# Local Economic Impacts of Cycling Infrastructure

Local and state governments frequently face opposition to new or expanded bicycle facilities. The most vocal opponents are usually motorists and local business owners who fear that the removal of or reductions in vehicular parking or travel lanes will reduce patronage from motorists and that any increased patronage from pedestrians or cyclists will not offset the lost revenues.

Recent comprehensive literature reviews focusing on the US and Canada examined either

1. quantified and compared consumer spending between active transport users and automobile users, or
2. quantified an economic impact to local businesses following the installation of bicycle facilities.

The results from all the studies are similar regardless of whether vehicular parking or travel lanes are removed or reduced to make room for the active transport facilities.

Opposition to bicycle investments often stems from concerns over negative impacts on local businesses, particularly in Anglo countries such as Australia, the US and Canada. However, getting more people to get to and from their local shops on foot or by bike also has huge benefits for the local economy.

People who travel actively (walk or cycle) make more trips to their local shops and evidence suggests that cyclists spend more in local shops than the users of other modes of transport.

Driving to the shops and parking is annoying, therefore people only want to drive, and park once, to one place, and make do with what is available in the one big shop. Cycling and walking (where there is good amenity) on the other hand is pleasant. Therefore people who drive are incentivised to drive to large distributors like supermarkets because of the abundance of parking and range of products, this means however that they are less inclined to make more stops to local family businesses and more likely to get everything they need from the one location. This adversely impacts small local family businesses and takes customers away from local villages and shopping strips.

Research shows that improving local shopping strips for pedestrians and cyclists can increase retail sales by up to 30%.

Local traders and businesses sometimes fear that building cycle lanes or restricting car parking or motor vehicle access will damage business but the evidence shows that:

* Retailers typically overestimate how many of their customers travel by car by a factor of 100%.
* Shop vacancy rates are on average five times higher on streets with high levels of traffic.
* Retail turnover in pedestrianised areas generally outperforms non-pedestrianised areas.

Even more important, is the value of return from that investment. The average ‘Benefit Cost Ratio’ (BCR) for walking and cycling projects is an amazing 13:1 (the BCR for the Westgate Tunnel was between 1.3 and 1.6 (ten times less than cycling infrastructure), which means that for every dollar spent on walking and cycling infrastructure, $13 is returned to the economy.

Where provision is made for bike, pedestrian and public transport it is possible for households to reduce their car dependency (reducing fuel costs) or car ownership, of the second or third vehicle, or of a vehicle at all. This liberates thousands of dollars in the cost of the vehicles, registration, maintenance, fuel and parking which can be returned instead to the local economy and community.

# References

Arancibia, D., Farber, S., Savan, B., Verlinden, Y., Smith Lea, N., Allen, J., & Vernich, L. (2019). Measuring the local economic impacts of replacing on-street parking with bike lanes: A Toronto (Canada) case study. Journal of the American Planning Association, 85(4), 463–481. doi:10.1080/01944363.2019.1638816

Bent, E. M., & Singa, K. (2009). Modal choices and spending patterns of travelers to downtown San Francisco, California: Impacts of congestion pricing on retail trade. Transportation Research Record, 2115, 66–74. doi:10.3141/2115-09

Chan, M., Gapski, G., Hurley, K., Ibarra, E., Pin, L., Shupac, A., & Szabo, E. (2016). Bike lanes, on-street parking and business in Parkdale: A study of Queen Street West in Toronto’s Parkdale neighbourhood. Toronto.

Clifton, K. J., Muhs, C., Morrissey, S., Morrissey, T., Currans, K., & Ritter, C. (2013). Examining consumer behavior and travel choices.

Forkes, J., & Smith, N. L. (2010). Bike lanes, on-street parking & business: Year 2 report: A study of Bloor Street in Toronto’s Bloor West Village. Toronto. Retrieved from <http://www.cleanairpartnership>. org/wp-content/uploads/2016/08/BikeLanes\_Parking\_Business\_BloorWestVillageNewCover.pdf

Liu, J. H., & Shi, W. (2020a). Economic impacts of bicycle and pedestrian street improvements.

Liu, J. H., & Shi, W. (2020b). Understanding economic and business impacts of street improvements for bicycle and pedestrian mobility – A multi-city multi-approach exploration. Retrieved from [http://nitc.trec.pdx.edu/research/project/1161%0Ahttps://trid.trb.org/view/1475349](http://nitc.trec.pdx.edu/research/project/1161%0Ahttps%3A//trid.trb.org/view/1475349)

New York City Department of Transportation. (2012). Measuring the Street: New metrics for 21st century streets. New York.

New York City Department of Transportation. (2013). The economic benefits of sustainable streets. New York. Retrieved from [http://www.ssti.us/wp/wp-content/uploads/2014/01/dot-economicbenefits-of-sustainable-streets.pdf%0Ahttp://www.nyc.gov/html/dot/downloads/pdf/dot-economic-benefits-of-sustainable-streets.pdf](http://www.ssti.us/wp/wp-content/uploads/2014/01/dot-economicbenefits-of-sustainable-streets.pdf%0Ahttp%3A//www.nyc.gov/html/dot/downloads/pdf/dot-economic-benefits-of-sustainable-streets.pdf)

Popovich, N., & Handy, S. L. (2014). Bicyclists as consumers mode choice and spending behavior in Downtown Davis, California. Transportation Research Record, 2468(2468), 47–54. doi:10.3141/2468-06

Rowe, K. (2013). Bikenomics: Measuring the economic impact of bicycle facilities on neighbourhood business districts. University of Washington. Retrieved from <http://cep.be.washington.edu/wpcontent/uploads/2013/07/bikenomics_v2.pdf>

San Francisco City Transportation Authority. (2010). Columbus avenue neighborhood transportation study. San Francisco

Straatsma, R., & Berkhout, T. (2014). Bikes mean business: Building a great cycling (and walking) city.

Sztabinski, F. (2009). Bike lanes, on-street parking and business: A study of Bloor Street in Toronto’s annex neighbourhood