Northwood University's
Monthly Economic Outlook
A monthly publication of the McNair Center for the Advancement of Free-Enterprise and Entrepreneurship.

October 2016

Introduction

Both Ronald Reagan and Barrack Obama inherited very difficult economies as they assumed the role of President of the United States. The question is what happened as a result of their policies after assuming the presidency? From the trough of a double-dipped recession faced by President Reagan, the U.S. economy realized one of the strongest economic expansions in the history of the United States. The results for President Obama have not been the same. The U.S. economic expansion under President Obama has been one of the most challenging since the end of the Great Depression….more to come.

Key September/October Data

Positive and Negative Signs

In October the Conference Board's Consumer Confidence Index declined from 87.2 in September to 83.9. The U.S. inflation rate from September 2015 to September 2016 was 1.5 percent. The price of gasoline as the month of October nears a close is $2.24, while the average price of a barrel of oil continues its climb at $45.04. U.S. industrial production gained ground increasing .1 percent in September after falling .5 percent in August. Finally, mortgage interest rates remain attractive with the 30-year rate at 3.64 percent and the 15-year rate at 2.98 percent while the prime rate hovers at an attractive 3.5 percent.

Current Issues

We have carefully reviewed many of the major economic variables that measure the long-term success of an economy with a special focus on 2009 to date. The following will provide our readers with an objective view of the performance of the U.S. economy since 2009 using data from Bloomberg , the Bureau of Economic Analysis, Business Investors Daily, Heritage Foundation, Brookings Institute, Heartland Institute, American Enterprise Institute, Mercatus Center, and the Bureau of Labor Statistics as one consider economics as a variable when entering the voting booth next month.

National Debt

At the beginning of 2009 the U.S. national debt stood at $10.8 trillion and is currently $19.76 trillion.

The Unemployment Rate

In January 2009 the U.S. unemployment rate was 7.8 percent and by the end of September 2016 it had fallen to 5 percent which is impressive as it hit a peak of 10 percent in October 2009.

Labor Force Participation Rate

The labor force participation rate consists of all people sixteen years of age and older, are not in the military or an institution, are employed or actively seeking employment. The labor force participation rate in January 2009 was 65.7 percent and declined to a near 38-year low of 62.9 percent by September 2016. When President Obama took office in January 2009, there were 80,529,000 Americans not participating in the labor force. Today, we are at a record of more than 94 million Americans not in the labor force. Some of the nearly 14 million Americans not participating in the labor force can be attributed to retirement, but a substantial amount is certainly due to frustration and the lack of strong employment opportunities for dual income families.

The Dow Jones Industrial Average (DJIA)

The DJIA closed on January 30, 2009 at 8,000.86, while more than doubling to 18,161.09 as of the close of business last week. The U.S. stock market has regained all of its losses from the Great Recession and has realized new records even when adjusting for inflation.

GDP Growth

U.S. Gross Domestic Product has averaged roughly 2 percent growth since 2009, making it the worst recovery in

terms of GDP growth since the Great Depression. It is important to remember that U.S. GDP annual growth has averaged roughly 3.25 percent growth since the end of World War II. Current quarterly U.S. GDP is averaging only 1.5 percent growth over the last year and that is taking into consideration the most recent GDP data for the third quarter 2016 showing 2.9 percent growth. According to a 2016 Heartland Institute study, the average U.S. household has $17,000 less than it would have if President Obama's recovery had not been below the average U.S. recovery since the Great Depression. The Heartland Institute also notes that if President Obama's recovery were as strong as the average of the last 10 U.S. economic recoveries, the U.S. would have 6 million more jobs today and a GDP worth $2 trillion more than its current $18 trillion level.

Obama and Reagan on Job Creation

It has just been over 100 months since the Recession President Obama inherited started. President Obama's recovery has produced just over 10 million jobs, at the same point in President Reagan's recovery; the economy had created 21.5 million jobs according to the Heartland Institute. It is also important to point out that President Reagan's recovery was 30 years ago, when the U.S. population was roughly 250 million people (compared to 324 million today) and the labor force much smaller, making job creation much more impressive for the time.

Regulation

The Heritage Foundation recently noted that the Obama administration has issued 229 major administrative rules, having an annual cost of $100 million or more each and a net cost of $108 billion to American businesses and homes since 2009. This is almost double the totals of the Bush administration the previous eight years. According to the Mercatus Center, regulation imposes a major burden on the U.S. economy amounting to an annual reduction in real U.S. GDP of .8 percent and a loss of real income of approximately $13,000 for every American.

Conclusion

By historic standards, the U.S. economy has realized the worst economic recovery since the Great Depression. It is also important to note that many economists believe we are due for a recession in 2017 based on the average length of an economic recovery. It is our belief that the current regulatory and tax burden faced by American business is the key cause for our under- performing economy, and lack of robust job creation. We hope you take these factors into consideration as you cast your vote next month.

Contact Us

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