



Political Punch

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\$160,000 Per Stimulus Job? White House Calls That 'Calculator Abuse'

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Posting its results late this afternoon at Recovery.gov, the White House claimed 640,329 jobs have been created or saved because of the \$159 billion in stimulus funds allocated as of Sept. 30.

Officials acknowledged the numbers were not exact, saying that states and localities that reported the numbers have made mistakes.

In recent days, the Recovery Act board has been reviewing all the numbers, with many inaccurate ones having been posted. California's San Joaquin Regional Rail Commission received \$5 million in stimulus funds to hire workers to build addition train track for the Union Pacific Railroad in an economically tarnished spot of the Golden State.

Brian Schmidt, director of planning and programming for the commission said that his staff originally reported to the Obama administration that the stimulus money saved 250 jobs. Then, realizing they had mistakenly double credited, they later changed that to 125 jobs. Tuesday, they updated it again to 74 jobs.

Ed DeSeve, senior advisor to the president for Recovery Act implementation, said he'd been "scrubbing" the job estimates so much since they came it at the beginning of the month that he now has "dishpan hands and my fingers are worn to the nub."

White House officials heralded the unparalleled transparency in reporting job numbers to the public, but acknowledged there is no consistent standard across states or localities, or among federal agencies giving out stimulus funds, in differentiating between a "saved" job and a "created" job.

The White House argues that the actual job number is actually larger than 640,000 -- closer to 1 million jobs when one factors in stimulus jobs added in October and, more importantly, jobs created indirectly, such as "the waitress who's still on the job," Vice President Biden said today.

So let's see. Assuming their number is right -- 160 billion divided by 1 million. Does that mean the stimulus costs taxpayers \$160,000 per job?

Jared Bernstein, chief economist and senior economic advisor to the vice president, called that "calculator abuse."

He said the cost per job was actually \$92,000 -- but acknowledged that estimate is for the whole stimulus package as of the end of 2010.

Vice President Biden heralded news this week of gross domestic product growth in the 3rd quarter of 3.5 percent, saying "the economic forecasters have attributed ... the vast bulk of this growth to the Economic Recovery Act -- the much-maligned and battered Economic Recovery Act. Put another way, without the Economic Recovery Act, it's very unlikely this economy would have expanded at all this last quarter. It may have even contracted."

DeSeve and Bernstein were not able to say how many of the 640,329 jobs were saved and how many were created. How do they know that government officials asking for stimulus funds to help prevent layoffs were legitimate?

"What we have to do is expect that our public officials are honest," DeSeve said. "I know that's a high bar."

Joining Biden at an event in which reporters were not permitted to ask questions, California Republican Gov. Arnold Schwarzenegger said the money California has received "has created or saved 62,000 teachers' jobs; but not only teachers' jobs. Those are for administrators and professors. So there's again people that said, 'Well, we would have done something about that, anyway.' No, those teachers would have been gone if it wouldn't have been for the federal stimulus money. I just wanted to make sure you understand that."

Of the 640,329 jobs cited today, White House officials said 80,000 were in the construction sector and more than half -- 325,000 -- were education jobs, despite President Obama's claim in January that 90 percent of the stimulus jobs would be in the private sector. Bernstein said Mr. Obama's pledge was an assessment of the totality of the jobs saved or created by the end of 2010.

Officials pointed out that today's report did not include jobs saved or created by more than \$80 billion in tax cuts, as well as other money in the \$787 billion stimulus package, such as \$250 stimulus checks for 54 million Americans.

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