

I. THE NATION SERVED BY FREIGHT

The Nation's 114 million households, 7.6 million business establishments, and 88,000 government units are part of an enormous economy that demands the movement of freight. The U.S. Gross Domestic Product (GDP) is expected to grow, on average, almost 3 percent per year between now and 2035, resulting in even greater demand for freight transportation. This growth will be driven by a population that is expected to increase from 300 million people in 2006 to 380 million in 2035.

Freight transportation has grown over time with the expansion of population and economic activity within the United States and with the increasing interdependence of economies across the globe. The U.S. population grew by 30 percent between 1980 and

Table 1-1. Economic and Social Characteristics of the United States: 1980-2006

	1980	1990	2000	2005	2006	Percent change, 1980 to 2006
Resident population (thousands)	(R) 226,546	(R) 248,791	(R) 281,425	(R) 296,507	299,398	32.2
Households (thousands)	80,776	93,347	104,705	(R) 113,343	114,384	41.6
Median household income (\$2000)	35,057	38,257	41,990	(R) 40,864	41,168	17.4
Civilian labor force (thousands)	106,940	125,840	142,583	149,320	151,428	41.6
Employed ¹ (thousands)	99,303	118,793	136,891	141,730	144,427	45.4
Agriculture, forestry, fishing, and hunting (percent)	NA	1.9	1.8	1.6	1.5	NA
Mining	NA	0.5	0.3	0.4	0.5	NA
Construction	NA	6.9	7.3	7.9	8.1	NA
Manufacturing	NA	16.8	14.4	11.5	11.3	NA
Wholesale and retail trade	NA	14.7	14.6	15.1	14.8	NA
Transportation and utilities	NA	5.1	5.4	5.2	5.2	NA
Information	NA	2.9	3.0	2.4	2.5	NA
Financial activities	NA	7.1	6.8	7.2	7.3	NA
Professional and business services	NA	9.4	10.0	10.1	10.3	NA
Education and health services	NA	17.5	19.1	20.6	20.7	NA
Leisure and hospitality	NA	8.0	8.2	8.5	8.4	NA
Other services	NA	4.3	4.7	5	4.9	NA
Public administration	NA	4.7	4.5	4.6	4.5	NA
Business establishments (thousands)	NA	6,176	7,070	7,500	7,601	NA
Governments ²	81,831	85,006	87,576	NA	NA	NA
Gross domestic product (\$2000 millions)	5,161,700	7,112,500	9,817,000	(R) 11,003,400	11,319,400	119.3
Foreign trade (\$2000 millions)	631,335	1,168,168	2,572,000	3,013,471	3,235,200	411.0
Goods (percent)	74.0	71.6	78.8	79.4	79.7	450.5
Services (percent)	26.0	28.4	21.2	20.6	20.3	298.6

Key: NA = not available; R = revised.

¹Based on the 2002 Census Industry Classification system. Data for 1990 do not appear in the source document; they are estimated using the Bureau of Labor Statistics crosswalk from the 1990 Census Industry Classification system to the 2002 Census Industry Classification system.

²The value for 1980 is actually 1982, the value for 1990 is actually 1992, and the value for 2000 is actually 2002.

TABLE 1-1. ECONOMIC AND SOCIAL CHARACTERISTICS OF THE UNITED STATES: 1980-2006

Sources: Unless otherwise stated all data are from: U.S. Department of Commerce, Census Bureau, *Statistical Abstract of the United States: 2007* (Washington, DC: 2006) and earlier editions, available at www.census.gov/compendia/statab/ as of June 20, 2008. **Median household income:** U.S. Department of Commerce, Census Bureau, Historical Income Tables, table H-6, available at www.census.gov/hhes/income/histinc/h06ar.html as of June 20, 2008. **Business establishments:** U.S. Department of Commerce, Census Bureau, County Business Patterns, available at www.census.gov/epcd/cbp/view/cbpview.html as of July 1, 2008. **Gross domestic product and foreign trade:** U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts Tables, tables 1.1.5, 1.1.6, 4.2.4, available at www.bea.doc.gov as of June 20, 2008.

2006 while the economy, measured by GDP, more than doubled in real terms. Other indicators of economic growth such as employment and household income have also risen by 45 percent and 17 percent respectively. Foreign trade grew faster than the overall economy, quadrupling in real value between 1980 and 2006, reflecting unprecedented global interconnectivity.

Table 1-2. Population and Gross Domestic Product (GDP) by Region: 1980-2007

	1980	1990	2000	2006	2007	Percent change, 1980 to 2007
Resident Population (thousands)	226,549	248,789	(R) 282,194	(R) 298,755	301,621	33
Northeast	49,136	50,828	(R) 53,668	(R) 54,590	54,681	11
Midwest	58,868	59,670	(R) 64,497	(R) 66,128	66,389	13
South	75,372	85,454	(R) 100,568	(R) 108,895	110,455	47
West	43,173	52,837	(R) 63,462	(R) 69,142	70,097	62
GDP (\$ 2000 millions)¹	5,054,549	6,994,329	(R) 9,749,104	(R) 13,119,937	13,743,020	172
Northeast	1,107,283	1,604,121	(R) 2,077,436	(R) 2,697,566	2,844,290	157
Midwest	1,262,917	1,566,939	(R) 2,174,719	(R) 2,701,362	2,809,097	122
South	1,608,531	2,220,755	(R) 3,212,076	(R) 4,567,582	4,791,796	198
West	1,075,817	1,602,514	(R) 2,284,873	(R) 3,153,427	3,297,837	207
GDP per capita (\$ 2000 millions)¹	22,311	28,113	(R) 34,548	(R) 43,915	45,564	104
Northeast	22,535	31,560	(R) 38,709	(R) 49,415	52,016	131
Midwest	21,453	26,260	(R) 33,718	(R) 40,851	42,313	97
South	21,341	25,988	(R) 31,939	(R) 41,945	43,382	103
West	24,919	30,329	(R) 36,004	(R) 45,608	47,047	89

Key: R = revised.

¹As of October 26, 2006, the Bureau of Economic Analysis renamed the gross state product (GSP) series to gross domestic product (GDP) by state.

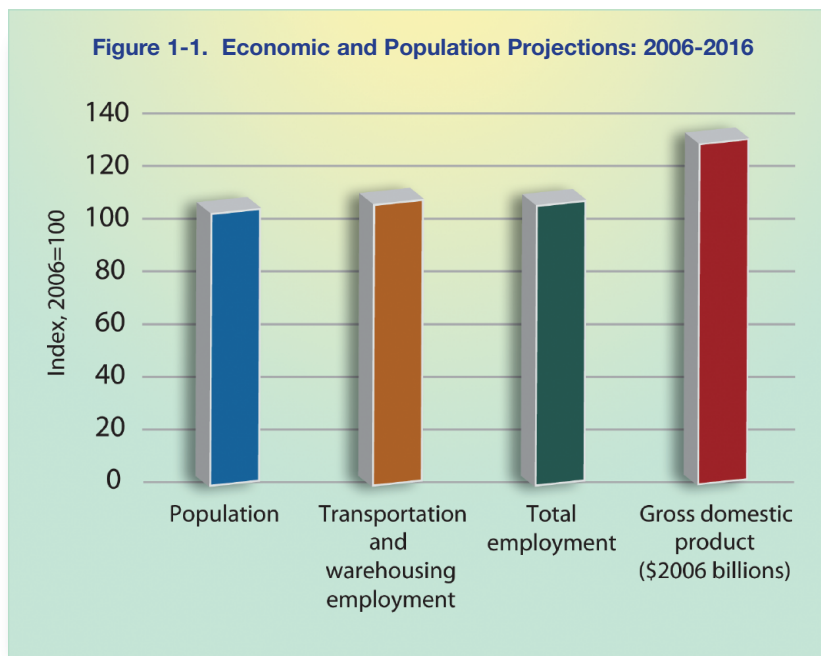
Note: Numbers may not add to totals due to rounding.

Although freight moves throughout the United States, the demand for freight transportation is driven primarily by the geographic distribution of population and economic activity. While both population and economic activity have grown faster in the West and South than in the Northeast and Midwest, the growth in economic activity per capita has been highest in the Northeast.

TABLE 1-2. POPULATION AND GROSS DOMESTIC PRODUCT (GDP) BY REGION: 1980-2007

Sources: **Population: 1980-1990:** U.S. Department of Commerce, Census Bureau, *Statistical Abstract of the United States: 2004-2005* (Washington, DC: 2005); **2000-2007:** U.S. Department of Commerce, Census Bureau, Population Division, Annual Population Estimates, table 8, available at www.census.gov/popest/states/NST-ann-est.html as of June 5, 2008. **Gross State Product: 1980-1990:** U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, available at www.bea.doc.gov/bea/regional/gsp/ as of June 11, 2004; **2000-2007:** U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, available at www.bea.gov/bea/regional/gsp/ as of June 5, 2008.

Demand for freight transportation grows with increases in population and economic activity. The U.S. economy, as measured by GDP, is projected to increase by 39 percent and the U.S. population by 8 percent by 2016.



Transportation and warehousing employment is expected to increase by 11 percent over this period, about the same as employment as a whole. These projections are based on long-term trends, and may be lowered given recent disruptions to the economy.

FIGURE 1-1. ECONOMIC AND POPULATION PROJECTIONS: 2006-2016

Sources: **Population:** Department of Commerce, Census Bureau, *Statistical Abstract of the United States: 2008* (Washington, DC: 2007), available at www.census.gov/compendia/statab/ as of May 8, 2008. **Employment:** U.S. Department of Labor, Bureau of Labor Statistics, *Employment by Major Industry Division*, 1996, 2006, and projected 2016, available at www.bls.gov as of May 8, 2008. **GDP:** Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, available at www.cbo.gov as of May 8, 2008.

