

# A RECIPE FOR JOB LOSS & ECONOMIC CONTRACTION IN PENNSYLVANIA

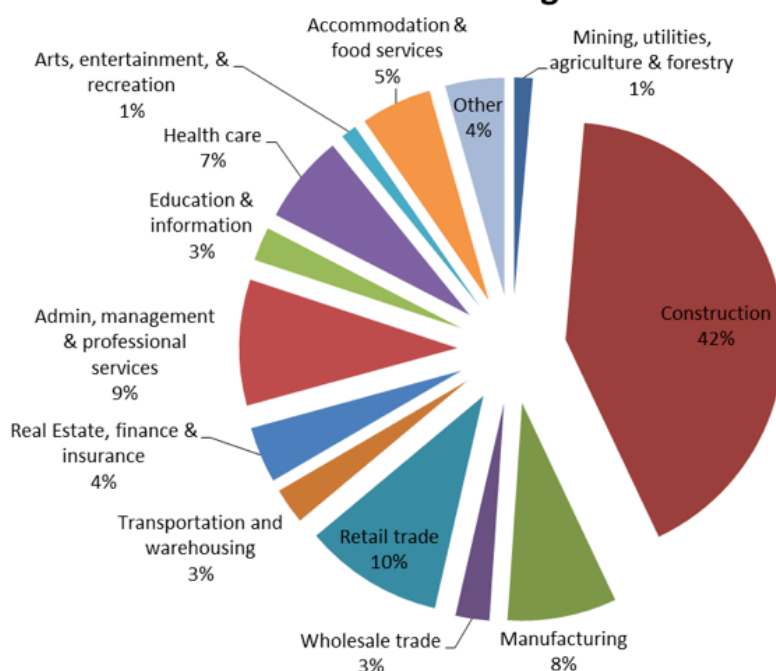
The Impact of a 25 Percent Cut in Pennsylvania's Highway & Bridge Investment Program

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In 2012, the Pennsylvania Department of Transportation (PennDOT) invested \$2.1 billion in new highway and bridge construction contracts for improvement projects throughout the Commonwealth. If that annual investment were to be cut by 25 percent—to \$1.6 billion per year—and sustained at that level annually thereafter, an economic analysis by the ARTBA Transportation Development Foundation (ARTBA-TDF) finds that over the next five years:

- Overall economic activity in Pennsylvania would drop by \$1.25 billion, reducing the state's wealth and competitiveness;
- Nearly 9,600 Pennsylvanians would be at risk of losing their current job, which could result in...
  - o \$378.5 million in lost wages
  - o \$16.9 million in lost state tax revenue

**Potential Job Losses Due To 25% Cut In PennDOT Lettings**



This would include jobs across the economy—not only in construction, but in the retail, manufacturing, mining, tourism, health care and service sectors.

- Employment in the state's highway and bridge construction firms would drop 26 percent
- Investments in capital equipment by highway and bridge construction firms would likely drop 70 percent below the pre-recession 2007 level.
- The time and cost of ultimately fixing the Commonwealth's 4,600 deficient bridges and 25-plus percent deficient road pavement will increase.