Spotlight on Massachusetts’ Economy under Romney

President Obama’s policies have created almost 1.5 million jobs, protecting the country from another recession. The Congressional Budget Office reports that President Obama’s American Recovery and Reinvestment Act (ARRA) may have “increased the number of people employed by between 200,000 and 1.5 million jobs in March” thanks to the Recovery Act.1 Shortly after taking office, the President secured passage of ARRA, representing an “unprecedented effort to jumpstart our economy, save and create millions of jobs, and put a down payment on addressing long-neglected challenges.”2 At the time, the economy was marked by “the worst recession in more than 70 years.”3 The President chose to act, and not allow the country to work itself out of its financial predicament.4 In 2011, President Obama proposed the American Jobs Act. An independent economist found that the plan would put nearly 2 million people back to work.5 Congress has passed some parts, like the payroll tax cut, but Republicans largely blocked the parts that would create jobs, leaving more than a million jobs on the table. The President’s jobs plan would keep teachers and education support professionals, firefighters, cops, and construction workers on the job and address two weak areas identified in May’s jobs report, continued layoffs of construction workers and public employees.6 To keep the economy moving forward, the President has presented Congress a “To-Do List” that provides help and incentives for homeowners, veterans, small businesses, clean energy companies, and companies that bring jobs back from overseas.7 All told, according to noted investor Warren Buffet, the odds of the country slipping back into a recession are “very low.”8

Unable to defend his Massachusetts record, Romney’s campaign tries to duck and weave. Romney left Massachusetts 47th out of 50 states in job creation. His administration grew jobs by an anemic 0.9%, compared to a national average of over 5%.9 In fact, Massachusetts is one of only six states that didn’t add back all the jobs it lost during the 2001 recession.10 The President of the Massachusetts Taxpayers Foundation observed: “It’s not the turnaround he’s advertised.”11 Romney mocks President Obama for pointing out the economic catastrophe he inherited from President Bush.12 However, when questioned on his record, aides make similar arguments. “He inherited a $3-billion projected deficit,”13 said a senior advisor. The Commonwealth’s languishing economy prompted residents to flee the state in droves, second only to Louisiana in state population displacement. In addition, Massachusetts’ citizens also earned less under Romney. Between 2002 and 2006, median real weekly earnings fell 2%.14 An editorial found: “We were a national leader in exporting our population.”15 As he now runs his campaign on an anti-tax, anti-debt platform, Romney’s record in Massachusetts tells a different story. As he left office, residents each owned $10,504 in bond debt—second in the nation in debt as a percentage of personal income.16 Today’s anti-tax candidate actually raised taxes and pushed through new fees in Massachusetts, raising another $560 million in his first year.17 Romney prefers to tout his private sector experience as evidence he can turn around the economy,18 but Suffolk University’s David Tuerck contends: “No one should think that he [Romney] was responsible for turning the state from a basket case to a poster child for economic recovery.”19

NEA Believes

True fiscal leadership requires creative solutions grounded in the most important needs of the community. The National Bureau of Economic Research found that the “costs to students from downturns are a relevant consideration...for policymakers considering economic stimulus and other policies to mitigate effects of markets on society” because there is a direct correlation between job losses and decreased student achievement.20 Policies that create jobs and opportunities still are critical, as the Center for Budget and Policy Priorities notes, because “the economy still lacks the strength to generate the kind of job growth...that would restore normal employment in a reasonable time frame.”

1 New CBO Report Finds Hundreds of Thousands of People Still Owe Their Jobs to the Recovery Act, Center for Budget and Policy Priorities, 5/29/2012
3 The Truth About Who’s Responsible For Our Massive Budget Deficit, Business Insider, 7/11/2011
4 10 Reasons Why Public Policies Rescued The U.S. Economy: Recovery from the Great Recession Was No Accident, Center for American Progress, 5/29/2012
5 Moody’s: Obama plan will add 1.9M jobs, Politico, 9/9/2011
6 Underlying labor market trend still murky after May jobs report, Economic Policy Institute, 6/1/2012
7 Obama urges Congress to act on his ‘To-Do List’, USA Today, 5/12/2012
8 Warren Buffett says odds of a U.S. recession ‘very low,’ USA Today, 6/5/2012
10 Romney’s economic claims challenged, AP, 2/4/2008
11 Ibid
13 Ibid
15 Ibid
16 Under Romney, Massachusetts Had Highest Per Capita Debt Of Any State, Think Progress, 5/16/2012
17 Romney’s economic claims challenged, AP, 2/4/2008
18 Both Campaigns Seize on Romney’s Years at Bain, The New York Times, 5/24/2012
19 Ibid
20 “Children Left Behind: The Effects of Statewide Job Loss on Student Achievement,” the National Bureau of Economic Research, 6/2011