

# Transportation access boosts employment

Informing policymakers through research

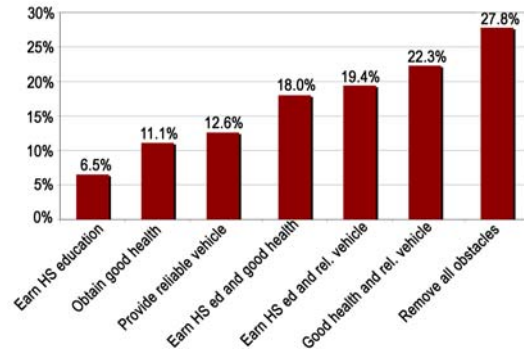
**The issue.** Iowa's Family Investment Program (FIP) for low-income people emphasizes job search, training and child care subsidies to ease the path to employment, but has given little attention to transportation needs. Access to reliable, affordable transportation is the "to" in the common phrase "welfare to work." While studies have explored the role of transportation in urban centers, less is known about access to transportation and its effects on employment in rural areas.

**According to our research.** We matched FIP recipients and vehicle registrations in one Iowa county and found only 1 in 4 persons in FIP were registered as a vehicle owner. We also conducted a household survey in Iowa and found that only 62 percent of low-income (incomes below 200 percent of poverty) working-age Iowans had ready access to a reliable vehicle. The many barriers to owning and driving a car, and the lack of public transit in most communities make transportation a significant problem for low-income Iowans seeking employment.

We considered several policy and program changes that would remove common obstacles. By simulating the effect of program changes on employment, we show that addressing educational, health and transportation barriers increases the likelihood of employment among low-income Iowans. The strongest effect comes from providing reliable transportation - raising the probability of employment by nearly 13 percentage points.

Policies that encourage completion of high school, improve health *and* provide access to transportation would increase the likelihood of employment by more than 50 percent (nearly 28 percentage points over the baseline probability of 55 percent).

Predicted percentage point change in the probability of employment when policy-relevant obstacles are removed



**We recommend.** Public policies that promote vehicle ownership and access to reliable, affordable private transportation will increase the ability of low-income Iowans to widen their job search, and obtain and retain jobs. Several states have developed car ownership programs as part of their package of welfare benefits. Developing low-cost loan programs or funneling the sale of government fleet vehicles to low-income workers are viable options for Iowa.

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This policy brief is based on published research: Garasky, S. B., Fletcher, C. N., and H. H. Jensen. (2006). Transiting from Welfare to Work: No Bus, No Car, No Way. *Journal of Consumer Affairs*. v40(1), 64- 89.

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