

Whitepaper

Managing Employee Commute Spending in the Hybrid Workplace

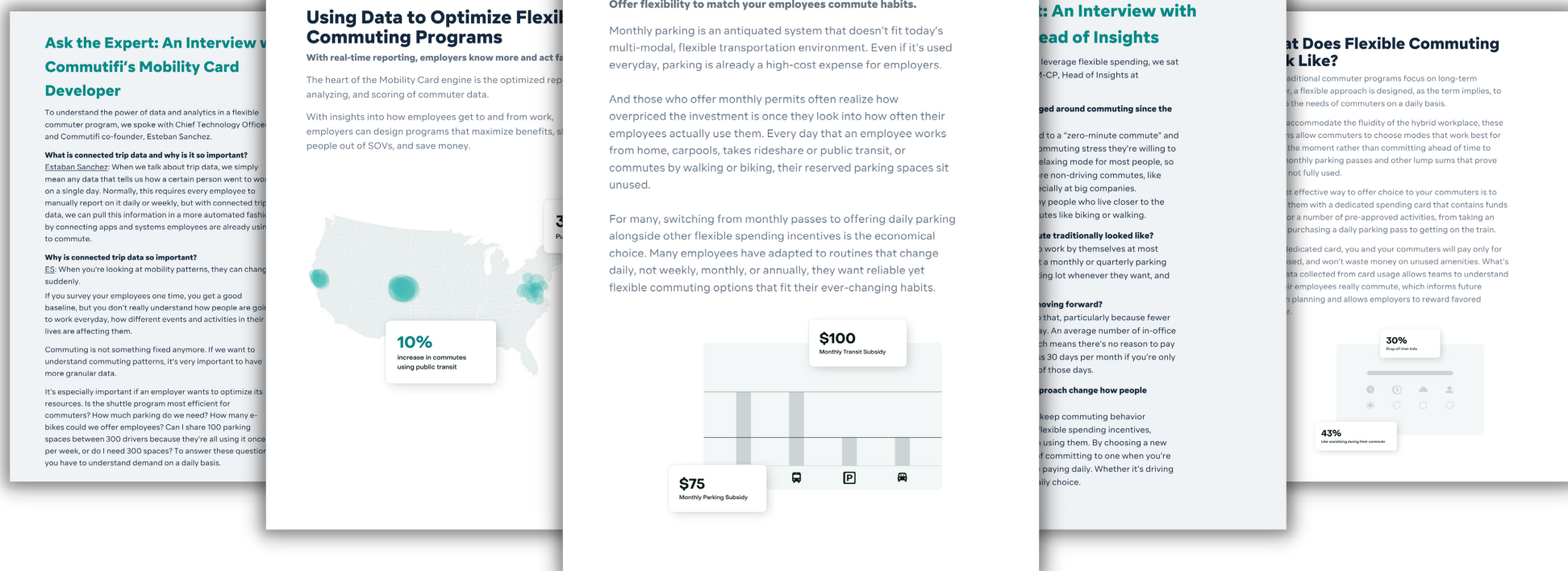


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Introduction

A New Commuting
Landscape

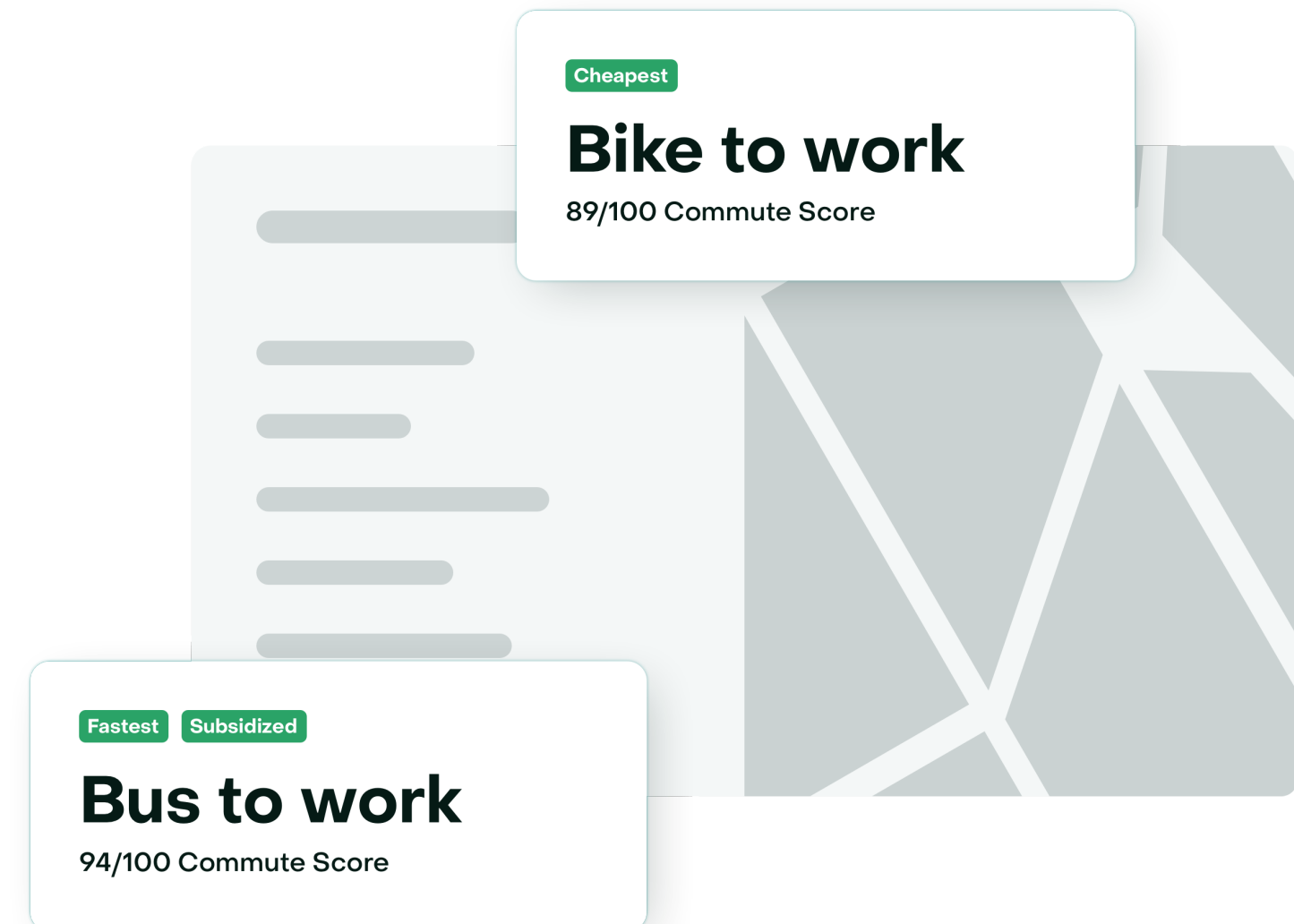
Commuting doesn't look like it used to.

Accelerated by the pandemic, hybrid workplaces—and with them, multi-model commuting—have increasingly become the norm. From public transit to rideshare to shuttles, employees commute in varying ways—and most significantly, may change their preferred mode from day to day.

Now, employers must rethink how they facilitate employees' travel to and from work. But how?

Enter flexible commuting, an approach that replaces outdated, rigid commuter amenities with data-driven, flexible programs financed through a simple spending card. The result maximizes commuter experiences for employees while simultaneously minimizing employer spending.

This whitepaper will consider how you can effectively adopt flexible commuting programs for your employees and explore how one company has modernized their commuting AND food subsidies with the Mobility Card.



Part 1

What Does Flexible
Commuting Look Like?

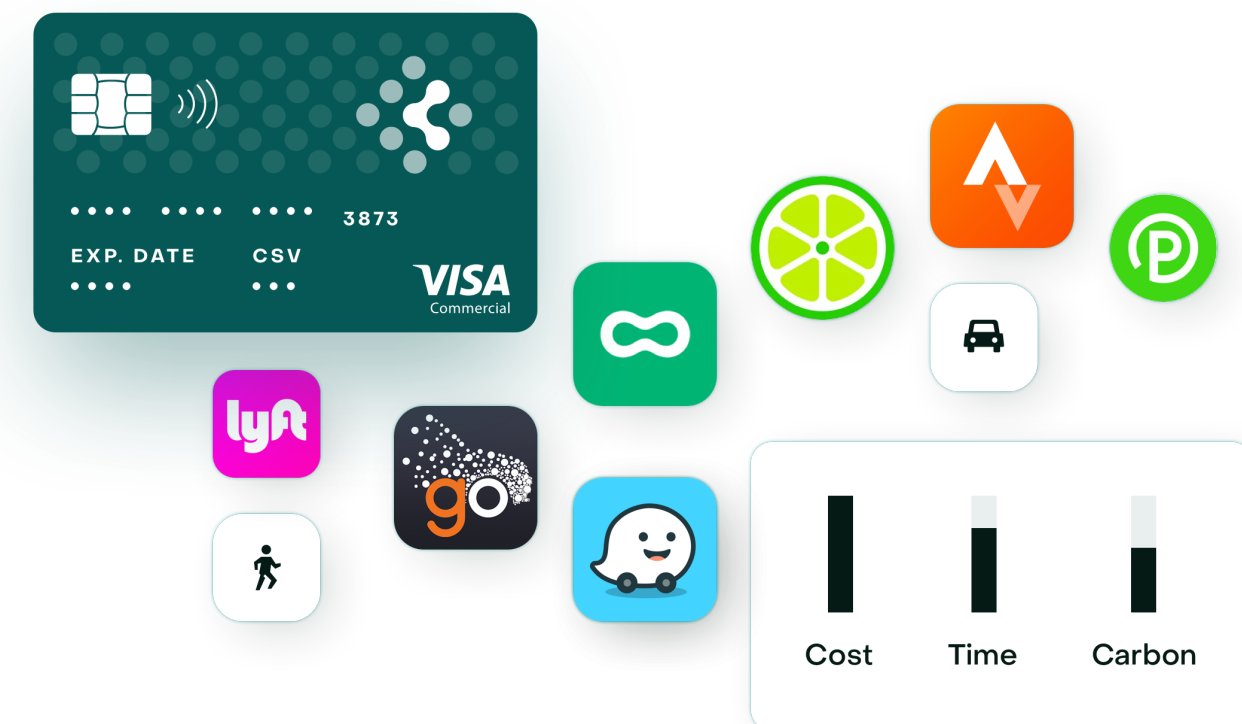
What Does Flexible Commuting Look Like?

While traditional commuter programs focus on long-term behavior, a flexible approach is designed, as the term implies, to adapt to the needs of commuters on a daily basis.

Built to accommodate the fluidity of the hybrid workplace, these programs allow commuters to choose modes that work best for them in the moment rather than committing ahead of time to costly monthly parking passes and other lump sums that prove costly if not fully used.

The most effective way to offer choice to your commuters is to provide them with a dedicated spending card that contains funds usable for a number of pre-approved activities, from taking an Uber to purchasing a daily parking pass to getting on the train.

With a dedicated card, you and your commuters will pay only for what's used, and won't waste money on unused amenities. What's more, data collected from card usage allows teams to understand how their employees really commute, which informs future program planning and allows employers to reward favored behavior.



Part 2

Leveraging Flexible
Spending

Leveraging Flexible Spending

How to get everyone on board.

Flexible spending just makes sense. But how can you make the shift?

If you're considering moving to a flexible spending program, you'll need to understand the answers to three key questions:

- 01 What commuter programs do you currently offer and how much do they cost?
- 02 How do your employees commute today?
- 03 Will employees need to be incentivized to change their commuting behavior?

Let's say an employer is thinking about implementing a flexible commuting approach. They know their current programs cost \$100k annually, but is it money well spent?

After running a survey, the team finds that many employees don't actually take advantage of what's currently in place. It follows that a flexible approach may offer the dual advantages of maximizing the number of employees who take advantage of programs as well as saving the company money

After implementing a flexible spending program, the benefits are clear. One employee who usually takes a bus but who has felt uncomfortable since the pandemic now has the flexibility to take advantage of another mode, like carpool or vanpool.

Once they feel comfortable again, they can switch back! And while the company always encouraged people to use modes other than single occupancy vehicles, it can now offer suggestions and incentives to help nudge people toward greener, more cost-effective choices.

Ask the Expert: An Interview with Commutifi's Head of Insights

To better understand how to leverage flexible spending, we sat down with Andy Keeton, TDM-CP, Head of Insights at Commutifi.

How have expectations changed around commuting since the start of the pandemic?

Andy Keeton: People are used to a "zero-minute commute" and it's changed the amount of commuting stress they're willing to tolerate. Driving is the least relaxing mode for most people, so we should start to expect more non-driving commutes, like shuttles and carpooling, especially at big companies. Meanwhile, we're seeing many people who live closer to the office choosing active commutes like biking or walking.

What has the average commute traditionally looked like?

AK: 75-80% of people drive to work by themselves at most companies, and generally get a monthly or quarterly parking pass, have access to the parking lot whenever they want, and can come in everyday.

How will commutes change moving forward?

AK: We'll see fewer people do that, particularly because fewer people are coming in every day. An average number of in-office days is now closer to 2-3, which means there's no reason to pay for a pass that gets you access 30 days per month if you're only going to the office maybe 12 of those days.

How does a shift to a daily approach change how people commute?

AK: The daily commute helps keep commuting behavior positive, and when you offer flexible spending incentives, people are more interested in using them. By choosing a new commute every day instead of committing to one when you're hired and sticking to it, you're paying daily. Whether it's driving and parking or biking, it's a daily choice.

How can we stem the number of people choosing single-occupancy vehicle (SOV) commutes?

AK: That's why flexibility and the daily system are important. Continuing to give out monthly parking passes won't help commuters reconsider driving. By the end of the month or quarter, they will have built the habit to drive everyday.

The best time to get people to shift their commuter behavior is at a moment of change, like starting a new job or moving. Employers are in a unique position because now, everyone is reevaluating their commutes because most people haven't come in regularly in two years. This moment is an incredible opportunity to shift people's behavior.

How can employers use incentives to help shift behavior?

AK: There are tons of ways companies can choose to reward employees. It can be as simple as telling commuters, "Hey, we'll give you \$3 for every day you don't drive."

Naturally, the best way to change a habit is with money. We're working with companies that have bigger commuting budgets, and they're putting in place programs that give people monetary rewards back on their Commutifi Mobility Cards (Commutifi's flexible spending card) for not driving.

Other companies use point-based systems that award points based on mode. (5 points for driving, 20 points for biking, and so on.)

At the end of the month, those points are redeemed for dollars on their Mobility Cards that can be used wherever companies choose, whether it's the company café, nearby restaurants, or even charities the company supports. Some give employees complete freedom. It's up to the company!

Do you need a big commuting budget to pull this off?

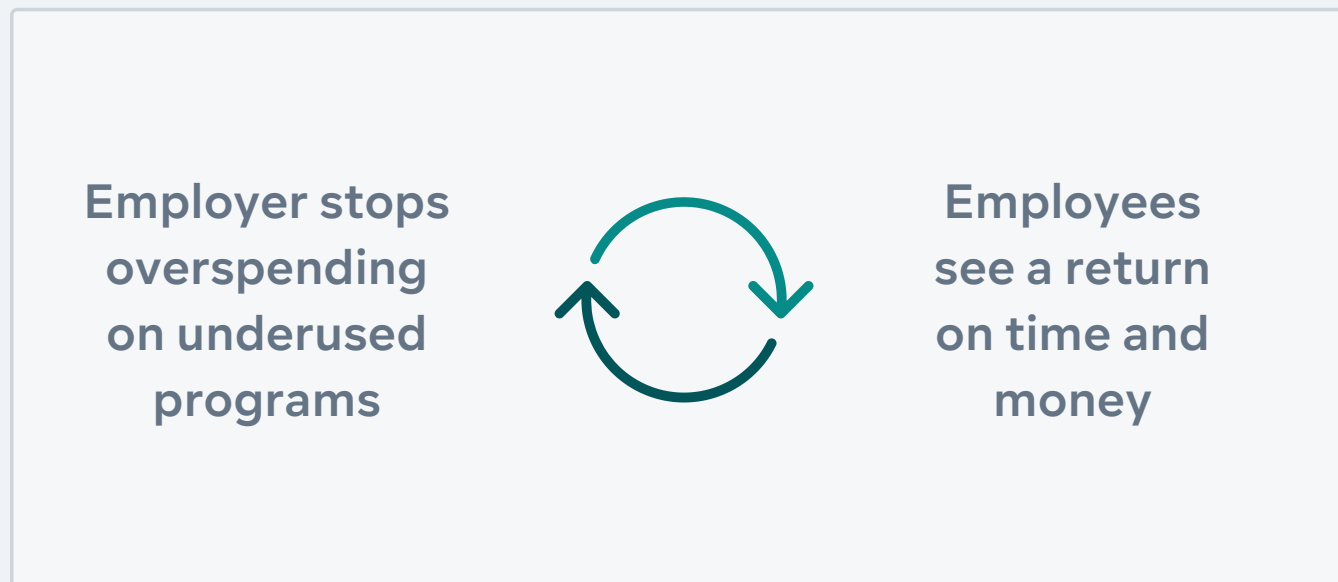
AK: No! If you simply offer free employee parking, this can be a great approach. Because of course, there's no such thing as free parking: you're probably paying at least \$200 a month to lease those spaces.

If that's the case, you can pay your employees \$150 every month as a reward for not driving and still save 25%—plus, your employees get to keep the cash! Regardless of budget, you can probably find a way to shift people away from driving.

A lot of people will choose something other than driving if it means they'll be rewarded.

Why should employers bother to offer incentives and flexible spending?

AK: It's really a win-win. The employer can stop overspending on underused programs, and employees see a return on time and money.



How will this help companies shift to a hybrid work approach?

AK: Many people want to continue working from home at least part-time, so this can make it a little more appetizing for people to come back to the office and reduce the risk of turnover. Having everything managed centrally also makes it easier to offer a wider range of commuting options.

How does Commutifi's Mobility Card help employers provide flexible commuting?

AK: The tech is innovative on our end but super simple on the front end, which is the key. Essentially with the Mobility Card, a company can bucket the funds dispensed through the program. A company offering \$50 a month to every employee can ensure those funds are only used for commutes (parking, transit, rideshare, carpool, etc.). The employee has a physical or virtual card that can be used like a regular credit card wherever they go.

The company can also layer on rewards. Every time someone gets rewarded, additional money goes on the card. The Mobility Card differentiates a purchase from the reward system from a commuting expense and knows which funds to pull from. Employees can log on to their Commutifi dashboard and see how much money they have in each bucket.

On the administrative side, managing amenities is much easier because you only have to distribute a single card rather than separate passes for parking, transit, etc.

The Mobility Card impact with Johnson & Johnson's Facilities Manager

Christina Ng is a Facility Manager in California in charge of the Mobility Card program at Johnson & Johnson in the San Francisco Bay Area, that provides employees flexible subsidies for both commuting and food. We chat with her on the ways flexibility has impacted their company culture.

How do your employees commute and what programs do you offer?

Christina: We have employees commuting in different ways—train, Uber, driving, biking, using our shuttle program and more—so we offer the Commutifi Mobility Card to help distribute subsidies across the board. Each of our employees gets \$250 a month to spend on transportation to and from the office.

How has the Mobility Card helped Johnson & Johnson streamline your employee commuter subsidies?

C: It's all in one place. It makes the different subsidies we offer easier for employees to access and we get to manage all of it in one platform.

How has the Mobility Card supported employees in adopting sustainable mobility?

C: Many of our employees have long commutes, and most don't want to take that long drive. Providing flexible incentives gives people access to more options and that helps a lot with employee wellness. People can do things on the train or the bus they wouldn't be able to do driving everyday. It gives people a healthier commute overall.

How has the Mobility Card helped Johnson & Johnson streamline its employee food subsidies?

C: This one was awesome. We previously only had one food delivery option that wasn't very customizable, so employees preferred to use our onsite cafeteria (it's a little bit better priced, more customizable, and a nice place to hang out with coworkers). Organizing food subsidies for both programs was difficult to manage, but now Commutifi's Mobility Card makes it really easy. We load a \$300 monthly food subsidy on employees' cards, and they are able to spend that on either food option whenever they need...and it's easy to keep track of.

How has the introduction of flexible commuting and food subsidies through the Mobility Card affected your company culture, employee retention, and hiring potential?

C: The Mobility Card is definitely a benefit that our HR team loves to highlight when hiring. And employees love it and use it often, especially at the cafe where coworkers can come together to build a sense of togetherness. It really is a nice benefit.

What's the biggest takeaway someone who's currently making a decision on employer commuter subsidies can take from your company's program?

C: It's a wonderful program! Commutifi has been very supportive when we have issues or changes and the Mobility Card is great in that it can manage multiple subsidies in one place. It's not like having to manage two cards or programs. Employees can log on to their dashboard and see their balances, exactly how much money they've spent, and how much they have left. It's really easy for everyone.



Part 3

Making the Switch from
Monthly to Daily Parking

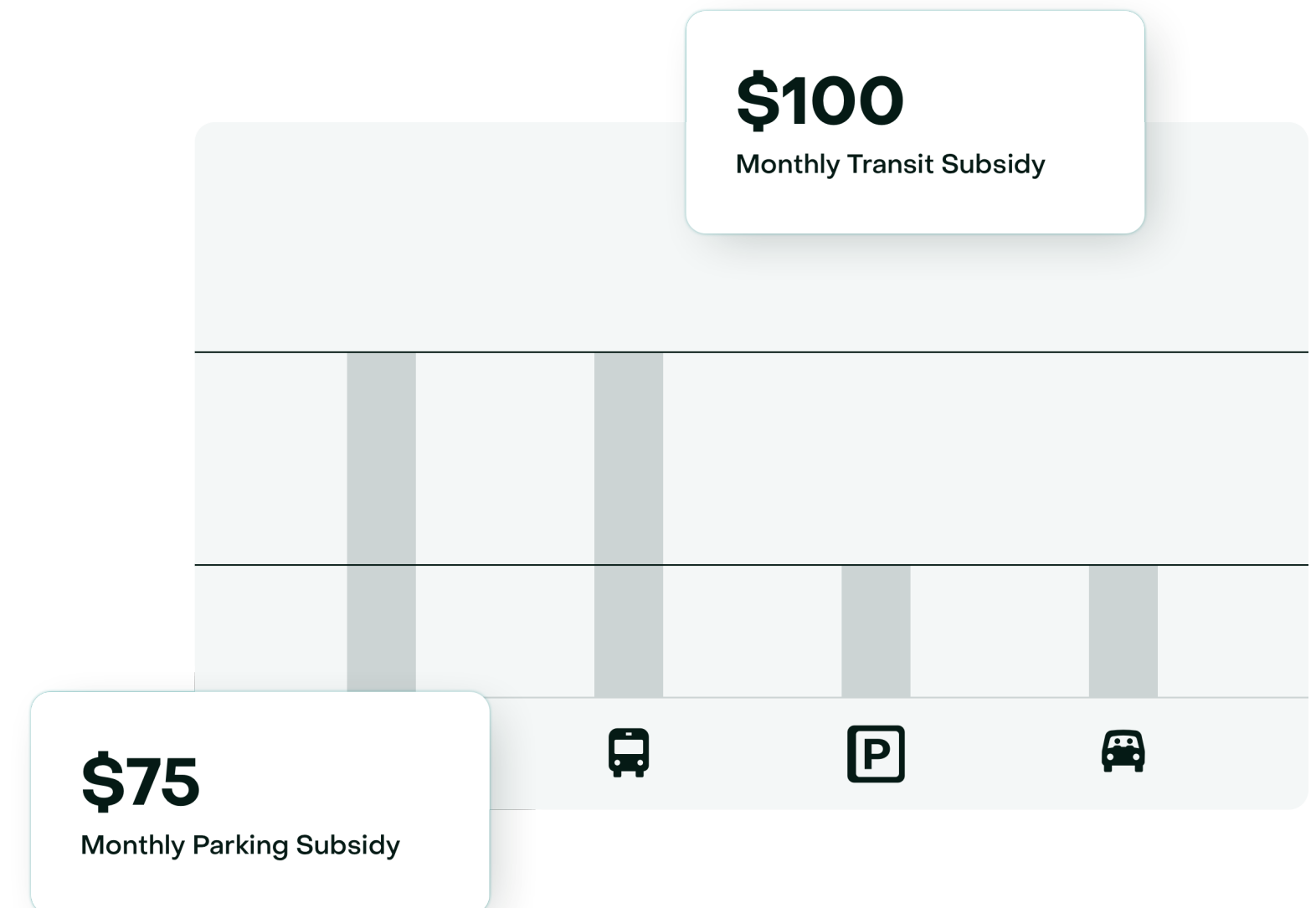
Making the Switch from Monthly to Daily Parking

Offer flexibility to match your employees commute habits.

Monthly parking is an antiquated system that doesn't fit today's multi-modal, flexible transportation environment. Even if it's used everyday, parking is already a high-cost expense for employers.

And those who offer monthly permits often realize how overpriced the investment is once they look into how often their employees actually use them. Every day that an employee works from home, carpools, takes rideshare or public transit, or commutes by walking or biking, their reserved parking spaces sit unused.

For many, switching from monthly passes to offering daily parking alongside other flexible spending incentives is the economical choice. Many employees have adapted to routines that change daily, not weekly, monthly, or annually, they want reliable yet flexible commuting options that fit their ever-changing habits.



Ask the Expert: An Interview with Commutifi's Head of Operations

Connor Martin, Head of Operations at Commutifi, has worked alongside employers as they made the switch from fixed commuter amenities to flexible ones, including daily parking. We asked him to walk us through the reasons employers make the change.

How has the shift to hybrid commuting impacted employers' spending decisions?

Connor Martin: No one can say for sure when the permanent return to the office will happen. So, for the foreseeable future, it's all about flexibility. And when it comes to parking, that means shifting to daily parking over monthly parking.

We're also seeing companies shift to daily parking because they don't expect people to come into the office every day, which makes the upfront cost of monthly parking feel burdensome.

With the unpredictability of hybrid work, how do companies ensure they're saving money?

CM: Sometimes people who are utilizing daily parking come in four days a week. At that frequency it's often cheaper to buy a monthly pass. In that case,

for our clients who have defaulted to the daily parking pass, we'll use Commutifi's system to optimize by switching them to monthly parking to save the company money.

What's the difference between managing a monthly vs. daily parking program?

CM: Monthly parking is a very static process. Once you start shifting to daily parking, a lot comes up, especially if the company is paying for employee parking and expensing every single employee's individual credit card payment, which is burdensome to manage. The system is simple up front, but there is a lot of managing to be done behind the scenes.

Like what?

CM: If you have 100 employees paying for their own parking, that's 100 different expense reports a day, 500 a week, 2,000 a month that you have to manage. Or there's a daily validation process in ordering, distributing and tracking validations. Whether you're expensing or using validations, it's an incredible amount of manpower and outside forces that go into the daily parking scene.

Flexible Spending Cards

Automate the Complexity

Daily parking is the ideal, but it's nearly impossible to manage manually. Instead, options like Commutifi's flexible spending card, the Mobility Card, can help employers manage transactions, as well as track commuter behavior that can inform future program and amenity offerings.

What's more, by only paying for what they use, employees and employers can significantly reduce commuting costs. The best part? A flexible approach means companies will always get the most cost-effective price. "Once we see people coming in four days per week, we'll shift them from the daily parking to monthly parking, and they're back to saving money," says Martin.

Hypothetical Parking Price Breakdown for 100-Person Office in Which Employees Park 3x/Week

	Monthly Pass	Daily Parking via Mobility Card
Cost	\$300/mo	\$20/day
Savings	n/a	\$6,000+

How does a flexible spending card make life easier for employers?

CM: The Mobility Card allows accounting teams to see program spending in the month that it happened and be charged for that exact month. They don't have to distribute large chunks of cash that really should be distributed over several months.

What about for employees?

CM: Employees get the flexibility to spend like they're paying on their own credit card. They don't need to pick up validations or get approval, because they are already pre-approved.



No one can say for sure when the permanent return to the office will happen. So, for the foreseeable future, it's all about flexibility.



Part 4

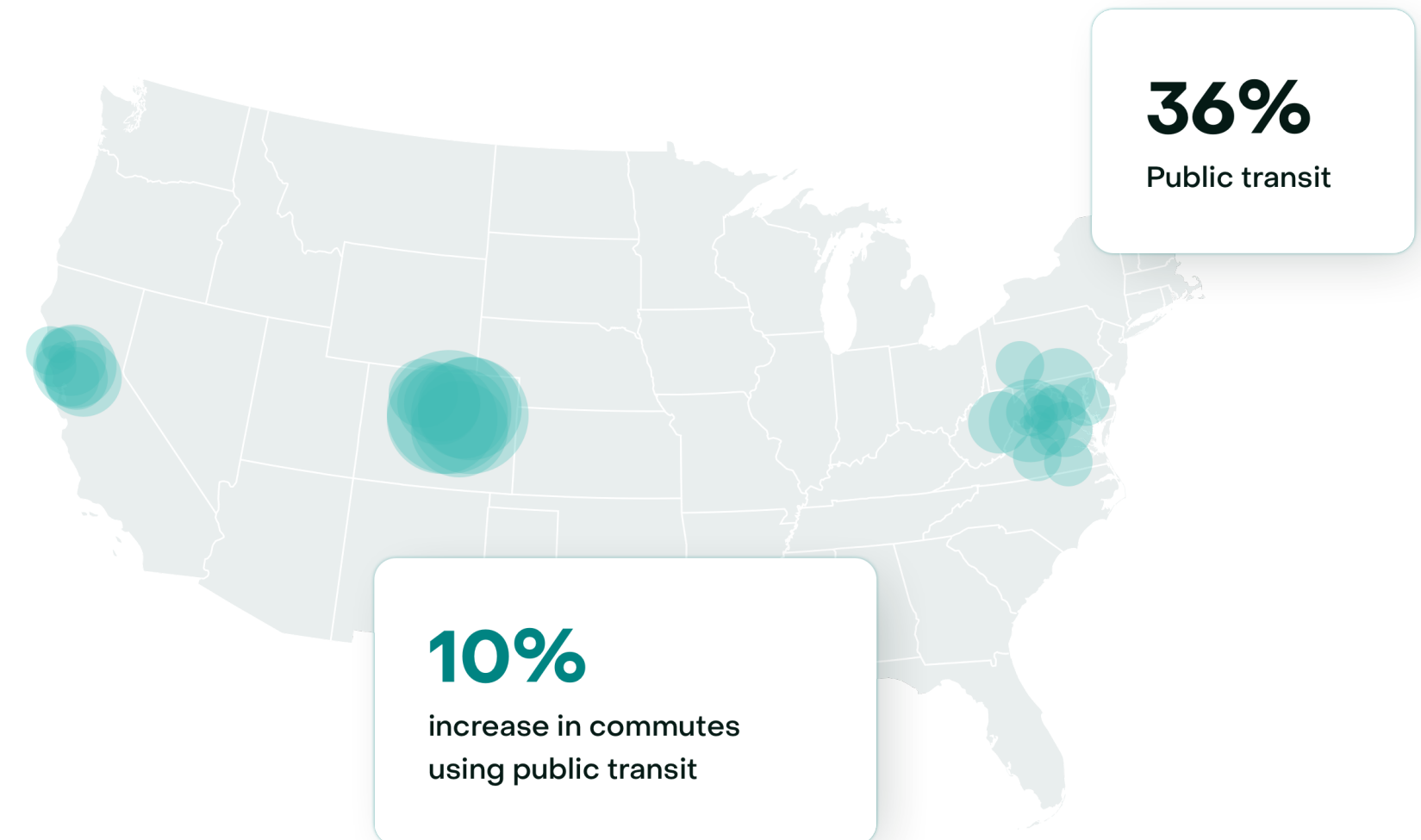
Using Data to Optimize
Flexible Commuting
Programs

Using Data to Optimize Flexible Commuting Programs

With real-time reporting, employers know more and act faster.

The heart of the Mobility Card engine is the optimized reporting, analyzing, and scoring of commuter data.

With insights into how employees get to and from work, employers can design programs that maximize benefits, shift people out of SOVs, and save money.



Ask the Expert: An Interview with Commutifi's Mobility Card Developer

To understand the power of data and analytics in a flexible commuter program, we spoke with Chief Technology Officer and Commutifi co-founder, Esteban Sanchez.

What is connected trip data and why is it so important?

Esteban Sanchez: When we talk about trip data, we simply mean any data that tells us how a certain person went to work on a single day. Normally, this requires every employee to manually report on it daily or weekly, but with connected trip data, we can pull this information in a more automated fashion by connecting apps and systems employees are already using to commute.

Why is connected trip data so important?

ES: When you're looking at mobility patterns, they can change suddenly.

If you survey your employees one time, you get a good baseline, but you don't really understand how people are going to work everyday, how different events and activities in their lives are affecting them.

Commuting is not something fixed anymore. If we want to understand commuting patterns, it's very important to have more granular data.

It's especially important if an employer wants to optimize its resources. Is the shuttle program most efficient for commuters? How much parking do we need? How many e-bikes could we offer employees? Can I share 100 parking spaces between 300 drivers because they're all using it once per week, or do I need 300 spaces? To answer these questions, you have to understand demand on a daily basis.

How can commuter data help employers improve their environmental impact?

ES: Companies are increasingly looking to understand what their impact is and make progress toward sustainability goals. Governments are looking to understand what their driving rates are and how to reduce them. If we want to get accurate data we need to maximize our amount of trip-level data.

How can commuter data help employers optimize their commuting programs?

ES: Without trip data, it might take years to understand if a program is cost efficient, impacts the environment positively, or makes employees happier. With trip level data, you get a quicker pulse on the program's ROI and you have the lever to start taking action to increase engagement, improve your program and report on it.

Currently, there are some systems that are easier to connect. If you have a parking gate, it's easy to know how many people parked today. But mobility is a complex ecosystem. There are so many different ways you can move, and the Mobility Card helps employers understand specifically how employees actually spend their money when they are commuting.



Commuting is not something fixed anymore. If we want to understand commuting patterns, it's very important to have more granular data.



Conclusion

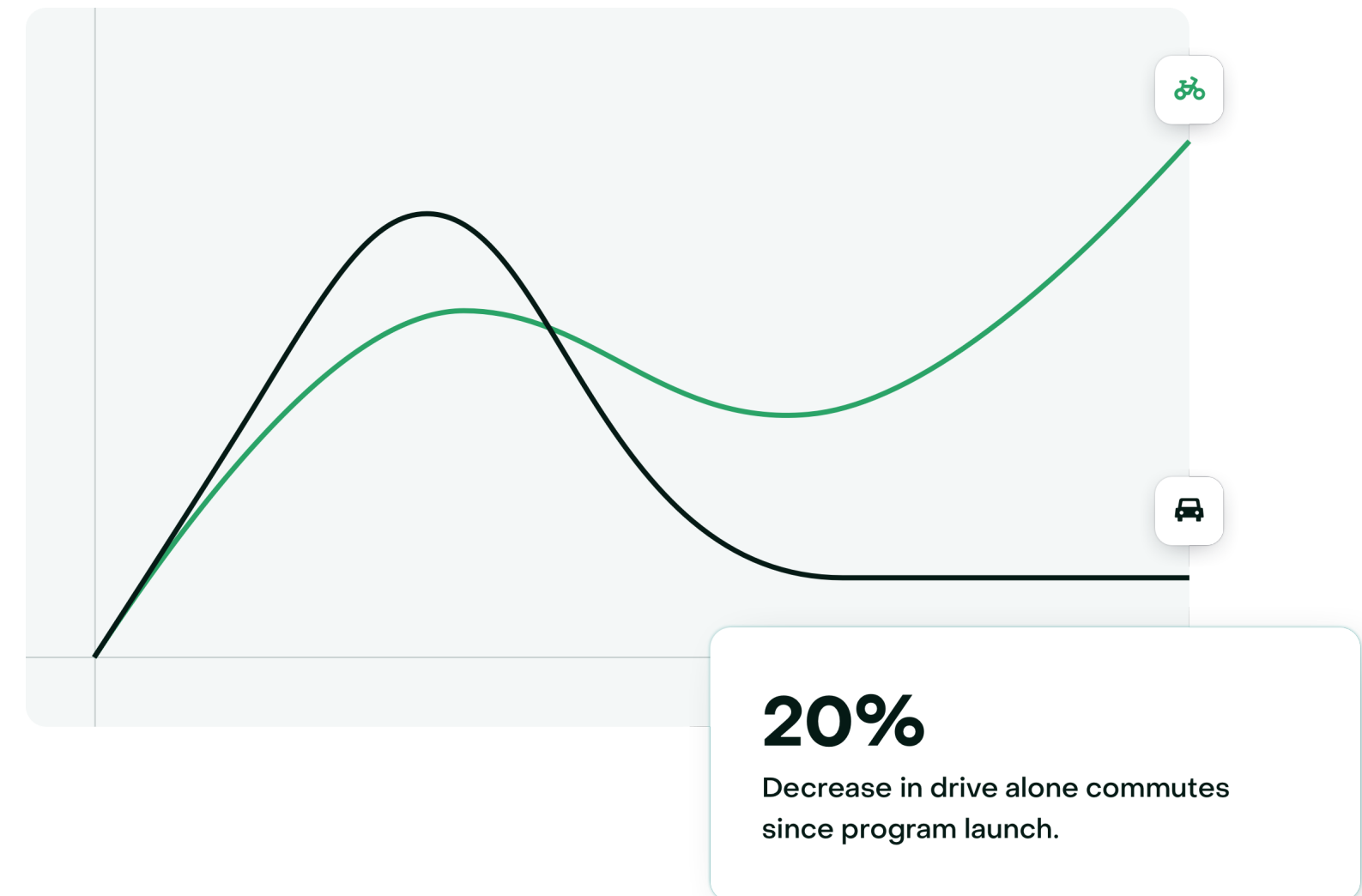
Flexible spending is the
multi-modal future.

Flexible spending is the multi-modal future.

As employers and employees navigate a multi-modal future defined by hybrid work, the approach to commuter programs must evolve. Gone are the days when rigid, standardized programs would suffice.

Today, employers must offer their commuters flexibility and choice in order to ensure cost-effective programs and happy employees.

Though the task may seem daunting, flexible commuting cards like the Commutifi Mobility Card allow employers to simplify program management with a single card, incentivize positive commuter behavior with rewards, and optimize programs with connected trip data.





Flexible Commuting at Your Fingertips

Let your employees commute how they want and only pay for what they use with Commutifi's Mobility Card.

Use Commutifi's Mobility Card to:

- Tailor flexible commuter benefits programs
- Create custom spending limits on subsidies
- Track and analyze commuting habits with connected trip data
- Provide incentives and rewards for good commuting behavior
- Save time and money on commuting programs

Ready to provide flexibility to your commuters with a rewards card built for a multi-modal future?

[Learn more](#)

**Schedule a
call with
our team**