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Major $183 Billion Boost to California's Economy Expected Over 10 Years from Transportation Investments in Senate Bill 1

New Analysis Comes as Legislation Approaches 1st Anniversary;
Report available: www.artba.org

(WASHINGTON)— A comprehensive new analysis finds that an April 2017 California law will generate nearly $183 billion in economic activity and user benefits throughout all sectors of the state's economy over 10 years. The additional demand, in turn, will also support or create an average of over 68,200 jobs per year, adding up to over 682,000 job-years over the next decade—with over half coming in sectors outside of the construction industry.

The 62-page analysis, conducted by American Road & Transportation Builders Association (ARTBA) Chief Economist Dr. Alison Premo Black, examines the numerous impacts of Senate Bill 1 (SB 1)—the Road Repair and Accountability Act of 2017. The measure included $5 billion annually in new investments for the state's highways and local streets, bridges and transit systems.

"SB1 is not only providing economic benefits for the California economy over the next decade," Black said, "but will also provide infrastructure improvements that will lay the foundation for economic growth for the next generation."

Black's analysis quantifies the safety benefits, lower operating costs, reduced congestion, modernized equipment and increased mobility that will result over the next decade from the increased investment in SB 1. Among the key findings:

- Total user benefits will average $3.8 billion each year, or $38.2 billion, in savings for drivers, transit riders and businesses—an annual savings of nearly $300 per household.

- SB 1 will support the repair, repaving and reconstruction of over 84,000 lane miles on nearly 19,000 miles of roadway, including more than 18,300 lane miles of urban interstate and 7,000 lane miles of rural interstate.

- Better roads mean safer roads, adding up to $584 million in additional safety benefits, including reduced costs from highway crashes, fatalities and property damage.

- Operating costs for drivers will decrease by an average of $818 million per year, or $8.2 billion over the next 10 years.

- The increased investment will help ensure the replacement of an additional 556 bridges, resulting in 387 fewer structurally deficient or functionally obsolete bridges.

The additional direct and indirect economic impacts over the 10-year period are also significant:

- $145 billion in additional output and earnings, which will contribute $58 billion to gross state product.

- Sales and output by businesses in all sectors will increase by $112 billion.

- The over 682,000 new jobs created will result in $33 billion in additional earnings, which will also help prime economic growth.

The study was commissioned by the California Alliance for Jobs, California Transit Association, and Transportation California.

About ARTBA: Established in 1902 and with more than 8,000 public and private sector members, ARTBA advocates for strong federal investment in transportation to meet the public and business community demand for safe and efficient travel.

Since 2000, Dr. Black and her team have authored more than 80 national and state studies examining transportation/bridge funding and investment patterns. Dr. Black has a Ph.D. in economics from the George Washington University and a master's in international economics and Latin American Studies from the Johns Hopkins School of Advanced International Studies.

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About the Report's Methodology: The analysis incorporated two models: 1) Federal Highway Administration's (FHWA) Highway Economic Requirements System-State Version (HERS-ST), which estimates the investment needs for California on the National Highway System, using the same techniques as those employed by FHWA when preparing the federal "Needs and Conditions" report to Congress on the U.S. transportation network; and 2) FHWA's National Bridge Inventory Analysis System (NBIAS), which is used to estimate the investment needs for bridges in California, also based on the techniques in the "Needs and Conditions" report.