

Transportation Funding Reform: Equity Considerations for Older Americans

Jana Lynott
AARP Public Policy Institute

An evaluation of the equity of potential revenue sources for specific groups in society is an important part of a comprehensive assessment of how best to pay for needed investment in roads, public transportation, and pedestrian and cycling networks. The lack of sufficient revenue has posed a stumbling block for Congress, which must reauthorize the multibillion-dollar federal transportation law that expired in fall 2009. Overall, older and retired travelers make different demands on the transportation network and have very different needs than the average system user. Taxes and fees that do not account for these differences may be inequitable.

Current Funding Sources Are Largely Inequitable to Older Adults

Older and retired persons, on average, make fewer trips, travel fewer miles, travel less on interstate highways, and travel less in the peak period than those who are younger. Yet most current financing mechanisms at the federal, state, and local levels do not reflect key differences in how

older people use the surface transportation system. For example, the fuel excise tax, the single largest U.S. transportation revenue source, is an indirect user fee, as it does not fully account for the negative impacts travelers have on the road (through the weight of the vehicle) and the time and health costs they impose on other travelers (when they travel in the peak period or drive polluting vehicles). Without this

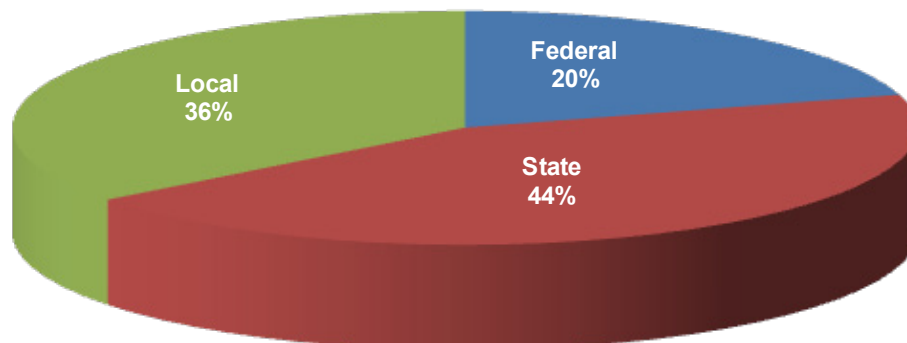
Table 1
Travel Behavior by Age

	Age		
	16 to 64	65+	75+
Vehicle Miles Traveled			
As a Percentage of Total	90.1%	9.9%	3.0%
Miles Driven by Those 16+			
Mean Daily Person Trips	4.0	3.2	2.7
Mean Daily Person Miles	38.1	23.8	17.7
Time of Travel			
Percentage of Total Trips			
Morning Peak (6–9 a.m.)	14.9%	10.7%	9.5%
Mid-Day Peak (11 a.m.–1 p.m.)	13.7%	19.6%	21.0%
Evening Peak (4–7 p.m.)	23.0%	17.0%	15.6%
Average Age of Vehicle (years)	7.8	8.8	9.6
Percentage of Trips on Interstate Highways	37.2%	24.0%	17.7%

Source: AARP PPI calculation of 2009 National Household Travel Survey, Version 2.1. VMT and percentage of trips on interstate highways was calculated for private occupancy vehicle modes, defined as car, van, sport utility vehicle, pickup truck, other truck, recreational vehicle, motorcycle, and light electric vehicle (golf cart). Mean daily person trips and person miles calculated for all modes except air travel.

Figure 1
Share of Surface Transportation Funding

All levels of government share responsibility for raising revenue to support surface transportation infrastructure and services.



Source: Calculated from National Surface Transportation Policy and Revenue Commission (2008), Tables 5-2 and 5-8.

link, drivers partially escape the financial, pollution, and health costs they impose on others and create excess demand for new highway capacity. Consequently, older travelers whose travel patterns mirror those typical for their age group end up subsidizing peak period users.

Furthermore, the fuel excise tax is regressive—taking a larger share of income from low-income persons than higher-income persons.

General sales taxes are both regressive and unrelated to system use. Many local transportation revenue sources, from property taxes to development impact fees, are regressive and only moderately linked to system use. And while using income tax revenue for transportation addresses concerns over ability to pay, it will not lead to more efficient use of the transportation system.

Some Proposed Financing Mechanisms May Prove More Equitable

In contrast, some proposed financing mechanisms, such as increased road tolling and mileage charges (vehicle miles traveled fees), may prove to be more equitable for older travelers. Such fees can be avoided, they are much more

related to system use, and provisions can be made for low-income users who are disproportionately burdened by paying such charges.

Inequities in Payment Can Be Offset by Tailored Investments

It is unlikely that any one transportation tax or fee or charge will meet all societal goals, from economic efficiency to environmental protection. But an evaluation of the equity of potential funding sources for specific groups is an important part of a comprehensive assessment of alternative revenue mechanisms. It can suggest, for example, ways to remediate the negative equity consequences of otherwise valuable financing mechanisms.

Older travelers face substantial challenges in almost all aspects of the surface transportation network. Therefore, government policy must seek to expand, improve, and enhance a wide range of transportation facilities and services that meet the needs of older people. For example:

- Improve public transportation options; offer services geared to the travel patterns of older users and responsive to their physical problems.

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- Expand Americans with Disability Act paratransit service and provide supportive services to those who do not qualify to use paratransit but still have difficulties in traveling or driving.
- Expand door-to-door, door-through-door, and volunteer community-based transportation options.
- Increase pedestrian access and facilities; enhance all aspects of the travel chain so that older users can walk safely and securely.
- Develop better driver assessment and training to ensure that older drivers can drive safely longer.
- Modify all aspects of highway design; develop a highway-vehicle system that responds to the challenges older drivers face.
- Implement urban design and land use policies and regulations to create neighborhoods and communities where the use of alternative modes is easier, safer, and more secure.

In Brief 192, December, 2011

This In Brief is a synopsis of the AARP Public Policy Institute Research Report of the same title, number 2010-03.

AARP Public Policy Institute,
601 E Street, NW, Washington, DC 20049
www.aarp.org/ppi

202-434-3893, ppi@aarp.org

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