The Economic Impact of the Bicycle Industry in Portland

Summary Report
- November 2015

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November 2015

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For more detailed information, see The Economic Impact of the Bicycle Industry in Portland – Technical Report

Front page pictures: Mikkel Ibsen and Bill Cunningham
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“The most important things the City can do to help the bicycle industry is to create and design accessible and safe public spaces for bikes. We need to create public spaces for mobility and recreation that invite someone, whether they’re 8 years or 80 years old, to ride their bikes if they want to choose this mode of transportation. (...). More people believing that bicycling is safe and accessible means more business for the industry.”

– Bicycle retailer

”We see Portland’s bike industry as both a factor in and a product of the city's efforts to be more bike friendly”.

- Bicycle Transportation Alliance

”Provide incentives for large cycling manufacturers to establish themselves in Portland”.

- Bicycle service business

“‘It’s because of the strong development of infrastructure that there is a vibrant bike industry here now. This industry will only stay if Portland continues to advance its biking access and infrastructure’.”

– Bicycle manufacturer

“Our ability to attract employees, develop additional product market categories, and maintain the Portland-premium of bicycle-related knowledge and expertise is directly tied to our reputation as a bicycling Mecca. Making Portland THE bicycle friendly destination is critical to our success. The lack of off road access hurts this reputation and our ability to deepen our commitment to this market”.

– Bicycle accessories manufacturer

”Almost any bike business idea could pop up in Portland and succeed if the business side was managed well. This is unique to only a small amount of US cities”.

- Bicycle service business
Executive Summary

This project has focused on the economic impact of the Portland bicycle industry, and the needs and trends of the industry as perceived by bicycle-related businesses in Portland. The total economic impact has been estimated through an economic impact analysis using 2013 data from the Quarterly Census of Employment and Wages as well as 2015 data about the size and composition of the bicycle industry. The perceived trends and needs of the industry is represented by 32 responses to an online distributed questionnaire. The main findings of the study are:

- As of September 2015, the Portland bicycle industry consists of 217 businesses, sustaining 2,300 jobs, and with $315 million in annual economic activity.
- State and local tax revenues generated by the industry amounts to $10 million annually.
- Growth of the bicycle industry correlates with the growth in the bicycle network.
- A strong network of local subcontractors and suppliers, good access to a qualified workforce, and access to a good network of paved bicycle routes are seen as important conditions by the industry and at the same time perceived as well functioning in Portland.
- Access to off-road, unpaved bicycle routes, the tax and regulatory environment, and access to appropriate commercial space are seen as equally important conditions but are perceived as not functioning well in Portland and thus comprise a potential focus for business development in the industry.
1 Introduction

Since the beginning of the 1990s, Portland has seen an impressive rise in the number of Portlanders making their way to work, doing their daily errands, and traversing the city on a bicycle. In 2014, 7% of all commute trips in Portland (more than 23,000 trips daily) were made on a bicycle. This is the highest share for any major city in the nation. For comparison, the national share is 0.6%. More than 300 miles of bikeways now connect most areas of the city ranging from low-stress neighborhood greenways to high-class buffered bike lanes for quick access to jobs, shopping, restaurants, and recreation. The 2015 Sunday Parkways events where bicyclists take over the streets of a different neighborhood a Sunday each month from May through September brought more than 119,000 Portlanders and visitors to the streets exemplifying Portland’s thriving bicycle culture.

Initiatives spurred by active local citizens of the 1970s laid the groundwork for a more equal focus on transportation choices that has continued to grow a contingent of bicyclists that continue to redefine mobility in Portland. In the early 1990s, around 3,000 Portlanders made their daily commute by bicycle on a network of 80 miles of bikeways. However, something changed during the 1990s with the development of a comprehensive Bicycle Master Plan in 1996 and a large increase in the size of the biking network, the number of bicyclists grew radically throughout the 2000s and 2010s. It is on the basis of this success that the Portland Bicycle Plan 2030 was adopted in 2010. The plan proposes a vision for 2030 for an even more bicycle friendly Portland and addresses a wide range of means to achieve such an end; from education to infrastructure.

Portland has been awarded various awards for its efforts to improve conditions for bicyclists; it was named the nation’s best bike city in 1999, 2001, 2006, 2008 and 2012, and is named a “platinum” bicycle friendly community by the League of American Bicyclists which is its highest rating. Portland’s bicycle-friendly reputation and expanding bicycle culture has created what seems to be favorable conditions for businesses related to bicycles – in one way or another. Bicycle-related businesses seem to be emerging all over the city; from local neighborhood bicycle shops, to manufacturers of bicycle parts, accessories, apparel, and outerwear as well as a variety of services oriented towards two wheeled consumers. These businesses are reinforced by, and further reinforcing, the bicycle culture in Portland. The result is what appears to be a vibrant, growing bicycle industry.

A prior study, commissioned by the Portland Bureau of Transportation and carried out by Alta Planning+Design, was aimed at characterizing the bicycle industry and estimating its impact on the local economy in 2006 with a follow-up study in 2008. The study concluded that the bicycle industry consisted of around 140 businesses in 2008, sustaining 850-1150 jobs, and that the economic activity in the industry was approximately $90 million ($2008). This study expands on the methodology of the previous studies and is estimating the total impact of the industry on the local economy using an economic impact model, IMPLAN. In addition, this study also analyzes the perceived trends, needs, and issues of the industry as identified by bicycle-related businesses in Portland through an online distributed, self-administered questionnaire. Lastly, the study briefly discusses the relationship between ridership, investments in infrastructure, and the growth in the bicycle industry, and provides recommendations for measures to support the bicycle industry.
2 Economic Impacts of the Bicycle Industry

In September 2015, the bicycle industry consisted of 217 businesses, mainly retail businesses (100) and manufacturers (78). The industry also includes a service segment (31) and a wholesale/distribution segment (8). The retail segment of the industry mainly consists of neighborhood bicycle shops, many including repair facilities, but also includes accessories and apparel retailers and dealers of specialized outerwear. The manufacturing segment consists mainly of small businesses manufacturing bike frames, specialized parts, accessories, or apparel and outerwear. The service segment includes a wide range of different kinds of businesses providing services for bicyclists or via bicycling. This sector thus includes fitness training for bicyclists, tour operators, tourist services, delivery by bike, and more. Lastly, the businesses in the wholesale/distribution segment often combines wholesale and/or distribution with a physical retail component. The bicycle industry is estimated to support 1,469 jobs in 2015 with almost 800 of those in the retail segment and approximately 460 in the manufacturing segment.

The direct economic impact of the bicycle industry can be expressed by its total sales and the total compensation paid to the 1,469 employees of the industry. In total, $39.4 million are paid in compensation of which more than half can be attributed to the retail sector ($20.3 million) followed by the manufacturing sector ($14.7 million). Total sales in the industry are estimated to almost $300 million, dominated by manufacture sales ($120 million) and wholesale/distribution transactions ($108 million), despite the latter’s modest size.

The spatial distribution of the bicycle industry is illustrated in figure 2. There is a strong presence of bicycle-related businesses in the central city area with strong concentrations of manufacturers in and around the Central Eastside Industrial District, the Northwest Industrial District and Lower Albina. A strong presence is also observed in the Southeast, North and Northeast Portland along established commercial corridors, e.g. along Sandy Boulevard in Northeast. There is a striking low concentration of bike business east of I-205.

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1 A recent study shows that the primary bicycle industry represents only 50% of the sales of bicycles and that a large part of the bicycles are instead sold through general sporting goods stores (9%), discount or big box stores (31%), and outdoor specialty retailers (7%) (Gluskin Townley Group, 2015). This would mean a total retail sale of $73 million resulting in total sales of the industry amounting to $332 million, not counting the additional jobs and wages that would be included in the bicycle economy.

2 The large share held by the wholesale/distribution sector is due to the fact that businesses included in the sector can be expected to have a large turnover, buying and selling large amounts. If the data included revenue instead of sales, the share would be expected to be significantly lower.
though the Outer Rim Bike Shop and Rosewood Bikes provide maintenance and retail services to East Portland residents. Plans for improving the bikeability of the area could prove an opportunity for bicycle-related business development in the area. Rather surprisingly, it does not seem like there are any strong patterns of spatial distribution linked to sectors beyond manufactures in Portland’s industrial districts. Retail businesses (blue), being the most prevalent sector in the industry, cover all the inner neighborhoods well. The few wholesale/distribution businesses (yellow) are dispersed from Southwest to Northeast. Service businesses (dark green) seems to be mostly concentrated in the central city and the Northeast. Manufacturers (light green) are clustered in the Central Eastside Industrial District, but also dispersed in the rest of the city.

Figure 2: Spatial distribution of bicycle-related businesses by sector, 2015. Entries represent all the businesses in the 2015 database of the bicycle industry in Portland for which an address or geolocation was available.

In addition to the direct economic impact described above, indirect and induced impacts are estimated with the IMPLAN economic impact analysis model. The results (table 1) are expressed by four categories: Employment, labor income, total value added, and output. Hence, the combination of these impacts
constitutes the total economic impact of the bicycle industry. The analysis shows that the bicycle industry directly contributes with over 1,500 jobs in Portland but that its economic activity indirectly contributes with an additional 400 jobs. In total, the bicycle industry supports 2,300 jobs in Portland in 2015. These jobs generate a total income in labor compensations of $82.75 million annually. The measure ‘Total Value Added’ consists of labor income, property type income, and indirect businesses taxes collected and can also be termed the gross regional product, enabling comparison with the familiar gross domestic product. In other words, the total value added is a measure for how much the industry contributes to the local economy. The total value added by the bicycle industry is calculated to $133.7 million annually of which slightly less than half derives directly from the industry and about $70 million from indirect and induced impacts. The total output, on the other hand, is a measure for the production of the businesses and can be compared to total sales. The IMPLAN analysis appraise the total output of the industry to $315.5 million.

Table 1: Summary of the results of the IMPLAN analysis showing employment, labor income, value added, and total output divided by direct, indirect, and induced impacts ($2015). Note that the values have been rounded off.

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Total Value Added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>1,450</td>
<td>$37,000,000</td>
<td>$64,000,000</td>
<td>$188,000,000</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>400</td>
<td>$24,000,000</td>
<td>$35,000,000</td>
<td>$68,000,000</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>450</td>
<td>$21,000,000</td>
<td>$35,000,000</td>
<td>$59,000,000</td>
</tr>
<tr>
<td>Total Effect</td>
<td>2,300</td>
<td>$82,000,000</td>
<td>$134,000,000</td>
<td>$315,000,000</td>
</tr>
</tbody>
</table>

Lastly, IMPLAN provides information on the fiscal impacts of the bicycle industry providing a breakdown of the federal, state, and local taxes generated by the industry through its direct, indirect, and induced impacts. Federal taxes account for most of the total impact with $16.9 million out of $26.9 million. The state and local taxes amount to $10 million. The majority of the state and local tax generation derives from property taxes as well as income taxes. The federal tax generation stems primarily from the social insurance tax but also personal income taxes and corporate profit tax.

Figure 3: Historic development in the number of businesses in the bicycle industry (2006-2015) based on the Alta Planning+Design studies (2006; 2008) as well as the result of this study. The number of businesses has more than doubled since 2006, according to the studies.

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3 Economic activity in supporting sectors, such as web design, branding, machine shops, fabrication, mechanics, etc.
4 Economic activity in sectors providing services for employees in the bicycle industry, such as restaurants, coffee shops, grocery stores, etc.
Historic QCEW data shows how the bicycle industry has grown rapidly through the 2000s from consisting of only 22 businesses in 2002 to 88 in 2013. However, studies of the bicycle industry suggest that these numbers are consistently underestimating the size of the industry\(^5\); thus Alta Planning+Design identified 95 businesses in 2006 and 143 in 2008 and this study has identified 217 businesses in 2015. Figure 3 presents the development in the number of businesses based on the results of these studies. Figure 4 presents three possible scenarios for the growth of the industry towards 2030 with low, medium, and high growth rates. The low growth scenario is an extrapolation of citywide trends (E. D. Hovee \& Company, LLC, 2012) based on Metro’s 2013 regional forecast. Conversely, the medium and high growth scenarios are built on historic trends in the industry. The medium growth scenario is an extrapolation of historic trends in the form of the results of the Alta Planning+Design studies (2006; 2008) and the result of this study. The high growth scenario is based historic QCEW data (2002-2013). The low growth scenario projects a stagnation and small decrease in the number of businesses by 2030. Looking at the recent years’ growth in the industry, this scenario seems unlikely. The high growth scenario projects almost 1,400 bicycle-related businesses in 2030. This development assumes a continuation of the growth patterns which the industry has shown since its early stages in the beginning of the century, i.e. the growth patterns of a newly established industry. Given the industry’s relative consolidation in recent years, this projection is considered as optimistic. Lastly, the medium growth scenario projects a substantial increase more than tripling the number of businesses to 700 in 2030. While this is a substantial increase, recent trends suggest that this development is feasible given a continued promotion of bicycling in Portland.

\(^5\) There are several factors believed to cause this underestimation. One factor is the properties of the QCEW data which does not account for sole proprietorships or other self-employed persons – a common business size in the bicycle industry. For an elaboration of uncertainties and limitations, see the technical report.
The results of this section are based on responses from 32 bicycle-related businesses in Portland to an online-distributed questionnaire. Basic characteristics of the respondents (figure 5) include sub sector classification (manufacturing, retail, wholesale/distribution, service, or other) and the size of the business in terms of number of employees (sole proprietorship, less than 5, 5 to 10, or more than 10). Note that no wholesale/distribution businesses responded to the questionnaire. Nonetheless, a fairly equal distribution between sectors provides breadth to the responses, and moreover, the distribution matches the actual distribution found in the industry fairly well. In terms of business size, the respondents are divided equally between small businesses (less than 5 employees) and, in this context, medium sized to large businesses (with 5 employees or more).

In the questionnaire, the respondents were asked about their view on the relationship between bicycle infrastructure, Portland’s bicycle friendly reputation, and their business. All respondents agreed that Portland’s bicycle friendly reputation is a benefit to their business and 80% agree that the reputation was a part of the reason for establishing in Portland. The high degree of agreement to the latter statement is somewhat surprising given that many of the businesses are small neighborhood shops that would be expected to weigh the pros and cons of different neighborhoods but not different cities. However, it could be a reflection of the influx of people that want to be part of the Portland bicycle culture and are therefore attracted to Portland to start a business. The vast majority of the respondents (31 of 32) also agree that investments in bicycle infrastructure, directly or indirectly, benefit their business; a clear acknowledgement that deliberate efforts to increase ridership is a prerequisite for the growth in the industry. Whether Portland is a good city in which to conduct business is generally supported (approximately two-thirds agree). Only two respondents disagree with the statement but almost one-third are either ‘neutral’ or ‘don’t know’. The large share is surprising since respondents are all operating businesses in Portland. It could be a reflection of the character of the small businesses that might not have extensive knowledge about the business conditions in other cities and therefore lack a basis for comparison.
Table 2 compares the respondent’s statements about the importance of nine factors believed to influence the conditions for the bicycle industry with their evaluation of Portland’s performance for each of the factors. The ranking of the importance of the factors shows that all nine are perceived as important. However, ‘economic incentives’ and ‘access to freight infrastructure’ less than the remaining factors. More than three quarters of the respondents agree that Portland has good access to freight infrastructure, subcontractors and supportive services, a good network of paved bicycle routes, and that there are good possibilities to attract qualified employees. More than three quarters disagree that there is good access to a good network of unpaved bicycle routes and that the tax and regulatory environment enable viable business opportunities. In addition, between 50% and 75% disagrees that there is access to appropriate commercial space and that the available economic incentives enable viable business opportunities.

By comparing these results it can be evaluated whether the factors rated as the most important are also perceived to be functioning well in Portland. The analysis shows that especially three factors, ‘possibility to attract qualified employees’, ‘access to subcontractors and supportive services’, and ‘access to a good network of paved bicycle routes’, perform well since they are all ranked as important and perceived as functioning well in Portland. One factor, ‘access to freight infrastructure’, are evaluated to function well but only score medium importance. Almost 70% disagrees that available economic incentives enable viable business opportunities in Portland but the factor is only rated as medium in importance. All respond that ‘quality of life’ is of importance but whether Portland performs well in this aspect is inconclusive. The following three factors could show a potential focus for business development since they are perceived to not be functioning well in Portland but are ranked to be of high importance to the bicycle industry:

- Access to appropriate commercial space,
- Access to a good network of unpaved bicycle routes, and
- Favorable tax and regulatory environment.

While a large part of the questionnaire consisted of close-ended questions for which results are presented above, a series of open-ended questions was designed to let the respondents comment on general issues.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Importance</th>
<th>Functioning well in Portland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Important</td>
<td>Not important</td>
</tr>
<tr>
<td>Access to subcontractors and supportive services</td>
<td>89.66%</td>
<td>10.34%</td>
</tr>
<tr>
<td>Access to freight infrastructure</td>
<td>86.67%</td>
<td>13.33%</td>
</tr>
<tr>
<td>High quality of life</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Access to appropriate commercial space</td>
<td>72.41%</td>
<td>27.59%</td>
</tr>
<tr>
<td>Access to a good network of paved bicycle routes</td>
<td>93.75%</td>
<td>6.25%</td>
</tr>
<tr>
<td>Access to a good network of unpaved bicycle routes</td>
<td>75.00%</td>
<td>25.00%</td>
</tr>
<tr>
<td>Available economic incentives</td>
<td>82.76%</td>
<td>17.24%</td>
</tr>
<tr>
<td>The tax and regulatory environment</td>
<td>87.24%</td>
<td>12.76%</td>
</tr>
</tbody>
</table>
of the bicycle industry and what the City of Portland could potentially do to improve them. The topics of the comments can generally be divided into two categories; (1) bicycle infrastructure and facilities, and (2) policies and economic incentives. The former is the most consistent theme and appears in some form in most of the comments. The latter is not as prevalent and is mostly concerned with the issue of affordability and the issues of small businesses in general.

The respondents recognize the connection between the investment in bicycle infrastructure and facilities and the success of the bicycle industry. While many respondents acknowledge the work the city has done to improve conditions for bicyclists through the investments in paved bicycle routes many express concern over what is perceived as a stagnation of improvement in conditions for the city’s bicyclists. One manufacturer sums up the issue:

“Our ability to attract employees, develop additional product market categories, and maintain the Portland-premium of bicycle-related knowledge and expertise is directly tied to our reputation as a bicycling Mecca. Without off road bicycle access, our reputation and ranking is decreasing by the day. Making Portland THE bicycle friendly destination is critical to our success. The lack of off road access hurts this reputation and our ability to deepen our commitment to this market.”

For the respondents, the causality of infrastructure investments, maintaining the bicycle friendly reputation of Portland, and the growth of the bicycle industry is very clear and appears to be paramount. And this is true for all the sub sectors. Thus, asked how the City of Portland can support the local bicycle industry, one retail business simply comments: “Continue to make investments in bicycle-friendly infrastructure”. Similarly, a service business calls for “[b]etter bike infrastructure”.

In addition to the provision of infrastructure, the respondents are most concerned with affordability of commercial space, and the possibility for a variety of economic incentives for small businesses. These comprise the theme for the second category of comments. “Cost of living is getting out of hand, commercial rent is outrageous”. That is how a bicycle rental business formulates the concerns on commercial affordability. Similar concerns are put forward by a wide range of respondents. Respondents call for tax incentives, zoning flexibility, subsidies for health care and liability insurance, business development assistance, and commercial rent assistance in order to improve economic performance. One business from the service sector also stressed the “bureaucratic burden [when] starting and growing a small business” as a large issue. Many of these concerns do not seem to confine specifically to the bicycle industry but rather to the frameworks and conditions for small businesses in Portland in general. However, since many bicycle businesses, as well as most of the respondents of this survey, employ less than 10 people it seems to be a large perceived issue for most of the industry. As one manufacturer puts it: “We’re small businesses, and PDC [Portland Development Commission which manages many of the programs for economic support] seems to be set up to help medium-large businesses”. However, not all respondents share that opinion. A retail business, employing 5-10 people, comments: “We would never have been successful without you [the City]. (especially PDC)”.
4 Barriers and Opportunities for the Bicycle Industry

One of the most consistent features of the results of the questionnaire is the pronounced focus on investments in bicycle infrastructure and facilities as a prerequisite for growth in the industry. It is interesting that this constitutes the main focus for most of the respondents – more so than tax levels, commercial affordability, and economic incentives. This result indicates the need for continued investment to support infrastructure for cyclists across Portland, attract new riders, and maintain and develop the bicycle-friendly reputation of the city. Comparing development in the number of bicycle businesses in the period 2002 to 2013 from the QCEW data with the development in the length of the (paved) bicycle network an almost perfect (Pearson$^6$) correlation is found ($r = 0.99$) providing tentative evidence for the perception of the industry. Since the analysis is based on a limited amount of data there is some uncertainty to this result, but the correlation is so strong that it is hard to dismiss and research on the area supports this result (Pucher, et al., 2010). Moreover, the correlation is not surprising and it seems logical that a growing network for bicycles would support the development of the bicycle industry through increased ridership. Portland’s bicycle coordinator has also highlighted this connection between infrastructure and ridership on several occasions (Geller, 2011).

The issues around affordability for residents and businesses alike are topical in Portland as in other larger cities on the West Coast (Beebe, 2015). Increasing rents can be devastating for smaller neighborhood businesses that depend on a location close to its customers in the local community. Small retail businesses are especially vulnerable to rent-driven relocations since they are often dependent on a specific location close to regular customers or business to business suppliers. Like the tax and regulatory environment and available economic incentives, commercial affordability is an issue for small businesses in general and not just the bicycle industry specifically. However, since both the data analysis and the questionnaire carried out in this study show that the bicycle industry consists mainly of small businesses (less than 10 employees) the issues of small businesses in general are very relevant for the bicycle industry in Portland.

In addition to being made up of many small businesses, the Portland bicycle industry is diverse in the sense that the bicycle-related businesses span over several industry sectors and they oftentimes share the same qualified workforce and are interdependent in business to business transactions. From a regional economic perspective, such a network of small and interconnected businesses is an important asset (Robbins, Pantevosco, Parker, & Fuller, 2000). Hence, the bicycle industry represents an economic sector that does not need to import very much but instead increasingly is replacing imports with local production. This is both true for the consumer who can buy locally produced bicycles, bicycle gear, apparel, accessories, etc. (replacing imports of bicycles but also of cars and fuel (Cortright, 2007)) and for the local businesses that can supply each other with different bicycle parts, materials, and services. Thus, the industry is not only replacing imports but at the same time creating possible future exports to other cities that lack a local bicycle industry. This process of import substitution and export creation is essential for the local economy (Jacobs, 1969; 1984). In addition, the fact that the extensive network of small businesses can rely on each other’s products and services provides a sound basis on which the industry can grow through new start-ups that need a vast network of suppliers to function.

$^6$ The correlation between sets of data is a measure of how well two datasets are related. It thus shows the linear relationship between two sets of data. The most common measure of correlation is the ‘Pearson Correlation’.
5 Conclusion

Bicycling in Portland, Oregon has gone through a remarkable development since the last study on the economic impact of the bicycle industry in the city was carried out in 2008. Ridership has more than doubled to 23,000 commuters each day – that is 7% of all commute trips – and the bicycle network has been extended to well above 300 miles in length. In the light of these changes, this project has updated the original study on the economic impact of the Portland bicycle industry. This study finds that in September 2015 the Portland bicycle industry was comprised by 217 businesses divided by retailers (100), manufacturers (78), wholesale/distribution (8) and service businesses (31). In total, the industry sales amount to an annual $296 million with manufacturers and wholesale/distribution businesses accounting for two-thirds of the sales. Accounting for both direct, indirect, and induced impacts, the economic activity of the Portland bicycle industry supports a total of 2,300 jobs with a total compensation of $82.7 million. The total value added to the local economy (gross regional product) is $133.7 million annually and the total output of the industry is $315.5 million. In total, the economic impacts of the bicycle industry generates $27 million in taxes of which $10 million is in state and local taxes. Historic QCEW data show remarkable developments in the industry between 2002 and 2013 with a 400% increase in businesses. Although these growth rates are not expected to keep up, significant increases are expected and the most plausible scenario in this study, building on an extrapolation of the development in the industry between 2006 and 2015, projects a tripling in the number of businesses towards 2030.

The findings of the online self-administered questionnaire distributed to local bicycle businesses include a picture of Portland as a city which has a strong bicycle friendly reputation and a good network of bicycle routes, both of which create favorable conditions for bicycle-related businesses. Moreover, there is a general consensus that investments in bicycle infrastructure and facilities, and the bicycle friendly reputation of Portland are prime drivers for growth in the bicycle industry. A disjuncture between the importance rating of factors influencing the bicycle industry and the perceived performance of Portland for these factors is used as a sign of potential focus areas. These include the factors ‘access to appropriate commercial space’, ‘a good network of unpaved bicycle routes’, and ‘the tax and regulatory environment’. As this shows, many of the concerns aired in the survey were directly attributable to general conditions for small businesses in Portland; rent levels, costs of living (both for employees and customers), regulatory environment, tax levels, and lack of appropriate economic support and incentives.

Addressing the needs of the bicycle industry thus seems to be focused in two directions: (1) continuing to invest in expanding the bicycle networks as well as promoting bikeability in general, thereby also maintaining and developing Portland’s bicycle friendly reputation; (2) addressing the issues of small issues in general since these are prevalent in the bicycle industry. The bicycle industry seems to thrive under the success of Portland as a bicycle city and efforts should therefore be specifically directed at maintaining and improving these conditions for the benefit of bicyclists and bicycle-related businesses alike.

By all measures the bicycle industry comprises less than 0.5% of the local economy. However, the industry does possess several important qualities that are essential to the local economy. Firstly, it is likely that the industry will grow towards 2030. Secondly, the inherent properties of the industry, i.e. characteristics such as composition and breadth, point to a resilient industry capable of supporting further growth. The businesses are diverse in the sense that they span over several industry sectors but also since there seems to
be businesses in every step from the production and assembling to the sale and maintenance of a bicycle (or accessories and sportswear for that matter) as well as services for bicyclists. From a regional economic perspective, such a network of small and interconnected businesses is an invaluable asset. The fact that the extensive network of small businesses can rely on each other’s products and services provides a sound basis on which the industry can grow through new start-ups and relocations of businesses from other regions attracted by Portland’s bicycle friendly reputation.

References


