Driving and economic activity link differs across the nation

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Driving in the Northeast and on the West Coast is associated with greater economic activity than in the South, says a University of Michigan researcher.

The Midwest, Great Plains and Mountain States generally fall somewhere in between.

"Despite the uncertainty about the nature of the relationship between driving and Gross Domestic Product, it is clear—especially during these times of heightened concern about energy and the environment—that it is desirable to have relatively high economic activity per unit of driving," said Michael Sivak, research professor at the University of Michigan Transportation Research Institute.

Sivak's study of GDP per distance driven shows that in 2011, 11 of the top 14 states are located in the Northeast or along the Pacific Coast, ranging from Alaska ($11.16/mile), New York ($9.16/mile) and Connecticut ($7.23/mile) to Rhode Island ($6.25/mile), California ($5.95/mile) and Oregon ($5.66/mile).

On the other hand, 10 of the bottom third states are in the South, with Mississippi ($2.51/mile) and Alabama ($2.75/mile) bringing up the rear.

Overall, the median GDP per mile driven in the U.S. is $4.66 (Wisconsin). The District of Columbia, by far, outdistances all 50 states in GDP per distance at $30.04 per mile.

"GDP per distance driven varies greatly, with the District of Columbia being 12 times the lowest—Mississippi," Sivak said. "Even if the outlier—Washington, D.C.—is removed from the analysis because of its special status, the ratio of the maximum and the minimum is still large at 4.4."

Sivak also examined both the absolute and percentage increases in GDP per distance driven from 1997 to 2011.

For absolute increases, the District of Columbia (+$14.95/mile), followed by Alaska, New York, Delaware and Oregon were at the top, while New Mexico, Florida, Michigan, Alabama and Mississippi (+$0.67/mile) were at the bottom.

For percentage increases, Wyoming (+115 percent) led the way, followed by the District of Columbia, North Dakota, Alaska and Oregon. The smallest increase was in Michigan (+28 percent), followed by Florida, Ohio, Mississippi and New Jersey.

During the period examined, inflation increased by 40 percent.

"The increases in GDP per distance driven that were below this level did not even keep up with inflation," Sivak said. "This was the case for Michigan, Florida, Ohio and Mississippi."

Sivak says that a high GDP per mile driven can be the result of a high GDP and/or a low distance driven.

"In turn, GDP is influenced by a range of factors, such as natural resources, local tax policies, availability of a skilled workforce and presence of tourist attractions," he said. "Analogously, distance driven is influenced by factors such as geographical layout, urban planning and location of large employers."

More information: deepblue.lib.umich.edu/bitstre … .42/99703/102962.pdf

Provided by University of Michigan