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# What Debate? Economists Agree the Stimulus Lifted the Economy

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**Justin Wolfers**

Here's a simple case study making the point that our political debates about economics have become largely unhinged from those among actual economists. Take the Obama stimulus plan, known as the American Recovery and Reinvestment Act. If you took your cues from the political rhetoric in Washington — or even from the occasional virulent debate in the economics blogosphere — you would think the whole question of fiscal stimulus is highly contested.

But it's not. There's widespread agreement among economists that the stimulus act has helped boost the economy.

The Initiative on Global Markets at the University of Chicago — hardly a hotbed of liberal or Keynesian thought — regularly surveys a number of the

leading American economists about a variety of policy issues. The economists surveyed constitute a good sample of the leading economists in the nation, and the panel was chosen to be geographically diverse, to include older and younger economists, and importantly, to include Democrats, Republicans and independents. The most important qualification is that these are top-notch economists: senior faculty at the leading economics departments in the United States who are also vitally interested in public policy.

Recently each of these eminent economists was asked whether the unemployment rate was lower at the end of 2010 than it would have been without the stimulus bill. Of the 44 economists surveyed, 37 responded, yielding a healthy response rate of 84 percent.

Among those who responded, 36 agreed that the stimulus bill had lowered the unemployment rate, while one disagreed. That lone disagreeing economist, Harvard's Alberto Alesina (who was one of my thesis advisers), has been a virulent opponent of the stimulus, although the research that he's based this upon has come under sustained criticism, particularly from the International Monetary Fund, which views the study as flawed.

These responses are remarkably similar to those from an earlier survey taken in 2012; not a single economist has substantially changed views since that earlier survey.

A follow-up question posed to the same expert panel asked whether the total benefits of the stimulus bill will end up exceeding the costs. The idea was to take account of all of the consequences, both positive and negative. On this question, there's greater modesty, but still no raging debate. Of the 37 respondents, 25 agreed that the benefits exceeded the costs, while 10 were uncertain. Only 2 disagreed that the stimulus was worth it.

These data paint a picture of a professional consensus, tempered by a degree of modesty that there's much we don't know. Indeed, the best research into the views of economists finds that this consensus is pervasive across a range of issues. Call it the hidden consensus in economics. It's there, but remains largely out of sight, because in a competitive political system there's

always an incentive for at least some advocates to try to portray any empirical claim as deeply contested.

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