

## NEWS RELEASE

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**EDITOR'S NOTE:** ATTENTION BUSINESS, ASSIGNMENT EDITORS

### **Rutgers Report Illustrates Historic Tax Credits' Ability to Create Jobs, Stimulate Economy**

*Report finds that Historic Tax Credits have generated 1.8 million new jobs since 1976*

WASHINGTON, D.C. – A comprehensive new study by researchers at Rutgers, The State University of New Jersey, analyzes the economic impact of the federal Historic Tax Credit since its inception in 1976 and concludes that the Historic Tax Credit is a highly efficient job creator—accounting for the creation of 1.8 million new jobs over the life of the program. The study finds that Historic Tax Credits generated those jobs more efficiently than other stimulus options and, in fact, the study concludes that the economic activity leveraged by Historic Tax Credit returns more tax revenue to the U.S. Treasury than the cost of implementing the program. The report, the first-ever to examine the economic impact of the Historic Tax Credit, also underscores the need for additional legislation to strengthen the federal credits, making them more widely available for smaller, rural projects and also encouraging their use for green and sustainable rehab projects.

The report was conducted by researchers at the Edward J. Bloustein School of Planning and Public Policy, Rutgers, The State University of New Jersey, and commissioned by the Historic Tax Credit Coalition, a public policy advocacy organization.

Major findings of the report include:

- **The Historic Tax Credit is an efficient job creator**— rehabilitation investments have generated about *1.8 million new jobs* since 1976 and 58.8 thousand in 2008 alone. The Rutgers study shows that historic rehab projects require more highly

- skilled workers, generate better-paying jobs and return more economic benefits to local communities than other stimulus strategies such as highway construction. For example, a job created by Historic Tax Credits costs approximately \$9,000, whereas the average cost of creating a job through the federal stimulus package is about \$248,000.
- **The cumulative impacts to the national economy are substantial**, including \$198 billion in total output, \$98 billion towards Gross Domestic Product (GDP), \$72 billion in wages and salaries, and \$29 billion in federal, state and local taxes.
- **The federal Historic Tax Credit is a strategic investment for the nation**, evidenced by the fact that the total federal cost of the HTC, \$16.6 billion in 2008 inflation-adjusted dollars, is more than offset by the \$21 billion in additional federal taxes paid as a result of HTC project activity to date. In addition, the \$16.6 billion investment has leveraged a five times greater amount of historic rehabilitation costs—a total of \$85 billion.

While underscoring the success of the Historic Tax Credit program, the report suggests several improvements to modernize the program and ensure its continued efficacy—all of which are included in the Community Restoration and Revitalization Act now before Congress. The legislation, introduced in the House by Reps. Allyson Schwartz (D-PA) and Patrick Tiberi (R-OH) and in the Senate by Sens. Olympia Snowe (R-ME) and Blanche Lincoln (D-AR), seeks to amend the Historic Tax Credit to facilitate smaller, Main Street-scale investments, providing incentives for the kind of sustainable rehab projects that make historic buildings more energy-efficient, and expanding the number of properties that would be eligible to earn these federal tax credits.

“This report makes clear that historic preservation is not just about holding on to our past, it’s also about building a better future by creating jobs, spurring revitalization and improving the economic health of the nation,” said Richard Moe, president of the National Trust for Historic Preservation. “By encouraging the restoration and rehabilitation of older and historic buildings, historic tax credits are one of the best investments government can make—a key consideration in lean budget years. This report should invigorate Congress to pass the Community Restoration and Revitalization Act and strengthen the federal historic tax credit program.”

“This report shows that the economic impacts of historic rehab are aligned with many of our nation’s most important needs during these tough times,” said John Leith-Tetrault, President of the Historic Tax Credit Coalition. “Rutgers’ research makes the case for enhancements to federal historic tax credit as an important part of any Congressional stimulus package. Given how difficult it is for our industry to finance rehabilitation projects right now, the timing for these amendments couldn’t better.”

The report was produced by the Rutgers University Center for Urban Policy Research under the guidance of Dr. David Listokin, a national expert in the economics of historic preservation. “This report reflects a 15-year effort on the part of Rutgers, working with the National Park Service and numerous state historic preservation offices, to quantify the specific economic impacts of historic preservation,” said Dr. Listokin. “Using detailed models, we looked at both the direct, immediate economic impact—at both the state and national level—of historic preservation projects, as well as the secondary effects those projects have on the national and state economies. Our report, which builds on the regional economic analysis conducted by Dr. Michael Lahr, a professor at Rutgers University, clearly shows that historic preservation is a powerful tool for economic revitalization and job creation.”

A copy of the report is available at <http://www.policy.rutgers.edu/reports/HTCeconimpact.pdf>.

The **Edward J. Bloustein School of Planning and Public Policy at Rutgers, The State University of New Jersey** ([policy.rutgers.edu](http://policy.rutgers.edu)) serves as one of the nation’s key centers for the theory and practice of planning and public policy scholarship and analysis. The school was established in 1992 to provide a focus for all of Rutgers’ initiatives and programs of instruction, research, and service in planning and public policy.

The **National Trust for Historic Preservation** ([www.PreservationNation.org](http://www.PreservationNation.org)) is a non-profit membership organization bringing people together to protect, enhance and enjoy the places that matter to them. By saving the places where great moments from history – and the important moments of everyday life – took place, the National Trust for Historic Preservation helps revitalize neighborhoods and communities, spark economic development and promote environmental sustainability. With headquarters in Washington, DC, nine regional and field offices, 29 historic sites, and partner organizations in 50 states, territories, and the District of Columbia, the National Trust for Historic Preservation provides leadership, education, advocacy and resources to a national network of people, organizations and local communities committed to saving places, connecting us to our history and collectively shaping the future of America’s stories.

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