

Transportation Assets

Transportation and Employee Retention: The lack of reliable transportation (good public transit or reliable car) negatively affects an employee's ability to get to work or arrive at work on time.

- Poor workers are more likely to commute by public transit, especially by bus.
- Public transit systems rarely take central city residents all the way to the door of suburban employers. Consequently, a car or another means of transportation is required to take employees to their final destination.
- Members of poorer households are more likely to share a car — so not every worker in a household has reliable access to the car.

Even when a household does own a car, a larger portion of the household's disposable income is devoted to transportation costs because low-income families are more likely to own an older car in such poor condition that it requires more expensive maintenance. In addition, the household is more likely to pay higher insurance premiums if its members do not have a bank account, which many low-income people do not.²⁵

What you can do:

- Promote ride sharing or car-pooling among employees.
- Partner with local transportation agencies to set up on-site bus pass purchasing.
- Offer public transportation subsidies or incentives (such as before tax payroll deduction for bus passes).
- Advocate for bus route modification and stop relocation. For more on how UPS pursued this strategy, see *Promising Practices: How Employers Improve their Bottom Lines by Addressing the Needs of Lower-Wage Workers*, a report by the Families and Work Institute. Visit: www.familiesandwork.org
- Use financial services resources to link your employees to debt reduction, credit counseling, and asset building strategies, all of which can be used to secure a cheaper, more reliable car.

For more information

See the Brookings Institution's policy brief *High Cost or High Opportunity Cost? Transportation and Family Economic Success*, which can be accessed at www.brookings.edu.

Asset Building at Work Transportation: Peckham

Peckham Inc. tackles transportation issues through advocacy and through programs for its staff. Peckham staff are active on the local transportation board. In addition, Peckham offers a monthly bus pass program for its employees to ensure that they have reliable transportation to get to work. If an employee needs funds to cover car repairs, for example, in certain cases Peckham will grant the employee a loan which the employee then pays back through payroll deduction.

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²⁵Waller, Margy. "High Cost or High Opportunity Cost? Transportation and Family Economic Success." Brookings Institution Policy Brief. Center on Children and Families #35. December 2005.