

Bringing Jobs to People: How Federal Policy Can Target Job Creation for Economically Distressed Areas

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Principles for Efficient Job Creation in Distressed Communities

- Focus on “**productivity services**” rather than tax subsidies to business
- Productivity services have **higher bang for buck**
- Enhancing business productivity has **direct national benefits**

More Principles for Efficient Job Creation in Distressed Communities

- **Targeting:** Tight targeting based on objective measures of jobs shortage
 - Targeting permits adequate resources
 - Targeting redistributes jobs to where they have greater benefits
- **Rigorous evaluation**
 - Compare assisted with similar unassisted businesses and areas

Benefits and Costs of 3 Proposals to Bring Jobs to Distressed Areas

	Productivity boost	Productivity benefits/costs	Govt. costs per new local job
Customized training	0.5%	1.8	\$25,000
Manufacturing extension	0.8%	2.1	\$8,500
Empowerment Zones	3%	2.1	\$18,000