Tackling Traffic:
The Economic Cost of Congestion in Metro Vancouver

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Summary

Cities are built on wider economic benefits of:
sharing services and infrastructure;
learning and meeting in person; and
better job matching.

Congestion means these wider economic benefits happen less:
these are the hidden costs of congestion;
hidden costs are larger than visible costs the Mayors’ Council has presented.

The reduced congestion from the Mayors’ Council’s plan would mean:
between $0.5 billion and $1.2 billion in wider economic benefits
The Mayors’ Council’s Plan

- **Building the Broadway Subway**: Extending the Millennium Line underground to Arbutus Street.

- **Light Rail Transit In Surrey & Langley**: Surrey Centre to Guildford and Newton, on 104 Avenue and King George Boulevard. Surrey Centre to Langley, on Fraser Highway.

- **Replacing the Pattullo Bridge**: A new, earthquake-ready Pattullo bridge, with safe, modern lanes for cars and trucks, and separated lanes for cyclists and pedestrians.

- **11 New B-Line Rapid Bus Routes**: Fast, frequent, limited-stop routes that run all day long—200 km of new B-Line service delivered with 159 new buses.
The wider economic cost of congestion
Wider economic benefits in practice
How reduced congestion creates wider economic benefits
Wider economic benefits

Total amount: Between $257 million and $500 million per year

Per worker amount: Between $209 and $411 per year

Note: Calculations based on 2010 income and population counts, assuming Mayors’ Council plan fully implemented today. All figures in $2015.
How reduced congestion leads to higher wages of commuters
The personal income benefit (but personal cost) of additional commuting
Commuting income increase

Total amount: Between $245 million and $693 million per year

Per worker amount: Between $193 and $546 per year

Note: Calculations based on 2010 income and population counts, assuming Mayors’ Council plan fully implemented today. All figures in $2015.
Total *hidden* economic benefit

<table>
<thead>
<tr>
<th>Economic benefits</th>
<th>Low end estimate</th>
<th>High end estimate</th>
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</thead>
<tbody>
<tr>
<td><strong>Total amount ($ millions)</strong></td>
<td>$502</td>
<td>$1,205</td>
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<tr>
<td><strong>$ per worker</strong></td>
<td>$402</td>
<td>$957</td>
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<tr>
<td><strong>Total government revenues ($ millions)</strong></td>
<td>$150</td>
<td>$360</td>
</tr>
</tbody>
</table>

Note: Calculations based on 2010 income and population counts, assuming Mayors’ Council plan fully implemented today. All figures in $2015.
Conclusion

Cities are built on wider economic benefits

Congestion has a large *hidden* costs of congestion in addition to the *visible* costs

The reduced congestion from the Mayors’ Council’s plan would mean up to $1.2 billion in wider economic benefits
Thank you
The *visible* economic cost of congestion


<table>
<thead>
<tr>
<th>Economic benefits</th>
<th>Cost of personal time</th>
<th>Cost to businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of congestion today ($ millions)</td>
<td>$487</td>
<td>$340</td>
</tr>
<tr>
<td>Amount the plan will save ($ millions)</td>
<td>$163</td>
<td>$140</td>
</tr>
</tbody>
</table>

Source: Total cost of congestion from Mayorscouncil.ca

Note: Calculations of savings from plan based on 2010 income and population counts, assuming Mayors’ Council plan fully implemented today. All figures in $2015.