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## **Over 40 Percent of Transportation Construction Firms Anticipate Additional Lay-offs of Non-Seasonal Employees in 2010**

*Almost 80 Percent of Road and Transit Builders Expect Construction Market Decline Next Year Despite Federal Stimulus as Multi-year Transportation Bill Remains Stalled, Coalition Survey Finds*

**(Washington, D.C.)**—While the \$27 billion dedicated to highway construction in the \$775 billion stimulus package likely saved thousands of construction-related jobs, it was not enough to prevent widespread lay-offs among road and transit construction businesses according to a nationwide survey released today. And while stimulus funds will continue supporting transportation projects next year, 44 percent of contractors anticipate having to lay off additional permanent employees due to overall economic conditions, the survey found.

Nearly 70 percent of transportation contractors responding to a survey conducted by the Washington, D.C.-based Transportation Construction Coalition (TCC) reported receiving stimulus-funded work so far this year. But 63 percent also reported they had to lay off permanent employees during 2009 due to adverse business conditions.

“The key to sustainable new job creation in the transportation construction industry is congressional passage soon of the overdue, long-term federal highway and transit program funding bill with new resources for the tapped out Highway Trust Fund,” says Mike Acott, president of the National Asphalt Pavement Association, a coalition member.

The TCC points out many state transportation programs have declined over the past several years, victims of program cuts precipitated by the recession’s impact on state revenues. As a result, most transportation contractors have been operating under capacity. The federal stimulus funds made available to states in April helped offset some of those declines in funding, coalition members say.

However, the requirement that stimulus-funded projects be “shovel ready” discouraged larger scale and longer-duration projects that sustain long-term personnel and equipment needs from getting funding. For example, less than 20 percent of the contractor respondents say they plan to purchase new construction equipment (19 percent) or trucks (18 percent) next year. And just five percent anticipate bringing on new, non-seasonal personnel.

“Contractors in many states still do not see sustainable, state-funded, market growth on the horizon until the overall economy rebounds significantly,” says Alison Black, vice president for policy and chief economist for the American Road & Transportation Builders Association, a coalition member. “When they hear that the one source of stable funding for the market over the past four years is in doubt—the core federal highway and transit program—it’s not surprising many are tightening operations.”

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Despite the federal stimulus funding, over three-quarters of the 527 firms responding to the TCC survey anticipate either a “slight” (46 percent) or “severe” (32 percent) decline next year in the state markets in which they work. More than 76 percent expect state transportation departments to put out less work to bid on in 2010 than they will this year.

“It is impossible to overstate just how difficult current conditions are or how dire the outlook for next year is,” Ken Simonson, chief economist for the coalition member Associated General Contractors of America, said. “One-time investments in transportation infrastructure like the stimulus help, but they’re simply no substitute for having a long-term investment strategy in our roads, bridges and transit systems.”

Simonson noted that the survey found that only 17 percent of transportation contractors will enter 2010 with a work volume backlog at least as large, by value, as they had entering 2009. Almost one in five report they will enter 2010 with at least 50 percent less backlog than last year. An additional 33 percent report the value of their work backlog will be 25 to 50 percent less going into 2010.

Contractors depend on maintaining a healthy backlog of future work contracts to ensure the cash flow necessary to maintain or add to their permanent work force. Temporary workers are hired as work is conducted in the field seasonally.

“Our members have capacity; they’re ready to meet the nation’s needs but the state DOTs can’t offer projects for which there is no stable source or commitment of funding by the federal government,” says Joy Wilson, president and chief executive officer of the TCC’s National Stone, Sand & Gravel Association. “The repair or replacement of America’s crumbling infrastructure requires vision, long-term commitment for multi-year projects that enhance safety and U.S. competitiveness; it is overdue but when enacted will create American jobs not just in the industries who build roads, but in the industries and farms and businesses who depend on surface transportation to get their goods to market.”

TCC members say the survey results underscore the need for quick passage of a robust, six-year surface transportation legislation that provides the level of investment for highway, bridge transit and safety projects that multiple, independent, bipartisan commissions have said the nation needs.

The TCC will be running print and internet ads targeting the Obama Administration and Congress and driving home the point that passage of the reauthorization bill is key to creating new American jobs. The TCC includes 28 national associations and labor unions whose members have a direct market interest in transportation programs.

The internet survey was conducted over the first three weeks of October. The complete survey results can be found at [www.transportationconstructioncoalition.org](http://www.transportationconstructioncoalition.org).

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