

Administration of Barack H. Obama, 2010

Remarks on the National Economy

May 7, 2010

All right. Good morning, everybody. On what seems like a daily basis, we're barraged with statistics and forecasts and reports and data related to the health of the economy. But from the first days of this administration, amidst the worst economic crisis since the Great Depression, I've said that the truest measure of progress would be whether or not we were creating jobs. That's what matters in people's lives. What matters is whether someone who needs a job can find work, whether people can provide for their families and save for the future and achieve some measure of economic security.

Everything we've done has been with this goal in mind. And today I'm happy to report that we received some very encouraging news. In April, the economy added 290,000 jobs, with the vast majority, approximately 230,000, coming from the private sector. This is the largest monthly increase in 4 years. And we created 121,000 more jobs in February and March than previously estimated, which means we've now seen job growth for 4 months in a row.

These numbers are particularly heartening when you consider where we were a year ago, with an economy in freefall. At the height of the downturn, around the time that I took office, we were losing an average of 750,000 jobs per month.

So this news comes on the heels of a report last week that the overall output of our economy, our GDP, is increasing. We now know that the economy has been growing for the better part of a year. And this steady growth is starting to give businesses the confidence to expand and to hire new people.

I should also note that the unemployment rate ticked up slightly from 9.7 to 9.9. Given the strength of these job numbers, this may seem contradictory, but this increase is largely a reflection of the fact that workers who had dropped out of the workforce entirely are now seeing jobs again and—are now seeking jobs again, encouraged by better prospects.

Now, I want to emphasize: The economic crisis we've faced has inflicted a lot of damage on families and businesses across our country, and it's going to take time to repair and rebuild. Over the course of this recession, more than 8 million jobs were lost. So there are a lot of people out there who are still experiencing real hardship. And we've got to be mindful that today's job numbers, while welcome, leave us with a lot of work to do. It's going to take time to achieve the strong and sustained job growth that is necessary. And of course, long before this recession hit, for a decade, middle class families had been experiencing a sense of declining economic security.

So, yes, we've got a ways to go. But we've also come a very long way. And we can see that the difficult and, at times, unpopular steps that we've taken over the past year are making a difference. Productivity is up. The hours people are working are up. Both are signs the company may be hiring more workers in the months to come. We saw the largest increase in manufacturing employment since 1998. And we can see the benefits of our Recovery Act in the strong employment reports from construction and other sectors, where we've made key investments in creating and saving jobs.

Of course, there are limits to what the Government can do. The true engine of job growth in this country will always be the private sector. That's why we are very pleased to see the strong employment growth on the private sector side.

What Government can do is help create the conditions for companies to hire again. What it can do is build the infrastructure and offer the incentives that will allow small businesses to add workers, that will help entrepreneurs take a chance on an idea, that will lead manufacturers to set up shop not overseas, but right here in United States of America.

And that's what we've been doing. Right now a series of tax incentives and other steps to promote hiring are taking effect. Because of a bill I signed into law a few weeks ago, businesses are now eligible for tax cuts for hiring unemployed workers. Companies are also able to write off more of their investments in new equipment. And we're spurring additional investments in school renovation, clean energy projects, and road construction, which will create jobs while laying a new foundation for lasting growth.

In addition, as part of health reform, 4 million small businesses recently received a postcard in their mailbox telling them that they're eligible for a health care tax cut this year. It's worth perhaps tens of thousands of dollars to each of these companies, and it will provide welcome relief to small-business owners, who too often have to choose between health care and hiring.

So that's what's already come on line. But we still have more to do. In my State of the Union Address, I called for a \$30 billion small-business lending fund, which would help increase the flow of credit to small companies that were hit hard by the decline in lending that followed the financial crisis. And, obviously, small businesses are a major source of job creation.

This morning we sent draft legislation to Congress on this fund, which now includes a new State small-business credit initiative. This State initiative, which was designed with the help of Governors and Members of both the House and the Senate, will help expand lending for small businesses and manufacturers at a time when budget shortfalls are leading States to cut back on vitally important lending programs.

In addition, with State and local governments facing huge budget gaps, we're seeing layoffs of teachers, police officers, firefighters, and other essential public servants, which not only harms the economy but also the community and the economy as a whole. So we are working with Congress to find ways to keep our teachers in the classrooms, the police officers on the beat, and firefighters on call.

A few months ago, I also proposed giving people rebates to upgrade the energy efficiencies of their home. This will not only save families money, it will create jobs in hard-hit construction and manufacturing sectors, since things like windows and insulation are overwhelmingly made in the United States of America. I was gratified to see a bipartisan vote to pass this proposal, called HOMESTAR, in the House of Representatives yesterday. I'm calling on the Senate to act as well. And I'm urging Congress to expand the clean energy manufacturing tax credit, which is helping create jobs across America building wind turbines and solar panels.

Even as we take these steps to increase hiring in the short and long run, we're also mindful of other economic factors that can emerge. So I want to speak to the unusual market activity that took place yesterday on Wall Street. The regulatory authorities are evaluating this closely, with a concern for protecting investors and preventing this from happening again. And they will make findings of their review public, along with recommendations for appropriate action.

I also spoke this morning with German Chancellor Merkel regarding economic and financial developments in Europe. We agreed on the importance of a strong policy response by the affected countries and a strong financial response from the international community. I made clear that the United States supports these efforts and will continue to cooperate with European authorities and the IMF during this critical period.

So this week's job numbers come as a relief to Americans who found a job, but it offers, obviously, little comfort to those who are still out of work. So to those who are out there still looking, I give you my word that I'm going to keep fighting every single day to create jobs and opportunities for people. Every one of my team that's standing alongside me here has the same sense of mission. We're not going to rest until we've put this difficult chapter behind us. And I won't rest until you, and millions of your neighbors caught up in these storms, are able to find a good job and reach a brighter day.

Thank you very much, everybody.

NOTE: The President spoke at 11:03 a.m. in the South Driveway at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Categories: Addresses and Remarks : Economy, national :: Washington, DC.

Locations: Washington, DC.

Names: Merkel, Angela.

Subjects: Business and industry : Credit freeze situation; Business and industry : Facility and equipment purchases, tax incentives; Business and industry : Manufacturing industry :: Improvement; Business and industry : Small and minority businesses; Business and industry : Small-business lending fund, proposed; Business and industry : Unemployed workers, incentives to hire; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Economic concerns; Economy, national : Improvement; Economy, national : Market volatility; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : School improvement and renovation; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment rate; Energy : Alternative and renewable sources and technologies; Energy : Alternative energy products and technologies, U.S. production; Energy : Clean energy manufacturing tax credit, proposed extension; Energy : Energy efficiency, tax incentives; Energy : Solar and wind energy; Europe : Financial markets :: Stabilization efforts; Europe : Financial markets :: Unrest; Germany : Chancellor; Health and medical care : Patient Protection and Affordable Care Act; Health and medical care : Small businesses, tax credits to purchase insurance coverage; Legislation, proposed : "Home Star Energy Retrofit Act of 2010"; Monetary Fund, International; Transportation : Highway system, modernization efforts.

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