



# Stimulus Dollars in Seattle Fail to Create Green Jobs as Promised

Seattle, Washington, is one of 25 communities that received \$20 million from the Stimulus program as part of "Retrofit Ramp-Up" — an initiative of the Department of Energy in which stimulus dollars are used to make homes more energy efficient. The program was touted as one that would create 2,000 "green" jobs in the city of Seattle and retrofit at least 2.000 homes. There is just one problem: The program is a massive failure.

"Retrofit Ramp-Up," according to Vice President Joe Biden (left) who announced the program, sought to accomplish the following:



It's about making our homes and our office buildings more efficient and more comfortable and more affordable, replacing windows and doors. I have visited, along with some of the people in the front row, new window and door factories making incredibly — incredibly energy-efficient windows and doors, which can save billions of dollars over time. Putting in new air conditioning or heating units that are much more efficient. Sealing up cracks and openings where air can leak into and out of your home.

Biden indicated that retrofitting homes could save over \$20 billion in energy costs every year. Touting a number of benefits for retrofitting, and for Retrofit Ramp-Up specifically, Biden continued:

The Retrofit\* Ramp-up\* award winners are taking a different approach. Now, that — the same construction crew would upgrade all the homes on the same block at the same time. That saves contractors time and money. They can pass the savings on to their customers. And it's just a much more efficient way to operate. And these communities aren't just relying on these grants. They'll use this as seed money to leverage an additional \$2.8 billion over the next three years. That's a total of five dollars for every dollar — every dollar of grant money. And they're doing this by building partnerships between local governments, utility companies, financial institutions, and nonprofits. Whole communities are coming together to get this going, and when we look around you'll see it. And you'll see more and more of it as the months go on.

Seattle was one of the 25 communities awarded with the stimulus dollars. Other recipients of Retrofit Ramp-Up money include Indianapolis, Indiana, Omaha, Nebraska, and Austin, Texas.

Seattle Mayor Mike McGinn proudly accepted the \$20 million allocation of the \$452 million program and believed the promises made by the Obama administration that the plan would be a success. McGinn's website, which calls the program "Weatherize Every Building" (WEB), announced:

WEB Initiative will create nearly 2,000 living wage green jobs, and will leverage the grant funding







seven-to-one with local investments in energy efficiency.

Just one year after the program was instituted in Seattle, the data is discouraging. KOMO4 of Seattle reports:

But more than a year later, Seattle's numbers are lackluster. As of last week, only three homes had been retrofitted and just 14 new jobs have emerged from the program. Many of the jobs are administrative, and not the entry-level pathways once dreamed of for low-income workers. Some people wonder if the original goals are now achievable.

As it currently stands, only 337 homeowners have even applied for the program, of which 14 have acquired approval.

Furthermore, prior to the implementation of the program, Seattle's unemployment rate stood at 9 percent. Today it rests at 9.3 percent.

Joshua Curtis, Seattle's City Manager for Community Power Works, explains Seattle's dilemma. In order for the city to create 2,000 jobs as promised, they would have to retrofit 100-200 homes per month. But the KOMO report reveals that they have not even hit the double digit mark.

Michael Woo of Go Green — a community organizing group that advocates for environmental and social justice — says of the program, "It's been a very slow and tedious process. It's almost painful, the number of meetings people have gone to. Those are the people who got jobs. There's been no real investment for the broader public."

Brandon Houskeeper of the Washington Policy Center <u>predicted</u> the failure of the Seattle Retrofit Ramp-Up program immediately after McGinn announced the program. When McGinn optimistically declared that the initiative would create jobs and save energy, Houskeeper remained unconvinced.

"Unfortunately, a closer examination of other existing weatherization programs in the state, as well as "green" job claims, shows that such claims are often overzealous and overstated," he wrote.

Besides the obvious historical statistic that the creation of green jobs typically costs jobs in other areas of the economy, Houskeeper indicates that "that state's own study on 'green' job creation shows that the state is not creating new jobs, but just relabeling existing jobs." That state report said, "It seems unlikely that a large proportion of the increase in green jobs is due to new hiring."

Houskeeper also cited a number of other facts that he believed disproved McGinn's and the White House's assertions regarding the potential success of Retrofit Ramp-Up:

There are serious questions that arise on the validity of the claim that 2,000 jobs will be created by spending \$26 million, especially as long-term sustainable jobs. Earlier this year we <u>examined similar claims by Governor Gregoire</u> when she announced \$16.5 million for energy efficiency related grants to create 2,000 jobs. The average salary range for each of these proposals would be \$8,250 to \$13,000, assuming each created the promised 2,000 jobs. At this rate, these are hardly sustainable jobs.

Houskeeper also wrote that "existing weatherization programs have failed to create the jobs promised." In 2009, for example, the Washington legislature created a similar program, for which \$14 million was allocated. Unfortunately, the program included too many "onerous rules" that ultimately "increased costs and stymied job creation."

Similar programs in cities such as Boulder, Colorado, have failed as well. The Wall Street Journal wrote



#### Written by **Raven Clabough** on August 18, 2011



of that city's weatherization program, "Boulder has found that financial incentives and an intense publicity campaign aren't enough to spur most homeowners to action."

The Retrofit Ramp-Up grant awarded to Seattle does not expire until 2013, so there is still time to use the remaining funds. But observers say the odds are long that the city will achieve the 2,000 jobs as promised.





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