

## TRANSIT CONNECTS COMMUNITIES

### **Provides vital transportation for senior citizens and persons with disabilities –**

Public transit ensures that people who cannot drive a vehicle because of age or special needs remain actively involved in their communities and have access to the full range of facilities and services. In rural areas, public transit serves as a lifeline, allowing people to continue living where they choose.



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*Seniors account for more than a quarter of riders in rural public transit systems operating in South Dakota.*

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**Expands social and recreational opportunities in rural areas –** 22 of 24 public transit systems operating in South Dakota operate in rural areas. Many of them participate in community-sponsored events and programs such as Senior Meals.



This document was developed by HDR, Inc. as part of study SD2010-03, *Costs and Benefits of Public Transit in South Dakota*, commissioned by the South Dakota Department of Transportation. A copy of the complete final report can be obtained by contacting the SDDOT Office of Research at 605.773.3292.

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**Public  
Transit  
in  
South  
Dakota**

**It's  
More  
than  
Transportation**



**More than 3 million trips** are made annually on public transit in South Dakota, half of them in rural areas. Transit satisfies mobility needs of households for whom owning and driving a vehicle is not practical or affordable.

But the benefits of public transit extend well beyond transporting riders. By enhancing mobility, safety, air quality, and economic development, public transit also benefits road users and the community at large. Public transit is a major contributor to the state's economy and is critical to the well-being and independence of its residents.

### TRANSIT SAVES MONEY

**Reduces the cost of transportation** – When people use public transit, they save money that can be spent on housing, food, health care, and other basic needs. In 2010, these out-of-pocket cost savings totaled **\$10.3 million** in South Dakota.

**Increases tax savings** – Employees can deduct \$230 monthly from their paychecks on a pre-tax basis to pay for their commute by transit. Employers also save money since this benefit is not subject to payroll taxes.

### TRANSIT STIMULATES THE ECONOMY

**Creates jobs** – Every 10 jobs in the public transit sector create 3 additional jobs in supporting industries. Public transit operating and capital expenses, along with spending of out-of-pocket cost savings by transit riders, sustained 530 jobs in South Dakota.

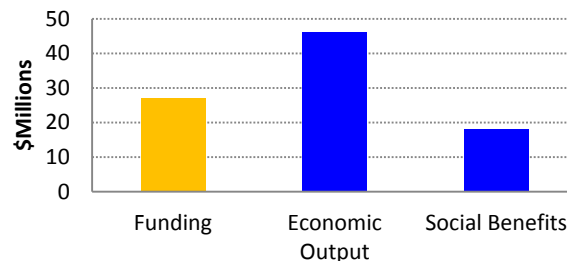


*In 2009-2010, SDDOT awarded \$7.4 million to buy buses and build transit facilities, sustaining jobs in automotive and construction industries.*

**Generates economic activity** – Transit contributed about **\$46.1 million** to the South Dakota economy in 2010. **Every dollar spent on public transit in the state generated \$1.90 in economic activity.**



### Costs and Benefits of Public Transit



*All estimates are in 2010 dollars. Funding includes both public funds and fare revenue. Economic Output represents total sales generated in the South Dakota economy by public transit. Social Benefits include transportation cost savings (such as out-of-pocket cost savings) and low-cost mobility benefits (such as welfare cost savings).*

### TRANSIT EXPANDS MOBILITY

Nearly half of the trips made on public transit in South Dakota are for work or medical purposes. Some riders, especially those with low income or special needs, rely entirely on public transit.

**Connects people to jobs** – Public transit not only helps create and maintain jobs, it also moves people to and from work. Without public transit, some people would either not be able to work or would lose their jobs. Businesses located near public transit experience more employee reliability and less turnover. In urban areas, employers have a larger labor pool to choose from. With transit, employees are not driving in heavy traffic or severe weather.

**Provides access to healthcare** – Without public transit, many people would have no choice but to forego their medical trips, while others would require home health care or have to move to a nursing home facility.

*An estimated \$7.1 million in low-cost mobility benefits, such as savings in homecare and welfare costs, were attributable to public transit statewide in 2010.*

**Provides access to education** – About 22 percent of trips made by transit patrons in South Dakota are for educational purposes. Where school buses are not available, public transit provides safe, dependable rides for students in preschool through college. With public transit for their children, parents can remain at work and maintain their productivity and earning potential.