



# Transportation: History and Inequality in the United States



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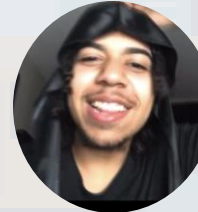
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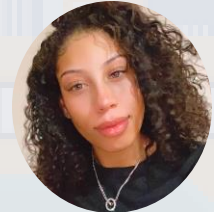
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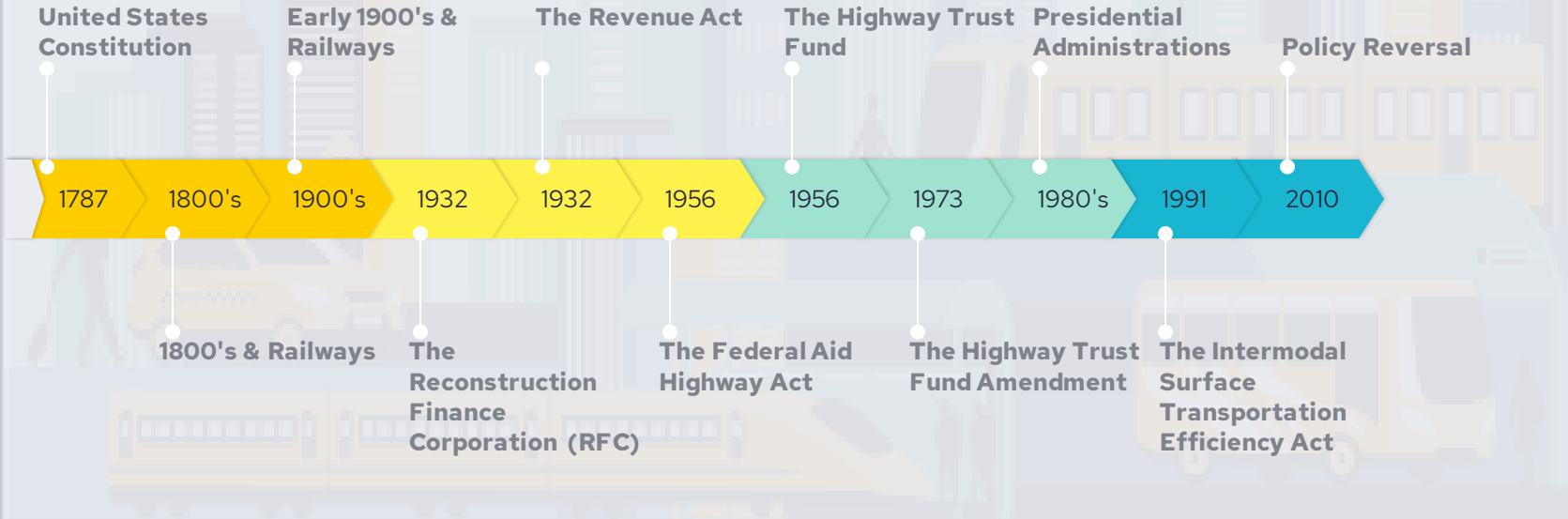


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# A Brief History of Transportation in the United States



# Transportation in the United States Explained

- **The Constitution of the United States of America.** Article one, section eight, clause seven of the Constitution states that Congress shall establish Post Offices and post roads. The establishment of post roads by the government marks the beginnings of federally funded and mass transportation in the U.S..<sup>1</sup>
- **1800s & Railways.** Beginning in the mid-1800s ranging to the early 1900s, railways dominated the transportation system of the United States. Railways transitioned from being privately financed through individual investors to being financed by large private institutions. These institutions included investment banks, commercial banks, and insurance companies; they would issue stocks and bonds to raise the revenue that allowed for the construction of new lines and national expansion.<sup>2</sup>
- **Early 1900s & Railways.** By the beginning of the 1900s, bonds became the main avenue for raising railway funds through private institutions. The debt from the bonds were held as assets within the portfolios of financial institutions. During the Great Depression, railways lost earnings and were subsequently unable to make payments. This hurt the railways and the financial institutions that held the railway debt- creating a credit crisis.<sup>2</sup>

- **The Reconstruction Finance Corporation (RFC).** The Reconstruction Finance Corporation was introduced in 1932 by President Hoover and was later expanded by President Franklin Roosevelt. The RFC acted as a public financial intermediary. Following the railway crisis, financial institutions moved away from rail securities.<sup>2</sup> *This marks the transition from railways to highways.*
- **The Revenue Act of 1932.** This policy raised United States taxes while simultaneously marking one of the first taxes imposed on gasoline.<sup>2</sup>



- **The Federal Aid Highway Act of 1956.** This policy was enacted by President Dwight D. Eisenhower which approved the construction of the National System of Interstate and Defense Highways, more commonly referred to as the National Highway System.

The plans for the National Highway System were created by engineers who were most concerned with getting traffic from point A to point B in a straightforward manner. Often, the highway would expunge nearby homes, neighborhoods, parks, and businesses.<sup>3</sup> Minority neighborhoods that were in inner-city areas were most at risk for being obliterated. Studies have shown that those in power would purposefully plan highways that would cut through impoverished black neighborhoods, resulting in greater segregation. Despite the reasoning of improved traffic, sections of the highway system, particularly in Alabama, were purposefully curved and winding in order to bisect several black neighborhoods in favor of preserving the predominantly white neighborhoods that would have been in the way.

The creation of the National Highway System aided the suburbanization of the middle class. The relocation of the wealthy middle-class led to a decline of inner-city areas, as people and businesses moved to follow cash flow.<sup>4</sup>

- **The Highway Trust Fund.** The Highway Trust Fund is financed through the taxes placed on the sale of gasoline. This fund was established in 1956 as a part of the Federal Aid Highway Act. Its original purpose was to aid in the funding of the National Highway System. In 1973 the Highway Trust Fund was opened to finance mass transit and alternative modes of transportation, such as light rail, new buses, and bicycle lanes. Cities were encouraged to 'trade-in' unused funded highway miles to use instead on these alternative transportations.<sup>3</sup>
- **Presidential Administrations.** The Reagan Administration, as well as following administrations, slashed spending which dramatically reduced budgets for general revenue sharing; money that could have been used for urban mass transit.<sup>4</sup> As summarized in *Introducing Social Stratification*, "The US Congress regularly supports transportation bills that keep federal funding heavily tilted toward building more highways, and tilted away from building mass transit".<sup>5</sup> The creation of highways creates a dependency on individual car ownership as well as gasoline.
- **The Intermodal Surface Transportation Efficiency Act of 1991.** This policy marks the shift in authority from federal and state agencies to metropolitan planning organizations (MPOs). The ISTEA also increased funding toward alternative modes of transportation, other than the highway system.<sup>3</sup>
- **Policy Reversal.** A dramatic reversal of past policy can be seen by 2010, when officials of the US Department of Transportation endorsed or even financed several freeway teardowns.<sup>3</sup>

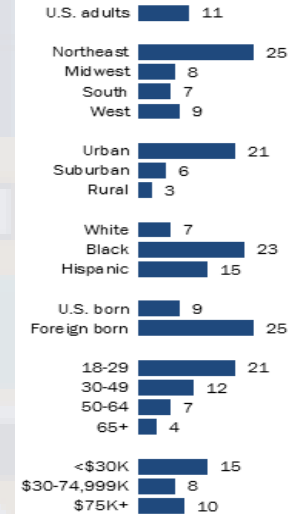


# Historical Trends and Patterns

- **Dominant travel mode:** previously **bus** and **rail transit**, since 1920s: **cars** <sup>5</sup>
- **Poor/low-income** families disproportionately use **public transit** <sup>5</sup>
- **Owning & maintaining** a car:
  - 1975: \$2,154/15K miles
  - 2019: **\$9,282**/15K miles <sup>6</sup>
- 2001 study: Car-less households **walked more than 30 minutes** to & from transit stations <sup>7</sup>

## Public transit use varies by demographic group

*% of U.S. adults who say they take public transportation (like a bus, subway or train) on a daily, almost daily or weekly basis*



Note: Whites and blacks include only non-Hispanics. Hispanics are of any race.

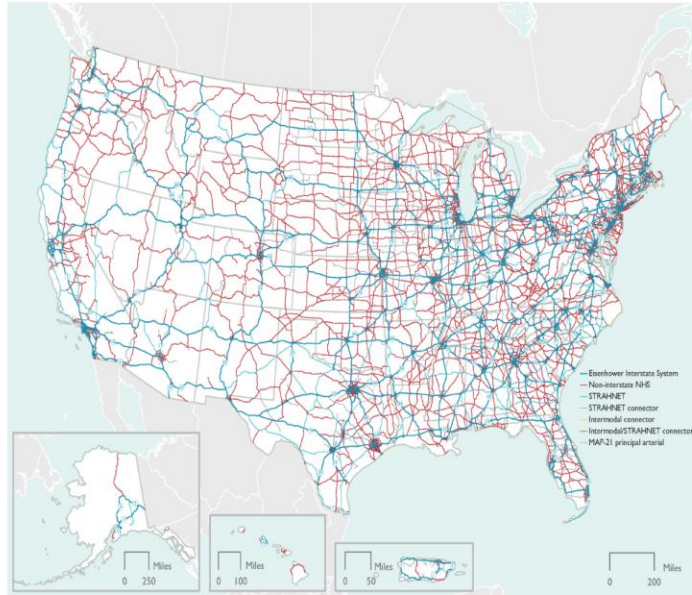
Source: Survey conducted Nov. 24-Dec. 21, 2015.

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# Historical Trends and Patterns

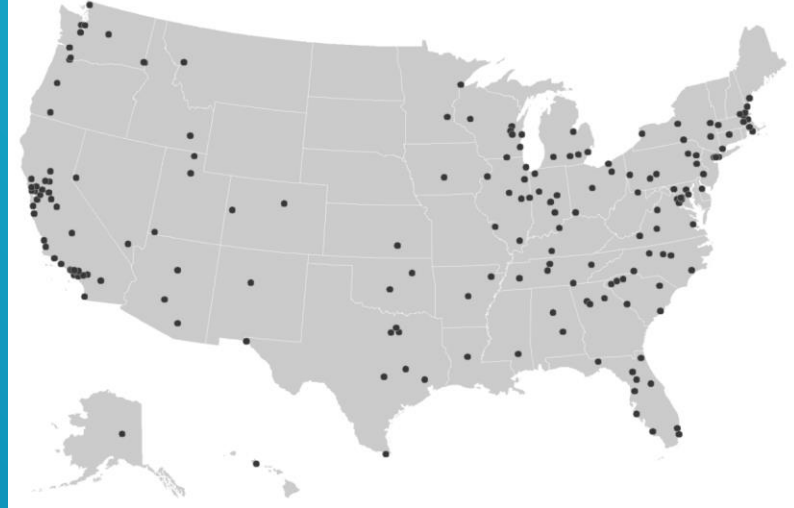
FIGURE 1-2 National Highway System, Intermodal Connectors, and Principal Arterials: 2018



SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics, *National Transportation Atlas Database*, available at [www.bts.gov](http://www.bts.gov) as of September 2018.

- Significant road development, not as much transit coverage

Figure 1. National Transit Map – 198 Participating Agencies



2016 map of transit agencies participating in the National Transit Map <sup>8</sup>

# Quick Facts about U.S. Public Transportation

- In 2019, Americans took 9.9 billion trips on public transportation.<sup>9</sup>
- 34 million times each weekday, people board public transportation.<sup>9</sup>
- Since 1995, public transportation ridership has increased by 28%—a growth rate higher than the 23% increase in U.S. population.<sup>9</sup>
- Public transportation is a \$74 billion industry that employs more than 436,000 people.<sup>9</sup>
- Approximately 6,800 organizations provide public transportation in the United States.<sup>9</sup>
- 45% of Americans have no access to public transportation.<sup>9</sup>
- Millennials consider public transportation as the best option for digital socializing and among the best for connecting with communities.<sup>9</sup>

## **Public Transportation Provides Economic Opportunities**

- Every \$1 invested in public transportation generates \$5 in economic returns.<sup>9</sup>
- Every \$1 billion invested in public transportation supports and creates approximately 50,000 jobs.<sup>9</sup>
- Every \$10 million in capital investment in public transportation yields \$30 million in increased business sales.<sup>9</sup>
- Every \$10 million in operating investment yields \$32 million in increased business sales.<sup>9</sup>
- An estimated \$39 billion of public transit expenditures flow into the private sector.<sup>9</sup>
- Home values were up to 24% higher near public transportation than in other areas. Hotels in cities with direct rail access to airports raise 11% more revenue per room than hotels in those cities without.<sup>9</sup>

## **Public Transportation Is a Safer Way to Travel Than by Automobile**

- Traveling by public transportation is 10 times safer per mile than traveling by automobile.
- A person can reduce his or her chance of being in an accident by more than 90% simply by taking public transit as opposed to commuting by car.<sup>9</sup>

### **Public Transportation Saves Money**

- The average household spends 16 cents of every dollar on transportation, and 93% of this goes to buying, maintaining, and operating cars, the largest expenditure after housing.<sup>9</sup>
- A household can save nearly \$10,000 by taking public transportation and living with one less car.<sup>9</sup>

### **Public Transportation Reduces Gasoline Consumption**

- Public transportation's overall effects save the United States 4.2 billion gallons of gasoline annually.<sup>9</sup>

### **Public Transportation Reduces Carbon Footprint**

- Communities that invest in public transit reduce the nation's carbon emissions by 37 million metric tons annually.<sup>9</sup>

### **Public Transportation Enhances Personal Opportunities**

- 87% of trips on public transit have a direct impact on the local economy.<sup>9</sup>
- Of all riders, 71% are employed and 7% are students.<sup>9</sup>
- More than two-thirds of riders walk to their stop or station.<sup>9</sup>





# Current State of Affairs: United States

## Average gas prices

- \$2.95 per gallon<sup>10</sup>
- Typically, between \$2-4 depending on the state<sup>10</sup>

## Average taxi cost

- Initial \$2.50 charge<sup>11</sup>
- Plus 50 cents per 1/5 mile when traveling above 12 mph or per 60 seconds in slow traffic or when the vehicle is stopped<sup>12</sup>

## Average subway ticket cost

- \$2-3 depending on the state

## Number of unemployed

- 6.2% (9,972,000) as of February 2021<sup>11</sup>

## Number of uninsured

- 8.5% (27.5 million) in 2018<sup>13</sup>

## Average new vehicle selling price

- \$36,800 as of 2019<sup>14</sup>

**"On average, Americans are spending anywhere between \$2,000 and \$5,000 on transportation each year"<sup>21</sup>**





# Who Wins and Who Loses?

- The rich, those who are profiting off this \$74 billion industry<sup>9</sup>, and those employed by this industry are the three main “winners” when it comes to transportation in the U.S.
  - For example, people with higher-paying jobs can afford the cost of using public transportation without considering that they may need that money later to eat, for rent, etc.
- The “losers” in this scenario are those who don’t have access to transportation, can’t afford it, or are unaware of it.
  - For example, one group specifically that is part of the “losers” are inmates.
    - There are programs offered in the jail systems that are also offered outside of jail. However, upon release, many of those people are unable to get to the offered programs.



# Who Wins and Who Loses?

- The Marshall Project reached out to departments of corrections in all 50 states to find out what they give people when they get out of prison. Forty-two states responded.<sup>15</sup>
- Roughly 90 percent of correctional facilities across the United States have some formal policy to provide funding, commonly called “gate money,” to cover transportation, housing or food costs for prisoners after their release.
- At the highest end, California and Colorado provide \$200 and \$100 and can be as low as \$10 in places like Virginia. The money isn’t enough to meet the demands of their lives in the days following their release. Many say they are forced to make trade-offs between eating or buying practical items that can help them transition back into society.<sup>16</sup>
- “More than 650,000 ex-offenders are released from prison every year, and studies show that approximately two-thirds will likely be rearrested within three years of release. The high volume of returnees is a reflection on the tremendous growth in the U.S. prison population during the past 30 years. For the communities to which most former prisoners return (communities which are often impoverished and disenfranchised neighborhoods with few social supports and persistently high crime rates), the release of ex-offenders represents a variety of challenges.”

# The Inequality Gap vs Public Transportation



- 5% of all U.S. commuters typically use public transportation, but in major cities, that number jumps to 10%.<sup>17</sup>
- The rates are much higher for minority groups. Among African American and Asian workers in large cities, almost 1-in-6 use public transit.<sup>17</sup>

- Counties where residents are predominantly black account for over half of coronavirus cases in the United States and almost 60% of deaths. The same study also pointed to socioeconomic factors like employment, access to health insurance and medical care as being predictive of infection and death from covid-19.<sup>17</sup>
- Many of these people also hold essential jobs that require them to continue to commute to work and encounter others, adding to the likelihood of community transmission.<sup>17</sup>
- “They still have to take the bus because they didn’t have another way to get to their service jobs or the hospital or to the grocery store,” said Sean Kennedy, transit planning manager at the SFMTA. “[They] don’t have other options as ways to get around.”<sup>17</sup>







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