



## The Cost of Congestion

Oregonians are now driving more miles in more cars than ever before. That means increased traffic. The 2005 Urban Mobility Report ranks Portland the 20th most congested city in the country, compared to 85 other major cities. And it's going to get worse. By 2025, the population in the Portland area is projected to increase by an additional one million people.

So, how does congestion impact the Portland metro area? It's more than just a longer work commute. Congestion carries a heavy price tag for residents and businesses alike. It costs local jobs, billions of dollars to our economy, and business opportunities.

- A recent study conducted by the Portland Business Alliance, Port of Portland and Metro found that congestion will cost our local economy 6,500 jobs and \$844 million a year by 2025, including lost worker productivity, higher transportation costs and lost business earnings.
- Congestion threatens Portland's competitiveness as a major gateway and distribution center for domestic and international markets.
- The time that workers spend commuting affects schedule options and delivery capabilities, while making recruitment more difficult and expensive.
- Truck traffic is expected to increase by 120 percent over the next 20 years, compared with about 45 percent for car traffic.
- Businesses are reporting that traffic congestion is already costing them money due to longer travel times, lost productivity, reduced markets, and increased inventories.

## Congestion hurts local businesses

- Traffic congestion not only means delivery delays and higher gas costs — it also can mean missed connections and lost business opportunities.
- Many small and large businesses are already reporting that congestion is impacting their productivity and competitiveness.
- With congestion increasing in the region, many local businesses are at a competitive disadvantage, forcing them to relocate, absorb added costs or raise their prices.

## Congestion hurts competitiveness

- Intel has missed deliveries, which affects production lines across the globe. Congestion has forced the company to move its last time for shipments leaving Portland up two hours.
- Sysco Foods opened a new regional distribution center in Spokane to better serve eastern Washington and Oregon markets. And other companies are following suit.
- Providence Health Systems' increased medical supply delivery times are resulting in a \$1 million-to-\$1.5 million relocation of warehousing and support operations.
- OrePac has increased inventories by seven-to-eight percent, which represents a lost opportunity for other investments.

For the entire *Cost of Congestion to the Economy of the Portland Region* report, go to [www.portlandalliance.com/pdf/Congestion\\_Report.pdf](http://www.portlandalliance.com/pdf/Congestion_Report.pdf).

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