

A Labor Perspective on Smart Growth

How Workers and Unions Benefit from Compact, Multimodal Development

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Smart Growth policies that help create more compact, lower-cost housing options in walkable urban neighborhoods can provide savings and benefits to workers and organized labor. They increase jobs, including union jobs, reduce workers' housing and transportation costs, reduce commute duration, improve disadvantaged residents' economic opportunities, and create healthier and cleaner communities.

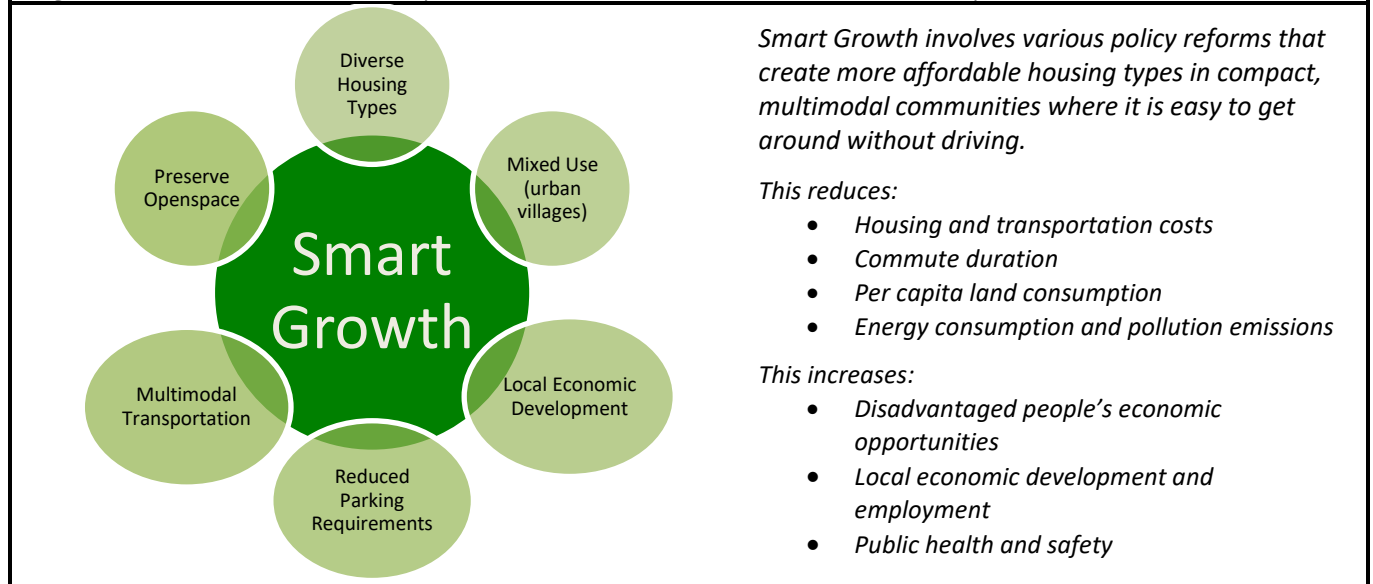
Summary

Smart Growth development policies create more affordable housing in compact, multimodal neighborhoods. This report examines how this helps achieve workers and labor organizations' goals including better employment opportunities, more union jobs, increased household affordability, shorter commute duration, more economic opportunity for disadvantaged residents, local economic development, public health and safety, plus improved community livability and environmental quality. Working families and unions have good reasons to support Smart Growth.

Introduction

Smart Growth (also called *New Urbanism*, *Transit-Oriented Development*, and *15-minute neighborhoods*) refers to development policies that create compact, multimodal neighborhoods, resulting in more diverse housing and transportation options. The figure below lists typical Smart Growth policies.

Figure 1 **Smart Growth** (SGN 2011; The Prince's Foundation 2020)



Many current development policies and planning practices are classist and racist and unfair to working class families (Ionescu 2021). Prohibitions on multifamily housing, and other policies that favor lower-density over higher density housing, and parking minimums that favor motorists over car-free families, are intended to exclude lower-income and minority families from desirable neighborhoods. Automobile-oriented planning justified urban freeway projects which displaced and damaged lower-income, minority communities (Litman 2022). Smart Growth reforms can start to correct these practices, helping to create more affordable, inclusive and equitable communities.

Many progressive organizations, such as the *Sightline Institute*, *Good Jobs First* and the *Center for Neighborhood Technology* support Smart Growth (Burda and Collins-Williams 2015; Stephens 2015). The *Canadian Centre for Policy Alternatives* explains that “This way of designing communities levels the playing field for seniors, youth, people with disabilities, and low-income families so they can live and move easily, even if they are not able to drive or cannot afford a car.” (CCPA 2011)

Many labor organizations support Smart Growth because it supports organized labor. Research by the labor organization *Good Jobs First* shows that wages and unionization rates tend to increase with urban density (GJF 2021). As organizer Greg LeRoy explains:

I think sprawl stinks. I’ve also been a union member for 26 years, and I think sprawl is terrible for working families and their unions. Why do I think that? Because unions are urban institutions, and when sprawl erodes our urban cores, it also undermines good union jobs. For that reason, I am adamant that unions belong in the forefront of the smart growth movement, with environmentalists and others. (LeRoy 2010)

The AFL - CIO Resolution on Urban Sprawl and Smart Growth explains (AFL-CIO 2001):

Whereas the issues of urban sprawl and smart growth have become major public and political issues, as demonstrated by the recent passage of hundreds of ballot initiatives, ordinances and laws; and

Whereas urban sprawl strains all working families by creating overly-long commuting times, fueling air pollution responsible for skyrocketing children's asthma rates, creating a lack of affordable housing near jobs, eroding public services, and denying workers a choice about how to get to work; and

Whereas sprawling big-box retailers such as Wal-Mart undermine unionized neighborhood grocery retailers that provide family-supporting wages and benefits; and

Whereas unionized, inner-city hospitals have been disproportionately shut down, partly because of the concentration of inner-city poverty caused by sprawl; and

Whereas the abandonment of our cities, caused by sprawl, undermines their tax base and thereby harms the quality of public services, which in turn creates pressure for privatization of those services; and

Whereas the same tax-base erosion is a fundamental cause of school funding inequities and classroom crowding, which fuel pressure for school vouchers; and

Whereas the rise of "edge cities" on the fringe of urban areas has harmed the collective bargaining strength of janitorial and building maintenance unions and dispersed the hospitality industry, harming the wages of restaurant and hotel employees; and

Whereas sprawling development on urban fringes creates new jobs beyond public transit grids, leaving commuters no choice about how to get to work, and undermining public transit ridership; and

Whereas anti-union manufacturers flee cities for outlying areas as part of their union-avoidance strategies, making jobs inaccessible for many people who need them most, including dislocated workers who have been victimized by deindustrialization and NAFTA; and

Whereas many other unions have suffered as a direct result of the disinvestments, corporate flight, and tax-base erosion caused by sprawl; and

Whereas many unions have long worked to defend urban institutions that benefit all working families; and

Whereas unions of transit workers have for decades advocated to improve public transportation that improves air quality and gives working families a commuting choice; and

Whereas many locals of the United Food & Commercial Workers have joined community coalitions against Wal-Mart and other anti-union "big box" retailers; and

Whereas the AFL-CIO Housing Investment Trust has used Building Trades pension-fund investments to construct tens of thousands of units of low- and moderate-income housing, helping address America's affordable housing crisis; and

Whereas many other central labor bodies and state labor federations have long advocated for policies now collectively called "smart growth," such as affordable housing, better public transit, school rehabilitation, and the reclamation of brownfields; and

Whereas organized labor rightfully deserves credit for these many achievements, but has so far been largely overlooked in this national debate; and

Whereas "smart growth" is an ambiguous and evolving term that applies to several different kinds of policies, and many competing interest groups are now seeking to define it;

Now, therefore be it resolved that the AFL-CIO authorize and direct its leadership to actively engage in the emerging public and political debates surrounding urban sprawl and smart growth, asserting labor's rightful role in the national debate about the future of America's cities for the benefit of all working families."

The Centre for Policy Alternatives points out that Smart Growth increases both market and social housing in attractive neighbourhoods, instead of relegating lower-priced housing to less desirable locations (Hemmingway 2020). Union pension funds often invest in urban development to support local jobs, economic development, and housing (CTFSF 2010). National Association of Building Trades Unions president Sean McGarvey explains, “We want all of our resources to support our value, not to undermine it. That includes leveraging our own money, while also securing competitive returns” (Bradford 2019).

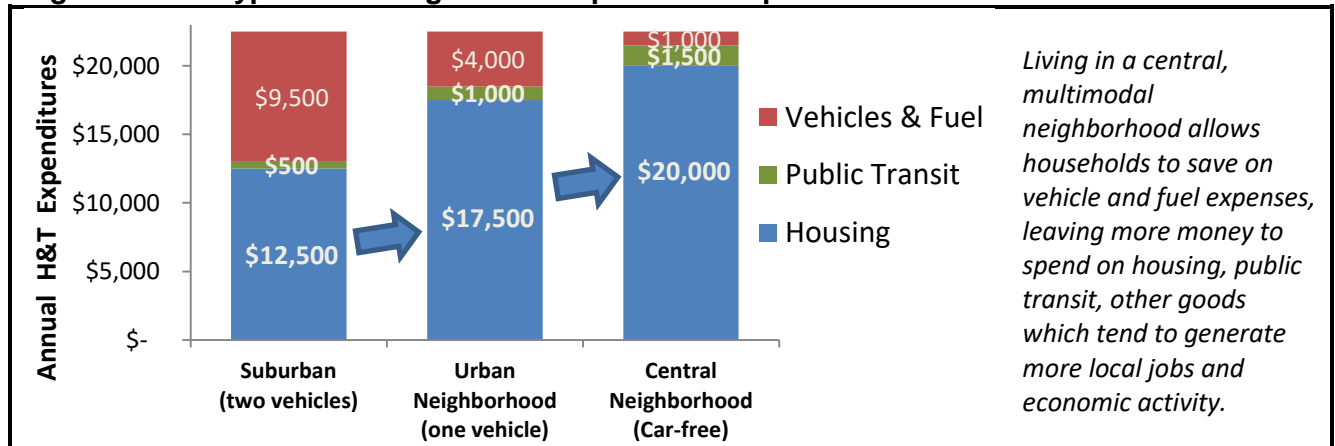
Benefits to Workers and Labor Organizations

Compact and multimodal development can benefit workers and labor organizations in many ways.

More Local Jobs and Economic Activity

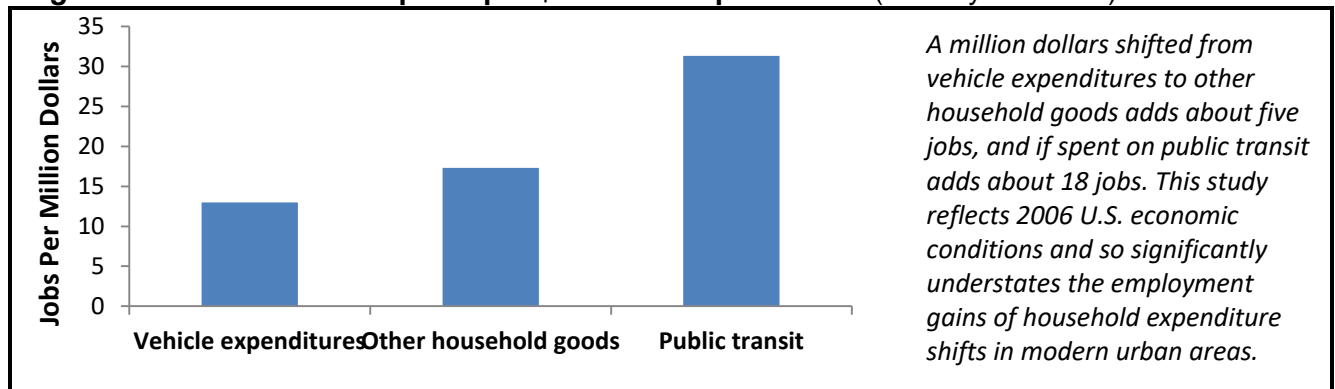
Smart Growth allows households to save on vehicle expenses, which leaves more money to spend on public transit travel and housing. The figure below illustrates this: residents of walkable urban neighborhoods spend far less on automobiles and fuel, and far more on public transit and housing.

Figure 2 Typical Housing and Transportation Expenditure Trade-Off



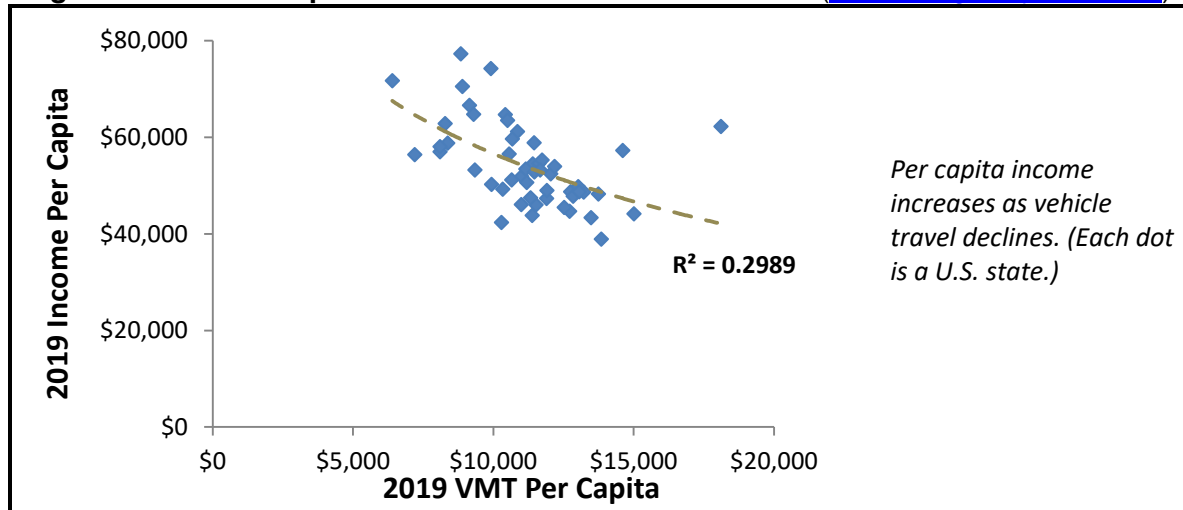
These generate more and better local jobs as illustrated in Figure 3. This suggests that every 100 households that can move from a sprawled, automobile-dependent area to a walkable urban neighborhood adds five to twenty permanent jobs to the region, many of which are well-paying union jobs. One study found that over a ten year period, Smart Growth cities averaged \$100,000 additional construction jobs per new resident than sprawled cities (Mattera with LeRoy 2013).

Figure 3 Economic Impacts per \$1 Million Expenditures (Chmelynski 2008)



Smart Growth helps support local economic development in other ways. Lower housing and transport costs allow local businesses to attract more clients and employees, and colleges and universities to attract more students and staff. Many of these industries directly or indirectly employ union members. Abundant research indicates that economic productivity and incomes tend to increase as communities become more compact (called *economies of agglomeration*) and multimodal (Chatman and Noland 2013). On average, doubling urban density increases productivity by 2–6% (Abel, Dey and Gabe 2012). The figure below illustrates the negative relationship between vehicle travel and incomes.

Figure 4 Per Capita Income and VMT for U.S. States ([FHWA Highway Statistics](#))

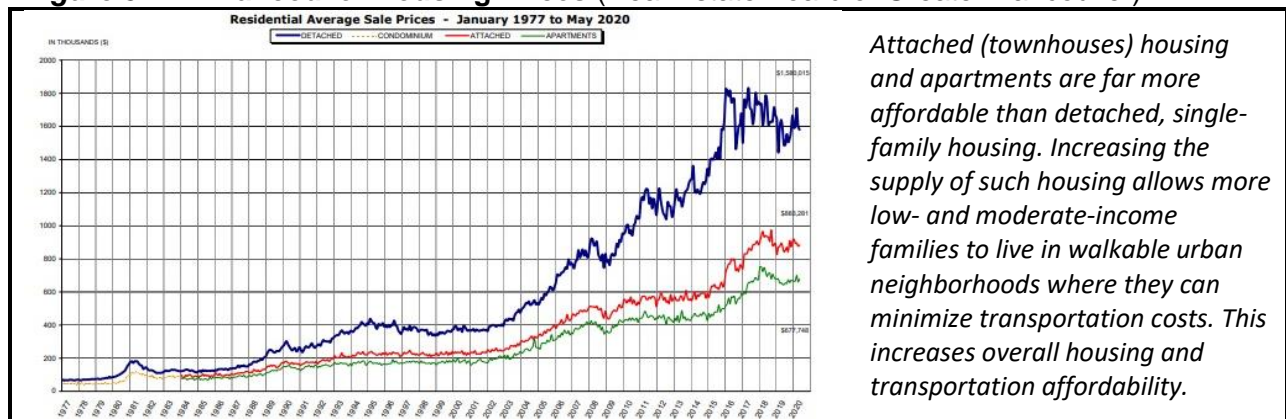


A major study by economists Chang-Tai Hsieh and Enrico Moretti (2015) estimated that allowing more affordable infill development in productive cities such as Boston, New York, Seattle and San Francisco could increase total U.S. economic output by 13%, equivalent to several thousand dollars of additional income for an average worker, and would improve economic opportunity to disadvantaged workers.

More Affordability and Economic Resilience

Smart Growth policies can significantly improve household affordability and resilience (ability to respond to economic shocks), by providing more compact housing options – multiplexes, townhouses and apartments – in walkable urban neighborhoods. Because they require less land per unit, townhouses typically cost a third less, and apartments half as much as single-family houses (Figure 5).

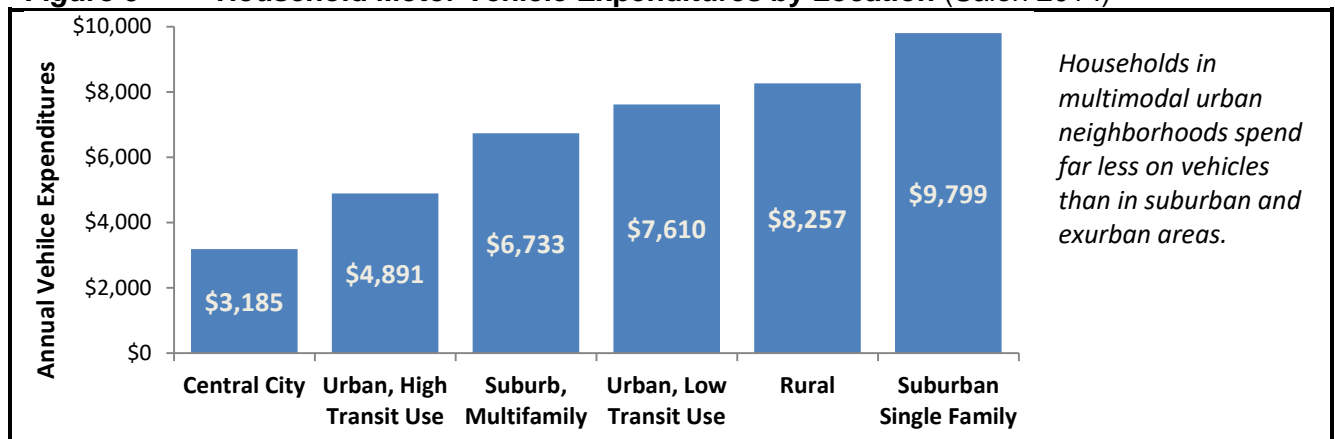
Figure 5 Vancouver Housing Prices (Real Estate Board of Greater Vancouver)



Even if new homes are initially too expensive for moderate-income households, they increase affordability by freeing up existing housing stock, a process called “filtering” (Been, Ellen and O’Regan 2019; Zuk and Chapple 2016). A recent study, *The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market*, by economist Evan Mast found that that adding 100 new market-rate apartments typically frees up 58 lower-priced homes, increasing affordable housing in a community.

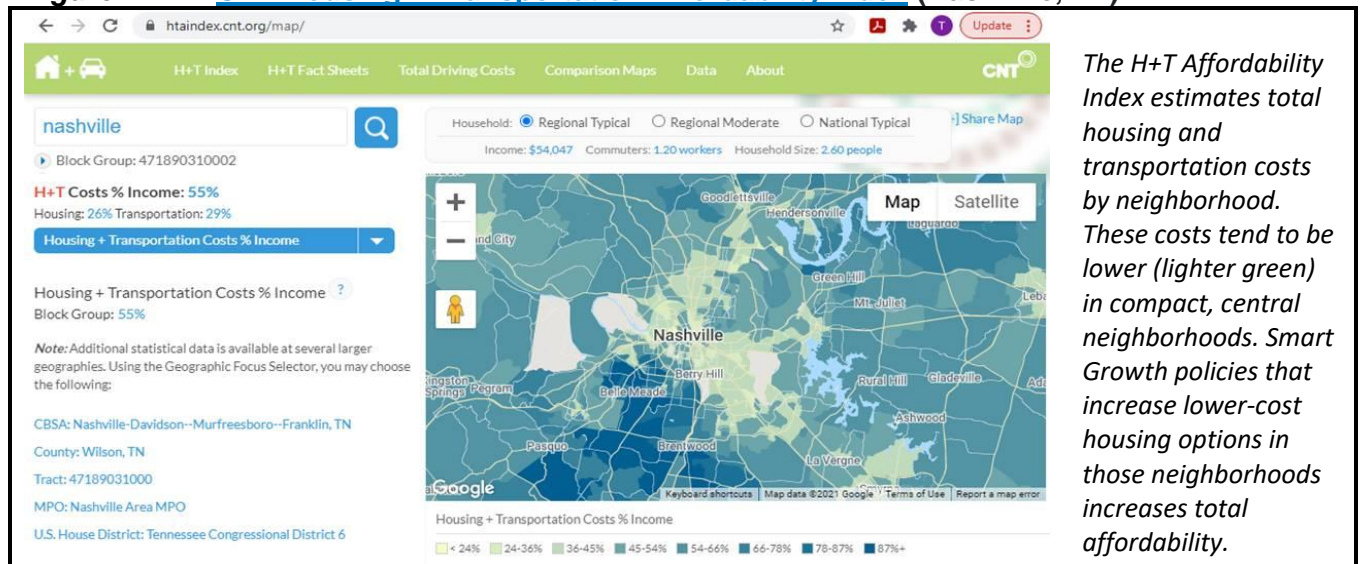
Smart Growth policies also increase transportation affordability. Households typically save \$5,000 to \$10,000 annually by living in a compact neighborhood with lower vehicle expenses (Figure 6). For moderate-income households this is equivalent to a 10-15% raise in income.

Figure 6 Household Motor Vehicle Expenditures by Location (Salon 2014)



The map below, from Center for Neighborhood Technology’s *Housing + Transportation Affordability Index*, shows the portion of budgets that households must devote to housing and transportation expenses for various Nashville, Tennessee neighborhoods. This indicates that central neighborhoods offer the most affordability, particularly for moderate-income families.

Figure 7 CNT Housing + Transportation Affordability Index (Nashville, TN)

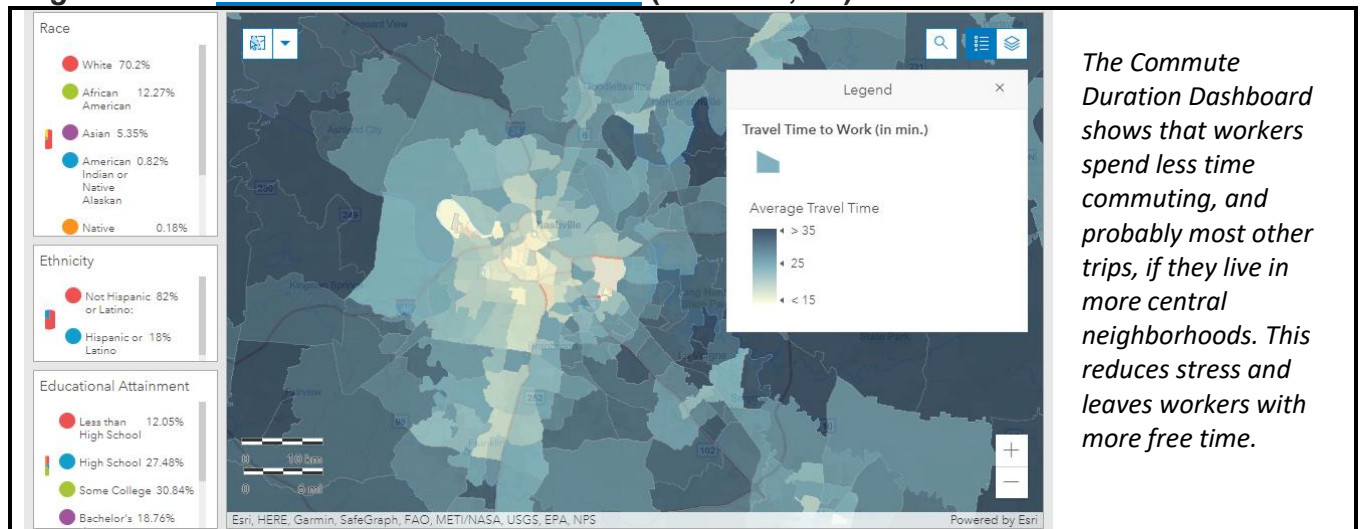


Mortgage foreclosure rates tend to be lower in Smart Growth neighborhoods, indicating better economic resilience, that is, residents can better respond to unexpected economic stresses such as reduced incomes or increased financial burdens (Chakraborty and McMillan 2018; Wang and Immergluck 2019). For example, Smart Growth offers workers better commute options if their car breaks down, and more ways to save transportation costs if they are laid off or lose their job. Surveys (Burda 2014; NAR 2017) indicate that most low- and moderate-income households want to live in compact housing in walkable urban neighborhoods, but cannot due to shortages. These include many current and potential future union members, particularly younger workers starting their careers, who can benefit significantly from the increased affordability provided by Smart Growth policies.

Reduced Commute Duration – More Free time

Living in a compact, central neighborhood saves time as well as money. The Mineta Transportation Institute's new *Commute Duration Dashboard*, shows commute duration (average minutes per commute) for most U.S. communities, plus residents' demographic data. Below is the view of the Nashville, Tennessee region; darker color indicates longer duration commutes. It shows that central neighborhood residents tend to spend significantly less time commuting than workers in outer suburbs, a pattern found in most urban regions. Smart Growth gives workers more free time.

Figure 8 **Commute Duration Dashboard (Nashville, TN)**



Economic Opportunity

Improving affordable housing and transportation options tends to improve disadvantaged people's economic opportunity by improving access to education, employment and services (Sisson 2018; Ewing, et al. 2016). This is particularly important for workers who don't drive (Oishi, Koo and Buttrick 2018). Smart Growth tends to increase *economic mobility*, the chance that a child born in poverty will become more economically successful as an adult (Cortright 2018; Frederick and Gilderbloom 2018). A major study by Ewing, et al. (2016) found that each 10% increase in a community's Smart Growth rating is associated with a 4.1% increase in residents' upward mobility. Frederick and Gilderbloom (2018) found that multimodal neighborhoods tend to have less income inequality, and higher earnings for disadvantaged groups. Ganong and Shoag (2017) found that regional income convergence (the tendency of incomes in poor and rich economies to equalize) declined in the U.S., in part, due to high housing prices that reduce workers' ability to move to higher wage regions.

Health and Safety Benefits

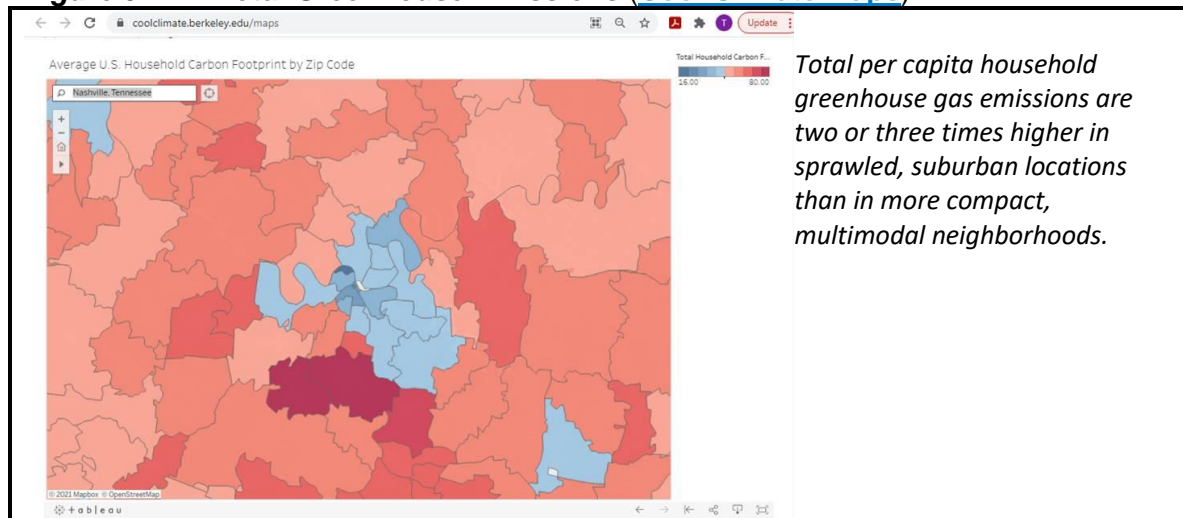
Smart Growth policies can provide significant health and safety benefits. Residents of walkable urban neighborhoods tend to be more physically active and healthier, and have lower traffic fatality rates. University of British Columbia researchers found that adults living in the 25% most walkable neighborhoods rely on walking, bicycling and public transit 2-3 times more, drive 58% less, and were half as likely to be overweight as in the 25% least walkable areas (Frank, et al. 2010). Hamidi, et al. (2018) found significantly higher life expectancy in compact counties compared with sprawled areas. Ewing, Hamidi and Grace (2014) found that a 10% increase in their Smart Growth index reduces per capita crash fatality rates 13.8%. Similarly, Garrick and Marshall (2011) found that residents of more compact, connected and multimodal neighborhoods have about a third of the traffic fatality rates as in sprawled, automobile dependent areas.

Smart Growth policies significantly improve commute travel options, allowing workers to walk, bicycle (including eBikes), ride high quality transit, work from home and satellite offices, and live closer to their worksites, if they want, which reduces stress and provides financial savings. Research compiled by Batchelor (2019) shows that shorter and less stressful commutes tend to improve workers' physical and mental health, quality of life and productivity. Shorter commutes are associated with less chronic fatigue, obesity, diabetes, high blood pressure, backaches, fatigue, sleep disorders, depression, chronic stress and anxiety, social isolation, domestic conflicts, and job retention. The BC Teachers' Federation has long advocated for the commute trip reducing practice of "green-lateral exchange transfers" whereby a member can swap assignments with peers in order to work at a school closer to their homes.

Community Livability and Environmental Quality

Smart Growth policies can help improve local environmental quality and reduce climate emissions (GJBC 2014). More compact development reduces the amount of land used per capita for buildings, roads and parking facilities, which helps preserve openspace (land for farming and wildlife habitat), reduce stormwater management costs and heat island effects (CNT 2020). [Cool Climate Maps](#) show household's carbon emissions, taking into account emissions from transportation, housing, and consumer goods. The map below shows Nashville. This indicates that central neighborhood households produce far lower emissions, less than half, as residents of sprawled, automobile-dependent areas. If you want less pollution, support compact infill development.

Figure 9 Total Greenhouse Emissions ([Cool Climate Maps](#))



Conclusions

Working families and labor organizations have good reasons to support policies that create more compact and multimodal communities. This supports local jobs and economic development, increases affordability and resilience, reduces commute duration giving works more free time, increases economic opportunity, creates more livable communities, increases public health and safety, and protects the environment. Many labor organizations support Smart Growth because it helps achieve their goals.

This is an optimistic message. At its core, the labor movement is about empowering workers through community cooperation. Too often, people claim that problems such as unaffordability, inadequate opportunity, social exclusion, poor health, and pollution are caused by outside forces beyond our control. Smart Growth allows communities to solve these problems using local policies and resources to create the types of housing and transportation systems that allow all residents to flourish.

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