



Driving the Economy!

A Quick Look at the Impact of Transportation on Ohio's Economy

Essential Pillar of Ohio's Economy

Impact. Enormous impact. Few words can better describe the power of the transportation industry. Transportation is a major driver of the nation's economy, employing millions of workers, moving people and goods 24/7, generating revenue and utilizing the resources and services provided by other industries. Transportation impacts the life of every American on a daily basis. There is no better place to witness the impact of transportation at work than right here in Ohio.



The Buckeye state is within a single day's drive from 60% of the U.S. and Canadian population, making it a freight and logistics hub for the entire country. Along with its natural geographic advantage, Ohio maintains the 4th largest interstate system in the nation, with 21 Interstate highways providing a constant flow of goods between north and south, east and west. With nearly 125,000 miles of public roads, a robust rail system, Great Lakes ports and navigable inland waterways, Ohio's multi-modal transportation network provides efficient passage for thousands of people and tons of freight every day.

The transportation industry is a vital, supporting pillar of Ohio's economy. The numbers are huge. The impact... enormous! So are the challenges.

Transportation Construction – a Major Employer

The transportation construction industry generates more jobs nationally than many other industry sectors including colleges and universities, nursing care facilities, commercial banking, real estate, building construction and many more.

Top 10 States for Transportation Construction Industry Employment

California	348,024 Jobs
New York	307,527 Jobs
Texas	303,364 Jobs
Florida	191,513 Jobs
Pennsylvania	166,199 Jobs
Illinois	138,701 Jobs
Ohio	109,349 Jobs
New Jersey	104,913 Jobs
Georgia	100,675 Jobs
Virginia	93,931 Jobs

U.S. Transportation Construction Industry Profile 2012

In Ohio, the design, construction and maintenance of transportation infrastructure supports the equivalent of 109,349 jobs, ranking the state 7th in the nation for transportation construction employment. **Approximately 54,500 of these jobs are directly involved in transportation construction.** They are full-time positions paying an average salary of \$49,459. The remainder includes approximately 54,800 jobs sustained by transportation design and construction industry spending throughout the state. Collectively these employees earn an annual payroll of \$4.2 billion and contribute \$365 million in state and federal payroll tax revenue.

Additionally, more than 2 million full-time jobs in key Ohio industries such as manufacturing, agriculture, retail sales and tourism are dependent on the work done by the transportation construction industry. None of these industries – as well as many others – could function efficiently without a reliable highway network connecting communities within Ohio and throughout the nation.

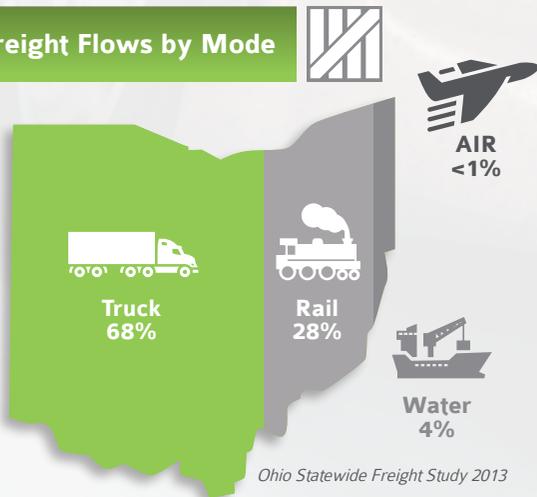
Economic Workhorse

Companies in every industry depend on Ohio's transportation system for reliable and timely shipment of everything from bulk commodities and machinery to thousands of items that line your grocery store shelves. Commercial trucking carries a major portion of the load with shipments accounting for 68% of the freight flow in Ohio. That translates to more than \$438 billion in goods shipped, giving Ohio the 3rd largest freight payload in the nation. **Looking ahead, the freight volume moved by truck is expected to increase 67% by 2040.**

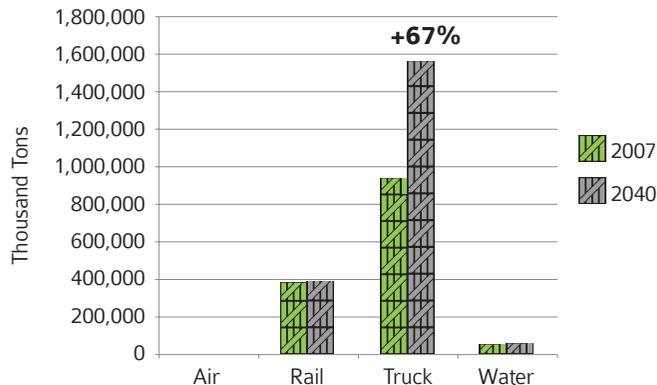
With 36 railroads in service and 5,300 miles of track, Ohio ranks 4th nationally in total active rail miles and 6th in the number of operating railroads. The rail system accounts for 28% of the freight moving through the state. Ohio also ranks 4th in the nation in value of freight shipments moved by water. The state's 26 ports have a \$6.5 billion impact on the U.S. economy. **The combined freight volume for all transportation modes is projected to increase by 639 million tons annually by 2040.**

Passenger travel by car in Ohio totals more than 168 million Vehicle Miles Traveled (VMT) annually. This includes daily commutes to work as well as shopping trips and recreational travel. Ohioans are on the move, contributing to the economy every day as both employees and consumers. A well-maintained public road system provides the access and mobility they need – efficiently, reliably and safely. Overall, Ohio has the 5th highest VMT in the nation.

Ohio Freight Flows by Mode



Ohio Freight Forecast by Mode



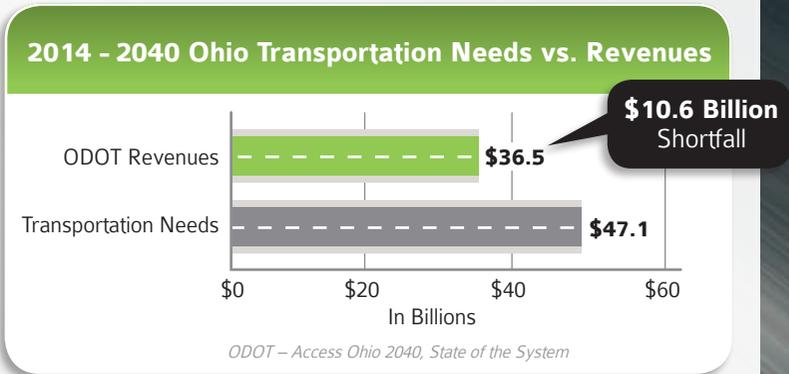
Ohio Statewide Freight Study 2013

A Challenging Future

Despite its huge economic impact, the transportation network also faces enormous challenges that will affect Ohio's productivity and economic competitiveness for years to come.

- ODOT estimates that state-owned and maintained highways and bridges will require funding of \$47.1 billion between 2014 and 2040. Highway revenues for the same period are projected to be only \$36.5 billion. **Without additional revenues, Ohio will face a \$10.6 billion shortfall in roadway funding.**

- Communities throughout Ohio also need \$41 billion to service locally-maintained roads and bridges. Local revenues are also projected to fall short by a wide margin in the coming years.
- On the national level, real highway spending per miles traveled in the U.S. has fallen by nearly 50% since the federal Highway Trust Fund was established in 1956. Total combined highway and traffic spending as a share of Gross Domestic Product (GDP) has fallen by about 25% in the same time period to about 1.5% of GDP today.
- The last Federal Gas Tax increase, to \$0.184 per gallon, occurred in 1993 and is not adjusted annually for inflation. Over the last 22 years, the gas tax has lost more than 33% of its purchasing power.
- The Ohio Motor Fuel Tax has stood at \$0.28 per gallon since 2006. However the actual purchasing power is substantially less. Adjusted for the Consumer Price Index, the effective tax rate was \$0.22 in 2011. When adjusted for ODOT's analysis of construction bids, the effective tax rate dropped even further to \$0.176.



The positive economic impact of Ohio's transportation industry is indeed enormous. However, the challenges facing our transportation system loom equally large. Now is the time for private enterprise, public agencies, legislators and citizens to work together to ensure a robust transportation system for the long haul. It's not just smart business or good politics.

It's common sense.



Your Highway Information Source

COMING SOON!

Watch for next brochure in this series:
Funding Ohio's Transportation System for the Long Term – Ideas that work!
 Learn more at ocianews.com

Sources:

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- Access Ohio 2040, Ohio Department of Transportation, 2014
- Ohio Statewide Freight Study, Ohio Department of Transportation, 2013
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- U.S. Transportation Construction Industry Profile, ARTBA, 2012
- RITA, Bureau of Transportation Statistics, www.rita.dot.gov/bts/



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