



The CWC (Clean Water Council), which is chaired by NUCA (National Utilities Contractor Association), has recently published a report on the economic impact of water and wastewater infrastructure investments. As an organization that supports NUCA and the CWC, we at NASSCO are most pleased with the results. In summary, the findings are extremely positive.

The entire press release is below, however we'd like to highlight a few key findings. Specifically, a most encouraging portion of the research shows that a \$1 billion investment in water and wastewater infrastructure results in:

- Total national output (i.e., demand for products and services in all industries) of between \$2.87 and \$3.46 billion;
- Creation of up to 26,669 new jobs (with average annual earnings for the construction portion of the jobs at an impressive \$50,396);
- Generation of personal (household) income of between \$1.01 and \$1.06 billion; and
- Approximately \$82.4 million in state and local tax revenue.

The CWC report, coupled with President Obama's plan to launch more than 2,600 wastewater, drinking water and sewer system projects as part of his administration's American Reinvestment and Recovery Plan, predict an extremely positive future for our industry.

Irvin Gemora  
Executive Director



## NEW CWC REPORT DEMONSTRATES IMMEDIATE ECONOMIC IMPACT OF WATER/WASTEWATER INFRASTRUCTURE INVESTMENT

**Arlington, VA - January 28, 2009** On the day of congressional consideration of a massive economic stimulus package, the findings of a new economic impact report produced for the Clean Water Council (CWC) by the globally-respected PA Consulting Group's Market Analytics Division (PA) support the contention that investment in clean water infrastructure creates significant economic benefits right away.

Titled *Sudden Impact: Assessment of Short-Term Economic Impacts of Water and Wastewater Projects in the United States*, the report shows that a \$1 billion investment in water and wastewater infrastructure results in total national output (i.e., demand for products and services in all industries) of between \$2.87 and \$3.46 billion, creates up to 26,669 new jobs (with average annual earnings for the construction portion of the jobs at an impressive \$50,396) and generates personal (household) income of between \$1.01 and \$1.06 billion. In addition,

each \$1 billion invested generates approximately \$82.4 million in state and local tax revenue.

Of particular note, each of these economic impacts occurs during and immediately after project construction. Significant supplementary economic benefits will also accrue in the future, decades-long service life of each facility, including additional job creation, enhanced labor productivity and an improved tax base.

The report shows that the targeted water and wastewater investment programs contained in pending economic stimulus legislation could in short order save and/or generate more than 300,000 skilled positions paying living wages. Terence M. O'Sullivan, General President of the Laborers International Union of North America (LIUNA) had this to say: "Working Americans need paychecks, not stimulus checks. Economic recovery legislation is a rare opportunity to put America back to work building the essential and long neglected basics of our country, which would leave behind real assets for future generations."

Also of note, the results are based on actual data collected from 116 water and wastewater construction projects in five demographically diverse states, including 73 different counties. The projects were completed in 2006 and 2007, and encompass a comprehensive array of geographic regions, project types, size, materials, construction methods and labor markets. The output, jobs and income (direct, indirect and induced) tied to these projects were determined at the county, state and national levels using two respected input-output models and multipliers (IMPLAN and RIMS II).

"The CWC took inventory of actual projects in order to fuel the models with real-world data that accurately reflect current activity. The report is short and sharp, and the economic findings are rock solid," added Bill Hillman, CEO of the National Utility Contractors Association. "Not only are the impacts sudden, but they are also significant, targeted to an area of real need and do not increase the size of government."

Each of the 116 projects analyzed in the assessment weaves a powerful local story, quantifying the interactions between firms, industries and social institutions within a local economy, and rippling outward across regional and state boundaries to benefit the entire nation. "For example, a New Mexico township authority contracted with a local utility contractor for \$3.27 million to expand the wastewater treatment plant, including new headworks and a storage handling facility. This initial investment in construction added an additional \$1.66 million of demand to the local economy," said Peg Krecker with PA, one of the report's authors. "Slightly less than \$1,000,000 involved indirect effects, such as engineering services, wholesale businesses, and industrial machinery and equipment. Just over \$750,000 of demand stemmed from household spending including housing itself, healthcare, and retail stores for everything from food to automotive parts to gardening supplies. On top of this, an additional \$1,730,000 in personal income to employees in the region resulted from growth in local economic demand. Finally, the number of jobs in the area grew by 50, 32 of which were construction jobs that paid approximately \$41,000. This necessary upgrade made a striking impact in Santa Fe County."

The report was made possible by contributions from the American Council of Engineering Companies, American Road and Transportation Builders Association, American Society of Civil Engineers, Associated Equipment Distributors, Association of Equipment Manufacturers, Caterpillar, Ductile Iron Pipe Research Association, John Deere Construction Equipment Company, Laborers-Employers Cooperation and Education Trust, National Stone, Sand and Gravel Association, National Utility Contractors Association, Plastics Pipe Institute, Portland Cement Association, The Vinyl Institute, and Water and Sewer Distributors of America.

*Chaired by the National Utility Contractors Association, the Clean Water Council (CWC) is a construction industry legislative coalition of 34 national organizations dedicated to advancing water infrastructure funding. Information about the CWC can be found at [www.americansforpurewater.com](http://www.americansforpurewater.com).*

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