

STIMULUS SPENDING It worked, but...

New jobs: The unfilled promise

**STIMULUS-
FUNDED JOBS**

GREG DERR PHOTOS/THE PATRIOT LEDGER

■ Manet Community Health Center in North Quincy used part of a stimulus grant to hire physicians, including Dr. Mary Janice Zamuco.

Broken promise

\$14 billion in stimulus spending generated few new jobs in Mass.

By Nancy Reardon
THE PATRIOT LEDGER

More jobs, new jobs – that was the promise of the federal stimulus program. But in communities from Quincy to Plymouth to Brockton, and across the state, the results have disappointed many people: The majority of stimulus-funded jobs belong to city, town, county and state employees who otherwise would have been laid off.

Critics cite that as evidence the American Recovery and Reinvestment Act, the formal name of the government's \$787 billion economic stimulus effort, failed to live up to its promise. They argue the stimulus program overall has placed more money and emphasis on preserving state and local budgets than in growing the economy and adding new jobs.

"The stimulus is meant to create jobs, not just plug budget holes," state Sen. Michael Knapik, the ranking Republican on the Legislature's Joint Stimulus Oversight Committee, said at a public hearing.

"People expected there would have been a private-sector bump," he said.

In total, 30,800 people in Massachusetts have received a paycheck funded in some part by the stimulus program since it began 15 months

ago, according to the state's stimulus oversight office. That figure includes part-time, seasonal and contracted positions, in addition to full-time jobs.

Most of those people hold public-sector jobs with state agencies, cities and towns. And one-third of them – 10,679 people – are public school teachers.

During the fall of last year, only 29 percent of the jobs saved or created with stimulus money belonged to private employers, according to data collected by the state from Sept. 1 through Dec. 31.

At the time, state officials said they believed that figure would improve, which it did. From January through March 31, the number of stimulus beneficiaries in nongovernment jobs grew to 43 percent. But the prime "industry" contributing to that increase was higher education, where more than half the private-sector jobs were reported.

What did it mean for private companies and corporate employers?

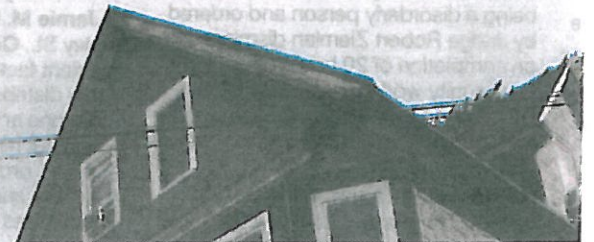
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About this series

The goal was to track every dollar of stimulus spending in 41 cities in towns in South-eastern Massachusetts, and make it easily accessible to our readers. Nancy Reardon, State House bureau chief for The Patriot Ledger, started on it in November.

First problem: the numbers didn't exist. It was May before the necessary figures were available, and Reardon still had to combine multiple databases to get an accurate picture of where and how \$211 million in stimulus money was spent in local communities. The result was the five-part series that we are printing this week for Ledger readers.

In addition to the series, we created a searchable online chart that lets you see for the first time what happened to every stimulus dollar that went to your town and 40 other cities and towns in the region. Find it at www.tinyurl.com/ledger-stimulus.



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New jobs: The broken stimulus promise

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"The argument that they've saved government jobs holds up, but that doesn't create anything new," said Peter Forman, head of the South Shore Chamber of Commerce in Quincy.

Even when stimulus money went to private industry, Forman said it has not sparked new jobs through local business growth.

"It's a substitution of money in some cases and no new jobs," he said, calling job creation estimates "overhyped."

Many South Shore companies that received stimulus money say the money didn't necessarily lead to expansion or new business. For example, Brockton-based Advanced Windows Inc. received almost \$275,000 for weatherization projects on low-income and senior housing, including money to replace windows or add insulation. But owner Rick Blanchard said despite that money, his business hasn't actually grown. If he hadn't worked on those stimulus-funded projects, he explained, he'd be doing almost the same amount of weatherization work anyway.

But Michael McMahon, owner of Plymouth-based M.T. McMahon & Sons, Inc., said he's hired seven people to keep up with more than \$230,000 in stimulus-funded weatherization work.

In Braintree, New England Office Supply received nearly \$65,000 in orders from state and local agencies paying with stimulus cash. But the company said this didn't represent new business. It was just the state continuing to buy supplies, but paying with stimulus dollars instead of money



GREG DERR/THE PATRIOT LEDGER

■ Manet Community Health Center in North Quincy was able to add 4½ new jobs and retain five others using stimulus money it received.

from some other pocket.

That doesn't hold true in all industries, such as health services. Manet Community Health Center in Quincy, for example, will add 4½ jobs and retain five others when it renovates its North Quincy clinic on West Squantum Street using a \$719,000 stimulus grant. And \$203,000 more is being used to attract primary-care doctors.

The Brockton Neighborhood Health Center used part of a \$304,248 grant

to hire four new physicians and a nurse practitioner, according to data reported to the state.

Still, critics of the stimulus program argue that it largely snubbed private industry.

The bottom line is that the best bet for a Massachusetts worker looking for a stimulus-funded job in the private sector is working on road paving.

And even construction workers have been frustrated by the pace of job

growth in their industry.

State officials point out that many of the state's road projects were slowed by winter weather and spring rains, and that the majority of stimulus-funded sewer and water projects haven't even gone out to bid yet.

"The private-sector jobs, because bigger construction projects are just getting going, those figures will grow tremendously," said Jeffrey Simon, who runs the state's stimulus oversight office.

"The first hits are going to be in the public sector and no one has made any bones about the fact that preserving essential services — fire, police — remains one of the goals of the program," Simon said.

While politicians and government officials are quick to mention police and fire jobs, there have been relatively few created or saved by stimulus dollars. In 41 communities in South-eastern Massachusetts, stimulus money allowed local communities to rehire four laid-off police officers and 18 laid-off firefighters, and to hire nine new firefighters. At the same time, hundreds of public school teaching positions were saved in the region.

Michael Widmer, president of the business-backed Massachusetts Taxpayers Association, said putting stimulus money toward those public jobs was appropriate.

"It's been absolutely critical to use some of the federal stimulus dollars to save the jobs of teachers, police, fire and other local employees because they provide critical public services," he said.

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