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Research Confirms President Obama’s SOTU Remarks: Smart Transportation Spending Creates Jobs, Grows the Economy

New report by Smart Growth America on stimulus spending provides roadmap for smart transportation projects that will create jobs and stimulate economy

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Washington, DC – In President Obama’s State of the Union address, he called on Americans to “out-innovate, out-educate, and out-build the rest of the world” to win the future. To rebuild America, he said, we will aim to put “more Americans to work repairing crumbling roads and bridges.”

We know from long experience that when it comes to spending on transportation, road and bridge repair and public transportation are the biggest job creators. Are states using this knowledge to maximize job creation and head off future costs? The new report from Smart Growth America (SGA), “*Recent Lessons from the Stimulus: Transportation Funding and Job Creation*,” analyzes states’ investments in infrastructure to determine whether they made the best use of their spending based on job creation numbers.

The report, released two years after the passage of the American Recovery and Reinvestment Act (ARRA), evaluates how successful states were in creating jobs with their flexible \$26.6 billion of transportation funds from ARRA. Those results should guide governors and other leaders in revitalizing America’s transportation system, maximizing job creation from transportation dollars and rebuilding the economy.

According to data sent by the states to Congress, the states that created the most jobs invested in public transportation projects and projects that maintained and repaired existing roads and bridges. The states that ranked poorly predominantly spent their funds building new roads and bridges.

“ARRA was an opportunity for states to create jobs and put Americans back to work,” said Geoff Anderson, President and CEO of SGA. We encourage all states to learn lessons from ARRA and consider allocating a greater portion of their 2011 transportation budgets to repair and maintenance of roads and bridges and then public transportation. These projects are win-win. They create jobs, save money and put people back to work—all while keeping costs down by addressing the enormous backlog of badly needed road, bridge and transit repairs.”

Together, the states spent \$15.7 billion (58.9 percent) of flexible ARRA transportation funds on repairing and maintaining roads and bridges; \$8.9 billion (33.5 percent) on building new ones; \$1,042.5 million (4 percent) on non-motorized projects such as bicycle projects, pedestrian projects and trail projects, and \$462.8 million (1.7 percent) on public transportation projects.

Voters already believe that repair and maintenance and public transportation are where we should focus our transportation dollars, and are a good value for the dollar. [In a national poll](#) SGA conducted in November 2010, approximately 91 percent of voters feel that maintaining and repairing our roads and bridges should be the top or a high priority for state spending on transportation programs, and 68 percent believe that improving and expanding public transportation options should be the top or a high priority.

State rankings

Eight states spent 100 percent of their ARRA flexible transportation funds to preserve existing roads and bridges and ranked among the top states. Texas, Kentucky, Florida, Kansas, and Arkansas spent the majority of funds building new roads and bridges and comprised the bottom five in terms of average jobs created per dollar spent. Florida and Kansas can point to roads that are in good shape relative to other states and thus less need for repair and maintenance. However, the vast majority of states find themselves in a very different situation, with large unmet maintenance and repair needs that, if allowed to continue, will cost even more to fix later.

SGA determined its rankings by evaluating how states invested their ARRA flexible transportation dollars, as reported by the states to Congress.

Historically, investments in public transportation generate 31 percent more jobs per dollar than new construction of roads and bridges. SGA's findings show that the payoff was even larger in ARRA spending, with public transportation projects producing 70 percent more jobs per dollar than road projects.

The same historical statistics show that repair work on roads and bridges generates 16 percent more jobs per dollar than new bridge and road construction. Repair and maintenance projects spend money faster and create jobs more quickly than building new roads because they employ more kinds of workers, spend less money on land and more on wages, and spend less time on plans and permits.

For the complete report, go to <http://smartgrowthamerica.org/documents/lessons-from-the-stimulus.pdf>.

Smart Growth America is the only national organization dedicated to researching, advocating for and leading coalitions to bring smart growth practices to more communities nationwide. From providing more sidewalks to ensuring more homes are built near public transportation or that productive farms remain a part of our communities, smart growth helps make sure people across the nation can live in great neighborhoods. For additional information, please visit www.smartgrowthamerica.org.

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