

Exploring the Positive Environmental Impact of Commuter Benefits

Summary

Did you know that in 2022, [more than two thirds](#) of U.S. workers drove to work alone? Yet transportation is the [number one cause](#) of direct greenhouse gas emissions. And climate change isn't just a buzzword. The Intergovernmental Panel on Climate Change (IPCC) has laid out a [detailed report](#) on the ways in which our weather is worsening as a result of climate change, from more intense hurricanes to melting northern snowpacks. Unless we start making more sustainable choices, both heat waves and storm activity will continue to worsen.

Increasingly, both employees and consumers expect corporations to do their part to improve the environment. In fact, a recent [IBM Institute for Business Value survey](#) showed that a stunning 68% of people are more likely to accept a job with an environmentally sustainable company.

No matter what business you're in, a great place to start is with reducing the number of employees who drive alone to work. Fortunately, that's relatively easy to do when you introduce commuter benefits.

In our car-centered culture, it's easy to forget just how much impact this type of initiative can have. And it's not as expensive or difficult as you might think. Keep reading for a look at how you can start your own commuter benefits program, what it might look like, and how you can use it to boost your company's environmental friendliness.

Introduction

Transportation services for workers come in many forms. Depending on your company's location, budget, and business needs, you might choose:

- **Public transit passes**, which can get your employees out of their cars and onto more sustainable transportation options such as subways or streetcars.
- **Bike to work initiatives**, which trade fossil fuels for people power and have the side benefit of promoting employee health.
- **Carpools**. While these still involve private vehicles, the more people who commute in a single car, the lower the overall environmental impact will be.
- **Corporate shuttle bus service**. You can partner with a local fleet operator to provide customizable bus transportation to your employees.

It's important to note that reducing your ecological footprint is actually only one of the advantages of offering commuter benefits. Today's commuters [spend an average of 239 hours per year](#) in the car and pay more than \$8400 each year in commuting expenses. And that's if they are able to make the commute at all. People without reliable cars, those who face childcare challenges, and workers with disabilities may have to leave the workforce altogether, especially in areas that are not well served by public transportation.

Commuter benefits also make economic sense for many workers and employers, due to their tax advantages. These benefits fall under IRS Code Section 132(f): [Qualified Transportation Fringe](#). As long as you follow all of the relevant guidelines, including the [annually-adjusted maximum monthly value](#), this compensation does not have to be reported as income. That also means that you do not have to pay payroll taxes on it.

Objectives

In this whitepaper, we will take a deeper look at how a commuter benefits program can lower your company's carbon footprint, serve as part of a holistic approach to improving your company culture, and even make a real difference in your employees' lives. Key areas to cover include:

- The environmental impacts of commuting
- The difficulties that commuting can cause for both workers and employers
- The advantages of providing commuter benefits
- How to develop a customized eco-friendly commuter benefits initiative
- What to do to get your new initiative started

The Challenge

Employers today face two major challenges related to their workers' commute. Climate change continues to pose a massive threat, with increasingly dangerous heat waves and severe storms becoming a regular occurrence. And transportation is the top contributor to direct carbon emissions.

At the same time, commuting in general is tough on employees. It's expensive and time consuming, and many people face additional challenges that may make it difficult or impossible to commute at all. This can make it tough for companies to attract and retain top workers, while leaving employees frustrated and stressed.

Employee transportation services can help solve both of these issues. But exactly what your commuter benefits program will look like depends on your business objectives, your workers' needs, and the community in which your company is located. Let's take a deeper dive into the ecological and personal impacts of commuting.

The ecological impact of commuting

The practice of commuting dates to the mid-1800s, when expanding railroads allowed workers to live outside of the cities, which were then dirty and overcrowded. But it was the development and mainstream acceptance of the personal car in the 1920s that really made commuting an American way of life. Commuting got another bump in the 1940s, when returning World War II veterans largely purchased homes in the suburbs. The rise of the middle class in the 1950s meant that teens no longer had to help support their families, giving them more free time and leading to the now-familiar teenage car culture. By the time those teens became adults, commuting by car was firmly ensconced in the American way of life.

So the history of commuting in the United States is inexorably intertwined with the history of car ownership. While highly populated downtowns have largely retained their public transportation networks, rural towns have mostly lost the passenger rail on which they once relied. And many suburbs were entirely designed around the needs of car owners, with little or no public transit at all.

The net result is a car-dependent culture in which it just seems normal for individual workers to commute alone in a car, from the time they are legal driving age until retirement. That might have worked reasonably well in the 1950s, but think about how different things were then:

- **U.S. population.** In 1955, it was roughly [161 million](#). In 2024, it's approximately [336 million](#).
- **Women in the workforce.** In 1950, only [a little over a third of women](#) in the United States worked outside the home. Today, it's [more than 55%](#) of women.
- **Cars owned by household.** In 1960, the vast majority of households [shared a single car](#). Only about 22% had two or more vehicles. Today, nearly 60% of households have at least two vehicles.

Of course, all of this data simply confirms what every commuter already knows: there are a LOT more cars on the road than there were when commuting became a regular part of the American experience. Roads built in the 1950s and 1960s simply aren't up to the task of handling the number of cars on the road today, plus many of them are starting to reach the end of their useful working life. Traffic congestion is a given, especially during rush hours, which means more time spent idling on the roads. A massive federal investment in infrastructure should help to ease some of the burden over the next few years. But unless companies also do their part, traffic emissions will only continue to worsen, further hastening the climate crisis.

The personal impact of commuting

Commuting can be hard on employees. In fact, in the post-pandemic world, it can be [tougher than ever before](#). Reasons for this include:

- Fewer public transit options due to lower ridership from people working from home
- Higher-speed driving and more traffic accidents during rush hours
- Changes in supply chains and logistics, which have consolidated many warehouses and production facilities in remote car-dependent areas

In addition, all of the issues that commuters have always faced are still present today:

- Lack of public transit limits options for workers without cars
- People with disabilities may not be physically able to make an arduous commute
- Public transit may be unreliable or require workers to make multiple connections
- Older vehicles often break down, which can cause people to miss work, and may be too expensive to repair

For employers, there are a number of hidden costs associated with employee commutes. These may include:

- Higher risk for employee stress and burnout
- Lost productivity

- Reduced employee loyalty
- Difficulty filling open positions
- Increased turnover

The Solution

It's easy to see that traditional commuting has become a real problem for both workers and employers. It has a strong negative impact on the environment at a time when climate change has become an urgent problem. And difficult commutes can affect the entire office environment, making it tough to maintain a positive company culture. Providing transportation for employees can help to solve both of these issues, contributing to an eco-friendly and people-friendly corporate brand.

Understand the “benefits” in commuter benefits

Attracting and retaining talent is tough in today's tight labor market. Positioning your company as environmentally conscious, while also helping employees overcome one of their biggest challenges, can help you stand out from the competition. Commuter benefits programs can also:

- Boost employee satisfaction
- Save money, since you don't have cover payroll taxes on qualified benefits
- Increase productivity, since your workers will be less exhausted
- Lead to stronger employee retention
- Widen your talent pool

For your employees, the benefits include:

- Reduced out of pocket costs
- Greater predictability
- Shorter and more efficient commutes
- The opportunity to share the commute with coworkers and friends
- Possibly including some walking or other activity in the commute, which has both physical and mental health benefits

Consider the costs and logistics

It would be easy to assume that commuter benefits programs are expensive and difficult to implement. But they don't have to be. Partnering with an all-in-one transportation management system like SHARE Mobility gives you the opportunity to create [customized corporate commute services](#) that are individualized to your unique needs and budget. And you will be able to manage everything from a single platform.

Cost is always a concern, but the return on investment can be tremendous. Our [case studies](#) show that we know how to narrow the focus to your most vexing transportation problems, while also ensuring that the solutions we provide are environmentally responsible.

In rural Kentucky, a [large food producer](#) was having trouble attracting and retaining staff due to its late shifts and remote location. Offering transportation allowed the company to fill a lot of positions quickly, resulting in over \$12.3 million in increased productivity.

In Louisville, a [major home improvement company](#) faced annual turnover of nearly 100%, as its employees had to rely on carpools and rideshares to get to and from work. Adding a corporate shuttle service with ride bookings up to six months in advance boosted employee retention by more than 60% and brought productivity increases of more than \$4.3 million.

Start encouraging eco-friendly commuting

By now, it's easy to see the advantages of offering commuter benefits. Not only will you be doing your part to help curb greenhouse gas emissions, but the program can also help you attract and retain top talent. You'll show your employees that their needs are important and that you value their contributions. You can also enjoy tax savings and enhanced productivity.

But how can you get started? Commuter benefits come in many forms, including:

- Carpool groups
- Monthly public transit passes
- Bike-to-work initiatives (note that under IRS guidelines, you can reimburse employees for costs associated with biking, such as repairs and maintenance, but not for car-related expenses except parking and tolls)
- A dedicated corporate shuttle bus service

The first step is to assess your workers' transportation needs. Begin with a survey that asks probing, open-ended questions. Your goal isn't simply to find out how they currently get to work, but also to learn about the specific challenges that their commutes present. For example, a large family might be trying to share a single, older car that is prone to breaking down. Or a disabled worker might have to wait a long time for a bus with an open wheelchair space.

Environmental friendliness is a huge part of the problem you're trying to solve, but you also need to make sure that the initiative you choose genuinely works well for your employees. As you consider your options, always keep your workers' needs front and center.

Next Steps

Exactly how you lay out your plan will depend on what you learned from your workers, as well as the location and nature of your business. For example, a downtown company that is highly accessible by public transit may only need to provide monthly transit passes and perhaps a bike-to-work initiative. A rural company accessible only by a long and poorly maintained road might consider partnering with a fleet provider to offer a customized corporate shuttle service.

Get the ball rolling

Regardless of the exact solution you choose, the steps for implementation are roughly the same:

Determine your budgets

Commuter benefits programs typically have two sets of costs: one-time initial setup fees and ongoing monthly costs. You can generally determine the per-person costs and then project the totals based on the number of people you expect to sign up. Decide which budgets will cover which expenses, and set your monthly and annual budgets accordingly.

Talk to your management team

Managers tend to worry about money, especially when facing large initiatives that haven't yet been proven within the company. Making a sudden announcement with little context is likely to cause panic. Instead, create a written presentation that openly covers both the benefits and challenges, along with detailed facts and figures. Be sure to focus on the environmental advantages of your proposed solution, as well as the ways in which it can help your bottom line.

Partner with a trusted transportation management company

You could choose to oversee your commuter benefits program on your own, signing contracts and paying directly to vendors. But when you partner with a company like SHARE mobility, you'll benefit from our expertise and easy-to-use tools. We can help you [customize your program](#) while keeping your costs down.

Roll out communications

Get your current employees on board with a series of teasers and information sessions. Let them know how the program will benefit them, as well as how it supports your goal of becoming more environmentally friendly. Before launch, create a written policy that clearly lays out everything from eligibility to how to sign up. Send it out to your entire team.

Also find a way to talk about your commuter benefits program in all of your job descriptions. You don't need to go into a lot of detail, but again, be sure to highlight it as part of your larger commitment to eco-friendliness. Don't forget to provide a short description of how the program works.

Tweak as needed

Like any other initiative, your commuter benefits program is unlikely to be a complete success at rollout. Dig into the data to see if the program is having the expected impact on your company's larger environmental goals. Also talk to your employees and managers to make sure things are working as expected. Don't be afraid to reach out to your transportation partner for ideas on how to tweak your program to better meet your needs and objectives.

Things may also change over time. Maybe right now your employees all live relatively close to each other. But a year from now, you may have started drawing workers from the next town over. Your transportation management partner can help you modify your program to be more inclusive of your new employees.

Making a Real Impact Starts Now

Climate change is accelerating rapidly, and is only likely to get worse. The United Nations notes that the world is [not on track](#) to meet the goals delineated in the Paris Agreement, and that the window is closing fast. What each individual person and business does now can have a real

impact. Transportation is the leading cause of direct greenhouse gas emissions in the United States, so getting more employees out of their private vehicles is a quick way to make a big difference.

In addition, today's employees want to work for companies that take environmental issues seriously. They also want to feel like their employer truly cares about them and the difficulties that they face. Implementing a robust commuter benefits program can help to solve both of these issues.

Commuter benefits programs can also create a tremendous return on investment for companies that implement them. You'll be able to expand your talent pool, which can make it easier to fill key roles. Your employees will be less stressed and at lower risk for burnout, and are more likely to feel loyalty to your organizations. Companies that provide commuter benefits often report massive gains in productivity. And both you and your workers can see real tax benefits, since commuter benefits programs that meet all IRS guidelines do not count as income.

Climate change is a real and serious issue that won't be solved solely by implementing commuter benefits. But every little bit helps, and offering employee transportation services can form a core part of your overall environmental strategy. It's a win-win for your company, your overall brand, and your employees and job candidates.

Find the solution with SHARE

At SHARE Mobility, we have been in the transportation business since 2016. We specialize in creating cost-effective, hassle-free commuter benefits programs that are individually tailored to each company's needs. It all starts with our all-in-one transportation management platform, but the platform is only the tip of the iceberg. It's backed up by a dedicated team of launch planners and account managers who will be by your side throughout the entire process.

If you're interested in providing your employees with corporate shuttle services, we'll help you choose the vehicles (many of which are fully accessible) and routes that are right for your employees. And if you need to modify those routes as your needs change, we make it easy to do so. Our goal is to become your trusted long-term transportation partner, so we are ready and willing to help you evolve your commuter benefits program as your business grows and changes.

Are you ready to learn more about how SHARE Mobility can help you reduce your carbon footprint while hiring faster and boosting employee retention? [Schedule a live demo](#) and Q&A session with one of our transportation experts today!