



GSA FLEET

Information on the Effect of Donating Cars to YouthBuild USA and Potential Benefits to Rural Youthbuild Participants

Highlights of [GAO-07-153](#), a report to the Ranking Minority Member, Subcommittee on Financial Institutions and Consumer Credit, Committee on Financial Services, House of Representatives

Why GAO Did This Study

To assist youth who live in high poverty rural areas obtain and retain jobs, YouthBuild USA, a national nonprofit organization, has proposed providing donated used cars to selected low-income youth in rural communities. YouthBuild USA's proposed program hinges on receiving donations of used cars from the federal government's General Services Administration (GSA). This report discusses (1) the effect of donating 1 to 5 percent of selected GSA used cars on GSA's fleet vehicle sales operations, (2) what studies have shown with respect to the benefits that car ownership or access may hold for low-income individuals, and (3) what studies of selected low income car ownership programs and experiences of these programs have shown with respect to the benefits of participant car ownership.

In conducting this study, GAO examined auction data from GSA, reviewed academic studies on the benefits of car access in gaining employment, and interviewed officials of six existing low income car ownership programs.

What GAO Recommends

GAO is making no recommendations in this report.

GAO provided a draft of this report to GSA for its review and comment. GSA stated that our report is accurate but expressed concerns with the use of its Fleet vehicles for car donations.

www.gao.gov/cgi-bin/getrpt?GAO-07-153.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William B. Shear at (202) 512-8678 or shearw@gao.gov.

What GAO Found

If GSA annually donated 1 to 5 percent of the compact sedans available for auction from its Fleet program (112 to 559 cars), its annual sales revenue would be reduced by \$600,000 to \$3 million (see fig.). To donate cars directly to YouthBuild USA, GSA would need new statutory authority to deviate from the existing process for disposing of surplus federal property. If it were given this authority, GSA would likely first seek appropriations to recover the loss in sales revenue from the donations but would also consider increasing its leasing rates for compact sedans. However, GSA would also require new legislative authority to increase its rates for this purpose because the current statute governing its Fleet program does not allow it to pass on these costs to the agencies that lease vehicles from it.

The seven studies GAO reviewed consistently found that owning a car or having access to one increases the likelihood that low-income individuals (such as rural Youthbuild participants) find a job. One reason for this is that a car allows a person to search for a job over a wider geographic area. Differences between the populations in these studies and rural Youthbuild participants did not allow GAO to use this research to identify the degree to which participants in YouthBuild USA's proposed program would benefit from having a car.

Six studies of low income car ownership programs and the experiences of those operating the programs indicated that participants got and retained jobs, earned higher wages, and spent more time with their families as a result of owning a car. However, it is difficult to project the results of these studies to rural Youthbuild participants because of limitations in the methodologies of the studies, differences between individuals served by the programs and YouthBuild USA, and differences in the designs of the existing programs and the YouthBuild USA proposal.

Estimated Average Annual Reduction in Sales Revenue to GSA Fleet from Donating Compact Sedans Normally Sold at Auction

