Job Creation for the Disadvantaged: A Review of State and Local Efforts

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The problem of job creation

- Aftermath of the Great Recession
- Federal response
  - Stimulus
  - The Fed
  - Looking ahead
## Job Creation at the Think Tanks

<table>
<thead>
<tr>
<th>Sectoral or Industry</th>
<th>Progressive</th>
<th>Conservative</th>
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<tbody>
<tr>
<td>Infrastructure</td>
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<td>Energy</td>
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<td>Manufacturing/Export</td>
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<td>Trade</td>
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<td>Labor</td>
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<td>Small business</td>
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<td>Government</td>
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<tr>
<td>Education</td>
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</tbody>
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Survey of 125 programs in 50 states plus DC

- New funding sources rare
- Little info about costs or net new job creation
- Targeting of disadvantaged is rare
State and Local Job Creation: Geographies

- Statewide: 65%
- City/metro: 13%
- County/region: 8%
- Zone/neighborhood: 9%
- Rural areas: 5%
Foundation and nonprofit perspectives

- Equity-oriented economic development
  - Job quality
  - Job creation
- Increasing concern with impact and scale
Towards job-centered economic development: The Big Ideas

- To be implemented by cities and/or states (with or without federal support);
- Leading to net new job creation in a short-term framework (one to three years).
- Practical (and politically feasible);
- Sustainable (not requiring significant new investment and feasible at a low cost per job);
- Scalable (at least at the state level);
- Proven;
- Accessible for low-skilled workers and offer some career opportunity.
22 Big Ideas for Job Creation

- Cost range: $2,000-$150,000
- Most scalable, particularly with federal role
- Few propose net new jobs
- Most focus on endogenous development
- 59% target disadvantaged

- Entrepreneurship 41%
- Sectoral or industry 36%
- Tax and employment policy 23%
Lessons learned

- Challenges
  - Poor understanding of job creation
  - Reaching small business
  - Serving the disadvantaged
- Role (and lack) of ideas
- Does scale matter?
- Need for federal government