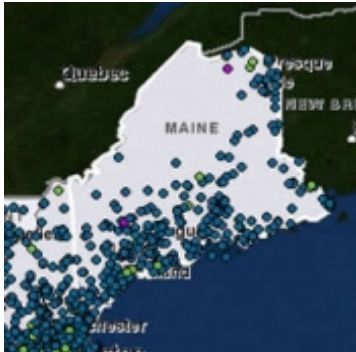




The Stimulus Boondoggle In Maine

By [Matthew Gagnon](#) on Tuesday, November 17, 2009



[Recovery.gov](#) has started posting detailed accounts of stimulus money, and how it has been spent. We are now able to go to the site and view the amount of money spent and the number of jobs that money has produced in each congressional district.

[Looking at the data from Maine](#), we find some troubling information. In the first congressional district (Chellie Pingree's), the Federal government has allocated \$491,144,080 (that is about \$770.48 per resident of the district, which of course includes tens of thousands of children who don't pay income taxes, as well as those who are unemployed or elderly – the cost per member of the workforce is much higher). What has Maine gotten for that 491 million dollar investment?

920 jobs.

And that is assuming those job reports are legit – [which many recent reports call into question](#).

For those of you keeping score, that is roughly \$533,852 per job. For that kind of money, these people had better be high level CEOs generating enormous amounts of capital and long term private sector jobs. No? That's not what these jobs are? Uh oh.

In the second district, the Feds have spent \$268,219,940 (\$420.75 per resident – same parameters), and have “created or saved” 690 jobs. That comes out to a much more reasonable \$388,724 per job.

I will grant two, and only two caveats to these numbers.

First, the stimulus was never “only” about jobs – it was also about capital improvements, transportation, etc. Because of this, it isn't **entirely** fair to judge the above figures as the entirety of the cost of creating a job, when much of the work is intended for long(er) term infrastructure development.

Second, not all of the allocated money has been spent. [Recovery.gov](#) states that roughly 160 million of the money has been spent so far. “Ah ha!” you might say, “that means those figures above are inaccurate and wrong!”. Well, not so fast. First of all, even if we were to go with that figure, that still gives us a cost of almost 100,000 dollars per job “created”. That remains an enormously expensive figure. Secondly, the President's promise with the stimulus was that it would be timely, and immediately create jobs that would help keep unemployment nationwide under 8%. The money was not allocated to “create or save” jobs two years from January – it was sold as a stimulus to the economy immediately.

Thus, all of that allocated money, and all of that rhetoric about immediately stimulating the economy has not produced significant job creation in the state of Maine. I find it very fair to include all of the allocated money into this analysis. But as I said, I don't really need to split that hair, because no matter what figures are being used, the stimulus money is producing jobs at an unbelievable cost, regardless.

By any objective measure, these figures raise great doubt as to the effectiveness of the Federal stimulus package.

Did it help Maine? If you live in the first district, do you feel like you have gotten \$770 worth? You may want to keep in mind that basically all of that money was borrowed, which means the serviced debt on your \$770 investment will likely be several times higher than that – only your kids will be paying it long after you are dead.

If you live in the second district – was that \$420 you shelled out worth it?

It should also be noted that there is an additional \$662,257 that has been spent that did not fit in either CD-1 or CD-2, which [is a matter of human error](#) in the inputting of CD data. Adding that information into where it would appropriately live would raise your costs even higher.

It begs the question – is 800 million dollars for about 1600 jobs in the state of Maine a worthwhile investment? Even if more than 1600 come and we are facing north of \$100,000 per job saved or created – is that bang for your buck? Is that return on investment?

President Obama’s stimulus package may have been about more than jobs – but he sold it to us as a way to **immediately** stem the tide of unemployment, generate economic activity, and pull the country out of recession. As the country now pulls **itself** out of recession, we are left to wonder.

He argued that investing in what he wanted to invest in would give us “bottom up” rather than “trickle down” economic growth – in other words, all of this money would create the need for jobs and workers, which would then provide a base for longer term job growth as well.

None of that has happened, and none of it IS happening. The stimulus has been a monumental failure in the state of Maine, providing only nominal job creation with an unbelievable price tag. That price tag will be paid by us, and our children – and will be much higher than the original investment due to the cost of interest.

Every man woman and child in the state is on the hook for at least \$420 for this effort – but indeed our share will each climb into the thousands of dollars before this is all said and done.

And for what? A handful of public sector jobs that will go away once the stimulus money disappears?

Ask yourself – but more importantly your Representatives and Senators (each and every one of which voted for the stimulus package) if that is the kind of public policy we want.

For me, it most certainly isn’t. I was loudly opposed to the stimulus plan before it was ever considered – and yes friends, I was also opposed to George W. Bush’s “stimulus” as well, for this very reason. This is government corruption and incompetence of the highest order, and we should be ashamed of ourselves for letting it happen.

I have a 2 and a half year old son, and he will be paying for this boondoggle for his entire life. I find that an insidious act of cowardice on our part – that in a time of recession we allowed ourselves to be swindled into such an obvious political bribe with such painful and long lasting consequences for our children – for little more than the promise that our “hardship” would be slightly lessened. As our hardship lessens on its own, it is looking even more foolish.

Even if the stimulus “worked”, there is something revolting about going on a debt binge of this magnitude just so we can have a slightly less painful economic downturn. Can any of us honestly say that our parents and grandparents of the depression era – who essentially all collectively sacrificed **themselves** and their own well being for the benefit of their children would have done something this selfish and fool hearty?

No, they wouldn’t. This is irresponsible, and it is wrong – and our representatives should hear from us about it.

But, more than that – Congress is so out of touch with reality that they are [thinking of attempting this madness for a second time](#). Do not let them – call the people who represent **you** in Washington, and tell them the first stimulus was an outrage, but that the idea of a second is insanity.

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