



## GUEST COMMENTARY: Stimulus spending results are a mere charade

By Tad DeHaven - Analyst, Cato Institute | Posted: Wednesday, November 4, 2009 12:00 am

I have been reluctant to engage in the squabbling over the accuracy of the stimulus figures because I believe it is more important to focus attention on the underlying "rob Peter to pay Paul" reality of Washington's endeavor.

As I have argued before, the government cannot "create" anything without also inflicting economic damage because the money ultimately comes at the expense of the private sector via taxation. There are countless other problems with government job "creation" efforts, including economic miscalculation, inefficiency, waste, etc. - not to mention the immorality of robbing poor Peter.

Last week, the White House issued a defense in response to an Associated Press finding that previously released numbers were overstated. The following sentence in that defense raised my eyebrow: "The reports are not from the government, but from the very people putting Recovery Act funds to work - governors, mayors, county executives, private businesses and community organizations across the country."

Subsequently, the federal government released new job-creation figures Friday. I believe most of the numbers originated with state government officials tasked with collecting and reporting jobs "created" with the stimulus dollars that passed through their state. Based on my own experience as an ex-state government employee responsible for collecting and reporting data purporting to show how well state programs were performing, I feel compelled to comment on the accuracy of these figures.

Not only will these late-reported numbers be impossible to prove, they will be flush with erroneous, deceptive and bogus claims, as The Indiana Policy Review's Sam Staley has written for the Reason Institute:

"The numbers of jobs created or 'saved' are simply counts provided by state agencies spending stimulus money. They simply record the number of people hired under the contract or for the project. They are not the result of investigative follow up, or a consistent methodology for identifying real jobs created or saved. (Indeed, these methodological problems have plagued economic development program evaluations for decades as states have claimed jobs were created by various tax incentive programs but no real way to verify the accuracy of the numbers)."

When I worked in Indiana's state Office of Management and Budget, part of my job was to collect "performance measures" from state agencies. The idea was to offer Indiana taxpayers the appearance that the governor was holding state agencies accountable for how they spent money. In reality, we had no idea if the numbers state agencies gave us were accurate. There were no audits, and once the agencies figured out the whole effort was really a political gimmick they often just gave us self-serving nonsense. Nonetheless, the numbers were pawned off on the public because they served political ends.

The Obama administration will continue to trumpet the number of jobs the stimulus package "created." It will brag that the government's efforts were not only successful but that they were conducted with unprecedented transparency and accountability. Taxpayers and citizens, however, should not buy into these claims. The stimulus jobs report is simply political theater: a charade intended to maintain public support for, or acquiescence to, Washington's multiplying encroachments.

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