find some improvement of late especially for Obama's base: African-Americans, Hispanics, young Americans, and labor. It's here, however, that his supporters' claims collide with data published by Obama's own Departments of Labor and Commerce on unemployment, inflation, GDP, labor productivity, real compensation, and labor's share of the economic pie.

Consider the following data on the jobless rate for June 2012 vs. January 2012.

	<u>June 2012</u>	<u>January 2012</u>
<i>Seasonally adjusted</i>		
All persons	8.2	8.3
Black men 20 yrs +	14.2	12.7
Black women 20 yrs +	12.7	12.6
<i>Not seasonally adjusted</i>		
Whites 16-24 yr olds	16.0	15.2
Blacks 16-24 yr olds	30.2	26.3
Hispanics 20 yrs +	9.9	11.0

The record is clear: double-digit unemployment for Obama's core constituencies that with the exception of Hispanics has gotten *worse* in 2012.

Consider five other measures of economic performance since Obama was inaugurated: GDP, productivity, prices, compensation, and labor's share.

	<i>Percentage Change</i>			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>I qtr 2012</u>
Real GDP	-3.5	+3.0	+1.7	+1.9
Labor productivity	+2.5	+4.0	+0.2	+0.4
Consumer prices	-0.4	+1.6	+3.2	+0.9
Real compensation @ hour	+2.0	+0.3	-0.9	-1.5
Labor's share	-1.5	-3.2	-0.4	-0.9

Here, too, the record is clear: anemic improvement in real GDP and labor productivity, steady increases in consumer prices, and most recently deteriorating real hourly compensation.

The 0.2 percent gain in labor productivity in 2011 was the lowest annual increase since 1995. Improving labor productivity is important because workforce gains in efficiency in general allow producers to increase compensation without raising prices.

Perhaps most significant of all, and very telling with regard to Obama's labor constituency, are the data on labor's share – compensation paid to labor as a share of national output – that show a decline every year of his presidency, continuing into the first quarter 2012.

President Obama and his surrogates no doubt will continue to ballyhoo large increases in private-sector payrolls over the past 2-3 years. At the same time, they will be largely silent as to why those improvements have failed to reduce the jobless rate for key constituent groups below the double-digit level, and why labor's share of the national economic pie throughout his entire term of office has been shrinking.

According to the National Bureau of Economic Research, which officially dates the start and the end of economic contractions, the Bush recession ended in June 2009. For all intents and purposes, and in spite of his best efforts to turn the U.S. economy around over the last three years, the Great Recession has not ended for many of Obama's most loyal constituents.

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