

Travel Efficiency Strategies: Employer-Based Incentives and Travel Demand Management

Air quality in the United States has improved over the years as emission control technologies have reduced emissions from all pollution sectors. Yet the transportation sector continues to be a major source of criteria pollutant and greenhouse gas (GHG) emissions across the country. While emissions per mile traveled have decreased, growth in travel activity has offset some of those reductions and presents a challenge to achieving and maintaining air quality and protecting public health.¹ Investing in and implementing programs that reduce travel activity can help to achieve state and local air quality and climate goals, while creating a more accessible and sustainable transportation system.

Introduction to Travel Efficiency

Travel Efficiency (TE) strategies focus on reducing vehicle emissions by changing how often, how far, and by what mode people choose to travel. Transportation and air quality planners can use TE strategies to influence travel behavior and reduce vehicle miles traveled (VMT). TE strategies include:

- Travel demand management;
- Transit improvements;
- Transportation pricing;
- Land use/smart growth; and
- Bicycle and pedestrian programs.



¹ See Our Nation's Air (<https://gispub.epa.gov/air/trendsreport/2024/#home>), EPA's annual interactive report on air quality.

EPA developed the Travel Efficiency Assessment Method (TEAM) to quantify the potential emission reduction benefits of TE strategies.²

This document provides an overview of Travel Demand Management (TDM) strategies and implementation approaches.

Employer-Based Incentives and TDM Strategies

TDM strategies reduce the need for travel and shift travel away from single-occupancy vehicles, particularly for the work commute. Common commuter-focused strategies include employer-based incentives for ridesharing, walking, cycling, or using transit and vanpools; opportunities for telecommuting; and flexible work hours. These strategies impact emissions both by directly reducing VMT from single-occupancy vehicles (SOVs) and by reducing congestion during peak travel times.

These strategies may be implemented either by individual employers or at a regionwide scale; some jurisdictions require all employers of a certain size to provide commuter benefits to their employees.³ Many employer-based programs incentivize use of existing transportation infrastructure—such as public transit or bicycle lanes. Where such infrastructure is already present, TDM strategies can increase their use. Furthermore, EPA’s efforts to date have demonstrated that a comprehensive combination of these strategies has the potential to substantially reduce transportation-related emissions.⁴

In addition to reducing VMT and vehicle emissions, employer-based incentives offer several co-benefits for employers, employees, and the broader community. These benefits may include:^{5,6}

- Reduced congestion during peak travel hours;
- For employees, reduced commuting costs and improved workplace satisfaction due to lower commute stressors and increased flexibility;
- For employers, enhanced employee recruitment and retention, expanded labor pool (e.g., remote workers from a broader geographic area, individuals without access to private vehicles), and savings on taxes and costs of providing office space, and/or employee parking; and



² For more information on the Travel Efficiency Assessment Method (TEAM), user guide, and 12 cases studies in partnership with agencies from across the country, please visit EPA’s Travel Efficiency website (<https://www.epa.gov/state-and-local-transportation/estimating-emission-reductions-travel-efficiency-strategies>).

³ For more information on jurisdictions that require commuter benefits, see the Association for Commuter Transportation webpage (<https://www.actweb.org/commuter-benefits>).

⁴ For more information, see EPA’s Travel Efficiency website (<https://www.epa.gov/state-and-local-transportation/estimating-emission-reductions-travel-efficiency-strategies>).

⁵ *The Commuter Choice Program: A Way to Save Money and Help the Environment*, EPA-420-F-98-029, December 1998.

⁶ See the North Front Range Metropolitan Planning Organization’s Benefits of TDM webpage (<https://nfrmpo.org/tdm/benefits>).

- Accessible employment opportunities for people with difficulty physically commuting to a worksite (e.g., people with disabilities and/or mobility limitations, low-income individuals for which commuting costs are a barrier, and caretakers requiring flexible schedules).

Implementation Approaches

The following table provides examples of how commuter-focused TDM strategies might be implemented by employers or regional entities. By incentivizing commute options other than SOVs or providing flexibility in work location and schedule, each strategy has the potential to directly reduce commuters' VMT and/or reduce congestion during peak travel times.

Employer Programs	Facility Improvements	Monetary Incentives	Work Schedule Changes
<ul style="list-style-type: none"> • Facilitate a ride match program • Provide commuters who use alternative options a free guaranteed ride home in emergencies through an Emergency Ride Home program • Directly provide vanpool services • Partner with nearby employers to offer a shuttle bus to and from nearby public transit hubs • Sell transit passes onsite and provide transit information 	<ul style="list-style-type: none"> • Provide priority parking for carpools • Provide secure bicycle parking and changing facilities (showers, locker rooms) onsite to encourage cycling to work • Reduce parking for single-occupancy vehicles or increase the price of parking 	<ul style="list-style-type: none"> • Offer employer subsidies for alternative modes of travel, such as public transit or vanpool • Provide a benefits program that allows employees to use pre-tax dollars on transit vouchers 	<ul style="list-style-type: none"> • Offer full or part-time telework/remote work options • Offer flexible work schedules such as compressed work weeks or flexible start and end times

Implementation Example: Florida's reThink Your Commute Program

Since 2010, the Florida Department of Transportation (FDOT) "reThink Your Commute" program has promoted TDM strategies in a district covering nine counties in central Florida.⁷ The program directly supports commuters in accessing alternative commute options, such as through a Trip Planner that helps commuters locate carpools or transit routes, a free Emergency Ride Home Program (i.e., guaranteed ride home program), assistance with "first- and last-mile" connectivity (i.e., the distance between a traveler's start or end point and a transportation hub), and consulting with employers on topics such as telework and transportation options. FDOT also works with companies to set up custom commuter benefits programs. These programs may include pre-tax benefits for transit or vanpool expenses, carpool parking programs, installing bicycle parking facilities, providing discounted transit passes, or launching a telecommute program. Commuters who sign up with reThink Your Commute directly can earn rewards such as discounts and gift cards by recording their non-SOV commutes or telework days via a smartphone app that launched in July 2019.

⁷ See the reThink Your Commute webpage (<https://www.rethinkyourcommute.com>) for more information.

In its first ten years, the program grew from 42 employer partners and 2,300 registered commuters in 2010 to 124 employer partners and nearly 12,000 registered commuters in 2019. FDOT estimates that in fiscal year 2019-2020 alone, reThink Your Commute reduced VMT by 544,295 miles and offset 241 tons of carbon dioxide emissions. Commuters saw direct benefits as well: estimated cost savings totaled over \$300,000.⁸

Implementation Example: Employer-Based TDM in Minneapolis-St. Paul, MN

Metro Transit, which is part of the Metropolitan Council (the policy-making body and planning agency for the Minneapolis-St. Paul metropolitan area) provides TDM resources for employers and schools to reduce SOV commutes. One such resource is the Metropass, an employer-based transit pass with unlimited rides. The pass is paid pre-tax by payroll deduction, and many companies choose to cover some of or all the cost. Metropass saves employees money on the cost of a transit pass and enables companies who subsidize them to receive tax credits.⁹ Metro Transit also offers carpool matching services, assistance with carpool parking permits, and helps employees lease vehicles for vanpools.¹⁰



A study conducted in the Minneapolis-St. Paul area found that in nine office buildings that implemented TDM plans, there was a 34% to 37% reduction in peak hour traffic generated, and a 17% to 24% reduction in peak parking demand. All nine sites offered carpool/vanpool programs, and most sites offered telework or flexible work schedules, bicycle infrastructure (bike racks, showers, and/or lockers), high-occupancy vehicle preferential parking, or program incentives (free or discounted transit, cash, and/or non-money rewards). Specifically, one company provided a cash incentive of \$40 per month for employees that commute by carpooling, walking, or biking. Most sites also used different forms of advertising and communication such as posters/kiosks, newsletters, internet sites, and transportation coordinators to promote TDM programs.¹¹

More Information

For more information about EPA's work on travel efficiency (including TEAM user guide, technical documentation and detailed case studies), please visit [EPA's Travel Efficiency website](#).

⁸ See statistics for the reThink Your Commute program taken from the 2019-2020 Annual Report (https://www.rethinkyourcommute.com/wp-content/uploads/2021/09/FY-19-20-Annual-Report_ACCESSIBLE.pdf).

⁹ For more information on Metro Transit's Metropass, see the Metropass webpage (<https://www.metrotransit.org/metro-pass>).

¹⁰ See the Metro Transit's services for Employers, Schools, and Organizations webpage (<https://www.metrotransit.org/for-employers-schools-organizations>) for more information.

¹¹ Spack, M., Finkelstein, J., *Travel Demand Management: An analysis of the effectiveness of TDM plans in reducing traffic and parking in the Minneapolis-St. Paul Metropolitan Area*, January 2014.