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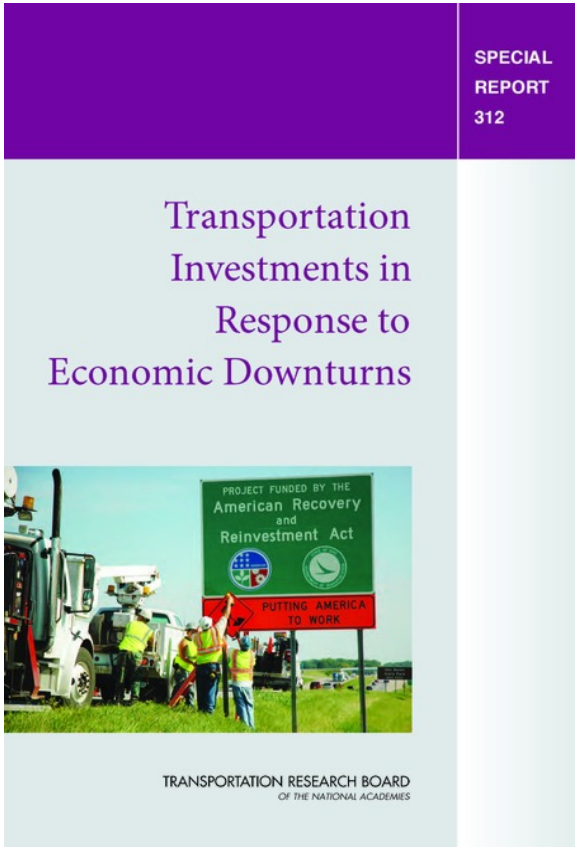
TRANSPORTATION RESEARCH BOARD

Transportation Role in Enhancing Post-Pandemic Economic Recovery

TRB Special Report 313: Transportation Investments in Response to Economic Downturns (2014)



Infrastructure stimulus spending cost beneficial if it

- increases construction employment and purchases of materials from suppliers during downturns;
- occurs during periods of high unemployment and low interest rates (completed before economy rebounds);
- adds to what states or local governments would have spent rather than substitute for it;
- accelerates completion of worthy projects.

Key point

- Infrastructure spending as stimulus as good as other forms of stimulus, if spent quickly;

If Economic Recovery = Stimulus

- Any FHWA R&D that helps states and local gov't's review, design, approve, contract, and to build, reconstruct, or repave much more quickly than normal ought to count as relevant.
- FHWA, SHRP-2, NCHRP have done considerable R&D of this kind in materials, contracting, construction, environmental review, etc.

If Economic Recovery ≠ Stimulus

- American Rescue Plan more relief than traditional economic stimulus.
- Economy already rebounding & $trillions in private savings ready to flow once we reopen.
- American Jobs Plan (infrastructure plan) has 8-year timespan.

Economic Recovery post COVID-19

- Will pandemic result in permanent economic restructuring &, if so, what are implications for highway capacity and demand?
  - Considerably ICT substitution for auto trips (tele- work, medicine, banking, entertainment, etc.);
  - Demographic shifts away from densely developed areas;
  - Accelerated e-commerce.
- Impacts could be huge or marginal.
- What data collection and research can USDOT/FHWA start doing now to get early indicators of trends?