



GOP Deficit Hawks Slowed Our Recovery From The Great Recession

“The Recovery Act would have been even more effective had not conservatives got their fingers in the pie.”

— Center for American Progress

“By far the biggest drag on growth throughout the recovery from the Great Recession has been the fiscal policy forced upon us by Republican lawmakers in Congress”

— Economic Policy Institute

Republican efforts to undermine the next COVID relief package are giving Washington deficit déjà vu. It's the same playbook the GOP ran during the 2008 recession, when they fought tooth and nail to stymie economic relief and then forced deep spending cuts before the economy could recover.

Republican resistance to President Obama's efforts at economic recovery cost us nearly a million jobs.

- When Congress was legislating the 2009 American Recovery and Reinvestment Act, Republicans siphoned away billions from provisions that would've spurred job creation.
- Every dollar for state and local governments generates \$1.36 in GDP growth. But Republicans cut \$25 billion in state and local aid from the bill — **costing 120,000 jobs**.
- Senate Republicans stripped \$26 billion from middle class tax relief provisions.
- Conservatives **cut \$30 billion in funds** for public school construction that would have supported 250,000 jobs.
- Republicans spent \$70 billion on a tax patch that provided no stimulus at all — **an amount that could have created 750,000 jobs** if spent elsewhere.
- Every dollar spent on unemployment benefits generates \$1.64 in GDP growth. But Republicans continuously blocked the Emergency Unemployment Program — causing more than 2.5 million workers to **lose their unemployment insurance benefits for some period of time** in the process.

INVEST IN AMERICA

- Conservatives stripped stimulus provisions out of the HIRE Act — shrinking a proposed \$75 billion package to \$15 billion in poorly-targeted measures.
- Republicans filibustered the American Jobs Act, **blocking funds that would have rehired teachers and first responders**, along with \$56 billion in infrastructure projects.

Then, Republicans pushed drastic spending cuts that prolonged the recovery.

- Republicans were cutting spending before the economy had fully recovered — cutting trillions in spending with the Budget Control Act.
- By the third quarter of 2011, the Republicans’ fiscal policy was responsible for a 2.15% reduction to GDP growth, and **millions of people stayed jobless** who could have had jobs with pro-public investment policies.
- Employment didn’t return to its 2008 levels until summer of 2019 — a full ten years later, and just months before the COVID pandemic ravaged the economy yet again.
- Even in 2019, **GDP was more than 10% lower** than it was pre-recession.

“The sequester cuts not only reduce growth in the short term, but they also hurt the most vulnerable.”

— Christine Lagarde, International Monetary Fund Managing Director

“GOP success in using all legislative leverage at their disposal to force spending cuts has (and will continue) to slow economic recovery.”

— Economic Policy Institute

The Bottom Line: Bad faith deficit fear mongering slowed our recovery from the Great Recession and left our economy weaker when the pandemic hit a decade later. We can’t afford to underfund America’s recovery again.