

Stimulus jobs difficult to count

\$1 billion flows to state, but employment impact is a 'moving target'



By MIKE CHALMERS - The News Journal

Counting the federal stimulus money coming into Delaware is easy: Political leaders said Monday that more than \$1 billion is here or on its way.

So is finding people who've benefitted from stimulus-funded projects, such as the single Newark mother who gets inexpensive child care or the cupcake-shop owner who got a loan to expand her business.

But counting the number of stimulus-related jobs is much tougher.

"It's certainly plausible that the jobs situation would have been worse without the stimulus, but there's no way to prove that," said George Sharpley, a senior economist with the Delaware Department of Labor. "You have no way of knowing what it would be like without the stimulus."

That's why the federal, state and county officials who gathered at a Newark child care center to mark the latest stimulus milestone didn't say how many jobs have been created or saved with that money.

Lt. Gov. Matt Denn, who was given the task of tracking the state's use of stimulus money, later said his progress report coming Thursday would include a range of jobs, rather than a single solid number.

"The number is definitely a moving target," Denn said.

The best estimate, he said, came from the White House's Council of Economic Advisers, which reported last month that 3,000 Delaware jobs had been created or saved by the stimulus in its first six months.

"It's the best effort made to date, but even that involved a lot of guesswork," Denn said.

Whatever the true number is, it's smaller than what the economy would have provided if Congress had avoided meddling, said Tad DeHaven, a budget analyst with the libertarian Cato Institute.

"You can pay people to dig ditches or fix a bridge and say, 'With this money, we created jobs,'" DeHaven said. "But that money had to come from somewhere."

Instead of focusing on jobs, Gov. Jack Markell joined Sens. Tom Carper and Ted Kaufman, both D-Del., at Newark Day Nursery to tout other goals of the stimulus: less traffic congestion, less pollution, cleaner drinking water and more energy-efficient homes, businesses and government buildings.

Kaufman scoffed at people like DeHaven who say the economy would have recovered just fine on its own.

"We almost went over a cliff," Kaufman said. "The financial crisis blew a \$2 trillion hole in our economy. I hate to think where we'd be if we hadn't done anything."

Carper pointed to stimulus-funded projects like the \$43 million plan to add two high-speed E-ZPass lanes to the I-95 toll plaza near Newark, which will reduce traffic congestion and the pollution that comes with it.

The stimulus has had "enormous and important impacts," New Castle County Executive Chris Coons said. One was a \$3.7 million grant for energy-efficiency projects at 20 county buildings, he said.

"This stimulus money is probably a once-in-a-lifetime opportunity, and it's important that we put it to work," Markell said.

Kaufman gave a nod to Republicans who pushed for the tax cuts that are pumping \$22 million a month into Delaware's economy.

At the gathering, Kaufman displayed two posters: a thermometer showing how much money has come into Delaware and a sampling of positive news headlines about the stimulus.

DeHaven said it's all for show.

"They're going to go out and get their picture taken and say, 'Look what we did,' " DeHaven said. "It's press-release economics."

Kaufman said a second, broad stimulus package is unlikely, but Congress could put additional money into the most effective programs.

47 federal contracts

According to the latest data, 47 federal contracts and subcontracts worth \$30.3 million have been awarded so far for projects in Delaware. The projects involve federal agencies, not state and local governments.

The contracts have created or saved 125 jobs in Delaware, or \$242,665 per job, the data show. That is lower than the national average of \$516,808 per job.

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