

PENNSYLVANIA'S INVESTMENT IN PUBLIC TRANSIT AND PASSENGER RAIL

Study Purpose

- This study quantifies the benefits of public transit and passenger rail services to Pennsylvania's residents, businesses, and its economy and the importance of continued investment.
- This detailed analysis of transit's impact is particularly timely given the ongoing efforts to determine **long-term, sustainable transportation funding solutions for Pennsylvania**.
- The study also addresses changing economic and mobility patterns due to the COVID-19 pandemic.

Maximizing existing and new transportation infrastructure is crucial to meeting the evolving needs of residents and businesses, and **helping Pennsylvania compete in the post-pandemic environment**.

Scope of Analysis

Service types included in the scope of the analysis are:

- Fixed-Route Service
- Shared-Ride / Demand Response Service
- Passenger Rail (Amtrak)

PennDOT provides funding and support that enables the activity of all of Pennsylvania's public transit providers and Amtrak passenger rail service within the state.



Organization of Study

Impacts from Public Transit and Passenger Rail Service

The range of benefits to Pennsylvania's residents, businesses, and communities from these transportation services.



Access to Jobs and Economic Competitiveness

- Connection to employment opportunities
- Investment patterns and community vitality



Quality of Life

- Vulnerable populations
- Social benefits



Expenditure Impacts

- Capital and operating expenditure impacts

The Case for Continued Investment

The contributions of public transit during the pandemic, the role of transit in the recovery, and the potential economic losses from failing to maintain existing economic assets.



Transit During COVID-19

- Agencies adapted and provided vital service for their communities and essential workers during the pandemic.



Transit's Importance Going Forward

- Transit has a crucial role as Pennsylvania seeks to rebuild its economy, compete in the new environment, and maintain options for its residents.



IMPACTS FROM PUBLIC TRANSIT AND PASSENGER RAIL SERVICE

ACCESS TO JOBS AND ECONOMIC COMPETITIVENESS

QUALITY OF LIFE

EXPENDITURE IMPACTS



Public Transit and Passenger Rail Ridership

- Transit agencies provide fixed-route and shared-ride service that helps Pennsylvanians across the state reach a variety of destinations, including employment, services, and amenities.

Pennsylvania Transit Agency Statistics (FY 2019)*



387 million passenger trips
(1.1 million per day)



37.3 million free and discounted senior trips



146 million revenue vehicle miles



11.3 million revenue vehicle hours

- **Amtrak's Keystone Service** connects the Harrisburg Transportation Center to 30th Street Station in Philadelphia, Penn Station in New York, and communities in between.
- **The Pennsylvanian** extends through western Pennsylvania to Pittsburgh.

Amtrak's Keystone Service and the Pennsylvanian Ridership



Keystone Service FY 2019 Ridership: 1.57 million

The Pennsylvanian FY 2019 Ridership: 214,000

Combined FY 2019 Ridership: 1.78 million

* Pennsylvania's fiscal year runs from July 1 to June 30, with FY 2019 representing the period from July 1, 2018 to June 30, 2019.



Transit Provides a Crucial Link to Employment Opportunities

- Reliable transit service removes access barriers and can reduce travel costs for commuters, helping employers to secure the workforce that they need.
- As of 2019, **338,000 Pennsylvania residents used transit as their primary means to commute to work.**
- The share of workers commuting to work in Pennsylvania (6%) is above the national average (5%).
- Long-distance commutes via Amtrak may increase as hybrid in-office and remote work arrangements become more common.
- These connections enable Pennsylvanians to live in lower cost communities while accessing jobs in higher-paying metros.

Transit providers throughout the state have developed **partnerships with employers, health providers, and social service providers to meet the needs of their local communities.**

Case studies and examples of the ways in which transit agencies throughout the state support local needs are highlighted throughout the study.

- rabbittransit (a joint authority operating in south central Pennsylvania) **has used an innovative model in which service is targeted to support participating employers, who in turn contribute financially towards the operating costs.**



Access to Service Shapes Investment and Population Patterns

- Patterns of commercial investment and revitalization efforts track with transit improvements and high-quality service in communities of different types.
- Statistical comparisons show that the areas immediately around Amtrak's Keystone Corridor stations experienced faster growth than the surrounding areas and the state as a whole from 2010 to 2019.



Housing Value Premium in Southwest and Southeast PA

- Statistical analysis of housing market transactions in the Pittsburgh and Philadelphia regions show significant value premiums for homes with access to public transit service.

Additional Housing Value

\$3.2 billion in Allegheny County

\$33 billion in southeastern PA

% of Total Housing Value

4.4% in Allegheny County

11% in southeastern PA

- Value premiums provide an economic asset for homeowners, whether or not they are users of the transit systems.



Transit Agencies and Community Transportation Providers Serve Vulnerable Populations

- Pennsylvania’s transit agencies and community transportation providers operate dedicated programs that provide services to vulnerable populations.
- These include elderly residents, those with disabilities, and those in need of non-emergency medical care.
- These programs help to ensure that all Pennsylvanians **have equitable access to the services and amenities that they rely on.**



Programs Serving Vulnerable Populations: Annual Trips

Program	Annual Trips	Fiscal Year*
Senior Free Transit	33.8 million	FY 2019
Senior Shared Ride Discount Program	3.5 million	FY 2019
Total Senior Trips	37.3 million	FY 2019
Medical Assistance Transportation Program	9.3 million	FY 2018
Persons with Disabilities Program	373,000	FY 2019
ADA Complementary Paratransit Service	1.8 million	FY 2018
Total	48.8 million	



Supporting Independent Living for Seniors

Transportation services are critical to **enabling seniors to stay within their homes and communities and maintain an independent lifestyle.**

- More than one in five Americans over 65 do not drive.
- Access to fixed route and shared-ride public transit provides a range of benefits for seniors:
 - Supports mobility and community engagement
 - Improves safety and health outcomes
 - Generates cost-savings by enabling independence

37.3 million free and discounted senior trips in FY 2019 through free transit and shared-ride discount programs.

Medical Transportation

- Transportation challenges can lead to missed medical appointments and foregone care. This leads to degraded health outcomes, increasing costs and reduced productivity.
- Access to free or low-cost **public transportation to medical appointments generates health and economic benefits** for Pennsylvania residents.

9.3 million non-emergency medical trips through the Medical Assistance Transportation Program (MATP) in FY2018.

Persons with Disabilities

- Public transit services provide Pennsylvanians with disabilities with access to opportunity and help them to **maintain their health and engagement with their communities.**

2.1 million trips through the ADA complementary paratransit and Persons with Disabilities (PwD) programs in FY 2019.



Social Benefits of a Multimodal Transportation Network

- **A mix of transportation modes** allows the state to meet the diverse needs of residents and employers, and reduces the interrelated safety, environmental, congestion, and land use issues from a reliance on private vehicles.
- These benefits impact all Pennsylvanians, whether or not their household uses public transit services.



Safety Benefits

Public transit modes improve safety outcomes for riders relative to private vehicles.



Environmental Benefits

Reductions in vehicle miles traveled (VMT) through transit alternatives decreases emissions and improves environmental outcomes.



Reduced Congestion for Drivers

Public transportation options benefit private vehicle users by taking cars off the road, reducing commute times, and increasing quality of life and economic competitiveness.



Transit-Dependent Riders

Transit service is vital to many Pennsylvanians without transportation alternatives, enabling them to maintain their independence and quality of life.



Operating Expenditures: Transit Agencies

Operating expenditures support the day-to-day activities and the provision of fixed-route and shared-ride service by Pennsylvania’s transit agencies.

- Operating spending by Pennsylvania’s transit agencies totals about \$2.2 billion on an annual basis.
- Accounting for out of state purchasing, **direct in-state annual operating expenditures are estimated to total \$2.05 billion.**



Annualized Operating Expenditures

	Total	SEPTA	PAAC	Other Agencies
Total Operating (\$M)	\$2,203	\$1,400	\$418	\$385
Est. Out of State (\$M)	(\$152)	(\$97)	(\$36)	(\$19)
Total In-State (\$M)	\$2,051	\$1,303	\$382	\$366

All values are expressed in \$2019 and represent pre-COVID activity levels








Economic Impact from Operations

The direct operating expenditures of Pennsylvania’s transit agencies and Amtrak generate **additional spillover impacts and jobs** throughout the supply chain and when employee earnings are recirculated as household spending.

- **Transit operations have an annual economic impact of \$3.91 billion within Pennsylvania.**
- This economic activity supports nearly **29,500 jobs with \$2.22 billion in compensation** within Pennsylvania annually.
- This represents a combination of direct employment by transportation providers and their suppliers and indirect and induced jobs supported by the initial operating spending.



Annual Pennsylvania Economic Impact from Operations

	Total	SEPTA	PAAC	Other Agencies	Amtrak
 Direct Impact (\$M)	\$2,094	\$1,303	\$382	\$366	\$43
 Indirect / Induced Impact (\$M)	\$1,818	\$1,042	\$397	\$338	\$41
 Total PA Economic Impact (\$M)	\$3,912	\$2,345	\$779	\$704	\$84
 Employment Supported (jobs)	29,450	19,340	5,120	4,500	490
 Employee Compensation (\$M)	\$2,223	\$1,441	\$432	\$310	\$40

All values are expressed in \$2019 and represent pre-COVID activity levels



Capital Expenditures: Transit Agency Projects

Pennsylvania’s transit agencies undertake **capital projects on an ongoing basis** to provide and maintain the necessary infrastructure to support transit service.

- Capital project spending by Pennsylvania’s transit agencies totals about \$859 million on an annual basis.
- Accounting for out of state purchasing (notably transit vehicles), **direct in-state annual capital expenditures are estimated to total \$686 million annually.**

Annualized Capital Project Spending

	Total	SEPTA	PAAC	Other Agencies
Total Capital (\$M)	\$859	\$570	\$167	\$122
Est. Out of State (\$M)	(\$173)	(\$70)	(\$64)	(\$39)
In-State Spend (\$M)	\$686	\$500	\$103	\$83

All values are expressed in \$2019 and represent pre-COVID activity levels








Economic Impact from Capital Projects

- Including multiplier effects, capital projects to support transit service have an **annual economic impact of \$1.50 billion within Pennsylvania.**
- This direct and multiplier economic activity supports nearly **9,500 jobs and \$529 million in employee compensation** within the Commonwealth on an annual basis.



Annual Pennsylvania Economic Impact from Capital Projects

Impact Category	Total	SEPTA	PAAC	Other Agencies	Keystone Corridor
 Direct Impact (\$M)	\$707	\$492	\$103	\$83	\$29
 Indirect / Induced Impact (\$M)	\$792	\$589	\$98	\$77	\$28
 Total PA Economic Impact (\$M)	\$1,499	\$1,081	\$201	\$160	\$57
 Employment Supported (jobs)	9,490	7,190	1,120	870	310
 Employee Compensation (\$M)	\$529	\$414	\$55	\$45	\$15









Annual Economic Impacts from Operating and Capital Spending

Impacts from operating and capital activity can be combined to express the annual economic impacts of expenditures to support transit service in Pennsylvania.

- **Annual economic impacts from operating and capital activity total \$5.41 billion.**
- **This economic activity supports nearly 39,000 direct and multiplier jobs with \$2.75 billion in employee compensation within the Commonwealth on an annual basis.**



Annual Pennsylvania Economic Impact from Operations and Capital Projects

			
Economic Impact	Total	Operations	Capital Projects
 Total PA Economic Impact (\$M)	\$5,411	\$3,912	\$1,499
 Employment Supported (jobs)	38,940	29,450	9,490
 Employee Compensation (\$M)	\$2,752	\$2,223	\$529



Summary: Benefits for all Pennsylvanians

All Pennsylvanians benefit from a high-quality public transit and passenger rail network, whether or not they are riders:



Businesses across Pennsylvania are more productive and competitive because they are able to access the workforce they need to thrive;



Workers have better access to job opportunities, lower transportation costs, and improved commutes;



Motorists experience less traffic congestion due to the mix of available travel modes;



Seniors and persons with disabilities are able to access vital services and better maintain an independent lifestyle;



Riders without an alternative means of transportation retain access to employment and educational opportunities, services, and amenities; and



Pennsylvania's tax base benefits from the economic activity and investment that is supported by transit connections, particularly in the southeast and southwest regions that generate more than half of all General Fund revenues.



THE CASE FOR CONTINUED INVESTMENT

**TRANSIT DURING COVID-19
TRANSIT'S IMPORTANCE MOVING FORWARD**



Maintaining Service to Meet Community Needs

- Pennsylvania's transit providers adapted to the conditions created by the COVID-19 pandemic to continue service and meet the critical needs of riders and communities.
- **While many transit systems throughout the state reduced hours or altered schedules at this time, no system completely shut down.**
- This provided transportation for essential workers across the state, access to food and other necessities, and access to medical care and treatment.
- In addition to lifeline service, agencies met specific community needs through partnerships with community organizations, businesses, and governments.

An estimated 178,900 essential workers in Pennsylvania rely on transit to commute to work.

Transit Agency Adaptation

Faced with unprecedented health and safety challenges, **transit agencies adapted their practices** to ensure that they could continue to provide the service while maximizing the safety of their workforce and riders.

- Modifications during COVID included changes in boarding / fare procedures, enhanced cleaning procedures, and measures to improve airflow and reduce opportunities for transmission aboard vehicles.
- PennDOT provided agencies with flexibility to make alterations to shared-ride pricing and service areas to ensure that service would be available for the highest priority users.

Going forward, agencies must remain flexible to the evolving needs of their riders and communities to rebuild their ridership over time.



Supporting Economic Recovery by Connecting People to Jobs

- As of summer 2021, **Pennsylvania's economy remains about 300,000 jobs short of pre-COVID levels.**
- With consumer demand and mobility returning, **workforce shortages** can represent the largest factor holding back activity levels for many businesses.
- Affordable transportation connections can make the difference for a worker to take a job or pick up additional shifts that would otherwise be inaccessible or infeasible.
- **Public infrastructure that enables workers on the margins of the labor market to access jobs** is crucial to business, workers, and the economy.



Competing in the Post-COVID Environment

- The COVID-19 pandemic has led **residents and businesses alike to reconsider their location and mobility choices.**
- This dynamic creates new opportunities for many communities and a need for others to reinforce or build on their traditional strengths.
- The recalibration of activity means that **competitive pressures are greater than ever.**
- In the post-COVID environment, states and regions are not guaranteed to reclaim their prior share of activity – they must compete for it.
- Activity that is not captured by regions in Pennsylvania are **likely to go to regions in other states and countries**, eroding the state's economy and tax base.

Competitive Dynamics Vary by Location

Different locations throughout the state face different sets of competitive challenges and opportunities going forward.

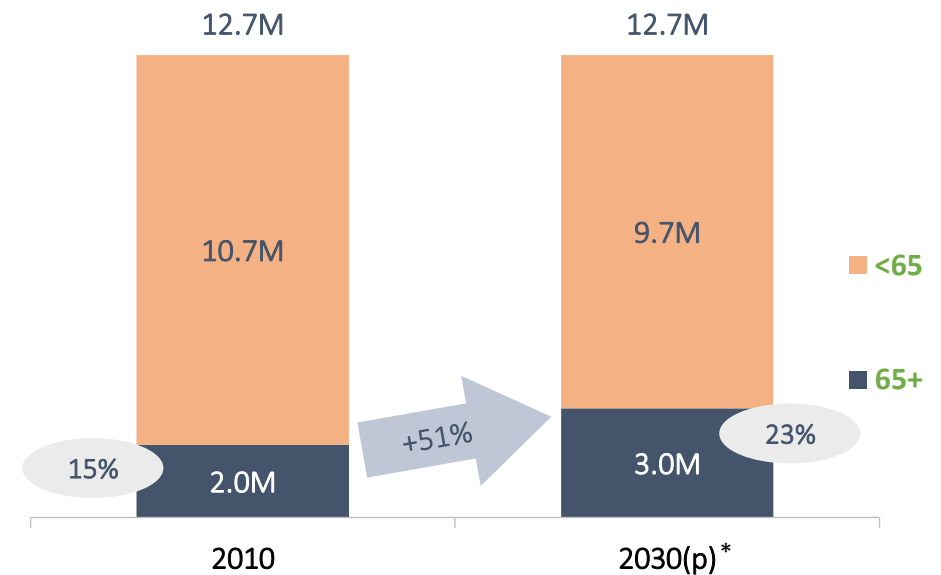
- Lower-cost areas of the state with strong transportation connections to higher-wage markets have greater **opportunities to attract residents in a remote work environment.**
- Dense metro areas will continue to be centers of innovation and growth. **Core infrastructure like transit assets need to be maintained and enhanced to remain competitive** for this high-value activity.



Pennsylvania's Aging Population

- Pennsylvania is among the oldest states in the country and is experiencing a significant population transition with the retirement of the baby boomers.
- Research shows that **most seniors want to stay in their homes as long as they can.**
- In addition to quality-of-life benefits, **enabling seniors to live independently yields substantial cost savings for seniors and their families and for the Commonwealth.**
- Transportation services that enable independent living are consistent with Pennsylvania's transition to greater emphasis on home and community-based care for seniors.

Projected Aging of Pennsylvania's Population, 2010-2030



*2030 estimates are projections.

Source: Pennsylvania Independent Fiscal Office (IFO)
[Pennsylvania Demographic Outlook \(September 2020\)](#)



Pennsylvania's Transportation Investment Dynamics

- Adequate transportation infrastructure is a **core public service that enables private commerce to thrive** and supports quality of life and independence for residents.
- A range of studies have identified a significant backlog of transportation investments in Pennsylvania and highlighted the need for new funding approaches.
- The post-pandemic recovery presents a highly competitive economic environment as businesses and residents reconsider their location options.

Now is not the time for disinvestment in core infrastructure like public transit and passenger rail that enhance Pennsylvania's economic competitiveness and benefits its residents, workforce, businesses, and communities.

Statewide Implications of Disinvestment

Allowing Pennsylvania's public transit and passenger rail network to degrade would reduce Pennsylvania's long-term level of employment, impede the ability of residents throughout the state to maintain their quality of life, and decrease access to services and amenities.

This would result in:

- Declines in Pennsylvania's tax base;
- Reduced hybrid and long-distance work opportunities;
- Reduced downstream spending by businesses and workers;
- Decreased independence for transit-reliant populations; and
- Increased state costs for support programs



Summary: Transit's Importance Going Forward

As Pennsylvania seeks to accelerate its recovery and navigate new competitive dynamics, high-quality public transit and passenger rail service are essential to the state's businesses and workforce, to its residents, and to its economic competitiveness.



Pennsylvania businesses will continue to rely on transit to **access the workforce they need** to recover and grow.



Long-distance transportation connections unlock opportunities for **remote and hybrid jobs** by connecting residents in lower-cost areas to high-wage labor markets.



Pennsylvania's largest economic nodes depend on transit to support the workforce needed to **compete with other regions and states** for high-value activity and investment.



Transit-dependent populations will continue to rely on service to **maintain their independence and quality of life**, reducing public and private costs.



Workers without the means or desire to own a car will need a quality transit network to **participate fully in Pennsylvania's economy**, with disproportionate impacts for low-income and minority communities.



A multimodal transportation network will enable Pennsylvania to **achieve better environmental outcomes** by reducing emissions and road congestion while improving traveler safety.



PENNSYLVANIA'S INVESTMENT IN PUBLIC TRANSIT AND PASSENGER RAIL

Economic analysis in this report has been prepared by Econsult Solutions, Inc. (ESI).
ESI provides economic expertise to policymakers and businesses.
Based in Philadelphia, ESI supports clients nationwide.

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