

With Self-Driving Cars Coming, What Happens To Millions Of Jobs In The ‘Crash’ Economy?

Eric Tegler, Yahoo Autos

July 31, 2015



If you've been paying attention to the buzz surrounding autonomous and self-driving vehicles over the past couple years, you've likely heard the arguments about whether they might one day take the wheel from us. While enthusiasts wring their hands over losing control, and others worry about security and privacy, advocates tout the potentially huge advantages of a fleet of vehicles which almost never crash.

A [2012 study](#) by KPMG and the Center for Automotive Research (CAR) predicts that a self-driving fleet could eliminate 93 percent of crashes attributed to human error. The savings in lives, injuries, insurance claims, delays, lost productivity and more would be substantial (so much so that a few prognosticators have imagined a world where non self-driving cars [would be banned in the name of public safety](#).)

But if the technologists, business-government interests, and early adopters pushing for autonomous driving are right, there's one thing that's been left out of the conversation: If cars and trucks don't crash, what happens to the millions of jobs supported by driving today?

Call it the crash economy — not just because of how it's grown, but where it may be heading.

"That's an extremely good question," David Alexander, a senior transportation research analyst with Navigant Research, acknowledges.

"All the studies popped out over the last couple of years have looked at the huge potential savings of reduced accidents, productivity improvements. But there is another set of consequences waiting for us depending on how [autonomous vehicles] roll out."

What to Read Next



AUTO NEWS

Video: Officers Rescue Child from Hot Van in Store Parking Lot

AP



SPONSORED ✨

The Platinum Card®

AMERICAN EXPRESS®



SPONSORED ✨

Don't Pay Your Electric Bill Until

While the first true self-driving vehicles are expected before the end of the decade, most experts agree a fleet won't be a reality for 20 years. But given that advocates expect AVs to be shared far more than cars today, fewer vehicles and their associated infrastructure will be needed. CAR's David Wallace said the Center may soon have a study on the potential downsides; though he's more optimistic, Wallace cites a recent study by Barclays analyst Brian Johnson, which forecast a 40 percent drop in new-vehicle sales over the next 25 years.

The potential decline in new car sales has been discussed but a Texas car restorer by the name of Melvin Benzaquen recently reeled off some of the other consequences of AVs in a blog post. If self-driving cars don't crash as much, demand for body shops declines. It's easy to start following that logic through many other lines of work:

- Emergency services/equipment*
- Highway safety equipment*
- Towing/recovery services/equipment*
- Traffic enforcement services/equipment*
- Used vehicles*
- Compliance professionals/investigators*
- Court system infrastructure/processing*
- Lawyers/legal services*
- Insurers/insurance*
- Construction*

Auto manufacturing – one of the last bastions of organized labor – would contract (Johnson, at Barclays, estimates GM and Ford would need to cut North American output up to 68 percent). Autonomy also implies less demand for professional drivers. The potential decline in employment suggests diminished income tax revenue as well as sales tax revenue, traffic enforcement and vehicle registration revenues among others.

A fall in auto ecosystem demand also has second-order impacts. We may need fewer commodities like steel, aluminum, precious metals, oil, chemicals. The federal, state and municipal bureaucracies that exist to serve the automobile would also likely get smaller.

[READ MORE](#) ▾



You Read This
HOME SOLAR REBATES
🔗



MUSCLE CARS
Shelby Offers "Disappointed" Hellcat Customers A Deal On A Supercharged Mustang
ALEX LLOYD



SAFETY
Crash Tests For Pets Find Your Pet Carrier Isn't Crashworthy
JUSTIN HYDE



SPONSORED ✨
Don't Buy Furniture Before You See This Site
WAYFAIR 🔗



SPONSORED ✨
Seniors: A New Investment Awaits
MONEY MORNING 🔗



REVIEWS
2015 Dodge Durango: Real World Review
ALEX LLOYD

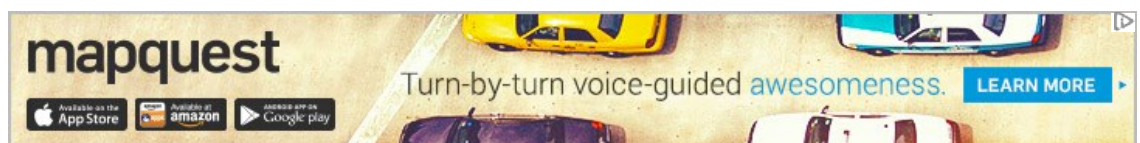
INTRODUCING TRAVELERS

LOW RATES

ON AUTO INSURANCE

GET A QUOTE

Hybrid Buying Guide



[View Buying Guides](#)

Overview

Eco-conscious drivers can choose between a growing number of vehicles these days: hybrids, pure electrics and frugal gas-powered green machines. Both hybrids and electrics help urban motorists save money; but if you like to road trip keep an eye on the range of electric models.

Car Research

Make (Mazda) Model (Mazda6)

Year

[Research](#)

Boyfriend Needed
No games. Just real women looking for a faithful guy.

[Click to See Pics of Local Women](#)

SELECT YOUR AGE:

[Browse Pics Now](#)

OurTime.com

AUTO NEWS
Video: Officers Rescue Child from Hot Van in Store Parking...
AP

REVIEWS
2015 Dodge Durango: Real World Review
Alex Lloyd

SAFETY
Crash Tests For Pets Find Your Pet Carrier Isn't Crashworthy
Justin Hyde

SPONSORED
The Platinum Card®
American Express®

Winnovative PDF Tools Demo

MUSCLE CARS
Shelby Offers "Disappointed" Hellcat Customers A Deal On A Supercharged...
Alex Lloyd

QOTD
Question of the Day: Should I Teach Myself How To Drive?
Steven Lang, Yahoo Autos

AUCTIONS
Buy America's First Formula 1 Team, Ready To Race Again
Daniel Strohl, Hemmings

GREEN

Student-Built Electric Racecar Smashes 0-62 MPH World Record

Jonathon Klein, BoldRide

SPONSORED ⚙️

How To Make Sagging Skin Look Tight and Lifted

LifeCell [↗](#)

AUCTIONS

\$65 Million For 25 Cars: The “Pinnacle Portfolio” Sells At Pebble Beach

Marco R. della Cava



VIDEOS

Classic Porsche Crushed For Fashion Ad, Igniting Uproar

Alex Lloyd

TECH

Hacker Breaks Into OnStar's Apps; GM quickly issues a fix

CNET [↗](#)

Winnovative PDF Tools Demo

QOTD

Question Of The Day: Do Summer Tires Work In The Winter?

Ken Wysocky, Yahoo Autos

SPONSORED ⚙️

17 Times Snow Defeated Humans

Brainjet [↗](#)

SAFETY

Ford F-150 Gets High Marks In New Crash Tests — Except For One

Jeff Bartlett, Consumer Reports

TOP GEAR

Top Gear's Clarkson, Hammond and May



LUXURY

Reuniting For Amazon Prime Car Show

Reuters

The 10 Most Expensive Cars Ever Sold

TheStreet.com

GREEN

Tesla to Offer \$1K Referral Discount on Model S

CNBC

REVIEWS

2016 Land Rover Range Rover Sport SVR: First Drive

Abigail Bassett

SPONSORED ✨

Here's Why You Should Stop 'Googling' Names

BeenVerified ➡

SUVS

Letter To A Suzuki Samurai, 2 Kool 2 B 4Gotten

Leigh C. Raper, Yahoo Autos

Winnovative PDF Tools Demo

QOTD

Question Of The Day: Should I Get A New...

Dana Robinson, Yahoo Autos

AUTO NEWS

Americans Now Own More Cars, And Drive More Miles, Than Ever...

Justin Hyde

AUTO NEWS

Single, Divorced Or Widowed? New Study Says...

Alex Lloyd

SPONSORED ✨

10 Tips To Get The Most Out Of Your 401(k)

Trending Stories ➡

AUTO NEWS

Volkswagen Outsell Toyota to Become the World's Largest Automaker

Associated Press

SPORTSCARS

2015 Callaway Corvette Z06 Confirmed With 757 HP And 777 LB-FT

Viknesh Vijayenthiran, Motor Authority

CLASSICS

The Last Tucker Built From Original Parts Finished 65 Years Later

Daniel Strohl, Hemmings Daily

QOTD

Question of the Day: Should I Buy A \$25,000 Car If I Make \$32,000 A Year?

Justin Hyde



EXOTICS

Ferrari 488 Spider Unveiled With Folding Metal Roof

Justin Hyde

Winnovative PDF Tools Demo

REVIEWS

2015 Mercedes S-Class Coupe: Real World Review

Aki Sugawara

SAFETY

5 Older Cars that Have the Best Crash-Test Scores

Cars.com