

# Strength in Numbers: Why Employers Should Encourage Ridesharing

It's easy to understand why ridesharing is increasing in popularity. Whether via a vanpool or carpool, ridesharing can offset fluctuating gasoline costs and growing traffic congestion. Ridesharing also reduces pollution and greenhouse gas emissions. Employees who share rides save wear and tear on their vehicles, and often decrease the length of their commute by traveling in HOV lanes. Ridesharing can make a long commute interesting, enjoyable, and affordable – all while helping employees arrive at work relaxed and ready to concentrate on the tasks at hand.

Employers also benefit when their employees are able to access rideshare options. Their workers are likely to be more productive, miss fewer hours at work because of traffic delays, and stay on the job longer when they have a predictable, cost-effective means for traveling to work. Having fewer employees drive to work also frees up parking spaces for customers or other visitors. Your company can encourage employees to commute to work with others by promoting the various ridesharing options available to them and facilitating their participation in those options.

## Carpools

Carpooling is among the easiest and most flexible ways to share a ride to work. Carpoolers either pay a pre-established weekly or monthly fee or share actual costs plus parking fees. Carpool riders typically establish rules and etiquette to sustain the carpool partnership, such as timely notifications of absences and whether to eat or drink in the car. (For more information on ridesharing etiquette, see Resource #5.)

Formal arrangements, such as online carpool matching services, are available to registered commuters in many metropolitan areas. These services may be organized by employers, state departments of transportation, councils of government, or transportation management associations (TMAs). (For more about TMAs, see Fact Sheet #5.)

## Vanpools

Vanpools allow groups of 7–15 people to commute to work on a prearranged basis by van, with one of the

riders agreeing to be the primary driver and 1–2 others serving as back-up drivers. Vanpools allow commuters to reduce travel time, avoid highway congestion, and split the cost of work trips so that they are more economical.

Vanpool riders may meet at one designated location or at specified pick-up and drop-off stops along the way. The number of passengers, length of trip, insurance, gas, parking fees, and third-party fees, if applicable, will determine the actual cost per passenger. The driver usually travels for free; the group may also allow the driver to have personal use of the van on nights and weekends. Participants may all work at the same location or at nearby locations. Vanpool riders also agree on a set of rules that govern rider etiquette (see Resource #5).

Three types of vanpool arrangements are available to employers that want to offer their employees a vanpooling option. They are: employer-sponsored and operated vanpools, third-party vanpool programs, and driver-owned and operated vanpools. For more information about vanpools, see Fact Sheet #8: Investing in Vanpools.

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## How Businesses Can Encourage Ridesharing

Many employers offer services that encourage commuters with similar commute routes and work hours to share a ride to work. Best Buy, IBM, Nike, and Yahoo currently provide employees with opportunities to participate in carpools, while Sears and Yahoo operate vanpool programs. (See Profiles of Employer-Sponsored Transportation Programs.)

Employer activities may include the following:

- Maintaining an on-site ride-matching forum to facilitate the creation of new carpools and vanpools or to fill empty spots on existing carpools and vanpools. This could be as simple as a ridesharing bulletin board, an electronic e-mail or list-serve communication system, the services of an employee transportation coordinator (see Fact Sheet #4), or a third-party ride-share brokerage.
- Paying part or all of the cost of employees' vanpool expenses and then taking the Section 132(f) tax deduction (see Fact Sheets #6 and #8)
- Reserving premium parking spaces for carpool and vanpool vehicles.
- Posting or distributing information on the benefits of shared ride options, including tax benefits available to employees who ride by vanpool or public transportation (see Fact Sheet #6),
- Sponsoring or co-sponsoring (with other local companies) a shuttle service that brings employees from the closest public transit stop to the workplace.
- Offering financial incentives for employees who switch to shared ride options on a trial basis.
- Having company leaders use (and publicize their use of) shared ride options.
- Providing a Guaranteed Ride Home service for em-

ployees who commute by a shared-ride option but can't return home using that option due to an emergency or illness or because of unforeseen overtime (see Fact Sheet #13).

- Providing an on-site company vehicle or shared vehicle for employee use during the day for errands or off-site meetings, thus eliminating the need for the employees to bring their own car to work.

## Resources

Local transit agencies and councils of government also coordinate carpool and vanpool programs. In many communities, a representative from the local council of governments can work with your company to establish a program or refer you to a local agency that can assist you. A listing of state councils of government and metropolitan planning organizations is available on the Association of Bay Area Governments website. [[http://www.abag.ca.gov/abag/other\\_gov/rcg.html](http://www.abag.ca.gov/abag/other_gov/rcg.html)]

Employers in larger communities may contact their local transportation management association (TMA). See Fact Sheet #5 for an overview of TMAs and Resource #2 for a national directory of TMAs.

The Association for Commuter Transportation (ACT) maintains a database of service providers around the country that assist local employers with the establishment of ridesharing programs. Contact ACT by phone (888-719-5772) or e-mail ([info@actweb.org](mailto:info@actweb.org)) to obtain information about contacts in your community.

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# Investing in Vanpools: A Best Practice for Savvy Employers

Today, more and more smart employers are recognizing company-supported vanpooling as a business best practice. Vanpooling presents a strategic means of recruiting and maintaining the best workforce for one's company. It also lessens the impact of potential commuting difficulties on employee productivity.

Many employees consider vanpooling a valuable alternative to driving alone, especially with the volatility of fuel costs and worsening traffic congestion. Vanpools can reduce their time spent on the road when they are able to use HOV lanes, make their commutes to work less stressful, and save them money over the cost of driving alone.

However, businesses also reap benefits by actively supporting vanpooling among their employees.

Vanpooling:

- Promotes your company as an employee-oriented business: A company that is concerned about its employees' daily commute options is a more attractive place to work.
  - Saves on parking management costs: Reducing the number of employee vehicles parked on-site increases the supply of available parking for customers and other business partners.
  - Expands company recruitment options: Businesses that offer transit benefits and incentives are more likely to retain employees and increase recruitment opportunities for individuals who may otherwise not be able to commute to the company's facility.
  - Reduces employee absenteeism and turnover: Many employers have indicated that reliable, affordable ride-sharing opportunities to work improve employee retention and productivity.
  - Reduces time spent in training new employees: Particularly in smaller markets, vanpooling increases the commuting options for employees and provides flexibility for commuters traveling during non-peak commute hours, especially in hard-to-reach locations or areas not served by public transportation.
- Offers an innovative way to market products: Company-owned vans provide ad space, serving as "rolling billboards" that can promote your company's products and services. Company-sponsored bus passes can also serve as a means to advertise.

When supporting employee vanpools, employers can choose their level of financial involvement. Some options are listed below:

- Deduct the cost of vanpool fees from employees' pre-tax income (up to \$230 per month per employee) to reduce their and the company's overall tax liability (see Fact Sheet #6).
- Subsidize or fully pay for employees' participation in an employee-run vanpool through vouchers or other forms of payment and deduct the subsidy as a business expense.
- Purchase or lease vans and administer the vanpool program for employees.
- Contract with a third party to set up and run a vanpool program for employees.

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## Implementing a Vanpool Program

Three types of vanpool arrangements are available to employers that want to offer their employees a vanpooling option. They are:

- Employer-sponsored or operated vanpool programs in which the employer purchases or leases the vans and is responsible for overall program administration. Insurance is usually obtained through the company's regular fleet policy.
- Individually owned and operated vanpools in which the driver owns and maintains the van and coordinates the daily operation of the vanpool; rider fares are used to cover the purchase and maintenance costs.
- Third-party vanpooling programs in which a private company or organization purchases or leases vans and then offers them to vanpooling groups for a fee that covers the cost of program administration, vanpool promotion, and van maintenance.

A company's human resources department or facilities management office can coordinate the program. Hiring additional staff is not required.

Local vanpool providers, transit agencies, metropolitan planning organizations, city and county transportation agencies, and transportation management associations can provide assistance in starting or joining vanpool programs. The assistance they provide includes help with:

- Recruiting riders

- Approving and training drivers
- Determining routes
- Collecting monthly fees
- Developing tools for marketing, monitoring and maintaining the program

What's more, employers will qualify for valuable tax savings. See Fact Sheet #6 for more information.

### Resource

Employer Investments in Vanpooling--The Other Transit Service, Community Transportation Association of America (updated April 2008). [[http://web1.ctaa.org/webmodules/webarticles/articlefiles/Vanpooling\\_Brief\\_UPDATED\\_04\\_2008.pdf](http://web1.ctaa.org/webmodules/webarticles/articlefiles/Vanpooling_Brief_UPDATED_04_2008.pdf)]

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# Guaranteed Ride Home Programs: Good for Employees, Employers, and the Environment

Fear of not being able to get home in the event of an emergency is a major reason why many employees are reluctant to travel to work in anything other than their own car. But Guaranteed Ride Home (GRH) programs can assuage these fears, providing peace of mind and reassuring commuters that, if needed, a ride home will be available. In many communities, participation in a GRH is generally free for employers.

GRH programs are generally available to commuters who regularly vanpool, carpool, bike, walk, or take public transit to work. In fact, many commuters who routinely use these alternative modes of transportation would not do so without GRH access.

GRH programs can be operated by a variety of organizations, including local transit authorities, councils of government, metropolitan planning organizations, and transportation management associations. They are relatively inexpensive to implement and maintain and provide critical support to all types of commuters, including those transitioning into the workforce from public assistance. Some programs expand the definition of GRH to provide services to more than just commuters and include individuals with disabilities or older adults who may be using paratransit services for medical appointments and other types of travel.

## Benefits to Business

When employees use alternative means to commute to work, employers reap the benefits by:

- Accessing tax deductions and other benefits when they participate in a Qualified Transportation Fringe Benefit program related to employees' use of vanpooling or public transportation commute options. (For additional information, see Fact Sheet #6).
- Having employees arrive at work less stressed and better able to concentrate.
- Having a mechanism in place that allows employees to stay later at work, if needed, and not worry about how they will get home.

- Decreasing traffic congestion in and around their place of business.
- Eliminating the need to create and maintain additional employee parking spaces.
- Cultivating an image as a company that cares about the health and well being of its employees and the environment.

## How GRH Programs Work

Generally, a GRH's sponsoring agency sets program eligibility criteria, acceptable reasons for use, allowable destinations, service hours, payment method, and membership fees, as well as program policies and procedures, such as the following:

- Most programs require employees to commute using alternative transportation to work a minimum number of times per week to qualify.
- Many programs allow users to obtain a ride home either by taxi or rental car.
- Usually, employees are required to pay for the ride and are reimbursed at a later date for all or

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part of their costs. Sometimes the sponsoring agency covers the cost. In some communities, employers pay the transit provider a small annual base rate (determined by the size of the company workforce) to allow their employees to participate in a GRH program.

- Many programs use vouchers instead of cash, eliminating the need to have cash on hand to pay for the service. Employees receive vouchers either when they first register for the program or on the day a ride home is needed. The vouchers are used to pay for the service, and the program sponsor then reimburses the service provider. (See Fact Sheet #9 for additional information on vouchers.)

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# Ridesharing Etiquette:

## Tips for Ensuring an Enjoyable Experience

Ridesharing has been a viable transportation option for many years, but never more so than today. Fluctuating gas prices, heavily congested roads, economic considerations, and increased recognition of the benefits of “going green” have prompted the creation of programs that make it easy and beneficial to join a rideshare group.

Carpoolers and vanpoolers agree that the company of fellow travelers is one benefit of ridesharing. Deciding to rideshare is an important decision, however, and can mean interaction with fellow riders for a significant amount of time every workday. Thus, a little etiquette can keep everyone’s ride a happy one. Riders can make their carpool or vanpool experience more pleasurable for all by agreeing on a few simple rules in advance:

- Decide beforehand who will drive and when to meet.
- Decide on payment policy and amount.
- Set up a line of communication. If someone cannot make it on a given day, let the driver know in advance, if possible. Don’t forget to also give notice of vacation, personal leave, or overtime plans.
- Have a back-up plan in place for emergency situations. Designate an alternative driver in case of illness or emergencies.

- Respect each passenger’s time. Establish a rule for latecomers by deciding how long to wait for a passenger.
- Choose a mutually convenient meeting place -- either someone’s home or a central location such as a park-and-ride lot near public transportation.
- Decide whether unscheduled stops will be allowed.
- Decide ahead of time about smoking, eating, drinking, and other personal preferences.
- Check insurance coverage -- some auto insurance policies offer rate reductions for carpooling.
- Keep the ridesharing vehicle well serviced, full of gas and clean.
- For vanpools, establish a method of payment that includes a payment policy if the rider is absent.
- Keep little things in mind – for example, many people are sensitive to certain smells, so consider the proximity of other riders before applying perfume or cologne.

Enjoy the ride!

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