



Issue Brief

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Commuting Expenses: Disparity for the Working Poor

- The working poor spent a fraction of what other workers spent on commuting expenses, but those costs amounted to a significantly higher proportion of their income.
- The working poor who drove their own vehicle spent a higher percentage of their income on commuting than those who used public transit.
- The working poor used the less expensive commuting options of public transit, carpooling, biking, and walking more frequently than higher income workers.

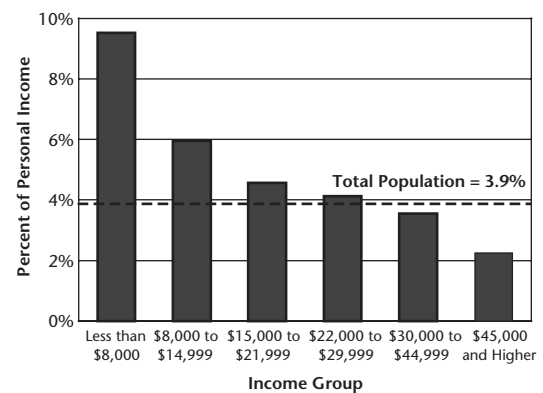
*The working poor spent a fraction of what other workers spent on commuting expenses, but those costs amounted to a significantly higher proportion of their income.*¹

The working poor, those with an annual personal income less than \$8,000,² spent nearly 10 percent of their income on commuting expenses in 1999, more than twice the 4 percent figure for the total population. The disparity grows to five times higher when compared to the 2 percent figure for workers earning \$45,000 or more per year. As income increased, workers were able to purchase more transportation services, but with a smaller percent of their income, leaving more income available for other expenses.

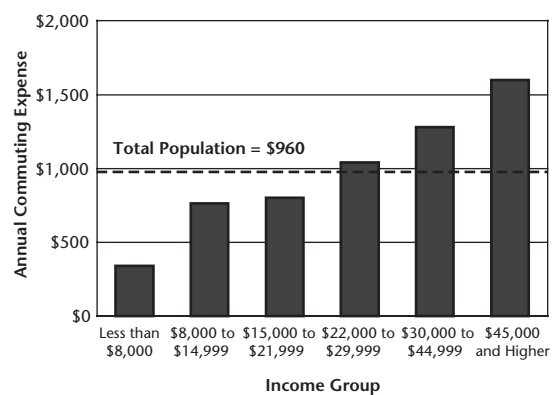
The working poor who drove their own vehicle spent a higher percentage of their income on commuting than those who used public transit. The working poor who used their own vehicle to commute spent 21 percent of their income on commuting, while those who took public transportation spent 13 percent.³ Both figures exceeded the national medians for workers using either their own vehicle (5 percent of income) or public transit (3 percent of income).⁴

All workers spent less to commute by public transit than by driving their own vehicle. However, using either mode, lower income workers still spent less than higher income workers to commute. In fact, the working poor spent less than half of what workers earning \$45,000 or more spent

Median Percent of Personal Income Spent on Commuting by Income Group, 1999



Median Annual Commuting Expenditure by Income Group, 1999

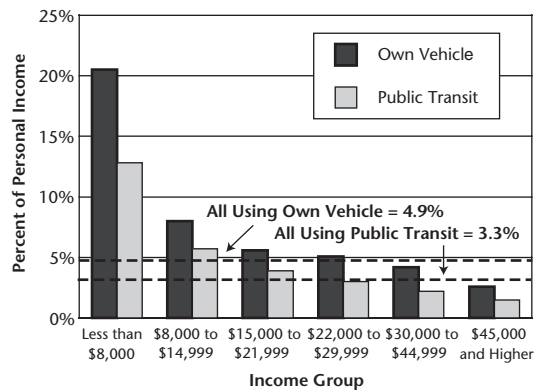


Source: U.S. Census Bureau Data from the Survey of Income and Program Participation

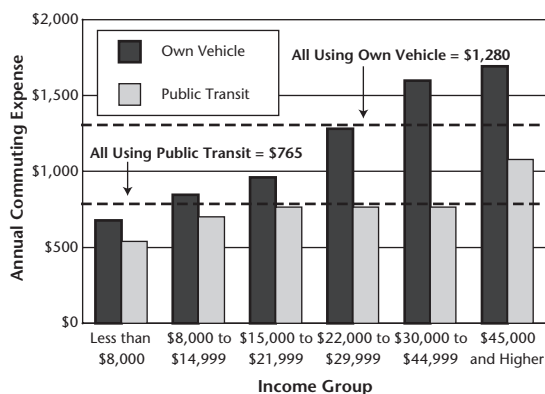
to commute, whether they used their own vehicle or public transit.

The working poor used the less expensive commuting options of public transit, carpooling, biking, and walking more frequently than higher income workers. Most workers used their own vehicle to commute, but the working poor were more likely than other groups to use

Median Percent of Personal Income Spent on Commuting by Income Group and Mode, 1999



Median Annual Commuting Expenditure by Income Group and Mode, 1999



Source: U.S. Census Bureau Data from the Survey of Income and Program Participation

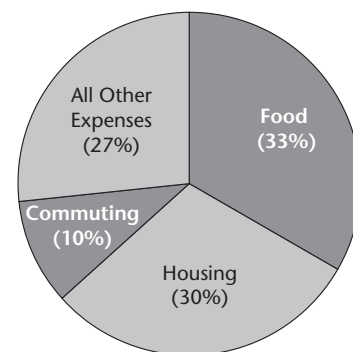
alternative commuting modes. About 87 percent of workers earning \$22,000 or more per year used their own vehicle to commute, compared to 66 percent of the working poor. A substantial number of the working poor used the less expensive options of carpooling or vanpooling (12 percent), public transit (6 percent), biking or walking (11 percent), or commuting some other way (8 percent).

This pattern may indicate that commuting expenses reported by the working poor represent the minimum expense required to travel to and from work. However, the working poor, totaling more than 9 million (6.1 per-

cent of workers) in 1999,⁵ still spent more of their income on commuting than all other income groups.

According to U.S. Government estimates, food accounts for one-third of a poverty budget,⁶ and housing that is considered affordable can cost up to 30 percent of one's annual income.⁷ In 1999, the working poor spent 10 percent of their income on commuting costs, leaving 27 percent of their income to cover expenses including: health care, child care, taxes, household supplies, personal care, nonwork-related transportation, education expenses, and saving for their future.

Poverty Budget



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development

A full report will be published in Fall 2003, focusing on how the percent of workers' income spent on commuting varies by race, gender, age, location, household, and income definition; and will include the years 1996-1999.

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¹ Bureau of Transportation Statistics' analysis of U.S. Census Bureau's Survey of Income and Program Participation (available at <http://www.sipp.census.gov/sipp>). From the SIPP sample, only those with a paid job during the reference period were selected for the study. Workers' commuting expenses included fees and fares for those who did not use their own vehicle to commute, and mileage expenses, parking fees, and tolls for those who used their own vehicle. The income figure represents cash income before taxes.

² The official government poverty line for a single adult with no dependents was \$8,501 in 1999. For the purposes of this study, the working poor are defined as those with an annual income of less than \$8,000. (U.S. Census Bureau. 2002. <http://www.census.gov/hhes/poverty/threshld/thresh99.html>)

³ Workers who commuted by a carpool or vanpool, biking or walking, or some other way had a median commuting expense of \$0.

⁴ 0.5 percent of workers reported using both their own vehicle and public transit to commute. Overall, 2 percent of workers reported using multiple modes.

⁵ U.S. Census Bureau. 2001. Available at http://ferret.bls.census.gov/macro/032000/pov/new10_001.htm

⁶ U.S. Census Bureau. 2002. Available at <http://www.census.gov/hhes/income/defs/poverty.html>

⁷ U.S. Department of Housing and Urban Development. 2002. Available at <http://www.hud.gov/offices/cpd/affordablehousing>