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## The Stranded Poor: Recognizing the Importance of Public Transportation for Low-Income Households



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**The Stranded Poor:**

**Recognizing the Importance of Public Transportation for Low-Income Households**

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**I. Introduction**

Access to transportation by low-income individuals and families has become limited as the majority of low-income households reside in rural areas and central cities, while basic amenities are increasingly located in the suburbs. With new jobs emerging further and further away from central cities, many low-income workers often have difficulty accessing jobs, training and other services such as childcare because of inadequate transportation.<sup>1</sup> In addition, many minimum wage jobs require working evening or weekend hours, but traditional transportation systems often do not serve their routes during these times.<sup>2</sup> Access to affordable transportation for low-income workers, elderly rural residents, and children makes the trip to work, school, and medical appointments possible. It fosters self-sustainability, promotes independence, and permits spending on other household essentials. Given these benefits, this issue brief will demonstrate that rural public transportation is indispensable.

**II. The Benefits of Public Transportation**

There are key benefits to improving rural and urban transit. One benefit of improving public transportation is that it preserves small urban and rural communities and sustains their character. By increasing the local customer base for services, such as medical facilities, shopping malls, and local educational facilities, rural transportation can enhance economic growth.<sup>3</sup> Second, transit can improve economic efficiency. “For example, when a transit system allows an unemployed individual to find and keep a job, this can save the Federal Government and the States significant costs by reducing payments for such programs as unemployment compensation, Food Stamps, Temporary Assistance for Needy Families (TANF), and/or Medicaid. And, when an elderly rural resident who is unable to drive uses transit to obtain health services, this promotes preventive health care for rural seniors, thereby keeping down overall health care costs.”<sup>4</sup>

Furthermore, transit can reduce social and economic inequalities by enhancing mobility for residents, many of whom lack cars and need assistance in finding jobs outside their primary resident area. Such jobs serve as an important source of income for those that otherwise face limited employment opportunities. Finally, public transportation lowers

household expenses by freeing up income for other uses. In 2000, transportation costs accounted for 36 cents out of every dollar spent in the poorest fifth of American households, 98 percent of which was spent on purchasing, operating, and maintaining their cars.<sup>5</sup> As urban sprawl increases around the country and transportation choices like walking and biking are reduced, private transportation costs rise and demand for public transportation increases. If reliable transit options were made available to more non-urban areas, it would allow more low-income households to distribute more funds to other essential expenses.

### **III. The Need for Rural Public Transportation**

Only 32 percent of all rural counties have full access to public transportation services and if the 28 percent of communities that have limited access are counted, that leaves 40 percent of rural residents with no public transit options at all.<sup>6</sup> Rural development economist for the United State's Department of Agriculture's (USDA) Economic Research Service Dennis M. Brown and USDA sociologist Eileen S. Stommes say that, "for low-income rural residents, long commutes and lack of transportation are barriers to working. Limited transportation options also isolate the rural poor from government services and programs designed to lift them out of poverty."<sup>7</sup>

To address these challenges States have collaborated with Community Action Agencies to help provide public transportation to low income individuals, senior citizens and the disabled. Established in 1986, the Rural Transit Assistance Program provides some of the funding for these programs through the rural transit block grant, as well as training and technical support.<sup>8</sup> However, Brown notes that, "the role of these entities varies with some agencies engaging in the purchase of vehicles and hiring of drivers, and others contracting with rural transit operators."<sup>9</sup> While the federal and state governments provide funding for public transportation, the specific tailoring and operation of rural transit is primarily a local responsibility.

States and Community Action Agencies realize that rural transit is cost efficient. For every dollar spent on this form of transit, rural communities reap about 3.1 dollars in benefits.<sup>10</sup> Rural transit connects workers with their jobs and supports the economic development of small communities, thus allowing rural America to maintain its character. In addition, rural transit helps the elderly access human services such as health care. Finally, rural transit connects tourists to scenic destinations, thus contributing to the health of a local economy.

### **IV. Community Action Agencies Respond**

The Community Services Network was born at the enactment of the Economic Opportunity Act (EOA) of 1964. This statute's aim was to eliminate the causes and consequences of poverty in the United States. To accomplish this goal, the Act established Community Action Agencies (CAAs) which are community based anti-poverty agencies. In 1981, the EOA was replaced by the Community Services Block Grant (CSBG). The Department of Health and Human Services' (DHHS) Office of

Community Services (OCS) allocates the CSBG to the states who in turn administer the CSBG to a network of CAAs. These agencies are the core of the Community Services Network and work to alleviate poverty on a community level.

Today, the Community Services Network is comprised of nearly 1,100 local, private, non-profit and public agencies that work to alleviate poverty and empower low-income families in communities throughout the United States. Most of these agencies are CAAs created through the EOA of 1964. The other agencies are included under the Community Services Block Grant, and follow similar guidelines for structure and service. CAAs currently serve over 16 million low-income people yearly in 99 percent of the nation's counties.

According to Sec. 676 of the Community Opportunities, Accountability, Training, and Educational Services (COATES) Act of 1998, CSBG funds should be used “(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and “(2) to accomplish the goals described in paragraph (1) through the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown.”<sup>11</sup>

Recognizing these responsibilities, several community agencies have developed a variety of innovative strategies to provide low-income households with quality transportation that supports their rural lifestyles. Below are several examples of the services being provided by CAAs and eligible CSBG-funded entities around the United States.

## **V. Case Studies**

### *A. Missouri*

Missouri's Community Action Agencies are building partnerships with other organizations within their communities to accomplish goals that a single agency cannot achieve alone. Establishing partnerships has helped to solve the transportation needs of working Missourian families.

The Missouri Valley Community Action Agency (MVCAA) enrolled 13 families, including the Millers, in Circles of Support, beginning in April 2005. After their car transmission broke, the Millers did not have the \$1,200 required to fix it. Ms. Miller began taking her children to daycare by bus, dropping them off on her way to work. However, this made her consistently late to work, and to make matters worse, her 6-year old could no longer participate in after school activities, like Daisy Scouts, because of transportation limits. Once the Millers began having trouble with grocery shopping, other community partners decided it was time to step in and help.

A committee formed by Sedalia's Circles of Support began accepting automobile donations from local businesses and individuals. Donated money pays the title fee and the insurance premium for the first month. After that, the family must be able to work all other automobile costs into their budget. They also must have fulfilled other responsibilities in Circles of Support and "pay back" the community in some way. Upon receiving a minivan, the Millers paid back the community by volunteering with the local Multiple Sclerosis Society to help in fundraising efforts.

### *B. Ohio*

The Community Action Agency of Columbiana County founded the Community Action Rural Transit System (CARTS) to respond to the need for rural transportation in Columbiana County. CARTS enables county residents to have access to health care, school, shopping, employment, public services and recreational opportunities. CARTS provides safe and efficient public transit to meet the needs of county residents and visitors which is cost effective and available for anyone, regardless of age or household income, in need of transportation. Furthermore, CARTS ensures that the needs of the elderly and individuals with disabilities are met by providing them with discounted rates and wheelchair accessible vehicles.<sup>12</sup>

North of Columbiana County is Mahoning County, where the Youngstown Area Community Action Council sponsors the Dial A Ride Transportation Services program. It offers free transportation to elderly, physically challenged and low-income residents of Mahoning County. Priority is given to the elderly, and trips are provided to all medical and social service appointments. Limited grocery shopping is also available for the elderly and physically challenged.<sup>13</sup>

### *C. Oklahoma*

An example of how CAAs' rural transportation programs have become indispensable is in the state of Oklahoma. During the mid 1980's, commercial transit carriers in Oklahoma began removing service routes through rural areas in the southeastern region of the state. Understanding the impact this change would have on the elderly and low-income populations' mobility, the U.S. Department of Transportation made funds available to help local organizations develop low cost means of transportation. The Little Dixie Community Action Agency used these funds to create a public transportation program in 1983 and named it Little Dixie Transit. The program, which started operations with one driver and one van, has grown to a fleet of 90 vehicles with 70 employees. Averaging 250,000 trips each year and operating with a budget of \$1.7 million, Little Dixie Transit serves clients traveling to the airport, hospital, or just a friend's house. The program allows senior citizens to remain independent, it affords low-income individuals a means of travel, and it provides Medicaid clients with a fast and reliable route to healthcare.<sup>14</sup>

Oklahoma Community Action Agencies have also developed transportation services in order to facilitate job growth that sustains rural communities. One example is KI BOIS

Community Action Agency's participation in Road to Work-Oklahoma, which is a cooperative effort of transit operators from across the state to develop new job access routes. "The program helps meet the needs of low-income residents who are just barely making it-who are no longer receiving public assistance but need help getting a job."<sup>15</sup> KI BOIS CAA serves as the lead agency, referring business to the transit system serving their area. "The Road to Work program designs the routes, hours, and days to meet the employment needs of the participants and employers. Transportation can be provided to jobs anywhere in Oklahoma, Arkansas and Texas."<sup>16</sup>

The Oklahoma Department of Human Services has collaborated with the Great Plain Improvement Foundation, Inc to create the Family Area Network Transit (FANT TRANS) to provide transportation for Temporary Assistance for Need Families (TANF) recipients to work, job training, or other allowable work activities, in order to move welfare recipients into the workforce. Rides to childcare services are also provided for children of recipients.

Another transportation program offered in Oklahoma is Sooner Ride, which is a "non-emergency transportation service available to Medicaid recipients."<sup>17</sup> It provides curb-to-curb service for qualified clients who need transportation to their medical appointments. Wheelchair accessible vans are available and provided upon request.

#### *D. Michigan*

Macomb County Community Services Agency (MCCSA) is a Community Action Agency that has established a transportation program solely for low income residents who require transportation to essential medical appointments. It provides transportation for eligible Macomb County residents who lack access to other means of transportation, whether private or public. Services are also provided in conjunction with MCCSA's other programs such as Head Start and Meals-on-Wheels.<sup>18</sup>

#### *E. Arkansas*

The Central Arkansas Development Council helps individuals achieve self-sufficiency by providing access to reliable, safe transportation through the South Central Arkansas Transit (SCAT) and Greyhound programs. SCAT provides Medicaid transportation so eligible customers can fulfill their non-emergency health care needs independently. In the Greyhound Bus Program, people in rural, South Arkansas can travel across county and even state lines without foregoing their next meal.<sup>19</sup>

#### *F. Kentucky*

The Daniel Boone Transit program, operated by the Daniel Boone Community Action Agency, Inc, has provided public and non-emergency medical transportation for a nominal fee in the eastern Kentucky counties of Clay, Jackson, Lee, Owsley and Wolfe since 1986. Daniel Boone Transit, like most other community operated transportation systems, operates on a "demand-response system, which means you must call the transit

office in your county and request transportation in advance of the trip.” Public transportation is a viable and necessary utility for these counties, and serves as a rural connection for in-county, in-town areas. This freedom of travel affords the general population a feasible means of meeting appointments, employment, job interviews, doctors’ visits, etc., at a reasonable cost. It indirectly improves the standard of living for the population. The program’s mission is to “assist area residents by providing public transportation services that are professional, accessible, and affordable.”<sup>20</sup>

Unrestricted rural transit systems such as Foothills Express give riders the opportunity to live and work according to their own schedules, offering both independence and peace of mind. Foothills Express is the creation of the Kentucky River Foothills Development Council, Inc which has provided over one million rides for residents of Clark, Estill, Madison, and Powell counties since its inception in 1986. What differentiates this program from others is that it operates three fixed bus routes in Berea and Richmond counties in addition to the transportation services it provides upon request. This not only expands the services provided in these counties, but also gives riders a renewed sense of security and reliability since the bus routes run on loops and do not require reservations to ride.<sup>21</sup>

#### *G. Maine*

The Washington Hancock Community Agency (WHCA) offers a variety of transportation programs that meet different community needs to maintain the self-sufficiency of all individuals. The Child Protective Transportation service provides transportation to supervised visits, family reunification meetings and services for those who are referred by the Maine Department of Health and Human Services. The Sheltered Workshop Transportation service provides rides for the mentally challenged to a sheltered workshop. The MaineCare Transportation Assistance service provides transportation for eligible clients with doctor’s appointments. The Volunteer Driver program provides transport for Washington and Hancock County residents that do not meet the requirements of the above programs. Volunteers who participate in this program receive a stipend of \$0.44 per mile. WHCA also has a carpool database to assist people interested in carpooling in both counties, as well as limited bus routes for individuals with more flexible local shuttle needs.<sup>22</sup>

The York County Community Action Agency (YCCAC) transportation program’s primary purpose is to “promote self-sufficiency by providing York County residents with a means to get to work and/or services and resources which otherwise would not be accessible.”<sup>23</sup> Reduced rates and free services are available to eligible individuals, such as MaineCare recipients, youth, elderly, and low-income residents. YCCAC provides scheduled bus transportation operating on routes that have been designed to serve the closest regional shopping and medical destinations for each town served. Wheels to Access Vocation & Education (WAVE) transports riders to job training, post-secondary schooling and employment sites, and takes their children to day care in the York County areas. The Friends and Family program, as well as the Volunteer program, reimburse drivers for taking eligible MaineCare recipients, youth, at-risk elderly, mentally disabled,

and low income residents to medical appointments and care. With over 65 drivers available, every resident of York County can have their transportation needs met at little to no cost.

## **VI. Conclusion**

As demonstrated in the above transportation program overviews, Community Action Agencies provide a wide-range of transportation services and are continually establishing ways to serve America's transportation needs. The impact of these efforts on rural transportation is evident in outcome data collected in the FY 2005 CSBG Information System Survey and published in the Annual Report of Performance Outcomes, or ROMA report, from the CSBG Program. According to the FY 2005 ROMA Report, emergency transportation is offered in 46 states and 2,707,208 transportation opportunities were "created, expanded, or saved from elimination."<sup>24</sup>

As part of their larger goal of addressing the needs of the poor, CAAs have created new transportation services in communities across the United States. These services maintain the independence of senior citizens, meet the healthcare, childcare, and educational needs of families, and help low-income households achieve self-sufficiency by providing a reliable and affordable means of getting to work. By implementing and sustaining community transportation programs, CAAs are one step closer to eliminating the cycle of poverty in the United States.

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<sup>1</sup> Jones, Michelle Ganow. "Coordinating Transportation Services for Low-Income Workers," The Finance Project, October 2000.

<sup>2</sup> Friedman, Pamela. "Transportation Needs in Rural Communities," The Finance Project, March 2004.

<sup>3</sup> Brown, Dennis M. "Public Transportation on the Move in Rural America," Economic Research Service, USDA. <<http://www.nal.usda.gov/ric/ricpubs/publictrans.htm>>

<sup>4</sup> Brown, Dennis M. "Public Transportation on the Move in Rural America," Economic Research Service, USDA. <<http://www.nal.usda.gov/ric/ricpubs/publictrans.htm>>

<sup>5</sup> "Transportation and Housing." Issue Factsheets, Surface Transportation Policy Partnership. <<http://www.transact.org/library/factsheets/housing.asp>>

<sup>6</sup> Brown, Dennis M. and Eileen S. Stommes. "Rural Governments Face Public Transportation Challenges and Opportunities," Economic Research Service, USDA. *Amber Waves*, Feb, 2004. <<http://www.ers.usda.gov/amberwaves/February04/Findings/RuralGovernments.htm>>

<sup>7</sup> Brown, Dennis M. and Eileen S. Stommes. "Rural Governments Face Public Transportation Challenges and Opportunities," Economic Research Service, USDA. *Amber Waves*, Feb, 2004. <<http://www.ers.usda.gov/amberwaves/February04/Findings/RuralGovernments.htm>>

<sup>8</sup> "RTAP: Rural Transit Assistance Program," Community Transportation Association. <<http://web1.ctaa.org/webmodules/webarticles/anmviewer.asp?a=50&z=39>>

<sup>9</sup> Brown, Dennis M. "Public Transportation on the Move in Rural America," Economic Research Service, USDA. <<http://www.nal.usda.gov/ric/ricpubs/publictrans.htm>>

<sup>10</sup> Brown, Dennis M. "Public Transportation on the Move in Rural America," Economic Research Service, USDA. <<http://www.nal.usda.gov/ric/ricpubs/publictrans.htm>>

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<sup>11</sup> “Community Opportunities, Accountability, and Training and Educational Services Act of 1998.” Public Law 105–285, OCT. 27, 1998.

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<sup>12</sup> Community Action Rural Transit System.

<<http://www.cartsonline.org>>

<sup>13</sup> Youngstown Area Community Action Council.

<<http://www.neoseniorlink.org/yacac>>

<sup>14</sup> Little Dixie Community Action Agency.

<<http://www.LittleDixie.org>>

<sup>15</sup> SoonerRide Transportation. Great Plains Improvement Foundation.

<<http://www.gpif-caa.org/Transportation>>

<sup>16</sup> SoonerRide Transportation. Great Plains Improvement Foundation.

<<http://www.gpif-caa.org/Transportation>>

<sup>17</sup> SoonerRide Transportation. Great Plains Improvement Foundation.

<<http://www.gpif-caa.org/Transportation>>

<sup>18</sup> Macomb County Community Services Agency

<<http://macombcountymi.gov/MCCSA/trans.htm>>

<sup>19</sup> Central Arkansas Development Council.

<<http://www.cadconline.net/programs>>

<sup>20</sup> Daniel Boone Transit. Daniel Boone Community Action Agency, Inc.

<<http://www.charityadvantage.com/dbdc/transportation.asp>>

<sup>21</sup> Kentucky River Foothills Development Council, Inc.

<<http://www.foothillscap.org/Services.htm>>

<sup>22</sup> Washington Hancock Community Agency.

<<http://www.whcacap.org>>

<sup>23</sup> “Transportation Program.” York County Community Action Corporation.

<<http://www.yccac.org/pagestransportation/Transportation1.htm>>

<sup>24</sup> “Annual Report of Performance Outcomes from the Community Services Block Grant Program, FY 2005.” National Association of State Community Services Programs. Washington, DC, October 2006.

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