

Defining Economic Impact and Benefit Metrics from Multiple Perspectives: Lessons to be Learned from Both Sides of the Atlantic



Client

Facts

Period 2012

Project Country United States

By Glen Weisbrod and David Simmonds, paper presented at the European Transport Conference in Glasgow

This paper compares UK and USA practices with regard to the frameworks and measures used in considering the wider economic impacts of transport investment (or other interventions), and considers what lessons each can draw from the other. Regarding the frameworks for appraisal, there has been growing debate in the US about the need to better distinguish local, regional and national perspectives on the measures of benefits and wider economic impacts. Information at local and state levels is required to inform prioritization of investments by state governments, for equity considerations (“environmental justice”) in the allocation of funds, and in negotiating agreements for the sharing of investment costs between different levels of government. Comparable issues arise in the UK (and to some extent in other European nations), but there is a need for more debate about the information needed to assist local decision-making as distinct from the information needed purely to comply with the WebTAG (or STAG) requirements for national decision-making. For instance, if we only calculate national measures of benefit we may be failing to make the best use of the obtainable information and maybe misinforming local decisionmakers about the consequences of their actions for their own constituents.

Regarding the specific measures used in appraisal, there may be need to recognize a broader set of perspectives or metrics to fully span the wider impacts of transport measures, while taking care to understand which ones represent additional benefits and which represent different manifestations of effects already counted in conventional Transport Economic Efficiency analysis. In this regard, there may be lessons to be learned from the efforts of US state and federal agencies to adopt an expanded range of metrics for assessing wider economic impacts, spanning local, intermediate and final outcome metrics. A range of intermediate measures (distinguishing economic impacts relating to freight flows, job access, and product delivery market access) and of outcome economic measures (land values, incomes, value-added) each get used in different ways in various forms of appraisal schemes. Along with the concept of differential perspectives for viewing wider impacts, there are also corresponding differences in data and analysis methods required for their use, and issues concerning how they are interpreted.

Contact Persons