

NEW YORK CITY TRANSIT FARES

NYPIRG Straphangers Campaign

July 2014

The MTA's \$13.5 billion budget is funded under a basic principle: Every sector of the region that benefits from the most extensive transit system in America contributes. That means riders through fares; drivers through tolls and a gas tax for a transit system that greatly reduces congestion; businesses who depend on transit to move workers and customers; and real estate owners whose building values depend upon transit. **This fact sheet details the current contribution of riders.**

1. Riders' Burden: MTA New York City Transit already has one of the highest fare box operating ratios in the nation at 43%. That's the share of operating costs covered by fares. Former MTA Chairman Joseph Lhota said in September 2012 that "when you compare the public support given to mass transit agencies nationwide on a per customer basis, New York ranks at the very bottom."

2. Other Cities: In comparison to New York City Transit's 43% ratio, the average for the top 50 agencies nation-wide that operate both buses and subways was 36% in 2012. That's according to the Federal Transit Administration. Looking at big cities that run both heavy rail and buses, the fare box operating ratio in Los Angeles was 22%, Atlanta 25%, Miami 25%, Boston 30%, Philadelphia 37%, Chicago 43%, and Washington, D.C 46%. (See Tables One and Two.)

3. 2015: If a fare hike is enacted in 2015, this will be the fifth subway, bus and commuter rail fare increase since 2007. According to NYS Comptroller Thomas DiNapoli: "If the MTA raises fares and tolls as planned, by 2015 fares and tolls will have increased by 35% since 2007" with the last two hikes at "almost three times the projected rate of inflation."

4. IBO: The NYPIRG Straphangers Campaign asked the NYC Independent Budget Office to estimate how much base and discount fares would grow over the next 10 years under existing transit plans. "Among our findings: Fares would increase 50 percent by 2023 if there are five biennial fare increases of 8.4 percent. For example, the current \$2.50 base fare would reach \$3.75 in 2023, the price of a seven-day unlimited pass would increase from \$30 to \$45, and the 30-day pass from \$112 to \$168." This fall transit officials relented and halved the planned fare increase. See <http://www.ibo.nyc.ny.us/iboreports/2013mta.html> and http://www.nytimes.com/2013/11/14/nyregion/mta-sees-smaller-rise-for-its-fares-in-15-and-17.html?_r=1&

5. CBC: One group – the Citizens Budget Commission – warns that the use of "farebox operating ratio" can sometimes oversimplify the debate. It is clear however where the group comes out in that debate: "Other large systems combined (heavy rail and bus) have an average ratio of 38 percent. Rather than use this statistic to argue against fare increases in New York, it is appropriate to view New York and other systems with high recovery ratios as heading in the right direction." Others point out that NYC Transit offers greater benefits than other systems do, such as much greater number of subway stations, 24-hour service and regular express service. See www.cbcny.org/sites/default/files/REPORT_MTA_10102012.pdf.

TABLE ONE
National Transit Database Fare Revenues Expended for
Top American Transportation Agencies, 2012*

Agency	Fare Revenues Expended	Fare Revenue Percent of Operating Funds Expended
MTA-MNCR	\$588,121,687	59%
WMATA	\$714,512,997	46%
NJ TRANSIT	\$891,835,082	44%
MTA NYCT	\$3,622,833,825	43%
CTA	\$551,162,509	43%
SEPTA	\$451,094,843	37%
Top 50	\$11,501,300,000	36%
MBTA	\$472,185,325	30%
MARTA	\$130,642,970	25%
LACMTA	\$359,058,439	25%
MDT	\$109,887,287	22%

* This table shows fare revenues and the percentage they comprise of operating funds expended for top transportation agencies that operate both buses and heavy/commuter rail. All data presented herein can be found on the National Transit Database at <http://www.ntdprogram.gov/ntdprogram/data.htm>.

TABLE TWO
National Transit Database Heavy Rail, Commuter Rail and Bus Operating Expenses and Fare Revenues for Top American Transportation Agencies, 2012*

Agency	Heavy and/or Commuter Rail Fare Revenues	Heavy and/or Commuter Rail Operating Expenses	Heavy and/or Commuter Rail Fare Percent of Operating Expenses	Bus Fare Revenues	Bus Operating Expenses	Bus Fare Percent of Operating Expenses	Rail and Bus Fare Combined Percent of Operating Expenses
Top 50	\$6,778,800,000	\$11,214,700,000	60%	\$3,926,800,000	\$13,300,000,000	30%	44%
MTA NYCT	\$2,742,048,577	\$3,744,080,311	73%	\$870,480,359	\$2,501,969,119	35%	58%
MTA-MNCR	\$587,493,227	\$940,674,081	62%	\$405,431	\$1,235,035	33%	62%
MTA LIRR**	\$581,408,370	\$1,163,468,650	50%	- - -	- - -	- - -	- - -
MTABUS***	- - -	- - -	- - -	\$181,904,420	\$525,584,463	35%	- - -
NJ TRANSIT	\$505,722,480	\$869,846,760	58%	\$358,223,542	\$812,246,788	44%	51%
WMATA	\$569,237,545	\$843,658,227	67%	\$137,450,600	\$565,803,610	24%	50%
CTA	\$262,542,243	\$515,014,905	51%	\$288,620,266	\$768,077,305	38%	43%
SEPTA	\$231,561,989	\$439,300,865	53%	\$177,847,064	\$596,307,945	30%	40%
MBTA	\$299,813,313	\$631,559,996	47%	\$82,359,171	\$372,287,102	22%	38%
MARTA	\$70,440,991	\$177,812,219	40%	\$58,666,663	\$211,539,134	28%	33%
LACMTA	\$33,664,560	\$105,619,995	32%	\$272,571,045	\$901,961,216	30%	30%
MDT	\$21,194,397	\$76,284,971	28%	\$84,414,416	\$304,832,932	28%	28%
BART**	\$366,474,018	\$488,882,256	75%	- - -	- - -	- - -	- - -

*This table shows analyzed fare operating ratios for top transportation agencies. In general, operating ratios are higher for heavy/commuter rail than for bus. All data presented herein can be found on the National Transit Database at <http://www.ntdprogram.gov/ntdprogram/data.htm>. Fare revenues and operating expenses for Demand Response, Light Rail, Trolleybus, Street Car Rail, Ferryboat, Hybrid Rail, Vanpool, Monorail/Automated Guideway, or Bus Rapid Transit are not included.

** System does not include Bus service.

*** System does not include Heavy or Commuter Rail.