

**International Transportation & Economic Development  
Conference (I-TED 2011), Charleston, WV**

**Special Discussion Session: May 2, 2011**

**Topic: Challenges Facing the Use of Economic Impact Models  
by Transportation Agencies**

Sponsored by TREDIS Users Group

**Objective:** An open dialogue among TREDIS users and other interested parties concerning challenges that transportation agency staff and consultants face in communicating economic impact concepts to the public and to decision-makers.

**Attendees:** The session was open to all as part of the I-TED 2011 conference agenda. The breakdown of attendees was: staff of State DOTs (36% of attendees), staff of MPOs (14%), planners (21%), engineers (19%) and modelers (10%).

**Introduction:** Glen Weisbrod introduced the challenge: *Sophisticated economic models can help inform discussions and decisions, but only if there is effective translation of key model concepts and analysis results into the language and perspectives of the interested parties to address their needs.* He explained that the topic emerged at the TREDIS Users meeting at TRB in January 2011, and this new meeting is an opportunity for all interested parties to contribute their further observations concerning challenges faced and ideas on how to address them.

Glen then introduced Julie Lorenz of Burns & McDonnell who served as discussion leader and facilitator. Ms Lorenz is a consultant in communications, public affairs and policy development in the transportation industry. Most recently, she served as Director of Public Affairs and Special Assistant to the Secretary for the Kansas Department of Transportation (KDOT), where she led strategic planning and integrated collaboration/communication efforts

**Discussion Topic 1: Worries about use of economic impact model results.** Key worries reported by various attendees when conducting economic impact analysis were that:

- The results would be ignored by politicians, especially if the answers are not what they wanted to see.
- Economic impacts can appear complex and difficult to communicate to public audiences, especially explaining differences between job, income and GDP impacts.
- It is often difficult to convey the concepts of indirect and induced (or multiplier) impacts to public audiences.
- Over-reliance on economic models could lead to a loss of the human element, such as localized community concerns.

From a discussion of the latter point, it was pointed out that there are model cases where economic model results have been used in conjunction with other local community input (rather than as a substitute for it), and that we might learn from examples such as Wisconsin DOT and Kansas DOT.

**Discussion Topic 2: Frustrations when using economic impact models.** Various attendees reported that their primary frustrations when conducting economic impact analysis were that:

- They might not get in results early enough to make a difference in planning or decision-making.
- Policymakers tend to highlight and focus on short-term construction jobs rather than long-term economic growth impacts.
- Agency staff who make public presentations are often not the same people who run transportation and economic models, so there must be good internal communications between analysts and to policy staff to convey the connection between transportation assumptions and economic outcomes.
- The accuracy and believability of economic impact models depend on good input data describing expected changes in traffic and access conditions. Reliance on selective or incomplete transportation data can bias subsequent economic impact model results.

A discussion of the latter point led to the observation it is particularly important that economic impact models (such as TREDIS) be set to recognize the full range of relevant mobility and access impacts, precisely so that incomplete transportation data can be recognized as incomplete.

**Discussion Topic 3: Directions Forward.** Quite a few attendees indicated that they saw value in compiling a set of "best practice" cases in which economic impact analysis models were used to calculate expected impacts of alternative actions, and results were then used in planning or decision-making. There were many different suggestions for disseminating that information:

- One idea was to arrange a special issue of a professional journal, as there is a need to get academics and instructors aware of the topic.
- A second idea was to organize and promote a webinar on the topic, particularly to train local and regional agency staff including both upper staff and lower level staff.
- A third idea was to develop a web page with links to best practice cases, perhaps supported by the TRB Committee or some federal agency or national organization.
- A fourth idea was based on a longer-term approach, through effort to develop better linkages between practitioners at transportation agencies and the academic community via collaboration on teaching materials and grants to develop case studies.

It was also noted that the TREDIS web site offers a starting basis in this direction, as anyone can read articles about ways that various states and MPOs have successfully used economic impact model results to affect project selection, prioritization and/or funding decisions.