



Special Report

BYRON L. DORGAN
CHAIRMAN

DPC Staff Contact: Joi Chaney, Erika Moritsugu (202) 224-3232
DPC Press Contact: Barry Piatt (202) 224-0577

November 23, 2009

Available Online: dpc.senate.gov

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

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 Connecticut, made this progress possible.

Despite this encouraging news, Democrats know that many Connecticut residents 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 Connecticut and will deliver on its promise to rebuild our economy and get Connecticut residents 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](#)]

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

- According to Congressional Budget Office (CBO) projections, “The effect of the stimulus legislation on the level of economic activity will probably build during the second half of 2009 [and] have its maximum impact in the first half of 2010... CBO estimates that real GDP will be 1.4 percent to 3.8 percent higher in the fourth quarter of 2009 than it would have been without the stimulus, 1.1 percent to 3.4 percent higher in the fourth quarter of 2010, 0.4 percent to 1.2 percent higher in the fourth quarter of 2011, and zero to 0.3 percent higher by the fourth quarter of 2013.” [CBO, [8/09](#)]
- These estimates were bolstered by third quarter growth when, for the first time in more than a year, the economy expanded, and, at 3.5 percent, it expanded faster than expected. [*Wall Street Journal*, [10/29/09](#)]
- 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 Connecticut

In Connecticut, this partial reporting indicates that 7,551 jobs have been created or saved by funding 769 awards worth \$1,696,726,074, of which \$317,056,161 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 12,900 jobs so far for Connecticut (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Connecticut is on track to benefit from a total of 41,000 *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 Connecticut:

The *Recovery Act* has saved or created 6,110 full-time jobs in Connecticut; of those, 5,297 were teaching or other school positions. “Of the \$1 billion in stimulus grants the state has received so far, \$610 million has been committed to local school districts. Of the 6,110 full-time equivalent jobs, 5,297 were teaching or other school positions. The majority of those jobs were existing positions that were saved... He said the total number of people who have drawn a stimulus-funded paycheck since early spring is slightly more than 11,000. Many of those were people in highway- and bridge-construction jobs and summer youth

employment... Fritz said 750,000 people have been touched in some way by the stimulus program. That includes the state's 552,000 schoolchildren, as well as two other groups that speak as much to the tough times in Connecticut as they do to the positive effects of stimulus dollars: 60,000 people collecting expanded unemployment benefits, and 125,000 people in the Supplemental Nutrition Assistance Program, also known as food stamps... He said the state Department of Social Services' weatherization program, in which crews shore up the homes of income-eligible renters and homeowners, is just getting started. That program, funded with \$64 million in stimulus money, is expected to create 660 jobs over the next two years." [[The Hartford Courant](#), 10/29/09]

To celebrate National Disability Employment Awareness Month, Danbury County will use *Recovery Act* funding to create “31 jobs in 31 days” for people with disabilities. “The Greater Danbury Chamber of Commerce is celebrating National Disability Employment Awareness Month in October by trying to find ‘Thirty-one Jobs in 31 Days’ for people with disabilities. The chamber is carrying out the initiative with Ability Beyond Disability, a Danbury-based outreach agency that provides training and job placement for disabled people, and the Northwest Regional Workforce Investment Board, which administers state-funded job training services for residents in northwestern Connecticut... He added that the Northwest Regional Workforce Investment Board will provide partial wage and training reimbursement to employers for qualified job seekers through the federal On the Job Training Program... This partnership gives a definite boost to Ability Beyond Disability's year-round mission to find qualified employees for open positions, said Kim Bragoli, Ability with Disability's senior communications specialist.” [[The News Times](#), 9/30/09]

The Bridgeport Housing Authority will use *Recovery Act* funding to upgrade housing complexes for the elderly and disabled, creating green jobs as a result. “The Bridgeport Housing Authority has been awarded more than \$4 million in stimulus funds to upgrade housing complexes for the elderly and disabled... Nicholas Calace, executive director for the BHA, said the improvements are ‘badly needed’ at the two housing complexes. A \$1,969,197 grant will be used to replace nearly 1,000 windows for 240 families at Harborview and a grant for \$2,071,561 will go toward a new boiler system at Fireside, benefitting 248 families there. Both projects are scheduled to begin in the next two months.” [[Connecticut Post](#), 9/29/09]

\$7 million in *Recovery Act* funding will go to the Connecticut Department of Transportation to develop green technology and create jobs. “...The Connecticut Department of Transportation (ConnDOT) will receive \$7 million in economic recovery funds to pursue cutting-edge environmental technologies to help reduce global warming, lessen America's dependence on oil and create green jobs... ConnDOT will use the funds to purchase diesel-electric hybrid transit buses and stationary fuel cells for use in Connecticut's statewide bus system. It would also fund the installation of stationary fuel cells to provide primary and emergency back-up power for the bus maintenance and storage facilities.” Senator Dodd: “This is a big win for our state, a big win for our environment, and a big win for folks in Connecticut who rely on public transportation,” said Dodd. “Connecticut is ready to be a national leader when it comes to green transit, and the funding awarded today by Secretary LaHood and Administrator Rogoff will go a long way towards achieving that goal.” [Senator Dodd, Press Statement, 9/21/09]

West Haven will create green jobs to improve energy efficiency, promote alternative renewable fuel development with \$471,600 in *Recovery Act* funding. “West Haven is one of two Connecticut cities getting stimulus money directly from the federal government for projects to improve energy efficiency in town. Federal legislators in Connecticut

have announced that West Haven has been awarded \$471,600 to help implement projects that will improve efficiency and promote conservation, alternative renewable fuel development and reduction of greenhouse gases...The other Connecticut town receiving funds directly from the federal government is Stamford, which is slated to receive \$1,186,300. The state as a whole will receive \$9,593,500 in stimulus funding to be distributed to individual towns for energy efficiency projects... U.S. Rep. Rosa DeLauro, D-3, hailed the announcement as good news for West Haven and for the state. 'I am pleased that West Haven will be on the cutting edge of nationwide efforts to promote clean, affordable, and reliable energy strategies,' she said in a statement." [[Istock Analysis](#), 9/21/09]

\$900,000 in Recovery Act funds allocated to bring “New Life” to brownfields through cleanup activities, redevelopment projects, and new jobs for local residents. “ The Valley Council of Government, or VCOG, which oversees the RBP of West Central Connecticut, was recently selected to receive \$900,000 from the American Resource and Recovery Act, or ARRA. These grants are used to make loans and sub-grants to help communities carry out cleanup activities, redevelopment projects, and create jobs for local residents living near Brownfields sites...’ DeLauro said this stimulus money is ‘absolutely critical’ to the region. She said that it will help bring ‘new life.’ [[The Connecticut Post](#), 9/14/09]

Recovery Act grants enabled Yale University to hire researchers, develop projects that had been put on hold due to funding shortage. “Yale faculty have received 111 research grants worth \$36 million since February from money appropriated in the American Recovery and Revitalization Act, a statement issued Monday said. The university said the grants are underwriting new projects as well as many that were ‘on hold because the agencies did not have enough money to start them,’ the statement said. Besides furthering progress in medicine and science, the money is creating research jobs, Yale said. ‘Yale scientists are enormously grateful for this new funding, which will create jobs while accelerating the rate of biomedical research,’ said Carolyn Slayman, deputy dean for academic and scientific affairs at the medical school, in the release.” [[New Haven Register](#), via [TCM Net](#), 9/2/09]

Connecticut housing finance authority has undertaken 184 affordable housing projects using Recovery Act dollars, leading to creation of roughly 800 jobs. “The Westport Housing Authority (WHA) will receive federal support for its shovel-ready redevelopment project at Hales Court in the fourth round of affordable-housing awards by the U.S. Treasury Department under the American Recovery and Reinvestment Act (ARRA)... The support will go toward the rehabilitation and development of 184 units of affordable housing in the four municipalities, which CHFA said, in a press release Friday, would generate \$63 million in construction spending and create more than 800 new jobs.” [[Westport News](#), 7/15/09]

Recovery Act will fund 4,500 youths’ summer jobs in Connecticut. The odds just improved that kids dealing with poverty and other issues will land meaningful jobs this summer. [[Hartford Courant](#), 6/1/09]