

Transportation Solutions for Employers and Employees: United Parcel Service, Hodgkins, Illinois

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The UPS Program

The United Postal Service (UPS) facility in southwest suburban Hodgkins, Ill. is the largest facility of its kind in the world. UPS first recognized a need for public transportation to their Hodgkins facility when the complex was still in its planning stages more than ten years ago. At that time, they developed a conceptual plan, studying the options for transporting employees to the site in southwest suburban Cook County. When the facility opened, there were only about 200 employees. As the employee population grew (now approximately 9,000), public transportation was implemented in phases. Today, both Pace Suburban Bus Service (Pace) and the Chicago Transit Authority (CTA—the primarily Chicago-based bus and rail service) serve the UPS Hodgkins facility with bus routes that coincide with the start and end times of four UPS shifts.

In 1998, in an effort to consolidate the responsibilities associated with transportation planning at their Hodgkins facility, UPS created a transportation manager position. The transportation manager develops plans for new transit bus routes based on many factors, one of which is an analysis of potential worker residential locations. Those plans are presented to the appropriate transit agency, which works on the engineering, implementation, timing and operation of the proposed routes. UPS pays operating costs, and in exchange, Pace (or CTA) provides UPS with an equivalent number of bus passes that UPS then sells to its employees at a discounted rate. In 2000, net cost to UPS for Pace and CTA service was slightly less than \$700,000.

When the transportation manager position was created, there were only two bus routes serving the UPS facility that carried approximately 200 people daily on six buses. Today there are seven Pace routes, carrying 3,000 people on over 100 buses each day. The CTA route serving the facility carries approximately 650 employees each day, far more than initially expected. Both the Pace and CTA UPS routes have limited stops, and offer a modified express service to the Hodgkins site. All routes are operated around the clock to

In metropolitan Chicago, finding employees to fill entry-level and skilled-labor jobs is a growing problem. With the expansion of suburban job centers, and high concentrations of available workers in the city and first ring suburbs, a jobs/housing mismatch has developed. In many job-rich suburban communities, public transportation is scarce or nonexistent, forcing both residents and workers to rely on automobiles to reach their destinations. Many entry-level workers do not have access to automobiles or cannot afford to maintain them. In a tight labor market, employers throughout the Chicago region are looking to improve job access by developing flexible transportation options.

This is one in a series of Business Leaders for Transportation member profiles featuring innovative solutions that can be replicated.



benefit employees on all shifts at UPS. The one CTA and seven Pace routes to Hodgkins are available to the public, but UPS employees remain the majority of riders.

New routes are developed in response to feedback from potential employees who respond to UPS job listings and fairs but complain of lack of access. Perhaps the best indicator of the program's success is the growth of the labor pool that UPS is drawing from—people who initially had not considered UPS as an employer due to location and lack of transportation alternatives. These employees now comprise a large portion of the workforce at the UPS facility.

UPS's transportation manager created the following mission for his employer: "To remove the perception that transportation is a barrier to employment." Working closely with the local transit agencies, the transportation manager has put a great deal of emphasis on making transit as convenient and accessible as it can be. The transportation manager and the transit agencies are in almost daily contact with each other so that they can respond easily to employee transportation concerns. Working together, they have made transit routes more orderly and user-friendly, and have made

schedules more frequent than they were just a few short years ago. Special attention is given to ensuring timely connections between Pace and CTA routes to make transit the most convenient option it can be.

UPS and Pace have also added a new component to the transportation service: education facilities. Viable non-automobile options have been created between employees' homes, their jobs at UPS, high schools, and local community and four-year colleges. Emphasizing their "Earn and Learn" program, UPS has been able to attract more employees that are attending high school and college. The company also pays for part-time employees to take classes at local schools, which are served by the same Pace routes that carry them to work. The goal of UPS and Pace is to provide safe, reliable, affordable transportation that reaches not only jobs but also educational institutions in the area.



The Benefits

UPS transportation manager Dan Bujas says that the benefits to employees of UPS's direct transit program have direct financial benefits for the company as

well in the form of improved community relations and improved employee retention. "Retention is our key to providing the best service to our customers. Transit service provides us with reliable, dedicated employees," Bujas says. For UPS, the company has increased its supply of potential employees by increasing access to its facility. Employee morale and punctuality are up, and employee retention has improved by approximately 50 percent according to an infor-

mal survey. Providing transit has also improved UPS' image and appeal as an employer.

Pace and CTA have benefited as well. The routes are cost-effective for the transit agencies and they are well used. Promoting transit for work commutes has the potential to encourage these riders to use the transit system for their non-work trips as well. The UPS routes, open to the general public, increase mobility for all local residents, both by providing new service and removing drivers from the region's already congested road system.



UPS employees also win. Workers gain access to well-paying positions and the attractive benefits UPS offers, including access to educational institutions. The income they bring to their communities translates into jobs for others, as these workers purchase goods and services.

This program has been cited as a model for other businesses and will be duplicated at other UPS facilities across the country. Nationally, UPS and Pace gained recognition at the Council of Urban Economic Development's (CUED) annual conference in Atlanta in September 2000.

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Business Leaders for Transportation is a coalition of approximately 80 businesses and business associations representing more than 10,000 regional employers. Co-led by the Metropolitan Planning Council, the Chicagoland Chamber of Commerce and Chicago Metropolis 2020, the coalition serves as the coordinated voice of businesses on critical regional transportation needs. For more information, please contact Metropolitan Planning Council's Mary DeBacker at (312) 922-5616 or mdebacker@metroplanning.org, or Business Leaders for Transportation Executive Director Jim LaBelle at (312) 922-5616.

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