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The University of California Transportation Center

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CAN TRANSPORTATION STRATEGIES HELP MEET THE WELFARE CHALLENGE?

By Martin Wachs and Brian D. Taylor

In 1995 nearly fourteen million Americans received welfare benefits, far too many in the eyes of the many critics of the program. Developed originally to allow widowed or divorced women to stay at home with their children, the 1996 federal welfare reform package aimed to do just the opposite. The many changes, including time limits for receiving benefits, seek to move recipients out of the home and into wage work. While inadequate access to employment clearly contributes to unstable work histories, poverty, and dependency on programs like Aid to Families with Dependent Children, it is by no means the only barrier to steady work for most welfare recipients. So while programs that seek to increase employment access -- either by locating jobs and workers near one another or by improving the transportation linkages between jobs and workers -- can help to move people into steady employment and reduce welfare usage, such programs are not a panacea.

Increasing access to employment is no simple task. Poor neighborhoods surround many of the job-rich central business districts in cities around the U.S. Jobs may be plentiful and proximate to those neighborhoods, but they generally do not match the skills or experience of nearby workers. And, while the number of employment opportunities in central cities is substantial, policy makers remain concerned that *growth* in employment concentrations is greatest in low-density suburban areas. And, while the population in poverty is also suburbanizing, it is doing so far more slowly than employment opportunities. The effect is a gradual separation of low income workers and job opportunities for which they are qualified (Hughes, 1993). While this is not necessarily a problem for workers with regular access to reliable automobiles, employment suburbanization can dramatically reduce job opportunities for workers dependent on traditional fixed-route public transit services to reach increasingly far-flung

job sites. In a study of lower-skilled commuters in ten American cities, for example, Taylor and Ong (1995) found that dependence on public transit decreased employment access far more than any other factor analyzed, including residential location.

Labor market studies indicate that middle and upper income people tend to increase their earnings by accepting longer commuting distances, but there is increasing evidence that people who work at or near the minimum wage do not increase their earnings by accepting longer journeys to work. Ong and Blumenberg (1996) found that among AFDC recipients in Los Angeles County who worked in 1995, those who worked within four miles of home had median earnings of \$634 per quarter, while those who worked between four and ten miles earned \$620, and those with commutes over ten miles earned only \$433 per quarter. Jobs in restaurants or stores or as janitors in public and corporate buildings pay no premiums to cover travel costs, and workers who accept such employment far from home see their wages reduced substantially by costs measured either in dollars or hours of travel time.

Leaving aside the numerous and weighty questions associated with our economy's ability to create the millions of new jobs needed to absorb welfare recipients and the problems of equipping current welfare recipients with necessary job skills, we are still left with the dilemmas of linking new workers to new jobs.

Locating Jobs and Workers Near One Another

Ideally, public policy makers should concentrate on creating new jobs in poor communities. It is clearly better to develop poor communities than it is to connect those communities with costly transportation programs to job-rich areas elsewhere. While the development of jobs in proximity to poor neighborhoods is an ideal goal, there is simply no reason to expect employers or developers to significantly alter prevailing patterns of suburbanization. Welfare reform is not accompanied by any substantial commitment to the creation of new employment at inner city locations, and few public or private

resources beyond existing redevelopment and enterprise zone programs will be available to relocate existing employment or to create new employment centers within easy reach of poor central city neighborhoods.

Another possibility would be to provide opportunities for larger numbers of inner city poor people to relocate to affordable housing in the vicinity of available jobs, primarily to low-to-medium density suburban areas. Open housing advocates have promoted decentralization of affordable housing for decades, but the numbers of housing units that could accommodate today's inner-city welfare recipients in suburban locations at affordable costs remains minuscule. This is unlikely to change in the near future, and outlying communities are not going to become more welcoming of minority and lower income people than they have been prior to welfare reform. In a number of rapidly developing countries, particularly in Southeast Asia and the Pacific, owners of mills and manufacturing plants provide moderately-priced dormitory housing for young workers who come from rural areas to work at their plants. It is not likely that American industries are interested in providing such housing, nor that they could actually do so under current zoning and other land use restrictions.

It is obvious that America in the late nineties is unwilling to match welfare recipients to jobs by creating sufficient numbers of new jobs in the central city or new low-cost housing near outlying suburban work centers. Many citizens want welfare recipients off the dole, but they would likely see such policies as more politically objectionable than welfare itself. Even if we could conceive of practical policies by which to achieve either of these ends, the time needed to implement them would far exceed the time limits imposed by Federal welfare reform. For this reason many are hoping that our transportation system can somehow link low income communities to job opportunities.

Using Transportation to Link People to Jobs

Outside of New York City and the central parts of a few other large cities, the automobile is absolutely essential for most workers, and most poor people drive to work. In 1990, over 75 percent of workers with annual incomes below \$10,000 drove to work (Pisarski, 1996). One solution, then, would be to make it easier for current welfare recipients and other very low income people to acquire automobiles. Automobiles clearly enhance employment prospects. In a study of California welfare beneficiaries, for example, Ong(1996) found that, among AFDC recipients who had access to reliable cars, 37 percent had worked “within the last five weeks” while only 23 percent of those without access to cars had worked. In addition, those who had cars worked more than ninety hours per month and received an average wage of \$6.41 per hour; while carless welfare recipients who worked did so for only 65 hours per month at a median hourly wage of \$5.74.

There are several reasons why automobile ownership would be a desirable way to improve linkages between residences and jobs. Automobiles allow welfare recipients to search for employment far beyond the small proportion of all jobs that happen to be located near transit stops, and allow them to consider working at hours of the day or night when transit service is sparse or travel by transit is dangerous. In addition, commuting to work in an automobile is almost always faster than transit (twice as fast on average) and it substantially increases the safety and comfort of commuting. If one acquires an automobile primarily for work, it also broadens choices in many other realms as well. Auto ownership provides greater flexibility with child care arrangements, and allows parents to shop on their way to or from work. Cars increase access to medical care and to social and recreational opportunities as well as to work.

Unfortunately, American policy makers think it inappropriate to help low income people become car owners. In fact, car ownership is often cited as an obvious abuse of

welfare benefits. Federal regulations prevent AFDC benefits to individuals who own cars having market values in excess of \$1,500. In addition to the cost of car ownership and maintenance, the costs of fuel and insurance are significant barriers to car ownership among the poor. In many states efforts to crack down on uninsured motorists decrease the probability that welfare recipients will become auto owners. Despite the fact that automobile ownership could bring many social and economic benefits to carless households, and despite the fact that many upper income households own three or more automobiles, proposals to help poor people become car owners are often criticized on the grounds that they would contribute to air pollution and urban traffic congestion.

Another strategy to link welfare recipients with jobs would be to improve public transportation systems. Many transit advocates have seized upon the possibility that welfare reform might justify a substantial increase in public spending for transit, and that transit might demonstrate its social utility by contributing to the solution of a major social problem. People with low incomes and relatively low levels of automobile access are transit's best customers, and improving public transit service will improve employment access for these workers. But public transit is in deep trouble in the United States. Despite substantial public subsidy, productivity continues to decline and ridership is flat or declining in most metropolitan areas. In general, new suburban transit services have done an especially poor job of attracting riders. Traditional fixed-route transit works best when connecting dense residential concentrations with dense concentrations of employment, but as we noted earlier, densely developed central cities comprise a decreasing proportion of the metropolitan landscape. Suburban job sites are extremely difficult to serve cost effectively with traditional public transit. The decreasing accessibility of employment sites via public transit is one of the principal causes of *both* the decline in public transit and the employment difficulties of inner city workers. Recent investments in new public transit routes have most often involved light and heavy rail routes and express buses from residential suburbs to downtown. Frequent

service is offered inbound to the central city in the morning, and outbound to the suburbs in the afternoon. These services have improved connectivity from suburban middle class residential communities to downtown white collar employment zones but have not served inner city workers seeking suburban employment. While there clearly would be some benefit to improved “reverse commute” rapid transit service, job sites are rarely concentrated around suburban transit stations. Even when suburban jobs are concentrated into office or industrial parks, large parking lots and sprawling, campus-style layouts are difficult to reach on transit without time-consuming transfers.

The high priority given to suburban services have resulted in reductions in inner city local services which are more economically efficient and which do connect many carless urban workers to a wide variety of urban employment opportunities. The recent emphasis on transit capital investments, especially on relatively expensive rail transit lines, coupled with increases in operating and maintenance costs and declines in federal support of transit, also have combined to require increases in transit fares that by themselves are a substantial barrier to people seeking employment at or near minimum wage levels. While discount fares are the norm for youth, elderly, and disabled riders regardless of income, most transit systems do not offer discounts to poor riders. Although such programs are complex to administer, reduced fares for low-income riders could greatly benefit poor people who do not qualify for discounts on some other grounds.

More flexible forms of transit are needed to effectively serve the suburban metropolis. One way to link welfare recipients to new employment opportunities is the provision of specialized “reverse commute” subscription services. Vans or minibuses are used to transport employees from designated pickup points in the inner city to outlying factories or commercial centers. Many such services were initiated in the late 1970s to support job creation programs of that era, and a number have recently been instituted in Chicago, Charlotte, Philadelphia, and elsewhere (Hughes and Sternberg, 1993). These

programs are vulnerable to many factors, and over the years most have been abandoned or eventually absorbed by regional public transit operators. Specific grants of public funds are often used to initiate such services and sometimes employers contribute financially to their support. Since grants made to support the operation of specialized transportation routes are usually made for one or two years at a time, a great deal of energy must be expended raising funds to keep the operations going. Surveys of the users of specialized reverse commute transit have concluded that often they helped their users attain employment at the outset, but that once having become employed the reverse commuters used their salaries to buy automobiles which they then used for commuting. Cars enable workers to shorten their work trips and free parking at the work site entices them out of buses. While such services may gradually lose subscribers, they can be effective at moving carless workers into steady employment (and eventual car ownership).

Conclusion

It is understandable that welfare reformers, economic development experts, and housing advocates turn to transportation policies as strategies for overcoming some of the enormous shortcomings in American urban policy. But transportation programs cannot compensate for failures in other policy areas precisely because transport is also a damaged part of our deeply flawed urban policy. The purpose of welfare was to eliminate poverty, but the purpose of welfare reform is to eliminate welfare. Transport cannot be expected to eliminate both welfare and poverty itself, but should be part of integrated economic development, housing, and educational programs to address urban poverty rather than an afterthought to correct for omissions in other urban policies. After building urban highway and transit systems quite intentionally to economically segregate our metropolitan areas and to encourage middle- and upper-class suburbanization, we should not suddenly expect to rely on existing infrastructure to

provide links between poor people and jobs that we have consciously located far from one another. Having put a large proportion of transit resources into new rail lines that best serve car-owning suburban constituencies while raising fares and decreasing basic inner city bus service for the poor, we cannot expect the bankrupt bus lines to ride to the rescue of misguided welfare reforms. We cannot expect to solve the transportation problems of the very poor by limiting their car ownership in a world that our other policies causes to be ever more dependent on automobile travel. Our policies have made transportation systems part of the American welfare problem rather than the obvious solution to the problems of poverty. The transportation responses to welfare reform will likely be complex, expensive, and politically unpopular. Perhaps the realization that this is so will contribute to fundamental reconsideration of our welfare, economic development, and transportation policies.

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