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\$2,000 per Job... or \$658,000?

Report: Training Programs Cost Far Less per Job than “Megadeals”

Washington, DC—States and localities are spending an average of more than \$658,000 per job on economic development “megadeals” upon which taxpayers can never break even. And despite such astronomical costs, some megadeals fail to deliver and sustain jobs. By contrast, most workforce development programs cost only a few thousand dollars per job, and studies find they pay off well. Public officials should quit “buffalo hunting” for risky megadeals and instead invest in skills, infrastructure, clusters and entrepreneurs to reduce taxpayer risk and obtain better returns.

Those are the key messages in Good Jobs First’s new study “Smart Skills versus Mindless Megadeals,” visible at www.goodjobsfirst.org. The study draws heavily from Good Jobs First’s unique [Subsidy Tracker](#) database, which now spans more than 500,000 deals in more than 740 federal, state and local economic development subsidy programs.

The study draws sharp distinctions between low-cost, low-risk workforce development programs and extremely high-cost “megadeals” involving economic development subsidies worth hundreds of thousands and even millions of dollars per job. Indeed, 14 named megadeals each cost more than \$2 million per job. By contrast, 31 of 33 workforce development programs with available data cost less than \$10,000 per job.

Also detailed are 19 state and two federal programs that cap the amount of subsidy per job, as well as European “aid intensity” rules that reduce costs.

“States and localities should put their buffalo muskets in a museum where they belong. We can spend less and get more,” said Greg LeRoy, executive director of Good Jobs First and co-author of the study.