



Reduce unemployment through auto ownership

by John A. Charles

In December 2003, Oregon had an unemployment rate of seven percent, third-highest in the country. What can be done to improve this dismal ranking? One new idea is to get transit-dependent job-seekers into a set of private wheels.

Automobiles have become critical for commuters because most jobs are not in downtown centers. As economists at Metro noted recently, "The trend in employment growth shows that more and more jobs are located in adjacent or neighboring counties as compared to the region's central county. Between 1970 and 1997, Multnomah County's share of regional jobs fell from 67% to 47%."

Job dispersal trends are not a problem for many households that can and do choose to move away from central cities. The vast majority of suburbanites own cars. For the poor, however, job dispersal poses a major employment barrier. Na-

tionally, three-fourths of welfare recipients live in central cities or rural areas, while two-thirds of new jobs are located in the suburbs. Those jobs may not be far away in terms of geography (frequently five to fifteen miles), but they are so inaccessible by public transit that they may as well be on the moon.

This problem has gained the interest of scholars and a number of studies now show a stunning relationship between car ownership and employment. Kerri Sullivan of Portland State University recently examined the effects of car ownership on employment and wages for adults without a high school diploma in Portland. Ms. Sullivan found, "Car ownership improved the likelihood of being employed by 80 percent. The effect on average weekly wages was approximately \$275, and the effect on weeks worked was approximately 8.5 weeks."

Her work showed that auto ownership was much more important than

education. In fact, the study found that a high school diploma/GED played no significant role in explaining differences in employment rates.

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Steve Raphael of University of California-Berkeley looked at how car ownership might lower the unemployment rate gap between whites and minorities. He concluded, "Raising minority car-ownership rates to the white car-ownership rate would eliminate 45 percent of the black-white employment rate differential and 17 percent of the comparable Latino-white differential."

One would think, in light of these and other similar studies, Oregon policy-makers would begin developing strategies to promote auto ownership. Yet public officials have spent the better part of the past decade waging a cultural war on cars. Portland officials in particular have attacked motorists with a vengeance. The city's anti-mobility policies have included parking surcharges to pay for the Portland streetcar, parking restrictions at new high-density projects, prohibitions on parking lots near light rail stations and downsizing of Portland roads in order to create bike lanes.

At the same time, the region has squandered billions of dollars on fixed rail transit, which is irrelevant to the urban poor seeking work outside the



Although studies conclude that car ownership plays a significant factor in being employed, area public officials push to spend billions of dollars on fixed rail transit—a system largely irrelevant to urban poor who seek work outside the central city.

central city. Rail is primarily used by affluent commuters who already own a car. This creates something of a reverse Robin Hood effect, in which poor people are taxed to supply train rides for the rich.

A better solution has been initiated by Metropolitan Family Services (MFS) through a new program called *Ways to Work*. This program provides car loans for low-income parents at risk of losing their jobs due to unexpected expenses related to transportation. Most of the applicants will be single, working mothers with dependent children. MFS is partnering with Albina Community Bank, which will provide in-kind services for loan processing. Initial grant funds have come from the US Department of Transportation (\$250,000 over two years), Meyer Memorial Trust (\$120,000 three-year grant) and The Oregon Community Foundation (\$30,000).

These are impressive numbers for a non-profit but they are dwarfed by public expenditures for light rail. TriMet budgeted about \$350 million to build

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the North Interstate light rail line, which will serve no purpose other than replacing existing heavily-used bus service. For less than the cost of one mile of train track (\$58 million), we could have purchased serviceable used cars for 10,000 transit-dependent residents and still had \$8 million left over to help with insurance and operating costs. For poor families, this would probably have been the single most empowering thing anyone could have done for them.

Oregon’s apparent transit goal is to provide expensive public transit to virtually everyone who needs it. That goal should be changed. We should try to get as many people as possible to become car owners and make transit an amenity, not a necessity. This would dramatically lower the cost of transit while improving the quality of life for Oregon’s poorest families.

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