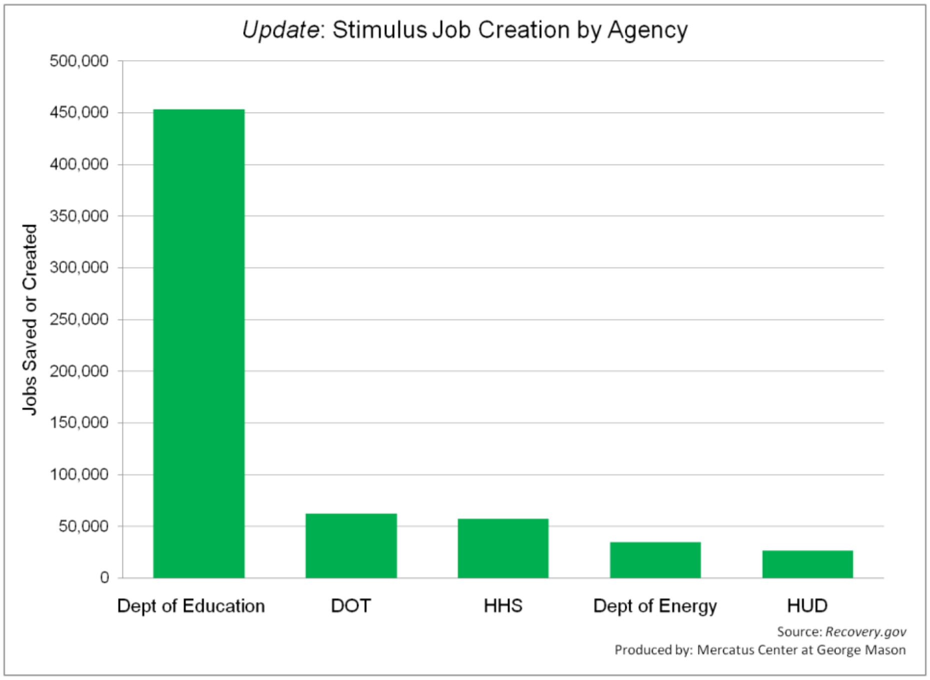

The above chart by Mercatus Center Senior Veronique de Rugy compares the top five federal stimulus-funded job creators. Data are from the most recent quarter of recipient reported data from Recovery.gov, the reporting period ended June 30, 2010. Consistent with the stated goals of the Recovery Act, the Department of Education, Department of Transportation (DOT), the Department of Health and Human Services (HHS), and the Department of Energy Jobs and the Department of Housing and Urban Development are the top job creators.

This data underscores the point that stimulus funded jobs are largely temporary and cannot be counted on for future economic growth.

Jobs reported and claimed are temporary by definition. Recipients of stimulus funds are required by law under the Recovery Act to report job creation quarterly. Importantly, these jobs saved or created are calculated and reported using a complex formula that counts one "job" as a quarter of full-time-equivalent work paid for by Recovery Act funds. This leads to an important consequence: a job as reported on Recovery.gov is temporary and fundamentally differs from a job as commonly conceived.

The distribution of jobs among agencies underscores the temporary nature of stimulus funded job creation. Job creation in the Department of Education dwarfs that of all other agencies. In fact, the Department of Education has saved or created at least 7 jobs for every job saved or created by any other agency. The explanation for this contrast is clear – teachers have been kept on state payrolls by federal stimulus funds. Teachers' jobs, funded under normal circumstances through state budgets and taxation, have been propped up by federal funds; when the federal funds run out, these jobs, along with all other stimulus funded jobs, will be on the chopping block yet again.

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