

# Building STAR: Creating Jobs and Helping Small Business

*Building STAR* is a package of rebates and tax incentives for energy efficient retrofits of commercial and multi-family residential buildings that would quickly mobilize building owners, construction firms, the building trades, and manufacturers of building supplies to upgrade the energy performance of our nation's larger private-sector buildings. Reducing energy waste in our offices, shops, and apartment buildings will create good jobs around the country and provide a needed boost to the small businesses that perform the vast majority of the work.



Since the latest recession began, 3.7 million construction and manufacturing jobs have been lost, and the numbers are still not improving.<sup>1</sup> Spurring retrofits of commercial and multi-family buildings through *Building STAR* can start to reverse this trend by leveraging private-sector investment to create jobs. For example, \$6 billion of public funding for *Building STAR* would spur \$18 to \$24 billion in total program spending, creating at least 150,000 jobs.

## Building STAR Incentives Create Jobs and Helps Small Businesses Nationwide.

"As the founder of a family-owned mechanical contracting firm with just 35 employees, I'm very excited about Building Star. A program like this could help me hire back our workers, guys who are like family to me."

Mark Rogers, Owner  
West Chester Mechanical Contractors,  
Chester PA

**Creating Jobs for Small Businesses:** Good domestic jobs are the foundation of a strong and sustainable economic recovery. *Building STAR* proposes 17 incentives for efficient building equipment, materials, and services that would be an immediate catalyst for job creation by small businesses in the construction and manufacturing industries. Retrofits would be undertaken by a construction industry in which 91% of the firms are small businesses, employing fewer than 20 employees, and in which it is common practice for larger construction firms

to hire many smaller subcontractors for their projects. Approximately 63% of the manufacturers that provide materials and equipment for retrofits are firms that employ less than 20 people.

- Rebates for building, mechanical and low-slope roof insulation, windows, and window films would stimulate new jobs in the 55,000 construction and manufacturing firms that serve this market – 86% of which employ less than 20 people.
- Rebates and tax incentives for a full range of HVAC equipment, variable speed drives, and services such as duct sealing and balancing would drive employment in sectors employing 2 million people in the U.S. – and nearly 90% of them work for firms of less than 20 people.
- Lighting rebates and tax incentives would support the nearly 850,000 people who manufacture or install lighting equipment in the U.S. – 90% of whom work for firms of less than 20 people.

**Energy Savings Help Small Business:** Many small businesses would benefit from the reduced energy bills and operating costs that result from an energy efficiency retrofit. EPA experts estimate that if a restaurant cuts its energy costs by 20 percent, profits could increase by 30

<sup>1</sup> Bureau of Labor Statistics 1.8.10 release. <http://www.bls.gov/news.release/empsit.nr0.htm>

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percent or more. Industry-wide, that would save \$1.6 billion a year. That is why the National Restaurant Association endorses *Building STAR*.

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