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5 Big Ideas in Inequality Lunch Series | Week 5: Good Jobs

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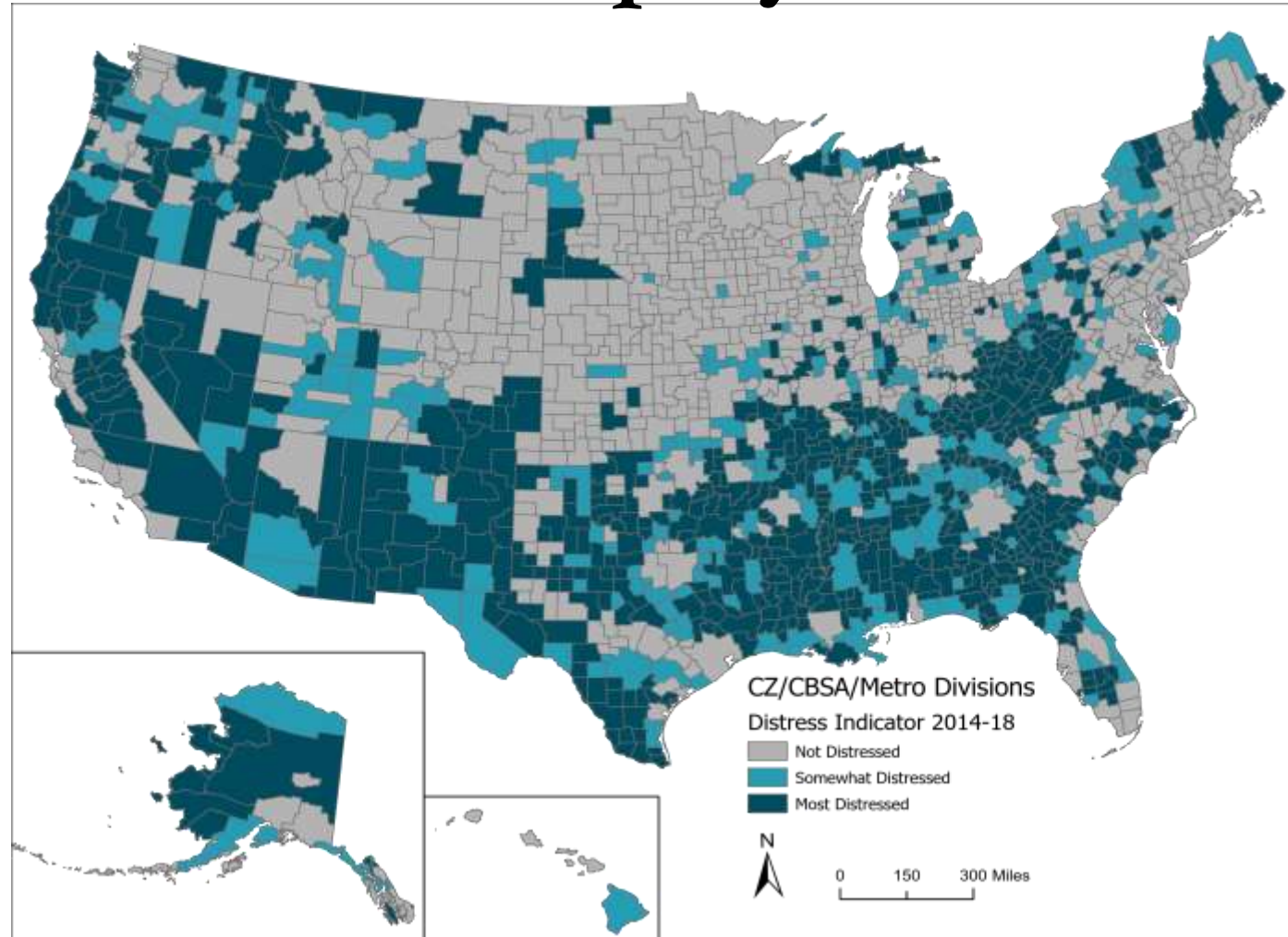
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30% of U.S. population in local labor markets with low employment rates

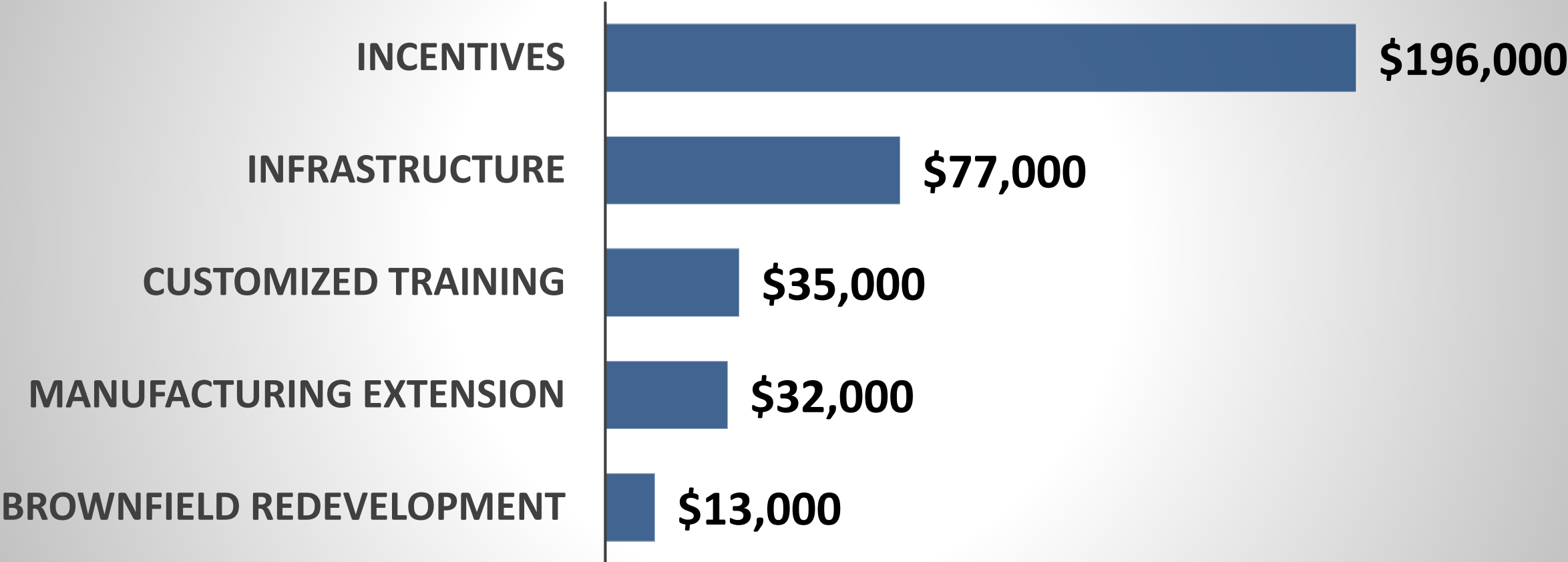


Jobs-to-people $>$ people-to-jobs; targeting distressed areas pays off

- **1.0:** If we move $x\%$ of people out of Flint, jobs in Flint also decline by $x\%$, so employment rate in Flint is not improved.
- **0.2 :** In average local labor market, employment rate goes up by 0.2% in LR for every 1% increase in jobs
- **0.3:** In distressed local labor market, job growth has 50% greater effects on employment rate (0.3% for 1% job shock).

Job creation can be done cheaper with investments, not incentives

Present-value cost per job created



Block grant proposal: \$18.8 billion total

- **\$14.0 billion in annual funding for 10 years for job-creation investments in distressed local labor markets.** Targets areas with 30% of population. Per-capita funding higher if area has lower employment rate. Would close half of employment rate gap.
- **\$4.8 billion in annual funding for 10 years for job-linking services in distressed neighborhoods.** Targets areas with around 32 million residents. Services include: job info, job training, childcare, transportation. Would close 60% of employment rate gap.
- **Ideally federal, but could be done by states.**