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# POLICY MATTERS OHIO

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LINK: <http://www.policymattersohio.org/BackToWork2011.htm>

## **Ohio's Report Shows Public Jobs Could Stimulate Economy, Improve Ohio Unemployment**

American history teaches lessons about how to jumpstart a moribund economy. Ohio's Depression-era jobs programs offer insight into what was done before and could be done again to relieve persistently high unemployment in Ohio. In the new report, [\*Back to Work: A Jobs-Led Recovery Strategy for Ohio\*](#), Policy Matters Ohio describes how federal resources can support direct job creation.

"The most effective route to recovery is a jobs program that restores people to work, keeps families in homes, repairs property and boosts local business," said Wendy Patton, report author and Senior Associate at Policy Matters. "This paper sketches out a practical way that the United States could do that, and explains how Ohio would benefit."

The report examines the high costs of lingering unemployment, reviews labor market conditions in Ohio, considers previous public job creation programs, and makes structural and policy recommendations for a new public jobs program.

A co-released national report by Rutgers University Professor of Law and Economics Phillip Harvey outlines how a million public works jobs could provide direct stimulus and jobs. In *Back to Work: A Public Jobs Proposal for Economic Recovery*, published by Demos, the national policy center, Dr. Harvey outlines how an initial federal expenditure of \$46.4 billion could create a million jobs directly and efficiently. Reduction of expenditures on safety net services that would no longer be needed and increased tax revenues from earned income would bring the cost down to \$26.8 billion. This approach would enable re-employed workers to pay their mortgages and purchase products and services in a way that would stimulate the local and national economy.

Both papers describe job types and program structure. Jobs that could put people back to work improving communities and stabilizing the economy include:

- **Construction work** - Dismantling or repairing abandoned houses and buildings, weatherization of homes and buildings; lead and asbestos removal.
- **Recycling work** - Trash sorting and landfill maintenance.
- **Information processing** - Medical and other records.

- **Neighborhood services** - Security, clean-up and foreclosure prevention
- **Conservation work** - Disaster clean-up, erosion abatement, and lake and waterway repair and conservation.
- **Public health work** - Free clinic staff, nutrition counselors, health care aides, community health workers.
- **Educational services** - Tutoring and child care; staffing and career advising in community colleges and vocational schools.

The papers recommend that federal funds be distributed by a formula that takes socio-economic factors into consideration. The reports also recommend standards for projects, including demonstrated ability to provide immediate employment, partnership with community-based entities to ensure local hiring, strong management experience, commitment to detailed web-based disclosure about administration, participation and employment; and annual auditing.

The reports also suggest eligibility and labor standards.

“High and lingering unemployment hurts the economy and society,” Patton said. “Hours lost when workers are idled can never be recaptured by the economy. This proposal for a jobs-led recovery strategy would stimulate demand, stabilize home values, employ Ohioans and revitalize communities.”

Harvey also emphasized the urgency of a job-led recovery strategy. “Every job created for an unemployed worker during a recessionary contraction is worth far more than the same job created two years later,” Harvey said. “By then a house may have been lost. A drinking problem may have surfaced. A marriage may have failed. A child may have been traumatized in ways that will resonate throughout his or her life.”

The papers provide an alternate way of looking at recovery from the tax cut strategy currently favored to varying degrees by both parties. The papers are available at <http://www.policymattersohio.org/BackToWork2011.htm> .

*Policy Matters Ohio is a non-profit, non-partisan policy research institute based in Ohio, on the web at [www.policymattersohio.org](http://www.policymattersohio.org).*

*Demos is a non-partisan public policy research and advocacy organization founded in 2000. Headquartered in New York City, Demos works with advocates and policymakers around the country in pursuit of four overarching goals: a more equitable economy with widely shared prosperity and opportunity; a vibrant and inclusive democracy with high levels of voting and civic engagement; an empowered public sector that works for the common good and responsible U.S. engagement in an interdependent world.*