

Study Shows How Transit, More Transportation Choices Reduce Cost Burdens on Families and Regions

– “*Driven to Spend*” report ranks metropolitan areas and calls upon Congress to leverage the pending federal transportation bill to reduce costs to families –

WASHINGTON, D.C., June 14, 2005 – The Surface Transportation Policy Project (STPP) and the Center for Neighborhood Technology (CNT) released a study this morning, *Driven to Spend: Pumping Dollars out of Our Households and Communities*, which shows that families are paying a high price to meet their transportation needs and families in areas with fewer transportation choices carry even greater burdens.

Driven to Spend updates prior transportation cost studies published by STPP and CNT, but for the first time provides information on the effect of gas prices on family budgets. The study ranks 28 metropolitan areas on their combined transportation and housing costs and recommends specific actions that governments – federal, state and local – can take to reduce the burden of transportation costs for families by investing in more transportation options.

Key findings of *Driven to Spend* include:

- Households in regions that have invested in public transportation reap financial benefits from having affordable transportation options, even as gasoline prices rise.
- Low-income families are unduly impacted by higher transportation costs since transportation expenditures claim a higher percentage of their family budgets.
- For the first time, the study analyzed the effects of gasoline price hikes and ranked areas by the jump in household expenditures due gas prices. From 2003-2004, Los Angeles area families paid \$316 more per household for gasoline, with families in the Kansas City metro area paying \$312 more for the second highest increase. The New York metro area posted the smallest increase at \$220 per household.

Families in the Houston (TX) metropolitan area have the highest overall transportation expenditures at 20.9 percent, followed by the Cleveland (OH) and Detroit (MI) metro areas at 20.5 percent, Tampa (FL) at 20.4 percent, and Kansas City (MO) at 20.2 percent. The national average was 19.1 percent, making 2003 the second highest year for transportation costs as a share of family budget in the last twenty years. Transportation expenditures in 2002 set a record for the period at 19.2 percent.

The five areas where families expended the smallest share of their household budgets for transportation services were the Baltimore (MD) metro area at 14 percent, Portland (OR) at 15.1 percent, New York (NY) and Washington, DC areas at 15.4 percent and Philadelphia (PA) at 15.9 percent.

“Transportation costs are already too high and recent spikes in gas prices only make the burden on families heavier. This is a wakeup call to Congress to use the pending federal transportation bill to strengthen commitments to transit and other travel options to help families save money,” said Anne E. Canby, president of the Surface Transportation Policy Project.

“We have an opportunity to use the power of this nearly \$300 billion federal commitment to help families and local economies by providing more transportation choices,” Canby added.

“The big squeeze is on, with wages down and housing and transportation costs at record levels. Transportation is one area where we can do something to help families and regions spend less, but it depends on transportation officials making wiser use of flexible federal dollars to provide less costly alternatives to automobile travel,” said Scott Bernstein, president of the Center for Neighborhood Technology, a co-author of the study.

The report in its entirety can be found at www.transact.org.

#

Media contacts:

Isabel Kaldenbach
Isabel@buckleykaldenbach.com
(703) 979-3076

Kevin McCarty
kmccarty@transact.org
(202) 974-5138