



*Citizens for Modern Transit's* .....>

# POLICY BRIEF

## OFFERING FREE PARKING TO EMPLOYEES COSTS YOUR BUSINESS MONEY

Nationally, 95% of all automobile commuters park for free at work <sup>[1]</sup> costing employers approximately \$85 million every year. <sup>[2]</sup> The average parking space in St. Louis costs residents and visitors \$90 a month to reserve, or \$12 a day fee according to East West Gateway Council of Governments. If employers cover the monthly cost of parking for 200 employees each year, the employer is paying \$216,000 in free parking Whereas offering full transit subsidies would cost that same employer \$187,200. **Offering transit subsidies could save a company significant dollars each year!**

### THE PROBLEM FREE PARKING CREATES: <sup>[3]</sup>

- > It encourages the number of solo drivers by as much as 44%,
  - > Increasing congestion and travel time
  - > Decreasing quality of life
  - > Polluting the air you and your children breathe
- > It increases parking demand by 34% which consequently increases
  - > Automobile miles traveled to work
  - > Gasoline consumed for driving to work
  - > Cost of automobile travel to work
  - > Employer cost of maintaining parking
- > It keeps alternative commute options like transit from being on an equal playing field with driving.

### WAYS TO SAVE COMPANIES MONEY AND TIME:

- > Charge for parking.
- > Quantify multi-modal commuting benefits for employees.
- > Provide free or subsidized transit passes.
- > Provide employees the cost of the parking space as extra salary each month rather than a free parking space. (Cash out parking)
- > Provide transit passes to all employees that would normally purchase monthly parking passes.
- > Replace free parking with a travel allowance that gives employees the option to choose.
- > Offer transit passes on a pre-tax basis.



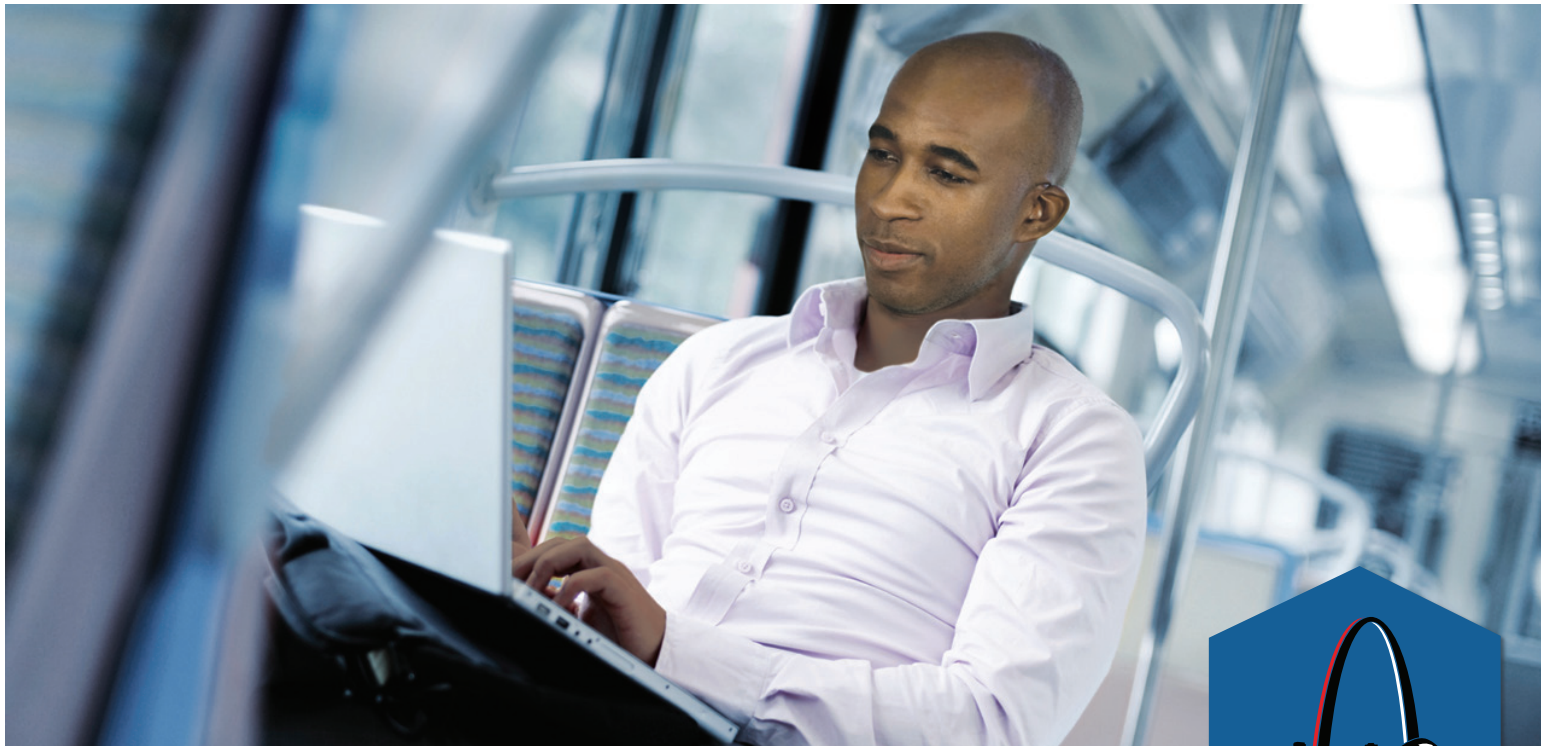
## THE BENEFITS OF THESE OPTIONS INCLUDE: [4]

- > Tax savings without an employer subsidy - Businesses can save thousands of dollars in payroll taxes by offering the cost of public transportation on a pre-tax basis.
- > Deductions with an employer subsidy – Under Section 132 (f) of the Internal Revenue Code, you can provide up to \$130 per month to an employee who commutes by transit or vanpool. You can then deduct these transportation subsidies as a business expense.
- > Parking savings - The more employees who commute by transit, the less employers need to spend to build, maintain or lease parking. These savings really add up with space constraint problems and growing business campuses.
- > Reduce employee absenteeism and tardiness – Employees who ride Metro won't be plagued with automobile maintenance and breakdown problems. They have a sure ride to work every day.
- > Increase employee retention - Employers with better benefits, keep better employees. You will realize increased productivity and reduced costs due to employee turnover while reducing your employees' cost of transportation.
- > Access to greater number of possible employees in the work force.

## EXPLORE OPTIONS FOR YOUR BUSINESS TODAY

- > Citizens for Modern Transit: <http://cmt-stl.org>
- > Metro's Transit Benefit Program - <http://www.metrostlouis.org/FaresPasses/TransitBenefitProgram.aspx>
- > Best Workplaces for Commuters, Commuter Benefits resource: <http://www.bestworkplaces.org/resource-center/2013-commuter-benefits-document/>

1. Kaufman, Matthew, et. al. "Contemporary Approaches to Parking Pricing," pg 15. Found on the world wide web at - <http://www.ops.fhwa.dot.gov/publications/fhwahop12026/fhwahop12026.pdf>.
2. Shoup, Donald. "Congress Okays Cash Out," pg 1. Found on the world wide web at - <http://shoup.bol.ucla.edu/CongressOkaysCashOut.pdf>.
3. Shoup, Donald and Richard Willson, "Commuting, Congestion, and Pollution: The Employer-Pad Parking Connection," pg. 1. Found on the world wide web at: <http://reason.org/files/ebadee4c8cbb04d0f88cf7ea86029b03.pdf>.
4. Benefits list cites Metro Benefit Program page found on March 4, 2015 on the world wide web at <http://www.metrostlouis.org/FaresPasses/TransitBenefitProgram.aspx>.



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