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The Recovery Act at One Year

*State jobs data show growing advantage from stimulus investments
in public transportation*

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Washington, DC – Through the end of 2009, investments by the American Recovery and Reinvestment Act (ARRA) in public transportation have created almost twice as many jobs per dollar as investments in highways — and the advantage is growing.

The most recent data from states shows that every billion dollars spent on public transportation produced **19,299** job-months, compared to **10,493** 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 track or manufacturing vehicles.

The data were released by the U.S. House of Representatives Transportation and Infrastructure Committee on February 9, 2010 and analyzed by the Center for Neighborhood Technology, Smart Growth America, and U.S. PIRG. The new data from the states add two months and several billion dollars to previously released data. The new data show public transportation's job-production performance advantage widening.

“States have put more than \$22.6 billion of transportation stimulus funds under contract,” said Geoff Anderson, President of Smart Growth America. “We’ve gotten a lot of vital projects for that money — and we’ve also learned a lot. Treasury Secretary Geithner just told Congress: ‘Our basic test should be: what’s going to add jobs?’ At the stimulus’s one-year mark, we’ve learned that the answer to the Secretary’s question is ‘more public transportation.’”

New data show public transportation’s job-production performance advantage widening

The number of jobs created or saved per billion stimulus dollars spent on transportation is rising over time for both public transportation and highways. The data shows public transportation creating, on average, 2,880 more job months per billion dollars than it had two months ago. Highway spending created 1,712 more job months per billion than two months ago. Thus, a billion dollars invested in public transportation produces 8,806 more job months than a

billion dollars spent on highways. The difference is an increase from two months ago when the extra employment impact from investing in public transit was 7,638 more job months. The states are reporting updated job-creation numbers as they bring more projects under contract, and as the states correct earlier reports.

“Not only do public transportation investments create more jobs, more quickly than highways. We now see the advantage growing over time as the stimulus advances,” said Phineas Baxandall, Senior Analyst at the U.S. Public Interest Research Group. “If job creation was an Olympic event, public transportation would be laps ahead and gaining. At the one-year mark, it isn’t even close.”

Other recent data also confirm that ARRA investments in public transportation are superior job creators. Last month’s President’s Council of Economic Advisers Second Quarterly ARRA Economic Impact Report showed that public transportation was the top job generator among ARRA clean energy programs (<http://www.whitehouse.gov/sites/default/files/microsites/100113-economic-impact-arras-second-quarterly-report.pdf>, page 47, Table 13).

“The new data shows that the job productivity of transit is no fluke – transit not only maintained its job productivity advantage over highway investing over a longer period of time, in the fourth quarter it was the top job supporter of all clean energy investments in ARRA, according to the White House’s Council of Economic Advisors,” said Scott Bernstein, President of the Center for Neighborhood Technology. “Shifting as much of our transportation spending to the most job-creating investments as we can is essential. The Senate should pass companion legislation to the House’s Jobs for Main Street bill, and make it effective by giving transit spending parity with highways.”

The numbers

CNT, SGA, and US PIRG analyzed the data reported by states and posted by the House Transportation and Infrastructure Committee here: <http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852>.

The results of the analysis:

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 dollars
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Public Transportation	\$4,856,851,324	93,733	19,299
Highway Infrastructure (Surface Transportation Program (STP) funds)	\$17,759,758,928	186,350	10,493

The report by CNT, SGA and US PIRG on the earlier data, “What we learned from the Stimulus, and how to use what we learned to speed job creation in the 2010 jobs bill”, is available at:

<http://www.smartgrowthamerica.org/stimulus2009.html>.

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 transit 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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