

Understanding Transportation Needs in the Duluth Region

MIC Meeting

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**What is the reality of
"poverty" in Duluth?**

According to the 2000 Census, Duluth has 12,627 individuals living below the poverty level.

- This is 15.5% of the Duluth's overall population. (US Census Bureau)
 - This is nearly twice the average rate (8.1%) for the rest of the Minnesota. (U.S. Census Bureau, 2006 Estimate)
 - The federal poverty rate is 12.6% (U.S. Census Bureau, 2006 Estimate)
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Working Poor in Duluth

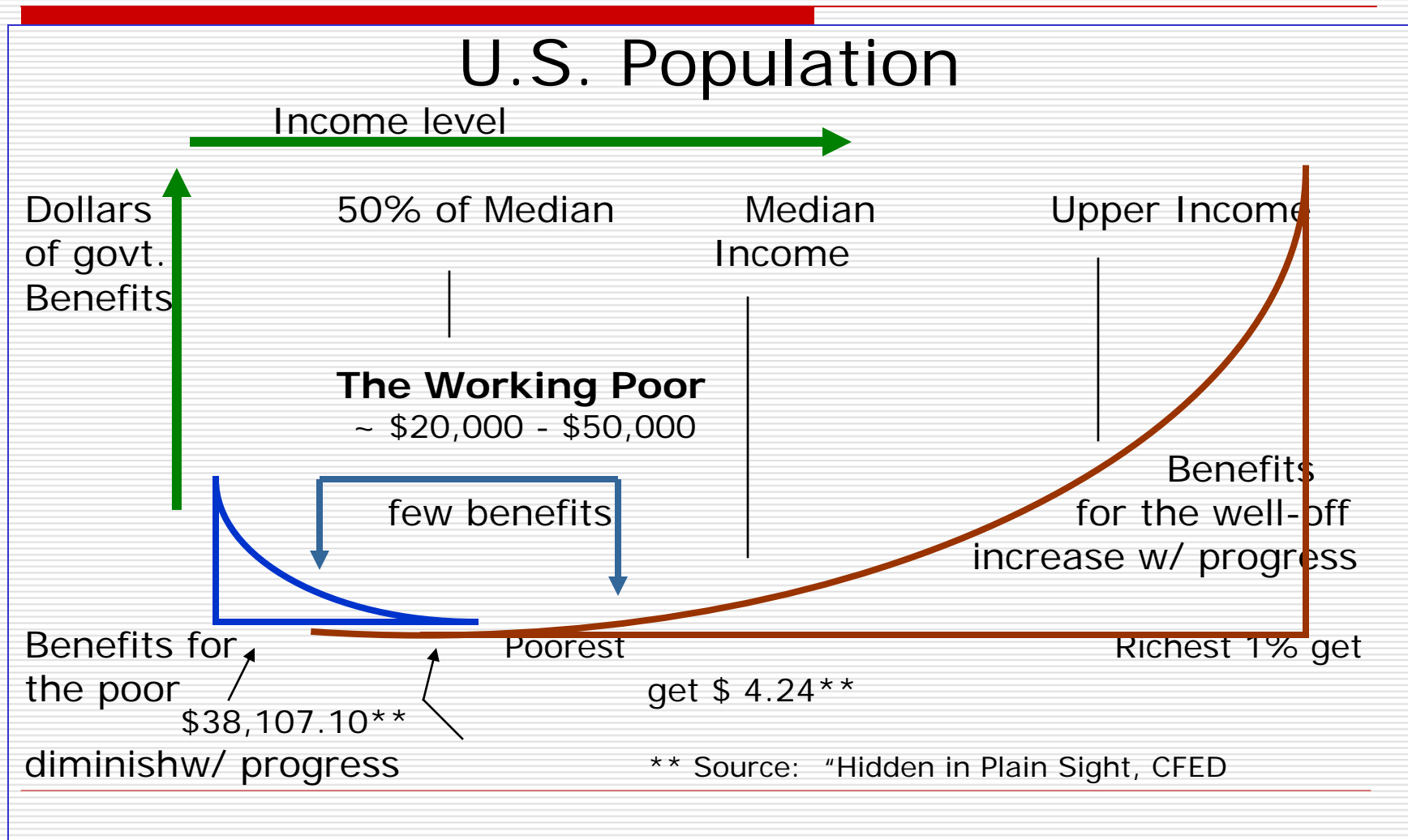
You are considered “working poor” if you earn less than the following annual incomes based on household size.

Family Size	Income
1	\$19,140
2	\$22,660
3	\$32,180
4	\$38,700
5	\$45,220
6	\$51,740
7	\$58,260
8	\$64,780

In Duluth: 27,352 people are living in poverty or are considered “working poor.” That’s 31.5 percent of the city’s population!

State Demographer’s Office

Structure of Govt. Benefits



How do we compare?

- Duluth is at 77.6% of Minnesota's Median Household Income ⁽¹⁾
 - Duluth - \$39,379
 - Minnesota - \$50,750

- Duluth is at 85.8% of Minnesota's per capita income ⁽²⁾
 - Duluth - \$31,032
 - Minnesota - \$36,184

(1) U.S. Census Bureau, Median Household Income Updates, 2003.

(2) Fed Stats, Per Capita Income Updates, 2004.

How much is the average starting wage for someone moving to NE Minnesota?

*(top 5 available employment areas)

Industrial Division	Job Vacancies	Vacancy Rate (%)	Median Wage(\$)
Accommodation	1,307	9%	\$6.50
Healthcare	786	2.8%	\$10.73
Retail Trade	383	2.1%	\$12.00
Construction	212	3.1%	\$11.00
Administrative and Support	128	3.9%	\$7.50

“Planning Region” Statistics Number of Job Vacancies and wages for the five Occupational Groups with the most job vacancies (NE Minnesota From The Department of Employment and Economic Development; Second Quarter 2006)

Community Assessment 2006

United Way of Greater Duluth



- **Research**

- Report Analysis
- Focus Groups
- Interviews
- Phone Survey

- **United Way Action**

- Critical Needs Identified
 - Initiative Selection
 - Funding Re-Design
 - Community-Wide Goals
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Transportation Issues Identified

□ *Focus Group Findings*

- Most frequently cited factor in access to services
 - Cross-cutting issue affecting the fields of Early Childhood & Youth Development, Education, Basic Human Needs, Economic Well-Being, Health
 - Identified need for efficient, coordinated transportation for low-income clients
 - Transportation is one of the top five low-income consumer concerns in access to employment, education, health care, maintaining housing
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Transportation Issues Identified

□ *Consumer Focus Group Findings* *Top Five Issues*

- Living Wage Jobs
 - Education / Skills Training
 - Child Care
 - Transportation
 - Home
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Key Informant Interviews

□ Basic Human Service Providers

- Transportation is critical to low-income client access to work, child care, and medical care
 - Off-hours shifts and certain locations are not served by DTA
 - Clients would benefit most from a subsidized monthly pass option
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Key Informant Interviews

□ Duluth Transit Authority

- Duluth – unique street network, hub system, heavily subsidized
 - Comprised of 68 buses, 42 at peak, 27 routes
 - Higher than normal surplus of buses, many not used during mid-day
 - Possibility - run demonstration routes
 - Challenges – Superior St., Security
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Public Opinion Survey

- **Zenith Research polled 410 respondents on critical health and human service concerns – among most pressing:**
 - Meet people's basic needs food, shelter, clothing, transportation
 - Assist people in getting and keeping jobs through programs such as job placement, improved transportation options, and job counseling
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Transportation Trends for Low-Wage Workers

Major Observations

- ❑ Transportation at the top of services needed but not received
- ❑ Yet partnerships view transportation services as one of their greater successes
- ❑ Groups making little or no progress have significantly greater need

Public Transit: The Issues for Low-Income Families

- ❑ In 2000 less than 5% of workers took public transit to work.
- ❑ Despite significant public investment in public transit, usage as a % of urban travel continues to decline.
- ❑ The trend is for policymakers to cut central city transit to subsidize more expensive suburban commutes.
- ❑ Access to public transit may not affect employment of welfare recipients. (In recent study of 6 metro areas, better access to public transit had NO effect on employment)
- ❑ Low-income riders are often underserved by central city transit (spatial mismatch)

Poor less likely to have cars

□ To quantify the obvious...

- 8% of all urban households do not have a car
- 27% of households with income below \$20,000 do not

Academic research links car access with employment, hours worked and earnings (Vermont study of subsidized car ownership programs)

- After Acquiring a car:
 - 19% more likely to have earned income
 - Earned income increased by about \$220/month

- Bottom line: Cost of car to the program is recouped in a few months as earnings replace public assistance

2006 Evaluation of the National *Ways to Work* Program (N=1600)

- ❑ 52 Sites in 25 States
 - ❑ 3 out of 4 participants reported higher net monthly incomes
 - ❑ Borrowers averaged 41% increase in take-home pay
 - ❑ Average income grew from \$11,904 to \$15,312
 - ❑ Two thirds have obtained conventional financial services since receiving their car loan (checking, savings, bank loans etc.)
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Researchers call for federal investment in car ownership assistance and research

Why?

- ❑ Federal government subsidizes education, child care, health care, etc.
- ❑ Yet have taken minimal steps toward implementing policies responsive to research on transportation, car ownership and employment
- ❑ Currently at least 160 state and local governments have supported creation of car ownership programs
- ❑ They fall far short of meeting existing need for cars
- ❑ Many funding cuts have occurred. More threatened

Vision for Action

- ❑ Convene partners to plan and build on work of Human Services Transportation Plan
 - ❑ Transportation Inventory – Identify gaps in service and match existing resources with transportation needs
 - ❑ Research best practices → Ways to Work
 - ❑ Tap into local resources and develop external resources
 - ❑ Implement comprehensive plan - public transit, para-transit, individual vehicles, volunteer ride program
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Duluth's Blueprint to End Poverty

- Opportunities to share community transportation needs
 - Hear directly from those affected
 - Develop local strategies
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Duluth's Blueprint to End Poverty: Community Engagement Series

May 7: "Community Forum on Poverty"
5:30—8:30 p.m.
Holy Family Catholic Church, 2430 W 3rd St.

May 22: "Visioning a Duluth Without Poverty"
5:30—8:30 p.m.
First Lutheran Church
1100 E. Superior St.

June 13: "Strategies to End Poverty in Duluth"
5:30—8:30 p.m.
The Depot, Great Hall
506 W. Michigan St.

Contact Community Action Duluth for more info

mail@communityactionduluth.org OR 218-726-1665

WWW.COMMUNITYACTIONDULUTH.ORG

A challenge to bring economic prosperity and hope to every citizen.

Nearly one in three people in Duluth struggle to get by on a daily basis.

Unfortunately, there is no magic plan that will end poverty in Duluth. We must come together to decide what will work best for our city.

Join fellow Duluthians for one or all of the Blueprint events. There you will have an opportunity to share your thoughts on poverty, learn more about the growing disparities within our city, and help form a community agreement on how to eliminate poverty in Duluth.



Free dinner and childcare provided at each event!