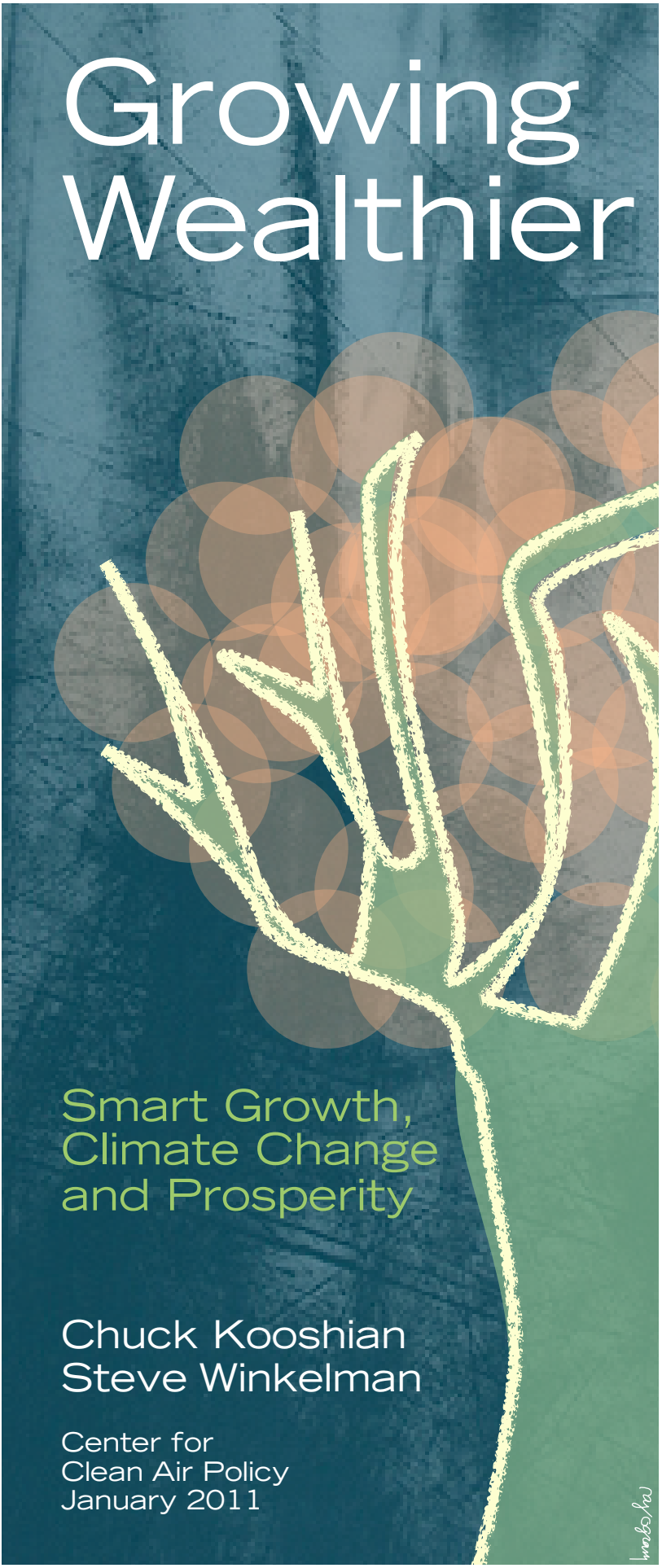


With the pace of economic recovery uncertain and the real estate market still uneven, developers, policy makers and transportation professionals seek information to guide their investments. At the same time, market analysis reveals pent-up demand for walkable communities driven by demographic changes poised to transform the real estate industry. In our new report, *Growing Wealthier: Smart Growth, Climate Change and Prosperity*, the Center for Clean Air Policy (CCAP) considers ten common-sense principles that can help guide new development in ways that respond to emerging market demand and bolster the economy. We find that an inclusive planning process following smart growth principles that yields more walkable neighborhoods with broader options for housing and transportation can help communities, businesses and individuals make money, save money and improve quality of life (Table 1).

In *Growing Wealthier* we provide examples and studies from around the

Table 1. Highlights of Smart Growth Economic Benefits

Business	Household	Municipal & Regional	National
Return on Investment			
Access to new markets	Enhance or preserve housing values	Higher public revenues	More efficient use of transportation investments
Reduced investment risks	Better access to jobs	Reduced citizen opposition to development	Construction & transit jobs
Construction & transit jobs		Attracts private investment	
Higher property values		More efficient economy	
Productivity enhancements due to agglomeration			
Savings on Expenditures			
Employee health care savings	Save on travel costs	Infrastructure savings (construction & operation)	Energy security
Better information & decision making	Reduced energy & water use	Reduced costs from urban decline	Health care savings
Reduced parking requirements	Health care savings	Green infrastructure (such as natural filtration) replaces gray infrastructure	
Reduced energy & water use	Lower taxes for infrastructure services		
Improved Quality of Life			
Quality places attract high quality workers	Better access to services	Reduced exposure to congestion	Reduced GHGs
Improved environment for small businesses	Affordable housing	Thriving public spaces	
	Access to nature & recreation	Growth reflects community values	
	Increased physical activity	Protects natural resources	

"CCAP is a strong, credible, influential voice on issues of transportation and climate change. This is another must-read report."

- Dan Sperling, Director, Institute of Transportation Studies, University of California, Davis

"Growing Wealthier cuts to the chase by defining the benefits of smart growth in dollars and cents. This is long overdue and provides the framework for problem solving in a language everyone understands."

- John Inglish, CEO Utah Transit Authority

"Growing Wealthier will help equip communities to thrive in the emerging real estate market demanded by the knowledge economy."

- Christopher B. Leinberger, real estate developer, author of The Option of Urbanism

country, as well as an annotated bibliography of evidence on smart growth, climate change, the economy, and sustainability. We challenge popular notions about driving and prosperity, considering standard economic indicators as well as livability concerns such as public health and well being, community vibrancy and resource sustainability. We show that reducing daily driving by just two and half miles per person, in concert with vehicle and fuel improvements, can put the transportation sector on path to meeting climate goals.

Smart Growth, Driving and Economic Health

Transportation is vital to the production and exchange of goods and services. But in our transforming economy, economic activity can happen in myriad of ways; vehicles and people in motion are only a part of a much greater whole. Although vehicles miles traveled (VMT)

Figure 3. Historical Growth of Total On-road VMT and GDP

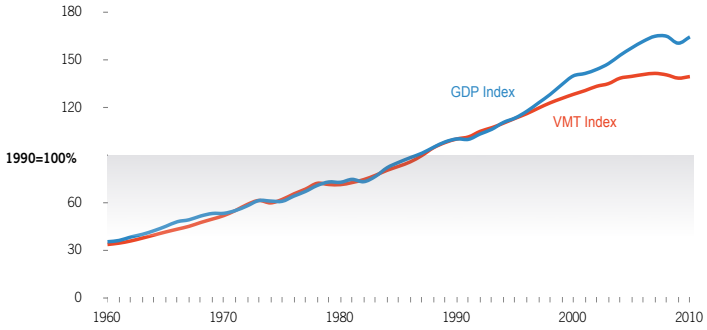


Figure 4: Travel Intensity of the US Economy: VMT per $1,000 GDP (1970-2030)

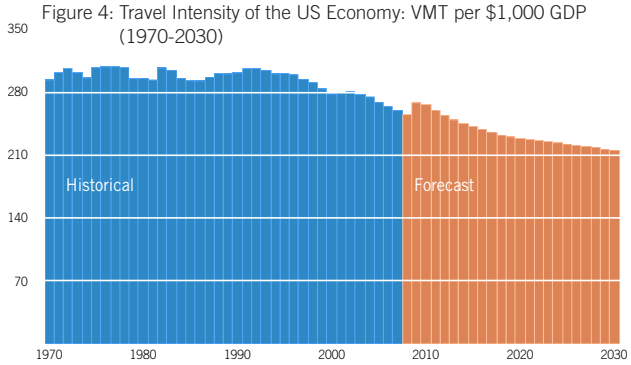


Figure 5: U.S. Household VMT and Income (1967-2008)

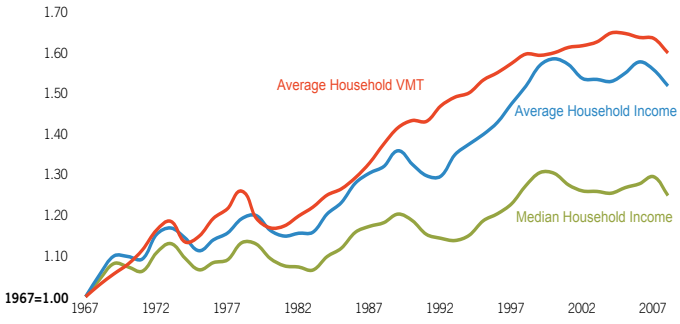
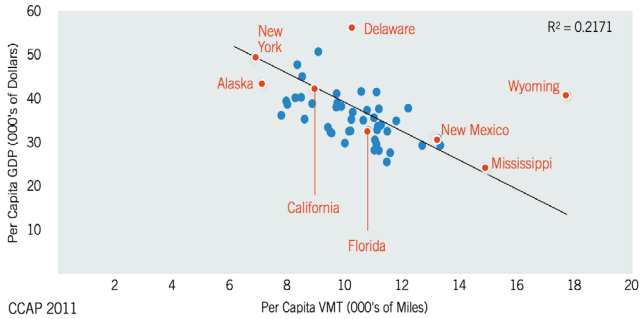


Figure 7. Per capita GDP and VMT for US States (2008)



rose along with gross domestic product for decades there is now evidence that the relationship is changing (Figure 3). According to U.S. Chamber of Commerce analysis, the importance of travel as a component of the economy has been declining since the early 1990s, and is expected to continue to decline through 2030 (Figure 4).

As VMT increases along with fuel and other vehicle costs, the hit to the household budget expands, so that today transportation and housing together take about half of every dollar earned. While vehicle travel per household increased by 70% from 1969 to 2001, incomes for 60% of American households increased only 18%. These Americans drove substantially more, but did not share proportionately in income growth (Figure 5). CCAP has dubbed travel that contributes little or nothing to the economy "empty miles". At the state level, we found a negative relationship between vehicle travel and productivity; that is, many states with higher VMT per capita actually performed worse economically that those with lower rates of driving (Figure 7).

Ten common-sense principles that many urban planners, public officials, real estate professionals, architects and designers subscribe to, can guide new development in ways that improve accessibility and alleviate many of the problems of sprawling land use, while enhancing quality of life. Three rigorous studies in the past few years found that communities following smart-growth strategies either have succeeded in, or have the potential to, reduce their citizens' driving up to 60 percent. In Growing Wealthier we walk through each smart growth principle, identifying a variety of economic and prosperity benefits. Following are some key examples.

Center for Clean Air Policy
Dialogue. Insight. Solutions.

For more information and references, please download the full report: www.growingwealthier.info

Economic Benefits: Real-world Snapshots

- Creating a range of housing opportunities in proximity to jobs saves households money. Washington DC region households living in the jobs-rich core spent about 30% of their income on housing and transportation, while those in the car-dependent outer suburbs spent over 40%.
- Improving neighborhood "walkability" enhances property values. WalkScore.com rates locations according to a walkability index from 1 to 100. One study found that, in general, every one-point increase in a home's Walk Score raised its value by $700 to $3,000.
- Walkability also enhances health. In Seattle, a 5% increase in the overall level of walkability was linked to a 32% increase in minutes of walking or biking and a reduction in Body Mass Index.
- Creating a range of transportation options can increase property values, investment and jobs. In Denver, homes within a half mile of stations on the Southeast light rail line rose in value an average of 17.6% between 2006 and 2008; other Denver homes declined by an average 7.5%. American Recovery and Reinvestment Act investments in public transportation created almost twice as many jobs per billion dollars invested as highway projects – 16,419 vs. 8,781 job-months. A $100 million investment in Portland streetcars helped attract $3.5 billion in private investment.
- Directing development towards existing communities can reduce infrastructure costs. Sacramento calculated the infrastructure price tag of their Blueprint Smart Growth scenario to be $9 billion less than conventional development.
- Building within a smaller footprint can reduce water use and improve storm water runoff management. A 2006 EPA report found that in a compact subdivision in Sacramento, California, water demand was 20-30% less than conventional subdivisions in the same city.
- Reducing the need to drive saves big money. The Vision California project calculated that a "green" compact growth scenario could save California residents $8,600 in driving related costs per household by the year 2050, or more than $170 billion annually statewide.

Recommendations

- **Do. Measure. Learn.** To realize the full prosperity benefits of smart growth, we need incentive-based policy programs centered on the themes of action, measurement, and analysis.
- **Equip and Empower.** Transportation practitioners need new tools and technical assistance to enhance their ability to implement and evaluate smart growth and travel efficiency policies and their economic impacts. This would be an important role for federal agencies, such as US DOT.
- **Do More Get More.** Government programs should reward communities that make efficient use of resources to promote economic and environmental sustainability.
- **Empirical Research.** There is a solid foundation of research on the economic effects of smart growth but much remains to learn. The federal government should increase funding for such research and provide support for evaluating pilot projects and innovative policies.
- **Ask the Sustainability Question.** Ask ourselves, "Does this infrastructure or land development decision promote long-term environmental and economic health in an equitable way?"

"Growing Wealthier continues filling the knowledge gap on the 'third leg' and identifies the important smart growth principles that will be necessary to address greenhouse gas emissions in the transportation sector while improving economic activity."
- John J. Viera, Director, Sustainability & Environmental Policy, Ford Motor Company

"Kooshian and Winkelman make a clear and convincing case that as we develop our communities, doing the right thing for the climate can do the right thing for the economy."
- Mike McKeever, Executive Director, Sacramento Area Council of Governments

"Growing Wealthier sheds important light on how smart growth policies can enhance prosperity and quality of life while reducing greenhouse gas emissions."
- Mary Nichols, Chairman, California Air Resources Board