Economic Importance of the U.S. Interstate Highway System

The Interstate Highway System is the backbone of the U.S. economy, providing a safe and efficient mode of transport for millions of passenger and freight vehicles. Although the 48,000 miles of rural and urban Interstates only account for one percent of all roads in the country, these highways carry 25 percent of all traffic.¹

Making the necessary repairs and upgrades to the system would have enormous benefits for the country. A recent report released by the U.S. Department of Treasury estimated that the complete rebuilding of the Interstate Highway System would yield a projected net economic benefit of over $1.6 trillion for the economy.²

To realize those benefits, the federal government and state DOTs need to increase their investment. The U.S. Department of Transportation estimates that total average annual spending on the Interstate—to make all needed improvements to the system—would need to increase by nearly 30 percent from current levels.³

State DOTs spend an estimated $25 billion each year in capital outlays on the Interstate Highway System, accounting for 36 percent of all spending on construction, right of way purchases and design work.⁴

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¹ Federal Highway Administration, Highway Statistics
² 40 Proposed U.S. Transportation and Water Infrastructure Projects of Major Economic Significance
³ FHWA 2015 Status of the Nation’s Highways, Bridges, and Transit: Conditions & Performance
⁴ Federal Highway Administration, Highway Statistics
Federal funds, on average, provide 51% of annual State DOT capital outlays for highway & bridge projects

Source: ARTBA analysis of FHWA Highway Statistics data, total ten year average 2005-2014 from tables SF-1 and SF-2. The percent is the ratio of federal aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right of way and engineering, but are also used for debt service for GARVEE bonds.

* States that have issued GARVEE bonds before 2014. Map produced April 2017.