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In Tennessee Corner, Stimulus Meets New Deal

By [MICHAEL COOPER](#)

LINDEN, Tenn. — Critics elsewhere may be questioning how many jobs the stimulus program has created, but here in central Tennessee, hundreds of workers are again drawing paychecks after many months out of work, thanks to a novel use of federal stimulus money by state officials.

Here in one of Tennessee's hardest-hit areas, some workers were cutting down pine trees with chainsaws and clearing undergrowth on a recent morning, just past the auto parts factory that laid them off last year when it moved to Mexico. Others were taking applications for unemployment benefits at the very center where they themselves had applied not long ago. A few were making turnovers at the Armstrong Pie Company ("The South's Finest Since 1946").

The state decided to spend some of its money to try to reduce unemployment by up to 40 percent here in [Perry County](#), a rural county of 7,600 people, 90 miles southwest of Nashville where the unemployment rate had risen to above 25 percent after its biggest plant, the auto parts factory, closed.

Rather than waiting for big projects to be planned and awarded to construction companies, or for tax cuts to trickle through the economy, state officials hit upon a New Deal model of trying to put people directly to work as quickly as possible.

They are using [welfare money](#) from the stimulus package to subsidize 300 new jobs across Perry County, with employers ranging from the state Transportation Department to the milkshake place near the high school.

As a result, the June unemployment rate, which does not yet include all the new jobs, dropped to 22.1 percent.

"If I could have done a W.P.A. out there, I would have done a W.P.A. out there," said [Gov. Phil Bredesen](#) of

[Tennessee](#), a Democrat, referring to the [Works Progress Administration](#), which employed millions during [the Great Depression](#).

“I really think the president is trying to do the right thing with the stimulus,” Mr. Bredesen said, “but so much of that stuff is kind of stratospheric. When you’ve got 27 percent unemployment, that is a full-fledged depression down in Perry County, and let’s just see if we can’t figure out how to do something that’s just much more on the ground and direct, that actually gets people jobs.”

Tennessee is planning to pay for most of the new jobs, which it expects will cost \$3 million to \$5 million, with part of its share of \$5 billion that was included in the stimulus for the Temporary Assistance for Needy Families program, the main cash welfare program for families with children. The state did not wait for the federal paperwork to clear before putting residents of Perry County back to work.

Other states are still drawing up plans for spending the welfare money, which is typically used for items like cash grants for families and job training. Some are likely to use part of it to subsidize employment, as Tennessee is doing, but it is hard to imagine many other places where the creation of so few jobs could have such an immediate and outsize impact as it did in this bucolic county.

A stimulus job came just in time for Frank Smith, 41, whose family was facing eviction after he lost his job as a long-haul truck driver. Then he landed a job with the Transportation Department.

“The day I came from my interview here, I was sitting in the court up here where I was being evicted,” Mr. Smith said after a sweaty morning clearing trees under a hot sun to make room for new electric poles. “Luckily I’m still in the same place. There’s a lot of people that were totally displaced.”

Scott and Allison Kimble married after meeting on the assembly line at the Fisher & Company auto parts plant. When the factory closed last year and relocated to Mexico, the Kimbles, along with many of their friends and neighbors, found themselves out of work. Now Mr. Kimble has a stimulus job working for the Transportation Department, and Ms. Kimble has one in what has become a growth industry, taking telephone applications for unemployment benefits.

“I know what they feel like,” she said between calls. “I’ve been in their position.”

Michael B. Smith, 53, who drove a forklift at the plant for 31 years, now drives a Caterpillar to clear land for a developer. Robert Mackin, 55, who lost his job, his health insurance and his home, now has a job with the Transportation Department, a rental home, health insurance and an added benefit: the state employee discount when his daughter goes to a state college.

“With a degree, she can always go somewhere,” Mr. Mackin said.

The impact has been enormous, all across the county. Even the look of the place is changing, following the old W.P.A. model. In addition to the jobs for adults, there are 150 summer jobs for young people, some of whom have been working with resident artists to paint murals depicting local history on the buildings along Main Street in Linden, the county seat.

Over all, two-thirds of the new jobs are in private sector businesses, which are reimbursed by the state for the salaries of eligible stimulus workers. Some, in retail, might be hard to sustain when the stimulus money runs out in September 2010. Other businesses say the free labor will help them expand, hopefully enough to keep a bigger work force.

[The Commodore Hotel Linden](#), a newly restored 1939 hotel that has brought new life to [downtown](#), has seen an increase in its bookings since it has expanded its staff thanks to the stimulus. And the [Armstrong Pie Company](#) expects to be able to keep on the new bakery assistants and drivers it hired with stimulus money, saying the new workers have helped the company triple its pie production and expand its reach through central Tennessee.

The county mayor, John Carroll, has been working to lure new industry to the area. Walking through the cavernous, empty Fisher plant, Mr. Carroll pointed to a forgotten display case filled with dozens of awards for safety and manufacturing excellence. “What we can offer,” he said, “is a great work force.”

Mr. Kimble said the new jobs had given him and his wife paychecks, health insurance and a reason to get up each morning. But he said he hoped that a big, long-term employer would move in soon.

“This job here is not a permanent fix,” he said. “We still need some kind of industry to look and come into Perry County. But for right now we’ve got hope, and when you’ve got hope, you’ve got a way.”

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