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Stimulus Money Creating Jobs in Michigan

by The National Association for State Community Services Programs

Ken Lipps, an experienced journeyman machine repairman, spent 18 months unemployed as a result of the recession. After hearing about the Weatherization Assistance Program (WAP), which provides low-income households with energy efficiency improvements, Ken contacted his local agency to learn more. He trained to become a home energy auditor, and now audits four to six homes a week. Recently he was promoted to a program operations manager, overseeing other auditors in the field. Ken's training as an energy auditor translated into a full-time job in a growing industry helping low-income families in Michigan reduce their energy bills and make their homes healthier. He fully supports the WAP and reminds friends skeptical of the American Recovery and Reinvestment Act (ARRA) that "weatherization services benefit you as much as it benefits the people we help . . . [since] each home that is weatherized is one more that reduces our dependence on foreign oil."



Congressman Schauer speaks with General Contractor Tim Vandenburg as he demonstrates the one-hole tubing method. Photo courtesy of CAA

This is just one story of many from ARRA's support of the Michigan economy. The recent recession struck Michigan particularly hard. Deeply dependent on Detroit auto manufacturing, the sharp decrease in consumer spending on new cars rocked the state's economy. The highly publicized federal bailouts of Daimler-Chrysler and General Motors—once seen as pillars of the American and Michigan economies—prevented the total collapse of the state's economy but did little to increase production or employment. Unemployment skyrocketed as plants lay idle or closed. Detroit's official unemployment rate exceeded 30 percent in late 2009, while Michigan's overall unemployment rate reached more than 14 percent in 2010, considerably higher than the national average of 10 percent.

Although the auto bailouts failed to increase employment, the WAP is creating jobs in Michigan. The WAP has been active in Michigan since its inception in 1976. Created to assist low-income families who lack resources to invest in energy efficiency, the program uses funds to improve the energy efficiency of low-income homes using the most advanced technologies and testing protocols available in the housing industry. One of the most active WAP local agencies working in Michigan today is the Community Action Agency (CAA) in Michigan's Jackson, Lenawee, and Hillsdale counties. Since 1976, the agency has weatherized more than 6,000 homes.

ARRA provided Michigan and the CAA with unprecedented resources to expand their work in helping low-income families receive weatherization services. Originally contracted to weatherize 800 homes in three years, their crews accomplished the work in one. The state awarded the CAA an additional performance grant through March 2012 as a result of the high quality and efficiency of their work. The CAA hopes to complete over 1,700 homes by then, essentially compressing 15 years of work into two and a half.

To reach these production levels, the CAA had to augment significantly every aspect of its program. It hired new crews to keep pace with demand for weatherization services and trained new weatherization workers. Individuals received new training and certification as home energy auditors and in lead safe practices. In total, the CAA has created more than ninety jobs for local contractors, crews, and auditors in the last 18 months, helping to spur economic growth.

Ken's story of becoming part of the new green workforce as a result of Recovery Act spending is not unique. Al Hulshof of HMS Builders has worked as a licensed contractor for the CAA for over nine years. Throughout the early part of the decade, Al worked with a small crew of one or two individuals to weatherize on average six houses a month. Since the Recovery Act, Al has been able to hire three additional workers, weatherizing on average fifteen to twenty homes a month. This has created not only new jobs, Al notes, but also helps the local economy as HMS buys new water heaters, furnaces, and windows for its projects. Al's ability to expand his own crew has also helped a greater number of low-income families, who will now have a warmer, more energy efficient home this winter.

The success of the CAA and WAP has not escaped the notice of Washington, D.C. "Weatherization efforts in our community over the past year have provided much needed jobs for workers here," said Congressman Mark Schauer (D-MI). "Home weatherization is a common sense way to reduce energy usage, and provides direct relief to American families who are hardest hit by high utility bills."

The CAA has proven that workers armed with new, "green economy" skill sets can thrive if given the opportunity. As Marsha Kreucher, CEO of CAA remarked, Recovery Act funding "supported the hiring of more than 100 workers from the community . . . who have completed training and received certifications in fields that have viable, high-wage, and high-demand futures. More simply, we are training workers for the future of America." These workers, in turn, spur economic growth as goods such as furnaces and water heaters are replaced, all from local sources. Although the number of jobs created by this trickle-down effect is difficult to measure, by buying locally the CAA is supporting a number of small businesses that may have otherwise closed.

Additionally, the more than 800 homes weatherized by the CAA have benefited from an average reduction in energy costs of 35 percent. The money that would have otherwise gone to utility bills can now be spent on other goods and services. The Recovery Act and the hard work of the CAA made this possible. As Kreucher noted, "We see firsthand the profound impact these funds have had locally. We are keeping seniors warm and helping unemployed workers and young families pay their bills. . . The economic crisis in Michigan touched many who never imagined they would ever need help. We all have the same fear, which is that tomorrow might not be as good as yesterday. We are helping to make that fear go away. We are working to do our part to support a thriving community."