



Biden Administration Retracts Claim That \$2.25 Trillion Infrastructure Plan Would Create 19 Million Jobs

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Secretary of Transportation Pete Buttigieg admitted the mistake and walked back the administration's job creation promises on Monday night.

In pitching his \$2.25 trillion infrastructure spending proposal, President Joe Biden said last week that if the plan was passed, "the economy will create 19 million jobs—good jobs, blue collar jobs, jobs that pay well" over the next 10 years.

That's a technically accurate description of an analysis of the American Jobs Plan published by Moody's Analytics, an economic forecasting firm. But it leaves out a major caveat: Without the passage of the American Jobs Act, Moody's projects that the economy will create 16.3 million jobs in the next decade.

In other words, the passage of Biden's infrastructure plan would boost job creation by about 2.7 million jobs—not 19 million.

Other administration officials have been more aggressive and less nuanced about selling the 19 million figure. CNN notes that Brian Deese, director of the National Economic Council, told Fox News on Sunday that the infrastructure plan would "create 19 million jobs," full stop. In making the rounds to Sunday morning news programs on ABC and NBC, Secretary of Transportation Pete Buttigieg repeated that claim.

On Monday, Buttigieg walked back the White House's claims during an interview on CNN.

"I should be precise about this," Buttigieg said, before acknowledging that the 2.7 million figure is the accurate reading of the Moody's report. "The point is, this will contribute to a scenario where we create [19 million] jobs, and millions of them are specifically attributable to this plan."

It's good to see a White House that's willing to admit when it has made a mistake, of course, but the right time for Buttigieg and Biden to be precise about the job growth projections was before they got caught in a lie.

And lowering the job creation expectations for the infrastructure package makes a difference on the merits of the plan, too. Spending \$2.25 trillion to create 19 million jobs would have worked out to more than \$118,000 per job. Spending that same amount of money to create just 2.7 million jobs carries a whopping price tag of \$833,000 *per job*.

Even by the bloated standards of federal spending—and the particularly bloated costs of infrastructure spending, which has skyrocketed since the 1970s—that's an absurd amount. But it makes sense for two overarching reasons.

First, much of Biden's infrastructure plan isn't really focused on creating jobs by building, well, infrastructure. The American Jobs Plan would spend money on everything from community colleges to federal child care programs—that money might create some jobs, sure, but much of it is likely to be plowed into existing programs rather than shovel-ready, blue-collar work.

Secondly, the American Jobs Act does not do anything to fix the high costs of building infrastructure. Biden isn't proposing to do away with prevailing wage laws, which require that federal infrastructure projects pay inflated union rates to workers, and he is proposing to impose expensive "Buy American" requirements for equipment and supplies. The proposal also does nothing to tamp down the twisting of environmental laws by community groups who oppose new construction projects. That's the real driver of America's out-of-control infrastructure costs, as Walter Olson, a senior fellow at the Cato Institute, recently wrote for *Reason*.

Think about it this way: Every dollar paid to the lawyers who will spend years litigating the regulatory approval process for a new highway is a dollar that can't be used to hire someone to actually build the highway. The "Buy American" requirement is more hidden but has the same effect. Every extra dollar spent to buy American-made steel or asphalt is a dollar that can't be used—well, you get the picture.

After piling all those additional costs onto a relatively paltry number of expected new jobs, the American Jobs Act looks less like an economic stimulus and more like a huge waste of money. No wonder the Biden administration was keen to sell this spending plan as one that creates more jobs than it actually will.