



ASSOCIATION OF  
EQUIPMENT MANUFACTURERS

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**NEW STUDY FINDS CONSTRUCTION EQUIPMENT WORKERS MIRED IN ECONOMIC DEPRESSION**

*Two out of Every 25 Jobs Lost Tied to Slumping Equipment Industry; Worse than Autos & Finance  
Start Us Up USA! Launches to Pass Transportation Bill, Spur Jobs Recovery*

WASHINGTON – While recession abates for some sectors of the U.S. economy, the construction equipment industry remains stalled in a deep depression caused in part by a scarcity of new federal investment in needed transportation improvements that would benefit the public and strengthen our nation’s competitiveness. In fact, eight percent of all jobs lost during the recession – or two out of every 25 – can be traced to this ailing industry, according to a new study released today.

The research – conducted by IHS Global Insight, a respected economic and financial analysis firm – comes one day prior to the expiration of federal transportation funding. Congress has yet to pass a new multi-year reauthorization bill, and many experts consider that legislation to be the best opportunity for lawmakers to help stimulate the slumping construction sector this year and improve traffic. To highlight the report’s dire findings and rally support for swift government action, construction equipment workers and business leaders today launched the *Start Us Up USA!* campaign. Led by the Associated Equipment Distributors (AED) and the Association of Equipment Manufacturers (AEM), *Start Us Up USA!* aims to secure passage of adequately funded transportation legislation before the spring construction season begins in early 2010.

“The current recession has placed a severe drag on the construction equipment industry, which is consequently holding back the broader economy from recovery,” said Scott Hazelton, director of construction services for IHS Global Insight and principal author of the study. Other key findings include:

- The construction equipment industry – which includes manufacturing, distribution and repair stations – has shed 37 percent of its workforce. By comparison, auto manufacturing and dealership jobs are down by 16 percent, while job losses in the finance and insurance industry amount to 6 percent of their workforce.
- Spending on construction equipment has fallen by more than 50 percent compared to its peak in 2006.
- The economic output of this industry has contracted by nearly 40 percent and resulted in the loss of approximately 550,000 jobs. That’s eight percent of all jobs lost since the start of the recession.
- In 2008, the construction equipment industry contributed \$243.3 billion in U.S. economic output and supported nearly 1.25 million jobs. The jobs supported by this industry were roughly equal to the number of men and women employed in manufacturing computer and electronic equipment.

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IHS Global Insight also analyzed the impact of the construction equipment depression on individual states. From “peak-to-trough” – roughly 2006 to 2009 – the states suffering the greatest losses are California, North Dakota, Texas and Wyoming, as seen below.

Construction Equipment Industry Peak-to-Trough Employment Loss: Top 10 States				Construction Equipment Industry Peak-to-Trough Output Loss: Top 10 States			
Total Employment Loss		Percentage Loss		Total Output Loss (\$ billion)		Percentage Loss	
California	53,368	Wyoming	1.17%	Texas	\$11.37	North Dakota	3.77%
Texas	53,020	West Virginia	1.01%	California	\$9.23	Iowa	2.62%
Florida	33,063	North Dakota	0.86%	Illinois	\$9.22	West Virginia	2.08%
Illinois	32,974	Iowa	0.69%	Pennsylvania	\$5.16	Wyoming	1.80%
Pennsylvania	25,816	Kentucky	0.64%	Florida	\$4.64	South Dakota	1.79%
Ohio	24,632	Montana	0.64%	Ohio	\$4.54	Wisconsin	1.63%
New York	23,783	South Dakota	0.60%	New York	\$4.49	Illinois	1.56%
North Carolina	19,804	Louisiana	0.59%	North Carolina	\$3.84	Oklahoma	1.53%
Georgia	17,497	Alabama	0.57%	Wisconsin	\$3.67	Kentucky	1.41%
Virginia	16,701	Kansas	0.56%	Iowa	\$3.17	Kansas	1.40%

Source: IHS Global Insight, September 2009

*Start Us Up USA!* will kick-off today in Las Vegas, Nevada with a caravan of idle equipment parading down “The Strip.” New equipment sitting idle in manufacturers’ warehouses or on dealer lots is usually much cleaner and more efficient than machines currently in use. MaryKaye Cashman, whose Caterpillar dealership is the seventh-largest privately held business in Nevada, said her company is typical of so many others in the industry. She reports that sales are down by 50 percent, and she has 25 percent fewer employees today compared to her peak business a few years ago.

Besides Las Vegas, equipment industry workers and leaders will be organizing similar grassroots events across the country. The *Start Us Up USA!* campaign will culminate in Washington, D.C. on Wednesday, October 28<sup>th</sup> with a rally on Capitol Hill, and organizers expect to target Chicago, Louisville and potentially other cities for idle equipment caravans along the way. Finally, campaign leaders unveiled a new website – [www.StartUsUpUSA.com](http://www.StartUsUpUSA.com) – where visitors can find the latest information, share stories on how the construction equipment depression has affected them, post photos and videos, and learn how they can help.

“A safer, less congested transportation network is critical for America’s future economic prosperity,” concluded AEM and AED. “Just as importantly, investing in these needed infrastructure improvements will spur a recovery in the struggling construction and manufacturing sectors while creating millions of good-paying jobs. Unnecessary delay in passing a transportation bill will prolong this depression for the men and women working in our industry – not to mention force Americans to wait for safer roads and increased transit options.”

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The Association of Equipment Manufacturers ([www.aem.org](http://www.aem.org)) is the North American-based international trade association for the off-road equipment manufacturing industry serving the construction, agriculture, forestry, mining and utility markets. AEM is headquartered in Milwaukee, Wisconsin, with offices in Washington, D.C., Ottawa, Beijing and a European presence in Brussels. It represents more than 800 companies.

The Associated Equipment Distributors ([www.aednet.org](http://www.aednet.org)) is an international trade association representing companies involved in the distribution, rental and support of equipment used in construction, mining, forestry, power generation, agriculture and industrial applications.