The Problem

Lack of reliable transportation is a top barrier to employment in South Bend.

A 2016 study in St. Joseph County found that lack of reliable transportation is the primary barrier to employment for 1 of 3 of low-income workers in South Bend.¹ For some workers, a flat tire or a missed bus ride can be make or break when trying to hold down a job. Families and workers without reliable transportation often face long odds working to make ends meet.

For employers in our region, lack of transportation means missed shifts, late arrivals, and frustrations among staff and managers. This in turn leads to high turnover, challenges with recruitment, and lost productivity. Across employers in our region, transportation-related turnover costs likely run over $3M annually.²

Survey of 160 shift workers in Sept. 2019
Over the past 6-8 months, has a transporation issue ever made you late or absent from work?

41% said yes

Estimating the cost of turnover
Employers of all sizes and industries struggle to retain great employees. Turnover costs businesses. The example below demonstrates how those costs can add up.

<table>
<thead>
<tr>
<th></th>
<th>30%</th>
</tr>
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<tbody>
<tr>
<td>Annual Turnover</td>
<td></td>
</tr>
<tr>
<td>Average Salary</td>
<td>$30,000</td>
</tr>
<tr>
<td>Turnover Cost per Position (20% of salary)³</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>Annual Turnover Cost per Position (30% x $6,000)</strong></td>
<td>$1,800</td>
</tr>
</tbody>
</table>

2. Bureau of Labor Statistics figures on hourly wage workers (30,000+) and Commuters Trust estimate of transportation-related turnover costs per position annually ($100+ per position; $30,000 x $100 = $3M)
3. HR industry standard turnover cost estimate, per the Society for Human Resource Management
**OUR SOLUTION**

**In 2019, the City of South Bend launched Commuters Trust.**

In late 2018, the City of South Bend was awarded a $1,000,000 three-year grant through the Bloomberg Philanthropies Mayors Challenge to tackle transportation challenges facing local workers. In 2019, the City launched Commuters Trust, a public-private collaboration between the City, local employers, and transportation providers, to develop and pilot solutions.

Over the three-year grant period, Commuters Trust will pilot multiple solutions, aiming to establish a sustainable transportation benefit program funded primarily by employer and employee contributions.

**Our goal:** A multi-modal, financially sustainable transportation program that takes the stress out of commuting for workers in our region.

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**Getting Started: Phase 1**

Commuters Trust launched Phase 1 in September 2019 in partnership with three local employers. Each employer selected specific departments to pilot our Ride Guarantee offering. During the initial 4-month pilot period, we enrolled 235 employees.

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**Local employers**

- **Lyft:** Two 1¢ rides, next 18 rides $4 fare. Max 20 rides per month*
- **Transpo:** Unlimited free rides

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**Transportation Providers**

- **transpo**
- **lyft**

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**Phase 1 Offerings**

- **RIDE GUARANTEE**
  - **Lyft:** Two 1¢ rides, next 18 rides $4 fare. Max 20 rides per month*
  - **Transpo:** Unlimited free rides

*Lyft discounts only apply on rides to/from workplace
Phase 1

Findings and Results

Employer Attendance Impact
Across the employer partners participating in Phase 1, participants were, on average, more likely to be on time and miss fewer shifts.

29% decrease in absences for program participants*

*155 participants measured between September through December 2019, as compared to the same period in 2018 for a comparable cohort.

Taneka had an unreliable car with a bad brake line. Despite her car trouble, Taneka was able to work night shifts by participating in Ride Guarantee. Ultimately, the program helped her rise from an on-call to part-time status.
**Lyft**

The majority of participants used Lyft as a backup, for emergencies and occasional need only. 25% of participants accounted for 96% of Lyft rides taken.

### Average Lyft Costs

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>Average Program Subsidy Amount</td>
<td>$7.59</td>
</tr>
<tr>
<td>Average Cost to Participant</td>
<td>$3.05</td>
</tr>
<tr>
<td><strong>Total Average Lyft Ride Cost</strong></td>
<td>$10.64</td>
</tr>
</tbody>
</table>

Not all Lyft riders take roundtrip rides to commute: 14% of participants used Lyft for one-way rides only traveling to a single destination (work or home, not both).

**Transpo**

In winter months, bus service can be impacted by weather, so we expected riders to take Lyft rather than Transpo. However, Transpo usage actually increased in November and December.

### Top 5 Utilized Bus Routes

<table>
<thead>
<tr>
<th>Route</th>
<th>Total Rides</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 - North Michigan/Laurel Woods</td>
<td>356</td>
</tr>
<tr>
<td>10 - Western Avenue</td>
<td>268</td>
</tr>
<tr>
<td>7 - Notre Dame/UP Mall</td>
<td>147</td>
</tr>
<tr>
<td>3A - Portage</td>
<td>136</td>
</tr>
<tr>
<td>12 - Rum Village</td>
<td>128</td>
</tr>
<tr>
<td>3B - Portage</td>
<td>128</td>
</tr>
</tbody>
</table>

**NOTE:** All University of Notre Dame employees are eligible for Transpo rides; rides for enrolled Notre Dame participants are not included in Transpo figures here.

Before enrolling in the Ride Guarantee program, Cody would take the bus or walk about 1 hour to work. The Ride Guarantee program has allowed Cody to be more productive at work.

“It allows me to do my job better, because I don’t have to worry about getting there or back,” Cody said. When he has the option of a Lyft ride to work, he is better able to “get mentally prepared for work.”

Cody added that he has also been able to save more of his paycheck because of the program. “I know when I need to get to work, what I’m spending. That allows me to plan my monthly budget.”

“This is how transportation should be,” said Cody.
Participant Feedback
We surveyed 61 program participants in October 2019.

Lessons Learned From The First Pilot

Digital and Payment Barriers: A small minority of prospective participants did not have access to a smartphone or a sufficient data plan, or did not have a payment method for Lyft. Currently, our program relies on tech-enabled digital solutions.

Availability of Rideshare Drivers: Participants expressed concerns with the lack of available Lyft drivers in the early morning. This is particularly a problem for shift workers that clock in at or before 6 AM.

Varied Rideshare Experiences: Rideshare drivers maintain their cars to different levels. Some participants expressed concerns about car cleanliness and quality.

Unpredictable Costs: Costs to use Lyft - or other rideshare providers - are highly variable and unpredictable, especially compared to fixed-route and fixed-capacity mass transit such as the bus.

Supervisor Support: Places where supervisors actively encouraged enrollment and participation saw far greater levels of program utilization, and, in turn, better attendance results.

Kim previously relied on cabs as a primary means of transportation. After enrolling in Ride Guarantee, Kim was able to cut her transportation costs by nearly 70%. The extra savings each month made budgeting less stressful.

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It has given me another option to get to work other than trying to call around and find a ride.”

It was easy to sign up for and it’s convenient so I don’t have to miss work and call off.”

100% would recommend Ride Guarantee to others.
75% were comfortable using Lyft.
75% indicated Ride Guarantee program helped them not miss work and work extra shifts.
Future Vision

What’s Next for Commuters Trust

Building on the learnings from our first phase, in 2020 and beyond Commuters Trust will continue pursuing our goal to take the stress out of commuting for workers in our region. Here’s what’s in the works:

• **Expand on our current program** and effectively triple the size of the program by forming new employer partnerships.

• **Evolve the transportation options** to include new and more cost-effective solutions such as carpool reimbursement.

• **Continue to study the impact of the program** on employers’ bottom line and work to align value provided to stakeholders with program costs.

• **Build new partnerships** and develop approaches to more directly support job seekers in our region with transportation solutions.

• **Document and share our learnings with others**, while learning from what others in the field are doing to solve this and similar issues.
ACKNOWLEDGMENTS

Commuters Trust is brought to you through the support of the City of South Bend and the Bloomberg Philanthropies Mayors Challenge. The Mayors Challenge is a yearlong competition that challenges city leaders to uncover and test bold, inventive ideas to confront the toughest problems faced by cities today. South Bend’s Commuters Trust program is one of the nine winning ideas of the U.S. Mayors Challenge.

Thanks to our Phase 1 partners, including:
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South Bend Public Transportation Corporation (Transpo)
University of Notre Dame