

Social Mobility is the Other Victim of Traffic Congestion

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We all hate traffic congestion. It sucks up one of our most precious resources — time. But traffic also imposes less tangible human costs and harms society as a whole. It's time to confront these more human casualties of traffic — and doing so means having a serious conversation about congestion pricing.

When it comes to economic productivity, time really does equal money. Time lost in traffic jams costs Toronto's economy roughly \$7 billion per year, and that number is rising. Think of all those goods being transported by truck, stuck in traffic, disrupting delivery times and increasing firms' need to hold inventories. The increase in business costs directly results in higher prices for consumers.

Traffic congestion is also about lost opportunity. What would we do if we weren't stuck in traffic? Economists look at the "hidden costs" of forgone consumer spending, jobs not taken, and qualified employees not accessed. These amount to as much as \$5 billion annually in the GTHA alone.

Traffic congestion also imposes important social costs, cutting people off from the cultural and community lives of their cities and the services they critically need. This is a particular burden on lower-income families who have the hardest time accessing social services, community recreation and health care.

Consider young people entering the workforce. With record levels of youth unemployment in Toronto — more than 20 per cent on average and 24 per cent for recent immigrant youth — traffic congestion is another hurdle to meaningful work. Many young people face long commutes and, struggling to find full-time employment, hold down two or even three jobs. Mobility is essential to their livelihoods.

So how do we get this city moving again? Much attention has been given to the need for expanded public transit. Though this is fundamental, it is only half of the solution. Better mobility relies on having more and better transportation choices, but it also requires a different set of incentives.

Over the past five years, the TTC has hiked fares twice. Road-use continues to be free — even at peak times and places where a piece of road is a scarce commodity. A basic economic truth is that when something is free, we tend to overuse it, and that is the root of our congestion problem. The central problem isn't that people drive, but that too many people drive at the same place at the same time.

Putting a price on congestion — for example, by charging a fee to drive in high-traffic areas during rush hour — rebalances these incentives. People who have the flexibility to avoid that fee will make a different choice. Maybe they will carpool, or take public transit, or leave for work a bit earlier or later. People who have less flexibility will pay a small fee and stick to their normal schedule — but in return their commute will be faster, safer, and more reliable. They'll get their valuable time back.

HOT (high-occupancy toll) lanes are a good example of how this can work in the GTHA. Carpools and busses use the faster lanes for free. Meanwhile, single-person vehicles can “opt in” for a fee, which could vary by time of day. For people in a hurry, HOT lanes are a solid option. Getting more drivers out of normal traffic and into the HOT lanes helps the entire highway move faster, so everyone on the road benefits.

There are clear advantages of pairing congestion pricing with the expanded transit service we know we need. More options mean more flexibility for commuters. Pricing also helps us to make sure that our precious infrastructure dollars are used where they are needed most, because it helps to identify where those needs really are. Revenue from congestion pricing can even be used to supplement or offset some of those expanded transit costs.

One thing is clear: traffic congestion is hurting the GTHA and more needs to be done. This is not only about our physical mobility; it is also about social mobility. It is about opportunity and greater equity. It is about the kind of place we want to live.

Congestion pricing is an idea whose time has come, and if there's any city in the world that should be taking it seriously, it's ours. Let's keep the conversation moving.

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