

The Case of the Missing Jobs

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Here's a mystery for Recovery Act sleuths: how do you spend more than \$1 billion and have no jobs to show for it? That's one of odd results from an examination of the ARRA recipient data recently released on Recovery.gov.

On October 30 the Recovery Board posted [spreadsheets](#) summarizing reports from recipients of federal grants and loans, along with a revised version of the spreadsheet summarizing reports from federal contractors that had originally been released on October 15.

Some critics of the stimulus plan claim that the numbers relating to job creation and retention are exaggerated, yet the October 30 data include numerous instances in which the employment impact of ARRA spending seems to be understated.

The national spreadsheets cover about 130,000 reports from recipients of federal contracts and grants. This number includes grants to state and local governments covered by recipient reporting requirements (Medicaid, for example, is not) but not the reports relating to vendors or loan recipients.

Good Jobs First has found that some 28,000 grant recipients and 3,000 contract recipients placed a zero in the column for number of jobs created or retained. This is not entirely surprising, given that many projects have not yet started. So we then examined the field for project status.

We found that, among the 31,000 zero-job reports, 1,194 describe the project as "More than 50% Completed" and another 1,270 are described as "Completed." In other words, 2,464 grant and contract projects for which a substantial amount of the work has been done accomplished the amazing feat of not creating or retaining a single job. These projects reported receiving a total of \$1.1 billion in payments so far.

There may be good reasons why some of the projects come up with a goose egg in the jobs column, but it is also likely that many of these are cases in which the recipients misunderstood the reporting requirements and incorrectly made it seem as if their project had no employment impact.

Findings such as these should be a wake-up call for the Office of Management and Budget, which is responsible for setting the rules for ARRA reporting. Either the guidelines need to be improved or measures need to be implemented to make sure recipients are not making egregious mistakes in their data submission.

The key goal of ARRA is to create and retain jobs. If the reporting system fails to provide accurate results, we'll have no idea how effective the entire undertaking may be.

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