

Study links gridlock to slow job growth

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Kent Hymel. Photo by Daniel A. Anderson

(PhysOrg.com) -- Commuters well versed in the physical and psychological tolls of traffic congestion can now add an economic effect to the list. A new UC Irvine study found that places with sluggish commutes - usually an indication of economic prosperity - tend to have slower subsequent job growth. The findings suggest that more efficient public infrastructure projects, while costly, can spur local economic growth.

Kent Hymel, a UCI doctoral candidate in economics, published his research online in the *Journal of Urban Economics*. He studied data on traffic delays in major metropolitan areas in the U.S. between 1982 and 2003. He observed that increases in vehicle use far outpaced expansions in highway capacity, resulting in high levels of congestion. While

studying the causes of traffic congestion, Hymel became increasingly interested in measuring its broad economic costs.

“In our current economic climate, policymakers are concerned with creating jobs and taking steps to sustain long-run employment growth,” Hymel said. “My study shows that reducing congestion - itself a desirable outcome - can help achieve that goal and revitalize urban economies.”

Hymel analyzed the amount of extra time drivers spent on freeways each year due to congested conditions estimated the potential benefits of various transportation policies. He found that if freeway capacity in the Los Angeles metropolitan area (including Long Beach and Orange County) had increased by 10 percent in 1990, an additional 50,000 jobs would have been created in the region by 2003.

Public infrastructure spending is expected to boom in a Barack Obama administration, as the president looks at massive public works programs to resuscitate the nation’s ailing economy.

Hymel encountered some difficulty measuring the impact of traffic congestion on job growth since the two tend to go hand in hand.

“Workers cause traffic jams just by driving to work every day, but at the same time, congestion discourages job growth by raising the cost of doing business,” Hymel said. “Individuals will demand higher wages to compensate for longer commutes. Also, slow traffic harms businesses by increasing the cost of shipping goods.”

Hymel’s research should inspire policymakers to think more creatively about reducing congestion, including the possibility of increasing toll roads, congestion tolls and other options that require people to pay for the true cost of driving.

“There are no simple solutions to the problem of traffic congestion,” he said. “New roads are very expensive and are not likely to reduce congestion levels.”

To view Hymel’s study, visit: webfiles.uci.edu/khymel/www/files/hymel_job_market.pdf .

Provided by University of California, Irvine

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