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Education/Employment Proposals for Stimulus Package

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Proposal: We suggest that the new stimulus package should contain funding for:

- 1.5 million service jobs for in-school youth, including 1 million slots for summer only and 500,000 for during the school-year
- 1 million service jobs and/or training plus stipends for out-of-school older youth and adults – with some funds targeted to YouthBuild, the Youth Service and Conservation Corps, and other uses (e.g., health/elder care, child care/early childhood education delivery, housing construction/rehabilitation/weatherization, transitional jobs for the hard-to-employ, etc.)
- 1 million additional Pell grants plus stipends
- A set-aside of 15% of new publicly-funded jobs in infrastructure and “green economy” to the disadvantaged, with apprenticeships generated for some fraction (30-50%) of these jobs.

Rationale: Many millions of jobs will be lost over the next few years, and the greatest burdens will fall on the most marginal workers – i.e., young people and the disadvantaged - who will frequently not be eligible for Unemployment Insurance and other forms of cash assistance. Furthermore, the jobs created in infrastructure and transition to a “green economy” will not be available to the disadvantaged in most cases, who will likely lack the skills needed for many of these jobs and connections to local contractors in the short run.

Our proposal includes short-run direct job creation explicitly targeted to these groups. But we also place a heavy emphasis on investments in education and training, which is sensible during a period in which job availability is limited. Stipends or publicly-funded employment would provide income to those engaging in education and training and further stimulus to the economy. The services generated would also be publicly valued.

Administration: The service jobs and subsidized training would be administered over a 2-year period by local and state workforce boards, in conjunction with municipal and state governments. National grants (e.g., YouthBuild) would be administered by the U.S. Department of Labor. The Pell grants and stipends would be administered as they are now through the Department of Education and their local representatives.

Costs: We estimate that 1.5 million jobs for in-school youth would cost \$4B, and that 1 million jobs for out-of-school youth and adults would cost \$12-15B. In addition, 1 million additional Pell grants plus stipends would cost roughly \$8B. Details of these estimates are available and can be provided upon request.