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The Stimulus and "Job Creation"



by Nicole Kurokawa Neily
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Happy Labor Day - or, as Foundation for Economic Education President Larry Reed says, "[Happy Capital Day!](#)"

Obviously, [Friday's dismal jobs numbers](#) (dissected by my colleague Charlotte [here](#)) are yet another discouraging reminder that the programs that have been proposed by Washington have failed – spectacularly.

Need further proof? Check out this [new study](#) by the Mercatus Center's Garrett Jones and Dan Rothschild that analyzes how stimulus spending affected job creation – using survey data gathered from firms who actually received stimulus money.

Jones and Rothschild found that less than half of the workers came from the unemployment line – workers came from other firms/businesses (i.e. were hired away from)... and that half or more firms said it was not easier to find good workers than before the crisis (in fact, in some cases it was harder). Sounds like [\\$787 billion](#) well spent, huh?

As the Cato Institute's Dan Mitchell [points out](#), more government spending doesn't create economic growth. I just wish we didn't have to learn that lesson the hard way.

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