



Construction Industry Round Table

Business News

A force for positive change in the design / construction industry

1/19/10 – Where Are The Private Sector Jobs?

As a founding member, CIRT joined the [Business Coalition for Fair Competition \(BCFC\)](#) news conference commemorating the 55th anniversary of Bureau of the Budget (now Office of Management and Budget) Bulletin 55-4 (now Circular A-76) on January 15 that stated: *"The Federal government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels."* The press event was intended to not only focus on the fact million of private sector jobs have been lost in the past twelve months but that the opposite has occurred for employment levels in the federal government. Complicating these figures is the "insidious amounts of unfair government competition" that is occurring from the public sector. CIRT President Mark Casso noted that not only are construction markets "shrinking" (down 25% from their highs, with attending unemployment at 22.7% over twice the national level), but they are also "shifting" to a more pronounced public sector character (now 35.5%-64.5% public-to-private mix, dramatically different from the traditional 20%-80% mix). This shifting has consequences with respect what will drive the ultimate decision making – private investment and economic return vs. government policy objectives.

Common themes articulated at the news conference highlighted:

- In March 2009, President Obama and the Office of Management and Budget (OMB) began the process of in-sourcing jobs currently in the private sector, into Federal jobs and positions;
- Also in March 2009, Congress passed language in the Omnibus Appropriations Act, now Public Law 111-5, allowing in-sourcing while restricting contracting out to the private sector;
- In December 2009, Congress passed language in the 2010 Consolidated Appropriations Act, Public Law 111-117, allowing in-sourcing while restricting contracting out to the private sector; and
- Net-net of these and other issues, according to Bureau of Labor Statistics: Since December 2008, the Federal government (non-Postal Service) gained 109,700 jobs; and the private sector lost 4,099,000 jobs.