The Future of Public Transit: Which Problem Should we be Trying to Solve?

April 13, 2023
Problems Transit is Asked to Solve

- Traffic congestion
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• Traffic congestion
• Climate Change
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- Traffic congestion
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- Transportation safety
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- Social and racial inequity
Problems Transit is Asked to Solve

- Traffic congestion
- Climate Change
- Transportation safety
- Social and racial inequity
- Homelessness
Other Problems You Might Not Know Mass Transit is Asked to Solve

- Transportation for the elderly and people with disabilities
- Small and minority business participation
- Providing new jobs
- Elected officials’ poll numbers
- Fair contracting
- Fair hiring
- Weather-related transportation challenges
- Special event transportation
- Auto-oriented development
How are we doing?

"Total Ridership (000s)"

Millions

Year

Total Ridership (000s)
How are we doing?

Per Capita Ridership
Three Options for Transit

Act Like A Business
Act Like A Public Service
Find A New Funding Model
Transit as a Business

- **Fares charged at market rate**
  - Peak and off-peak fares, distance-based etc...
  - Avoids subsidizing those who do not need it

- **Other objectives funded as needed by other governmental entities**
  - Agency operates as a contractor for social objectives
  - Capital construction undertaken based on market needs

- **Focus on attracting customers**
  - Ability to compete by improving the experience
Transit as a Business

Benefits

- Likely to increase ridership
- Improves fiscal health and certainty
- Shifts burdens away from the agency

Drawbacks

- Challenging to execute
- Less likely to achieve social objectives
Similar to libraries, fire departments, parks
- No fares to be charged
- Rules of conduct enforced

No expectation of financial self-sufficiency
- Public services cost money and this one is no different
- Consistent with function in most places in the U.S.

Focus on providing a good public service
- Moves away from unattainable ridership goals
- Consistent with the idea of Universal Basic Mobility
Transit as a Public Service

Benefits

- Likely to improve equity outcomes by removing fares
- Admits purpose in most places allowing a focus on that goal

Drawbacks

- Forgoes traditional transit coalition
- Risks dwindling support
Transit Based on Funding

Current funding sources are unrelated to purpose

- Sales taxes are regressive and just easiest to pass
- Federal money is abstract and only slightly related to use

Funding sources that are related help create accountability

- Abstraction makes it challenging to find the right metric
- People understand paying social security even though they do not benefit

Focus on meeting the goal specified by the funding source

- Congestion pricing = reduce congestion
- Wealth tax = improve equity
- Fuel tax = reduce emissions
Transit based on Funding

Benefits
- Forces policymakers to determine the purpose along with the funding
- Funding mechanism itself offers benefits towards purpose

Drawbacks
- Challenging to execute
- Requires re-alignment of interests
Conclusions

• Transit trends of the last several decades have been accelerated by COVID

• Transit cannot continue down the same path and expect different results

• Transit leaders need to push for a clearer mission to be successful