



# Iowa Fiscal Partnership

**NEWS RELEASE**

May 20, 2010  
[www.iowafiscal.org](http://www.iowafiscal.org)

FOR IMMEDIATE RELEASE, THURSDAY, MAY 20, 2010  
CONTACT: Mike Owen (319) 338-0773, [ipp@Lcom.net](mailto:ipp@Lcom.net)

## *Weatherizing Iowa to a Green Recovery*

IOWA CITY, Iowa (May 20, 2010) — At the same time the federal economic recovery package is boosting income and the number of jobs for Iowa workers, it is improving energy-savings opportunities for Iowa families who cannot otherwise afford them, researchers reported today.

“Energy benefits alone are not enough to bridge the gap of energy affordability for many families. The federal recovery package has provided an important boost to Iowa’s Weatherization Assistance Program, which can make a difference for those families,” said Molly Fleming, a researcher for the nonpartisan Iowa Policy Project and co-author of a new report for the Iowa Fiscal Partnership.

Fleming and David Swenson, an economic scientist at Iowa State University, noted in the report that the American Recovery and Reinvestment Act (ARRA) provides \$5 billion to weatherization services and administration nationwide — about \$81 million in Iowa for retrofitting of 7,205 homes from 2009-12.

“There have been delays and that is disappointing, but this kind of spending clearly stimulates the state economy,” said Swenson, who provided estimates of direct and indirect impacts of the spending on the economy.

In their policy brief, “Green Recovery: How Weatherization Works for Iowans,” the researchers estimated Iowa’s ARRA benefits through weatherization to include:

- a \$48.6 million increase in output, the value of goods and services produced in Iowa, in 2010 and 2011, with smaller effects in 2009 and 2012;
- creation or maintenance of 612 jobs in both 2010 and 2011, and smaller numbers in the first and fourth years — 118 in 2009 and 145 in 2012, through both direct and indirect impacts.

“Every federal dollar of economic stimulus invested in weatherization yields about \$1.47 in total output for the state of Iowa. Out of that dollar, 61 cents is returned to Iowa workers in the form of wages and salaries and incomes of small business owners,” Swenson said.

“As this research shows, weatherization stimulus spending has an economic benefit to the state much greater than the federal government’s initial investment,” he added. “Iowa’s Weatherization Assistance Program is a good place for this investment, assuring that besides the economic boost, Iowans are able to conserve energy, curb greenhouse gas emissions and reduce their home energy bills.”

— m o r e —

### **The Iowa Policy Project**

20 E. Market Street  
Iowa City, IA 52245  
(319) 338-0773 • [www.iowapolicyproject.org](http://www.iowapolicyproject.org)

### **CHILD & FAMILY POLICY CENTER**

505 5<sup>th</sup> Avenue • Suite 404  
Des Moines, IA 50309  
(515) 280-9027 • [www.cfpciowa.org](http://www.cfpciowa.org)

The researchers noted low-income individuals and families typically spend their available resources to meet basic needs.

“Weatherization assistance funded by ARRA allows these families to save on their energy bills,” Fleming said. “Most would immediately spend that savings on goods and services in the local economy. Therefore, every dollar a low-income family can save on home energy bills enables that family to spend an additional dollar on other purchases.

“Then you start seeing ripple effects: As WAP recipient households buy more from Iowa stores and services providers, owners and workers in those businesses do better, and that enables more spending, which is what can help to drive economic recovery.”

Swenson agreed.

“Those indirect effects of stimulus spending are an important benefit of this type of policy that should be recognized by public officials,” he said. “These policy choices have economic impacts, and in this economy, the impacts are positive.”

The Iowa Fiscal Partnership is a joint budget and tax policy initiative of IPP in Iowa City and another nonpartisan organization, the Child & Family Policy Center in Des Moines. IPP reports are at [www.iowapolicyproject.org](http://www.iowapolicyproject.org).

# # # # #