



Government Funding for Nonexistent Jobs

John Stossel recently reported on the failure of federally subsidized job-training programs in Minnesota. Using federal stimulus dollars, the Summit Academy stated that it would use stimulus funds to create "results-oriented programs" that allow adults to "become educated, contributing member of their community." What sort of training did the Summit Academy provide? It trained 130 people how to weatherize buildings.



Only a couple of dozen of these newly trained workers, however, have found jobs. Stimulus funds were also used by the Merrick Community Services program to train 19 people how to weatherize buildings, but none of those trained workers have found jobs. What is the problem?

Training people to weatherize homes sounds like something Minnesotans would need, if all decisions were made in Washington by bureaucrats and if Minnesotans themselves could not plan or evaluate their own economic decisions. After all, any bureaucrat with a cursory understanding of geography knows that Minnesota is a Great Plains state next to the Canadian border. A quick review of weather records could inform a serious bureaucrat that it gets very cold in Minnesota. Insulating homes and offices better should reduce energy consumption, which ought to save money and improve the environment, right? Well, that assumes that contractors in Minnesota did not consider the weather of their state before building homes and offices. In the world of federal bureaucracies and central planning, this makes a lot of sense. In the world of market economics, it makes no sense at all.

Minnesota building contractors would make weather changes a high priority in their plans, taking into consideration the types of materials they would use, the excavation of construction sites, and so on. Home buyers, businesses that bought office buildings, and renters in Minnesota would also consider heating bills and insulation in deciding whether to move into a structure. Utility bills, unpleasant drafts, frozen water pipes, and uncomfortable winter nights are all conditions that ordinary people can figure out themselves without government help.

The free market, without any government planners, adjusts quite quickly to the need for goods or services. Businesses that need workers and can operate profitably with more trained workers can train new employees at their own expense. In fact, most businesses prefer to train new employees, instilling more than just broad technical skills. Good companies want employees to understand how the company works, how it responds to complaints, how it handles busy periods, and so on.

The decision of a customer to increase building weatherization is based upon a number of different factors which government planners cannot know: anticipated heating savings versus installation costs, the available credit of the customer, the cost and range of services that companies weatherizing buildings offer, among other factors. The free market already weighs each of these factors to come up



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with a market price, the profit margin for weatherization businesses, and the relative benefits to customers of weatherization.

Perhaps, however, the federal planners who thought using stimulus funds to train more people to weatherize buildings in Minnesota should have talked first to other federal bureaucrats in the EPA and related departments. The planet, these bureaucrats know, is getting warmer. Wouldn't that make spending good money to winterize homes in Minnesota rather a waste? In a decade or two, the harsh Minnesota winters ought to grow decidedly milder. If our central planners start right now, they may be able to help find jobs for unemployed workers 20 years from now ... or, perhaps, government could simply allow businesses to make business decisions and workers to find jobs where the free market needs jobs.



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