

# As senator, Clinton promised 200,000 jobs in Upstate New York. Her efforts fell flat.

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By **Jerry Markon** August 7 at 7:43 PM

In her presidential bid, Hillary Clinton has made job creation a centerpiece of her platform, casting herself as a pragmatist who would inspire “the biggest investment in new, good-paying jobs since World War II.”

Her argument that she would put more Americans to work has focused on her time in the Senate, when she took on the mission of creating jobs in chronically depressed Upstate New York. As her husband, former president Bill Clinton, put it recently, she became the region’s “de facto economic development officer.”

But nearly eight years after Clinton’s Senate exit, there is little evidence that her economic development programs had a substantial impact on upstate employment. Despite Clinton’s efforts, upstate job growth stagnated overall during her tenure, with manufacturing jobs plunging nearly 25 percent, according to jobs data.

The former first lady was unable to pass the big-ticket legislation she introduced to benefit the upstate economy. She turned to smaller-scale projects, but some of those fell flat after initial glowing headlines, a Washington Post review shows. Many promised jobs never materialized and others migrated to other states as she turned to her first presidential run, said former officials who worked with her in New York.

Clinton’s self-styled role as economic promoter also showcases an operating style that has come to define the political and money-making machine known to some critics of the former first couple as Clinton Inc. Some of her pet economic projects involved loyal campaign contributors, who also supported the Clinton Foundation, The Post review shows.

Clinton’s Senate record — rarely examined in detail this campaign cycle — offers a template for her approach to jobs creation. Her campaign has crafted a detailed jobs plan and cited her Upstate New York work as a blueprint for a Clinton presidency.

Republican opponent Donald Trump claims he’s created “thousands and thousands of jobs” as an international developer and knows better how to stimulate the economy. Most of the jobs Trump created were construction and management jobs for projects early in his career, when he was building heavily in New York City and other locations.

Clinton's pledge to help Upstate New York amid an early 2000s recession was risky, experts say. "To her credit, she really did focus on economic development upstate as a focus and as a purpose," said David Shaffer, former president of the Albany-based Public Policy Institute, which compiles New York jobs data.

But Shaffer and other experts faulted Clinton for setting an unrealistic goal by promising to create 200,000 new jobs in a region struggling to retain existing positions. "As soon as I heard that, I thought, 'Okay, some D.C. consultant sat around with focus groups to figure out what would sound good. You wouldn't make a promise like that if you had seriously looked into it,'" Shaffer said.

Clinton also has touted success with cosmetic projects that created few jobs, The Post found. Nicholas A. Langworthy, the Republican Party chairman in Erie County, N.Y., said he's taken aback by Clinton's repeated references to what he described as "small bore" efforts, such as securing federal money for a Buffalo project called Artspace that created residential living space for artists. Clinton cites Artspace in her list of Senate accomplishments.

"To have someone running for president of the United States bragging about an Artspace apartment building in Buffalo is laughable," Langworthy said. "That's a project a city council member or a small-city mayor would champion, not a U.S. senator."

Kris Balderston, a longtime senior Clinton aide now at FleishmanHillard, a D.C. communications firm, said the Buffalo project was a "symbol that she was going to be helping everybody no matter how big or small."

Clinton's backers say the unfulfilled jobs promise pales in comparison to her work on the Sept. 11, 2001 recovery and protecting New York military installations. All told, Clinton aides have said, she helped to secure more than \$1 billion in federal assistance for New York, not including \$20 million in post-Sept. 11 funds.

Campaign spokesman Glen Caplin said Clinton "worked hard" to create jobs. "Facing the stiff head winds of the [George W.] Bush economy, she never gave up and never stopped fighting for New York jobs," he said.

Caplin added, referring to the campaign contributions and Clinton Foundation donations by some of the entities Clinton worked with in Upstate New York: "Hillary Clinton worked tirelessly to help New Yorkers. It's no surprise that people who saw that work wanted to support her election campaigns and efforts to make a difference in people's lives around the world."

## **Focus on upstate**

In her first Senate campaign, Clinton zeroed in on upstate, the region north of New York City and its suburbs. Upstate native Balderston said upstate reminded Clinton of rural areas in Arkansas, where her husband had served as governor.

A day after announcing her 2000 candidacy, then-first lady Clinton vowed to infuse more than a half billion dollars into the upstate economy. A television ad ran just before the election, citing the 200,000 new jobs goal. Clinton won by more than 12 points.

In March 2001, she introduced seven bills to stimulate the upstate economy — “part of a larger partnership to spur job creation across our country,” Clinton said. None of the measures passed, records show.

Clinton shifted to federal grants and other assistance. In her 2009 Senate farewell speech, she said she had worked “hard to help make investments in New York’s economy.”

But counting jobs is trickier. Clinton’s campaign said she stimulated employment by encouraging cooperative relationships and securing federal money for initiatives such as an Albany bioscience center and a Buffalo medical campus.

The campaign declined to estimate how many jobs Clinton created. Campaign officials cited a line from a chart produced by the New York State Department of Labor, showing “Upstate New York” gaining 117,000 jobs during Clinton’s first term.

The Post was unable to confirm that number, and the state agency does not use Upstate New York as a specific regional area to measure employment. Different agencies use different metrics to count jobs, and definitions of what constitutes upstate New York vary.

The most authoritative jobs numbers are widely considered to be those from the U.S. Bureau of Labor Statistics (BLS). Multiple analyses of its New York data show that upstate actually lost jobs during Clinton’s first term. For example, the non-partisan Public Policy Institute in Albany — which uses BLS data for a monthly snapshot of Upstate New York — reported that the region lost more than 31,000 payroll jobs between October 2001 and December 2006.

Clinton was re-elected in November 2006 and left the Senate to become secretary of state in January 2009.

During her overall Senate tenure, according to the institute, upstate jobs rose 0.2 percent overall, but manufacturing jobs fell 24.1 percent.

## **The quest for jobs**

In the Senate, Clinton cultivated a mutually beneficial relationship with Corning, an upstate manufacturer of glass and high-tech products. Through legislation and federal grants, she helped steer money to Corning to support its diesel emissions reduction technology.

Corning officials said federal legislation passed in 2005 helped create about 300 upstate jobs. But that legislation was introduced by a Republican senator. Clinton was among the 21 co-sponsors. The bill did not reverse the economic decline of Steuben County, where Corning is located. Employment there declined about 7 percent during Clinton’s Senate tenure, data shows.

Corning employees have donated to Clinton’s campaigns at a massive clip, and Corning’s chief executive co-hosted a 2015 fundraiser for her. The company paid her \$225,500 in 2014 to speak to Corning executives. Corning also has given more than \$100,000 to the Clinton Foundation, its records show.

Clinton also has touted her role in creating an “eBay university” that trained New York entrepreneurs to sell products on eBay. The idea was that expanding their sales would allow them to create jobs. Company executives have supported Clinton. Its then-CEO, John Donahoe, hosted a 2015 campaign fundraiser with his wife, Eileen, who worked for Clinton at the State Department. eBay paid Clinton \$315,000 for a 20-minute speech last year, and eBay’s charitable foundation has given more than \$50,000 to the Clinton Foundation.

In 2003, Clinton launched an upstate jobs initiative with Clinton family ally Roger Altman, deputy treasury secretary in the Bill Clinton administration.

Hillary Clinton and Altman called their program New Jobs for New York, designed to match New York City financiers with upstate entrepreneurs. At the announcement, Clinton said New Jobs would “create the jobs that will make the entire state vibrant and economically sound.”

The non-profit organization was headquartered initially at Altman’s Manhattan office. Its unpaid, voluntary board included former Bill Clinton administration appointees and a Hillary Clinton campaign donation bundler.

Overall, New Jobs board members and their spouses have contributed more than \$115,000 to Hillary Clinton’s campaigns since the non-profit was formed.

The focus on jobs creation shifted over time. Instead, the non-profit touted using Clinton’s “extraordinary power to convene” at business conferences. It issued a progress report in 2006 that reads like a Clinton campaign flyer and features her in five photographs.

How many jobs did the program create? “From a jobs perspective, I genuinely don’t remember,” said one person familiar with the organization, who spoke on condition of anonymity to discuss internal matters.

In the report, only one company specifically cited new jobs: Lumetrics of Rochester. CEO John Hart said last week that Lumetrics added 10 jobs after hooking up with investors at a New Jobs conference, then also securing help from New York state and other investors.

In eight years, New Jobs privately raised just over \$1 million from undisclosed sources and spent the bulk of it on staff salaries and conferences.

Clinton appeared at networking events in 2005 and 2006 as she geared up for a reelection campaign. New Jobs did virtually no work after 2007, according to documents and interviews, and it liquidated in 2011.

Clinton did personally go to bat to create upstate jobs at Lockheed Martin. Judy Marks, a Lockheed senior executive, was vice chair of New Jobs.

Lockheed and a British partner were competing in 2005 to build Marine One helicopters for the Navy, a contract that promised

to generate 750 new upstate jobs.

Clinton called British Prime Minister Tony Blair to ask him to work the Bush White House, according to a person familiar with the conversation, who recounted it on condition of anonymity.

Lockheed won the contract, but the Pentagon cancelled it in 2009 because of cost overruns. The jobs disappeared.

## **Jobs in Buffalo**

As Clinton cranked up New Jobs, she also helped recruit Mumbai-based Tata Consultancy Services to open a software development center in Buffalo.

Buffalo was struggling to rebuild its manufacturing base, and Tata, a division of a massive Indian conglomerate, was expanding its North America footprint. Clinton, who then co-chaired the Senate India Caucus, also persuaded Tata to partner on several projects with a local university.

Tata officials predicted up to 200 new Buffalo jobs. But Clinton came under fire for aligning with a global leader in outsourcing that relied heavily on foreign workers who were in the United States on temporary visas. Clinton defended outsourcing, telling CNN in 2004, "You know, outsourcing does work both ways."

Ron Hira, an outsourcing critic then in Rochester, branded the Tata deal an obvious Clinton outreach to "the Indian American donor class."

"From an economic development perspective, bringing in Tata was just a terrible idea," said Hira, an Indian American who is a professor at Howard University.

After opening in Buffalo, Tata announced that it would also locate a new training center in the city, former employees said. At one point, Tata employed about 45 people in Buffalo.

As the U.S. economy tanked, however, Tata's Buffalo business faded.

Anxious Tata employees said they turned to Clinton's Senate office, which was unresponsive. "We were calling to try to get a scope on what was happening, what we were going to do as the economy continued to go south," one former employee said. "The phone would go unanswered."

Tata closed its Buffalo office in 2009 and laid off the eight to 10 employees still there, according to former employees.

Tata spokesman Ben Trounson said the office closed because "local market conditions did not perform as well as we hoped."

Although foreign nationals cannot contribute to U.S. campaigns, Clinton has won campaign support from the Indian American

community, records show. And Tata has remained friendly to the Clintons. Tata Consultancy Services contributed between \$25,000 and \$50,000 to the Clinton Foundation, and Ratan Tata, then chairman of the Tata Group, was a speaker at the Clinton Global Initiative conference in 2010.

## Upstate greening

Clinton holds out the success of a Rochester project called Greenprint, a 2006 alternative energy conference and follow-up report that recommended ways for the city to create economic growth by harnessing green energy.

Clinton said at the time that the effort “holds tremendous economic potential,” although there has been no estimate of jobs created.

Clinton’s office worked closely with the Rochester Institute of Technology’s Golisano Institute for Sustainability, named for New York businessman Thomas Golisano, a billionaire philanthropist. Golisano, a Bill Clinton friend, was an original underwriter of the Clinton Foundation, to which he has donated between \$10 million and \$25 million, records show.

Back in Buffalo, the Artspace project illustrated Clinton’s theory that improved quality of life may draw prospective employers. She secured a federal grant for Artspace, the artists’ residential complex, which also won backing from the Republican administration of then-Gov. George Pataki.

In her 2009 Senate departure speech, Clinton said Artspace had created a “model” for not only urban revitalization but also “economic development centered on cultural projects.”

Did the project create jobs?

“It’s a really creative use of space,” said former Buffalo mayor Tony Masiello, a Hillary Clinton donor. He said it helped transform the neighborhood.

The remodeled building was the setting for a May 2015 Clinton fundraiser, billed as the premier western New York “Democrats for Hillary” event.

*Alice Crites contributed to this report.*

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