



**Congressman Jim Jordan (R-OH), Chairman**

**October 21, 2009**

## White House: “Stimulus” Contract Spending Costs \$533,000 per Job

**Last week**, the White House reported that the “stimulus” has “created or saved” 30,000 new jobs from about \$16 billion in “stimulus” contract spending. This comes to **\$533,000** of taxpayer money per job. Overall, since the “stimulus” was enacted, nearly 3 million jobs have been lost, and the unemployment rate has increased to the highest level in nearly 26 years, 9.8%. This compares to the White House projections that with enactment of the “stimulus,” the unemployment rate would peak at 8%. Despite actual unemployment far above these projections, White House economic advisor Jared Bernstein claims that job creation resulting from the stimulus “exceeds our projections.”

## Senate SGR Bill Increases Deficit by \$247 Billion

**This week**, the Senate may consider S. 1776, the Medicare Physician Fairness Act of 2009. The legislation, at a cost of \$247 billion over ten years, would prevent scheduled reductions to physician Medicare reimbursements. The \$247 billion figure is equivalent to more than one-quarter of what Democrats claim health care reform will cost. Under current law, physicians will face a 21.5% reduction in Medicare reimbursements beginning next year. House Democrats have previously promised to “pay for” any doc fix. The President, as well as Congressional Democrats, have also promised to “pay for” the cost of health care reform. The effort to pass the doc fix, without a “pay for”, as a stand alone bill, is an attempt to disguise the full cost of health care reform.

**Quote of the Week:** *“The early indications are quite positive.”*

**-White House Economic Adviser Jared Bernstein**, on the “stimulus” (the unemployment rate is currently 1.8 percentage points above White House projections)

The FY 2009 deficit came in at \$1.42 trillion, and CBO projects that deficits over the coming ten years will amount to **\$7.2 trillion**, although even this figure does not count much of the additional spending that Congress is likely to enact. S. 1776 would increase the extent to which the federal budget outlook is unsustainable. By contrast, a comprehensive health care reform plan put forward by the RSC (H.R. 3400) included a fully paid for doc fix.

## President Proposes \$250 Social Security Payments to Seniors

Since 1972, Social Security beneficiaries receive a COLA that is meant to reflect inflation. In 2009, for example, Security recipients received a 5.8% increase in benefits. But in 2010, Social Security recipients will not receive a COLA because the cost of living *declined* by 5 percent. According to Andrew Biggs, American Enterprise Institute Scholar, Social Security recipients will receive an increase in purchasing power equivalent to \$725 next year because of the lower cost of living.

President Obama has proposed to increase Social Security payments by \$250, in lieu of a COLA, which would cost \$13 billion. Heritage Foundation Scholar David C. John argues that this payment would threaten to turn Social Security into welfare, since it breaks the link between taxes paid into the system and resulting payments.

**For more information, please contact Brad Watson at x69719**