

Building Economic Strength through Sustainable Communities

March 2011

A growing body of research shows that strategies to develop more sustainable communities can boost regional economic growth by reducing state and municipal spending, attracting businesses and jobs and helping families with household budgets. Adopting such strategies could help communities:

. . . save billions in public infrastructure costs.

- By making more efficient use of existing infrastructure and building jobs and housing closer to one another, communities could save a total of more than \$12 billion **nationwide** on water and sewer costs and nearly **\$110 billion** on road costs over the next 25 years.¹
- Such strategies also reduce the number of schools, libraries, fire houses and police stations needed per capita, freeing up funds for tax relief or alternative investments.

. . . attract businesses and reduce unemployment.

- In a 21st century economy, businesses often choose to locate where college-educated young people choose to live. Survey data suggest that a majority of young professionals decide where to live based on neighborhood affordability, environmental quality, transit access and nearby retail and entertainment opportunities² – the hallmarks of strong sustainable communities.
- Efforts to improve access to public transportation, reduce congestion and shorten the distances between housing and jobs make it easier for employees to get to work. Together with other steps to improve job access, these strategies can help reduce unemployment.³

. . . reduce families' household expenses and support local jobs.

- Neighborhoods developed in a sustainable manner help families save thousands of dollars each year on transportation alone. Across the country, savings range from \$1,580 per year in Little Rock and \$1,830 in Minneapolis to \$3,110 in Chicago, \$3,610 in Phoenix and as high as \$3,850 in Boston.⁴
- Families making between \$20,000 and \$35,000 who live in town centers spend 16 percent *less* on the combined costs of housing and transportation than those living further from employment centers. Similar trends exist for families making between \$35,000 and \$50,000.⁵
- Families that spend less on the combined costs of housing and transportation have more to spend on local goods and services, helping to support local jobs.

Federal partnership supports economic strength through sustainable communities:

- The Interagency Partnership for Sustainable Communities helps regions unlock the economic benefits of sustainable communities by funding coordinated regional planning efforts.
- Some 225 communities from across the country applied for the 45 regional planning grants available from the Department of Housing and Urban Development in the first year of this new program, and the grantees have already begun their work in rural, suburban, and urban communities around the country.

¹ Burchell, Robert W., Anthony Downs, Barbara McCann and Sahar Mukherji. *Sprawl Costs: Economic impacts of Unchecked Development*. Washington, DC: Island Press. 2005

² *Cities of Opportunity*. Price Waterhouse-Coopers and the Partnership for New York City 2010; Wieckowski, Ania. "Back to the City." *Harvard Business Review*. May 2010

³ Alam, Bhuiyan M. "Transit Accessibility to Jobs and Employment Prospects of Autoless Welfare Recipients". *Transportation Research Record*. 2009; Gao Sheng Yi and Robert Johnston, "Public vs. Private Mobility for Low Income Households". *Transportation Research Record*. 2009

⁴ Center for Neighborhood Technology. *Pennywise, Pound Fielish: New Measures of Housing + Transportation Affordability*. 2010.

⁵ Lipman, Barbara J. *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. Center for Housing Policy. 2006.