

Testimony in Support of SB 2323

Related to Labor and Labor Relations – The Commuter Transportation Benefits Act
Senate Labor and Gaming Committee

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The Economic Progress Institute supports Senator Bissaillon’s SB 2323, which would require employers with 500 or more employees to establish a pre-tax commuter transportation fringe benefit program. Requiring Rhode Island’s largest employers to offer transit passes as a fringe benefit is a simple way to improve equity, expand access to public transportation to Rhode Island workers, and increase Rhode Island’s competitiveness as a business-friendly destination.

Rhode Islanders deserve equitable access to affordable and convenient public transportation. According to a 2023 policy brief by the American Public Transportation Association, people who use public transit save more than \$13,000 a year, or \$1,100 a month, compared to those who drive. Meanwhile, between 2019 and 2023 the cost of purchasing a new car increased by 30%, while the cost of purchasing a used car increased by 40%.¹ Workers of color are roughly two to three times more likely not to own a private vehicle than White workers. Latinos are almost three times more likely to need public transit for work, while Asian Americans and Black people are almost four times more likely to need public transit for work compared to White people.² Additionally, for households that have the financial means to own a vehicle, the cost of maintaining them is often untenable, especially for communities of color.³ Offering transit passes would improve equity in our state by ensuring that employees, especially those with lower incomes, can access more affordable transportation options, reducing the need to purchase and maintain a vehicle.

Rhode Island’s largest 25 companies employ more than 100,000 people (according to the Providence Business News), yet very few offer transit passes to employees as a fringe benefit. If even a fraction of this population took transit, it **would have a profound impact on RIPTA ridership, while reducing carbon emissions and highway congestion**. Providing employees with reliable and affordable transportation options can also help employers attract and retain a more diverse and skilled talent pool, particularly from areas that may be underserved by car-dependent infrastructure.

We urge you to support SB 2323.

¹ <https://www.apta.com/research-technical-resources/research-reports/transit-savings-report/>

² <https://www.demos.org/research/move-thrive-public-transit-and-economic-opportunity-people-color>

³ <https://journals.sagepub.com/doi/10.1177/03611981241231968>