

FactCheck.org: Job Loss, Health Care and Bankruptcy

January 25, 2011

Former Bush adviser Karen Hughes and Democratic Rep. James Clyburn both twisted facts to make partisan points on "[Meet the Press](#)."

Hughes claimed that the "vast majority" of recent job losses happened under President Obama, when in fact slightly more jobs were lost when her former boss George W. Bush was president. And Clyburn claimed that inadequate health insurance is "the biggest cause" of personal bankruptcies, which isn't quite true either. Health costs are a contributing factor to most bankruptcies, but not the sole cause.

They made their assertions Jan. 23 as they struggled to claim the partisan high ground on the jobs issue. Clyburn was seeking to justify Obama's focus on a massive overhaul of health care at a time when the unemployment rate was so high.

Clyburn: Well, look, what we were facing with families going into bankruptcy because of health care — **the biggest cause of individual bankruptcy was over health insurance**. So what the president did here — and I think if we look at it, of the 1.1 million new jobs, 20 percent of those jobs are in the health care industry.

John Podesta: Yeah.

Hughes: But 8 million lost jobs. And so you can talk about new jobs, but the, **the vast majority of jobs have been lost since December of 2008 when President Obama became — was preparing to become president**. We've lost 8 million jobs, and we still have a stubbornly high unemployment rate of 9.4 percent.

We'll take Clyburn's statement first. It's become a talking point for supporters of the new health care law to say that medical costs are the leading cause of bankruptcy filings. But we have written twice before (in [2008](#) and [2009](#)) that there are several factors contributing to bankruptcies, including job loss and household consumption. It would have been more accurate for Clyburn to say health care costs *contribute* to most bankruptcies, not that they are the *cause* of most bankruptcies. Even a [study](#) by Harvard University researchers most often cited by Democrats and their allies says: "Illness or medical bills *contributed* to 62.1% of all bankruptcies in 2007."

Hughes' response to Clyburn was also off the mark. It's true that more than 8 million jobs were lost during the recent recession, but most of them were lost under Bush, before Obama took office. As Hughes noted, Obama was "preparing" to become president in December 2008, and Bush was still in the White House. Obama was sworn in Jan. 20, 2009. According to the Bureau of Labor Statistics, [total nonfarm employment](#) (the standard measure of jobs) declined by nearly 8.4 million between its most recent peak in December 2007 and when the job slump bottomed out two years later, in December 2009. Of those lost jobs, 4.4 million disappeared while Bush was president, and just under 4 million vanished during Obama's first year.

Bush's last month in office saw a particularly severe job loss: 779,000. Adding those losses to Obama's column and subtracting them from that of Hughes' ex-boss would (incorrectly) put the totals at 3.6 million jobs lost under Bush and more than 4.7 million lost under Obama. Even that wouldn't be a disparity that we would characterize as "vast." But vast or not, the comparison is wrong.

And for the record, the economy regained 1.1 million of the lost jobs during the last year, and [the unemployment rate has declined](#) from its peak of 10.1 percent, reached in October 2009.

Posted by [Eugene Kiely](#) on Tuesday, January 25, 2011 at 11:14 am

Filed under [The FactCheck Wire](#) · Tagged with [bankruptcy](#), [Barack Obama](#), [George Bush](#), [health care](#), [James Clyburn](#), [jobs](#), [Karen Hughes](#)