Economic Impact of the 2012–2035 RTP/SCS

Investing in the region’s transportation system is critical to Southern California’s economic prosperity. With a gross regional product of nearly $900 billion, Southern California’s economy is the 16th largest in the world behind South Korea. It is imperative to protect and strengthen the region’s assets, maximize natural resources and invest in infrastructure to compete on a global scale in the 21st century. Long-term strategic investments in the region create jobs and ensure a competitive future both nationally and internationally.

SOUTHERN CALIFORNIA ECONOMY

- The region’s population is projected to increase by 4 million to 22 million by 2035
- The region is projected to add 1.7 million jobs by 2035 totaling 9.4 million
- The gross regional product of nearly $900 billion places the region’s economy as the 16th largest in the world
- Southern California’s top four industries are transportation dependent: trade, technology, tourism and entertainment
- The twin ports of Los Angeles and Long Beach together are investing over $6.0 billion in infrastructure projects over the next decade to compete in a 21st century global economy
- The region’s diversified industry base requires a multi-modal transportation approach
- California’s unemployment rate was the second highest in the nation in 2010 and 2011
- Southern California has nearly one million unemployed two and a half years after the recession technically ended

ECONOMIC ANALYSIS

SCAG contracted four outside economic experts to review the 2012–2035 RTP/SCS and provide an independent economic analysis. The economic impact of the plan was calculated based on a leading economic-forecasting model that evaluates the economic impacts of transportation improvements called Regional Economic Models, Inc. (REMI).

- The 25-year investment plan generates an average of 174,500 jobs per year from construction and operations expenditures
- The improved transportation network will generate an additional 354,000 annual jobs through congestion relief, increased labor mobility and efficient movement of goods
- Every $1 spent on infrastructure investments yields a return of $2.90 (see Figure 1)
- The projected cost per day/per capita is less than $2.00 (see Figure 2)
- The projected benefit per day/per capita exceeds $5.00 (see Figure 3)

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2012-2035 Regional Transportation Plan/ Sustainable Communities Strategy

The region represented by the Southern California Association of Governments is projected to add 4 million residents and 1.7 million jobs by 2035. To protect quality of life for future generations, the 2012-2035 RTP/SCS is presented as an economic development strategy as well as a transportation, infrastructure and sustainability investment plan.

**MOBILITY BENEFITS**

- The plan improves overall mobility and provides needed congestion relief by closing critical gaps in the network and an expansion of the system to accommodate current and future needs.
- Implementation of the plan will result in a doubling of new households living near high quality transit areas from 25% to 51% in 2035.
- By integrating land use and transportation, 53% of future jobs will be located near high quality transit areas in 2035 compared to 33% without the plan.
- The per day/per capita delay due to congestion is projected to fall by 24% from 17.3 minutes today to 13.1 minutes by 2035.

**ECONOMIC BENEFITS**

- The 25-year investment plan is projected to add an average of 174,500 jobs per year from construction and operations expenditures.
- The improved transportation network will generate an additional 354,000 jobs per year from congestion relief, increased labor mobility and the efficient movement of goods.
- The plan will provide a $2.90 investment return for every $1 spent.
- The job growth will create wealth in the region, raise household income and enhance the region’s economic competitiveness.
- The plan reduces household costs associated with driving, energy and water use.

**HEALTH BENEFITS**

- Improves air quality and public health by reducing all criteria pollutants, emissions and their precursors – reactive organic gases (ROG), oxides of nitrogen (NOx), particulate matter (PM10), fine particulate matter (PM2.5), carbon monoxide (CO), and nitrogen dioxide (NO2).
- Projects a 24% reduction in health incidences related to regional emissions.
- Promotes active transportation (bicycling and walking) by providing $6.7 billion in funding, a 270% increase over the 2008 RTP, for a 134% expansion of bikeway miles and improved sidewalk safety.

**SUSTAINABILITY BENEFITS**

- Reduction of per capita GHG emissions of 9% by 2020 (vs. target of 8%) and 16% by 2035 (vs. target of 13%).
- The integrating of land-use, housing and transportation planning will result in the conservation of land-use and the reduction of transportation fuel, electricity and natural gas, saving households $3,400 per year.
- Compact and urban infill development will result in a 6% reduction in regional water use and 8% reduction in energy consumption.