

## Job Counting Offers New Battlefield for Partisans

By: [Emily Badger](#) | November 13, 2009 | 10:50 AM (PST) | [Comments](#)

The punditocracy is seizing on Obama's imperfect tally of stimulus-created jobs. No one can seem to agree on a number or what constitutes a "job."stockxpert.com

### **The administration's imperfect tally of stimulus-created jobs sculpts new vistas for the punditocracy to survey.**

The Obama administration recently [announced](#) its estimate of the jobs created thus far by the [American Recovery and Reinvestment Act](#). The calculation was arguably a subjective one, converting \$150 billion in stimulus spending into quantifiable benefits to individual — and potentially unemployed — people. In the administration's defense, officials said they relied on figures reported to the government by recipients of the federal money.

Their total: 640,329 jobs.

That number, of course, has set off fierce debate among pundits and economists for whom the jobs-counting game offers a proxy for broader battles over political and economic philosophy.

The figure is clearly an [underestimate](#), said some supporters of the stimulus, pointing out the tally doesn't take into account the indirect benefits of jobs creation that occur when the newly employed spend their paychecks.

It's a vast [overestimate](#), said others, on the simple grounds that there's no such thing as government jobs creation in the first place.

"I am astounded by claims that fiscal stimulus under recession circumstances doesn't create jobs," [wrote](#) Harvard economist [Jeffrey Frankel](#) on the blog for the [Belfer Center for Science and International Affairs](#). "Or at least I am astounded when such claims come from reputable economists. Do they think that a construction job on a road-building project doesn't count as a real job if the funding comes from the government?"

More important than the squabble over numbers, [wrote](#) [Tad DeHaven](#) on the conservative-leaning [Cato Institute's](#) blog, is "the underlying 'rob Peter to pay Paul' reality of Washington's endeavor."

Government can't create anything, [DeHaven argued](#), without simultaneously causing economic damage by either raising debt or taxing the private sector. And clearly the stimulus didn't work, [according](#) to the [Heritage Foundation](#), because shortly after the Obama administration released its job-creation figures, the Bureau of Labor and Statistics announced a more concrete number - unemployment has now risen [above 10 percent](#).

*The Wall Street Journal* weighed in with an equally specific calculation of its own: The government claim was overstated by at least [20,000 jobs](#). Much of that phantom employment came from people who didn't fill out their government questionnaires correctly, including a Kentucky shoe store owner who appeared to mistake the nine pairs of boots he sold with an \$889.60 contract to supply the Army Corps of Engineers with nine jobs created.

Much of the confusion has come from the government's criteria of jobs "created or saved." It may be just as important in a recession to create jobs for the unemployed as it is to halt layoffs, but putting a number to the latter is by definition less scientific. *The Wall Street Journal* rightly raised an eyebrow to the Kentucky shoe store owner's filing, conceded the Brookings Institution's [Gary Burtless](#). But, he [wrote](#), "one can imagine business owners who are persuaded to remain in operation as a result of a modest order that spells the difference between insolvency and a tiny profit."

To find out if that were the case, the government would have to follow up with significantly more in-depth interviews of the 130,000 contractors and grant recipients who filed [reports](#), probing not just their employment statistics but the very sustainability of their businesses. Imagine the outcry if federal stimulus money were spent doing *that*.