

Economic Benefits of Walking

"The creation of safe and attractive walking and cycling environments in towns and cities is a necessary condition for success and is central to improving them for shoppers, visitors, workers, and residents alike. In other words, quite apart from pro-walking and pro-cycling arguments based on sustainability, the environment, health, community cohesion, or social inclusion, there is a strong business case for improving walking and cycling conditions."

— Dr. Rodney Tolley¹

Conference Director of Walk21

Problem Overview

- Transportation is the second largest household expense in the United States. Driving a newer sedan in 2011 cost an average annual amount of \$8,946 (60¢ per mile) while driving an SUV cost \$11,360 (76¢ per mile).²
- Each additional car in a household budget reduces that household's mortgage capacity by about \$150,000; reducing a car adds back that much mortgage capacity.³
- Households in automobile-dependent communities have few ways to reduce their transportation costs in response to unexpected events such as job losses and fuel-price spikes. The 2008 mortgage collapse took place on the auto-dominated suburban fringe, while walkable communities, whether in the city or the suburbs, held their value.⁴
- According to the Center for Neighborhood Technology (CNT), housing does not qualify as "affordable" if the costs of housing plus transportation exceed 45% of household income.⁵ The farther you get from the urban core, the more transportation costs increase due to sprawl, longer commute distances, and fewer opportunities to walk, bike, or use transit. The map of Minneapolis in Figure 1 shows affordable housing without factoring in transportation costs. This map places affordable housing (in yellow) primarily in the suburban areas. When transportation costs are factored into housing expenses, as depicted on the map in Figure 2, the number of affordable neighborhoods is much smaller and found primarily in central neighborhoods.⁶

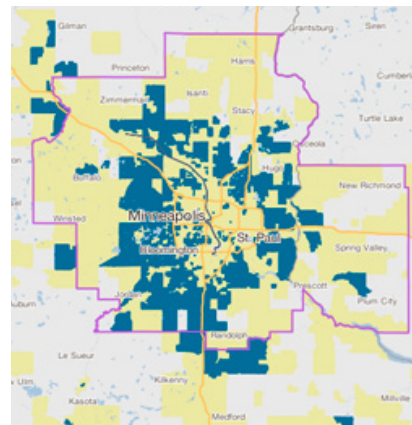


Figure 1: Affordable Housing (in yellow) in Minneapolis / St. Paul without Factoring In Transportation Costs. Source: Center for Neighborhood Technology. H+T Affordability Index

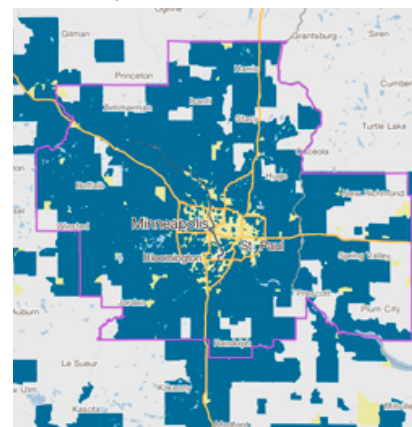


Figure 2: Affordable Housing (in yellow) in Minneapolis / St. Paul with Transportation Costs Factored In. Source: H+T Affordability Index, Center for Neighborhood Technology

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8. Center for Neighborhood Technology. Transportation and Community Development. 2012. <http://www.cnt.org/tcd/>
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Walking as a Solution

- Communities that develop according to smart-growth principles, which include walkable street networks, cost less for individuals to live in and cost less for local governments to administer.⁷
 - Location-efficient neighborhoods with walkable streets, access to transit, and a variety of amenities have lower household transportation costs than inefficient neighborhoods do.⁸ This ability to cut back on transportation costs allows for greater resiliency and lower foreclosure rates.⁹
 - Creating a walkable environment can improve an area's economy.¹⁰
- » Retailers sometimes favor automobile access over nonmotorized access (e.g., wider sidewalks, bike lanes, and traffic calming) because they assume drivers spend more than those who travel by other modes. In many urban areas, however, most customers arrive by walking, cycling, or taking transit. Although drivers tend to spend more per trip, pedestrians and cyclists shop more frequently and spend more per capita over a month or a year.^{11,12,13}
 - » A Washington, DC study concluded that walkable commercial leases were 27% higher than high-quality suburban space and had a much lower vacancy rate (8% vs. 12%).¹⁴
 - » More walkable sites command higher property values: On a 100-point scale, a 10-point increase in walkability increases property values by 1% to 9%.¹⁵ Within a typical U.S. metropolitan region, a one-point increase in Walkscore is associated with a \$700 to \$3,000 increase in home values.¹⁶

Smart Growth Reduces Affordability	Smart Growth Increases Affordability
<ul style="list-style-type: none"> • Urban growth boundaries that reduce developable land supply • Increase in building-design requirements 	<ul style="list-style-type: none"> • Higher-density development reduces land requirements per housing unit • Reducing parking and setback requirements reduces land requirements per housing unit • Allows more diverse housing options, including secondary units, apartments over shops, loft spaces, etc. • Reduces fees and taxes for in-fill housing • More accessible housing reduces housing and transportation costs

Table 1: Smart Growth and Household Affordability Impacts.
Source: Todd Litman, *Evaluating Criticism of Smart Growth*, 2012

Additional Resources

- Todd Litman, Victoria Transport Policy Institute: www.vtpi.org
- Christopher B. Leinberger, Brookings Institution: www.chrisleinberger.com

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