



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 North Dakota

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 North Dakota, made this progress possible.

Despite this encouraging news, Democrats know that many North Dakotans 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 North Dakota and will deliver on its promise to rebuild our economy and get North Dakotans 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 North Dakota

In North Dakota, this partial reporting indicates that 1,293 jobs have been created or saved by funding 429 awards worth \$698,697,685, of which \$193,684,378 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 2,200 jobs so far for North Dakotans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **North Dakota is on track to benefit from a total of 8,000 *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 North Dakota:

Northwood will use *Recovery Act* funds to improve infrastructure after a tornado caused significant damage to the area. “Twenty-seven months after an EF-4 tornado devastated the community of Northwood, N.D., killing one resident and injuring 18 others, recovery remains on the fast track. The city is finishing up Phase I of a \$3.6 million infrastructure project to replace a portion of the municipal water and sanitary sewer systems, City Administrator Marcy Douglas said. Phase I covers the north and west portions of the city. Phase II, which will include Potato Road on the city’s east end, will be done in 2010. The project also will include paving 35th Street, a north-south gravel road that leads to the new Northwood

School. The federal Economic Development Administration is providing \$2.7 million toward the project through the economic stimulus package, or American Recovery and Reinvestment Act.” [*Grand Forks Herald*, 11/20/09]

North Dakota’s Minot school district will use *Recovery Act* funds to build new schools and hire workers. “Money from the Recovery and Reinvestment Act also known as the stimulus bill is helping put men to work. But on Lincoln Ave. in Minot this money and these workers aren’t building a road or a bridge. No, this project is a little different. The workers’ hard work will add new classrooms to Minot’s Erik Ramstad Middle School. ‘It not only puts people back on payrolls,’ said Democratic Sen. Byron Dorgan of North Dakota, ‘but this kind of investment is going to provide an asset at the end of it: better schools.’ Minot School District received a \$5.9 million grant under the stimulus for school construction. They’re building not only at Ramstad but also at Jim Hill Middle School, and Sunnyside and Edison Elementary Schools. ‘I think that investment in our kids is extremely important,’ said Dr. David Looyen, Superintendent of Minot Public Schools.” [*KFYR-TV*, 10/17/09]

***Recovery Act* funding has helped create or save 624 jobs in North Dakota, including the jobs of 200 teachers.** “North Dakota’s share of federal stimulus money has helped about 624 people get a job or keep the one they already have. A new state report says many of the jobs have gone to hire about 200 teachers and aides who work with children who are poor or have learning disabilities. The Legislature agreed to spend \$571 million in stimulus funds over two years. State budget director Pam Sharp says not all the money has been spent. About \$170 million is going for road construction and repairs. About \$25 million is going to weatherize homes. Some is being used for new buildings at the University of North Dakota and Minot State University. About \$12 million will finance construction of a water treatment plant north of Zap, in Mercer County in western North Dakota. It will serve part of a new pipeline system.” [*KFYR 5*, 10/12/09]

Twelve North Dakota Arts and Cultural Organizations receive *Recovery Act* funding to preserve 22 jobs threatened by declines in philanthropic and other support during economic downturn. “The North Dakota Council on the Arts announces that 12 North Dakota arts and cultural organizations will each receive a portion of the \$290,000 in funding to preserve jobs in the arts through the North Dakota Council on the Arts and that one organization will receive \$16,003 through Arts Midwest, for the NDCA Job Preservation grant program. Dakota Prairie Regional Arts Center, New Rockford, was awarded \$30,000. Funds from this grant program will help to preserve jobs that are threatened by declines in philanthropic and other support during the current economic downturn. Twenty-two salaried positions and several contracted artist positions will be retained through this program. Funds for the program were provided by the American Recovery and Reinvestment Act of 2009 through the National Endowment for the Arts.” [*Jamestown Sun* (ND), 8/27/09]

Forest Service seeking to hire engineers to Work on *Recovery Act*-funded projects. The Forest Service Northern Region is offering career intern opportunities for civil engineers and civil engineering technicians. The positions are designed to provide a combination of professional development, agency familiarity, and productive assignments. The interns selected will help implement identified projects as part of the American Recovery and Reinvestment Act (ARRA)... The work locations are potentially at any of the Supervisor’s Offices across the region. The Northern Region encompasses 25 million acres and is spread over five states and twelve national forests located within northeastern Washington, northern Idaho, and Montana; and the national grasslands in North Dakota and northwestern South Dakota.” [*Clark Fork Chronicle*, 8/24/09]

More contractors bidding on *Recovery Act* road projects. Industrial Builders has landed two jobs due to the *Recovery Act*. ND DOT spokesman: “This is the largest construction season we’ve ever had.” [[Inforum](#), 6/2/09]

Experience Works in North Dakota is receiving \$700,000 from *Recovery Act*. Funding is enough to help 130 seniors find work for one year. [[Jamestown Sun](#), 4/7/09]