



Ecosystem Workforce Program

BRIEFING PAPER #20

Local Benefit in the West from the American Reinvestment and Recovery Act

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Congress and President Obama designed the American Reinvestment and Recovery Act (ARRA) to preserve and create jobs, assist people in need, stabilize state and local government budgets, and invest in infrastructure and environmental protection that would provide long-term economic benefits. During FY 2009, the federal government awarded over \$15 billion in ARRA-funded contracts and nearly \$200 billion in ARRA-funded grants and agreements. The 11 western states received approximately 10% of the total ARRA funds awarded in FY 2009.

The federal government manages more than half the land in 200 of the 413 counties in the 11 western states. Seventy percent of western counties are non-metropolitan, with no cities with more than 50,000 people. Poverty, an enduring measure of economic distress, is nearly 20% higher in non-metropolitan counties in the West than in counties with urban centers (14.9% vs. 12.5%), and is above the national average (14.9% vs. 13.2%). Furthermore, western counties with more than 50% of land managed by the federal government had unemployment rates between 1 and 2 percentage points greater than other western counties in 2009. With their ARRA allocations, federal land management agencies have the opportunity to help address community and economic development needs and natural resource conservation in the West.

In this briefing paper, we consider how much ARRA funding has been awarded in western counties, which federal agencies have played a role in funding projects, and the amount of local capture of Forest Service and Bureau of Land Management (BLM) ARRA funding.

Approach

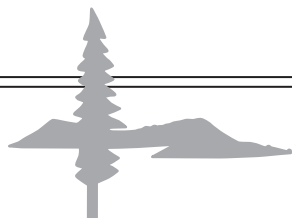
To understand how ARRA funds were spent, we compiled spending data from the Federal Procurement Data System (contracts) and USASpending (grants and agreements). Updated data can be found at www.recovery.gov.

Our primary goal was to examine funding awarded by the county of the home location of award recipients rather than by the county where the work was performed. Economic benefits do accrue to the place of performance, when workers spending wages on food, lodging, and more. However, the majority of economic benefits and capacity development are likely to accrue to the award recipient's home county, where employees are likely to live, owner income will likely be invested, and business capacity will grow.

To assess the differences between where the work was done and home location of the organization performing the work, we calculated the percent of work done in a county by award recipients located in that county -- the local capture.

Findings

By focusing on the home location of contractors and grant recipients, we found that in FY 2009, the largest concentrations of ARRA funding was awarded to entities located in metropolitan counties (Map 1). Most rural areas received comparatively little or no funding. Those rural counties that received the largest awards are generally the home to federal installations such as national laboratories and military bases. ARRA awards for the 127 metropolitan counties in the West average approximately \$350 per



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person (a total of \$21.8 billion); the 90 micropolitan counties received approximately \$277 per person (a total of \$1.2 billion), and the 190 rural counties received approximately \$113 per person (a total of \$232 million).

The Departments of Agriculture and Interior awarded over \$550 million in contracts, grants, and agreements in western counties (Map 2). This sum, however, is dwarfed by the investments of nine other agencies including the Departments of Education (\$5.8 billion), Transportation (\$4.9 billion), Energy (\$4.8 billion), Defense (\$1.2 billion), Justice (\$1.1 billion), Housing and Urban Development (\$1.1 billion), Labor (\$950 million); the Environmental Protection Agency (\$1.3 billion); and the National Science Foundation (\$577 million). The amounts awarded largely reflect the design of ARRA, which provided a relatively small amount of funding to natural resource management.

Together, the Forest Service and BLM awarded contracts and grants to businesses and nonprofits located in a total of 114 western counties (Map 3). The Forest Service awarded contracts to recipients in 71 counties and in 35 of those counties the Forest Service investment was the largest investment made by any agency. The BLM awarded contracts to recipients in 56 counties. In 20 of those counties, the BLM award was the largest investment made by any agency. The Forest Service awarded grants and agreements to recipients in 48 counties, and in 21 of those counties the Forest Service investment represented the largest investment made by any agency in

that county. The BLM only awarded three grants or agreements, for a total of about \$200,000.

To consider the extent to which work was awarded locally, we compared the location where the work was performed with the home location of the organization performing the work (Map 4). The Forest Service and Bureau of Land Management awarded contracts, grants, and agreements for work to be performed in 168 counties across the West. In 45% of those counties, the contract, grant, or agreement recipients were all from outside the county. In 34% of counties where work was performed, the contract, grant, or agreement recipients were completely local. In 2/3 of the remaining counties where work was done, local capture of contracts, grants, and agreements was less than 50%.

Conclusion

In FY 2009, the Forest Service and the BLM awarded in the West about one-third of the nearly \$1.5 billion that Congress authorized through the ARRA. As the remaining ARRA funding is awarded, these agencies have the opportunity to improve the proportion of ARRA funding that reaches non-metropolitan counties, where the majority of federal lands are, and the rate of local capture in those counties. Such a focus has the potential to support the retention and development of long-term capacity and infrastructure for sustainable land management, while helping to create and preserve jobs for a population in need.

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