ATL

Special Report

TRANSIT INVESTMENT AND ECONOMIC IMPACT OF EXPENDITURES IN THE ATL REGION

Report Structure: Two Parts

1. INPUT

Level of Transit Investment:

Operating and capital expenditures

> How much money and what sources of money are invested in public transportation?

> How does this compare to the investments made by peers?

2. OUTPUT

Economic Impact:

Direct, indirect, and induced

> What broad economic effects are spurred by capital and operations investments?

TRANSIT INVESTMENT AND ECONOMIC IMPACT IN THE ATL REGION

Why measure level of transit investment?

- Measuring level of transit investment and impact indicates the extent and quality of a transit system.
- It also demonstrates the priority placed on transit compared to other public priorities.

Why measure the economic impact of transit expenditures?

- Measuring the economic impact of transit expenditures helps us convey how investments have multiplicative effects beyond transit operators – creating jobs and supporting business sales throughout the region.

The regional economy is influenced by decisions made regarding investments in public transit.

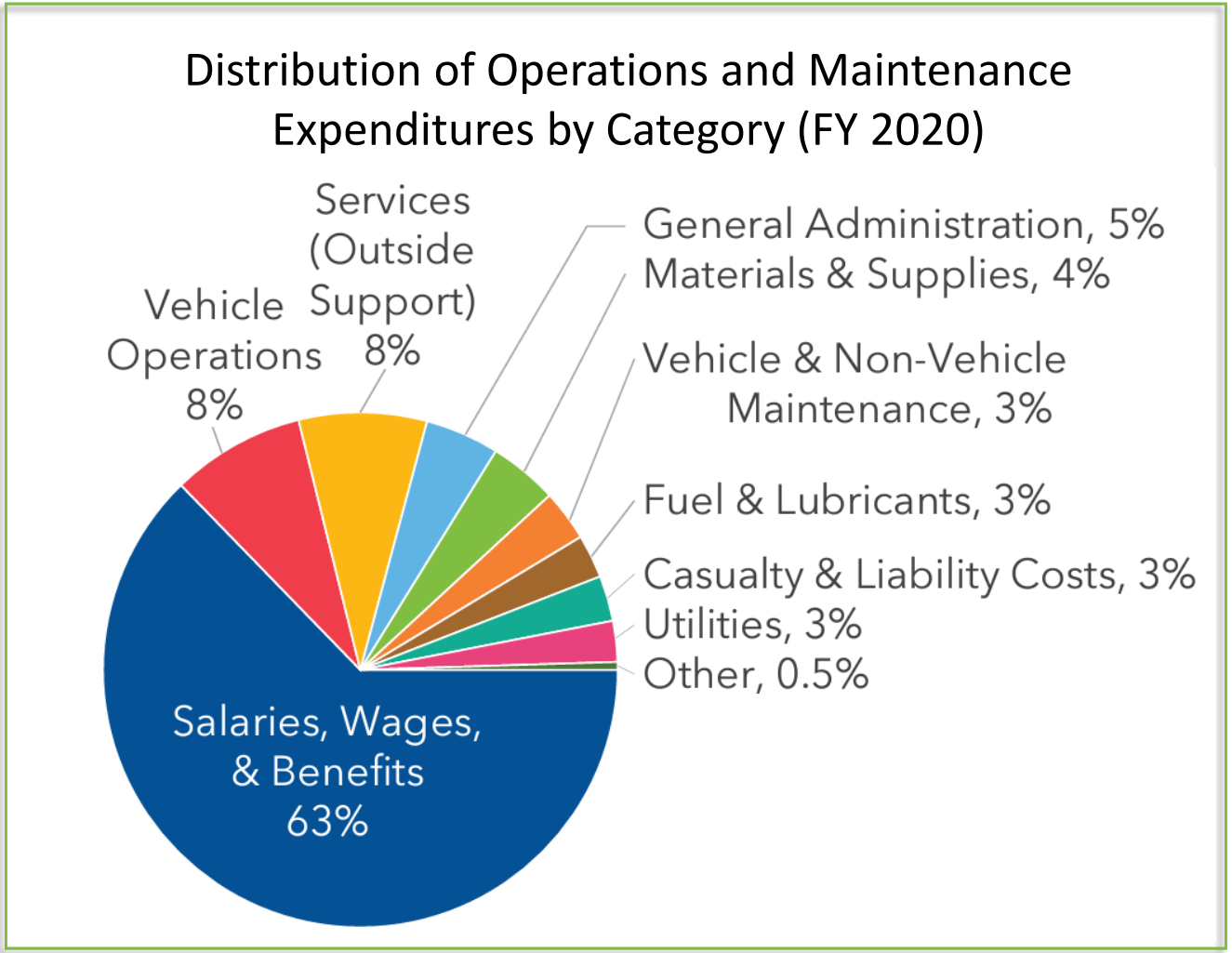
Level of Investment

- Operating expenditures for transit in the region were approximately $589 million in 2021.

63% Percent of operating costs allocated to worker salaries, wages, and benefits.

- Transit agencies provide their employees with stable and good living wage jobs that are accessible to residents with a wide ranges of skills.

- These employees then support regional businesses when they spend their income.



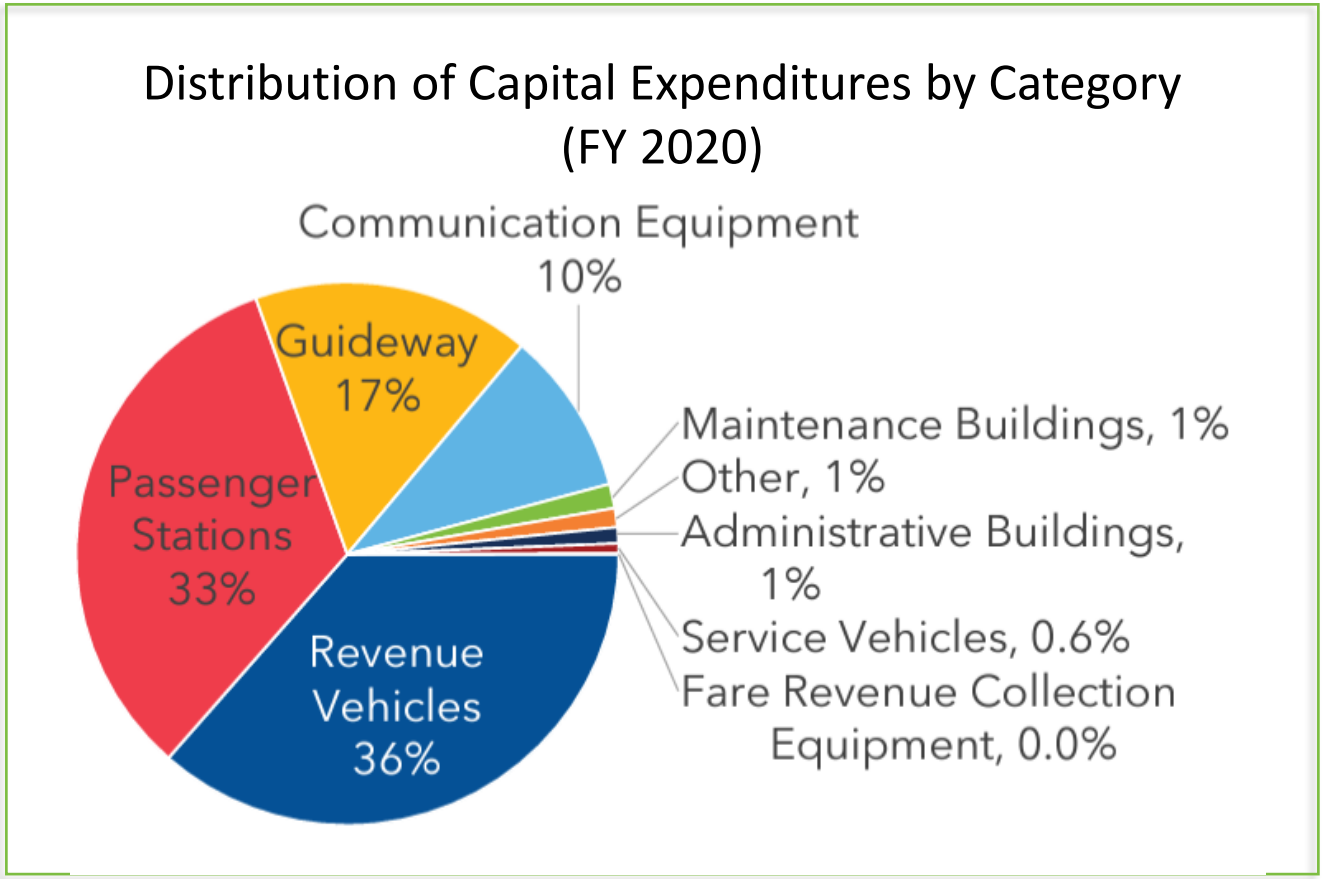
(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 59

Level of Investment

- Capital expenditures for transit in the region were approximately $623 million in 2021.

- Most capital expenditures are used to purchase vehicles, maintain stations and guideway infrastructure.

- Labor intensive expenditures such as station and guideway maintenance are particularly effective at stimulating economies during economic downturns.



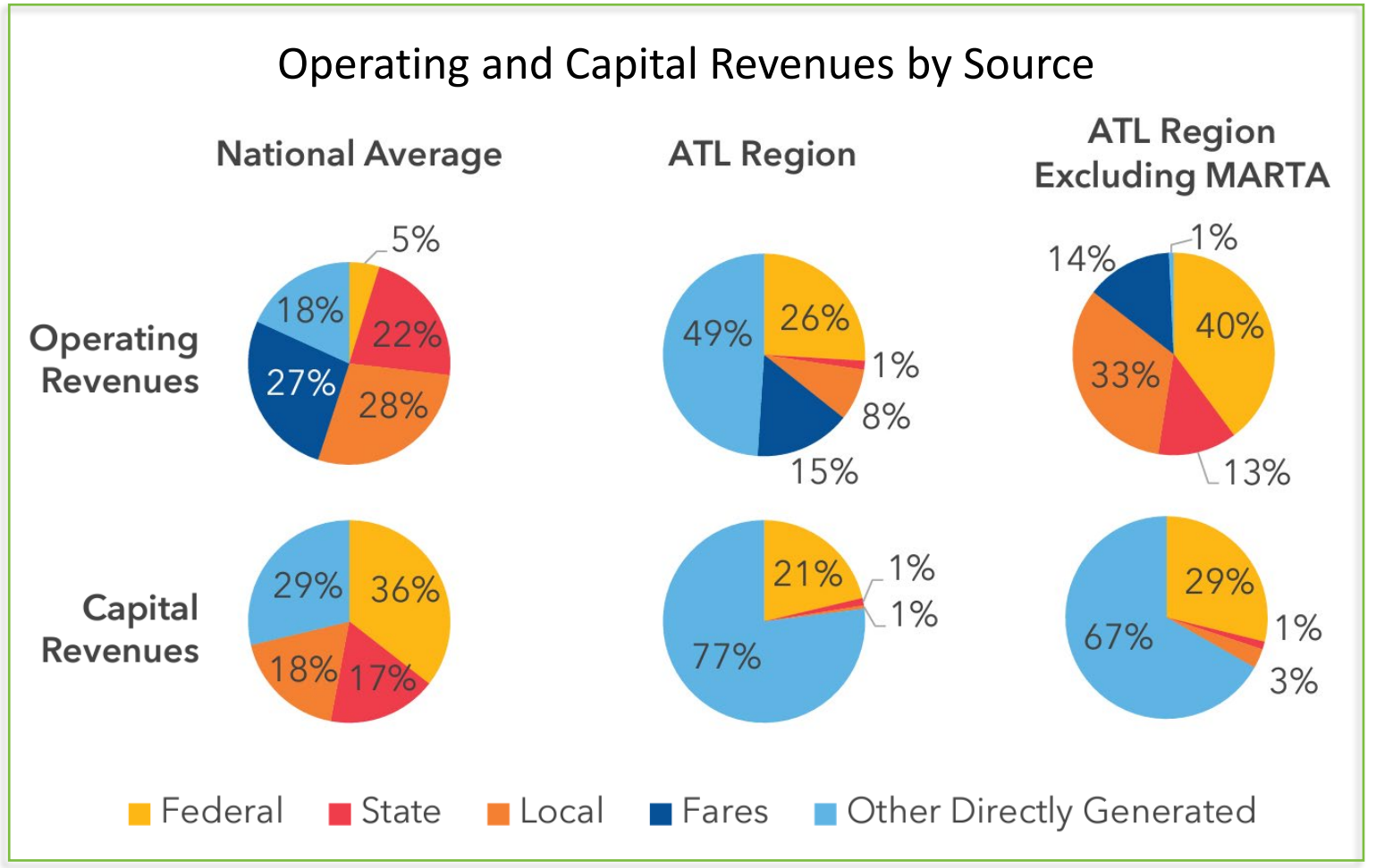
(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 59

Level of Investment

5X

Operators in the region rely five times more on federal funds for operations than the national average.

- The region dedicates a significantly lower share of federal dollars to capital projects compared to the national average.
- This can be attributed to the lack of local and state matching contributions.



(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 56

Economic Impact

- There are three categories for quantifying the total economic impact of operations and capital expenditures

Direct, Indirect, and Induced Impacts Generated by Transit Operator Expenditures

- Transit agencies employ workers, pay them wages, and invest in equipment and supplies

- Transit agencies purchase goods and services from companies who in turn employ and pay workers

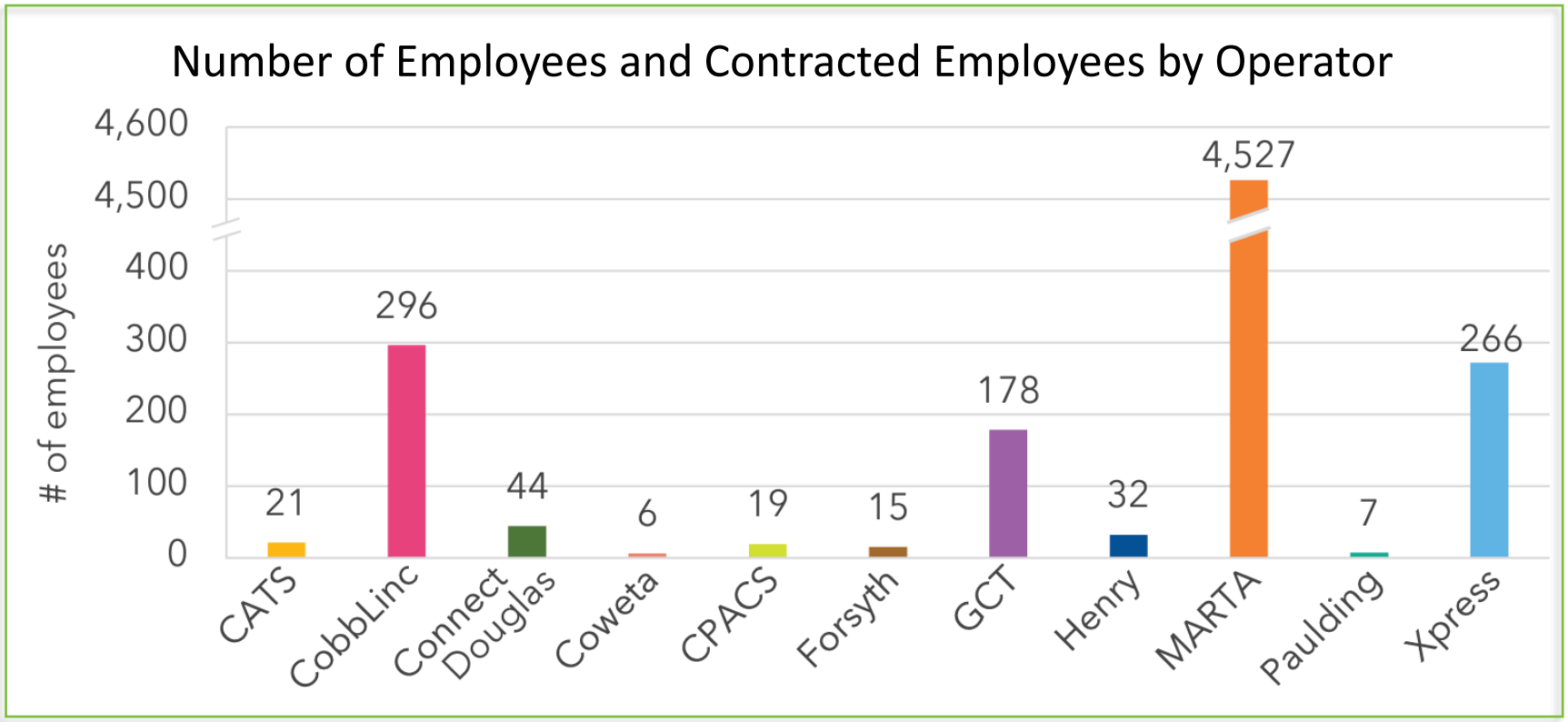
- Transit agency and supplier employees spend their income, generating additional activity within the regional economy

Economic Impact

> Transit directly supports

5,596 jobs

in the ATL region



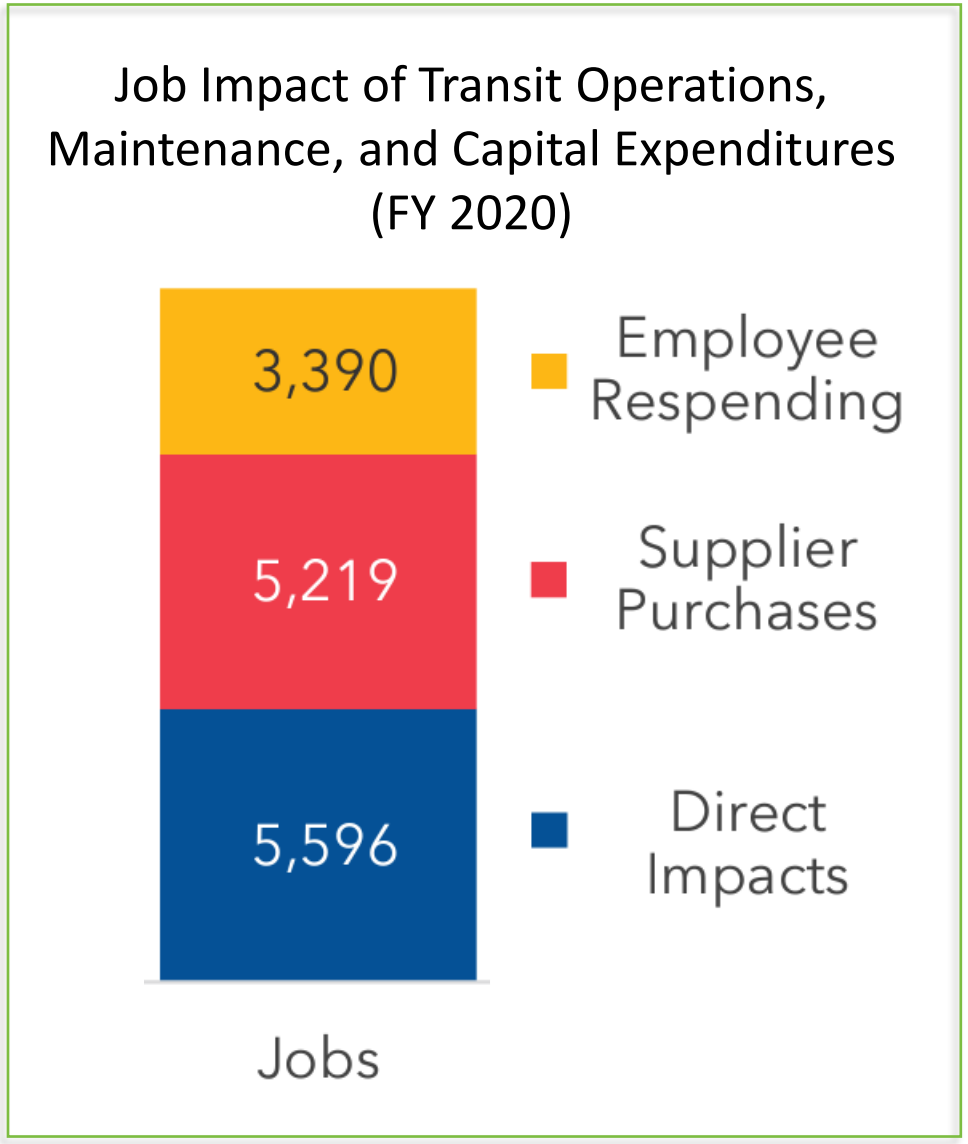
(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 58

Economic Impact

- Accounting for indirect activity in addition to direct activity, transit supports

  14,205 jobs

  in the ATL region



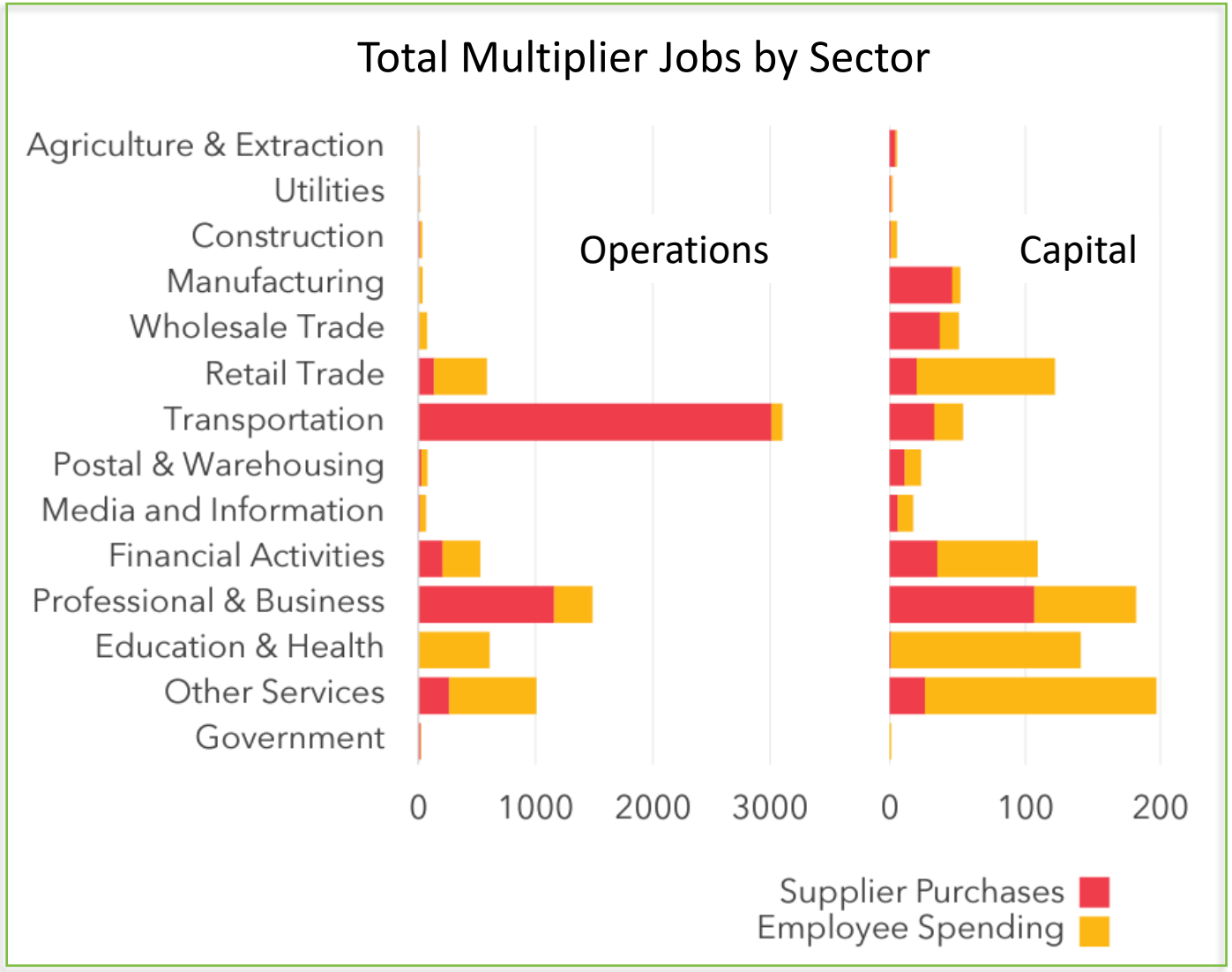
(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 60

Economic Impact

- The multiplier impacts of supplier purchases and employee spending extend to other industries within the Atlanta economy.

- Key industries supported by employee consumer spending (yellow) include retail and education, health, and other services.

- Additional jobs are predominantly in sectors providing transportation and professional and business services to transit operators (red).



(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit. p. 60

Economic Impact

Key Takeaways

- Georgia must continue investing in transit in order to stay competitive in attracting business.
- Rideshare fee revenue is a promising step in increased state investment in transit.
- This funding source could prove crucial in obtaining additional federal dollars now available under the Infrastructure Investment and Jobs Act (IIJA).
- Additional resources are necessary to move Georgia's discretional funding rank up from 35th in the nation.

ATL ATLANTA-REGION TRANSIT LINK AUTHORITY

For details on the level of transit investment and economic impact information cited in this special report, check out the ATL's Annual Report and Audit at www.ATLtransit.ga.gov/ARA

References

(2021). (Atlanta-Transit Link Authority). ATL Annual Report and Audit.*

* For FY 2021, some amounts shown are from approved budgets rather than spending actuals (as in 2017 through 2020), as operators' financials are either undergoing audit and/or their fiscal years have not yet ended as of this report's publication
* The spending impact presented is based on the research team's analysis of operator budget reports. Expenditures are organized into categories based on those used for National Transit Database reporting. Different categories of expenditures are mapped to specific industry sectors within the TREDTransit™ model, which is calibrated to the industry composition of the region. The team then uses the model to generate an estimate of total impacts, including multiplier (direct and indirect) effects, within the 13-county ATL region. Some labor expenses reported by CPACS as capital expenditures have been reclassified as operating expenses for the purposes of this analysis. In some cases, jobs were imputed based on reported wage information.
* These total economic impact results for FY2020 reported in this year's ARA are lower than those reported last year, despite a slight increase in expenditures from FY2019 to FY 2020 The change can be traced to a meaningful drop in the multiplier effects for operations and maintenance expenditures Indirect (supplier) effects decrease from FY2018 to FY2019 and then again from FY2019 to FY2020.
    * Two factors are at play: First, the economic modeling team has observed a national trend of more widespread supply chains, with inputs sourced from further distances In the ATL region, this trend may be contributing to a decline in multiplier impacts contained within the 13-county impact geography.
    * Second, there was a sectoring change in the IMPLAN model that provides the underlying input-output relationships in TREDTransit™. With this change came some instability in the modeling, which has implied reduced indirect effects for the operations and maintenance expenditures. The multipliers for operation and maintenance expenditures may have been overstated in 2020, but modeling is expected to be more stable going forward