



FOR IMMEDIATE RELEASE
September 30, 2009

Contact: Brian Turmail
(703) 459-0238, turmailb@agc.org

**NATIONAL ASSOCIATION UNVEILS CONSTRUCTION RECOVERY PLAN AS CONSTRUCTION
EMPLOYMENT DECLINED IN 323 CITIES THIS AUGUST**

*Tax Credits, Incentives, Policy Changes and New Infrastructure Investments Designed to Jumpstart
Construction Activity, Employ Thousands, Boost Broader Economic Recovery*

SPARKS, NEVADA – The Associated General Contractors of America unveiled a new plan today designed to revive the hardest hit sector of the economy, the nation’s construction industry. The plan, “Build Now for the Future: A Blueprint for Economic Growth,” is designed to reverse predictions that construction activity will continue to shrink through 2010, crippling broader economic growth.

“The problems facing the construction industry aren’t just devastating construction workers, they are crippling our broader economy,” said Stephen Sandherr, the association’s chief executive officer. “Simply put, you can’t fix our economy until you fix the construction industry.”

The mix of new incentives, tax cuts, policy revisions and infrastructure investments outlined in the plan are needed to stem the dramatic decline in construction activity and employment taking place nationwide, Sandherr said. He added that a new analysis of federal employment data conducted by the association found construction employment declined in 323 of 336 metropolitan areas between August 2008 and 2009.

Sandherr said the hardest hit area of the country was Reno-Sparks, Nevada, which lost 35 percent of its construction workforce. Following close behind were Duluth, Minnesota & Wisconsin, which saw a 33 percent decline; Tucson, Arizona, which saw a 31 percent decline; Wenatchee, Washington, which saw a 30 percent decline; and Redding, California, which saw a 28 percent decline in its construction workforce.

He added that communities that avoid declines in construction employment had little to celebrate. Taken together, the 13 areas saw a total increase in construction employment of 2,800 people. During the same time, the industry lost 1 million jobs, Sandherr added.

Only one community saw a double-digit increase, Columbus, Indiana, at 14 percent, Sandherr noted. Anderson, Indiana, was next with a 6 percent increase, followed by Tulsa, Oklahoma; Longview, Washington; and Baton Rouge, Louisiana, all with a 3 percent increase.

Sandherr said the recovery plan’s primary focus was on stimulating new private-sector construction activity, which accounts for 70 percent of the market. He said the plan calls for repealing the alternative minimum tax and increasing and extending a series of tax credits and cuts – including the net operating loss carry back and the 2001 and 2003 tax cuts – to boost investments in real estate development.

He added that new incentives on global investment in real estate were needed to make it easier for international investors to put Americans back to work. And he said Congress should restore the President’s “Fast Track” trade promotion authority and remove trade barriers to boost demand for new domestic manufacturing and shipping facilities.

The plan also calls for doubling federal investments in transportation infrastructure, renovating dated and inefficient federal facilities and investing in clean water, flood control and navigation projects. It also calls for restoring the gas tax's lost purchasing power, encouraging more public-private partnerships, expanding the Build America bonds program and exempting construction activity from the private activity bond cap.

The association also identified as part of its plan regulatory revisions that would accelerate many construction projects. These include streamlining environmental reviews, accelerating licensing of new nuclear power plants and establishing a federal multiyear capital budget for public works.

Sandherr added that the federal government needs to encourage more green construction while avoiding counterproductive measures like government mandated labor agreements and new Buy American requirements.

Noting that some of the plan's provisions would have an impact on the federal budget, Sandherr said the association had gone to great lengths to pair new costs with new sources of revenue. For example, the various tax cuts and credits in the plan would be partly offset by increases in income, sales and corporate tax receipts that would come with increased business activity from the plan.

He added that many of the infrastructure investments would be funded by increases in existing user fees, new trust funds, private investments and new bonding authority. He noted studies have found that every billion dollars worth of nonresidential construction activity supports over 28,500 jobs, boosts gross domestic product by \$3.4 billion and raises personal earnings by \$1.1 billion.

“Putting this plan in place may not be easy, but doing so will unleash a wave of new construction activity, employ thousands, stimulate new investments and lay a foundation for long-term economic prosperity,” Sandherr said during the unveiling of the plan at a stalled construction project in Sparks, Nevada. “That’s something Reno-Sparks and the rest of the country could use a lot more of.”

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