Rural Americans Strained by Transportation Costs

More Transportation Choice and Compact Development in Towns Could Reduce Cost Burden

The unique transportation needs of small town and rural Americans are clear: longer distances between job opportunities, volatile energy prices, and shifting demographics are all impacting the continued prosperity of these communities. While these are similar to the challenges facing metropolitan areas, rural and small-town residents throughout the country are seeking more transportation options and want to ensure that they're not left behind.

With national gas prices once again topping $3 a gallon, rural Americans are vulnerable to unpredictable gas prices. The gas cost comparison maps on htaindex.org by Center for Neighborhood Technology show just how vulnerable. For instance, the average annual household gas expense in areas outside Billings, Montana was $2,000 in 2000. This spiraled to $5,300 in 2008 when gas reached $4 a gallon. The same impact on household budgets occurred in other rural areas around the country where the difference in annual gas costs between 2000 and 2008 was $3,300 in Rochester, Minnesota; $3,200 Hattiesburg, Mississippi; and $3,100 in Las Cruces, New Mexico.

Traditional towns in rural areas offer the opportunity for residents to access everyday goods and services in close proximity, and reduce their need to drive many miles to purchase groceries, access health care, and attend church. A future rural development pattern that reinforces the traditional small town reduces the need for sprawling development and preserves agricultural land.

For the more than 1.6 million rural households that do not have access to a car, getting to jobs, healthcare, education, and family can be a burden on family budgets and time. Indeed, across America, households in the lowest 20 percent income bracket spend about 42 percent of their annual income on transportation. This burden is especially compounded during periods of high-energy prices, since residents of rural areas who do have vehicles drive about 17 percent more miles each year than urban residents.

Local economic competitiveness can be improved by prioritizing investments that revitalize downtowns and local businesses. Increasing the value of land surrounding well planned transportation projects offers the potential to reverse sprawling development patterns that have damaged the historic character and heritage of many small towns.

Far from leaving rural America out, a much-needed overhaul to our nation's transportation policy can in fact provide a needed lifeline and help rural areas and smaller towns succeed as vital, livable places for all. Passenger transportation, including public transit, passenger rail, and intercity bus, can play a larger role in mobility in rural areas.

Reconnecting America contributed to this article.

The Housing + Transportation (H+T) Affordability Index is a new and more comprehensive way of thinking about the cost of housing and true affordability by exploring the impact that transportation costs associated with location have on a household's economic bottom line. The H+T Index is an innovative tool that measures the true affordability of housing.The traditional measure of affordability used by planners, lenders, and most consumers recommends that housing should be less than 30% of income. The H+T Index, in contrast, takes into account not just the cost of housing, but the costs of housing and transportation.

$$\text{H+T Affordability Index} = \frac{\text{(Housing Costs + Transportation Costs)}}{\text{Income}}$$

The Index has received much attention from policy makers for its benefits to planners and TOD advocates and is already being used for additional research. This work represents the development the H+T Index for 337 metropolitan areas.