

Making the Case for Transit's Role in Rural Economic Development

by Charles Rutkowski

Public transportation can play many roles in a rural community. In a very basic sense, public transit is a source of mobility, a means of getting from one place to another. For the rider, the benefits of convenient, safe, reliable and affordable transportation to a job, health care, shopping or education are clear and unmistakable. Yet rural transit is an important and integral component of balanced economic development. Transit can play a major role in improving the overall economic well-being and individual mobility of rural communities and their residents. It preserves and enhances a self-sufficient rural lifestyle.

There is another role that transit can play however, that is often overlooked, by riders, decision makers, and even transit managers themselves – the role of transit as a business. Rural transit programs provide jobs for drivers, dispatchers, mechanics, managers, bookkeepers, aides, and clerks. Operational, administrative and maintenance facilities will necessarily be located within the rural community and can provide stable sources of employment. Most often these are locally based, with strong roots in the community.

Transit systems purchase significant quantities of supplies, parts and services in the community. Local businesses are providing fuel, oil, tires, computers, radios, office supplies, advertising, vehicle maintenance, janitorial services and insurance. These businesses, in turn, are providing jobs and tax revenue for the community.

Recognizing that there was a need to quantify the economic benefits of rural public transportation, the Transit Cooperative Research Program of the Transportation Research Board published an *Assessment of the Economic Impacts of Rural Public Transportation*. This report estimates that there was a benefit/cost ratio for

rural public transit services of more than three to one. In other words for every dollar of investment in the transit system, more than three dollars in economic benefit accrued to the community. Studies by the Association continue to support these important conclusions.

Transit provides a critical linkage to employment for rural residents. Nearly one of every three persons living in rural America is what we call transit dependent, meaning that they have no car or cannot drive due to a disability, age or poverty. Faced with isolation from employment opportunities, some rural residents can easily slip into a circle of lack of financial resources. Employment opportunities may be located far from potential workers; without automobiles, the job opportunities are virtually inaccessible. Transit service can also be a vital linkage between economically vibrant areas and less prosperous communities, benefiting both. For example, during the current economic downturn, there are fewer communities with low unemployment, and more communities with higher unemployment. Rural communities that are more dependent upon a single industry are more likely to be in the latter category. Distances to employment opportunities can be longer for the residents of these rural communities, and public transit services may provide the only means of accessing these jobs. Even in difficult economic periods, there are communities that experience worker shortages. Rural areas with high unemployment can offer a pool of potential employees to expanding employers, if transportation is made available. Some rural businesses can expand only by drawing workers from increasingly larger areas. Transit helps these workers reach the more distant jobs. Provision of adequate public transportation can also play a key role in helping rural communities address the challenges presented by structural changes such as industrial relocation, military facility closings, and declines in farming, fishing and traditional

extractive industries such as mining or logging. Rural areas which have historically been dependent upon a single large employer can be devastated by the loss of that single employer. The impacts of the job losses in smaller communities are proportionately greater. Transit can provide access to the alternative employment opportunities in other communities with more diversified economies that are effectively closed to persons without automobiles.

Employment transportation programs are consistently recognized as an integral element in the success of welfare to work initiatives. For rural residents making a transition from public assistance to the work force, transit can play a key role in providing access to jobs and job training. The percentage of public assistance recipients with access to dependable automobiles has been estimated to be only about 7 percent. This figure is lowered somewhat by the number of children receiving this assistance but still indicates that a significant percentage of public assistance recipients are truly transit dependent. The U. S. Department of Labor has identified lack of transportation as the single most important barrier for welfare recipients attempting to enter the work force. Since the advent of welfare reform, flexible public transportation, along with affordable daycare, have facilitated reentry into the work force for many re-entry welfare recipients.

A rural transit service is also a part of a larger transportation network; the transit program can link passengers to other modes, including taxis, rail, intercity bus and airlines. With recent reductions in long distance bus and rural air services, rural community transit is often the only connection to the intercity network in larger communities. Intermodal transportation centers, which accommodate several types of transportation under one roof, can facilitate transfer among the various modes, enhancing ridership for all

Public transit enhances economic development by improving access to all other business enterprises. For nearly every transit trip, there is an economic beneficiary. The destination is the key to identifying the beneficiary. A shopping trip for example, benefits the retail establishment where the rider is spending money. In some other kinds of trips, the economic beneficiary may not be as obvious. A transit trip for health care is certainly benefiting the rider, but the doctor, clinic or health care facility is also a business, and the patient represents revenue for that business. A transit trip to a community college likewise provides educational benefits for the rider, but also additional enrollment and potential revenue for the college. Even not-for-profit human service agencies, which are themselves businesses, can benefit from the additional clients that rural transit programs might deliver. All communities should recognize that every transit passenger is a potential employee, customer, patient, patron, or client for another rural business.

By recognizing that transit is a critical part of the economic infrastructure of a community, transit managers can build and enhance important partnerships, relationships and constituencies. For nearly 20 years, the Association has had a close partnership with the Department of Agriculture to provide transit technical assistance to rural and tribal communities across the country. The goal of this help is to enhance the economic role of rural and

tribal transit. Communicating this role to elected and public officials, other businesses, potential customers, and the public can help ensure that transit programs have a secure, diversified and sustainable revenue base.

Rural transit impacts economic development by:

- Providing employment opportunities with the transit system itself;
- Purchasing goods and services in the community;
- Contracting with local vendors for fueling, maintenance and other support functions;
- Supporting entrepreneurs such as local taxi companies and intercity carriers;
- Benefiting local businesses by providing access for residents and visitors, both of which represent additional customers;
- Increasing attractiveness of the area for tourists;
- Allowing elderly residents to remain in the community by linking them to health care institutions, social services and recreational opportunities;
- Increasing the attractiveness of an area for retirees;
- Facilitating more cost effective centralization of facilities and services which can be accessible to all residents;
- Linking employers with potential employees;
- Enabling unemployed and

underemployed workers to access job and employment training opportunities and achieve economic self-sufficiency;

- Ensuring the success of welfare to work initiatives by providing access to jobs for welfare recipients;
- Increasing attractiveness of the area for potential employers;
- Permitting students to continue their education by providing access to educational opportunities;
- Providing access to alternative sources of economic activity in areas impacted by declines in farming, fishing, mining or logging, military facility closings and overall migration;
- Supporting the construction and maintenance of operational, administrative and maintenance facilities and intermodal transportation centers;
- Linking the economies of rural areas with those of more prosperous urban areas; and
- Enhancing the effectiveness of public and human service programs through the efficiencies generated by transportation coordination.

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A Salute to Vaughn Whisker

On Sept. 9, longtime Community Transportation leader Vaughn Whisker was honored in-person with the 2008 Community Transportation *Founders Award* at the headquarters of CHEER in Georgetown, Del. Vaughn was unable to accept the award at the 2008 EXPO in New Orleans due to health concerns. Association Board of Directors Member Rex Knowlton along with *Community Transportation* Editor Scott Bogren were on hand to commemorate the award, along with many of Vaughn's family, friends and colleagues. Congratulations to Vaughn for a long and dedicated career to improving mobility in communities around the nation.

