



Special Report

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updated December 22, 2009

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Available Online: dpc.senate.gov

The Recovery Act: Creating Jobs and Making a Difference in Louisiana

Earlier this year, the Democratic Congress worked with President Obama to enact the *American Recovery and Reinvestment Act* (the *Recovery Act*) in an effort to rescue, rebuild, and strengthen our struggling national economy. Eight years of failed fiscal policies and misguided economic priorities had left our national economy on the brink of disaster, and now – only nine months later – our economy is on the brink of recovery. The *Recovery Act* and the efforts of American businesses and workers, like those in Louisiana, made this progress possible.

Despite this encouraging news, Democrats know that many Louisianians are still struggling, and unemployment – a lagging economic indicator – remains far too high. In response, Democrats are working to create and save millions of jobs with *Recovery Act* dollars and tax relief. Already, with more than half of the dollars yet to be spent, the recovery package has provided for more than one million jobs and the rate of job loss has slowed significantly. As we look toward the future, Democrats believe that the *Recovery Act*, combined with the American work ethic and ingenuity, will continue to make a difference for families in Louisiana and will deliver on its promise to rebuild our economy and get Louisianians back to work.

The Recovery Act is Creating Jobs and Making a Difference

Last week, the White House announced that certain recipients of *Recovery Act* funds have reported the creation of 640,329 direct jobs. About 325,000 of these jobs are in education and over 80,000 are in construction. These numbers, however, represent only about 16 percent of expenditures through September 30 and do not reflect the majority of *Recovery Act* funding to date, which has gone directly to individuals and states, including:

- Tax relief for businesses and working families;
- Small business loans, which are exempt from reporting;
- The first-time homebuyer tax credit;
- Direct federal aid, including \$250 direct stimulus checks, enhanced unemployment benefits, increased food stamp benefits for vulnerable families; and
- State fiscal relief, which prevented job cuts at the state and local government level.

Moreover, the reported data does not capture indirect or induced jobs created when prime contractors hire suppliers or other companies to complete projects or when newly employed workers spend their pay checks. It is estimated that, if included, indirect jobs would add

another 50 percent or more to the direct jobs numbers and induced jobs would add an additional 36 percent. [Office of the Vice President, [10/30/09](#); CBPP, [10/28/09](#)]

Taken as a whole, the reported data confirms earlier estimates that the *Recovery Act* would create or save over one million jobs by now, even though less than half of the *Recovery Act* funds have been put to work. [Office of the Vice President, [10/30/09](#)] According to Congressional Budget Office (CBO) projections, that number may be as high as 1.6 million jobs. [CBO, [11/09](#)]

Moreover, without the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse.

- According to CBO projections, “an additional 600,000 to 1.6 million people were employed in the United States, and real (inflation-adjusted) gross domestic product (GDP) was 1.2 percent to 3.2 percent higher, than would have been the case in the absence of ARRA.” [CBO, [11/09](#)]
- The Commerce Department reported that the nation’s gross domestic product grew by 2.2 percent in the third quarter of 2009, the first expansion in more than a year. Economists are projecting 4 percent growth in the fourth quarter. [Commerce Department, [12/22/09](#); testimony of Dr. Martin Baily before the Senate Democratic Policy Committee, [12/16/09](#)]
- According to economist Mark Zandi, “The research of Moody’s Economy.com suggests that a million fewer jobs would exist today, while the unemployment rate would already have risen well into double digits.” [Testimony before the Joint Economic Committee, [10/29/09](#)]

The Recovery Act is Creating Jobs and Making a Difference in Louisiana

In Louisiana, this partial reporting indicates that 9,136 jobs have been created or saved by funding 765 awards worth \$2,256,113,329, of which \$554,554,215 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)]

Similar to the national number, this validates the White House’s earlier estimates that the *Recovery Act* is responsible for saving or creating 12,700 jobs so far for Louisianians (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Louisiana is on track to benefit from a total of 50,000 *Recovery Act* jobs.** [The White House, [2/2009](#)]

These numbers alone cannot adequately convey the human impact of the jobs that are supported by the *Recovery Act* – the real-life stories of local companies that can hire new employees, workers who are no longer faced with uncertainty, and families that no longer need to struggle to pay their bills. The following is a sampling of some of the local *Recovery Act* success stories in Louisiana:

East Baton Rouge Parish school system will use *Recovery Act* funding for upgrades including replacing energy-management devices, fire alarms, intercoms and security alarms. “School Superintendent John Dilworth has outlined \$5.6 million worth of work in 69 public school buildings in Baton Rouge that he’d like to repair or upgrade next year... These projects would constitute the first phase of \$21.4 million worth of construction over the next three years. The work is made possible by the federal stimulus act, which enabled the East Baton Rouge Parish school system to sell bonds last month through the federal Qualified Zone Academy Bond program. The proposed projects involve painting the exterior of about the half

of 69 school sites. The rest of the work includes upgrades such as replacing energy-management devices, fire alarms, intercoms and security alarms. The most costly work will be at Glen Oaks High, an estimated \$216,205 worth. North Highlands Elementary and the school system's Instructional Resource Central are getting the least, \$5,000 apiece. Buchanan, Melrose and Progress [elementary schools] and the Goodwood administrative center all are scheduled to receive both new exterior paint and other upgrades... 'Replacing antiquated alarm and intercom systems are important safety projects that need to occur soon, Dilworth said.' [[The Advocate](#), 12/8/09]

Following jobs forum, Senator Landrieu commended the Administration for the Recovery Act's focus on small business. "United States Senate Committee on Small Business and Entrepreneurship Chair, Mary L. Landrieu, D-La., released the following statement on President Obama's Jobs Summit today: 'Now that we have stabilized Wall Street, it is time to jump-start Main Street. As Chair of the Senate Small Business Committee, I have heard time and time again that this begins with getting small businesses greater access to the credit they need during these tough economic times. That is why I am working with my colleagues to increase the loan limits on small business loans and extend the small business provisions in the Recovery Act. Like us in the Senate, the President and his administration are focused on strengthening small businesses because we all know small businesses are the engine of our economy. We must give them the fuel to grow, create jobs and lead our country back to a time of prosperity.'" [[PR Newswire](#), 12/3/09]

East Baton Rouge schools will use Recovery Act funds for a long-awaited restoration of facilities. "A failed bond proposal in the 90s left the majority of East Baton Rouge schools without funding to fix several facilities, but now the superintendent says the system is about to get \$21.4 million of federal stimulus money to do just that. Demetric Dunbar is principal at Bernard Terrace Elementary... Dunbar says the floor of the school looks like a patchwork because tiles keep popping up where asbestos lies. Also, the children's artwork on the walls covers up peeling paint. Some of it is lead-based... Superintendent John Dilworth says he hopes to have a list indicating which schools will get money for upgrading by next month. He says the \$21 million will last over a three-year period." [[Associated Press](#), 11/20/09]

Louisiana State University and Mississippi State University will use Recovery Act funds to survey 10,000 employers from each state to establish hiring and training needs related to clean-energy industry work. "Louisiana will get most of a \$2.3 million federal labor grant, to be shared with Mississippi, as it studies clean energy job growth in the states and training needed to meet job demands. Money is coming from the \$787 billion federal stimulus package. Louisiana State University will play a lead role, assisted by Mississippi State University, in surveying 10,000 employers from each state to establish hiring and training needs related to clean-energy industry work... Louisiana Workforce Commission officials said the grant would help it produce labor market information for job sectors including biofuels, renewable electric power, energy-efficient construction, the advanced drive train industry, the energy efficiency assessment field and energy efficient manufacturing... The Louisiana Workforce Commission will get \$865,000 to carry out the project. Mississippi's Department of Employment Security will receive \$531,000. LSU gets \$838,000 for its research work done in consultation with the state agencies and Mississippi State gets \$45,000 for its work with LSU." [[Associated Press](#), 11/20/09]

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Thanks to Recovery Act, 15 cops in New Orleans and 14 in St. Bernard Parish kept their jobs. “The Obama administration's \$786 billion stimulus package is contributing in important ways to rebuilding New Orleans and the Gulf Coast, Vice President Joe Biden told *The Times-Picayune* in advance of the fourth anniversary of Hurricane Katrina... The Recovery Act includes 22 highway and transit projects in Orleans Parish... In addition to infrastructure, the vice president said, the Recovery Act provided tax relief for working families; augmented checks to those receiving Social Security disability, veterans' and unemployment benefits; paid to save teachers' jobs; and helped hire or keep police officers, including 15 in New Orleans and 14 in St. Bernard Parish. New Orleans has also received \$7.6 million to be distributed this fall to those at risk of becoming homeless... On health care, he said, ‘we built 24 health care centers through 25 million bucks in the Recovery Act. You now got about 49,000 new patients, including almost 20,000 uninsured patients, that are now being served.” [Times-Picayune, 8/24/09]

City of Bastrop used Recovery Act funds to hire Denmon Engineering to improve sewer system. The \$1.5 million in stimulus funds will be used to replace ditch crossings and other sewer lines. [Bastrop Daily Enterprise, 6/12/09]

Louisiana Department of Environmental Quality will use Recovery Act funds to create jobs, prevent water pollution. “A total of \$39 million will be awarded nationally to states for Water Quality Management Planning (WQMP) grants, which will keep and create jobs to help prevent water pollution and protect human health and the environment... This infusion of Recovery Act funding will provide Louisiana with more resources for high priority projects, promote green practices, and create and save jobs.” [States News Service, 6/8/09]

Louisiana will receive more than \$21 million in Recovery Act funds to increase public safety and create or retain jobs within the law enforcement community. [Lab Business Week, 5/17/09]