



Analysis of latest jobs data show stimulus spending on public transportation produces more jobs, faster, than highways

The latest data on stimulus spending shows that funds spent on public transportation created jobs more effectively than stimulus funds spent on highways. In the 10 months since ARRA was signed, investing in public transportation produced twice as many jobs as investing in roads:

- Every billion dollars spent on public transportation produced 16,419 job-months.
- Every billion dollars spent on projects funded under highway infrastructure programs produced 8,781 job-months.

(Because transportation projects are of different durations, a “job month” is a more accurate way of comparing quantities of employment created)

As Congress and the Administration discuss a possible jobs bill, the implication is clear: shifting available funds toward public transportation will create more jobs.

These figures are calculated from data provided by the states through October 31, and released by the U.S. House of Representatives Transportation and Infrastructure Committee on December 10

<http://Transportation.house.gov/Media/file/ARRA/Recovery%20Act%20Funds%20by%20State%20and%20Program%20as%20of%20October%2031%202009.pdf>.

Thus, we see how investment in public transit creates more jobs:

Type of Project	Recovery Act Funds Associated with Projects Under Contract	Direct, On-Project Jobs Created or Sustained (Full-Time-Equivalent Job Months)	Job months per \$ billion
Public transportation	\$4,405,188,041	72,328	16,419
Highway Infrastructure (STP funds)	\$15,809,805,858	138,831	8,781

President Obama has said he is concerned that the goal of quickly boosting employment with shovel-ready projects may conflict with making long-term investments in America’s future. These results show investing in public transportation produces the most return for the money in both categories:

- It is a more effective *direct* job creator; and
- It builds the transportation systems we need for the future.

Investing in public transportation also:

- Helps people get themselves to work today and tomorrow,
- Provides immediate support to state and local governments struggling to run public transportation systems.

Other findings

The result that public transportation funding produced more jobs per dollar held across states: every dollar spent on public transportation supports between 1.6x and 2.5x the number of jobs that a dollar spent on highways supports.

Public transportation projects produce so many more jobs per dollar that even in cases where public transportation dollars spent out more slowly, they created more net jobs than the spending through highway projects.

The speed at which states spent stimulus funds varied widely. Transit spending was faster than highway spending for projects and transit agencies in Arkansas, California, Colorado, Illinois, Indiana, Massachusetts, Minnesota, Nevada, New Mexico, New York, Ohio, Oregon, Puerto Rico, Texas, Virginia, and Washington. This is in marked contrast to statements to the GAO that only pavement projects can get the money out quickly.

Any further transportation spending the goal of which is rapid job creation should include measures to accelerate spending, including technical assistance to strapped transportation agencies, and possibly sanctions and rewards.

These job-creation results data are not directly comparable to previously published studies on job creation through infrastructure investment since these are all incomplete programs in various stages of obligation, contracting, initiation, and completion.

Policy implications

No matter what the economic conditions, we need investments to provide the maximum possible return.

We now have enough data on the impacts of ARRA spending to begin drawing conclusions about the effectiveness of spending under different parts of ARRA. The data so far show that spending through public transportation programs is both the more effective job creator, and moves us towards the transportation system of the future.

As Congress and the Administration debate future federal investments in transportation, they should look at the ARRA results to date from the dedicated transit funds and the Surface Transportation Program. Congress and the Administration should note the direct economic benefits of different kinds of investment, and how each helps reduce the cost of living, provides access to jobs, boosts manufacturing, and improves state of repair for all kinds of transportation assets.

All future apportionments, whether from a jobs bill, a second stimulus, and/or the continuing SAFETEA-LU program, and whatever authorization replaces it, should be guided by a balanced approach to transportation spending that produces the maximum return for the money.

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