

# The Economic Benefits of Investing in Bicycle Facilities

Investments in bicycle infrastructure make good economic sense as a cost effective way to enhance shopping districts and communities, generate tourism and support business.

## Bicycling Industry and Tourism: economic activity and jobs

Using a multiplier effect, the Outdoor Industry Foundation estimates that the **national bicycling industry**

- Supports nearly 1.1 million jobs, and
- Generates \$17.7 billion in federal, state, and local taxes, and that
- An additional \$46.9 billion is spent during bike trips and tours.<sup>i</sup>

Bicycle tourism on **North Carolina's Outer Banks** annually generates **\$60 million** in economic activity,

- Leads to an annual nine-to-one return on the one-time \$6.7 million investment in bicycle infrastructure
- Supports 1,400 jobs with an annual 680,000 visiting bicyclists, and
- Draws affluent (half earn over \$100,000 a year) and educated (40 percent have a masters or doctoral degree) visitors.<sup>ii</sup>

Bicycle industry and tourism contributes **\$1 billion** to the **Colorado** economy, and

- Employs 1,213 people in retail and manufacturing, with a payroll of \$34.1 million, and
- Draws half of all summer visitors at Colorado ski resorts, (of those 699,000 people, 70 percent are from out of state; 40 percent said they would have altered their destination if bicycling was not available).<sup>iii</sup>

In **Wisconsin**, bicycling generates more than \$1.5 billion a year in total economic impact.<sup>iv</sup>

In 2008, **Portland, Ore.** saw **\$90 million** in bicycle-related economic activity, from retail, manufacturing, professional services and organized rides, an increase in value of 38 percent from 2006, reflecting the increase in bicycling, resulting in part from the city's expanding network of bicycling facilities.<sup>v</sup>

## Cost Effective

Bike lane can costs depend on conditions, but can cost as little as \$5,000 a mile<sup>vi</sup> – **far less expensive** than the cost of building or repairing lanes for car travel. For the cost of repaving three miles of rough pavement on Interstate 710 in California, CalTrans could sign and stripe 1,250 miles of California roads for bike lanes. That's more than the distance from Los Angeles to Seattle, Wash.<sup>vii</sup>

## Good for Business

Business districts are discovering that **bicycle facilities can attract customers.**

- Two-thirds of merchants along San Francisco’s Valencia Street said new lanes had a positive overall impact on their business. Two-thirds supported more traffic calming measures on the street and all of the merchants said they could be supportive depending on the project.<sup>viii</sup>
- A 2009 study of Bloor Street in Toronto showed that people who had biked and walked to the area reported that they spent more money in the area per month than those who drove there. The study concluded that bicycle facilities would increase commercial activity on the street.<sup>ix</sup>
- A study of 30,604 people in Copenhagen, Denmark showed that people who commuted to work by bike had 40 percent lower risk of dying over the course of the study period than those who didn’t.<sup>x</sup>

## Home Values

Realtors are recognizing that increasing transportation choice can have an **impact of on property values.**

- In 2008, the National Association of Realtors (NAR) revised its policy statement on transportation to call for the consideration of all transportation types, including bicycling, in every transportation project.<sup>xi</sup> Bob McNamara, senior policy representative for NAR says Realtors “don’t just sell homes, [they] sell communities.”<sup>xii</sup>
- A study of home values near the Monon Trail in Indianapolis, Ind. measured the impact of the trail on property values: given two identical houses, with the same number of square feet, bathrooms, bedrooms, and comparable garages and porches, etc. – one within a half mile of the Monon Trail and another further away – the home closer to the Monon Trail would sell for an average of 11 percent more.<sup>xiii</sup>

## Demand for Bicycle Infrastructure

Americans enjoy bicycling and there is **strong demand** for additional bicycle facilities.

- Eighty-four percent of people polled agreed (strongly or somewhat) that bicycling is “a great form of exercise” for them; seven in 10 said that they would like to bike more than they do now; but less than half of those surveyed were satisfied by how their communities were designed for bicycling. The most popular changes for bicyclists were additional bike lanes, paths, and trails, followed by improvements to existing facilities.<sup>xiv</sup>
- A 2006 Minneapolis study shows that 83 percent of the time, cyclists will choose a longer route if it includes a bike lane, and respondents were willing to add 20 minutes onto their trip in order to use a bicycle trail instead of riding on facility-less road.<sup>xv</sup>

- <sup>i</sup> Outdoor Industry Foundation, "The Active Outdoor Recreation Economy," 2006. [http://www.imba.com/resources/science/outdoor\\_industry\\_bike.pdf](http://www.imba.com/resources/science/outdoor_industry_bike.pdf). Estimated using a multiplier effect.
- <sup>ii</sup> Lawrie, et al, "Pathways to Prosperity: the economic impact of invests in bicycling facilities," N.C. Department of Transportation Division of Bicycle and Pedestrian Transportation, Technical Report, July 2004. [http://www.ncdot.org/transit/bicycle/safety/safety\\_economicimpact.html](http://www.ncdot.org/transit/bicycle/safety/safety_economicimpact.html)
- <sup>iii</sup> Center for Research on Economic and Social Policy (CRESP) of the University of Colorado at Denver, "Bicycling and Walking in Colorado: Economic Impact and Household Results," commissioned by the Colorado Department of Transportation Bicycle/Pedestrian Program, April 2000. <http://www.dot.state.co.us/BikePed/BikeWalk.htm>
- <sup>iv</sup> Grabow, Hahn & Whited, "Valuing Bicycling in Wisconsin," The Nelson Institute for Environmental Studies Center for Sustainability and the Global Environment, University of Wisconsin-Madison, 2010. [http://www.bfw.org/uploads/media/Valuing\\_Bicycling\\_in\\_Wisconsin\\_Final\\_Report\\_January\\_2010\[1\].pdf](http://www.bfw.org/uploads/media/Valuing_Bicycling_in_Wisconsin_Final_Report_January_2010[1].pdf)
- <sup>v</sup> Alta Planning + Design, The Value of the Bicycle-Related Industry in Portland, 2008 [http://www.altaplanning.com/App\\_Content/files/fp\\_docs/2008%20Portland%20Bicycle-Related%20Economy%20Report.pdf](http://www.altaplanning.com/App_Content/files/fp_docs/2008%20Portland%20Bicycle-Related%20Economy%20Report.pdf)
- <sup>vi</sup> Pedestrian and Bicycle Information Center, WalkingInfo.com, "Bicycle Lanes" retrieved on May 5, 2009. <<http://www.walkinginfo.org/engineering/roadway-bicycle.cfm>>
- <sup>vii</sup> California Department of Transportation. <http://www.dot.ca.gov/Recovery/documents/federaleconomicstimulustransportationprojects.pdf>; "California Road Projects" *Los Angeles Times*, published April 14, 2009, accessed May 5, 2009. <http://www.latimes.com/news/nationworld/nation/la-na-transport-list14-2009apr14,0,1505152.story>
- <sup>viii</sup> Drennen, Emily, "Economic Effects of Traffic Calming on Urban Small Businesses," Department of Public Administration, San Francisco State University, December, 2003.
- <sup>ix</sup> Clean Air Partnership, "Bike Lanes, On-Street Parking and Business: A study of Bloor Street in Toronto's Annex Neighborhood," February 2009.
- <sup>x</sup> Andersen et al, "All-cause Mortality Associated with Physical Activity During Leisure Time, Work, Sports and Cycling to Work," *Arch Intern Med.* 2000 volume 160, p. 1621-1628.
- <sup>xi</sup> NAR, "2008 NAR Policy Accomplishments - Transportation and Infrastructure" [http://www.realtor.org/government\\_affairs/gapublic/accomplishments\\_08\\_transportation](http://www.realtor.org/government_affairs/gapublic/accomplishments_08_transportation)
- <sup>xii</sup> McNamara, Bob, Senior Policy Representative for the National Association of Realtors (NAR), 2009 National Bike Summit, Complete Streets panel discussion, March 11, 2009.
- <sup>xiii</sup> Lindsey et al, "Property Values, Recreation Values, and Urban Greenways," *Journal of Park and Recreation Administration*, V22(3) pp.69-90.
- <sup>xiv</sup> NHTSA, "National Survey of Bicyclist and Pedestrian Attitudes and Behavior," Final Report, Volume II Findings Report, August 2008.
- <sup>xv</sup> Krizek, Kevin, "Two Approaches to Valuing Some of Bicycle Facilities' Presumed Benefits," *Journal of the American Planning Association*, 72(3) Summer 2006.