

Public transportation affects on the economy in terms of employment, wages, and b...

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Economic Effects of Public Transportation The public transportation sector services are important to an economy in numerous ways. Investment in the public transportation sector creates and supports employment in the industry, and also in other related industries (Economic development Research, 2). This helps to generate wages for workers in the public transportation sector, including other related industries. Spending money on public transportation helps to generate income for businesses involved in activities and operations such as public transportations, car manufacturing, and road construction (Weisbrod and Reno, 1). This paper discusses the effects of public transportation services on the economy in terms of employment, wages, and business income in the US.

Discussion

Public transportation generates numerous jobs in US. First, jobs are created through capital investments that take place in the sector, or to support the sector (Economic development Research, 2). This includes the purchase of vehicles and equipments, development of infrastructure, and other supporting facilities. An analysis conducted by Weisbrod and Reno (1) observed that per every billion dollars spent in investment activities in the US public transportation, approximately 24, 000 jobs are supported annually. Public transportation operations are in addition significant sources of employment. These employment opportunities include management, operations, and maintenance of vehicles and facilities. The analysis conducted by Weisbrod and Reno (1) elaborate that for every billion dollars spent on public transportation operations in the US, around 41, 000 jobs are supported annually. Moreover, the US public transportation sector helps to

create jobs for individuals, or in industries involved in providing services such as repairs and car wash. On average, Weisbrod and Reno (1) observed that per every \$ billion invested in public transportation sector in US, approximately 36, 000 jobs are supported directly or indirectly annually. Investments in public transportation generate wages for employees working in the sector, in addition to individuals working in related sectors. An increase in investment in the sector results in an increase in public transportation spending, leading to employment of persons to fill the new created jobs (United States Department of Transportation, 2). This creates an opportunity for unemployed persons to earn income. The analysis conducted by Weisbrod and Reno (1) indicate that \$1 billion investments in the public transportation sector in US results to \$1. 6 billion increase in employees wages annually. As mentioned earlier, spending money in the public transportation sector helps to generate income for firms in the sector, and in other sectors. Weisbrod and Reno (1) found that 36, 000 jobs are created annually in US, per each billion dollars invested in the public transportation. Therefore, according to the newly created jobs, which correspond to about \$3. 6 billion of added business output in terms of sales volume business related directly, or indirectly to the public transportation sector provide approximately \$0. 2 billion in business income (Weisbrod and Reno, 1). The economic impacts of public transportation in US include creation of job opportunities, which opens opportunities for individuals to earn, and creation of opportunities for businesses to make income. Therefore, investment in the public transportation sector has significant impact on US economy; it is one of the industries that cannot be ignored in contributing to economic growth,

increase in employment opportunities, and direct or indirect income to thousands of individuals. It is therefore an important sector in US economy.

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