Impact of local public transport schemes on economic growth

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First draft – February 2026

Abstract

This paper evaluates the economic impacts of local public transport schemes - small additions to the transport network - focusing on effects on the number of businesses, employment, turnover, productivity, and house prices. Using granular data from 1997 to 2019 and quasi-experimental methods, we provide new evidence on the local economic consequences of these interventions. Our preliminary results show that although the number of businesses increases, there is no effect on total employment, and we observe a negative effect in median turnover and a small reduction in median employment. These patterns are consistent with a shift in the composition of firms: the number of micro-businesses (fewer than 10 employees) rises, and because such firms typically generate lower turnover, this helps explain the observed declines in other outcomes. The impacts also appear highly localised, with no evidence of effects beyond 0.5 km.

Keywords: Transport, employment.

JEL codes: R12, L25.

We would like to thank colleagues at the Department for Transport for providing details of transport schemes and for helpful comments and discussions. This paper was developed by the authors in their roles at the What Works Centre for Local Economic Growth (What Works Growth), which is funded by the Economic and Social Research Council (ESRC), the Department for Business and Trade, the Department for Levelling Up, Housing and Communities and the Department for Transport (DfT). It represents the views of the authors, not What Works Growth, DfT or any of its funders. This work was supported by the ESRC [grant numbers ES/L003945/1, ES/T007702/1, and ES/X014371/1] and the Evaluation Accelerator Fund 2025 from ETF.