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## Stimulus plans - Saved more than a million jobs in US

*Saturday, 07 Nov, 2009*

US officials said that US President Mr Barack Obama's stimulus plan has saved more than a million jobs as they battle a momentous unemployment crisis.

New data, to be released later in the day, provides the first solid evidence from employers on job creation spawned by the USD 787 billion Recovery Act passed in February despite stiff opposition from Obama's Republican foes. The latest measure of the economy's struggle to emerge from the crisis comes a day after government statistics showed 3.5% GDP growth in the third quarter after a painful year of contraction.

Republicans, however, accused the administration of making up job creation numbers out of thin air to disguise the failure of Obama's economic policies.

Since the survey data only accounts for half the spending during that time, officials say the true number of jobs created is over a million. The figures confirm government and private forecaster's estimates that overall Recovery Act spending has created and saved at least one million jobs an administration official said on condition of anonymity.

The president has vowed that the economic recovery package would save or create 3.5 million jobs over 2 years. The statistics were provided by tens of thousands of state and local governments, private firms and universities and detail how around USD 150 billion of USD 339 billion have been spent.

Unemployment remains a key hurdle to sustained recovery, with the latest monthly figures in September pushing the jobless rate to a new 26 year high of 9.8%, with job losses accelerating to 263,000.

Government data showed that the US economy had emerged from the deepest recession in decades, but the White House continues to battle crushing unemployment of just under 10%. The numbers apply to jobs directly created with Recovery Act funds, but officials say more jobs are also created indirectly, for instance in the retail sector, when these people spend their wages.

Republican Party said in a statement "What is quite certain is that since the stimulus passed in February, over 2.6 million American jobs have been lost. The Obama administration is either living in a fantasy world or using these reports to have a public argument with the facts. For Republicans, it is clear that President Obama's stimulus has failed our economy and the American people."

Ms Christina Romer chair of Obama's Council of Economic Advisers warned that the US unemployment rate is likely to remain severely elevated for some time even as the economy recovers from recession. She added that the recession's impact on employment has been massive, making it difficult to recoup lost jobs.

(Sourced from AFP)

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