



# OFFICE OF SPEAKER NANCY PELOSI FACT SHEET

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## AMERICAN RECOVERY AND REINVESTMENT ACT *Analysis by Mark Zandi – 4 Million More Jobs Under Plan*

Today, prominent economist Mark Zandi, chief economist with Moody's Economy.com and former adviser to Sen. John McCain's presidential campaign, released an [analysis of the American Recovery and Reinvestment Act](#). He concluded that with the economic recovery plan there will be 4 million more jobs and an unemployment rate that is 2 percentage points lower by the end of 2010 than without the plan [see state-by-state tables on pages 15 and 16].

### Key points from Zandi's analysis:

- “The mix of tax cuts and spending increases in the stimulus package is designed to provide both quick relief and a substantial boost to the struggling economy.” [page 2]
- “Increased government spending provides a large economic bang for the buck and thus significantly boosts the economy...The most effective proposals included in the House stimulus plan are extending unemployment insurance benefits, expanding the food stamp program, and increasing aid to state and local governments. Increasing infrastructure spending will also greatly boost the economy, particularly as the current downturn is expected to last for an extended period. Most of the infrastructure money will be spent on hiring workers and on materials and equipment produced domestically.” [page 8]
- Zandi estimates 41 percent of the American Recovery and Reinvestment Act's total investments will be spent in 2009. [Table 1, page 8]
- “The boost to GDP from every dollar spent on public infrastructure is large – an estimated \$1.59 – and there is little doubt that the nation has underinvested in infrastructure for some time, to the increasing detriment of the nation's long-term growth prospects.” [page 11]
- “Implementation of the House Democratic fiscal stimulus plan in early 2009 would provide a substantial benefit to the economy. The stimulus will not keep the downturn from becoming the worst since the Great Depression, but it will ensure that the current episode remains a recession and not a depression.” [page 11]
- “All major industries benefit from the House Democratic stimulus plan.” [page 13]

Today, the House Appropriations Committee is considering the **American Recovery and Reinvestment Plan**. Tomorrow, the House Ways and Means Committee and the Energy and Commerce Committee will also mark up the legislation.

The plan, unveiled last week, is already [garnering support](#) from a wide range of experts and organizations. The plan is the first crucial step in a concerted effort to create and save jobs, jumpstart our economy, and transform it for the 21<sup>st</sup> century.

**Unprecedented accountability** and transparency measures are built in to help ensure tax dollars are spent wisely. \$550 billion is strategically targeted to priority investments; \$275 billion in targeted tax cuts will also help spur economic recovery.

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