

Cash For Contractors?

Written by Administrator

Wednesday, 19 August 2009 21:05 - Last Updated Wednesday, 19 August 2009 21:07

What if the government tried doing this?

With all of the hype going around about saving the automotive industry, what about saving the other industries which make up the backbone of our economy? Unless you have been living in isolation for the past few years, it would be safe to make an assumption that the construction industry was one of the hardest hit by the current economic downturn.

The question is, what is the government doing to help those in the construction industry who have lost jobs, and business because of the recession? Why should the government bail out contractors as well? There are those, myself included, who believe in a free market where the government should not be responsible for bailing out businesses that underperform.

But, now that is not the case. We have left any resemblance to this former economic model in the dust. This is especially true now that the U.S. government owns such a large stake in the automotive, banking and insurance industries.

Talk about unfair competition. If you are a small business owner, how are you possibly going to be able to keep pace in this new unfair environment? Sure, there has been much talk about the "stimulus package" creating new construction jobs, but really, come on.

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The Bureau of Labor Statistics, has even said that the bulk of the stimulus spending has been in the transportation industry. This is only a small fraction of the entire construction industry. It doesn't address the loss of jobs in residential and commercial construction, which no doubt will take years to even come close to the way it was.

On an interesting note, I guess the BLS either hasn't updated their website, or they have an over-ally optimistic outlook on the future as they say, "job opportunities are expected to be excellent for experienced workers, particularly for certain occupations.

Employment change. The number of wage and salary jobs in the construction industry is expected to grow 10 percent through the year 2016, compared with the 11 percent projected for all industries combined. Employment in this industry depends primarily on the level of construction and remodeling activity which is expected to increase over the coming decade." <http://www.bls.gov/oco/cg/cgs003.htm#outlook>

Can someone say, I don't think so? Construction and remodeling activity increasing, that sure would be nice. Unless they are thinking about starting a cash for contractors program. Think about it, the government pays people to demolish their houses, kitchens, bathrooms, etc. They then will grant new financing to rebuild.

There is just one problem, the government isn't in the contracting business and they have nothing to gain by empowering self-employed contractors with income. Until recently, working as a contractor has been one of the best ways for many hard working individuals with a strong drive to succeed in life.

Many contractors have built up strong businesses over time. These businesses employ large

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numbers of people and drive the economy. Contracting is at the heart of the American entrepreneurial spirit. Kill contracting, and this American spirit will die as a result.

There is talk again about instituting a new, new deal employment package. This program would involve the government directly hiring workers to work on new construction projects, while leaving private construction contractors out of the mix. This sort of sound like government taking over the contracting industry.

How many self-employed contractors were there in the former Soviet Union? Few, if any. The Soviet's operated construction trades through in house employment. After the fall of the Soviet Union, many qualified individuals decided to open there own shop and no doubt contributed to the rise of modern Russian capitalism.

So, naturalizing contracting isn't a good idea for the U.S. to do either, but with the recent pseudo nationalizations of the automotive and banking industry, who knows what is to come?

What about cash for contractors? It may happen, but it probably won't involve contractor's at all. Just the government paying people to build new houses, while using a new deal type of labor force.