

DRIVEN TO \$PEND



Driven to Spend

Series jointly authored by –

- Center for Neighborhood Technology
- Surface Transportation Policy Project

Reports in Series

- ✓ *Driven to Spend*
- ✓ *Transportation Costs and the American Dream*
- ✓ *Driven to Spend: Pumping Dollars out Our Households and Communities*

Purpose of Series

Call attention to –

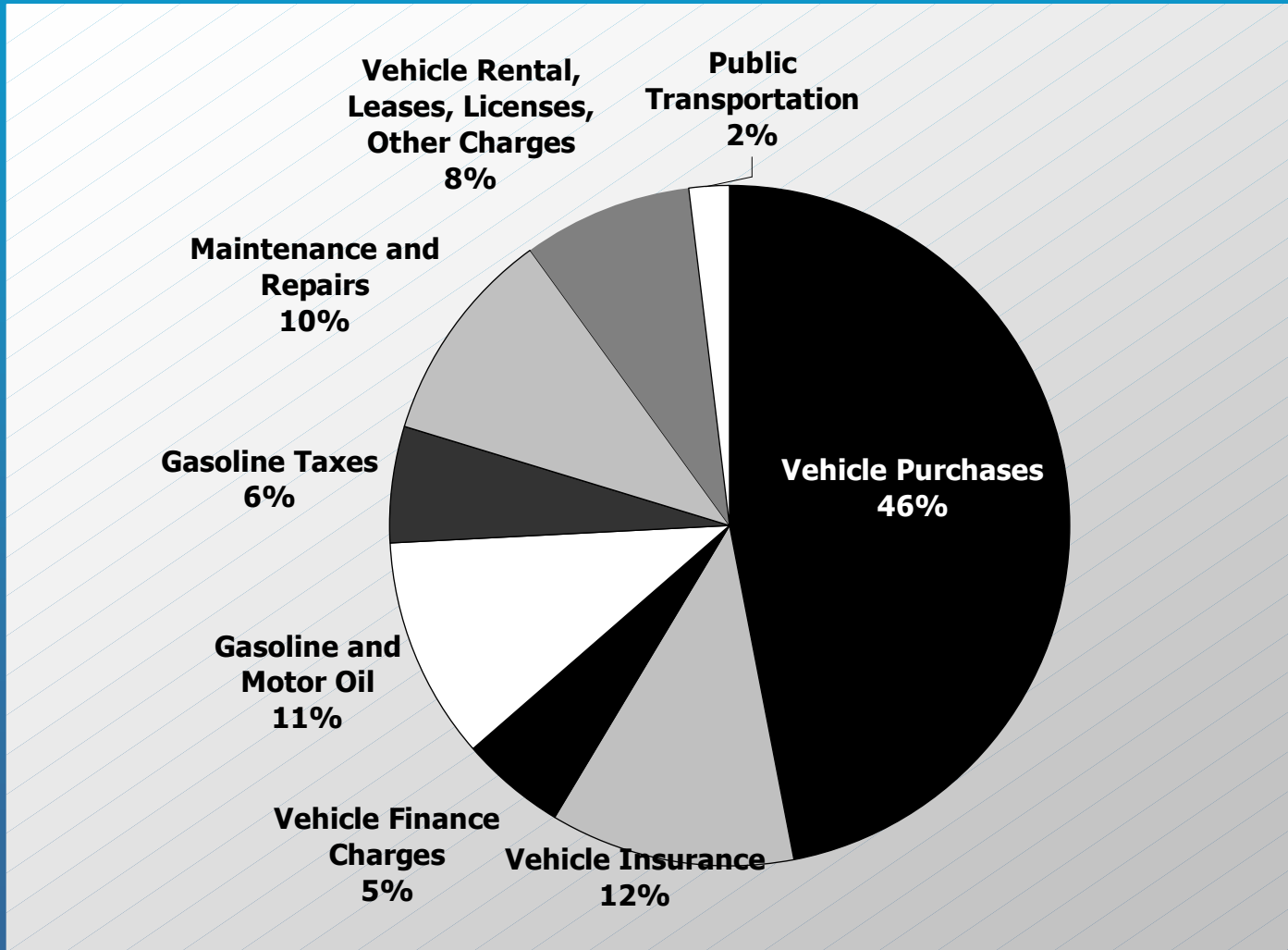
- effects of transportation costs on families, especially low-income families
- benefits of balanced transportation
- opportunities to invest in choices
- need to invest differently

Earlier Reports

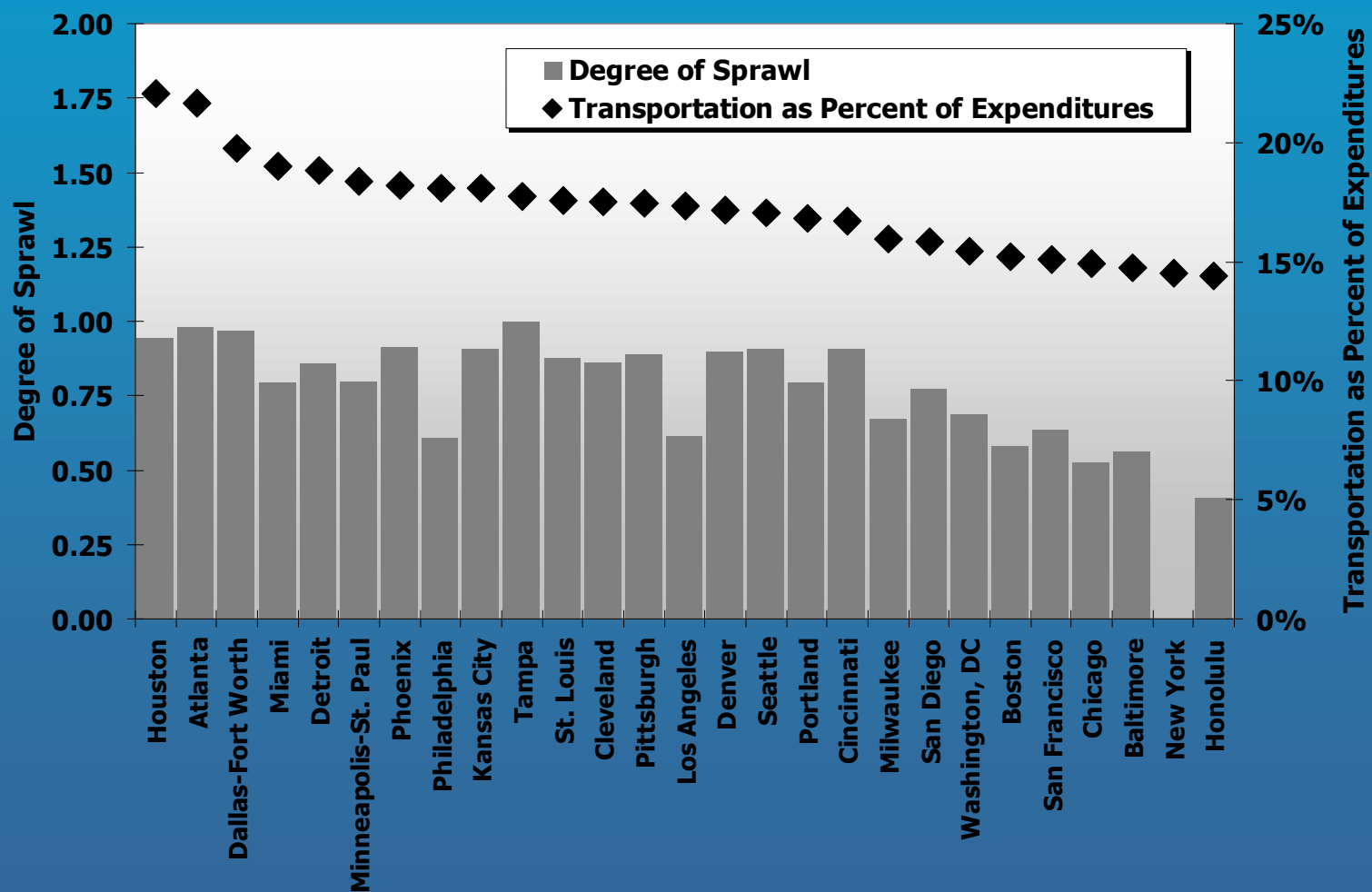
Earlier reports placed transportation costs in context of –

- families
- equity
- government expenditures
- housing
- location efficiency

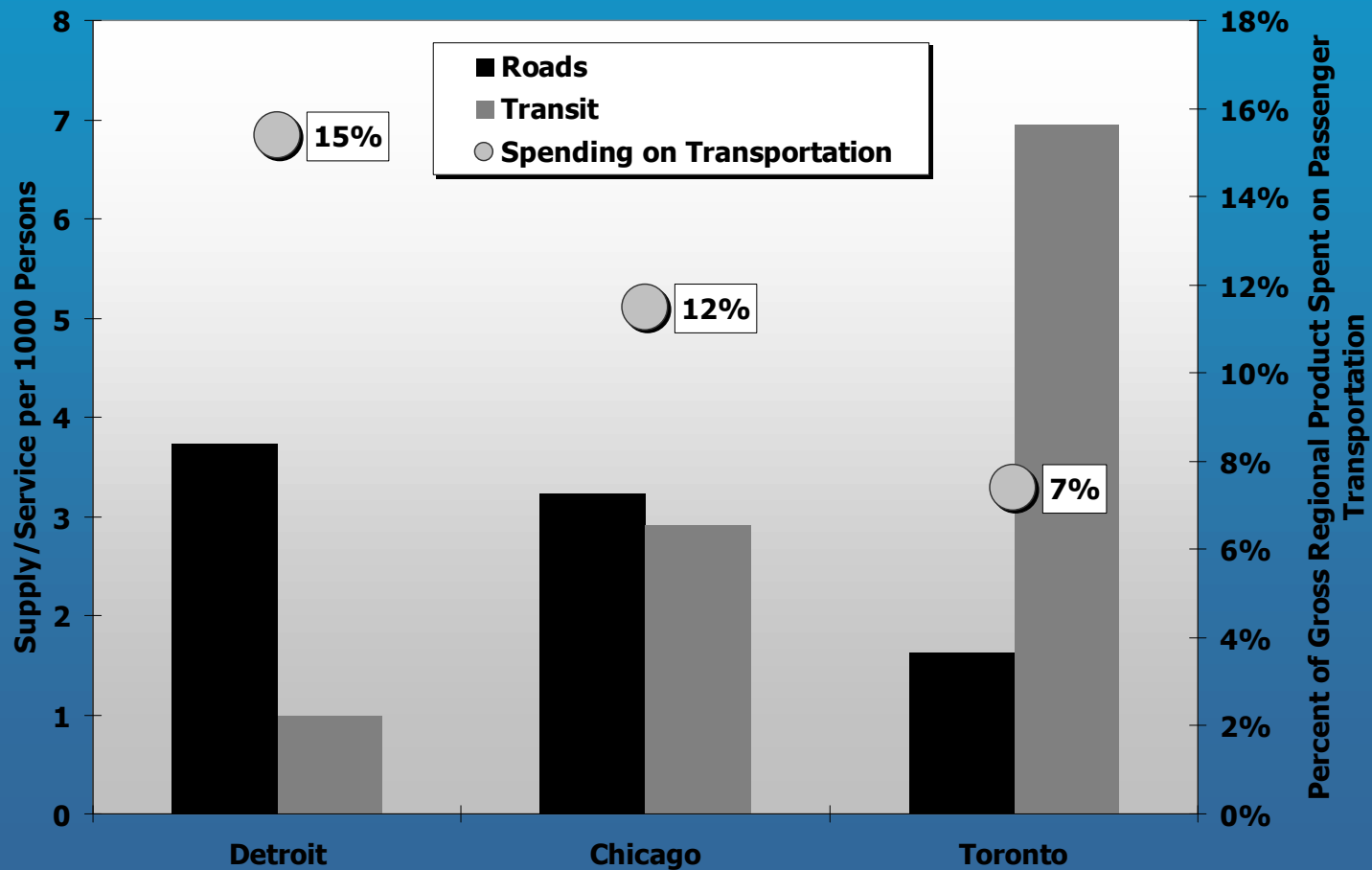
Transportation Expenses



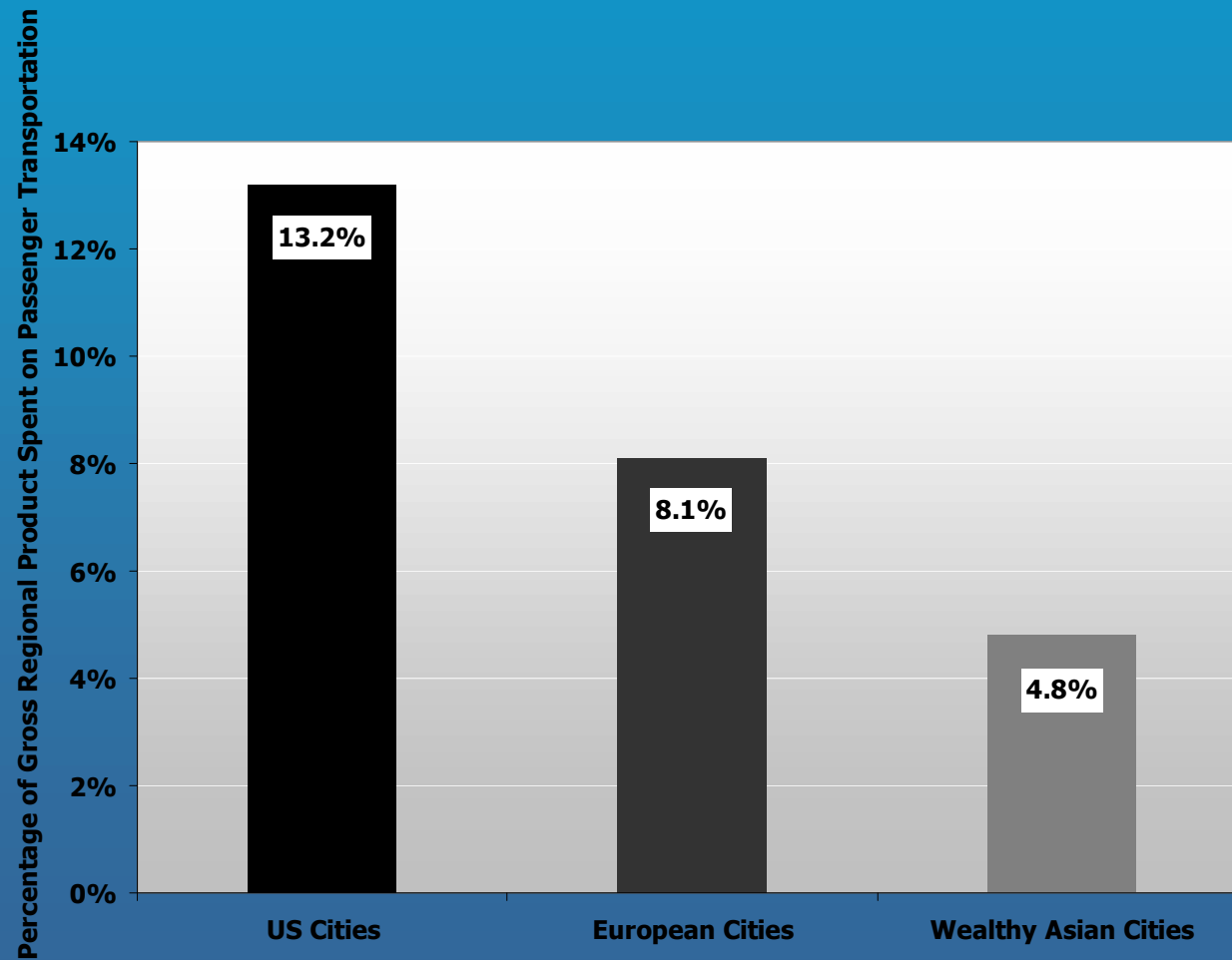
Sprawling Places are More Expensive



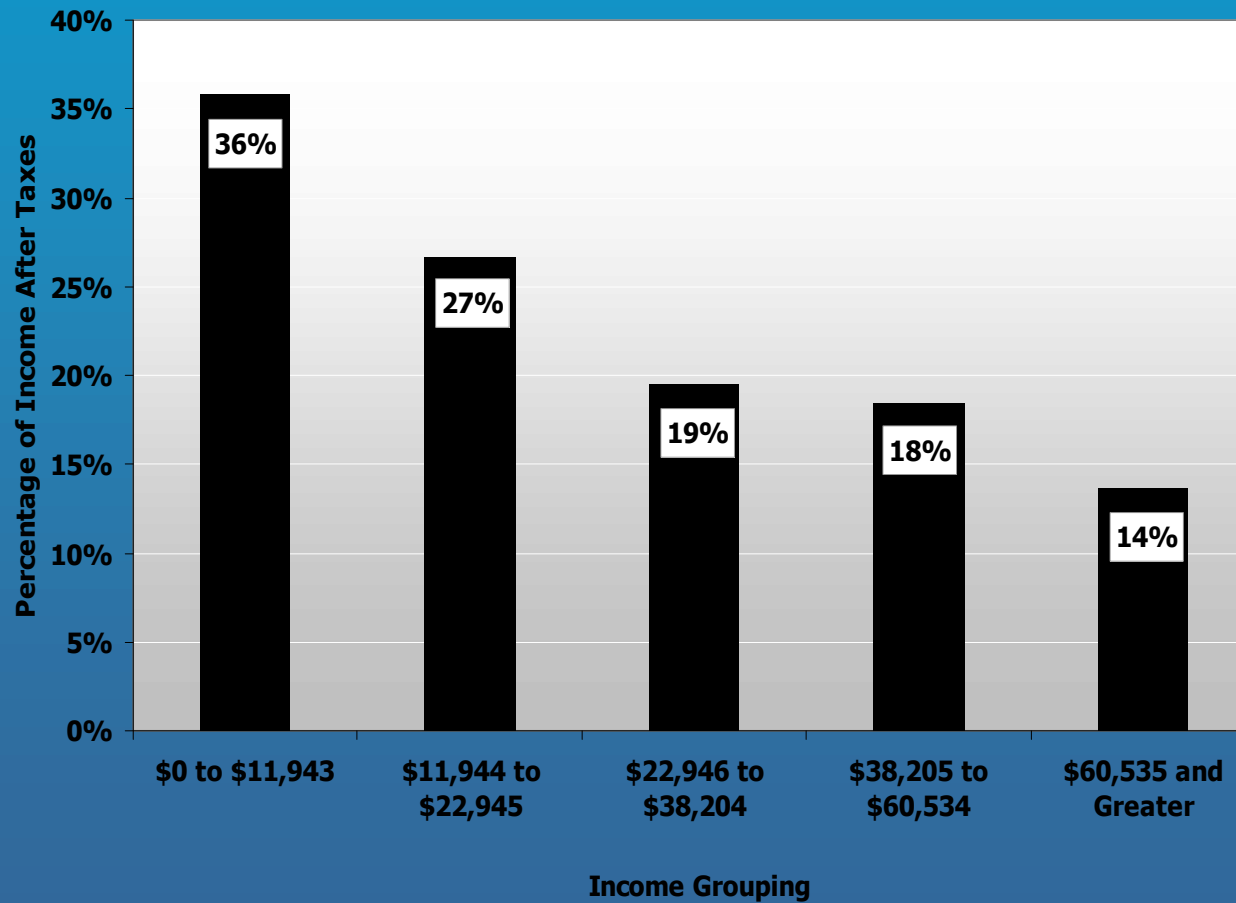
Transportation Balance and Spending



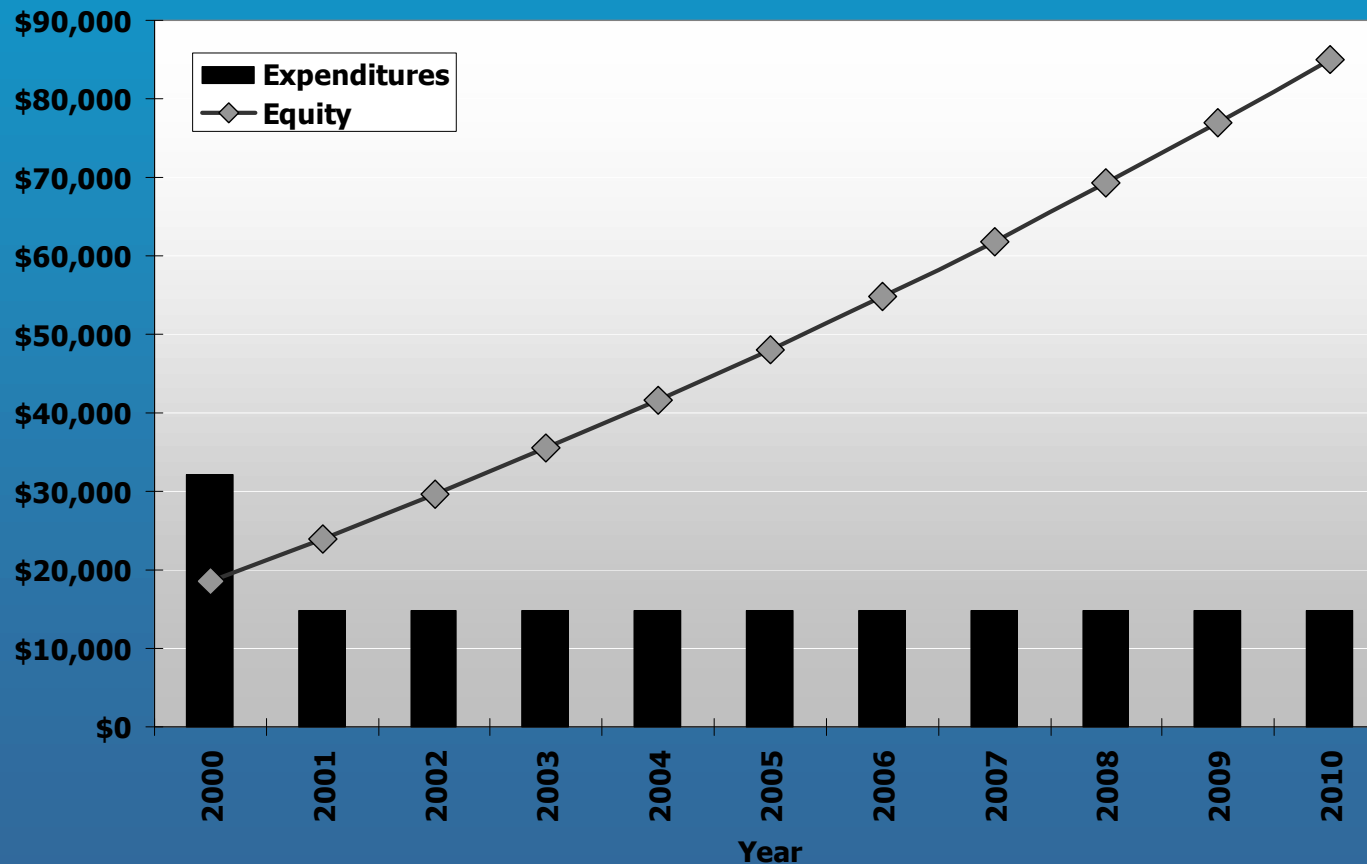
Americans Spend More to Get Around



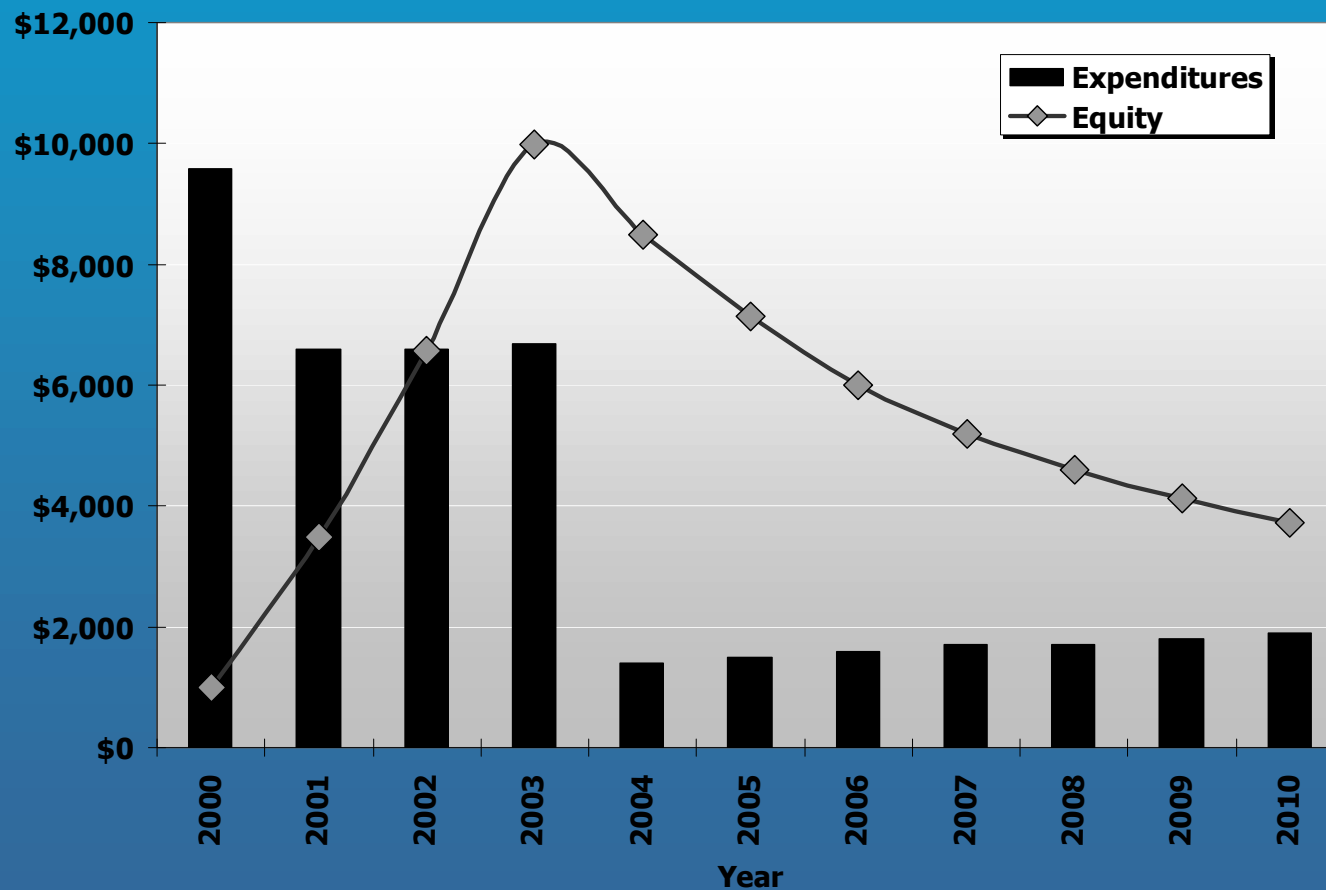
High Costs Hit Poor Families Hardest



Ten Years of Investment in a House



Ten Years of Investment in a Car



2005 Report

Emphasized –

- broader economics
- regional economies
- effects of rising gas prices

2005 Report

Targets were –

- Congress broadly
- SAFETEA-LU Conferees specifically
- State, regional and local officials

2005 Report & Congress

Urged Conferees –

- “Stay the Course” on current law
- don’t stack the deck for highways (i.e. fair debate on alternatives in NEPA)
- keep focused on transit and other alternative travel options
- caution on projects

State, Regional & Local

Urged these officials to –

- take advantage of flexibility
- reevaluate current investment plans
- growing smarter is a good investment
- make family budgets and regional economies a priority

Key Findings

- metro families expended 19.1 % of household budgets on transportation costs (second highest level)
- warned that gas prices will drive level up
- metro areas with transit had lower expenditure shares (noting commute shares, rail systems and rail stations)
- Houston area topped 28 metros with 20.9 % share, with Baltimore at 14 %

Other Findings

- Tampa metro leads with combined transportation & housing costs of 57.7 % (Miami second at 57.2 %)
- Pittsburgh metro lowest at 45.8 % (Baltimore next lowest at 48.6 %)
- average of 28 metros is 52 %

Six Highest vs. Six Lowest

- Highest cost areas: Houston; Cleveland; Detroit; Tampa; Kansas City; and Cincinnati
- Lowest cost areas: Baltimore; Portland; New York; Washington, DC; Philadelphia; and Pittsburgh
- Average cost of top six is 20.4 % vs. 16.4 % of six lowest -- 4 % swing

These Areas and Choices

- Top Six: non-auto commute share was 5 %
- Bottom Six: non-auto commute was 12 % (excludes NY metro)
- Top six averaged <10 rail stations vs. bottom six >100 stations (excludes NY and > 270 with NY)

Trading Places

If Baltimore metro was like Houston and Houston was like Baltimore –

- Baltimore metro families would expend \$2.5 billion annually
- Houston families would save \$5 billion annually at Baltimore's share

At the national average –

- Baltimore would expend \$2 billion more, Houston would save \$1.8 billion annually

Updating 2005 Report

When report was issued June 2005, the baseline numbers were –

- 2003 base year average of \$1.60/gallon
- 2005 average was \$2.09/gallon (average through May)

Adjusting report's tables to \$3.00/gallon, next slides show impacts on metros and states

Metros at \$3.00 /gallon

Metro Area	# of HH in MSA	Avg. Vehicle per HH	2003 HH Expenditure on Gasoline and Motor Oil	2003 MSA Expenditure on Gasoline and Motor Oil	\$3/gallon HH Expenditure on Gasoline and Motor Oil	\$3/gallon MSA Expenditure on Gasoline and Motor Oil
Los Angeles	3,133,774	1.9	\$1,580	\$4,951,362,920	\$2,963	\$9,283,805,475
Kansas City	694,468	2.1	\$1,559	\$1,082,675,612	\$2,923	\$2,030,016,773
San Diego	994,677	2	\$1,513	\$1,504,946,301	\$2,837	\$2,821,774,314
Dallas-Ft. Worth	1,906,764	2	\$1,510	\$2,879,213,640	\$2,831	\$5,398,525,575
San Francisco	684,453	1.9	\$1,455	\$995,879,115	\$2,728	\$1,867,273,341
Anchorage	94,822	2.7	\$1,450	\$137,491,900	\$2,719	\$257,797,313
Minn./St. Paul	1,136,615	2.6	\$1,400	\$1,591,261,000	\$2,625	\$2,983,614,375
Detroit	1,695,331	2	\$1,354	\$2,295,478,174	\$2,539	\$4,304,021,576
Seattle	963,552	2.3	\$1,342	\$1,293,086,784	\$2,516	\$2,424,537,720
Denver	825,291	2.2	\$1,327	\$1,095,161,157	\$2,488	\$2,053,427,169
Chicago	2,971,690	1.7	\$1,325	\$3,937,489,250	\$2,484	\$7,382,792,344
Miami	776,774	1.6	\$1,324	\$1,028,448,776	\$2,483	\$1,928,341,455
Wash., D.C.	1,848,064	1.8	\$1,318	\$2,435,748,352	\$2,471	\$4,567,028,160
Houston	1,462,665	1.9	\$1,302	\$1,904,389,830	\$2,441	\$3,570,730,931
Baltimore	974,071	1.6	\$1,302	\$1,268,240,442	\$2,441	\$2,377,950,829
Milwaukee	587,657	2	\$1,284	\$754,551,588	\$2,408	\$1,414,784,228
Phoenix	1,194,250	1.8	\$1,266	\$1,511,920,500	\$2,374	\$2,834,850,938
St. Louis	1,012,419	1.9	\$1,261	\$1,276,660,359	\$2,364	\$2,393,738,173
Portland	741,776	2.2	\$1,253	\$929,445,328	\$2,349	\$1,742,709,990
Atlanta	1,504,871	1.8	\$1,222	\$1,838,952,362	\$2,291	\$3,448,035,679
Pittsburgh	966,500	2	\$1,164	\$1,125,006,000	\$2,183	\$2,109,386,250

States at \$3.00 1gallon

Table 5. Increased Statewide Expenditures on Gasoline

State	2003 Estimated Households	Total Gallons in 2003	Total Expenditures in 2003	Statewide Expenditure on Gasoline and Motor Oil at \$3/gal.~
California	11,856,538	15,291,318,000	\$25,077,761,520	\$45,873,954,000
Texas	7,634,767	11,438,815,000	\$18,759,656,600	\$34,316,445,000
Florida	6,637,845	8,177,899,000	\$13,411,754,360	\$24,533,697,000
New York	7,118,706	5,878,203,000	\$9,640,252,920	\$17,634,609,000
Ohio	4,480,461	5,246,185,000	\$8,603,743,400	\$15,738,555,000
Pennsylvania	4,801,049	5,198,738,000	\$8,525,930,320	\$15,596,214,000
Illinois	4,624,605	5,160,627,000	\$8,463,428,280	\$15,481,881,000
Michigan	3,884,081	5,073,046,000	\$8,319,795,440	\$15,219,138,000
Georgia	3,152,672	5,042,648,000	\$8,269,942,720	\$15,127,944,000
New Jersey	3,122,552	4,498,312,000	\$7,377,231,680	\$13,494,936,000
North Carolina	3,270,705	4,333,388,000	\$7,106,756,320	\$13,000,164,000
Virginia	2,790,262	3,967,114,000	\$6,506,066,960	\$11,901,342,000
Indiana	2,350,535	3,304,859,000	\$5,419,968,760	\$9,914,577,000
Missouri	2,284,663	3,219,217,000	\$5,279,515,880	\$9,657,651,000
Tennessee	2,295,640	3,065,375,000	\$5,027,215,000	\$9,196,125,000
Massachusetts	2,435,941	2,856,187,000	\$4,684,146,680	\$8,568,561,000
Washington	2,382,320	2,744,367,000	\$4,500,761,880	\$8,233,101,000
Minnesota	2,011,984	2,729,882,000	\$4,477,006,480	\$8,189,646,000
Arizona	2,048,918	2,644,830,000	\$4,337,521,200	\$7,934,490,000
Maryland	2,048,134	2,633,084,000	\$4,318,257,760	\$7,899,252,000
Wisconsin	2,159,083	2,570,318,000	\$4,215,321,520	\$7,710,954,000
Alabama	1,743,476	2,510,664,000	\$4,117,488,960	\$7,531,992,000
Louisiana	1,672,717	2,451,856,000	\$4,021,043,840	\$7,355,568,000
South Carolina	1,567,798	2,386,648,000	\$3,914,102,720	\$7,159,944,000

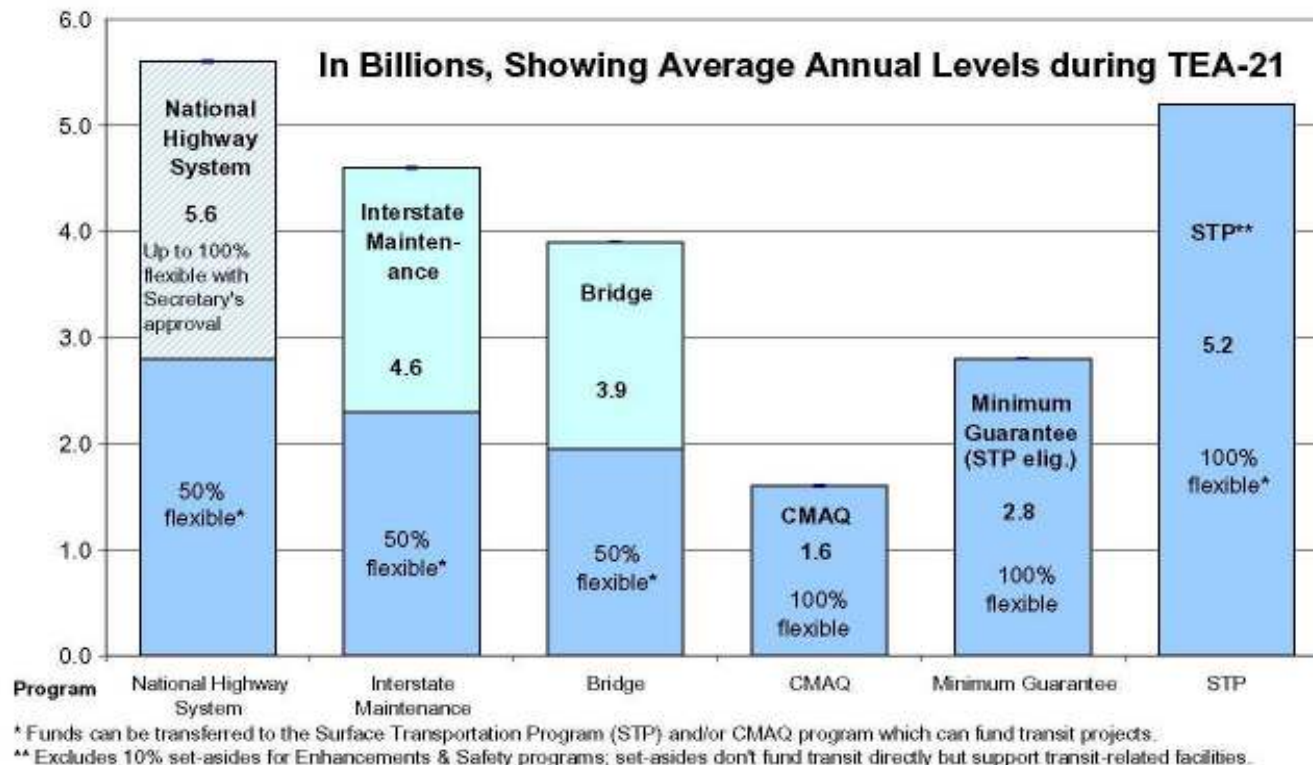
Key Message from Report

Can we afford to leave highway funds off the table, focusing only on FTA dollars?

- in TEA-21 era, flexing to transit peaked in FY'00, and has been declining since (averaged \$1 billion annually)
- for every FTA dollar, FHWA delivers more than four dollars to states
- more than 2/3 of each highway dollar to states can be flexed to transit, etc.

Flexibility of Highway \$s

Table 1: Highway Program Flexibility to Fund Transit Investment



Key Recommendations

- need to stop acting like it is business as usual: leaders should step back and carefully consider options and plans
- press local and state leaders to embrace opportunities (clean air, safety)
- start by taking full advantage of law's flexibility to fund transit, bike/ped, etc.
- engage the process at every level

Closing Points

- Utah Governor in paper today on gas prices and suspension of state gas tax -
“It is not right and something has to be done about it.”
- press accounts across nation reporting surge in ridership – rail is key
- report this morning that total U.S. gas consumption fell by 4 % in one week
- gas prices may do what common sense couldn't

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