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Congresswoman Matsui Applauds Impact of Recovery Funds

Federal Funds Are Helping To Put Sacramento On The Path To Recovery

WASHINGTON, DC – Today, Congresswoman Doris Matsui (CA-05) applauded the Obama Administration’s commitment to transparency and accountability, and the release of the jobs created so far under the American Recovery and Reinvestment Act (ARRA) through September 30, 2009. Earlier today Vice President Joe Biden announced that nationally the ARRA has served to create or extend more than 1 million jobs so far, and Governor Arnold Schwarzenegger estimated that more than 100,000 direct and indirect jobs were saved or created in California alone. Rep. Matsui supported the Recovery Act in Congress earlier this year, and has worked with her colleagues to ensure that Sacramento’s needs continue receiving the support they deserve from Congress and the Administration.

“For Sacramento, the Recovery Funds have served to stave off a greater potential downturn by providing our local economy with an injection of funds including competitive grant programs and much-needed public works investments,” said Congresswoman Matsui. “At a time when our state’s budget is being stretched critically thin, and families across the state are being forced to tighten their wallets, the stimulus money has enabled us to continue providing critical services such as education, public health research, energy efficiency upgrades, and more. These federal dollars are improving our community and our economy simultaneously.”

As of last month, there was approximately \$340 billion in Recovery Act dollars at work in the economy, through fiscal relief to states, committed infrastructure projects, tax cuts, unemployment benefits, small business loans, and more. Approximately 35 percent of that funding is applied to direct spending projects for which recipients are required by Congress to report job information to the independent Recovery Act Transparency Board. After cleaning the data, the Board announced that direct jobs amount to about 650,000, located throughout the country.

The other spending includes subsidized loans to small businesses, unemployment

compensation, tax cuts, and other forms of Recovery Act which is not reported to the Board, and therefore not accounted for in the reported numbers. The recipient reports also omit indirect jobs—those created when the hired contractor on a Recovery project orders cement, buys a new truck, or spends his salary throughout the local economy. These multiplier effects generate additional economic recovery and jobs than would have occurred without the project being funded by the Recovery Act. By including both indirect and direct jobs, both the federal government and independent economists estimate that the total national effect of the Recovery Act on the economy so far is 1 million.

The transparency and accountability of the Recovery Act is unprecedented. Visitors to www.recovery.gov can now view exactly how recipients of Recovery Act funds used the money and how many direct jobs were created and saved as a result.

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