



A CLOSER LOOK: PUBLIC TRANSIT AND FINANCIAL HEALTH

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Introduction

When it comes to research on the financial health of low-to-moderate-income households, transportation expenses are typically off the map. However, the two topics intersect in important ways. To shed light on the connection between transportation costs and financial health, in 2022, SaverLife and the FINRA Foundation surveyed 1,212 SaverLife members about their experiences with transportation costs.

SaverLife maintains a member panel of over 5,000 adults who are engaged in the SaverLife platform and represent the full user base of SaverLife members in terms of age, gender, race, ethnicity, geography, and income. Member panelists live in all 50 states and the District of Columbia. Their financial challenges reflect those faced by U.S. adults living on low-to-moderate income. Panelists make 80% of area-median income or less, and they take home an average of \$25,000 to \$35,000 per year. Over 80% are women, 60% identify as a person of color, and 85% are between the ages of 24 to 54.

Perhaps surprisingly, a large percentage of survey respondents do not use public transit to get to and from work, even when it is available to them and despite many indicating that public transit fares are affordable. This suggests that there are costs associated with public transit – in terms of convenience, commuting times, and other factors – that go beyond fares and that compel budget-constrained households to rely heavily on private transportation despite the ongoing economic burden of doing so.

This brief, which is part of a [series](#) on the financial impact of transportation prepared by SaverLife and the FINRA Foundation, explores the role of public transit in financial health for people living on low-to-moderate incomes.¹



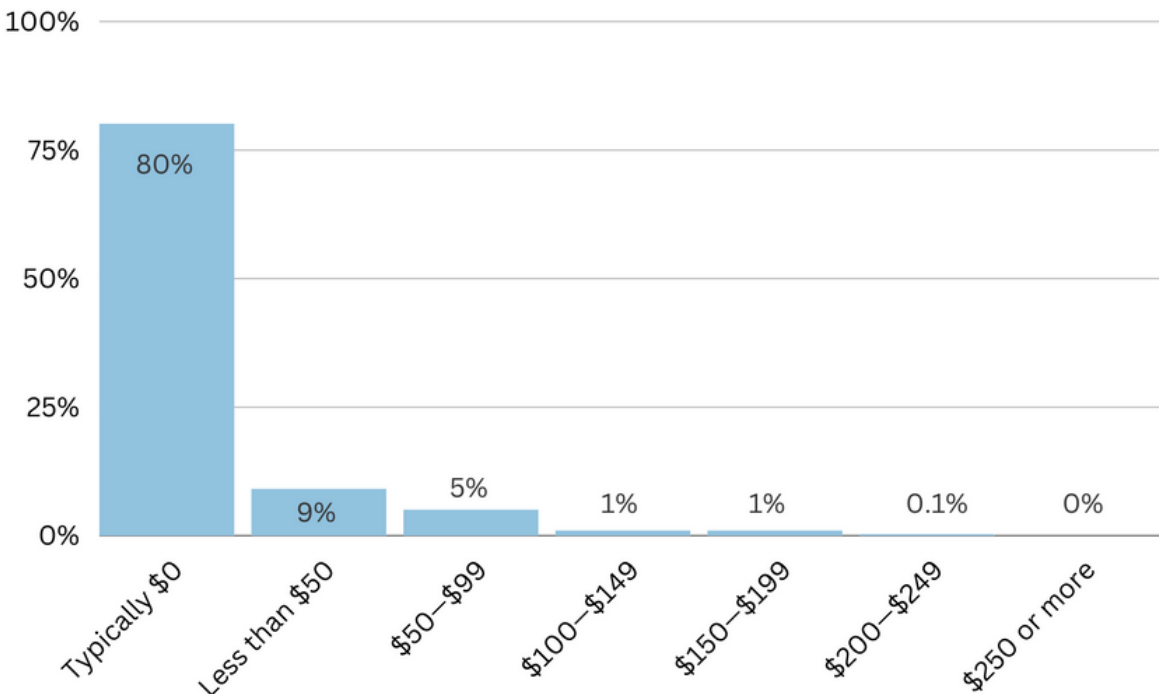
1. Other variables associated with transportation costs, like household income, may in part or fully drive the relationship between transportation costs and financial health. As such, we cannot establish a causal relationship between transportation costs and many of the outcome variables studied in this report.

Available and affordable, but underused

For most survey respondents², transportation is the second largest expense in their monthly budgets, exceeded only by housing costs. Among the 67% of respondents who have access to public transit where they live, the vast majority report spending less than \$100 monthly on public transit (Figure 1). By comparison, 55% of those who own or lease a vehicle spend upwards of \$150 per month on gas (Figure 2), to say nothing of vehicle payments, insurance, maintenance, and other costs. Among those with access to public transit, only 15% indicated that it is unaffordable (Figures 3 and 4).

Figure 1: Monthly spending on public transit

How much does your household spend on public transportation per month?
(Among those with access to public transit)

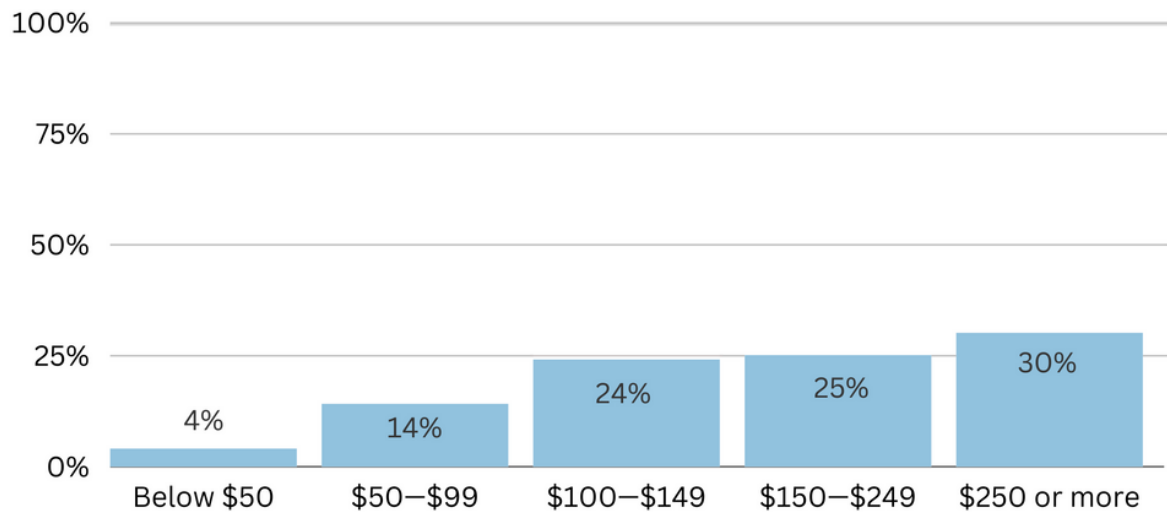


Note: Chart does not sum to 100%, because the percentage of respondents who answered “Prefer not to say” and “Don’t know” are not displayed.

2. Survey respondents reported their monthly household income using income ranges. We define the following monthly income ranges as: very low (\$0-\$1,999); low (\$2,000-\$3,999); and moderate (\$4,000-\$4,999). Unless otherwise noted, findings are based on the full sample, including those who report monthly incomes of \$5,000 or more. A large majority (75%) of respondents had very low or low monthly incomes, 7% reported earning moderate incomes, and 13% reported incomes of \$5,000 monthly or above.

Figure 2: Monthly spending on gas

How much is your household spending on gas per month these days?
(Among those who own or lease a vehicle)



Note: Chart does not sum to 100 percent because the percentage of respondents who answered "Prefer not to say" and "Don't know" are not displayed.

Figure 3: Access to public transit

Is public transportation available where you live?

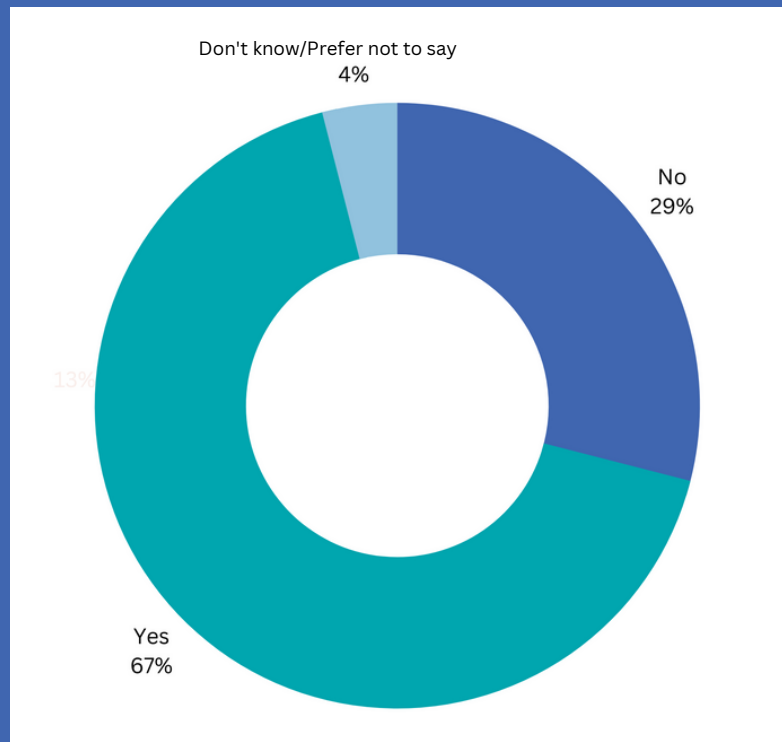
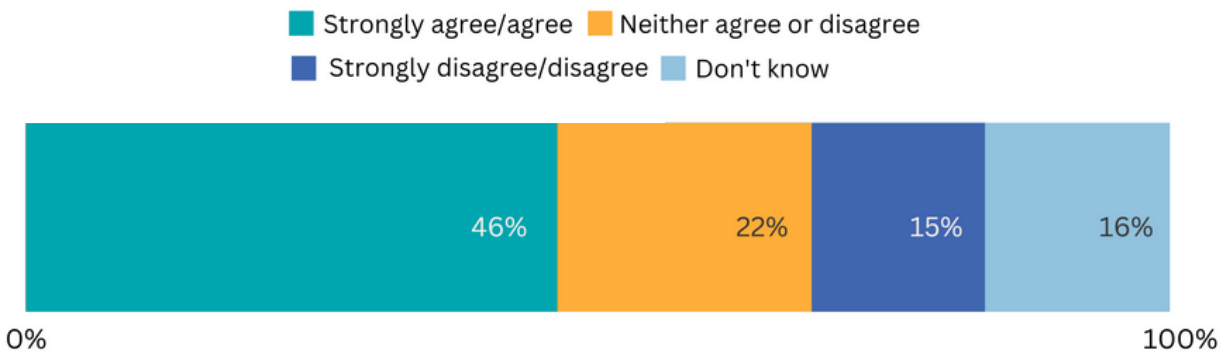


Figure 4: Public transit affordability

Taking public transportation is affordable for my household.
(Among those with access to public transit)

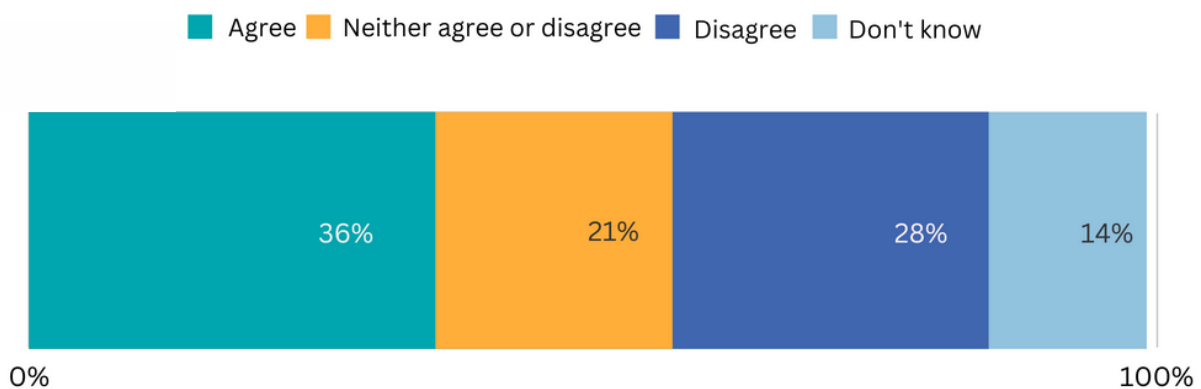


Note: Chart does not sum to 100 percent because the percentage of respondents who answered "Prefer not to say" is not displayed.

While few disagree that public transit is affordable, there is no consensus among survey respondents on the benefit of using public transit. A little over one-third of survey respondents (36%) agree with the statement, "The public transportation in my area is good for getting me to where I need or want to go." Just under three in 10 (28%) of respondents disagree with the statement, and about the same proportion (31%) neither agree nor disagree (Figure 5).

Figure 5: Public transit's ability to get respondents where they need or want to go

The public transportation in my area is good for getting me to where I need or want to go.
(Among those with access to public transit)

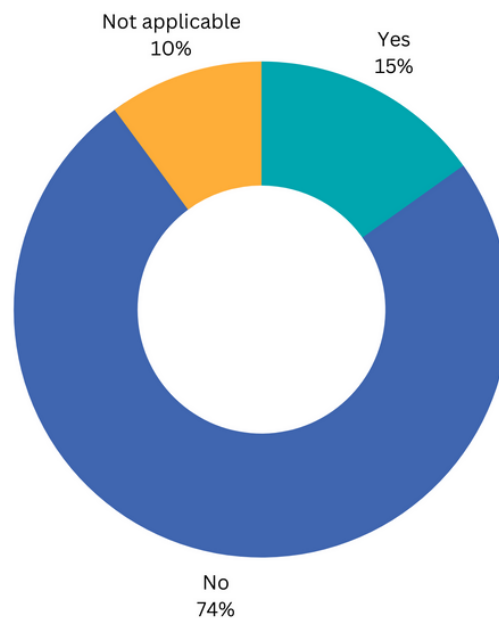


Note: Chart does not sum to 100 percent because the percentage of respondents who answered "Prefer not to say" is not displayed.

Among those with access to public transit, most do not regularly take it to get to work. Fewer than one in six (15%) report using it to commute to work (Figure 6).

Figure 6: Most choose not to take public transit to work

*Do you regularly take public transportation to work?
(Among those with access to public transit)*



Note: Chart does not sum to 100%, because the percentages of respondents who answered "Prefer not to say" and "Don't know" are not displayed.

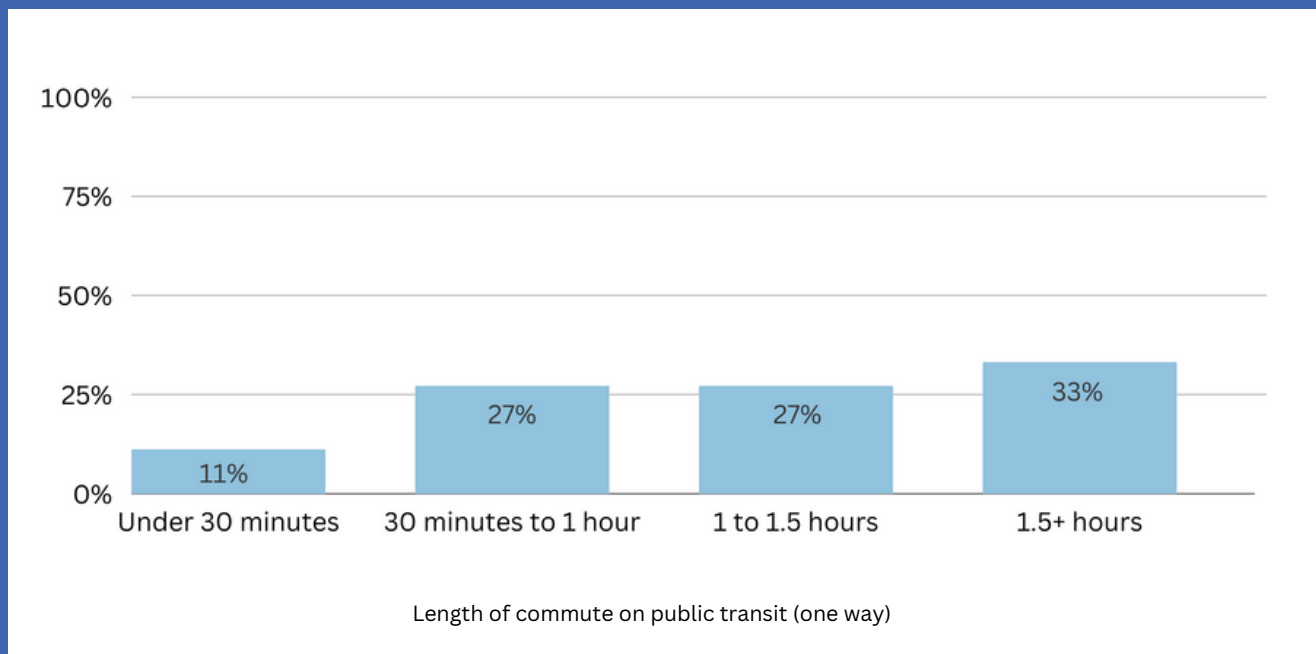
Why are so many opting out of public transit?

Inconvenience is likely among the factors prompting survey respondents to opt out of public transit. The perceived affordability of public transit may not outweigh the time inconvenience of using it to commute to work. That time may translate into lost hourly wages, child care challenges, and any number of other opportunity costs.

Using public transit to get to and from work typically takes much longer than using one's own vehicle. Three in five respondents who take public transit are commuting for at least one hour *each way* (Figure 7). By comparison, fewer than one in five of those who drive to work report their *round-trip* commute takes an hour (17%).

Figure 7: Daily commute time, public transit

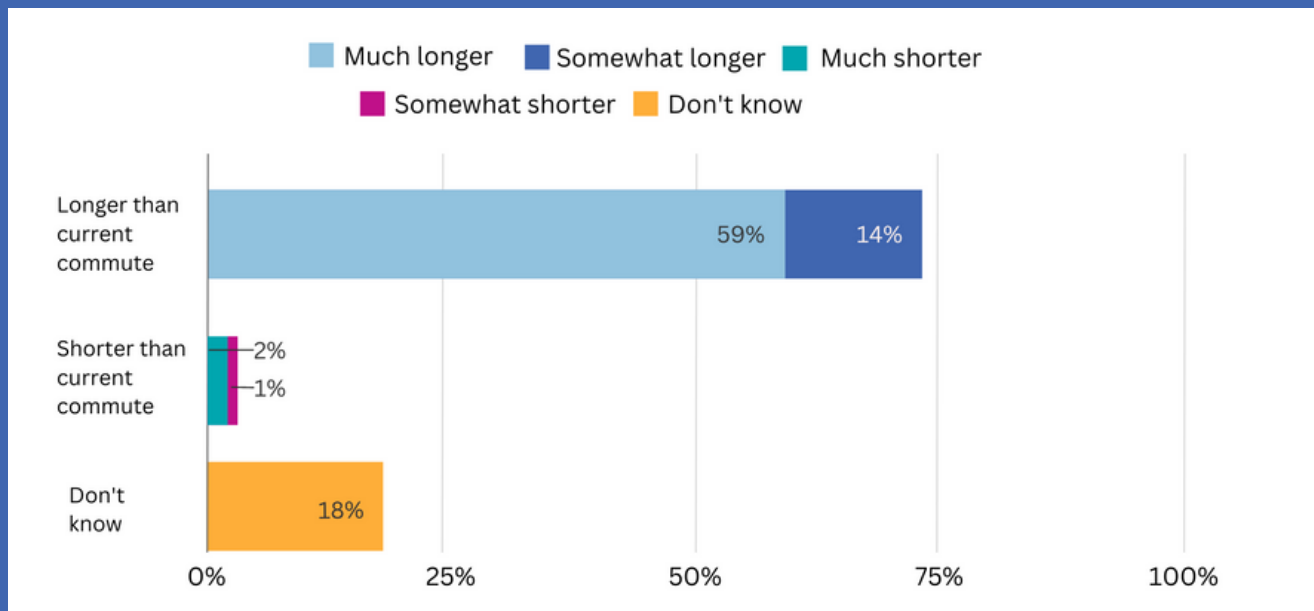
*How long does your commute on public transportation take each way?
(Among those who take public transit on their daily commutes)*



Additionally, nearly three-fourths of those who don't currently use public transit to get to work (despite having access to it) say it would make their commutes longer and, in most cases, much longer (59%) (Figure 8).

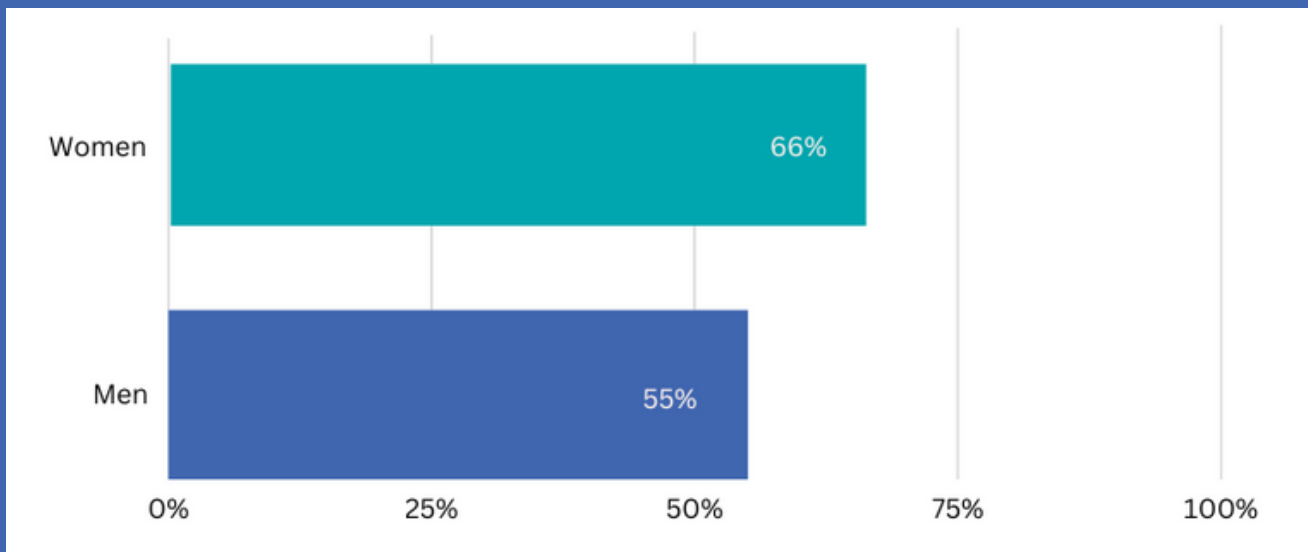
Figure 8: Commute times increase on public transit

*If you were to take public transportation to work, how long would it take?
(Among those who do not take public transit to work)*



Safety may be another reason survey respondents are choosing not to use public transit. Overall, 63% of respondents indicated that they are very or somewhat worried about their physical safety on public transit. Women tend to be even more concerned: They are 20% more likely than men to report that they are worried about the safety of public transit (Figure 9).

Figure 9: Percent worried about safety on public transit, by gender
(Among those with access to public transit where they live)



Whether due to inconvenience, concerns about safety, or other factors, public transit does not seem to fulfill its potential as a cost-saving alternative to private transportation for people living on low-to-moderate incomes.

Public transit fares are generally affordable, but taking public transit also means long commuting times (possibly resulting from long wait times, inefficient routes, and inadequate stops), representing a hidden, but very real, cost for low-to-moderate-income households.

Transit authorities and policymakers should quantify the cost of riding public transit both in terms of fares *and* time, and strive to reduce service inequities that prevent many individuals living on low-to-moderate income from using a system that is supported through their tax dollars. This will require a reappraisal of how transit services are deployed in lower-income communities.

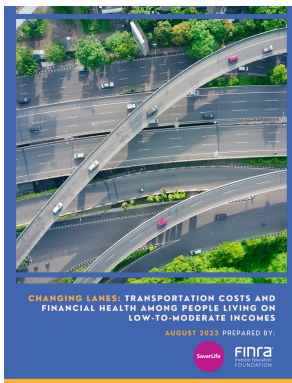
It is also important to recognize that the perceived lack of safety on public transit systems may have a financial cost for individuals. In order for people living on low-to-moderate incomes to reap the financial benefits of public transit, these systems must be deemed safe by users.

Making public transit truly affordable requires us to consider both fares and fairness.

Methodology

SaverLife, in collaboration with the FINRA Foundation, fielded a survey to 1,212 SaverLife member panelists between August and September 2022 that asked about people's experiences with transportation costs. Development of the survey instrument was informed by 15 qualitative interviews with SaverLife member panelists conducted from January to April 2022. (For more details about the methodology for this research and the SaverLife member panel, click [here](#).)

Additional briefs associated with these research efforts



Changing Lanes:
Transportation Costs and Financial Health Among People Living on Low-to-Moderate Incomes

[Read more >](#)



A Closer Look:
Financial Health and Transportation Costs Among People with Disabilities

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