How to Calculate Costs and How to Count Rides

This exercise introduces methods for use in figuring transportation-related costs, the impact of program-related activities on transportation service costs, and a method of counting rides.

VOLUNTEER DRIVER PROGRAM FARES AND COSTS

Although many volunteer driver programs do not charge for rides, passengers often make contributions in lieu of fares. However, unlike traditional transportation services, volunteer driver programs often do not calculate the costs of actually providing those rides.

Fares/Contributions		Cost of Providing Rides	
Program 1	-0-	Program 1	???
Program 2	$2.00	Program 2	???
Program 3	$5.00	Program 3	???
Program 4	$7.00	Program 4	???
Program 5	$10.00	Program 5	???

These examples suggest challenges faced by many volunteer driver programs. Although volunteer driver programs probably receive financial support for providing rides, they may not know how much delivering those rides actually costs.

HOW TO IDENTIFY TRANSPORTATION AND ADMINISTRATIVE COSTS

It may be fairly simple to calculate transportation related expenses, but it can be difficult to break out the transportation related expenses (direct costs) incurred in administering the organization (indirect costs). However, both are important.

The Simple Task

Transportation service expenses include vehicle rental/payments, vehicle maintenance/repair, fuel, vehicle insurance, driver salaries, mileage reimbursement, program insurance, volunteer recognition.

Total Transportation Expenses = $50,000
Transportation Expenses= $50,000

The Difficult Task

Organization administration expenses include staff, accounting, dues and subscriptions, equipment maintenance/rental, organization insurance, meetings and conferences, licenses/taxes/fees, promotion, rent, communication (telephone, internet)

Total Administrative Expense = $100,000
Transportation Related Expenses = $50,000

FOR MORE INFORMATION

Please visit the numerous fact sheets and exercises in addition to the planning, implementation, and evaluation sections of the TurnKey Kit.

HOW TO CALCULATE COSTS PER RIDE

In determining the cost of providing transportation: 1) the transportation expenses are calculated, 2) the administrative expenses are calculated, 3) the transportation expenses (included in administrative expenses) are deducted from the administrative expenses, 4) the two expenses are totaled, 5) the totals of these expenses are divided by the number of rides. Let's use 5,000 rides as an example. The result is the cost of each ride provided by the program.

Total expenses specific to transportation = $50,000
Total administrative expenses = $100,000
Deduct transportation related expenses from administrative expenses = $50,000
Total transportation expenses = $100,000
Total number of rides = 5,000
Total expenses divided by the number of rides: $100,000 / 5,000 rides = $20.00 per ride

COUNTING RIDES ISN'T SIMPLE EITHER

Now, let's use Mr. Jones as an example of how to count rides. Mr. Jones uses a volunteer driver program to get to his destinations. When traveling with the program on a single trip he goes from his home to the doctor, the pharmacy, the grocery store, the library, and back home. The examples below show two ways programs count rides.

Program A: Counts round-trip rides
Program B: Counts one-way rides

Program A would calculate Mr. Jones' trip as one round-trip ride
Program B would calculate Mr. Jones' trip as 5 one-way rides (to the doctor, the pharmacy, the grocery, the library, and to home)

If **Program A** counts 2,000 round-trip rides, **Program B** might count the same number of rides as 10,000 one-way rides. Now, let's say that both P**rograms A and B** incur $100,000 in expenses in providing those rides. What would be the cost per ride for these two programs even though both might have actually provided the same number of rides?

Program A: Cost per ride calculation is $100,000/2,000 round-trip rides = $50.00 CPR
Program B: Cost per ride caculation is $100,00/10,000 one-way rides = $10.00 CPR

The Moral to the Story
Figure all transportation-related expenses and count one-way rides.

PROGRAM FICTION AND FACT PROGRAM FICTION AND FACTS

1. Many volunteer driver programs are located within a transportation service agency. Fact 93% were located within a human service agency, other type of organization, or were standalone organizations. Only 6% were located within a transportation service.

2. Volunteer driver programs are only allowed to provide services within a single jurisdiction. Fact Many volunteer driver programs provide services beyond the jurisdictional boundaries of the city, county, or even the state.

3. Volunteer driver programs generally are so small they do not need software. Fact Regardless of their size, inexpensive software can assist volunteer driver programs in scheduling rides and in managing data related to the delivery of transportation services.

4. All volunteer driver programs must schedule passenger rides Fact Although most volunteer driver programs schedule trips; the TRIP model and some specialized software allow riders and drivers to schedule their own trips.

5. Volunteer driver programs only provide round trip services. Fact Each stop is counted as a one-way trip and many volunteer driver programs provide what is called "trip-chaining" which allows for multiple stops during a single trip.

6. Volunteer driver programs are unsafe for drivers and passengers. Fact Volunteer driver programs are generally low risk transportation services in that they report very few crashes involving bodily injury or property damage.

7. Volunteer drivers' insurance premiums increase if they use their own vehicle Fact Auto insurance premiums are based on miles driven, not who is riding in the car, and thus insurance should not increase because the car's owner volunteers to drive.

8. Volunteer driver programs almost never serve rural areas. Fact Volunteer driver programs provide services in urban, rural, and suburban areas, although a greater percentage provide services in rural areas.

9. Volunteer driver programs may not pay drivers. Fact Many volunteer driver programs include volunteer and paid drivers, although paying drivers can increase their costs of providing transportation services.

10. Volunteer driver programs always go to life-enriching destinations. Fact Destinations are often dictated by passenger transportation needs, and many of their needs are related to health services.

More Facts

In 2014, the National Volunteer Transportation Center (NVTC) included 706 volunteer driver programs in its data base. These data were initially collected and refined by the Beverly Foundation through its nationally acclaimed STAR Award program.*   In 2014, the program was organized by the NVTC Data from the applications through 2014 included 706 programs estimated to have been in operation an average of 18 years, and on an annual basis:

- provided almost 5,000,000 one-way rides
- involved almost 55,000 volunteer drivers
- mobilized almost 50,000 volunteer vehicles
- totaled almost 60,000,000 miles from volunteer driving trips
- counted more than 6,000,000 volunteer driver hours
- valued volunteer hours at approximately $1,400,000,000

* The STAR Awards program was first organized by the Beverly Foundation in 2000 and later by the NVTC. beginning in 2014. During those years awards of more than $1,500,000 were conveyed to more than 200 transportation programs in 40 states. The STAR Awards Program was discontinued after 2016.

A PASSENGER FRIENDLINESS CALCULATOR FOR VOLUNTEER DRIVER SERVICES

The 5 A's of Passenger Friendly Transportation are criteria that can be used by volunteer driver programs to make a judgment as to their passenger friendliness. To initiate your review, check each of the factors below that are represented in your volunteer driver program. Each check equals one point. When you have completed your review, add up your score and look at the scoring key at the bottom of the page to know where you are on "the road to passenger friendliness."

Availability: The Transportation Service….
_____ provides transportation to more than one passenger group
_____ can be reached by the majority of passengers in the community
_____ provides transportation anytime (day, evenings, and weekends)
_____ can take riders to destinations beyond city and county boundaries
_____ maintains organizational relationships with other transportation services

Acceptability: The Transportation Service...
_____ takes passengers to life sustaining, maintaining, and enriching destinations
_____ provides passenger sensitivity training to drivers
_____ informs passengers if there Is a delay in pick up
_____ ensures cleanliness and maintenance of vehicles
_____ offers "demand response" with no advance scheduling requirement

Accessibility: The Transportation Service...
_____ uses vehicles that are easy for passengers to access
_____ can accommodate the transportation needs of passengers who cannot drive
_____ has information for improving knowledge about other transportation services
_____ can provide "door-thru-door" transportation when needed
_____ can link older adults with "more appropriate" transportation options

Adaptability: The Transportation Service...
_____ will provide transportation escorts when needed
_____ can provide multiple stop trips for individual passengers
_____ can access vehicles that accommodate wheelchairs and walkers
_____ maintains a policy of "adapting the system to meet passenger needs
_____ undertakes annual passenger survey for service assessment and enhancement

Affordability: The Transportation Service...
_____ offers reduced fares (or free transportation) to passengers
_____ offers passengers the opportunity to make a donation to the service
_____ minimizes ownership of vehicles and involvement of paid drivers
_____ organizes and manages service to ensure sustainability of volunteer driver program
_____ secures funding support volunteer transportation services

Total _____ (Possible Score = 25)

The Road to Passenger Friendliness

0	5	10	15	20	25
Just Starting	**Out of the Garage**	**On the Road**	**Chugging Along**	**Getting Close**	**Passenger Friendly**