

The Return on Investment for Passenger Rail

Brian Tomkins
Urban Transportation Center, UIC

Dr. P.S. Sriraj
Urban Transportation Center, UIC

Jolene Molitoris
Jolene Molitoris & Associates

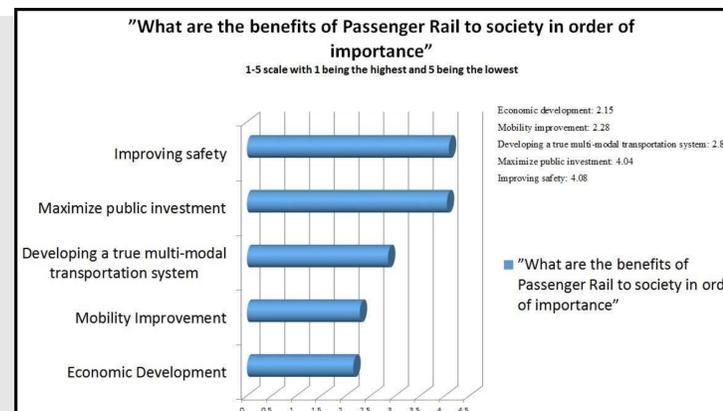
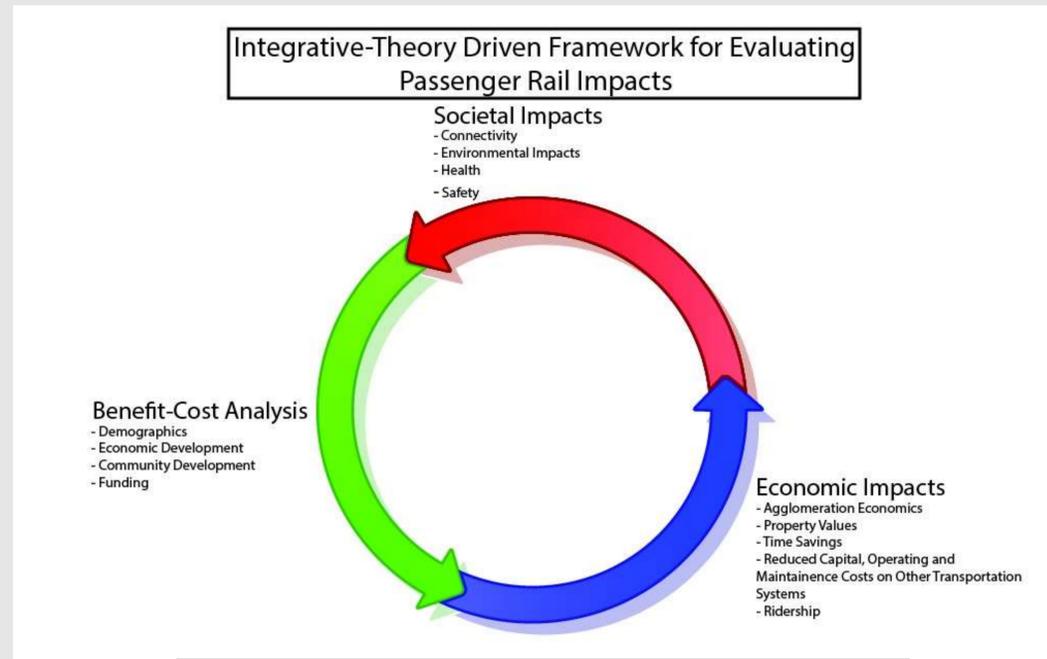
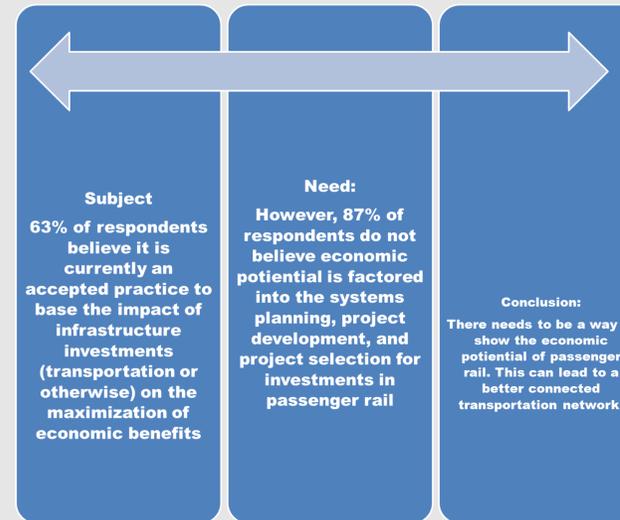
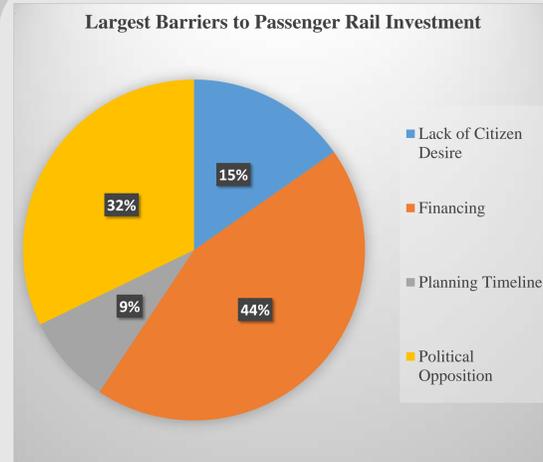


Abstract

The factors that impact the return on investment for passenger rail is imperative for determining what types of investments have the most benefits, for which type of rail, and for what demographic. Therefore, this research aims to understand the impacts of passenger rail from multiple different dimensions with an eye towards developing an integrative framework. This research aims to build an understanding of the kinds of benefits that accrue from passenger rail investment. Passenger rail impacts were investigated by a (1) literature review on the return on investment for passenger rail, (2) analysis of survey data from transportation professionals and (3) a knowledge-intensive collection of data from interviews with transportation professionals. Based on these findings from this research an integrative theory-driven framework has been explored. The framework identifies key elements that can indicate the impacts of passenger rail. This research is presumed to create viable contributions to transportation industry leaders interested in developing new ways of creating public/private support and ways of obtaining funding for passenger rail projects that have been successful in other projects and are referenced in the insights and data provided.

Approach & Method

The approach for the study was based on a synthesis of prior studies and literature on passenger rail, a survey of transportation professionals, and interviews with transportation professionals. The study considers (1) the economic impacts due to passenger rail; (2) societal impacts related to passenger rail; and (3) a benefit-cost analysis of passenger rail impacts.



Findings & Conclusions

Key Survey & Interview Findings

- 63% of respondents believe it is currently an accepted practice to base the impact of infrastructure investments (transportation or otherwise) on the maximization of economic benefits.
- However, 87% of respondents do not believe economic potential is factored into the systems planning, project development, and project selection for investments in passenger rail.
- 89% of respondents indicated that they feel innovative types of financing options should be explored because it would be beneficial for increasing/improving investments in passenger rail.
- 44% of respondents indicated financing as the largest barrier to passenger rail investment

The difficulty in measuring the impacts of passenger rail has created problems for transportation professionals. In order to obtain funding, transportation professionals need proof that passenger rail is beneficial. There needs to be a method to capture the economic potential of passenger rail. This can overcome the barrier to investment(s) and funding for passenger rail and explain the benefits of passenger rail. This can lead to a better connected transportation network in which passenger rail will be an integral part to ensure economic growth and mobility.

Funding & Support

The study was funded by the Urban Transportation Center (UTC), Metropolitan Transportation Support Initiative (METSI), and IDOT. METSI is a research initiative of IDOT at UTC. The authors are thankful for the support.

