

Jobs from Construction Spending

Jobs from construction spending: Number of jobs sustained as a result of annual construction expenditures

Our strategy

Improve Oregon's livability and economic prosperity by stimulating the economy in the near-term and supporting long-term economic growth through investment in highway and bridge infrastructure. This measure estimates the number of jobs sustained in the short-term (during construction) by annual construction project expenditures. Job impacts in the short-term are: Direct - preliminary engineering, right-of-way and construction activity; Indirect - purchases of supplies, materials, and services; and Induced - the spending by workers and small business owners. Direct,

indirect, and induced jobs are summed to calculate the total short-term job estimation.

About the target

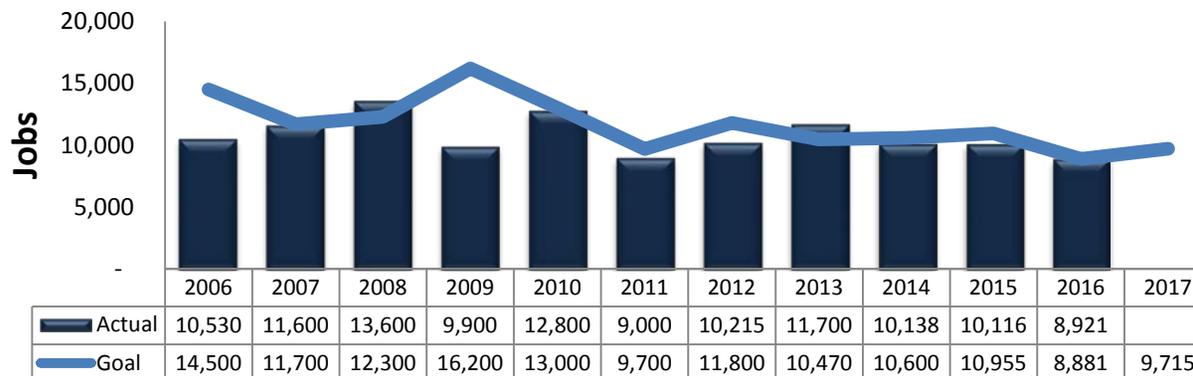
Beginning with the 2006 report and for state fiscal year 2007 and beyond, the goals are short-term job estimates based on projects currently in the State Transportation Improvement Program. "Actual" figures are the result of the programmatic spending that occurred during the state fiscal year. Labor multipliers, representing the number of jobs created per million spent, change with inflation and each biannual model update to reflect the current economic

patterns of trading goods and services. The 2016 fiscal year jobs impact factor was 9.15 jobs per \$1M. The current model update calculated the fiscal year 2017 jobs impact factor at 9.12 jobs per \$1M. The forecasted targets reflect legislatively approved planned construction spending and change as the job multiplier changes with each model update.

How we are doing and how we compare

The total number of actual FTE jobs supported by agency project spending in fiscal year 2016 was approximately 8,921.

Construction Jobs - Number of jobs sustained as a result of annual construction expenditures



Fact

ODOT highway construction programs supported 8,921 jobs in 2016.

Jobs from Construction Spending, cont.

This measure is not currently used by other states.

Factors affecting results and what needs to be done

The two largest factors affecting the number of jobs from construction spending are the number and size of construction projects funded and the rate of inflation; therefore jobs created, are largely out of the control of ODOT. Additionally, difficulty in accurately predicting future federal funding of projects makes goal setting for this measure difficult. Internal job projections are revised more frequently than the biannual key performance measure target setting legislative cycle.

About the data

The measure always presents estimated and projected jobs impacts. The measure identifies jobs sustained by state level contractor payments occurring within specific Oregon fiscal years. This differs from total budgets for current projects under contract. ODOT uses IMPLAN, a widely

recognized regional economic impact modeling tool to estimate a jobs impact factor. The results are expressed in combined full-time and part-time jobs supported. We convert full-time and part-time jobs to estimated full-time equivalents through analysis of covered employment data on hours of work statewide by employment sector provided by the Oregon



Employment Department. ODOT Highway Budget Office and Highway Division provide actual (and for targets - projected) construction-related spending data. The current jobs impact factor is about 9.12 jobs per \$1 million of construction-related spending. Annual construction-related spending (actual or projected) is multiplied by the jobs impact factor to project the total number of short-term jobs sustained. Adjustments are made for inflation in projected jobs numbers.

Contact information

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Data source

ODOT Highway Division, Highway Budget
Office