# Evolution Of Methods For Assessing Economic Development Impacts Of Transportation



## Client

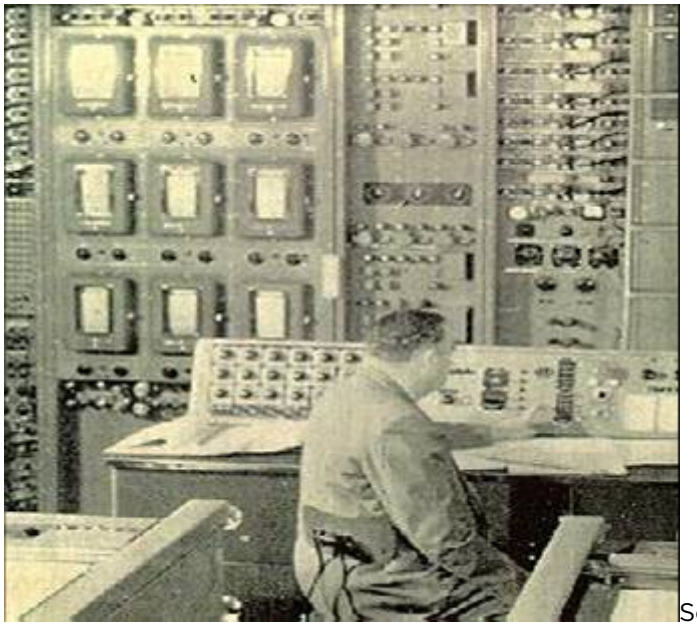
## Facts

Period 2006

Project Country

**"The relationship between transportation, market access and economic growth goes back thousands of years. Roughly two thousand years ago, ancient caravan routes such as the Silk Road, the Spice Route and the Gold and Salt Route were firmly established as the distribution backbone for bringing far away products to European markets. These distribution networks expanded jobs and income for a supply chain of producers, traders and merchants, and also supported the economy of intermediate locations that served as traveler rest and service areas."**

"From the ancient days to the mid twentieth century, no one would think of assessing the full economic benefit of transportation investment as merely the value of savings in driver and vehicle operating cost. It would be unthinkable to assess the job and income benefits of new transportation without also considering factors such as accessibility to markets, scale economies from market expansion, cross-border trade, intermodal connectivity or reliability. But then again, they did not have computer models."

So argues Glen Weisbrod, in a paper presented to the Third International Conference on Transportation and Economic Development in 2006. The paper describes the often slow and painful process by which modern computer modeling techniques have evolved in an attempt to adequately describe the integrated logistic, market development and economic systems that were well understood even in ancient times. The paper describes how economic and computer models have evolved from the measurement of business cost savings to also account for

supply chain, labor market and global trade impacts involving multiple modes of travel.



A description is then provided of emerging new directions for measuring economic development benefits. The paper summarizes recent efforts to improve measurement of economic development benefits, especially for projects aimed at multi-modal investments, economic development clusters and international trade. It discusses computer analysis methods that now provide both transportation planners and economic development planners with capabilities to identify how a project's multi-modal and spatial access impacts can also affect business market access and business attraction results. This review leads to the identification of nine factors that should be considered before deciding upon a framework for evaluating economic development impacts of proposed projects. The paper describes the TREDIS ("Transportation Economic Development Impact System") as one such approach designed to address multi-modal impact factors and incorporate them into transportation investment decision-making.

**Contact Persons**