

# MEPT CREATES 52.7 MILLION JOB HOURS FOR THE BUILDING TRADES



## NEW INDEPENDENT ANALYSIS REVEALS \$9.9 BILLION OF ECONOMIC IMPACT IN 33 MARKETS

THIRD QUARTER | OCTOBER 2006

Results of a new independent economic impact analysis completed in August 2006 reveal that MEPT has generated 52.7 million job hours for Building Trades members across the United States. Additionally, MEPT's development, renovation, and tenant improvement investments have resulted in over \$9.9 billion in total economic activity in the communities where MEPT's buildings are located.

**“When we started MEPT in 1982, the concept of investing pension dollars to achieve competitive, risk-adjusted returns as well as collateral benefits such as job creation, was a relatively new concept, and it certainly had not been tested,”** commented Landon Butler, President of Landon Butler & Company and a member of the MEPT Policy Board. **“The study by ECONorthwest proves that this concept can work, and it can be extremely effective for Taft-Hartley and public employee pension plans looking to grow their pension fund dollars, generate employment opportunities for their members, and have a positive impact on their local communities.”**

ECONorthwest, Inc., an economic consulting firm, analyzed the impact of 218 MEPT investments acquired, built or committed in 33 markets located around the United States. ECONorthwest's study examined MEPT investments from the Fund's inception in April 1982 through December 2005. Among its many conclusions, the study shows that since its inception, MEPT has invested approximately \$4.6 billion in 24 states, including \$3.7 billion in hard cost investments (costs directly related to services provided by construction contractors). The hard cost investments have generated approximately 27,300 construction jobs, which equates to 52.7 million job hours worked. Further, these jobs paid \$1.5 billion in wages and benefits, and generated \$74.9 million in state personal income taxes.

The study also shows that as MEPT's portfolio has grown, tenant improvement work has become a more significant factor in MEPT's total job creation. Of the 52.7 million job hours created for Building Trades members, second generation tenant improvements account for 3.5 million hours. MEPT's portfolio currently contains 343 buildings, and the Fund typically owns properties for 7–10 years.

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### IMPACTS FROM NEW CONSTRUCTION AND TI WORK

**\$3.7 billion**  
hard cost  
investments

**\$1.5 billion**  
wages and  
benefits paid

**27,300**  
construction jobs  
created

**\$74.9 million**  
in state personal  
income taxes  
generated

Therefore, tenant improvement work will continue to be a significant portion of overall job creation and economic activity.

**“Construction projects generate economic benefits for the communities in which they are located... Although the direct impacts associated with construction spending occur over a specific time period, additional economic benefits continue to ripple through the economy after the construction project has been completed,”** concluded Dr. Randall Pozdena, Senior Economist and Managing Director, ECONorthwest, Inc.

MEPT investment spending has a multiplier effect on communities. Expenditures on skilled construction labor, special trade contractors, and architectural, engineering, and pre-design services create jobs that lead to additional economic impacts for workers and business owners in other sectors of the economy. The study quantified the impact of MEPT’s investment activity throughout the communities where projects are located, including:

- In total, MEPT projects have created 152.0 million hours of work, amounting to 83,900 jobs and \$4.0 billion in personal income.
- The direct, indirect and induced effects of MEPT investments have resulted in \$199.5 million in income taxes.
- The 24 states covered in the study have benefited from sales tax revenues of \$127.6 million as a result of MEPT construction activity.

Economic impact analysis provides a framework for analyzing how MEPT’s activities affect regional economic activity. ECONorthwest used input-output analysis, the most widely used modeling framework, and IMPLAN (for IMPact Analysis for PLANning), an economic modeling software. According to Dr. Pozdena, the IMPLAN model comprehensively traced how and where money spent on MEPT investments circulated throughout the economy.

*For a complete copy of the Multi-Employer Property Trust Economic Impact Study, please contact Pamela Silberman at (202) 737-8824 or [psilberman@lbutler.com](mailto:psilberman@lbutler.com).*

## RESULTS OF MEPT INVESTMENTS

*Tabulated by Market*

MARKET	TOTAL ECONOMIC EFFECT	TOTAL UNION BUILDING TRADES HOURS OF WORK CREATED
ANCHORAGE	13,318,285	67,034
BALTIMORE	454,458,661	2,618,641
BOCA RATON	24,044,772	20,570
BOSTON	206,888,981	1,024,551
CENTRAL NEW JERSEY	134,207,731	564,552
CHICAGO	1,100,594,547	5,477,605
CINCINNATI	76,325,932	468,361
COLUMBUS	30,195,460	145,861
DALLAS	4,655,045	28,495
DENVER	326,089,536	1,782,717
DETROIT	313,825,683	1,613,821
HOUSTON	75,255,303	360,080
INDIANAPOLIS	134,610,327	717,919
JUNEAU	275,583	1,854
KANSAS CITY	103,924,950	755,812
LAKE OF THE OZARKS	25,549,533	159,440
LAS VEGAS	94,234,272	707,742
LOS ANGELES	1,193,775,517	6,080,692
MILWAUKEE	112,476,249	548,311
MINNEAPOLIS	662,159	—
NEW YORK CITY	638,093,379	3,461,299
PHILADELPHIA	486,625,671	1,925,625
PHOENIX	55,527,103	356,589
PITTSBURGH	287,732,394	1,345,021
PORTLAND	519,463,540	2,837,988
RENO	72,511,181	447,291
SAN DIEGO	136,969,701	581,731
SAN FRANCISCO	544,427,773	2,469,370
SANTA FE	10,147,668	52,686
SEATTLE	785,135,003	3,747,000
SOUTH BEND	17,954,147	103,597
ST. LOUIS	352,435,390	1,957,099
WASHINGTON, D.C.	1,333,671,040	9,636,219
PRE-1995 TENANT IMPROVEMENTS*	235,802,872	636,752
<b>TOTAL</b>	<b>9,901,865,386</b>	<b>52,702,324</b>

\*Represents all tenant improvements made to projects prior to 1995. Beginning in 1995, MEPT changed its accounting procedures in order to track tenant improvements by individual projects.