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## LESS TRAVEL

The Good, The Bad, and The Ugly

—Dale Knapp, Director of Research & Analysis, Wisconsin Counties Association

Although final numbers are not yet in, preliminary figures show travel on Wisconsin roads and highways in 2020 was at its lowest level since 1999. At just over 57 billion miles, the number of vehicle miles traveled (VMT) last year was off 14% from 2019.

That Wisconsinites drove less is not surprising. Many workers are no longer commuting as the COVID-19 pandemic shifted their place of work to their home. Conventions, work-related events, and meetings were either canceled or held remotely, eliminating travel to and from host cities and other locations. The pandemic also led to the postponement or cancellation of many family vacations, reducing travel to and from the countless tourist attractions in the state.

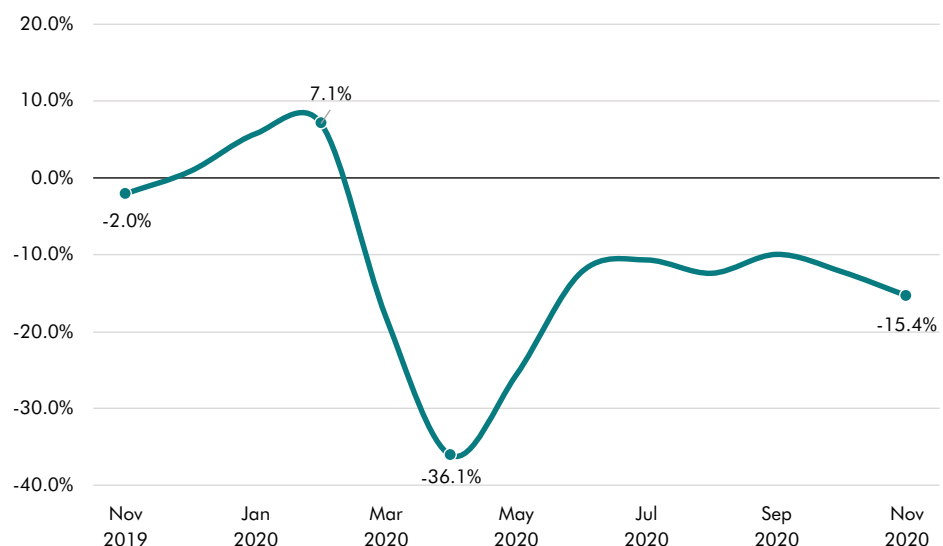
While a decline may have been expected, the magnitude of the drop is surprising. At 14%, the reduction in travel was significantly larger than the drop in most other economic measures. For example, the number of jobs fell 6.9% in 2020, less than half the travel decline measured in VMT.

The drop in travel was largest in April due to the statewide “Safer At Home” order. During that month, the number of miles driven on Wisconsin roads and highways fell 36% from April 2019 (see Figure 1). Beginning in May, travel picked up and by September, VMT had closed to within 10% of the 2019 level.

However, COVID-19 cases spiked beginning in September and most economic measures stopped improving beginning in October. Travel weakened as well and by November, VMT were 15% below 2019 levels.

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Figure 1: Vehicle Miles Traveled, Year Over Year Change



As travel continues to lag, gas tax collections in 2020-21 are expected to be \$113.1 million (10.4%) below the amount budgeted.

A mix of good and bad news, the impacts of reduced travel were fewer crashes, a drop in carbon emissions, and significant reductions in gas tax collections that fund state and local transportation projects.

### Vehicle Crashes Fall

With fewer cars on state roads and highways, the number of crashes fell 21% in 2020. The number with injuries dropped 17%, in line with total crashes. However, the number of fatal accidents rose 7.4% to 549 and the number of traffic fatalities climbed 8.5% to 598.

County public works employees often work in road construction zones. The number of crashes (-28%) and injuries (-26%) in these zones fell significantly last year. Despite these drops, the number of fatalities remained unchanged at 17.

### Reduced Carbon Emissions

The transportation sector is the largest contributor to greenhouse gases in the U.S. The Rhodium Group tracks greenhouse gases and recently estimated that the pandemic led to a 10.3% decline in total carbon emissions in 2020. Further, greenhouse gases from the transportation sector fell 15% overall.

### Gas Tax Revenues Suffer

With driving down in 2020, Wisconsin residents spent less on gasoline. This kept money in their pocketbooks to save or spend on other needs. This also led to the state collecting less revenue to help the state pay for roads, highways, and other transportation infrastructure.

Revenues from Wisconsin's 30.9 cent per gallon gas tax fund over half of the state's transportation fund. Gas taxes were expected to generate \$2.2 billion during the 2019-21 biennium. With travel falling significantly in April, May, and June last year, gas tax collections in the 2019-20 fiscal year came in \$62.1 million (5.7%) less than expected. As travel continues to lag, collections in 2020-21 are expected to be \$113.1 million (10.4%) below the amount budgeted.

Over the biennium, the state expects the gas tax to generate \$175 million less than what was budgeted. However, a federal transportation aid bill approved in December 2020 will provide the state with an estimated \$188 million that will fill that budget hole.

Looking to the next fiscal year, Wisconsin Department of Transportation officials expect gas tax revenues to total just under \$2 billion during the 2021-23 biennium. That is about \$174 million less than what was budgeted for 2019-21. What the state actually collects will depend on when the pandemic ends and how quickly life returns to "normal."

### A New Normal?

As vaccinations increase and the COVID-19 threat abates, travel will again rise. The big question is whether driving will return to prior levels. Economists at the Federal Reserve of Atlanta estimate that when the pandemic ends, up to 20 million Americans will continue to work from home either full or part time. That will reduce commuting and decrease VMT.

This new normal would be positive for the environment and would help to keep crashes down. However, with fewer gallons of gas purchased, it would hinder the state's ability to fund transportation infrastructure in Wisconsin. ♦