

Contact: Mark Primoff
845-758-7749
primoff@bard.edu

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**OVERLOOKED AS A POLICY OPTION, SOCIAL CARE INVESTMENT
WOULD BRING SIGNIFICANT BOOST TO U.S. ECONOMY,
NEW PAPER FROM LEVY ECONOMICS INSTITUTE SAYS**

ANNANDALE-ON-HUDSON, N.Y.—There is an immediate and tangible jobs crisis in the United States and very little mystery as to why America’s unemployment levels remain extremely high. The Bureau of Economic Analysis recently revised its figures on GDP growth and revealed that not only was the recession worse than realized, but recent growth rates have been overstated as well. In an effort to put people back to work, President Obama, last year, made a compelling case for investing \$50 billion in physical infrastructure. A new paper from the Levy Economics Institute of Bard College argues, however, that the same investment in social care—divided equally between home-based health care for the elderly and chronically ill, and early childhood development services—would generate more than twice the number of jobs and produce substantial gains for women and for low-income households.

In their new paper, *Investing in Social Care Delivery*, Levy Senior Scholar Rania Antonopoulos, director of the Institute’s Gender Equality and the Economy (GEE) program, and Kijong Kim, a research scholar working in the GEE area, compare the impact of a \$50 billion investment in physical infrastructure with a comparable investment in social care. They find that the social care investment would generate 1.2 million jobs, compared to 500,000 from investing in physical infrastructure, due largely to the higher labor intensity of care work relative to construction work. Furthermore, 88 percent of infrastructure jobs flow to middle-class men, whereas the author’s simulation suggests that nearly half of the jobs created by social care investment would go to workers from households earning less than \$39,000. Therefore, social care jobs would more directly benefit women from low-income households by reducing the burden of care and by providing a stable income.

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Antonopoulos and Kim stress that, given the bleak jobs picture and the serious needs in both social care and physical infrastructure, policymakers should strongly consider investing in both. “Direct job creation through investment in social care is an effective and equitable piece of the unemployment puzzle,” they write. “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.”

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One-Pager No. 11: *Investing in Social Care Delivery*

To read the full text of this policy paper or to learn more about the Levy Economics Institute of Bard College, please visit www.levyinstitute.org. A more detailed discussion of this topic can be found at www.levyinstitute.org/pubs/wp_671.pdf and www.levyinstitute.org/pubs/ppb_106.pdf.

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