

Naples Daily News

Guest commentary: State stimulus plan could save 200,000 jobs

BARNEY BISHOP III / president and CEO, Associated Industries of Florida

Saturday, March 21, 2009

The Sunshine State has definitely seen brighter days. It seems Florida's ailing economy is on the forefront of everyone's mind and dominates the headlines in newspapers each day. Visiting small and large business owners across the state, I hear the same thing time and time again: Legislative action to boost our economy should have happened yesterday.

Relying on the market to correct itself is simply no longer an acceptable answer. Florida's elected leaders must take immediate steps to put people to work and put food on tables today.

With the voices of Florida's underworked and unemployed in our minds, 22 statewide business groups have joined together for the second year in a row to produce a unified package of recommendations designed to kick-start Florida's economy. Known as the Economic Stimulus Package 2.0, or ESP 2.0, this proposal recommends short-term, targeted investments in infrastructure (roads, water projects, housing) and regulatory reforms designed to help Florida bounce back from this recession in a faster and more sustainable way.

As part of our efforts to encourage state leaders to look carefully at ESP 2.0 recommendations, Associated Industries of Florida collaborated with Florida TaxWatch to help determine the estimated benefits of our proposal. The Florida Council of Economic Advisors at Florida TaxWatch conducted a thorough analysis of the package using the dynamic regional economic model, or REMI model, to quantify the impacts of these recommendations on job creation, earnings and gross domestic product (GDP). Economists conducting the study specifically focused on several suggested investments areas from ESP 2.0 including transportation, educational facilities, affordable housing, alternative water supply projects, home "hardening" (or mitigation) and Florida tourism.

The results of their economic study are positive at best and promising at worst. If the combined elements of these economic stimulus programs were put into action within the next fiscal year, 109,000 jobs would be created or saved. Over the next three years, the Florida TaxWatch study concluded the ESP 2.0 recommendations would employ or keep employed close to 208,000 Floridians who otherwise may not have the means to provide for their families.

The analysis also concluded the salaries for the jobs created during that three-year period would be twice as large as the median Florida salary. In addition to creating jobs with average annual earnings of more than \$56,000, these recommendations will also contribute \$15.2 billion to Florida's gross domestic product and \$12.3 billion in labor compensation.

It is our hope that these substantial and optimistic figures will encourage government officials to invest in “shovel-ready” transportation, water-infrastructure and affordable-housing projects that could provide instant, high return. Additionally, these figures can serve as a guide to legislators making decisions regarding funds the state will receive from the federal American Recovery and Reinvestment Act.

In fact, federal investments lead the charge in number of jobs and earnings created. In the first year alone, \$6 billion in federally-funded transportation infrastructure projects would create more than 70,000 jobs, followed by a combined 51,000 jobs in 2010 and 2011. Considering the same three-year span, \$8.9 billion in gross domestic product would be produced. Federal aid for education in the form of \$4.5 billion in school construction and equipment investments would account for \$2.9 billion in GDP and create 39,000 jobs over a three-year period.

ESP 2.0 is the work product of some of Florida’s top business associations, which are on the front lines of our state’s economy. Originating from discussions with representatives from various industry associations and other business leaders, the recommendations set forth in ESP 2.0 have been strategically selected to best protect Florida’s future.

Legislative action to save Florida’s sputtering economy is needed immediately, and these tangible solutions will help propel the Sunshine State forward to better days. ESP 2.0 may not be an economic panacea, but it is certainly a step in the right direction — and 200,000 employed Floridians would certainly agree.