

Washington, DC – Today, the Recovery Accountability and Transparency Board released the first data on job creation by the “projects and activities” portion of the [American Recovery and Reinvestment Act of 2009 \(HR 1\)](#), also known as the stimulus bill. The new data, made public at www.Recovery.gov as required by Sec. 1512 of HR 1, reported [19,572 jobs directly created in Texas](#) so far, including [392 in Texas’s 20th Congressional District](#). Congressman Charlie Gonzalez (TX-20) reacted to the news.

“Tax relief, emergency programs like extending unemployment insurance, and grants like the one that helped SAPD to hire 50 additional officers, marked the first fruits of the recovery act. Now, these jobs figures are the first signs of how the infrastructure spending is getting our economy back on track.

“These jobs are only the tip of the iceberg, however,” Gonzalez went on. “These numbers reflect only the first new hires for the first round of spending on public activities and programs, and not even all of them. The \$20 million for improving Loop 1604 will not only create the jobs for the road crews doing the work, but also for cement companies, equipment manufacturers, and even the restaurants where those crews eat lunch.

“When we passed the recovery act, independent analysis predicted it would improve GDP by 2-4% in the third quarter, which means that half or even all of the growth we’ve seen resulted from that bill. These are encouraging signs, and I look forward to seeing more growth as we move forward.”

Total spending for HR 1 was broken up into three parts. The most rapid impact came from \$288 billion in tax relief, 37% of the total, including the [Making Work Pay Tax Credit](#), which most working Americans began to see in their April paychecks. Another \$233 billion, 28% of the spending, is dedicated to a host of programs including small business loans, grants to state and local governments – to keep hospitals, police and fire departments, and other vital services operating – and some infrastructure projects. The remaining \$276 billion is dedicated to a variety of projects and distributed through the many agencies of the federal government. The

new figures are connected to the first spending of that third portion of the bill.

The \$276 billion affects the economy through several steps. First, the funds are obligated. This is when the federal department agrees to provide funding for a given project. For example, VIA was awarded \$31 million for, among many projects, the purchase of 29 new, energy-efficient buses. As soon as VIA got word that they would receive that money, it started to stimulate the economy. As manufacturers started bidding for the contract, VIA began preparing to receive the buses, etc. Once the contracts are set, the money will begin to be outlaid. That's when VIA will begin to actually receive the money and begin paying for the buses. Of course, it's not all spent at once, but those outlays bring a second round of job creation. The manufacturers hire workers to construct the buses, their parts suppliers hire workers to make the parts and tools for the buses, and on and on. ([Click for more on how this works](#) .)

After all of that, there comes a third, somewhat hidden round of job creation. All those workers who are hired to build the buses and their parts now have paychecks to spend. The restaurant across the street from the plant may need to hire another waitress or cook. They'll be spending their paychecks, too, keeping the local laundromat in business and eating dinner at Taco Cabana. And on, and on. This is called the multiplier effect of economic stimulus. The President's [Council of Economic Advisors](#) has calculated that, including these indirect jobs, "the Recovery Act is responsible for [over one million jobs](#) Others". (

suggest even more. It is also important to note that these calculations are based on [full-time equivalent employment \(FTE\)](#)

so, if two people are each working a half-shift, that only counts as one job.) Of those jobs, [about 640,000 were directly produced by the recovery act](#)

, including 325,000 in education and 80,000 in construction. Only [half of the total funds under HR 1 have been spent](#)

so far, and the White House continues to expect it to [provide 3.5 million jobs through the end of 2010](#)

Advance estimates indicate that our Gross Domestic Product (GDP) [grew by 3.5% in the third quarter](#) of the year, the

first growth following

[four quarters of decline](#)

. Some analysts attribute all of that to the [effects of the recovery act](#)

[Click here for a primer on how the multiplier works](#) .

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Update: The total number of jobs created in Texas's 20th District has been and will continue to be updated as new information comes in.