

White House releases economic report predicting high unemployment until 2015

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White House Press Secretary Robert Gibbs and Counsel of Council on Economic Advisers Dr. Christina Romer held a press conference yesterday answering questions about a new economic report predicting high unemployment until 2015.

"Dr. Romer, one figure that just leaps off the page from this report is that even after job growth returns, you don't see unemployment coming down to 6 percent until 2015. Isn't that a pretty bleak assessment," asked a White House reporter, "of what six years of the Obama presidency is going to deliver?"

"I think we described at the time," Romer said, "we had -- we tried to do an honest, conservative forecast to make sure that we were basing our budget numbers on sort of as close to the consensus and reasonable forecast as we can."

The counsel is thinking that the future could be brighter than their report indicates.

"The Council of Economic Advisers are very enthusiastic about the small business jobs and wages tax credit," Romer said.

Gibbs chimed in that unemployment is greater now than in any modern economic downturn.

"Taking the recession in 1981, 1991, and 2001, they don't cumulatively equal 8.4 million jobs," Gibbs said.

The US economy hasn't experienced this much unemployment since the Great Depression.

"I think the statistic I saw," Gibbs said, "was that you had consecutive quarters of more than 5 percent, more than negative-5 percent economic retraction for the first time since the Great Depression. So I think it's important to understand the sheer size and the magnitude of what we're dealing with."

Is it more of the blame game?

"What you just said leads naturally into what some of the critics are saying this morning, which is that what you've just described as documenting the challenges is really an exercise in blame-shifting. Is it?," a reporter asked.

"No," Gibbs said. "The fact that we lost 763,000 in January of 2009 isn't blame-shifting; it's a fact. The fact that we were, as Dr. Romer said, averaging 700,000 jobs lost a month in that quarter is a fact. The fact -- the notion that we are now where we are losing -- in November we had positive job growth, but we're getting much closer to the margin of zero -- that's a fact. This isn't blame-shifting."

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