



The Federal Highway Administration recently calculated that every \$1 billion of federal investment in highways and bridges supports a total of 34,779 jobs throughout the economy when the state match is included. Since state highway investment does not include any match, the impact will be a bit smaller but nonetheless significant:

- Every \$1 billion invested by state governments in highway construction and improvements will support a total of 27,823 jobs. This includes:
  - 9,537 on-site construction jobs. These jobs would be located within the state.
  - 4,324 jobs in industries that either directly or indirectly supply materials and services needed for the construction projects. The number within the state would depend on the extent to which supplying industries like asphalt plants, quarries, cement factories, etc. are located in the state.
  - 13,962 jobs supported when those employed at the construction site or in supplier industries spend their incomes. Some of these jobs would be located within the state but many would be throughout the economy.
- Every \$1 billion invested by state governments in highway construction and improvements generates a total of \$1.06 billion of income to workers as the money works its way through the economy, including:
  - \$394.8 million of wages and salaries earned by on-site construction workers or an average of \$41,400 per worker;
  - \$175.1 million earned by workers in supplier industries or an average of \$40,500 per worker; and
  - \$492.1 million earned by other workers throughout the state and national economy or an average of \$35,250 per worker.
- When a state invests \$1 billion in highway construction, it will initially generate \$1 billion of output of goods and services as the construction is being performed. Then, as workers and businesses spend their earned income, additional output is generated in the retail, manufacturing and

services sectors. As the money works its way through the economy, the total multiplier comes to something between 2 and 2.5, or \$2 billion to \$2.5 billion of economic activity.

- While these figures were calculated by FHWA on the basis of investment in highway construction, investment in other public works such as water and sewer systems, airport improvements and school or government building construction would likely generate a similar number of jobs, although the composition and wages of the jobs might be a bit different for different kinds of construction activity.