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Job generator?

Federal stimulus money boosted S.C. companies, but calculating the positions it created or saved is tough

By [Katy Stech](#)

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It started as a routine order for 67 floating buoys at Curd Enterprises Inc., a Mount Pleasant plastics manufacturer.

After company officials won a \$7,654 federal contract earlier this year, workers packaged buoys they had in stock and shipped them to Tennessee, where the Army Corps of Engineers was going to help boaters safely navigate Carr Creek and Buckhorn Lake.



Photo by Grace Beahm

Agustin Jamie (left) and Santiago Velasquez work at Curd Enterprises Inc. in Mount Pleasant. The Army Corps of Engineers purchased buoys from the company using federal stimulus money. An estimate of jobs saved or created nationwide through the federal aid is being debated.

But because the government agency purchased the items with part of the \$787 billion federal stimulus money, the company later was asked to answer a seemingly easy question that's likely to stump economists: How many jobs did it create?

Federal officials recently released an estimate of jobs that either were saved or created through the federal stimulus aid, putting that figure at about 640,000 jobs nationally and at 8,147 in South Carolina.

The job numbers from individual agencies were posted on [recovery.gov](#), and the White House has publicized the findings.

The report was released to show Washington's attempt to prop up the ailing economy, but a closer look reveals that the state's jobs estimate was calculated using misreported figures and relied on business owners' best judgment.

Frank Hefner, an economics professor at the College of Charleston, said assigning a certain number of jobs to a fixed amount of federal money is a nearly impossible task, but he said he was amused that executives and agencies had to "take a wild stab at it."

"This money clearly helps companies," he said. "There's no doubt about that, but does it reflect in any job

savings?"

At Curd Enterprises, figuring out the jobs number stumped sales executive Cheri Moody, who used her best judgment to estimate the buoy order's economic impact. In the end, she wrote down that two jobs were saved, a number that doesn't account for the order's transportation, processing and handling of raw materials.

"That order came on a slow week, so we were able to keep two more people working in our facility," Moody said.

Problems at the top

A closer look at some of South Carolina's largest job-stimulus contracts show the reports are fraught with errors.

The largest job creation effort so far at 3,495 jobs stemmed from a statewide temporary summer work program, mostly for youths, which never intended to create full-time work for participants, said Peggy Torrey, the state Commerce Department's deputy secretary of work force. Only about one-fifth of those jobs became permanent.

"The idea was to expose those young people to the world of work," said Torrey, whose office was in charge of the temporary work program.

She said the her agency reported the job numbers based on instructions from the U.S. Department of Labor.



Photo by Grace Beahm

The Army Corps of Engineers used federal stimulus money to purchase buoys from Curd Enterprises.

The nuclear waste cleanup effort near Aiken along the Savannah River, which won the largest stimulus-related contract in the country at \$1.4 billion, created 800.3 jobs, according to the www.recovery.gov data base.

But Savannah River Nuclear Solutions spokeswoman Paivi Nettamo said nearly 2,200 workers have been retained or hired so far.

"It's a mistake," she said. "I don't know where that number came from."

Administrators at Head Start, a federally funded child-care and early education program, said that at least 90 South Carolina jobs were saved when those workers were instead given raises with the funds. Program officials did not return calls Monday, but other media outlets have reported that Head Start jobs across the country weren't in danger of being eliminated.

The Post and Courier found that some companies reported job figures that were wrong. For example, dozens of workers are painting the inside of 750 dormitory-style residences at the Naval Weapons Station in Goose Creek. A Georgia company hired workers for the job two months ago, but the contracts report

lists job creation for that project at zero.

Public vs. private

The stimulus money's impact on public sector employment was easier to tabulate.

State Department of Education spokesman Jim Foster said school district administrators, who faced a gaping \$513 million budget shortfall this year, were able to save 1,368 jobs, mostly teaching positions, using stimulus money. The money has kept 157 education jobs in Charleston area school districts so far.

Some districts still had to trim employment through attrition and jobs cuts, but "what the federal money did was make that hole not as deep," Foster said.

Hefner, the economist, said it's easier for government entities, which operate on rigid budgets, to make estimates of saved jobs. Private companies have to make difficult "what if" assumptions, he said.

"When the money transfers in and they don't lay them off, that's probably the closest you can say that a job has been saved," he said. "But for everything else, it's really hard."

Construction worker Gerald Neal of Beaufort faced the same dilemma as Curd Enterprises in Mount Pleasant. In September, he paid four workers to paint and rewire the administrative offices at Beaufort National Cemetery using stimulus money. He reported that four jobs were created through the \$10,151 federal contract, even though the repairs took only three weeks.

Asked whether such a small contract really created four jobs, he stood by his assertion.

"They're still jobs, and it's still work that needed to be done," he said.

By the numbers

The federal government recently tallied the number of jobs that have been created or saved through grants and contracts funded by the \$787 billion stimulus act. Some examples:

3.8 — Amount, in billions of dollars, of stimulus funding that South Carolina agencies and companies have received so far.

640,329 — Number of jobs saved or created across the country.

8,147 — Number of jobs saved or created in South Carolina.

2,470 — Number of contracts or grants received by South Carolina agencies and companies.

277 — Number of S.C. contracts or grants that have created at least one job so far.

Reach **Katy Stech** at 937-5549 or kstech@postandcourier.com.