



## **The Impacts of this Winter's Weather on ABC Members**

**March 2015**

Greater Boston experienced a series of winter storms that produced record snow fall throughout the region. The unprecedented amounts of snow caught the region's transportation agencies unprepared to manage the impacts before, during, and after the storms. Now still, a month after the last significant storm, the MBTA's Commuter Rail system, operated by Keolis is still operating on a reduced schedule. The failures of our transportation system had real economic impacts on businesses and commuters from lost productivity, lost business, and lost wages. To gather a better understanding of these impacts, A Better City, conducted a survey of its membership, which includes a cross section of the region's largest employers, building owners, and institutions and received detailed feedback from 40 members.

The following provides a summary and highlights of the responses we received.

- The effects of the MBTA shutting down were significant; 48% of respondents reported that business revenues and net profits decreased in January and February (compared to the year before) because of the impacts of the winter weather events. Another 38% reported that it was too early to know what the impacts might be. Only 14% reported that revenues and net profits remained the same. No respondent reported an increase in revenues or profits. In one instance, the closure of the MBTA on Sunday, February 15<sup>th</sup>, resulted in the cancellation of the second day of the Boston Wine Expo, as the Seaport Hotel & World Trade Center determined that it would be in the best public interest to close and refund tickets versus encouraging people to try and find other ways to get to the event without the MBTA in service. The direct financial impact of this was more than \$200,000 loss in revenues and hopefully no lingering negative sentiment amongst vendors when it comes time to book booths for next year's event.
- Financial impacts came through a multitude of areas including: lost productivity, canceled appointments, canceled visits, increased costs for maintenance/operations, and increased transportation costs. Respondents reported a drop in overall morale as employees had to utilize sick/personal time because they were unable to get into work or because they had school-aged children at home due to school closings that necessitated their absence even if they could have traveled into work.

- Eighteen percent of respondents reported a decrease in the number of transit passes being sold through their corporate pass programs. While not significant, around 1% on average, it is not yet known whether these losses will be long-term or if these riders will return to public transit once the system is up and operating at its full capacity. Based on feedback from individual commuters and our own observations, it appears that monthly pass holders have determined that the likelihood of passes being checked (especially on the commuter rail) is low right now and that the odds are in their favor to simply purchase a pass and pay the additional fee on board the train versus paying up front for the entire month.
- Respondents reported that the median number of days that this winter's weather reduced their business's on-site staff levels or required all employees to stay home was 4 days. In some cases, these closures had a further negative impact on the individual employee as almost half of respondents reported that they continued to pay salaried and contract employees only during the closures and just less than half reported paying all employees including hourly employees for the time lost.
- While there were many impediments to getting employees to work during and after this winter's storms, each of the following were identified by over 85% of respondents as the most challenging: MBTA Subway Service (96%), Roadway Conditions (92%), MBTA/Keolis Commuter Rail Service (88%), and MBTA Bus Service (85%). Sidewalk conditions and parking availability were also identified by 38% of participants each. However, when asked to select the TOP TWO impediments to getting employees to work during and after this winter's storms, MBTA Subway Service (88%) and MBTA/Keolis Commuter Rail Service (56%) were far and away the leading impediments. As is well known, both of these services had a multitude of incidents that greatly impacted normal service operations. In fact, Commuter Rail is still operating on a limited service schedule, which continues to impact commuters who now have fewer and more crowded trains and when engines breakdown or other equipment fails, there are no longer immediately available back-ups to ensure reliability.
- Due to the impacts of the weather and MBTA service failures, 42% of respondents stated that they allowed employees to work from home during and after the storms. This compares to only 4% of employers that stated that they normally allowed employees to work from home. A significant increase, which aligns with the general feeling that there was a loss in employee productivity as the employees that were being asked to work from home may not have been fully prepared to do so; lacking access to files and other information as well as the inability to meet with colleagues and clients. 23% of respondents reported that working from home was not an option for employees as the nature of their job would not allow for it, especially for employees within the healthcare and hospitality sectors.
- When asked if they provided assistance to employees with commuting options to get into work during this winter's storms, above and beyond, their normal commuter services, 42% of

respondents reported in the affirmative. These organizations represented some of the city's largest employers within the healthcare and financial sectors; organizations that could not close or have large numbers of employees working from home. These efforts included providing/reimbursing employee transportation expenses for the use of taxis/Uber/Lyft; asking employees to sleep/stay on site; paying for parking; and providing employees with places to stay (hotels) closer to work. While most reported that the costs associated with these efforts were not yet known, responses that we received ranged from a few hundred dollars to more than \$100,000.

While the impacts of this winter's storms on our transportation systems were unprecedented we must accept the fact that severe weather events, whether they be record breaking snow storms, rain induced flooding, tropical storm surges, or high heat will continue to increase in strength and regularity as our world's climate changes. We must learn from these events and develop new plans for action that increase our ability to respond and recover our transportation services so that we minimize the economic impacts.

To be prepared for the next storm, businesses should consider beginning or expanding efforts to increase their resilience. This could include:

- Investing in technology upgrades to provide remote access and facilitate telecommuting during storms and other weather related events.
- Engaging vendors to ensure adequate supplies in advance of storms.
- Establishing written plans and procedures for severe weather procedures.
- Establishing or reviewing staffing requirements.
- Developing written resiliency plans for severe weather and other risks that include transportation and mobility for employees, customers, clients, and patients.

ABC, through its sustainability and climate change initiatives will continue to explore and bring to its members new research and best practices aimed at increasing your organizations preparedness and resilience. We encourage you to view our recently released report and online toolkit for "Enhancing Building Resilience Measures". The toolkit provides members with useful information on over 30 technologies and services that can be implemented to strengthen your building to severe weather events. You may view the toolkit online at: <http://challengeforsustainability.org/resiliency-toolkit/>.