



Stimulus: Hard hats say 'bring it on'

Construction industry, hit with a 15.3% jobless rate, is ready to get to work

Business Week

updated 9:50 a.m. ET, Wed., Jan. 21, 2009

Mike Agostini needs a job. Having worked in the construction industry for 15 years—starting out as a laborer and moving into supervisory positions—he was laid off in January 2008 by a Kissimmee (Fla.) real estate firm. Agostini, 45, had been earning \$93,000 a year supervising repair work on homes the company sold. Now he is collecting unemployment insurance on an extension; his last check will arrive next week. He says he's willing and able to do any construction job that might come of the \$825 billion stimulus package that is working its way through Congress.

"I'll do anything — drywall, electrical, plumbing, repairs, general labor," says Agostini, who moved in with his parents in May after having his home foreclosed on. "If it's \$12 an hour digging trenches, give me a shovel and point the way."

Agostini is one of hundreds of thousands of out-of-work construction workers around the country. At 15.3 percent, the construction industry is suffering the highest unemployment rate of any sector of the economy. The home-building boom kept the building trades near full employment for years, but fortunes shifted quickly after the subprime bubble burst and the housing crisis unfolded into a global credit crisis.

Two years, 800,000 lost jobs

Now, as the U.S. plans to carry out the largest public works program since the New Deal, that workforce is preparing for what it hopes will be a boom of another sort. President-Elect Barack Obama has been making the case for a stimulus plan that would include massive federal expenditures on infrastructure projects—such as repairing schools, bridges, and roads—to employ more Americans. The U.S. House of Representatives introduced a version of the bill on Jan. 15.

Will the workers be there to tackle the jobs? Rajeev Dhawan, a professor at Georgia State University's Robinson College of Business, is confident they will. Other economists agree. "I'm not worried about a skill shortage, given the slack in the economy; everybody's begging for work or will be soon," says Nariman Behravesh, an economist for Global Insight, an economic forecasting firm.

A Jan. 9 report by Christina Romer and Jared Bernstein, both of whom will serve in advisory roles in the Obama administration, estimates that of the 3 million jobs Obama says he'll help save or create, about 678,000 will be in construction. That number comes close to covering the numbers of recent layoffs in the industry; over the past two years, about 800,000 construction jobs were lost, according to the Bureau of Labor Statistics.

Construction and manufacturing firms, labor unions and their allies are pressing Obama and Congress to make infrastructure and construction work a heavy focus of the stimulus package, which will also include funding for education, health care, expanding broadband access, and tax cuts. On Jan. 8 the Associated General Contractors of America announced that a survey of U.S. contractors indicates they could lay off up to 30 percent of their workers through 2010 because of anticipated downturn in construction activity. The group said a robust stimulus plan could reverse the job loss to 25 percent growth.

On Jan. 16, the Alliance for American Manufacturing, or AAM—made up of U.S. manufacturers and the United Steelworkers Union—released a study which says roughly 18,000 new jobs would be created for every \$1 billion in new infrastructure spending on transportation, energy, water systems, and public schools. That's 22 percent more jobs created than using \$1 billion for other purposes like tax cuts, according to the study, undertaken for AAM by a team of researchers at the University of Massachusetts-Amherst's Political Economy Research Institute.

"By making major investments to repair and upgrade our infrastructure, we will create much-needed, good-paying jobs that will help to get the economy back on track," said United Steelworkers President Leo W.

Gerard at a press conference.

As Congress debates the contents of the stimulus package, underemployed construction workers across the country are combing job listings and mining their networks searching for opportunities.

Terrence Blackman, a self-employed carpenter and construction worker in Paterson, N.J., says work has been abysmally slow in the past year. As the phone stopped ringing for jobs, Blackman, 46, has taken to posting his contact information on job search Web sites like Indeed.com and distributing fliers to neighbors to pitch his services. So far, those efforts haven't been successful. "There's no work now," says Blackman. "I'm just trying to survive."

Nailing new skill sets

That effort may call for sacrifices not readily borne. "The question is, are [the workers] prepared to relocate if a job is in a different area?" says Dhawan. "And if a worker decides to move from California to North Dakota, will he be able to sell his house? If you're a middle-class worker, most of your assets are likely tied up in your house; a lack of liquidity in the housing market may impede movement."

There are plenty of examples, though, of construction workers moving where needed, sometimes rapidly. Ross Einsenbrey, vice-president of the Economic Policy Institute, a left-leaning think tank in Washington, points to worker movement from states like Minnesota and Ohio to the Gulf of Mexico for reconstruction work after Hurricane Katrina.

For his part, Agostini says he's willing to relocate to any other state. "The reality is, I have to," Agostini says. "It would be time away from my kids, but you do what you have to in life. Geography is not really a limit; if I have to go to California I will."

Some workers will need retraining to match the specific skills required to, say, improve the energy efficiency of buildings, install solar power cells, or upgrade the nation's electrical grid. Phil Angelides, chair of the Apollo Alliance, a coalition of business, labor, and environmental groups lobbying for federal spending on renewable energy, points out that some states are aggressively developing retraining programs. In Pennsylvania, for example, auto workers are being trained to build wind turbines. Labor unions' apprenticeship programs are also retraining manufacturing and construction workers to build turbines and solar panels.

Blackman says he's more than willing to learn new skills for a job, as long as he makes enough income to support his three young girls. "I would do anything—carpentry, masonry, anything on offer," says Blackman. "I'd go entry level if it would take me where I need to be. Something is better than nothing."

Copyright © 2009 The McGraw-Hill Companies Inc. All rights reserved.

URL: <http://www.msnbc.msn.com/id/28753342/>

[MSN Privacy](#) . [Legal](#)

© 2009 MSNBC.com