

Employee Transportation Benefits Are Good for Business

Employers who provide transportation benefits for their workforce gain many rewards for their company. Providing these benefits can help your company:

- Attract and retain workers
- Reduce payroll taxes
- Increase customer access to goods and services
- Expand service hours
- Reduce gas emissions and conserve energy
- Demonstrate company support of work-life balance
- Support public transit
- Enhance your corporate image as an environmentally and worker friendly company

Additional information and suggestions on how you can influence your employees' travel choices, making their lives easier and more productive, can be found in the fact sheets and other materials included in this toolkit.

The Joblinks "Transportation Toolkit for the Business Community" was created with funding from the Office of Disability Employment Policy, U.S. Department of Labor, through a cooperative agreement between the Community Transportation Association of America and the Federal Transit Administration. The opinions and conclusions expressed herein are solely those of the authors and should not be construed as representing the opinions or policy of any agency of the federal government. May 2009.



The "Transportation Toolkit for the Business Community" gives businesses the information they need now to assist their employees in achieving a timely, cost-efficient commute that promotes their productivity and job satisfaction. View other fact sheets and resources at www.ctaa.org/transportation_to_work for information on how to access transportation-related tax benefits, partner with local providers to find answers to employees' and customers' transportation needs, become part of a transportation management association, and more.

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Supporting Employee Transportation Benefits

Companies interested in providing employee transportation benefits for their workers have a number of options when it comes to designing a program. They can:

- Participate in a Qualified Transportation Fringe Benefit program by allowing workers to set aside pre-tax dollars to cover transit or vanpool costs or by subsidizing the cost for their workers and deducting the costs as an employee benefit
- Partner with local transportation providers to educate employees about alternative transportation options they can use to commute to work
- Become a member of a transportation management association, a nonprofit membership organization representing employers and business leaders seeking to ease traffic congestion and reduce reliance on single-occupant commuting
- Encourage ridesharing among employees by sponsoring carpools, vanpools, or shuttles
- Designate a staff person to act as an Employee Transportation Coordinator
- Partner with other local employers to form a transportation consortium and jointly support shared ride options or access discounted transit passes for employees
- Offer telecommuting and flex-time schedules to help reduce traffic congestion and related air pollutants

Additional information about each of these options can be found in the fact sheets and other materials included in this toolkit.

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The Economic Downturn Brings Increased Opportunities for Shared Ride Commuting

Over the last year, working families have seen their savings shrink and, in many cases, their job security threatened. Finding ways to save money and still meet daily living expenses is a hallmark of these times. Many workers have significantly cut down on driving or given up their cars completely and chosen public transit and other methods of ridesharing to commute to work.

Public transit has become an economic lifeline once again. According to the American Public Transportation Association (APTA), use of public transit in 2008 reached its highest level since 1956. The APTA estimates that riding public transit to work instead of driving alone can save commuters nearly \$8,500 annually. In addition to the cost savings they gain through reduced fuel and parking expenses, these commuters are promoting public transit access, and reducing the environmental impacts from carbon gas emissions and traffic congestion.

Financial Incentives for Employers

Forward thinking employers, concerned about the negative impact of the economic downturn on their employees recognize that a cost-effective way to help workers is through the Qualified Transportation Fringe Benefit. The benefit provides employers with a tool they can use to subsidize transportation for their workers during these lean times to ease commuting costs.

The recently enacted American Recovery and Reinvestment Act of 2009 (ARRA) includes investments designed to

benefit communities, employers, and transit through funding allocations that create new jobs, and secure the ability of transit to provide access to those jobs. Businesses and employees that support and use shared ride travel can now claim larger tax benefits. ARRA includes an increase in the Qualified Transportation Fringe Benefit, from \$120 to \$230 through December 2010. What's more, Congress is currently considering making the increase permanent.

Five Actions You Can Take to Support Your Employees in These Challenging Times

- Encourage ridesharing to lessen the economic impact of commuting on your employees
- Designate a staff member to assist with the design, implementation, and administration of programs that encourage ridesharing
- Subsidize employees' commute through the Qualified Transportation Fringe Benefit program as well as through vouchers and bus passes
- Maximize the benefits of partnering with other businesses or with Transportation Management Associations to design company specific transportation solutions
- Learn how businesses like yours have implemented innovative programs

Interested in learning more?

The resources available in this toolkit will help you design an employee transportation program that meets your business needs while saving you and your employees' money.

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Employee Commuter Benefits: A Boost to Your Bottom Line

Currently, 7.6 million workers in the United States receive employer-provided commuter benefits.¹ Are your employees among them? If the answer is no, your company should consider joining the growing number of employers who are offering such benefits – and reaping the fiscal rewards.

Commuter benefit programs vary in scope, so employers can design programs based on their desired level of involvement and the unique needs of their workforce. Programs can range from informal initiatives that encourage workers to arrange shared ride options to highly structured programs managed by designated staff. At any level, offering commuter benefits enables your company to positively influence your employees' travel choices, promote a more productive work environment, improve employee retention, and demonstrate a commitment to cleaner air in the community.

Save Your Company Money!

- Save thousands of dollars in hiring and training costs by providing a commuter benefit program for employees, many of whom may struggle with rising transportation costs. One study found that, on average, it costs a firm 25 percent of a position's annual salary plus 25 percent of the cost of benefits to replace an employee.² Furthermore, when considering the indirect expenses of advertising, recruitment, and new employee training, not to mention lost productivity, it can cost a company up to 150 percent of an employee's annual salary to replace him or her.³
- Increase employee productivity by promoting commuter habits that reduce employee commute times and late arrivals.

- Save on overhead costs associated with maintaining on-site parking lots and garages and adding more parking spaces to keep up with a growing workforce by encouraging shared rides to work.
- Reduce payroll taxes by allowing employees to use pre-tax dollars for transportation (See Fact Sheet #6.)

Increase Your Business's Ability to Recruit and Retain Employees

- Compete and win at hiring and retaining the most qualified workers by offering comprehensive benefits, including a commuter benefit program.
- Build a more diversified workforce and create a more positive work environment by attracting workers who might otherwise not be able to commute to your company's facility.
- Present your company as an innovative and proactive workplace.
- Demonstrate your company's support of work-life balance, which is increasingly important to today's workforce.

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1 — Bureau of Labor Statistics. 2008 National Compensation Survey. Employee Benefits Survey: Quality of Life Benefits: Access Data Table, Civilian Workers. <http://www.bls.gov/ncs/ebs/benefits/2008/ownership/civilian/table24a.htm>. Accessed December 1, 2008.

2 — Carol A. Schwartz and Nancy L. McCabe. "Staff Turnover: What It Costs in Dollars and Cents." *Optometric Management*, May 2000. http://findarticles.com/p/articles/mi_qa3921/is_/ai_n8892797. Accessed December 1, 2008.

3 — Arlington Transportation Partners. Retaining Skilled Employees. <http://www.commuterpage.com/atp/suc-retain.cfm>. Accessed December 1, 2008.



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TRANSPORTATION SOLUTIONS TO THE WORKPLACE

- Use the commuter tax benefit as an inexpensive way to give employees a net pay increase (See Fact Sheet #6.)
- Reduce employee stress and increase employee morale and employee job satisfaction by promoting commute options that are less burdensome.
- Support vanpooling and other forms of ridesharing by offering a Guaranteed Ride Home program (see Fact Sheet #13). Offered by many employers across the country, these programs typically provide a ride home for registered carpoolers and vanpoolers for specified emergencies (e.g., sick child, family emergency) and are usually available at no cost to the user. Knowing this option is available encourages many workers to reconsider shared ride options as a viable alternative to driving alone to work.
- Offer employees opportunities to compress their weekly schedules or telecommute or. Volatile gasoline prices, which reached an all-time high in 2008, have caused many companies to consider new ways to keep employees happy.

Support Local Community Development

- Support your local transit systems and community's economic development goals by encouraging employees to use public transportation.
- Provide workers with more disposable income to spend in their communities by offering access to affordable transportation to work.

Promote Your Company as Environmentally Responsible

- Have a positive impact on the environment by encouraging employees to use public or shared transportation or walk or bike to work—and thus ease traffic congestion and reduce vehicle-based emissions. (See Fact Sheet #14.)

Don't be shy about marketing your company as environmentally friendly!

Increase Customer Access to Your Business

- Improve customers' access to your business, as well as ensure a faster delivery of goods and services, by reducing traffic congestion and increasing available on-site parking.
- Expand your business's service hours without significantly increasing costs by allowing employees to work flexible or staggered work hours, thereby providing additional staff coverage and better customer service.

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