Walking & cycling: the economic benefits
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.
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%.

**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

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.
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

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

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 (walking)
- 12 visits (cycling)
- 8 visits (driving)

Source: TfL 2014
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**

However, visitors said they travelled:

- **by car**: 63% (actual), 20% (visited)
- **walk**: 49% (actual), 64% (visited)
- **public transport**: 41% (actual), 54% (visited)
- **cycle**: 12% (actual), 12% (visited)

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

Source: Clifton et al., 2012

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

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

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)

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 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

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

Employees who cycle regularly take 1.3 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

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

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 gives 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

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: Deloitte, 2014

Source: Aldred & Sharkey, 2017
85% Business Improvement Districts agree that active travel is important for their business performance.

95% think that walking is important.

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
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 Cobleyn, 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
In 2014 over 180 major London employers came together to support plans for new protected cycle routes.

"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

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.
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
KEEPPING STREETS MOVING

One car takes up the same space as...

- 5 people cycling
- 20 people walking
- 12 cycle parking spaces

The average car in London carries: 1.56 people

Source: London Travel Demand Survey
Segregated cycle lanes on Blackfriars Bridge help the street move 5% more people in the am peak than before.

Businesses using cycle freight save between 39% and 64% on delivery costs.

Source: TfL analysis

**Cycle lane north:**
- 1,938 people per hr

**Vehicle lanes north:**
- 1,542 people per hr

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

Source: Raje and Saffrey, 2016
Walking & cycling helps the wider economy

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.
13:1 is the average ‘Benefit Cost Ratio’ for walking and cycling projects.

This means for every £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
If every Londoner walked or cycled for 20 minutes each day, this would save the NHS £1.7bn in treatment costs over 25 years.

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
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

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.

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

- £0 (walking)
- £250 (cost of a quality cycle, lights and lock)
- £7,300 (yearly cost of running a car 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

Car ownership in London increases with household income:

- Proportion of households owning one or more cars
- Source: London Travel Demand Survey, 2013/14

Source: TfL analysis, 2010, figures adjusted for inflation
SUPPORTING BUSINESSES ACROSS LONDON

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

2 in 3 London jobs are outside central London.

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

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

SMEs provide 1/2 London’s jobs.

Source: Greater London Authority, 2016
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.


City of Copenhagen (2012) Copenhagen City of Cyclists Bicycle Account 2012. [Link]


CycleScheme (2015) ‘Work hangover’ survey with 25,000 UK respondents

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