

POLITICO

Time to ax federal jobs programs

By: [Chris Edwards and Daniel Murphy](#)
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With the nation's unemployment rate still above 9 percent and a steady stream of worrisome labor news (the latest statistic: 429,000 new unemployment claims last week), federal policymakers are facing pressure to do something about joblessness. The giant 2009 stimulus bill was supposed to cut unemployment to less than 7 percent by now — but that clearly hasn't worked as planned.

Some policymakers are now looking at expanding job training and other federal employment programs. Even conservative House Budget Committee Chairman Paul Ryan (R-Wis.) proposed to “strengthen” these programs in his recent fiscal plan. Alas, the history of waste and failure in these programs argues for termination, not expansion.

Federal programs for unemployed and disadvantaged workers now cost \$18 billion a year, yet the Government Accountability Office recently concluded that “little is known about the effectiveness of employment and training programs we identified.” Indeed, many studies over the decades have found that these programs — though well intentioned — don't help the economy much, if at all.

Worse, federal jobs programs have long been notorious for wastefulness. The word “boondoggle” was coined in the 1930s, to describe the inefficiencies of New Deal jobs programs. Laborers on Works Progress Administration projects were generally viewed as slackers, and a popular song of the era went, “WPA, WPA, lean on your shovel to pass the time away.”

The modern era of jobs programs began in the 1960s, under Presidents John F. Kennedy and Lyndon B. Johnson, who created an array of employment services. Indeed, so many overlapping programs were created that, in 1969, Labor Secretary George Shultz called the organization chart for jobs programs a “wiring diagram for a perpetual motion machine.”

In the 1970s, President Richard Nixon created — and President Jimmy Carter then expanded — the Public Service Employment Program, which used federal dollars to create hundreds of thousands of jobs in local governments and community groups. The program was “scandal-ridden,” according to Congressional Quarterly, and led to many “newspaper exposés of local instances of nepotism, favoritism and other kinds of fraud.”

Luckily, President Ronald Reagan killed the entire program. Unfortunately, he then backed a wasteful “conservative” solution to high unemployment — expanded job training. Reagan said the Job Training Partnership Act of 1982 would not be “another make-work, dead-end bureaucratic boondoggle.”

But in his book, “The Job Training Charade,” University of Oregon labor professor Gordon Lafer found that “from its start, JTPA was plagued by widespread abuse and mismanagement.” A 1994 official study on JTPA found that job-training programs created no significant benefits for most participants.

Subsequent legislation has allegedly improved these programs. But, Lafer notes, “as successive generations of job-training programs fail to produce the hoped-for results, policymakers have cycled through a stock repertoire of procedural fixes that promise to solve the problem.”

They don’t, but politicians keep trying.

Ryan now argues that the budget “is dotted with failed, unaccountable and duplicative job-training programs.” But rather than repealing them, his recent budget plan wants to make them more “targeted.”

Ryan’s budget-reform efforts are laudatory, but he should follow his own plan’s advice to “limit government to its core constitutional roles” — and terminate federal jobs programs.

The good news is that federal job-training and employment programs don’t fill any critical need that private markets can’t fill in the modern economy. The vast majority of U.S. job training, for example, is done by individuals and businesses without government help in the normal pursuit of higher wages and profits. U.S. organizations spent more than \$120 billion a year on employee learning and development, according to the American Society for Training and Development.

Other Labor Department activities are also redundant. The department helps fund 3,000 offices nationwide that provide unemployed workers with job-searching and job-matching services. In turns out that remarkably few people use these services, even with today’s high unemployment.

Instead, job seekers mainly rely on the Internet, personal networking, temp agencies and other market institutions. Essentially, Monster.com has made federal employment offices obsolete.

To solve the federal budget mess, policymakers need to restrain their impulses to “help” the economy with spending programs. Federal help usually doesn’t work — it just consumes resources that would have created jobs and growth if left in the private sector.

As Congress scours the budget looking for spending cuts, employment and training programs would be good targets.

Chris Edwards is editor of the Cato Institute’s DownsizingGovernment.org. Daniel Murphy is a former special assistant in the Labor Department.