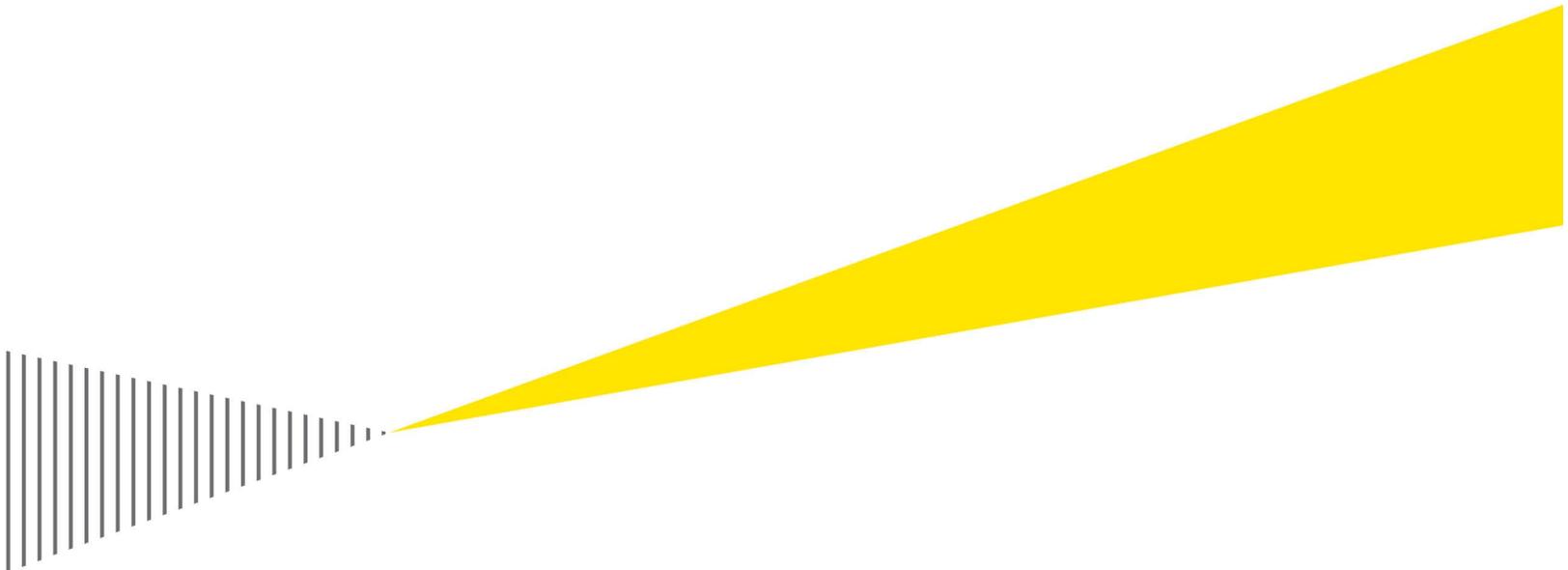


Economic Contributions of the US Parking Industry

Prepared for the National Parking Association

July 2020



EY

Building a better
working world

Executive Summary

Ernst & Young (“EY”) was commissioned by the National Parking Association (NPA) to estimate the size and economic contributions of the paid parking industry in the United States. The parking industry consists of paid on-street and off-street parking serving drivers commuting for work and school, visitors to shops and restaurants, hospital and hotel visitors, and event attendees. In particular, the study examines non-residential paid off-street parking (e.g. lots and garages) and paid on-street parking (e.g. metered or permitted curbside parking). The study reports results for the 25 largest US metro areas and US parking industry totals for 2018 using primary research conducted in 2019.

Key findings:

- ▶ There are approximately **1 billion parking spaces** in the United States, of which an estimated 6.3% require payment (i.e. “paid parking spaces”) and 93.7% are unpaid.
- ▶ The parking industry generates **\$131 billion in annual parking revenue**, which includes revenue paid to parking operators by users and the value of parking services provided by employers for their employees.
- ▶ There are approximately **581,000 parking industry employees** in the United States.
- ▶ **The parking industry supported a total of 1.3 million jobs in 2018.** This includes 581,000 parking employees plus an additional 764,000 employees in other industries that were supported by the parking industry’s operations.
- ▶ The parking industry supported **gross economic output of \$261 billion** in 2018 (including direct, indirect, and induced contributions).

Economic contributions in this report include:

There are several economic measures presented in this report. These include:

- ▶ **Employment:** Full-time and part-time jobs across the United States
- ▶ **Labor income:** Salaries, wages, and benefits
- ▶ **Value added:** Labor income plus indirect business taxes, consumption of fixed capital (depreciation), and mixed income
- ▶ **Gross economic output:** Sum of value-added and intermediate input (supplier) purchases. This is usually equivalent to an industry’s revenue and is considered the broadest measure of economic activity.
- ▶ **State and local taxes:** Income, property, sales, excise, license and other taxes

The parking industry contributes to the US economy by employing workers, paying salaries and benefits, purchasing goods and services from local businesses, and paying state and local taxes. The analysis includes three types of economic contributions:

- (1) **Direct economic contributions** are expressed in terms of employment, labor income, value-added, output, and state and local taxes resulting from paid parking operations. Direct effects include jobs at parking facilities and wages paid to parking workers.
- (2) **Indirect economic contributions** are estimated in terms of employment, labor income, value added, and output resulting from parking operators’ purchases from local suppliers.
- (3) **Induced economic contributions** consist of employment, labor income, value added, and output resulting from spending by the parking industry’s workforce and employees of suppliers.

The US Paid Parking Industry's Total Economic Impact in 2018

The US parking industry's economic contributions in 2018 are shown in Table ES-1 and summarized below:

- ▶ **US parking comprises an estimated total of 1 billion spaces, of which only 6.3% require payment.** Most paid parking is in dense urban areas.
- ▶ **The US parking industry's operations support an estimated 1.3 million employees including 581,000 parking-related jobs and 764,000 employees supported in other industries.**
- ▶ **The parking industry employs both full-time and part-time workers, paying them an estimated \$18.7 billion in employee compensation for an average of \$32,292 per worker.** Another \$51.2 billion of income is earned by owners of parking industry businesses.
- ▶ **Labor income for workers supported in other industries totals \$41 billion.** This income is due to parking industry purchases from suppliers (indirect) and purchases by their workforce and supplier employees (induced) at restaurants, grocery stores and retail outlets, among others.
- ▶ **The parking industry supports \$176 billion of value added nationwide, equivalent to 1% of US GDP, in 2018.**
- ▶ **The US parking industry generated an estimated \$131 billion of revenue in 2018, with the industry supporting \$262 billion of total gross economic output.** Gross economic output consists of the value-added of the parking industry, plus purchases from suppliers. The parking industry's revenue supports purchases from US suppliers for goods and services, which include security, maintenance and repair, utilities, advertising, and insurance. Gross economic output supported in other industries due to indirect and induced activity is \$130 billion.

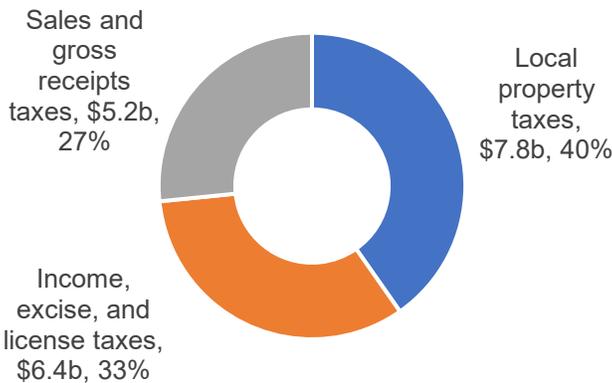
Table ES-1. Economic contributions of the parking industry in the US
Actual employment, dollars in billions

	Employment	Labor income (\$B)	Value added (\$B)	Gross economic output (\$B)
Parking industry	580,758	\$70	\$101	\$131
Indirect and induced	764,470	\$41	\$75	\$131
Total contribution	1,345,228	\$111	\$176	\$262

Source: EY analysis based on data from National Parking Association members and the 2018 US IMPLAN model.

- ▶ **The parking industry contributed an estimated \$19.4 billion in state and local tax revenue in 2018.** Of the \$19.4 billion, an estimated 40% of the total (\$7.8 billion) is due to local property taxes on paid parking property while 27% (\$5.2 billion) is from sales and gross receipts taxes on parking transactions, and 33% (\$6.4 billion) is from other taxes that parking businesses and parking industry employees contribute, such as income, excise, and license taxes. See Figure ES-1 below.

Figure ES-1. State and local tax contributions of \$19.4 billion by the parking industry, 2018



Source: EY analysis