



# APPROXIMATION OF THE ECONOMIC IMPACTS OF THE KANSAS COMPREHENSIVE TRANSPORTATION PROGRAM

Report Number: KS-04-5

By

Michael W. Babcock, Kansas State University

R  
E  
S  
E  
A  
R  
C  
H

## Introduction

In 1999 the Kansas legislature approved a 10 year transportation program called the Comprehensive Transportation Program (CTP) that contains billions of dollars for Kansas road and bridge projects. It is appropriate and important to measure the construction economic impacts of the program to facilitate an evaluation of the state's investment in highways, and the cost if highway expenditures are reduced.

## Project Objective

Approximate *direct* and *indirect* output, income, and employment impacts by highway improvement type for CTP projects let between July 1, 1999 and October 31, 2004.

## Project Description

The *output* impact is the increase in Kansas production as a result of the expenditure for CTP highway and bridge construction projects. The *income* impact is the increase in Kansas wages and salaries in response to an increase in the income of workers employed on CTP road and bridge construction projects. The *employment* impact is the gain in Kansas employment attributable to CTP highway and bridge construction projects.

The *direct* impact is CTP program induced output, income, and employment within the highway construction industry itself, while the *indirect* impact is the CTP induced output, income, and employment of the industries that supply the construction industry with goods, services, and materials. The *induced* impact is the additional output, income, and employment in various consumer markets produced by the increased consumer spending of people employed on CTP construction projects.

## Project Results

The approximated economic impacts of the CTP during the analysis period are as follows: (a) output impact, \$7.1 billion (2.6 times the value of highway contracts); (b) income impact, \$1.4 billion (2.4 times greater than direct wages and salaries) and (c) employment impact, 114,635 jobs (41 jobs per \$1 million of highway contract value). It is emphasized that these approximate impacts are conservative estimates. The approximated economic impact of the Kansas CTP (K-jurisdiction) highway construction contracts as measured by output is \$7.1 billion (2.6 times the value of highway construction contracts) distributed by highway improvement type. The approximated economic impact of the Kansas CTP (K-jurisdiction) highway construction contracts as measured by income is \$1.4 billion (2.4 times greater than the value of wages and salaries paid in the road construction industry) distributed by highway improvement type. The approximated economic impact of the Kansas CTP (K-jurisdiction) highway construction contracts as measured by employment is 114,635 full time equivalent (FTE) jobs distributed by highway improvement type.

## Report Information

For technical information on this report, please contact: Michael W. Babcock, Kansas State University, Department of Economics, 317 Waters Hall, Manhattan, Kansas 66506-4001; Phone: 785-532-4571; Fax: 785-532-6919; e-mail: [mwb@ksu.edu](mailto:mwb@ksu.edu).

For a copy of the full report, please contact: For a copy of the full report, please contact: KDOT Library; 2300 SW Van Buren Street, Topeka, Kansas 66611-1195; Phone: 785-291-3854; Fax: 785-296-2526; e-mail: [library@ksdot.org](mailto:library@ksdot.org).