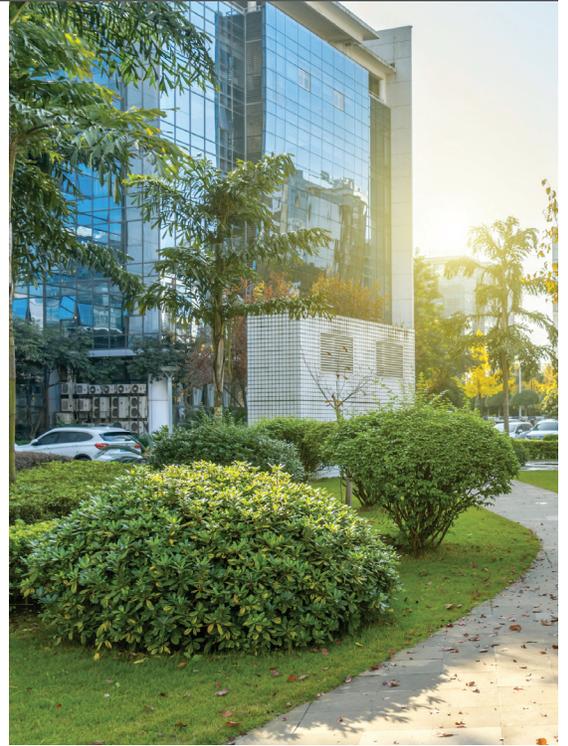




FEDERAL RESERVE BANK OF PHILADELPHIA



# Job Access, Regional Competitiveness, and Transportation

# Linking Employment and Transportation: A Resource Guide for Employers

Research conducted by The Institute at Wilkes University indicates that residents of northeastern Pennsylvania who do not have a car find it difficult to utilize available transit and transportation options for job interviews and commuting to work. Respondents also indicated that good employment opportunities at industrial parks outside city centers are difficult to access without a car.<sup>1</sup>

Although many residents and job sites in northeastern Pennsylvania are within walking distance of a bus stop, research conducted by the Federal Reserve Bank of Philadelphia indicates that residents in an average neighborhood can only access 12 percent of opportunity occupations<sup>2</sup> with a commute that doesn't exceed 60 minutes.<sup>3</sup>

The disconnect between transportation and employment is found nationally, affecting areas similar to northeastern Pennsylvania. A study of transit and employment in the 100 largest metropolitan areas nationwide found results comparable to the referenced Philadelphia Fed study: Only 27 percent of jobs were accessible via transit in 90 minutes or less.<sup>4</sup>

In addition to affecting job opportunities for local residents, access to transportation options impacts hiring and turnover costs for employers. For example, employers in counties with fixed-route bus transit experienced a lower rate of employee turnover compared with counties without fixed-route bus transit.<sup>5</sup>

Commuter programs can be as simple as allowing a transit organization to educate the workforce about an existing program and as complicated as using private resources to fund the launch of a new bus route. These programs can include pretax payroll deductions, transit passes, coordinated carpooling, vanpools or shuttles, bike-sharing and storage facilities, and other creative solutions that connect employees to transportation.<sup>6</sup>

These programs vary in scope and are based on the needs of employers and the workforce. Vanpooling and carpooling, for example, may involve picking up employees from the transit stops nearest to a job site, from a carpooling parking lot, or directly from their homes. All these programs serve to fill gaps in employees' commutes.

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<sup>1</sup> The Institute for Public Policy & Economic Development at Wilkes University, October 2017, "Northeast Pennsylvania Equitable Transit Study."

<sup>2</sup> Opportunity occupations are jobs that pay at or above the area median wage but do not require postsecondary education.

<sup>3</sup> Kyle DeMaria, January 2018, "Getting to Work on Time: Public Transit and Job Access in Northeastern Pennsylvania," Federal Reserve Bank of Philadelphia.

<sup>4</sup> Adie Tomer, 2012, "Where the Jobs Are: Employer Access to Labor by Transit," Metropolitan Policy Program at Brookings Institution.

<sup>5</sup> Dagney Faulk and Michael J Hicks, 2016, "The impact of bus transit on employee turnover: Evidence from quasi-experimental samples," Urban Studies.

<sup>6</sup> Community Transportation Association of America, 2012, "Transportation to Work: A Toolkit for the Business Community: Profiles of Employer-Sponsored Transportation Programs."

## Reducing Costs with Employer-Supported Commuter Programs

### Potential benefits of an employer-supported commuter program:

- **Increase access** to the local workforce and quality of the talent pool.
- **Strengthen employee retention** and satisfaction.
- **Strengthen reputation** as an employer.<sup>7</sup>
- **Strengthen employee attendance** and productivity.
- **Reduce the cost of taxes** for employers and employees.
- **Reduce the cost of parking** infrastructure and maintenance.
- **Reduce the cost and stress** of commuting for employees.<sup>8</sup>

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<sup>7</sup> Best Workplaces for Commuters, Center for Urban Transportation Research, accessed on May 18, 2018, "Benefits to Employers," University of South Florida.

<sup>8</sup> Community Transportation Association of America, 2012, "Transportation to Work: A Toolkit for the Business Community."



# FOUR EXAMPLES OF BEST PRACTICES FOR COMMUTER PROGRAMS.

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## 1. ENGAGEMENT WITH THE LOCAL TRANSIT AUTHORITY

Many transit authorities provide educational and training opportunities that demonstrate how to use schedules, passes, and other available resources. Norm Gavlick, executive director of the Luzerne County Transportation Authority (LCTA), encourages businesses to engage with their local transit authorities.<sup>9</sup>

Transit authorities often work with stakeholders to identify where there are gaps in transit services and the logistics of expanding routes or adding coverage. The following are ways that developers, employers, and other local organizations can best utilize the transit system in the area.

### Learn What Services Are Available and How to Use Them

- **Engage with staff** at the local transit authority for information and resources.
- **Align employees' shift schedules** with transit schedules.
- **Purchase transit passes** and distribute them to employees through payroll deductions.
- **Build transit-oriented facilities** that include wide lanes, bus shelters, and sidewalks.
- **Collaborate to identify opportunities** for first- and last-mile solutions and pilots.

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<sup>9</sup> Conversation with Norm Gavlick, Luzerne County Transportation Authority, executive director.

## 2. COMMUTER VANPOOL: NEW PARTNERSHIP MODEL

Vanpool programs are an innovative way to provide access to employment centers. Programs are often operated by third-party organizations that take on associated liabilities. Once a program has been started, an employer's primary role is to educate its workforce about participating in the vanpool. Employers can but do not need to subsidize the cost of vanpool operations.

Brenda Massie from the City of Rochester's Office of Innovation created a vanpool program in partnership with vRide, Inc. (later acquired by Enterprise) and Regional Transit Service (RTS). The city subsidized the cost of rides during a pilot period, which was successful enough that it was awarded a Congestion Mitigation and Air Quality (CMAQ) grant to add new vehicles to the program.<sup>10</sup> Employees who participate in the vanpool currently

pay roughly \$85 to \$100 per month for routes that range from 40 to 60 miles one way. The cost of vanpool operations are covered in part by these monthly user fees, by a fixed subsidy using CMAQ funds, and are later partially reimbursed<sup>11</sup> to RTA through federal formula funding reporting.<sup>12</sup>

The success of the vanpool program was noted by a business that was opening a new facility outside of Rochester. After the employer approached Massie about the program, they partnered with the city to host a job fair in Rochester featuring the new job site and the vanpool program. Five hundred job seekers attended the fair, and 90 were eventually hired by the employer, of whom 10 participated in the vanpool and otherwise would not have had the transportation necessary to get to work.<sup>13</sup>

### Commuter Vanpool: What Can Businesses Do?

- **Survey employees** to understand their transportation needs.
- **Inform employees** about available vanpools or transit services.
- **Contact a vanpool service provider** for detailed information.
- **Connect with nearby employers** to identify opportunities to share vanpool costs.

<sup>10</sup> City of Rochester, "Commuter Vanpool Program," accessed on May 18, 2018, available at [cityofrochester.gov/vanpool/](http://cityofrochester.gov/vanpool/).

<sup>11</sup> Vanpool programs are considered public transportation; therefore, the passenger miles traveled can be reported to the Federal Transit Authority's (FTA) National Transit Database (NTD) for formula funding reimbursement. This reimbursement is realized on a two-year lag. With an initial investment and through this formula funding mechanism, subsidized vanpool programs have the potential for long-term sustainability.

<sup>12</sup> Conversation with Brenda Massie, City of Rochester, Office of Innovation, program coordinator.

<sup>13</sup> Conversation with Brenda Massie, City of Rochester, Office of Innovation, program coordinator.

### 3. NEW BUS ROUTE: TEMPORARY COST SHARING WITH THE TRANSIT AGENCY

ES3 is an employer located in York, PA that provides supply chain management and third-party logistics services. Potential applicants at job fairs and current employees often told Joy McFerren, human resources manager, and Tammy Ballard, human resources supervisor at ES3 parent company C&S Wholesale Grocers, that transportation was a barrier to getting to ES3's warehouse. The nearest bus stop was three miles away. A survey was conducted at the site, and the data confirmed that many employees experienced challenges getting to work. Senior leaders at ES3 were convinced that the company could benefit from working with the local transit agency, rabbittransit, to provide a direct route to the site.

ES3, rabbittransit, and the Pennsylvania Department of Transportation (PennDOT) partnered to share the cost of piloting a new route that leads directly to the warehouse. PennDOT covered roughly 80 percent of the costs, and the rest was shared between rabbittransit and ES3. McFerren and Ballard promoted the new route to employees with

materials from rabbittransit, fliers, and a town hall meeting ahead of the February 2, 2018, launch. The route and job openings at ES3 were also promoted on rabbittransit's website and newsletter.

On the first few days of service, ridership ranged between three and five people per day. Mike Bernhardt of rabbittransit encouraged McFerren and Ballard to be patient and continue to promote the service. After the first three months, ridership increased to an average of 16 people per run, well above ES3's goal of an average of 12 per run. McFerren and Ballard credit the service with helping to add 15 new hires over the period. Given the success of the pilot, ES3 and rabbittransit have added an afternoon run in addition to the initial morning and evening runs. ES3 is currently working on adding a route from Harrisburg to the facility and is in talks with another employer about sharing the costs. C&S Wholesale Grocers is working to replicate this partnership in other areas, including a facility in Bethlehem, PA.<sup>14</sup>

## New Bus Route: What Can Businesses Do?

- **Inform investment decisions** with data on turnover costs and employee transit needs.
- **Engage with the local transit authority** to understand existing services.
- **Identify opportunities** to share or supplement financing for new routes or pilot programs.

<sup>14</sup> Conversation with Joy McFerren, ES3, manager, field human resources, and Tammy Ballard, C&S Wholesale, human resources supervisor.

## 4. PUBLIC-PRIVATE PARTNERSHIP: BUSINESSES AND TOWNS FUND TRANSPORTATION TO WORK

CrossTown Connect is a public-private partnership that provides transportation services in northeastern Massachusetts. The partnership is a membership-based transportation management association and consists of eight member businesses and seven member towns. The partnership leverages both public and private funding to provide transportation services and to work with regional transit agencies to complement existing services. Monthly ridership on all of CrossTown Connect's services was 1,500 in January 2014 and has steadily trended up, peaking at over 4,000 in June 2017.<sup>15</sup>

Addressing first-mile, last-mile, and reverse commuting issues for employees and job seekers in the area are among the partnership's goals. To serve commuter needs, CrossTown Connect has developed:

- **fixed-route shuttles** from transit stops to employment centers;

- **shared ride van services** that transport riders to and from requested locations;
- **emergency ride home services** that provide transportation to employees who have stayed at the workplace outside normal service hours; and
- **carpool formation** assistance with a database that matches riders.

CrossTown Connect's membership is open to any public or private employer, school, or community in the region. Membership investments are determined by the number of employees or are based on a formula that accounts for organizational size and capacity. The primary benefits members receive directly are access to carpool assistance, the emergency ride home services, and a formal cooperative that strategically promotes regional growth.<sup>16</sup>

### Public-Private Partnership: What Can Businesses Do?

- **Include transit and transportation** as integral parts of economic development strategies.
- **Partner with local leaders** in the public and private sector.
- **Leverage multiple sources of funding** to promote regional growth.

<sup>15</sup> Scott Zadakis, 2017. "CrossTown Connect: A Successful Public-Private Partnership," presentation from 2017 Moving Together Conference, available at [mass.gov/eohhs/docs/hst/conference-materials/crosstown-connect-2017.pdf](http://mass.gov/eohhs/docs/hst/conference-materials/crosstown-connect-2017.pdf).

<sup>16</sup> CrossTown Connect, "Membership," accessed on May 31, 2018, available at [crosstownconnect.org/Members](http://crosstownconnect.org/Members).

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