New Report: Better Buildings = 114,000 New Jobs

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Today USGBC, with our partners at the Real Estate Roundtable and the Natural Resources Defense Council, released an analysis conducted by the Political Economy Research Institute that concludes that President Obama's Better Buildings Initiative (BBI) will create over 114,000 jobs.

As background, the Better Buildings Initiative is a collection of legislative proposals and federal agency actions designed to encourage the efficiency improvement of commercial buildings. The President has recommended tax incentives, grant and challenge programs, and increasing the availability of financing for the improvements. The analysis covers the major components of the initiative: the tax incentives, the financing programs, and the grant programs.

The full report is available at http://www.USGBC.org/advocacy/BBIJobs. Here's what you need to know:

- The Better Buildings Initiative would create more than 114,000 jobs.
- The greatest jobs-creating impact – over 77,000 new jobs – would derive from a revised tax incentive to encourage building retrofits.
- New job creation would ripple throughout the economy. New jobs would be created directly at construction sites, which in turn would spur more jobs in the manufacturing and service sectors.
- The Better Buildings Initiative's federal incentives are an investment to trigger private sector spending, which in turn produces widespread benefits. For example, tax incentives would encourage at least three times as much private investment to make buildings more efficient.
- Businesses would save over $1.4 billion in energy bills as a result of retrofit projects spurred by the tax incentive, which would in turn be re-injected into the economy.

The most significant job creator considered is the revision of the existing tax deduction for energy efficient commercial buildings, section 179D. These are the same revisions supported by 86 diverse organizations and the subject of the recent letter to the Senate written about last week. The proposal with its unique structure would create 77,000 jobs while achieving real quantifiable energy efficiency improvements. Actual measured performance is required to take full advantage of the redesigned incentive.

The report also outlines how these jobs would be created in engineering and in performing the retrofits, manufacturing the new efficient equipment and materials, operating, commissioning, and servicing the buildings, and finally in the re-spending of the significant energy savings.

The conclusion that commercial building energy efficiency creates jobs, and a staggering number of new jobs is not new. This report joins and supports the conclusion of a host of others on the topic.

- McKinsey found 600,000 to 900,000 new jobs in energy efficiency over all sectors.
- ACEEE found 333,000 new jobs in proposed energy efficiency legislation last year. Over 150,000 of these jobs were from the bi-partisan yet now politically infeasible HomeStar program for home retrofits.
- UC Berkeley found that California's energy efficiency policies on the books will create 200,000 jobs by 2020, with more jobs of higher quality possible with some additional measures.

With this new analysis we now know how much of the huge opportunity for job creation through energy efficiency may be achieved through implementation of

the Better Buildings Initiative. USGBC and its member companies will continue to support the agencies moving forward with the administrative components of the BBI while working with our many allies to convince Congress to move forward with the changes to the tax code that could potentially unlock a huge number of jobs in commercial energy efficiency. Stay tuned to this blog for opportunities to get involved.

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