



Testimony of

Katherine Freund

Founder and President of ITNAmerica

Before the Senate Special Committee on Aging

Hearing on

"Transportation: A Challenge to Independence for Seniors"

November 6, 2013

Chairman Nelson, Senator Collins, and Members of the Committee, on behalf of the older people we serve, their families, and their communities, I thank you for the opportunity to be here today. My name is Katherine Freund, and I am the founder of the Independent Transportation Network® and the founder and president of *ITNAmerica*, the first and only national non-profit transportation service for America's aging population.

I want to begin by thanking Senator Collins for her longstanding support for sustainable senior transportation and I would like to emphasize how much the Independent Transportation Network and *ITNAmerica* are a product of collaboration between the public and private sectors.

I came to senior transportation through a personal experience, when my 3-year-old son was run over in 1988 by an 84-year-old driver. Ryan survived and is today a healthy young man, but others are less fortunate. In 2011 alone, more than 5,000 people age 65 and older were killed and another 185,000 were injured in vehicle crashes, according to the National Highway Traffic Safety Administration.

With support from AARP, the Transportation Research Board's Transit IDEA program, the Federal Transit Administration, the National Highway Traffic Safety Administration, the Southern Maine Area Agency on Aging, dozens of private philanthropies and the people of my community in Portland, Maine, we created a social enterprise that uses efficient business practices to address a social issue—sustainable senior transportation that will scale with the aging of the population.

We called our enterprise the Independent Transportation Network or ITN[®], and we built it as a replicable model, with a goal to connect multiple ITNs into one national system. We call that system *ITNAmerica*, and today we have 25 ITN affiliates in 20 states. We have delivered 600,000 rides, we are serving more than 5,000 people, and we are growing at a rate of 100,000 rides a year.

These numbers are small when you look at the aging of the population, with 10,000 boomers turning 65 each day for the next 18 years. But what is important about the ITN model is that it does not depend on taxpayer dollars for sustainability. Any new ITN affiliate may use up to 50 percent public money to launch, but after 5 to 8 years, it must be sustainable through reasonable fares and a diversified base of private local community support.

From a policy perspective, it is easy to justify the use of public resources to address the mobility needs of the aging population. The classic justifications for policy intervention—public safety and market failure—are clearly present. The problem of insufficient public resources is a fiscal reality that is unlikely to change, even as the older population continues to grow.

ITN affiliates are non-profit membership organizations. They use automobiles and a combination of paid and volunteer drivers to provide rides 24/7 for seniors and people with visual impairments. The core business innovations are the Personal Transportation Account[™] and a flexible approach to resources, managed through *ITNRides[™]*, an enterprise software program that connects all ITN affiliates across the

country. The Personal Transportation Account is like a mobility portfolio that can hold assets in many forms. Older people may trade the cars they no longer drive to pay for their rides, or they may save transportation credits by volunteering to drive others and plan for their own future needs. Volunteers in one ITN community may send their credits to another ITN to pay for rides for a loved one. Merchants may help pay for rides, as may healthcare providers through the Ride & Shop™ and Healthy Miles™ programs, all managed through the software.

The result is an average fare of about \$11, with the most common fare about \$6 each way, which might seem expensive. But with 30 to 40 percent of our members at an income level of less than \$25,000 a year, our last 5 years of customer satisfaction surveys consistently tell us that ITN members, by a ratio of about 10 to 1, feel the fare is inexpensive for the service they receive. (See Graph I) There is dignity and independence in paying for oneself.

Willingness to pay is no small matter, because transportation is expensive. As the graph in Graph II shows, transportation accounts for more than 20 percent of consumer spending, second only to housing. According to the Surface Transportation Policy Project, private household expenditures for transportation in 1998 outnumbered public expenditures 5 to 1. (<http://www.transact.org/report.asp?id=41>) One way to address the mobility needs of the aging population, then, is to develop a service older consumers are willing to buy.

What kind of rides do ITN customers choose? More than 40 percent of ITN rides are for healthcare; about 20 percent are for personal needs and shopping, and about 8 percent are for work and volunteer activities. Other rides are for exercise and recreation, intermodal connections, and professional services. (See Graph III) The diversity of ride destinations may account, in part, for how satisfied older people are with a transportation service that takes them where they want to go, on their own terms. In the 2012 *ITNAmerica* customer satisfaction survey (n= 787), 98 percent of survey respondents said they would recommend ITN to a friend, 96 percent said their overall experience was either excellent or very good, and 94 percent said they were very satisfied with the quality of the service. ITN service impacts more than just the older people who use it, and an evaluation funded by the Atlantic Philanthropies captures this.

In an important public/private effort, the Atlantic Philanthropies funded a business plan to supplement a 2003 FTA planning grant to rollout of the sustainable ITN model. The joint planning effort culminated in the 2005 Stone House conference in Freeport, Maine, that launched *ITNAmerica*. Representatives of the Transportation Research Board, the Office of the Secretary of Transportation, AARP, the AAA Foundation for Traffic Safety, the Corporation for National and Community Service, the Teamsters Union, the Great Bay Foundation for Social Entrepreneurs, the Atlantic Philanthropies and budding ITN affiliates from South Carolina, Florida, California, New Jersey and Virginia attended. A few months later, Atlantic funded *ITNAmerica's*

national roll out with a \$3.5 million grant, including an evaluation of how ITN impacts quality of life, not just for seniors, but for their families and the volunteers who drive them.

The Atlantic Philanthropies evaluation, designed by Dr. Richard Fortinsky of the University of Connecticut Health Centers, (see Table I) found that transportation difficulty for ITN customers declined 21 percent in one year, and confidence in arranging personal transportation increased in non-drivers to the level of drivers in the same time frame. This means that consumer-oriented transportation such as ITN can effectively replace for older people the level of mobility provided by driving an automobile, possibly easing the transition from the driver's seat to the passenger seat. One 90 year old male customer said, "Certainly kept me normal; I am able to keep my appointments. My life with ITN is pretty much the same as it was when I still drove. I'm glad to be a member. It made my transportation problem almost non-existent."

For family of ITN members, the Atlantic evaluation measured a 46 percent decrease in worry about their relatives' transportation adequacy, and a 31 percent decrease in worry about their safety. Before their loved ones used ITN, sixty-four percent (64%) of family members said they were likely to miss work because they had to arrange or provide transportation for an older family member; six months after their loved one had joined ITN, they reported their likelihood to miss work had dropped to 27 percent. In other words, they were 37 percent less likely to miss work because of ITN.

ITN volunteer drivers also experienced benefits reporting improved quality of life (66%) and an enriched social life (36%). Almost 40 percent of volunteers reported saving their credits for their own future transportation needs, and a similar amount said they donated their credits to low income seniors through ITN's Road Scholarship Fund.

To assure that ITN's innovative practices comply with public policy, *ITNAmerica* has worked with state and local policy makers in several states, including Florida, Maine, Illinois, New York, Kentucky, Missouri, Ohio and Tennessee. With support from the Silver Century Foundation, *pro bono* legal research from the Rappaport Center for Law and Public Service at Suffolk Law School and *pro bono* legal supervision from Nutter, McClennen & Fish in Boston, Massachusetts, *ITNAmerica* has completed a 50 state inventory of state policies that either create incentives or remove barriers to the use of private resources for sustainable senior transportation, and with the National Conference of State Legislatures, we are disseminating these results to 10,000 policy makers.

With the understanding that safety and social research informs sound public policy, ITN and *ITNAmerica* have since 1995 compiled a research database uniquely designed to study mobility for older people. Through a contract with the Centers for Disease Control we are now studying the transition from the driver's seat to the passenger seat for seniors in 17 communities across the country.

To help older people in rural and small communities, *ITNAmerica* has just completed 6 years of research to expand ITN through *ITNEverywhere™*, a suite of

software programs that brings together rideshare, carshare, volunteer transport and community transport. ITN*Everywhere* will be to community mobility what eBay is to flea markets.

Information technology and the internet are changing the world around us in ways so profound and so rapid it is often difficult to absorb. Similarly, technology is changing the way we experience transportation, both on a daily basis in our own communities and when we travel farther afield. In the past we created community mobility through traditional mass transportation, because that was the only way to create efficiency. It works by grouping people together in high occupancy vehicles, like buses and trains, and moving them on routes and schedules. Much of the time, this means public funding for expenditures—capital, labor, maintenance, energy, and insurance.

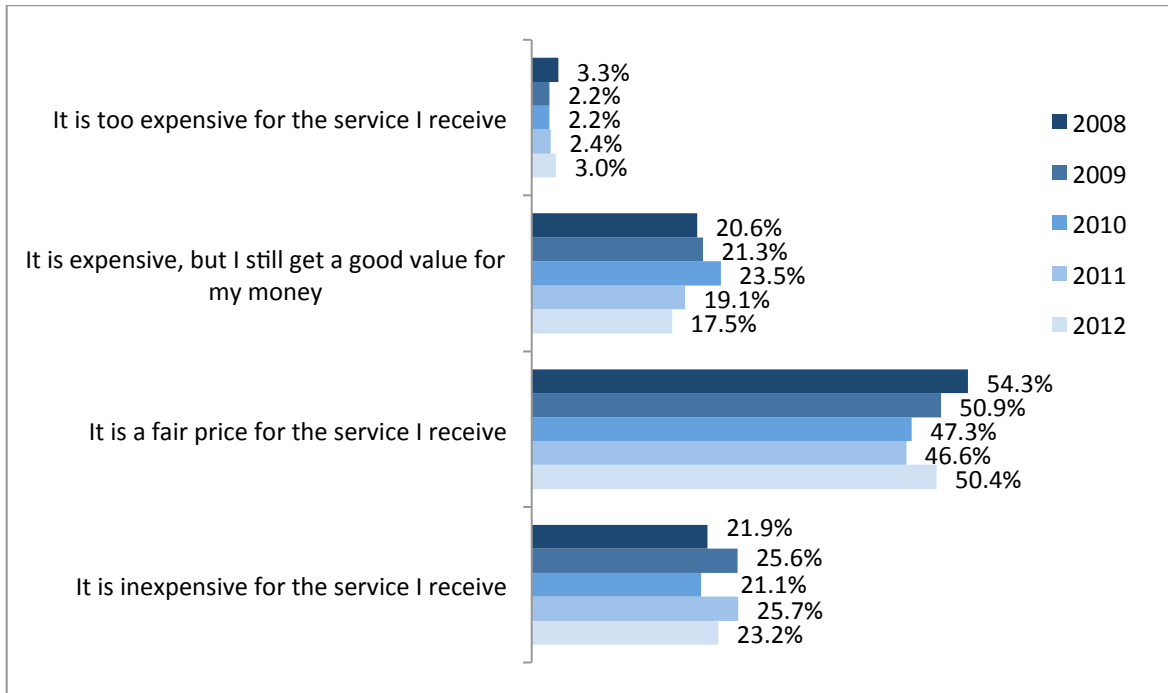
Modern information technology now allows us to know when and where both passengers and personal vehicles are located, and to match them based on free consumer choice to meet their mobility needs. We no longer need predetermined routes or high occupancy vehicles to share rides, and we no longer require public funding to create shared community mobility. We can create community mobility through more efficient use of private transportation capacity, and we can serve people and communities beyond the reach of traditional mass transportation. In other words, the transportation systems of the future will be networked, digital and web-like, rather than linear, analog and mechanical.

Such for-profit rideshare services as Uber, carshare services as Zipcar and RelayRides, and non-profit volunteer driver programs as ITN are all part of the same revolution in transportation, one in which expenditures—capital, labor, maintenance, energy, and insurance—do not need public funding. Traditional mass transit is still one of the best transportation solutions in high density areas, but in small and rural communities, where buses run half empty if they run at all, there is a bright new solution on the horizon.

Members of the Committee, public resources may be scarce, but the future for community mobility through the use of information technology and voluntary access to private resources is extremely bright and extraordinarily exciting. Much work remains to be done, and policy will need to change to remove barriers and create incentives for this exciting future that will be good for the environment, the economy, and the American people, young and old.

Graph I: Willingness to Pay

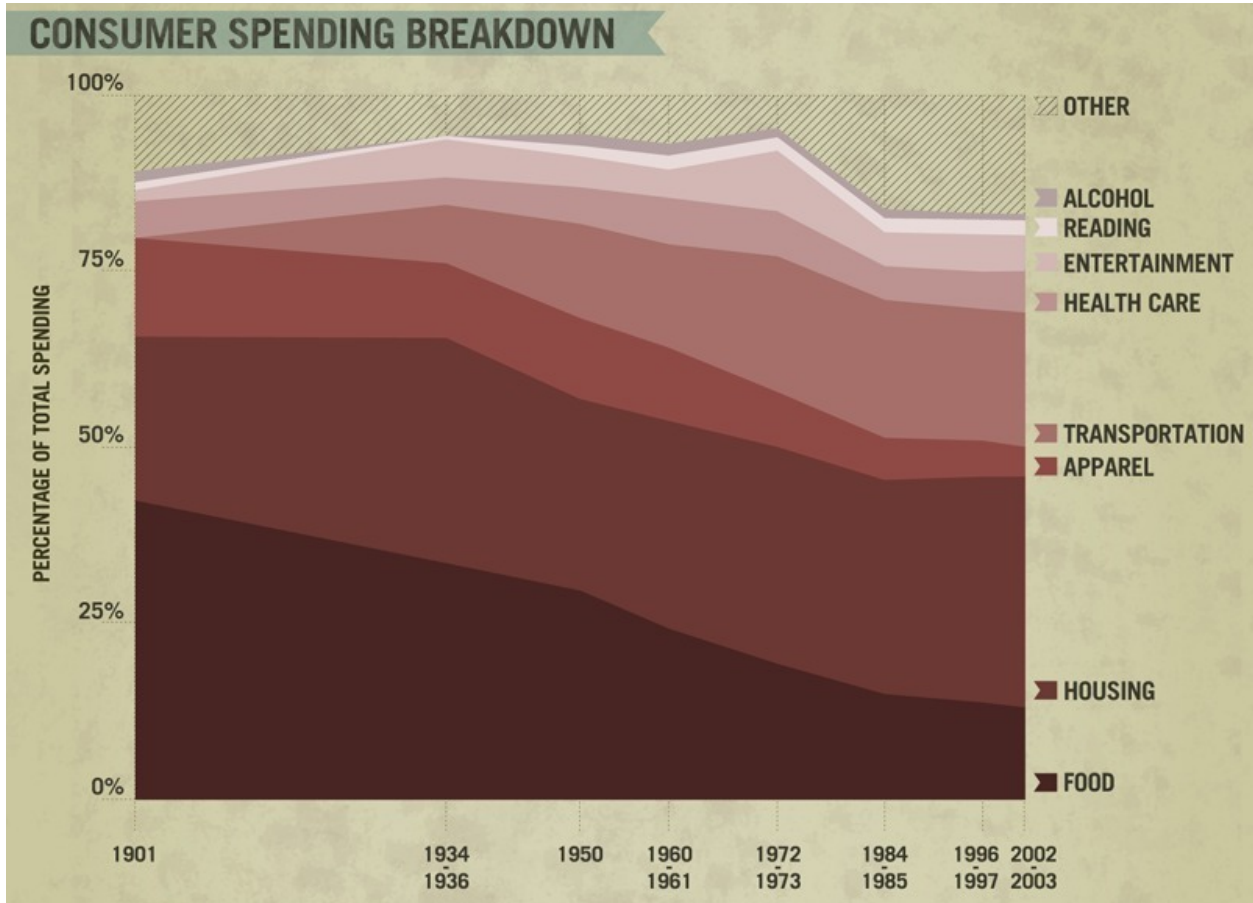
5 Years of ITNAmerica Customer Satisfaction Surveys, 2008 – 2012



Graph II: Consumer Spending Breakdown, 1901 – 2003

Data Source: US Bureau of Labor Statistics (<http://www.bls.gov/cex/>)

Graphic: VisualEconomics (<http://visualeconomics.creditloan.com/100-years-of-consumer-spending/>)



Graph III: ITN Rides by Purpose

All affiliates providing rides, through February 2013

N=281,150 ride segments (not including 234,227 home/return rides)

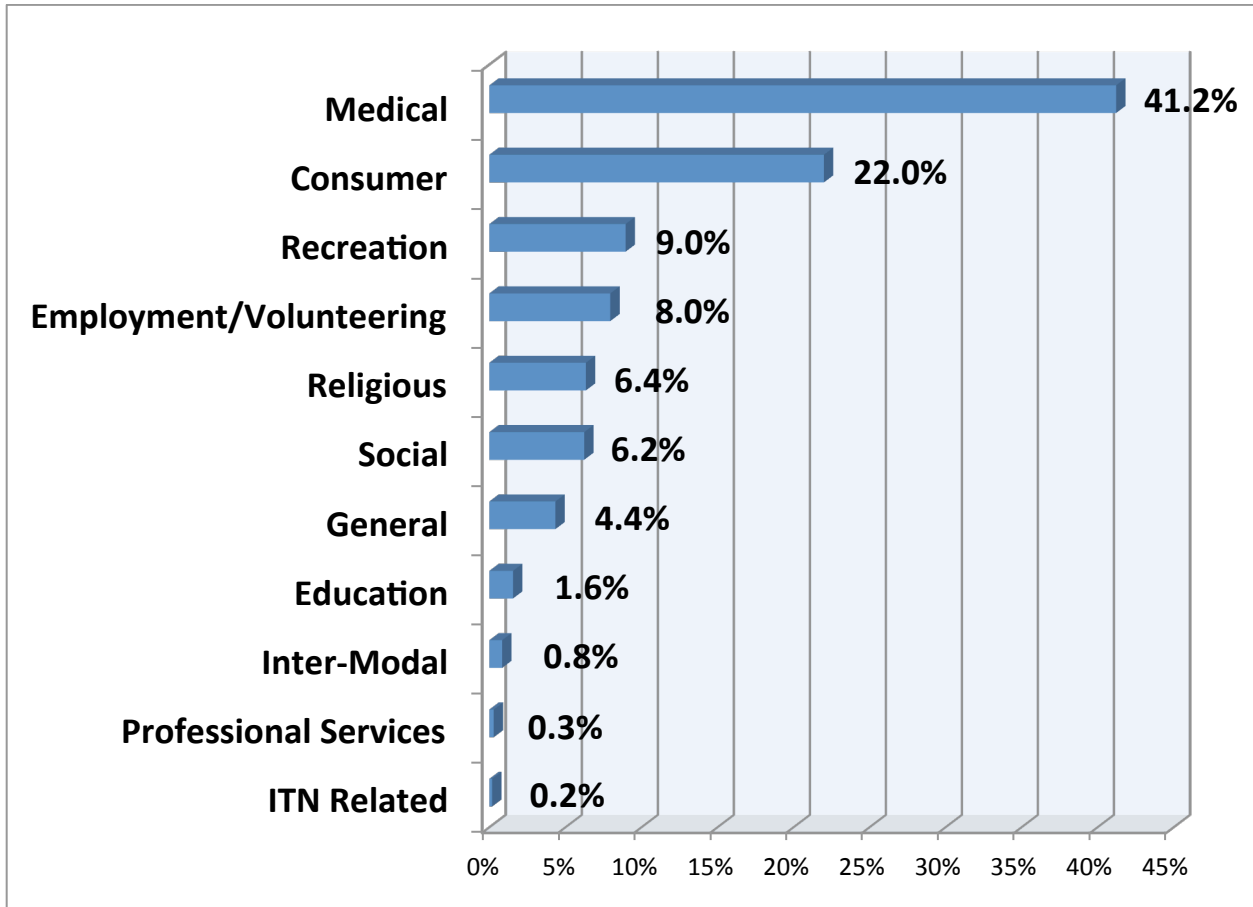


Table I: Atlantic Philanthropies Evaluation May 2007 to June 2010	
Sample Location and Size:	
How does ITN impact the quality of life for three distinct groups:	
<ul style="list-style-type: none"> • ITN customers (n=191 at T-1; 160 at T-2; 144 at T-3) • Family members of ITN customers (n=82 at T-1; 53 at T-2) • ITN volunteer drivers (256 surveys; 141 completed; 56% response rate) 	
The study included customers and family members from 5 ITN affiliate communities	
<ul style="list-style-type: none"> • Charleston, SC; Lexington, KY; Los Angeles, CA; Orlando, FL; Portland, ME 	
The sample of volunteers provided rides in those communities as well as in 3 others	
<ul style="list-style-type: none"> • Middletown, CT; East Windsor, CT; San Diego, CA 	
Results: ITN Customers	
Transportation difficulty declined – 21% in 1 year	
<ul style="list-style-type: none"> • 64% prior to ITN membership • 49% 6 months later • 43% 1 year later 	
Confidence in arranging personal transportation increased – 22% in 1 year	
<ul style="list-style-type: none"> • 55% prior to ITN membership • 68% 6 months later • 72% 1 year later 	
Confidence in arranging personal transportation increased in non-drivers to level of drivers	
<ul style="list-style-type: none"> • 50% vs. 60% prior to ITN membership • 68% vs. 70% six months later • 70% vs. 69% one year later 	
Depression scores of non-drivers decreased after six months of ITN membership and the trend continued one year later (mean scores 5.0 to 4.1 to 4.2, respectively)	
<p>“Certainly kept me normal; I am able to keep my appointments. My life with ITN is pretty much the same as it was when I still drove. I'm glad to be a member. It made my transportation problem almost non-existent.” – male customer, age 90</p>	
Results – Family Members	
Worry about their relatives’ transportation adequacy – 46% decrease	
<ul style="list-style-type: none"> • 65% worried whether their relative had adequate transportation prior to ITN • 19% six months after their relative joined ITN 	
Worry about their relatives’ safety when they traveled from home – 31% decrease	
<ul style="list-style-type: none"> • 70% worried about their relatives’ safety prior to ITN • 39% 6 months after their relative joined ITN 	
Experience less emotional stress	
<ul style="list-style-type: none"> • Mean scores decreased from 2.8 to 2.3 	
Are less likely to miss work because they had to arrange or provide transportation – 37% decrease	
<ul style="list-style-type: none"> • 64% prior to ITN • 27% 6 months after their relative joined ITN • “I don't have to worry how she is going to her doctor's appointments. And I never have to give up work time to take her somewhere.” 54 year old niece 	
Results – Volunteers	
Derive personal and social benefits from this role	
<ul style="list-style-type: none"> • 66% volunteering for ITN has affected their quality of life • 36% volunteering for ITN has enriched their social lives 	
Think about and plan for their future transportation needs for themselves & others	
<ul style="list-style-type: none"> • 39% storing ride credits in an ITN account for their own future transportation needs • 38% donating their credits to the Road Scholarship Fund for low income riders • “I have a better understanding of senior life and problems. I can prepare myself and family for things to come.” 72 year old male volunteer 	