

Stimulus Construction Jobs Coming, But Slowly

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On Arizona highways, federal stimulus money isn't expected to restore even one construction job in 10 lost in a brutal downturn that has hit the state's construction workers harder than those in any other state.

The Arizona Department of Transportation reported that all 41 state highway projects paid for with money from President Barack Obama's stimulus package will generate an estimated 6,020 jobs. The five projects in Maricopa County will generate 2,180 direct jobs, ADOT says.

Arizona lost 77,000 construction jobs from January 2007 to January 2009. A third of Arizona construction workers are unemployed, a rate higher than any other state's and far higher than the 21 percent national unemployment rate for construction.

"We're not looking a gift horse in the mouth. All of something is better than all of nothing," said David Martin, president of the Arizona chapter of the Associated General Contractors. "But there is far more need than what the stimulus package will underwrite."

Infrastructure investment is a key pillar of Obama's recovery strategy. The Obama administration predicts stimulus spending will save or create 70,000 jobs in Arizona.

ADOT is among the first major state agencies to detail jobs created from the stimulus money, which can be used for projects at the state, county and local levels. The job estimates are based on past contracts and will change, but only slightly, as bids come in.

Estimates do not include offshoot jobs created, such as food or services.

Bids on the first project in Maricopa County, \$43 million to widen 6 miles of Interstate 10 in the West Valley, are due May 8. Interim ADOT director John Halikowski said the project could generate around 530 jobs. Overall, the first 14 stimulus contracts that ADOT has advertised will create an estimated 1,350 jobs. Martin reported that some Arizona contractors are hoping ADOT projects will keep them in business or competitive at current levels.

Overall, ADOT will create about 17 jobs for every \$1 million invested. Not all jobs are the same, Martin said.

"The key is new jobs vs. sustained jobs," he said. "When you are talking about new construction, contracts like the I-10 widening, they employ more people than pavement-preservation jobs."

Most of the rural Arizona stimulus projects are the smaller pavement contracts. The trick for contractors is

to bid a steady stream of such contracts to keep a work crew together.

"The whole goal of this is to spread out the jobs throughout the state," said ADOT spokeswoman Laura Douglas, explaining that keeping the work going was part of the reason for mixing large and small jobs and metering the contracts out in batches.

It remains unclear how much the highway work will help displaced Arizona construction crews, since most of the job loss has been in residential, not heavy, construction. Arizona sales-tax receipts show residential construction fell 28 % last year, while heavy construction fell 4 %.

Martin said many residential- and commercial-construction workers should be able to find work on highway projects. Framers can build forms, crane or heavy-equipment operators have work, and unskilled labor is always needed. The workers in danger are the specialists on home projects, such as roofers and air-conditioning installers.