



BENEFITS OF COMPLETE STREETS.

## **Complete Streets Lower Transportation Costs**



When the built environment discourages the use alternate modes of transportation, Americans are forced to pay high premiums for transportation. *Photo: Eric Richardson* 

A June 2008 poll by Coldwell Banker residential real estate agents in urban markets revealed a vast majority of the realtors – 78 percent – said their clients are interested in living in areas that help reduce their gasoline bill. Furthermore, the majority of the surveyed agents agree that walkability and access to public transportation were appealing to clients. With increased transportation costs and time spent in gridlock, Americans are starting to realize that living in places where they don't always have to get behind the wheel adds up.

## Incomplete streets lead to higher costs

Transportation is the second largest expense for American households, costing more than food, clothing, and health care. Even before the recent run-up in gasoline prices, Americans spent an average of 18 cents of every dollar on transportation, with the poorest fifth of families spending more than double that figure. The vast majority of this money, nearly 98 percent, is for the purchase, operation, and maintenance of automobiles. Drivers spent \$186 billion on fuel last year, and without improvements to fuel economy, Americans will spend an estimated \$260 billion in 2020 on gasoline.<sup>2</sup>

This high cost is unavoidable for those who live in sprawling areas that lack sidewalks, bike lanes, and convenient public transit. Incomplete streets leave many commuters with no alternatives.

Families living in auto-reliant environments, such as Houston, spend an even larger percentage of their household income on transportation, about 20 percent. In communities with more transportation options, costs are as low as 14 percent.<sup>3</sup>

Most families spend far more on transportation than on food, and transportation costs continue to rise. When gas prices rose to \$3.00 a gallon, the Brookings Institution estimated this would result in an increase in the average household's transportation spending of 14 percent per year. With higher energy costs, this means families are cutting back on weekend outings, restaurant meals, and long-distance travel.



Complete streets allow people to choose how they travel, whether by bus, bike, afoot, or in a car. *Photo: John LaPlante* 

## Complete Streets give choices

Transportation expenses can be reduced if local infrastructure encourages active transportation, which helps families replace car trips with bicycling, walking, or taking public transit. Transit use soared across the country as people sought alternatives to high gas prices and has sustained at high levels. Nevertheless, many users may be discouraged by long waits at inadequate bus stops or by dangerous street crossings.

Households that locate near public transportation drive an average of 16 fewer miles per day compared to a similar household without access to public transportation, which results in hundreds of dollars in savings each year. In fact, a two-person adult household that uses public transportation saves an average of \$6,251 annually compared to a household with two cars and no public transportation accessibility.<sup>6</sup>

When residents have the opportunity to walk, bike, or take transit, they have more control over their expenses. In Wisconsin, public transit riders save almost \$7 per trip over driving. Because of these individual savings, additional money is invested in the economy, resulting in 11,671 new jobs, \$163.3 million in tax revenue, and \$1.1 billion in total output. Households in auto-dependent

communities devote 20 percent more to transportation than communities with Complete Streets, which hinders potential economic growth.<sup>8</sup>

When roads are re-designed and maintained to attract pedestrians, the local economy improves and diversifies from increased buyers, which creates job growth and increased investment in the area, including surrounding property values. One study in Lake Worth, FL found that people were willing to pay \$20,000 more for homes in pedestrian-friendly communities. In the Chicago area, homes within a half-mile of a suburban rail station on average sell for \$36,000 more than houses located farther away. Complete Streets create attractive streets, enticing people of all ages and to spend time in communities with active transportation choices.

## **Learn more** at <u>www.smartgrowthamerica.org/completestreets</u>.

1 Coldwell Banker. (2008, June). "Interest in Urban Homeownership Survey." http://www.coldwellbanker.com/servlet/News?action=viewNewsItem&contentId=14472660&customerType=News.

- 3 Surface Transportation Policy Project (2003, July). *Transportation Costs and the American Dream: Why a Lack of Transportation Choices Strains the Family Budget and Hinders Home Ownership*. http://www.transact.org/report.asp?id=224.
- 4 Lipman, B. (2006, October). *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. Center for Housing Policy. http://www.nhc.org/pdf/pub\_heavy\_load\_10\_06.pdf.
- 5 Brookings Institution. (2006, January). *The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice.* The Center for Transit-Oriented Development and the Center for Neighborhood Technology http://www.brookings.edu/reports/2006/01\_affordability\_index.aspx.
- 6 Lipman, B. (2006, October). A Heavy Load: The Combined Housing and Transportation Burdens of Working Families. Center for Housing Policy. http://www.nhc.org/pdf/pub\_heavy\_load\_10\_06.pdf.
- Bekka, Khalid. (2003, November). *Economic Benefits of Public Transit*. Wisconsin Department of Transportation. http://on.dot.wi.gov/wisdotresearch/database/briefs/03-07transitbenefits-b.pdf.
- 8 McCann, Barbara. (2000, March). Driven to Spend: Sprawl and Household Transportation Expenses. Surface Transportation Policy Project. http://www.transact.org/report.asp?id=36.
- 9 Pollock Shea, Cynthia. (1998, October). *Lake Worth: Reclaiming a Small Downtown*. Florida Sustainable Communities Network.
- 10 American Public Transportation Association. What Happens to a Capital Investment in Public Transportation? http://publictransportation.org/reports/asp/pub\_business.asp

<sup>2</sup> Friedman, David et al. (2001, June). "Drilling in Detroit: Tapping Automaker Ingenuity to Build Safe and Efficient Automobiles." Union of Concerned Scientists, p.15, Table 4.