

## Introduction

Road crashes have devastating impacts on the victims and their families. But that is not the only impact road crashes bear. Road crashes also carry a heavy economic cost. According to the statistics from “Investing in Road Safety: A Global Imperative for the Private Sector”<sup>[1]</sup>, from the Together for Safer Roads (TSR) expert panel, crashes come at a cost of \$518 billion per year to the global economy.

The White Paper states that according to the World Health Organization (WHO), crashes amount anywhere from around 1-3 percent of the GDP of a country [2,3]. The paper also states that in developing countries the cost of crashes exceeds the payments the country makes in financial aid and because of poor reporting and lack of central data we don't know much about the cost of crashes in less developed countries.

Moreover, according to the TSR report, vehicle crashes cost \$242 billion per year in the United States. It can be broken down into the following ways:

- 28 percent property damage
- 25 percent workplace productivity loss
- 8 percent household productivity loss
- 39 percent medical costs, traffic congestion, and other costs

Crashes also result in lost productivity at home and at work. In the US road crashes are the number one reason for on-the-job deaths. According to the International Labor Organization, every year 2100 people die and 353,000 people are injured in crashes while working. Direct costs of a single traffic accident in the US are approximately \$1.4 million according to the National Highway Traffic Safety Administration (NHTSA) of which 87% are connected to loss of productivity at home and at work.

Furthermore, the TSR report notes that each traffic death can cost employers up to \$3.8 million (\$500,000 in fringe and non-fringe benefits, and \$3.3 million in wage-risk premiums) and non-fatal accidents can cause around \$128,000 (\$76,000 in fringe and non-fringe benefits, and \$52,000 in wage-risk premiums). On top of all this, according to the report, industries like mining and heavy construction suffer a larger loss from traffic injuries.

As can be seen from the information above, road crashes have a big impact on the economy and being able to reduce them can help towards development of a country.

## References

- [1] <https://www.togetherforsaferroads.org/wp-content/uploads/2016/05/Investing-in-Road-Safety-A-Global-Imperative-for-the-Private-Sector.pdf>
- [2] Peden, M., Scurfi, R., Sleet, D., Mohan, D., Hyden, A. A., and Jarawan, E. (2004). "World Report on Road Traffic Injury Prevention." Geneva.
- [3] United Nations Road Safety Collaboration. (2011). "Global Plan for the Decade of Action for Road Safety 2011-2020. Geneva.