

# Walking & cycling: the economic benefits

Page 93



# 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%.

Page 95

## 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 the 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 and 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

Page 96

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

Page 99

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

However, visitors said they travelled:



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

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

Page 101

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*

Page 102

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

Page 103

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

Page 104

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

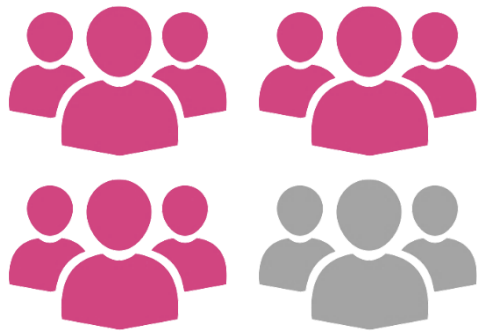
*“ Our network of offices will be knitted together by Cycle Superhighways. We look forward to using the protected routes to help us attract and retain the people we need to thrive ”*

Michael van der Bel, former CEO of Microsoft UK

Source: Cycling Works, 2014

Page 105

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



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

**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

Page 106

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

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

Source: British Council of Offices, 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 Cobley, 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

Page 108

“ *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

Page 109

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**



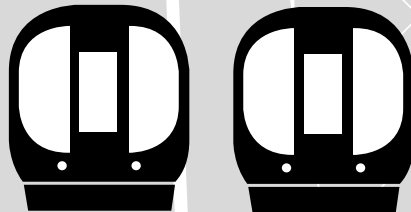
or

**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...



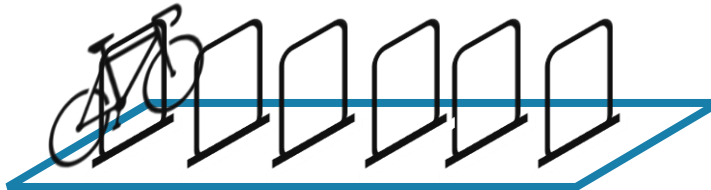
5 people cycling

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

Page 12

Source: TfL analysis

Businesses using **cycle freight save** between

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

Source: Raje and Saffrey, 2016

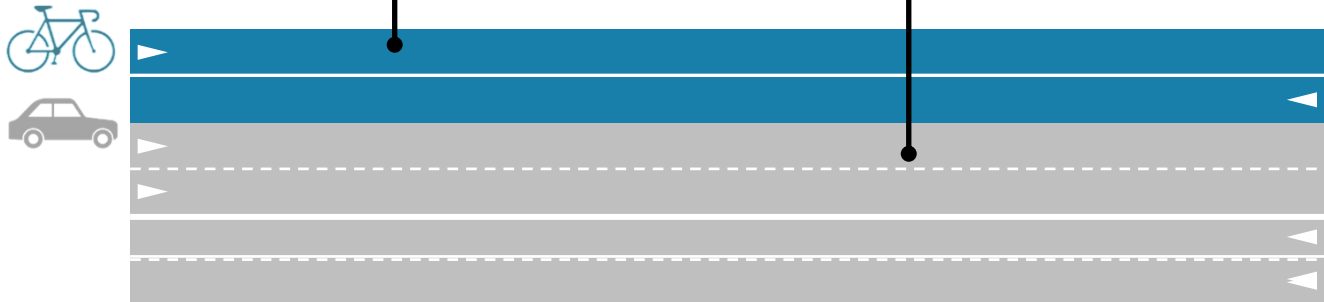


Cycle lane north:

**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

Page 113

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

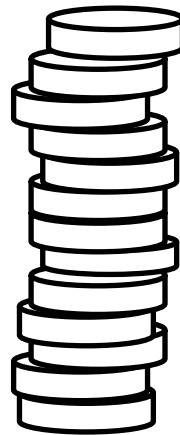
this means for every

Page 114

**£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

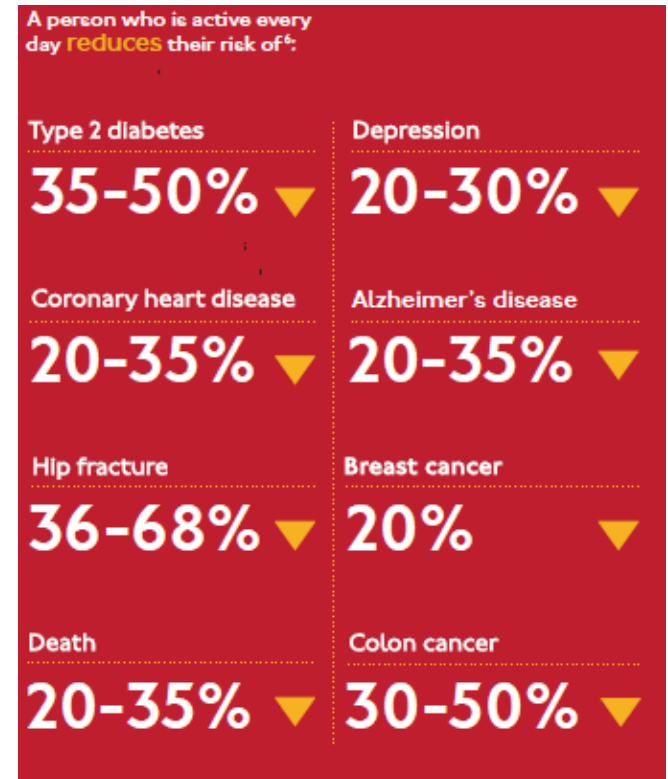
in treatment costs over 25 years

Page 1 of 5

*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

Page 117

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

Page 118

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



£0



£250

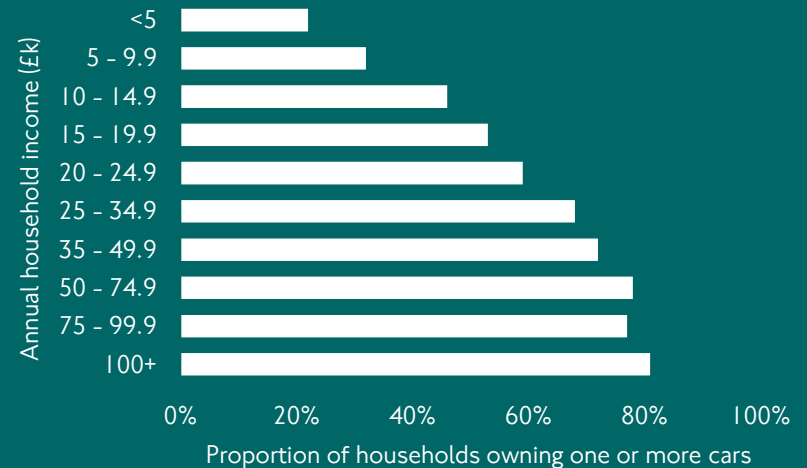
Cost of a quality cycle, lights and lock



£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

Page 119

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](mailto:activetravel@tfl.gov.uk) with any suggestions or additional evidence.

# REFERENCES

- Aldred M & Sharkey R** (2018) *Healthy Streets: a business view*. University of Westminster for Transport for London. [Link](#)
- Bent E & Singa K** (2009) *Modal Choices and Spending Patterns of Travelers to Downtown San Francisco*. Transportation Research Record: Journal of the Transportation Research Board, Vol 2115, Issue 1.
- British Council of Offices** (2017) *The Market Cycles: The rise of cycling and its impact on office specification and investment*. [link](#)
- Carmona M, Gabrieli T, Hickman R, Laopoulou T & Livingstone N** (2018) *Street appeal*. UCL for Transport for London. [link](#)
- Chatterjee K** (2017) *Commuting and wellbeing*. University of the West of England. [link](#)
- City of Copenhagen** (2012) *Copenhagen City of Cyclists Bicycle Account 2012*. [link](#)
- Clifton K, Currans K, Muhs C, Ritter C, Morrisey S and Roughton C** (2012) *Consumer behaviour and travel choices: A focus on cyclists and pedestrians*. Submitted for presentation and publication to the 92nd Annual Meeting of the Transportation Research Board, January 2013, Washington, D.C
- CycleScheme** (2015) 'Work hangover' survey with 25,000 UK respondents
- Cycling Works** (2014) [link](#)
- Deloitte** (2014) *Deloitte Millennial Survey 2014*. [link](#)
- Department of Health** (2011) *Start active, stay active: a report on physical activity from the four home countries' Chief Medical Officers*
- Department for Transport** (2015) *Investing in cycling and walking – The economic case for action*. [link](#)
- Grus A** (2011) *The British cycling economy*. London School of Economics for Sky and British Cycling. [link](#)
- Greater London Authority** (2016) *Economic evidence base for London 2016*. [link](#)
- Hall S, King J, Sajjad F, Morris C, Mehra R, Lewis H, Martin H, Meyer M, Seguin P and Worrell M** (2017) *High streets for all*. We Made That and LSIF Cities for Greater London Authority.
- Hendrikson I, Simons M, Garre F and Hildebrandt V** (2010) *The association between commuter cycling and sickness absence*. Prev Med. 2010 Aug;51(2):132-5. doi: 10.1016/j.ypmed.2010.05.007
- INRIX** (2018) *INRIX 2017 Global Traffic Scorecard*. [link](#)
- Lawlor, E** (2013) *The pedestrian pound*. Just Economics for Living Streets. [Link](#)
- London Borough of Waltham Forest** (2015). *Mini-Holland perception surveys*. [Link](#)
- McCormick C** (2012). *York Blvd: The economics of a road diet*. UCLA for Los Angeles County Bicycle Coalition. [link](#)
- New York Department of Transport** (2014). *The economic benefits of sustainable streets*. [link](#)
- Newsom C & Sloman L** (2018) *The value of the Cycling Sector to the British Economy: A Scoping Study*. Transport for Quality of Life for the Bicycle Association. [Link](#)
- National Institute for Health and Care Excellence** (2012). *Physical activity: Local government briefing*.
- O'Connor D, Nix J, Bradshaw S and Shiel E** (2011) *Report on shopper travel behaviour in Dublin City Centre*. University College Cork. [link](#)
- Rajé F & Saffrey A** (2016) *The value of cycling*. University of Birmingham and Phil Jones Associates for Department for Transport. [link](#)
- Steer** (2017) *Cycling and the housing market study*. Steer for Transport for London. [link](#)
- The Prince's Responsible Business Network** (2011). *GlaxoSmithKline – Sustainable travel and new ways of working*. [link](#)
- Transport for London** (2013) *Town Centres 2013*. [link](#)
- Transport for London** (2016): *Town Centres 2014 / 2015*. [link](#)

This page is intentionally left blank