# Recovery Act Investment in Ohio's Workforce :

## *Use and Distribution of Recovery Act Awards*


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### Executive Summary


The American Recovery and Reinvestment Act of 2009 pumped more than $787 billion into the national economy, reduced unemployment and helped avert economic catastrophe. The Recovery Act created or preserved 1.3 to 3.4 million jobs, added between 1.4 and 4.1 percent to our GDP, and kept an estimated 4.5 million Americans out of poverty. Ohio received more than $8.5 billion in Recovery Act funds.

The Recovery Act provided Ohio more than $370 million dollars in job training funds to push back the skill gap and help individuals left jobless by the recession seek new employment and retrain for new careers. Implementation of new training programs funded under ARRA provides a roadmap for improving the state workforce system.

This series of reports explores distribution and use of Recovery Act funding in Ohio's workforce system. Throughout the series we examine how workforce funds were used, analyze job creation and retention data for workforce programs, and explore reporting constraints that prevent full understanding of the Act's impact.

This report, the first of three, presents a broad overview of the Recovery Act and its investment in Ohio's workforce development system. The report examines Recovery Act impact on job creation, job retention, and workforce investment, and examines the data reporting method employed by the Act. We find that the primary goals of the Recovery act were well served by the investments made in Ohio's workforce system and we provide policy recommendations. Our findings include:

- Recovery Act investments in Ohio created and retained jobs. Ohio is ranked seventh in total ARRA funding awards and in number of jobs saved or created, which is consistent with our size as the seventh most populous state. Ohio ranked first in the nation in creating green jobs with Recovery Act support.
- Investments in emerging industries and high-growth sectors, combined with funding for targeted workforce training, creates jobs and repositions local economies for long-term prosperity. Tying public investment in growing industries to Pathways Out of Poverty training broadens these opportunities to all Ohioans. Ohio can capitalize on ARRA investments in health care and green industries by continuing state support of training initiatives.
- The Recovery Act's promise of unprecedented accountability and transparency is being met. While there is room for improvement in the recipient reporting system, the federal recovery website and the Ohio site provided rich, accessible data and information on recovery spending. Less than 0.2 percent of 200,000 programs have been tainted with charges of mismanagement, far fewer than the average rate of 5 to 7 percent.
- The Ohio Recovery website has been offline since mid-January. If the site were permanently removed, it would be a terrible erosion of public transparency.

Policy Matters concludes with recommendations to continue investing in the skills of Ohio workers and to remain committed to the transparency that has made the Recovery Act a highly accountable form of public spending.


***Read the full report and learn more about an economy that works for all: www.policymattersohio.org***