

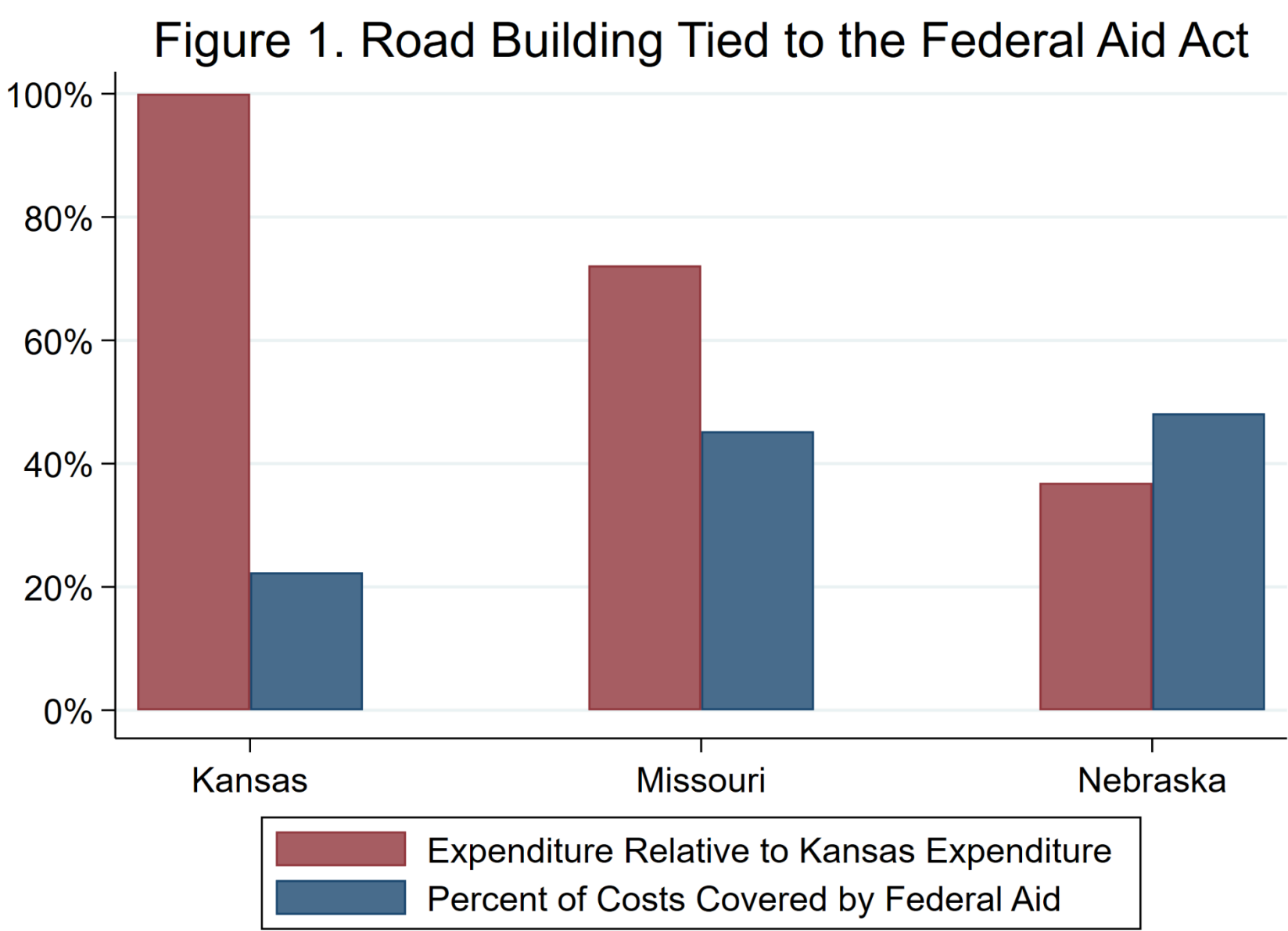
The Big Push: Federal Road Building in the Early Days of the Automobile

HISTORICAL BACKGROUND

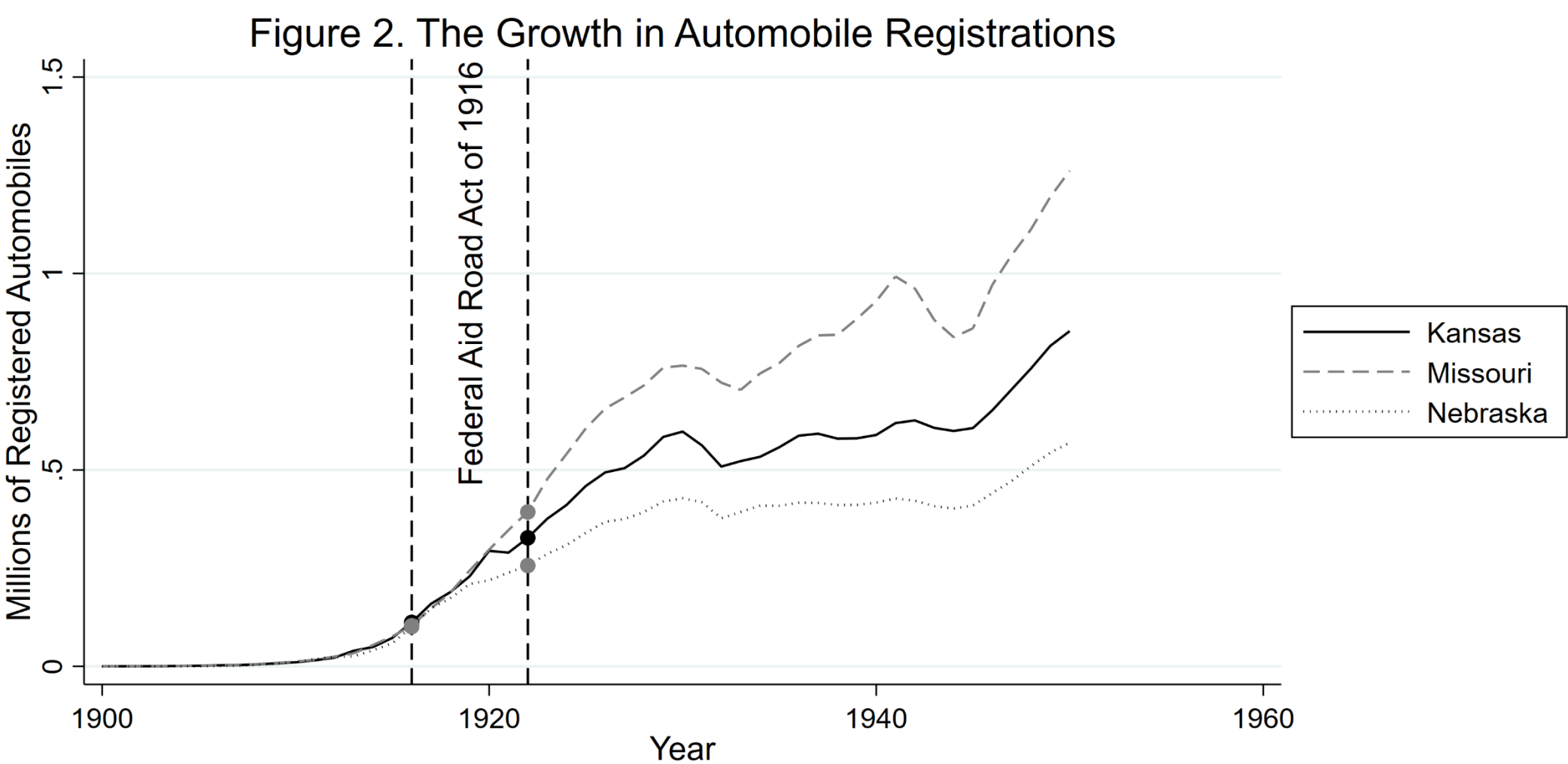
The Federal Aid Road Act of 1916 set aside hundreds of millions of dollars to be spent over 6 years according to state proposed projects. States utilized the program to different extents. I hypothesize that this spending resulted in some states developing more rapidly than other states. Key to this project has been the ongoing digitization of monthly reports published by the Bureau of Public Roads.

INVESTMENTS FROM THE ACT

As shown in figure 1, Kansas spent almost as much as Missouri and Nebraska combined, but only 20% of the expenses were covered by federal aid compared with nearly 50% in the other two states.

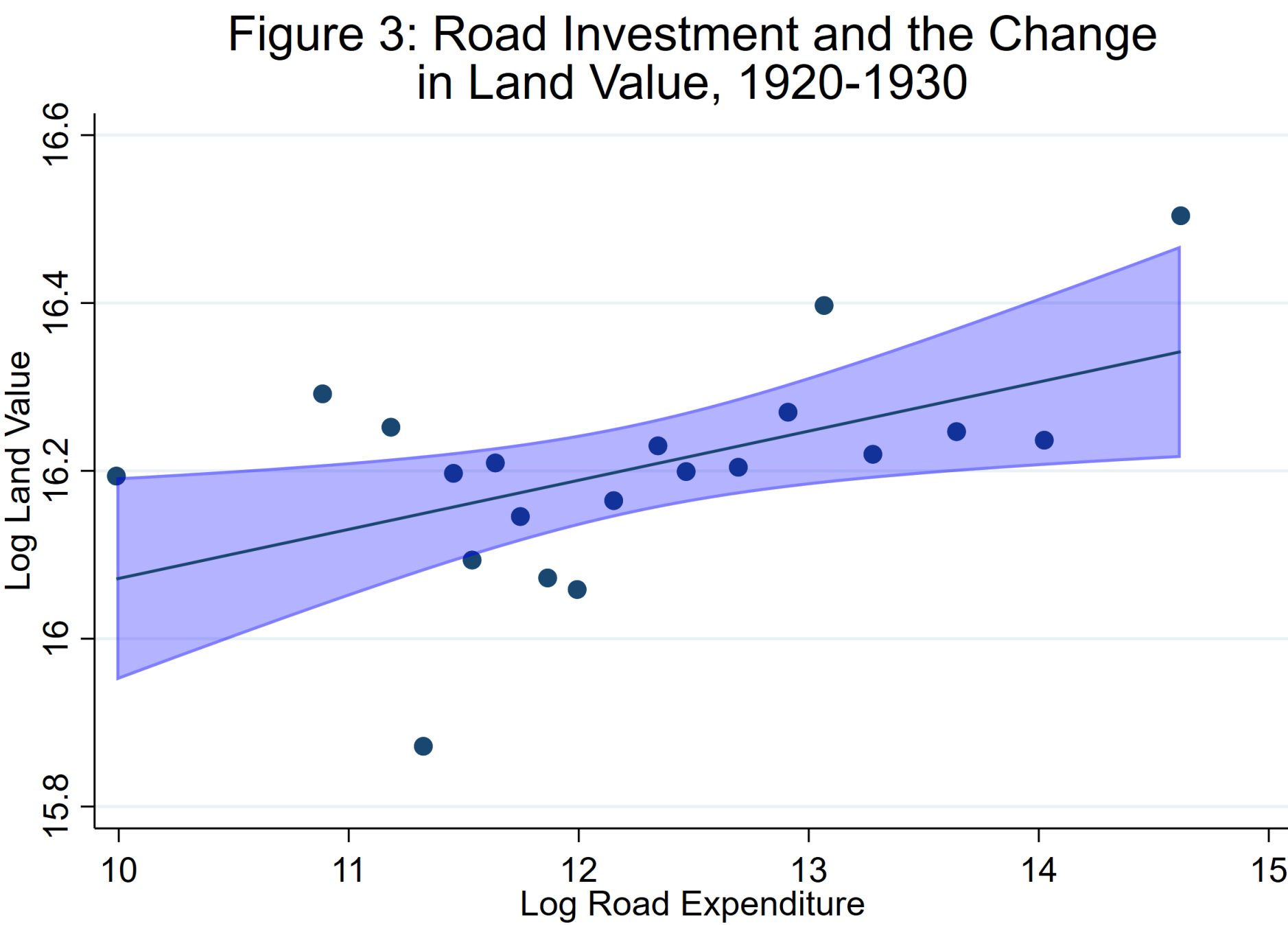


During this same period, automobile adoption diverged dramatically during this period despite being nearly equal prior to the Federal Aid Road Act.



IMPACT ON RURAL COMMUNITIES

Counties that received greater federal aid did not see an increase in farms, equipment, or improved acreage when compared with places that did not receive such infrastructure investment. However, a 1% increased expenditure in a county is associated with 5% higher growth in the value of land used for farming between 1920 and 1930.



NEXT STEPS

This setting provides an opportunity to understand the “big push” investment strategy across a variety of local landscapes (Buera et al (2021)). As digitization of records completes, a model of independent vs. coordinated infrastructure investment will help evaluate whether disaggregated investment was more successful in boosting farmland value relative to a more coordinated investment across state borders (Bordeu-Gazmuri (2024)).

REFERENCES

Bordeu-Gazmuri, Olivia. 2024. “Commuting Infrastructure in Fragmented Cities.” Job Market Paper.

Buera, F.J., Hopenhayn, H., Shin, Y. and Trachter, N., 2021. “Big Push in Distorted Economies” (No. w28561). *National Bureau of Economic Research*.

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