

Walking & cycling: the economic benefits

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What is this pack?

This pack outlines the economic benefits of encouraging more walking and cycling in cities. It sets out the strongest evidence from London and elsewhere, grouped into six major topic areas.

It is aimed at policy makers, local communities, officers in local and national government, business networks and everyone else who is interested in how investment in walking and cycling can create more prosperous cities.

This pack has been produced by Transport for London (TfL) as part of an ongoing collaboration with partners across London, and has been published as part of TfL's online hub for the economic benefits of walking and cycling. We are particularly grateful to representatives from the Department for Transport, the University of Westminster, GlaxoSmithKline, the London Boroughs of Enfield, Hackney and Southwark, the Bicycle Association, Sustrans, the London Cycling Campaign, Cycling UK and Living Streets for their support in developing this evidence base.

OVERVIEW

Investment in walking and cycling helps encourage more Londoners to travel in a greener and healthier way. It also brings significant benefits for the economy:

Boosting the high street and local town centres:

walking and cycling improvements can increase retail spend by up to 30%.

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Reducing absences and increasing productivity:

People who are physically active take 27% fewer sick days each year than their colleagues.

Attracting employees and businesses:

Businesses see walking and cycling as key to attracting and retaining the staff they need to thrive

Keeping the city moving for business:

New cycle lanes in London have helped some streets carry up to 5% more people at the busiest times.

Wider Economic Benefits:

Investing in walking and cycling can prevent billions of pounds worth of health and environmental damage.

Helping everyone share the benefits:

Active travel is accessible and inclusive. Making it easier to walk and cycle means that more Londoners can enjoy the benefits

Walking & cycling is good for the high street

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People walking and cycling visit high streets more frequently and spend more money there compared to people in cars

High streets that are nice places to walk, cycle and spend time in attract more shops, making the high street more economically viable and vibrant

HIGHER SPENDS



High street walking, cycling and public realm improvements can

increase retail sales
by up to **30%**

Source: Lawlor, 2013

Cycle parking delivers



5x

the retail spend per square metre than the same area of car parking

Source: Raje and Saffrey, 2016

People who walk and cycle take more trips to the high street over the course of a month

Average number of visits to local town centre each month, by mode



16 visits



12 visits



8 visits

Source: TfL, 2014

Over a month, people who walk to the high street spend up to

40% more



than people who drive to the high street

Source: TfL, 2013

Walking and cycling helps create
thriving high streets



As well as more customers, this brings benefits to the local community



Making it easy to walk and cycle to high streets means that more Londoners can enjoy these opportunities

SOCIAL VALUE

45%

of visitors to London high streets visit for **social and community** reasons



Source: Hall et al, 2017

Improving London high streets for walking and cycling led to a

216%

increase in people **stopping, sitting or socialising**



Source: Carmona et al, 2018

THRIVING HIGH STREETS

Retail vacancy was **17% lower** after high street and town centre improvements...



...and retail rental values **rose by 7.5%**

Source: Carmona et al, 2018

Businesses may overestimate their customers' car use

Businesses on Lea Bridge Road think their customers travel to the area:

However, visitors said they travelled:

by car **63%**   by car **20%**

walk **49%**   walk **64%**

public transport **41%**   public transport **54%**

cycle **12%**   cycle **12%**

Source: London Borough of Waltham Forest

What do BIDs say?

9 in 10

say walking and cycling creates vibrant areas

83%

say it attracts more customers

Source: Aldred & Sharkey, 2017



GLOBAL EVIDENCE

A study of businesses in **Portland** found people walking and cycling spent more in a month than drivers.

Source: Clifton et al., 2012

Streets with dedicated cycle lanes in **New York** saw a larger rise in retail sales compared to the surrounding area.

Source: New York DOT, 2014

Businesses on two **Dublin** shopping streets overestimated how many customers travel by car and underestimated how many cycle.

Source: O'Connor et al., 2011

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People who walk and cycle in **San Francisco** visit shops more often and spend more in a month than drivers.

Source: Bent and Singa, 2009

In **Los Angeles** sales tax revenue rose by two thirds after cycle lanes were built – 14% higher than unimproved areas.

Source: McCormick, 2012

For every square metre of parking space in **Bern**, customers who cycled generated 7,500 EUR compared to 6,625 EUR from car drivers.

Source: [Fahrradportal](#) (online)

People who cycle to shops and supermarkets in **Copenhagen** spend more each year than people who drive. Two thirds of shopping trips and half the total revenue comes from customers on foot and cycle.

Source: Copenhagen Bicycle Account, 2012

Walking & cycling boosts productivity

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People who walk and cycle regularly have been shown to take less sick days, be more productive at work and enjoy their job more

Encouraging more people to walk and cycle more can help give London's economy a big productivity boost

REDUCED ABSENTEEISM

Employees who are physically active take

27%



fewer sick days

than their colleagues

Source: National Institute for Health and Care Excellence, 2012

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Employees who cycle regularly take



fewer sick days each year than those who don't...

... this is worth

£128m

every year to the national economy

Source: Hendriksen, et al, 2010

Source: Grous, 2011

INCREASED PRODUCTIVITY



73% of employees who cycle felt it makes them **more productive** at work

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Source: The Prince's Responsible Business Network, 2011

54%



of people who cycle to work

feel **happy**

& **energised**

during their commute - more than any other mode

Source: CycleScheme, 2015

People who walk to work report



greater job satisfaction

and wellbeing – which in turn leads to increased employee retention and reduced costs to businesses.

Source: Chatterjee, 2017

Businesses see real value in walking & cycling

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People want to live and work in areas that offer a high quality of life. For many, this means places where they can walk and cycle

Creating great places for walking and cycling strengthens London's talent pool and give businesses a competitive advantage

More and more businesses around the capital are voicing their support for walking and cycling

ATTRACTING AND RETAINING STAFF

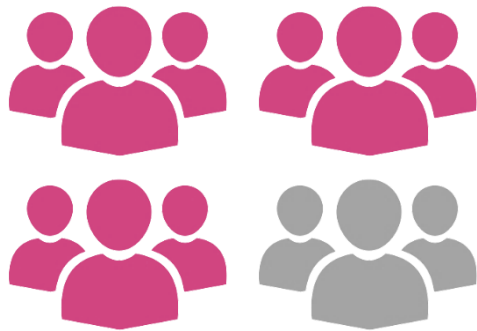
“ Our network of offices will be knitted together by Cycle Superhighways. We look forward to using the protected routes to help us attract and retain the people we need to thrive ”

Michael van der Bel, former CEO of Microsoft UK

Source: Cycling Works, 2014

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By 2025 3 in 4 workers will be **millennials**



Millennials are more focussed on the **environment** and **use cars less**

Source: Deloitte, 2014

73% of London BIDs say **walking and cycling** are important for **attracting and retaining staff**

Source: Aldred & Sharkey, 2017

BUSINESS BENEFITS

85%



think that cycling is important

Business Improvement Districts agree that active travel is important for their business performance

95%



think that walking is important

Businesses are **prioritising** offices with high-quality cycling facilities

Source: British Council of Offices, 2017

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Why do BIDs think walking and cycling is important for business?



Attracting more customers



Creating vibrant areas



Attracting and retaining staff

Source: Aldred & Sharkey, 2017



BUSINESS SUPPORT

“Cycling is a fundamental part of the future city and has been a critical factor in Google’s decision to invest in King’s Cross and London. Cycling has an important role to play in attracting and retaining talent”

Dan Copley, former CEO of Google UK

“Businesses in London Bridge are keen to make it a safe and attractive place to walk and cycle. With continued growth in the area, creating a street environment that makes cycling convenient, safe and attractive is more pressing than ever”

Nadia Broccado, CEO of Team London Bridge BID

BUSINESS SUPPORT

In 2014 over

180

major London employers
came together to support plans
for new protected cycle routes

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“ *The proposed north-east and east-west routes will help us **attract and retain the employees our business needs to thrive**. They will also make London a **more attractive city** in which to build and run our business* ”

John Ridding, CEO of Financial Times

Walking & cycling keeps London moving

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Congestion costs London's economy £9.5bn each year, and the challenge will grow as the city's population grows and travel increases

Walking and cycling, along with public transport, are the most efficient uses of limited road space. By encouraging walking and cycling we can move more people on our streets. This keeps the city moving for everyone

KEEPING STREETS MOVING

London is growing by...

6 new residents
every hour

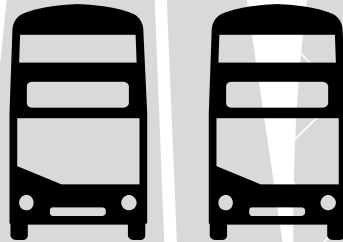


That's a car load
every 40 minutes



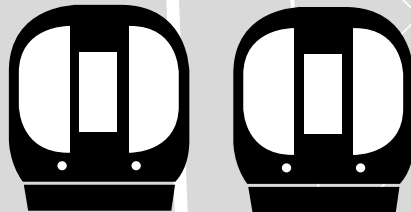
or

2 Buses
every day



or

2 Tube trains
every week



Today the population is

8,800,000

and by 2030, it will be

10,000,000

Congestion
costs London's
economy



£9.5bn
every year

Source: INRIX, 2017

KEEPING STREETS MOVING

One car takes up the same space as...



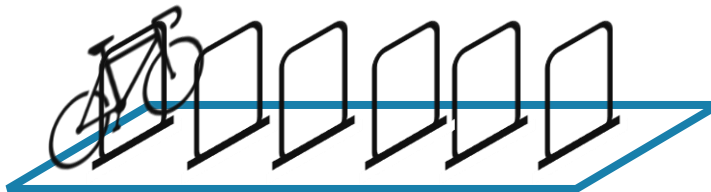
5 people cycling

or



20 people walking

or



12 cycle parking spaces

The average car in London carries:



1.56 people

KEEPING STREETS MOVING

Segregated cycle lanes on Blackfriars Bridge help the street move

5% more people

in the am peak than before

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Source: TfL analysis

Businesses using **cycle freight save** between

39 and **64%**
on **delivery costs**

Source: Raje and Saffrey, 2016

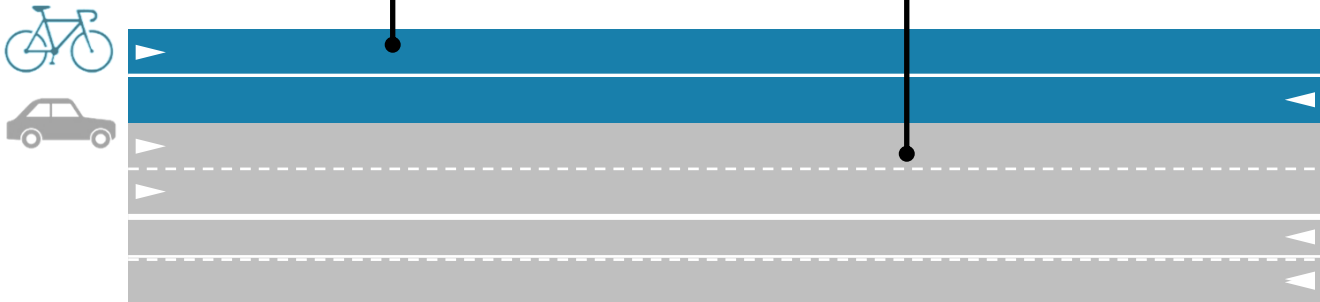


Cycle lane north:

1,938 people per hr

Vehicle lanes north:

1,542 people per hr



BLACKFRIARS BRIDGE, AM PEAK 08:00 – 09:00

Walking & cycling helps the wider economy

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Walking and cycling already make an important contribution to Britain's economy, and encouraging more people to walk and cycle will provide a further boost

Investment in walking and cycling is a cost-effective way to unlock these benefits, including significant savings to the NHS

VALUE FOR THE ECONOMY

13:1 is the average 'Benefit Cost Ratio' for walking and cycling projects

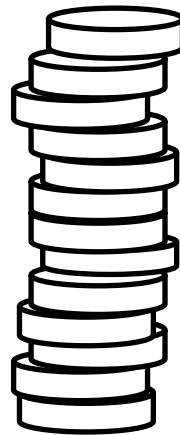
this means for every

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£1 spent on walking and cycling,



→ **£13** of benefits are returned to the economy



“
Based on the BCRs reported ... one can confidently conclude that sustainable travel and cycling and walking in particular regularly offer

high and very high value for money

”

Source: Department for Transport, 2015

Cycling contributes

£5.4bn



each year to the UK economy

...more than

3x



the contribution of the UK steel industry

Source: Newson and Sloman, 2018

SUPPORTING THE NHS

If every Londoner walked or cycled for 20 minutes each day, this would save the NHS

£1.7bn

in treatment costs over 25 years

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If as a nation we keep piling on the pounds around the waistline, we'll be piling on the pounds in terms of future taxes needed just to keep the NHS afloat.

I don't think it's any exaggeration to say that the health of millions of our fellow citizens, the sustainability of the NHS, and the economic prosperity of Britain now depends on a radical upgrade in prevention and public health. ”

Simon Stevens, NHS Chief Executive



Source: Department of Health, 2011

SUPPORTING NEW DEVELOPMENT

As the Cycle Hire scheme has expanded outside of central London and into areas that are a lengthy walk from the Tube, we have seen a dramatic increase in tenant enquiries for those areas ”

Marc von Grundherr, Director, Benham & Reeves Residential Lettings

Source: Steer, 2017



The fact that buyers expect cycle storage in new developments affects saleability and desirability of the property ... if we did not provide cycle parking, desirability of the properties would be negatively affected ”

Linden Homes

Source: Steer, 2017

Everyone shares the benefits

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Everyone should be able to benefit from London's economic success

Walking and cycling are inclusive ways to travel that can help people access employment and opportunities easily and cheaply

The economic benefits of walking and cycling are not constrained to central London: businesses in all parts of the Capital can benefit from making it easier to walk and cycle

ACCESSIBILITY AND AFFORDABILITY

The economic benefits of walking and cycling can be enjoyed by everyone in London



81% of Londoners say they **can cycle**, including...

3 in 4 older people (aged 65+)

76% of disabled people

Source: TfL customer research, 2017

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Active travel is more affordable
Average cost of travel each year:



£0



£250

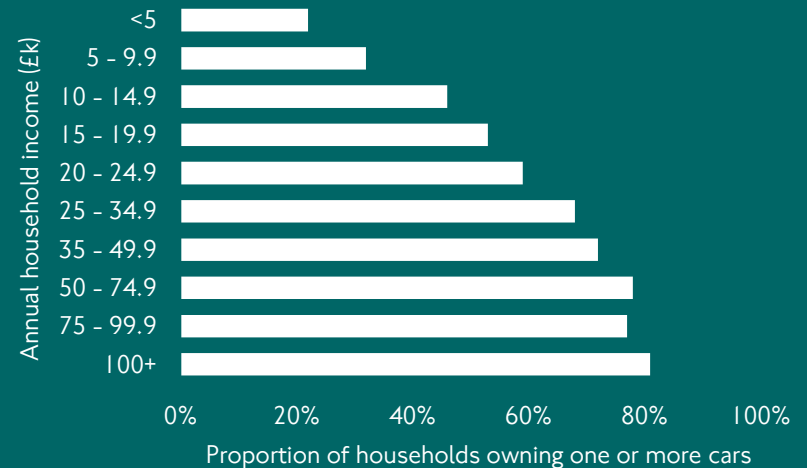
Cost of a quality cycle, lights and lock



£7,300

Yearly cost of running a car in London

Car ownership in London increases with household income



Source: TfL analysis, 2010, figures adjusted for inflation

Source: London Travel Demand Survey, 2013/14

SUPPORTING BUSINESSES ACROSS LONDON

The economic benefits of walking and cycling can be enjoyed everywhere in London

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Over



99%
of London employers
are **small and medium-sized enterprises**

SMEs
provide
1/2
London's
jobs

2 in 3 London jobs are
outside central London



Every Londoner
lives within a 10 minute walk
of a high street



SUMMARY

The evidence in the pack shows that investment in walking and cycling has the potential to bring significant benefits across a number of facets of the economy.

In London, TfL and boroughs are working to make walking and cycling easier for everyone by investing in initiatives to address the barriers to walking and cycling, including improved streets and community grants. The evidence in this pack can be used to support this investment by:

- Making the case for overall investment in walking and cycling to decision makers;
- Informing the strategic narrative for walking and cycling business cases;
- Supporting consultation and engagement around specific schemes and projects.

The pack can be used in its entirety, or specific content can be extracted to contribute to presentations or other documents. A full reference list is provided, and further information can be found on the economic benefits of walking and cycling [online hub](#).

We would like to keep the pack regularly updated with the latest research, evidence and case studies on the economic impacts of walking and cycling.

Please email activetravel@tfl.gov.uk with any suggestions or additional evidence.

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