

Impacts of Jobs Programs Can Run Deep

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Last month marked [73 straight months of private sector job growth](#)—another milestone in the steady comeback from the worst recession in our lifetime. Even with the astounding progress we've made, President Obama and Republican policymakers alike agree that more needs to be done to continue to strengthen our economy and to address the long-term unemployment that still plagues many Americans. And they're right.

More than [two million Americans](#) still feel the effects of the recession and are still unemployed, despite spending months or even years searching for jobs. Long-term unemployment is both a historical trend and a lingering effect of the recession. But it's not inevitable. Lawmakers have a very effective policy tool at their disposal: subsidized jobs programs.

Subsidized jobs programs can be a cost-effective way to decrease persistent unemployment and combat long-term poverty. By incentivizing employers – private, non-profit, or public – to hire and take a chance on new workers through subsidies meant to pay the workers' salaries, this policy promises to help not only disadvantaged workers, but also their families and communities.

Employers will feel the benefits of this policy as well. Companies can hire more people, who often receive publicly-funded wraparound services to help them overcome barriers to success at work. And programs like these will make it more affordable for employers to train and educate workers and increase productivity. For workers, they get on-the-job experience, a stable paycheck, and new skills that will come in handy next time they're on the job market.

The benefits certainly don't end there. In a [comprehensive review](#) that looked at more than 40 subsidized job programs over 40 years, we found that the best of these programs decreased workers' public benefit reliance, improved school outcomes among the children of workers, lowered criminal justice system involvement for workers and their kids, and reduced long-term poverty. For example, in the mid-1990s the New Hope Project in Milwaukee significantly improved parents' employment, earnings, marriage rates, and mental health, while participating parents' children's achievement and behavior also improved. Society's gains easily exceeded the program's costs.

Because participating workers experienced higher earnings and employment, reduced public benefit receipt and criminal justice system involvement, and other improvements, the workers who participated in effective programs often paid more in taxes and required less government spending. For taxpayers, some of these programs more than paid for themselves.

During the Great Recession, states began working with the federal government on policies to stop the damage done by the economic slowdown and to stimulate job growth—from a [temporary subsidized employment program](#) and the [American Recovery and Reinvestment Act](#), to measures to stabilize the financial system and policies that helped homeowners keep their homes. Not only did this all-out policy push help counter the recession's damage and put the economy on the right trajectory, but it was done quickly, and with bipartisan support.

But when the bleeding stopped so did the bipartisanship—and nearly eight years after the Great Recession, long-term unemployment lingers. Now, lacking an emergency like the recession, solutions feel few and far between; combined with the divisiveness of an election year, the prospect of reaching across the aisle any time soon appears less and less likely by the day.

But the overall share of the population working [remains low](#), and millions of workers still face barriers to

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securing and maintaining stable and decent employment. We can act now to end long-term unemployment. We have a promising solution. We just need political will. And, if we put into place national, state, and local subsidized jobs initiatives now, we'll be far better prepared for the next recession.

Subsidized jobs programs are not just good policy—they're also good politics, and this program has something for everyone along the political spectrum. They can save taxpayers money, create new and better jobs for families who need them, and help U.S. employers have the robust labor force they need to compete globally.

So what are policymakers waiting for?

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