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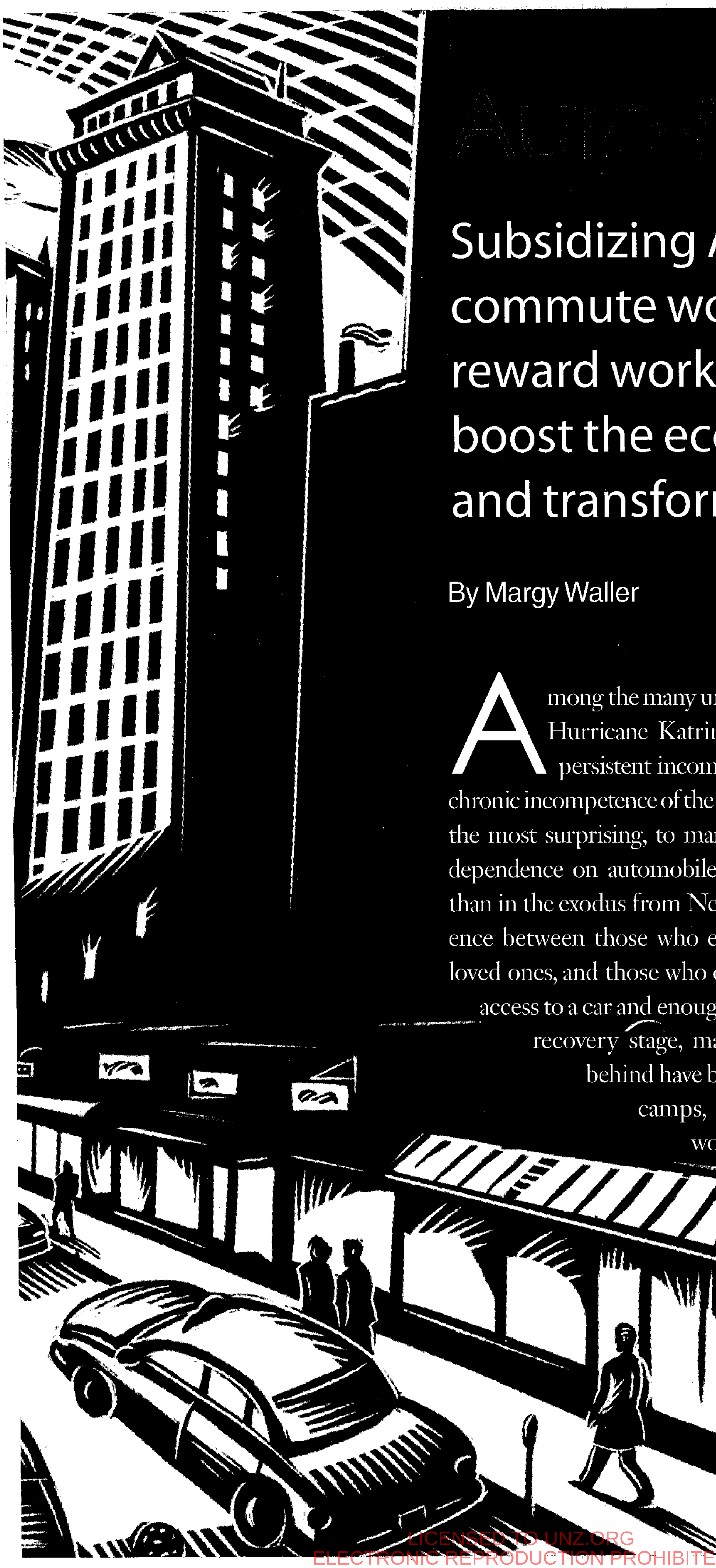

Auto-Mobility

Subsidizing America's commute would reward work, boost the economy, and transform lives.

By Margy Waller

Art by Jerry Nelson

Among the many unpleasant realities exposed by Hurricane Katrina and its aftermath—from persistent income and racial disparities to the chronic incompetence of the Bush administration—one of the most surprising, to many, was this: our nearly total dependence on automobiles. Nowhere was this clearer than in the exodus from New Orleans itself. The difference between those who escaped with their lives and loved ones, and those who did not, often came down to access to a car and enough money for gas. Now, in the recovery stage, many of those who were left behind have been evacuated to trailer-park camps, where they are likely to be worse off than they were before, in part because they cannot get to where the jobs are.

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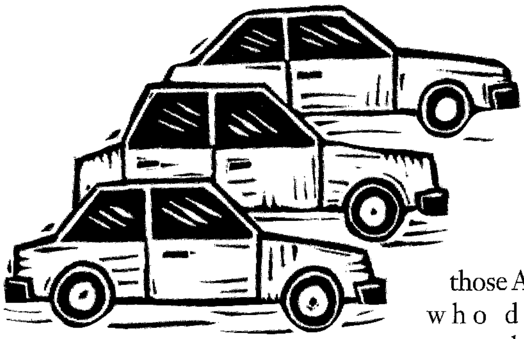

Even those Americans who do have cars—and who live nowhere near the Gulf Coast—have been affected by Katrina. After the hurricane, already-high gas prices spiked to record levels—suddenly, it cost $60 to fill up the tank. Prices receded somewhat afterwards. Given worldwide supply and demand issues, prices are more likely to move up than down in the near future, as most Americans understand. No wonder, then, that gas prices top the list of financial concerns in recent polling. These higher prices might be more tolerable if incomes were rising. But in fact, incomes have been flat since 2001 and declined last year for working-age households.

American drivers have taken a number of steps in response to high gas prices. SUV sales, which had already started to slip, plunged further in Katrina's wake while demand for fuel-efficient vehicles like the Toyota Prius soared. But while we can choose to buy hybrids or cut down on trips to the grocery store, the hard truth is that, in a suburbanized country, there is only so much Americans can do to reduce their car usage. To make a living, they have to work. And to get to work, the vast majority of Americans have to drive.

There is a limit to what government can do to reduce gas prices or increase private sector wages, at least in the short term. But it can do something to give middle-class families some relief and low-income workers a leg up—by recognizing that the cost of commuting is a business expense, and changing tax policy to reflect that fact. The federal government should offer tax credits that would lower the cost of commuting to work for low and middle-income employees, and would allow low-income workers who can't afford a reliable car to get one.

Employers, welfare administrators, and the unemployed have long asserted that transportation barriers are a key obstacle to success on the job, so these commuting credits may be the most promising next step for welfare reform. They would help transform the lives of many low-income Americans, giving them a previously unimaginable level of convenience, security, and freedom. And, in a broader sense, after five years of easing the tax burden on those who don't need to work for a living, commuting credits would—for the first time in a long time—give a break to those who do.

Keys to Success

A century ago, getting to work seldom required a lengthy commute. In rural areas, farmers walked out the kitchen door to their jobs. And most urban residents either lived within walking distance of their places of employment or could rely on convenient public transit systems like streetcars. Today, however, two-thirds of residents in metropolitan areas live in the suburbs, and two-thirds of new jobs are located there as well. It's therefore no surprise that 88 percent of workers drive to their jobs.

Left behind in this car culture are central-city poor residents without cars, who have become increasingly isolated from the American economy. As Mark Alan Hughes, William Julius Wilson, and other scholars have documented, the steady movement of jobs out of cities and into the suburbs has helped create and sustain the concentrated poverty that is now endemic to America's urban areas. Because new jobs tend to be located in ever-expanding suburbs, which are poorly served by mass transit, poor central-city residents find themselves living further and further away from economic opportunities. Evelyn Blumenberg, a professor of urban planning at UCLA, found that car-driving residents of the Watts section of Los Angeles have access to an astounding 59 times as many jobs as their neighbors dependent on public transit. Even more isolated are the car-less low-income families that now live in the suburbs—nearly half of all metropolitan poor.

There is reason to believe that not having a car isn't just a consequence of poverty—it's a barrier to escaping it. A significant body of research shows that low-income people with cars work at higher rates, and earn more, than those without. Outside factors like personal motivation—the type of people who get cars are likely to be the type who also get jobs—could go some way to accounting for the difference. But researchers who have evaluated that possibility by looking at existing survey data and at a small program that provides cars to the working poor find that car ownership does indeed directly help people to work, and to earn, more.

The lack of a car limits opportunities for America's poor in other ways too. It's never easy to be a working single parent, but it's infinitely harder without a car. When you spend three hours a day commuting to work by bus and train, then have to buy groceries and pick up your kids, there isn't much time for anything else—like helping with homework or after-school activities, taking yourself or your family to the doctor when necessary, or even finding a partner to help share the load. And lack of access to a car limits your housing options, making it even harder to move into safer neighborhoods, or ones with better schools.

Perhaps worst of all, the lack of a car leaves people more vulnerable to unforeseen emergencies. Katrina was an extreme example, but the daily lives of the poor are filled with smaller ones. In *American Dream: Three Women, Ten Kids, and a Nation's Drive to End Welfare*, Jason DeParle follows Angie Jobe, an inner-city Milwaukee single mother. At one point, Jobe has her food stamps cut off because of a bureaucratic error. Not having a car, she takes the bus to the food stamp office to

For fully functioning citizens in this country today, a car is almost a necessity, and any American who needs one to work ought to be able to afford one.

clear up the problem, but it breaks down on the way there, and she arrives late, so no one will see her. She's forced to return the following day and eventually has her stamps reinstated, but the episode ends up costing her $500—more than a week's wages.

Clearly, the problems are most acute for low-income families without cars. But even for low- and middle-income workers who do own cars, purchase and operating costs take a significant bite out of their income—more than 20 percent of all household expenditures go for transportation, second only to housing. For the vast majority of households, those costs aren't optional—cars represent a fixed and non-negotiable expense. And every time the price of gas increases, it is in effect a tax on work.

Right of way

Federal policy has long given favorable treatment to work expenses, and rightly so. The government subsidizes the cost of college and worker retraining. The tax code allows deductions for the cost of uniforms, job searches, tools, home offices, and work-related moving. There are even tax breaks for non-commuting work travel and parking. Yet one of the largest and least avoidable work-related expenses for most Americans—the cost of getting to and from work, receives no favorable treatment in the United States, though it does in countries like Germany and France.

This inequity can be remedied in a simple and straightforward way. The federal government should offer a tax benefit to anyone who commutes to work and is in the middle to bottom of the income scale—that is, anyone in the 60 percent of U.S. households making less than $52,000 a year. Those who need the credit most would get the most help: Lower-income workers would receive a refund if their credit exceeded the amount of taxes they owe, in the form of a check for up to $3,000. That's enough to help significantly with the purchase and maintenance of a decent, though not fancy, car. Those higher up the income scale would get a dollar-for-dollar credit against taxes owed; a family making $40,000 would get back around $1,000. To avoid punishing those who don't use cars, all workers with commuting expenses—even those who take mass transit—could claim the benefit.

Many would still be unable to purchase a car because of credit problems or the inability to provide a down payment. Fortunately, nonprofit organizations like Working Wheels in Seattle and Vehicles for Change in the Washington, D.C., area already help to provide loans and decent cars for poor workers. These successful programs could be expanded using federal resources to cover all working families who need assistance. And this move would help in other ways. Insurers and car dealers often make the poor pay excessive rates, which acts as a further obstacle to car ownership. Widening the reach of nonprofit programs would reduce the impact of these bad business practices. In addition, these programs aid working families to improve their credit rating, and develop traditional banking relationships—two more crucial steps in rising up the income ladder.

Road Worriers

This is an ambitious proposal, and a costly one. If all eligible workers took advantage of the option—an unlikely prospect, based on our experience with other credit programs—the cost could reach $100 billion a year. Any initiative that big raises certain obvious objections.

Many who would be willing to spend that amount of money would prefer that it go to mass transit, in the hopes of reducing congestion and pollution. But there is little reason to think that even a massive investment in public transportation would substantially reduce the overall amount of driving Americans do. Anthony Downs, a transportation expert at the Brookings Institution, has projected that doubling the number of people who take mass transit to work (a Herculean achievement) would reduce the number who drive by only around 5 percent. While it unquestionably makes sense to improve service to the transit-dependent, particularly in dense urban neighborhoods, no amount of money will enable us to use transit to meet the needs of most workers. Only cars can do that. And even if every car-deprived household in the bottom half of the income scale were to buy an automobile, it would increase the number of vehicles on the road by only around 3.5 percent. The modest effects of this slight increase are far outweighed by the moral imperative to give the poor access to a crucial commodity enjoyed by the rest of society.

Another objection is that the plan would lessen incentives to cut down on driving and thus reduce our oil consumption. No doubt it will to a small extent. But because the credit isn't directly tied to the price of gas, Americans would continue to feel the sting when prices at the pump are high. They would therefore still have a major incentive to change their behavior—by cutting down on inessential trips, by buying more fuel-efficient vehicles, and by supporting politicians who favor raising fuel economy standards.

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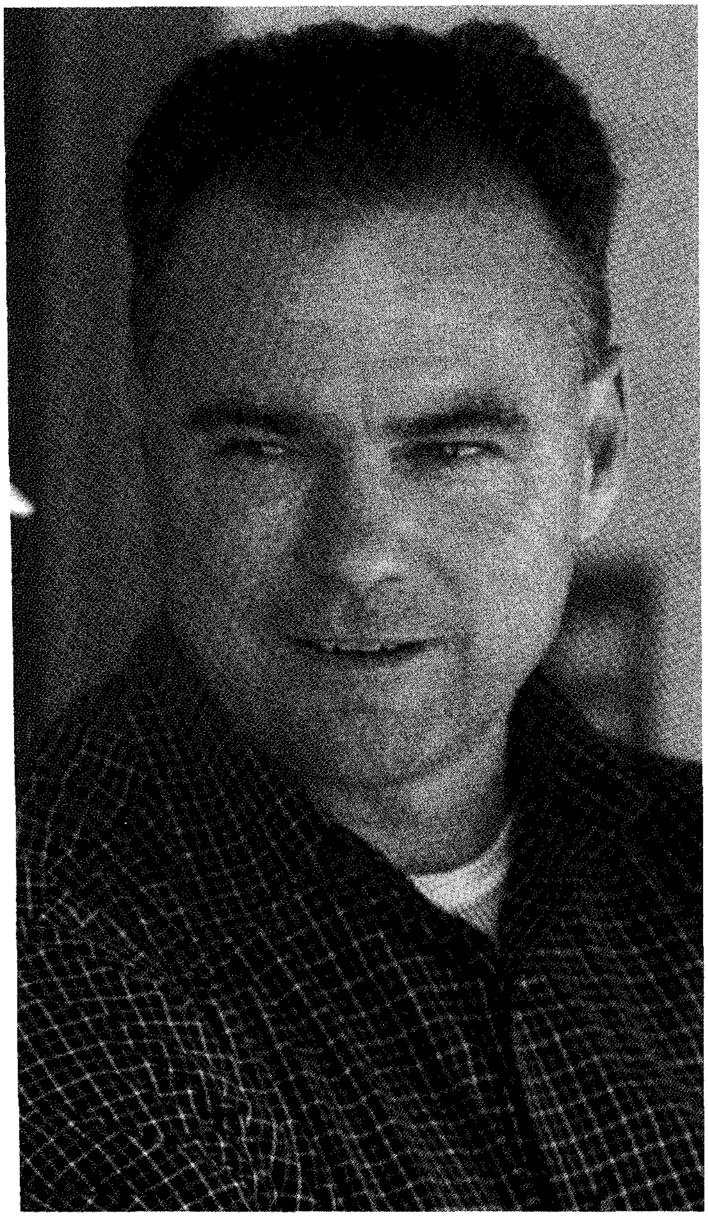
Perhaps the strongest objection is that the nation can't afford a $100 billion program each year during a time of massive deficits and huge unpaid costs, both overseas and on the Gulf Coast. But let's take a step back. The deficits exist in the first place thanks in large part to a particular vision of tax policy espoused by conservatives in Congress and the administration, one which presumes that easing the tax burden on the wealthy will make the economy grow. Over the last five years, taxes have been cut by over $2 trillion, almost 70 percent of which has gone to the richest 20 percent of Americans. Even so, the economy has remained unsteady, and the number of Americans in poverty has increased.

There is another way to think about tax policy. Former senator John Edwards, among others, argues that the country would be better off, and the economy stronger, if we rewarded work instead of wealth. This was the approach of the 1990s, when taxes on the rich increased, the Earned Income Tax Credit doubled, and the minimum wage rose. These changes coincided with the longest economic boom in American history; incomes rose while poverty and unemployment declined. Replacing the Bush tax cuts with the commuting credit would result in a net savings of around $1 trillion over 10 years, and would realign tax policy to reward the American value of hard work.

Would such an idea ever be politically feasible? In fact, there is reason to believe that it could attract broad support, and help forge some unlikely alliances. Unreliable cars and unpredictable transit are a major contributors to employee tardiness and absenteeism, cutting productivity and profits. Commuting credits would ease that problem, and increase the pool of applicants for low wage jobs, making the credits a natural sell to major employers. And the automakers and the powerful auto unions would surely welcome the prospect of creating a new market for cars.

The political logic may be the most compelling for candidates: Any proposal that involves money in the pocket for this many voters won't lack for public support. In particular, rural and exurban workers who have long been particularly hard hit by this tax on work are a natural constituency for the commuting credit. Indeed, in addition to transforming the lives of America's inner-city poor, commuting credits could also be the first step toward making low- and middle-income voters feel that the federal government is making a difference in their economic well-being.

The idea that driving a car is a lifestyle decision has long since become outmoded. Americans do love to drive, but these days, they also must drive. To be a fully functioning citizen in this country today, a car is a virtual necessity, and any American willing to work ought to be able to afford one. We use the tax code to subsidize most other work expenses. It's time we did the same for the most common and unavoidable of them all. ◆



Test of Faith

Win or lose, Virginia gubernatorial candidate Tim Kaine is proving that Democrats can neutralize the religion issue with a sincere expression of faith.

By Mark Murray

Mark Murray is an off-air political reporter for NBC News.

When people say that Democrats have a "religion" problem, they're thinking of the time when Howard Dean told reporters that his favorite book in the New Testament was Job. Or *The Washington Post* interview in which Al Gore summoned his evangelical verve and told Sally Quinn that he tries to make decisions by asking himself, "What would Jesus do?" Or, more recently, C-SPAN footage of Democratic politicians cramming Bible verses into their speeches seemingly at random in an attempt to win back values voters. The overall effect seems stilted and—worst of all—insincere.

It's no wonder, then, that despite concerted efforts by Democrats since last year's election—developing religious outreach, hiring faith advisors, and training candidates on how to "talk the talk"—Americans still aren't buying it. Only 29 percent of voters think the Democratic Party is religion friendly, according to an August 2005 poll by the Pew Research Center. It hasn't helped that religious conservatives have used events like Justice Sunday to charge that there is a war "against people of faith," and that a handful of conservative bishops have openly questioned whether Democratic Catholics are "real" Catholics. The end result? Everyone "knows" that Republicans are religious and that Democrats are not.

Take the 2004 election. George W. Bush was viewed as the candidate who inspired religious voters. John Kerry? He was seen as someone who wouldn't talk about religion except in African-American churches. That really wasn't the truth: Kerry talked about his faith in his acceptance speech, he discussed Catholic influences on his politics during the debates, and he attended mass nearly each week. But many voters and journalists just didn't buy that he was truly religious. (Jimmy Carter and Bill Clinton are the two obvious exceptions to this rule; it's perhaps not a coincidence that they're also the only two successful Democratic presidential candidates in the past 40 years.)

It's no wonder Democrats are frustrated. Some might look at the poll numbers and revert to form—give up, go back to ignoring religion, and thus confirm the rap against them. But before they do, they might want to take a look at the campaign of Tim Kaine, Democratic lieutenant governor and now gubernatorial candidate in Virginia.

Kaine is a Catholic who weaves his faith into nearly every speech, debate, and even some commercials. He's not without his critics, and it's not yet clear whether the decision will pay off for him. As of mid-September, he was neck and neck in the polls with Republican opponent Jerry Kilgore. But Kaine has already accomplished something few other Democrats can claim: No one questions his sincerity.

He's done it by talking about his Catholicism early and often, taking away the charge that it's a purely political gam-