

# Economic Liftoff: Don't Cancel This Launch

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This month marks the five-year anniversary of the Lehman collapse and the crash of the U.S. economy. Last month marked the two-year anniversary of the debt ceiling fight that stalled the recovery just as it was about to take flight.

Now, the economy is approaching launch speed again and the question is not what Fortune 500 companies will do, but whether 279 Members of Congress will crash the recovery on the runway by playing chicken with our debt ceiling and threatening a government shutdown.

This memo shows how close we are to taking off and begs Congress not to kill the recovery over another Obamacare vote that is destined for failure.

## Jobs are in the best shape since 2008.

**Employment:** *the number of individuals employed on nonfarm payrolls.*

- 136.1 million Americans were employed by private, nonfarm institutions in August 2013; the highest level of employment since September 2008. <sup>1</sup>

**Part-Time Employment:** *the number of individuals working part-time due to cut backs in hours, or the inability to find a full-time job.*

- At 7.9 million part-time workers, August 2013 held the fifth-lowest monthly part-time employment count since November 2008. <sup>2</sup>

**Unemployment:** *the percentage of the civilian labor force that is not employed.*

- August 2013 held the lowest unemployment rate of 7.3% since December 2008.<sup>3</sup>

**Index of Aggregate Weekly Hours:** *measures the total number of hours worked by the private nonfarm workforce in America on a weekly basis.*

- In August 2013, the index reached its highest monthly reading since August 2008.<sup>4</sup>

## **Economic growth and manufacturing are expanding.**

**Gross Domestic Product:** *the market value of all finished goods and services produced within a country over a specific time period.*

- The second quarter of 2013 marked the longest period of sustained GDP growth, of nine consecutive quarters, since prior to 2008.<sup>5</sup>

**New Orders of Durable Goods:** *the number of new orders for a broad range of products with an expected life of at least three years. Durable goods include products such as office furniture, refrigerators, and copy machines.*

- The \$703.1 billion in new orders of durable goods for the second quarter of 2013 marked the largest amount of new orders since 2008.<sup>6</sup>

**Auto Sales:** *sales of cars and trucks in the U.S.*

- 1.5 million vehicles were sold in August 2013, the highest number of monthly sales since May 2007 and one of the highest levels on record.<sup>7</sup>

**Institute of Supply Management Manufacturing Index:** *a measurement of national manufacturing that analyzes employment, production, inventories, new orders, and supplier deliveries. A reading above 50 indicates growth.*

- The ISM Manufacturing Index reached 55.7 in August 2013, the highest monthly reading since June 2011 and the third consecutive month of positive growth.<sup>8</sup>

## **Housing and homeownership are healthier and almost back to normal.**

**Building Permits:** *the number of new privately-owned housing units authorized by building permits.*

- 5.7 million new construction permits were authorized in the first half of 2013, the highest number of issued permits for a six-month calendar-year period since the first half of 2008.<sup>9</sup>

**Housing Starts:** *the number of new privately-owned housing units beginning construction.*

- Construction began on 5.5 million new homes in the first half of 2013, the highest number of starts for a six-month calendar-year period since the first half of 2008.<sup>10</sup>

**S&P/Case-Shiller U.S. National Home Price Index:** *measures the change in value of the U.S. residential housing market.*

- The second quarter of 2013 held the highest index level of 146.3 since the third quarter of 2008.<sup>11</sup>

**Foreclosures:** *the number of initiated processes in which a lender takes possession of a mortgaged property as a result of delinquency.*

- 55,775 foreclosures were initiated in August 2013, the lowest number since December 2005.<sup>12</sup>

## **Consumer business and confidence is back.**

**Small Business Optimism Index:** *measures small business' outlook on growth, indicating expectations for new job creation.*

- July 2013 saw the seventh-highest monthly small business optimism measurement of 94.1 since December 2007.<sup>13</sup>

**Consumer Sentiment Index:** *measures consumer expectations of the overall economy.*

- The second quarter of 2013 saw the highest consumer sentiment of 81.7 since the third quarter of 2007.<sup>14</sup>

## **401K's have recovered.**

**S&P 500:** *an index of 500 stocks designed to be a leading market indicator.*

- The index closed at 1,689.1 on September 11, 2013. 1.2% below the all-time high of 1,709.7 on August 2, and 149.7% higher than the recession low of 676.5 on March 9, 2009.<sup>15</sup>

## **Conclusion**

We are merely weeks away from hitting our nation's borrowing limit. Another prolonged fight over the debt limit threatens the creditworthiness of our country, puts vital government services and support at risk, and jeopardizes the economic liftoff that stands before us.

So rather than thinking the 42<sup>nd</sup> time is the charm for another health care repeal vote, policymakers need to be responsible with our nation's creditworthiness and then focus on real policies that allow our country to take off.

### **TOPICS**

<b>BUDGET</b> 89
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## **END NOTES**

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