



Special Report

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November 23, 2009

Available Online: dpc.senate.gov

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

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 Mississippi, made this progress possible.

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

In Mississippi, this partial reporting indicates that 3,433 jobs have been created or saved by funding 621 awards worth \$1,702,695,437, of which \$410,153,462 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 8,300 jobs so far for Mississippians (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Mississippi is on track to benefit from a total of 30,000 *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 Mississippi:

Mississippi Commissioner of Higher Education praises the impact of the *Recovery Act* on poor schools and special education: “We could have seen an additional 3 percent cut this year... these funds definitely plugged some holes in our budgets.” “The good news for Mississippi is the \$2.8 billion pledged to the state from the stimulus package has begun to flow. The biggest amount, \$779 million, is aiding education in Mississippi. State funding for education has taken a 5 percent cut, and another cut is likely - perhaps 4 percent, education officials say. Without the stimulus package, ‘we could have seen an additional 3

percent cut this year,' said Commissioner of Higher Education Hank Bounds, who was state superintendent until July. 'These funds definitely plugged some holes in our budgets.'... 'Some projections put us as much as 20 percent down in fiscal year 2012.' " [[Clarion Ledger](#), 11/8/09]

The Recovery Act will help fund the installation of 60,000 feet of water lines throughout Adams County and refurbish two water treatment plants. "The Adams County Water Association has received approximately \$2.1 million from the U.S. Environmental Protection Agency and the American Recovery and Reinvestment Act to use on its water systems around Adams County... The ARRA money — which makes up approximately 45 percent of the water association's total funding — is a no-strings-attached monetary addition that will go toward the projects the water association has planned. 'We're going to install right at 60,000 feet of water lines throughout the county,' [Adams County Water Association General Manager] Herring said. The water association will also be refurbishing two of its seven water treatment plants — one of which is located on Kingston Road." [[Natchez Democrat](#), 10/27/09]

Mississippi among lowest in construction job loss, thanks largely to the Recovery Act funding. "Mississippi had the eighth lowest rate of job losses in the construction industry, an analysis by the Associated General Contractors of America shows. Comparing September to a year ago, there were 4,500 fewer construction jobs in Mississippi. Louisiana, which picked up 2,800 jobs in the sector, was the only state to gain jobs over the year... Ken Simonson, chief economist for the contractors group, said in a release. 'The stimulus remains an important measure, but until private-sector demand for construction resumes, there's little chance the current construction employment decline will turnaround or even stop.'" [[Clarion Ledger](#), 10/21/09]

21 nonprofits and schools across Mississippi will use Recovery Act funding to support jobs. "More than \$300,000 in grants will be awarded to 21 arts nonprofits and schools statewide to support jobs in the economic downturn, the Mississippi Arts Commission announced. Funding for the initiative comes through the 2009 American Recovery and Reinvestment Act... 'The stimulus was a giant step toward treating arts jobs like other jobs,' said Malcolm White, executive director of the Mississippi Arts Commission... For the \$315,927 the Mississippi Arts Commission received in the one-time special funding program, it got \$1.2 million in requests, White said... 'At the art museum, it'll fund a statewide program that sends about 16 exhibitions to 29 affiliate sites a year. The program has been financed by returns from an endowed fund, but it had no income stream when the recession hit. The stimulus money provides a chance to continue the popular program. 'We estimate that anywhere from 10,000 to 20,000 people see our exhibitions in locations other than the building in Jackson,' museum director Betsy Bradley said. 'Just the knowledge that we can continue to do it means I haven't had to lay off a staff person.'" [[Clarion Ledger](#), 10/18/09]

Recovery Act has led many benefits, from the creation of 100 jobs for a highway project to providing small business loans to the improvement of youth court and law enforcement. "The Department of Justice awarded DeSoto County government a grant of \$213,403 for its youth court and related law enforcement. Other grants, all from the Department of Housing and Urban Development, went to Dorchester Place Apartments in Southaven and Coleman Crawford Estates in Hernando and totaled \$90,774 and \$306,406, respectively. The remainder of funds reported on the site as being distributed directly in DeSoto County were to businesses in the forms of Small Business Administration loans... While not reported awarded to a DeSoto County agency or business, a grant exceeding \$7.5 million is being used to improve travel in the county. The Mississippi Department of Transportation is overseeing the grant for the replacement of four bridges, as well as removing several sharp curves, along Hwy. 305 south of Olive Branch from Lewisburg to Cockrum. Work on that project began in early summer, creating more than 100 jobs... Additionally, some \$160,000 in

Department of Justice grants has been allocated for law enforcement use in Southaven, Olive Branch and Horn Lake... The DeSoto County Board of Education members recently voted to take advantage of a \$3 million interest-free loan through ARRA to complete a wing at Horn Lake High School for its Marine ROTC chapter and energy-saving projects at several other schools. ”
[[Desoto Times Tribune](#), 10/8/09]

Thanks to *Recovery Act* money, Jackson will be able to complete transit projects, renovation of grocery store property will create local jobs. [[Jackson Free Press](#), 5/6/09]