

To support strong economies and communities, states should spend less on highway expansion.



Costs for expanding highways are exorbitant

In both rural and urban areas, price tags for major projects have surged past \$100 million/mile. Project benefits have not grown at the same rate.



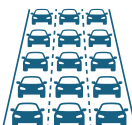
Maintenance spending is better for job creation

Highway maintenance investments support more direct jobs per dollar than expansion projects.¹ Maintenance also furthers reliability and safety goals for the system.



The highway network is complete—new lanes offer little value

Connecting communities with transportation infrastructure is essential, but the nation's highway network is built out. Adding more to what exists doesn't have the same impact as creating new connections.²



Widening projects fail on performance review

Highway expansion projects tend to perform poorly relative to their stated goals. Four out of five highway projects aim to mitigate congestion,³ but improvements don't last: within five years, traffic returns to previous levels.⁴



Overbuilt highways use land that could be put to more productive use

Particularly in urban areas, the land that expanded highways require could be put to more productive use. Researchers have found that after accounting for land value, the costs of highway expansion outweigh benefits more than 3:1.⁵ As one example of this, the \$25 million removal of about a mile of underutilized highway in Milwaukee has translated to an estimated \$1 billion in new investments facilitated by a reconnected street grid.⁶



In rural areas, new highways create winners and losers

New highway connections in rural areas tend to redistribute rather than create economic activity, delivering a net zero impact on regional economies.



There are better tools for addressing congestion

75 alternative policies and projects for addressing traffic congestion are both faster and cheaper than widening highways.⁶

¹ U.S. PIRG Education Fund, Center for Neighborhood Technology, and Smart Growth America. 2010. "What We Learned from the Stimulus." publicinterestnetwork.org/wp-content/uploads/2012/02/ARRA-jobs-report_1.pdf
CA: RAND Corporation. rand.org/pubs/monographs/MG1049.html

³ Fitzroy, S., G. Weisbrod, and N. Stein. 2014. "TPICS, TIGER and US Experience: A Focus on Case-Based Ex Post Economic Impact Assessment." International Transport Forum 2014. oecd.org/content/dam/oecd/en/publications/reports/2014/10/tpics-tiger-and-usexperience_g17a26c0/5jrw2z2fqgf1-en.pdf

⁴ Hymel, K. 2019. "If You Build It, They Will Drive: Measuring Induced Demand for Vehicle Travel in Urban Areas." *Transport Policy* 76: 57–66. doi.org/10.1016/j.tranpol.2018.12.006

⁵ Guerra, E., G. Duranton, and X. Ma. 2025. "Urban Roadway in America: The Amount, Extent, and Value." *Journal of the American Planning Association* 91 (1): 102–16. doi.org/10.1080/01944363.2024.2368260

⁶ McCormick, K. 2020. "Deconstruction Ahead: How Urban Highway Removal Is Changing Our Cities." Lincoln Institute of Land Policy. www.lincolninstitute.edu/publications/articles/2020-03-deconstructionahead-urban-highway-removal-changing-cities/

⁷ TTI (Texas A&M Transportation Institute). 2026. "How to Fix Congestion." Transportation Policy Research. policy.tti.tamu.edu/congestion/how-to-fix-congestion/2

To support strong economies and communities, states should spend more on public transit.



Transit spending creates 2x more local jobs for residents than highway projects

Transit spending supports twice as many direct jobs per dollar as highway projects.⁷ These jobs—including work like maintenance, operations, and administration functions—are more likely to stay local than “indirect” jobs further up the supply chain.



More transit service means more access to opportunity

Surges in public-sector investment in transit service drive wage increases that outpace national trends and help households out of poverty by connecting them to employment opportunities that were previously not accessible.⁸



Quality transit service can cut household mobility costs by 90%

When transit is convenient enough for households to reduce car ownership, annual mobility costs can drop from \$12,000 (the annual cost associated with owning and operating a vehicle) to \$1,200 (the average cost of an annual transit pass).



Statewide transit spending supports more communities than individual highway projects

For about the same cost as a few miles of highway expansion in one region, states can “purchase” the bulk of a statewide transit program and serve far more residents, in more places, per dollar.⁹



Transit spurs housing and commercial development

Transit upgrades that make bus service more reliable and convenient can spur new housing and commercial development on key corridors. Upgrading local service to bus rapid transit (BRT) can spur as much as \$12 in development value for every \$1 invested.¹⁰



Transit spending uses resources more efficiently

The federal government spends about \$25,000 per year on assistance for households that can't access work due to a lack of transportation.¹¹ To put this in perspective, the typical state directs less than \$100 per capita into annual transit spending today.¹²

⁷ SGA (Smart Growth America). 2011. “Recent Lessons from the Stimulus: Transportation Funding and Job Creation.” t4america.org/wp-content/uploads/2011/02/lessons-from-the-stimulus.pdf

⁸ Hoback, A., & S. Anderson. 2010. “Link between Transit Spending and Personal Income.” Univ. of Detroit Mercy.

⁹ academia.edu/143120169/Link_Between_Transit_Spending_and_Personal_Income “surge” is \$85/capita or more in adjusted 2005 \$

¹⁰ For example, Virginia’s seven-mile proposed Martinsville Southern Connector would cost \$745 million, more than double the \$341 million the state spends to provide transit service for all areas outside NoVA and 62% of total annual statewide transit spending See Virginia Department of Rail and Public Transit. 2020. “Economic Benefits of Public Transportation in the Commonwealth of Virginia.” drpt.virginia.gov/wpcontent/uploads/2023/05/economic-benefits-of-public-transportation-in-virginia.pdf

¹¹ Metropolitan Council. 2026. “Metro B Line.” metro council.org/Transportation/System/Transit/Value-of-Transit/METRO-B-Line.aspx

¹² APTA 2026. “Economic Impact of Public Transportation, 2026 Update.” (p. 17) apta.com/wpcontent/uploads/2026/03/APTA-Economic-Impact-of-Public-Transportation-022026.pdf

¹² Transportation for America. “Transit Report Card.” <https://t4america.org/transit-report-card/>

What state leaders can do:

Five key actions to maximize transportation investments



Use more federal highway program dollars for transit needs

States can send substantially more dollars to transit programs by “flexing” even a mere 10% of Federal Highway Administration (FHWA) funds to Federal Transit Administration (FTA) programs.



Change administrative processes to expedite transit project delivery

Working with Metropolitan Planning Organizations (MPOs) to program eligible urban transit projects in transportation improvement programs as lump sums rather than line-item projects can help deliver projects more quickly.



Dedicate state funds for transit operations

Investing in operations allows agencies to run more reliable and more frequent service—key ingredients for growing ridership.



Advance state-level legislation on transit-oriented development

State transit-oriented development regulations spur the private sector to make investments that further goals for both housing and transit.



Support rural transit with funding and technical assistance

Rural transit provides critical access. States can centralize technical support and boost impacts with funding to run evening and weekend service.