The Daily Dish

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With Congress coming back from recess, only weeks remain for a real solution to replenish the Highway Trust Fund. According to the Washington Examiner, both parties in the House and Senate are working behind the scenes on a bipartisan bill. The result may be a short-term patch that will continue roadwork through the end of the year. AAF's Douglas Holtz-Eakin has discussed the importance to finding a solution to this problem.

The federal government is bringing back the same program that gained notoriety with a half billion-dollar failure of Solyndra. The Department of Energy is now accepting applications for $4 billion in loan guarantees for renewable energy companies. The Ryan Budget had attempted to remove all funding from the failed program.

Politico is reporting that the White House is bracing for Obamacare's next hurdle coming in September. The strategy is not to make sure that rates decrease, as promised, or that the website will work correctly, but to open a press shop for spinning future bad news regarding rates under Obamacare. It could be helpful for the administration to remember that no amount of spin will help the administration save face if individual rates continue to rise.

Eakinomics: The Recovery in Perspective

Friday's jobs report was a second consecutive strong reading in the labor market. But what does this good news really tell us about the state of the recovery? After all, climbing a steep ant hill at the foot of a mountain does not mean that you are near the summit. Two good months of labor market reports do not signal that the American worker is out of the woods.

And he or she is not. In part because of the continued low labor force participation, the faction of the population that has a job, 59 percent, is still 4 percentage points below what it was before the recession began. This Nation was built on an ethic of work and it is disturbing to see it so radically undercut in such a short time. In addition, the U-6 — a comprehensive measure of underemployment and unemployment — remains above 12 percent. The labor market is far from healed.

And it won't heal quickly. At this pace of job creation, it will still take roughly 3 years to create enough jobs to get the employment/population ratio back to 63 percent. Finally, there is more to the labor market than jobs — it truly is about what those jobs can support. So it is troubling that the median family income has still fallen during the "recovery."

In short, recent progress is actually very little and quite late.

Jason Furman, Chair of the Council of Economic Advisers, put the White House spin on it, the bulk of which was devoted to defensive bolstering of the president's record on a lagging recovery, still-high unemployment, still-high underemployment, and still-low labor force participation. It also contained a remarkably thin policy agenda: spend money (infrastructure, long-term unemployment insurance, grants for long-term unemployed) and symbolic administrative actions (mortgage credit, federal hiring). And, of course, it touted a higher minimum wage (which actually kills jobs) and mandates for workplace benefits for women (which allow women to work less and raise the cost of employment) as good for jobs.

No tax reform. No regulatory reform. No debt control or entitlement sustainability measures. No mention of trade agreements or energy exploration. Only a passing reference to immigration reform (now that it is officially dead for 2014). It does not look like much of a way to climb a mountain.

From the Forum

Week in Regulation by Sam Batkins, AAF Director of Regulatory Policy