“The Impact of Bus Transit on Employee Turnover: Evidence from Quasi-Experimental Samples”

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Summary and Findings: This analysis investigates the relationship between fixed-route bus transit and employee turnover using data from quasi-experimental samples. We expect that counties with fixed-route bus transit will have lower turnover rates because transit offers an affordable means of transportation to workers without automobiles, allowing these workers to reach job sites. Panel regression models and county-level data from Illinois, Indiana, Michigan, Ohio, Pennsylvania, and Wisconsin are used to test this hypothesis. We find that the size of the fixed-route bus system (measured as real per capita operating expenditures) is negatively related to employee turnover rates, and an increase in bus systems’ per capita operating expenditures is associated with a decrease in employee turnover.

Implications for Policy and Practice: The implications of these results are that businesses receive benefits from public bus systems that should be further explored. Decreases in employee turnover represent cost savings to businesses by reducing the costs associated with training new workers and rebuilding firm-specific knowledge. These results suggest that access to fixed-route bus transit should be a component of the economic development strategy for low-income communities not only for the access to jobs that transit provides low-income workers but also for the benefits provided to businesses that hire these workers.