



# Analyzing the Effectiveness of Commuter Benefits Programs

## Results of Transit Cooperative Research Program (TCRP) Project H-25A

ACT Net Conference  
April 7, 2005

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In Association with:  
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Analyzing the Effectiveness of Commuter Benefits Programs Results of Transit Cooperative  
Research P...

## Project Background: Commuter Benefits Programs



- ▶ Federal tax code allows employers to offer *tax-free* transit or vanpool benefits to employees
  - Up to \$105/month in 2005
- ▶ Can be offered three ways:
  - Employer-paid
  - Employee-paid (pre-tax deductions)
  - Combination
- ▶ Program requires **EMPLOYER** involvement



**Project Background: Commuter Benefits Programs**

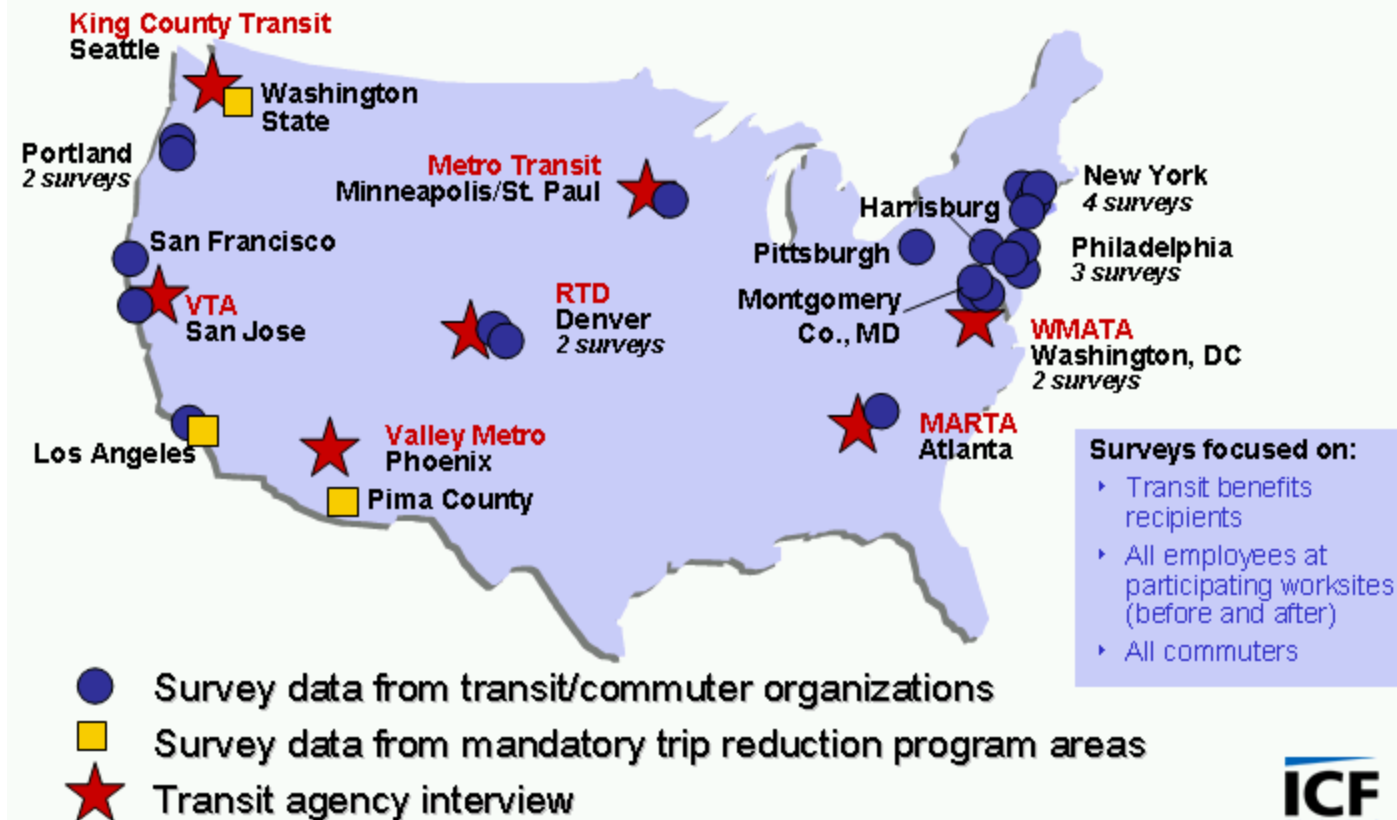
## Study Questions

- ▶ TCRP Report 87 examined “Strategies to Increase the Effectiveness of Commuter Benefits Programs”
  
- ▶ This study examines the *effectiveness* of commuter benefits programs
  - What are the effects on travel behavior?
  - What are the effects on transit agencies’ ridership, revenues, and costs?
  - How can organizations (transit agencies, commuter organizations) measure the effectiveness of their program efforts?



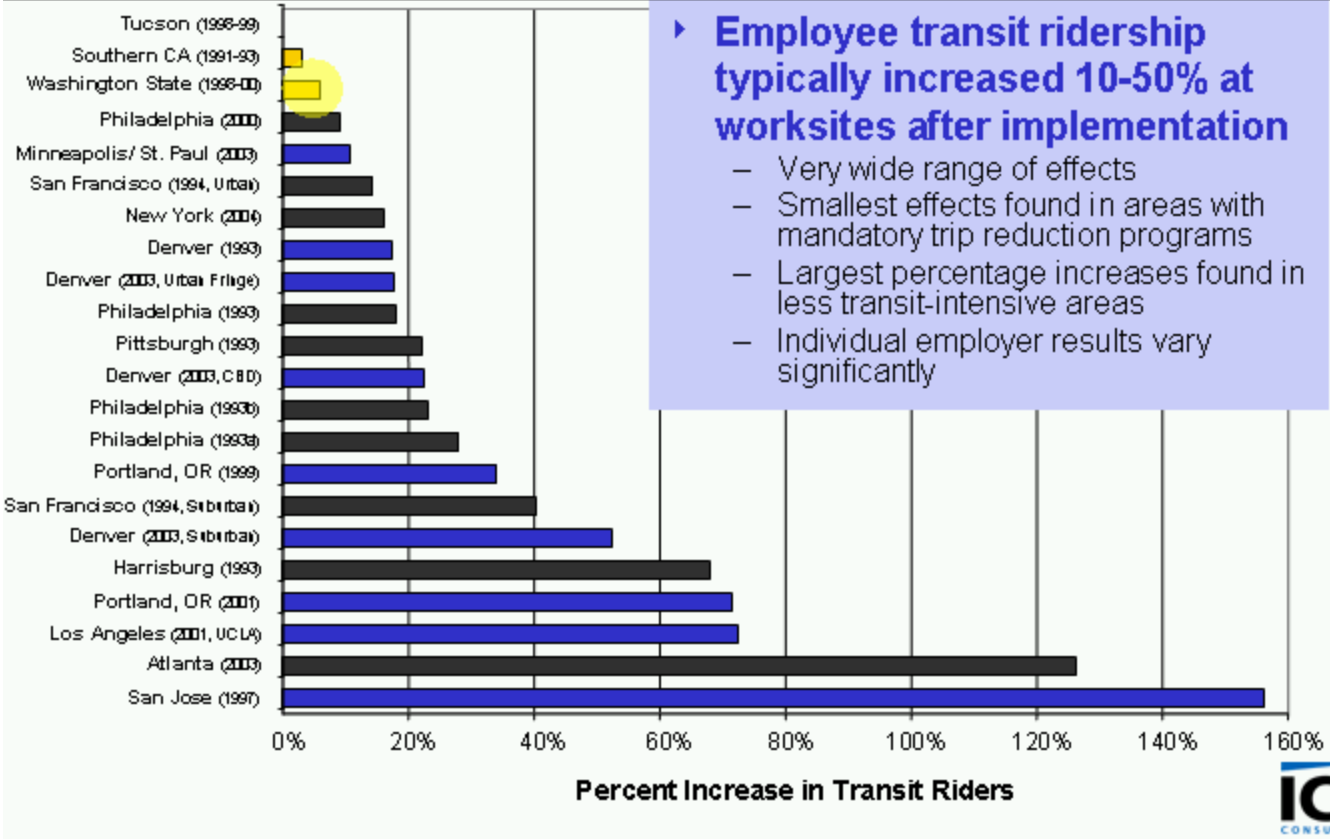
## Study Questions

## Research Approach: Surveys and Interviews



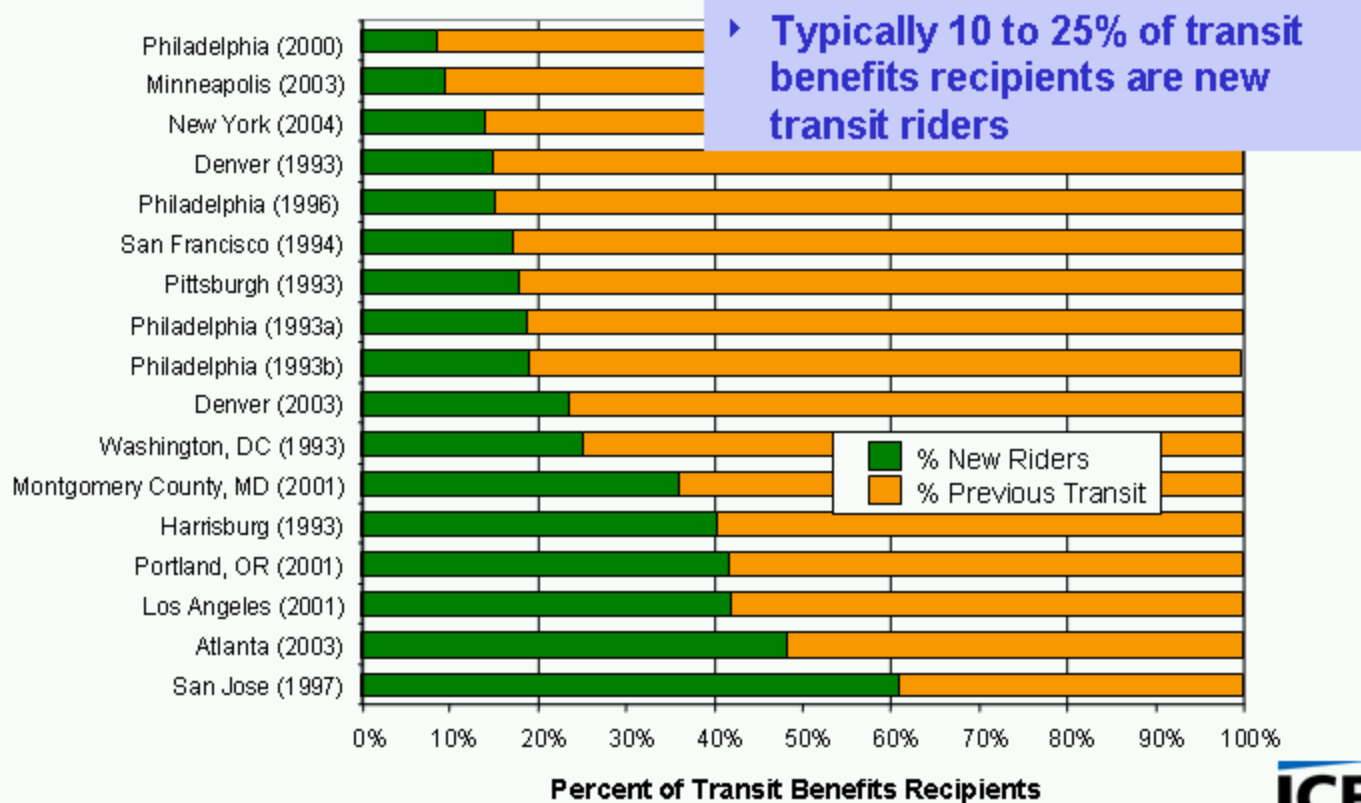
## Research Approach: Surveys and Interviews

# Transit benefits programs typically increase transit ridership...but not in all cases



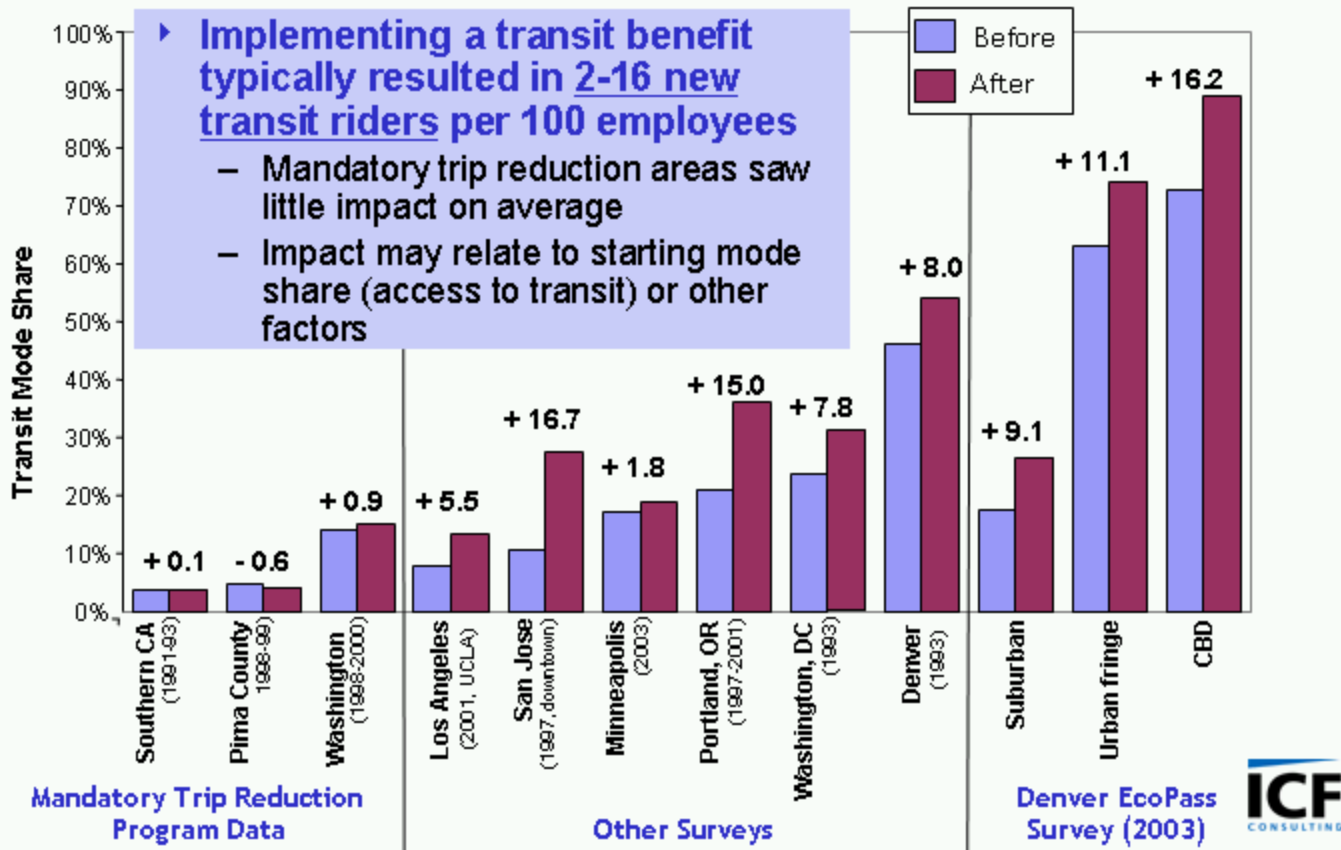
**Transit benefits programs typically increase transit ridership...but not in all cases**

## How many transit benefits users are new to transit?



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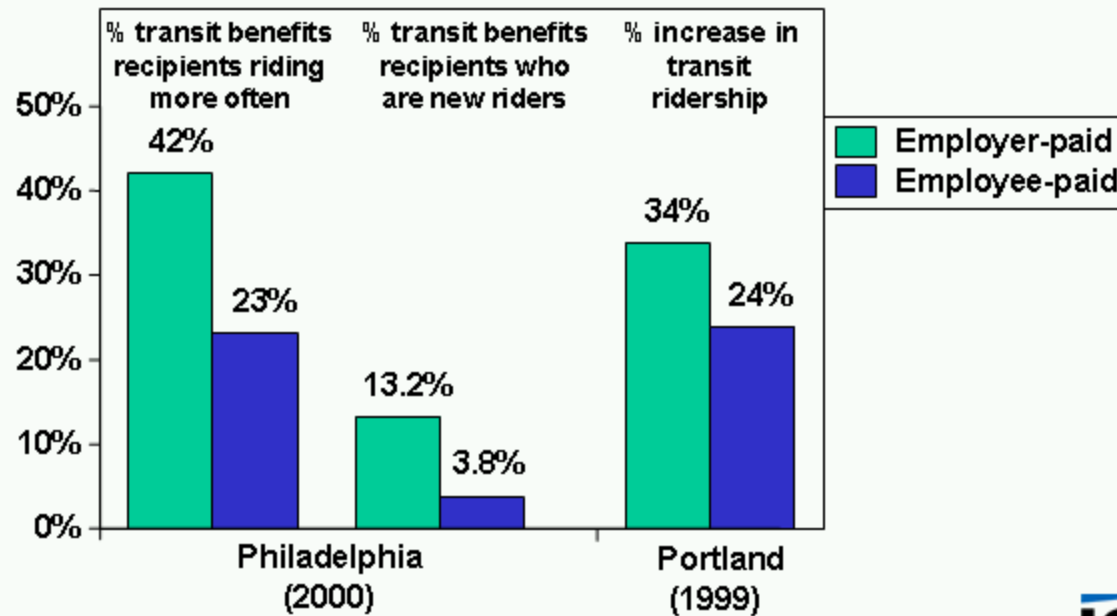
# How many people switch to transit? Transit Mode Share: Before and After Surveys



How many people switch to transit? Transit Mode Share: Before and After Surveys

## One Factor Affecting Impact: Level of Employer Contribution

▶ Transit ridership increases more when the employer pays



One Factor Affecting Impact: Level of Employer Contribution

# Factors Contributing to Increased Transit Ridership

No change ↔ Large increase

<b>Location</b>	Auto-oriented suburb	Small urban center / urban fringe	CBD
<b>Transit Services</b>	Limited or no service	Moderate service level	Extensive, high frequency services
<b>Transit benefit level</b>	Employee-paid (pre-tax) only	Employer subsidized	Fully employer paid
<b>Other worksite programs</b>	Many competing programs (telework, rideshare matching)		Transit-supportive programs (emergency ride home, transit marketing)
<b>Parking</b>	Free, plentiful parking	Paid parking	Expensive, limited parking
<b>Existing transit users</b>	Virtually none <b>OR</b> Nearly all		Some existing users

**Level of change in transit ridership**

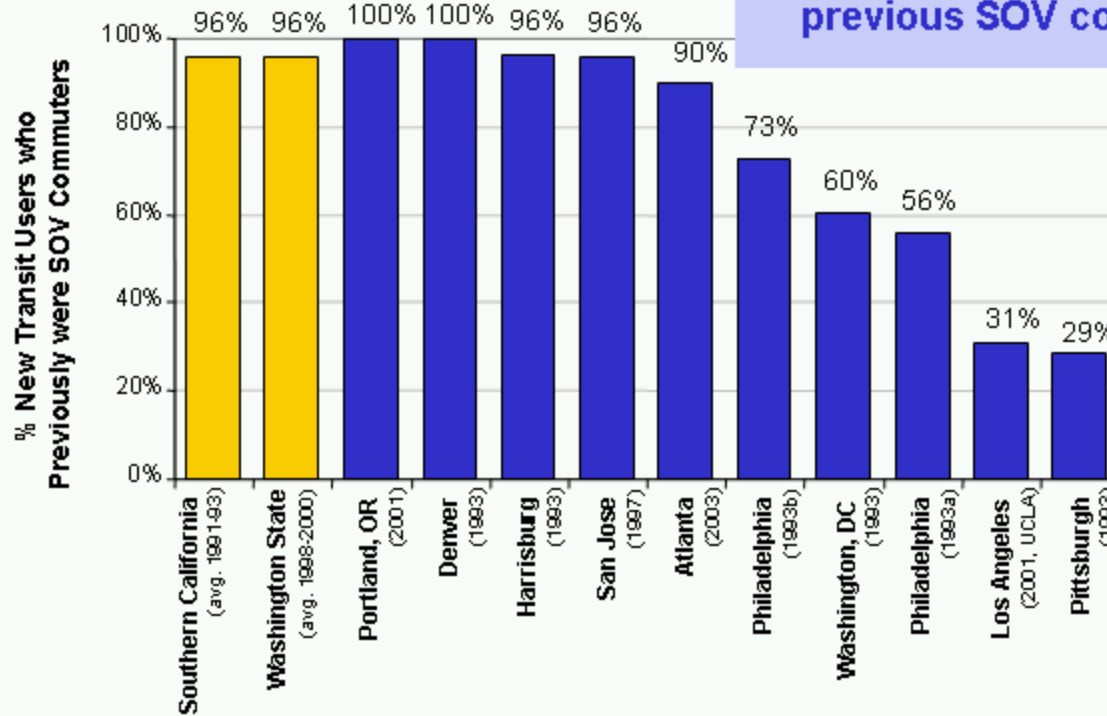


## Factors Contributing to Increased Transit Ridership

# What did new transit users switch from?

*Most New Riders Switched from SOV*

► Typically, 80% or more of new transit riders were previous **SOV** commuters



**What did new transit users switch from? Most New Riders Switched from SOV**

## Do transit benefits programs affect non-commute trips?

- ▶ Yes, transit benefit programs appear to encourage greater use of transit for *peak and off-peak* periods
- ▶ However, surveys are from areas with very high levels of transit service

**% of recipients who reported increasing their transit use**

<b>Survey</b>	<b>Commute</b>	<b>Non-commute</b>
San Francisco (1994)	34%	29%
New York (1989)	16.5%	14.0%
New York (1990)	22.7%	21.8%
New York (1994)	11%	15%
New York (2004)	10%	24%



**Do transit benefits programs affect non-commute trips?**

## Impacts on Transit Agencies: Systemwide Ridership

- ▶ Transit benefits users can make up a sizable portion of total transit ridership
  - 5 to 25% of riders
- ▶ Survey data suggest that programs have increased transit ridership

Agency	Est. number of transit benefits users	% of riders using transit benefits
WMATA	208,000	25%
MARTA	30,700	<10%
King County Metro	95,000-103,000	20-22%
RTD	52,700	12-21%
Metro Transit	27,000	12%
VTA	42,800	5%
Valley Metro	24,000	22%



### Impacts on Transit Agencies: Systemwide Ridership

## Impacts on Transit Agencies: Revenues and Costs

- ▶ Revenues can be significant
  - 5-41% of revenues
- ▶ However, programs may be designed to be revenue neutral
- ▶ Potential cost savings?
  - Some agencies perceive cost reductions, esp. in pass distribution and cash handling.

Agency	Annual Revenue (\$M)	Est. % of revenue from transit benefit program
WMATA	\$190.8	30%
MARTA	\$20.0	11%
King County Metro	\$25.7-29.7	35-41%
RTD	\$8.1	17%
Metro Transit	\$25.1	42%
VTA	\$1.7	5%
Valley Metro	\$3.6	N/A



### Impacts on Transit Agencies: Revenues and Costs

## Overall Impacts on Transit Agencies

- ▶ Transit benefits programs increase ridership but may be revenue-neutral
- ▶ Program design has implications on revenues and ridership
  - Monthly passes, universal passes, vouchers
  - Discounts, and their structure
  - Many agencies offer multiple programs
- ▶ Cost implications are not well understood
- ▶ Outcome-oriented objectives are not usually tracked



### Overall Impacts on Transit Agencies

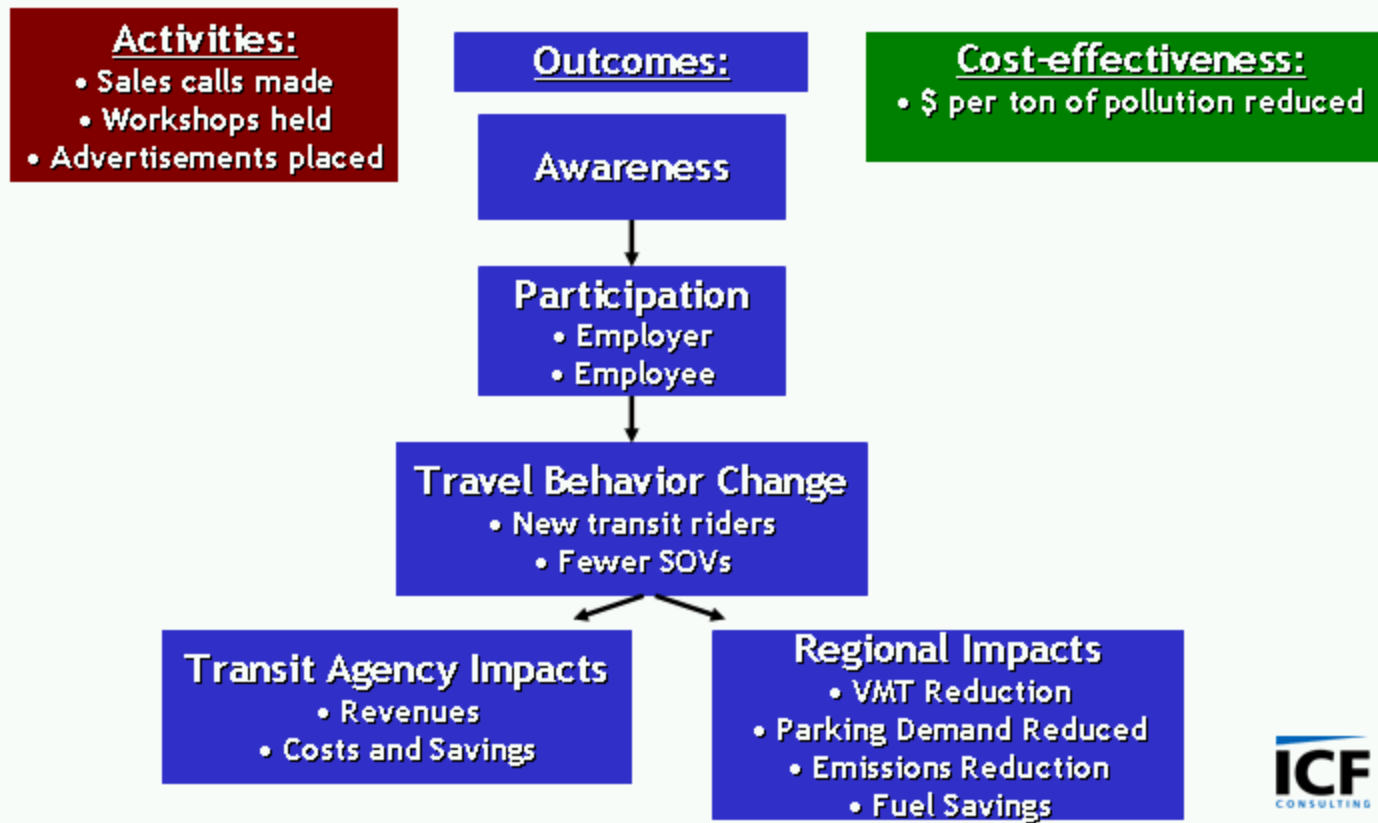
## Evaluating Programs

- ▶ Why evaluate programs?
  - Justify programs
  - Secure funding
  - Meet requirements (in some cases)
  - Determine progress toward meeting goals
  - Identify ways to improve performance
  
- ▶ Organizations may have different goals and measures:
  - Transit agencies: Increase revenues per vehicle operating hour
  - Employers/municipalities: Reduce parking demand
  - Commuter organizations: Reduce traffic
  - For MPOs: Reduce air pollution



## Evaluating Programs

# Potential Measures of Effectiveness



## Potential Measures of Effectiveness

## TCRP Report: Analyzing the Effectiveness of Commuter Benefits Programs

- ▶ **Part 1: Evaluating Effectiveness**
  - **Strategic Planning and Program Evaluation**
    - Why Evaluate Programs?
    - Relationship between Planning and Evaluation
  - **Setting Realistic Expectations**
    - Developing a Baseline
    - Understanding Factors that Influence Effectiveness
  - **Implementing a Transit Benefits Program to Meet Strategic Goals and Objectives**
    - How Goals and Objectives Shape Program Design
    - Role of Program Type and Pricing
  - **Defining and Measuring Success**
    - Measures of Effectiveness
    - Using Surveys to Measure Impacts
  
- ▶ **Part 2: Understanding Impacts of Transit Benefits Programs**
  - **Impacts on Employee Travel Behavior**
  - **Impacts on Transit Agencies' Ridership, Revenues, and Costs**



TCRP Report: Analyzing the Effectiveness of Commuter Benefits Programs

## For More Information

- ▶ **TCRP Report 87: Strategies for Increasing the Effectiveness of Commuter Benefits Programs**
  - Web site: [http://trb.org/publications/tcrp/tcrp\\_rpt\\_87.pdf](http://trb.org/publications/tcrp/tcrp_rpt_87.pdf)
- ▶ **NTI Courses**
  - The National Transit Institute offers courses for both executives and staff on developing, implementing, and marketing commuter benefits programs
  - See [www.ntionline.com](http://www.ntionline.com) or contact Susan Winter at 732-932-1700
- ▶ **For more info:**
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**For More Information**