

Stimulus Money and Highway Construction Jobs

Some concerns have arisen from a recent Associated Press article that implied that the federal stimulus program implemented last year was having little effect on the number of jobs being created in the construction industry. The highway construction industry only represents 5% of the domestic construction work force and because of declines in state revenues used for highway construction, only a \$5 billion net increase in highway construction activity resulted from the roughly \$20 billion dollars in stimulus money earmarked for highway work. At the same time, total construction spending declined to a six year low of \$900 billion between November 2008 and 2009.

Many states, including Virginia, that have seen their tax collections plummet from the economic downturn have had to drastically cut transportation spending. The result has been a loss of highway construction jobs that the stimulus money has helped to offset by having the additional work. That means that hundreds of thousands of jobs were saved in 2009 thanks to the stimulus program but these don't all show up when the jobs created data is compiled.