PERI REPORT

MARCH 2021

Job Creation Estimates for Massachusetts through U.S. THRIVE Agenda

Program to Transform, Heal, and Renew by Investing in a Vibrant Economy—THRIVE

This report presents estimates of the job creation that would result in Massachusetts if the U.S. Congress passes economic recovery legislation that implements a national THRIVE investment agenda, as described in a September 2020 Congressional resolution.¹ The overall finding we report here is that implementing the 10-year THRIVE investment agenda in Massachusetts would generate about 171,000 jobs in the first full year of the program. This higher level of employment in Massachusetts would be sustained throughout the 10 years of the investment program (assuming no other major changes in Massachusetts's economy were to occur).² Thus, if the THRIVE program were implemented in full in 2021, employment in Massachusetts would increase by 171,000 jobs and that higher level of employment would continue in the state as the 10-year program continues until 2030.

The Congressional resolution's commitment is to "Transform, Heal and Renew by Investing in a Vibrant Economy" –i.e. "THRIVE"—through a range of investments to rebuild the U.S. economy. To date, the THRIVE Agenda has been endorsed by more than 100 members of Congress, including Senate Majority Leader Chuck Schumer, and hundreds of major union, racial justice, and climate organizations.³ The aims of the THRIVE Agenda are similar to those proposed in the Build Back Better program advanced by President Biden during his 2020 presidential campaign.

Robert Pollin

Jeannette Wicks-Lim

Shouvik Chakraborty

Gregor Semieniuk

Chirag Lala



https://www.congress.gov/bill/116th-congress/house-resolution/1102/text

² Of course, other changes in Massachusetts' economy will occur over the 10-year period 2021 – 2030, often in ways that cannot be predicted in advance. Still, our estimate of a 171,000 increase in employment under an "all else equal" assumption provides a benchmark for measuring the extent to which the THRIVE Agenda will expand job opportunities in the state, even after we allow that, in reality, economic conditions will undergo changes between 2021-2030.

³ https://www.thriveagenda.com

The THRIVE Agenda consists of four major investment areas:

- 1. Clean renewable energy and energy efficiency: To expand access to renewable energy and improve the energy efficiency of vehicles, buildings, and industries so as to achieve the climate stabilization goals set out by the Intergovernmental Panel on Climate Change (IPCC) of reducing carbon dioxide emissions by 45 percent by 2030 and to reach net zero emissions by 2050.
- **2.** *Infrastructure:* To expand access to affordable transportation, high-speed broadband, clean water, upgrade parks and other public amenities, reduce pollution, and strengthen the public resources needed to undergird a manufacturing revival.
- **3.** Agriculture and land restoration: To expand opportunities for family farmers, including younger farmers and people of color, and to support regenerative agriculture, local and regional food systems, and climate resilience.
- **4. Care economy, public health, and the postal system:** To significantly expand and enhance the level of service provision in these crucial areas of the economy and to raise job quality standards—including wages, benefits, and workplace conditions—for workers employed in these activities.

For the U.S. as a whole, the THRIVE Agenda is designed as a 10-year investment program, with an average annual budget of \$954 billion.⁴ This would amount to about 4.0 percent of average U.S. Gross Domestic Product over 2021 – 2030, assuming that the U.S. economy grows at about 2.2 percent per year.

Our job creation estimates for Massachusetts result from the state receiving its share of the overall THRIVE budget based on its share of the U.S. population. Because Massachusetts accounts for 2.1 percent of the U.S. population, its share of the \$954.2 billion annual U.S. THRIVE budget would be \$20.0 billion per year (with rounding). The proportions of total THRIVE spending in Massachusetts will also be equal to their respective shares for the overall U.S. economy. In Table 1, we show Massachusetts' annual budget allocations by investment area under THRIVE between 2021 – 2030. They amount to: \$7.6 billion for clean renewable energy and energy efficiency; \$6.8 billion for infrastructure; \$3.9 billion for agriculture and land restoration; and \$1.7 billion for the care economy, public health and postal service.

As we noted above and present in detail in the following tables, this level of investment spending in Massachusetts will generate an average of about 171,000 jobs within the state. This is equal to 4.5 percent of Massachusetts' labor force as of February 2020. To illustrate the potential impact of this level of job creation in Massachusetts, let us assume that these investments are undertaken in the state, and all else about the state's economy

In our March 2021 report *Employment Impacts of Proposed U.S. Economic Stimulus Programs: Job Creation, Job Quality, and Demographic Distribution Measures*, we describe the components of the overall U.S. THRIVE Agenda and the sources for the budget figures in the program's various investment areas. We also present details on our methodology for estimating job creation figures and related data presented for the national THRIVE program: https://www.peri.umass.edu/publication/item/1397-employment-impacts-of-proposed-u-s-economic-stimulus-programs.

TABLE 1: U.S. THRIVE Agenda Budget and Massachusetts Budget Allocations through THRIVE *Massachusetts population* = 2.1% of U.S. population

	Overall U.S. THRIVE Agenda Budget				
	U.S. THRIVE Agenda Budget Shares of U.S. THRIVE Allocations Agenda Budget Allocations		THRIVE Agenda Budget Allocations		
Clean renewable energy and energy efficiency	\$358.8 billion	37.6%	\$7.6 billion		
Infrastructure	\$324.3 billion	34.0%	\$6.8 billion		
Agriculture and land restoration	\$186.6 billion	19.5%	\$3.9 billion		
Care economy, public health, and postal service	\$84.5 billion	8.9%	\$1.7 billion		
Totals	\$954.2 billion	100%	\$20.0 billion		

Source: https://www.peri.umass.edu/publication/item/1397-employment-impacts-of-proposed-u-s-economic-stimulus-programs.

were to remain equal. Under such an "all else equal" assumption, this level of job creation would result, for example, in the state's unemployment rate falling to 5.3 percent from its average level of 9.8 percent between July – December 2020. A reduction in Massachusetts' unemployment rate at something approximate to this scale would represent a major expansion in job opportunities throughout the state. Indeed, implementing the THRIVE Agenda in Massachusetts would likely encourage a large number of people to enter Massachusetts' labor force, or to reenter after having dropped out because their prospects for getting hired had been discouraging. Overall, the rise in the state's employment opportunities will provide a foundation for a broader improvement in living conditions for the people of Massachusetts.⁵

Of course, this expansion in job opportunities would be in addition to the benefits to the people of Massachusetts through implementing the THRIVE investment program—i.e. the benefits resulting from building a clean energy system throughout the state; deepening the state's commitment to protecting its environment; enhancing productivity and business opportunities through upgrading the state's infrastructure; widening opportunities in agriculture and land restoration; and raising quality standards in the provision of care economy, health care and postal delivery services.

In Employment Impacts of Proposed U.S. Economic Stimulus Programs, as cited above, we provide evidence on job creation at the national level within five major sectors of the U.S. economy: manufacturing; services; construction; wholesale and retail trade; and agriculture. For example, we report that manufacturing employment through the national THRIVE program will amount to 1.6 million jobs, equal to 10.3 percent of the 15.5 million overall level of job creation. This study of the U.S. economy-wide impact of the THRIVE Agenda also includes data on 1) wages, benefits and unionization rates for workers currently employed in the range of activities associated with the THRIVE Agenda; 2) educational attainment levels of these workers; and 3) shares of women and people of color employed in these activities at present.

MASSACHUSETTS Energy Efficiency and Clean Renewable Energy Investments through THRIVE Agenda

TABLE 2A: Energy Efficiency and Clean Renewable Energy Investments: Job Creation—*Direct, Indirect, and Induced Jobs*

	Job Creation per \$1 Million in Spending					
	1) Direct Jobs	ect Jobs 2) Indirect Jobs 3) Induced Job		4) Total Jobs		
Energy efficiency						
Building retrofits	4.3	1.9	2.5	8.7		
Industrial efficiency	3.0	0.8	2.0	5.8		
High-efficiency autos	0.1	0.0	0.0	0.1		
Renewable energy						
Wind energy	1.6	0.5	1.0	3.1		
Solar energy	2.1	0.8	1.5	4.4		
Geothermal energy	5.0	1.3	3.1	9.4		

TABLE 2B: Energy Efficiency and Clean Renewable Energy Investments: *Total Jobs Created with Budgetary Figures*

		Annual Job	Creation	Jo	b-Years Created, Al	II Years
	1) Total Jobs/ \$1 Million	Annual Budget	Job Creation per Year	# of Years	Total Budget	Total Job Years
Energy efficiency						
Building retrofits	8.7	\$1.2 billion	10,400	10	\$12.0 billion	104,000
Industrial efficiency	5.8	\$131.8 million	800	10	\$1.3 billion	8,000
High-efficiency autos	0.1	\$1.2 billion	100	10	\$12.0 billion	1,000
Renewable energy						
Wind energy	3.1	\$2.3 billion	7,100	10	\$22.6 billion	71,000
Solar energy	4.4	\$2.3 billion	10,100	10	\$22.6 billion	101,000
Geothermal energy	9.4	\$502.1 million	4,700	10	\$5.0 billion	47,000
Total		\$7.6 billion	33,200	10	\$76.0 billion	332,000

MASSACHUSETTS Infrastructure Investments through THRIVE Agenda

TABLE 3A: Infrastructure Investments: Job Creation—Direct, Indirect, and Induced Jobs

		Job Creation per \$1	Million in Spending	
	1) Direct Jobs	2) Indirect Jobs	3) Induced Jobs	4) Total Jobs
Surface transportation	10.3	1.1	2.8	14.2
Water/wastewater	4.3	1.0	2.2	7.5
Electricity	1.7	0.4	0.9	3.0
Airports	2.5	0.6	1.3	4.4
Inland waterways/marine ports	2.4	0.9	1.4	4.7
Dams	7.2	1.5	3.7	12.4
Hazardous and solid waste	5.6	1.7	3.0	10.3
Levees	7.3	1.5	3.8	12.6
Public parks and recreation	9.9	2.0	3.4	15.3
Rail	2.5	1.0	1.6	5.1
Schools	10.0	1.2	3.7	14.9
Gas distribution pipelines-leak repairs only	0.6	1.1	1.2	2.9
Broadband	1.8	1.7	1.5	5.0

TABLE 3B: Infrastructure Investments: *Total Jobs Created with Budgetary Figures*

		Annual Job Creation		J	ob-Years Created, Al	l Years
	1) Total Jobs/ \$1 Million	Annual Budget	Job Creation per Year	# of Years	Total Budget	Total Job Years
Surface transportation	14.2	\$2.3 billion	32,700	10	\$23.0 billion	327,000
Water/wastewater	7.5	\$673.7 million	5,100	10	\$6.7 billion	51,000
Electricity	3.0	\$893.4 million	2,700	10	\$8.9 billion	27,000
Airports	4.4	\$87.9 million	400	10	\$879.0 million	4,000
Inland waterways/ marine ports	4.7	\$31.4 million	100	10	\$314.0 million	1,000
Dams	12.4	\$81.6 million	1,000	10	\$816.0 million	10,000
Hazardous and solid waste	10.3	\$6.3 million	60	10	\$63.0 million	600
Levees	12.6	\$146.5 million	1,800	10	\$1.5 billion	18,000
Public parks and recreation	15.3	\$213.4 million	3,300	10	\$2.1 billion	33,000
Rail	5.1	\$437.3 million	2,200	10	\$4.4 billion	22,000
Schools	14.9	\$795.0 million	11,800	10	\$8.0 billion	118,000
Gas distribution pipe- lines–leak repairs only	2.9	\$382.9 million	1,100	10	\$3.8 billion	11,000
Broadband	5.0	\$732.3 million	3,700	10	\$7.3 billion	37,000
Total		\$6.8 billion	65,960	10	\$68.0 billion	659,600

MASSACHUSETTS Agriculture and Land Restoration Investments through THRIVE Agenda

TABLE 4A: Agriculture and Land Restoration Investments: Job Creation— *Direct, Indirect, and Induced Jobs*

	Job Creation per \$1 Million in Spending					
	1) Direct Jobs 2) Indirect Jobs 3) Induced Jobs		3) Induced Jobs	4) Total Jobs		
Agriculture						
Regenerative agriculture	5.4	0.4	0.7	6.5		
Farmland conservation	6.9	1.3	2.4	10.6		
Organic farming	5.4	0.4	0.7	6.5		
Resources for marginalized farmers	7.7	1.0	1.9	10.6		
Agricultural R&D	4.6	1.4	2.5	8.5		
Land restoration						
Pollution cleanup	6.3	1.6	3.3	11.2		
Closing orphaned wells	0.4	0.6	0.7	1.7		
Ecosystem restoration	11.6	2.0	3.5	17.1		

TABLE 4B: Agriculture and Land Restoration Investments: Total Jobs Created with Budgetary Figures

		Annual Job	Creation	J	ob-Years Created, A	II Years
	1) Total Jobs/ \$1 Million	Annual Budget	Job Creation per Year	# of Years	Total Budget	Total Job Years
Agriculture						
Regenerative agriculture	6.5	\$857.8 million	5,600	10	\$8.6 billion	56,000
Farmland conservation	10.6	\$523.1 million	5,500	10	\$5.2 billion	55,000
Organic farming	6.5	\$31.4 million	200	10	\$314.0 million	2,000
Resources for marginalized farmers	10.6	\$1.9 billion	20,100	10	\$19.0 billion	201,000
Agricultural R&D	8.5	\$52.3 million	400	10	\$523.0 million	4,000
Land restoration						
Pollution cleanup	11.2	\$263.6 million	3,000	10	\$2.6 billion	30,000
Closing orphaned wells	1.7	\$251.1 million	400	10	\$2.5 billion	4,000
Ecosystem restoration	17.1	\$20.9 million	400	10	\$209.0 million	4,000
Total		\$3.9 billion	35,600	10	\$39.0 billion	356,000

MASSACHUSETTS Care Economy, Public Health, and Postal Service Investments through THRIVE Agenda

TABLE 5A: Care Economy, Public Health, and Postal Service Job Creation— Direct, Indirect, and Induced Jobs

	Job Creation per \$1 Million in Spending						
	1) Direct Jobs	2) Indirect Jobs	3) Induced Jobs	4) Total Jobs			
Care economy	15.9	1.6	4.3	21.8			
Public health	7.1	1.8	3.3	12.2			
Postal service	6.4	0.8	3.0	10.2			

TABLE 5B: Care Economy, Public Health, and Postal Service Investments: *Total Jobs Created with Budgetary Figures*

		Annual Job Creation		Job-Years Created, All Years		
	1) Total Jobs/ \$1 Million	Annual Budget	Job Creation per Year	# of Years	Total Budget	Total Job Years
Care economy	21.8	\$1.6 billion	34,900	10	\$16.0 billion	349,000
Public health	12.2	\$94.2 million	1,100	10	\$942.0 million	11,000
Postal service	10.2	\$52.3 million	500	10	\$523.0 million	5,000
Total		\$1.7 billion	36,500	10	\$17.0 billion	365,000

TABLE 6: MASSACHUSETTS Job Creation Estimates through all THRIVE Agenda Investments

	Annual Budget and	Job Creation Figures	Total Budget and Job-Years Figures		
	Annual Budget	Annual Job Creation	Total Budget	Total Job Creation, Job Years	
Infrastructure investments	\$6.8 billion	65,960	\$68.0 billion	659,600	
Clean energy investments	\$7.6 billion	33,200	\$76.0 billion	332,000	
Agriculture and land restoration investments	\$3.9 billion	35,600	\$39.0 billion	356,000	
Care economy, public health, and postal service investments	\$1.7 billion	36,500	\$17.0 billion	365,000	
Total	\$20.0 billion	171,260	\$200.0 billion	1,712,600	

Acknowledgments

This project was supported financially by the U.S. Green New Deal Network. We gratefully acknowledge their support, as well as the fact that they respected our terms of engagement. Those terms included full autonomy in developing the statistical findings presented here. The study benefited substantially from discussions with Matt Ryan of the Working Families Party, Ben Beachy and Isabel Estevez of the Sierra Club, and Nick Berning of the Green New Deal Network. We also benefited from the excellent research assistance of Ray Caraher, Emily Diaz-Loar, and Bilen Gurara. Kim Weinstein somehow produced a clearly readable document from our cyber-piles of tables.

About the Authors

Robert Pollin

Distinguished University Professor of Economics and Co-Director, Political Economy Research Institute (PERI) University of Massachusetts Amherst

Jeannette Wicks-Lim

Associate Professor, Political Economy Research Institute (PERI) University of Massachusetts Amherst

Shouvik Chakraborty

Assistant Professor, Political Economy Research Institute (PERI) University of Massachusetts Amherst

Gregor Semieniuk

Assistant Professor,
Political Economy Research Institute (PERI)
University of Massachusetts Amherst

Chirag Lala

Economics Ph.D. student, University of Massachusetts Amherst

POLITICAL ECONOMY RESEARCH INSTITUTE

The Political Economy Research Institute (PERI) promotes human and ecological well-being through our original research. Our approach is to translate what we learn into workable policy proposals that are capable of improving life on our planet today and in the future. In the words of the late Professor Robert Heilbroner, we at PERI "strive to make a workable science out of morality."

Established in 1998, PERI is an independent unit of the University of Massachusetts, Amherst, with close ties to the Department of Economics. PERI staff frequently work collaboratively with faculty members and graduate students from the University of Massachusetts, and other economists from around the world. Since its founding, PERI has become a leading source of research and policy initiatives on issues of globalization, unemployment, financial market instability, central bank policy, living wages and decent work, and the economics of peace, development, and environmental sustainability.



PERI.UMASS.EDU • GORDON HALL, 418 N. PLEASANT ST., SUITE A, AMHERST, MA 01002 • TEL: 413-545-6355