

July 15, 2014

David Harsanyi says, "actually getting rich is Hillary's greatest achievement."

... Which brings me to Hillary Clinton, whose clumsy efforts to convince America that she's a commoner aren't only transparently silly, but intentionally discount her most impressive gift: the ability to convince rational people to pony up \$200,000 (the Wall Street Journal says she was paid \$300,000 for a speech at UCLA) to hear her talk about a career in politics. One thing's for sure: those students would benefit far more from a talk about the inner working of Clinton Inc.'s multimillion-dollar business than they will sitting through an hour of platitudes about public service.

If I had to pick a reason to vote for Hillary, it would be her wealth. She should own it. It's her greatest success. Through her speaking engagements and terrible ghost-written books, she is worth somewhere between \$25 and \$50 million. Bill's net worth is around \$80 million (or more). Even combined, that's nothing like the Koch money, or even John Kerry or Mitt Romney money, as the Washington Post helpfully pointed out recently. ...

... Certainly, Hillary is more gifted at making money than she was at being First Lady, a stint that featured a disastrous stab at health-care policy and her husband being tricked into having an affair by a shadowy conspiracy. She is undoubtedly a better businesswoman than she was a Senator, where the single consequential vote she took turned out, in her own words, to be "a mistake." And she is a far better businesswoman than she was a secretary of State, a job that doesn't seem to feature any achievements worth remembering by anyone. ...

Telegraph, UK says sales of her book have tanked.

Hillary Clinton's memoirs have been replaced at the top of the New York Times best sellers list by an expose of the Clintons' rocky relationship with Barack Obama.

Edward Klein's book "Blood Feud" now tops the combined print and non-fiction table in what is being seen as a blow to the former secretary of state's prestige ahead of a likely run for the presidency in 2016.

One expert suggested that the less than expected sales suggested that there was some "Clinton fatigue" among the American public.

According to the latest authoritative Nielsen BookScan ratings which covers 85 per cent of the US market, Hard Choices now stands at number nine in the list of hardcover sales. ...

According to **Jennifer Rubin** the disaster of the book roll-out has some Dems convinced they have a Hillary problem.

You expect Hillary Clinton to be panned by conservatives. But increasingly she is getting some brutal reviews from, of all places, MSNBC commentators. Mark Halperin broke the news to the network's liberal audience: "The biggest development in the 2016 race in the last month is Republicans do not fear anything like they did before. She's never going to be a great candidate. She's never going to have the fingertip feel of politics of her husband, Barack Obama or George Bush. I think the story to some extent is the people around her failing to prepare her for the most obvious questions imaginable."

Or maybe they did try to prepare her and she wasn't receptive. (Worse, could be this be the improved version?)

With no specific GOP opponent journalists covering the lead-up to the 2016 presidential race don't have much to do but dissect her latest gaffes and try to maintain some suspense in a race with a candidate they've been covering for decades. (Will she run? Why can't she talk about money?) Some rather frank criticism of her from liberal media and mainstream reporters may provoke some Democratic soul-searching. ...

An example of Mrs. Clinton's problem with the media is Maureen Dowd's column this past Sunday.

CHELSEA CLINTON never acted out during the eight years she came of age as America's first daughter.

No ditching of her Secret Service detail. No fake IDs for underage tipping. No drug scandal. No court appearance in tank top and toe ring. Not even any dirty dancing.

Despite a tough role as the go-between in the highly public and embarrassing marital contretemps of her parents, Chelsea stayed classy.

So it's strange to see her acting out in a sense now, joining her parents in cashing in to help feed the rapacious, gaping maw of Clinton Inc.

With her 1 percenter mother under fire for disingenuously calling herself "dead broke" when she left the White House, why would Chelsea want to open herself up to criticism that she is gobbling whopping paychecks not commensurate with her skills, experience or role in life?

*As the 34-year-old tries to wean some of the cronies from the Clinton Foundation — which is, like the Clintons themselves, well-intended, wasteful and disorganized — Chelsea is making speeches that go into foundation coffers. She is commanding, as *The Times's* Amy Chozick reported, up to \$75,000 per appearance.*

Chozick wrote: "Ms. Clinton's speeches focus on causes like eradicating waterborne diseases. ('I'm obsessed with diarrhea' is a favorite line.)" ...

Joel Kotkin says there will be no recovery without the middle class.

What if they gave a recovery, and the middle class were never invited? Well, that's an experiment we are running now, and, even with the recent strengthening of the jobs market, it's not looking very good.

Over the last five years, Wall Street and the investor class have been on a bull run, but the economy has been, at best, torpid for the vast majority of the population. Despite blather about our "democratic capitalism," stock ownership is increasingly concentrated with the wealthy as the middle class retrenches. The big returns that hedge funds, real estate trusts or venture capitalist receive are simply outside the reach of the vast majority.

A recent study by the Russell Sage Foundation suggests these patterns of inequality, which have been developing over the last several decades, have become more pronounced in the post-Recession years. In 2013 the wealth of those at the 90th and 95th percentiles was actually higher than 10 years ago. Everyone else is lower.

The labor market may be strengthening, with the unemployment rate falling to 6.1% last month, but too many of the new jobs are low wage or part time. They aren't providing the kick the economy got in the last, more broad-based expansion from robust consumer spending.

Wage growth has been weak, rising 2.5% annually since 2009, according to Bloomberg, compared with a 4.3% annual rise from 2001 to 2007. ...

Similar thoughts from **Mort Zuckerman**.

There has been a distinctive odor of hype lately about the national jobs report for June. Most people will have the impression that the 288,000 jobs created last month were full-time. Not so.

The Obama administration and much of the media trumpeting the figure overlooked that the government numbers didn't distinguish between new part-time and full-time jobs. Full-time jobs last month plunged by 523,000, according to the Bureau of Labor Statistics. What has increased are part-time jobs. They soared by about 800,000 to more than 28 million. Just think of all those Americans working part time, no doubt glad to have the work but also contending with lower pay, diminished benefits and little job security.

On July 2 President Obama boasted that the jobs report "showed the sixth straight month of job growth" in the private economy. "Make no mistake," he said. "We are headed in the right direction." What he failed to mention is that only 47.7% of adults in the U.S. are working full time. Yes, the percentage of unemployed has fallen, but that's worth barely a Bronx cheer. It reflects the bleak fact that 2.4 million Americans have become discouraged and dropped out of the workforce. You might as well say that the unemployment rate would be zero if everyone quit looking for work.

Last month involuntary part-timers swelled to 7.5 million, compared with 4.4 million in 2007. Way too many adults now depend on the low-wage, part-time jobs that teenagers would normally fill. Federal Reserve Chair Janet Yellen had it right in March when she said: "The existence of such a large pool of partly unemployed workers is a sign that labor conditions are worse than indicated by the unemployment rate." ...

The Federalist

Actually, Getting Rich Is Hillary's Greatest Achievement

by David Harsanyi

Although I almost never vote, when I do make an exception I use three criteria: First, and most obviously, I must either have an especially strong ideological affinity with a candidate or a particularly deep loathing for the challenger. Second, the candidate must (appear) less corrupt than his or her challenger. Third—and this is important—the candidate must be a *lot* more successful than I am.

This last hurdle is not a particularly challenging, mind you. If a would-be lawmaker believes he or she possess the judgment to lord over millions of Americans, if they deem themselves wise enough to make momentous decisions regarding war and security, shouldn't they be more adept at managing their everyday lives than I am? No, I'm not impressed that you take public transportation, eat at diners, or struggle to pay your student loans. You still go to the "[market](#)" like an average American? So do I. And I would never vote for me. Ever. And it doesn't matter to me if you're the child of immigrants, or that you were raised by a single mom or that you had a job sweeping up in a warehouse before you were shuttled off to Harvard. Those are circumstances, not achievements.

That's just me. So, needless to say, I'm mystified that so many Americans look to candidates who pretend to be just like us. We're the worst.

Which brings me to Hillary Clinton, whose [clumsy efforts](#) to convince America that she's a commoner aren't only transparently silly, but intentionally discount her most impressive gift: the ability to convince rational people to pony up \$200,000 (the *Wall Street Journal* says [she was paid \\$300,000](#) for a speech at UCLA) to hear her talk about a career in politics. One thing's for sure: those students would benefit far more from a talk about the inner working of Clinton Inc.'s multimillion-dollar business than they will sitting through an hour of platitudes about public service.

If I had to pick a reason to vote for Hillary, it would be her wealth. She should own it. It's her greatest success. Through her speaking engagements and terrible ghost-written books, she is worth somewhere between \$25 and \$50 million. Bill's net worth is around \$80 million ([or more](#)). Even combined, that's nothing like the Koch money, or even John Kerry or Mitt Romney money, as the *Washington Post* helpfully [pointed out recently](#). (One thing wealthy folks don't understand is that the average American doesn't *really* make much of a distinction between \$130 million or a billion, anyway. You're just really rich. And it's ok.)

Nearly every candidate tries to create intimacy with the common man's struggles. Populists like to argue that the rich are incapable of comprehending the problems ordinary Americans face or of having empathy for the poor. This accusation is selectively deployed, of course. The Senate is [teeming with affluent Democrats](#) who are given a pass on their bank accounts, because, as someone once explained to me, the wealthy liberal advocates for raising taxes on themselves, so they are selfless. Which means, conveniently enough, that wealthy conservatives can always be dismissed as having ideas that are self-serving.

But the problem with Hillary isn't that she's wealthy. It's not even that she became wealthy asking for exorbitant fees while most Americans were living through a brutal recession. Nor is it that, for the most part, she's lived a privileged life under the protection of taxpayers for decades and still acts like she's broke. It's that today she has nothing to offer voters but a reconstituted Obama-style populist progressivism that doesn't fit her history. She may well win, of course. But that would have more to do with the luck of history than her political skill.

Certainly, Hillary is more gifted at making money than she was at being First Lady, a stint that featured a disastrous stab at [health-care policy](#) and her husband being tricked into having an affair by a shadowy [conspiracy](#). She is undoubtedly a better businesswoman than she was a Senator, where the single consequential vote she took turned out, [in her own words](#), to be "a mistake." And she is a far better businesswoman than she was a secretary of State, a job that doesn't seem to feature any achievements [worth remembering](#) by anyone.

Chelsea Clinton [philosophized recently](#) that although she wanted to see if she could "care about [money] on some fundamental level," she couldn't. "That wasn't the metric of success that I wanted

in my life,” she explained. Though few people in the world want the sole metric of their life’s triumph to be money, only someone with the security of wealthy family, [augmented by a \\$600,000 yearly paycheck](#), could dismiss the idea of money so flippantly. But she was right in another way. In the case of her mother’s career, wealth is the only metric that features any success.

Telegraph, UK

[Hillary Clinton book knocked off top of New York Times best sellers’ list](#)

Former First Lady’s memoir, Hard Choices, supplanted by book detailing Clintons’ difficulties with the Obamas

by David Millward

Hillary Clinton’s memoirs have been replaced at the top of the New York Times best sellers list by an expose of the Clintons’ rocky relationship with Barack Obama.

Edward Klein’s book “Blood Feud” now tops the combined print and non-fiction table in what is being seen as a blow to the former secretary of state’s prestige ahead of a likely run for the presidency in 2016.

One expert suggested that the less than expected sales suggested that there was some “Clinton fatigue” among the American public.

According to the latest authoritative Nielsen BookScan ratings which covers 85 per cent of the US market, Hard Choices now stands at number nine in the list of hardcover sales.

It still tops sales in the biography and autobiography lists, but is in second place in Nielsen’s list of adult non-fiction sellers.

Mrs Clinton reportedly received a \$14 million (£8.18 million) advance for the book and the New York Post claims that this is unlikely to be covered by sales of the book.

It was launched with a blizzard of publicity and a book-signing tour.

But the promotional drive became mired in a controversy over the Clintons’ wealth, after the former First Lady said she and her husband Bill were “dead broke” when they left the White House.

Initially it was left to Bill Clinton to qualify her remarks before Mrs Clinton then tried to undo the damage by describing her words as “inartful”.

“I think it would be hard to say the book has done as well as expected,” said Jim Milllott, editorial director of Publishers Weekly.

“But to say it had tanked would be going too far.

“The fact is a lot of people were saying there was not too much new in it.

“There was nothing wrong with the publicity roll out, there was extensive coverage on TV, newspapers and magazines.

“But I think there has been a bit of Hillary fatigue and Clinton fatigue in general.”

Right Turn

Liberals discover they have a Hillary problem

by Jennifer Rubin

You expect Hillary Clinton to be panned by conservatives. But increasingly she is getting some brutal reviews from, of all places, MSNBC commentators. Mark Halperin broke the news to the network's liberal audience: "The biggest development in the 2016 race in the last month is Republicans do not fear anything like they did before. She's never going to be a great candidate. She's never going to have the fingertip feel of politics of her husband, Barack Obama or George Bush. I think the story to some extent is the people around her failing to prepare her for the most obvious questions imaginable."

Or maybe they *did* try to prepare her and she wasn't receptive. (Worse, could be this be the *improved* version?)

With no specific GOP opponent journalists covering the lead-up to the 2016 presidential race don't have much to do but dissect her latest gaffes and try to maintain some suspense in a race with a candidate they've been covering for decades. (*Will she run? Why can't she talk about money?*) Some rather [frank criticism](#) of her from liberal media and mainstream reporters may provoke some Democratic soul-searching. The media critiques take on a life of their own, fueling discontent among some liberals still pining for a true standard bearer. Clinton's performance of late can't help but remind them of her cringe-worthy campaign of 2008. She was brittle, unimaginative and unendearing.

Liberals also complain Hillary Clinton suffers from an "[identity crisis](#)." In fact, this is the amateurish version of her husband's shape-shifting. He's always had the uncanny ability to appear moderate to moderates and liberal to liberals. She simply doesn't have the deftness to pull it off. She simply never developed the ability to instantaneously read her audience and subliminally signal she is "one of them." Instead you see a calculating pol trying to have it all ways and say (and write) nothing of substance that could be used against her in later policy debates.

In 2008 the junior senator from Illinois came along to rescue the party from her and assure Democrats they could take back the White House in an "historic" election. But now what do they do if Hillary Clinton, as it certainly seems, insists on running? Liberals might be deluded into thinking the GOP will nominate a crank and in essence allow her to win by default, but aside from 1964 the modern GOP has invariably chosen an establishment-friendly mainstream Republican.

Sometimes a candidate is a fast study and can improve with time. But Hillary Clinton has been at this so long — running for office, battling the media, rewriting her past, posing as a victim — and enjoys the ferocious defense of the best Democratic politician of his era (her husband). Given all that, who would even dare sit her down to break the bad news? (*You're bombing. You're come across like the Marie Antoinette of the Democratic Party.*) Even in the last few weeks, with bad reviews raining down on her, she repeats the same error — feigning poverty — over and over again, perhaps because she really believes she was destitute upon leaving the White House and still isn't "truly rich."

The bigger problem for Hillary Clinton is that she presents herself as Ms. Competence at a time world events confirm the that foreign policy she put in place — or simply went along with — was the least competent since the Carter presidency. If she does not have the deft political talent *and* lacks

a record she can sell as evidence for her fitness for the presidency, what exactly is she going to run on?

Well, there is always a sense of entitlement – which she hopes translates into a sense of inevitability — and the conviction that her gender will make up for her deficient political skills. That didn't work in 2008 when she at least had the *promise* of executive competence. Now with a shoddy record and bored press corps her task becomes even harder. No wonder MSNBC types are angst-ridden.

The first step for Democrats is recognizing the problem. Now they need a *plan* if Hillary Clinton insists on gutting out another presidential run despite her political deficiencies.

NY Times

Isn't It Rich

by Maureen Dowd



Chelsea Clinton, who gave a talk at a conference in Atlanta last month, has joined the family's lucrative speech-making business.

WASHINGTON — CHELSEA CLINTON never acted out during the eight years she came of age as America's first daughter.

No ditching of her Secret Service detail. No fake IDs for underage tippling. No drug scandal. No court appearance in [tank top and toe ring](#). Not even any dirty dancing.

Despite a tough role as the go-between in the highly public and embarrassing marital contretemps of her parents, Chelsea stayed classy.

So it's strange to see her acting out in a sense now, joining her parents in cashing in to help feed the rapacious, gaping maw of Clinton Inc.

With her 1 percenter mother under fire for disingenuously calling herself "dead broke" when she left the White House, why would Chelsea want to open herself up to criticism that she is gobbling whopping paychecks not commensurate with her skills, experience or role in life?

As the 34-year-old tries to wean some of the cronies from the Clinton Foundation — which is, like the Clintons themselves, [well-intended, wasteful and disorganized](#) — Chelsea is making speeches that go into foundation coffers. She is commanding, as The Times's Amy Chozick [reported](#), up to \$75,000 per appearance.

Chozick wrote: "Ms. Clinton's speeches focus on causes like eradicating waterborne diseases. ('I'm obsessed with diarrhea' is a favorite line.)"

There's something unseemly about it, making one wonder: Why on earth is she worth that much money? Why, given her dabbling in management consulting, hedge-funding and coattail-riding, is an hour of her time valued at an amount that most Americans her age don't make in a year? ([Median household income](#) in the United States is \$53,046.)

If she really wants to be altruistic, let her contribute the money to some independent charity not designed to burnish the Clinton name as her mother ramps up to return to the White House and as she herself drops a handkerchief about getting into politics.

Or let her speak for free. After all, she is in effect going to candidate school. No need to get paid for it, too.

There was disgust over Politico's revelation that before she switched to a month-to-month contract, Chelsea was getting wildly overpaid at [\\$600,000 annually](#) — or [over \\$25,000 per minute](#) on air — for a nepotistic job as a soft-focus correspondent for NBC News.

Chelsea is still learning the answer to a question she asked when she interviewed the Geico gecko: "Is there a downside to all this fame?"

The Clintons keep acting as though all they care about is selfless public service. So why does it keep coming back to gross money grabs? It's gone from two-for-the-price-of-one to three-for-the-price-of-20.

Hillary's book — which feels like something she got at Ikea and had someone put together — is drooping because it was more about the estimated \$13 million advance and the campaign ramp-up than the sort of intriguing self-examination and political excavations found in the memoirs of Timothy Geithner and Bob Gates. If she had had something to say, the book might have been shorter.

Hillary doesn't see the disconnect between expressing grave concern about mounting student loan debt while scarfing six-figure sums from at least [eight colleges](#), and counting. She says now that she's passing the university money to the foundation but, never Ms. Transparency, has [refused to provide documentation](#) of that. (She's still pocketing other huge fees for speeches like her April talk in Las Vegas to the Institute of Scrap Recycling Industries.)

Chozick estimated that the lucrative family speechmaking business has generated more than \$100 million for the former president and first lady, whose fees range from \$200,000 to \$700,000 per appearance. Bill alone earned \$17 million last year doing what he likes to do best — talking.

“The issue is that the philanthropic beneficiary of the speeches is a foundation, structured as a public foundation but clearly synonymous with and controlled by the Clinton family,” [Rick Cohen writes](#) in The National Philanthropy Quarterly, adding: “Donors and institutions that are paying them and their daughter huge sums for their speeches may very well be buying recognition and face time with powerful political leaders who they hope will be able to deliver political favors in the future.

“It is troubling when corporate donors give to political charities with a more or less obvious expectation that softer and gentler treatment will ensue in the future. It is also troubling when some of the payers are public or nonprofit entities themselves such as colleges and universities, converting taxpayer funds and tax-exempt donations into signals that could end up in positive treatment when these institutions are themselves seeking access and favors, even if it is only a good word put in by one of the Clintons to a federal agency providing funding or to a regulator who might be taking a critical look at university tuitions and endowment payouts.”

The Clintons were fiercely protective of Chelsea when she was a teenager, insisting on respect from the media and getting it. They need to protect their daughter again, this time from their wanton acquisitiveness.

Forbes

[There Will Be No Real Recovery Without The Middle Class](#)

by Joel Kotkin

What if they gave a recovery, and the middle class were never invited? Well, that’s an experiment we are running now, and, even with the recent strengthening of the jobs market, it’s not looking very good.

Over the last five years, Wall Street and the investor class have been on a bull run, but the economy has been, at best, torpid for the vast majority of the population. Despite blather about our “democratic capitalism,” stock ownership is increasingly concentrated with the wealthy as the middle class [retrenches](#). The big returns that hedge funds, real estate trusts or venture capitalist receive are simply outside the reach of the vast majority.

[A recent study](#) by the Russell Sage Foundation suggests these patterns of inequality, which have been developing over the last several decades, have become more pronounced in the post-Recession years. In 2013 the wealth of those at the 90th and 95th percentiles was actually higher than 10 years ago. Everyone else is lower.

The labor market may be strengthening, with the unemployment rate [falling to 6.1%](#) last month, but too many of the new jobs are low wage or part time. They aren’t providing the kick the economy got in the last, more broad-based expansion from robust consumer spending.

Wage growth has been weak, rising 2.5% annually since 2009, [according to Bloomberg](#), compared with a 4.3% annual rise from 2001 to 2007. Consumer spending, which makes up roughly 70% of

the economy, has expanded an average 2.2% since the recession ended, behind the 3% advance in the prior expansion.

And many working-age people are still sitting discouraged on the sidelines – the labor force participation rate [remains the lowest since 1979](#).

People in marginal or part-time jobs are not likely to drive consumer spending. Instead we have seen the emergence of a new, top-heavy consumer market. Since 1992 the top 5% of households have increased their share of total spending to [almost 40%](#), up from 27% in 1992.

Former Citigroup economist [Anjay Kapur has described](#) this situation as a “plutonomy,” in which the economy is increasingly based on the global wealthy and their tastes and predilections.

Meanwhile broader consumer confidence [remains weak](#). Last year some two-thirds of Americans polled by the Washington Post and the Miller Center said they felt [life had become tougher](#) over the last five years compared to just 7% who thought theirs had improved. Pollsters also have found almost two-thirds of parents felt their [children would do worse in life](#), a stunning shift from far more optimistic readings back in 1999.

The Housing Market

Historically housing has been the [primary asset held by the middle and working class](#). Despite government efforts to keep mortgages affordable, post-crash, growth has been slow, and much of the buying restricted to investors, including major financial interests. Particularly damaging, there has been a [marked decline](#) in the “trade up market” and even more so, sales to [first-time buyers](#), whose share of the market has [declined to under 30%](#), well below the historic average of 40%. This reflects the weak economy, tighter lending standards, and, for younger customers, the heavy [burden of student loans](#).

Some on Wall Street hope to profit from a perceived shift in America to a [“rentership society.”](#) Housing more of the population in rental apartments would do little to improve social mobility, as people end up working not for their own equity but to pay the mortgage of their landlords. Nor can the economic payoff from apartment construction come close to that of single-family homes. According to the [National Association of Home Builders](#), building 100 new single-family homes adds 324 jobs to the average metropolitan economy in the year of their construction and 53 jobs annually in the following years. This compares to 122 jobs per 100 new apartments in the year of construction and 32 in the following years. With [home starts at less than a third](#) their 2005 level, lack of construction employment also deals a body blow to one of the primary sources of higher-paying blue collar jobs.

The Emasculation Of Small Business

In previous recoveries, small businesses have provided much of the spark and job creation. Not so this time. Small business start-ups [have declined as a portion of all business growth](#) from 50% in the early 1980s to 35% in 2010, while its share of employment dropped down from 20% to 12%. Indeed, a [2014 Brookings report](#) revealed that small business “dynamism,” measured by the growth of new firms compared with the closing of older ones, has declined significantly over the past decade, with more firms closing than starting for the first time in a quarter century.

Nor is the future prognosis too good. The rise of the regulatory state, including the [Affordable Care Act](#) and higher taxes, amplified in deep blue states such as California, has hit smaller businesses hard. The gradual culling of smaller banks, traditional lenders to entrepreneurs, and the growing

concentration of assets in the [“too big to fail” banks](#), historically unfocused on the needs of small companies or individual proprietors, suggests credit may remain tough for grassroots entrepreneurs.

Needed: A New Paradigm

The recession and the weak recovery have taught us you cannot have strong economic growth without the participation of the vast majority of Americans. We've run an experiment under Bernanke, Bush and Obama to pump up the economy from above, and what we've done is squash the aspirations of those middle orders, particularly small business and the self-employed.

This issue should be at the center of the political debate. I would welcome suggestions from the right and left about how best to restart a broad-based economic recovery. The best ideas may come from across the spectrum, such as flatter taxes, supported by many conservatives, as well as new spending on major infrastructure projects as improved roads, rivers and ports that generally come from more liberal groups.

The good news is the fundamentals for a broader-based prosperity, including the creation of [high-paying blue-collar jobs](#), remain in place. Progress is already evident in the energy and some manufacturing-oriented regions. Restarting the housing sector — particularly the single-family home component — would do wonders for middle and working class people in many regional economies, as can be seen, for example, in Houston, where [more homes will be built this year than in the entire state of California](#). Nationwide, the gap between demand and potential housing, [according to the NAB](#), is roughly 1 million homes, which translates into close to 3 million jobs.

How to drive growth to these and other productive sectors may require not only changes in government policy but also reacquainting the investor class with the virtues of long-term growth, productivity and the revival of the mass economy. Perhaps once they do investors might earn something other than intense dislike from the rest of the population.

WSJ

[The Full-Time Scandal of Part-Time America](#)

Fewer than half of U.S. adults are working full time. Why? Slow growth and the perverse incentives of ObamaCare.

by Mortimer Zuckerman

There has been a distinctive odor of hype lately about the national jobs report for June. Most people will have the impression that the 288,000 jobs created last month were full-time. Not so.

The [Obama](#) administration and much of the media trumpeting the figure overlooked that the government numbers didn't distinguish between new part-time and full-time jobs. Full-time jobs last month plunged by 523,000, according to the Bureau of Labor Statistics. What has increased are part-time jobs. They soared by about 800,000 to more than 28 million. Just think of all those Americans working part time, no doubt glad to have the work but also contending with lower pay, diminished benefits and little job security.

On July 2 President Obama boasted that the jobs report "showed the sixth straight month of job growth" in the private economy. "Make no mistake," he said. "We are headed in the right direction."

What he failed to mention is that only 47.7% of adults in the U.S. are working full time. Yes, the percentage of unemployed has fallen, but that's worth barely a Bronx cheer. It reflects the bleak fact that 2.4 million Americans have become discouraged and dropped out of the workforce. You might as well say that the unemployment rate would be zero if everyone quit looking for work.

Last month involuntary part-timers swelled to 7.5 million, compared with 4.4 million in 2007. Way too many adults now depend on the low-wage, part-time jobs that teenagers would normally fill. Federal Reserve Chair [Janet Yellen](#) had it right in March when she said: "The existence of such a large pool of partly unemployed workers is a sign that labor conditions are worse than indicated by the unemployment rate."

There are a number of reasons for our predicament, most importantly a historically low growth rate for an economic "recovery." Gross domestic product growth in 2013 was a feeble 1.9%, and it *fell* at a seasonally adjusted annual rate of 2.9% in the first quarter of 2014.

But there is one clear political contribution to the dismal jobs trend. Many employers cut workers' hours to avoid the Affordable Care Act's mandate to provide health insurance to anyone working 30 hours a week or more. The unintended consequence of President Obama's "signature legislation"? Fewer full-time workers. In many cases two people are working the same number of hours that one had previously worked.

Since mid-2007 the U.S. population has grown by 17.2 million, according to the Census Bureau, but we have 374,000 fewer jobs since a November 2007 peak and are 10 million jobs shy of where we should be. It is particularly upsetting that our current high unemployment is concentrated in the oldest and youngest workers. Older workers have been phased out as new technologies improve productivity, and young adults who lack skills are struggling to find entry-level jobs with advancement opportunities. In the process, they are losing critical time to develop workplace habits, contacts and new skills.

Most Americans wouldn't call this an economic recovery. Yes, we're not technically in a recession as the recovery began in mid-2009, but high-wage industries have lost a million positions since 2007. Low-paying jobs are gaining and now account for 44% of all employment growth since employment hit bottom in February 2010, with by far the most growth—3.8 million jobs—in low-wage industries. The number of long-term unemployed remains at historically high levels, standing at more than three million in June. The proportion of Americans in the labor force is at a 36-year low, 62.8%, down from 66% in 2008.

Part-time jobs are no longer the domain of the young. Many are taken by adults in their prime working years—25 to 54 years of age—and many are single men and women without high-school diplomas. Why is this happening? It can't all be attributed to the unforeseen consequences of the Affordable Care Act. The longer workers have been out of a job, the more likely they are to take a part-time job to make ends meet.

The result: Faith in the American dream is eroding fast. The feeling is that the rules aren't fair and the system has been rigged in favor of business and against the average person. The share of financial compensation and outputs going to labor has dropped to less than 60% today from about 65% before 1980.

Why haven't increases in labor productivity translated into higher household income in private employment? In part because of very low rates of capital spending on new plant and equipment over the past five years. In the 1960s, only one in 20 American men between the ages of 25 and

54 was not working. According to former Treasury Secretary Larry Summers, in 10 years that number will be one in seven.

The lack of breadwinners working full time is a burgeoning disaster. There are 48 million people in the U.S. in low-wage jobs. Those workers won't be able to spend what is necessary in an economy that is mostly based on consumer spending, and this will put further pressure on growth. What we have is a very high unemployment rate, a slow recovery and across-the-board wage stagnation (except for the top few percent). According to the Bureau of Labor Statistics, almost 91 million people over age 16 aren't working, a record high. When Barack Obama became president, that figure was nearly 10 million lower.

The great American job machine is spluttering. We are going through the weakest post-recession recovery the U.S. has ever experienced, with growth half of what it was after four previous recessions. And that's despite the most expansive monetary policy in history and the largest fiscal stimulus since World War II.

That is why the June numbers are so distressing. Five years after the Great Recession, more than 24 million working-age Americans remain jobless, working part-time involuntarily or having left the workforce. We are not in the middle of a recovery. We are in the middle of a muddle-through, and there's no point in pretending that the sky is blue when so many millions can attest to dark clouds.

Mr. Zuckerman is chairman and editor in chief of U.S. News & World Report.





