# Notes

This is an advantage counterplan vs. Keynesianism/stimulus cases. Instead of infrastructure spending, it proposes that the federal government increase social care in the form of early childhood education and home-based healthcare. The counterplan argues that this is a more effective way to stimulate the economy than infrastructure spending because it is more targeted, more immediate, and more labor-intensive.

The negative can draw upon the Keynesian Economics Bad Core for additional evidence about the problems with infrastructure as a stimulus method, but be careful to only read evidence that supports a specific claim about infrastructure rather than a more general claim about Keynesian stimulus as a whole. The counterplan is also a form of Keynesian stimulus, so it is inconsistent with “Keynesianism/Stimulus Bad” arguments.

The net-benefit to the counterplan should be an infrastructure-specific disadvantage (like the airline tradeoff DA or oil dependence DA vs. high-speed rail).

To answer the counterplan, the affirmative can use the materials in the Keynesian Economics Good Core that defend the unique ability of infrastructure projects to stimulate the economy. They can also highlight the long-term economic benefits of infrastructure spending that are not accrued by spending on social care.

Looking forward, affirmative research should be completed to challenge the effectiveness of social care programs. Be careful to ensure that this research is consistent with the economic philosophy of the 1AC, however; most “Head Start Bad” (and similar “social care bad”) literature is written from a conservative perspective that disputes the utility of *all* federal spending to stimulate the economy, a position that is at odds with the thesis of the affirmative’s advantage.

# 1NC

### 1NC—Social Care CP

#### The United States federal government should substantially increase its investment in early childhood care and home-based healthcare.

#### The counterplan stimulates the economy better—social care has twice the multiplier effect of infrastructure.

Stephens 11 — Michael Stephens, Senior Editor at The Levy Economics Institute of Bard College, 2011 (“Beyond Infrastructure,” *The Multiplier Effect*—the Levy Institute’s blog, August 10th, Available Online at http://www.multiplier-effect.org/?p=1331, Accessed 06-23-2012)

The Levy Institute’s Rania Antonopoulos, Kijong Kim, Thomas Masterson, and Ajit Zacharias have looked at another solution to this problem. Their research concludes that while the case for physical infrastructure investment is compelling, there is a public works approach that would deliver an even more impressive bang for the buck: investment in social care.

The research group proposes a direct job creation program that puts people to work addressing our deficits in early childhood care and home-based healthcare for the elderly and chronically ill. They modeled a $50 billion investment in both infrastructure and community-based social care delivery, and found that—due in large part to the higher labor intensity of care work—every dollar invested in social care would have twice the employment impact as a dollar of infrastructure investment.

# 2NC/1NR

### Higher Multiplier Effect

#### Social care has twice the job-creating potential as infrastructure.

Papadimitriou 10 — Dimitri B. Papadimitriou, President of the Levy Economics Institute of Bard College, 2010 (Preface to “Why President Obama Should Care About ‘Care’: An Effective and Equitable Investment Strategy for Job Creation,” Levy Institute Public Policy Brief, Number 108, Available Online at http://www.levyinstitute.org/pubs/ppb\_108.pdf, Accessed 06-23-2012, p. 3)

According to Research Scholars Rania Antonopoulos, Kijong Kim, and Thomas Masterson, and Senior Scholar Ajit Zacharias, the government needs to identify useful projects that have the potential for massive public job creation, and to select investments that maximize job creation both immediately and equitably. They conclude that social sector investment, such as early childhood education and home-based care, generates the most jobs and caters to the most vulnerable segments of the workforce. Moreover, social care investment generates more than twice the number of jobs as infrastructure spending and almost 1.5 times the number of jobs as green energy spending. In addition, it is relatively more effective in providing jobs to people with the least education. Thus, the social and psychological impacts of social care investment are beneficial for both the recipients and their communities.

#### Spending on social care is more effective at creating jobs—twice as many as infrastructure.

Antonopoulos et al. 10 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2010 (“Why President Obama Should Care About ‘Care’: An Effective and Equitable Investment Strategy for Job Creation,” Levy Institute Public Policy Brief, Number 108, Available Online at http://www.levyinstitute.org/pubs/ppb\_108.pdf, Accessed 06-23-2012, p. 5)

Social service delivery is important in and of itself. Yet in the context of the current crisis its employment generation ability merits particular consideration. Treasury Secretary Timothy Geithner acknowledged last year that “social sector job creation delivers more bang for the buck” (Fackler 2009). In other words, public funds invested in social care sectors create more jobs than several other common stimulus programs combined. Research and the historical experience of countries around the globe provide strong evidence to that effect (Antonopoulos and Kim 2008, Simonazzi 2009, Warner and Liu 2006). 2 Our study indicates that the United States is no exception to this rule.

Simply put, as compared to physical infrastructure and green energy—the favored job-creation sectors under ARRA—investing in social care sectors such as early childhood education and home-based care (1) generates more jobs and (2) provides these job opportunities to the most vulnerable segments of the population. Table 1 shows estimates of the number of jobs created for every $1 million spent, in each of three sectors: social care, physical infrastructure, and green energy. It also shows the distribution of these jobs to workers of differing levels of education. 3

In a nutshell, investing in social care results in much higher job creation. Social care investment generates more than twice the number of jobs as infrastructure spending, and almost one and a half times the number of jobs yielded by investing in green energy. It is also more effective in reaching the least-educated group in the labor market, creating twice as many jobs for those with a high school diploma or less as compared to infrastructure investment.

#### Social care is a comparatively superior investment in the current economic environment.

Antonopoulos et al. 10 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2010 (“Why President Obama Should Care About ‘Care’: An Effective and Equitable Investment Strategy for Job Creation,” Levy Institute Public Policy Brief, Number 108, Available Online at http://www.levyinstitute.org/pubs/ppb\_108.pdf, Accessed 06-23-2012, p. 8)

The first striking result from our simulation is that the social care intervention generates almost 1.2 million jobs, as opposed to 556,000 jobs in the case of infrastructure building (Table 4). The job-creation potential of the social sector is roughly 2.1 times that of infrastructure: $1 billion spent on social care is likely to generate 23,727 jobs, as compared to only 11,119 jobs that the same expenditure on infrastructure can create. This is, of course, a reflection of the relatively high labor-intensity of the social care sector. Second, in the social care case, 76 percent of new jobs are in high-end and low-end service—that is, teaching, child care, and home health care. These are jobs that women have a better chance of obtaining. In the infrastructure scenario, 61 percent of all jobs are production related—factory and construction work, farming, and truck driving—and thus traditionally more male-dominated. Although current public sentiment may favor reviving the American manufacturing sector and creating construction jobs for the workers hit hardest by the Great Recession, investment in human capital for the future through expanding social care is in fact a more effective way to maximize job creation than investment on physical infrastructure alone, especially at this time.

#### Studies and Japan prove.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 5)

To address the massive unemployment, we propose investment in localized community-based social care services, in particular home-based health care and early childhood development. Investment in care is a more cost effective and equitable way to create jobs than investing in infrastructure construction or green energy development. Investment in social care generates more jobs per dollar than any other investment. The job creation potential of social care investment in the short run has been analyzed in several studies (Simonazzi 2009, Antonopoulos and Kim 2008, Warner and Liu 2006). Lessons learned from the Japanese experience with fiscal stimulus in 1990s indicate that social care investment can be an effective means for employment generation, as well as a sustainable growth strategy (Fackler 2009).

### Higher Labor Intensity

#### Social care is a more effective stimulus than infrastructure—higher labor intensity.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Social Care Delivery,” Levy Institute One-Pager, Number 11, August 5th, Available Online at http://www.levyinstitute.org/pubs/op\_11.pdf, Accessed 06-23-2012)

Last year, President Obama made a compelling case for investing $50 billion in our physical infrastructure. However, analysis of a comparable investment in the delivery of social care services suggests that the case for the latter is even stronger.

Using input-output analysis combined with a microsimulation based on statistical matching techniques, we can compare the employment results of a hypothetical $50 billion investment in either physical infrastructure or community-based social care. For the purposes of the simulation, the social care investment is divided equally between home-based health care for the elderly and chronically ill (dealing largely with postoperative recuperation and management of chronic illness), and early childhood development services (care for children under five, with cognitive and noncognitive educational components). The results of the simulation suggest that we would get more bang for the buck, from the standpoint of employment, by investing in the care sector—all while aiding those least able to weather the current economic storms.

Like infrastructure projects, investment in care delivery addresses a set of pressing social needs—in this case, care deficits for the young, the elderly, and the seriously ill or disabled. Beyond the value of these critical services, investing in either area generates much-needed employment opportunities for the bloated ranks of the unemployed and discouraged. The simulation results suggest, however, that an investment in social care delivery would generate more than twice the number of jobs—1.2 million versus 500,000—as a comparable investment in physical infrastructure, largely due to the higher labor intensity of care work relative to construction work.

### More Immediate

#### Social care investment immediately stimulates the economy.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 28-29)

As we argued above, implementing increased social care investment can be done on very short notice. Governments—federal, state, and local—all have their organizational and administrative systems in place through Medicare, Medicaid, Head Start and Early Head Start, and the Child Care and Development Fund. Scaling up the federal funding to these programs would suffice to generate immediate employment opportunities to disadvantaged workers. These workers will be able to provide care for the ever-increasing demand from demographic [end page 28] changes as well as from people who can no longer afford such services because the ‘Great’ Recession has eliminated their jobs and undermined their financial security.

#### Social care investments can be made immediately—no bureaucratic overhead.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 8)

Administration of investment in expanding social care does not require an equal expansion of government size, nor a novel approach to channel the funds through the system. The delivery systems are already organized and administered by local and state governments through Head Start/Early Head Start and various home-based care organizations that qualify for reimbursement from Medicare and Medicaid. Scaling up does not entail compromises on quality of care or skill mismatch of newly hired workers. Skill requirements and training time may not be as onerous as that for some construction-related jobs. A good deal of physical stamina and aptitude for care for others may be enough to begin with. Then, through on-the-job training with current child development associate degree and/or home health aide certification, concerns for high quality care could be addressed. With the expected budget shortfalls of about $350 billion for 2010 and 2011 (McNichol and Johnson 2009), state governments are already in dire need of federal transfers to fill the gap of immediate social care demand, just to provide the inadequate pre-recession level of social care. Scaling up service delivery would not overwhelm the system or require extra federal scrutiny. Concerns about fraud and abuse of funds for Medicaid and Medicare have already attracted the government’s due diligence with successful enforcement under the newly enacted Affordable Care Act.

### Better Targeting

#### Social care is more effectively targeted.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Social Care Delivery,” Levy Institute One-Pager, Number 11, August 5th, Available Online at http://www.levyinstitute.org/pubs/op\_11.pdf, Accessed 06-23-2012)

In addition to producing more jobs per dollar spent, social care investment effectively targets the least well off. Although jobs in social care also go to workers with a college degree or some college (given the licensing requirements for early childhood teachers and care providers), more than 42 percent of the jobs generated through social care investment can be expected to flow to workers with less than a high school diploma, as compared to only 14 percent in the case of infrastructure. The simulation also suggests that in the case of social care almost half the jobs created would go to workers from households earning less than $39,000, whereas for physical infrastructure projects, half the jobs are secured by middle-income workers (workers from households in the 5th to 8th decile).

#### Social care is a more effective and equitable stimulus—better targeting than infrastructure.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 28)

We analyze social care investment–expansion of early childhood development and home-based health care–for its effectiveness and equity as a job creation measure. We find that investment in social care provision can generate twice as many jobs as infrastructure construction. At the same time, the jobs created by social care investments are more beneficial for the less-educated and the poor than those created by infrastructure investment: more jobs are likely to be taken by people from disadvantaged groups and the marginal impacts on earnings are highest for them as well. According to our estimates, more than 42 percent of the jobs created by social care investment are likely to be taken by people with less than a high school diploma, whereas only 14 percent of jobs in infrastructure construction go to these workers; workers from poorer households receive 45 percent of the jobs in the social care sector as compared to 35 percent in the case of infrastructure construction. Even within the poor households, the care sector is more likely to hire workers from the lower end of the income scale than the construction sector is, based on the ex-ante median and mean earnings data for the workers.

Thus, we show that social care sector investment is both effective—more jobs per dollar of spending—and equitable—more for the low skilled and poor—jobs creation measure. Social care investment would also be an effective policy to address the expected increase in household poverty through long-term unemployment and forced premature retirement from the ‘Great’ Recession.

We acknowledge that the low wage rates and high labor intensity characteristic of the care sector account at least partly for its superior performance in job creation per se and its inclusiveness towards the low skilled and poor workers. But it is this very fact that ensures that the investment is an effective and equitable job creation measure. Without these measures, would-be-workers may be left marginalized by the labor market, which will certainly negatively influence both their current earnings and their chances of future employment.

### Gender Equity

#### Social care investments ensure gender equity.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Social Care Delivery,” Levy Institute One-Pager, Number 11, August 5th, Available Online at http://www.levyinstitute.org/pubs/op\_11.pdf, Accessed 06-23-2012)

Social care investment would also produce more substantial gains from the perspective of gender equity: first, by reducing the burden of care—particularly welcome to women who work a double day—and second, by substantially expanding income-earning opportunities for women. With social care investment, over 90 percent of the jobs created are secured by women, whereas approximately 88 percent of infrastructure jobs flow to men. Expanding paid care services largely aids women from low-income households, enhancing household income security by providing a stable paycheck in the event of negative income shocks.

#### That’s key to effective stimulus—higher multiplier effect.

Sharma and Keefe 11 — Ritu Sharma, President of Women Thrive Worldwide—a Washington-based non-profit advocating for shaping U.S. development assistance and trade policy to benefit women and girls across the globe, and Joe Keefe, Chair of the Board of Women Thrive Worldwide, President and Chief Executive Officer of Pax World Management LLC, 2011 (“A Solution For A Struggling Global Economy: Gender Equality,” *Forbes*, October 14th, Available Online at http://www.forbes.com/sites/forbeswomanfiles/2011/10/14/a-solution-for-a-struggling-global-economy-gender-equality/, Accessed 06-24-2012)

A Goldman Sachs report found that reducing barriers to women’s participation in the labor force would increase America’s GDP by 9%, the Euro Zone’s by 13% and Japan’s by 16%. According to Secretary Clinton, in APEC economies (including China, Russia, Indonesia, the Philippines, Vietnam and Korea) unlocking the potential of women by narrowing the gender gap could lead to a 14% rise in per capita incomes by the year 2020. Rising incomes mean increased spending, which in turn stimulates economic growth.

Multiple studies have shown that women spend more of their earned income on food, healthcare, home improvement and schooling. In other words, empowering women has a multiplier effect, leading to more job growth and stronger local economies. The research also shows that women are stronger savers than men — and a higher savings rate translates into a higher tax base.

#### It’s also key to overall economic recovery—turns the case.

Sharma and Keefe 11 — Ritu Sharma, President of Women Thrive Worldwide—a Washington-based non-profit advocating for shaping U.S. development assistance and trade policy to benefit women and girls across the globe, and Joe Keefe, Chair of the Board of Women Thrive Worldwide, President and Chief Executive Officer of Pax World Management LLC, 2011 (“A Solution For A Struggling Global Economy: Gender Equality,” *Forbes*, October 14th, Available Online at http://www.forbes.com/sites/forbeswomanfiles/2011/10/14/a-solution-for-a-struggling-global-economy-gender-equality/, Accessed 06-24-2012)

This year’s Nobel Peace Prize was awarded to three women from Africa and the Arab world in acknowledgment of their courageous work promoting peace, democracy and gender equality. In awarding the prize, the Nobel Committee stated that democracy and peace cannot be achieved unless women have the same opportunities and rights as men.

They might have added that without gender equality sustainable economic development cannot be achieved either. In fact, it is no exaggeration to say that women are the key to a global economic recovery.

A few weeks ago, U.S. Secretary of State Hillary Clinton, chairing the first-ever Asia-Pacific Economic Cooperation (APEC) High-Level Policy Dialogue on Women and the Economy, made this point emphatically: “By increasing women’s participation in the economy and enhancing their efficiency and productivity, we can have a dramatic impact on the competitiveness and growth of our economies.”

In her remarks, Secretary Clinton recounted some of the evidence: The Economist found that the increase in employment of women in developed economies during the past decade contributed more to global growth than did China. In the U.S., a McKinsey study found that women went from holding 37% of all jobs to nearly 48% over the past 40 years, and that the productivity gains attributable to this modest increase in women’s share of the labor market now accounts for approximately 25% of U.S. GDP. That works out to over $3.5 trillion — more than the GDP of Germany and more than half the GDPs of China and Japan.

Women are indeed the world’s third largest “emerging market” after China and India. A Boston Consulting Group survey concludes that women will control $15 trillion in global spending by the year 2014 and by 2028 will be responsible for about two-thirds of all consumer spending worldwide.

### Long-Term

#### Social care provides short-term stimulus and a long-term safety net.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 5)

Though the care workers may not be well-paid, they can exit long-term unemployment, build their resume, and stimulate the economy by producing valuable services and spending their earned income. Investment in social care would address both the immediate concerns of the labor market and income protection for vulnerable and needy families, providing a cushioning safety net against deeper poverty. And increasing federal contributions to social care services would suffice as an effective and equitable job initiative.

#### Social care investments boost long-term growth by reducing health care costs.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Care: A Strategy for Effective and Equitable Job Creation,” Levy Institute Working Paper, Number 610, Last Revised in June, Available Online at http://www.levyinstitute.org/pubs/wp\_610.pdf, Accessed 06-24-2012, p. 8-9)

Aside from jobs and income growth, other economic and social benefits also justify the expansion of social care service. Kids who get early childhood development care tend to become productive members of society when they grow up. 11 Home-based care is more cost effective than care at hospital or nursing home for chronic illness. For instance, caring for a low birth-weight infant costs over $26,000 per month in a hospital setting, whereas home-based care costs only $330 (Casiro et.al. 1993). An oxygen dependent child may need over $12,000 per month for medical care in a hospital, but she can receive the same level of care at home for only 43 percent of the cost ($5,250; Field et.al. 1991). 12 Employees’ care responsibilities cost more [end page 8] than $33 billion a year to employers due to lost productivity (MetLife 2006). Scaling up of home-based care could save much of the cost. Any sensible cost-benefit analysis would favor social care expansion.

### Prefer Our Evidence

#### Prefer our evidence—input-output analysis and a microsimulation model.

Papadimitriou 10 — Dimitri B. Papadimitriou, President of the Levy Economics Institute of Bard College, 2010 (Preface to “Why President Obama Should Care About ‘Care’: An Effective and Equitable Investment Strategy for Job Creation,” Levy Institute Public Policy Brief, Number 108, Available Online at http://www.levyinstitute.org/pubs/ppb\_108.pdf, Accessed 06-23-2012, p. 3)

Using input-output analysis and a microsimulation model, the authors analyze inter-industry linkages, classify new direct and indirect jobs created in each industry by occupation, and match worker socioeconomic characteristics to the available jobs. They then simulate an investment of $50 billion on projects that enhance social care and compare the results with a commensurate investment aimed at infrastructure (construction). They find that the relatively high labor intensity of investing in the social sector is particularly beneficial for women (new jobs are concentrated in teaching, child care, and home health care), low income households, and people with limited education. The social sector also creates more absolute jobs requiring some college education and geared toward the middle and top income groups.

#### FYI: Here’s a detailed description of the methodology of the study.

Antonopoulos et al. 10 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2010 (“Why President Obama Should Care About ‘Care’: An Effective and Equitable Investment Strategy for Job Creation,” Levy Institute Public Policy Brief, Number 108, Available Online at http://www.levyinstitute.org/pubs/ppb\_108.pdf, Accessed 06-23-2012, p. 7)

To analyze the employment impact of our proposed intervention we combine two different quantitative methods. At the macro level we make use of input-output analysis, and at the micro level, we employ a microsimulation model. Input-output analysis allows for the calculation of aggregate changes in employment, while the microsimulation model distributes these jobs by matching them to the individuals who are most likely to occupy them (Zacharias, Masterson, and Kim 2009).

The method we utilize shows the specific linkages of output growth between industries and the corresponding job creation: as one sector of the economy experiences an increase in demand for its own output, it demands more goods and services from several other industries, which in turn results in both direct and indirect job creation downstream. For example, the additional expenditures on social care would directly create jobs for preschool teachers and assistants, home health aides and administrative staff, et cetera; but, in addition, employment would be created in several other industries (sectors) that supply the inputs for the social care sector. To estimate the employment multiplication through the industry linkages, we used the 2006 input-output (I-O) table, recompiled by the BLS from the original I-O table issued by the Bureau for Economic Analysis. This I-O table depicts the inter-industry linkages of 201 industries, from which one can calculate the employment multipliers.

In the next stage, we classify the new jobs, direct and indirect, created in each industry, by occupation. The original data comes from the BLS National Industry-Occupation Employment Matrix. This proves to be particularly important in providing the complete industry-occupation table that is subsequently used in the third step of our modeling; namely, in the microsimulation portion of our study.

The microsimulation model we employ assigns jobs by matching workers’ socioeconomic characteristics to the available jobs. We assume that the additional demand for labor created by each alternative scenario proposed in this study would be met by an increased supply of labor from the pool of “employable” individuals, drawn from the Annual Social and Economic Supplement of the Current Population Survey in year 2009. The employable pool is composed of civilians age 16 and older who were unemployed or out of the labor force due to reasons other than being ill, disabled, retired, making a home, or in school and under the age of 20. To assign jobs, we create a statistical ranking of occupations and industries for each individual by estimating the likelihood of being employed in each job category. Then, we assign employment status to those in the employable pool using an iterative procedure, stepping through industry and occupation pairs, and selecting those individuals most likely to be employed in that industry-occupation pair, until all the available jobs are assigned. Once we assign jobs, we proceed to allocate earnings to those individuals who receive a new job. 6

# Affirmative

### Permutation

#### The permutation is best—plenty of money to do both.

Antonopoulos et al. 11 — Rania Antonopoulos, Senior Scholar and Director of the Gender Equality and Economy program at the Levy Institute, served as served as an expert adviser and consultant for the United Nations Development Programme, holds a Ph.D. in Economics from the New School for Social Research, et al., with Kijong Kim, Research Scholar in the Gender Equality and Economy program at the Levy Institute, Thomas Masterson, Research Scholar at the Levy Institute, and Ajit Zacharias, Senior Scholar at the Levy Institute, 2011 (“Investing in Social Care Delivery,” Levy Institute One-Pager, Number 11, August 5th, Available Online at http://www.levyinstitute.org/pubs/op\_11.pdf, Accessed 06-23-2012)

Direct job creation through investment in social care is an effective and equitable piece of the unemployment puzzle. In an ideal policymaking climate, there would be no reason to choose between physical infrastructure projects and investments in social care delivery. Given the government’s current rock-bottom borrowing costs and the stable inflationary environment, there is more than enough fiscal room for both. But whereas the economic logic suggests that these two options should not be in competition, there appears to be little current political room for increases in public outlays. Given this scarcity of political will, there is a good deal of evidence that, from the standpoint of employment alone, investing in social care would produce a higher return on our investment.