

9-16-2021

## Place-Based Jobs Policies: We Need to Boost Employment Rates in Distressed Places, But: One Size Does NOT Fit All

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### Citation

Bartik, Timothy J. 2021. "Place-Based Jobs Policies: We Need to Boost Employment Rates in Distressed Places, But: One Size Does NOT Fit All." Presented at the Executive Symposium on Urban-Rural Divide, Federal Reserve Banks of Kansas City and San Francisco on September 10, 2021.

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**Place-based Jobs Policies:  
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One Size Does NOT Fit All**

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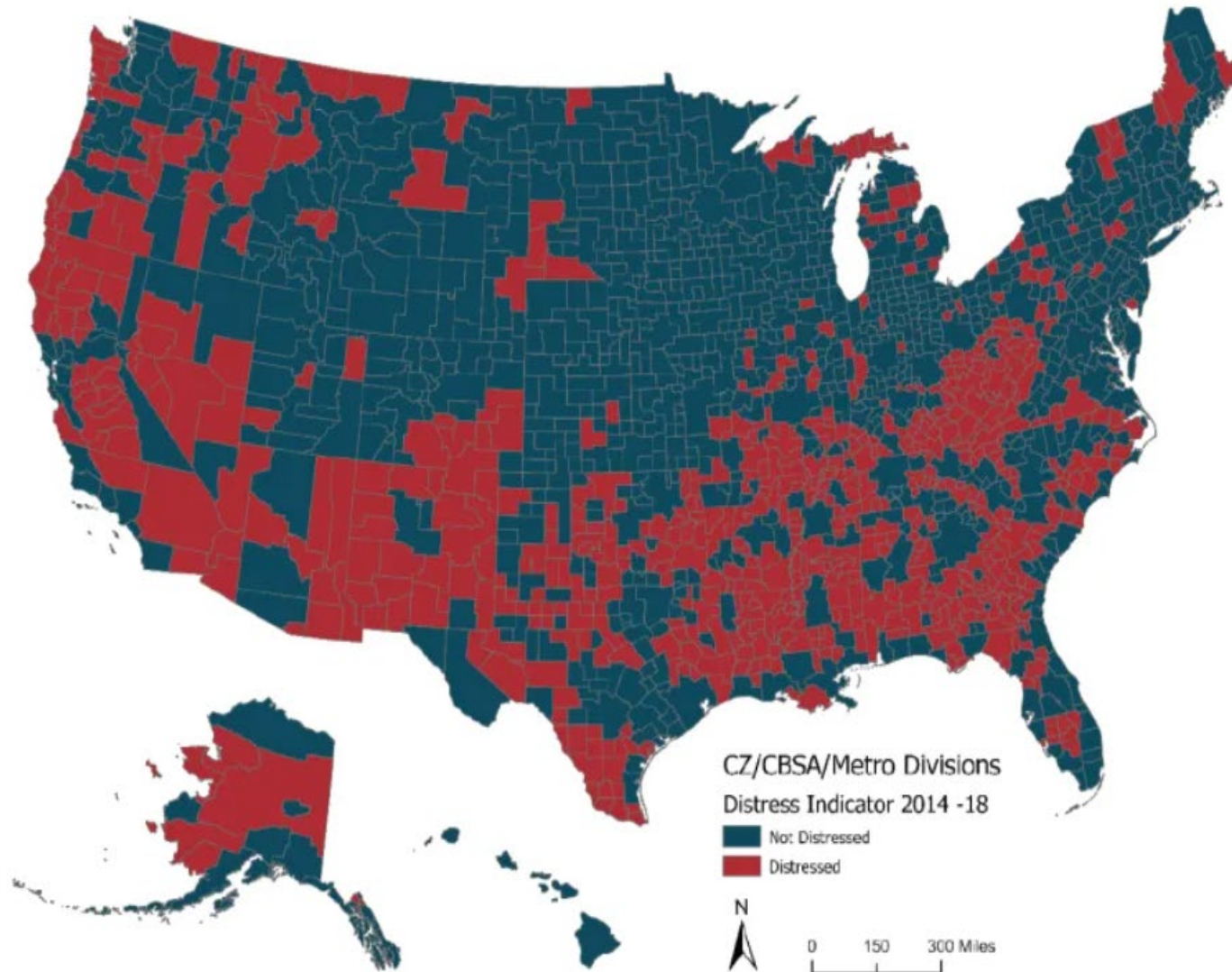
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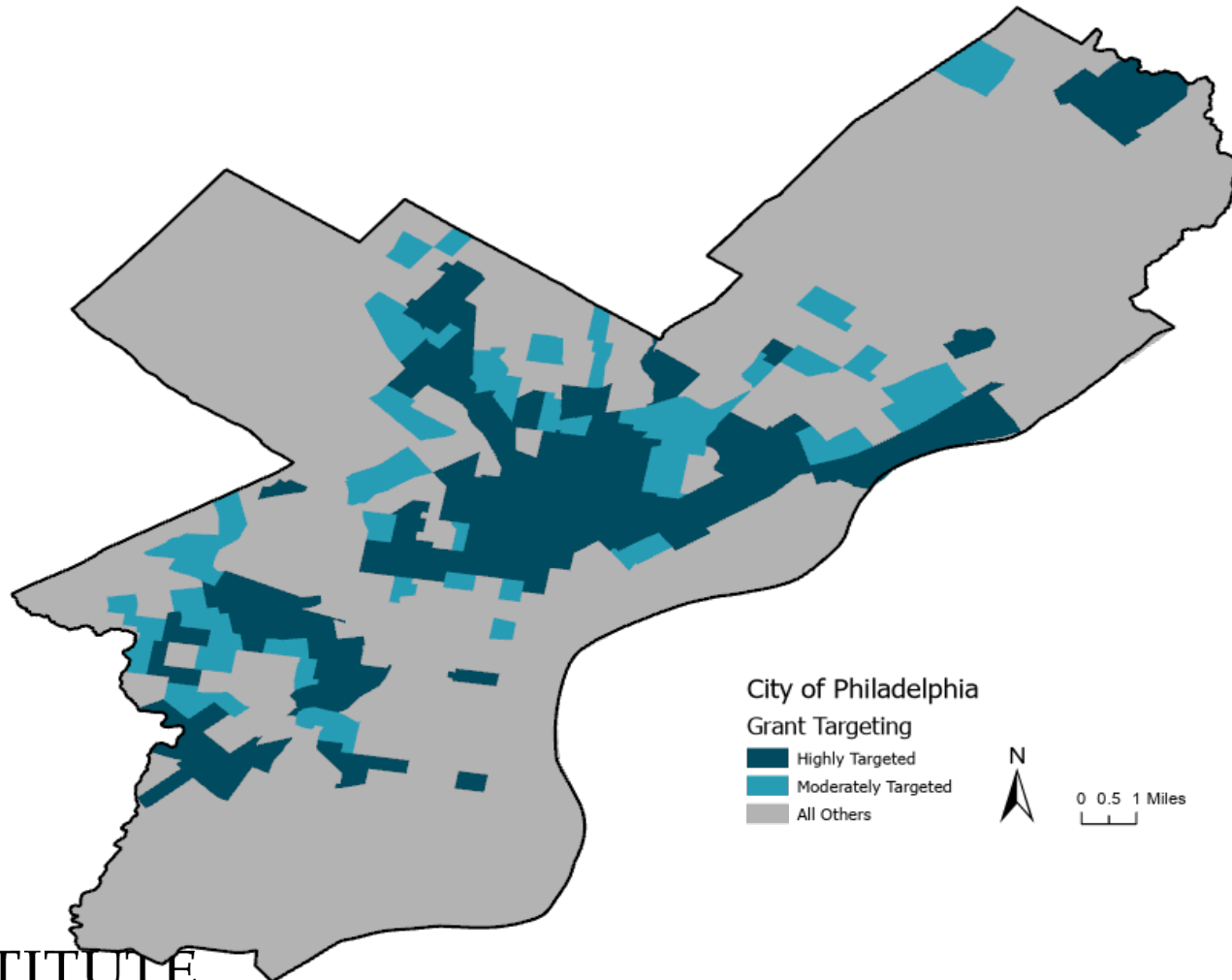
September 10, 2021

First of TWO types of “distressed place”: Local labor markets with very low employment rates, about 15% of U.S. pop. These places helped by job growth.

Map 1. Distressed local labor markets, 2014 to 2018

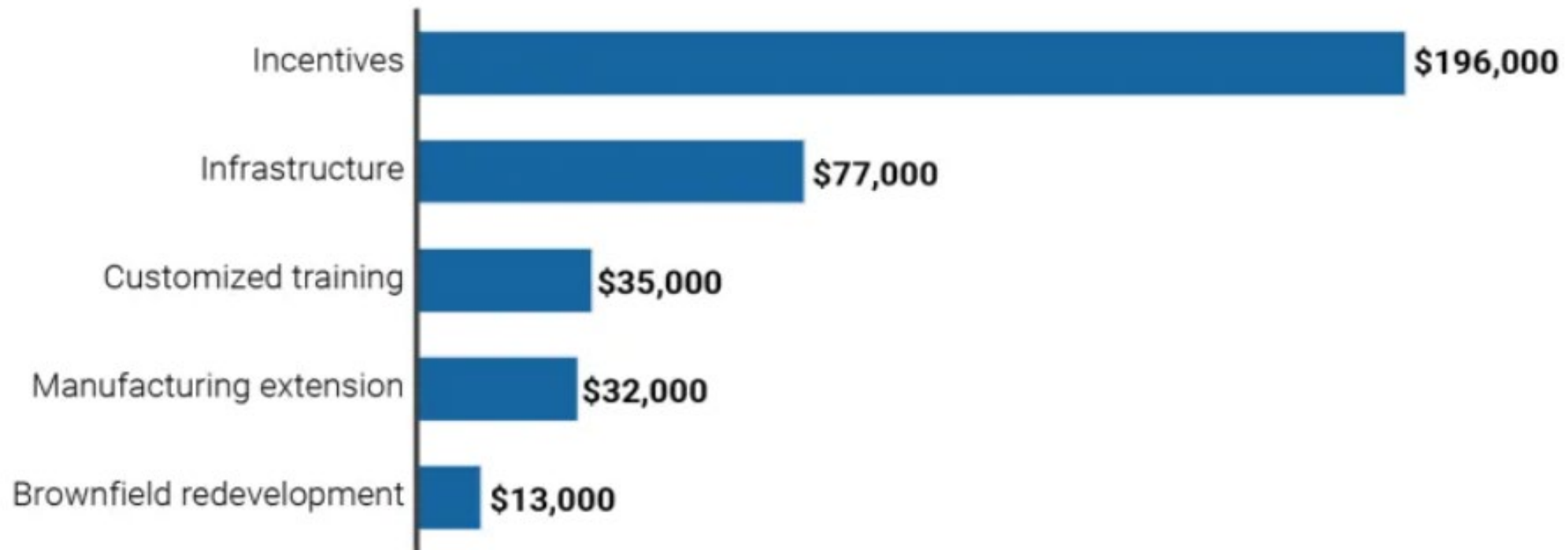


Second type of “distressed place”: Neighborhoods w/ low employment rates. Neighborhoods are **NOT** labor markets, so plopping down jobs ineffective. What is needed are job access/supports for residents. Ex: distressed Philadelphia tracts.



# Business incentives are costly per job created. Services to business to enhance business inputs are more cost-effective.

Figure 1. Present-value cost per job created of government growth-promotion policies



Source: Author's calculations. See: Bartik, Timothy J. 2020. "Using Place-Based Jobs Policies to Help Distressed Communities". *Journal of Economic Perspectives* (Summer): 99-127.

Neighborhood residents' employment rates can be boosted by services to enhance & support both job access & job retention. Exs: Neighborhood employment hubs, employer resource networks/success coaches



## What is a HUB?

A HUB is a central location in YOUR neighborhood with Employment Specialists dedicated to providing the guidance and **support** you need as you work towards your professional goals.

Customized **employment** services may include community service, job placement, employability skills building, or **training** opportunities.

*The help YOU need, in the neighborhood YOU know.*

 Employer Members-Investors

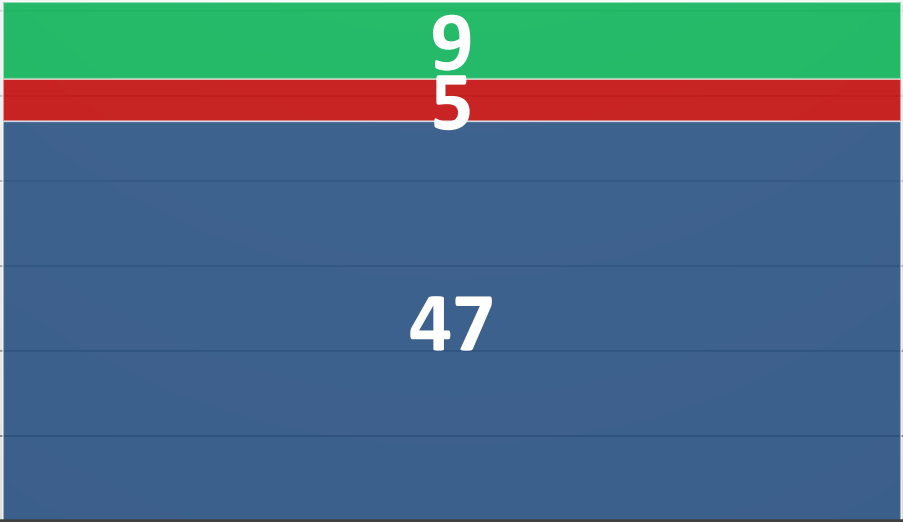


Inspired Brewing®



**Of \$61B in annual place-based dollars, most are for tax or cash incentives, not services. & very little targeting of distressed places.**

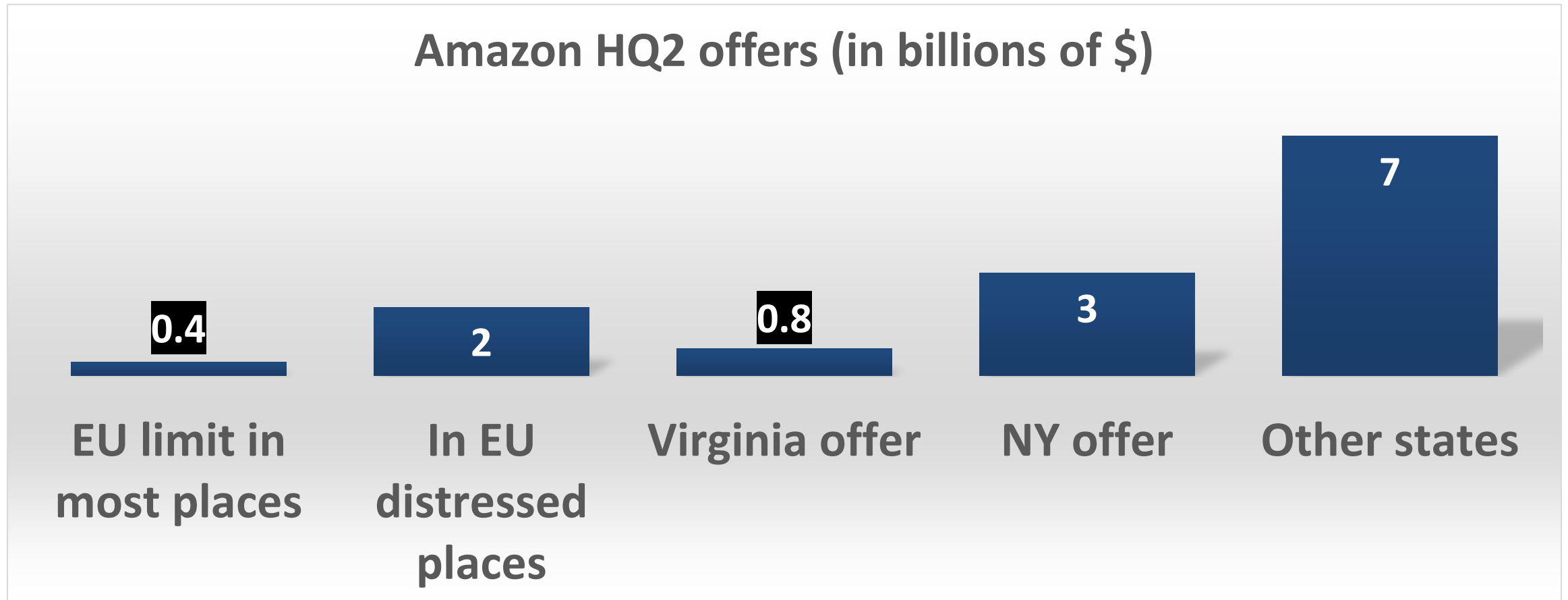
**Breakdown of \$61 billion in Annual \$ for Place-Based Policies**



■ State/local cash incentives    ■ Federal tax breaks    ■ Other



Fed govt should curb incentives in non-distressed places, similarly to EU. EU limits incentives in most places to 3.4% of (investment/2 years payroll); 5x as great in distressed places. Such limits would make many U.S. incentives illegal, for ex Amazon HQ2.





Federal government (or states!) should offer block grants for distressed local labor markets and neighborhoods. A bill based on my proposals, RECOMPETE Act, has been introduced by Rep. Kilmer and Sen. Coons. At cost of \$21B annually, would close half of employment rate gap in 10 years. Per-capita \$ similar to TVA/Empowerment Zones -- \$200 to \$300 per capita.

**Annual Place-Based \$, currently vs. RECOMPETE Act, \$B**



**Current U.S. Place-based \$**

**RECOMPETE Act**