



Special Report

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The Recovery Act: Creating Jobs and Making a Difference in New Hampshire

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 New Hampshire, made this progress possible.

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

In New Hampshire, this partial reporting indicates that 3,528 jobs have been created or saved by funding 329 awards worth \$693,066,327, of which \$156,618,559 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 4,000 jobs so far for New Hampshire residents (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **New Hampshire is on track to benefit from a total of 16,000 *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 New Hampshire:

The *Recovery Act* has helped save or create over 3,000 jobs in New Hampshire, including 2,041 education jobs. “New Hampshire has created or saved 3,007 jobs with its share of federal stimulus money, according to a federal formula that Deputy Attorney General Orville ‘Bud’ Fitch questioned yesterday... Fitch told the Legislative Fiscal Committee that federal agencies have announced \$1.3 billion will be available to New Hampshire government and companies under the stimulus program, the American Recovery and Reinvestment Act. These include purchases from manufacturers and service providers, as well as grants to colleges

and government agencies... Fitch calculated that ARRA funds have paid for nearly 3.9 million hours of work since money began flowing in the spring... Fitch's report shows that the bulk of jobs affected by ARRA funding are in education, with 2,041 jobs created or saved under the OMB formula. Another 745 are in government agencies. Despite the hectic pace of road construction around the state, the formula shows only 116 jobs saved or created under stimulus funding.” [*Union Leader*, 10/21/09]

Recovery Act funding will save jobs for two arts organizations in Keene and Manchester. “The Colonial Theatre in Keene is one of two arts organizations in the state to receive a federal stimulus grant aimed at preventing job losses. The \$15,000 grant from the New England Foundation for the Arts, with funding from the National Endowment for the Arts as part of the American Recovery and Reinvestment Act, will help protect six full-time and six part-time theater employees, said its executive director, Alec Doyle. ‘We’d probably be looking at a staff reduction’ without the grant, he said. The other state arts organization to receive stimulus funding to prevent layoffs, the Currier Museum of Art in Manchester, was awarded \$50,000.” [*The Keene Sentinel*, 10/18/09]

New Hampshire Center for Nonprofits will use Recovery Act grant funding to go toward job training and counseling for low-income families; 700 jobs have already been created by the stimulus. “Earlier this week, Sen. Jeanne Shaheen announced a \$250,000 grant from stimulus funding was awarded to the New Hampshire Center for Nonprofits to go toward job training and counseling for low-income families. ‘This funding will allow the New Hampshire Center for Nonprofits to aid organizations that provide assistance to low-income families, including job training and counseling, so that people who need help are able to continue to get it as our economy recovers,’ said the New Hampshire Democrat... ‘These grants have not only helped create and sustain hundreds of jobs in our state, but are supporting growth in a very important part of the Maine economy’... According to the New Hampshire Office of Economic Stimulus, almost 800 jobs have been created or saved — with 700 of those from government services, from teachers to police officers to state and local government employees. Most of the other jobs have come from more than \$106 million in ARRA funding for state highway and bridge projects. [*Sea Coast Online*, 10/4/09]

Thanks to Recovery Act transportation funding, 282 jobs created or saved in New Hampshire, meaning a total of 700 jobs have been created since April. “The equivalent of some 282 full-time jobs were created (or layoffs avoided) during August — more than 100 more than in July. That brings the total to some 700 full-time equivalent jobs created though federal stimulus money from April to August. The state Department of Transportation spent \$112 million during that period, with no major projects in August, so the number of jobs is starting to catch up with the number of contracts awarded. According to the DOT’ latest figures, those working on transportation projects put in a total of 48,107 hours in August, which translates into a full-time equivalent of 286 workers working a 40-hour week during the month. That’s a 56 percent increase from July...” [*Foster’s Daily Democrat*, 9/27/09]

Recovery Act-created jobs reach 700 in New Hampshire, including 282 full-time jobs created in August alone. “The equivalent of some 282 full-time jobs were created (or layoffs avoided) during August -- more than 100 more than in July. That brings the total to some 700 full-time equivalent jobs created though federal stimulus money from April to August. The state Department of Transportation spent \$112 million during that period, with no major projects in August, so the number of jobs is starting to catch up with the number of contracts awarded. Indeed, other parts of the economy also are [*sic*] catching up to the early burst of shovel-ready contracts awarded by DOT in early summer... According to the DOT’ latest figures, those working on transportation projects put in a total of 48,107 hours in August, which

translates into a full-time equivalent of 286 workers working a 40-hour week during the month. That's a 56 percent increase from July. It's also considerably higher than June, when there were 160 full-time equivalent workers, and far better than in April and May, when there were a total of 74." [[New Hampshire Business Review](#), 9/22/09]

State-run programs in Concord receive *Recovery Act* funds to hire a new police officer and send much-needed aid to schools to improve programs for disadvantaged students. "Concord will receive upwards of \$21 million in federal stimulus money.... One of the more concrete ways the money will come to Concord is in the form of a new police officer. The police department received \$207,000 to hire a new officer for three years - the city had to agree to pay for the position for one year after that - and Chief Robert Barry said he plans to hire that officer by the end of the year. Earlier this year, the department was awarded more than \$180,000 through a federal grant enlarged by stimulus money, about \$125,000 of which has been used to retain two officers, Barry said. He will use the rest to buy two police cruisers later this year.... School districts saw annual grants through federal programs targeted for special education and aid to disadvantaged students supplemented this year with stimulus money." [[The Concord Monitor](#), 9/21/09]

Department of Transportation reports that *Recovery Act* contracts through July have resulted in the equivalent of 417 jobs. "The \$112 million of stimulus contracts for the New Hampshire Department of Transportation through July has thus far resulted in the equivalent of 417 jobs, according to the latest figures from the DOT. That's slightly more than half of the statewide figure of 796 released last week by the Governor's Office. The governor's figure was only through June, but encompassed entire *Recovery Act* spending, including 700 state worker jobs. The DOT contributed to the lion's share (78) of private jobs in that report, though there is an apparent lag, because DOT figures show 234 full-time equivalent jobs through the end of June." [[New Hampshire Business Review](#), 8/28/09]

Pike Industries hired 50 new people to work on *Recovery Act*-funded highway and bridge projects in New Hampshire. "Pike Industries is working on 8 of the 21 state highway and bridge projects funded by the American Recovery and Reinvestment Act in New Hampshire: 'We've hired 50 new people in New Hampshire, we've hired a hundred new people at all of Pike,' says president Christian Zimmerman who notes the stimulus money has saved just as many positions off the roads... The white lines, message boards, and signage that mark each construction zone come from Debbie Ricker's companies, LND Safety Markings and Work Safe Traffic Control. She's never had more than 45 employees, until now. Her payroll stands at 62 with workers ranging 'from highway specialized equipment operators, to laboring traffic control personnel. We also manufacturer our own signs, so we have manufacturing positions, sales, shipping and receiving.'" [[New England Cable News](#), 8/25/09]

Thanks to *Recovery Act* money, Manchester was able to hire back teachers who had been laid off in May. "The [Manchester school] district has now recalled 52 of the 78 teachers it laid off in May, according to Human Resources Director Diane Lapointe. Another 17 teachers, she said, were offered positions but did not accept - perhaps because they have already found work elsewhere. Superintendent Tom Brennan said the recalls were possible because of the millions of dollars in federal stimulus money that have made their way to the district over the past few months... The superintendent said he has been able to use stimulus money to fill 33 positions, including the kindergarten teaching jobs that were brought back early this summer. He is filling another 22 positions with money he expects to net from contract negotiations with the district's five labor unions." [[New Hampshire Union Leader](#), 8/25/09]

Police Departments in four Lakes Region communities have received *Recovery Act* grants to hire officers or increase existing community policing initiatives. “Police Departments in four Lakes Region communities have received federal grant money to hire a full-time officer to develop or increase existing community policing initiatives. The grant awards, which are part of the American Recovery and Reinvestment Act and are being administered by the U.S. Department of Justice's Office of Community Oriented Policing Services (or COPS), were announced July 28. The grants, known as the COPS Hiring Recovery Program, part of the American Recovery and Reinvestment Act of 2009, total \$1 billion in all and are going to 1,046 law enforcement agencies nationwide. In the Lakes Region, the Alton Police Department will be awarded \$250,627; Franklin will be awarded \$180,095; Plymouth, \$200,792; and Alexandria Police Department will receive \$178,601. Some other communities receiving similar grants include the city of Rochester, which is receiving \$664,869 to hire three officers; the city of Manchester, which is receiving roughly \$2.2 million to hire 10 officers; and the city of Concord, which has been awarded \$207,544 for one officer.” [[Laconia Citizen](#), 8/3/09]

***Recovery Act* disbursement for several White Mountain National Forest will spur job creation in New Hampshire.** “There are more summer jobs and \$1.3 million in projects related to the White Mountain National Forest this summer because of federal economic stimulus funds. U.S. Secretary of Agriculture Tom Vilsack was in New Hampshire last week to meet with farmers, but he also released a list of funds coming from the act that benefit rural America. A two-year, \$100,000 trail maintenance project has been approved for the White Mountains to address damage from erosion on highly used hiking trails. Summer jobs on some of the steepest sections of trails will be made available to stabilize the trails through the American Recovery and Reinvestment Act. Forest partners -- including the Appalachian Mountain Club, the Randolph Mountain Club, the Womalancet Outdoor Club in Sandwich, the Dartmouth Outing Club in Hanover, and the Rey Center in Waterville Valley -- will carry out the projects in Coos, Grafton and Carroll counties. Forest Supervisor Tom Wagner said the project addresses resource damage resulting from erosion and sedimentation.” [[New Hampshire Union Leader](#), 7/13/09]

***Recovery Act* money allowed Pike Industries to maintain 250 jobs and hire up to 100 more.** “When President Obama announced his stimulus package to rebuild America's infrastructure, many wondered how this would help the economy. Pike Industries, a local leader in such construction, is proof that this strategy has been a boost to jobs and the local economy.” Pike President: “Because of this stimulus money, we were able to maintain about 250 jobs and hire up to 100 more people in N.H. alone. There's been a real trickle down effect as a result. The guys out on the job sites go to a store during their breaks, they buy a sandwich for lunch. On long-term jobs they stay in local hotels, and all of this means money back into the communities. Visit a town at the end of the summer when we're through a long-term job and see what the impact has been.” [[Winnisquam Echo](#), 6/10/09]

Before the *Recovery Act*, a paving company was planning to lay off 60 people, now they are planning to hire 50. [[New Hampshire Business Review](#), 5/22/09]

The president of a New Hampshire paving company estimates he would have had to lay off 75 employees if it weren't for the *Recovery Act*. [[The Nashua Telegraph](#), 5/10/09]