The Shocking Truth About How Barack Obama Was Able to Prop Up the US Economy

Barack Obama is one of the biggest “Keynesians” of all time, but unfortunately most Americans don’t even understand what that means.

In this article, I am going to share with you the primary reason why Barack Obama has been able to prop up the U.S. economy over the past eight years. If Barack Obama had not taken the extreme measures he did, we would be in the midst of a historic economic depression right now. But by propping things up in the short-term, he has absolutely demolished our long-term economic future. Like most politicians, Obama has been willing to sacrifice the future for short-term political gain.

If you take any basic college course in economics, you are going to learn about John Maynard Keynes. Without a doubt, Keynes was one of the most famous economists of the 20th century, and one of the things he believed was that governments should go into debt and spend more money when an economic downturn strikes. By injecting additional funds into the economy during a time of crisis, he believed the severity of recessions and depressions could be reduced. This approach ultimately become known as “Keynesian economics,” and in the post-World War II era, virtually the entire world embraced it at least to some degree. Here is more on Keynes from Investopedia:

> *An economic theory of total spending in the economy and its effects on output and inflation. Keynesian economics was developed by the British economist John Maynard Keynes during the 1930s in an attempt to understand the Great Depression.*

> *Keynes advocated increased government expenditures and lower taxes to stimulate demand and pull the global economy out of the Depression. Subsequently, the term "Keynesian economics" was used to refer to the concept that optimal economic performance could be achieved—and economic slumps prevented—by influencing aggregate demand through activist stabilization and economic intervention policies by the government. Keynesian economics is considered to be a "demand-side" theory that focuses on changes in the economy over the short run.*

Keynesian economists correctly point out that there is a "multiplier effect" to government spending. In other words, when the government spends money, it ends up in the hands of ordinary people. In turn, those people spend that money on various goods and services that they need, thus boosting overall economic activity. And the more the money circulates, the more the economy is stimulated. So one dollar of additional government spending does not just add one dollar to GDP. Rather, the impact on GDP is often significantly greater than that.

Of course, the bad news is that whenever the government borrows money, it is stealing consumption from the future. So we are literally destroying the future our children and our grandchildren were supposed to have in order to make the present look a little bit brighter.

When Barack Obama entered the White House, the U.S. was in the midst of the worst financial crisis since the Great Depression. The Bush administration had already begun to ramp up spending, but Barack Obama took government stimulus to ridiculous new levels. The national debt has risen by an average of more than 1.1 trillion dollars a year while Obama has been in charge, and this fiscal year we are on pace to add more than 2 trillion dollars to the debt.

At this moment, the U.S. national debt is a whopping $19,901,545,151,, and it will cross the 20-trillion-dollar mark by the time Donald Trump is inaugurated on January 20.

But when Barack Obama was inaugurated, the national debt was only 10.6 trillion dollars. That means that we have added about 9.3 trillion dollars to the debt since that time.

So we have borrowed and spent 9.3 trillion dollars under Obama that we did not have. But because of the "multiplier effect," that 9.3 trillion dollars actually had a far greater impact on the U.S. economy.

Let's be conservative and just double that number. So that would give us an overall impact on U.S. economic activity. Spread over eight years, that comes to an average GDP impact of trillion dollars a year.

But over the last eight years, U.S. GDP has only been averaging about 16 trillion dollars a year. So if you took away 2.3 trillion dollars a year, that would be about one-eighth of our entire economy.

In other words, without all of this debt that Barack Obama and Congress have been getting us into, we would be in the worst economic depression in U.S. history right now.

And I haven't even factored in state and local government debt, corporate debt or household debt. The truth is that I am not exaggerating one bit when I say that we are enjoying a debt-fueled standard of living that we simply do not deserve.

But even with all of this debt, the U.S. economy has still not been performing well. In fact, Barack Obama is going to be the only president in U.S. history not to have a single year when the U.S. GDP grew by at least three percent.

Despite what many in the mainstream media are telling you, the reality of the matter is that Donald Trump is going to inherit a deeply troubled economy . If you doubt this, please see my previous article entitled “11 Very Depressing Economic Realities That Donald Trump Will Inherit From Barack Obama”.

Donald Trump is talking about cutting taxes and reducing regulations, and all of those things are good, but ultimately, those measures won’t matter that much.

What will matter is what Donald Trump decides to do about our exploding debt.

If Donald Trump wants the U.S. economy to continue to remain at least somewhat stable in the short-term, he will have to keep piling up debt like Obama has. Because if Trump and the Republicans decide they want to get our debt under control, that will plunge us into a horrifying economic depression almost immediately.

But if Donald Trump continues to steal money from future generations of Americans at the same pace as Barack Obama, he will be destroying the future of America. It will be a crime on a scale that is almost beyond words, and if they get a chance to do it, future generations of Americans will look back and curse him for what he has done to us.

So when it comes to the economy, Donald Trump is really in a no-win situation.

The only way he can match Obama’s performance is to do what Obama did, but by doing so, he would literally be killing the future.

As a nation, we have been consuming far more wealth than we produce for a very long time, and the only way we have been able to do this is because we have been able to go into so much debt.

But a day of reckoning is fast approaching, and I am not sure if Donald Trump even realizes he will soon be faced with some incredibly heartbreaking choices. {eoa}