

Fact Checking The Prime Time Republican Presidential Debate



Summary

The first prime-time Republican presidential debate featured the top 10 candidates, according to polling, and they twisted some facts.

- Florida Sen. Marco Rubio said that “over 40 percent of small and mid-size banks ... have been wiped out” since the Dodd-Frank law was passed. Actually, the total number of commercial banks has gone down only 16 percent, continuing a longtime trend.
- Businessman Donald Trump said his net worth is \$10 billion, but outside estimates put the figure much lower.
- Former Florida Gov. Jeb Bush twice claimed that he cut taxes in the state by \$19 billion. But that includes cuts in Florida estate taxes mandated by federal law that Bush had nothing to do with.
- Ohio Gov. John Kasich claimed his state’s Medicaid program “is growing at one of the lowest rates in the country.” Ohio ranks 16th in terms of enrollment growth post-Affordable Care Act among the 30 expansion states and Washington, D.C.
- Wisconsin Gov. Scott Walker claimed his state “more than made up” for the job losses from the recession. That’s a stretch. The state has gained 4,000 jobs since the start of the recession.
- Rubio said he had never advocated exceptions for rape or incest to abortion bans, but he cosponsored a bill in 2013 that contained just such exceptions.
- Boasting about his education initiatives while governor, Bush claimed that the graduation rate “improved by 50 percent.” But most of the increase happened after Bush left office; the rate increased about 13 percent when he was governor.

- Bush claimed that the U.S. spends more per student than any other country, but Luxembourg, Switzerland and Norway all spend more for primary and secondary education.
- Former Arkansas Gov. Mike Huckabee repeated the old claim that Obamacare “robbed” Medicare of \$700 billion. That’s a reduction in the future growth of spending over 10 years.

We fact-checked the earlier debate, too, for candidates not in the top 10. See our story, “FactChecking the GOP Debate, Early Edition.”

Analysis

Rubio on Dodd-Frank

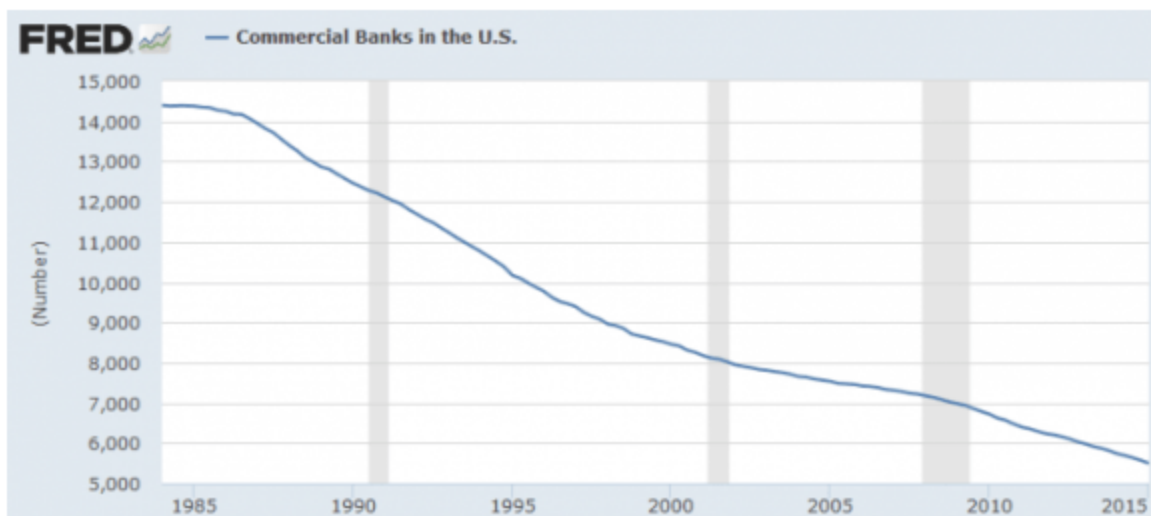
Florida Sen. Marco Rubio implied that the new banking law imposed in 2010 was responsible for killing off small banks and loans to small business.

Rubio: [W]e need to repeal Dodd-Frank. It is eviscerating small businesses and small banks. Twenty — over 40 percent of small and mid-size banks that loan money to small businesses have been wiped out over the — since Dodd-Frank has passed.

Actually, the total number of commercial banks has gone down only 16 percent since the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law July 21, 2010. And that decline continues a trend that goes back at least to the 1980s.

Note that Rubio caught himself. He started to say the decline was “over the” law — meaning the law caused the decline — but then said the decline happened “since” the law was passed. That just describes a coincidence, which may or may not have been caused by the law.

The fact is, small and medium-sized banks had been getting swallowed up by larger banks for decades before the Dodd-Frank bill was enacted. And the rate does not appear to have accelerated since the law took effect, as seen in this graph from the Federal Reserve Economic Data database, maintained by the Federal Reserve Bank of St. Louis.



Commercial Banks

The numbers on which the graphic is based show that there were 14,400 commercial banks (all but a handful “small and medium” in size) in the first quarter of 1984, but that number had declined to 6,570 by the third quarter of 2010, when Dodd-Frank was signed into law.

That’s a fairly steady decrease of 54 percent over 26-and-a-half years. And since then, the number has declined further to 5,501 as of the first quarter of this year. That’s a drop of 16 percent (not “over 40 percent”) in four-and-a-half years.

Trump’s Wealth Claim

Donald Trump repeated his claim that his net worth is \$10 billion.

Trump: The fact is, I built a net worth of more than \$10 billion. I have a great, great company. I employ thousands of people. And I’m very proud of the job I did.

There’s ample reason to think he’s exaggerating. For one thing, in June Trump himself released a statement putting his net worth at less — \$8.7 billion. In July, he increased that figure to \$10 billion, touting his ability to assemble “massive” wealth as a reason voters should support him.

But outside estimates are far lower. Forbes estimated his net worth at \$4 billion, ranking him in 405th place among its listing of the world’s wealthiest people (the fluctuating “real-time” ranking by Forbes has him at 430th, as of this writing).

Later, the Bloomberg Billionaire’s Index, after examining the 92-page disclosure of assets and liabilities that Trump filed with the Federal Election Commission, came up with an even lower estimate: \$2.9 billion.

Trump once testified in a lawsuit that his estimate of his own net worth “fluctuates” partly due to “attitudes and with feelings, even my own feelings.”

Judging by Trump’s \$10 billion claim, he’s feeling very good. But even if he is worth less than a third of what he claims (as Bloomberg estimates), he’s still a very rich person.

Bush’s Tax Cut Boast

Former Florida Gov. Jeb Bush claimed — twice — that as governor of Florida he cut taxes by \$19 billion. But a big chunk of that came from cuts in Florida estate taxes mandated by federal law that Bush had nothing to do with.

Bush: I cut taxes ever year totaling \$19 billion.

He repeated the tax cut figure later in the debate when asked about disparaging comments he allegedly made about Trump.

Bush’s Right to Rise PAC told Politifact Florida that the figure was based on cumulative changes in revenue between the fiscal years 1999-2000 and 2007-2008. But not all of the revenue changes were due to tax cuts. They also included various fees and license changes, as well as sales tax holidays and lottery proceeds, according to the Politifact Florida analysis.

In addition, Martin A. Sullivan, chief economist of Tax Analysts, a tax news nonprofit organization, did his own analysis and found that state legislation enacted during Bush's eight years as governor resulted in \$13 billion in tax cuts.

"My estimate — following the method used by the Florida Legislature — includes nontax revenue increases such as new lottery and slot machine revenue, and it does not include automatic cuts in Florida estate taxes brought about by changes in federal legislation in 2003," Sullivan wrote.

He added: "These factors probably explain most of the difference between my estimate and the Bush website's estimate."

Sullivan said that the \$13 billion in cuts amounted to \$140 per resident.

Kasich on Medicaid Expansion

Ohio Gov. John Kasich defended his decision to expand Medicaid in his state under the ACA, saying that "our Medicaid is growing at one of the lowest rates in the country." But Ohio's Medicaid rolls are 24 percent higher, compared with pre-ACA monthly enrollment. That puts the state at 16th in terms of growth among the 30 states and the District of Columbia that have expanded Medicaid.

According to the nonprofit Kaiser Family Foundation, Ohio's average monthly pre-ACA Medicaid and Children's Health Insurance Program enrollment was 2,341,481, using July-September 2013 numbers. The post-ACA monthly figure, as of May 2015, was 2,902,768, an increase of 24 percent.

It's true that some states saw much higher growth: Kentucky's enrollment shot up 86 percent; Oregon's is up 75 percent. Several other states are at 50 percent growth and above, including Arkansas, Colorado, Nevada, New Mexico, Washington and West Virginia.

But Ohio is in the middle of the pack, not "one of the lowest rates in the country."

The state's growth is slightly above the 22 percent average for all states, including nonexpansion states.

Walker Spins Job Growth

Wisconsin Gov. Scott Walker, when asked about failing to keep a campaign promise to create 250,000 jobs in his first term, responded with some spin on the state's unemployment rate and job growth.

Walker: Before I came in, the unemployment rate was over 8 percent. It's now down to 4.6 percent. We've more than made up for the jobs that were lost during the recession.

The claim that the state "more than made up" for the job losses from the recession is a stretch. In December 2007, when the recession started, the state had 2,878,000 jobs, and as of June it had 2,882,000 jobs — a net gain of just 4,000 jobs, according to the Bureau of Labor Statistics.

Walker is right about the state's unemployment rate, but it begs for some context.

The state's rate was 8 percent when Walker took office in January 2011 — a full 1.2 percentage points lower than the U.S. unemployment rate. As of June, Wisconsin's rate was 4.6 percent — 0.7 percentage points lower than the U.S. at large.

So, under Walker, the state's job growth has not kept pace with the rest of the country — which is reflected in the fact that Wisconsin ranks 34th in job growth rate during his time as governor. Since January 2011, Wisconsin has a job growth rate of 5.1 percent, while the U.S. as a whole has a rate of 8.4 percent.

Rubio's Stance on Abortion

Florida Sen. Marco Rubio said he had never advocated an exception to abortion bans for victims of rape or incest, but he cosponsored a bill in 2013 that contained just such exceptions.

Fox News' Megyn Kelly began a question to Rubio by saying he "favor[s] a rape and incest exception to abortion bans." Rubio answered:

Rubio: Well, Megyn, first of all, I'm not sure that that's a correct assessment of my record. I would go on to add that I believe all—

Kelly: You don't favor a rape and incest exception?

Rubio: I have never said that. And I have never advocated that. What I have advocated is that we pass law in this country that says all human life at every stage of its development is worthy of protection.

Though we can find no specific comments the senator made on this issue, he was an original cosponsor of a bill in 2013 called the Pain-Capable Unborn Child Protection Act. (The House passed a similar bill earlier this year, and we wrote about the uncertain science regarding fetal pain.) That bill prohibits abortion beyond 20 weeks gestation except in cases where the mother's life is in danger, and where:

Senate bill 1670, November 2013: [T]he pregnancy is the result of rape, or the result of incest against a minor, if the rape has been reported at any time prior to the abortion to an appropriate law enforcement agency, or if the incest against a minor has been reported at any time prior to the abortion to an appropriate law enforcement agency or to a government agency legally authorized to act on reports of child abuse or neglect.

Rubio made no further comment during his answer on whether he currently supports such exceptions. Although he is entitled to change his opinion over time, his claim that he never supported exceptions to abortion laws regarding rape or incest is false.

Bush Overhypes Graduation Rate Increases

Boasting about education changes he initiated as Florida governor, Bush claimed, "Our graduation rate improved by 50 percent." According to the federal uniform graduation rate calculations, however, Florida's graduation rate increased by about 13 percent when Bush was governor.

The Bush campaign pointed us to statistics that showed graduation rates have increased more than 46 percent from the time Bush took office until 2013-2014. But most of that increase took place after Bush left office in 2007, and the context of Bush's comments left the impression he was talking about gains made during his time in office.

Bush: I'm for higher standards measured in an intellectually honest way, with abundant school choice, ending social promotion. And I know how to do this because as governor of the state of Florida I created the first statewide voucher program in the country, the second statewide voucher program, in the country and the third statewide voucher program in the country.

And we had rising student achievement across the board, because high standards, robust accountability, ending social promotion in third grade, real school choice across the board, challenging the teachers union and beating them is the way to go.

And Florida's low-income kids had the greatest gains inside the country. **Our graduation rate improved by 50 percent.** That's what I'm for.

There are several different ways to calculate graduation rates, and when we reached out to the Bush campaign for backup, it pointed to a Florida Department of Education report on "Historical Summary of Florida's Graduation Rate." According to the FDE methodology, the Florida graduation rate in 1998-1999 — which takes in Bush's first year in office — was 60.2 percent. It went up to 71 percent in 2005-2006, the last full school year under Bush. That's an 18 percent increase.

The report also lists the "federal uniform graduation rate," which climbed from 52 percent in 1998-1999 to 58.8 percent in 2005-2006. That's a 13 percent increase. Using that methodology, the rate increased to 76.1 percent in 2013-2014. That comes to a 46 percent increase between the time Bush took office until the latest available year of data in 2013-2014. That's the increase to which the Bush campaign says Bush was referring.

The U.S. Department of Education's statistics on average freshman graduation rates for public secondary schools show a more modest gain in graduation rates under Bush, from 61.4 percent in 1998-1999 to 63.6 percent in 2005-2006. That's just under a 4 percent gain. The 2005-2006 rate ranked Florida 45th out of 50 states.

Bush on Education Spending

Bush said that the U.S. spends "more per student than any country in the world other than a couple rounding errors." Not so.

Bush: Because today in America, a third of our kids, after we spend more per student than any other country in the world other than a couple rounding errors, to be honest with you, 30 percent are college- and/or career-ready.

According to the 2014 "Education at a Glance" report from the Organisation for Economic Co-operation and Development, based on 2011 data, Luxembourg, Switzerland and Norway all spent more per student on primary and secondary education than the U.S. (see chart B1.2a on page 207). The U.S. was only the leader in per-student spending on tertiary education.

But there is support for Bush's claim that 30 percent of high school students are college ready.

The 2014 ACT College Readiness report, according to a press release, showed that just 39 percent of ACT-tested high school graduates "met three or more of the four ACT College Readiness Benchmarks in English, math, reading and science, suggesting they are well prepared for first-year college coursework." What's more, 31 percent, or almost 1 out of 3 students, didn't meet any of the benchmarks.

Huckabee's Obamacare Talking Point

Former Arkansas Gov. Mike Huckabee repeated a years-old Republican talking point in saying that Obamacare “robbed” Medicare of \$700 billion. That’s a \$716 billion cut in the future growth of spending of Medicare over 10 years — not a slashing of the current budget, or taking money from the Medicare trust fund.

Huckabee: And, if Congress wants to mess with the retirement program, why don’t we let them start by changing their retirement program, and not have one, instead of talking about getting rid of Social Security and Medicare that was robbed \$700 billion to pay for Obamacare.

We’ve covered this claim many times, including in May, when Huckabee used the line in announcing his presidential candidacy. It was one of the whoppers of the 2012 presidential campaign.

The ACA called for reducing the future growth of spending primarily by reducing the growth of payments to hospitals and Medicare Advantage payments. Spending less than had been expected is good for Medicare’s finances, as we explained before. We’ve also said that experts question whether some of the cuts actually will be implemented. But if they are, Medicare will be able to stretch its revenues for a longer time than they would last otherwise.

— *by Eugene Kiely, Brooks Jackson, Lori Robertson, Robert Farley, Dave Levitan and D’Angelo Gore*
