

Economic Impact of Selected Rural Interstates



Client

Facts

Period

2005 - 2006

Project Country

**By Jack Faucett Associates and Economic Development Research Group (now EBP),
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Does the construction of new interstate highways create economic development? Proponents of highway construction sometimes argue that new highway investment automatically brings about new jobs, while opponents sometimes argue that it brings new sprawl destroying farmland. To examine these issues, the Federal Highway Administration hired Jack Faucett Associates and Economic Development Research Group.

The firms conducted a joint study of the "economic histories" of selected interstate highways, through case studies that tracked changes occurring over time in rural and small urban areas that have become connected by new interstate highways. The study focused on "secondary interstate corridors" - i.e., those interstate highways completed after 1970 that provide regional connections for smaller communities linking to the backbone coast-to-coast routes. EDR Group's work focused on two of the case studies: Interstate 43 (I-43) in the state of Wisconsin and the portion of Interstate 81 (I-81) in the state of Pennsylvania. For those highways, staff of EDR Group developed economic development histories of the pre-construction, during the construction of interstates, and post construction time periods. This included information on socio-economic changes, economic trend changes, and the nature of economic development changes relative to the rest of the state.

The case studies by both firms found that impacts of new interstate highways varied widely along their lengths. Sometimes, there was no impact at all, undercutting both the best hopes of proponents and the worst fears of opponents. On the other hand, the case studies showed that new highways did sometimes facilitate major new industrial and warehousing activity, particularly where there were existing labor markets, connections with other highway routes and available land with zoning and sewer/water infrastructure to encourage such development.

Contact Persons