



# Special Report

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## **The Recovery Act: Creating Jobs and Making a Difference in Indiana**

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 Indiana, made this progress possible.

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

In Indiana, this partial reporting indicates that 18,876 jobs have been created or saved by funding 766 awards worth \$3,046,340,935, of which \$848,420,351 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 24,400 jobs so far for Indiana residents (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Indiana is on track to benefit from a total of 75,000 *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 Indiana:

### **Significant job gains show the impact the *Recovery Act* has had on economy in Indiana.**

“States have reported using stimulus money to create or save more than 388,000 jobs so far this year, buttressing the Obama administration’s claim that the \$787 billion plan has had a significant impact on the economy. The administration plans Friday to release reports from all 50 states, providing the broadest accounting yet of the stimulus plan’s impact. The states’ reports suggest the biggest impact has been at schools. Twenty-three states that have reported

school job numbers said more than 156,000 jobs had been created or saved. Indiana officials reported that the stimulus had created or saved about 13,000 school jobs.” [USA Today, 10/27/09]

**Recovery Act funds will create transitional job programs to interrupt the crime cycle in Indiana.** “A portion of stimulus money earmarked for public safety will be used to create job programs for ex-offenders in Marion County. So far, the county has received \$8.4 million in federal money for public safety, most being spent on traditional programs like a \$1.4 million automated fingerprint system, 6News’ Derrik Thomas reported. But leaders are looking for input on how to use \$950,000 to boost transitional jobs for former inmates to interrupt the crime cycle... Companies like Workforce Inc., which employs 50 ex-offenders, are hopeful they’ll also get stimulus money to keep their programs running. The recycling operation processes three million pounds of recycled computer parts and other items every year. President Gregg Keesling said his employees are truly being productive members of society. ‘They have paid \$16,000 in county-option income taxes. These are individuals who were not working prior,’ he said. ‘They were costing the taxpayer \$25,000 a year to incarcerate them and they were costing double that in court time, police time and jail time.’” [Indy6 News, 10/7/09]

**Recovery Act grants will fully fund road repair projects for Milestone contractors, creating jobs on 11 separate projects.** “Eleven road construction projects are scheduled for Richmond and Wayne County this fall as a result of recent contract awards, the Indiana Department of Transportation announced this week. All roadbeds will be milled and resurfaced with 100 percent federal funding provided under the American Recovery and Reinvestment Act of 2009. Milestone Contractors submitted low bids for the following stimulus projects: Contracts of \$62,886 and \$65,225 to mill and resurface Pottershop Road from Pennville Road .27 miles to Abington, and from Abington for .16 miles to U.S. 27... \$147,292 contract to patch, wedge, level, mill and resurface .65 miles of Salisbury Road including the intersection with Nolands Fork Road.” [Palladium-Item, 9/30/09]

**\$14 million in Recovery Act funding will help Indiana local communities, small businesses, and non-profits reduce their energy consumption while creating 200 jobs.** “Energy Secretary Steven Chu announced today that Indiana will receive \$14,052,400 in funding from the American Recovery and Reinvestment Act to support energy efficiency and conservation activities. Indiana will use its Recovery Act EECBG funding to help the state’s local communities, small businesses, non-profits, and others reduce their energy consumption, leading to significant cost savings and environmental benefits. Local cities and counties eligible for funding can use funding for traffic light upgrades and energy efficiency retrofits of local government buildings and facilities. These projects will create and retain jobs locally, while improving energy efficiency in the public sector and lowering fossil fuel emissions. In the long-term, these activities will also save cities and counties money by cutting energy costs, allowing them to direct funds to other projects that will help spur economic recovery. Indiana’s Recovery Act-funded projects will lead to substantial energy and cost savings, and save or create nearly 200 jobs statewide.” [Inside Indiana Business, 9/24/09]

**Recovery Act-funded program will weatherize 545 homes for low-income residents, creating 40 jobs and lowering utility bills.** “About 545 homes in Northwest Indiana will be weatherized for free in the next eight months thanks to stimulus funding. The Northwest Indiana Community Action Corp. has received more than \$3.4 million from the American Recovery and Reinvestment Act 2009. The money will be spent making houses of low-income residents more energy efficient... By the end of May, when the first round of the program ends, about 545 Northwest Indiana homes will have been weatherized at a value of up to \$5,000 each. Administrators said they expect the money will create 30 to 40 contractor jobs in the trades.” [Post-Tribune, 9/21/09]

**Approximately 75 jobs have been created or saved as a result of \$12 million in Recovery Act-funded grants for Indiana University medical researchers.** “Indiana University School of Medicine scientists have received more than \$12 million in grants funded by the federal economic stimulus legislation, funding that has bolstered both research initiatives and research employment on the medical center campus. More than 40 researchers have received American Recovery and Reinvestment Act awards ranging from a \$1.4 million National Science Foundation grant supporting innovative research on proteins to smaller awards enabling investigators to hire lab assistants for summer jobs. Approximately 75 research-related jobs have been created or saved on the Indiana University-Purdue University Indianapolis campus as a result of the grants to School of Medicine scientists. ...The grants are supporting a broad range of research initiatives seeking to better understand and find improved treatments for a broad range of diseases, including Alzheimer's and other neurodegenerative diseases, attention deficit/hyperactivity disorder, cardiovascular disease, osteoporosis and others...” [Eureka Alert, 9/16/09]

**Recovery Act allocation will help low-income residents reduce energy consumption and create a new job position for the City of Fort Wayne .** “The City of Fort Wayne is putting together implementation plans for the City’s \$2.474 million portion of the Energy Efficiency and Conservation Block Grant program, which is part of the American Reinvestment and Recovery Act. Mayor Tom Henry said, “This stimulus money is going to have the value of creating and retaining local jobs while also improving energy efficiency and ultimately saving money for Fort Wayne taxpayers, businesses and residents.’... The remaining money will go toward residential outreach and create a new position at the City to help Fort Wayne residents, especially those from low- to moderate-income households, reduce their energy consumption. The City also plans to create a refrigerator and freezer rebate program to remove older appliances and replace them with more energy-efficient versions.” [Fort Wayne Daily News, 9/14/09]

**A Recovery Act-funded car-refurbishment project led to job creation and brought “new life” to an Amtrak Facility in Beech Grove.** “Federal stimulus funds are bringing new jobs and breathing new life into Amtrak's Beech Grove maintenance facility. The 108-acre facility east of Emerson Avenue – a place that many had written off – has been awarded \$32.3 million as part of President Barack Obama's American Recovery and Reinvestment Act to refurbish 21 bilevel Superliner passenger cars and 15 diesel locomotives. The program has led to an additional 108 employees being hired to augment the 600-strong facility. The new work also has spurred hiring at local suppliers of rail-car components. ‘It's the United States worker that can deliver in this country,’ Joseph H. Boardman, Amtrak's president and chief executive officer, said Thursday to more than 200 cheering workers – with a glistening passenger rail car serving as a backdrop... One of those new employees, hired May 27, is Chaka Kpotufe, 42, who had worked for 13 years at General Motors and a short stint at AT&T before falling victim to the national recession. ‘Thank God,’ Kpotufe, an electrician, said of his new job after months of fruitless searches.” [Indianapolis Star, 8/7/09]

**Elkhart Municipal Airport Recovery Act project created 250 jobs; now runway has capacity to handle larger aircraft.** “It's a project that created 250 jobs over the last couple of months but many celebrated its completion Thursday. The Elkhart Municipal Airport dedicated its new runway. A \$3.9 million grant from the Economic Recovery and Reinvestment Act made it possible. Contractors added 11 inches of concrete to an exiting runway that will last for 30 years. The new runway will enable them to handle larger, heavier aircraft. Airport officials say the current runway had been deteriorating much more quickly than anyone thought it would. They call the improvements a godsend and say it will help bring in new business.

Andy Jones, the Elkhart Municipal Airport Manager said ‘It's another tool in our toolbox to try to attract business. We did open the runway briefly yesterday and had a G-5 large aircraft land. Someone arrived, bought an RV and flew out after buying 1,000 gallons of fuel.’” [[WSJV – FOX](#), 8/6/09]

**Recovery Act grant will create 250 mostly local jobs for the rehabilitation of Elkhart Airport.** “A ribbon-cutting ceremony Thursday at Elkhart Municipal Airport will mark the end of a major rehabilitation project. The resurfacing of the airport's main runway was funded by a \$3.9 million grant funded by the Economic Recovery and Reinvestment Act of 2009. Elkhart Mayor Dick Moore told FOX28.com that he estimates 250 jobs, mostly local, were created or kept to work on the project.” [[WSJV – FOX](#), 8/6/09]

**The Frankfort County library received Recovery Act funds to retain two staff positions.** “The Friends of the Frankfort Library received \$25,000 Monday from the American Recovery and Reinvestment Act. The act consisted of \$500,000 that was spread out to 24 Indiana arts groups as part of federal economic stimulus funds. The money was distributed by the Indiana Arts Commission and the Arts Council of Indianapolis and is intended to aid arts organizations in the state... Frankfort Library's arts director is Flo Fowler Caddell, who has almost 15 years experience in arts programming. Money from the grant will go to the retention of the library's youth theater director, Julie Miller, too. [[Journal and Courier](#), 7/16/09]

**24 Arts programs across Indiana obtained Recovery Act funds to shield employees from job loss.** “The Indiana Arts Commission (IAC) and the Arts Council of Indianapolis announced today that 24 cultural program providers will receive federal economic stimulus funds totaling more than a half-million dollars... Those organizations include Elkhart Center, Inc. (\$50,000); Fischhoff National Chamber Music Association, Notre Dame, (\$25,000); Indianapolis Symphony Orchestra, (\$50,000); and South Shore Arts, Inc., Munster (\$50,000). The Arts Council of Indianapolis will also receive stimulus funds directly from the NEA.” [[Lafayette Online News](#), 7/14/09]

**1,222 construction jobs created through Recovery Act infusions for Indiana highway projects.** “Federal stimulus money for Indiana highway projects so far has put to work 1,222 people with a payroll of \$1.27 million, according to state records of 42 projects under way in which contractors have reported job data. The work, ranging from paving to replacing bridge decks, had a total contract value of \$39.2 million. That’s a sliver of the \$440 million in federal stimulus money the Indiana Department of Transportation plans to put toward road work statewide over the next three years. Thus, it’s too early to gauge the broader effect of the stimulus on construction-related employment.” [[Indianapolis Business Journal](#), 7/11/09]

**Recovery Act will allow Anderson schools to create 33 new jobs.** After 36 teachers had to be laid off, new positions could be filled by laid off teachers. [[The Herald-Bulletin](#), 6/9/09]

**\$50 million in Recovery Act dollars announced for geothermal energy development, promoting renewable energy and creating jobs in Indiana.** [[Press Release – U.S. Department of Energy](#), 6/4/09]

**Recovery Act funds will create or maintain 75,000 jobs in Indiana through alternative energy, broadband, and other infrastructure investments.** [[Indianapolis Star](#), 6/3/09]

**Recovery Act allows Indianapolis school district to rehire laid off teachers for new professional development cadre.** “A week after voting to lay off 300 teachers, the Indianapolis public school board quietly approved hiring back up to 197 of them.” [[Indianapolis Star](#), 5/9/09]