

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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WASHINGTON, DC 20515-6143

Majority (202) 225-5051
Minority (202) 225-5074

June 11, 2009

The President
The White House
Washington, D.C. 20500

Dear President Obama:

You recently reported that the American Recovery and Reinvestment Act (ARRA) created or saved 150,000 jobs in the first 100 days since it was enacted.¹ In addition, you announced your intention to create or save an additional 600,000 jobs through stimulus projects this summer.² We are concerned about the lack of transparency in your administration's methodology for developing these numbers, and are writing to request that you disclose the methodology to this Committee and to the American people.

While you've touted Recovery.gov as the go-to source for tracking stimulus spending, the site does not provide any information about projected jobs created or saved for each project funded with stimulus money. Rather, it appears that you simply rely on creative models to produce speculative macroeconomic forecasts of the national employment effects of stimulus spending. What are the underlying assumptions of these models? How can these models possibly produce estimates that are reliable down to the project level? On what factors and theories are these models predicated?

Your creation of the "jobs saved" metric is also troubling. It appears that no government agency, private sector group, or research economist has any idea how to reliably calculate and track this number. The creation of a metric that is not measurable allows your administration to advance job claims that are not subject to public scrutiny. This clever creation is a convenient vehicle for avoiding accountability. How can the American people understand what is being accomplished with their money if you do not even attempt to provide information about the employment effects of each stimulus project?

¹ See "Economic Stimulus has created, saved 150,000 jobs: White House," *Reuters*, May 27, 2009. Available at <http://www.reuters.com/article/ousiv/idUSTRE54Q5S120090527>.

² See "Obama promises more than 600,000 stimulus jobs," *Los Angeles Times*, June 8, 2009. Available at <http://www.latimes.com/news/nationworld/washingtondc/la-naw-obama-jobs9-2009jun09,0,3742574.story>.

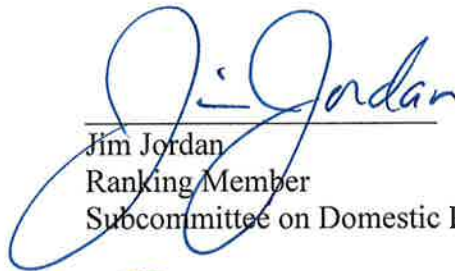
In addition, the most recent Bureau of Labor Statistics (BLS) report on unemployment raises substantive questions about the accuracy of your asserted job claims. According to the May 2009 Employment Situation Summary prepared by BLS, the unemployment rate rose again in May, increasing to 9.4 percent, and job losses continued, resulting in a total of 14.5 million unemployed Americans.³ While 2.3 million Americans have lost their jobs during your presidency, you assert that the stimulus has so far created or saved 150,000 jobs. How can the American people possibly believe this claim, given the contradictory evidence, when your administration is unwilling to release the number of jobs created to date by each project funded with stimulus money?

Mr. President, you've repeatedly promised an unprecedented level of transparency and accountability for stimulus spending. Selectively harvesting convenient economic data and divining inventive formulas to create positive results does not fulfill this promise. The American people have a right to know how many jobs the Administration believes will be created through each project funded with stimulus money. We therefore request a full and complete explanation of the methodology and data used to compute your claim of 150,000 jobs created or saved to date, as well as your claim that 600,000 jobs will be created or saved this summer. We also request that you immediately issue guidance to your Administration requiring the disclosure of jobs created or saved for each project funded with stimulus money.

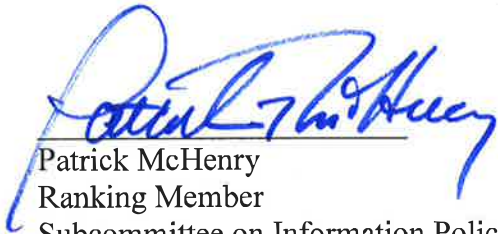
Sincerely,



Darrell Issa
Ranking Member
Committee on Oversight and
Government Reform



Jim Jordan
Ranking Member
Subcommittee on Domestic Policy



Patrick McHenry
Ranking Member
Subcommittee on Information Policy,
Census and National Archives

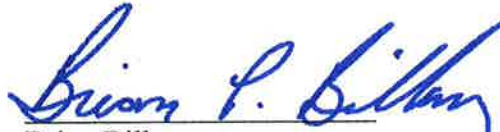


Jason Chaffetz
Ranking Member
Subcommittee on Federal Workforce,
Postal Service and District of Columbia

³ See "Employment Situation Summary," Bureau of Labor Statistics, May 2009. Available at <http://www.bls.gov/news.release/empsit.nr0.htm>.



Jeff Flake
Ranking Member
Subcommittee on National Security
and Foreign Affairs



Brian Bilbray
Ranking Member
Government Management, Organization
and Procurement

cc: The Honorable Edolphus Towns, Chairman