



## **Slumping US Northeast construction sector gets boost post-Sandy**

By Hilary Russ

NEW YORK, Dec. 5 - Construction workers in the U.S. Northeast should see hiring pick up after years of job losses, as the region gears up to rebuild after the devastation brought by Superstorm Sandy.

There could be roughly 25,000 new jobs for electricians, laborers, carpenters and others in New York City over the next two years, according to an early estimate from the office of city Comptroller John Liu.

It remained unclear whether post-Sandy rebuilding projects, coupled with a recent uptick in residential building, could create enough construction jobs to make up for the tens of thousands lost during the recession.

The estimated 25,000 construction jobs created in the Big Apple from Sandy repair and reconstruction efforts would essentially match the 22,700 construction jobs the city has hemorrhaged since its pre-recession peak of 137,500 in August 2008, according data from the city Department of Labor.

In New York, New Jersey and Connecticut, the three states hit hardest by the storm, experts said hopes for long-term job growth for ironworkers, roofers and others in the building trades depends on whether state and local governments can find financing for major infrastructure upgrades.

The three states combined are seeking at least \$82 billion from the federal government to make emergency repairs. A sizeable chunk would be used to

beef up tunnels, transportation, power facilities, water systems and other infrastructure to better withstand future storms.

Whether states and towns get money for those projects depends in part on whether Congress can reach an agreement on deficit reduction and avoid tumbling over the so-called fiscal cliff in January.

"Everything slows down, obviously, if we go over the cliff," said **Bernard Baumohl**, chief global economist at **The Economic Outlook Group**, in Princeton, New Jersey. "A lot of monies for that reconstruction would just not be available in a timely manner."

With an influx of rebuilding money from insurance companies and the Federal Emergency Management Agency (FEMA) for major projects, the U.S. economy could see growth of an additional 0.4 percent in 2013, on top of the approximately 3.0 percent growth already expected, he said.

The positive impact on growth could continue for next year, 2014 and beyond, he added.

With major infrastructure investment linked to Sandy and the continuation of the uptick in homebuilding, the United States could see at least 30,000 new construction jobs created by 2014, a substantial portion of them in the northeast, **Baumohl** said.

Economists and others cautioned that it was too early to say exactly how many construction jobs the storm may have created.

"The notion that somehow the storm solved our employment problem in a long-term structural way - it didn't," said Paul Fernandes, chief of staff for the Building and Construction Trades Council of Greater New York, an umbrella group representing all of the city's construction trade unions.

"If there's going to be a substantial effect, it will come in the form of infrastructure improvements that are being talked about now," Fernandes said.

## AMID DESTRUCTION, A BRIGHT SPOT EMERGES

When it slammed into New Jersey on Oct. 29, the storm flung down trees, ripped into beaches and caused widespread flooding.

In the aftermath, hundreds of thousands of homes and businesses need repairs. Insurance companies in New York state alone have received at least 360,000 claims related to storm, New York Governor Andrew Cuomo has said, and the number is likely to grow.

New Jersey Governor Chris Christie wrote to FEMA on Nov. 30 that costs for debris removal and emergency protective measures alone - not including individual assistance or repairs to houses, roads and public buildings - could exceed \$160 per capita.

Some workers have already been hired to do emergency repair and debris removal and are now getting hired for rebuilding efforts.

Harry Bawa, who owns the general contracting firm Elite Global Builders Inc in the New York City borough of Queens, said he usually employs about 15 workers but now has up to 25 to keep up with demand for services in the wake of the storm.

His company has several new jobs pouring new concrete foundations for homes that saw theirs washed away. Each job can take up to a week to complete.

"To make it quick, we try to put an extra amount of guys on the job," Bawa said.

"For us, it's beneficial, but for the homeowner himself, they're losing out," Bawa said. "Some don't have insurance. They have to pay out of pocket. If you're in their shoes ... it's a real loss."

Reconstruction work can also spur increased hiring in related industries.

In New York and New Jersey metro areas, Home Depot is looking to hire more than 500 temporary workers for stores because of increased demand for everything from drywall to generators to flooring, according to

spokesman Stephen Holmes.

The U.S. Department of Labor is providing \$46.7 million of grant money to New York, New Jersey, Connecticut and Rhode Island for state governments to hire unemployed workers for clean-up jobs.

Cuomo has said that those grants could provide temporary employment for about 5,000 people.

"We're going to get a boost in construction and cleanup, but the extent of that boost we still don't know," said Elena Volovelsky, a labor market analyst for the New York City Department of Labor.

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