

***Economics: A Christian Worldview. Article:
“Why Jobs Don’t Justify Government Spending”***

TEACHER INSTRUCTIONS/KEY

Time

12-15 minutes

Instructions

1. Print Pages 2 & 3 (front to back if possible) and hand out to students.
2. Instruct students to read the article and answer the Questions for Review. (Take 8-10 minutes.)
3. Discuss together as a class. (Key is below.)

Key

1. What do private business owners look for when they consider hiring someone? How does this differ from government agencies?
Private business owners try to calculate if the worker will produce more for the business than it costs to employ him, so the company can make a profit (otherwise it’s counterproductive to hire him). Government agencies have no such outlook; they don’t have to be profitable, so no consideration is given to this important principle.
2. Explain the government-built bridge’s “seen and not seen” principle.
People see a bridge built by government by employing many, but they don’t see what could have been accomplished if the money were used differently. Governments don’t care about being efficient with the money spent on the bridge, because they face no repercussions like private companies do.
3. Finish this sentence: Every dollar spent on a government-built bridge is a dollar ____.
Taken away from taxpayers to spend on themselves.
4. What does the author say government employees who lost their jobs would be forced to do? Why is this preferable?
They would be forced to find jobs in the private sector. Those jobs would be more subject to the rigorous demands of employers—that employees create more than they are worth, so they are worth hiring. This profits society much more.
5. What vibe/attitude do you detect from individuals like the above one who is angry about losing a government job (the “showing modern art to Afghani women”)?
They come across as arrogant and entitled—like they are somehow naturally deserving of being paid huge amounts of money. This is a very common attitude that pervades bureaucrats of every kind.

Why Jobs Don't Justify Government Spending

Peter Jacobsen

Tuesday, March 11, 2025

Government jobs aren't a free lunch.

My colleague, Maggie Anders, recently made an insightful post on X.



Maggie ✓
@maggiemoda



"But people will lose their jobs" is not a legitimate argument for continuing to pump taxpayer dollars into the bloated federal government. Sorry.



@amuse ✓ @amuse · Feb 13

USAID: British politician complaining that his wife was supposed to get \$1M in USAID grants before Trump cancelled the contract. Rory Stewart's wife runs Turquoise Mountain Foundation, which exposes modern art to puzzled Afghan women.

...

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As Trump begins to shutter government bureaus (or at least pieces of them), many are highlighting an obvious downside: government employees will lose jobs if you shut down government agencies.

Some articles are calling it the biggest layoff in history, and saying it will have serious, negative economic consequences. Others hedge by saying the impact may not be felt for a long time.

Of course, it is unfortunate when people lose their jobs....However, it does not follow that every job is worth preserving.

When *any* job is created, government or otherwise, it comes with a potential upside and downside. The upside is the value the job produces both for the individual and for the rest of society based on what he produces in his job. The downside is that the individual's time and the resources they use to accomplish the job cannot be allocated to the production of alternative goods. Economists call these foregone [lost] opportunities the *opportunity cost* of the job.

In private markets, companies compare the upside of a person's job with the downside by looking at how much the worker produces (in terms of additional revenue generated) and comparing that to how much he costs to employ (...wages, benefits, and so on). If a new job produces more revenue than it costs...the job will be created, because it adds to the company's profitability. If a new job costs more than the revenue it brings in, then this implies that other uses of those resources are expected to be more urgently demanded by consumers. In this case, the company would make a loss, and the new job would not be created.

On the flip side, when the government creates jobs, no such accounting takes place. Since politicians and bureaucrats do not use profit and loss, there is no way to see if the value of the resources used is greater than the value of the services provided. To quote the economist Ludwig von Mises:

A government is not a profit-seeking enterprise. The conduct of its affairs cannot be checked by profit-and-loss statements. Its achievement cannot be valued in terms of money.

The upside of government programs is easily visible—when the government builds a new bridge, you can see people use the bridge. However, the downside is less clear. The money and resources the government took from taxpayers to build the bridge and hire employees could have been used for other things, but since politicians take these resources from voters via taxation, they do not bear the cost and cannot account for it.

In *Economics in One Lesson*, Henry Hazlitt makes a related point about governments building bridges:

When providing employment becomes the end [of building the bridge], need becomes a subordinate consideration. "Projects" have to be invented. Instead of thinking only where bridges must be built, the government spenders begin to ask themselves where bridges can be built.

But don't these jobs make society richer? Not so fast. Hazlitt continues:

It is true that a particular group of bridgeworkers may receive more employment than otherwise. But the bridge has to be paid for out of taxes. For every dollar that is spent on the bridge a dollar will be taken away from taxpayers.

The government *can* create jobs by taking tax dollars. However, some jobs are destructive to the wealth of society. It would be wasteful if some private company used millions of dollars of resources to dig holes in the ground and immediately refill them. The reason we don't worry about this happening is that a company whose owners chose to do this would make massive losses.

No taxpayer would be happy with the government paying someone a six-figure salary to dig holes and fill them back in. But how can the government be sure that existing government jobs aren't wealth-destroying? How can we tell if some positions are essentially just hole-digging-and-refilling positions? Without profit-and-loss accounting, we can't.

The federal government is not fundamentally a jobs program—at least not if we want it to make the lives of citizens better. As such, the claim that cutting government is bad for the economy because people lose jobs does not follow. Those people will go on to find jobs in the private sector, where their new employers are subject to the desires of customers and the forces of competition, profit, and loss.

Maggie's point here is absolutely correct. The government is not a jobs program.

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Questions for Review:

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This article may be found here: <https://fee.org/articles/why-jobs-dont-justify-government-spending>