

# The Truth about Green Jobs

California's economy will be weaker if state sacrifices existing job base to reach green job goals

## Key report conclusions

1. Where existing jobs are counted as green and when policies create green jobs at the expense of existing jobs, the true impact of green policies can't be determined.
2. Green job policies are counterproductive if California becomes economically inefficient -- creating green jobs but raising costs or reducing output.
3. Due to these and other factors, no study yet proves that green job policies will be beneficial to the California economy.

## What the report says about green job costs

### Costs in the U.S.

"This year, the department of Energy's \$2.3 billion in tax credits is designed to create 17,000 "clean tech" jobs. This works out to \$135,000 in subsidies per job."

"Even if green jobs can be created the cost of doing so -- of essentially using more labor to create less energy -- does not represent a positive economic result."

### Costs in California

"It is simply impossible to see how draconian legislation -- particularly through mandates imposed in only one state -- can not have serious deleterious economic impacts."

### Costs in Denmark and Germany

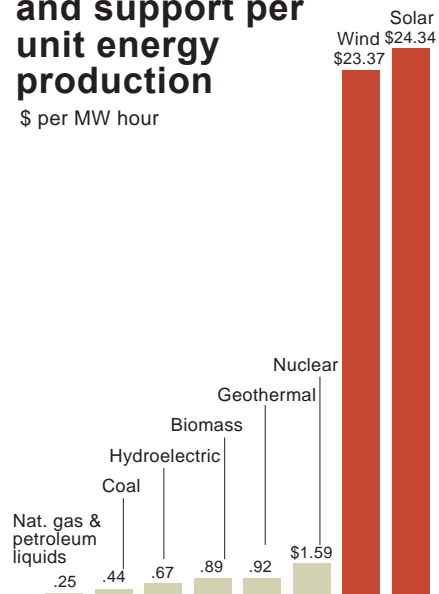
"The cost of green jobs is also very high in Denmark, subsidies per job reach upwards of \$150,000 a year; in Germany, the cost has been estimated as high as \$250,000."

### Costs in Spain

"Given the much higher costs of renewable energy the report estimates that each green megawatt installed destroys 5.28 jobs on average elsewhere in the economy."

### National subsidies and support per unit energy production

\$ per MW hour



This is the CA Manufacturers & Technology Association's summary of "The Truth about Green Jobs and California" report written in May, 2010 by Bill Watkins, Ph.D, of Cal Lutheran University and Joel Kotkin.

You can find the report at [www.cmta.net/greenjobstruth](http://www.cmta.net/greenjobstruth)

# The Truth about **Green Jobs** and California

## CMTA Findings and Recommendations

### California should grow the right green jobs

California needs many new high-wage jobs over the long term for our growing population. We should attract our fair share of all jobs, including those we consider "green".

We should encourage growth of green jobs that are in addition to, and not at the expense of, high wage manufacturing and other jobs in our economy.

We should not value "green" jobs that require heavy-handed government regulation and excessive subsidies.

### The Right Green Jobs =

New green product manufacturers, research & development jobs, and service jobs that relate to purchases and installation of new green systems.

### The Wrong Green jobs =

Jobs created by policies that make it harder to retain and grow high wage jobs or that burden consumers with high costs.

### California will not attract its fair share of the right green jobs

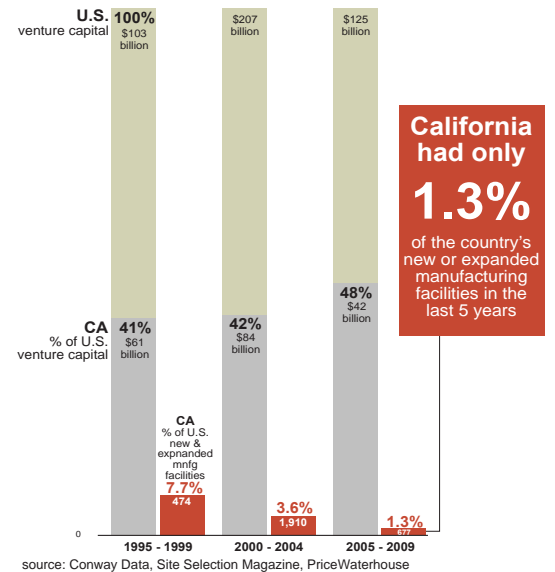
The right green jobs require a healthy business climate to attract investment - we don't have it. CEO Magazine has ranked California the worst place to do business for five consecutive years.

The right green jobs need a growing economy -- we don't have it.

The right green jobs need new investment - we are not getting new manufacturing expansion.

The right green jobs in the manufacturing sector need a competitive cost structure for energy, labor, land use, and taxes - we don't have it.

### California venture capital not turning into manufacturing growth



### California-only climate change policies could jeopardize the right green jobs

The irony: The very policies touted as necessary to grow green jobs will actually HURT the right green jobs through higher energy costs and other regulatory burdens.

### California manufacturers pay higher costs than rest of the nation

