

CHAPTER 8 GOVERNMENT



This chapter provides an overview of the contribution of the government sector to the economy and the use of transportation by the sector.

The government sector includes goods and services provided by all Federal, State, and local government agencies. The government sector includes Federal Government services provided by agencies such as the Departments of Transportation and Defense and State and

local government services, such as welfare services. The government sector also includes Federal, State, and local government enterprises. Government enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public. The Federal Housing Administration and the Southeastern Power Administration are examples of Federal enterprises. The Alaska Railroad is an example of a State and local government enterprise.

In absolute dollars, the government sector uses the fourth largest amount of transportation services, but per dollar of output requires the second largest amount of transportation. The sector relies heavily on air, rail, and water transportation services but employed the largest number of transportation workers as bus drivers (see table 8-1).

Table 8-1 Overview of the Government Sector's Contribution to Gross Domestic Product (GDP) and Use of Transportation

Government	Value	Year (latest year data is available)
Contribution to GDP	\$2,323.6 billion	2015
Use of transportation	\$152.8 billion	2014
Amount of transportation required to produce a dollar of output	4.7¢	2014
Number of transportation and material moving workers	393,700	2015
Transportation and material moving workers as percent of sector's work force	4.1	2015
Median annual wage of transportation and material moving workers	\$42,530	2015

NOTE: Table presents latest data available, as of August 11, 2016. Data on number of trucks and truck miles accumulated was last collected in the Vehicle Inventory and Use Survey for 2002.

SOURCE: Data for this table is drawn from figures and tables presented throughout this chapter.

In 2015 the government sector contributed \$2,323.6 billion (12.9 percent) to the national economy, as measured by gross domestic product (GDP) (figure 8-1).

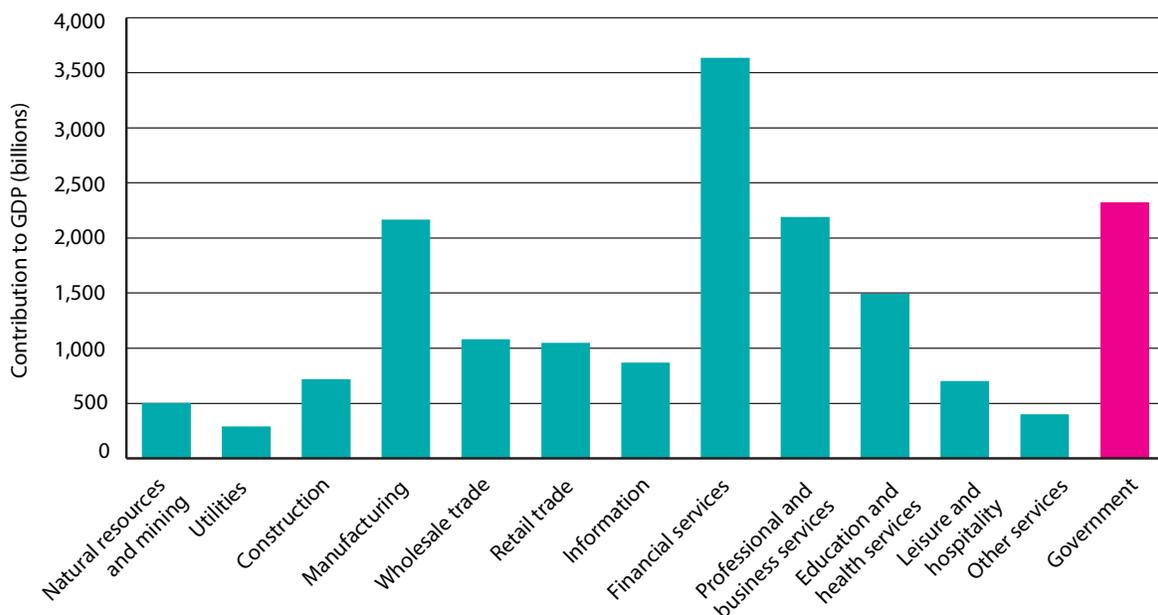
The largest amount of government activity occurred in California (\$300.3 billion), followed by Texas (\$165.7 billion), New York (\$163.4 billion), Florida (\$106.2 billion), and Virginia (\$88.1 billion)— each of which accounted for 4 percent or more of national activity in the government sector (figure 8-2, table 8-2). With the exception of Virginia, the States contributing the most to national activity in government are States with the largest gross state product (GSP) (table 8-2).

Computing the percent of government sector activity as a percent of GSP, rather than as a share of GDP, also provides useful insights to U.S.

production. Nationally, California, Texas, New York, Florida, and Virginia lead in government sector activity in 2015. The government sector, however, accounted for a smaller share of GSP in California (12.2 percent), Texas (10.4 percent), New York (11.3 percent), Florida (12.0 percent), and Virginia (18.4 percent) than in the District of Columbia (DC). In 2015 government activity accounted for 34.6 percent of GSP in Washington, DC (\$42.4 million) (see Appendix A).

The government sector was the fourth largest user of transportation services in 2014 (\$152.8 billion). Looking at the use of air, rail, truck and water transportation services, the government sector used roughly two times more in-house operations (\$92.5 billion) than for-hire transportation services (\$40.0 billion) (figure 8-3).

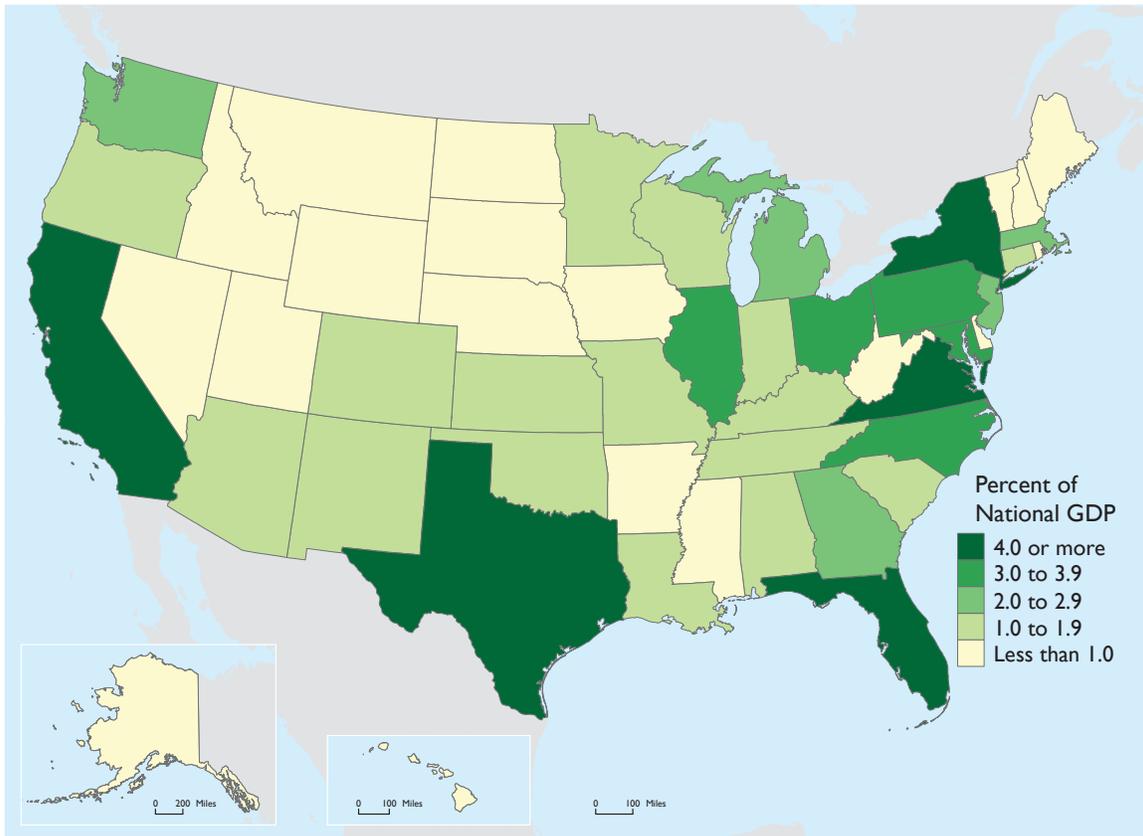
Figure 8-1 Government Sector’s Contribution to Gross Domestic Product, 2015



NOTE: GDP = \$17,947 billion

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Value Added by Industry, available at <http://bea.gov> as of August 11, 2016.

Figure 8-2 State Contributions to Government Related GDP (percent of national GDP related to government), 2015



NOTE: Data not available for Delaware, District of Columbia, or Rhode Island.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product by State, available at <http://bea.gov> as of August 2016.

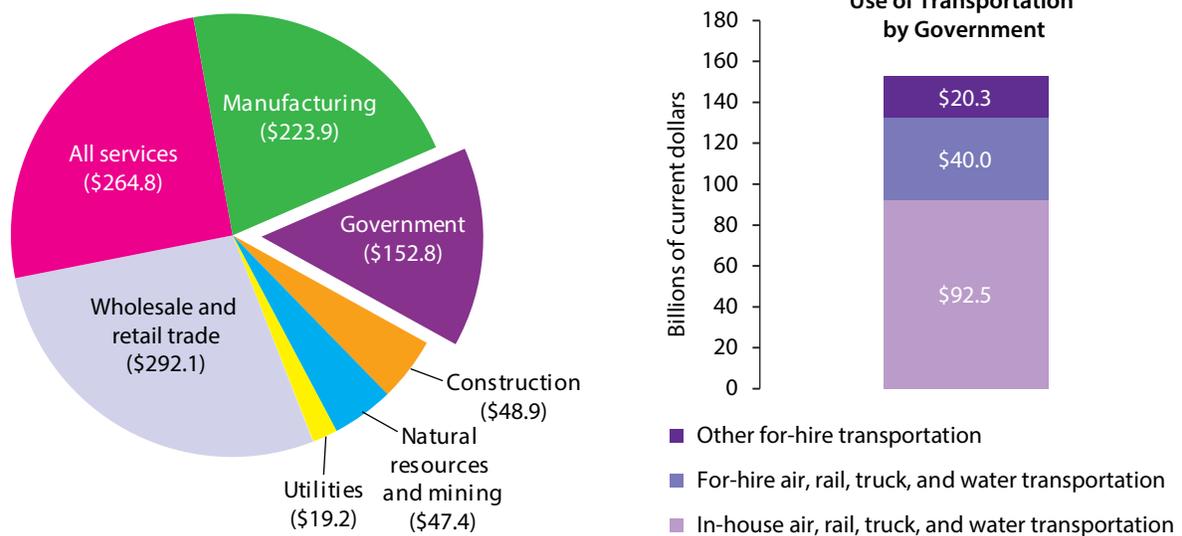
Table 8-2 States Contributed 4.0 Percent or More to National GDP Related to Government Activity in 2015

State	Government (Government related GDP = \$2,206.9)			All products and services (Total National GDP = \$17.8 trillion)	
	Dollar contribution of government related GDP (billions)	Percent of national GDP related to government activity	Rank (1=contributes most to national GDP related to government activity, 51=least)	Dollar contribution to national GDP (billions)	Rank (1=contributes most to national GDP, 51=least)
California	300.3	13.6	1	2,458.5	1
Texas	165.7	7.5	2	1,586.5	2
New York	163.4	7.4	3	1,441.0	3
Florida	106.2	4.8	4	882.8	4
Virginia	88.1	4.0	5	479.8	11

NOTE: Latest available data do not sum to latest available industry totals (shown in figure 8-1) due to difference in source data vintage.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product by State, available at <http://bea.gov> as of August 11, 2016.

Figure 8-3 Use of Transportation by the Government Sector, 2014 (current dollars, billions)



NOTE: In-house transportation consists of transportation services (air, rail, truck, and water) provided by nontransportation industries for their own use. For-hire transportation consists of the services provided by transportation firms to industries and the public on a fee-basis. Airlines, railroads, transit agencies, common carrier trucking companies, and pipelines are examples of for-hire transportation industries. "Other" for-hire transportation includes: Transit and passenger ground transportation (excluding State and local government passenger transit); Pipeline; Sightseeing transportation and transportation support; Parcel delivery, courier, and messenger services (excluding U.S. Postal Service); Warehousing and storage; and Other transportation and support activities.

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Satellite Accounts, available at <http://www.bts.gov> as of August 2016.

The government sector used \$152.8 billion of transportation services in 2014 (figure 8-3). In 2014 the government sector used:

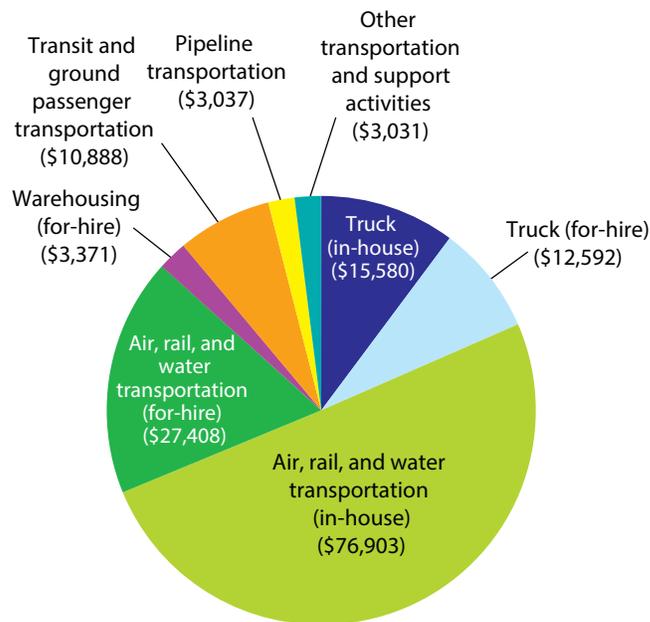
- Primarily air, rail, and water transportation services (e.g., passenger air travel, shipment of currency, etc.), which accounted for 68.3 percent (\$104,311 million) of all transportation services used by the sector.
- More in-house than for-hire air, rail, and water transportation services, with in-house accounting for nearly half (50.3 percent, or \$76,903 million) of all transportation services used by the sector.
- Less truck transportation services (18.4 percent, or \$28,172 million) than air, rail, and

water transportation services combined.

- A relatively large share (7.1 percent, or \$10,888 million) of transit and passenger ground transportation (figure 8-4).

The government sector was the second most dependent sector on transportation services in 2014, although it required half as much transportation services to produce one dollar of output compared to the most dependent sector (wholesale and retail trade). The government sector required 4.7¢ worth of transportation services to produce one dollar of output in 2014, while the most dependent sector (wholesale and retail trade) required 9.9¢ worth of transportation services to produce one dollar of output (figure 8-5).

Figure 8-4 Government Sector's Use of Transportation by Mode, 2014



NOTE: In-house transportation consists of transportation services (air, rail, truck, and water) provided by nontransportation industries for their own use. For-hire transportation consists of the services provided by transportation firms to industries and the public on a fee-basis. Airlines, railroads, transit agencies, common carrier trucking companies, and pipelines are examples of for-hire transportation industries. Transit and passenger ground transportation excludes State and local government passenger transit. Other transportation includes sightseeing transportation.

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Satellite Accounts, available at <http://www.bts.gov> as of August 2016.

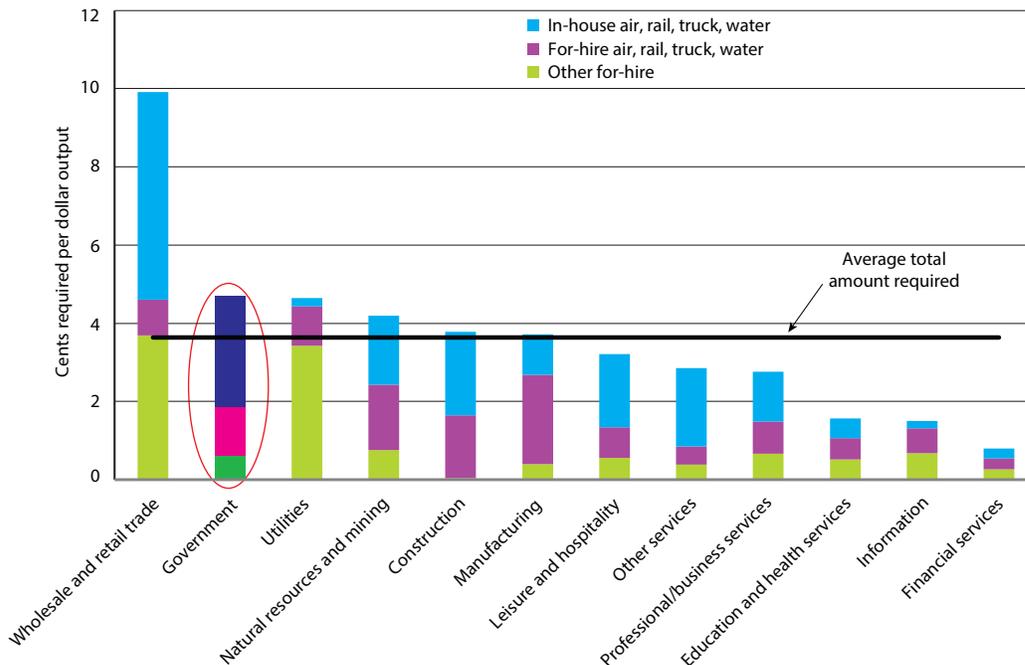
The overall transportation requirement for the government sector (4.7¢) is relatively modest compared to other inputs. In 2014, transportation services were the third most important input, while manufactured products (e.g., paper, furniture, etc.) were the most important input. The government sector required 9.4¢ worth of manufactured products to produce one dollar of output (figure 8-6).

In 2015 the government sector employed 393,700 transportation and material moving workers,

accounting for 4.1 percent of its entire work force. The sector employed more transportation workers (296,290)¹ than material moving workers (97,410) (figure 8-7). Transportation workers include motor vehicle operators, ship engineers, aircraft pilots and flight engineers, etc. Material moving workers support transportation activities and include occupations such as cleaners of vehicles and ship loaders.

¹ Total for transportation occupations includes supervisors of material moving workers, which could not be separated from supervisors of transportation workers.

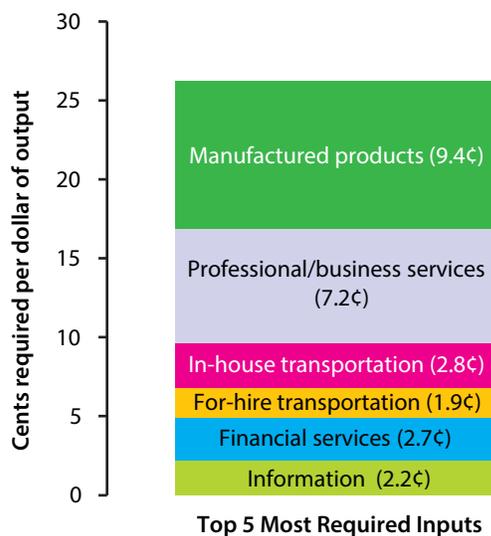
Figure 8-5 Transportation Required Per Dollar of Output by the Government Sector, 2014



NOTE: In-house transportation consists of transportation services (air, rail, truck, and water) provided by nontransportation industries for their own use. For-hire transportation consists of the services provided by transportation firms to industries and the public on a fee-basis. Airlines, railroads, transit agencies, common carrier trucking companies, and pipelines are examples of for-hire transportation industries. "Other" for-hire transportation includes: Transit and passenger ground transportation (excluding State and local government transit); Pipeline; Sightseeing transportation and transportation support; Parcel delivery, courier, and messenger services (excluding U.S. Postal Service); Warehousing and storage; and Other transportation and support activities.

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Satellite Accounts, available at <http://www.bts.gov> as of August 2016.

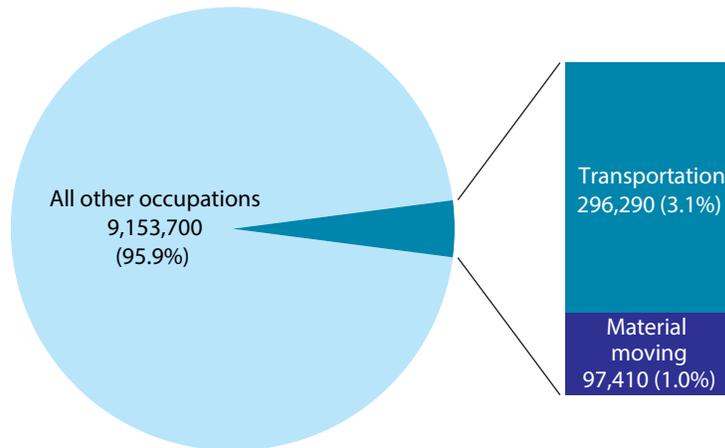
Figure 8-6 Top 5 Inputs Required by the Government Sector to Produce a Dollar of Output, 2014



SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Satellite Accounts, available at <http://www.bts.gov> as of August 2016.

Figure 8-7 Number of Workers Employed in the Government Sector, 2015

Government occupations
Total work force = 9,547,400



NOTE: Total for transportation occupations includes supervisors of material moving workers, which could not be separated from supervisors of transportation workers.

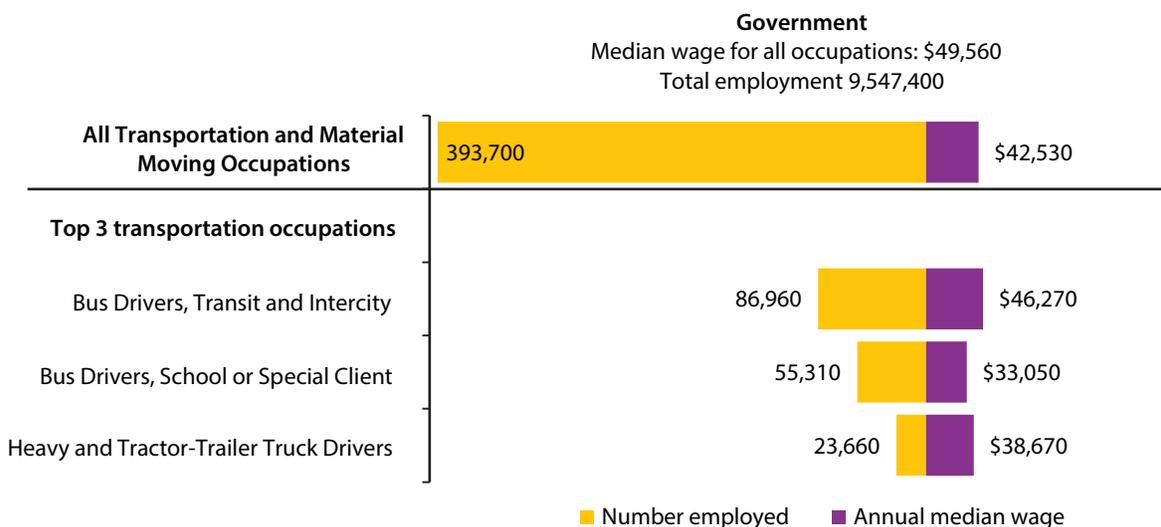
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment and Wages, available at <http://www.bls.gov/oes> as of August 11, 2016.

Transportation and material moving workers in the government sector earned a median wage of \$42,530 in 2015, while workers of all occupations in the government sector earned a slightly higher median wage (\$49,560) (figure 8-8).

Bus drivers comprised the largest group of transportation workers in the government sector, accounting for 36.1 percent (142,270) of the sector's transportation and material

moving workforce. Bus drivers consist of transit and intercity bus drivers and school/client bus drivers. Transit and intercity bus drivers earned a slightly higher median wage (\$46,270) than school/client bus drivers (\$33,050). Heavy and tractor-trailer truck drivers accounted for the third largest number of transportation workers in the government sector (23,660) and earned a median wage of \$38,670 (figure 8-8).

Figure 8-8 Median Annual Wage and Employment for Most Common Transportation Occupations (Top 3) in Government Sector, 2015



NOTE: Top three transportation occupations are the transportation occupations employing the largest number of workers and are selected from detailed occupation group in Bureau of Labor Statistics Occupational Employment and Wages table. Material moving occupations not included in the selection of the top three transportation occupations. Material moving occupations not included in the selection of the top three transportation occupations. First-line supervisors of machine and vehicle operators includes first-line supervisors of material moving occupations.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment and Wages, available at <http://www.bls.gov/oes> as of August 11, 2016.