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Business

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Hard Times

NH stimulus cash forms bright spot

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On the heels of a "horrendous" report about unemployment rates in the construction industry, contractors said Friday that stimulus money is providing plenty of funds for road projects but has been slow to boost others.

Christian Zimmermann, president of New Hampshire-based paving and asphalt company Pike Industries, was featured prominently in a conference call organized by the Associated General Contractors of America that included five other firms.

Zimmermann said Pike has received 12 stimulus jobs worth a total of \$80 million. The extra work has allowed him to save or create 250 jobs, about one-quarter of the company's work force. About 100 of those employees are going through the hiring process now, he said.

"Back in August of last year, we had already been downsizing our organization from 2006, and we were looking at further cuts," said Zimmermann, whose public support of the stimulus plan has landed him a seat at a roundtable with Vice President Joe Biden and quotes in the likes of Time magazine. "Our state has led the way, I believe, in getting jobs out on the street."

Belmont-based Pike Industries employs about 1,200. The company is a major road builder in New Hampshire, Maine and Vermont.

Some of Zimmermann's counterparts, specifically those who specialize in bridge or sewer projects, weren't as upbeat, saying stimulus funds have been slower to trickle down to them.

"We've seen very few stimulus projects in the Midwest when it comes to bridges. Most of it has been asphalt," said Rick Harlan, president of Iowa-based bridge builder A.M. Cohron & Sons Inc., whose company cut its staff of 240 by more than half since 2007.

Hard Times

The economic recession is forcing changes for businesses, families and governments.

This is one of a series of stories running this year about individuals, companies and institutions coping with the recession. These and earlier stories can be read on the Telegraph's Web site, www.nashuatelegraph.com/hardtimes.

John McKaskie, president of Swank Associated Cos. in Pennsylvania, said a half-million dollar contract has allowed him to return 10 seasonal employees one month ahead of schedule. But he called the road projects a "short-term shot in the arm for underinvestment in Pennsylvania," particularly because the state's bridges are in such dire shape.

Several of the contractors acknowledged a good explanation for the bulk of stimulus funds thus far having gone to road projects: Other infrastructure improvements take far

longer to go through the permitting process and become "shovel ready," a parameter set by the federal government in passing the \$787 billion stimulus package.

"The permitting process is a real big anchor. We need to work as a nation to streamline that process," Don Laskey, president of Oregon's Laskey-Clifton Corp.

On Monday, President Barack Obama and Biden, facing the highest unemployment rate in more than 25 years, are expected to announce a plan to speed up the flow of stimulus money. The administration has received some criticism since the stimulus plan was signed in February that the money is not flowing fast enough.

The U.S. Department of Labor announced Friday that the unemployment rate rose to 9.4 percent in May, which is well above predictions from just a few months ago. But Biden was careful to say the goal of the speed-up plan is not just to lower the unemployment rate but to begin adding to the number of existing jobs from month to month.

Thus far, only about 6 percent of the \$787 billion in federal stimulus money has been paid out, according to a New York Times report, and much of that has been in the form of social service payments to states.

As of early last month, the U.S. Department of Transportation spent \$11 billion in roadway projects, the report said.

Meanwhile, the construction industry as a whole is still suffering.

Ken Simonson, chief economist for the Associated General Contractors of America, pointed to the construction industry's current unemployment rate of more than 19 percent, a figure he called "horrendous."

Simonson predicted that most sectors of the construction industry had further to slide before hitting rock bottom.

In New Hampshire, the federal stimulus package was estimated to create about 16,000 jobs, but it's unclear how many of those have been documented thus far. Bud Fitch, the state's stimulus czar, could not be reached for comment Friday.

Zimmermann, the Pike Industries president, said stimulus road projects have been particularly speedy in New Hampshire because contractors here worked with the state Department of Transportation to cut in half the time it takes for a project to get from bid to shovel, he said.

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