

How Does Transit Impact the Economy?

Historically, growth in San Diego County has been in an outward direction, consisting of sprawl development on previously undeveloped lands. This kind of growth is not only expensive to the homeowners of such development projects, but also costs taxpayers a considerable amount of money to add public services in areas that do not have any infrastructure. For example, studies demonstrate that sprawl development (on undeveloped land) compared to infill development (in developed areas) will increase local road lane-miles by an average of 10%, which in San Diego would require tax-payer money to fund.¹ According to the County of San Diego, additional public service costs (roads, sewer, water, schools, parks, etc.) associated with residential development require an estimated \$1.42 in expenses to the public for every dollar such projects generate in tax revenues, and that such **costs are 74% greater for low-density semi-rural development.**²

While highway-based sprawl development costs taxpayers money, **transit can actually generate money for communities.** Research demonstrates that over time, every \$10 million invested in transit saves more than \$15 million in transportation costs to highway and transit users due to reduced operating, fuel, and congestion costs. In addition, long-term transit investments have been shown to generate \$31 million in business output and personal income for every \$18 million invested.³ A specific example of this is the 4.7-mile loop of the Portland Streetcar, which generated an estimated \$1.4 billion in just five years.⁴

In addition, public transit helps to increase economic development, because reducing automobile use and switching to **public transit saves individuals a great amount of money**, thereby increasing individual purchasing power. Studies demonstrate that a household with two adults that use transit rather than automobiles for their primary mode of transportation saves an average of \$6,251 every year.⁵ By saving thousands of dollars per year on transit, households have more money available to spend (purchasing power), which can contribute directly to further economic development.

Given the current economic crisis that San Diego faces, it seems necessary that we focus on directing funds into projects that will continue to enhance the economy, such as transit rather than allocating tax dollars to fund highways that service sprawl development projects. Get involved with the Urban Area Transit Strategy to make this happen!!!

¹ *Conventional Development versus Managed Growth: The Costs of Sprawl.* American Journal of Public Health, Vol. 93, No. 9 (www.ajph.org), Sept. 2003, pp. 1534-1540.

² http://www.sdcounty.ca.gov/dplu/gpupdate/docs/draftgpc/ch2_vision.pdf

³ Cambridge Systematics, Inc. 1999. *Public Transportation and the Nation's Economy.* http://www.camsys.com/pubs/publictransp_nationseconomy.pdf

⁴ http://www.iedconline.org/Downloads/Smart_Growth.pdf

⁵ Todd Litman. 2008. *Evaluating Transportation Affordability*, Victoria Transport Policy Institute. Available at: www.vtpi.org/affordability.pdf