Center for American Progress

Statistical Snapshot

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Christian E. Weller, Senior Economist, Center for American Progress

The Bush administration wants Americans to believe that since the end of the recession in 2001 it's been smooth sailing for most of us. Economic realities say otherwise. Most Americans today faces a debilitating economic squeeze, with future opportunities jeopardized by soaring budget and trade deficits. Consider that:

1) **Wages are stagnating.** Factoring in inflation, hourly wages as of March 2006 were 1.2% higher, and weekly wages only 0.4% greater than in March 2001. Wages were actually lower in March 2006 than in November 2001, when the economic recovery started.

2) **While benefits disappear.** The share of workers with a pension dropped to 46.3% in 2004, the last for which data is available, from 50.3% in 2000. The share of people with employer provided health insurance dropped to 59.8% in 2004 from 63.6% in 2000.

3) **Family debt is on the rise.** In late 2005, families spent 13.9% of their disposable income to service their debt — the largest share since 1980.

4) **As savings plummet.** The personal savings rate of -0.4% for all of 2005 was negative for the first time since the Great Depression. At the same time household debt rose to an unprecedented 124.3% of disposable income.

5) **Job growth is the weakest for any business cycle.** Monthly job growth since March 2001 has averaged an annualized 0.4%, and since the 2003 tax cut, job growth has averaged only 1.4% — the lowest for this period of any recovery of the same length.

6) **While the unemployment rate masks a weakened labor market.** Millions of workers have abandoned their search for jobs. Had the employed share of the population not dropped since March 2001, there would be 3 million more jobs. Factoring in these missing jobs, the current unemployment rate of 4.8% would in fact stand at 6.6%.

7) **As the poverty rate climbed** to 12.7% in 2004, the last year data was available, from 11.3% in 2000.

8) **Government deficits are soaring.** This year the federal deficit is expected to exceed $400 billion again, with Goldman, Sachs & Co. predicting $4.7 trillion in deficits over the next decade (including extension of President Bush's proposed tax cuts, Alternative Minimum Tax reform, and the cost of the war in Iraq and Afghanistan).

9) **And these deficits won't shrink.** In 2011 the costs of the tax cuts, if extended, alongside new spending mandated by the new prescription drug bill, will add more than $500 billion to the deficit, including added interest payments.

10) **This endangers our economic independence.** Foreign investors bought 83% of new Treasury debt between March 2001 and December 2005, increasing the share of foreign held debt to 49% from 32%.

11) **As energy prices soar.** Prices at the pump have cleared $3 a gallon in some parts of the country, up from $1.38 in March 2001. In early May, oil prices per barrel easily topped $70, more than double the level in March 2001, when oil cost less than $27 per barrel.

12) **And record trade deficits mount.** In the first quarter of 2006, the trade deficit stayed at a record high of 6.2% of GDP.