

FOR IMMEDIATE RELEASE: January 5, 2010

Lessons Learned from Recovery Act Show Superior Job Creation from Spending on Public Transportation

WASHINGTON, D.C. — A new analysis by the Center for Neighborhood Technology, Smart Growth America, and U.S. PIRG shows that in the first ten months of the American Recovery and Reinvestment Act (ARRA), investments in public transportation have created twice as many jobs per dollar as investments in highways. The new report shows that by mimicking funding levels for transportation set out in ARRA, the Jobs for Main Street Act (H.R. 2847), passed by the U.S. House of Representatives in December, missed an opportunity to create additional jobs where they are needed most.

The report, “What we learned from the Stimulus, and how to use what we learned to speed job creation in the 2010 jobs bill”, is available online at:

www.smartgrowthamerica.org/stimulus2009.html

The Jobs for Main Street Act provides \$27.1 billion for the Surface Transportation Program (STP) versus just \$8.4 billion for Public Transportation even though public transportation investments under ARRA created twice as many jobs per dollar of investment. The Senate plans to take up its version of the jobs bill early in 2010, and the report shows that if the Senate version ensures funds are invested equally in public transportation and highways, the same level of overall investment would produce 71,415 additional job-months, equivalent to year-round employment for 5,951 more workers than from the House bill.



“This is a no-brainer. The Senate can ensure that more jobs are created across the country building the transportation system we need for the 21st century,” said Geoff Anderson, President of Smart Growth America. “If we are serious about creating jobs and bringing about the economic recovery our nation desperately needs, members of the Senate will insist on investing a greater percentage of the transportation funds in public transportation. Who is against more jobs?”

The data compiled by the states shows that every billion dollars spent on public transportation produced 16,419 job-months, compared to 8,781 job-months for every billion spent on highway infrastructure. Public transportation projects create more jobs than road projects because they spend less money on land and more on labor, and because projects are often more complex, whether laying rack or manufacturing vehicles.

The report also uses the data from ARRA to refute the idea that public transportation projects are not as “shovel-ready” or able to be launched as

quickly as highway projects. Nationally, public transportation and highway infrastructure projects are spending money at about the same rate. But because public transportation projects spend more of those dollars on more labor, equivalent spend rates produce more and faster jobs from public transportation.

“As the Senate prepares to take up a jobs bill, lawmakers should learn the lessons of the Recovery Act,” said Phineas Baxandall, Senior Analyst for U.S. PIRG. “We cannot afford to keep doing the same thing over and over again and expect different results. The fact is investments in public transportation will produce more jobs quicker and will address billions of dollars of unmet needs.”

“Public transportation is a lifeline for communities big and small across the country” said Scott Bernstein of the Center for Neighborhood Technology. “Too many people could not get to their jobs without public transit. But even as demand for service is up, systems everywhere face budget shortfalls forcing layoffs, reduced service and fare hikes. Increased local reinvestment is essential to preventing these cuts that will cripple our workforce and increase expenses for working Americans. In passing the Jobs for Main Street bill to tackle the continuing crisis, Congress can learn from the ARRA experience, putting the money where it will do the most good, and leaving no job, no family and no community-in-need behind.”

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Smart Growth America is a coalition of nearly 100 advocacy organizations that have a stake in how metropolitan expansion affects our environment, quality of life and economic sustainability.