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THE UNITED STATES ECONOMY DURING THE FIRST OBAMA ADMINISTRATION (2009-2012)

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Abstract

The paper aims to evaluate the macroeconomic performance of the economy of the United States during first administration of Barack Obama (2009-2012).

Keywords Economy of the United States; Barack Obama's Administration; economic policies; Economic History of the Unites States.

1. INTRODUCTION

These notes intend to evaluate the main macroeconomic aspects of the United States economy during the first Obama's administration (2009-2012). We suggest that the economy recovered from the 2008 crisis by a mix of federal deficits; aggressive monetary policies of the Fed; new investments in mining; rising productivity leading to positive rates of profit; and continuity of inflow of foreign resources. All these features contributed to the smoothing of the financial and real-state crisis.

This is how the paper is divided: (1) this introduction; (2) economic policies and macroeconomic performance; (3) conclusion; (4) sources and references. The main sources are furnished by (i) the Statistical Appendix of the several editions of the *Economic Report of the President* (ERP), (ii) the Federal Reserve and (iii) the National Income and Production Accounts (NIPA) of the *Bureau of Economic Analysis* (BEA).

2. ECONOMIC POLICIES AND MACROECONOMIC PERFORMANCE

Since the 1980's the economic policies in the United States have emphasized economic and financial liberalization. These so called "neoliberal" policies have been applied by Democrat and Republican administrations. One of its landmarks was the abolition of the Glass Steagall Act during the second administration of Bill Clinton (Gramm-Leach-Bliley Act, 1999). More recently, the current economic policies have been defined under the label of the "New Macroeconomic Consensus" (NMC). The NMC professed by the leading American economists and the Federal Reserve joins "new Keynesian" ideas on imperfect competition with hypothesis of inter-temporal optimization and rational expectations. Post-Keynesianism, "Old" Institutionalism, not to speak of Environmental or Ecological Economics, are not taken into account by the NMC.

Even Alan Greenspan (2014, p. 105) recognizes that "regulatory capital requirements prior to the crisis, althought based on decades of experience, were too lax" (Greenspan 2013, p.105). According to Arestis and Gonzales-Martinez (2015), in the NMC fiscal policy is "downgraded" and money is taken as neutral. "Minskyan" increasing moral hazard and Keynesian ideas on "liquidity preference" are absent. Inflation should be controlled by the rate of interest and the adoption of an inflation target. To the assumptions professed by the NMC and other "New Classicals", economic intervention is regarded more as a cost, according to the idea that "the potential for welfare gains from better long-run, supply-side policies exceeds by far the potential from further improvements in short-run demand management" (Lucas 2003, p.01). Actually, Lucas affirmed in 2003 that "the central problem of depression prevention has been solved, for all practical purposes, and has in fact been solved for many decades" (Lucas 2003, p.1).

The IMF observed in 2009 that "write-downs on U.S.-originated assets by all financial institutions over 2007–10 will be $2.7 trillion [almost 20% of the 2009 GDP]" (IMF 2009, p. XV); total expected write-downs on global exposures were estimated at $4 trillion, "of which about two-thirds will fall on banks, with the remainder distributed among insurance companies, pension funds, hedge funds, and other intermediaries, although this figure is subject to a substantial margin of error" (IMF 2009, p. 8).

Despite the leading role of the "New Consensus" and its optimism related to market forces, President Obama's administration opted for many counter-cyclical policies (monetary, fiscal and institutional). In fact, the main economic policies adopted during the period involved many different and more complex answers to the economic crisis. They were euphemistically called "non-conventional" policies, with several ground-breaking measures which altered the domestic policies existing so far. We will briefly mention them. [1]

2.1. Economic policies

The Obama administration implemented interventions in troubled institutions (including non-financial, such as the Automotive Industry Financing Program and Auto). The government also gave guarantees of unsecured debt, including for primary dealers (for example, the Primary Dealer Credit Facility by the New York Federal Reserve); many "liquidity facility programs" were performed by the Federal Reserve, such as the Term Auction Facility; there were also refinancing of mortgages for borrowers heavily indebted and purchases of the government sponsored enterprises (GSE) asset backed securities (ABS) by the Fed and the Treasury. The government extended the availability of mortgage credit (through the Consumer Business Lending Initiative and other programs) and passed a new regulatory structure for the financial markets (the Dodd-Frank Act). Furthermore, the Federal Reserve sought lower levels of interest rates, particularly reducing its targets for the Fed's fund rate. The American Recovery and Reinvestment Act of 2009 (ARRA) was thought as a fiscal countercyclical action, which in 2009 was initially estimated at a cost of $787 billion. Many tax reliefs to small and medium business, state and local governments were authorized. The government also provided additional weeks of unemployment insurance provisions.

Obama took office during the evolution of the financial crisis. The recession in the gross domestic product (GDP) reached -0,8% in 2008. The federal budget deficit when Obama took office was already high, $458 billion, given that the former Bush administrations (2001-2008) had already deployed counter-cyclical measures and had implemented large deficits without generating more revenues for the U.S. Treasury. These already existing deficits were deepened by fiscal reliefs and polices target specifically at the crisis, such as the Troubled Asset Relief Program and the Emergency Economic

[1] The monetary and fiscal policies implemented the U.S. federal administrations after the 2008-2009 crisis are summarized in several official reports, particularly the *Quarterly Reports on Federal Reserve Balance Sheets Developments*, the *Economic Report of the President* and the Federal Reserve acts. Also important are data releases, annual reports and other Federal Reserve reports to Congress.

Stabilization Act of 2008. State and local governments also had dire budgetary situations (net savings of $-271 billion in 2008). Unemployment among black Americans was at 8,5% and the overall unemployment rate was at 9,3%, the highest since 1983. In 2009, when Obama took office, the GDP would reach -2.8% and fixed investment percent change -16% (in comparison with 2008). And, as above mentioned, bank failures succeed.

Table 1 shows the federal budget outlook between 2009 and 2012, the GDP growth rate and the deficit-to-GDP ratio. It shows how the countercyclical policies of the government affected the different sectors of federal expenditures.

TABLE 1.- UNITED STATES. FEDERAL BUDGET. 2009-2012. BILLIONS OF DOLLARS.

Outlays	2009	2010	2011	2012	Rate of change 2012-2009
National defense	661	693	705	680	1.02
Health	334	369	372	346	1.03
Medicare	430	451	485	471	1.09
Social security	682	706	730	773	1.13
Science, space and technology	28	30	29	29	1.03
Natural resources and environment	35	43	45	41	1.17
Energy	4	11	12	14	3.50
Education, training, employment and social services	79	128	101	89	1.12
Surplus or deficit	*-1.549*	*-1.371*	*-1.366*	*-1.277*	-
Total receipts	2.104	2.162	2.303	2.449	-
Total outlays	3.517	3.457	3.603	3.538	-
State and local government surplus or deficit	*-271*	*-237*	*-215*	*-232*	-
Gross Domestic Product	14.417	14.779	15.052	15.470	-
GDP (%)	-2.8	2.5	1.6	2.3	-
Federal Deficits/GDP	10%	9%	9%	8%	-

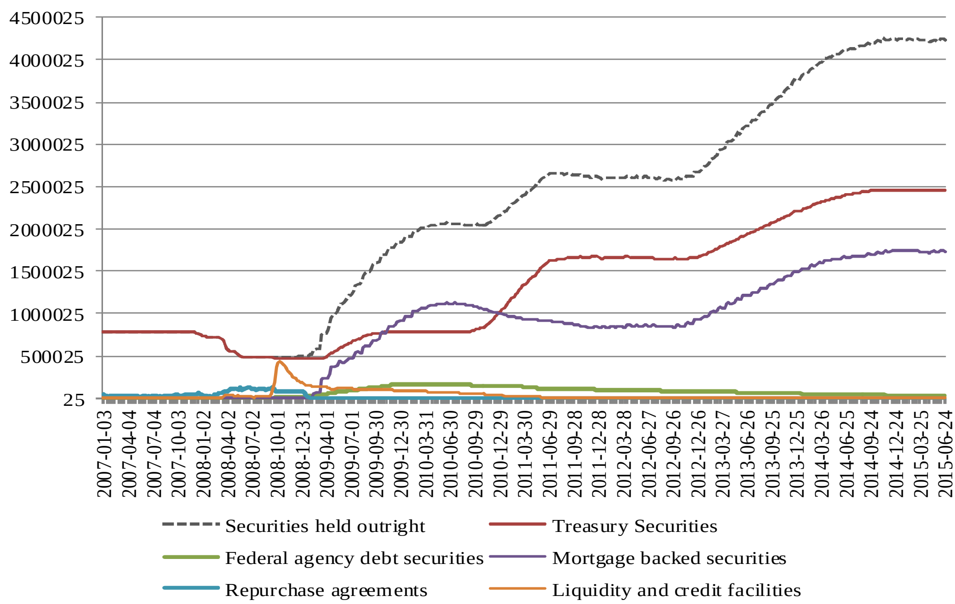
Sources: ERP 2013, Table B.81, p. 420; ERP 2014, Table B-1, p. 366 and Table B-23, p. 393.

During the first year of the administration, the recession in GDP (-2.8%) was accompanied by a rising federal deficit, edged up to 10% of the GDP. As the economy recovered somewhat in 2010, the federal deficit was lowered to 9% of the GDP. This level was maintained in 2011 and lowered to 8% of the GDP as the economy maintained a 2.3% of GDP growth rate. The rates of change related to the different types of federal outlays during the period show that "energy", "natural resources" and "education, training, employment and social services" received more attention in terms of nominal variations. "National defense" outlays did not drop until 2012, but were not favored in comparison to Medicare, Health, Science and other federal outlays. However, defense outlays maintained its relatively great magnitude among the other expenses, with almost 20% of total federal outlays.

As this countercyclical fiscal policy was being implemented, the Federal Reserve was also acting aggressively through different monetary tools. In fact the Fed purchased a huge mass of assets. It sought to attain lower targets levels of the interest rate (including the federal funds) through massive open market operations (OMOs). It also extended credits through the discount window facility. These large operations sought to provide short term liquidity and to avoid, in fact, a bigger systemic failure of the financial system. The Federal Reserve purchases and sales included not only Treasury securities in the open market, but also government-sponsored enterprise (GSE) debt securities, and federal agency and GSE mortgage-backed securities (MBS).

These Fed purchase operations passed by several phases along the first Obama administration. They were divided between permanent and temporary OMO's; large scale asset purchase programs; "Repos" (repurchase agreements) and reverse "Repos" ("typically used to address reserve needs that are deemed to be transitory in nature" [Fed 2015, p.10]); term deposit facilities, "through which the Federal Reserve Banks offer interest-bearing term deposits to eligible institutions" (Fed 2015, p. 11); discount window lending secured by accepted collaterals, and liquidity arrangements with foreign central banks. Figure 2 shows the path and the drastic changes of the Federal Reserve balance sheet between 2008 and 2012 as a result of these implemented policies. The figure also shows that these policies were eased in the second administration of President Obama (2013-...), particularly after 2014.

FIGURE 1.- UNITED STATES. SELECTED FACTORS AFFECTING RESERVE BALANCES – ASSETS OF THE FEDERAL RESERVE. WEEK AVERAGE. MILLIONS OF DOLLARS. 2007-2015.



Source: Federal Reserve. Factors Affecting Reserve Balances (Table H.4.1).

Figure 1 (which covers all the 2007-2015 period) shows the huge purchases by the Fed since 2008 and the elevation of the assets held by the institution ("securities held outright"). Between 2009 and 2010, the Federal Reserve started to purchase massively MBS's; the Fed held more than $1 trillion of these assets in 2010 and approximately $900 billion in 2011. The purchases of Treasury Securities were stable between 2009-2010. After 2010, the Fed began to purchase more Treasury Securities (according to the law, only on the secondary market), lowering the purchases of MBS's. The Fed held almost $700 billion of Treasury Securities in 2010, and approximately $1.700 billion in 2012. Indirectly, despite the legal prohibition, it was almost as if the Fed was in fact "monetizing" the Treasury expenditures.

As Lavoie (2010) observed, the potential expansionary effects of Fed purchases, however, were in part offset by (1) the deposits of depositary institutions held by the Fed (liabilities) and (2) also by banks declining to lend. Table 2 shows the Federal Reserve's balance sheet between 2009 and 2012, its net results and also currency in circulation. We can see that the net operations of the Federal Reserve were not translated into increases in the currency in circulation.

TABLE 2.- FEDERAL RESERVE'S BALANCE SHEET (TOTAL ASSETS AND DEPOSITS OF DEPOSITARY INSTITUTIONS [LIABILITIES].

	1. Total assets	2. Liabilities	1-2 (annual net operations)	3.Currency, demand deposits and other checkable deposits
2009	2.3	1.1	1.2	1.6
2010	2.3	1.1	1.2	1.8
2011	3.0	1.5	1.5	2.1
2012	2.9	1.5	1.4	2.4

Source: Fed 2015, p.05; Fed 2010 p.02; ERP 2013, Table B-69, p. 405 e B-71, p. 408.

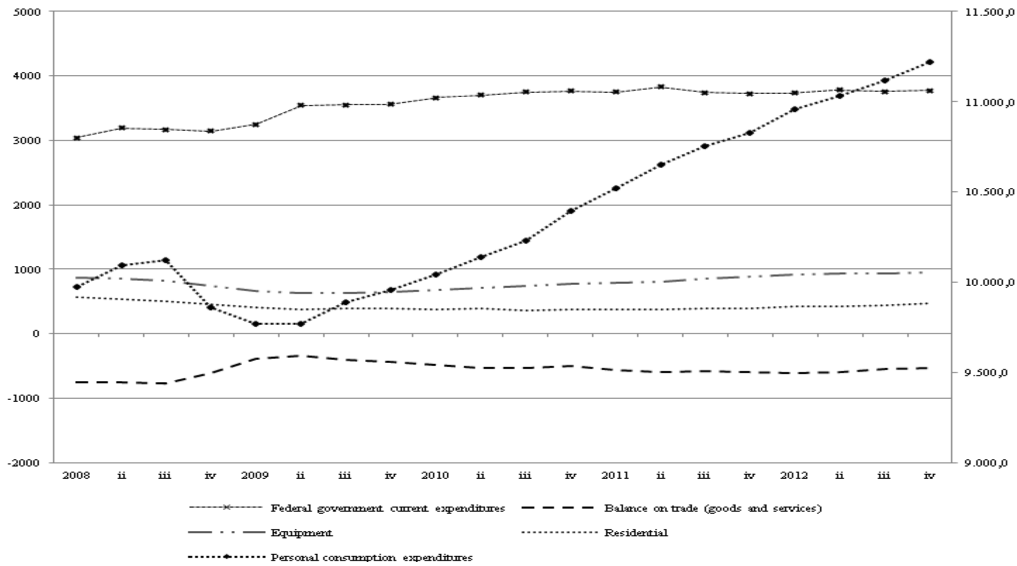
2.2. Aspects of the economic performance

2.2.1. GDP and aggregate demand/supply

Figure 3 shows the disaggregated gross domestic product of the United States between 2008 and 2012.

By the beginning of 2009 the aggregate demand was depressed by falling personal consumption expenditures and private fixed investment in the form of equipment expenditures. Private residential investments were also dropping. Balance on trade was still negative despite the recession (but smoothing). The Obama administration started to increase the federal deficits since 2009, which jumped 3,08 times in this year, with a net federal government saving of $-682 billion by the fourth quarter of 2008 to $-1.040 billion by the first quarter of 2009. As shown in Figure 3, the federal current expenditures were being increased to compensate for the decline in the aggregate demand, particularly equipment and personal consumption. The total consumption of the federal government accounted for nearly one-third of the overall consumption. The federal fiscal deficit increased significantly as a share of GDP between 2008 and 2009, from 3% to 9%. In 2010, the federal deficit to GDP ratio reached 8%, and 8% one more time in 2011. In 2012, the ratio fell to 6% (ERP 2015, Tables B-2 and B-21). Total consumption had a remarkable recovery over the period.

FIGURE 3.- UNITED STATES. GROSS DOMESTIC PRODUCT. 2008-2012. BILLIONS OF DOLLARS.



Note: Personal consumption expenditures on the right axis.
Source: NIPA-BEA, Tables 2.3.5; 3.2; 4.1; 5.3.5. Federal Government Current Expenditure., Balance of Trade (goods and services), Equipment, Residential, Personal Consumption Expenditures

Despite the financial crisis, the per capita GDP rose through the 2009-2012 period. In 2012, total capacity utilization hit 78%, 14% higher than in 2009. With the exception of 2009 (-2.8%), the GDP growth reached 2.5% in 2010, 1.8% in 2011 and 2.8% in 2012: a net total of 4.3%. Evaluating the overall economics' response to the economic policies and looking at the dimension of the financial crisis, it was not a bad performance at all.

TABLE 3.- UNITED STATES. REAL AND NOMINAL GDP, GDP GROWTH, POPULATION (EXCLUDES ARMED FORCES) AND PNB PER CAPITA.

	Nominal GDP	Real GDP (deflated using the CPI)	GDP growth	Population	Per capita GDP
2009	13.973	13.605	-2.8	306.772	44.348
2010	14.498	14.283	2.5	309.350	46.171
2011	15.075	14.635	1.8	311.592	46.968
2012	15.681	15.418	2.8	313.914	49.115

Source: ERP 2014; to GDP, Table B-3, p. 368; population, ERP 2013, Table B-34, p. 365.

Table 4 shows the components of the aggregate demand. Investments in structures (excluding houses) were stagnant in the four years of the first Obama administration, as a share of the GDP. Equipment and software grew by a 2 percent. It is remarkable that these investments continued as workers faced a difficult situation of a 9% rate of unemployment and stagnant real wages. Investments in equipment/software, however, were below the rate of 7% observed in 2000 and 2001.

Total consumption rose at a rate of 1%. Exports and imports also rose substantially over the period (3%). The economy opened up even more its markets to imports but also exported more in terms of GDP. In 2012, the number of sold houses stopped falling; it grew up from 306.000 to 368.000 (ERP 2014, p. 375). But investments in new houses reached only one-third of its pre-crises pattern. Official data suggests that the economy recovered by a mix of federal deficits and continuing investments in new technologies. Residential and (federal) military expenditures (as we saw above), two main patterns of economic growth during the years of George W. Bush administrations, were falling behind, relatively.

TABLE 4.- UNITED STATES. COMPONENTS OF AGGREGATE DEMAND AS A SHARE (%) OF THE GDP. 2000-2013.

Years	Structures	Equipment and software	Residential	Consumption of Durable goods	Consumption of Non-durable	Total consumption (including services)	Exports	Imports
2000	0,03	0,07	0,05	0,11	0,15	0,66	0,11	0,14
2001	0,03	0,07	0,05	0,10	0,15	0,67	0,10	0,13
2002	0,03	0,06	0,05	0,09	0,15	0,67	0,09	0,13
2003	0,02	0,06	0,06	0,09	0,15	0,67	0,09	0,13
2004	0,02	0,06	0,06	0,09	0,15	0,67	0,10	0,15
2005	0,03	0,06	0,07	0,09	0,15	0,67	0,10	0,16
2006	0,03	0,06	0,06	0,09	0,15	0,67	0,11	0,16
2007	0,03	0,06	0,05	0,09	0,15	0,67	0,11	0,16
2008	0,04	0,06	0,04	0,08	0,15	0,68	0,13	0,17
2009	0,03	0,04	0,03	0,07	0,15	0,68	0,11	0,14
2010	0,02	0,05	0,03	0,07	0,15	0,68	0,12	0,16
2011	0,02	0,05	0,02	0,08	0,16	0,69	0,14	0,17
2012	0,03	0,06	0,03	0,08	0,16	0,69	0,14	0,17
2013	0,03	0,06	0,03	0,08	0,16	0,68	0,13	0,17

Source: NIPA-BEA 1.1.5 and 4.1.

Referring to the aggregate supply of the economy, mining and logging industries were relatively inelastic to the crisis, showing an elevation of 1.22 times employees since 2009; there were particularly new developments in the so called shale gas production. "Total U.S. natural gas production rose 27 percent, from 18.1 trillion cubic feet in 2005 to 23.0 trillion cubic feet in 2011, and wellhead prices fell 46 percent, from $7.33 per thousand cubic feet to $3.95 per thousand cubic feet. In 2011, for the first time in 30 years, energy production from dry natural gas exceeded energy production from coal" (ERP 2013, p. 202). All other activities increased layoffs over the period 2009-2010. Manufacturing, service providing and education/health employed more workers in 2012 than in 2009; but while manufacturing had a weak recovery during the four-year period (less than 1%), service providing rose 3% and education 5%. Construction, information, financial activities and government remained below pre-recession level.

TABLE 5.- UNITED STATES. EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY MAJOR INDUSTRY (THOUSANDS OF PERSONS). 2009-2012.

	Mining and logging	Construc ion	Manu facturing	Service providing	Inform ation	Financial activities	Govern ment	Education and health
2009	694	6.016	11.847	90.121	2.804	7.838	22.555	19.550
2010	705	5.518	11.528	90.034	2.707	7.695	22.490	19.889
2011	788	5.533	11.726	91.378	2.674	7.697	22.086	20.228
2012	848	5.646	11.927	93.763	2.676	7.784	21.920	20.698

Source: ERP 2015, Table B-14, p. 401.

2.2.2. Money, interest rates and inflation

The Federal Reserve purchases of the Treasury bonds (only on the secondary market) amounted to 42% of the total estimate ownership of them in 2009 and 39% in 2012. There was also a high variation in the growth of foreign purchases of the Treasury bonds. State and local governments, mutual funds and deposits institutions also raised Treasury bonds purchases. Thus, the government budget situation was eased because of this market confidence in the United States ability to keep its compromise to pay its national debt, as long as the government maintained its effort to save the domestic financial system and to ensure the capitalist "rules of the game".

If this confidence were not there, it would have been impossible to maintain lower rates of interest –in short and long term– and the government would be forced to be borrowing at higher costs. However, as Table 6 shows, the interest rates of the U.S. Treasury Securities dropped as the Treasure *accelerated* their expenditures in 2009 and 2010. Fed's fund rate dropped as the Fed *accelerated* again its purchases after 2010. The elevation of the 30-year constant maturities of the Treasury securities during this period (2009-2010) were not expressive. The prime rate charged by banks came to a halt of 3.25%. As the deficit-to-GDP-ratio dropped from 10% to 9% and then to 8%, the "trade off" between short and long term rates was lowered, with the 30-year rates reaching 3,91% and them 2.92% in 2011-2012, and 3-months 0.6 and 0.9, respectively.

TABLE 6.- UNITED STATES. SELECTED INTEREST RATES (%) AND CONSUMER PRICES INDEXES (%). 2009-2012.

Anos	U.S. Treasury Securities (3 months)	U.S constant maturitis – 30-year	Fed Funds Rate	Prime Rate	Consumer prices index
2009	0.16	4.08	0.16	3.25	2.7
2010	0.14	4.25	0.18	3.25	1.5
2011	0.60	3.91	0.10	3.25	3.0
2012	0.90	2.92	0.14	3.25	1.7

Source: ERP 2014; for prices, tables B-10, p. 377; interest rates, table B-17, p. 386.

As this rapid growth in the monetary base was occurring since 2007, it is worth considering that there was not lack of control in the general price levels. The consumer prices index mounted to 2.7% in 2009, 1.5% in 2010, 3% in 2011 and finally 1.7% in 2012. Thus the total devaluation of the dollar reached 8.9%, a low level in the light of the huge purchases by the Fed and budget deficits. Beyond the reasons above mentioned, this relatively low inflation rates was explained by the lowered aggregate demand between 2008 and 2010; by the continuing trade deficit; by the low high capacity of utilization rates in total industry (which reached only 68% in 2009, 73% in 2010 and 76% in 2011 [ERP 2013, Table B-54, p.387]); and by the high unemployment rates combined with stagnated real wages (more of it in a moment).

The years preceding the financial crisis were accompanied by a reduction in the net borrowing from abroad, from approximately 5% in terms of GDP in 2005 to 4% in 2008. After the crisis, external indebtedness rose again, despite the low rates of interest. In 2009, 22% of domestic investments were covered by foreign lending to the United States, and 25% in 2010 and 2011 (ERP 2013, Table B-32, p.363). American direct investments in the world economy yearly outpaced the world direct investments in the U.S. by $2 trillion during all years of the 2009-2012 period (ERP 2014, p.392). But, as table 7 shows, the international net investment position of the United States showed that foreign direct investments in the U.S., and foreign purchases of American bonds and corporate stocks, were all increased after 2009. Almost half of the Treasury securities were held by foreigners in 2011 (41%), with this relative share decreasing because of the Fed purchases of Treasury Securities after 2008.

TABLE 7.- UNITED STATES. INTERNATIONAL INVESTMENT POSITION, END OF PERIOD. FOREIGN-OWNED ASSETS IN THE UNITED STATES. BILLIONS OF DOLLARS. 2005-2011.

	GDP	Foreign owned assets in the U.S.	Foreign owned assets /GDP	U.S. Owned assets abroad	U.S. Owned assets/ GDP	Gross saving and investment : net lending or borrowing
2005	12.623	13.893	1,10	11.961	0,94	-727
2006	13.377	16.619	1,24	14.428	1,07	-800
2007	14.028	20.195	1,43	18.399	1,31	-715
2008	14.291	22.724	1,59	19.464	1,36	-673
2009	13.973	20.833	1,49	18.511	1,32	-382
2010	14.498	22.772	1,57	20.298	1,40	-449
2011	15.075	25.162	1,66	21.132	1,40	-467

Source: ERP 2013, Table B-32, p. 363 and Table B-107, p. 447.

2.2.3. Distributive aspects

By looking at technological progress (which evolved continuously) and stagnated real wages, it is possible to understand why sectorial net rates of profit apparently evolved positively. Table 4 above shows a partial recovery in the equipment purchases as a share of GDP since 2011, after a declining since 2008. Table 8 shows how productivity surpassed real compensation per hour (nonfarm sectors) during all the period, excepting the first quarter of 2012. In fact, according to the ERP 2013, p. 383, average productivity –output per hour of all persons– outpaced real compensation per hour along all the 2000's, excluding the year of 2000. So, the growth of output per hour of all persons shows that the productivity of workers was increased by new techniques throughout the economy. As real wages lagged behind, it is reasonable to expect that rates of profit were increased.

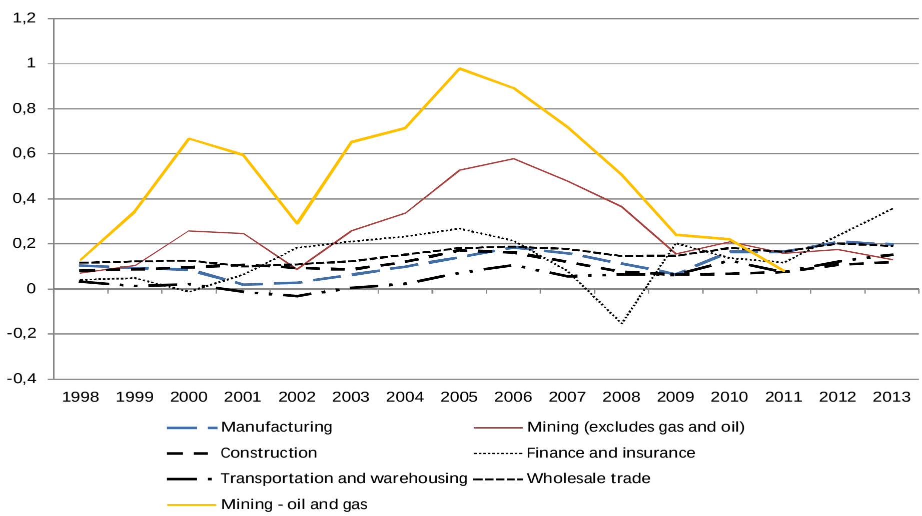
TABLE 8.- UNITED STATES. CHANGES IN PRODUCTIVITY AND RELATED DATA. 2009-2012 (FOURTH QUARTER NOT AVAILABLE). PERCENT CHANGE FROM PRECEDING PERIOD.

	Output per hour of all persons, nonfarm business sectors	Real compensation per hour, nonfarm business sectors
2009	2.9	1.8
2010	3.1	0.4
2011	0.7	-0.5
2012 i	-0.5	3.3
ii	1.9	0.6
iii	2.9	-1.4

Source: ERP 2013, Table B-50, p. 383.

Figure 4 shows the divisions *profit (after taxes)/wages + capital consumption allowances* in several sectors of the American economy, division here taken as a proxy of the (*ex post*) "rates of profit". These are sector-specific "proxies" of rates of return –estimates– because we cannot know exactly how inflation rates were distributed by each sector and by each item.

FIGURE 4.- UNITED STATES. CORPORATE PROFITS (AFTER TAXES) ÷ COMPENSATION OF EMPLOYEES + CORPORATE CAPITAL CONSUMPTION ALLOWANCES. SEVERAL INDUSTRIES. BILLIONS OF DOLLARS.



Source: The author, using NIPA 6.19D, 6.2D and 6.22D.

These relations are complex because they depend on what is going on in each sector and in the economy as whole. When wages rise in each sector, sectorial rates of return fall but overall aggregate demand rises; when sales of one sector rise, profits also rise; when capital consumption is cheaper, the rate of profit also booms. The cost of capital depends on the productivity of other sectors etc.. Anyway, our sector-specific "proxies" suggest that all "rates of profit" stagnated after 1998, excepting in mining, and fell during the 2001 crisis (now including mining). After 2001, they all begin to rise again by the first half of the 2000's, reaching a higher level and a peak in 2005 or 2006. Then, after 2005 or 2006, they began to fall, following the diminishing rates of the GDP growth. It occurs, mainly, because the numerator –profits– falls with falling sales.

The housing boom helps to explain why mining sectors had such high rates of profit, and also the higher prices of crude oil up till 2010. Financial speculation that supported the housing boom also led to rates of profits higher than the average at least up till 2005. Rates of profit in mining were particularly affected with the crisis in house construction and cheaper oil. One of the interesting things about figure 4 is that after 2010 the rates of profit in construction, manufacturing and finance seem to become higher than they were before the 2008 crisis. Mining sectors were heavily "adjusted" to the average levels. Transporting and construction also recover along the 2009-2012 period, but without reaching the 2006-2005 levels. When one looks at the broader context, many rates of profit are higher in 2012 than in 1998 or 2000.

Then, these results suggest: (1) continuing investments in machines and other productive techniques which were boosting productivity; (2) falling real wages, along the first Obama administration. As real wages were stagnated or falling, non-distributed profits rose between 2009 and 2012. They mounted to $ 152 billion in 2008 and reached $ 728 billion in 2010, and $ 750 billion in 2011 (ERP 2013, "Undistributed profits", Table B-90, p. 429). This rising in undistributed profits can be also understood as a result of the declining stockholder's equity, with profits (after taxes) to stockholder's equity rising 18.5 in 2011, a historical record (ERP 2013, "Relation of profits after taxes to stockholders equity and to sales", p. 433).

Overall unemployment rates fell after 2011, but were still high in 2012 (9.3% in 2009 and 8.1% in 2012) (ERP 2013, p. 367). Rates of unemployment among Black workers were almost twice the rates among White, 13.8% in 2012. The elevation of poverty rates since 2009 was stopped in 2011, but people below poverty level reached 46.5 million in 2012 (ERP 2014, p. 376), or 15% of total population. So, the higher nominal per capita GDP distribution above mentioned in fact hides the perdurance of an unequal distribution between capital and labour, and between Black and White, during the period. Financial profits were higher in terms of GDP in 2012 than they were in 2009; wages and salaries fell.

TABLE 9.- UNITED STATES. CIVILIAN UNEMPLOYMENT RATES, PROFITS AND WAGES IN NATIONAL INCOME.

	Unemployment rates: White	Unemployment rates: Black or African American	People below poverty level (%)	Financial profits/GDP (%)	Non-financial profits/GDP (%) *	Wages and salaries/GDP (%)
2009	8.5	14.8	14.3	2%	5%	43%
2010	8.7	16.0	15.1	2%	6%	42%
2011	7.9	15.8	15.0	1.9%	6%	42%
2012	7.9	13.8	15.0	2.4%	7%	42%

* Excludes Federal Reserve. Source: Unemployment: ERP 2014, Table B-12, p. 380; people below poverty level: ERP 2014, Table B-9, p. 376; Profits: ERP 2014, Table B-6, p. 373; Wages and salaries: NIPA 6.3D and NIPA 1.1.5.

3. CONCLUSION

Ben Bernanke, Chairman of the Federal Reserve between 2006-2014, once affirmed that "the evidence that monetary shocks played a major role in the Great Contraction, and that these shocks were transmitted around the world primarily through the working of the gold standard, is quite compelling" (Bernanke 2000, p.6). Thus, as we saw, under his administration, the Federal Reserve sought to avoid the deterioration of the macroeconomic conditions by means of a so called non-conventional monetary policy, with the Fed creating trillions of dollars to hold "toxic assets".

From our empirical evaluation, some facts can be derived: (1) it did not make (economically and politically) sense for the Obama's administration not to implement counter-cyclical policies, because private investments were falling when Obama first took office in 2009. Thus it invalidates the "New Classical"/NMC hypothesis on the government expenditures as "economic costs". (2) as there was no lack of control of inflation rates despite the high increase of Fed purchases and the lower rates of interest target by the Fed, a hypothesis of a relation between a rapid rate of monetary growth, low interest rates and the rise of the rate of inflation was not corroborated, because of the other economic pressures against the monetary multiplier. (3) the economy recovered relatively from the recession but worker's position as a whole worsened during the crisis.

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