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A Biden Show-and-Tell: How the Stimulus Has Created Jobs

By Stephen Gandel

More jobs may be on the way. On Tuesday, Vice President Joe Biden, speaking at a forum at Pace University in New York City, predicted that many more Americans would see the effects of the \$787 billion Recovery Act in the next three months than had seen them in the past three. "People are at work in every state in the nation that would not be at work if not for the act," said Biden. "But the speed of job growth will really pick up in the next few months."

Last week, the White House declared that [the economic stimulus plan](#) has already created 150,000 jobs around the country. This week, the White House was looking to put some anecdotal meat on that figure. The Pace University event brought the Vice President together with a number of business owners and executives who said they had made hundreds of hires in the past few months that they probably would not have made if the stimulus plan had not passed. In fact, a number of executives said they had even been planning layoffs coming into the year, but were able to avoid them. ([See 10 ways your job will change.](#))

Christian Zimmerman, president of the construction company Pike Industries, said his company planned on laying off as many as 100 workers, or a little less than 10% of its staff, last fall. Instead, Pike, which makes gravel and paves roads, has hired 65 workers in the past three months, and has plans to hire another 70. Zimmerman says the new hires can make as much as \$90,000, though jobs at his company start at \$25,000, and most pay less than \$60,000. Pike, which is based in Belmont, New Hampshire, has landed 10 new contracts since the stimulus bill was signed. "At our company alone, the stimulus bill has amounted to a 250-

person swing in the economy," says Zimmerman. ([See highlights from a debate between Joe Biden and Sarah Palin.](#))

John Berger, chief executive of Standard Renewable Energy in Houston, said he expects his company, which helps homeowners [make their homes more energy efficient](#), to nearly quadruple its employees in the next year, in part because of the stimulus bill. Tax credits in the bill have boosted demand for windows and insulation, he said. Berger's company, which had just over 100 employees last fall, plans to hire as many as 300 workers this year.

Francis Jamiel said his company would have been out of business had it not been for the stimulus package. Jamiel owns a shoe store in Providence, R.I. He told of eight different banks that turned him down late last year when his 73-year-old business, struggling from the economic downturn, was badly in need of a loan. In March, he was able to secure \$400,000 from a credit union through a program set up by the stimulus plan, whereby the government provides insurance for small-business loans. Jamiel said the loan has allowed him to restock his store, Jamiel's Shoe World, and that sales have nearly doubled in the past few months. "If the government can save small businesses around the country, that will make a big difference in the economy," said Jamiel. "All we need is access to credit." ([See pictures of retailers that have gone out of business.](#))

Still, Biden and the business executives noted that there were limits to what the stimulus could do. Peter Harckham, a legislator from New York's Westchester County, said that money from the stimulus bill, while helpful, would leave his county about \$1 billion short of its target budget for upgrading local water and sewage systems. The Vice President responded that the stimulus package was not meant to shift the burdens of local governments to the federal budget. Once the stimulus money is gone, Biden said, Westchester will be on its own.

Joe Robson, president of the National Association of Home Builders, volunteered that the stimulus plan has done little to stop the flood of homebuilders who have been forced out of business or had to default on loans. Those loans to builders are a big concern for local banks, and Robson worried that foreclosures on residential real estate developments would continue if no help arrives. What's more, no one

is predicting that the economic stimulus will put the job market in the positive category anytime soon. The White House predicts the stimulus bill will create about 200,000 jobs a month for the next three months. That would be a significant jump from the 50,000 jobs or so it has created for each of the past three months. But it is still far less than the roughly 600,000 jobs per month the economy has been shedding over the same period.

Still, on Tuesday, Biden was focused on the positives. "I have heard from scores of people who have been helped by this stimulus bill," he said.