

Issues

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Summary 99-9

Expenditures on Public Transportation

Public transportation expenditures consumed 6 percent of the average household's transportation budget in 1997, divided between intracity and intercity travel (22 percent and 78 percent of total public transportation expenditures, respectively). Intracity transportation modes include mass transit, taxi and limousine service, and school bus. Intercity transportation modes include air, bus, train, and ship. This report highlights public transportation expenditures by consumer units¹ in 1997, classified by income quintiles and by regions.²

Income quintile

The proportion of total expenditures allocated to transportation ranged from 16 to 21 percent for different income groups. The proportion of total transportation expenditures allocated to public transportation ranged from 5 to 8 percent. Consumers in the highest income quintile (quintile 5) spent the most on public transportation, \$911, which was more than twice the expenditure by consumers in the fourth income quintile, and almost six times the expenditure by those in the first quintile. (See table.)

Households in quintile 5 also allocated the highest share of transportation expenditures to

public transportation (8 percent). This seeming anomaly is largely due to the fact that intercity travel is more expensive than intracity travel, and consumer units in the fifth income quintile spent about five times as much on intercity travel as on intracity travel. Those in the lowest income quintile spent less than twice as much on intercity travel as on intracity travel (see chart).

For intracity travel, the allocation of public transportation expenditures was highest for mass transit across all income groups, with the lowest quintile making the largest allocation, 25 percent, and the highest making the smallest allocation, 10 percent. For intercity travel, all quintiles allocated the highest proportion of public transportation expenditures to air travel, and this allocation was progressive across income quintiles: consumers in the lowest income quintile allocated the least, about 50 percent, those in the highest allocated the most, 70 percent. As a proportion of public transportation expenditures, the two lowest income groups spent two to three times more on intercity bus fares than the higher income quintiles, as might be expected.

Region.

The share of total expenditures that households allocated to total transportation ranged from 17 percent in the Northeast to 21 percent in the South. However, households in the North-

east allocated the largest share of total transportation expenditures to public transportation, 10 percent, whereas those in the South allocated the smallest share, 4 percent. Households in the Northeast spent an average of \$587 on public transportation, which was more than twice the expenditures by consumers in the south.

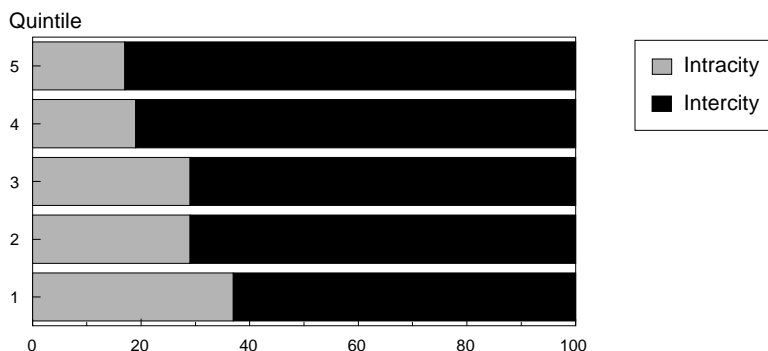
In the Northeast, households also exhibited a difference from the other three regions in the use of public transportation for intracity versus intercity travel. The Northeast had the highest proportion of public transportation expenditures allocated to intracity travel, 37 percent, more than twice the other three regions. The greater use of public transportation in the Northeast relative to the other regions is consistent with the lower percentage of private vehicle ownership in the Northeast, 79 percent, relative to the other three regions (see table). It also likely reflects the more extensive public transportation network that exists in the more densely populated Northeast region.

For intracity travel, the allocation of public transportation expenditures was highest for mass transit across all regions, with the share in the Northeast, 29 percent, being more than 3 times those in the other 3 regions. Air travel accounted for the largest share of intercity travel spending for public transportation across all regions; the West allocated the most,

¹In this report, *consumers* is used interchangeably with *consumer units* and *household*. In the survey, a *consumer unit* includes (1) members of a household related by blood, marriage, adoption or other legal arrangement; (2) a person living alone or sharing a household with others but who is responsible for at least two of the following three major types of expenses - food, housing, and other expenses; or (3) two or more persons living together who pool their income to make joint expenditure decisions.

²For the purpose of reporting expenditures by income groups, complete income reporters are ranked in ascending order, according to the level of total before-tax income. The ranking is then divided into five equal groups called *quintiles*, with quintile 1 consisting of consumers with the lowest 20 percent in terms of before-tax income, and quintile 5 consisting of consumers in the highest 20 percent. *Complete income reporters* are respondents who have provided values for major sources of income, such as wages and salaries, self-employment income, and Social Security income.

Allocation of public transportation expenditures between intracity and intercity travel by income quintile, Consumer Expenditure Survey, 1997



71 percent, and the Northeast the least, 50 percent.

Additional information

For more information about the data presented here, contact Lucilla Tan in the Divi-

sion of Consumer Expenditure Surveys, Bureau of Labor Statistics at (202) 606-6900, or by e-mail at tan_l@bls.gov. To find Consumer Expenditure Survey data on the Internet, access <http://stats.bls.gov/csxhome.htm>, the BLS Consumer Expenditure Survey homepage. Material

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Table 1: Average annual expenditures on public transportation by income quintile and region, Consumer Expenditure Survey, 1997

Item	All consumer units	Total complete reporters	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	North-east	Midwest	South	West
Income before taxes	\$39,926	\$39,926	\$7,086	\$17,246	\$30,285	\$48,478	\$96,397	\$43,336	\$39,222	\$35,691	\$44,368
Average annual expenditures	\$33,072	\$34,139	\$15,245	\$22,054	\$29,500	\$40,432	\$63,393	\$33,971	\$31,885	\$30,751	\$37,373
Average annual expenditure on public transportation ..	\$393	\$390	\$156	\$202	\$280	\$400	\$911	\$587	\$345	\$243	\$511
At least 1 vehicle owned or leased (percent)	87	88	63	87	93	98	98	79	89	89	88
Share of average annual expenditures allocated to total transportation (percent)	19.4	19.3	15.7	19.4	20.7	21.4	18.3	17.0	19.8	20.9	18.8
Share of total transportation expenditures allocated to public transportation (percent)	6.1	5.9	6.5	4.7	4.6	4.6	7.9	10.2	5.5	3.8	7.3
Percent distribution of public transportation expenditures	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
[1] Intracity travel	21.9	21.7	37.0	28.8	28.6	19.3	16.6	36.6	14.9	17.5	14.9
Mass transit	14.2	14.0	25.4	19.5	20.5	11.7	9.9	28.8	8.0	8.1	7.9
Taxi and limousine	2.4	2.5	6.3	4.4	2.9	1.8	1.6	3.4	1.8	2.4	1.9
Private school bus2	.3	.3	.5	.1	.4	.2	.4	.2	.3	.1
Taxi and limousine fares on trips	1.9	1.8	1.9	1.6	1.9	2.0	1.8	1.5	1.8	2.5	1.9
Local transportation on trips	3.2	3.1	3.2	2.8	3.2	3.4	3.1	2.6	3.1	4.3	3.2
[2] Intercity travel	78.1	78.3	63.0	71.2	71.4	80.7	83.4	63.4	85.1	82.5	85.1
Airline	63.3	65.0	50.9	60.0	61.4	64.2	70.0	50.2	66.5	68.5	70.9
Intercity bus	2.7	2.9	5.6	6.3	2.7	2.6	2.0	2.8	2.6	2.8	2.4
Intercity train	5.4	5.5	5.8	4.2	5.6	5.8	5.5	4.7	6.2	6.0	5.0
Ship	6.7	4.9	.7	.8	1.8	8.1	6.0	5.7	9.8	5.1	6.8

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