



Maricopa County

Trip Reduction Program

C o s t S t u d y - S e p t e m b e r 2 0 0 7

Purpose

This study was undertaken to examine the average annual organization (“employer¹”) budgeted expense per employee² for maintaining a Trip Reduction Program.

Section 4, subsection G of Maricopa County Ordinance P-7, the Trip Reduction Ordinance, states that when a major employer or school is not meeting the trip reduction goal, when considering whether to approve a plan from such an employer or school or make recommendations for enhancement, “The Task Force shall consider:

- 1) The cost of the major employer's or school's Trip Reduction Program as compared to the average cost of such programs for all major employers and schools.”

This cost study supports the Task Force by providing data with which to compare employer Trip Reduction Plans. It also assists Staff in evaluating plans and making recommendations to the Task Force.

The data collected for this study comes from a random sample of employers with plans approved between April 1, 2006 and March 31, 2007. The County Ordinance outlines a greater ‘minimum’ effort (annual plan incentives) of employers that have been in the program 3+ years and missed SOV reduction targets (a majority of employers do fail to meet targets). Since a greater ‘minimum’ effort typically equates to higher expenses for the employers, this study was limited to employers that were in program year 3 or greater. If a significant number of year 1 or 2 employers had been included in this study, the averages expenses would likely be lower.

In this study all employers have been sorted by Standard Industrial Code (SIC) allowing a comparison of like industrial types. In the past, studies have typically sorted employers by size. The average budgeted expense per employee will be obtained by dividing the total budgeted expense for the sampled employers of the SIC group by the total number of employees for each sampled employer in the group. This average will represent the employer budgeted expense per employee for the plan year for each group.

In total, 343 employers were sampled for this study.

Methodology

The employers included in the 2007 TRP committed expense report were selected from a list of employers with Trip Reduction plans approved between April 1, 2006 and March 31, 2007 and who are in Plan Year 3 or greater. A total of 972 employers fit this criterion.

¹ For the purposes of this report “employer” or “employers” will be used where the Ordinance states “major employers or schools.”

² “Employee(s)” includes driving-age students where necessary.

The 972 employers were divided into 30 groups based on SIC classification. A random sample representing at least 27% of the organizations in each group was used as the data source for this report, while very small groups have larger samples. This represents a significant sample percentage. The 30 groups are:

- Landscaping
- Government (City/Town)
- Government (County/State/Federal)
- Home Manufacturing
- Contractors
- High Technology
- Manufacturing
- Food Products (including Beverage Products)
- Print Services (including Print Media)
- Transport Related
- Truck/Courier/Warehouse
- TV/Radio
- Utilities and Waste Management
- Auto Related Services and Sales
- Products – Wholesale
- Products – Retail
- Food Retail
- Services – Banks
- Services – Insurance/Brokers
- Services – Others
- Accounting/Law/Architecture & Engineering/Consultants
- Hospitality – Hotels and Clubs
- Hospitality – Eateries
- Health – Hospital
- Health – Other Centers
- Health Related Services
- Community/Non-Profit
- Entertainment
- Schools (K – 12th Grade)
- Post-HS Education

There were challenges in classifying some companies; for example: A company with a Retail SIC might have two affected sites: a corporate office and a distribution center, while the actual retail sites don't have 50 or more employees and so are not covered by the Ordinance and do not participate in the TRP program. In this case, we would likely place the company in whatever category (i.e. Truck/Courier/Warehouse or Services – Others) best represents a majority of the employees covered by the TRP plan .

For purposes of this study all employers are assumed to spend all funds that they budget. In fact some do not spend all that is budgeted while a few exceed their budgets, usually in subsidies. In addition some employers, such as restaurants, may employ a "like amount" budget, offering free beverages or meals to their alternate mode users. Some school districts, on the other hand, may use gift cards donated by local

businesses as incentives, and provide a budget amount on the plan for the value of donated items. No distinction is made for these amounts in this study. The number of organizations in each group and the sample size and percentage for each group are shown in Table I on the next page.

Within each group, the total budgeted expense of the sample employers was obtained from their Trip Reduction Plans, this was then divided by the total number of employees obtained from the employer reports which the employers turn in yearly when preparing to survey.

Table I - Group Sample size and Percentages

Group	Total in Group	Number Sampled	Percentage Sampled
Landscaping	4	3	75%
Government (City/Town)	12	5	41.7%
Government (County/State/Federal)	21	7	33.3%
Home Manufacturing	10	4	40%
Contractors	16	5	31.3%
High Technology	62	20	32.3%
Manufacturing	105	35	33.3%
Food Products	30	10	30%
Print Services	14	4	28.6%
Transport Related	15	5	33%
Truck/Courier/Warehouse	29	10	34.5%
TV/Radio	7	4	57.1%
Utility/Waste	12	4	33%
Auto Related Services & Sales	72	20	27.8%
Products – Wholesale	37	12	32.4%
Products – Retail	26	8	30.8%
Food Retail	3	3	100%
Services – Banks	14	5	35.7%
Services – Insurance/ Brokers	50	16	32%
Services – Others	17	5	29.4%
Accounting/Law/Design/ Consultants	148	50	33.8%
Hospitality – Hotels & Clubs	54	17	31.5%
Hospitality – Eateries	37	12	32.4%
Health – Hospital	18	6	33%
Health – Other Centers	62	20	32.3%
Health Related Services	9	3	33%
Community/Non-Profit	18	6	33%
Entertainment	10	4	40%
Schools (K-12 th Grade)	42	14	33.3%
Post-HS Education	18	6	33%

Results

The 343 employers sampled include 214,002 employees and have a total committed budget of \$2,751,794. This represents an average expenditure per employee of \$12.86. Budgeted expenditure per employee ranges from \$0.17 at a school district to \$223.95 at a law firm. Table II on the next page shows, for the employers sampled, the average budgeted expense per employee by group, as well as the high and low average budgeted expense per employee within the group.

Schools (K-12th Grade) do not include students *with the exception of two sampled districts* as most do not use student trip reduction incentives that require specific monetary amounts, such as prize drawings. The two exceptions do budget significant amounts for bus subsidies (not school bus).

It can be seen that there is indeed a wide variation by type of business, which is generally as one might expect.

Table II – Average Annual Budgeted Expense per Employee by Employer Group

Group	Average Budgeted Expense per Employee
Landscaping	\$1.39
Government (City/Town)	\$7.52
Government (County/State/Federal)	\$55.21
Home Manufacturing	\$10.13
Contractors	\$11.20
High Technology	\$7.56
Manufacturing	\$16.67
Food Products	\$4.91
Print Services	\$26.65
Transport Related	\$21.75
Truck/Courier/Warehouse	\$11.85
TV/Radio	\$11.24
Utility/Phone/Waste	\$9.07
Auto Related Services & Sales	\$41.72
Products – Wholesale	\$20.53
Products – Retail	\$3.55
Food Retail	\$1.66
Services – Banks	\$65.75
Services – Insurance/ Brokers	\$27.40
Services – Others	\$9.60
Accounting/Law/Design/ Consultants	\$25.87
Hospitality – Hotels & Clubs	\$16.97
Hospitality – Eateries	\$22.10
Health – Hospital	\$13.62
Health – Other Centers	\$12.73
Health Related Services	\$6.31
Community/Non-Profit	\$18.68
Entertainment	\$13.92
Schools (K-12 th Grade)	\$2.63
Post-HS Education	\$3.36