Economic Impact of Public Transit in the State of Missouri

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Almost 1.2% of Missouri’s Gross State Product in 2018 (Source U.S. Bureau of Economic Analysis)
The Findings: Key Direct Effects

- **60.1 million** rides each year in MO
- Transit riders utilizing the systems spend another **$600 million** on goods and services attributable to their rides
- Transit providers employ **4,500** people a year
- Direct spending of **$675 million** by transit agencies
The Findings: Distribution of Rides

NUMBER OF RIDES PROVIDED BY PUBLIC TRANSIT IN MISSOURI
Average 2015-2019

- State of Missouri: 60,053,000
- St. Louis Metro Area: 40,884,000
- Kansas City Metro Area: 13,850,000
- Rest of Missouri: 5,319,900
The Findings: Distribution of Jobs

- **29,180** State of Missouri
- **21,080** St. Louis Metro Area
- **6,310** Kansas City Metro Area
- **2,410** Rest of Missouri

Direct & Indirect Jobs
Supported By Public Transit's Economic Impact in Missouri (Average 2015-2019)
Benefits of Transit in Missouri:

- Economic benefits to business owners and employers. Higher productivity, reduced parking needs, increase in foot traffic for street level business.
- Decreased isolationism
- Increased accessibility for all sectors of the market.
- Economic impact on property values
- Improved equity for job, education and healthcare access.
- Economic benefits in terms of lower air and noise pollution
- Improvement in land use efficiency including higher density buildings, less parking lots, and decreasing utility costs.
Now. . .How Did We Figure This Out?
Why Economic Impact Measures are Important

"People ride public transit for two reasons – to make money and to spend money. That's why public transit is an economic development program with social benefits."

...Oklahoma Transit Association  https://oktransitassociation.com/

1. Demonstrate Public Return on Investment
2. Demonstrate Effective Use and Management of Public Resources
3. Attract and Retain Sponsors and Funders
4. Set Baseline for Capital Campaign
5. Reveal Marketing and Services Improvement Opportunities
6. Benchmark Year-to-Year Success and Growth
7. Support Legislative and Policy Initiatives
Process

Expenditures by Transit Providers

+ 

Spending by Riders

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Multipliers by Sector

Economic Activity
Household Income
Jobs
State Taxes
Flow of Economic Impacts

Missouri Transit Induces

Jobs

Payroll

Induces

Input

Operating & Capital Expenses

Taxes

Induces

Indirect Impacts

Earnings

Induces

Output

Taxes

Induces

Taxes

Induces

Jobs

Earnings

Output

Taxes

Induces

Indirect Impacts

Jobs
Conducted Survey to Obtain “Inputs”
- 19 respondents (MPTA members)
- Capital, operations, & labor expenses for 5 years (used average)
- Annual rides, out-of-pocket cost to ride

Out-of-Pocket Cost Savings to Ride Transit
- Ability to spend more because of transit ride

Obtained RIMS-II Multipliers from U.S. Bureau of Economic Analysis

Multiplied Inputs to Obtain “Outputs”
- Statewide economic activity triggered by transit
- Statewide increases in household earnings
- Statewide increases in jobs
- State government revenues
### Missouri Direct & Indirect Impacts from Transit

#### Output (millions)
- **Direct**: $1,275.6
- **Multiplier**: $2,397.6
- **Blended Multiplier**: 1.88

#### Earnings (millions)
- **Direct**: $288.8
- **Multiplier**: $745.8

#### Jobs
- **Direct**: 4,500
- **Multiplier**: 24,680

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**Total Direct Impacts**: $1,275.6 million

**Total Multiplier Impacts**: $2,397.6 million

**Total Blended Multiplier Impacts**: $745.8 million

**Total Jobs**: 24,680
St. Louis Direct & Indirect Impacts from Transit

Output (millions)

- Direct, $893.6
- Multiplier, $1,754.9
- Blended Multiplier 1.96

Earnings (millions)

- Direct, $184.2
- Multiplier, $580.9

Jobs

- Direct, 2,780
- Multiplier, 18,300
Metro Transit’s Operations Funding FY2017

- Federal: 6.6%
- Passenger and service fees: 19.8%
- State of Missouri: 0.2%
- Other: 0.8%
- St. Clair County: 17.2%
- City of St. Louis: 11.5%
- St. Louis County: 44.0%

Total: $303.1 million
Missouri State Tax Collections (2019 Dollars)

- Individual Income Tax: $27,767,000
- Corporate Income Tax: $1,333,000
- State Sales Taxes: $13,775,000
- All Other Taxes: $5,967,000

Total State Taxes (Annual): $48,802,000

Missouri Annual Investment in Transit: $1.75 million
Rate of Return: 27.9-to-1
Missouri State Tax Collections (from St. Louis Area)

- Individual Income Tax: $16,788,000
- Corporate Income Tax: $849,000
- State Sales Taxes: $8,304,000
- All Other Taxes: $3,614,000

Total State Taxes (Annual): $29,255,000
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Almost 1.2% of Missouri’s Gross State Product in 2018 (Source U.S. Bureau of Economic Analysis)
“Transportation is kind of like electricity and water. You don’t think about it until it’s not there. Then you think about it a lot.”

Southeast Missouri Transportation Service (http://ridesmts.org/)