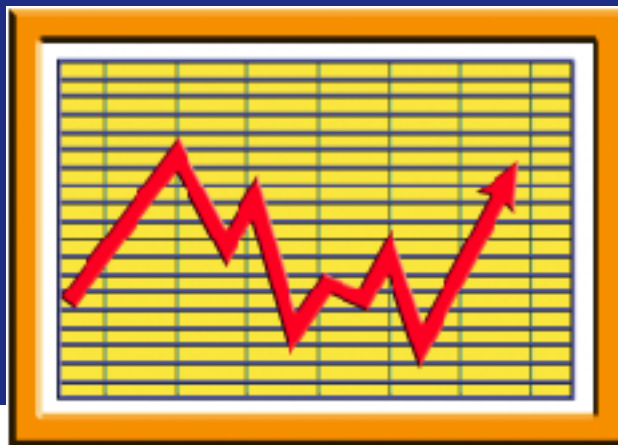




# The Economic Importance of Public Transit



Presented by

THE NATIONAL  
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FOR RAPID TRANSIT

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# National Business Coalition for Rapid Transit

## The Economic Importance of Public Transit

The rebirth of public transportation is a critical part of America's future. Transit ridership is increasing dramatically – primarily because federal and state investments in transit have made it possible to offer higher quality service.

The public clearly values public transit: in the last five years, transit use has risen 21 percent. In 2000, Americans used public transportation 9.4 billion times, representing the highest transit ridership in 40 years.<sup>1</sup> 81 percent of people polled link public transportation to improved quality of life, believing that increased public investment in public transportation strengthens the economy, creates jobs, reduces traffic congestion and air pollution, and saves energy.<sup>2</sup>

For both transit riders and the business community, the economic benefits of transit are manifold:

- 1. Transit access is essential for the nation's economic health and prosperity.*

In the major metropolitan areas of the country, the engines of the nation's economy, public transit is an essential transportation option that can cut through congestion to provide access to job markets and remove auto trips from the highway system, thereby helping to maintain highway capacity for the shipment of goods and material.

**"If our transit system were to suddenly stop, our metropolitan transportation operation would grind to a halt. This would make it impossible for employees to get to work and for businesses to receive and ship goods. The metropolitan economy would eventually grind to a halt as well."**

--A. Lee Blich, President and CEO,  
San Francisco Chamber of Commerce

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<sup>1</sup> Donald H. Camph, Aldaron, Inc., *The Renaissance of Public Transit in America*, October 2002.

<sup>2</sup> David B. Keever et al, *Moving Ahead: The American Public Speaks on Roadways and Transportation in Communities*, February 2000.

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## 2. Transit helps maintain the vitality of our major cities' central business districts.

Whether it's New York, Chicago, Washington DC, Atlanta or St. Louis, investments in public transportation keep downtowns thriving as the locus of finance, commerce, retail and culture. Transit demonstrates results: in mid-2000, the average downtown vacancy rate for cities without rail was 12.8%, but 8% for all cities with rail transit.<sup>3</sup>

**“Our Chicago area transit systems have been gaining ridership within the last 5 years. But with population growth and congestion threatening the capacity of our roadways, Chicago’s central area vision plan now assumes that 70% of all new work trips into the downtown business district will be conducted via the public transit system.”**

--Gerald Roper, President and CEO, Chicagoland Chamber of Commerce

## 3. Transit connects workers to jobs in suburban and rural areas.

Most suburbanites who ride public transportation are headed for work. Due to increased rider demand, transit lines are being extended to outlying suburban communities – and bus shuttles carry workers from rail lines to employer destinations. For service and entry-level employees with limited mobility options, transit is a key link to suburban-based jobs.

**“To promote economic development, we need to extend our Cleveland area transit systems within the next decade to provide a cost-effective and reliable ‘reverse commute’ for suburban job concentrations as well as for employees in the urban core.”**

--Thomas Adler, Co-Chair of Greater Cleveland Growth Association's Logistics and Infrastructure Coalition

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<sup>3</sup> CB Richard Ellis, *United States Office Vacancy Index, 2<sup>nd</sup> Quarter Flash Report*

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## 4. Transit relieves traffic congestion and improves business productivity.

The tremendous growth in traffic congestion means extra costs for business – higher wages and benefits to recruit workers, shorter workdays, increased absenteeism, and greater employee turnover and transportation assistance. Business is recognizing that travel mobility is a key quality of life issue for its labor force.<sup>4</sup> Transit provides another economic boost to business by removing autos from the highway system, thereby maintaining roadway capacity for the shipment of goods and material.

**“As the 5th worst congested market in the country, San Diego will only get worse as we continue to grow. Not only are we dependent on cars, but with ever-increasing housing prices, residents are forced to move further from job centers and the central city. Rapid transit is the only solution to connect our sprawling neighborhoods to jobs.”**

--Eugene Mitchell, Vice President of Public Policy, San Diego Chamber of Commerce

## 5. Transit stimulates economic development around stations.

Supported by a steady stream of pedestrians and transit riders, a mix of employment, retail and leisure activities are growing up around transit stations and housing. Transit-oriented development is being used as a tool to encourage business growth, to revitalize aging downtowns and declining urban neighborhoods, and to enhance tax revenues for local jurisdictions.

**“The Washington Metro has generated nearly \$15 billion in surrounding private development. Between 1980 and 1990 alone, 40% of the region’s retail and office space was built within walking distance of a Metro station.”**

--Robert A. Peck, President, Greater Washington Board of Trade

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<sup>4</sup> Cambridge Systematics, Inc. and Economic Development Research Group, *A Quantitative Analysis of Public Transportation’s Economic Impact*, October 1999.

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## 6. Transit reduces energy consumption and achieves clean air standards.

Increased use of public transportation is the most effective strategy for achieving significant energy savings and environmental gains – without new taxes, government mandates or regulations. Emissions from road vehicles are the largest contributors to smog; currently, over 200 million passenger cars and light trucks account for about 50% of air pollution nationwide. Even at current levels of use, public transportation every year saves close to one billion gallons of gasoline and reduces harmful emissions by millions of tons.<sup>5</sup>

**“Transit not only provides benefits to our economy, promotes jobs, and creates economic growth; it also provides important environmental benefits. Automobiles are getting cleaner all of the time, but transit is an environmentally friendly way to travel and commute. Here is where economic growth and promoting good environmental policy come together to benefit us all.”**

--Rusty Hammer, President & CEO, Los Angeles Area Chamber of Commerce

## 7. Transit generates jobs and a significant return on investment.

In project after project, a capital investment in public transportation sparks a chain reaction in business activity that far exceeds the initial investment. The dollars flow to hundreds of industries, from specialized rail or bus construction firms to maintenance and software suppliers. Every \$1 billion invested in public transit capital projects generates 30,000 jobs, and the same amount invested in transit operations generates 60,000 jobs. The return on investment could be as high as 9 to 1.<sup>6</sup>

**“Capital investment historically creates jobs in any industry, but it’s even more pronounced in public transportation because of the vast number of businesses directly impacted. Movement of a company’s number one assets, its employees, is as critical of an investment as dollars spent on marketing to your customers.”**

--Quentin D. Dastugue, CCIM, CEO - Property One, Inc. & Co-Chairman of the Intermodal Transportation Council of the New Orleans Regional Chamber of Commerce

<sup>5</sup> Robert J. Shapiro et al, *Conserving Energy and Preserving the Environment: The Role of Public Transportation*, July 2002.

<sup>6</sup> Cambridge Systematics, Inc. and Economic Development Research Group, *A Quantitative Analysis of Public Transportation's Economic Impact*, October 1999.

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## COALITION MEMBERS

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Chicago Metropolis 2020  
Chicagoland Chamber of Commerce  
Denver Metro Chamber of Commerce  
Downtown Tulsa Unlimited, Inc.  
Greater Boston Chamber of Commerce  
Greater Cleveland Growth Association  
Greater Minneapolis Chamber of Commerce  
Greater Pittsburgh Chamber of Commerce  
Greater Washington Board of Trade  
Lancaster (PA) Chamber of Commerce  
Los Angeles Area Chamber of Commerce  
Metropolitan Planning Council (Chicago)  
Miami (FL) Chamber of Commerce  
Minneapolis Downtown Council  
New Orleans Regional Chamber of Commerce  
Oakland (CA) Chamber of Commerce  
San Diego Chamber of Commerce  
San Francisco Chamber of Commerce  
Silicon Valley Manufacturers Group

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