

ADVANCE ECONOMIC DEVELOPMENT

Tangible Result Driver – Brenda Morris, Financial Services Director

Transportation is essential to Missouri's economic well-being. It plays a critical role in creating jobs and stimulating lasting growth for Missouri. In addition, focusing on ways to advance economic development helps MoDOT achieve its mission of promoting a prosperous Missouri.

Economic return from transportation investment-7a

Result Driver: Brenda Morris, Financial Services Director

Measurement Driver: Amy Binkley, Resource Management Specialist

Purpose of the Measure:

This measure tracks the economic impact resulting from the state’s transportation investments. Economists have found that transportation investments affect employment and economic output.

Measurement and Data Collection:

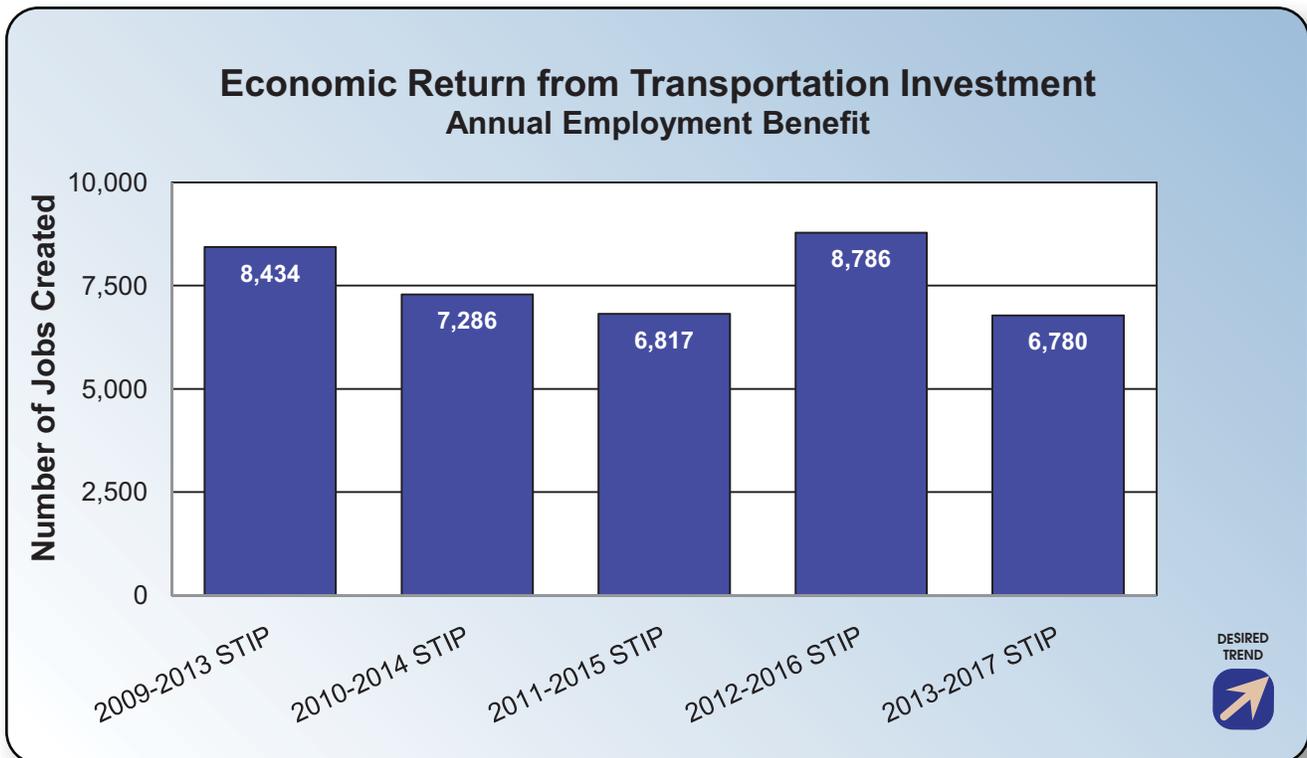
MoDOT works with the Department of Economic Development to perform economic impact analyses for the state’s transportation investments. The analyses are performed using a model called the Regional Economic Modeling, Inc. (REMI). Through these efforts, the department can provide state and regional estimates to demonstrate economic benefits related to specific projects, corridors and program expenditures. This annual measure is updated each October.

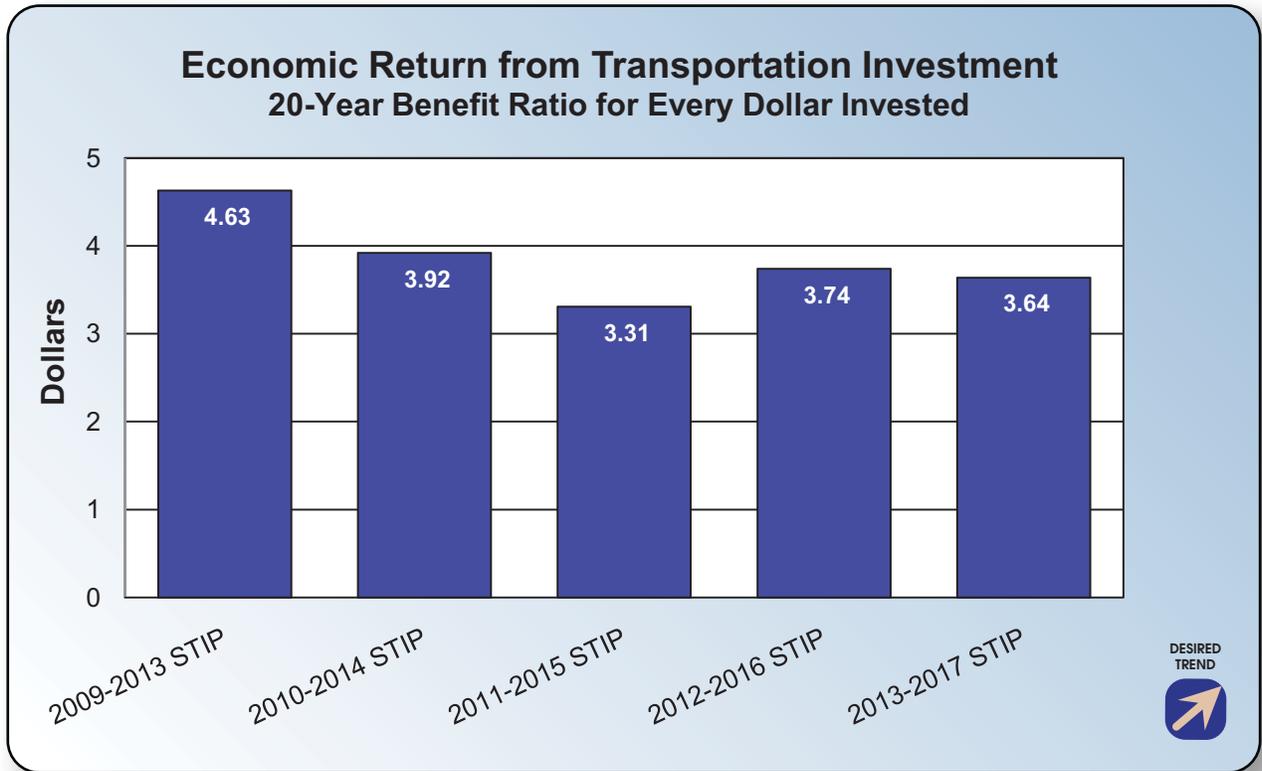
Improvement Status:

The REMI model results demonstrate the strong link between transportation investment and economic

development. An analysis of the Statewide Transportation Improvement Program provides a summary of economic benefits related to transportation investments over the next 20 years. The 2013-2017 STIP will invest approximately \$4.5 billion into highway and bridge projects across the state. On average, these STIP investments will create approximately 6,780 new jobs with an average wage of \$33,084 per job. The 2013-2017 STIP projects will contribute \$781 million of economic output for the state per year totaling \$15.6 billion over the next 20 years. This equates to a \$3.64 return on every \$1 invested in transportation.

The 2013-2017 STIP has a lower economic return compared to previous STIPs due to projected decreases in transportation investments going forward. Even though MoDOT is redirecting operating costs associated with the Bolder Five-Year Direction to construction, it is unlikely that MoDOT will be able to overcome static transportation funding and increasing costs in order to sustain the level of economic activities achieved in the past few years.





Jobs creation by government sector industries-7b

Result Driver: Brenda Morris, Financial Services Director

Measurement Driver: Amy Binkley, Resource Management Specialist

Purpose of the Measure:

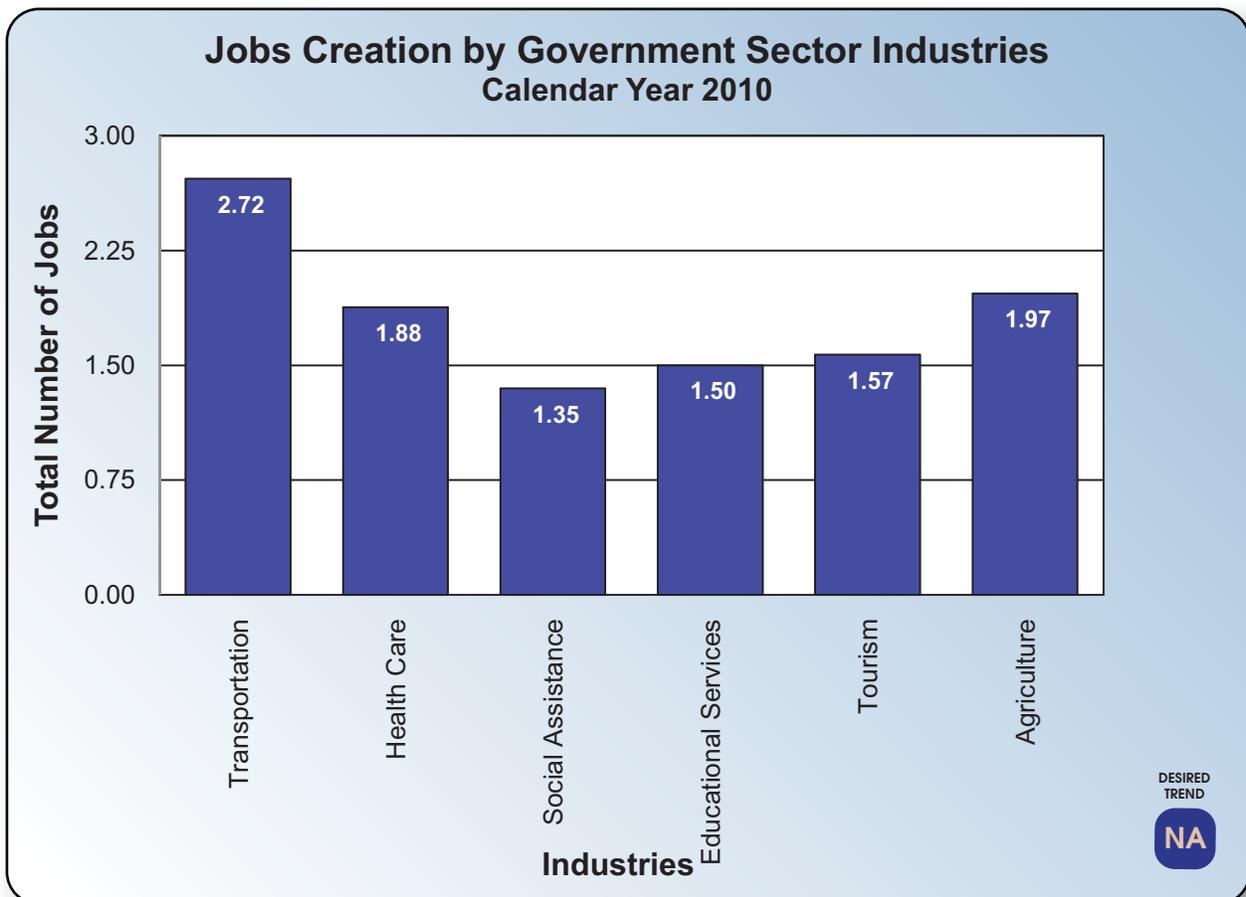
The measure tracks the impacts of job creation for government sector industries.

Measurement and Data Collection:

The tool for estimating impacts of job creation for government sector industries is the regional input-output model (RIMS II), which is updated annually by the Bureau of Economic Analysis, a division of U.S. Department of Commerce. The most recent information received in October 2012 is based on calendar year 2010 information. The input-output model produces multipliers that can be used to estimate the economic impacts of changes on employment for the Missouri region. Multipliers for a given region are influenced by the economic structure as well as price levels. The regional economic multipliers are widely used by both the public and private sectors to study economic impacts.

Improvement Status:

The multiplier for transportation employment is 2.72, which indicates that every new transportation job will create an additional 1.72 jobs (a total impact of 2.72 jobs) throughout Missouri's economy. For example, when Missouri increases its investment into transportation and as a consequence the transportation industry adds 100 jobs, there will be an additional 172 jobs created (a total impact of 272 jobs). The latest data shows transportation investments create more jobs than investments in health care, social assistance, educational services, tourism and agriculture.



Number of jobs and businesses in freight industry-7c

Result Driver: Brenda Morris, Financial Services Director

Measurement Driver: Cheryl Ball, Administrator of Freight Development

Purpose of the Measure:

This measure tracks the number of jobs and businesses that are classified within the freight transportation industry. The data reflects the expansion or contraction of jobs and businesses as freight development and the associated employment continues in the state.

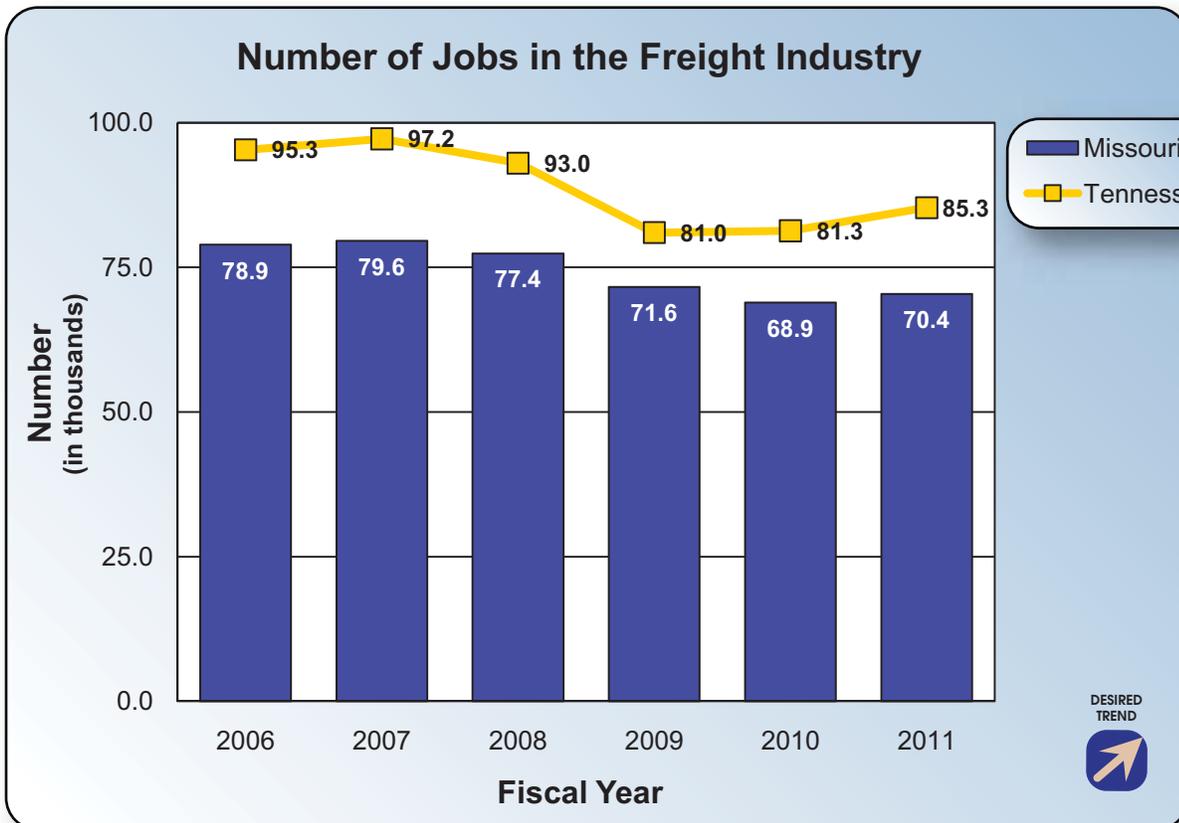
Measurement and Data Collection:

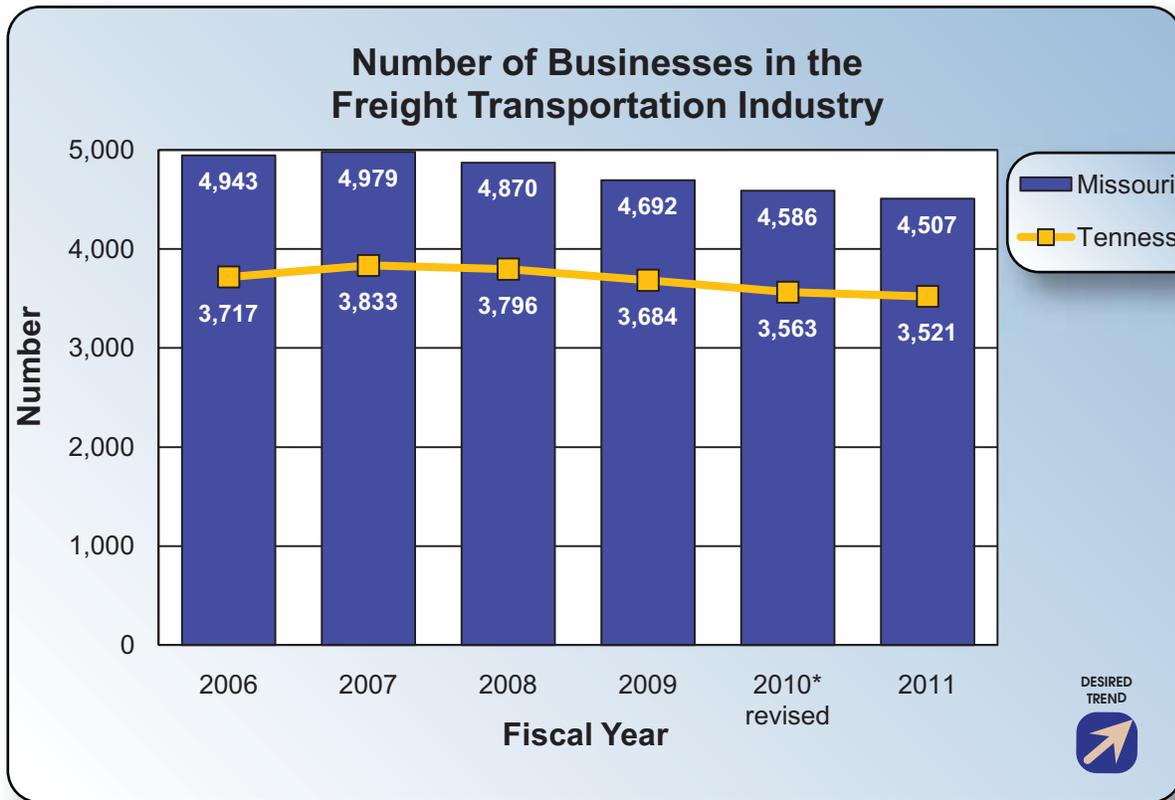
This measure is extracted from quarterly employment data collected by the US Department of Labor and managed and provided by the Missouri Department of Economic Development. Employment and businesses that fall within the freight business cluster include the employment classifications of: scheduled and non scheduled air freight, line and short haul railroads, inland water freight transportation, freight trucking – local and long distance, Less-Than-Truckload (LTL) trucking, specialized freight, heavy duty truck manufacturing, metal container

manufacturing, truck trailer manufacturing, railroad rolling stock, ship building and warehousing. These businesses combined form the Freight Transportation Industry cluster. This is a semi-annual measure updated in April and October.

Improvement Status:

Although freight tonnage is increasing and the economy is showing some increases, the number of freight related businesses in Missouri continues to decline. This trend is consistent with Tennessee who also posted a loss. However, the remaining businesses are beginning to hire more employees in both states. Missouri gained 2.13 percent in jobs from July 2010 to July 2011. During the same time frame, Tennessee had 4.8 percent gain in jobs. Over the last two years, Tennessee has experienced quicker economic recovery than the nation in both number of freight related jobs and number of freight related businesses.





FREIGHT Development Missouri's Economy in Motion

Freight Development Unit
to encourage freight development that results in a more prosperous Missouri



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