

Does Green Energy Add 5 Million Jobs? Potent Pitch, but Numbers Are Squishy

By JEFFREY BALL

Calls for a clean-energy system in the U.S. have long met with sticker shock. Now, the cost of making the transition -- hundreds of billions of dollars -- is being touted as a selling point.

President-elect Barack Obama and his energy advisers have been making the case that a multibillion-dollar government investment in everything from wind turbines to a "smart" electrical grid is just what's needed to help revive the economy. The lure is millions of government-subsidized "green jobs."

The Obama camp says spending \$150 billion on energy efficiency over the next decade would help create 5 million jobs. A worker adjusts a wind farm rotor.

On the campaign trail, Mr. Obama argued that spending \$150 billion over the next decade to boost energy efficiency would help create five million jobs. The jobs would include insulation installers, to make houses more energy-efficient, wind-turbine builders, to displace coal-fired electricity, and construction workers, to build greener buildings and upgrade the electrical grid.

The numbers are debated by the Obama advisers themselves, and are likely to spark debate when Congress considers a stimulus package including green jobs. But a big government push, focused on jobs, may represent the best chance in years for renewable energy and energy efficiency to take root in the U.S., a voracious energy consumer.

"It's a terrible situation that we find ourselves in," says Bracken Hendricks, an energy adviser to Mr. Obama and a senior fellow at the Center for American Progress, a left-leaning Washington think tank. "But it's exciting that these issues are getting some attention."

The green-jobs argument rests on the notion that big capital investments in new-energy technology today will be more than offset by savings in reduced fossil-fuel costs. Though oil prices have fallen, the International Energy Agency predicted Thursday that once the economy picks up again, they will resume climbing, potentially topping \$200 a barrel by 2030. The IEA called the current energy system "patently unsustainable" and called for "radical action by governments."

The added allure of clean-energy spending as economic stimulus is that the industry is relatively young and growing fast. Unlike the fossil-fuel industry, which has matured over decades, it is just starting to build its basic infrastructure -- wind turbines, solar panels and a more-sophisticated electric-transmission grid.

Several studies estimate that \$1 invested in renewable energy or energy efficiency would yield up to four times as many jobs as \$1 invested in oil and gas, whose basic infrastructure of wells, refineries and pipelines has been around for years. Moreover, those studies say, clean-energy jobs are likely to be centered in the U.S., unlike jobs in the oil and gas industry, which increasingly are spread around the world.

Critics say analyzing only new green jobs misses half the story.

"It's not looking at the other side of the coin: You are spending more money for your energy," says Anne Smith, a vice president at CRA International. The consulting firm wrote a report for the coal-mining industry in April that concluded that, under a bill to cap global-warming emissions, gains in green jobs would be "more than offset" by job losses elsewhere in the economy. That bill failed, but Mr. Obama has said he supports capping emissions.

The green-jobs argument isn't new. In the 1970s, amid an energy and economic crisis, President Jimmy Carter cited job creation as one reason for his calls to increase federal spending on renewable-energy research and development. But the argument has taken on new life in the past few years, as environmental activists have concluded that saving the planet isn't enough to make most Americans support higher government spending.

The job creation number cited by Mr. Obama has its roots in several green-jobs studies. Each projected different numbers, because each made different assumptions -- for instance, about the number of additional jobs that would be created by the spending of every person directly employed in a green job.

Robert Pollin, a professor at the University of Massachusetts, Amherst, who co-wrote another study, questions the job target touted by the Obama campaign, saying it would cost much more.

Mr. Pollin's study, sponsored by the Center for American Progress, came out in September, after green jobs had become a theme on the presidential campaign trail. It said that \$100 billion spent over two years could produce two million green jobs.

Even Mr. Pollin's study assessed only the number of jobs that might be added if the government spent more money on clean energy. It didn't count jobs that might be lost elsewhere in the economy if the country shifted to costlier sources of energy.

Mr. Pollin says he's working on a fuller study now. He and other green-jobs advocates say that, on balance, shifting to cleaner sources of energy creates more jobs than it destroys.

The Apollo Alliance, a San Francisco coalition of environmental and labor groups, also released a study in September. It concluded that five million green jobs could be had with an investment of \$500 billion -- more than three times Mr. Obama's number.

Kate Gordon, co-director of the Apollo Alliance, says the numbers are less important than the message. "Honestly," she says, "it's just to inspire people."

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Addendum: Kate Gordon wrote a letter to the Wall Street Journal in which she said she was misquoted and defended the accuracy of the five million jobs figure.