

Needs, Costs, and Funding Alternatives for Transportation Services for Older Adults and People with Disabilities in Urban and Rural Oregon

Final Report: Executive Summary

October 7, 2008

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On behalf of:

**Oregon Department of Transportation
Department of Human Services**

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Background

Mobility, or the ability to get around, is crucial to the health and well-being of all Oregon residents. For people with disabilities, younger and older adults alike, loss of mobility means loss of independence and loss of the ability to seek timely medical and preventive healthcare, get a job and remain employed, engage in health-sustaining physical and social activities, and shop for fresh food. Most data indicate that older adults and people with disabilities make fewer trips than they would like to because they lack adequate transportation. Meeting at least part of this demand through improved transit service could have considerable social, economic, and health benefits – both for the individuals served and for their broader communities.

Given the projected growth in numbers of older adults and people with disabilities, along with the lack of a stable funding source for public transportation, it is clear that there will be a funding gap between transportation services needed and present funding available.

The research reported on here was conducted in response to a budget note aimed at this challenge and attached to the 2007 Oregon Legislative Approved Budget. It stated:

The Departments of Human Services and Transportation are directed to work together to investigate sources of new revenue to enhance funding for elderly and disabled transportation services, with consideration of both urban and rural Oregon. The departments shall report their findings to the Department of Administrative Services, Budget and Management Division and the Legislative Fiscal Office prior to the 2009 Legislative session.

This report presents an estimate of the demand for and costs of transit for older adults and people with disabilities in Oregon in the year 2030. The focus is on demand response transit,¹ although fixed route transit, particularly in rural areas of the state, is also addressed.

¹ Demand response transit is transit that dispatches passenger cars, vans, or small buses in response to calls from passengers and transports them to their destinations. Vehicles generally do not operate over a fixed route or on a fixed schedule, and they may pick up several passengers at different points before taking them to their respective destinations. Demand response transit is considerably more expensive to provide than fixed route transit.

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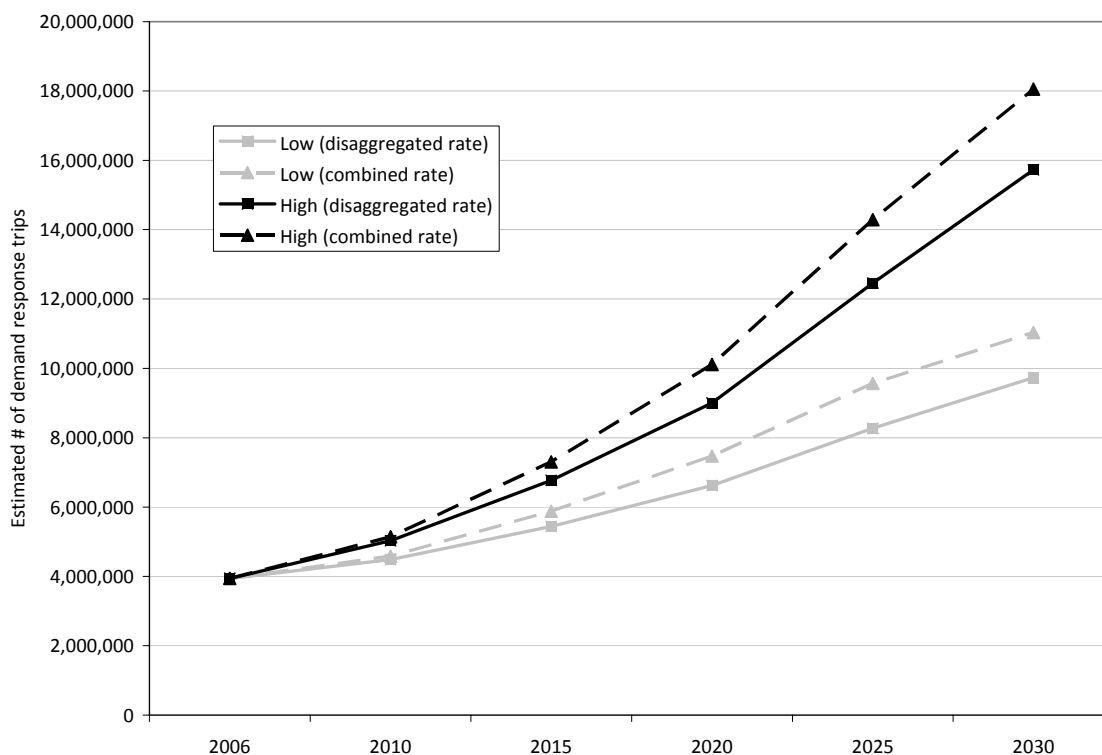
Making such an estimate on a statewide basis is unusual, and there are no standard methods for doing so. Two different approaches were used, with a range of assumptions. The estimates also attempt to address the issue of unmet demand.

Key Findings: Future Transit Demand

Both the number and the proportion of older adults and people with disabilities will grow over the next two decades. In 2010, older adults and people with disabilities will comprise 22% of Oregon's population. By 2030, they will comprise 28% of the population.

The number of trips taken by older adults and people with disabilities on **demand response** transit is estimated to increase by 2.5% to 3.0% annually between now and 2030 *due simply to population growth*. The actual increase in trips on demand response transit could be between 3.8% and 6.5% annually, based upon recent trends in growing rates of use. These low and high estimates of the demand, using two different approaches, are shown in Figure ES.1.

Figure ES.1: Estimated Statewide Demand Response Trips by Older Adults and People with Disabilities, Adjusted for Increasing Rates of Use



Additional findings from the analysis of *future transportation demand* include:

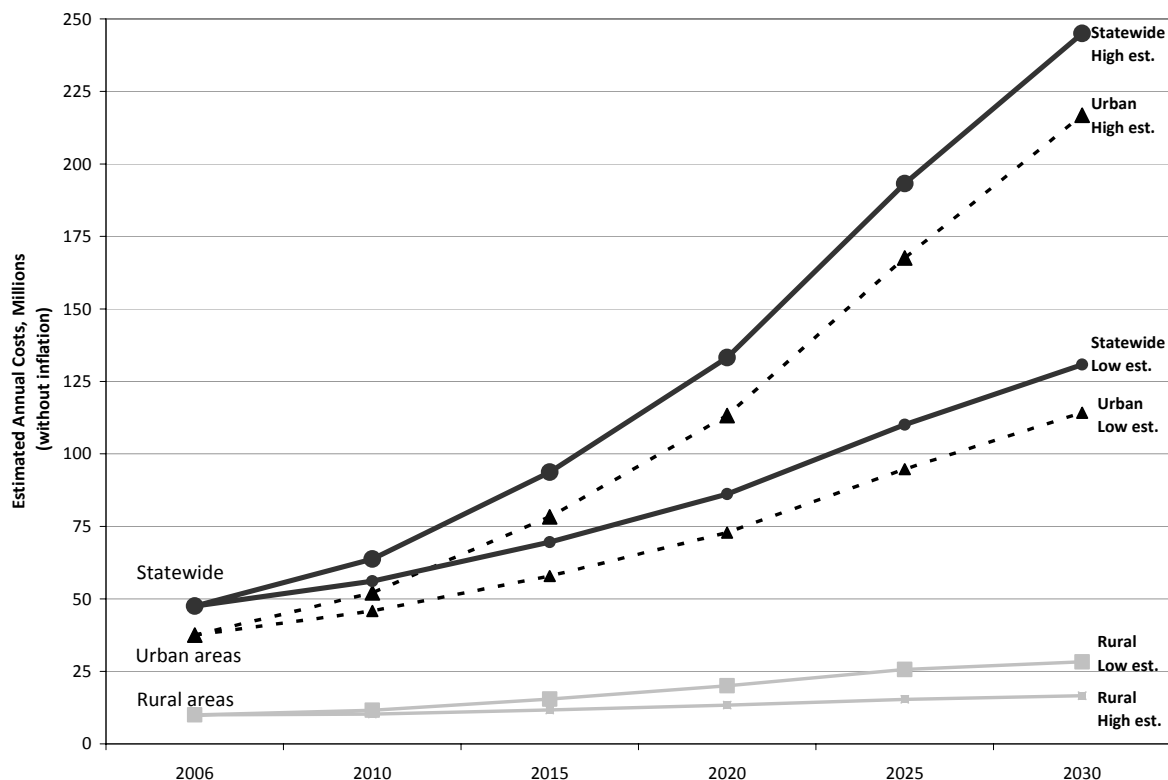
- The number of trips taken by older adults and people with disabilities on **fixed route transit** is estimated to increase by about 2.0% annually in rural areas and 3.5% annually in the largest urban areas *simply due to increases in population*.
- Future demand for transit will generally be higher in the major urban areas in the state. This is because these areas are expected to see higher rates of growth in the number of older adults and people with disabilities. In addition, major urban areas are expected to see greater increases in the rates of use of demand response transit, based upon recent trends. The increase in demand response transit could be between 4.8% and 7.7% annually in urban areas if increasing rates of use continue above population growth.
- A simple estimate of unmet demand indicates that all trips made by older adults and people with disabilities would increase about 26% if unmet demand were satisfied, not taking into account the 2008 price spike in fuel. **If one-third of that unmet demand were to be satisfied through demand response and fixed route transit, the number of trips made by those modes would increase about 9%, and the costs would increase further. *These costs are not included in any of the estimates presented in this report.***

Key Findings: Future Transit Costs

Low and high estimates of future costs were developed using low and high estimates of demand. The estimates show that **in 2030, costs for demand response transit for older adults and people with disabilities could grow from \$132 to \$246 million, *not accounting for inflation.***

Costs for demand response transit are largely driven by the growth in demand in urban areas (Figure ES.2).

Figure ES.2: Estimates of Future Costs of Demand Response Transit by Older Adults and People with Disabilities, not including Inflation



Current and future estimates of *costs*, including inflation, for providing transportation services to older adults and people with disabilities through **demand response transit** and **fixed route transit** are shown Table ES.1, with both low and high estimates included. Nationally, demand response transit operating costs have increased about 6% annually over the past eight years, while fixed route bus service operating costs have increased about 5% annually; thus, these are the annual rates of inflation used here in the high estimates. *These estimates of cost do not include any assumptions for meeting any of the unmet demand, nor do they include the effects of changes in service or other programs.* They do assume that the rate of use of demand response service will continue to increase in the future, particularly in large urban areas with complementary paratransit and assumptions for inflation. This assumption may in fact mean that a portion of the unmet demand will be met in the future. However, it is unclear what portion of the unmet demand that might represent.

Finally, these estimates may understate the demand and costs for public transit because the data available were not comprehensive. Agencies that are not in large urban areas or that do not receive funding through ODOT were not included. In addition, some providers do not report all of their costs. Therefore, **the figures likely understate the total transit use and costs.**

Table ES.1: Summary of Estimates of Current and Future Costs for Transportation for Older Adults and People with Disabilities in Oregon

	Annual Cost Estimates (in millions)					
	2006	2010	2015	2020	2025	2030
Demand Response Transit						
Low Estimate	\$47.5	\$63.7	\$91.7	\$132.0	\$195.7	\$269.1
High Estimate	\$47.5	\$80.5	\$149.7	\$268.8	\$492.8	\$790.4
Fixed Route Transit (rides by older adults and people with disabilities only)						
Low Estimate	\$48.2	\$60.3	\$79.8	\$105.7	\$139.9	\$185.2
High Estimate	\$48.2	\$66.2	\$98.5	\$146.6	\$218.1	\$324.4
DHS Brokerage Programs						
Low Estimate	\$18.2	\$21.7	\$27.4	\$35.3	\$46.8	\$60.3
High Estimate	\$18.2	\$26.2	\$41.7	\$67.7	\$113.3	\$184.0

Note: See Chapter 4 for details on assumptions and methodology.

Costs for demand response transit service may be expected to increase by 7.5% to 12.4% per year in the future. Increases in fixed route service costs are not as high, though they do range from 5.2% to 8.3% per year. This is because: (1) it is assumed that the inflation rate for fixed route service is lower, based upon past trends; and (2) there is no adjustment for demand based upon increasing rates of use, as is seen in demand response transit. These figures are highly dependent upon the inflation assumptions. Given the recent volatility in fuel prices, these assumptions may not be accurate. However, it should be noted that fuel is a relatively small share of the total costs of transit operations.

The Potential Gap Between Costs and Existing Funding Sources for Demand Response Transit

An estimate of the potential gap between future costs and funding was made for demand response transit for older adults and people with disabilities. **The analysis finds a potential gap of \$10.7 to \$25.3 million in the year 2010, representing 17% to 31% of**

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the estimated costs. The gap in the year 2030 could be \$167.3 to \$633.8 million, representing 62% to 80% of the estimated costs. The data are shown in Table ES.2, Figure ES.3 and Figure ES.4

This analysis also highlights the finding that about 60% of the funding for demand response transit for older adults and people with disabilities comes from local sources, including payroll taxes, property taxes, and general funds.

Table ES.2: Projected Gap Between Costs and Revenues for Demand Response Transit for Older Adults and People with Disabilities

	Revenue and Cost Estimates (Millions)						
	2006	2010		2015		2030	
		Low	High	Low	High	Low	High
<i>Revenues</i>							
Federal	6.5	7.3	8.2	8.5	11.0	13.2	26.4
State Transportation Fund	8.0	7.8	7.8	7.7	7.7	7.7	7.7
Fares	3.8	5.1	6.4	7.3	12.0	21.5	63.2
Local	29.2	32.8	32.8	38.1	38.1	59.3	59.3
Total Estimated Costs	\$47.5	63.7	80.5	\$91.7	\$149.7	\$269.1	\$790.4
Gap		10.7 (17%)	25.3 (31%)	\$30.1 (33%)	\$80.9 (54%)	\$167.3 (62%)	\$633.8 (80%)

Notes: **Low and high estimates** are from Chapter 4 and include inflation assumptions (see Table 4.18). Federal funds were estimated to increase at the assumed low (3%) and high (6%) rates of inflation and local funds were assumed to increase 3% annually for both the low and high estimates. **Fares** are estimated to contribute 8% of the costs. **Local sources** may include local taxes, general funds, Business Energy Tax Credits, and Mass Transit Assessment funds.

Figure ES.3: Low Estimate of Gap between Costs and Revenues for Demand Response Transit for Older Adults and People with Disabilities

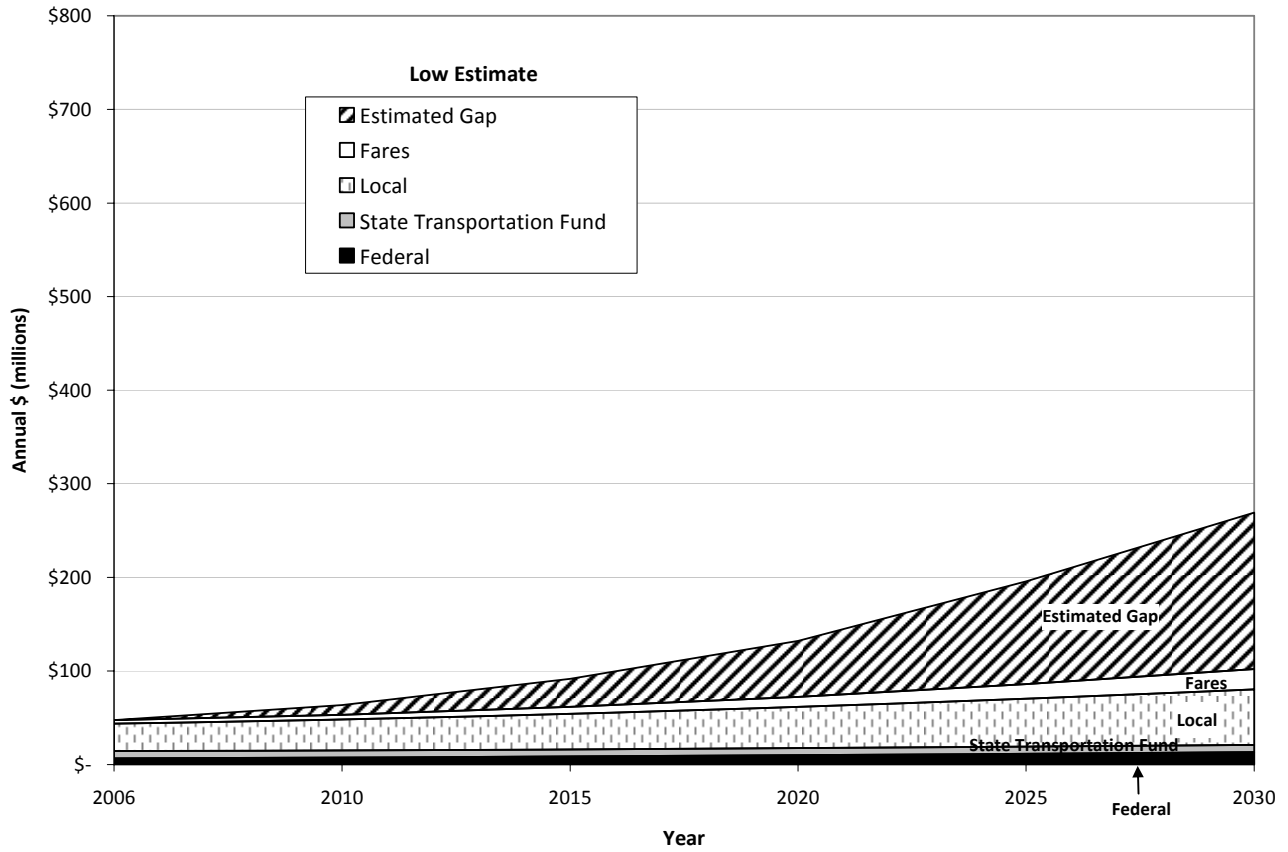
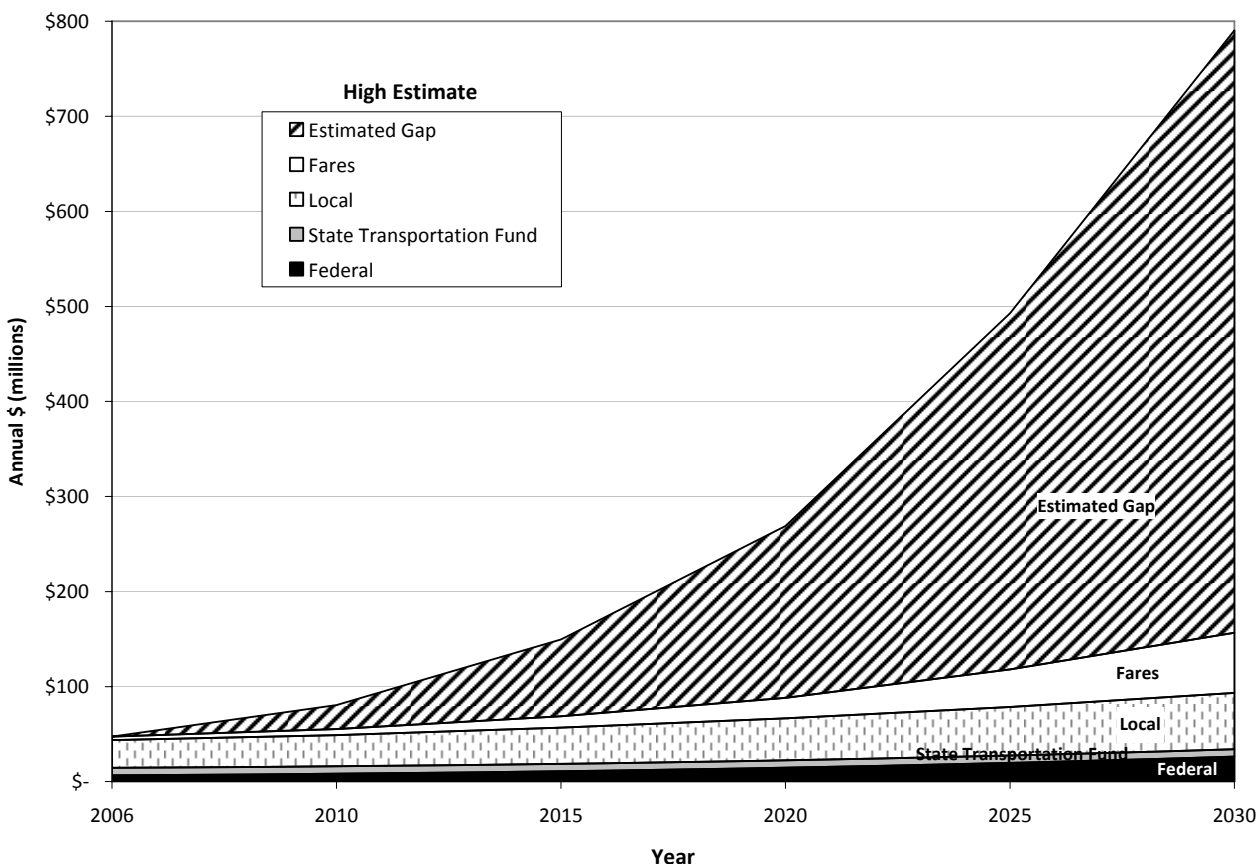


Figure ES.4: High Estimate of Gap between Costs and Revenues for Demand Response Transit for Older Adults and People with Disabilities



Future Funding Sources

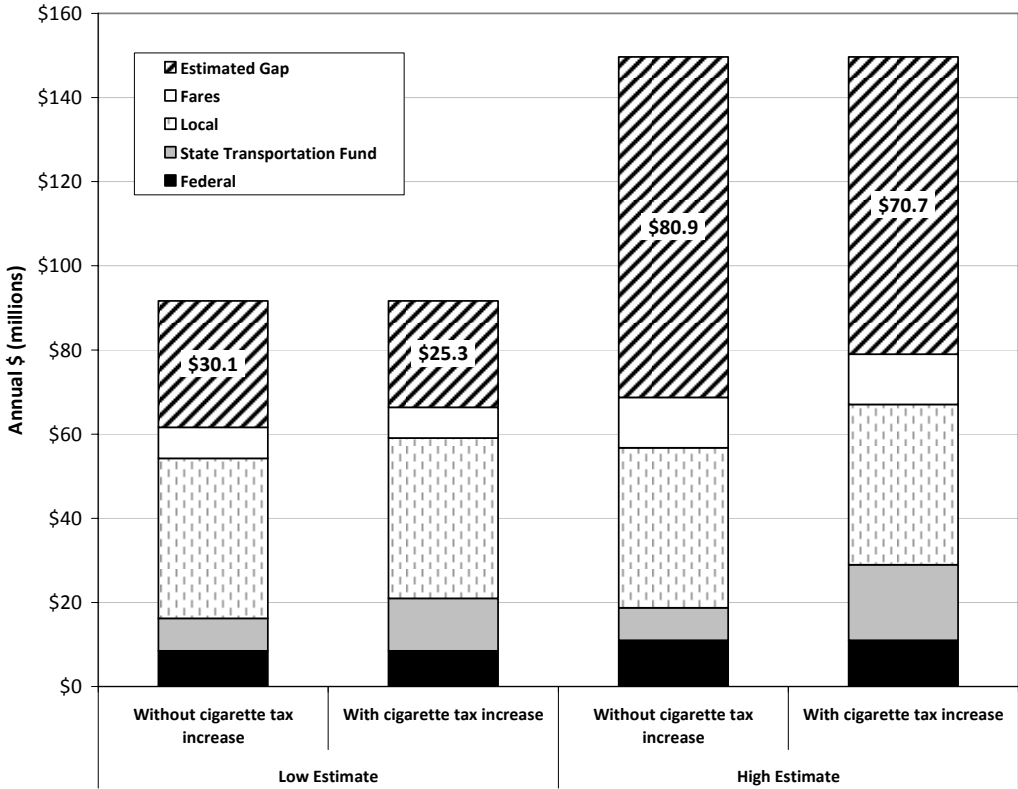
Overall, the outlook for Oregon’s major *current* funding sources for special needs transit is not positive. Many of the sources are declining (e.g., cigarette taxes), even without accounting for inflation. A source that has increased somewhat steadily in the past – federal transit funding – is also in doubt due to recent declines in fuel consumption and, therefore, fuel tax revenues.

In order for Oregon’s Special Transportation Fund (STF) cigarette tax revenues to keep up with the estimated growth in demand, inflation, and the projected decline in cigarette sales tax revenues, by 2030 the current 2¢ portion of the tax would need to be raised to *at least* 13¢ (lowest estimate) and *as much as* 37¢ (highest estimate). This could be accomplished with an *annual* increase of 0.6¢ to 1.8¢ per pack. To keep pace in the short-term (to 2015), this portion of the tax would need to be between 4.3¢

and 7.2¢. These estimates do not address any of the unmet demand or needs for new and improved service identified by providers.

Even with such increases in the cigarette tax, a funding gap will remain. The cigarette tax represents about 10% of the funding for demand response transit for older adults and people with disabilities. **The increases suggested above only serve to keep that share stable,** not make up for the full difference between estimated future costs and revenues. Figure ES.5 shows the projected gap for the year 2015 with the increases in the cigarette tax to 4.3¢ (low) and 7.2¢ (high) and without the increases (i.e. remaining at 2¢). This also assumes that other state revenues (from identification cards and some off-road fuel taxes) remain constant.

Figure ES.5: Year 2015 Estimates of Gap between Costs and Revenues for Demand Response Transit for Older Adults and People with Disabilities, with and without Cigarette Tax Increase



There is no single, ideal source to significantly help close the funding gap for transit for older adults and people with disabilities in Oregon. For more than 50 years in the

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U.S., a “user pay” principle has guided most transportation funding – those people who use the transportation system pay for it, largely through fuel taxes. At the federal level this has included using fuel taxes to fund transit. Many states have also used state or local sales taxes to fund transit. However, sales taxes are generally more regressive than fuel taxes and are not consistent with a user pay principle.

Oregon’s lack of a sales tax and its Constitutional prohibition on using vehicle and fuel taxes to fund transit pose serious constraints on funding all types of transit. Without these constraints, the potential for raising revenue from either source to fund transit would be significant. **A one-cent increase in the gas tax would raise about \$18 million per year (ODOT, 2007h), which would cover a significant share of the projected gap for funding demand response transit for older adults and people with disabilities.**

Criteria for evaluating funding sources for demand response transit for older adults and people with disabilities may differ from those used for other transportation systems. Such transit can be viewed as a necessary social service. In this case, the “user pay” principle, may not be the most pertinent guiding principle for choosing a funding source. This argument holds true particularly when the fact is considered that providing good transit service may allow more older adults and people with disabilities to remain living in their homes rather than in institutional facilities. The cost of providing care in such facilities, a significant portion of which is borne by the public, is significantly higher than the cost of providing in-home care.

Social services are traditionally funded through income taxes and through various “sin” taxes (cigarette, liquor) and lottery funds. Revenues from cigarette taxes are expected decline in the future. In contrast, lottery revenues are projected to increase. **Therefore, in addition to increasing the cigarette tax to at least keep up with the increasing costs of the transit programs it funds, the use of lottery funds should be explored for funding the operation of transit for older adults and people with disabilities.**

Finally, this analysis has focused on statewide funding options. However, a patchwork of local sources, including employer and property taxes and other general fund revenues, funds a majority of the state’s demand response transit. Employer tax rates are limited by state law and exist in only a few urban areas. Raising the rates may help close the funding gap in those areas, but this option will not be of assistance in other areas. In addition, local governments, too, are constrained by the state Constitutional limits on vehicle- and fuel-related taxes and fees. While a statewide vote to increase gas taxes or registration fees to fund transit might fail, voters in some areas, particularly urban areas, might be willing to

support such taxes or fees. **Therefore, such options should be explored to provide local governments more flexibility in raising transportation revenues locally.**

Recommendations for Future Research

Research is recommended with respect to three general areas: the need for comparable data across programs and providers; research on the effectiveness of strategies to increase demand for fixed route transit and decrease demand for demand response transit; and research on the effects of unmet needs and service improvements on future transit demand and costs relative to long-term care costs and quality of life. Research recommendations are numbered in logical order; priority is assigned at the conclusion of this section.

The Need for Comparable Data across Programs and Providers

One of the biggest challenges of this analysis was the lack of data for some programs, particularly DHS services, and inconsistent or incomplete data for other transit services. The lack of such data will hamper efforts to coordinate services and reduce costs. This need is not unique to Oregon; it has been identified as a national problem and some research is underway.

1. To facilitate the monitoring of costs and the accuracy of the projected cost estimates made here, standardization of data collection is needed. Common data collection forms for all ODOT transit providers and DHS brokerages would be helpful. Continued collaboration between ODOT Public Transit Division and DHS will aid in the development of data collection tools and procedures and is recommended.

Research on the Effectiveness of Strategies to Increase Demand for Fixed Route and Decrease Demand for Demand Response Transit

For individual, social, environmental, and economic reasons, it is crucial that the state be prepared not only to meet the growing demand for fixed route transit but to foster it.

2. Research is needed to identify the effectiveness of public programs, strategies, and policies developed to increase demand for fixed route transit (e.g., public education campaigns on how and why to use fixed route transit; land-use and housing development policies aimed at increasing access to transit).
3. Research should be conducted to determine how the housing location decisions made by middle-aged and older adults influence demand for fixed route transit.

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4. Research is needed to identify the specific transit service needs and preferences of the coming wave of older adults, the Baby Boomers.
5. There is a clear need for research to identify the most effective programs and strategies aimed at shifting demand from demand response to fixed route transit.
6. Research should be carried out to determine how efforts at improving transportation program administrative efficiency affect costs, particularly with respect to demand response transit.

Research on the Effects of Unmet Needs and Service Improvements on Future Transit Demand and Costs Relative to Long-Term Care Costs and Quality of Life

There is evidence of considerably high unmet travel needs (demand) on the part of today's older adults and people with disabilities. This report identified some existing pertinent but general studies, but more in-depth study is required.

7. Additional research is needed to develop quantitative estimates of unmet travel need among older adults and people with disabilities.
8. Similarly, further study is required to determine the costs of unmet travel needs among today's and tomorrow's older adults and people with disabilities. These may include health costs resulting from lack of access to services and human interaction.

Future transit demand and costs will also be determined by the extent to which service improvements are made.

9. Research is needed to identify how service improvements made with respect both to fixed route and demand response transit will influence demand on the part of older adults and people with disabilities.

Finally, many of the needed service improvements are likely to be expensive from a transit perspective, yet they can make it possible for individuals to live independently and age in place, thus reducing the personal and societal burden associated with expensive long-term care arrangements.

10. Research is needed to examine how the additional costs associated with making improvements in transit compare with the costs savings derived from lower long-term care costs, as well as higher quality of life for older adults and people with disabilities.

Priorities for Research

Priority should be given to research recommendation #1 (the need for comparable data and common data collection tools), since future research will be constrained by the lack of

comparable and complete data. Following this, given the focus of this report on older adults and people with disabilities, the highest research priorities should be given to research recommendation #4 (identification of the specific transit needs and preferences of the Baby Boomers); research recommendations # 7 and 8 (estimates of the amount and costs of unmet demand on the part of older adults and people with disabilities); and research recommendations #9 and 10 (the effects of service improvements on demand and the cost savings derived from better transit with respect to reduced long-term care costs).

Supporting Findings

Current Transit Services in Oregon for Older Adults and People with Disabilities

Public transportation for older adults and people with disabilities in Oregon currently comes in many forms and is offered by various types of providers. *Fixed route bus service* is available mostly in the larger, more urban communities. Services specifically for older adults and people with disabilities also exist, ranging from large-scale demand response transit, such as TriMet’s LIFT program, to programs staffed by volunteers in the most rural parts of the state. Most demand response service is limited to older adults and/or people with disabilities, although some systems serve the general public when no fixed route service is available. Due to Oregon’s Special Transportation Fund program, every county and federally recognized Indian Tribe has a transportation program for older adults and people with disabilities. In addition, the Department of Human Services works with brokerages (public transit agencies and private companies, such as taxis) throughout the state to provide transportation for its clients, primarily for non-emergency medical trips.

Two state agencies play major roles in the provision and funding of transit services: the Oregon Department of Transportation (ODOT) and the Department of Human Services (DHS). ODOT develops the public transportation system through a partnership with local governments and other agencies by providing planning, financial support, and technical assistance. This includes public transportation for older adults and people with disabilities, but also includes service for the broader population. DHS buys rides for eligible clients from a wide range of entities, including taxis, ambulance services, transit agencies, and volunteers. Eligibility requirements limit the number of people served by DHS programs and the types of rides provided. Both agencies draw upon a number of different funding sources and, therefore, have more than one “program” or method by which they provide services, either directly or indirectly. DHS and ODOT work together to identify ways to improve transportation services for Oregon citizens and to identify continuing barriers and opportunities for improved coordination. Because of the limited

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data available on DHS services, **the analyses here focus on the public transit programs coordinated by ODOT, particularly demand response transit.**

Oregon public transit agencies or other organizations provide over 17 million rides annually to older adults and people with disabilities. Of these, nearly 13 million (73%) occur on five fixed-route transit systems in the four largest urban areas (Portland, Eugene, Salem, and Medford). Another 5% of the rides occur on fixed route systems in rural areas. Overall, 23% of the rides occur on demand response systems, about two-thirds of which are in urban areas. DHS, with state and Medicaid funding, provides about 3 million additional rides for clients to reach non-emergency medical destinations through a brokerage system.

Providers of demand response service vary significantly in terms of size and types of service provided. Although over 100 separate entities provide demand response service in the State of Oregon, the majority of *rides* are provided by a handful of providers in the four largest urban areas. The majority of the *providers* are located in rural areas and are relatively small operators. More than half of the providers provide just 6% of the total demand response rides. The largest agency, TriMet, represents about 29% of the rides and the five next-largest providers represent 29% of the ridership; thus, combined, these six agencies serve about 58% of all of the demand response trips made by older adults and people with disabilities. The other five agencies are: Ride Connection, Inc., Rogue Valley Transportation District; Oregon Housing and Associated Services/Wheels service, operating in the urban area of Salem and Keiser; CARTS rural service, operating in Marion County; and Special Mobility Services/Lane County RideSource.

Current Transit Funding in Oregon

Transit agencies are supported by a variety of state, federal, and local funds. The most important source of state funding for transit for older adults and people with disabilities is the Special Transportation Fund (STF), managed by ODOT's Public Transportation Division. The STF currently provides about \$9 million per year for program administration and services, from three main sources: (1) a 2¢ per pack tax on cigarettes; (2) excess revenues from fees from the issuance of state identification cards at the Driver and Motor Vehicle Services Division; and (3) the imputed gasoline tax revenue generated by sales of fuel for non-highway use, such as lawnmowers and chainsaws. Cigarette tax revenues account for about 45% of the STF revenues. Some transit providers also receive funding through Oregon Department of Energy Business Energy Tax Credits and the Mass Transit Assessment, an assessment on state payroll in ten areas of the state.

Oregon receives federal funding for transit through several different programs, some of which focus on services for older adults and people with disabilities, or for rural areas. In 2006-07, Oregon received over \$72 million in transit funding from the federal government, not including capital funds for New Starts projects. About 17% of these funds were for four key programs that primarily serve older adults and people with disabilities.

In addition to the state and federal sources, urban transit programs *generate* funds locally for all of their services. For example, TriMet, the City of Wilsonville (SMART) and Lane Transit District collect a payroll tax. Salem Area Mass Transit District and Rogue Valley Transportation District collect an ad valorem property tax. **Throughout the state, fares cover about 6-10% of the demand response systems' operating costs.** In the rural areas, state and federal funds are the largest single source of funding. **In the counties with the smallest populations and least amount of funds, lack of funding means that the services are limited to rides for essential trips, such as for medical services.**

Per trip, demand response service can cost anywhere from two to nearly ten times as much to provide as fixed route bus service. Most urban fixed route bus service costs about \$3.00-\$3.50 per trip to operate. Costs for fixed route service in Oregon's rural areas are much higher, a median of \$8.35 per trip. Costs for demand response transit trips range from about \$11 to \$26 per trip, depending on the system.

Over the past three years, DHS spent about \$50 million on 2.1 million medical transportation rides provided through brokerages. This reflects an average cost of about \$42 per trip. This higher cost reflects the need for special vehicles for some of these trips and the limited ability to transport more than one rider on a trip. Medicaid reimburses about 60% of the cost; the 40% local contribution is from Oregon general funds. DHS provided \$3.8 million over three years to fund some non-medical transportation for clients through the same brokerage system, although not in all parts of the state. The cost per non-medical trip is about \$25.

Key Issues Facing the Transit System for Older Adults and People with Disabilities

There are two serious, though contrasting, problems facing providers of demand response service. This stems from the difference between demand response service provided as *complementary paratransit* and other demand response systems. The Americans with Disabilities Act requires complementary paratransit service to be offered within three-quarters of a mile of fixed route transit service. Providers of complementary paratransit cannot limit the number of rides provided to eligible riders (people with

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disabilities). Although these agencies work to lower costs as much as possible through operating efficiencies, **several providers are facing the difficult decision of cutting fixed route service (e.g., to more outlying areas or on Sundays) in order to control the costs of complementary paratransit.** In other words, the only way they see to significantly control the rising costs of the required complementary paratransit is to reduce the service area and/or hours of operation, which are both determined by the routes and hours of the fixed route system. **This is a key problem facing the major urban areas in the state.**

On the other hand, demand response systems that do not operate as complementary paratransit – mainly the systems in areas without fixed route transit – can place limitations on the amount of service provided based upon funding levels. While this allows them to control costs, it also means that, **because of funding limitations, many of the mobility needs of older adults and people with disabilities may not be served in areas with the other forms of demand response service. This is a key problem facing most of the small towns and rural areas of the state.**

Agencies throughout the state have identified a long list of unmet transit needs facing older adults and people with disabilities, including the need for service during non-standard hours (before 9:00 am and after 5:00 pm) for medical transportation, non-essential travel for seniors (e.g., shopping, social activities), and travel to work during non-standard employment hours. Rural providers also identified a need for service between counties, particularly to meet individuals' medical needs and to serve isolated seniors and people with low incomes. Similarly, DHS indicates a need for more transportation services for their clients.

Increasing fuel costs and the increasing number of older adults will only exacerbate these problems. Demand for services will continue to increase, along with costs, most likely at rates higher than in the past.

Current Demographics, Trends, and Projections

Oregon's current population of older adults (those aged 65 or over, with or without disability) totals 462,314, or about 12.6% of Oregon's civilian, non-institutionalized population. **In 2010, approximately 13% of Oregon's population will be aged 65 or older, increasing to nearly 20% by 2030.**

With respect to people with disabilities, Oregon’s current population of people with *any* disability² numbers 559,876, or 16.3% of the total population, excluding children under the age of 5, for whom disability data are not gathered (18.1% of Oregon’s current population is aged 16 or over with a disability). Oregon’s current population of people with a “*go-outside-the-home-alone* disability”³ numbers 156,724, or 5.4% of Oregon’s population of individuals aged 16 or over. (The rates of disability are correlated with age: 3.2% of those aged 16-64, 8.1% of those aged 65-74, and 26.1% of those aged 75+ have go-outside disability.)

The population of older adults in Oregon varies by metropolitan area and by county.

The metropolitan area with the highest proportion of older adults is Salem (20% of the population is 65 years of age or older; 26% is 65+), followed by Medford (17% is 65+; 21% is 60+). The metropolitan area with the lowest percentage of older adults is Corvallis (about 10% are 65+, and 12.7% are 60 or older).

The Oregon counties with the highest proportions of people aged 65+ are Curry (28%) and Wheeler (24%); Josephine, Tillamook, Lincoln, Baker, Coos, and Gilliam also have high proportions (20% to 21%). The counties with the lowest proportions of people aged 65+ are Washington County (9%), Benton County (10%), Morrow County (11%), and Multnomah County (11.6%).

Oregon is a largely rural state. **The lack of density poses problems for the provision of both fixed route and special transportation in Oregon’s rural counties.**

The population estimates for 2030 reveal that the projected numbers of people having any disability will vary by age, with the largest numbers in the age 75+ and 21-64 age groups. The age 75+ group is projected to have the most dramatically increasing numbers of people with a go-outside disability.

The demographic projections show that the share of Oregon residents in urban areas will increase slightly, while the share in rural areas will decrease slightly. In 2010, about 51% of the population will be in urban areas with populations of 50,000 or more, and 31% in rural areas with under 2,500 population. By 2030, the urban areas of 50,000 or more population are projected to comprise 53% of Oregon’s population, while the rural

² One of six disabilities (i.e., sensory, physical, mental, self-care, go-outside-the-home, and employment) tracked in the U.S. Census Bureau’s decennial census and American Community Survey (see Appendix 3-3).

³ One of the six disabilities mentioned above. See **Error! Reference source not found.** on page **Error! Bookmark not defined.**

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areas will constitute 27% of the population. **Thus, since it is easier to provide fixed route service in urban areas, it appears that, in the future, it may be possible to serve a slightly larger share of older adults and people with disabilities with fixed route transit.**

A number of demographic and social trends will affect the transportation needs and demands of the coming generation of older adults, the Baby Boomers.

- The number and proportion of older adults will be larger than ever before in history. The oldest old, those aged 85 and over, comprise the fastest growing segment of the U.S. population (*He et al. 2005*). It is this group that is most likely to be frail and in need of special transportation services.
- Although there is no consensus concerning whether disability rates will hold constant, decrease, or increase, the sheer numbers of individuals likely to need special transportation services will increase.
- Meeting the transportation needs of older adults who are adversely affected by changes in the traditional household structure – for example divorced or widowed women living alone or childless seniors – will be especially critical, both because these older adults may have fewer transportation resources when they can no longer drive and because they are at much greater risk of social isolation, which is detrimental to mental and physical health.
- Baby Boomers report that they plan to be more physically active than previous generations of seniors; thus, their transportation demands may be greater. Also, tomorrow’s older adults have traveled more and farther, and likely will have higher expectations for mobility than previous generations. Their higher levels of physical and cognitive health should facilitate independent use of transportation modes, including both driving and public transportation.
- The continuing trend toward “aging in place” is likely to mean that the majority of older adults will continue to live in single-family homes and in the suburbs, where destinations are more spread out, making transit service more difficult and expensive. At the same time, there are some indications that the next generation of older adults is more likely than younger adults to have a preference for more walkable locations, higher density living, and access to public transit, signaling the possibility of increased demand for transit.
- The trend toward later retirement or second careers could increase demand for transportation to and from work.